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SENATE—*Friday, March 3, 1978*

(Legislative day on Monday, February 6, 1978)

The Senate met at 10 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. BIRCH BAYH, a Senator from the State of Indiana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

"O Thou by whom we come to God,
The Life, the Truth, the Way;
The path of prayer Thyself hast trod,
Lord, teach us how to pray."
—JAMES MONTGOMERY, 1818.

Not with words only but with our whole being we lift our earnest prayer to Thee, O Lord. Make us better persons today than we were yesterday. Make us better in the science of government and better in the service of Thy kingdom. Deliver us from weariness and discouragement. Lift us above all pettiness and meanness that we may walk with the grace and dignity of persons created in Thy image.

O Lord, Giver of every good gift, grant us strength and wisdom to press forward with the tasks before us. Help us so to live and so to work now that goodness and mercy may follow us all our days and we may dwell in the house of the Lord forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 3, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BIRCH BAYH, a Senator from the State of Indiana, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BAYH thereupon assumed the chair as Acting President pro tempore.

NOMINATION OF G. WILLIAM MILLER TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of the nomination of Mr. G. William Miller, of California, to be a member of the Board of Governors of the Federal Reserve System.

The clerk will state the nomination.

The legislative clerk read as follows:

Nomination. Federal Reserve System. G. William Miller, of California, to be a Member of the Board of Governors of the Federal Reserve System.

The Senate proceeded to consider the nomination.

The ACTING PRESIDENT pro tempore. Time for debate on this nomination is limited to 2 hours, to be equally divided and controlled by the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Massachusetts (Mr. BROOKE), with a vote thereon to follow.

Who yields time?

Mr. STEVENS. Mr. President, I ask unanimous consent that Brian Bradley, of my staff, be granted privilege of the floor during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum with the time to be equally charged to both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make that suggestion.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time?

Mr. HEINZ. Mr. President, I ask unanimous consent that Mark Bisnow of my staff be granted privilege of the floor during consideration of this matter.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PROXMIRE. If the Senator will yield very briefly, I would like to ask unanimous consent that Ken McLean, of the staff of the Senate Banking Committee, Mr. Lindy Marinaccio and Mr. Steven Roberts, of the Senate Banking Committee, Howard Shuman, of my staff, and John Washburn, of my staff, be granted privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Who yields time?

Mr. HEINZ addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, the Senate is now considering the nomination of Mr. G. William Miller to be a member of the Board of Governors of the Federal Reserve Board.

The PRESIDING OFFICER. The Chair inquires of the Senator from Pennsylvania whether he is speaking on the time of the Senator from Massachusetts.

Mr. HEINZ. Yes. I ask unanimous consent that such time as I may require be charged to the time of Senator BROOKE.

The Banking, Housing, and Urban Affairs Committee reported favorably Mr. Miller's nomination yesterday, by a vote of 14 to 1. As the Members of this body may well recognize, the vote had been delayed for several weeks due to a staff investigation of reports that Textron, Inc., of which Mr. Miller has long been chief operating officer, has engaged in questionable payments to foreign officials. Although the Securities and Exchange Commission and the Justice Department, which are just beginning to undertake their own investigations of this matter, may yet have the last word, the members of the Banking Committee have determined that, given the evidence to date, Mr. Miller's name should be cleared and his nomination should go forward.

I joined in the nearly unanimous vote of the committee in sending the nomination forward. Nevertheless, I wish to reiterate to my colleagues certain concerns about information which surfaced during the investigation.

I set forth these concerns in some detail yesterday, on the floor of this Chamber, and those remarks appear on page 5380 of the March 2, 1978, CONGRESSIONAL RECORD.

The committee, at great length, looked into Mr. Miller's qualifications, looked at great length into Textron's dealings with Iran, with Air Taxi, and looked into a variety of related matters as well.

It is the judgment of this Senator that, notwithstanding many unresolved questions regarding Textron, Bell Helicopter, Air Taxi, and high Iranian officials, there was nothing in that testimony, up to this point, that in any way demonstrated that Mr. Miller himself knew of, or in any way participated in, anything questionable. It is for this reason, Mr. President, that we bring to the Senate today the nomination of Mr. Miller. In the

judgment of 14 of the 15 members of the committee, he passed the tests that each member of the committee applied in his own best judgment to Mr. Miller's qualifications.

Since it was not a unanimous vote, Mr. President, I shall be very pleased in a moment to yield to the other side on this question, Senator PROXMIRE, the chairman of the committee; but first I yield to the distinguished Senator from New Mexico (Mr. SCHMITT).

Mr. SCHMITT. Mr. President, I appreciate the courtesy of the Senator from Pennsylvania.

I will vote for confirmation of the nomination of G. William Miller as Chairman of the Federal Reserve Board. My original reservations were based on his earlier writings, statements, and testimony. However, in private conversations and recent testimony, Mr. Miller has come across as a much more responsible individual with respect to monetary policy and his independence from the White House than I had originally believed him to be. I now believe that all our apparent differences have been resolved.

To summarize Mr. Miller's most recent statements, I ask unanimous consent to have printed in the RECORD certain portions of his testimony in response to questions posed by the Senator from Indiana (Mr. LUGAR) and me.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator LUGAR. Thank you, Mr. Chairman. Mr. Miller, during the 1960's, in order to accommodate what was then termed the guns and butter type economy, the Federal Reserve Board cooperated substantially with the Administrations in expanding the supply of money.

Now to play the Devil's advocate, Robert Samuelson, in an article in the National Journal of January 21, 1978, suggested that the Federal Reserve Board, if it really wanted to, could stop inflation. He suggested as a hypothetical example that regardless of the scenario of 10 percent nominal growth I have talked about, the Federal Reserve Board could simply decree that the money supply will increase by no more than say 4 percent.

At that point, in fairness to Mr. Samuelson, he says no one really knows what the results would be; a massive recession, even a depression is a good possibility. Credit needs, businesses, consumers, local governments, would collide with the stingy money supply, starve for credit, and weak firms would collapse, new home construction would shrink, investment would shrivel. But perhaps this discipline ultimately would be a healthy shock treatment to destroy the inflationary mechanisms and psychology, what-have-you.

As you take a look at your potential leadership, granted there are six other persons sitting around the table who will do more than assist you, all of whom have a vote, what is your outlook? Is it to be one essentially of accommodating the growth plus inflation so that all of the vested interests that come into this Committee and the suggestion, for example, that housing is being stifled, or that general business is being shot down by the Federal Reserve Board, are they to be accommodated at each turn?

Is inflation really that serious in the country? I am inclined to feel it is, and from private conversations I know you share that view. And what are the limits of authority of the Federal Reserve Board, or how are you prepared to test them?

Mr. MILLER. Senator Lugar, the most serious economic problem we have is inflation. There is no doubt in my mind about that.

As I have said before, I don't believe it is in the national interest or can be allowed to happen, for the inflation rate to continue at 6 percent. I think it is far too high.

But I also think that abrupt action on the economy can bring unexpected consequence and we might trigger results that we cannot predict, and we might live to regret it. Because we have a very serious dilemma. We cannot afford inflation and, in the state of the economy now, we cannot afford a recession, because a recession would generate more inflation as we would go to a budget of $120 billion for sure, and we would dry up investment and we would be in deep trouble.

So the Federal Reserve has that very, very difficult task of staving off inflation on a multi-year basis, by pulling those rates of growth below that, but on a prudent course, with some leeway looking at the economy as it is operating each year, how to keep it on a moderate path of growth, not let it grow too fast to get into bottlenecks and more inflation, not letting it grow too slow to trigger a recession, which would certainly end up being inflationary as well as distressing.

Senator LUGAR. You are saying to lean on it?

Mr. MILLER. To lean against the problem, but I am quite unsure, or certainly reluctant—this is a very big economy. It is a big vessel. You should turn it gently, otherwise it will keel and it is liable to collapse.

So I think it has to be gently leaned against. As I have said, I wish I would give you a magic solution, but I think we have many years ahead of us of leaning and trying our best.

Senator LUGAR. Admittedly the figures yesterday were for about one month. But let's say the inflation rate in this country, as opposed to being 6 percent or 6 and a half percent for this year, should in fact turn out to be 9.6. What do we do then in terms of policy as you see it?

Mr. MILLER. I think we have to take more drastic action. I don't know that the Federal Reserve alone could do it if it went to that rate. The President has proposed a form of incomes policy, and trying to seek moderation in prices and wages. I think that if we came to 9 percent, we have very difficult problems, the Federal Reserve would have to take, I think, much stronger action and it would be a very, very difficult problem, because if the action resulted in collapse of the economy, that is in itself troublesome. If it isn't effective in slowing the inflation rate, you know, we have seen inflation rates that are accepted. We used to accept an inflation rate of 2 percent. Then we got used to the idea, some people did, that it should be 6. I can't accept that. So I don't think we can allow conditions to develop to allow it to go that high. We have got to stop it.

And I suppose I am not willing to concede that even hypothetically that we should do such a poor job as to see higher rates in my career as Chairman.

Senator LUGAR. One of the encouraging things from these hearings, at least for me as a citizen of this country, for instance, your opening comments this morning, without offering any gratuitous comment about the colloquy that followed, it seemed to me that you were properly tough and independent. I think this is of the essence. I don't think you know and certainly I don't know what really we will have to do in this country if we are faced with a 9.6 percent inflation. But I do know, just from one of your experiences, that when you come before this Committee there will be senators who will suggest that regardless of the conditions in the country, that the interest rates ought to go down.

They will attempt to push you all over the spectrum. I think you know one of the factors about this particular job that you are facing, and you already appreciate this, is that the invested interests play hard ball and the stakes are very high. And the fact is that hopefully you will be tough enough to analyze, as independently as you can, the advice you must give the President as well as the Senate, and I appreciate, as many have pointed out, the FRB is not an independent agency. But very clearly, unless there is some lean against inflation in our economy, it is not in the Congress currently, and in fairness to the President, his budget is sort of nominally inflationary, too. It assumes 6 and a half percent, and moves it upward, incorporating all that in the budget, plus 2 percent, whatever we have.

Heaven help the country if someone as yourself, such as yourself and your colleagues, are not setting the policy as an alternate government, but are in an independent position to lean. I think this is tremendously important, simply as a characteristic of the person we are looking at.

So I admire your courage, and I have no brief one way or the other about Air Taxi. I think it is simply important that in this particular controversy, you were able to hold your own ground, and did so.

Now let me ask one final question. How are you going to get more members to join the Federal Reserve Board? We have maybe 2 out of 5 banks in the country, maybe fewer than that if the total was brought up to date, that are in the system. Even if you have good policies, how in the world are they to be effective?

Mr. MILLER. Senator Lugar, I think the membership problem—inflation is the number one problem, but a high priority for the Federal Reserve is the membership problem.

I think the solution to it would be to, a solution I think I have favored, is a solution of paying interest on reserves. I would like to couple that, personally—and this is a personal comment, it does not speak for the Board—couple that with charges for services. I think that would be the best way to go.

I think that would mean that those who have access to the services of the Fed wouldn't get a free ride on the reserves of other banks. And I think it would start a trend that would be healthy in terms of knowing what it costs, and not trying to make the Fed furnish services for free for the purpose of having an impact.

But they should do it because it is necessary for the payments mechanism.

A fall-back position could be, although it has some I think monetary disadvantages, is to allow part of the reserves to be held in interest-bearing securities. That would be another solution. But in either case, my personal view is those reforms should be coupled with some system of payment for services, which would allow the banks, or which would not be penalizing banks' earnings so greatly by being a member of the Federal Reserve, but would be equitable in the reimbursement for the actual use of the Federal Reserve.

Senator LUGAR. Thank you very much.

Mr. MILLER. Senator Lugar, I didn't realize, I appreciate your remarks, that the Senate went in for hazing. If there is any concern about my firmness, I guess this process is going to go through a hazing that will test it more than usual for nominees. Thank you.

The CHAIRMAN. Senator Schmitt.

Senator SCHMITT. Thank you, Mr. Chairman. I am glad to see my colleague, Senator Lugar, move us back towards some balancing

of the scales, towards the original concerns that some of us had about the substance of your activities on the Federal Reserve Board as its Chairman.

I must admit to you, Mr. Miller, that my original concerns have been somewhat lessened by our personal conversations, and by the very fine answers that you gave to Senator Lugar just a moment ago.

I still have a few more questions along that line. One is that we talk very blithely, and I don't mean this in disrespect to the Senator from Indiana, about percentages of money growth, when we also know measuring the actual supply of money is a very difficult proposition to say the least. This may in fact have been the undoing of Chairman Burns, who I heard say almost the same thing that you said just now regarding the need to gradually reduce the rates of growth in the money supply, until some day it comes into rough equality with the rate of growth of the gross national product.

Do you have any ideas on how we can get a better technical grasp of the amount of money, and of the rate of growth?

Mr. MILLER. Well, I am very concerned about the tendency now for the weekly figures to be evaluated by Wall Street. I read the market went up or went down on somebody's guess of how the figures will be.

I think that is a fad that has had its time and should be ended. It should go out with the hula hoop. Because I think the real important, the only way we know how to measure money is to look at averages over longer periods of time. Weekly figures can be distorted by the deliveries of the mails, by a snow storm, by a holiday, by government checks arriving one day or another.

As a matter of fact, we should try to improve the adjustments, but the Federal Reserve has tried, and it is a very difficult task, to predict from year to year how all of those influences of weather and mail and holidays fall will affect it. I think we have to go for more consistent three-month averages, or something like that, to see where we are.

I must warn you that as the techniques of payment change, and as some of the developments in parts of the country on telephone transfers, automatic transfers of savings, if they do take place, then we are going to have to even watch the definition of money. We have a new technical problem, which I want to address very quickly, because I think we really have to re-define things, the realities of this money, and I think we need a big education on it.

But I can't answer you today how I am going to do that, I think it is going to be an evolving thing this year and next year, and it needs very close attention.

Senator SCHMITT. It is something before this Committee at the present time, and I, for one, would agree with you that we are all premature right now in understanding how electronic funds transfer and like communications of money are going to affect the velocity or the growth of money supply in the future.

I hope that we can study it and understand it, and keep on top of it, before either you or we take action that might be premature.

Mr. MILLER. Thank you, Senator. When we have a technological change, we are not really, even though we can theorize, we are not, I think, really sure of what the consequences will be, whether we are going to do our business with a lower stock of money, and therefore we are going to be sure the Fed brings down those aggregates, or whether it actually doesn't change the stock of money. We just really don't know. There are some theories both ways.

Senator SCHMITT. Then I would take it from your remarks that you expect to try to establish certain steady-state situations within your power over the money supply?

And then watch the longer averages to see what is the effect of those steady-state situation, and adjust, perhaps, on a much less frequent scale than has been done even by Chairman Burns?

Mr. MILLER. I think this is more or less what I am saying. I certainly think it is very important that if the velocity changes, or the mechanism of settlement and payments, credit, changes, that we don't get a false, we don't lose control by failing to realize that we have got a new baseline to work from.

We have got to know where that baseline is, in order to lean against its growth.

Senator SCHMITT. But in the best of all possible worlds, I would guess that within five-plus years, you would like to see the growth of the money supply approximately equalling the growth of the gross national product. I give you leeway in whether it is five years, or six or seven. But it is something that hopefully will happen by that time, assuming no other major catastrophes happen with respect to the economy.

Mr. MILLER. I certainly would like to see that consequence, yes, sir.

Senator SCHMITT. Mr. Miller, would you summarize your perception of your relationship with the White House and the Treasury Department?

Mr. MILLER. Well, I don't know that I have much of a perception of my relationship with them.

Senator SCHMITT. Future relationship.

Mr. MILLER. Well, in the future, it seems to me that at the Federal Reserve, the Chairman of the Federal Reserve, needs to be in fairly close contact with the Treasury on a number of things.

I think the procedure would be to have perhaps a weekly conversation with the Secretary of the Treasury, to make sure that in such areas as the international monetary situation, or domestic policy, that we know what it is all about.

I think it has been a practice to meet from time to time with the Council of Economic Advisers, to keep coordinated there. I believe there has been a process of the Secretary of the Treasury—I am not sure of this—and the Chairman of the Federal Reserve and perhaps the Chairman of the Council, to meet with the President from time to time, for a common review of the economic situation.

Senator SCHMITT. Would you try to insure that that would happen?

Mr. MILLER. I would think that would be a very useful and desirable thing. My own philosophical view of it is that the more we exchange ideas and persuade those who have the responsibility for the courses of action that are prudent and desirable, the more likely we are to address them in a coordinated way, than to address them independently, with uncoordinated results, and usually not very good results.

Senator SCHMITT. But would you conceive of yourself as one who takes part in these affairs, as an adviser in the development of Administration policy?

Mr. MILLER. I don't think so. As I understand it, the Administration develops its policy, and it has had the courtesy to consult the Federal Reserve Chairman, to see if he has any comments on say a tax problem, or program.

Senator SCHMITT. What if you thought the particular policy was a turkey? Would you be willing to say so, or would you wait and see how it came out in Congress?

Mr. MILLER. No, sir, I would be prepared and would welcome, if in fact it were a turkey, that is exactly what I think the process of coordination is about, an opportunity to go over and explain why it is a turkey, why it should be done differently, is the whole thing I am talking about. It is too late after it has become a proposition, because then everybody has a vested interest in it. The best time to persuade the turkeys are buried and used for Thanksgiving—that is not a very good metaphor, is it?

Senator SCHMITT. I was hoping you would improve it.

Mr. MILLER. Bury the hatchet. But anyway——

Senator SCHMITT. I am not even sure why I used the term "turkey." It is in vogue, I guess.

Mr. MILLER. There are a lot of Indiana turkeys, I understand. They raise them——

(Laughter)

Mr. MILLER. I mean real turkeys.

Senator SCHMITT. Mr. Miller, may I advise you that your nomination is in fairly good shape right now, don't destroy it. The next statement I thought you would make is now there are a lot of cold turkeys in Indiana. You have to think about that one.

Mr. MILLER. I will.

Senator SCHMITT. Mr. Miller, would you similarly describe your perception of your future relationship with the Congress, over and above the regular meetings that we expect to have with you in this Committee and also in other similar committees?

Mr. MILLER. It seems to me the Federal Reserve should have liaison with the principal committees that deal with the economy. I would think not only the banking committees of the House and Senate, but I would think the Ways and Means Committee, it is important to maintain liaison and have a chance to discuss with the Chairman and members of that Committee the thoughts on monetary policy. And I think it is important to do that.

I think it is also true with the Budget Committee, and with the Joint Economic Committee. I think there are a series of places in Congress, it seems to me, where this should be an obligation on the Federal Reserve to create a dialogue and to have interchanges of idea and opportunities to discuss policies.

Senator SCHMITT. Do you feel in those kinds of interchanges that your position would be to at least encourage the search for ways to gradually decrease the deficit, as you in turn try to gradually decrease the rate of growth of the money supply?

Mr. MILLER. I think it is dual, Senator. I think I would like to see the deficits decreased. I think the large deficits we have make it hard to shift resources to the private sector where I believe they can do the most good. But quite apart from the theory of deficits is the theory of those actions that are creating the deficits that might be more effective over a period of a year to reduce it, not just the current year deficit, but whether you are building a program that will perpetuate the deficits or building a program to create private investment and remove the deficits.

I think it is a dual thing. Not only the current deficit, but the impact down the line in shifting resources more back to the private sector.

Senator SCHMITT. Excellent.

Mr. SCHMITT. Mr. President, the investigation of the Bell Helicopter transactions in Iran has established, in my mind, that Mr. Miller did not have any knowledge of those activities, including the alleged irregularities, during the transactions; nor does it appear that he should have had any knowledge, if in fact those irregularities were real. Further, it established that, later, for a different reason, he and his general counsel

agreed to look at this particular payment of a commission and termination fee to Air Taxi of $2.9 million to see if it might have any irregular connotations. The general counsel found nothing to raise his suspicions and, therefore, again, Miller was not informed of any possible irregularity. Instead, his belief was reinforced that there was no problem.

In fact, it has not been established that there was any problem in the transactions between Bell Helicopter and their agent at that time in Iran, Air Taxi. It turns out that this is a very small commission, this $2.95 million, about 0.6 percent of the total expected price of the sale of 489 helicopters to the Iranian Government.

Finally, I believe that Mr. Miller is a man of great experience, maturity, and dedication to public service as well as private service. Although I am sure that he and I will find some issues upon which we will differ, now and in the future, nonetheless, I believe this is so.

In the course of this very extensive investigation into questions about Mr. Miller's conduct, questions requiring answers were asked. However, I believe that we came very, very close to discouraging not only Mr. Miller but also many other individuals in this country from ever exposing themselves to a confirmation process. Mr. Miller's hearing not only required that he prove his innocence of any wrongdoing anytime in the past, but that he also prove that his associates are innocent of any wrongdoing anytime in the past. To prove innocence is not the basis of our justice system. In the absence of proof of guilt, innocence is presumed, and should be. The investigation conducted by the Banking Committee came very close to requiring the proof of innocence.

I recommend to my colleagues the perusal of the record of our committee hearings, particularly those remarks of the distinguished Senator from Illinois (Mr. STEVENSON), who, with the Senator from New Mexico, deals on a daily basis with the question of the proof of innocence in our activities related to the enforcement of the Senate Code of Conduct, by the Select Committee on Ethics, which he and I jointly chair.

The merits of Mr. Miller's confirmation should be judged on the basis of, first, an adequate monetary philosophy; second, an adequate independence of the White House; third, adequate experience and knowledge of the monetary system of this country; fourth, no evidence whatsoever that he told anything but the truth before the committee; and fifth, that he is a man of great ability, competence, maturity, and general experience. Mr. President, I believe that Mr. Miller is the type of person we need to attract to our Government.

Mr. HEINZ. Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

Mr. President, the Senate now has before it the nomination of Mr. G. William Miller for the position of Chairman of the Federal Reserve Board. This is the most important nomination the Carter administration has made, and it is the most significant exercise of the Senate's power to advise and consent we will face this year.

The Chairman of the Federal Reserve Board has for more than 40 years been, along with the President of the United States, the most powerful person in our economy. This was true of Marriner Eccles, of William McChesney Martin and of Arthur Burns.

He is appointed to a term of 14 years as a member of the Board and of 4 years as its Chairman. The Board determines the credit policies of this credit economy of ours. It is independent of the President. No way he can overrule or reverse its decisions to tighten or expand the supply of money—with the consequent direct effect on interest rates and its ultimate effect on inflation and unemployment.

Although the Board is accountable to the Congress—with 535 masters, it has, in fact, a very large degree of freedom to do as it wishes.

So the decision the President has made in appointing Mr. Miller and the decision that the Senate will make in his confirmation will have a serious effect for the next 4 years on the level of inflation this Nation undergoes, the severity of unemployment we face as well as the direct effect on the level of interest rates homebuyers, businessmen, and local, State, and Federal Government pay.

The man we have before us for this nomination is Mr. G. William Miller. Is Mr. Miller qualified for this immensely important job? In my view, he is not. I say that recognizing that Mr. Miller has impressive achievements to his credit. He has been the president, the chairman, the chief executive officer of one of the major conglomerate corporations of this country—Textron. Under the Miller leadership, Textron has grown impressively. Profits have been increased greatly.

Just this week, the current issue of Fortune magazine cites Mr. Miller's achievements in managing the Textron pension funds with far greater success than other corporations. Fortune called Miller's performance in this regard as standout. And I am sure it was.

Why then is not Mr. Miller qualified to be Chairman of the Federal Reserve Board?

Answer. Except for a 6-year stint as a member of the Board of Directors of the Federal Reserve Bank of Boston, Mr. Miller has had no experience in bank management nor in monetary policy. The Boston Federal Reserve experience was confined to a meeting a month, plus a phone call each month to secure Mr. Miller's approval of the rediscount rate policy.

Contrast that with the years of experience and the established record of achievement of William McChesney Martin or Arthur Burns before they came to this position. Indeed, compare the Miller background and experience with any number of others available for the job. For instance, Robert Roosa has distinguished himself over the years in the Treasury Department and in the private sector as an expert on monetary policy with a hard-earned international reputation. Paul Volker, the head of the Federal Reserve Bank of New York, and former Treasury monetary expert would make a distinguished Fed Chairman. Andrew Brimmer, a brilliant Harvard economist and a vigorous member of the Federal Reserve Board for 8½ years could serve the country with great distinction as Fed Chairman. Arthur Okun, the former head of the President's Council of Economic Advisers and a brilliantly innovative economist could do the job ably. Henry Kaufman, the top man at Salomon Brothers the immensely successful New York investment banking firm has for many years demonstrated his remarkable ability as a monetary expert. And I have not mentioned the myriad of bank economists and top banking executives in this country with rich and varied backgrounds in monetary policy, or the many monetary economic specialists who have devoted their lives to study and debate of monetary and credit policy. Nor have I pointed to the score of highly capable experts in the Federal Reserve itself, top staff experts who have devoted their lives to running the details of this Nation's monetary policy. Mr. President, the number of Americans better qualified than Mr. Miller to do this job is in the hundreds. And qualifications in this job are immensely important.

Mr. President, the U.S. credit system is a complicated, exacting maze to master. So I am not making a slight, technical disclaimer about Mr. Miller's lack of qualifications. Qualification is the name of the game. This is what it takes, or should take.

To appoint Mr. Miller—a successful conglomerate manager—a man with training as a lawyer and engineer to this job is like deciding that since Reggie Jackson can hit home runs for the Yankees, he would make a great football coach for the Redskins. It is like signing up Rudolph Nureyev—a superb athlete as a ballet dancer to take on Leon Spinks for the world heavyweight boxing championship.

The Senate—in approving this nomination—is putting a smart, aggressive, articulate amateur in charge of the job that above all takes an exacting professional training that should have taken the better part of a lifetime.

Mr. Miller simply does not have the training, the background, the experience or the record to do the job.

And all this is particularly damaging in view of the nature of the Federal Reserve Board as an institution.

The Federal Reserve Board is unlike a Cabinet department in which the Secretary has supervision from the President, the Office of Management and Budget as well as congressional authorizing and appropriating committees. The Federal Reserve Board is subject to no control by the President. It is beyond the reach of the Office of Management and

Budget. It is disciplined by no congressional authorization or appropriation process. It is not even subject to a General Accounting Office audit. It functions with greater secrecy than the CIA.

There is no agency in Government that approaches it in its absence of control or restraint. How does it finance its operations? Its open market operations bring in between $6 and $8 billion a year. It spends almost a billion a year. What it does not spend goes to the Treasury as part of the general revenue. The Fed could if it wishes spend one-tenth as much as it does now. That is what it did a few years ago or it could spend 10 times as much. No elected official or anyone else could stop such action. In fact, no one even knows how the money is spent, until after the expenditures are made.

There is no agency which approaches the Federal Reserve in the secrecy with which it spends public money, as much or little as it wishes and with a minimum of accountability. The great, cleansing scrutiny of the press that keeps other Government officials accountable is almost wholely absent from the Federal Reserve. All of the discipline—I repeat all of the discipline—over the Federal Reserve Board comes from within the institution itself. The Federal Reserve Board Chairman can only wield the immense power of the Board to the extent he can win the support of the men who serve with him. And here is why the Miller appointment is so unfortunate. The Chairman has only one vote on the Board. Others have six. The most vital policy arm of the Board is the Federal Open Market Committee. Here is where 90 percent of the vital monetary policy decisions are made. But Mr. Miller will not have any more automatic power on the FOMC than he has on the Federal Board. In fact, he will have less. All policy decisions are made by majority vote and Mr. Miller will have only one vote. He will need to win six other members to his side to advance his policies.

Now what has all this to do with Mr. Miller's qualifications as Chairman? The answer is plenty.

The Board must operate on the basis of persuasion. Mr. Miller is a good lawyer. He has a strong personality. He may be a good engineer. He understands how to make a conglomerate hum. He knows how to direct a line organization where he is the one man at the top with clear authority.

But in the Federal Reserve Board he can implement no policies of his own until he can win a majority of his colleagues to support his position. And what are the policies concerned with? They are concerned with money and credit complexities that his colleagues on these boards—all of them will know much more about than he does.

Everyone of the Reserve Board Presidents who serve on the Federal Open Market Committee will be far more expert, more experienced than their Chairman. Each of the members of the Board itself will be far more experienced.

Martin or Burns could move onto these Boards and command instant respect and support, because they knew from hard experience just what they were talking about. But does Mr. Miller? What kind of a leader are we giving the Board?

Is Gov. Charles Partee who has had a brilliant career on the staff of the Fed and has spent years making these tough, complex decisions on monetary policy going to turn to William Miller and say, "Well boss, what do you recommend?" and then follow the recommendations of this amateur?

Is Gov. Henry Wallich, one of the Nation's and the world's most eminent monetary economists, going to turn to this lawyer-engineer for guidance?

No way. By confirming Mr. Miller this body is guaranteeing that there will be no knowledgeable expert leadership at the Federal Reserve for months, maybe for years.

This is not to derogate Mr. Miller's intellect or character or personality one whit. It is just to point out that to qualify for one job does not qualify him for all jobs. If my son were having brain surgery I would not want the operation conducted by one of the wisest and most able veterinary or general practitioners. I would want someone who had experience with a scalpel in his hand working on the human brain. In the same way this Nation's credit system needs a monetary policy expert—not a lawyer-engineer who has a nice touch with corporations—conglomerates.

Miller and the Board will be in a far worse position than the Senate would be if we took the newest Senator the first day on the job and made him majority leader and told him to run the show. Think back, my colleagues, to when you first came to the Senate, and imagine if the first day you come in they said, "All right, you are majority leader. Run the show."

Why, it would be a joke. We would not think of doing that kind of thing. But the Senate is relatively uncomplicated. The policies we debate have in many cases been discussed by millions of Americans for years. But Miller will be taking over in the dark as a raw outside amateur, with years of learning ahead of him and in no way can he run that Board with the confident support of his colleagues for years to come. It will be on-the-job training without any understanding leadership or guidance from the top until he can learn this entirely new ballgame.

So, Mr. President, the first and principal reason I vote against Mr. Miller as head of the Federal Reserve Board is because he simply does not have the qualifications the job demands.

Ordinarily that would seem to be enough, although it never seems to persuade any of my colleagues. They do not seem to feel it has anything to do with the case, the qualification matter. If they were hiring somebody to wash dishes they would be hiring somebody who knew something about washing dishes and anything else would be irrelevant. All we look for here is intellectual integrity.

But let me go to the second point, which is much more significant, and maybe this may possibly persuade some of my colleagues:

I oppose this nomination, because his assumption of the job will put the Federal Reserve Board, the Nation's credit manager under a cloud for at least 4 months and possibly for years to come.

Consider the facts. The Securities and Exchange Commission is now investigating the Textron Corp. which Mr. Miller headed as chief executive officer and president. This investigation will not be completed for 4 to 6 months. When it is completed, it may show that Textron has violated the law in failing to disclose in its statements and reports filed with the SEC material matters relating to the $2.9 million payment.

What do these disclosure matters involve?

First, Textron's biggest division is Bell Helicopter. Bell accounts for about a third of Textron's profits and sales volume. This division of Textron made a $2.9 million payment to its agent in Iran, Air Taxi. On the public record Air Taxi was owned from 1959 to 1965 by General Khatami, the head of the Iranian Air Force, who had a leading voice in the Government in the purchase of helicopters. Such a payment—knowingly made—would be a bribe. Textron, Bell, Mr. Miller—Textron's chief executive officer—and the head of Bell Helicopter who reported to Mr. Miller, admit the payment was made, but denied under oath before our committee that Mr. Miller knew that Khatami was an owner of Air Taxi. A careful investigation of the committee staff did not disclose any evidence that Mr. Miller knew of the Khatami connection.

The investigation did show that several Bell Helicopter executives had been told of General Khatami's ownership by a lawyer for Bell's previous Iranian agent. And just this morning—boy, these revelations are going to come in; you just wait, this week, next week, week after next, next month, we are going to get more and more revelations about Textron. This morning's New York Times reports that Hassan Safavi, a 66-year-old lawyer and economist who has served in several Iranian Government posts, said in an interview that he told three Bell executives when they came to Teheran in 1967 that General Khatami maintained a hidden interest in Air Taxi, even though the Shah had instructed Government officials to end all business involvement.

Let me repeat, Mr. President, there has been no evidence that Mr. Miller knew of this involvement, but I think there is strong evidence that Mr. Miller should have known and, indeed, if he had followed the course pursued by literally hundreds of other top corporation investigations and conducted a reasonable investigation of this payment, he would have known.

Is that a fair conclusion? I think it is, and here is why:

In case after case others firms voluntarily disclosed to the SEC questionable payments after having made thorough investigations conducted by outside directors with interrogation of all employ-

ees who would have reason to know whether the payment was a bribe, and interrogation of outsiders in a position to know about the legality or illegality of the payments. Furthermore other corporations empowered outside investigators to search all pertinent documents thoroughly.

Now what happened in the Textron case?

First, no voluntary disclosure was made to the SEC.

Second, the investigation of the $2.9 million payment by Textron to its Iranian agent, conducted with Mr. Miller's approval was transparently superficial. Consider:

It was conducted by one man. And who was he? He was Textron's own counsel, on the Textron payroll. This counsel had no outside direction. In other words, Textron was investigating itself.

The prime point the SEC has made in these corporation investigations of questionable payments is that the investigation be made by outside directors. Textron did not do so.

Now, what kind of investigation of this payment—much of which eventually ended up in the hands of the head of the Iranian Air Force—did Mr. Miller's counsel, acting at Miller's direction, make?

The counsel failed to interview any of the Bell officials who knew or who were likely to know about General Khatemi's ownership of Air Taxi, which was of course the single, central significance of this payment, the only element that made it questionable. He did not talk to the sales manager, the export manager, or any of the Bell officials that selected Air Taxi. He talked to none of the officials who were reported in the New York Times this morning to have been told by an Iranian official about the Khatami connection.

To whom did the Miller counsel talk to? Answer: Just three Bell officials, none of whom had investigated its Iranian agent.

The Bell Helicopter files contained documents which disclosed that some Bell officials had been informed of Khatemi's ownership. Did the Miller counsel examine the documents? No. Mr. President, that investigation was pitifully inadequate, and I submit that when Mr. Miller's counsel returned from Bell Helicopter in Fort Worth to Providence to report to Mr. Miller, Mr. Miller should have recognized this and insisted on the kind of thorough outside investigation other corporations were conducting.

Mr. President, it is incredible that Mr. Miller and his top officials at Bell Helicopter did not know about the Khatami connection—remember, for much of the period under investigation, Mr. Miller was in charge of the aerospace operations of Textron—which means Bell Helicopter.

The sale of $500 million of helicopters to Iran was one of the biggest sales Textron or Bell had ever made. Mr. Miller could not recall any commission paid by Textron that was as big as the $2.9 million commission paid by Bell-Textron. Mr. Miller had personally negotiated the Bell Helicopter-Iranian coproduction agreement in Teheran in 1975. He had visited the Paris Air Show and met and talked with Iranian officials there. And the record is replete with the observations of State Department and U.S. military officials in Iran that Air Taxi was secretly owned by General Khatami.

I repeat for the third time there is no direct evidence that Mr. Miller knew that Air Taxi was owned by General Khatami, but I submit he should have known if his investigation of the $2.9 million payment had been worthy of the name, and he had every opportunity to know.

You know it is strange that our Banking Committee staff, working on this case for only a few days, under circumstances in which Bell Helicopter failed to provide documentation from their own files, although subpenaed to do so—and I think it is pertinent here that that Banking Committee staff was still able to discover and document the ownership of Air Taxi by General Khatemi with files that were in the possession of Bell Helicopter, but which Bell Helicopter did not provide to them until they got them from an outside source—that Bell and Textron top officials did not know a thing about it, although Air Taxi had been their Iranian agent from 1959 to 1964, a period during which General Khatemi owned Air Taxi on the public record—I repeat, on the public record—and Air Taxi had again been Bell's Iranian agent since 1968 with General Khatemi secretly a stockholder.

Now, if the SEC finds this payment to Air Taxi by Bell to have been questionable, it will mean that Textron, when it concludes its investigation next summer, will find that Textron was in violation of the law and will be subject to civil and perhaps criminal penalties. Mr. Miller and his corporation will be under suit from the Attorney General.

Now, the SEC is not confining its investigation of Textron to this one case. In addition, it is investigating, and I quote from the SEC letter:

> First, the remittance of $300,000 by a Textron subsidiary to an independent foreign sales representative in connection with a $1.6 million sale of equipment manufactured by that subsidiary to a foreign government entity;
>
> Second, the use of "push money," salary contributions and other promotional practices by another Textron subsidiary;
>
> Third, the disclosure of instances of overbillings, underbillings and other billing practices apparently employed by several divisions of Textron, to accommodate their customers in the establishment of questionable funds of cash; and
>
> Fourth, the adequacy of Textron's disclosures with respect to information regarding numerous proceedings brought by federal or state governmental authorities regarding alleged employment discrimination on the basis of race, sex, age, religion, etc.

We have information that there have been more than 90 suits against Textron for these violations.

Yesterday the Securities and Exchange Commission applied to the U.S. court for an order requiring Textron to supply documents which the SEC had requested to be produced by subpena. Textron had failed to supply any of the documents.

Now let us consider where the Senate and the country are in this situation. If Mr. Miller is confirmed and takes office as Chairman of the Federal Reserve Board, he will be serving for several months, while his former firm and his conduct as chairman of that firm are under investigation by the Securities and Exchange Commission.

The Chairman of the Federal Reserve Board will be under a cloud. The findings of the SEC when they are made next summer may seriously reflect on the Chairman, his judgment, possibly his competence as a manager, and conceivably on his character. It is not impossible that criminal proceedings could be brought against Textron officials, including Mr. Miller.

The executive department, specifically the Attorney General, may be called upon to decide whether or not to proceed in court on a criminal charge against the Chairman of the Federal Reserve Board.

Imagine that, imagine the consequences for the country if the SEC makes the kind of finding which seems to me to be quite a logical finding, and the Department of Justice decides that it had to proceed against the chief executive officer of Textron in court on a criminal charge.

But suppose they decide not to do so. Remember, the Fed is supposed to be independent of the executive branch. How credible will that independence be if the administration's chief law enforcement official has considered the evidence and decided to forego prosecution? Will there not be grounds for suspicion that the administration holds a unique and potent influence over the Federal Reserve Board and its Chairman?

Assume there are no actual grounds for such a suspicion? Is it not just as sure as day following night that the public suspicion will be there throughout Mr. Miller's tenure as Chairman of the Federal Reserve Board?

Whenever the Board goes along with the administration's economic program, whenever the Chairman of the Fed decides to ease credit to stimulate the economy, I can hear the cries of the critics of such policy. "What do you expect? The administration has Miller over a barrel on the Textron activities."

I would agree such a charge and suspicion might very well be grossly unfair, and, in fact, outrageous. But it is not unrealistic. And at the very least the Federal Reserve's independence will be, in the judgment of some Americans, less than it has been.

Mr. President, this is why I am opposed to the nomination of Mr. G. William Miller. I say, as I said before, it has nothing to do in any way with Mr. Miller's character, his intelligence, his personality. It has everything to do with the fact that in this particular case we are acting on the confirmation of a man who is not qualified for this par-

ticular job. There is no derogation of him. It is just that he is not qualified for the job. That is all.

No. 2, the fact that he will be under a cloud. The independence of the Federal Reserve Board is something that most Members of Congress treasure greatly, and particularly its independence of the executive branch. The Constitution gives the money power to the Congress. It is not an executive power; it is a congressional power. That is an independence which we have found to be of greatest importance in establishing the integrity of our monetary operations.

As I say, that is going to be considered laughable if the situation proceeds, as it now seems to be proceeding, on target and the executive branch either acts or fails to act with respect to Mr. Miller.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HEINZ. Mr. President, if there are no further requests for time——

Mr. STEVENSON. Mr. President, will the Senator yield 5 minutes?

Mr. HEINZ. Does the Senator wish to speak for or against the nomination?

Mr. STEVENSON. For the nomination.

Mr. HEINZ. Mr. President, I am happy to yield to the Senator from Illinois. How much time does the Senator request?

Mr. STEVENSON. Five minutes.

Mr. HEINZ. I yield 5 minutes.

Mr. STEVENSON. Mr. President, the Committee on Banking, Housing, and Urban Affairs conducted in the case of this nominee the most thorough, rigorous, and searching examination of a Presidential nominee that I have seen in my more than 7 years as a member of that committee.

That rigorous examination, Mr. President, proved nothing, except that Mr. Miller's intelligence, integrity, his administrative ability, and experience qualify him admirably to be Chairman of the Federal Reserve Board.

I have only heard one adverse comment about Mr. Miller, based upon his experience and leaving aside the fragmentary, circumstantial evidence of involvement by Textron in the Air Taxi matter. That one suggestion has been that Mr. Miller lacks technical credentials for this office because he is not an expert on monetary policy. He lacks the academic experience, or other training, in monetary matters which would qualify him for the office of Chairman of the Federal Reserve Board.

To that suggestion, Mr. President, I say, so much the better. Mr. Miller is a realist and knows the world as it is and not as the intellectual descendants, with all their training and academic experience, the intellectual descendants of Adam Smith think it is.

This is an office which begs for a man of the world. As chairman and chief executive officer of a billion-dollar corporation, Mr. Miller has had to face the harsh disciplines of the marketplace. He has met those disciplines with uncommon success and earned the respect and admiration of those who have dealt with him.

He is a businessman who has demonstrated an active interest in national, regional, and local issues of public and social significance. He has shown a dedication to principles of racial equality and equal employment opportunity that few businessmen can match. His reputation is without blemish.

As for those fragmentary circumstances which I alluded to, they, by no stretch of the imagination, implicate Mr. Miller in any impropriety whatsoever.

His reputation is without blemish and he is equal to the office. He should be confirmed.

Mr. President, I have heard nothing new this morning, except for the suggestion that Textron is withholding some information sought by the SEC. I have asked my staff to look into the matter, and its inquiries included contacts with Textron and the SEC. The explanation is obvious. It ought to be a matter of public record.

The position that Textron has taken in this matter has been taken with the advice of outside counsel, Cravath, Swaine & Moore, to be precise, a well known, and, I assure the Senator from Wisconsin, a reputable law firm. The purpose, as in many such instances, is to protect proprietary information from disclosure to competitors of Textron.

I have been told, and told reliably that this is a common operating procedure in such situations, and that it is dictated by the requirements of the Freedom of Information Act.

Finally, Mr. President, let me say a word about that cloud. If there is any Member of the Senate who is and, by virtue of his responsibilities, must be, concerned about clouds, it is the junior Senator from Illinois. I yield to no Member of this body in my determination to relieve the Congress, especially this part of it, the Senate, of the public skepticism and public cynicism which is loosely referred to as a cloud. If there is a cloud in this situation, it is not a cloud of Mr. Miller's making. His professional life has been impeccable. It has been beyond reproach, and the way in which his company has been managed is a model for others to emulate.

Mr. President, it would be a tragedy for the country if Congress, by its own actions, created clouds that otherwise would not exist. There is nothing in the record of Mr. Miller, there is nothing in the voluminous record now before the Banking Committee, which justifies a reference to a cloud. It will be a tragedy if the country returns to the day when insinuations, loose talk, and unwarranted accusations, are enough to create clouds, or enough to indict honorable men and to deprive the public of their service.

Mr. President, the Banking Committee went through this lengthy, rigorous exercise, I believe, not to create a cloud, but to dispel a cloud. That, it seems to me, is where we should leave this man, not with a cloud but with a cloud that has been dispelled by the thoroughly conscientious performance of the Committee on Banking, including its staff and including its distinguished chairman, who, together with the Senator from Pennsylvania and the ranking minority member (Mr. BROOKE), in their wisdom, suggested and led this thorough investigation. Now, Mr. President, with no evidence whatsoever to justify any suspicions about the integrity or the ability of Mr. Miller, it is time we ended it. In time, I believe the Senate will, as almost all the members of the Banking Committee have already concluded, put aside any doubt about the qualifications of Mr. Miller to be Chairman of the Federal Reserve Board. We are fortunate to be able to give the country the services of this man as Chairman of the Federal Reserve Board. I urge the Senate, therefore, to approve his nomination to that office.

Mr. PROXMIRE. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has 24 minutes.

Mr. PROXMIRE. Mr. President, how much time does the Senator from Pennsylvania have?

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania has 40 minutes.

Mr. PROXMIRE. Mr. President, would the Senator from Illinois yield briefly for some questions in connection with his statement?

Mr. STEVENSON. Mr. President, I do not have the floor.

Mr. PROXMIRE. No, I have the floor, but I wonder if the Senator will respond.

Mr. STEVENSON. Yes.

Mr. PROXMIRE. In the first place, the Senator said this was one of the most rigorous examinations he has seen of a nominee. I think that is a very interesting comment. The Senator may be correct. I think what the comment reflects is the appalling lack of rigor, the appalling lack of concern by the Senate when it approves nominees. I do not know whether the Senator has seen Common Cause's "The Senate, the Rubber Stamp Machine." That goes through nomination after nomination by the Senate and shows a trivial, the almost laughable way the Senate examines nominees. I would agree that, compared to that performance, there was a little rigor in this examination.

I also point out several things. Point No. 1: All but one of the witnesses who appeared before us, not counting Mr. Miller, was employed by Mr. Miller. It is almost like asking your mother to come in and testify for you or against you.

Second, the one who was not an employee was a man who had testified under oath that he had a vested interest—in fact, a financial interest—in confirming Mr. Miller's testimony with respect to settlement and he had no knowledge of whether Mr. Miller knew about this situation or not.

So I wonder if the Senator would really argue that an investigation which did not touch at all, made no investigation of four of the five points that the SEC is investigating this man on, did not get into that a bit, except for a few questions of Mr. Miller himself at the end, I wonder if he really maintains that this was a rigorous examination, under

the circumstances in which the SEC is investigating the nominee's company?

Mr. STEVENSON. First of all, I agree with the Senator that the Senate, in the past, has not conducted rigorous investigations. I think it should do more. It should do a far better job, and the Banking Committee, perhaps, especially. Other committees have done a better job in the past. The Commerce Committee, of which I am a member, on the whole, has conducted routinely rigorous investigations. They should be conducted by all the committees.

I did not say that this inquiry, by the standards of all the committees, had been rigorous. I think it has been. It certainly has been by the standards of the Banking Committee. So far, it has turned up nothing to imply any impropriety or to reflect any discredit on Mr. Miller. On the contrary; the evidence all indicates that he is a man of the highest intellectual ability and probity and is qualified for this office.

The Senator says all the witnesses were employed by Bell or by Textron except for one. More witnesses could have been called. I think if they were not, it is only because the chairman and the ranking member knew what they would say. They would have nothing but praise, as has the business community, by and large, for this man.

The Senator is wrong. I believe there were at least two witnesses who were not employed—at least, not employed at the time of the hearing, by Bell or Textron. One was Mr. Orpen and the other was the gentleman to whom the Senator referred, Mr. Bell. I had occasion to examine Mr. Bell and, at the conclusion of that examination (it was based on his testimony that these doubts have arisen), he acknowledged that he had no evidence, hearsay or otherwise, to cast any doubt about the integrity of Mr. Miller. So I then went on to ask him if, in all of these circumstances, Mr. Miller should have undertaken to conduct a greater investigation, to have acquired knowledge of the facts in question, and he said he could not express any opinion as to that.

Mr. Orpen, the other independent witness, the other witness who was not employed during the hearing by Textron or Bell, its subsidiary, did not have anything to implicate Mr. Miller, either.

So, Mr. President, I have to repeat what I have said, this has been a rigorous investigation, thanks to the diligence of the chairman of this committee, and it has turned up nothing. And all the while it has been going on, the Fed—the Federal Reserve Board—has been without a permanent Chairman.

Mr. PROXMIRE. Will the Senator——

Mr. STEVENSON. I just want to add at that point, if there was any reason to think, on the basis of this record, that more witnesses, employed or unemployed, could turn up anything that would add anything to the record of materiality, the members would have been glad to have continued it.

There was no basis for reaching that conclusion and, in the meantime, the Fed and the country were suffering.

I regret to say that this, combined with other circumstances, including the indecision, the stalemate, over an energy policy, is creating an impression in the world that the country is incapable of managing its own affairs; it is incapable of offering the world any economic leadership, and if there is any doubt about that, all one has to do is look at the stock market or look at what is happening to the dollar.

If we like that, then I suppose what we should have done is to continue this investigation longer and, with no basis at all, to confirm the impression that the United States is incapable of self-government and leadership.

Well, that was not the decision of the Banking Committee, and it is a good thing for the country that it was not.

Mr. PROXMIRE. Mr. President, needless to say, I strongly disagree with my good friend from Illinois, who is an extraordinarily able and fine Senator and a valuable member of our committee.

I just think any notion this was a particularly rigorous investigation is not correct. Certainly, it was not overly rigorous, in any sense, and we have had several investigations, including Blackburn and others, that were far more detailed and searching than this one.

As I said, the main point is that there was no effort on the part of this Senator or any member of the committee or any members of the staff to at any time impugn Mr. Miller or to persuade anybody else to vote against him.

If I feel about a situation that I want to achieve a particular end, I do what every other Senator does. I do not do it on the basis of a speech on the floor or an argument in the committee. I call or talk to them on the floor, person to person, and try to persuade them to my thinking.

I did not, in this case. I have not talked to anybody. I have not sent around a Dear Colleague letter or put an editorial on people's desks. We have not made a campaign against this man.

I am just stating that, in my view, we did not conduct as rigorous an investigation as we might have, although I think it was possibly adequate in this case, and in my view it showed a series of reasons why we should not approve him.

The New York Times, which I think all of us, whether we agree with its editorial policy or not, recognized as a great and responsible paper, had this to say about the cloud Mr. STEVENSON pointed out, and as to the cloud, I guess his reference came from this because they used it.

The lead editorial in the New York Times says, "Mr. Miller's Cloudy Victory."

But all parties should recognize that a cloud remains over Mr. Miller.

Again, the New York Times, not this Senator.

The same cloud that impelled us earlier to urge him to step aside. Let us be clear what the cloud is. It does not arise from Mr. Miller's personal integrity which remains intact.

We wholeheartedly agree with that:

It stems rather from a long list of unanswered questions about Textron's financial practices that are under intensive investigation by the Securities and Exchange Commission. This probe, triggered by the Banking Committee inquiry, is likely to take half a year or longer to complete. If the SEC should then find improper financial disclosure practices, what started as Mr. Miller's problem would become one for the Fed and the country.

That is the point and anybody that does not think there is a cloud has his own head in a cloud. I do not say it is Mr. Miller's fault, necessarily, but there is a cloud.

Anybody who says there is not a cloud, should remember that he had and was responsible for and is under investigation by the SEC on five counts, and there may be a civil action taken and there may be criminal action. Anybody says that is not a cloud is, in my view, just unwilling to state the reality of life.

Now, I do not want to be unfair to the Senator from Illinois. I did understand him to say lack of qualifications, some technical qualifications, so much the better.

Mr. President, the way the Federal Reserve Board operates, this is one body, one institution, where technical qualifications are of the greatest importance—the greatest importance. It is very important to have a person as Chairman who understands economics, who understands monetary policy, who understands how our credit system works, and has had a lifelong chance to work in this area, as so many available people have.

Mr. Miller was a brilliant conglomerate manager, has a fine personality, a very intelligent man, and he would be well equipped for other business. He is a good lawyer, a good engineer, but he is not a monetary economist.

Finally, Mr. President, I want to agree with the Senator from Illinois on his point with respect to this latest revelation, or on the latest revelations, and that is with respect to the withholding by Textron of certain documents until they are subpenaed by the SEC and not to give them voluntarily.

I think the Senator from Illinois makes an excellent point. I think he is right, as far as I know. And that is true, that other corporations, Lockheed and Boeing did the same thing when under investigation; and the corporation has a right to consult counsel and take his advice, certainly, in this case, to protect its proprietary interests, which they indicate they are doing. So I would not question that.

But I think we have to recognize what I think is the greatest newspaper the United States has said, that the Federal Reserve Board will be under a cloud, whether we like it or not, after Mr. Miller is confirmed.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 3, 1978]

MR. MILLER'S CLOUDY VICTORY

Now that he has won the overwhelming endorsement of the Senate Banking Com-

mittee, G. William Miller is expected to gain approval of the full Senate today and thus become the next chairman of the Federal Reserve Board. The haste is a little surprising. Just last week, the committee postponed a vote on Mr. Miller's nomination, calling for additional witnesses to appear and information. Now, apparently under heavy pressure from the White House, those plans have been abandoned and Mr. Miller's name has been sent to the Senate for confirmation.

Even without the White House push, a case could be made for pressing ahead with a decision on the nomination. Many Senators feel that the five-week investigation by the Banking Committee staff took long enough. The investigation failed to prove any specific wrongdoing by Mr. Miller during his years as chairman of Textron, the giant conglomerate. Moreover, it is awkward to continue for long without an active leader at the helm of the nation's monetary system. Arthur Burns, the outgoing chairman of the Fed, has remained unusually mute in recent days as the dollar has been buffeted about in foreign exchange markets. The Fed ought not remain in limbo much longer.

But all parties should recognize that a cloud remains over Mr. Miller, the same cloud that impelled us earlier to urge him to step aside. Let us be clear what the cloud is. It does not arise from Mr. Miller's personal integrity, which remains intact. It stems rather from a long list of unanswered questions about Textron's financial practices that are under intensive investigation by the Securities and Exchange Commission. This probe, triggered by the Banking Committee inquiry, is likely to take half a year or longer to complete. If the S.E.C. should then find improper financial disclosure practices, what started as Mr. Miller's problem would become one for the Fed and the country.

We believed last week—as we do now—that the Senate does not have enough information at hand to judge Mr. Miller's fitness. But the Senate seems ready to go ahead anyway. So be it. However, let the Senate—and everyone else concerned—recognize the consequent responsibility to dispel the cloud as quickly as possible. For instance, a battle is already under way between the S.E.C. and Textron's lawyers over the release of certain internal documents. This matter should be settled quickly. Mr. Miller, before he leaves Textron, should enlist the company's full cooperation with the S.E.C. Textron could help by launching its own investigation of questionable financial operations by qualified outside lawyers or accountants—a task that many other corporations have already performed.

Mr. PROXMIRE. Mr. President, I reserve the remainder of my time.

Mr. PELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Rhode Island.

Mr. SCHMITT. Mr. President, I yield 8 minutes to the Senator.

Mr. PELL. Mr. President, it gives me tremendous pleasure to speak in the Senate today in support of a distinguished American, G. William Miller.

President Carter has, I believe, shown excellent judgment in his nomination of Bill Miller to the chairmanship of the Federal Reserve's Board of Governors, and the Senate Committee on Banking, Housing, and Urban Affairs has shown equally excellent judgment in its near unanimous favorable vote.

The Chairman's job has been described by some experts as the second most important post in our Federal Government, and as the most important appointment of President Carter's first term.

I agree with that assessment and believe that the President has found the right man for the job in Bill Miller.

Bill Miller's business leadership has been recognized by his peers throughout the country. He is a member of the prestigious Business Round Table and the Conference Board, of which he has served as cochairman. He is a director of the Allied Chemical Corp. and the Federated Department Stores. He is chairman of the National Alliance of Businessmen. The business community has strongly supported his nomination, as is evidenced by the overwhelming accolades that have appeared in the press from business leaders all across the country.

Despite his enormous efforts in moving Textron to its position of prominence in the corporate community, and in promoting the business viewpoint nationally, his interests have gone far beyond the world of business enterprise.

He has served his community and his country on numerous occasions: as a member of the first National Council on the Humanities; as head of the Federal Savings Bond Sales Committee; as chairman of the Research and Design Institute of Providence; as the first national chairman of the Industry Advisory Council of the President's Commission on Equal Employment Opportunity; as cochairman of the U.S.-U.S.S.R. Trade and Economic Council and the Polish-U.S. Council; as a member of the Board of Directors of ConRail; and most recently as head of HIRE, a program to find jobs for unemployed American war veterans. He has been the prime force behind the substantial financial involvement that Textron and other private businesses in Rhode Island have made in revitalizing the Providence downtown area.

Because of his active involvement in so many aspects of the economic life of this country, Bill Miller has acquired the experience necessary to handle the chairmanship of the Federal Reserve.

His tenure as a director the Federal Reserve Bank of Boston has given him particular insight into this demanding job.

But above all this we must look at the substance of the man. Theognis said: "Even to a wicked man a divinity gives wealth, but to few men comes the gift of excellence." Bill Miller has that precious gift of excellence.

If, as some have claimed, he is a rookie in monetary affairs, I believe his rookie season will be about the shortest on record. Moreover, I believe Bill Miller would be considered a rookie only by those who have not had the good fortune to work with him.

I have been most fortunate indeed to observe Bill Miller in a variety of activities. He has been a stimulating force in the Providence community, a leader in the national business fraternity and an energetic spokesman for business participation in solving social problems. He is a man of competence, integrity, imagination and drive, mixed with a strong measure of commonsense, patience and decency. As James Reston stated in a recent article on Bill Miller, he is not intimidated by this job and its size. He is an ideal man for the job.

Mr. President, I am well aware of questions that have been raised about Bill Miller because of reports that one of Textron's subsidiaries, Bell Helicopter, made questionable payments to a sales agency in Iran during the early 1970's.

The Senate Committee on Banking, Housing and Urban Affairs has investigated these payments thoroughly and has not been able to substantiate any evidence that Bill Miller knew of these payments or should have known about them.

Bill Miller has cooperated fully with this investigation, and has opened Textron's books so that a complete probe might be made. He has been absolutely fair and open, and nothing has been found. I believe his nomination deserves confirmation by the Senate.

I have known Bill Miller well for almost 20 years. We have worked together; we have been allied on various projects for our State and we have talked pretty deeply with each other concerning our views on Government, public service, and ethics. He served as chairman of my campaign committee in 1966 which shows my own degree of trust and respect for him.

I remember one of the subjects we discussed some years ago was whether American corporations should make improper payments to individuals abroad in order to secure contracts and I still remember Bill's response to me that he thought this practice was wrong and that his instructions to his people in Textron were that this practice should never be followed. He added that Textron may have lost a few contracts as a result, but that he thought he was following the right course and would continue to do so.

I realize that one of the questions that has been discussed is that of his own personal integrity. In this regard, I would give him the highest marks. I hope that the Senate would weigh my rather close and personal knowledge of Bill Miller as Senators reach a decision as to how they should proceed with regard to his nomination.

I applaud the President's nomination of Bill Miller. I have great confidence that the Senate, after examining his record, will share my confidence and enthusiasm and will confirm his appointment as Chariman of the Board of Governors of the Federal Reserve System.

(Mr. BURDICK assumed the chair.)

Mr. SCHMITT. Mr. President, I think it is important to heed the remarks just spoken by the distinguished Senator from Rhode Island.

It is also important to realize that the subject of clouds that hang over our institutions and over people in those institutions is one we have brought upon ourselves in many respects. There are clouds over many other figures in this Government and this country. In fact, there are clouds over Congress. The way in which we are doing business these days in many respects creates those clouds. The public is continually drenched with the rain from the clouds that appear in the media and in other public statements. All we can do is to do the best we can.

Yes, there is an investigation into the affairs of Textron by the SEC. There are many investigations in this town, any one of which may create a situation much like that Mr. Lance and the President faced not too many weeks ago. The Lance affair is an example, as is the handling of the Marston affair, the Korean affair, and many other affairs with which we are faced.

I hope my colleagues will heed the words of the Senators who have spoken in favor of Mr. Miller's nomination, particularly those of Senator STEVENSON, with which I associate myself this morning, in that it may well be that the Federal Reserve System can be better managed by somebody with good, sound monetary philosophy, but with an experience base in the area of management of big corporations, of important affairs, such as the experience base Mr. Miller brings to this job.

So, once again, I commend his nomination to the Senate.

Mr. PROXMIRE. Mr. President, will the Senator from New Mexico yield?

Mr. SCHMITT. On the Senator's time.

Mr. PROXMIRE. I have practically no time remaining, and there is plenty of time on the Senator's side. Will he yield briefly?

Mr. SCHMITT. I am happy to yield.

Mr. PROXMIRE. This will not take long.

The Senator spoke of the sound monetary philosophy of Mr. Miller. What is his monetary philosophy?

Mr. SCHMITT. As the chairman knows, I questioned Mr. Miller——

Mr. PROXMIRE. That is right, and that is why I asked the Senator.

The Senator was the one member of the committee who particularly emphasized our keeping our eye on the ball. He was dead right. We were examining Mr. Miller for his fitness as chairman of the Federal Reserve Board; and the other, while important to get into, was irrelevant to his particular job and qualifications.

So I ask the Senator, what is Mr. Miller's monetary philosophy?

Mr. SCHMITT. I spent a good deal of time not only in the hearings but also privately with Mr. Miller, and I must admit, as I did earlier this morning, that his earlier statement and writings, and his first testimony, caused me some great concern. But as the weeks went by, I I think that my concerns were largely manifested by misunderstandings on my part, and I also would say of Mr. Miller's part, of what we were talking about. I think that comes from a lack of experience in these areas.

I have not denied that his experience is wanting. I also could think of many individuals, as the chairman has, who, from a monetary policy point of view, might be better qualified for the job at this time.

However, in his most recent testimony, which Senator LUGAR and I stimulated, at our last hearing with Mr. Miller, I think it came across that his understanding of the role of the Federal Reserve System in controlling inflation, and the role it must play independent of both the White House and Congress, has increased, if not come to the fore, at a very critical time—critical for his nomination as well as critical for the country.

That philosophy, as I see it, is that the Federal Reserve System, through its control of the money supply, other things being equal, can exert a very gradual downward pressure on the inflation rate by gradually bringing the rate of increase of the money supply into balance with the rate of increase of the gross national product.

Inflation is the primary tax on the American people today. It is the primary issue that will face those of us running for election this year and for many years to come.

The Federal Reserve System can affect very critically the rate of inflation, by its control of the money supply. In that control, it may well be that interest rates will tend to rise. That is the other aspect of the problem.

However, Congress has control, also, on interest rates, primarily through the size of the deficit we create for our economic system. As that deficit is created, the Government must borrow to pay for that deficit, and that results in competition with all other sectors of our economy for the available money supply. If the money supply is not increased, interest rates will increase as a result of that competition. However, the pressure we put on the Federal Reserve System, as Congress, tends to be primarily to get the Federal Reserve System to hold down those interest rates. The only way that can be done is by creating more money within our country.

I say we should work from the other end, and I believe Mr. Miller believes that, also: that we should not start to use the Federal Reserve System, as Chairman Burns had said before him, to create a downward pressure on the inflation rate and encourage Congress to do something about interest rates in order to decrease the Federal deficit.

Mr. PROXMIRE. I thank the Senator.

I think this is very helpful, because there is far too little discussion of monetary policy in Congress or in our committee, for that matter, and it is essential that we have some.

I point out to the Senator that, as he knows, there is nothing in the world that Mr. Miller can do about the deficit. That is the responsibility of Congress and the President.

Aside from what he can do, it does present Mr. Miller, or any Chairman of the Federal Reserve Board, with a dilemma.

In the event Mr. Miller follows the particular formula which the Senator from New Mexico has alluded to, and which Mr. Miller indeed had said he wanted to follow, of gradually reducing the rate of increase in the money supply come hell or high water, as the Senator points out, that can result, No. 1, in higher interest rates; No. 2, in slowing down the growth of the economy, and that may very well be what has to be done because maybe in the long run that is the kind of medicine we may have to take, we may have to accept. But I submit if that is Mr. Miller's philosophy—and I do not think it is—but if it is his philosophy, it is the same philosophy Arthur Burns has.

Mr. SCHMITT. Exactly.

Mr. PROXMIRE. And I think the Senator from New Mexico knows what the facts of life are. He knows why Mr. Burns was not reappointed; everybody knows that he was not reappointed because that was the philosophy he wanted to follow.

Why was he not appointed? Because Mr. Blumenthal and the President of the United States knew they had a man who would accommodate the needs of the Federal Government and not continue, come hell or high water, to decrease the rate of money supply growth and put the kind of squeeze on interest rates that might gradually retard inflation but would also put the country through the trauma of higher unemployment and a slowdown in the economy.

There is no difference between Miller and Burns on monetary philosophy, and I think that was the Senator's conclusion. I think, judging from the last words Mr. Miller gave us which, as the Senator points out, from what he said earlier and what he said in his writings, if that is his philosophy—and I do not think anybody can say what it is because he has testified to all kinds of things—then the President, if he is not being deceived, the President is making a very great mistake. He is not getting anything.

Mr. SCHMITT. Well, I think the President, Mr. Chairman, appointed Mr. Miller for whatever reasons he may have had, and if he decided that on the basis of Tuesday's testimony Mr. Miller did not espouse the monetary philosophy he wanted, then that was the opportunity for his nomination to be withdrawn.

I, of course, and I think other members of the committee—not all but many—feel that the philosophy which I outlined a few moments ago is the correct philosophy for the Federal Reserve to follow, not come hell or high water; but most all other things being equal, it is a very important control that that system, independent control that that system, can exert on the rate of inflation.

Mr. PROXMIRE. May I say to the Senator, it is very interesting that the distinguished chairman-elect of the Federal Reserve Board changed his views so rapidly. The first time he appeared before our committee the Senator asked him:

> Mr. Miller, do you believe the Fed should set a gradually reducing target for the rate of increase for the money supply?
>
> Mr. MILLER. No, sir; I don't. I believe that the economy of our Nation and the world is too complex for a truly mechanistic solution.

So in 5 weeks he changed his position. Now, it may be that he is a quick learner.

Mr. SCHMITT. Maybe it is also that certain Senators are very persuasive.

Mr. PROXMIRE. That may very well be. The Senator from New Mexico may really be the Richelieu, the power behind the Federal Reserve. We really do not know about that.

Mr. SCHMITT. I would not object to that kind of power, but the Senator is well aware that I do not have that kind of power.

Mr. PROXMIRE. I know. But the point I make is the distinguished chairman-elect of the Federal Reserve Board does not have a monetary philosophy at the present time. He has been on both sides of virtually everything. I do not blame him. He has to learn that when he gets on the job maybe 1 year, 2 years from now.

But he does not have it based on the record, where he is on both sides of the fundamental problem of the rate of increase of money supply and what we do about inflation and unemployment.

Mr. SCHMITT. Mr. President, I will assume from the last remarks which I inserted in the record earlier this morning of Mr. Miller in response to the questions he was asked on Tuesday that this is the philosophical direction in terms of monetary policy and independence from the White House and the Congress that he will pursue.

If he does not, then I will, as the chairman I know realizes, I would be one of the first, if not the first, to begin to work in the ways that we can by the review of the Federal Reserve System to insure that that is the policy that is followed by that system.

Also I will work to assist Mr. Miller in the implementation of that policy within the Congress.

I also believe the Senator from Wisconsin will work in order to keep the Federal deficit down, to start to decrease it as regularly, and to decrease taxes as regularly, as the Federal Reserve System tries and, hopefully, accomplishes a decrease in the rate of growth of the money supply.

If those three things are done simultaneously then I think the goals of most Members of Congress—and I know the Senator from Wisconsin and I in terms of inflation and economic growth will be in harmony, but it is going to take not just the Federal Reserve System acting in a sound monetary way but it is going to take Congress and the President acting in sound fiscal matters so that all systems, all portions of the system, can work together.

Mr. PROXMIRE. Mr. President, I thank the Senator from New Mexico, and I agree with him wholeheartedly on the importance of the restraint on the part of Congress. But I do think our colloquy has brought out two things: No. 1, Mr. Miller does not know very much about monetary policy because he seems to be on all sides of the issue. No. 2, if it brings out, if this shift means much, it means he is subject to congressional pressure. What kind of an independent Federal Reserve do you have if he comes up and if a member of the Banking Committee questioning him can swing his view around to that extent? Can you imagine what is going to happen to him when they really throw him to the boys who really know the score on the Federal Reserve Board and the Open Market Committee? The fact is Mr. Miller, as I say, is a fine man, a fine conglomerate executive, but when he goes on that Board with the pros there is not going to be any real leadership from the Chairman. He is going to be taking his direction from the people who are on that Board, whether it is a good or bad thing.

Mr. SCHMITT. Mr. President, since this colloquy is on my time I would say that I think any man who can exert the leadership Mr. Miller has obviously exerted within Textron to bring the unprecedented growth in that corporation of the last few years will be able to exert leadership within the community of interests that is represented on the Federal Reserve System.

Mr. PROXMIRE. On that particular point we have—I beg the Senator's pardon.

Mr. SCHMITT. If the Senator will excuse me, we have to put some faith in the ability of a man of his, Mr. Miller's, experience and maturity in a wide sector of the American economy and American experience to be able to manage and learn quickly to manage another type of enterprise which, in terms of scale, in terms of numbers of variables, in terms of the basic parameters that are dealt with are very similar to the management of a corporation of the size of Textron, and other activities Mr. Miller has had in his life.

Now, Mr. President, the distinguished Senator from Massachusetts is here. He was extremely active in the questioning and the probing of Mr. Miller and other witnesses, and I think at this point in time, if he desires to do so, I will yield the floor to him.

Mr. PROXMIRE. Mr. President, if the Senator will permit on my time, let me say one word about the Senator from Masachusetts.

I have served in the Senate for 20 years. I do not know a finer Senator than the Senator from Massachusetts. He and I disagree on this decision, but in the course of this inquiry he conducted a superb interrogation not only of Mr. Miller but the other witnesses, and I think he has greatly enhanced the quality and effectiveness of our committee.

I just wish we did not find ourselves on opposite sides on this particular issue at this particular time because I think that to the extent this was a high-quality inquiry—and I think it was—to the extent that the committee did its job, and it did it well, the Senator from Massachusetts deserves most of the credit for that, and I really honor him for it, although he and I happen to disagree on this particular matter.

Mr. BROOKE. Mr. President, I thank my distinguished chairman, Senator PROXMIRE, for his very kind and very generous remarks. I certainly would agree with him that the committee did do a thorough investigation of this nomination, and conducted very objective and, I think, fair hearings on the nomination.

He and the Senator from New Mexico, and Senator HEINZ and others, I think should be singled out for the yeoman service they did in behalf of the committee and in behalf of Mr. Miller himself in the conduct of these hearings.

Mr. President, I do not intend to delay the vote on the nomination of G. William Miller longer.

I am sure that Senator PROXMIRE, Senator SCHMITT, and Senator HEINZ, and possibly others that have spoken have already thoroughly treated and addressed all of the problems that came before the committee during the conduct of the hearings and its deliberations.

We had a very, I think, important meeting of the Senate Banking, Housing, and Urban Affairs Committee yesterday, at which time I think a great service was done to the committee itself in bringing out some of the aspects of the hearings and the investigation.

I again commend the staff, Staff Director McLean the minority staff director, Mr. Buckley, Mr. Collins, Mr. Marinaccio, Mr. Freed, and Mr. Doherty and who really did the investigative work which was so essential to the committee's findings and ultimate conclusion on G. William Miller.

Senator SCHMITT from the very beginning has been particularly interested in the monetary policies of the nominee. I would somewhat agree, and I only heard the last part of Senator PROXMIRE's response, but I would somewhat agree with the chairman that I think that G. William Miller does not have a monetary policy at this time. I would hope, however, that it will not take 1 year or 2 or 3 years for him to actually develop or adopt such a policy.

With his money management and his administrative skills, which the chairman himself agrees that Mr. Miller has, by virtue of the excellent performance as the head of Textron, and what he did with the corporation, I am hopeful, as the Nation is hopeful, that he will get into this job and that he will perform well and at the same time I hope that he will not be too far from the monetary policies of the former Chairman, Chairman Arthur Burns, for whom I have the greatest respect and admiration and whom I urged President Carter to reappoint, but the President saw otherwise.

G. William Miller has had obvious business experience of great magnitude, and I hope that the Nation should fare well under his administration as chairman of the Federal Reserve Board.

I would just like to add that on the integrity question, I know the chairman has some reservations, particularly now that within minutes after the committee voted yesterday, the SEC announced it was making certain inquiries into Textron, but, as was said in the committee meeting yesterday, the SEC is conducting no inquiry into the personal activities of G. William Miller, and I hope that nothing in that investigation will throw any cloud at all upon the nominee.

I think it is important that the Chairman of the Federal Reserve Board be without suspicion as to his integrity, and as a result of our hearings I think he is above suspicion, insofar as his personal integrity is concerned. I think he would be seriously handicapped if he took this job with any cloud upon his personal integrity; and I think it is important to point out again and again that there was nothing in our hearings, which lasted some 2½ days, and that there was nothing in the indepth and

thorough investigation by our Banking Committee staff, which went to the integrity, the personal integrity of G. William Miller. And I think it is important for the Nation to understand that, because it would be a great injustice to Mr. Miller for him to assume this important post in our Government with any cloud whatsoever upon him.

Now, the investigation or the inquiry, whatever we wish to describe it as, by the SEC or any other agency or department of the Federal Government, to our knowledge is not directed in any degree at G. William Miller personally. So I would hope that we could join in wishing him well.

As Senator SCHMITT has indicated, we in the Congress will stand behind him and do everything we can, because we have got to get on top of inflation. We have serious problems with the dollar. We just cannot delay any longer, and we hope that this is the man for the hour: That G. William Miller will live up to the great expectations that the members of the business community have in him and the great expectations which the Committee on Banking, Housing, and Urban Affairs, by our vote of 14 to 1, have in him also.

In conclusion, I strongly support Chairman PROXMIRE in the conduct of the hearings and the conduct of the investigation, in the fairness and in the equity, both substantively and procedurally, during the course of the investigations and the hearings. I support him strongly on the floor of the Senate as I did in the committee, even though he has indicated that we are not together in our particular vote on this nominee.

I am sure, however, he hopes and prays that I am right and that he is wrong in this, as he has done on occasions before, when he has had occasion, because of strong personal convictions, to vote against a nominee.

I am sure he has always done so in the spirit that he would like to be proven wrong, and I hope this time that he is proven wrong in his judgment on the nominee.

Mr. PROXMIRE. Mr. President.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. I think we can probably yield back our time and have a vote right away, but I would like to do a couple of things before we finish.

No. 1, I ask unanimous consent that an article from the New York Times of this morning entitled "Ex-Iranian Official Says Three at Bell Knew of Khatemi's Role" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 3, 1978]

EX-IRANIAN OFFICIAL SAYS THREE AT BELL KNEW OF KHATEMI'S ROLE

(By Nicholas Gage)

TEHERAN, IRAN, March 2.—A former Iranian official who once promoted Bell Helicopter interests here said yesterday that a decade ago he had told three Bell executives that the chief of Iran's air force had a secret interest in Air Taxi, a company that Bell paid $2.9 million when it won a lucrative contract from the Iranian Government.

Suggestions that the payment was improper have delayed the confirmation of G. William Miller as chairman of the Federal Reserve Board and have led to a formal Securities and Exchange Commission investigation of Bell's parent company, Textron Inc., which Mr. Miller headed.

TESTIMONY UNCHALLENGED

Hassan Safavi, a 66-year-old lawyer and economist who has served in several Iranian Government posts, said in an interview that he told three Bell executives when they came to Teheran in 1967 that Gen. Mohammad Khatemi maintained a hidden interest in Air Taxi even though the Shah had instructed Government officials to end all business involvement.

Dr. Safavi said nothing in the interview, however, that challenged or contradicted Mr. Miller's repeated testimony that he personally had no knowledge of any ownership interest by General Khatemi.

Dr. Safavi said that the three executives—J. H. Orpen, Richard Pierrot and George Kling—went to see General Khatemi and that, when they returned to the United States, Bell appointed Air Taxi as its sole agent in Iran.

"When I heard about that I went to General Khatemi—he was my friend—and complained because I had spent quite a bit of my own money to promote the sale for Bell," Dr. Safavi said. "He told me not to worry, that he would pay me something from his share. Four years ago he gave me an amount, enough to cover my losses, and he arranged for me to serve as a consultant for Air Taxi."

Bell Helicopter, a subsidiary of Textron, paid Air Taxi $2.9 million in 1973 at about the time Bell received a $501 million contract to deliver 489 helicopters to the Iranian Army.

FIRST WORD FROM IRAN

Dr. Safavi's statement in the interview is the first assertion from anyone in Iran with direct knowledge that General Khatemi was a secret owner of Air Taxi and that some Bell executives were aware of that when their company made the $2.9 million payment to it.

Mr. Miller, Textron's chairman, said in his testimony before the Senate Banking Committee that the payment to Air Taxi represented straightforward compensation for past services and the settlement of any future claims. He has steadfastly maintained that he had no knowledge of any relationship between Air Taxi and General Khatemi, a brother-in-law of the Shah. General Khatemi died in a glider accident in 1975.

In testimony before the Senate Banking Committee, Dwayne Jose, Bell's vice president for commercial marketing, stated Monday that he had sent Mr. Orpen, Bell's international marketing manager until 1969, and two others to Iran in the fall of 1967 to determine whether there would be any "conflict-of-interest" in Bell's retaining Air Taxi as its agent.

Mr. Jose said that he had not believed the "fairy tale" Bell's former agent had told about the relationship between General Khatemi and Air Taxi. "All I recall is my feeling that we wanted to make certain that we would not entertain a dealer arrangement that involved any conflict of interest," Mr. Jose told the panel.

Mr. Jose said that when the team returned there was "no doubt in his mind" that there was any conflict.

Mr. Orpen also appeared before the committee and told the panel that he had heard only head "allegations and rumors" about General Khatemi's interest in Air Taxi before he left for Iran. Mr. Orpen acknowledged meeting General Khatemi briefly, but described it as a "social visit," except for a short discussion of Bell's interest in selling Iran helicopters.

Mr. Orpen could not be reached for comment on Dr. Safavi's contention that the Bell executive was told of the Khateoi interest. Robert S. Eisehauer, a Textron spokesman, said today that the Safavi account "seems to be roughly the same kind of information in the same time frame" that the Senate hearings covered. He declined to comment further.

Of Mr. Orpen's two colleagues, Mr. Pierrot has since died, and Mr. Kling's whereabouts are unknown.

In the interview, Dr. Safavi, who lives in a rambling apartment packed with precious antiques, paintings and silk Persian carpets, shed new light on the control of Air Taxi since it was founded in 1953.

He said the company was set up by three major partners—General Khatemi (who was married to the Shah's sister, Fatame), Ahmed Shafik and Nader Jahambani.

DIRECTIVE IN 1960'S

In the early 1960's the Shah issued a directive that he did not want Government officials involved in business enterprises, Dr. Safavi recalled.

Although this was not a law legally compelling General Khatemi to divest himself of his Air Taxi stock, he felt that, as head of the Imperial Air Force, he should not be listed as a shareholder in the company, according to Dr. Safavi. Therefore, he said, General Khatemi had two friends—Amir Zanghani and Frederick Eshoo—list themselves as holders of shares that mostly belonged to the general.

(Mr. HOLLINGS assumed the chair.)

Mr. PROXMIRE. I ask unanimous consent that an editorial that appeared the night before last in the Washington Star saying, "Slow on Mr. Miller," be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 1, 1978]

SLOW ON MR. MILLER

When the Senate Government Operations Committee began having tardy second thoughts about its casual confirmation of Mr. Bert Lance, Sen. John Danforth admonished his colleagues that "a card laid is a card played."

Mr. Danforth went unheeded: The Lance matter was not, in the event, handled according to Hoyle. But the unhappy precedent bears remembering now that the Banking Committee's hearings on the G. William Miller nomination are prolonged by nagging doubts. The Senate has no power to disconfirm; accordingly, its committees have a solemn obligation to reach truly definitive judgements when such judgments are timely. This is undoubtedly a nuisance for Mr. Miller; but it need not be taken as an insult.

The Banking Committee and its staff are snagged on two issues. One arises from the recent sale to Iran of 500 helicopters by the Bell Company, a subsidiary of Textron, the conglomerate of which Mr. Miller was chairman. Gen. Mohammend Khatemi, late brother-in-law of the Shah, then chief of the Iranian air force, is said to have been a silent partner in a concern, Air Taxi, that handled the helicopter sale for a $2.9 million commission.

Was the commission, in view of General Khatemi's position, actually a bribe? Did Mr. Miller know of the general's dual role? Should he have known? No one has adduced evidence that Mr. Miller did know, although a Kansas lawyer for the Bell Company told the committee recently that "anyone who wanted to know could find out." Mr. Miller

has taken the high-minded position that he has no knowledge of General Khatemi's double role and will not slander a dead man by assuming it. As for his own role, he maintains that a commission becomes a bribe only when it is knowingly tendered with corrupt intent. And, he says, he had no such knowledge or intent.

The other issue has to do with a pending, and apparently broad, Securities and Exchange Commission investigation of other foreign sales operations by Textron, which may or may not involve Mr. Miller.

We are sympathetic to the view that it is unfair, in the absence of solid evidence, to demand that a nominee establish his innocence, even his impeccability. And with the White House reportedly pressing the Banking Committee for quick action, that seems the prevailing sentiment of the hour. It is a sticky situation for everybody, Mr. Miller not least.

It is, of course, fair to ask that the committee doubters state in reasonable and objective terms just what findings would in their view disqualify Mr. Miller. Few international corporations, especially those doing business in countries whose customs and morals differ from our own, can have perfect records. To what degree their chief officers are answerable for unavoidable blemishes is an interesting question—and a question the Senate has not yet answered for itself.

But again the paramount consideration must be thoroughness. No one—the White House least of all—wants a replay of the Lance affair, another leisurely repentance of hasty confirmations. It would be embarrassing to everyone if, some months hence, Mr. Miller's work at the Fed were interrupted by trickles of embarrassing and questionable information about Textron's foreign sales under his management, either from the SEC or some other source.

The embarrassment would be intensified by the special nature and duties of the Federal Reserve Board chairmanship, which in view of the Fed's regulatory duties can stand no compromise with impeccability. Once confirmed, Mr. Miller would be set in a long-term, highly-independent position and his integrity reviewable by no one other than himself. If a Caesar's wife rule applies anywhere in government, it applies at the Fed. As Chairman, Mr. Miller would be much more than a political officer. The Senate should endorse him unreservedly, or not at all.

Notwithstanding the inconvenience to everyone, then, the Banking Committee and the Senate itself should hold off until they are absolutely satisfied that they have dotted every "i" and crossed every "t." Then and only then should they clear Mr. Miller's nomination.

Mr. BROOKE. Mr. President, will the Senator yield at this point?

Mr. PROXMIRE. I yield to the Senator from Massachusetts.

Mr. BROOKE. Mr. President, I would just like to point out, on all three of these articles, two editorials and an article, I believe, that the Senator has asked unanimous consent for printing in the RECORD, that I am familiar with all three of these articles, and I point out that none of these articles actually goes to the integrity of G. William Miller. I think that the New York Times—this is the second New York Times editorial—much as I respect the New York Times, as I said in the committee meeting, I think the New York Times was wrong in prematurely judging Mr. Miller prior to the conclusion of the hearings which were being held by the Senate Banking, Housing, and Urban Affairs Committee.

No. 1, I think that the cloud, if there is a cloud at all, is a cloud on the corporation and not on Mr. Miller, as far as we know, and I make that point strongly because if there were any serious questions as to the integrity of Mr. Miller, I personally would not have voted for his confirmation.

I think other members of the Banking, Housing, and Urban Affairs Committee would not have voted for this confirmation either if they thought there was a cloud on Mr. Miller. But we found no evidence that went to the integrity of Mr. Miller, and therefore we voted affirmatively on this confirmation, notwithstanding anything in the papers cited by Chairman PROXMIRE.

I also point out relative to the most recent article that he mentioned, the article on Mr. Orpen that Mr. Orpen did testify before the committee, and if this reporter is correct, there may be some question as to Mr. Orpen's credibility. But still there was no evidence, nor does this article indicate that Mr. Miller had the knowledge that Mr. Orpen had, and we cannot seriously impute the knowledge of Mr. Orpen, if in fact he had it, and I am not saying he did, to Mr. G. William Miller.

I thank the Senator for yielding.

Mr. PROXMIRE. May I say to the Senator from Massachusetts that the editorial in the New York Times did talk about a cloud on Mr. Miller and Textron. I think they were right. I think Mr. Miller is a big man and I think he recognizes that he must assume the responsibility for his corporation. There is no way that can be avoided.

He indicated over and over again that he did not know about this, but, as I indicated earlier, before the Senator from Massachusetts was able to arrive from the airport, the investigation that Mr. Miller conducted I thought was pitifully conducted and compares very unfavorably with the kinds of questionable payments made by other corporations. The record is just about as emphatic, as clear on this as it can be. It was not made by an outsider but by an insider. The investigation was confined to talks with people who did not happen to know about this operation. It did not go to any of the documents which could have disclosed the ownership of Air Taxi. The only reason to have an investigation to discover such a payment was questionable. Questionable on what score? Only on the score that it might have gone to someone beyond the three listed people listed as the stockholders officially but, as we have found since then, in the case of one of the stockholders, was a dummy for General Khatami.

Mr. BROOKE. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BROOKE. The investigation to which the Senator refers was conducted by general counsel for Textron, Mr. Soutter, and not by Mr. Miller personally.

Mr. PROXMIRE. I made that clear in my statement. It was with Mr. Miller's approval and reporting to Mr. Miller.

Mr. BROOKE. Yes, with Mr. Miller's approval. But as Mr. Miller pointed out, we are here concerned with one of the Nation's largest corporations, the 15th largest corporation in the Nation, and there are many divisions in this corporation.

Mr. PROXMIRE. As the Senator well knows he was head of the aerospace operations directly supervising Bell Helicopter as his particular interest. He negotiated the whole coproduction agreement with Iran with respect to helicopters. He went to Iran. He talked to people in Iran. He was responsible for that particular investigation. He said he could not remember whether he asked for it or Soutter asked for it, but they got together on it before Mr. Soutter went to Fort Worth and when he came back. The report was to Mr. Miller. That was the sole purpose of the investigation. It seems to me that under these circumstances we have to recognize that Miller was responsible.

Mr. BROOKE. I do not think the Senator intends at this time for us to review all of the testimony that came before us in the hearing. I would like to say that Mr. Soutter was the general counsel; that Mr. Soutter was directed to conduct the investigation. Mr. Miller, to whom a report was made, had no knowledge, as he testified, that there was any irregularity or that there was any possible ownership of this agent, Air Taxi, at the time of this investigation. There is no evidence before us, or there was no evidence before us, that Mr. Miller had any knowledge of any ownership of Air Taxi by General Khatami.

So on the record we have no information, no evidence, that Mr. Miller knew of this fact. I just cannot believe that the Senator from Wisconsin, our distinguished chairman, would want to impute the knowledge of anyone else to Mr. Miller.

If the Senator will recall, I strongly criticized Mr. Soutter's conduct of that investigation. I believed it should have been a more thorough investigation. I believe it merited questioning persons outside of their own corporation.

Mr. PROXMIRE. The Senator from Massachusetts and the Senator from Wisconsin disagree on the responsibility here. As I say, I have said nothing about the question of Mr. Miller's integrity. I have said that at least four times, in the course of my initial presentation, that there was no evidence that Mr. Miller knew about General Khatami's circumstances. But in my judgment, he should have known. Obviously, I was a lonely voice on the committee.

Mr. BROOKE. On that point, I would say that I think it will be very difficult for the U.S. Government to bring into service men of business, and certainly those who are corporate executives who have unique experience, experience that the Federal Government can well use, that the Federal Government needs in many instances, if we are going to hold them personally responsible for each and every action of their subordinates.

We do not want to limit our Federal Reserve chairmanships to economists or academicians. I think it is probably good that we are bringing in someone from the business community. And we are not going to be able to bring in people from the business community if

they are to be held responsible for anything that happens within a large corporate structure such as Textron.

Mr. PROXMIRE. Mr. President, there have been 2,743 nominations, or something like that, sent to the Senate by Mr. Carter this year. Only a handful, less than 3 percent, were turned down, withheld, or withdrawn. I cannot think of any important ones which were withdrawn on the basis of conflict of interest. This is very rare. We are not holding the fort against the business appointments or any other appointments, certainly not on a conflict of interest basis.

As the Senator knows, and I believe he shares my view, the Senate has been far too casual and too weak in its investigations of nominees. The advise and consent process has been a travesty. We have not gone into it. It has been the rubberstamp machine. We have not done the job we should do.

Certainly, there is no intention on the part of anyone on the Banking Committee to stand in the way of qualified business executives. Certainly, as the Senator said in the hearings, we have not only the right but the duty to challenge any kind of allegation of this kind.

Mr. BROOKE. I quite agree. As the Senator well knows, I was concerned the other day when it appeared that the administration was again rushing to judgment on this particular nomination. I saw evidence of that when all of the members of the distinguished chairman's own party came in and immediately wanted to take a vote on confirmation, having not even been in the hearings, having not had any opportunity to read the transcript. They wanted to rush through this confirmation. As the Senator knows, I stood shoulder-to-shoulder with him in blocking that procedure, which I think would have been a grave mistake.

Mr. PROXMIRE. It is like the Red Queen in Alice in Wonderland, the verdict first, and the trial later.

Mr. BROOKE. Yes. I think that is probably the reason we have had such a fantastic rate of approval during the Senator's party administration.

Mr. PROXMIRE. This never happened with the Ford administration?

Mr. BROOKE. I do not want to get partisan on this, but the Senator from Wisconsin raised the question, and I just have to say I think that is the practice which has been followed far too many times. I commend the chairman of our Banking Committee for being unique in standing up to this sort of pressure and not yielding to it. I think we did not yield to it in the Banking Committee. I think we examined all of the evidence before use. Having made that examination we did come to the conclusion, which I think was the right conclusion, that there is no question about the personal integrity of this nominee and that he should be confirmed by the U.S. Senate. I think the 14-to-1 vote, which included not only eight Democrats but all of the six Republicans, showed Senators believed not only in the integrity, but in the other qualifications of this particular nominee to hold this important post.

I would like to say in conclusion I thank the Senator for this opportunity. I am sorry I was late in arriving. I left Massachusetts at 8 o'clock. There is a snowstorm which the Senator may not know about, being inside. We flew around for about 2 hours over National Airport. Many of our fellow Senators cannot get in because the airport is closed or they have been diverted to other airports. I hope we can vote on this nomination without a rollcall vote, if the Senator from Wisconsin would agree. Obviously, his position is well known.

I do not know of anybody on my side of the aisle who wants a rollcall vote. Our leader, for example, is in an airplane at this moment, trying to get into Washington, as are other Members of the Senate. If the Senator from Wisconsin would agree, we shall agree to a voice vote on the confirmation. Obviously, the Senator will have the right to put into the RECORD, if he thinks he has not put it in already, what his reservations are concerning this nominee.

Mr. PROXMIRE. I agree. I have done that knowing the vote is going to be overwhelmingly in favor of Mr. Miller.

I want to say two things. No. 1, I hope I am wrong. I mean that very seriously. If I am right, it is going to be a bleak day for this country in all kinds of ways, not only from the standpoint of the conflict of interest and the cloud over the Federal Reserve, but also because we are going to have a monetary policy that can paralyze the country economically.

Mr. President, I think what we should do is what we have not done in the past, but I am going to start right now. I am going to put in the RECORD what the level of inflation has been, what the increase in the money supply has been, what the level of unemployment has been, and a number of other variables. Every 3 months, we shall have a little report card on Mr. Miller. We should have done that on Arthur Burns. We should have some kind of results. We should approve him not because we like his rhetoric, or because he is a good-looking fellow and he smokes a pipe, but because he gets results. I am going to do that today. I ask unanimous consent that the first quarterly report on economic performance that will serve as the base from which we will judge Mr. Miller's performance as Chairman of the Federal Reserve be inserted at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

First quarterly report on economic performance

	Fourth quarter 1977 averages at annual rates—(growth rates or percent—unless noted)
Real GNP	4.0
Implicit GNP deflator	6.1
CPI (new)	4.4
CPI (old)	4.6
WPI	6.8
Unemployment rate	6.6
Industrial production index	139.3
Manufacturing capacity utilization	82.9
Housing starts (million)	2.143
3-month treasury bill rate	6.137
Corporate Aaa Bond rate (Moody's)	8.10
Prime rate charged by banks	7.75
New home mortgage yields (FHLBB)	9.08
Money stock: M–1	6.8
Money stock: M–2	7.6
Velocity: V-1	3.1
Velocity: V-2	2.4

Mr. PROXMIRE. Also, as I say, after the next 3 months and for 4 years, I am going to put it in the RECORD. We shall have a little discussion about what the statistics show about the fundamental elements in our economy, many of which the Federal Reserve Board has control over.

They obviously have direct control over money supply, and they have a profound control over interest rates. They have an indirect but important influence on inflation and unemployment.

Mr. BROOKE. The Senator from Wisconsin did not mean to imply that all Arthur Burns brought to the Federal Reserve Board was his pipe.

Mr. PROXMIRE. No, of course not.

Mr. BROOKE. Time and time again, the chairman has said he agrees that Arthur Burns was a very able, very strong Chairman.

Mr. PROXMIRE. Earlier, I said that we do not have in Miller a man of the stature of Burns or Martin, as far as monetary policy is concerned.

Mr. BROOKE. Even though the Senator does not agree with Dr. Burns.

Mr. PROXMIRE. Mr. Burns understood monetary policy. He may have been wrong; he was often. But he understood what he was talking about. He could go into that boardroom and with his knowledge of monetary policy, the Board respected him. William McChesney Martin was of the same stripe, so was Marriner Eccles. For 40 years, men of that caliber were running the Fed. Now we do not have that with Mr. Miller.

Mr. BROOKE. Why did the Senator fight so hard for him?

Mr. PROXMIRE. I thought he was a marvelous appointment for President Nixon to make. That was one of his best appointments, along with Kissinger.

Mr. BROOKE. The Senator did not say that when he came up before the committee.

Mr. PROXMIRE. I did, but I thought Carter could do better.

Mr. BROOKE. But he did not.

Mr. PROXMIRE. He did not, no.

Mr. BROOKE. And it remains to be seen whether President Carter is going to do better on other issues.

Mr. SCHMITT. I hope the distinguished chairman of the Banking Committee will also consider these quarterly reports on inflation rate, money supply growth, and other economic parameters as being a report card for Congress and the administration generally. As we discussed earlier and I am sure he will admit, there are many factors interacting that will cause an increase or decrease in the inflation rate, in the interest rates, and so on.

I also hope that the statistics he supplies for the RECORD—and I think, by the way, it is an excellent point and an excellent thing to do—will be the 3-month

weighted averages rather than an instant snapshot.

Mr. PROXMIRE. Absolutely.

Mr. SCHMITT. I know the chairman is well aware that an instant snapshot of any of these variables can be misleading and, in fact, has been misleading, not only to the Government and to the people, but to the business community itself.

Mr. PROXMIRE. The Senator is absolutely correct. I would not make any conclusion based on that 3 months, but every 3 months, I think we shall do that. I think the Congress is under criticism, is under fire, but it is covered very well. There are reporters in the gallery; everything we say is in the CONGRESSIONAL RECORD. The Federal Reserve Board functions behind the scenes. Nobody really knows what is going on. They do not even tell us what they spend, except they come up the year after and give us a historical review of it. There is no appropriation hearing, there is no GAO audit, there is no accountability with the Budget Committee. The whole operation is conducted in a stronger aura of secrecy than the CIA.

Mr. BROOKE. That is because of the necessity to keep them independent.

Mr. PROXMIRE. That is exactly why we should judge them by something. This way, we judge them by results.

Mr. BROOKE. We bring them up every 6 months. The Senator knows that.

Mr. PROXMIRE. The Senator sure does know that, and he knows how lonely it is with only a few Senators there every time. It is a feeble exercise. It is the most neglected oversight aspect of the Congress.

Mr. BROOKE. But it is oversight. We instituted it 2 or 3 years ago.

Mr. PROXMIRE. That was the revolutionary idea of 1975.

Mr. SCHMITT. I think the distinguished chairman of the Banking Committee does himself a disservice to say it is a feeble exercise. I have been involved in two of these hearings so far since my arrival in the Senate. I would say that, as a matter of fact, the three of us are usually the ones there, along with the distinguished Senator from Indiana. I think that we have, in fact, through the Senator's leadership and the leadership of the Senator from Massachusetts, exposed much of the kind of information that is necessary for the Congress to have and the public to have, relative to the Federal Reserve System. I think that we should continue to do that and continue to explore these policies. But we should also keep in mind, as the Senator from New Mexico said again and again this morning, that they interrelate with what we do in the Congress and the other fiscal policies that are advocated by the administration.

Mr. BROOKE. If the Senator will yield, I think it has not been an exercise in futility, as the chairman has indicated. I am a little surprised that he says that.

Mr. SCHMITT. I think he does himself a disservice, as I said.

Mr. PROXMIRE. It is better than nothing, and we had nothing before. As I say, we have had to build on that. They come in and talk about M–1, M–2, M–3. Half the people think they are talking about rifles and it is hard to get any real discussion on the floor of the Senate or any audience in America on that monetary policy.

The Senator from North Carolina (Mr. HELMS) is very interested in this. He has contributed greatly to that, but he is a rare exception.

I do not criticize the committee or the committee members. I think it is a terrific committee. We have great ability on the committee, a wonderful staff. It has a remarkable potential. But monetary policy itself, over the years, has been badly neglected and obscured, probably because the Fed operates in this terrific secrecy. Everything they bring out is 45 days late or 35 days late or a historical review.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. The Senator from Massachusetts has 3 minutes remaining.

Mr. BROOKE. I was going to say in conclusion that the mechanism is there. If we do not use it, it is our fault. I think we have been using it. If the Senator wants to improve on that, that is another thing.

Mr. President, I have nothing further to say. I think we have exhausted this subject of the confirmation of G. William Miller to be the Federal Reserve Chairman. I think that it is only fitting now, if the chairman, the Senator from Wisconsin, will agree, that we have a voice vote at this time.

Mr. PROXMIRE. I agree.

Mr. BROOKE. I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the nomination by the Senator from Michigan (Mr. RIEGLE).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR RIEGLE

I want to voice my strong support for the nomination of G. William Miller to be a member of the Federal Reserve Board. I believe Mr. Miller is one of the highest qualified nominees that President Carter has presented to the Senate.

We badly need to fill the vacancy at the Federal Reserve Board and I am confident that Mr. Miller, as chairman of the Federal Reserve Board, can work effectively with the Congress in finding answers to the problems of unemployment, inflation and the declining value of the dollar overseas.

A TRIBUTE TO WILLIAM MILLER

● Mr. CHAFEE. Mr. President, I wish to applaud in the most enthusiastic terms possible the Senate's confirmation today of an outstanding Rhode Islander, G. William Miller, as a member of the Board of Governors of the Federal Reserve System.

Mr. Miller was the best possible choice for this critical position. Indeed, he is the man for the moment, and I credit President Carter for the wisdom of his nomination, and the Senate for its confirmation.

For those of my colleagues who are not already familiar with Bill Miller's background, he was a junior executive of Textron at the age of 31, president at 35, chief executive officer in 1968, and chairman in 1974. This rapid success was earned in a Providence-based corporation that employes 65,000 people in 180 plants here and abroad, with 1976 sales of $2.6 billion.

During the recent Banking Committee hearings, the depth and quality of Bill Miller's personality emerged. This is more than an outstanding businessman who came before you for confirmation. This is an outstanding citizen.

His has been a personal profile born out of what could be called the great American dream. The Miller family of nine did not come from the roots of higher education and inherited wealth. When the Depression forced Mr. Miller's father to close his small Oklahoma furniture store, the family gathered in their three-room house, talked for hours over the dinner table, and dreamed of what someday might be.

Following junior college, the Coast Guard Academy, Coast Guard service, and finally, law school, William Miller began making it be, making it happen. He did not shrink when Royal Little, then Textron's chairman, offered him a job with the promise that within a year, he would either be a vice president or fired.

He was never fired. Instead, he asserted himself, and proved himself in the process. When something that was his direct responsibility went badly, he shouldered the blame, rather than shift it elsewhere. When something for which he was responsible went well, he was quick to credit those whose assistance made the event possible.

During his confirmation hearing, Bill Miller again showed the mettle of which he is made. There were difficult questions, and he answered them. There were firm challenges, and he met them. The final interpretation is simply what I have always known—he is an unusually strong and competent individual whose integrity cannot be impugned.

Mr. President, we are at a point in our country when inflation and unemployment threaten to cover us with the awesome force of another Depression. We need someone to head the Federal Reserve Board who believes that threat can be countered, as does Mr. Miller. We need someone who prefers to let the free market work in the traditional way that has made us a strong Nation, as does Mr. Miller.

I can assure you, just as the entire business community can, that the trust you have shown in this distinguished Rhode Islander by your vote has not been misplaced. I have complete confidence in Bill Miller's ability, and the country is fortunate to have someone with his talent come forth to serve his Nation.●

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). All time having been yielded back, the question is, Will the Senate advise and consent to the nomination of Mr. G. William Miller to be a member of the Board of Governors of the Federal Reserve System? Those in favor will say "yea"; opposed, "nay."

The nomination was confirmed.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the President be notified immediately of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be so notified.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which Mr. Miller's nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Has the request been made that the President be notified?

The PRESIDING OFFICER. The request has been made and agreed to.

ORDER FOR RECESS TO 11 A.M. ON MONDAY, MARCH 6, 1978

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 o'clock a.m. on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Executive N, 95th Congress, 1st session, which the clerk will state.

The second assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

Mr. ROBERT C. BYRD. Mr. President, is there an amendment before the Senate?

The PRESIDING OFFICER. There is no amendment pending.

Mr. ROBERT C. BYRD. May I ask the distinguished Senator from Alabama, who is on the floor, and the distinguished Senator from North Carolina (Mr. HELMS) whether or not either is prepared to call up an amendment at this time to article I?

Mr. HELMS. I can say momentarily. I have a check being made.

Mr. ROBERT C. BYRD. May I address the question to the distinguished Senator from Alabama?

Mr. ALLEN. May I address the Chair, and that, in part, will answer the distinguished Senator from West Virginia?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. Mr. President, I do have a number of amendments at the desk. I withdraw all of my amendments except amendment No. 52, which I shall be willing to call up during the day if no other Senator has an amendment.

AMENDMENT NO. 61

Mr. President, I send to the desk another amendment for printing.

I ask unanimous consent it be stated, not that it be offered for consideration at this time, but that it be stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The legislative clerk read as follows:

AMENDMENT NO. 61

SUBSTITUTE FOR ARTICLE I OF THE PERMANENT NEUTRALITY TREATY

Amend Article I of the permanent neutrality and operation of the Panama Canal treaty as follows:

Strike all of Article I and insert in lieu thereof, the following:

Article I. The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama; *Provided, however,* That the neutrality provided for in this treaty shall not be construed as permitting the warships or submarines of nations with whom the United States is then at war to have the right of undisturbed transit of the Canal.

Mr. ALLEN. I might state to the distinguished majority leader that the only new part of this amendment is following the proviso. The rest merely adopts the present article I.

I might state further to the distinguished majority leader that with these two amendments, as I say, I would not like to call them up unless there are no other amendments that Senators wish to call up, but with these two amendments, I would then be willing to move on to article II.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

May I ask the very able Senator, in withdrawing his other amendments, would he ask unanimous consent they be withdrawn from the desk so that no other Senators can call them up?

Mr. ALLEN. I will ask that. I have no intention of offering them.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

As I understood Mr. HELMS, he was ascertaining at this time——

Mr. HELMS. Correct.

Mr. ROBERT C. BYRD (continuing). As to whether or not he would call up amendments shortly.

Mr. HELMS. Or whether someone else would.

Mr. ROBERT C. BYRD. I understand there are no amendments to article I, other than an amendment by Mr. SCOTT and two amendments now that Mr. ALLEN has addressed himself to.

Very well.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—ORDER FOR RECESS UNTIL MONDAY, MARCH 6, 1978

Mr. ROBERT C. BYRD. Mr. President, I propound the following unanimous-consent request, which I have cleared with Mr. ALLEN, Mr. HELMS, Mr. HATCH, Mr. SARBANES, Mr. HODGES, and other Senators, including the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 o'clock noon on Monday; provided, that immediately after the prayer, the Senate resume consideration of article I of the Neutrality Treaty; provided, further, that at that time Mr. ALLEN be recognized to call up an amendment which, as of today, is unprinted, which will be cosponsored by himself and on behalf of himself and Mr. THURMOND, Mr. HELMS, Mr. LAXALT, Mr. HATCH, Mr. GARN, and Mr. SCOTT; that there be a time limitation on that amendment of 1½ hours, at the expiration of which the Senate proceed to vote in connection therewith; that upon the disposition of the amendment, the distinguished Senator from Alabama be recognized to call up amendment No. 52, which is a printed amendment, proposed by himself, for himself, Mr. THURMOND, Mr. LAXALT, Mr. HELMS, Mr. HATCH, and Mr. GARN; that there be a time limitation of 1½ hours on that amendment; in both cases, the time to be equally divided in accordance with the usual form; that upon the expiration of that 1½ hours, a vote occur in connection with that amendment; provided, further, that upon the disposition of the amendment, the Senate proceed immediately to the consideration of article II of the Neutrality Treaty.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President. reserving the right to object—and I shall not object—in allocating the time, I am sure it will be all right if the time on our side is controlled by me or a Senator designated by me.

Mr. ROBERT C. BYRD. Under the request, the Senator from Alabama would be in control of time in support of the amendments.

Mr. ALLEN. In my control or in the control of my designee.

Mr. ROBERT C. BYRD. Yes; it would be under the control of the Senator from Alabama, and he could designate anyone.

Mr. ALLEN. I thank the distinguished majority leader. I commend him for proposing this unanimous-consent request. I believe it shows a spirit of cooperation on both sides of this issue, a willingness to move ahead, and to give full consideration at the same time to constructive, substantive amendments. I thank the distinguished majority leader.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the distinguished majority leader? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators. I particularly thank Mr. ALLEN, Mr. HELMS, Mr. HATCH, Mr. THURMOND, Mr. LAXALT, Mr. GARN, and Mr. SCOTT, the cosponsors of the two amendments.

I also thank Mr. SARBANES, Mr. SPARKMAN, Mr. CHURCH, Mr. CRANSTON, and others on the other side of the question, and I thank the Senator from Virginia (Mr. HARRY F. BYRD, JR.), who presides

over the Senate, for the splendid cooperation given in connection with this request.

I also thank Mr. ALLEN for withdrawing all his amendments from the desk, with the exception of the two that are included in the agreement, which means that they will not be there for anyone, including the majority leader, to call up.

I thank all Senators.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. What is the pending business?

The PRESIDING OFFICER. Amendments to article I of the treaty.

Mr. KENNEDY. Mr. President, for months, the opponents of the Panama Canal treaties seem to have had the idea that we are doing Panama a favor when we ratify these treaties.

We are not doing Panama a favor. We are doing ourselves a favor by acting in the national interest of the United States.

The Panama Canal treaties are in our best economic and military interests, for they assure full access to and use of the canal by our ships.

The Panama Canal treaties are in our best security interests, for they guarantee the permanent neutrality of the canal.

The Panama Canal treaties are in our best political interests, for they recognize Panama as an equal partner, not a colony, in assuring a safe, secure, and open canal. All of Latin America, and indeed the world, is watching as we decide whether to cling to the last vestiges of colonialism or to establish new, mature, equal relationships with the weak as well as the strong.

And these treaties are right. They are right because they demonstrate that the United States is too great a nation to impose its military strength upon the weak. They are right because they recognize the justice of Panama's control over all its territory—territory which included the Canal Zone since Panama became independent in 1903.

Our interests are neither colonization nor military occupation of the Panama Canal. We never owned the canal.

Not in 1903, when we hastily signed a treaty with the French builder of the canal, rather than wait for troublesome Panamanian negotiators to arrive on the scene—Secretary of State Hay admitted "how many points there are in the treaty to which any Panamanian patriot would object."

Not in 1936, when our treaty of friendship recognized Panamanian sovereignty over the canal.

Not in 1964 and thereafter, when President Johnson and his three successors undertook to transfer the canal to Panamanian control.

Our interests are to use the canal, not to own it. There were our true interests in 1903; these will be our true interests in 2003.

What should surprise any objective observer, Mr. President is not how few rights we have over the Panama Canal, but how many we have under these new treaties. We were told by General Torrijos when he signed the treaties last September, that, in truth, not all Panamanians could support the treaties, "because the 23 years agreed upon as a transition period are 8,295 days, because during this time there will still be military base which will make this country a strategic reprisal target, and because we are agreeing to a treaty of neutrality which places us under the protective umbrella of the Pentagon."

What "sustained the hopes" and "strengthened the patience" of the Panamanian people throughout the negotiations, Mr. Torrijos told us, was the "firm conviction that the people of the United States were not colonialists at heart, because you yourselves had been a colony and had fought heroically for your freedom."

The amendments considered by the Senate this week suggest that there are some who do not share this perception. There are some who would have us perpetuate our military occupation of the Panama Canal. There are some whose hearts are warmed by making the heartland of one of our allies the permanent colony of the United States. From their standpoint, why establish a partnership in which Panama develops a strong stake in the efficient, fair, and open operation of the canal, when we can impose our will and keep it under our permanent control?

So we have faced amendment after amendment after amendment permitting the United States, the foe of colonialism for over two centuries, to keep its troops in Panama after the year 2000. The most hidebound 19th century colonialist would hasten to congratulate the sponsors of these amendments, who unblushingly propose them for a treaty between equals in the 21st century.

To its credit, the U.S. Senate has decisively defeated each of these amendments as it has been offered. I believe that this is because most Senators recognize the amendments for what they are—rank neocolonialism not worthy of this country—and because most Senators recognize the treaties for what they are—an equal partnership in the overwhelming national interest of the United States.

Mr. President, the fact is that Panama has already granted the United States the permanent and unilateral right "to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal."

The fact is that this right is unprecedented in the modern history of the United States. We do not have such a right with any other country of the world.

The fact is that the Joint Chiefs of Staff are convinced that this right meets the security requirements of the United States. This is a judgment shared by the Commander in Chief of the U.S. Southern Command and by Gen. Maxwell Taylor, former Chairman of the Joint Chiefs of Staff.

But the opponents of the treaty are not satisfied by all this. They do not want us to just have the right to intervene. They want us to be able to keep our forces in Panama—with no limit in time, no limit in numbers, no consent from Panama. They want a permanent right of occupation, not just of some uninhabited land but of the very heart of Panamanian territory.

Imagine the response of Canada if we were to seek even half as much control over the gas pipeline to the United States. Imagine the response of European allies if we were to seek permanent military base rights on their territory. Or, imagine the response of President Jefferson if Napoleon Bonaparte told him, at the time of the Louisiana Purchase, that France insisted on the right to occupy the Mississippi in the 20th century.

The Canadians would be outraged. The Europeans would be outraged. We would be outraged. By the same token, it would be a disgrace for the United States to demand this right today, and it would be an ultimate humiliation for Panama to grant it. Not even at the height of American power has our country ever sought or obtained such a right from its friends and its allies.

It should be obvious that the permanent right of military occupation is unjust—a wrong not a right. But if that is too much for some to comprehend, surely it must be evident that this so-called right must be self-defeating for the United States.

We all know that the Panama Canal, because of its great length, is extraordinarily hard to defend against acts of sabotage. All testimony points to the vulnerability of the canal locks or of individual ships. The crucial issue is whether we minimize or maximize the frustrations which can lead to desperate acts. Here, we have a clear choice. We can perpetuate our military domination of Panama and alienate the Panamanian people. Or we can conclude an equitable treaty with Panama and make the Panamanian people our partners, with a strong vested interest in operating and letting us use the canal.

I wonder where the supporters of the military occupation amendments will be if the Panama Canal is threatened with sabotage unless we withdraw our troops? Will they want us to pour in 100 or 200,000 troops to "secure" the defense perimeter? Will they want us to be caught once again, on a sinking boat in a hostile anti-American sea? Are they so blind to the lessons of the recent past?

But, of course, the majority of the Senate recognizes these amendments for what they are. They would impose completely unacceptable and totally nonnegotiable conditions on the Panamanians. If the amendments do not sabotage the canal, they certainly sabotage the treaties.

That would gratify the old colonialist minority in our country. But it would cast long shadows over the future security of the canal and over our future relations with both Panama and Latin America.

All our rhetoric about fair play and equal treatment in this hemisphere as well as in the rest of the world would ring hollow. The setback to the national inter-

ests of this country would be substantial by any measure.

So the responsibility of the Senate is clear. It is to continue to defeat these amendments by decisive margins, to act in the best political, security, and commercial interests of the United States, and therefore to ratify the Panama Canal treaties as negotiated.

Mr. President, one of the amendments now before the Senate, offered by our colleagues, is on article I and points out that—

In the event sabotage shall at any time have impeded and threatens to impede the free and open transit of the canal and the President of the United States prior to December 31, 1999, shall have so certified to the Government of Panama, then the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, but not beyond December 31, 2019.

It seems, Mr. President—and I know the Senate will probably debate that particular amendment during the course of the afternoon—but it seems to me, Mr. President, that the issues raised by this particular amendment have been addressed very completely and adequately both by the treaties and by the leadership amendments to the treaties themselves.

I am mindful of the directive language which is included in the leadership amendments, which provides, in the treaties concerning the permanent neutrality and the operation of the Panama Canal, that Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations.

The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime or neutrality, and consequently shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal.

It seems to me that that language is extremely explicit in terms of any real or potential threat, and I think under the language of the proposed amendments that is explicitly clear.

But, again, in further definition of that language, we see in the committee report itself that the meaning of these amendments, which together constitute the joint statement, is plain: The first amendment relates to the right of the United States to defend the canal, and it allows the United States to introduce its armed forces into Panama whenever and however the canal is threatened. There could not be any real question, nor should there be, as to the ability of the United States to protect its interests in terms of a threat to the canal under his language.

The report continues:

Whether such a threat exists is for the United States to determine on its own, in accordance with its constitutional process. What steps are necessary to defend the canal is for the United States to determine on its own, in accordance with its constitutional process. And when such steps shall be taken is for the United States to determine on its own, in accordance with its constitutional process.

The United States has a right to act as it deems proper against any threat to the canal, internal or external, domestic or foreign, military or nonmilitary. Those rights enter into force on the effective date of the treaty, and they do not terminate.

So, Mr. President, I think that in reviewing those various proposals which have been recommended to the Senate in the form of the various amendments that deal with the issue of threats to the security or threats of sabotage, any interpretation of that particular word, I think, has been included very clearly and precisely in the language of the treaty, and will be further clarified in the leadership amendments. A further definition of the explicit language, I think, is exceedingly clear in the language of the report itself, as to any possible interpretation; the interpretation that I think ought to be and will be given to these words, as outlined in the report itself, I think, provides the necessary protection for our national interest.

Of course, it is worthwhile pointing out in these instances that that interpretation is also the interpretation which the Panamanian Government has given to these particular words.

So it seems to me, Mr. President, that our vital interest in terms of the use of the canal, in explicit terms, is carefully protected and guarded by this language.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. KENNEDY. I am glad to yield to the Senator from Maryland.

Mr. SARBANES. I want to underscore one of the opening observations which the Senator from Massachusetts (Mr. KENNEDY) made. An observation which I think is of great importance and which we need to be brought back to in our thinking about these treaties with some regularity.

Although some people have discussed these treaties as though we are doing Panama a favor, as the Senator from Massachusetts points out very effectively, we are really doing ourselves a favor by protecting the national interests of the United States. We are obtaining rights under these two treaties that are of enormous importance to the United States.

Many observers, in fact, are surprised by the extent to which the Panamanians have agreed to accommodate American interests in these treaties. We have the right to remain with all the military facilities that we need, in the judgment of our own military people, in Panama for the next 22 years, and thereafter the right to take any action we deem necessary to maintain the neutrality of the canal; and that latter right is without any time limitation.

In other words, that is a right which, after the turn of the century, will continue and continue and continue.

Now, those are extraordinary authorities for us to be given in an agreement. This is not something we are seeking to impose or gain solely through the use of force. This is something that the other party is prepared to agree to, and thereby prepared to give to the United States the legal and moral basis for asserting our authority.

Therefore, the point that the Senator from Massachusetts has made that we are, in effect, doing ourselves a favor, and we ought to look at these documents and examine them in terms of how they serve the American interest, and that they do well serve American interests, is a very important point.

Mr. KENNEDY. I think that is a helpful comment. I would like to address a question to the Senator from Maryland. I think he has responded very clearly—and I think the case has been made on the Senate floor, but this is an important issue for the understanding of the American people. Who is going to define such a threat, a threat of sabotage? The answer to that issue or that question has been spelled out extremely clear in the language of the treaty and in the leadership amendment, and spelled out further about as clearly as the English language can in the report itself.

I think the Senator has underscored the right of the United States to make this determination, and has underscored the understanding, that the Panamanian Government agrees with the right of the United States to make that determination. It is based upon the particular fact that our country, according to our constitutional process, will be able to deal with any question, any situation, or any set of circumstances which we feel will effectively threaten the access to the canal itself.

I think this has perhaps been reinterpreted by the opponents of the treaty. In some instances, the nature of the debate has brought about some degree of confusion in understanding that provision. Would the Senator agree with me that with the specific language of the agreement, the leadership amendments, the language of the report interpreting that language, the agreement of the Panamanian people, that the right of the United States to protect its interests is secure under this particular agreement?

Mr. SARBANES. If the Senator will yield, I believe the statement he has made is absolutely correct. The treaty in article IV as written provides that authority to the United States. But to make it absolutely clear and certain, there is an amendment to be offered under the joint leadership of the majority leader (Mr. ROBERT C. BYRD) and the minority leader (Mr. BAKER) which spells it out even further.

It states:

The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime of neutrality, and, consequently, shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal.

The Senator is absolutely correct.

I want to point out that there is no provision for consultation, no provision for reference to arbitration, no provision for going to the International Court—no provisions of that sort. This is an authority we have, a right we have, to make the determination that the neutrality of the canal is threatened, and to take what-

ever action we deem necessary, that the United States deems necessary, in order to protect and maintain the neutrality of that canal.

We go on to say that we are not seeking the right to intervene in the internal affairs of Panama or to compromise its territorial integrity or its political independence. The action we will take is directed to maintaining this international, neutral waterway, which is of such importance to us and to the entire world. The right we are given is very important, and this right ought to be contrasted with some other language which has been quoted.

Yesterday we were quoted some language from the 1936 treaty which, it was alleged, was more protective. But that language called for consultation between the parties before any action was taken.

Here there is no requirement for consultation. We can act as speedily as is necessary in order to protect the neutrality of this canal, and we can take whatever action we deem necessary, whenever we deem it necessary, in order to accomplish that particular objective.

Mr. KENNEDY. I understand that those additional words the Senator just read, in terms of intervention into the Panamanian internal affairs, is really not something which is new to this treaty, but, actually, is a matter which was included in the 1936 treaty. It is restated in terms of the context of this particular provision so there could not be some new interpretation actually given to that particular language, given the fact it has been a practice since the 1936 treaty.

Mr. SARBANES. If the Senator will yield, of course, as the Senator knows, the term "intervention" has always had a special implication in Latin American countries, an extremely serious, negative implication. It is very important that we ought not inflame this matter by the use of a term which carries with it many, many negative connotations—the violation of a country's political independence and its territorial integrity. We have no desire, of course, to do that. That is not the authority we are seeking here.

The authority we are seeking is to be able to act to maintain the neutrality of the canal and, therefore, keep it open—keep it open, keep it available, and keep it accessible.

There has been a lot of talk on the floor of the Senate of what the canal is worth. The canal is not worth a penny if it cannot be used. I defy anyone to give a value of any significance to the canal if the canal cannot be used. The value of the canal lies in its use.

The treaty arrangements which have been worked out and which are now pending before the Senate are designed, to the maximum extent possible, to guarantee the continued use of the canal and its availability to the entire world for shipping purpose.

We are given the authority to protect the canal against any threats. We also have the power and the authority under existing law without reference to any treaty to act on the high seas, as we may deem necessary, to deal with naval vessels approaching the canal. Therefore, we are in a position, combining the provisions of these treaties and our own military strength, to preserve a position with respect to the canal and with respect to our interests which fully safeguards American concerns.

Mr. KENNEDY. I think the Senator has underlined an extremely important point, and one which is often lost. That is that the ownership has very little meaning, who has title to it has very little meaning, if the canal cannot be used. It is not going to make much difference about the numbers of troops that are stationed there if the canal will not be available for passage. Obviously, the underlying belief in these amendments and agreements will be to provide the best opportunity for the continued access, the continued use, of the canal, reserving and preserving the right for the United States, as is spelled out both in the agreements and through its legislative history, to make, in accordance with its constitutional process, judgments if there are such threats to the canal.

Of course, the issue of ownership is basically one which is often overstated. The United States never did have ownership of the canal. It was just an effective use lease on the canal itself.

I thank the Senator from Maryland for these helpful contributions and elaborating on the points we have raised in our discussion.

Finally, Mr. President, the Senator from Maryland pointed out the importance of the security aspects of this particular treaty in the sharpest way possible. We will be making the decision on any threat to the continued use and access to the canal. I pointed out this morning that the United States reserves that particular right. Also, I believe it underscores that this agreement can make an important and useful contribution to the United States' relations with the Panamanian people and the countries of Latin America in the future.

For those reasons, I look forward to supporting this particular treaty.

Mr. ALLEN. Mr. President, I had not intended today to enter into discussions with regard to the treaties, because we have made an agreement by unanimous consent that there will be no votes today and that the two amendments which I, along with some 8 or 10 other Senators, have suggested we would offer will be under a time limit on Monday. These amendments will be disposed of. There were two statements made by the distinguished Senator from Massachusetts (Mr. KENNEDY), one of which was concurred in by the distinguished Senator from Maryland (Mr. SARBANES). That was that, under these treaties before us, we are not doing Panama a favor; instead, we are doing the United States of America a favor.

Mr. President, that is a complete departure from the arguments that have been made on the floor heretofore by the proponents of the treaties. The thrust of the argument, Mr. President, for the approval of these treaties has been that, back in 1903, we took advantage of the Panamanians and that the treaty back in 1903 was signed, not by Panamanians, but by Bunau-Varilla, who was a Frenchman. But he had been designated by the Panamanian Government, young as it was—some few days old—to enter into this treaty.

Mr. President, if we are doing Panama a wrong under these treaties, if we are not doing them a favor but, instead, are doing ourselves a favor, I think we ought to know about it. I do not think we ought to have two wrongs here. I do not think we ought to wrong them in 1903 and then, when we are seeking to rectify that wrong, instead, come up with treaties that do not do Panama a favor, but, instead, do the United States of America a favor. I should think we would want to do Panama a favor.

I do not believe it is any good argument to say that we are doing the United States a favor. I thought that was what we were trying to get around, Mr. President, to do penance for having taken advantage of the Panamanians back in 1903. So it seems to me that the proponents of the treaties are changing their argument here as to the treaties.

Another point that the distinguished Senator from Massachusetts made was that the United States does not own this property, that we just had a use lease. That is the very first time that has been suggested on the floor of the U.S. Senate that I have heard. The Senator should know that we bought the property there in Panama, that was not covered by the treaty, in fee simple, and paid some $4 million for it, as has been brought out here on the floor. So it is not a lease.

There might be some question about sovereignty, but there is no question, as far as I know, about ownership. Sovereignty is not important. We are not addressing that. This is something that is owned by the United States. It is not being leased by the United States; it is owned by the United States. I think that ought to be made clear.

Getting back to doing the United States a favor instead of Panama, how does that rectify the wrong that we did Panama in 1903? That has been the whole thrust, Mr. President, of the need for these treaties, that Panamanians are dissatisfied and that they have a right to be; therefore, we need to have a treaty that will recognize their national interest, recognize the value of this national asset that they have; and that we should not be in a position of doing what we are alleged to have done back in 1903, doing ourselves a favor rather than Panama. So it looks like the same old spirit prevails, to take care of ourselves and let Panama look after itself.

Now, Mr. President, there has been discussion about one of the two amendments that will be up on Monday. In order that one of these amendments will become the unfinished business on Monday, I do send to the desk the amendment that I sent up earlier for printing. At this time, I ask, Mr. President, that

the amendment be called up for consideration at this time. I ask the clerk to state the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. ALLEN. I yield the floor.

AMENDMENT NO. 61

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself, Mr. THURMOND, Mr. HELMS, Mr. LAXALT, Mr. HATCH, Mr. GARN, and Mr. SCOTT, proposes the following amendment:

The amendment reads as follows:

Strike all of Article I and insert in lieu thereof, the following:

Article I. The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama; Provided, however, that the neutrality provided for in this treaty shall not be construed as permitting the warships or submarines of nations with whom the United States is then at war to have the right of undisturbed transit of the Canal.

Mr. KENNEDY. Mr. President, just on the statement of my colleague from Alabama on the question of ownership, the Senator from Alabama is mistaken in his statement that the United States had ownership. We can look back at the language after the signing of the 1903 Treaty as the Secretary of War, William Taft, wrote to President Roosevelt, asserting that the treaty "seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama."

Later, the Supreme Court, in the Wilson against Shaw case of 1907, ruled, and again interpreted in 1948. The Supreme Court described the Canal Zone as "admittedly territory over which we do not have sovereignty."

So I would say, both by the statement of the leaders that were the most involved in the territory and by the review of the Court, the statement of the Senator is not accurate. We do have installations, we do have operations, and we do have rights. But we do not, as the Senator from Alabama suggested, have ownership. It is an important issue, but it is not the heart issue of what we are talking about.

Mr. President, this treaty, I believe, recognizes the right of the Panamanian people. No one is questioning that. If the Senator from Alabama wants to interpret that as doing them a favor by recognizing that they do have rights, he is free to interpret that. What we are doing is recognizing what our interests are in that canal in a legislative way and a treaty way that conform and provide a sound legal basis for pursuing our interests in the canal. So, in that sense, by establishing those interests by this particular agreement, I think we are acting clearly in our national interest. In that sense, I think the statements and comments that were made earlier were justified.

Mr. SARBANES. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. SARBANES. I want to address the point that the Senator from Alabama made about our doing penance here. This Senator has never suggested that the United States should do penance. In fact, I have spoken of the contribution which the United States made in the building of the Panama Canal, both as an engineering accomplishment and in terms of a health accomplishment.

The problem, though, is that the relationship between the United States and Panama has never been a stable one, because it has rested upon the 1903 Treaty which the Panamanian people felt was imposed upon them.

I think a reasonable historical analysis will show that it was, in fact, imposed upon them.

What these treaties give us an opportunity to do is establish a relationship based upon agreement. In that regard, it is very important, in my view at least, that these proposed treaties have been approved directly by the Panamanian people in a plebiscite.

The treaties do not represent solely an agreement by the regime of the moment, thereby raising the specter of being disowned by a future regime. They represent, in addition to that, the approval directly by the Panamanian people in a plebiscite, by a 2-to-1 margin, with 95 percent of the eligible electorate participating in the referendum.

So the treaties offer us now the opportunity to have an agreed basis for the relationship. That is important, especially when the treaties contain within them the provisions which the able Senator from Massachusetts has pointed out so well, provisions which safeguard American defense and strategic interests, economic interests, and important foreign policy interests.

Therefore, it is not in any sense by way of doing penance. I have never approached these treaties from that perspective. It has always been my view that the essential question which we must ask in reaching our judgment on these treaties is, Do they serve American interests?

That is our responsibility. That is the question we must ask. I agree with the conclusion of the able Senator from Massachusetts that they do, indeed, serve our interests and serve them very well by giving us an agreed basis on which to base those interests and, therefore, giving the United States the legal and the moral basis for the use of our power, if we must, to protect our interests.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER (Mr. MELCHER). The Senator from Alabama.

Mr. ALLEN. Just one short answer to the reply of the distinguished Senator from Massachusetts (Mr. KENNEDY) to my statements.

He confuses, Mr. President, ownership with sovereignty and he read a statement saying that Panama retained sovereignty and that we had the rights as sovereign.

I stated in my remarks that we are not talking about sovereignty at this time. Of course, I feel the United States has sovereignty. That was not the point I was making and it was not the exception I took to the distinguished Senator's remarks.

But he said that we did not own the property. Well, sovereignty and ownership are two entirely different things. We can have ownership without having sovereignty, and when he reads the statement saying that we did not have sovereignty, that was not an answer to my statement that we have a fee simple title.

Mr. President, I ask unanimous consent to have printed in the RECORD at this time page No. 69 of the document entitled "The Proposed Panama Canal Treaties, a Digest of Information, Prepared for the Committee on the Judiciary, U.S. Senate, by the Subcommittee on Separation of Powers."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Provided for the record, Subcommittee on Separation of Powers, Senate Committee on the Judiciary, hearing held July 22, 1977.]

Total payments as a result of the 1903 Treaty [1]

1. Reflected on company books as title and treaty rights:	
a. Payment to Republic of Panama	$10,000,000
b. Payment to individual property owners (depopulation of Canal Zone)	3,965,254
c. Payment to French (land rights)	326,016
d. Madden Dam Area land rights, 1924–1932	437,619
Total b through d	4,728,889
2. Further payments to French:	
a. Inventories, salvage credits, other	1,282,664
b. Panama Railroad Capital stock	7,000,000
c. Channel costs	31,391,320
Total	39,673,984
(Combined with 1c., payments to French total $40,000,000).	
3. Payment to Colombia (not reflected on company books): Indemnity to Colombia for loss of Panama	25,000,000
4. Payment to Panama for annuity:	
a. 1913 to 1920 (capitalized as construction costs)	2,000,000
b. 1921 to 1951 (dollar value in gold changed, 1933)	10,990,000
c. 1952 to 1976 (dollar value in gold changed, 1973 and 1974; includes payment by State Department, 1956 to 1976)	43,610,992
Total	56,600,992
Total payments to Panama, French, and Colombia	$136,003,865

[1] The figures reported in are actual dollars paid at the time of payment and have not been adjusted to reflect the value of payments in terms of 1977 dollars.

NOTE.—Does not include unrecovered United States' investment in the Canal and Canal facilities except to the extent of $2

million in annuity payments which were capitalized as construction cost during the period of 1913 through 1920. As of October 1, 1977 unrecovered capital investment of the United States in the Panama Canal Company totals $319 million on which interest payments accrue in the approximate amount of $17 million per annum.

Mr. ALLEN. Mr. President, in that connection, this gives a table of expenditures by the United States as a result of the 1903 treaty.

It starts off with $10 million to the Republic of Panama labeled "Reflected on company books as title and treaty rights, $10 million."

Then, payment to individual property owners, depopulation of the Canal Zone.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. ALLEN. Let me finish this and it will take just a moment.

That was $3,965,254.

Also, a payment to the French for land rights. Also a payment for the Madden Dam area land rights, 1924–32, making a total of $4,728,889.

Then the payments to the French, about $40 million, and the payment to Colombia, $25 million, and the payment to Panama, $2 million for 1913–20. Then $10,999 million from 1921 to 1951. Then from 1952 to 1976, $43,610 million.

But the critical figure is the $3,965,000 we have paid to private owners of land in the Canal Zone.

I am delighted to yield to the distinguished Senator.

Mr. KENNEDY. Could the Senator give us an example of where we have ownership, outside of the facilities themselves, where we do not also have sovereignty?

Mr. ALLEN. Yes. I read in the paper just the other day that the Germans have acquired some 40 square miles of property here in the United States. Just because they own it does not mean they have sovereignty over that land.

So sovereignty does not necessarily follow land ownership.

The Government owns property elsewhere, but the mere ownership of property does not give sovereignty.

Mr. KENNEDY. That would suggest by the Senator's example that we own the property down in Panama.

Mr. ALLEN. We do own the property down in Panama.

Mr. KENNEDY. Why are we paying them $2.3 million a year?

Mr. ALLEN. That is an annuity we are paying.

Mr. KENNEDY. Does the Senator mean we own it, but we still decide to keep on paying them?

Mr. ALLEN. That is a payment. It is an annuity that has been raised from $250,000 up to $2.3 million now. That was agreed to at the time the treaty was made. That is the payment under the treaty.

Mr. KENNEDY. But the Senator cannot, other than individuals, give us examples of where governments have owned property and where they do not have the sovereignty?

Mr. ALLEN. Well, I do not know——

Mr. KENNEDY. We are not talking about individual investments. We are talking about a national, a U.S. interest—not foreign investment in some other country.

I wonder where the Senator can give us examples, because I do not think such a situation exists.

Mr. CHURCH. Will the Senator yield?

Mr. KENNEDY. Yes.

Mr. CHURCH. When the United States acquired control of the Canal Zone, there were individuals owning property within the zone, including the defunct French Canal Company. The United States purchased their property.

But the essential point that the Senator from Massachusetts makes is valid. The treaty of 1903 concerns much more than title to property. While it conferred upon the United States all the attributes that normally accompany sovereignty, the treaty makes clear that the United States did not claim sovereignty. In fact, the United States has never claimed sovereignty over the Canal Zone at any time since.

Nevertheless, it is very misleading to describe the American position in the Canal Zone as one of being simply a property owner in fee simple. Property owners are normally subject to the jurisdiction of the government of the country in which the property is located. In the case of the Canal Zone, the United States exercises jurisdiction. American law applies. American forces occupy the zone and enforce extraterritorial rights against any Panamanian who enters the zone. So all the attributes of a colony exist in the Canal Zone.

I have heard some Senators in this debate make an astonishing statement—that the United States has never had a colony. Well, that assertion must rest on a very confining definition of a colony. If you look at the Canal Zone, all the attributes that normally apply to colonial control are there.

If something waddles like a duck, quacks like a duck, and flies like a duck, it is not an unreasonable conclusion that it is a duck.

In the Canal Zone, as a matter of actual fact, the United States may not have de jure sovereign control, but it has a de facto control that contains all the elements of colonial rule.

I think the Senator makes a very valid point, which really cannot be refuted.

Mr. ALLEN. Mr. President, I should like to call attention to article VII of the 1903 treaty, when we talk about the United States buying other property. That right was expressly given to them in the treaty:

> The Republic of Panama grants to the United States within the limits of the cities of Panama and Colon and their adjacent harbors and within the territory adjacent thereto the right to acquire by purchase or by the exercise of the right of eminent domain, any lands, buildings, water rights or other properties necessary and convenient for the construction, maintenance, operation and protection of the Canal and of any works of sanitation * * *

The fact remains that we did pay $4 million for the property rights of the Panamanians—that which has not been conveyed by the treaty.

I do not think the distinguished Senator from Idaho was in the Chamber when I raised the point of ownership, when the distinguished Senator from Massachusetts (Mr. KENNEDY) said we did not own the property down there, and he sought to prove that by showing we did not have sovereignty. There is a vast difference between sovereignty and ownership.

The distinguished Senator from Idaho (Mr. CHURCH) has fallen into the same error, when he is talking about sovereignty. I laid that question aside. I said we are not talking about that. I was taking exception to the statement that we do not own the property when, in fact, we do, by right of purchase as well as right of treaty.

So let us not talk about sovereignty, because that was not the issue that the Senator from Alabama raised.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. ALLEN. I yield the floor.

Mr. HATCH. Mr. President, I have been interested in this discussion as well, because I agree with the Senator from Alabama, who is a renowned authority in this particular area, inasmuch as he is chairman of the Subcommittee on Separation of Powers, of the Committee on the Judiciary, and he has sat through extensive hours of hearings on this matter.

I call to the attention of the Senate that, basically, the United States, as I view it, has five different types of property interests in the Canal Zone. I think it is well to consider them and to go into them.

No. 1: In 1904, the United States purchased for $40 million more than 100 square miles of land and all the other assets of the Panama Canal Company. That was the French canal organization. This purchase was authorized by Congress in the 1902 Spooner Act. By article VIII of the 1903 treaty, Panama granted its rights in the company to the United States, and Panama authorized the French company to sell all its rights, privileges, properties, and concessions to the United States.

So, in addition to acquiring all the French canal organization's rights, Panama authorized the sale of all Panama's rights, privileges, properties, and concessions to the United States.

By article XXII of the 1903 treaty, Panama renounced all claim, including reversionary interests, in these assets. The United States became the owner in fee simple of this land of the former French Canal Company. That is No. 1.

No. 2: By the same mechanisms, the United States also purchased the assets, including more than 100 square miles of the land, of the Panama Railroad Company, a subsidiary of the canal company.

I might mention that it was because of the waiver of all rights by Panama to the Panama Railroad Company that the annuity came into being. The annuity has increased from $250,000 a year to $2,328,000 a year as a result of Panama's waiver of its rights to the Panama Railroad Company. It has nothing to do with the lease payment. In fact, the word "lease" is never mentioned in any of the treaties; but grants in perpetuity are mentioned many times, and all the as-

pects of sovereignty are mentioned many times.

I agree with the Senator from Alabama that we have sovereignty down there, irrespective of the desires of those who are arguing that we do not.

The third category of lands, No. 3, are lands purchased from private landholders who had property rights in the area of the Canal Zone when it was occupied by the United States in 1904. The property rights of these landholders range from ownership in fee simple to squatter's rights. Thirty-six hundred claims were handled. Quit claim deeds were obtained from all landholders for nearly 100 square miles of property, and a total of more than $5.5 million was paid to the private parties for these various claims and properties.

The fourth category, No. 4, are those lands which were not privately held when the United States occupied the Canal Zone, such as the unusable marshes, jungles, and so forth. Some of these lands have become usable, now that the United States has made improvements in them.

No. 5, the fifth category: All lands owned by the United States—or should we say property interests of the United States in the Canal Zone which we own? All those improvements to the land, structures situated thereon, and assets held in connection with the territory in the Canal Zone. These would include the property of the United States within the zone, the waterway itself, the appurtenant waterway installations, funds of the Panama Canal Company and Canal Zone Government, the accounts receivable in these entities, and all the assets of the Panama Canal Company, Canal Zone Government, and the military departments and other departments and agencies in the Canal Zone.

Mr. President, I have in my posession here background notes of the Department of State dated December 1974 entitled "Panama."

Under the title "Geography and People," even though the present State Department, which is made up primarily of the same people, at the present time refutes, I think, some of this language, back in 1974 the State Department had this to say:

> The Republic of Panama occupies the southern end of the isthmus that forms the land connection between North and South America. It is bounded on the west by Costa Rica, on the north by the Caribbean Sea, on the east by Colombia, and on the south by the Pacific Ocean. Panama is bisected by a 10-mile-wide strip of territory known as the Canal Zone, which, by grant in perpetuity from Panama, is under the exclusive jurisdiction of the United States.

I always thought that was pretty interesting language.

There are some other geographical facts which folks are not aware of. The area is 29,208 square miles, which is slightly smaller than South Carolina. Of course, the population in 1974 was 1,569,000 people.

In any event, what I am trying to say is that we own a number of properties down there. The payments that have been made are annuities paid pursuant to the waiver of rights to the Panama Canal Railroad. Nowhere in any of these treaties is the word "lease" mentioned. So I have to take pretty strong issue with the distinguished Senator from Massachusetts who, I think, has not deliberately but certainly inadvertently, if not from a legal interpretation standpoint, distorted what the treaty stands for and what the treaties really say.

Now, again I say that certainly not purposefully but, I think, through misinterpretation and misunderstanding that has been done.

I yield to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Senator, and I shall be only a moment.

While the able Senator was speaking, it came to mind that I received a telephone call one day this week from a distinguished citizen of North Carolina, a prominent constitutional lawyer, who said:

> Jesse, I have been listening on the radio to the debate in the Senate on the Panama Canal. I cannot follow the treaty proponents. They go up one side the street and down the other. They talk about sovereignty. I wish you would ask one of them to define "sovereignty."

Of course, my response was that I have never talked about sovereignty. I have talked about sovereign rights. The treaty of 1903 does not mention sovereignty one way or the other. It does very clearly convey sovereign rights to the United States.

My friend pointed out that many references have been made to article III of the 1903 treaty by the proponents of the giveaway of the Panama Canal, and he said, "They have attempted to imply that the United States does not have sovereign rights." He added, "That was the very purpose of article III to make clear that the United States does indeed have sovereign rights under the 1903 treaty."

Article III of the 1903 treaty, Mr. President, is just as clear as can be. Let us take a look at it:

> The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.

Article III simply spells out that the United States has sovereign rights in the Canal Zone identical to the sovereign rights that the United States would have if the canal ran through the State of Idaho or the State of North Carolina or any other State. That is all it means. It cannot be interpreted to mean that there is the slightest question about the sovereign rights of the United States under the 1903 treaty.

Now, Mr. President, many other misrepresentations have occurred—not deliberately, I know that—but, nonetheless, some people have become confused by some of the strange assertions on this floor by proponents of these treaties.

One Senator orated the other day, to the effect that, "Well, the canal is obsolete so we do not need it. It is no good to anybody, we ought to get rid of it."

I heard the distinguished Senator from Massachusetts say just now that we were not doing Panama any favor by giving them the canal. That was an intriguing observation, Mr. President. Up to now, the Senator from Massachusetts and others have been claiming that the Senate should rectify a grave error, an injustice done to Panama by Teddy Roosevelt.

I have heard repeatedly that we must give away the Panama Canal in order to have the other countries of South America love us.

Even if that were relevant, which it is not, it simply is untrue. I have visited South America at my own expense in the last 2 years; I have gone to countries representing three-fourths of the population, the gross national product and the land area. I have talked with the heads of state in each of these countries, and they have without exception said in effect, "Don't give Torrijos that canal."

It has been repeatedly claimed, by treaty proponents, that it is not going to cost the American taxpayer anything to give away the canal.

In the first place, we are giving away a facility, in terms of replacement costs, estimated to be worth $8 billion, $9 billion, $10 billion. Nobody knows precisely. There is no way to pinpoint it. But everybody agrees that many billions of dollars of U.S. property is involved.

Aside from that, Mr. President, there are some of us who have done a little homework, and I myself have found what it is going to cost the taxpayers, between $2 billion and $3 billion over and above the value of the property, and I have just begun to scratch the surface in terms of what it will cost the U.S. taxpayers between now and the year 2000.

So the Senator from Utah is exactly right in his observations. I do not charge any Senator with deliberate misrepresentation, and I know the Senator from Utah does not, but certainly the people back home are bound to be confused by some of the "arguments" that are being made on this floor by those who favor these treaties.

I thank the Senator for yielding to me, and I yield to the Senator from Nebraska.

Mr. CURTIS. I seek recognition in my own right.

Mr. HELMS. Mr. President, I yield the floor.

Mr. CURTIS. Mr. President, this morning I was shocked to hear over the news that the President of the United States is expected to take a hand in the procedure and the scheduling of debates in the U.S. Senate.

There was a public denouncement of the conduct of U.S. Senators and notice was given that unless debate was hastened and the right to offer amendments was waived, the "Big Man" would do something. Mr. President, this is an outrage. Executive interference with the internal workings of the legislative is contrary to the letter and the spirit of the Constitution and is most repugnant.

All of this goes on while our economy suffers. Because of lack of confidence throughout the world, our uncontrolled deficit financing and the present administration's crusade for more Government, the dollar has plunged to an all-time low.

It was but a few nights ago that I received a telephone call from the wife of a serviceman. She had to leave her husband in Germany to come back with her children because the dollar bought such few marks that they could not provide the necessities of life. There are thousands of people in the same circumstances.

A Carter farm depression is more serious than the Carter bureaucrats in their comfortable offices realize. I received a report from one rural area that indicates the severity of this farm depression. A businessman who provides repairs for irrigation equipment and machines has between $200 and $300 thousand on his books that he can not collect because the farmers have no money. A retail fertilizer dealer in another town has $300 thousand on his books which he cannot collect because the good people that have received this credit find their prices way down.

Mr. President, I cite these examples of businessmen who are dealing with farmers to show not only their plight but the plight of their farmer customers.

One of the most disappointing memories that I have in connection with my service is the experience in writing agriculture legislation this year. The budget of the Department of Agriculture is around $14 billion—$9 billion of that goes for food stamps and other welfare items and the smaller portion to those things related to agriculture. Yet the Carter administration fought every move to trim the food stamp expense and they fought with equal vigor every move that would benefit farmers. We were told day after day that if we did more for farmers the bill would be vetoed.

Later on we went to conference on that agricultural bill. In many instances, the levels of farm supports were higher in the Senate bill than in the House bill. Again we were told and retold that if we took the bill that would do the most good for the farmers the bill would be vetoed.

While the dollar drops to a disastrous low, the deficits and the debts grow, and the seeds of a greater depression are planted in the rural areas; what do we find the Carter administration doing? In the first instance, they have taken it upon themselves to intrude into the internal affairs of debates and procedures in the U.S. Senate.

Also the Carter administration has been busy writing a 33-page defense to the charge of social misconduct on the part of some of the important cogs in the Carter administration.

The coal strike is not settled yet. Finally the Carter administration harrassed and coerced the union leaders and the operators into a settlement. The settlement was really a Carter settlement. The Carter administration brought it about. Yet they take a handsoff policy, and make no defense of the contract and make no move to sell it to the workers who must ratify it. In the meantime, the available coal dwindles; jobs, schools, transportation, and many other facets of our economy are faced with a shutdown.

Mr. President, it is time that the Carter administration faced the real issues of our country. Why cannot the United States do something constructive from an economic standpoint? Many careful observers say that the Carter deficit will not be $60 billion this year but $80 billion. This deficit cannot be cured by demagoging on a few minor points; it must be faced head on. We have too much government. We have too much of the welfare state. Instead of promoting self-reliance, we are promoting dependency. Why does not the President of the United States take bold action and lead a crusade to reduce the size of the Government by cutting back on programs and eliminating programs?

We could take care of those people who are unable to take care of themselves, who are handicapped, disabled, retarded, or of an advanced age, and still eliminate a sizeable portion of the welfare state. The Carter administration has a majority in the Senate of 62 Democrats and 38 Republicans. In the House there are 288 Democrats and 147 Republicans. If President Carter would provide some leadership to save this Government from financial chaos, and would mobilize his own troops, and lay on the lash in behalf of good Government with the same vigor and thoroughness, that the lash is now being laid on the Senate, in reference to the Panama Canal, they could put over such a program.

Mr. President, our problems grow. While this great administration defends its social conduct, threatens the U.S. Senate on its internal procedure, and attempts to fool the people by talking about three-martini lunches, the pressing problems of the country go unsolved.

Let us talk about the three-martini lunch. If there is such a thing, they do not need a new law to stop it. The present tax law permits the allowance of a business expense only if it is a necessary and ordinary expense of doing business. It is difficult to write a better definition. All that needs to be done is that it be enforced.

This repeated talk about the three-martini lunch does bring certain results. It tends to fool the people about the enormous financial problems that this country faces, as well as it kindles a feeling against business of all kinds. If it is a necessary and ordinary expense of business for one businessman to buy an ad in a newspaper, or on a broadcasting station, or for him to advertise through the mails, we cannot deny another businessman the right to promote a sale by taking his customer to coffee or to lunch. The executive has all the power it needs. They have no authority to permit any expenditure that is not a necessary and ordinary expense of doing business to be charged off against taxable income.

There is however a far greater criticism of this three-martini-lunch talk. It gives the impression to many people that some item of this kind would solve our financial problems; that it would result in balancing the budget and reduce everybody's taxes. This is a gimmick of conniving politicians to divert the attention of the people away from the real problems that need to be solved to bring our Government down to the size that the people can afford to pay for it, and it would incidentally result in more efficient service.

Mr. President, when is the Carter administration going to face reality?

Mr. President, I yield the floor.

Mr. SARBANES and Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I listened with interest to the political diatribe of the Senator from Nebraska with respect to a whole litany of problems facing the country, and policy positions taken by President Carter and by the present administration; and, of course, the Senator is fully within his rights to take the floor of the Senate, even in themselves, and bring forth all of the problems—the present difficult problems, in many instances—that the President is trying to deal with.

On the subject that is before us—and I want to come back to the treaties because I do want to address myself to some of the matters that are pending before the Senate in the provisions of the treaties—I want to address now this question of ownership that was discussed earlier in the course of the colloquy.

It is important to understand, and it is quite true, that the United States did buy from private owners certain properties which we now hold within the canal zone. But the extent of that property so purchased was far, far short of the total extent of the zone—in fact, less than one-third of it. The 1903 treaty specifically provided that the title of private landowners to the extent that they had any title in any of the property to be included in the zone was not abridged by the treaty; that the United States was to pay just compensation for it; and that a special procedure would be set up to arrive at what the compensation should be in case of disagreement.

But that arrangement for the purchase of property from private owners dealt with less than one-third of the total land area of the Canal Zone. The balance of that land came to us via the Republic of Panama. With respect to the balance of that land, and other rights, powers, and privileges which we acquired in Panamanian territory for the operation of the canal, we paid an additional lump sum of $10 million, and, beginning nine years thereafter, paid an annual sum of $250,000. That sum has subsequently been adjusted. The adjustment has not kept pace with inflation, but it has been subsequently adjusted.

So, in effect, we have been making continuing payments to Panama for rights, powers, and privileges in the territory of Panama, including the use of better than two-thirds of the land encompassed within the Canal Zone.

So the purchase of land from private people which was referred to did, in fact,

take place, and ought to have taken place. In other words, there were private owners who held property who were entitled to compensation. That took place. In fact, the 1903 treaty contained a special provision to cover that matter. But the property which was dealt with that way was less than one-third of the total land area of the Canal Zone. The rest of the property is property for which we have been paying each year an annual sum originally set at $250,000 and adjusted subsequently.

Those are the facts with respect to the property question which was discussed earlier when we were having our colloquy before the Senator from Nebraska decided to engage in a much lengthier political discussion.

Mr. CURTIS. Will the Senator yield at that point?

Mr. SARBANES. I yield.

Mr. CURTIS. I am learning as I stay here. The other day I spoke and the distinguished Senator from Maryland branded my remarks as a misrepresentation, when I believe there was a justification for every figure I stated as to the payments which would be made by the United States.

Today I rise and call attention to the neglected problems of our community, in farming and in the economy generally. I raise the question, why can they not take precedence over 33-page defenses of social conduct of certain administration officials? That is branded as a political tirade.

The distinguished Senator is a very scholarly man. He has the privilege of being on the Senate Foreign Relations Committee. I am waiting to hear him say something about the treaty, rather than just call us names every time he speaks. Why not tell us how this canal will operate better than it has operated in the past if the United States withdraws? Why not tell us how it will serve the public interest better? Why not tell us how it will improve the defense of the country, improve our commerce?

We have been waiting to hear someing about the treaty. Instead of that, we hear in the Senate Chamber the charge that we are just wasting time; that we are presenting misrepresentations; that we are engaging in political tirades.

On the outside, the Vice President of the United States goes on the air and warns those young boys down there, "You better not offer too many amendments. You better not be too long or somebody is going to come back here with a big stick."

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. CURTIS. I do not have the floor.

Mr. ROBERT C. BYRD. Will the Senator yield to me on that point?

Mr. SARBANES. Yes. I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. The distinguished Senator fom Nebraska knows of my affection for him. He knows that we have served together for a long time in this body, and I believe we served together in the other body. I have always had only the acme of admiration for a man who I think is the paragon of integrity and truth and fact.

A little earlier I was informed the distinguished Senator from Nebraska made this statement, which ties in with what he was just saying:

Mr. PRESIDENT, this morning I was shocked to hear over the news that the President of the United States is expected to take a hand in the procedure and the scheduling of debates in the United States Senate.

There was a public denouncement of the conduct of U. S. Senators and notice was given that unless debate was hastened and the right to offer amendments was waived, the "Big Man" would do something. Mr. President, this is an outrage. Executive interference with the internal workings of the Legislative is contrary to the letter and the spirit of the Constitution and is most repugnant.

Mr. President, let me put the distinguished Senator from Nebraska completely at rest. He may enjoy the sweetest of repose in this matter. I can only state that his statement, which I have quoted, does not indicate who made the public denouncement, but he has just indicated to me in private conversation, as he did subsequent to our private conversation, that it was the Vice President of the United States who made the appearance on one of the networks.

Let me say this to my friend: The President is not taking a hand in the procedure and scheduling of debates in the U.S. Senate. He has been in office a little over a year. He has never attempted to take a hand in the procedure and scheduling of debates in the U.S. Senate. He has never attempted to impose his judgment in that fashion. Only on one occasion do I recall that he even asked me if I would be willing to proceed with a certain measure. The answer was one word. It does not make any difference if one has a vocabulary of 10,000 words. If you cannot say "no," you might as well not have the vocabulary. The one word was "no." That was the end of it.

He has never had any hand, he has never appeared to take any hand, he has never presumed to take any hand in the procedure and scheduling of debates in the U.S. Senate. I think that is to his credit. Let me put it this way: If he had taken a hand he would not have been the first President to have attempted to inject himself into the scheduling of matters in the United States Senate. He would not have been the first one. But he has not done that.

May I say to the distinguished Senator from Nebraska that if that ever happens the Senator from Nebraska can just stay home, he need not come out in the snow, because this man from the hill country of West Virginia has been elected to a position in the Senate in which he will do his duty as long as he holds that position, and I am sure that this Senator from the hill country, working with the distinguished Senator's leader on that side of the aisle, between us, will not lay any such thing on the table that is——

Mr. CURTIS. Will the Senator yield on that point?

Mr. ROBERT C. BYRD. In just a moment, if I may complete my statement. Then I shall be happy to yield.

The Senator from Nebraska can just go home and grip his lovely and charming wife and just look out the window at the snow falling and say, "Things are in good hands in the U.S. Senate; there will be nobody tampering with the program there; there will be nobody downtown tampering with the schedule there." I guarantee him that his confidence will not be in vain.

Now, to go on—and I shall yield in just a moment—he has said there was a public denouncement of the conduct of U.S. Senators, and notice was given that unless debate was hastened and the right to offer amendments was waived—who can waive the right to offer amendments? The President cannot waive the right. I cannot waive the right. The Senator from Nebraska cannot waive the right. Only the Senate can waive the right, by unanimous consent, to offer amendments.

I hope that those of us who have any blood pressure at all, whether it be high or low—mine happens to be low, thank goodness, or I probably would not be able to withstand some of the pressures that I have here, which I have rather come to enjoy after 10 years. You would certainly be disturbed by that language if you have any blood pressure at all.

I hope they will not rush to the doctor's office too quickly, because nothing is going to happen. No amendments, no right to offer amendments, is about to be waived, because we are not about to change the rules of the Senate. To get consent would require the consent of 100 Senators, among whom is that august Senator from the State of Nebraska (Mr. CURTIS), and I am sure be would object, even if I did not object and the Senator from Maryland did not object. The Senator from Montana, who presides over this Chamber today with a degree of skill and dignity and efficiency that is so rare as a day in June—he, too, would object.

Mr. President, I can understand the Senator's outrage, but let me just attempt as best I can to alleviate it, to calm it, to put it to rest, and even to put it to sleep. Because, Mr. President, not even in our most exaggerated dreams would the President of the United States—this President—attempt to interfere in the workings of the Senate and the handling of the procedure and scheduling of debates.

I agree with the distinguished Senator from Nebraska that "executive interference with the internal workings of the Legislative" is contrary to the letter and spirit of the Constitution and is most repugnant. The day that occurs, I will seek to get recognition from the Chair to denounce it myself.

I hope, Mr. President, that my dear friend, on whose face I see the warmest of smiles, will now feel very much relieved, completely reassured that, whatever he heard on the television this morning should just be forgotten, as we do what we are told to do, put our hand to the plow and not look back.

Mr. CURTIS. I thank my distinguished colleague.

● Mr. ROBERT C. BYRD. Mr. President, so that the record with respect to the matter which the Senator from Nebraska (Mr. CURTIS) and I have discussed may be clear, I ask unanimous consent that a transcript of an interview of the Vice President by CBS reporter Phil

Jones, appearing on CBS news this morning, be made a part of the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TRANSCRIPT

PHIL JONES, CBS News. The Vice President came to the Capitol yesterday for a strategy meeting with Byrd. It is clear that the Administration is also concerned about the lengthy debate. After the meeting, the Vice President said that he thinks delaying tactics by opponents will backfire

The VICE PRESIDENT. I think the public believes we have a right to get a vote on these matters. They want the Senate to stand up and take a position on this serious issue. If the nation is going to have its business completed, and the American people have a right to expect that, then the interminable delay is very costly.

Mr. JONES. The Senate leadership can at some point introduce a cloture motion to cut off debate. However, leaders are reluctant to do that right now. They don't want to do anything that would make it appear as though they are using steam roller tactics to get the Treaties ratified.●

The PRESIDING OFFICER. Does the Senator from Maryland (Mr. SARBANES) yield to the Senator from Nebraska?

Mr. SARBANES. I yield to the Senator from Nebraska.

Mr. CURTIS. I thank my friend

I want the record to understand that the majority leader, whom I dearly love, would never sacrifice the rights and duties of the U.S. Senate. He will defend them. I have never charged him with doing that.

I spoke up because my statement was based on an actual appearance of the Vice President of the United States on television. He did not involve the distinguished majority leader, and I certainly want the record to show that I have no such feeling that he will do anything other than to defend the prerogatives of the Senate.

Now, should that morning come when there is no business here and we have a beautiful snow, as we did this morning, the Senator from Nebraska and his wife will not watch it out the window; we will be out enjoying it.

I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, all is well that ends well.

The PRESIDING OFFICER. The Senator from Arizona.

SENATOR GOLDWATER'S REPLY ON THE CONGRESSIONAL POWER TO DISPOSE OF PUBLIC PROPERTY IN THE CANAL ZONE

Mr. GOLDWATER. Mr. President, yesterday it was my pleasure to discuss a subject that is of common interest to both me and the senior Senator from New York, Mr. JAVITS, the constitutional question of the role of the House of Representatives in the disposal of property belonging to the United States. My remarks preceded those by the Senator from New York and I regret very much that I was unable to remain on the floor because I had to be absent to attend the funeral of a late, very dear friend of mine. But I did ask my legal adviser to stay on the floor to hear the full remarks of the Senator from New York and to give me a rundown on it. Also, I have now had an opportunity to read his statement in the RECORD.

Mr. President, after carefully considering everything my friend from New York said on the subject and examining the material which he inserted in the RECORD in support of his view, I can find nothing that answers the points which I made yesterday and in my opening remarks on this subject on February 23.

With all due respect, the Senator from New York, Attorney General Bell, the State Department and others who are representing the administration policy on this issue have totally failed to present evidence that backs up their position.

I note that the Senator from New York claimed there is a settled practice which upholds the administration view that a treaty can give away United States property without enabling legislation. But there is no such settled practice. In fact, I have yet to hear of one example of a treaty which gave away U.S. property without being preceded by authorizing legislation, or being made subject. on the face of the treaty, to an enabling statute.

For example—and I have mentioned this before—there are three Mexican boundary treaties listed among nine treaties presented to us by the State Department as examples of self-executing treaties. However, when one reads the text of those treaties, he discovers that each of them contains specific language calling for implementing authority from Congress before any transfer of land will occur.

Now, how in the world three treaties, which themselves specifically are made subject to the passage of enabling legislation, can be offered to us as precedents for a treaty which does not presently call for implementing authority is beyond my comprehension.

In addition, I have previously taken note of the fact that the 1955 treaty with Panama is also included by the State Department in its list of so-called precedents for the pending treaties. Again, the administration has presented us with a treaty which actually is a precedent for the need to have authorizing legislation passed by Congress before public property can be transferred.

The State Department did not mention in its paper that article V of the 1955 treaty makes the major property transfer from the United States to Panama, that is dealt with in that treaty, expressly 'subject to the enactment of authorizing legislation by the Congress."

It is true that two other provisions, articles VI and VII of the 1955 treaty, do not mention enabling legislation, but each of those provisions relate to boundary adjustments. It is well recognized by authorities in treaty law that boundary adjustments are a far different thing from the cession of territory or property which clearly belongs to the United States. Boundary treaties operate as a treaty of recognition of valid claim by the other party, not as a treaty of cession.

Moreover, Assistant Secretary of State Holland testified before the Senate Foreign Relations Committee that even these two boundary provisions, articles VI and VII of the 1955 treaty, would still require authorizing legislation by Congress.

Thus, the historical record proves that we should not consent to a treaty giving away U.S. property unless that treaty contains language making it subject to the enactment of enabling legislation by the Congress, or unless the treaty is preceded by such legislation.

Mr. President, I notice that the Senator from New York also used treaties with Indian tribes as suggested examples of self-executing treaties. However, Indian treaties in no way have any relevance to the Panama Canal treaties.

As I have observed before in my earlier statements on this subject, Indian tribes, or nations if you will, are considered under our law and the Constitution to be wards of the U.S. Government. Now, surely the administration is not contending that Panama is a ward of the United States.

Another fact that deprives Indian treaties of having any bearing on the Panama Canal situation is the decision by Congress in 1871 to preempt the subject. In the act of March 3, 1871, Congress passed a statute requiring that thereafter no public territory or property would be transferred to Indian tribes without the approval of both Houses of Congress. This action by Congress goes to prove my point that Congress does indeed have power to preempt the matter and take away from the President any power he may have by treaty to dispose of particular property.

Of course, it is quite obvious that in the case of the Panama Canal, Congress has preempted the subject and removed any power which the President may have had, absent congressional action in the same field.

So I repeat, Mr. President, that the administration has not shown us one single precedent that can be relied upon in determining the role of Congress in disposing of the Panama Canal.

Now, the Senator from New York appears to have adopted my conclusion that there are no Supreme Court cases which squarely resolve a dispute between the power of Congress under article IV of the Constitution and the power of the President acting through a treaty. Therefore, I believe he agrees with me that we can discard case law as the basis of the Senate's decision of this question.

But we cannot disregard the Constitution itself; nor can we disregard the fact that there are presently more than a majority of the Members of the House of Representatives—230 to be exact—who have joined in sponsoring legislation to uphold the required joint action by both Houses of Congress in the transfer of Federal property.

In addition, 31 of the 41 members of the House Armed Services Committee, including the chairman, have introduced a bill to prohibit the transfer of any military base in the Canal Zone without the specific authorization of Congress.

Mr. President, this means, in effect, that the House has spoken on this issue. A solid majority of the House has already expressed its will.

Are the proponents of these treaties

going to risk offending the House? Remember, the House can bite back.

There is considerable implementing legislation regarding the mechanics of these treaties that even the White House admits must be acted on by the House. What if the same majority of the House, who now is sponsoring legislation to uphold the role of that body in the disposal of public property, decides to protest our possible unilateral consent to the ratification of these treaties by objecting to passage of the implementing legislation and funds that are admittedly needed, for example, regarding the organization and activities of the new Panama Canal Commission?

Mr. President, I believe my colleagues who are on the other side of the constitutional issue will find that they have run into trouble later by trying to run around the House at this time. Prudence would dictate, even to those who favor these treaties, that they show a spirit of comity now by making disposal of property under the treaties specifically subject to enabling legislation.

Nor, Mr. President, can we ignore the fact that three previous Attorneys General, John Griggs, Harlan Stone, and Robert Jackson, have issued formal opinions in the past to the effect that, in the absence of power conferred by both Houses of Congress, the President cannot dispose of territory or property belonging to the United States. These Attorneys General were speaking, of course, about the full Congress, and not merely the Senate.

Mr. President, I will repeat my request to be shown clear authority by the administration to support their unusual notion that the President can give away U.S. property by a treaty alone. The administration has not given us anything on point, or anything that is relevant to the kind of treaties we have before us regarding the Panama Canal. They have given us nothing but theory which flies in the fact of historical practice and a commonsense interpretation of the Constitution.

Mr. President, in closing, I would note that the Senator from New York had printed in the RECORD yesterday a paper by Dean Pollak of the University of Pennsylvania Law School, who has endorsed the administration view of this constitutional question. Dean Pollak's' paper has been answered by the distinguished constitutional lawyer, Professor Berger of Harvard Law School; and to use a layman's language, I believe Professor Berger has torn Dean Pollak's paper into ribbons. I ask unanimous consent that Professor Berger's answer to Dean Pollak be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEMORANDUM

Re Panama Canal Treaty: Dean Louis Pollak's Reply.
To: Senator Dick Clark.
From: Roaul Berger.

FEBRUARY 1978.

Dean Louis Pollak has favored me with a copy of his critique of my statement before the Subcommittee on the Separation of Powers addressed to you under date of January 19, 1978. I am honored by his expressions of esteem, and his sentiments are warmly reciprocated. High regard for his attainments, however, may not inhibit the expression of scholarly differences on a great constitutional issue; it requires careful study of the alleged infirmities that have persuaded him that I am in error.

At the outset I must disclaim the version of the issue that he attributes to me, namely that the Panama cession "cannot be effectuated by treaty, but only by statute." My objection is to a "self-executing" treaty because Article IV of the Constitution requires Congress' consent to the disposition.

The starting point of analysis must be the Constitution itself, not what others have said about it. A great British scholar, W. S. McKechnie, faced by contrary opinion of respected scholars, stated, "the truth of historical questions does not depend on the counting of votes or the weight of authority" but rather on the historical record.[1] So, too, in the construction of the Constitution, the document is always here to speak for itself. On this score I cannot improve upon John C. Calhoun, then a Congressman, whose remarks in the House respecting the treaty power are quoted *in extenso* by Dean Pollak stating that Calhoun explained "with more precision than either [Marshal or Story] achieved, the scope of the treaty power and the constraints which other parts of the Constitution impose upon its exercise." Said Calhoun: "Whatever limits are imposed in those general terms ought to be the results of the construction of the instrument." The treaty power, Calhoun continued, is competent "to regulate all subjects" that require "the consent of another nation,"

provided, and here are its true limits, such regulations are not inconsistent with the Constitution. If so they are void. No treaty can . . . *do that differently which is directed to be done in a particular given mode.* (Emphasis added.)

Quoted Pollak 7–8. In terms of the present issue, a treaty may not "dispose" of the Panama Canal without the consent of Congress because Article IV confers that power on Congress.

Here Calhoun applies a rule of construction—the specific governs the general—upon which the administration has refrained from comment, and which remains unmentioned by Dean Pollak: "A broad statutory provision will not apply to a matter specifically dealt with in another part of the same act."[2] Then there is the complementary rule—express mention implies exclusion of the unmentioned—or as held by the Supreme Court, "When a statute limits a thing to be done in a particular mode, it includes the negative of any other mode."[3] Although the exclusion of the treaty power was not before the Court, it tacitly ratified the application of the foregoing rules when it stated that Article IV *"implies an exclusion* of all other authority over the property which could interfere with this right . . . ."[4] From the beginning such rules of construction were respected; Justice Story recommended the "excellent summary of the rules for construing statutes" in Bacon's Abridgment.[5] If there is any doubt as to the legislative intent—Deputy Assistant Attorney General Ralph E. Erickson testified in 1971 (before Panama became a political issue) that the issue "is not altogether free from doubt"[6]—such rules serve as a guide to construction. Such "doubt" counsels against invasion of a power explicitly conferred on Congress; a clear case for the "concurrent power" is needed in the teeth of the express grant.

The treaty power is given to the President "with the advice and consent of the Senate." Without question the House is thereby excluded from participation in treaty making. By parity of reasoning, the "Congress shall have power to dispose" equally bars its exercise by the President and Senate. It is no adequate answer to say, as does Dean Pollak, that the "Congress shall have power" phrase "syntatically, does not preclude concurrent jurisdiction in the President and Senate as treaty makers," (Pollak 4), for grammatical syntax must yield to established canons of construction which show that Article IV "implies an exclusion of all other authority." One who disputes the results to which traditional canons lead has the burden of proof to show they are inapplicable.

Dean Pollak leads off with an appeal to John Marshall's remarks as a young Congressman on the Jay Treaty. In considering these and other treaty remarks, it is constantly necessary to distinguish between the treaty making process and any subsequent exercise of power by the House. That distinction was clearly drawn by Marshall. Washington had submitted the treaty for ratification to the Senate along with some instructions to the Minister who had negotiated it; but he refused them to the House on the ground that it had no right to participate in treaty making.[7] Among the objections by the House, to quote Albert Beveridge's "Life of John Marshall," invoked by Dean Pollak, were that though the "treaty regulated commerce . . . the House had not been consulted," that though "the raising and expending of public money must originate in the House," it had been ignored. The question raised, said Beveridge, was "whether a commercial treaty, or an international compact requiring an appropriation of money . . . could be made without the concurrence of the House as well as the Senate." To this Marshall replied that it was " 'more in the spirit of the Constitution' for the National House to refuse support after ratification than to have a treaty 'stifled in embryo' by the House passing on it before ratification."[8] Exclusion of the House from treaty making did not mean for Marshall that the House would be denied its function after ratification. Dean Pollak reads this as a "tactical concession" that was "not at odds with Marshall's constitutional definition of the potential scope of the treaty power." (Pollak 3n). If this was merely a "tactical concession" then his entire statement was a political "tactic", for Marshall gave no clue as to when he spoke as politician and when as constitutional sage.

Attorney General Griffin B. Bell conceded in his statement before the Senate Foreign Relations Committee, September 29, 1977, pp. 4–5, that the Senate and President may not "bypass the power of Congress and in particular the House of Representatives" in the "raising of revenue or expenditure of funds." What distinguishes "all bills . . . shall originate in the House" from "The Congress shall have power to dispose?" The thinness of the distinction is underlined by the State Department's concession that "treaties may [not] impose taxes."[9] Nothing in the Article I, § 8(1) "The Congress shall have power to lay and collect taxes" distinguishes it from the Article IV "The Congress shall have power to dispose."

JUDICIAL DECISIONS

Boundary Dispute Cases

The "boundary dispute" case invoked by the administration are tacitly abandoned by Dean Pollak, presumably because, as he quotes Justice Story:

". . . in the case of a contested boundary, there is no pretence to say that an ascertainment of the true boundary involves the question of cession." (Pollak, Appendix A, p. 3.)

This was the ground upon which I dismissed those cases.

But Dean Pollak's reference to Story was for the purpose of showing his awareness "that the treaty power includes authority

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Footnotes at end of article.

to cede American Territory. . . ." Governor Edward Everett of Massachusetts had written Story with respect to the Northeastern boundary, that in his words presented "a question not of ceding an admitted portion of Maine, but of ascertaining the boundary between the British territory and ours." (Pollak, Appendix, p. 1) As we have seen, Story concurred in this view. Everett sought Story's advice regarding a resolution by the Massachusetts legislature "That no power delegated by the Constitution to the government of the United States authorizes them to cede to any foreign nation and territory lying within the limits of either of the States of the Union." Id., (emphasis added). Of course, Story rejected this drastic restriction, and added that Marshall "was unequivocally of opinion, that the treaty-making power did extend to cases of cession of territory, though he would not undertake to say that it could extend to all cases . . ." Id. 3. Presumably what Marshall had in mind were the boundary disputes that called for settlement in his time. I would not deny that the President and the Senate may enter into a treaty for the cession of territory; what is disputed is whether such a treaty may be "self-executing," without the subsequent consent of Congress under Article IV. Nor can Story's letter be read to repudiate the statement in his commentaries that "The power of Congress over the public territory is clearly exclusive and universal." [10]

Indian Treaty Cases

(1) Dean Pollak follows the administration view of *Jones* v. *Meehan*, 175 U.S. 1, 10 (1899), quoting "that a good title to parts of the lands of an Indian tribe may be granted to individuals by a treaty between the United States and the tribe, without any act of Congress." (Pollak 10). But there the grant was made by the tribe, not the United States. The treaty had "set apart from the tract hereby ceded [by the tribe] a reservation of six hundred and forty acres" for an individual Indian, and the issue was what kind of title did he take. The Court, as I showed, quoted from an opinion of Attorney General Roger Taney:

these reservations are *excepted* out of the grant made by the treaty, and *did not therefore pass with it;* consequently the title remains as it was before the treaty, that is to say, lands reserved are still held under the original Indian title.

The Court held that "the reservation, unless accompanied by words limiting its effect, is equivalent to a present grant of complete title in fee simple." [11] Dean Pollak states that "the Taney opinion . . . was discussed by the Court and rejected as not controlling." (Pollak 11n.). Only a not relevant portion of the opinion was held not controlling, the Taney clause immediately following the above quotation: "and therefor 'the Indian occupants *cannot convey them to individuals,* and no valid cession can be made of their interest but to the United States.' " (emphasis added).

Within a year of Taney's opinion, said the Court, Congress in a new Act "omitted the prohibition, contained in former statutes, of purchase or lease from 'any Indian' " and adopted an "altered form." Hence the Court concluded that "Congress did not intend that there should thenceforth be a general restriction upon the *alienation* by individual Indians of sections of land *reserved to them* respectively by a treaty with the United States. 175 U.S. at 12–13 (emphasis added.) In short, only that portion of Taney's opinion that denied to individual Indians the right to alienate their property was deemed "not controlling," because superseded by an Act of Congress; the power of Indian tribes to "reserve" portions of ceded property to individual Indians was left untouched.

Footnotes at end of article.

It is not necessary to go in the Court's discussion of the nature of the reserved title, e.g. was it legal or equitable, arising from the fact that Indian lands were held in common; there were no individual titles. Suffice it to set out the Court's quotation from *Doe* v. *Wilson*, 25 How. 457, 463–464 (1859):

The Pottawatomie nation was the owner of the possessory right of the country ceded, and all the subjects of the nation were joint owners of it. The reserves took by the treaty, directly from the nation, the Indian title. 175 U.S. at 15.

The continued validity of Taney's statement that title "reserved" to individual Indians does not pass to the United States may be gathered from *Francis* v. *Francis*, 203 U.S. 233, 238 (1906), which cites *Jones* v. *Meehan* for the proposition that when a treaty makes "a reservation of a specified number of sections of land . . . the treaty itself converts the reserved land into individual property."

(2) Apparently Dean Pollak concurs with my reading of *Percheman* v. *United States*, 32 U.S. (7 Pet. O 51 (1833)). *Percheman* was cited by Attorney General Bell to show that "the Court held self-executing certain clauses of the Florida Treaty with Spain which related to the regulation of property rights in newly acquired territory." [12] Those were property rights of individuals, not of the United States, and therefore irrelevant to Article IV. The treaty secured to private individuals grants that theretofore had been made to them by the Spanish King, being akin to "reserves" of the Indian treaties. Dean Pollak agrees that "Marshall held that the Treaty of Spain of 1819 had of its own force confirmed the titles of *pre-treaty owners of* Florida land ceded to the United States by the treaty." (Pollak 12n.; emphasis added).

But Dean Pollak states that "*Percheman* held that the interpretation of the 1819 treaty approved in *Foster* v. *Neilson*, 27 U.S. (2 Pet.) 253 (1829) (a case relied on by Mr. Berger . . .) was in error." Id. I cited *Foster* for the statement that "the ratification and confirmation which are promised must be by the act of the Legislature," i.e. Congress. *Percheman* held that no ratification was required because the Court discovered that the Spanish counterpart version of the treaty dispensed with all ratification, a fact not known to the *Foster* Court. 32 U.S. at 89. This does not repudiate the *Foster* holding that if ratification is required, it falls to Congress.

(3) There is no need to belabor Dean Pollak's mention of *Holden* v. *Joy*, 84 U.S. 211, 247 (1872), for Attorney General Bell granted that at best it was a "strong dictum," noting that "The Court conceded that the question was immaterial in the case because Congress had actually implemented and ratified that particular treaty." [13] Although Dean Pollak relies on dicta running in his favor, he rejects as dicta judicial statements that the Congressional power to dispose" is "exclusive." (Pollak 14). In fact the latter are not dicta, but were essential to decision as I shall prove by Dean Pollak. He recognizes that *Sioux Tribe* v. *United States*, 316 U.S. 317 (1942), "properly held presidential power over federal lands to be subordinate to the Congressional power," consequently the Court's reference to Congress "exclusive" power was immediately relevant to decision, not dictum. So too, *Wisconsin Central R.R. Co.* v. *Price*, 133 U.S. 496, 504 (1890), which stated that Article IV "implies an exclusion of all other authority over the property . . ." held, according to Dean Pollak, "state authority over federal lands to be subordinate to Congressional authority," again relevant to decision. Such holdings were earlier expressed by Justice Story as a general principle: "The power of Congress over the public territory is clearly exclusive and universal. . . ." [14] True, that principle has yet to be applied to the treaty power (as is equally true of Dean Pollak's citations), but it derives not from dicta but from statements essential to decision, whereas *Holden* v. *Joy* concededly is pure dictum. For this reason, I consider the cases I cite as more worthy of credence than the dictum of *Holden* v. *Joy*.

(4) Repeatedly Dean Pollak dwells on the "classic exposition," the "classic formulation of the [treaty] power in *Geofroy* v. *Riggs*, 133 U.S. 258, 267 (1890)." (Pollak 4n., 12). That case had not the slightest bearing on the effect of Article IV for it had nothing to do with either the disposition or regulation of government property. Under a treaty providing for reciprocal rights of inheritance by citizens of the respective countries, it was held that a Frenchman could take land by descent in the District of Columbia. In Dean Pollak's view, "*Geofroy* v. *Riggs* is a particular illustration of the capacity of treaties to regulate matters delegated to Congress: That case applied to rights of inheritance in the District of Columbia, notwithstanding that Article I, § 8(17) confers the power of 'exclusive legislation in all cases whatsoever' relating to the District." (Pollak 12n.). That still does not stretch to "regulation" by treaty of United States property and therefor in nowise diminishes Congress' power to dispose of it. Moreover, the treaty of 1853 conferred the right only in States "whose existing laws permit it" (the Court held the District a State for purposes of the treaty), and though the Act of March 7, 1887, forbade ownership of land in the District to aliens, it excepted the disposition of lands "secured by existing treaties" to them,[15] which the Court held included realty "acquired by inheritance." 133 U.S. at 272. Thus the treaty did not pretend to override local law to the contrary, and Congress had consented to application of the treaty to inheritance by Frenchmen.

(5) Finally, Dean Pollak summons *Missouri* v. *Holland*, 252 U.S. 416 (1920), for the proposition that the treaty makers can "empower Congress to enact legislation going beyond its specifically enumerated grants of power." (Pollak 18). That, with all due respect, is a startling proposition. For the Founders, in the words of George Nicholas in the Virginia Ratification Convention, held that no treaty can be "inconsistent with the delegated powers," [16] let alone confer additional, undelegated powers. Lee assured that Convention that "When a question arises with respect to the legality of any power, exercised or assumed by Congress [the question will be] . . . is it enumerated in the Constitution? . . . It is otherwise arbitrary and unconstitutional." [17] The reservation of undelegated powers to the people by the Tenth Amendment was not made subject to treaty; additional power requires a grant from the people by amendment. Madison, chief architect of the Constitution, said, "Had the power of making treaties, for example, been omitted, however necessary it might have been, the defect could only have been lamented, or supplied by an amendment to the Constitution." [18]

For present purposes it suffices that *Missouri* v. *Holland* had nothing to do with the disposition or regulation of United States property. It arose out of a State challenge to a treaty with Great Britain for the protection of migratory birds which annually traversed parts of United States and Canada. Justice Holmes stated that "The whole question is whether it is forbidden by some invisible radiation from the general terms of the Tenth Amendment." Since, he held, "Wild birds are not in the possession of any one; and possession is the beginning of ownership," [19] the State could assert no property interest, and by the same reasoning, neither could the United States. *Missouri* v. *Holland* is therefore wholly irrelevant to the power by

treaty to dispose of property of the United States.

THE LEGISLATIVE HISTORY

Here I ruefully confess error in one particular, though it does not vitiate my basic analysis. Dean Pollak correctly charges me with an erroneous inference drawn from the Morris-Sherman remarks, which were not in fact "subsequent to the discussion of the treaty power." (Pollak 16–17). I myself had caught the error and confessed it before the House Committee on Merchant Marine on January 18, 1978, a copy of which statement is attached hereto. As I there explained (p. 11):

"When [the Attorney General's statement before the Foreign Relations Committee] reached me late of a Saturday afternoon, as appears in my own Senate statement, I had only about two days to prepare my comments before having them typed and forwarded to the Senate Committee. Pressure of time conduces to oversights, and I was mistaken respecting a time sequence and in following the Attorney General's erroneous identification of a motion made by Williamson and Spaight with one he attributed to Sherman and Morris. Leisure for reflection and further research has since enabled me to correct such inaccuracies and to sharpen my analysis."

Such oversights are regrettable, even though induced by undue pressure of time and accentuated by lack of secretarial service and a corps of research assistance such as the administration can devote to the task.

The Attorney General was guilty of a similar oversight in emphasizing a remark on the treaty power by George Mason during a debate on whether the Senate could share in originating revenue bills.[20] For Mason spoke *before* the Article IV progenitor had been proposed and referred to the Committee on Detail, and of course before the resultant "disposition" provision was debated. 2 M. Farrand, Records of the Federal Convention of 1787, 297, 321, 324, 466 (1911). Manifestly Mason's earlier remark hardly expressed the view that the treaty power overrode the as yet unborn "power to dispose."

There is no need to repeat the fresh analysis based on more thorough research that is set forth at pages 12–17 of my attached statement before the House Committee on Merchant Marine. Throughout, all that was under discussion was the performance of the Senate's own "advice and consent" function, whether it should turn on more or less than a two-thirds vote, without a hint of desire to curtail the House function under Article IV. It was one thing to insist that the Senate, in the performance of its own function, must act by a two-thirds vote, and something else again to court the wrath of those who placed their faith in the more democratic House and were already displeased by the exclusion of the House from treaty making, by further reducing its role under Article IV. There is not, I repeat, the slightest hint in the history of an intention to do so. More is required to deprive the Article IV language of its clear meaning.

It remains to comment on Dean Pollak's rejection of my reminder that what the President seeks today with the "advice and consent" of the Senate he may next time seek to accomplish singlehandedly by executive agreement. (Pollak 19n.) Doubtless you are familiar with the rapid proliferation of executive agreements in recent years, a label pasted on a treaty to avoid the necessity of submission to the Senate.[21] When Senator J. William Fulbright was chairman of the Foreign Relations Committee, he complained that the State Department submitted treaties for "the most trivial matters" but declined to submit them for agreements respecting Spanish bases and the like. As he ironically told Secretary of State Rogers, "something as important as stationing troops and the payment of millions of dollars is proper for an executive agreement."[22]

Dean Pollak dismisses my concerns "about the aggrandizement of executive authority" as "not pertinent—indeed, they may properly be termed impertinent—when a President, acting in meticulous conformity with the procedure specified in the Constitution, has asked the Senate to fulfill the partnership role in the making of treaties which the President expressly contemplates." (Pollak 19n)

Since fulfillment of that "partnership role" (for which I broke more than one lance) was many times frustrated by attaching the "executive agreement" label to treaties, I may be pardoned for being skeptical about the rake's reform. Permit me to close with the words of Alexander Hamilton, the great proponent of expansive presidential power:

"An agent cannot now model his own commission. A treaty cannot tranfer the legislative power to the executive department."[23]

RAOUL BERGER.

FOOTNOTES

[1] W. S. McKechnie, Magna Carta 135 (1905).

[2] *Le Page* v. *United States*, 146 F. 2d 536, 538 (8th Cir. 1945); see also *Ginsberg & Son* v. *Popkin*, 285 U.S. 204, 208 (1932); *Swiss Natl. Ins. Co.* v. *Miller*, 289 Fed. 570, 574 (D.C. Cir. 1923).

[3] *Botany Worsted Mills* v. *United States*, 278 U.S. 282, 289 (1929) (emphasis added). *T.I.M.E.* v. *United States*, 359 U.S. 464, 471 (1959): "we find it impossible to impute to Congress an intention to give such a right to shippers under the Motor Carriers Act when the very sections which established that right in Part I [for railroads] were wholly omitted in the Motor Carrier Act."

[4] *Wisconsin Cent. R.R. Co.* v. *Price County*, 133 U.S. 496, 504 (1890) (emphasis added); *Sioux Tribe of Indians* v. *United States*, 316 U.S. 317, 326 (1942); *Swiss Natl. Ins. Co.* v. *Miller*, 289 Fed. 571, 574 (D.C. Cir. 1923).

[5] 1 J. Story, Commentaries on the Constitution of the United States 305 n.2 (5th ed. 1905).

[6] Hearings before the House Subcommittee on the Panama Canal on "Treaties Affecting the Operation of the Panama Canal (92d Cong. 2d Sess.) p. 95 (December 2, 1971).

[7] *Berger, Executive Privilege* v. *Congressional Inquiry*, 12 U.C.L.A. L. Rev. 1044, 1085–86 (1965).

[8] 2 A. Beveridge, Life of John Marshall 133–135 (1916).

[9] Hearings on the Panama Canal Treaty before the Senate Committee on Separation of Powers (95th Cong. 1st Sess.) Part II, p. 25 (July 9, 1977).

[10] Supra n. 5. 2 Story at p. 200.

[11] *Jones* v. *Meehan*, 175 U.S. 1, 12, 21 (emphasis added).

[12] Statement before the Senate Foreign Relations Committee, September 29, 1977, p. 10.

[13] Id. 9.

[14] Supra n. 5 at 200.

[15] 133 U.S. at 267–271. The 1887 Act prohibited alien ownership of land in the District of Columbia *"Provided*, That the prohibition of this section shall not apply to cases in which the right to hold or dispose of lands in the United States is secured by existing treaties to the citizens or subjects of foreign countries." 24 Stat. 476. Like Dean Pollak, I had mistakenly assumed that "local law withheld the right." My statement before the Senate Subcommittee on the Separation of Powers, November 13, 1977, p. 8.

[16] 3 J. Elliot. Debates in the Several State Conventions on the Adoption of the Federal Constitution 507 (2d ed. 1836).

[17] Id. 186. For additional citations, see *R. Berger, Congress* v. *The Supreme Court* 13–15 (1969).

[18] 2 Annals of Congress 1900–1901 (February 2, 1791).

[19] 252 U.S. at 433–434.

[20] Supra n. 12 at 6.

[21] Professor Philip Kurland asked, "Should the Constitution really be read to mean that by calling an agreement an executive agreement rather than a treaty, the obligation to secure Senate approval is dissolved." Kurland, The Impotence of Reticence, 1968 Duke L. J. 619, 626.

[22] These and other citations are set out in R. Berger, Executive Privilege: A Constitutional Myth 142 (1974). A detailed discussion of executive agreements will be found at pp 140–162.

[23] "Letters of Camillus," 6 A. Hamilton, Works 166 (Lodge ed. 1906).

Mr. GOLDWATER. Mr. President, I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER (Mr. HODGES). The Senator from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. President, it is important to distinguish the two propositions here. One is whether it simply is a matter of policy or comity, to seek legislation from both Houses of the Congress; and second, the assertion that it must be done because constitutionally required.

I disagree with both propositions. I do not think as a matter of policy we should do it, but I certainly disagree with the proposition that it is constitutionally required.

The distinguished Senator from Arizona yesterday placed in the RECORD in the course of his comments a memorandum that had been prepared by Mr. Kenneth Merin entitled "Analysis of Treaties Which Have Allegedly Transferred Territory or Property Belonging to the United States Without Authorization by Act of Congress."

I now ask unanimous consent to have printed in the RECORD a memorandum which the Department of State has prepared refuting point by point each of the assertions made by Mr. Merin in his memorandum.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATE DEPARTMENT COMMENTS ON MR. KENNETH MERIN'S "ANALYSIS OF TREATIES WHICH HAVE ALLEGEDLY TRANSFERRED TERRITORY OR PROPERTY BELONGING TO THE UNITED STATES WITHOUT AUTHORIZATION BY ACT OF CONGRESS," DECEMBER 28, 1977

These comments are keyed by number to Mr. Merin's analysis.

A. Indian treaties:

1. The Cherokee Treaty of December 29, 1839:

Contrary to Mr. Merin's assertion, the treaty was not authorized by the Act of May 28, 1830.

The Supreme Court of the United States in *Holden* v. *Joy*, 84 U.S. 211, at pp. 239 and 240, discussed at length the relation between the Act of 1830 and the Treaty of 1835 as well as the attempt (now renewed by Mr. Merin) "to show that the last-named Treaty was negotiated by force on the Act of Congress". The Court rejected that argument, holding "it is clear that the proposition cannot be sustained as the Treaty differs widely in many respects from the provisions of that act of Congress."

2. The Chippewa Treaty of October 2, 1863:

Mr. Merin argues that the lands granted to the chief were "never conveyed to the United States".

In the Treaty, the Chippewa nation granted Indian land to the United States which in turn transferred one tract to the Indian chief in fee simple. The Court specifically held: "The title to the strip of land, having been granted by the United States to the elder chief Moose Dung by the Treaty itself . . . passed to the plaintiffs . . ." *Jones v. Meehan*, 175, U.S. 1 at p. 32.

B. Treaties with Foreign Nations:

1. The Spanish Treaty of 1819:

While it is true that both Spain and the United States claimed territories west of the Mississippi, it is also true that many persons in the United States considered the Treaty to constitute an outright cession of American territory in exchange for Florida. The debates in the House of Representatives reported in 36 Annals, 1719–1738, 1741–1781, show that many of the speakers did not share the view of Congressman Anderson from Kentucky. Mr. Merin relies on Mr. Anderson's argument that ceded territory was not American property because it "was never in American possession". Possession is not necessary to ownership. Moreover, since the titles at that time rested on discoveries and maps, rather than on effective control, possession was usually of a constructive character. Most of all, nothing in Art. IV of the Constitution shows that it applies only to territory not in dispute.

The two acts of Congress cited in Mr. Merin's analysis implemented the Treaty by providing for the measures necessary to take possession of Florida, but did not expressly ratify the provisions by which "the United States . . . cede . . . all their rights, claims and pretensions to the Territories lying West and South" of the agreed boundary.

2. The Treaties of 1842 and 1846:

The two Treaties determined the boundary between the United States and Canada by the settlement of conflicting claims. The nature of the claims and the surrounding circumstances are discussed in 4 Miller 383–413 and 5 Miller 10–97. This discussion shows that while there was a dispute, the U.S. was perceived to have very strong claims. The Treaty of 1842 was held to be a cession by the U.S. Supreme Court in *Fort Leavenworth R. R. Co. v. Lowe*, 114 U.S. 525, at p. 540.

3. The Treaties with Mexico of 1933, 1963, 1970:

The treaties involved a rectification of the beds of the Rio Grande and the Colorado River and a change of the sovereignty over certain tracts of land necessitated by the relocation.

The title to the tracts was transferred by the treaties. To the extent that the tracts were privately owned the United States had to acquire the tracts from their owners. Of course, Congress had to appropriate the money required to acquire title to the lands conveyed. But after acquisition the lands were transferred by the treaties as land belonging to the United States. It is not correct that these treaties did not dispose of federal property.

4. The Treaty with Honduras, 1971:

The treaty not only settled the claim to sovereignty over the Swan Islands but conveyed U.S. property located on the islands.

5. The Treaty with Japan on Return of the Ryukyu and Daito Islands:

The Treaty conveyed three classes of property: (1) properties of certain government instrumentalities, (2) all property located outside the areas and facilities retained by the United States, and (3) land reclaimed by the United States and other reclaimed lands acquired by the United States. The transfers were made by self-executing treaty. This is evident from the President's message of transmittal to the Senate and the Report of the Senate Foreign Relations Committee. Both statements say "Art. VI transfers to the Government of Japan certain properties of the United States." (97 Cong., 1st Sess., Ex. J. p. IX, 92 Cong., 1st Sess., Ex. Reprt. 92–10, p. 3). There is no evidence for the purported assumption that the transfer was covered by prior general legislation.

6. The Treaty with Panama of 1955:

Articles VI and VII of that treaty transferred the specified properties by the Treaty itself. This was recognized both in the Memorandum of Understandings attached to the Treaty, which stated that the transfers under Art. V were "in addition to the transfer of real property effected by Art. VI of the Treaty" and in § 102(b) of the Act implementing the Treaty (71 U.S. Stat. 509), which differentiated between the property to be transferred pursuant to Art. V and the property "conveyed by operation of Articles VI or VII". With respect to the property transferred by Articles VI and VII the implementing legislation required dealt merely with the consequences of the transfers for accounting purposes.

The agreements of 1932 and 1942, which are cited by Mr. Merin, were not treaties but were executive agreements and therefore in need of Congressional approval.

Another instance of a transfer of property to Panama by self-executing treaty not included in the prior list could be seen in Articles I and II of the Treaty of 1950, providing for an exchange of certain tracts. That exchange was made for the purpose of accommodating the interest of Panama in the acquisition of the parcels exchanged. Therefore a prior act dealing with exchange of land in the Canal Zone, 37 U.S. Stat. 560, Sec. 1, authorizing the President "by treaty to exchange any land not deemed necessary for (the operation, maintenance, sanitation or protection of the Panama Canal) for other land which may be deemed necessary for such purposes", would not appear to cover the exchange made by the Treaty of 1950.

Mr. SARBANES. I simply point out that the analysis which I have just had printed in the RECORD responding to Mr. Merin provide a case-by-case analysis. The very first one says, "the Supreme Court of the United States in *Holden* v. *Joy*, 84 U.S. 211, discussed at length the relation between the act of 1830 and the Treaty of 1835 as well as the attempt" made them in hearing the case and an attempt that Mr. Merin now repeats in his memorandum " 'to show that the last-named treaty was negotiated by force of the act of Congress.' The Court rejected that argument, holding 'It is clear that the proposition cannot be sustained as the treaty differs widely in many respects from the provisions of that Act of Congress.' "

This analysis then goes through the rest of the assertions contained in the Merin memorandum which the distinguished Senator from Arizona had printed in the RECORD, to show that, in fact, property was transferred pursuant to treaty, without the requirement of legislation. I think that is clearly a constitutional authority.

I want to underscore the fact that does not mean that the President alone can transfer the property. The property can be transferred by treaty. But for a treaty to be binding, it must have the advice and consent of two-thirds—two-thirds—of the Members of the U.S. Senate.

So it is not the President that can do that. It can be done by treaty. I think the constitutional law is very clear in that regard, that it can be done by treaty. But a treaty, of course, requires the approval of the Executive in order to submit the treaty to the Senate and then, of course, requires the approval of two-thirds of the Members of the Senate of the United States.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the Senator for a question.

Mr. GOLDWATER. I am satisfied that the State Department realizes that enabling legislation must be forthcoming on this, because they promised it first last October, they promised it again before the Armed Services Committee, and just yesterday, in a discussion of this, I was told that today such legislation would be coming down.

There are treaties—and I have recognized them in the various papers I have presented to this body—in which the Senate, by a two-thirds vote, can do some things, but it cannot transfer the property of the United States. If the administration position is true, and I do not hold it to be true, then the Senate, by treaty, could do almost anything it wished. It could adjust taxes; it could adjust expenditures.

The whole purpose of enabling legislation, particularly in a case such as this, which is why I think it is so important, is to give us some guidance. We are supposed to create a Panama Canal Commission to replace the Panama Canal Company. We know the general idea of the structure of this, but we have not been able to get any enabling legislation as to how it will come about. We will have to vote on that, and the House will have to vote on that, and that does not become a two-thirds vote; it is merely a majority vote.

I have been asking for this legislation, because I believe it will contain material not necessarily detrimental to the ratification of the treaty but will prove to be of great importance to all of us as we find out or attempt to find out more of some of the hidden facts of this treaty.

I have been particularly critical of the State Department for refusing to send this material down. I have never seen them drag their feet so much before. I hope this will be coming shortly. It does not necessarily have to come before the ratification or the refusal to ratify the treaty. In fact, we cannot find any rule to establish whether it shall come first or afterward. But it must be one or the other.

I am not a lawyer, but in the opinion of lawyers I consult, the treaty will have no effect until enabling legislation to dispose of property is passed by both Houses of Congress.

As I have said in my arguments against the presentations of the Senator from New York, he has used various cases that would not apply. I remember

one: The treaty that gave land of the Ryukyu Islands, Okinawa—land that we never owned, to begin with. Yet, we gave it away, and we gave it without enabling legislation, which was proper, because it was never our property to begin with, and neither was it the property of the Japanese, who now have it.

So I cannot say that enabling legislation is needed in every case, but I think I can say very safely that in this case, where we are giving away about $9.8 billion worth of American property, we have to find some guidelines laid down by enabling legislation as to how we are going to go about this. That is the whole thing that concerns me.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SARBANES. I yield.

Mr. LONG. Mr. President, I inform the Senate that, from the Louisiana point of view, there is a rather important hearing being conducted in the Judiciary Committee. It involves the confirmation of the nomination of a judge, and it is a secret hearing.

I hope very much that the Senate will cooperate and let us recess by 3 o'clock, so that the hearing can be resumed, because the committee does not have the money to pay the witnesses to stay over, and the matter should be resolved. It is necessary for the committee to take testimony under oath in order to resolve the matter.

So I plead with all Senators to cooperate, if they can, and let us recess by 3, if possible. There is a lot of snow outside. There are going to be big traffic jams. If we can recess by about 3 o'clock, this hearing can be concluded today.

Mr. SARBANES. I say to the distinguished Senator from Louisiana that our hope is that we may, indeed, be able to achieve that.

As the Senator may know, there now has been a unanimous-consent agreement entered into, which will provide for votes on the two remaining amendments that will be offered to article I of the Neutrality Treaty, to take place on Monday, after which we will move to article II of the treaty.

We expected today to debate one of those amendments to some extent, which has been done, and to cover certain other topics. But I think there is the hope and objective of being able to recess at a fairly early hour, in recognition of the need to complete some of the work which is pending in the Senate committees, and to which the distinguished Senator from Louisiana has just referred.

Mr. LONG. I thank the Senator. I am pleased to hear the good news that we are making progress.

I have not really decided how I am going to vote on this matter, but I am willing to vote on amendment by amendment as Senators call them up. So far as I am concerned, I do not have to make an extended speech to explain my views. I think my votes speak for themselves.

Mr. SARBANES. As the Senator knows, we are now at the end of 2 weeks and 3 days of debate and consideration of these treaties and amendments, and we are still not beyond article I of the first treaty. But on Monday we will at least get beyond article I of the first treaty, and I hope that thereafter we can move in a reasonable and expeditious manner to have votes on amendments and move through the treaty article by article, as we are required to do, and do it in a thoughtful, orderly way that moves us along with our business.

As the Senator has pointed out, much of what can be said has been said, and we need to take each amendment, consider it, vote on it, dispose of it, and then go on to the next amendment, and work our way through this matter.

I agree with those who have risen today and yesterday to point out that there is other important business facing the Nation. At some point, the Senate should get to it. The distinguished Senator from Louisiana has just referred to such business that is now pressing in one of the committees, and other Senators have referred to other issues that are pending before the Congress of the United States.

So I hope that in the fairly near future we can move along with respect to these treaties and have our votes and that people can take their positions, and we can abide by that. We are now moving down that path, and I hope we continue to do so.

As I understand it, it is the intention this afternoon, in recognition of some of the matters that are pending, including the one that the able Senator from Louisiana referred to, to recess at a reasonable hour in order to permit committee meetings to take place.

Mr. LONG. I thank the distinguished Senator.

There are some of us who have our doubts about this matter and who need more education. Even though this has been a very enlightening and thoughtful debate, we are seeking more information, and we are seeking to prepare some amendments that we think would tend to allay some of our fears—not trying to commit anybody, just to indicate some areas where we have some concern, where we think perhaps the Senate might be willing to reach a better understanding or, if not, agree to a reservation—at least agree to an understanding or an amendment to the implementing legislation.

So I believe in making progress. I hope very much that the time objectives can be met. At the same time, I do think this has been a very fine debate up to this point. For my part, as one who has opposed the treaties, I think the debate does credit to both the proponents and the opponents because of the very fine way it has been conducted by the distinguished Senator from Maryland and others.

Mr. SARBANES. I thank the distinguished Senator from Louisiana.

Mr. President, I have one final point with respect to a question raised by the distinguished Senator from Arizona.

He referred to the treaty with Japan on the return of the Ryukyus territory, the land that we held there, and the memorandum that I have placed in the RECORD prepared by the Department of State deals with that point along with other points contained in the memorandum which the Senator from Arizona included yesterday.

It points out that the transfers were made by self-executing treaty, and goes on to note that this is evident from the President's message of transmittal to the Senate and the report of the Senate Foreign Relations Committee.

Both the transmittal message and the report contained the statements that article VI of that treaty transfers to the Government of Japan certain properties of the United States. I think a careful analysis of the treaties that were listed as exemplifying the principle that treaties can transfer property, a careful analysis of those treaties will bear out that position. That is a position that the vast preponderance of constitutional authorities support. It is the position which we, in fact, have acted upon in our previous history, and I think that to take the contrary position is really in derogation of the authority of the Senate, and contrary to the clear authority provided by the Constitution of the United States.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the distinguished Senator from New York.

Mr. JAVITS. This has been a matter of longstanding interest to me.

I carefully analyzed the various briefs which have been submitted and the analyses of the law, and I think there is no question about the settled practice since really the foundation of the Republic, and I think the case is even stronger here on constitutional grounds because it is property which is not the property of any State, which is a critically important point to me, even if the so-called Jefferson Doctrine should for some reason be applied by the Supreme Court, which I do not believe that it will.

Finally, I think it is critically important, too, to note there is no desire by the Senate to exclude the House from consideration of this matter. This treaty requires implementing legislation. The Committee on Foreign Relations has worked very hard to see that that implementing legislation gets over here, and from all the information I have it will be here in plenty of time.

The House of Representatives will, by acting, show its concurrence in these treaties before they can be actually implemented.

But the issue which is raised of a two-House—the need for a two-House—action on these treaties defies the constitutional mandate.

It seeks to turn the Constitution in some other direction and, hence, the Senate, when it says "No" to that, as I hope it will, when it approves these treaties is not acting to preserve its own prerogatives; it is acting to preserve the structure of the Constitution.

There is a lot of complaint about the celerity and the capacity with which the executive department can negotiate, and

that is a critically important point. Whatever is the constitutional form, we should observe in the interests of making our democracy as efficient as possible.

It seems to me that by trying to break down what is such settled practice we add a note outside the Constitution, which makes our Constitution less workable.

So I emphasize that point because it is so easy to popularize the idea that, "Well, the Senate wants to hold onto its own prerogatives and show that it is 'the senior body'."

Nothing could be further from the truth.

The House would be just as right and just as strong, and it is literally every day, in revenue measures, to be sure that revenue measures started there, that appropriations measures started there. I do not know of anybody who charges that that is just to build up their prerogatives. It is the constitutional way that the more popular body, in the sense of election directly from districts, and so forth, and more numerous than ourselves, keeps the basic and first control over the purse strings.

So, too, with us. We were established to keep the basic and first control in respect of the treaty power, and I think it is our duty rather than building up our prerogatives to see that that constitutional structure is protected.

I thank my colleague very much for yielding.

Mr. SARBANES. I thank the very able Senator from New York who, in addition to being one of the outstanding Members of this body is as fine a lawyer as has sat in the Senate, and I think his legal analysis of this matter is absolutely correct.

There is an important constitutional principle involved with respect to the power and the authority of the Senate in exercising the treaty power. The distinguished Senator from New York, who is such an able constitutional lawyer and has reflected that in his work here in the Senate, has made a particular effort to analyze this problem and has commented on it very perceptively and very accurately.

I would hope when the Senate comes to move ahead on these matters we will continue to do so as we have done in the past with respect to the reach of our authority to advise and consent to treaties.

Mr. ROBERT C. BYRD. Mr. President, in order that some committees may be permitted to meet which need to meet, and in view of the agreements that have been entered into for the disposition of the two remaining amendments to article I on Monday, I am prepared to recess until Monday. The committees that have been wanting to meet and have not been able to meet, consequently, by recessing, will be able to meet. Does any Senator wish to take the floor at this time? I see no Senator who wishes to do so.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there morning business?

S. 2644—FARM RELIEF ACT OF 1978

Mr. LONG. Mr. President, I am greatly concerned about the economic problems of the American farmer. His efforts to feed a hungry world go unrewarded because the general public and many of our officials fail to recognize the importance of a fair return to agriculture.

This is true in spite of the fact that the American consumer pays a smaller percentage of his income after taxes for food than anyone else in the world.

No one in the world eats better for less than the American consumer. It is ironic that the last one to recognize this fact is often the American consumer.

Mr. President, the situation is bad and getting worse. Let us take a look at just a few basic trends:

Farm debt has doubled from about $59 billion in 1972 to $118 billion in 1978.

The cost of production has escalated at an even faster rate.

American farm income fell below $20 billion in 1977, the lowest level since 1964 when adjusted for inflation.

It is clear, Mr. President, that the serious economic plight of our farmers necessitates immediate action to assure the survival of this vital part of our Nation's economy.

Over the past weeks I have heard many convincing arguments as to why farmers should be getting 100 percent of parity for their crops. During the same period, I have heard arguments, some of them from farm groups, as to why this is not a good idea, why it would not work, why some other approach would make more sense.

Some supporters of the full-parity concept say it makes good sense for one crop but not for another.

Some people argue that at prices equivalent to 100 percent of parity we could not export many agriculture products. But still others argue that without adequate prices major sections of the farming industry will go under and will have little to export anyway.

Mr. President, I believe we should look to the American farmers for the answer to this question. I support 100 percent of parity, but I trust the American farmers to decide if this approach will work for each and every crop.

Therefore, I, along with my good friend and colleague J. BENNETT JOHNSTON, am introducing the Farm Relief Act of 1978.

This measure directs the Secretary of Agriculture to insure that the producers of each of our commodities receive a price of not less than 100 percent of parity, whenever a majority of the producers of any such commodity vote in a referendum, to include such commodity under the provisions of this act.

Under this bill, a majority of our farmers would decide whether we should guarantee 100 percent of parity for each crop. This way, the farmers themselves will decide if the shoe fits or not.

Although this bill does not include cattle, I am aware of the need of our cattle producers for assistance. A number of suggested solutions involving tariffs and import quotas have been suggested to the Senate Finance Committee, of which I am chairman. We will be looking closely at each of these to determine how we might best attempt to resolve the problems facing our cattle producers.

The Senate Agriculture Committee is presently holding extensive hearings on the American farm crisis, including testimony on the impact of proposals to set 100 percent of parity on prices of basic agriculture commodities, and it is my hope that this measure will assist the Agriculture Committee as they explore ways of solving the current farm crisis.

TRIBUTE TO GENERAL JAMES

Mr. SPARKMAN. Mr. President, a couple of days ago, my colleague Senator ALLEN and I called attention to the death of the distinguished Gen. Chappie James. Since that time, there has appeared a very fine writeup in connection with General James, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 2, 1978]

TRIBUTE PAID TO GENERAL JAMES

(By J. Y. Smith)

The people who knew Daniel (Chappie) James—and a lot of people only knew about him—began to pay their respects yesterday long before the funeral mass for the first black to become a four-star general in the armed forces of the United States.

They came into the Shrine of the Immaculate Conception from the chill dusk and walked past his flag-draped coffin with the five Air Force guards, rigid as bayonets, around it.

Then they would sit in the church for a few minutes, perhaps, and kneel and pray, and then go their separate ways, having taken part in what one of them described as "a time when history is being made."

Gen. James died at the Air Force Academy Hospital at Colorado Springs last Saturday after a heart attack. He was 58.

His coffin was carried into the shrine at 4:15 p.m. by an Air Force honor guard and placed near the foot of the steps leading to the altar. At its head stood the flags of the United States, of the U.S. Air Force, and Gen. James' personal flag with the four stars of his rank on it.

Shortly after 8 p.m., a mass of resurrection was offered by Maj. Gen. Henry J. Meade, the Air Force chief of chaplains. About 1,800 people attended the service, including Secretary of the Air Force John B. Stetson, former Secretary of Defense Donald Rumsfeld, D.C. Del. Walter E. Fauntroy and other dignitaries.

Air Force Maj. Gen. Thomas E. Clifford, who is black, read a lesson from the book of Daniel. Maj. Gen. Lucius Theus, another black Air Force officer, read from an epistle to the Romans.

The lesson from Daniel said: "Those who lead the many to justice shall be like the stars in heaven."

Chaplain Meads recalled that Gen. James had been born in Pensacola, Fla., into a society where everything including churches, was segregated. Gen. James' life, he said, was "a thrilling account of one person's ability to rise above all obstacles and become in his lifetime a living legend."

He recalled "the enormous contribution of this remarkable man—husband, father, patriot, leader."

Gen. James' wife, Dorothy Watkins James; his sons, Claude, of Rockville, and Daniel III, an Air Force captain; and his daughter Mrs. Frank F. Berry, wife of an Air Force officer, sat in the front pew during the service.

The recessional hymn was "The Battle Hymn of the Republic."

But that was hours after some of "Chapple" James' friends and others who did not know him but admired him began to enter the Shrine to pay their respects.

One of them was Joseph Fenrick, 38, a Defense Department employe who recalled the times that Gen. James, then a lieutenant colonel, had come to talk to Fenrick's ROTC class at Howard University in the late 1950s.

"He was big, vibrant, dynamic and an inspiration," Fenrick said. "He was a leader."

Another was Sen. Barry Goldwater (R-Ariz.), a retired general in the Air Force Reserve. Goldwater saluted as he approached Gen. James' coffin.

"He was one of my oldest military friends," Goldwater said. "He got where he was because he was a fine man and a fine airman. We'll not replace him in a hurry."

Another was Charlie Glenn, 46, a retired D.C. government employe and a veteran of the Korean War.

"He served in three wars. That represents to me nothing more than bravery. Also it represents to me that he should be a symbol to all Americans, recognizing those who have contributed a large portion of their lives for this country," Glenn said.

Gen. James was commissioned a second lieutenant in the Army Air Corps, later the Air Force, during World War II. He flew 101 combat missions in Korea and commanded the 8th Tactical Fighter Wing in the Vietnam War.

Still another who came early to pay her respects was Helen Powell, 59, who spent part of World War II as a spot welder in the Brooklyn Navy Yard in New York. She said that she has never doubted the contributions blacks have made to American society but said that many whites have been slow to acknowledge this.

"Back in the '40s it was quite different," Powell said. "I'm so happy now that we are coming into our own. Not only Chapple, but so many others."

Powell said she had never met the general but that she began following his career years ago

"I tell the children to look up and you can be somebody," she said. "I think Gen. James was a great man. He's something for the children to look up to."

The only interruption of people passing the coffin was the changing of the Air Force honor guard every 30 minutes—a precise ritual, the guard commanders saluting silently, the members of the guard presenting arms soundlessly, the whole ceremony performed without verbal commands by young men and women in dress blue uniforms.

After the service last night an honor guard removed the coffin from the shrine. The body of Gen. James is to be buried with full military honors at 11 a.m. today in Arlington National Cemetery.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 1:20 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3813) to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PHILLIP BURTON, Mr. UDALL, Mr. KASTENMEIER, Mr. TSONGAS, Mr. KREBS, Mr. DON H. CLAUSEN, and Mr. SEBELIUS were appointed managers of the conference on the part of the House.

The message also announced that, pursuant to the provisions of section 4 (b), Public Law 94-201, the Speaker has appointed as a member of the American Folklife Center in the Library of Congress, Mrs. Raye Virginia Allen, of Temple, Tex., for a term of 6 years, effective March 4, 1978.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S.J. Res. 106. A joint resolution to provide for the reappointment of A. Leon Higginbotham, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 95-662).

S.J. Res. 107. A joint resolution to provide for the reappointment of John Paul Austin as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 95-663).

S.J. Res. 108. A joint resolution to provide for the appointment of Anne Legendre Armstrong as a citizen regent of the Board of Regents of the Smithsonian Institution (Rept. No. 95-664).

S. Res. 359. A resolution authorizing the printing of the committee print entitled "Study on Federal Regulation, Volume V, Regulatory Organization" as a Senate document (Rept. No. 95-665).

S. Res. 376. A resolution to make sections 133(g), 134, and 202 of the Legislative Reorganization Act of 1946 applicable to the Special Committee on Aging (Rept. No. 95-666).

S. Res. 400. A resolution authorizing the printing of additional copies of the committee print entitled "The Panama Canal—A Reexamination" (Rept. No. 95-667).

S. Res. 408. An original resolution authorizing the reprinting of a compilation entitled "Majority and Minority Leaders of the Senate" (Senate Document 95-24) (Rept. No. 95-668).

S. Res. 409. An original resolution authorizing the printing of a revised edition of the "Election Law Guidebook" as a Senate document (Rept. No. 95-669).

S. Res. 410. An original resolution to pay a gratuity to Frances Haskins.

By Mr. PELL, from the Committee on Rules and Administration, with amendments.

H.R. 8358. An act to amend title 44, United States Code, to provide for the designation of libraries of accredited law schools as depository libraries of Government publications (Rept. No. 95-670).

By Mr. EASTLAND, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment:

S. 2370. A bill to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972 (Rept. No. 95-671).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. GOLDWATER:

S. 2638. A bill to amend section 7275 of the Internal Revenue Code of 1954 with respect to airline tickets; to the Committee on Finance.

By Mr. EASTLAND:

S. 2639. A bill for the relief of Mrs. Kerry Ann Wilson and her son, Jason John Wilson; to the Committee on the Judiciary.

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. SASSER, and Mr. JAVITS):

S. 2640. A bill to reform the civil services laws; to the Committee on Governmental Affairs.

By Mr. LUGAR:

S. 2641. A bill to establish a Public Law 480 food reserve for famine relief and other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McCLURE:

S. 2642. A bill to declare that certain land of the United States be held by the United States in trust for the Nez Perce Indian Tribe of Idaho; to the Select Committee on Indian Affairs.

By Mr. CURTIS:

S. 2643. A bill to amend the Tariff Schedules of the United States to provide that certain wood strips be admitted free of duty; to the Committee on Finance.

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 2644. A bill entitled the "Farm Relief Act of 1978"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr WILLIAMS:

S. 2645. A bill to establish an Art Bank; to the Committee on Human Resources.

By Mr. SPARKMAN (by request):

S. 2646. A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER:

S. 2638. A bill to amend section 7275 of the Internal Revenue Code of 1954 with respect to airline tickets; to the Committee on Finance.

PENALTY FOR OFFENSES RELATING TO CERTAIN AIRLINE TICKETS AND ADVERTISING

● Mr. GOLDWATER. Mr. President, airline passengers often complain about the length of time it takes to buy a ticket. Part of the problem is caused by the provisions of the airline ticket law which was amended by the Congress in 1970 (Public Law 91–680).

This amendment permitted the airlines to state separately the fare and tax on tickets, which is necessary for tax accounting purposes. In what appears to be an oversight, Congress left unrepealed a provision requiring that the fare and tax be shown for each segment of a trip that has more than one stop.

Alternatively, the airlines can include the tax in so-called fare ladder side of the ticket. What this means is that a ticket agent must compute the Federal tax for each segment of a flight and then show the total in a separate box on the ticket.

Moreover, passengers face delays at ticket counters when they want a refund or exchange, because the agent must "blackout" tax amounts before recomputing the applicable segment fare.

This bill would not change the tax to be paid; it would permit the airlines to show only the total amount of Federal tax on the ticket.

According to industry estimates, the current detailed tax requirements for airline tickets waste somewhere between 75,000 to 150,000 man-hours a year. This means greater costs and delays for passengers.

I am informed that the Treasury Department has no need for the tax information on the fare ladder. As always, Treasury is only interested in the total bite.●

By Mr. RIBICOFF (for himself, Mr. PERCY, Mr. SASSER, and Mr. JAVITS):

S. 2640. A bill to reform the civil service laws; to the Committee on Governmental Affairs.

CIVIL SERVICE REFORM ACT OF 1978

● Mr. RIBICOFF. Mr. President, I am pleased to introduce today, with the Senator from Illinois (Mr. PERCY), the Senator from Tennessee (Mr. SASSER), and the Senator from New York (Mr. JAVITS), the Civil Service Reform Act of 1978. The substantive proposals contained in this legislative package and the structural reforms which will follow shortly, in a civil service reorganization plan, are the outgrowth of a comprehensive study which was commissioned by the President in May 1977 and conducted under the joint leadership of the Civil Service Commission and the Office of Management and Budget.

The personnel management project was charged to examine the myriad statutes, rules, regulations, and Executive orders governing the Federal personnel system and to recommend changes designed to provide greater employee protections and achieve a more effective and efficient personnel management system. The proposals contained in this legislative package are significant and far reaching. They represent the most comprehensive reforms of the Federal personnel system since the creation of the Civil Service Commission nearly a century ago.

As a former Governor and Cabinet officer, I share the President's concern that reform of the civil service system should accompany his other major reorganization efforts. The problems which have developed over the course of the last century are not contained within a single agency. A process, overburdened with red tape and delays, extends beyond the central personnel agency into the daily operations of each and every Federal agency. We have reached a point where procedures for actions, as relatively simple as filling any agency vacancy, have become so rigid and inflexible that it is months before approval is received from the Civil Service Commission. Such inefficiency impedes the ability of agency heads and managers to perform the responsibilities of their programs. It frustrates the citizen in his routine dealings with Federal agencies and it has led to a climate in which civil servants, as a class, have become scapegoats for a system universally proclaimed as ineffective, unresponsive, and unmanageable.

The President proposes to remedy these systemic problems by splitting the Civil Service Commission into separate agencies responsible for setting personnel management policies, overseeing labor-management relations activities, and adjudicating employee appeals. The legislation which he proposes would place greater emphasis on merit principles, establish rewards for meritorious performance, and streamline an overly complex system for deciding employee appeals in adverse actions. In addition, the President proposes to delegate authority directly to agencies to examine and hire employees directly and thus reduce the amount of time it takes to process routine personnel actions. Finally, he has proposed a new Senior Executive Service for Government managers where the rewards for performance can be significant.

The President has made this legislation one of his highest priorities. Likewise, it will be given a high priority by the Committee on Governmental Affairs. Hearings will begin shortly and the committee can be expected to examine the individual issues carefully and thoroughly in the weeks and months ahead. I look forward to working closely with the other members of the committee and the President in this endeavor in order that civil service reform can become a reality achieved in full partnership with the Congress.

Mr. President, I ask unanimous consent that an explanation of the major provisions of the bill and a summary of its titles be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OVERVIEW OF THE CIVIL SERVICE REFORM ACT OF 1978

The thrust of the proposed Act is to reform civil service policies and procedures to improve the management of human resources in the Federal service.

Congressional approval of the reorganization plan for the Civil Service Commission would establish the necessary organizational framework to carry out the proposed reforms.

In broad terms, the proposals submitted to the Congress would:

Inscribe in law basic merit principles governing the Federal personnel system, and specifically identify the prohibited personnel practices that undermine the system.

Improve the procedures for deciding employee appeals and install a new approach to appraising employee performance, with less cumbersome procedures for taking corrective action on the basis of poor performance records.

Permit additional participation by agencies in staffing processes, and increase their flexibility in hiring decisions.

Modify veterans preference, to strengthen employment opportunities for disabled and Vietnam-era veterans, but to reduce it for others.

Establish a comprehensive system for managing and utilizing senior executive personnel.

Install an incentive pay plan for managers and supervisors at the GS–13 through GS–15 grade range which relates pay increases to the quality of their performance.

Authorize research and demonstration projects aimed at improving personnel management.

Specific titles of the bill are as follows:

Title I, Merit System Principles.

Title II, Civil Service Functions; Performance Appraisal; Adverse Actions.

Title III, Staffing.

Title IV, Senior Executive Service.

Title V, Merit Pay.

Title VI, Research and Demonstration Authority.

TITLE I: MERIT SYSTEM PRINCIPLES

Title I of the Civil Service Reform Act of 1978 would establish merit principles to govern the Federal work force. In addition, it would define prohibited practices, and provide the authority to discipline violators.

Eight basic principles would undergird all personnel practices and actions in the Federal Government. They would require:

1. Recruitment from all segments of society, and selection and advancement on the basis of ability, knowledge, and skills, under fair and open competition.

2. Fair and equitable treatment in all matters, without regard to politics, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for individual privacy and constitutional rights.

3. Equal pay for work of equal value, with incentives and recognition for excellent performance.

4. High standards of integrity, conduct, and concern for the public interest.

5. Efficient and effective use of the Federal work force.

6. Retention of employees who perform well, correcting the performance of those whose work is inadequate, and separation of those who cannot or will not meet required standards.

7. Improved performance through effective education and training.

8. Protection of employees from arbitrary action, personal favoritism, or political coercion.

Concurrently, the proposed law would define prohibited practices and make it clear

that disciplinary action will be taken against offenders. Agency heads and their subordinate officials would be held responsible for carrying out all personnel laws, rules, and regulations, and to insure that violations of prohibited practices do not occur.

Officials and employees who are authorized to take personnel actions would be enjoined from:

1. Discriminating against any employee.
2. Soliciting or considering any recommendation on a person who requests or is being considered for a personnel action unless the material is an evaluation of the person's work performance, ability, aptitude, or general qualifications, or an evaluation of the person's character, loyalty, and suitability.
3. Using official authority to coerce political actions, to require political contribution, or to retaliate for refusal to do these things.
4. Willfully deceiving or obstructing an individual as to his or her right to compete for Federal employment.
5. Influencing anyone to withdraw from competition, whether to improve or worsen the prospects of any job applicant.
6. Granting any special preferential treatment or advantage not authorized by law to a job applicant or employee.
7. Appointing, employing, promoting, or advancing relatives in their agencies.
8. Retaliating against employees who exercise their appeal rights or who lawfully disclose violations of law or regulations (whistle-blowing).

The provisions of the law would apply to all departments and agencies of the Executive branch, the Administrative Office of the United States Courts, and the Government Printing Office.

The General Accounting Office would be given authority to conduct audits and reviews to assure compliance.

TITLE II: CIVIL SERVICE FUNCTIONS; PERFORMANCE APPRAISALS; ADVERSE ACTIONS

The Act would make clear that the President may delegate authority for personnel management functions to the Director of the Office of Personnel Management, and that such functions may, in turn, be delegated wholly or in part to the heads of agencies. Specific provision is made for authority for competitive examinations to be delegated to agencies. This would permit greater involvement by agency managers in the staffing process. Delegations would be made by OPM on the basis of the capacity of individual agencies to assume the functions delegated and cost effectiveness considerations.

Title II would go beyond the reorganization plan creating the Merit Systems Protection Board to increase the independence of the Board members and the Special Counsel by appointing them to non-renewable 7-year terms. Members could be removed only for inefficiency, neglect of duty, misconduct or wrongdoing, and then only after notice and hearing. At present, Civil Service Commissioners may be removed at the will of the President.

Unlike the present Civil Service Commission, the Board would have the power to subpena witnesses and evidence it needs to conduct investigations and decide appeals.

The Special Counsel in the Board would be authorized to investigate complaints concerning prohibited personnel practices and would be given specific legal authority to initiate disciplinary action against Federal employees who engage in prohibited personnel practices. As circumstances warrant, the MSPB could discipline non-Presidential appointees by requiring removal, demotion, suspension, a fine up to $1,000, or by issuing a reprimand or barring the individual from Federal employment for up to five years.

The Special Counsel would be empowered to investigate Federal employees' and citizens' complaints that employees have been or are about to be subjected to reprisal because they lawfully disclosed information about agency violations of laws and regulations (whistle-blowing). When appropriate, the Special Counsel could also stop geographic reassignments or other actions which could be deemed to be reprisal while an investigation or hearing is pending, and could cancel personnel actions.

This Title of the bill also contains several important proposals relating to employee appeal rights and the procedures for processing employee appeals. The legislation would give non-veterans in the competitive service the same appeal rights now accorded to veterans by law. The appeal rights of non-veterans are currently based on Executive order. In addition, Title II would give the Office of Personnel Management the authority to extend appeal rights to some categories of positions in the excepted service.

The changes in the procedures for processing employee appeals proposed in the legislation include the following:

The Board and its appeals officers would have the authority to combine appeals and complaints when such pooling would not prejudice the individual appellants.

The Board would have the authority to require agencies whose decisions are reversed to reimburse employees for costs incurred, including reasonable attorney fees if the circumstances warrant.

Discrimination issues raised in an appeal to the Board would be decided as part of the appellate decision.

As at present, the proposed legislation would not require a hearing prior to a decision, but the head of an agency would have discretion to provide such a pre-decision hearing.

Reduction in rank would no longer be considered an appealable adverse action. Thus, a change in title or duties not involving a reduction in grade or pay would no longer be subject to appeal on grounds that the change is a reduction in rank. Actions resulting in pay reductions would not be appealable unless the reduction exceeds one step of the employees grade or 3 percent of basic pay.

The decision of the agency would be sustained by the Merit System Protection Board unless the employee shows that procedural defects substantially impaired his or her rights, the decision was not supported by substantial evidence, or there was discrimination. An evidentiary hearing may be conducted by the Board if there are disputes concerning material issues of fact requiring the presentation of evidence.

The proposed Act contains a new procedure for separating employees whose performance is unsatisfactory. If an agency proposes to demote or remove an employee because of unacceptable performance, the employee would be entitled to:

A written notice, at least 30 days before the proposed action, which identifies areas of unacceptable performance and the level of performance that is expected;

An opportunity during the notice period to demonstrate acceptable performance;

Reply orally and in writing;

Be represented;

A written decision, reflecting the concurrence of a higher level official than the one who proposed the action, that the employee has not demonstrated acceptable performance.

Employees demoted or separated for unacceptable performance would be able to appeal to the Merit Systems Protection Board under the same standard of review applicable to other appealable actions.

If no action is taken during the warning period, and if performance continues to be satisfactory for one year following the warning, the record of unacceptable performance would be removed from the employee's record.

The legislative proposal would eliminate the present performance appraisal system which requires summary adjective ratings of "outstanding," "satisfactory," and "unsatisfactory." Agencies would be required to develop one or more performance evaluation systems to encourage quality performance and enhance productivity in such a way as to meet their particular needs, and their systems would be subject to OPM standards.

The proposal would require that performance appraisals be used as a basis for developing, rewarding, assigning, demoting, promoting, and retaining or separating employees (other than for misconduct).

Employees wishing to challenge Board decisions or orders would generally file their claim with the U.S. Court of Appeals, or in matters of pay, the Court of Claims—rather than a U.S. District Court. The Court of Claims or U.S. Court of Appeals would limit their action to review of the record to determine whether the decisions were arbitrary, capricious, or not in accordance with law, and whether the procedures required by law and regulations were followed. The Board's decision would be upheld when supported by reasonable evidence.

If the Court determines that additional evidence is necessary, it would send the case back to the Board for further processing.

Disputes between the Office of Personnel Management and the Board on the interpretation of personnel laws would be reviewed at OPM's request by the U.S. Court of Appeals for the District of Columbia, at the Court's discretion.

TITLE III: STAFFING

The existing requirement limiting the selection authority of agencies to the top three candidates on a civil service list would be amended to allow a wider range of choice among candidates. The proposals would permit selection from among the top seven candidates or permit the OPM to adopt other appropriate referral procedures.

VETERANS PREFERENCE

The modifications proposed in veterans preference focus on the employment needs of disabled and Vietnam-era veterans.

After October 1, 1980, the lifetime preference for all veterans as a group would be ended, and a time limit of 10 years following separation from military service would be established for receiving preference in hiring.

In the case of retired military personnel below the rank of Major or Lieutenant Commander, the time limit would be set at 3 years after leaving military service. Those retiring at or above that rank would receive no preference. The basis for this change is that military retirees, especially senior officers, have gained valuable civilian-related job experience and need little if any additional special preference in employment consideration.

All veterans, however, would have the right to reopen closed examinations during the period of their entitlement to preference, a right now given only to disabled veterans.

Disabled veterans (including disabled military retirees) would continue to retain without time limits all preference entitlements they currently have. In addition, the bill proposed a new benefit for disabled veterans that would permit their noncompetitive appointment to positions for which they meet basic requirements if they: (1) have service connected disabilities of 50 percent or more, or (2) are enrolled in or have completed a course of job related training prescribed by the Veterans Administration.

As is presently the case, the names of disabled veterans would be placed at the head of lists of eligibles, except for scientific and professional positions at grade GS–9 and above.

The proposal retains the concept of adding 5 points to civil service examination ratings of veterans and 10 points to the scores of disabled veterans. The proposal makes no change in entitlements of spouses of disabled veterans, the mothers of individuals who lost their lives while serving in the armed forces, or the unmarried, surviving spouses of veterans.

Current absolute retention preference for non-disabled veterans over competing employees during a reduction-in-force (RIF) would be given to non-disabled veterans only during the 3 years following their initial appointment. After that, veterans would receive an advantage in RIF situations to the extent of being given an additional five years of credit when computing their length of service, regardless of the actual length of military service performed.

Veterans readjustment appointment authority

The authority for veterans readjustment appointments, which permits certain veterans to be selected without competition for positions at GS–5 and below, expires on June 30, 1978. As an additional step to aid in meeting the employment needs of Vietnam-era veterans, the extension of this appointment authority to September 30, 1980, is proposed, with the grade ceiling lifted to GS–7. The provision limiting eligibility for such appointments to the first year following separation from the military service would also be revised to permit appointment of veterans discharged since April 9, 1970, the date the authority first went into effect, and the requirement limiting eligibility to veterans with less than two years of education beyond high school would be dropped for disabled veterans.

Other key features

To reduce the disruptive effects of RIF actions, employees would be permitted to retire before they are affected by a major reorganization or major transfer of function. Agencies also would be authorized to train employees, who would otherwise be separated by a RIF action, for placement in other agencies. The current service and age requirements for discontinued service retirement would not be changed by these proposals.

The specific prohibition against employing more than two members of the same family in government would be repealed because of the strong anti-nepotism provisions already in effect in existing legislation.

Under the proposal, the initial period of service in a supervisory or managerial position will be on a trial basis. New supervisors or managers who do not succeed, or who do not desire to remain in that capacity, could be returned without disciplinary action to a position of no lower pay or grade than their previous position.

A further feature would permit Federal agencies to accept the services of unpaid student volunteers. Worthwhile work exposure would have to be given to the volunteers and no Federal employee could be displaced under the proposal. Such volunteer service is currently allowed only when expressly authorized by Congress.

The proposal also seeks the elimination of the need for the central personnel agency to approve agency payment of travel costs for new appointees to shortage category positions, or for the appointment of military retirees to civilian positions in the Department of Defense within 180 days of retirement.

TITLE IV: SENIOR EXECUTIVE SERVICE

Title IV of the Reform Act would create a Senior Executive Service to include managers above grade GS–15 of the General Schedule and below Level III of the Executive Schedule, who direct the work of the organizational unit, are held accountable for program success, goal-setting and achievement, or who supervise employees other than personal assistants. Foreign Service Officers at levels FSO–1 and 2, the top foreign service grade levels, would also be included in the SES.

Initially, about 9,000 managers would be included in SES but the total strength would be controlled by OPM, and determined by program need rather than arbitrary limits.

Primary objectives of the Senior Executive Service are to:

Encourage mobility of senior executives among agencies.

Reward high performance of career executives with additional compensation in the form of annual bonuses. In any given year, no more than 50 percent of the career executives could receive bonuses.

Make it possible easily to remove those whose performance is unsatisfactory or marginal.

Provide flexibility in the assignment of executives.

Provide opportunities for career executives to serve in higher level positions, including Presidential appointments, without losing their identification with the career service.

SES would include both career and noncareer employees. Governmentwide, no more than 10 percent of the total number of SES executives may be noncareer employees—about the same as at present. Some positions may be filled only by career executives in order to assure the public's confidence in the impartiality of the Government.

Key features

Under SES, rank would be vested in the person rather than the position as is the case at present. Management-directed reassignments within SES would not be subject to adverse action procedures on the basis of reduction in rank.

At the outset, incumbents of positions which would be included in SES could opt for or against inclusion. Those opting out would remain in their current appointment and pay status and would retain the rights, compensation, and benefits to which they are presently entitled.

Other than current career executives who convert to the Senior Executive Service, the managerial qualifications of all future career executives must be approved by OPM. After this approval, agency heads would evaluate individual qualifications for specific positions in their agencies. New career appointees to SES would be required to serve a one-year probationary period.

Noncareer SES executives could be recruited and appointed by agency heads without OPM approval of their managerial qualifications. They would serve at the pleasure of their agency head, and could obtain career status only through a competitive merit staffing process.

Managerial effectiveness of all SES executives would be assessed at least annually. Consistently mediocre, as well as severely deficient, executive managers would be removed from SES on the basis of these evaluations. Similarly, the rigorous SES evaluation system would provide the basis for incentive pay rewards.

Individuals in SES against whom disciplinary actions may be proposed, would be entitled to appeal rights, but removal from SES for less than fully successful performance as a manager would not be considered a disciplinary action, and thus would not be appealable.

The President would establish at least five executive salary rates for the Senior Executive Service. The range would be between step 6 of the present GS–15 ($42,201) and the salary of Executive Level IV ($50,000). The appointing authority would determine the rate to be paid an individual. Longevity pay increases would be eliminated in favor of potential annual performance awards. Highly successful career executives could increase their annual earnings as much as 20 percent through performance awards not subject to fixed salary ceilings.

An honorary rank and stipend could be conferred by the President and the Office of Personnel Management upon the most effective career executives. Up to 15 percent of the active career executives could be designated "Meritorious Executive," which, for each of five years, would carry a stipend of $2,500. The rank of "Distinguished Executive," which would carry an annual stipend of $5,000 for five years, could be conferred upon no more than 1 percent of the active career executives in SES.

The total of all payments—salary, performance awards, and stipend—could not in any year exceed 95 percent of the salary rate established for Executive Level II. The current cap would be $54,625.

Veterans preference would not apply to members of the SES.

Systematic development of candidates for SES positions would be emphasized to assure the sharpening and maintenance of managerial skills Service in a variety of agencies and other levels of Government would be encouraged. Developmental sabbaticals for career executives (no more than one 11-month sabbatical in a 10-year period) are provided for.

Improved retirement benefits would also be provided for highly able executives by increasing the annuity computation factor from 2 percent to 2.5 percent for each year in which the individual receives a performance bonus.

TITLE V: MERIT PAY

Title V of the Reform Act would require that salary adjustments for approximately 72,500 managerial and supervisory employees in grades GS–13 through GS–15 be based on performance rather than length of service.

The Office of Personnel Management would establish a merit pay system for these employees which would clearly relate pay to performance by permitting agencies to recognize and reward distinctions in the performance of managers and supervisors with merit pay adjustments in varying amounts. At present, periodic step increases are automatic for those whose performance meets an acceptable level of competence.

The minimum and maximum pay for each grade from GS–13 through GS–15 would establish the salary "band" that would pertain to all employees in each grade. Specific steps within each grade would be eliminated for employees covered by the merit pay system.

Funds for pay adjustments to those covered by merit pay procedures would be derived from the system itself. When the amount of an annual pay adjustment for all white-collar employees is determined through the comparability process, the OPM, in consultation with OMB, would determine what proportion of that amount would go automatically to employees under the merit pay program. The remaining amount would be combined with money which otherwise would have been used for within-grade and quality step increases for these employees to form their "merit pay pool." (Had this process been in effect in 1977, and assuming that one half of the comparability adjustment was granted automatically, the merit pay pool would have been between 5 and

5.5 percent of the total payroll of covered employees.) Merit pay increases for supervisors and managers would be awarded from this pool.

White-collar employees other than managers and supervisors would get the full comparability increase and would continue to receive periodic step increases based on acceptable performance.

TITLE VI: RESEARCH AND DEMONSTRATION AUTHORITY

The Office of Personnel Management would be authorized to support a research program directly related to Federal management improvement needs. OPM would also be authorized to pilot-test experimental management concepts and approaches in a controlled, cost-efficient setting.

Temporary waivers of specific portions of personnel laws could be granted by the Office of Personnel Management if waivers were necessary to permit agencies to engage in demonstration projects. Such projects could be terminated by either OPM or the agency involved, if warranted. They could not include variations to laws and regulations governing base pay, leave benefits, insurance, and annuities.

Demonstration projects would have to follow plans which had been published in the Federal Register. Public hearings would be required before they could begin.

Projects could not involve more than 5,000 employees or applicants, nor last more than five years.

In conducting projects, existing negotiated labor agreements would be observed, and negotiations with employee organizations accorded exclusive recognition would be required before a project could be undertaken. If there is no exclusive representative, affected employees would be consulted.●

● Mr. PERCY. Mr. President, I am pleased to join with my colleagues in introducing the Civil Service Reform Act of 1978. This legislation, prepared and submitted to Congress yesterday by President Carter, will make sweeping changes in the way we staff the Federal Government and, by necessary implication, the quality of the Government itself.

I am joining this legislative initiative, because I strongly believe that reform is needed if we are to return the concept of merit to its preeminent position in choosing and advancing individuals within the Federal civil service system. Only through a system which will duly reward those whose work has been superior, and allow removal of those whose work has been unsatisfactory, can we rebuild morale among the ranks of Federal employees, and restore the confidence of the American people in their Government. This is a reform initiative that the people have demanded. President Carter has presented us with a comprehensive set of concrete reform proposals to help accomplish these goals, and we as Senators now have the responsibility to give those proposals the most serious study and priority.

My purpose in cosponsoring this bill is specifically to express my support for these reform objectives, and contribute to the thorough and expeditious handling of this legislative package. As ranking minority member of the Senate Committee on Governmental Affairs, which will have legislative responsibility for this legislation in the Senate, I intend to urge that the highest possible priority be put on the goals set out in this legislation.

I stress that the legislation President Carter has submitted to Congress will be highly controversial, and contains some elements upon which other committee members and I may well disagree with the administration. The legislative draft is in the range of 100 pages long. It is intricate and complex, reflecting the confusing web of personnel management rules and regulations which in itself constitutes much of the problem with the present system.

There is little in this legislation that will not directly affect the lives and careers of individuals. In dealing with these provisions, it will be important for the committee to listen closely to the views of those who will be directly affected. Though we operate in an environment where the American people have grown justifiably skeptical of Government, we must keep in mind the supreme importance of dealing fairly with all parties. In this regard, I particularly note those provisions addressing the issues of veterans preference and labor-management relations within the Federal Government.

Reforming the 95-year-old civil service system will be a complex and difficult task. However, with close cooperation from the administration and all interested parties, it is clearly an achievable goal.●

By Mr. LUGAR:

S. 2641. A bill to establish a Public Law 480 food reserve for famine relief and other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD RESERVE

● Mr. LUGAR. Mr. President, Public Law 480 was signed by President Eisenhower in 1954. This food-for-peace legislation has received strong bipartisan support since its inception. In the past 24 years it has served as the vehicle through which the United States provides food assistance to developing countries, and $30 billion worth of farm commodities have been exported under its provisions. It has served well the multiple objectives of humanitarianism, market expansion, economic development, and foreign policy.

The United States provides about 70 percent of the 10 million tons of food assistance to developing countries set as an annual goal by the Food and Agriculture Organization of the United Nations (FAO). In order to carry out more effectively the provisions of Public Law 480, a food reserve to back up this important food assistance effort is needed to meet emergency famine situations in a timely fashion and to assure that other Public Law 480 food assistance programs operate without interruption.

In times when grain supplies are low, our Nation cannot readily respond to a famine emergency or a natural disaster with free food aid provided for under title II of Public Law 480. This is also true for scheduled food aid assistance under title I of Public Law 480, which provides food assistance offered to needy countries at low rates of interest for a 15- to 40-year time period. Section 401 of Public Law 480 states that no food aid can be purchased and distributed "if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture. * * *"

In order to insure availability of commodities for emergency famine relief and to carry out other Public Law 480 objectives in developing nations, today I am offering a bill that will establish a food reserve of up to 7.5 million metric tons of grain for use in connection with the Public Law 480 program. This will be composed of wheat, rice, and feed grains in a ratio similar to current Public Law 480 food aid programing. This bill very carefully specifies how the reserves will be purchased and released, and provides for funding and appropriations and for reports to Congress whenever any commodities are released for distribution from this reserve.

Under this bill, the Secretary of Agriculture will build a small reserve for distribution only to developing nations through the Public Law 480 program. The Secretary cannot establish this reserve by commercial purchases unless it is determined that the domestic supply of the commodity to be purchased is adequate to meet domestic requirements, anticipated commercial exports, adequate carryover, and food aid programing requirements. Such a condition does not exist presently, so now is the appropriate time to form such a reserve and help increase farm income at the same time.

This reserve cannot be released in the United States and it cannot be used to displace usual commercial sales to importing countries. Since it will be distributed to needy people in developing countries who would not be able to otherwise obtain food in times of shortage, it is truly additional consumption. It will serve the twofold objective of feeding hungry people and facilitating U.S. farm exports.

In my judgment, we presently face an intolerable situation. Millions of people throughout the world suffer from malnutrition or hunger. At the same time, we have a farm bill which tries to deal with a surplus production situation for most of our farm commodities through support prices, acreage set-asides, grain storage subsidies, and the like. Though this may be necessary at present, given the low level of farm incomes, if we continue to travel down this path we will end up with a less efficient agricultural sector and a large proportion of the world's population still hungry, bitter, and prone to internal disorder.

I seek the support of all Senators committed to using our Nation's tremendous agricultural productive capacity to help those in need. I realize this bill would not solve all of the problems involved. But I am confident that the enactment of this measure, in combination with other positive steps such as the new Commission on Domestic and International Hunger and Malnutrition, we can improve dramatically the use of our resources in feeding the needy of the world.

Mr. President, I ask unanimous consent that the bill as introduced be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2641

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new title:

TITLE V

FOOD RESERVE

SEC. 501. ESTABLISHMENT AND MAINTENANCE OF FOOD RESERVE

(a) Notwithstanding any other provision of law, the Secretary of Agriculture shall establish and maintain a reserve of food grains (wheat, rice, feed grains) not to exceed 7.5 million tons (MTGE) in order to assure that adequate supplies of food grains are available to carry out the purposes of this Act.

(b) The Food Reserve required under subsection (a) of this section shall be established and maintained through transfers of food grains acquired by the Commodity Credit Corporation under price support programs and from commercial purchases to be made only when the Secretary of Agriculture determines that the domestic supply of the commodity to be purchased is adequate to meet domestic requirements, anticipated commercial exports, adequate carryover, and food aid programing requirements.

(c) To the maximum extent feasible, the Secretary of Agriculture shall maintain a ration of wheat, rice, and feed grains in the Food Reserve required under subsection (a) of this section in general accordance to the ratio of use of such commodities in food aid programing.

(d) The Secretary of Agriculture shall promptly replenish any stocks released from the reserve for rotational or management purposes.

SEC. 502. RELEASE OF RESERVE STOCKS

The Secretary of Agriculture shall release commodities from the Food Reserve only when the criteria of section 401 of this Act for disposition of food aid is met and such commodities are needed:

(i) To meet minimum distribution requirements for emergency famine relief and other purposes as set forth in section 201 of this Act, or

(ii) To meet a program level under title I of this Act equal to the average tonnage of food grains allocated and agreed to deliver under title I during the three previous fiscal years.

SEC. 503. FUNDING AUTHORIZATION AND APPROPRIATION

(a) The Secretary shall use the funding authorities of the Commodity Credit Corporation Charter Act to establish and maintain the Food Reserve. There is hereby authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for costs incurred in the establishment and maintenance of the Reserve.

(b) Notwithstanding any other provision of law, the Secretary shall determine the reimbursement due the Commodity Credit Corporation whenever commodities are released to meet the requirements of section 502 of this Act. Such reimbursement shall cover the acquisition cost of the commodity plus storage and handling expenses.

SEC. 504. REPORTS TO THE CONGRESS

The Secretary shall report promptly to the Congress whenever any commodities are released for programing from the Food Reserve established under section 501 of this Act.●

By Mr. McCLURE:

S. 2642. A bill to declare that certain land of the United States be held by the United States in trust for the Nez Perce Indian Tribe of Idaho; to the Select Committee on Indian Affairs.

NEZ PERCE INDIAN TRUST LANDS

● Mr. McCLURE. Mr. President, today I am introducing a bill to declare that certain lands of the United States be held by the United States in trust for the Nez Perce Indian Tribe of Idaho. I am introducing this legislation at the request of the Nez Perce Tribe.

This proposal would transfer all public domain lands now managed by the Bureau of Land Management within the Reservation boundaries to the Bureau of Indian Affairs in trust for the tribe. There are approximately 18,052 acres of public land within the reservation of which 83 percent is currently used for cattle and horse grazing. The remaining parcels are cut-over lands and canyons. Under the proposed bill, valid existing rights and interests such as leaseholds, would not be adversely affected. Thus the terms of current leases would not be changed by this bill.

There are 756,968 acres of land inside the reservation of which 87,015 are trust lands—approximately 30,000 are trust lands owned by the tribe, the rest is under trust patent. The parcels of land that would be transferred under this bill make up 2.3 percent of the total acreage inside the reservation.

This land came into the Federal Government's ownership as a result of the executive agreement of 1892. When the Nez Perce Reservation was opened to homesteading certain lands were set aside for the tribe, certain lands were allotted and the remainder were opened for homesteading. The lands in this bill were never acquired for homesteads, the reasons being they were not desirable for such purpose at that time.

The Nez Perce Tribe feels that since this land was originally set aside for them by treaty and then subsequently taken away by the Government, that it should now be transferred to the Bureau of Indian Affairs in trust for them.

I introduce this bill at the request of the Nez Perce Tribe and hope that the Bureau of Land Management can provide the needed report on this proposal in a timely fashion so that we can determine the exact status of these lands and their alternative uses. This bill is a starting point and it may be necessary to amend it later on depending on the results of the necessary BLM review.●

By Mr. CURTIS:

S. 2643. A bill to amend the tariff schedules of the United States to provide that certain wood strips be admitted free of duty; to the Committee on Finance.

FREE DUTY ON CERTAIN WOOD STRIPS

● Mr. CURTIS. Mr. President, I am introducing a bill that would remove the tariff on imported wood strips or cleats used in the manufacture of containers for the food industry.

Mr. President, it is interesting to note that wooden containers or crates are permitted to enter this country duty free while the strips or cleats used in the manufacture of such crates are subject to a tariff of 8 percent.

This means that we are levying an 8-percent penalty for providing jobs in this country.

The bill I am introducing would remove the penalty on wooden strips and place them on a competitive basis with the finished product.●

By Mr. LONG (for himself and Mr. JOHNSTON):

S. 2644. A bill entitled the "Farm Relief Act of 1978"; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. LONG when he introduced the bill appear later in today's proceedings.)

By Mr. WILLIAMS:

S. 2645. A bill to establish an Art Bank; to the Committee on Human Resources.

NATIONAL ART BANK ACT OF 1978

● Mr. WILLIAMS. Mr. President, today I am introducing a bill to establish an Art Bank.

The purpose of the Art Bank is two-fold: To help artists by buying their work and to beautify public places by displaying it.

Canada pioneered the Art Bank in 1972, when artist Suzanne Rivard LeMoyne of the Canada Council, had the idea of creating "un reservoir for art." With funding of $1 million per year, the Canadian Art Bank has acquired over 7,000 works by 900 different artists. Over half of these works are on display in government offices at any given time.

The Canadian experiment has met with remarkable success, and has sparked interest in governments around the world.

I believe that our own efforts to support the arts could be complemented and strengthened through the creation of an Art Bank in the United States.

The bill I am introducing would establish such a bank within the National Endowment for the Arts. The bank would be headed by a Director, who would be appointed by the President and subject to Senate confirmation.

The Director would from time to time appoint small ad hoc juries of artists and art experts to view slides of artwork submitted by artists, and to visit artists' studios and art galleries. With the assistance of these juries, the Director would select works and lease or purchase them at fair market value. The selection would be based primarily on the quality of the work; however, the need to encourage unknown artists from all sections of the United States would also be taken into consideration. Purchase agreements would include the right of artists to repurchase their work after a reasonable period of time. The repurchase cost could not be less than the cost of acquisition, nor more than the acquisition cost plus

half of any increase in the value of the work. In this way, the artist and the Art Bank would share in the profit made possible through Art Bank exposure, and the artist could control the disposition of his or her own work.

These works would make up the Art Bank collection, and would be made available to public and private facilities for display.

All Federal facilities could borrow works from the Art Bank, with the General Services Administration supervising loans to executive departments and agencies, the Architect of the Capitol supervising loans to Congress, and the Director of the Administrative Office of the U.S. Courts supervising loans to Federal court buildings and facilities. Museums could also borrow works free of charge from the Bank.

Any State or local government, nonprofit institution, or private corporation could rent works from the Art Bank, as long as they provided for public display and adequate security of the works.

The Art Bank Director could also sponsor exhibitions of Art Bank acquisitions, and help State and local governments and nonprofit institutions set up their own art banks.

Public auctions could be held from time to time in order to reduce longstanding inventories and to allow constant renewal of the Art Bank collection. Through such sales, as well as rental fees, the Art Bank would be able to recover a substantial part of its investment.

The bill provides for a 3-year authorization of $2 million in fiscal year 1979, $3 million in fiscal year 1980, and $4 million in fiscal year 1981. Not more than $250,000 each year could be used for the cost of administering the program.

Mr. President, I am hopeful that this bill will stimulate discussion and debate about the feasibility of setting up an Art Bank in the United States. I would certainly welcome any comments and suggestions from my colleagues and the administration, as well as from artists, art dealers and collectors, and the general public.

Mr. President, I ask unanimous consent that the bill and a Washington Post article entitled "Cashing in on the Art Bank" be printed at this point in the RECORD.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 2645

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "The National Art Bank Act of 1978".

PURPOSE

SEC. 2. It is the purpose of this Act to assist and encourage artistic creation through the purchase and display of works of art, to beautify public places by increasing the availability of works of art for exhibition, and to foster appreciation and understanding of art by making it more accessible to the public.

SEC. 3. (a) The National Foundation on the Arts and the Humanities Act of 1965 is amended by redesignating section 14, and all references thereto, as section 15 and by inserting after section 13 the following new section:

"ART BANK"

"SEC. 14. (a) There is established, within the National Endowment for the Arts, an Art Bank, which shall be headed by a Director.

"(b)(1) The Director of the Art Bank shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Director shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code.

"(2) The Director shall report to the Chairman of the National Endowment for the Arts with respect to the activities of the Art Bank.

"(c) The Director of the Art Bank is authorized to—

"(1) appoint periodically ad hoc juries of artists and art experts for the purpose of assisting in the selection of visual works of art;

"(2) select visual works of art for the Art Bank with the assistance of juries and enter into agreements to purchase at fair market value or lease such works directly from artists or from art dealers, which purchase agreements shall include the right of artists to repurchase their works after a reasonable time at a price not less than the cost of acquisition and not more than the cost of acquisition plus 50 percent of any increase in the fair market value of such works;

"(3) provide for the safe and secure storage, transportation, and insurance of such works;

"(4) make such works available on loan to Federal supervisory authorities, including the Administrator of the General Services Administration, the Architect of the Capitol, and the Director of the Administrative Office of the United States Courts, who shall supervise the loan of such works to the Federal facilities and activities under their respective jurisdictions for display;

"(5) make such works available on loan to museums, and by lease to State and local governments, non-profit institutions, and private corporations, which shall provide for the public display and adequate security of such works;

"(6) sponsor exhibitions of works from the Art Bank;

"(7) select periodically works from the Art Bank for sale by public auction or otherwise;

"(8) encourage and provide technical assistance to State and local governments and non-profit institutions for the establishment of art banks; and

"(9) promulgate such rules and regulations as may be necessary to carry out the provisions of this section.

"(d) Members of juries appointed pursuant to subsection (c)(1) of this section who are not regular full time employees of the United States shall receive, while serving on such juries, compensation at a rate equal to an amount fixed by the Chairman of the National Endowment for the Arts but not to exceed $125 a day including travel time, and while so serving away from their homes or regular places of business, they may be allowed travel expenses including per diem in lieu of subsistence, in the same manner as persons employed intermittently in government service are allowed expenses under section 5103(b) of title 5, United States Code.

"(e)(1) In selecting works of art for purchase under subsection (c)(2) of this section, the Director shall consider—

"(A) the quality of such works;

"(B) the need to encourage artists who are not well known to the public; and

"(C) the need to encourage artists from all sections of the United States.

"(2) Not more than $25,000 may be expended for the work of any one artist in any one fiscal year.

"(f) Notwithstanding any other provision of law, amounts received by the National Endowment for the Arts from the sale or lease of works from the Art Bank under subsection (c) of this section may be used in the fiscal year in which such amounts are received and for succeeding fiscal years to carry out the provisions of this section.

"(g) For the purpose of carrying out the provisions of this section, there are authorized to be appropriated $2,000,000 for fiscal year 1979, $3,000,000 for fiscal year 1980, and $4,000,000 for fiscal year 1981. Not more than $250,000 of the amounts appropriated in any fiscal year may be used for administrative costs."

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"(141) Director, Art Bank, National Endowment for the Arts.".

[From the Washington Post]

CASHING IN ON THE ART BANK

(By Jo Ann Lewis)

Over the past decade, the U.S. government, as a sign of its cultural maturity, has set out to devise a complex support system to help its artists survive, chiefly through grants—direct grants, indirect grants, matching grants and occasional commissions. Though millions have been spent in this way to support artists, very little federal money has been spent simply buying what they make—which is their art.

The Canadian government five years ago, however, began a fascinating experiment in simplicity: buying $5 million worth of work by the best contemporary Canadian artists, putting it into an Art Bank, and, for a modest fee, leasing the work out to federal agencies in need of paintings, sculpture, prints. drawings and photographs to enhance office spaces.

To make the idea even more appealing, and to make the whole thing possible, the treasury issued a directive stating that henceforth fees paid for art rented from the Art Bank would be a legitimate item in the budget alongside chairs and paperclips.

The point of setting up the Art Bank was not to decorate government offices, but to help support Canadian artists by purchasing their work, instead of doling out more grants. In its five-year existence, Art Bank has purchased more than 7,000 works by 900 different artists for its permanent collection, well-established names as well as lesser-knowns, conservatives and way-outs.

The project has also had important spin-offs for artists, both in the form of a growing number of provincial and city art banks being set up throughout Canada, and through exhibitions which travel across the country and the ocean, thereby advancing reputations and affording precious new exposure.

Art Bank, the first such government effort in the world on this scale, was the brainchild of artist Suzanne Rivard Le Moyne, who saw the need and possibilities for such a project when she was Visual Arts Officer of the Canada Council—rough equivalent of our National Endownment for the Arts. In 1972 Le Moyne convinced the Canadian government to appropriate, through the Canada Council, $5 million dollars for five years to get the Art Bank started.

A large, high-security warehouse complex on the outskirts of Ottawa was designed and

fitted out so that works could be matted, framed and mounted on the spot, and then stored in pleasant, open, easy-access storage spaces which potential leasees could visit to make their selections. The idea caught on, not only in Canada, but throughout the world, and officials from Australia, India, Germany and even the United States have been checking out the Canadian prototype with an eye to setting up similar programs. The project has just been funded for five more years at the same level, $1 million per year.

Though only government offices are currently using the Art Bank facilities, they are mandated to deal also with provincial government offices, hospitals, schools and, on a test basis, private corporations. Limitations of staff, however, have made this expansion impossible thus far. Art Bank has only 17 employees, including secretaries and technicians, and only three liaison officers who go out and sell the program to various agencies and help choose and install the art.

"Our only criteria is quality," said Chief Liaison Officer Lise Cohen, who was in town last week to hang a small show of 20 varied and high-quality graphics from the Art Bank Collection at the Canadian Embassy's newly inaugurated Art Gallery at 1746 Massachusetts Ave. NW. "Our only requirement is that the artists be citizens or landed immigrants."

"The selection procedure is simple, and so far it has worked extremely well," says Cohen. "Any artist or dealer can send us slides which are submitted every six weeks to a jury of three art experts, critics, curators, etc.—the jury changes each time— and these juries decide which artists might merit a studio visit. Disgruntled artists can resubmit to a new jury every six weeks.

"When several artists from the same region have been selected, a trip is made to their studios by the Art Bank director, who then assemblies an ad hoc jury of three more people on the spot, including himself, one local and one non-local artist. They select the works for purchase. The only limitation is that not more than $23,000 can be spent on one artist in any year."

Does the Art Bank get a discount? "Absolutely not," says Mrs. Cohen, "they pay the going rate, and deal both through dealers and with artists." The acquisitions budget is still close to 75 per cent of the $1 million allocated, which also has to be used for overhead and salaries. "We try very hard to keep costs down," she says, adding that because of the small staff new clients are now having to wait several weeks before a liaison officer can meet with them, see their space and help them draw up a budget and make a selection.

The fee structure is simple: Leasing costs are 12 percent per year of the purchase price of the work of art. A painting valued at $3,000 would rent for $360 per year. Framed drawings and graphics valued at less than $1,000 rent for a flat $25 annual fee. "We cannot do installations of less than $200," says Lise Cohen, "we simply haven't got the time." The fee includes everything, installation, insurance and even transportation. CBC/Radio, the Department of Health and Welfare and Transport Canada are among the many regular borrowers. Canadian museums, hard pressed for acquisition funds, are also allowed to borrow long-term from Art Bank, but without a fee. They pay only transport costs.

Since the Art Bank charges leasing fees, can it ever be self-sustaining, or even profit-making?" "It seems unlikely at this time," says Cohen, "chiefly because as the demand grows, the overhead costs increase, and we don't want to raise the fees. We are, after all, a service, not a business." Income is going up, however. During the first five years of the program, an average of $100,000 per year was returned to Art Bank in fees. Last year income was up to $170,000, which Art Bank gets to keep.

At the moment, the majority of works in the Art Bank, close to two thirds, is framed works on paper, including drawings and several commissioned graphics editions, which range from conservation to way out. Unblinkingly, there are several nudes. "There is no censorship of any kind, only quality," reiterates Lise Cohen.

There are also some very large and bold paintings, some of which were borrowed from the Art Bank for the Hirshhorn's Canadian show last season. The warehouse is also filled with large abstract and very contemporary sculptures for both indoor and outdoor use. Most new public buildings in Canada, however, as in the United States, have commissioned art integrated into the original architectural plan. In Canada up to one percent is allocated for such art-in-architecture programs. The U.S. General Services Administration program provides one half of one percent. Canada, not incidentally, is the third largest per capita art spender in the world, after Sweden and West Germany.

The perfection of the Art Bank idea suggests its inevitability everywhere in this culture-conscious civilization, and it seems only a matter of time until the U.S. government sets up a similar project. The General Services Administration already has the idea under scrutiny, according to Administrator Jay Solomon. "It's chiefly a matter of selling the idea to Congress," he says.

The larger question may be who should ideally administer such a program. Is GSA too politically sensitive to insulate the purchase of art from congressional interference? On the other hand, should the National Endowment for the Arts be given yet more arts power? Or, do we need a new set-up, independent of, but administered by NEA, or GSA, corresponding to the Canadian plan?

With luck these questions will be answered soon, at which time the United States can join its imaginative neighbor to the north in the best kind of artist support system yet devised by man—buying art.●

By Mr. SPARKMAN (by request):

S. 2646. A bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978

● Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend the Foreign Assistance Act of 1961 to authorize development assistance programs for fiscal year 1979, and for other purposes.

The bill has been requested by the Secretary of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Secretary of State to the President of the Senate dated February 15, 1978, and the section-by-section analysis of the bill.

There being no objection the material was ordered to be printed in the RECORD, as follows:

S. 2646

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "International Development Assistance Act of 1978".

DEVELOPMENT ASSISTANCE

SEC. 2. (a) Sections 101 and 102 of the Foreign Assistance Act of 1961 are amended to read as follows:

"GENERAL POLICY

"SEC. 101. The Congress declares that the freedom, security, and prosperity of the people of the United States are best sustained in a world of free, secure, and prospering nations, and that human well-being and world order are served by social and economic progress and by an increase in respect for human dignity among the peoples of the world. Only in a world where poverty, hunger, illness, and ignorance no longer prevail, and where human rights are increasingly assured, will peace and progress be possible.

"We are bound to all people by our common humanity, by our shared concern for the future, by our joint custody of our planet, and by the interdependence of our actions. Development of the world's poor countries in a way that meets the basic human needs of their people is of fundamental importance, not only to the functioning of the international economy, but to the well-being of the people of the United States and of people everywhere.

"It is, therefore, expressive of our sense of freedom, justice, and compassion, and also important to our national security and well-being, to assist the people of poor countries in their efforts to solve the most critical development problems affecting their lives.

"DEVELOPMENT ASSISTANCE POLICY

"SEC. 102. (a) The Congress declares that the purpose of United States development assistance is to help enable the poor in less developed countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with a view to increasing their incomes and the public services that will allow them through their own efforts to satisfy their basic needs and lead lives of decency, dignity, and hope. Therefore, assistance under this chapter shall be used not simply for the purpose of transferring financial resources to developing countries, but to help countries and poor people in those countries solve development problems in accordance with strategies designed to meet basic human needs. Greatest emphasis shall be placed on countries and activities that effectively involve the poor in development, by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, spreading productive investment and services out from major cities to small towns and outlying rural areas, and otherwise providing opportunities for the poor to better their lives through their own efforts.

"(b) Development assistance under this chapter shall be increasingly concentrated in countries that make the most effective use of assistance under this chapter to help satisfy basic human needs through equitable growth, especially those in greatest need of outside assistance. In order to make possible consistent and informed judgments in this respect, appropriate criteria and factors

shall be developed to assess the commitment and progress of countries in moving toward the objectives and purposes of this chapter, including increased agricultural productivity through small-farm, labor-intensive agriculture; reduced infant mortality; reduced populations growth; greater equality of income distribution; and reduced unemployment, underemployment, and unproductive employment.

"(c) The highest priority should be given to undertakings submitted by host governments that directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries.

"(d) Under the policy guidance of the Secretary of State, the agency primarily responsible for administering this part should have the responsibility for coordinating all United States development-related activities.".

(b) Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by adding at the end thereof the following new subsubsection:

GENERAL AUTHORITIES

"SEC. 122. (a) In order to carry out the purposes of this Act, the President is authorized to furnish assistance, on such terms and conditions as he may determine, to countries and areas through programs of grant and loan assistance, bilaterally or through regional, multilateral or private entities.";

(2) by amending section 201 of the Foreign Assistance Act of 1961—

(A) by striking out everything after the first sentence in subsection (b) of such section 201 through "herein) be loaned" in subsection (d) of such section 201, and inserting in lieu thereof the following: "The President shall determine the interest payable on any loan. In making loans under this chapter the President shall consider the economic circumstances of the borrower and other relevant factors, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, except that loans may not be made"; and

(B) by redesignating subsection (b) of such section 201, as amended by this Act, as subsection (b) of new section 122;

(3) by adding the following subsections to new section 122:

"(c) Dollar receipts paid during any fiscal year from loans made pursuant to this part or from loans made under predecessor foreign assistance legislation shall be deposited in the Treasury as miscellaneous receipts.

"(d) Not to exceed $10,000,000 of the funds made available in any fiscal year for the purposes of this chapter may be used for assistance, on such terms and conditions as the President may specify, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop and carry out programs concerned with the economic and social development of less developed countries."; and

(4) by striking the caption in section 204 of the Foreign Assistance Act of 1961 and redesignating such section 204 as subsection (e) of new section 122.

(5) Section 299(a) of such Act is amended by striking section "211(d)" and inserting in lieu thereof section "122(d)".

(c) Chapter 1 of part I of the Foreign Assistance Act of 1961, as amended by section 2(b) of this Act, is further amended by adding the following new section:

VOLUNTARY AGENCIES

"SEC. 123. (a) In order to further the efficient use of United States voluntary contributions for development, relief, and rehabilitation of friendly peoples, the President is authorized to use funds made available for the purposes of this chapter to pay transportation charges on shipments by the American National Red Cross and U.S. voluntary agencies registered with the Advisory Committee on Voluntary Foreign Aid.

"(b) Reimbursement under this section may be provided for transportation charges on shipments from the United States ports, or, in the case of excess property supplied by the United States, from foreign ports, to ports of entry abroad or to points of entry abroad in cases (1) of landlocked countries, (2) where ports cannot be used effectively because of natural or other disturbances, (3) carriers to a specified country are unavailable, or (4) where a substantial savings in costs or time can be effected by the utilization of points of entry other than ports.

"(c) Where practicable the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by the country of local currencies for the purpose of defraying the transportation costs of such shipments from the port or point of entry of the receiving country to the designated shipping point of the consignee."

(d) Chapter 2 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating the Chapter caption as "Other Programs"; and

(2) by repealing the following sections: 201(a), (e), (f), 202, 203, 207, 208, 211, 212, 215 through 218, 220, 220A, 251 through 253, 261, 271, 272.

FOOD AND NUTRITION

SEC. 3. (a) Section 103 of the Foreign Assistance Act of 1961 is amended by changing the section caption to read "Food, Nutrition, and Rural Development".

(b) Subsection (a) of such section 103 is amended—

(1) by striking out "$745,000,000" and all that follows through "1977 and"; and

(2) by inserting "and $673,181,000 for the fiscal year 1979," immediately after "1978".

(c) Subsection (c) of such section 103 is amended by changing the fifth unnumbered clause, beginning "expansion of local", to read "expansion of rural infrastructure and utilities in order to carry out the purposes of this section for the benefit of the rural poor, such as farm-to-market roads, land improvement, energy (including rural electrification), and storage facilities,".

(d) Such section 103 is further amended by adding the following new subsection:

"(i) Assistance provided under this section for physical infrastructure shall be used primarily to finance rural facilities and institutions required to bring the benefits of development within reach of the poor, helping to enable them to participate in development and to satisfy their basic needs. Normally, these 'access networks' will consist of smaller-scale infrastructure such as that mentioned in subsection (c) of this section and related institutions, though networks covering large areas may be extensive. Where sufficient financing is not available from other sources, consideration may be given to financing major infrastructure needed to achieve the objectives of this section as a complement to appropriate 'access networks', preferably in a multilateral framework. Assistance should be provided for infrastructure only where the infrastructure is important to broad-based development and is complemented by other measures to assure that the benefits of the infrastructure reach the poor.".

POPULATION PLANNING AND HEALTH

SEC. 4. (a) Subsection (a) of section 104 of the Foreign Assistance Act of 1961 is amended by—

(1) striking out "which amount is"; and

(2) inserting "and $205,445,000 for the fiscal year 1979, which amounts are" immediately after "1978".

(b) Subsection (b) of such section 104 is amended by—

(1) striking out "which amount is"; and

(2) inserting "and $148,494,000 for the fiscal year 1979, which amounts are" immediately after "1978".

EDUCATION AND HUMAN RESOURCE DEVELOPMENT

SEC. 5. Subsection (a) of section 105 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$101,800,000" and all that follows through "1977 and"; and

(2) by inserting "and $109,036,000 for the fiscal year 1979," immediately after "1978".

TECHNICAL ASSISTANCE, ENERGY, RESEARCH, RECONSTRUCTION, AND SELECTED DEVELOPMENT PROBLEMS

SEC. 6. Subsection (b) of section 106 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$104,500,000" and all that follows through "1977 and"; and

(2) by inserting "and $126,244,000 for the fiscal year 1979" immediately after "1978".

INTERMEDIATE TECHNOLOGY

SEC. 7. Section 107 of the Foreign Assistance Act of 1961 is amended to read as follows:

APPROPRIATE TECHNOLOGY

"SEC. 107. (a) In carrying out activities under this chapter, the Agency for International Development shall place special emphasis on the use of relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.

"(b) Funds made available to carry out this chapter should be used to the extent practicable for activities in the field of appropriate technology, including support of an expanded and coordinated private effort to promote the development and dissemination of appropriate technology in developing countries.".

ENVIRONMENT AND NATURAL RESOURCES

SEC. 8. Section 118 of the Foreign Assistance Act of 1961 is amended by adding the following new sentence at the beginning thereof: "In carrying out programs under this chapter, the President shall take into consideration the environmental consequences of development actions.".

AMERICAN SCHOOLS AND HOSPITALS ABROAD

SEC. 9. Section 214 of the Foreign Assistance Act of 1961 is amended—

(1) by amending subsection (c) of such section 214—

(A) by striking out "for the fiscal year 1977 $25,000,000 and"; and

(B) by inserting "and for the fiscal year 1979 $8,000,000" immediately after $25,000,000";

(2) by striking out subsections (d) and (e) of such section 214 and redesignating subsection (f) as subsection (d).

HOUSING AND OTHER CREDIT GUARANTY

SEC. 10. (a) Sections 221 and 222 of the Foreign Assistance Act of 1961 are amended to read as follows:

POLICY

"SEC. 221. The Congress recognizes that minimum shelter and viable human settlements are among the most basic of human needs and recognizes further that the people of the United States cannot remain indifferent to the existing and rapidly growing shelter-related needs in areas eligible for assistance under this Act. Accordingly, the Congress reaffirms the willingness of the United

States to address the needs of the poor by (a) promoting effective national and regional shelter policies, (b) promoting the long range development of shelter institutions and organizations and (c) assisting more directly in promoting financing for shelter and related facilities and services.

AUTHORIZATION

"SEC. 222. (a) The President is authorized to issue guaranties on such terms and conditions as he shall determine to eligible investors as defined in section 238 (c) assuring against losses incurred in connection with loans made to carry out the policy of section 221.

The total principal amount of guaranties issued hereunder or heretofore under this title, or under the Latin American housing guaranty authority repealed by the Foreign Assistance Act of 1969, outstanding at any one time shall not exceed $1,180,000,000. The authority of this section shall continue until September 30, 1980.

"(b) Activities to be carried out under this section shall emphasize:

"(1) sites and services projects which provide poor families with homesites on which to build shelter;

"(2) projects comprised of expandable core shelter units on serviced sites;

"(3) slum upgrading projects designed to conserve and improve existing shelter;

"(4) low income shelter projects designed for demonstration or institution building purposes; and

"(5) community facilities and services in support of projects authorized under this section to improve the shelter occupied by the poor.".

(b) Section 222A(h) of such Act is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1979".

(c) Section 223(a) of such Act is amended by striking out "221,".

(d) Section 223(b) of such Act is amended—

(A) by striking out "221 or" immediately after "under section";

(B) by striking out "section 221 and" immediately after "provisions of";

(C) by striking out "of" immediately after "section 222 and" and inserting in lieu thereof "administering housing guaranties heretofore authorized under this title and under";

(D) by striking out "section 221 or" immediately after "made pursuant to";

(E) by inserting immediately after "heretofore pursuant to" "this title or"; and

(e) Section 223(c) of such Act is amended by striking out "section 221 or" and by inserting "under this Title or" immediately after "heretofore".

(f) Section 223(d) of such Act is amended by striking out "221", and by inserting "under this Title or" immediately after "heretofore".

(g) Section 223(f) of such Act is amended by striking out "section 221 or".

(h) Section 223(g) of such Act is amended by inserting "heretofore under this Title or" immediately after "outstanding".

(i) Section 223i of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1978".

(j) Section 223j of such Act is amended by striking out "sections 221 and" and inserting in lieu thereof "section".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 11. Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "for the fiscal year 1977, $219,000,000 and"; and

(2) by inserting "and for the fiscal year 1979, $282,150,000" immediately before the period at the end of the first sentence.

INTERNATIONAL DISASTER ASSISTANCE

SEC. 12. Section 492 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "1977 and" and inserting in lieu thereof "and 1979" immediately after "1978"; and

(2) by deleting the third sentence.

REPORTS

SEC. 13. (a) Subsections (a), (b), (d) and (e) of section 634 of the Foreign Assistance Act of 1961 are amended to read as follows:

"(a) At the end of each fiscal year, the President shall notify the Congress of all actions taken during the fiscal year and under this Act which resulted in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or any Act appropriating funds pursuant to authorizations contained in this Act. There shall be included in the presentation material submitted to the Congress during its consideration of amendments to this Act, (1) a table showing on a country-by-country basis the full extent of all United States assistance planned or expected for each country for the next fiscal year, including economic assistance and sales under the Agricultural Trade Development and Assistance Act of 1954, as amended, and (2) details of proposed contributions by the United States to multilateral financial agencies, for the next fiscal year.

"(b) In order that the Congress and the American people may be better and more currently informed regarding the volume and cost of assistance extended by the United States Government to foreign countries and international organizations under this Act, the President shall transmit to the Congress, at or before the time the presentation materials referred to in subsection (a) of this section are submitted to the Congress, an annual report, for the fiscal year immediately preceding the year in which the report is transmitted, showing—

"(1) the aggregate dollar value of all foreign economic assistance and guaranties provided or made by the United States Government under this Act by any means to all foreign countries and international organizations, and the aggregate dollar value of such assistance and guaranties, by category, provided or made by the United States Government to or for each such country or organization during that fiscal year;

"(2) the total amounts of foreign currency paid by each foreign country or international organization to the United States Government in such fiscal year, what each payment was made for, whether any portion was transferred by the United States Government to another foreign country or international organization, and, if so returned or transferred, the kind of assistance obtained by that country or organization with those foreign currencies and the dollar value of such kind of assistance;

"(3) such other matters relating to foreign assistance provided by the United States Government under this Act as the President considers appropriate, including explanations of the information required under clauses (1) and (2) of this subsection.

"(4) For the purposes of this section—

"(i) 'foreign assistance' means any tangible or intangible item provided by the United States Government under this Act to a foreign country or international organization, including but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies owned by the United States Government of any foreign country; and

"(ii) 'provided by the United States Government' includes, but is not limited to, foreign assistance provided by means of gift, loan, sale, credit, or guaranty.

"(c) Not later than thirty days after the enactment of any law appropriating funds to carry out any provision of this Act (other than sections 451, 492 or 667), the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each.

"(d) The provisions of subsection (c) of this section shall not apply in the case of any law making continuing appropriations and may not be waived under the provision of section 614(a) of this Act.".

(b) Subsection (h) of section 634 is repealed.

(c) Subsection (c) of section 634 is redesignated subsection (h) of such section 634.

(d) Sections 295, 621A(c), 653, and 657 of the Foreign Assistance Act of 1961 are repealed.

MOTOR VEHICLES

SEC. 14. Section 636(a)(5) of the Foreign Assistance Act of 1961 is amended by striking "$3,500" and inserting in lieu thereof "the amount provided by law for a Chief of Mission appointed pursuant to section 501 of the Foreign Service Act of 1946, as amended,".

REIMBURSABLE DEVELOPMENT PROGRAMS

SEC. 15. Section 661 of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "$2,000,000 of the funds" and all that follows through "1977 and"; and

(2) by inserting "and $3,000,000 of the funds made available for the purposes of this Act in the fiscal year 1979" immediately after "1978".

OPERATING EXPENSES

SEC. 16. (a) Section 667 of the Foreign Assistance Act of 1961 is amended—

(1) in subsection (a) by striking out "1978" and inserting in lieu thereof "1979"; and

(2) in subsection (a)(1) by striking out "$220,200,000" and inserting in lieu thereof "$261,000,000".

(b) The amendment made by subsection (a) of this section shall take effect on October, 1, 1978.

SECTIONS REPEALED

SEC. 17. Sections 302(d), 302(e), 302(f), 302(g), 304, 461, 471, 618, 619, 637(a), 649, 651, 655, 656, 658, and 665 of the Foreign Assistance Act of 1961 are repealed.

AUTHORIZATION OF APPROPRIATIONS FOR THE FISCAL YEAR 1980

SEC. 18. There are authorized to be appropriated for the fiscal year 1980 such sums as may be necessary to carry out programs and activities for which appropriations for the fiscal year 1979 are authorized by this act.

THE SECRETARY OF STATE,
Washington, D.C., February 15, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed herewith is the proposed International Development Assistance Act of 1978, an Act to authorize appropriations for Foreign Assistance development programs for the fiscal year 1979, and for other purposes. The bill also provides an authorization of such sums as may be necessary for fiscal year 1980 to carry out programs and activities for which fiscal year 1979 appropriations are authorized by the bill.

The bill was drafted prior to the foreign assistance legislation proposed by Senator Humphrey which has been recently introduced (S. 2420). The Executive Branch is currently reviewing this legislation. Transmittal of this authorization request is not intended to indicate a position on any aspect of S. 2420.

The enclosed bill includes amendments of a technical nature intended to simplify and remove obsolete provisions of the Foreign Assistance Act of 1961, as amended. It also contains amendments to clarify the development assistance mandate and make the operations of the foreign assistance program more efficient. The principal substantive amendments include: a new, more concise statement of policy for development assistance programs based on "New Directions principles and emphasizing basic human needs objectives; an authorization of programs relating to appropriate technology; a requirement that the Agency recognize the environmental consequences of development action; a revision of the Housing Guarantee Program which recognizes the developmental nature of the Housing Program; and a consolidation of reporting requirements for development assistance programs.

The Office of Management and Budget advises that there is no objection to the presentation of this proposal to Congress and that its enactment would be in accord with the program of the President.

Sincerely,

CYRUS VANCE.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED INTERNATIONAL DEVELOPMENT ASSISTANCE ACT OF 1978

I. INTRODUCTION

The proposed International Development Assistance Act of 1978 (hereinafter referred to as the "bill") is an amendment to the Foreign Assistance Act of 1961, as amended (hereinafter referred to as the "Act"). The major purpose of the bill is to provide authorization for appropriations for activities under the Act for the fiscal year 1979. The bill contains authorizations for appropriations for development assistance activities only. The bill also contains an authorization of such sums as may be necessary for the fiscal year 1980 to carry out programs and activities for which fiscal year 1979 appropriations are authorized by the bill. This authorization is required by section 607 of the Budget Reform Act of 1974.

The fiscal year 1979 authorization levels requested for programs under part I of the Act are those set forth in the President's fiscal year 1979 budget.

The proposed amendments to part I of the Act are largely technical in nature. The principal substantive amendments are: a new and more concise statement of policy for development assistance programs based on the "New Directions" principles of the present Act and emphasizing the basic human needs objectives of development assistance; the repeal of a number of outdated, redundant, or otherwise unnecessary provisions which have accumulated in the Act since 1961; a clarification of the role of rural infrastructure in development assistance programs; an authorization of programs relating to appropriate technology; a requirement that the Agency for International Development recognize the environmental consequences of development actions; a revision of the authorization for the Housing Investment Guarantee Program which recognizes the development nature of the Housing program; an authorization to invest fee income and reserves generated by the Housing Investment Guarantee Program in obligations of the United States or other obligations or securities approved by the Secretary of the Treasury; and a consolidation of the Congressional reporting requirements for development assistance programs.

II. PROVISIONS OF THE BILL

Section 2(a). Development assistance policy.

This subsection amends sections 101 and 102 of the Act to provide a new statement of policy for development assistance programs. The new statement of policy is intended to reflect the "New Directions" emphasis of the Congress as expressed in 1973, 1975, and 1977 amendments to the Act. The new statement of policy contains a coherent statement of foreign assistance objectives based on the following principles:

A. Foreign assistance is both an expression of United States humanitarian concern and important to our national interest.

B. Foreign assistance should be administered in such a way as to encourage equitable growth and satisfy basic human needs, and should be concentrated in countries that demonstrate a commitment to self-help and that make the most effective use of such assistance to satisfy basic human needs and encourage equitable growth.

C. Emphasis should be placed on countries and activities that effectively involve the poor in development.

D. Highest priority should be given to projects and activities that directly improve the lives of the poorest people.

E. Emphasis should be placed on activities that utilize appropriate technology.

F. The Agency for International Development should have responsibility for coordinating all development-related activties.

(b) This subsection, consisting of four paragraphs, combines the basic conditions for loan and grant assistance provided under the Act, and eliminates conditions that are redundant with other provisions of the Act or that do not reflect the "New Directions" principles on which development assistance programs are now based. The conditions set forth in subsection (b) were formerly contained in several sections of chapter 2 of part I of the Act that are repealed by other provisions of the bill.

Paragraph (1) of section 2(b) creates a new section 122 of the Act entitled "General Authorities." It also contains new subsection (a) of subsection 122, which authorizes the President to furnish assistance, on such terms and conditions as he may determine, to countries or areas through programs of loan and grant assistance, bilaterally or through regional, multilateral, or private entities.

Paragraph (2) of section 2(b) amends subsections (b), (c), and (d) of section 201 of the Act, relating to conditions and limitations on loan assistance, and provides (1) that the interest payable on loans made under the Act should be based on a consideration of the economic circumstances of the borrower and other related factors and (2) that the interest rate on such loans must be at least 3 percent per annum with a maximum grace period of 10 years during which time the rate of interest can not be lower than 2 percent per annum, nor higher than the applicable legal rate of interest of the country in which the loan is made. These loan terms were contained verbatim in section 201(d) of the Act.

Paragraph (3) of section 2(b) adds two new subsections to new section 122 of the Act. New subsection 122(c) provides that the proceeds of any loans made under the Act or predecessor foreign assistance legislation must be returned to the Treasury. This provision was formerly contained in section 203 of the Act. New subsection 122(d) authorizes the use of not to exceed $10 million in any fiscal year for grants to research and educational institutions in the United States to strengthen their capabilities to develop and carry out programs relating to the economic and social development of lesser developed countries. This provision was formerly contained in section 211(d) of the Act.

Paragraph (4) of section 2(b) redesignates section 204 of the Act, relating to the Development Loan Committee, as new subsection (e) of section 122.

Paragraph (5) of Section 2(b) amends Section 299(a) of the Act by striking the reference to Section 211(d) and inserting in lieu thereof section 122(d).

(c) This subsection amends chapter 1 of part I of the Act by adding a new section relating to Voluntary Agencies (new section 123). Section 123 takes the place of former Section 216. Subsection (a) of new section 123 authorizes the use of funds made available by chapter 1 of part I of the Act to pay transportation charges on shipments by the American National Red Cross and U.S. voluntary agencies registered with the Advisory Committee on Voluntary Foreign Aid.

This authorization was formerly contained in section 216(a) of the Act. Subsection (b) of new section 123 provides that reimbursement may be made pursuant to subsection 123(a) for transportation charges from the United States to ports of entry abroad or to points of entry abroad in the following cases: (1) landlocked countries, (2) where ports cannot be used effectively because of natural and other disasters, (3) where carriers to a specified country are not available, or (4) where substantial savings in costs or time can be effected by the utilization of points of entry other than ports.

Subsection (c) of new section 123 requires the President to make arrangements with the receiving country for free entry of shipments authorized under subsection 123(a), and provides that the President should make arrangements with the receiving country to use available local currency to defray the transportation costs of such shipments from the port or point of entry of the receiving country to the designated shipping point of the consignee.

(d) This subsection repeals the following sections of chapter 2 of part I of the Act: 201(a), (e), (f), Development Loan Fund—"General Authorities"; 202, Development Loan Fund "Authorization"; 203 Development Loan Fund "Fiscal Provisions"; 207, "Purposes of Development Assistance."; 208, "Self-Help Criteria," 211, Technical Cooperation and Development Grants—"General Authority"; 212, Technical Cooperation and Development Grants—"Authorization"; 215, "Loans to Small Farmers"; 216, "Voluntary Agencies"; 217, "Used Equipment" 218, "Fish and Other Protein Concentrates."; 220, "Programs for Peaceful Communication."; 220A, "Suez Canal."; 251 through 253. Title IV "Alliance for Progress"; 261 through 272, Title VII "Evaluation of Programs" and Title VIII—"Southeast Asia Multilateral and Regional Programs," respectively. Because of these and other changes to chapter 2, the title of chapter 2 has also been changed to reflect its new scope.

Section 3. Food and nutrition.

This section, consisting of four paragraphs, amends section 103 of the Act, which authorizes funds for food, nutrition, and rural development programs.

(a) This paragraph amends sections 103 by changing the sections caption to read "Food, Nutrition, and Rural Development." The section caption had formerly read "Food and Nutrition." The section caption has been amended to reflect the fact that section 103 authorizes rural development programs.

(b) This paragraph amends subsection 103 (a) of the Act by authorizing $673,181,000 to

carry out programs under section 103 in fiscal year 1979. Food, nutrition, and rural development programs will continue to receive primary emphasis under this authorization.

(c) This paragraph amends subsection 103(c) to state more clearly that programs authorized under section 103 may include the development of certain forms of infrastructure that benefit the rural poor. It specifies that such programs may include farm-to-market roads, land improvements, energy (including rural electrification), and storage facilities.

(d) This paragraph amends section 103 by adding a new subsection which also is intended to clarify the role of rural infrastructure in programs of food, nutrition, and rural development. It stresses that assistance used for physical infrastructure should be used primarily for facilities and institutions required to bring the benefits of infrastructure within the reach of the poor and that assistance for major infrastructure projects may be considered only when sufficient financing is not available from other sources.

Section 4. Population planning and health.

This section, consisting of two paragraphs, amends section 104 of the Act, which authorizes programs of population planning and health.

(a) This paragraph amends subsection 104 (a) of the Act by authorizing the appropriation of $205,445,000 in fiscal year 1979 for population planning.

(b) This paragraph amends subsection 104 (b) of the Act by authorizing $148,494,000 in fiscal year 1979 for health programs.

Section 5. Education and human resources development.

This section amends section 105 of the Act by authorizing $109,036,000 in fiscal year 1979 for programs relating to education and human resources development.

Section 6. Technical assistance, energy, research, reconstruction and selected development problems.

This section amends subsection 106(b) of the Act by authorizing the appropriation of $126,244,000 in fiscal year 1979 for programs relating to technical assistance, energy, research, reconstruction, and selected development problems.

Section 7. Intermediate technology.

This section amends section 107 of the Act by (1) changing the section caption to read "Appropriate Technology," (2) requiring AID to place special emphasis on the use of appropriate technology in programs carried out under chapter 1 of part I of the Act, and (3) by authorizing the use of funds made available to carry out the purposes of chapter 1 of part I of the Act for public and private efforts in the field of appropriate technology.

Section 8. Environment and natural resources.

This section amends section 118 of the Act by requiring the President to take into consideration, in carrying out programs under part I of the Act, the environmental consequences of developmental actions.

Section 9. American schools and hospitals abroad.

This section, consisting of two paragraphs, amends section 214 of the Act, which authorizes assistance to institutions located outside the United States that are sponsored or founded by United States citizens, as follows:

(1) This paragraph amends subsection 214 (c) by authorizing $8,000,000 in fiscal year 1979 for American Schools and Hospitals Abroad programs.

(2) This paragraph repeals subsection 214 (d) of the Act, since the Administration is not requesting a foreign currency authorization for this section in fiscal year 1979, and subsection 214(e) of the Act, relating to a report required in 1974 on American Schools and Hospitals Abroad programs, and redesignates subsection 214(f) as subsection 201(d).

Section 10. Housing and other credit guaranty programs.

This section amends Title III of chapter 2 of part I of the Act, relating to housing and other credit guaranty programs, as follows:

(a) This subsection amends sections 221 and 222 of the Act, which authorize housing investment guaranty programs. New section 221 has been reworded to reflect more accurately the change in emphasis and direction in the housing guaranty program that has been in effect since 1974. It recognizes that minimum shelter and viable human settlements are among the most basic of human needs. New section 221 further recognizes that the housing guaranty program should address the needs of the poor by promoting effective national and regional shelter policies, by helping to develop indigenous shelter institutions and organizations, and by assisting in the development of financing for shelter and related facilities and services.

New section 222 authorizes the issuance of guaranties to eligible investors for loans issued pursuant to the conditions contained in new section 221. New section 222 consists of two subsections. Subsection 222(a) increases the ceiling for the principal amount of guaranties issued under revised section 222 and predecessor legislation that may be outstanding at any one time to $1,180,000,000. Subsection 222(b) provides that activities carried out under section 222 shall emphasize shelter and related facilities and services for poor families.

(b) This subsection amends section 222A (h) of the Act, relating to agricultural and productive credit and self-help community development programs, by extending the authorization for such programs through fiscal year 1979.

(c) This subsection contains a technical amendment to conform subsection 223(a) of the Act to revised sections 221 and 222.

(d) This subsection (1) contains Technical amendments to subsection 223(b) of the Act to conform that subsection to revised sections 221 and 222 and (2) adds a new authority to section 223 to permit the investment of fee income generated under sections 222 and 222A in obligations of the United States or other obligations or securities approved by the Secretary of the Treasury. Interest derived from such investments may be used for the same purpose with respect to each section as the fees collected with respect to such sections. This authority is similar to authority contained in section 239(d) of the Act, which permits similar investment and use of funds by the Overseas Private Investment Corporation.

(e) This subsection contains a technical amendment to subsection 223(c) of the Act to conform it to revised sections 221 and 222.

(f) This subsection contains a technical amendment to subsection 223(d) of the Act to conform it to revised sections 221 and 222.

(g) This subsection contains a technical amendment to subsection 223(f) of the Act to conform it to revised sections 221 and 222 of the Act.

(h) This subsection contains a technical amendment to subsection 223(g) of the Act to conform it to revised sections 221 and 222.

(i) This subsection amends subsection 223(i) of the Act to extend the authorization for housing investment guaranty programs through fiscal year 1980. This extension is consistent with past practice, to assure private United States lenders that commitments will be implemented.

(j) This subsection contains a technical amendment to subsection 223(j) of the Act to conform it to revised sections 221 and 222.

Section 11. International organizations and programs.

This section authorizes the appropriation of $282,150,000 for fiscal year 1979 for International Organizations and Programs. This authorization will enable the Executive Branch to make its voluntary contributions to international organizations whose programs are focused on the developing world.

Section 12. International disaster assistance.

This section amends Section 492 of the Act, relating to the authorization of appropriations for international disaster assistance, by authorizing $25,000,000 to carry out programs authorized by section 491 of the Act in fiscal year 1979.

Section 13. Reports.

This section consisting of four paragraphs, contains a consolidated reporting requirement for foreign assistance development programs.

(a) This paragraph amends section 634 of the Act by requiring the following reports:

(1) A report at the end of each fiscal year on all actions taken under the Act during the immediately preceding fiscal year which resulted in assistance substantially different from that described to the Congress during its consideration of any Act authorizing or appropriating funds for that fiscal year. It also requires that the annual presentation materials submitted to the Congress contain: (A) a chart of planned U.S. assistance on a country-by-country basis for the next fiscal year, including economic assistance and sales under P.L. 480 and (B) details of proposed contributions to multilateral financial agencies.

(2) An annual report to be submitted with the Congressional Presentation which shows (A) the aggregate dollar value of all foreign assistance and guaranties provided by the United States to all countries and international organizations during the immediately preceding fiscal year, (B) the total amounts of foreign currency paid by each foreign country or international organization to the United States in that year, and (C) other matters relating to foreign assistance as the President considers appropriate;

(3) A report, to be submitted not later than 30 days after the enactment of appropriations, notifying the Congress of each foreign country and international organization to which the United States plans to provide security supporting assistance or development assistance under that appropriation; and

(4) Paragraph (a) also provides that section (c) of section 634 shall not apply in the case of a continuing resolution and may not be waived under the provisions of section 614(a) of the Act.

(b) This paragraph repeals subsection 634(h) of the Act relating to the levels of military assistance and sales to Vietnam, Thailand, and Laos.

(c) This paragraph redesignates subsection 634(c) as subsection 634(h).

(d) This paragraph repeals sections 295, 621A(c), 653, and 657 of the Act.

Section 14. Motor vehicles.

This section amends section 636(a)(5) of the Act by striking out the $3,500 ceiling on the purchase of motor vehicles for the chiefs of A.I.D. missions abroad and substituting therefor the amount authorized for a chief of mission appointed pursuant to section 501 of the Foreign Service Act of 1946, as amended. This amendment will permit the price of the motor vehicles purchased for the chief of A.I.D. missions to be consistent

with that established by law for similar employees of the Department of State.

Section 15. Reimbursable development programs.

This section amends section 661 of the Act, relating to the stimulation of reimbursable development programs, by authorizing the use of up to $3 million of the funds available under part I of the Act for section 661 programs in fiscal year 1979.

Section 16. Operating expenses.

This section amends section 667(a)(1) of the Act, relating to operating expenses of A.I.D., by authorizing the appropriation of $261,000,000 for fiscal year 1979 for necessary operating expenses. The amendment to subsection (a) of section 667 takes effect on October 1, 1978. Subsection (b) of section 667 provides that amounts previously appropriated under that section are authorized to remain available until expended.

Section 17. Sections repealed.

This section repeals the following sections of the Act: 302(d) through (g), relating to several obsolete earmarks in the International Organizations and Programs authorization; 304, "United Nations Peacekeeping"; 461, "Assistance to Countries Having Agrarian Economies"; 471, "Joint Commissions on Rural Development"; 618, "Use of Settlement Receipts"; 619, "Assistance to Newly Independent Countries"; 637(a), "Administrative Expenses"; 649, "Limitation on Aggregate Authorization for use in fiscal year 1966"; 651, "Sale of Supersonic Planes to Israel"; 665, "Limitation on Assistance to or for Cambodia"; 656, "Limitation on United States Personnel and Personnel Assisted by United States in Cambodia"; 658 "Limitation on Use of Funds"; and 665 "Transition Provisions for Interim Quarter."

Section 18. Authorization of appropriations for the fiscal year 1980.

This section reflects the requirements of section 607 of the Congressional Budget Act of 1974 (31 U.S.C. 11c) and authorizes appropriations for the fiscal year 1980 of the funds necessary to carry out programs and activities for which fiscal year 1979 appropriations are authorized by the bill.●

ADDITIONAL COSPONSORS

SENATE RESOLUTION 324

At the request of Mr. HOLLINGS, the Senator from Minnesota (Mr. ANDERSON), the Senator from New Jersey (Mr. CASE), the Senator from Idaho (Mr. CHURCH), the Senator from North Carolina (Mr. HELMS), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of Senate Resolution 324, resolving that there be no reduction of customs duties on textile or apparel or fiber products and that such products be excluded from the Tokyo round of multilateral trade negotiations.

SENATE RESOLUTION 408—ORIGINAL RESOLUTION REPORTED AUTHORIZING PRINTING

Mr. PELL, from the Committe on Rules and Administration, reported the following original resolution, which was placed on the Calendar:

S. RES. 408

Resolved, That there be printed an additional two thousand copies of Senate Document 95–24, entitled "Majority and Minority Leaders of the Senate."

SENATE RESOLUTION 409—ORIGINAL RESOLUTION REPORTED AUTHORIZING PRINTING

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the Calendar:

S. RES. 409

Resolved, That a revised edition of Senate Document Numbered 94–216, entitled "Election Law Guidebook," be printed as a Senate document, and that there be printed one thousand additional copies of such document for the use of the Committee on Rules and Administration.

SENATE RESOLUTION 410—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution, which was placed on the Calendar:

S. RES. 410

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Frances D. Haskins, widow of Thomas Haskins, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMENDMENTS SUBMITTED FOR PRINTING

PANAMA CANAL TREATIES—EX. N, 95–1

AMENDMENT NO. 61

(Ordered to be printed.)

Mr. ALLEN (for himself, Mr. THURMOND, Mr. HELMS, Mr. LAXALT, Mr. HATCH, Mr. GARN, and Mr. SCOTT) proposed an amendment to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

(The remarks of Mr. ALLEN when he proposed the amendment appear earlier in today's proceedings.)

AMENDMENT NO. 62

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N. 95–1.

ADDITIONAL STATEMENTS

THE U.N. AND RHODESIA

● Mr. HARRY F. BYRD, JR. Mr. President, Rhodesian leaders have now reached agreement on a formula for transition to majority rule in Rhodesia.

According to the agreement, a new black majority government will formally take over in Rhodesia on December 31 of this year.

It is important that this peaceful settlement be afforded a chance to work, and not held hostage to the demands of terrorist extremists, based outside Rhodesia, who seek to prevent any internal accord.

Unfortunately, there is in the United Nation a bloc of African countries supportive of the terrorist faction. This group has served notice that it intends to present a resolution to the U.N. Security Council next week preventing U.N. members from giving acceptance or recognition to the government formed by the peaceful internal settlement between Prime Minister Ian Smith and black leaders of Rhodesia.

I have today sent a telegram to the President and the Secretary of State, urging them to instruct the U.S. Ambassador to the United Nations to vote against any such resolution.

That telegram is as follows:

It has come to my attention that a resolution may be brought before the United Nations Security Council in the next several days which would seek to block acceptance by U.N. members of an internal settlement in Rhodesia.

There is every indication that the settlement signed today by Prime Minister Smith and black Rhodesian leaders can lead to a rapid transition to majority rule within a constitutional framework. Such a course accords with the democratic traditions of the United States and deserves encouragement, not obstruction.

Furthermore, approval of a resolution opposing a peaceful internal settlement in Rhodesia would in effect give encouragement to terrorists and would be an affront to the very principles upon which the United Nations was founded.

I therefore urge that the United States Ambassador to the United Nations be instructed to vote against any such resolution.●

A PROPOSAL IN LIEU OF THE PANAMA CANAL TREATIES NOW BEFORE THE U.S. SENATE

● Mr. HATCH. Mr. President, Scripps League Newspapers has 30 papers across the Nation in 16 separate States. One of those newspapers is published in Provo, Utah, in my home State.

The president and chairman of the board of Scripps League Newspapers lives in San Mateo, Calif., E. W. Scripps. He is from one of the most distinguished newspaper families in America. His grandfather, also E. W. Scripps, started the world's first newspaper chain a century ago, and established what is now United Press International. The current E. W. Scripps, a very patriotic American, is thoroughly convinced that giving up the Panama Canal would be a mistake of historic proportions.

On February 9, 1978, an article entitled "A Proposal in Lieu of the Panama Canal Treaties Now Before the U.S. Senate," was printed in his newspapers. Since it discusses a subject which has not occupied a great deal of time during these historic debates, I ask unanimous consent to have printed in the RECORD following these brief words of introduction the article entitled "A Proposal in Lieu of the Panama Canal Treaties Now Before the U.S. Senate," by E. W. Scripps, chairman of the board and president of Scripps League Newspapers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PROPOSAL IN LIEU OF THE PANAMA CANAL TREATIES NOW BEFORE THE U.S. SENATE

We have almost been persuaded that we should give up the Panama Canal—not now—but 22 years from now—at the turn of the century.

Before going along with the idea that we can bring peace and tranquility by this move, let us think in sober terms today of what an agreement of this kind really means:

President Carter's advocacy of the treaty does not answer America's question: in all honesty, the historic consequences of such a treaty are being ignored.

Does President Carter realize that in effect Great Britain relegated herself to a secondary power in the Mideast when she gave up the Suez Canal? Terms that meant bowing to world opinion, giving up what was rightfully hers to protect, because Russia had made the word "Imperialism" sound like sin and evil, gained nothing. Events have since proved that peace between Egypt and Israel was not in any way enhanced. Actually, the historic consequences of vacating the Mideast has resulted in chaos, both militarily and diplomatically.

Does President Carter believe that the act of promising to give up the Panama Canal would be any more successful than what history has proved at Suez?

Does President Carter, a great reader of books, not read history? Did England's Prime Minister Chamberlain buy "peace in our time" by giving in to Hitler, thus paving the way for Poland to be overrun by the Blitzkrieg?

Has any Great Power, in the records of history, ever brought peace by giving away its rightful territory?

Are we about to give away the Panama Canal Zone which was honestly bought and paid for by the United States and through which was dug the great canal linking together the oceans of the earth, providing a path of commerce open to all nations?

And for what?

Panama cries out, years after she signed a solemn agreement to cede control of the Canal Zone to the United States, that her country is split into two parts by the ten-mile zone occupied by the canal.

Let's give her another beautiful bridge—or two more bridges—to supplement the one we built near Balboa during the last decade. They also would rise high above the canal so that the tallest ship can pass under. Let's build her a parkway paralleling each side of the canal with on-ramps to each bridge, so that in no way will her land be divided.

Let's push forward vigorously with completion of the Pan American Highway, linked to these bridges so that all the nations of our Western Hemisphere can have access to their lands. We give access to all the land areas of the Americas while we in exchange continue our unrestricted access to al the oceans of the world. We grant all friendly nations freedom of the seas and freedom of the air.

Such a plan, properly conceived by top engineers, would not only be fair and just, but would be easily self-liquidating from the revenues produced.

The Senate of the United States will be voting on the treaties. The government representing all the citizens of our land faces a grave responsibility.

We believe in peaceful cooperation with other governments. We do not, however, believe in trying to "buy peace in our time" by selling our future down the river.

The day our flag, the flag of the United States of America, is hauled down from our own Canal Zone would be a sad day. We who believe in the greatness of America will not acquiesce in dipping our colors to the enemies of freedom.●

GAO FINDS THAT COMPUTER SECURITY IS POOR AT SOCIAL SECURITY

● Mr. RIBICOFF. Mr. President, the Senate Governmental Affairs Committee has been examining computer security in Federal programs for 2 years now. As a result of the committee's investigation, the Office of Management and Budget is working to strengthen computer security procedures in Federal programs. In addition, along with Senator PERCY and other Senators, I introduced legislation, S. 1766, to improve the ability of prosecutors to prosecute cases against persons accused of computer fraud.

The U.S. General Accounting Office shares my committee's concern for computer security. GAO auditors have done excellent investigations into the manner in which executive branch agencies secure their computers against theft, penetration, assault, and other forms of compromise.

The GAO has found serious shortcomings in the security procedures within the social security computer systems.

Mr. President, I ask unanimous consent that a February 21, 1978 letter from GAO Associate Director Franklin Curtis to Donald I. Wortman, Acting Commissioner of Social Security, be printed in the RECORD.

Mr. President, I ask unanimous consent that a March 3, 1978 letter from me to HEW Secretary Joseph Califano calling Secretary Califano's attention to the Wortman letter be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C., March 3, 1978.

Hon. JOSEPH CALIFANO,
Secretary, Department of Health, Education and Welfare, Independence Avenue, SW, Washington, D.C.

DEAR JOE: I wanted to call the attached report from the U.S. General Accounting Office to your personal attention.

As you know, the Senate Governmental Affairs Committee has for two years now been working to encourage the federal government, particularly civilian agencies, to improve their security procedures. I have also introduced legislation, S. 1766, which has the support of the Department of Justice, to improve the ability of the government to prosecute persons who violate computer systems.

One of the serious problems that came to light in the Committee's investigation was that the Department of Health, Education and Welfare was not adequately equipped to investigate allegations of computer crime.

The attached letter from GAO Associate Director Franklin A. Curtis to Donald I. Wortman, Acting Commissioner of Social Security, demonstrates to me the potential for computer compromise at Social Security. I urge you to increase your efforts to improve computer security throughout HEW and to take immediate steps to see to it that the shortcomings in security at the Social Security complex in Baltimore be eliminated. Too many of our citizens rely on Social Security—and too much money is involved—for careless security procedures to be allowed.

I am frankly shocked at such lax security at such a major federal installation. HEW spends more than any other federal agency. There must be a greater concern in seeing to it that the Department's computer security programs are strengthened.

Sincerely,

ABE RIBICOFF.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., February 21, 1978.

B-164031(4).

Mr. DONALD I. WORTMAN,
Acting Commissioner of Social Security, Department of Health, Education, and Welfare.

DEAR MR. WORTMAN: Although the Social Security Administration has recently spent about $500,000 to install a new security system for its computer operation, the central computer facility is still not secure. Unauthorized personnel have access to the computer room and tape vault. Magnetic tapes, disc packs, and other property can be removed without proper authorization, and blank and valid Social Security and Medicare cards can be taken from the central computer facility without question. Adequate security procedures have not been established, and Social Security has not made an in-depth study of its security needs with respect to the central computer facility.

Acquiring the new security system was a step in the right direction, and with some modifications and the development of adequate procedures, it should prove to be an effective way of preventing unauthorized access to and exits from the central computer facility. However, there is another problem that must be addressed—preventing the fraudulent and malicious acts of persons who work inside the central computer facility. Considering the overall impact Social Security has on millions of Americans, and the results which would occur if its central computer facility's operations were interrupted, we believe that more effective controls and security procedures must be established to protect both Social Security records and property, and the privacy of the American people.

Our observations were made between January 23 and February 3, 1978, as part of our "Review of Internal Controls and Performance of the Supplemental Security Income System." Our findings as well as recommendations for improving the security of your central computer facility were reported to members of your staff on February 10, 1978. A summary of our findings and recommendations are included below.

NEED TO PREVENT UNAUTHORIZED ACCESS TO AND EXIT FROM THE CENTRAL COMPUTER FACILITY

Unauthorized personnel can easily enter and exit the central computer facility in several ways. First of all, the central computer facility's turnstiles allow movement in both directions once they have been activated by a security badge. Thus several people can enter and exit from a single admission authorization. Since the security guards are not always positioned in direct view of the turnstiles, these unauthorized entrances and exits can go undetected. We demonstrated this by admitting two GAO auditors from a single authorization without the awareness of security guards.

A second way to gain access involves the use of temporary badges. Several of these valid badges can be obtained by an authorized individual and distributed to nonauthorized personnel. Personal identifiers such as social security number, name, and organization are obtained when the badge is issued; however, these identifiers are not used by the automated security system to

make sure that only one temporary badge is valid for an authorized person at any point in time. During our observations, we admitted a nonauthorized GAO auditor into the central computer facility. Even with permanent authorization badges with employee pictures, security guards seldom match the person with the picture on the badge. Thus nonauthorized admittance to the central computer could be made if an authorized employee permits it.

Once inside the central computer facility, unauthorized exits can be made through the emergency exits without alarming security guards. These emergency exits are wired with electromagnetic connectors which when separated, set off an alarm. By removing the two screws at the bottom of the connectors, the doors can easily be opened without interrupting the circuit. Unauthorized personnel can thus exit and enter the central computer facility once these doors are opened. During our observations, a GAO auditor took Social Security property through one of the opened emergency doors without the security guards' awareness.

RECOMMENDATIONS

To avoid unauthorized access to and exits from the central computer facility, we recommend that:

Security guards be positioned in full view of the turnstiles, and that they be required to verify the pictures on the authorization badge with the person using it.

The security system be modified to allow only one temporary authorization badge to be valid for a person at any given time.

Emergency exit wiring and connectors be secured to prohibit tampering and thus prevent unauthorized entrances and exits by personnel and property.

MORE CONTROL IS NEEDED OVER MAGNETIC TAPES AND DISK PACKS

Magnetic tapes and disk packs can be removed from the central computer facility without proper authorization because effective control procedures have not been established. Currently, before a magnetic tape can be removed from the central computer facility, a tape dispatch pass is supposed to be obtained from Tape Library Control Section personnel and presented to security guards upon exiting. We were able to remove tapes without tape dispatch passes because security guards did not check notebooks, lunch containers, and brief cases for Social Security property. Furthermore, Tape Library Control Section personnel do not control tape dispatch passes in their possession. We were able to remove 10 tape dispatch passes, and take tapes out of the central computer facility using these passes. Finally, neither Tape Library Control Section personnel nor security guards verify the actual number of tapes which are to be removed from the central computer facility with those actually taken out. From an authorization for a single reel of tape, we were able to remove an entire cart of 38 tapes—two segments of the Supplemental Security Income master file—from the central computer facility. Additionally, with respect to magnetic disk packs only certain individuals have authorization to remove them from the central computer facility. However, we were able to remove a magnetic disk pack without security guard action even though we had not been authorized to do so.

RECOMMENDATIONS

To improve controls over magnetic tapes and disk packs, we recommend that:

The use of the tape dispatch pass be discontinued, and in its place a transmittal sheet be established to show authorization for removal of tapes and disks and that both the Tape Library Control Section and security guards be required to reconcile the number of tapes by serial number.

Security guards should be reminded of the need to search notebooks, lunch containers, and briefcases of people entering and leaving the central computer facility.

MORE CONTROL IS NEEDED OVER SOCIAL SECURITY AND MEDICARE CARDS

Blank and valid Social Security and Medicare cards are not controlled within the central computer facility and therefore, can be fraudulently removed. During our observations, we found that blank Social Security and Medicare cards were readily accessible at various locations within the central computer facility. We also found thousands of both types of these cards—with valid names and account numbers—which had been discarded because a few had been misprinted. We were able to remove both blank and valid cards from the central computer facility through both the security gates and emergency exits.

RECOMMENDATIONS

In order to provide more control over these identification cards, we recommend that:

Supplies of blank Social Security and Medicare cards be secured within the central computer facility.

Effective procedures be established to ensure that nonissuable printed cards be properly destroyed.

All identification cards be controlled and accounted for as they are used.

NEED FOR A COMPREHENSIVE APPROACH TO SECURING THE CENTRAL COMPUTER FACILITY

Social Security has not developed a comprehensive approach to securing the central computer facility, and no formal in-depth study detailing securing requirements and ways to meet them has ever been made. In July 1976, at the request of Social Security, the MITRE Corporation made "A Preliminary Evaluation of the Physical Security Requirements of the Social Security Administration Data Processing Center." MITRE pointed out that most of Social Security's physical security measures have been implemented on a piece-meal basis. We agree with this finding and believe that the new automated security system is the latest example of this practice. No in-depth risk-analysis has been performed to determine what security procedures should be established, and furthermore, no overall structured approach has been developed for securing the central computer facility.

Social Security's main approach has been to protect itself from unauthorized personnel having access to the central computer facility. However, it has not addressed another potential problem—preventing fraudulent and malicious acts of persons who work inside the computer room. All of the unauthorized acts which we performed during our observations could have just as easily been performed by persons who normally work in the computer room. Most persons having access to the computer room are not given a background investigation, and some of them are not even employed by Social Security.

RECOMMENDATIONS

To improve Social Security's overall security procedures, we recommend that:

A complete, formal risk-analysis be performed to determine what security procedures need to be established for the central computer facility.

After the risk-analysis, a detailed structured approach be established for security of the central computer facility.

At a minimum, background investigations be performed on all employees who work within the central computer facility, including personnel not employed by Social Security.

Please advise us of the actions you propose to take concerning our recommendations.

Sincerely yours,

FRANKLIN A. CURTIS,
Associate Director.●

URGING RATIFICATION OF THE COAL CONTRACT

● Mr. DOLE. Mr. President, the coal strike is now 87 days old. The miners have suffered nearly 3 months without pay. The operators have suffered enormous losses in production. The Nation is on the verge of its third energy crisis in 5 years.

Coal stocks at the utilities are now at a critical level. Major industries have reluctantly taken the first steps toward a slowdown. Each day we learn of additions to the already long list of curtailments. Needless to say, these past 3 months have been trying times for the miners, operators, and for the Nation, and at this point there are no winners in this game of rejecting one proposed solution after another.

Unfortunately, the Government has allowed this crippling strike to go much too long before proper attention was paid to it. Even after the administration decided to take note of this serious situation it was plagued with unsuccessful attempts to effectively address the problem. Last weekend, however, under intense pressure from the administration coupled with appeals from several Governors and mounting concern in the Congress, a breakthrough was finally realized. The breakthrough was an 11th-hour settlement and hailed by the negotiators and the Government alike as an agreement that could work.

That contract is presently in the hands of the local unions, and it is the miners themselves who will now decide its fate.

PROVISIONS OF THE CONTRACT

The proposed contract provides for nearly a 38-percent wage increase over the next 3 years. This would put wages for coal miners well above the average for other industrial workers.

The White House has justly come under criticism for being willing to accept the compromise contract. It obviously violates their own wage guidelines and will certainly have an inflationary effect on the economy. News reports have noted that the administration has been strangely silent on this issue. Yet outside the White House fears have been expressed that the concessions to the miners could have a ripple effect in the railroad industry and in the trucking industry, where new contracts will come up later this year. Such an effect would certainly undermine the administration's call for moderation in wage demands as a measure to help keep inflation down.

Mr. President, I feel the contract should be more than acceptable to the membership of the UMW.

This is a crucial week. There is now a hope, shared by all Americans, that this strike can soon come to an end. If the contract is ratified, both labor and management will have passed one of the

most difficult tests in this country's history.

If the contract is not ratified, the conquences will be severe. The entire effort of the last 3 months will have to be considered a failure.

Mr. President, the membership of the UMW is now involved in an important historical decision. The Senator from Kansas urges the miners to vote favorable on the proposed contract.●

RESOLUTION FOR REVISION OF NATIONAL PRIMARY AND SECONDARY AMBIENT AIR QUALITY CRITERIA AND STANDARDS FOR PHOTOCHEMICAL OXIDANTS

● Mr. HOLLINGS. Mr. President, on February 17, 1978, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States to direct the Administrator of the U.S. Environmental Protection Agency to cause to be revised the national primary and secondary ambient air quality criteria and standards for photochemical oxidants.

On behalf of the senior Senator from South Carolina (Mr. THURMOND) and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was order to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the Clean Air Act Amendments of 1977 require the several states to provide for the attainment of the primary national ambient air quality standards for photochemical oxidants and carbon monoxide by December 31, 1982, or in limited cases by December 31, 1987; and

Whereas, research since 1971 has resulted in substantial uncertainty concerning the validity of the medical, scientific and technical conclusions on which the present photochemical oxidant standard is based; and

Whereas, medical evidence since 1971 suggests the present standard is more stringent than necessary to protect public health with an adequate margin of safety; and

Whereas, imposition of inappropriate and excessively stringent air quality standards and control strategies undermine and severely impede the efforts of the nation to solve major societal problems including inflation and unemployment, energy, the revitalization of our inner cities and decaying rural small towns and especially the need to drastically expand our levels of capital investment; and

Whereas, the General Assembly recognizes the fact that the Environmental Protection Agency is revising the criteria documents on photo chemical oxidants and is entertaining comments from the public concerning that standard.

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

That the Congress of the United States is memorialized to direct the Administrator of the United States Environmental Protection Agency within six months to:

(1) Revise the air quality criteria for photochemical oxidants pursuant to Section 7408(c) of the Clean Air Act, as amended, taking into account regional or other areal differences in the causes, effect and extent of ozone and oxidants;

(2) Establish a new national primary and secondary ambient air quality standard or standards for photochemical oxidants recognizing regional or other areal differences in the causes, effect and extent of ozone and oxidants;

(3) Establish a new national primary ambient air quality standard or standards for photochemical oxidants recognizing available medical research demonstrating no significant adverse human health effects at or below ozone levels of 0.25 parts per million for two hour exposures;

(4) State the new primary and secondary standards so as to permit reliable assessments of compliance based on measurements related to the actual adverse effects caused or to be eliminated;

(5) Revise the "Requirements for Preparation, Adoption and Submittal of Implementation Plans" to: (i) delete the assumption of "no background concentration of photochemical oxidants", (ii) specify more reliable, alternative oxidant prediction relationships to replace the Appendix J and similar rollback techniques for determining the degree of neecssary precursor emission reductions, and (iii) make such other changes as are indicated by the new criteria and primary and secondary standards.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, the Administrator of the United States Environmental Protection Agency, and each member of the Congressional Delegation of the State of South Carolina.●

INCREASED AGRICULTURAL EXPORTS WILL AID FARMERS

● Mr. HELMS. Mr. President, I am pleased to join the distinguished Senator from Indiana (Mr. LUGAR) in the introduction of the Intermediate Term Agricultural Export Credit Act of 1978.

Since 1972 farmers have become increasingly dependent upon export markets. Last year we exported 45 percent of our soybeans, 36 percent of our tobacco, 27 percent of our corn, as well as a high percentage of many of our other commodities.

Unfortunately, in many areas exports are declining. Commodity surpluses are beginning to build again as they did in the 1960's. Consequently, farmers' income is declining. If exports do not increase, farmers will once again be dependent upon Government subsidies for their survival and not the marketplace.

Recent reports in Fortune magazine indicate that incomes are rising in the Third World; and in the coming years, those nations will represent new and potentially strong markets for our crops. We need an aggressive policy now, to get a foot in the door, so to speak, in those markets, and to be in a position to expand them as those countries become more able to afford our food and fibre.

I am very pleased that Senator TALMADGE's Senate Resolution 393, which passed this body recently, incorporated the substance of my Senate Joint Resolution 94 calling upon the administration to develop and implement a comprehensive program for foreign sales of American agricultural commodities.

Senator LUGAR's bill is another step in the right direction. It gives the administration the tools it needs to be more effective in that regard, by providing for an intermediate CCC credit program to allow loan terms of from 5 to 10 years. And, I might add, this measure will not be a burden on the taxpayers, because it stipulates that the interest on CCC loans made under the act must be paid at a rate which would be one-half percent above the average cost of the funds which CCC borrows from the U.S. Treasury.

Mr. President, the emphasis of this bill is upon long-term market development and trade expansion. It looks to the future of a prosperous agriculture in the United States, and I am pleased to support it.●

CLEAN WATER ACT AND OCEAN POLLUTION

● Mr. MUSKIE. Mr. President, in December the President signed the Clean Water Amendments of 1977 into law. That legislation extended the authority of the United States to clean up oil and hazardous substances spills beyond the 12-mile limit to assure protection of ocean resources.

Concern has been expressed about the intent of that legislation in relation to pending and proposed international accords. I have had discussions with the State Department about the intent of Congress and have had an exchange of correspondence with the Secretary of State, the Honorable Cyrus Vance, on this matter.

In order to clarify the legislative history with respect to this section of the newly enacted amendments I ask unanimous consent to have that correspondence and an associated memorandum printed in the RECORD.

There being on objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 13, 1978.

Hon. CYRUS VANCE,
Secretary, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Pursuant to discussions between Deputy Secretary Christopher and myself, an understanding has been reached as to the intent of Congress in enacting amendments to the Clean Water Act relating to spills of oil and hazardous substances from vessels. Attached to this letter is a memorandum dated January 19 which describes that understanding.

Deputy Secretary Christopher has suggested. and I have agreed to recommend to the Environment and Public Works Committee, that certain aspects of the Environment and Public Works Committee, that certain aspects of the section be clarified in order to lessen the concern other nations may have with this legislation. At the appropriate time, and in connection with an appropriate legislative vehicle, I will propose an amendment which will clarify that penalties for failure to notify and for the discharge of other than non-removable hazardous substances shall only be applicable when the vessel is otherwise subject to the jurisdiction of the United States "at the time the discharge occurs."

Deputy Secretary Christopher and I also discussed the ramifications of the applicability of the penalty for a discharge of non-

removable hazardous substances beyond the 12-mile limit, a subject not discussed in the January 19 memorandum. The Congress did, in fact, intend to extend penalties for the discharge of non-removable hazardous substances beyond the 12-mile limit. The purpose is to impose a standard of care on any vessels, foreign or domestic, discharges from which may affect the resources of the United States.

I am open to any suggestions, consistent with international policy for alternative means to assure such an adequate standard of care. At such time as an acceptable alternative is found, I would be prepared to recommend an appropriate modification of this provision of the Clean Water Act. I would also be prepared to recommend an amendment which would state specifically that as a result of the modification Congress intends to assure that jurisdiction is not extended over foreign vessels beyond the 12-mile limit except as provided in international conventions to which the United States is a party.

In the interim, I would expect that EPA's hazardous substance regulations would be promulgated in full compliance with the 1977 amendments.

As you know, I would prefer international solutions to the global problem of marine pollution where this can be achieved. Thus, I hope the difficulties which have been identified in this process would serve as a stimulus to our international negotiators to seek environmental accords which protect our coastal interests and the resources of the oceans which are so important to the citizens of the United States.

I look forward to your response.

Best personal regards,

Sincerely,

EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution.

MEMORANDUM

To: Senator Edmund S. Muskie
From: Leon G. Billings
Subject: Intent of Congress with Respect to Oil/Hazardous Substance Discharges

Summary of Existing Law: Under the 1970 Clean Water Act Amendments, authority was provided to clean up discharges of oil and hazardous substances from vessels and other facilities within the 12-mile limit and to recover the cost of clean-up. Notice was required wherever an unlawful discharge occurred and penalties for unlawful discharges and failure to notify were provided. Authority to board, inspect and arrest vessels within the 12-mile limit was provided.

Summary of Amendments: With respect to discharges of oil and hazardous substances beyond the 12-mile limit, the 1977 amendments made four changes in existing law:

1. Provided authority to clean up unlawful discharges of oil and hazardous substances beyond the 12-mile limit;

2. Provided authority to recover the cost of clean-up of spills beyond the 12-mile limit, including any costs or expenses incurred in the restoration of damaged natural resources;

3. Required notice to the Federal Government of any discharges in unlawful amounts beyond the 12-mile limit in order to allow the Government to carry out this clean-up authority;

4. Assured that no jurisdiction over foreign vessels was extended beyond the 12-mile limit except as provided in international conventions to which the United States is a party.

To accomplish these purposes, the Act was amended to provide authority for the President to remove unlawful discharges of oil and hazardous substance "in connection with activities under the Outer Continental Shelf Lands Act or the Deepwater Port Act, or which may affect natural resources belonging to, appertaining to, or under the exclusive management authority of the United States (including resources under the Fishery Conservation and Management Act of 1976)."

The notice and discharge penalty provisions were modified to assure that penalties would only be applicable to vessels which were "otherwise subject to the jurisdiction of the United States" at the time the unlawful discharge occurred. Thus, foreign vessels beyond the 12-mile limit would not be subject to penalty for discharge or failure to notify.

Finally, the enforcement provision, Section 311(m) was not changed, thus limiting the authority to enforce the provisions of the Act to "any vessel upon the navigable waters of the United States or the waters of the contiguous zone", (within the 12-mile limit).

SECRETARY OF STATE,
Washington, D.C., February 22, 1978.

Hon. EDMUND S. MUSKIE,
Chairman, Subcommittee on Environmental Pollution, U.S. Senate.

DEAR ED: Thank you for your letter of February 13 concerning the recent discussions between yourself and Deputy Secretary Christopher on the 1977 amendments to the Federal Water Pollution Control Act. Your letter and the attached memorandum go far toward resolving this matter by clarifying the intent of Congress in enacting the amendments and by specifically noting your willingness to recommend a legislative clarification of certain aspects of Section 311 with respect to penalties for failure to notify and for the discharge of other than non-removable hazardous substances. In the coming weeks, we will work with you on alternative means to achieve the standard of care we both seek with respect to vessel operation in order to resolve the remaining statutory problem regarding non-removable hazardous substances.

We appreciate your cooperation in this matter. I believe the dialogue we have established on this issue is exactly the kind of cooperative effort President Carter envisaged in his signing statement on this legislation. I am hopeful that we can resolve this issue in a manner which will achieve maximum consistency with applicable principles of international law without sacrificing our shared objective of protecting the marine environment.

With warm regards,

Sincerely,

CYRUS VANCE.●

WATERWAY USER CHARGES: THE VIEWS OF FLORIDA'S ATTORNEY GENERAL

● Mr. DOMENICI. Mr. President, Robert L. Shevin, the attorney general of the State of Florida, was kind enough to send me a copy of a recent letter that he wrote analyzing the issue of waterway user charges. The attorney general's main point is best summarized in this quotation from his letter:

Establishment of a comprehensive system of waterway user charges will create a climate on which waterway users can be expected, for the first time, to share responsibility for the formulation of waterway projects and priorities which are mutually in their interest and in the public interest.

That is a wise and realistic statement. Major oil, chemical, steel, grain, and other corporations that have big barge operations can and should share in the cost of projects, as well as the responsibility of which the attorney general speaks.

Mr. President, I ask unanimous consent that the well reasoned views of the attorney general of Florida on the issue of waterway user charges to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF LEGAL AFFAIRS,
Tallahassee, Fla. January 24, 1978.

As a member of the Florida Cabinet, which with the Governor serves as head of the Florida Department of Natural Resources, I have considered a number of annual lists of water-related Florida projects for recommended inclusion in the federal public works program. My views on waterway user charges stem from a consideration of the issues raised in reviewing the diverse objectives and benefits of these projects. In 1973, the Governor and Cabinet considered the November 1972 Draft Report of the National Water Commission. We supported, among others, a recommendation calling for "Assumption by non-federal interests of an appropriate share of the cost of federal waterways projects, including the imposition of user fees on all federal waterways and reimbursement of new project costs by non-federal entities." In December 1976, the Governor and Cabinet reviewed the final restudy report on the controversial Cross Florida Barge Canal project. This $2.5 million study is probably the most complete study ever undertaken on the environmental, economic, and sociological effects of a waterway project. We received testimony from a number of eminent transportation economists. We inquired at length as to the magnitude of transportation benefits and the identity of beneficiaries. I heard unsupported claims but no evidence which satisfied me that a single dollar of canal induced savings in transportation costs would be passed on by the carriers to the purchasers of commodities and ultimately to the public consumers. In my view, it is only equitable that a major share of waterway project costs be borne by the carrier users who are the direct and perhaps the only beneficiaries of commodity transportation costs savings.

Establishment of a comprehensive system of waterway user charges will create a climate on which waterway users can be expected, for the first time, to share responsibility for the formulation of waterway projects and priorities which are mutually in their interest and in the public interest. Recovery of a major share of waterway projects costs is also highly desirable in order that massively more public works funds can be allocated for sorely needed projects whose benefits accrue to broad segments of the general public, such as projects for beach erosion control, beach nourishment, waste water treatment, flood control, and flood plain management.

I urge your support of the Domenici amendments to H.R. 8309. As written, H.R. 8309 is inadequate to the problem it purports to address and is a step in the wrong direction.

I appreciate being able to express my views on this legislation which will affect so markedly the future of the federally assisted public works program in Florida.

Sincerely,

ROBERT L. SHEVIN,
Attorney General.●

SALT NEGOTIATIONS

● Mr. BARTLETT. Mr. President, since 1968, our Nation has been preoccupied

with discussions of strategic arms limitations talks. As most of my colleagues are aware, the initiation of these very important negotiations was delayed by the Soviet invasion of Czechoslovakia. At that time, President Johnson felt that it would be an inappropriate action to begin talks on improving Soviet-American relations at a time when the Soviet Union was brutally suppressing the efforts by the Government of Czechoslovakia to grant its people just a little bit of freedom in order to improve their condition economically and in terms of human rights.

The recent statement from the White House that continued Soviet intervention in the Horn of Africa might endanger the current round of strategic arms talks, while not as strong an action as that taken by President Johnson, also shows that strategic arms limitations cannot be viewed as being completely separate from the overall geopolitical situation. The concept of "linkage" is not something that can be turned on and off, it is a fact of life.

Whether or not one believes that the United States should link its willingness to conclude a strategic arms agreement with the Russians to Soviet good behavior around the world, no one can deny that the outcome of our strategic negotiations will influence our global geopolitical and military balance and that trends in the world balance must influence how we negotiate at SALT.

Too many people approach SALT as if it were some abstract technical subject to be understood only by scientists and engineers. In fact, the crucial issues at SALT involve political conflicts which can only be understood in broader strategic terms relating to the competition between the Soviet system and the American way of life. Ultimately, we must remember that SALT is not simply about megatons, throwweight, and circular error probable. It is about Berlin and Cuba, and even the Horn of Africa. As a matter of fact, even the technical issues at SALT such as parity, accuracy, weapons effect, and survivability are not easy to define nor capable of precise measurement.

My distinguished colleague from California (Mr. HAYAKAWA), has succeeded in cutting through many of the myths surrounding the SALT negotiations and has published an excellent essay on SALT which was published in the Journal of International Relations. In order to help my other colleagues put the SALT issue in proper perspective, I ask unanimous consent that Senator HAYAKAWA's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SALT

(By Senator S. I. HAYAKAWA)

A study of the literature on strategic arms limitations reveals first, that the current SALT negotiations must not be evaluated in isolation but in the light of history. Secondly the so-called "facts" which defenders and opponents of SALT II present to a confused public are really not facts, but a series of assumptions subject to challenge.

Opponents of disarmament agreements with the Soviet government often cite the example of Adolf Hitler and try to compare Russia's aggressive policies with those of the Third Reich. To me, this comparison seems not only erroneous, but actually obfuscating. Hitler was a fanatical adventurer. Neither Stalin nor Khrushchev nor Brezhnev can be labeled a fanatic, and the only one of the three who was not adverse to taking chances was quickly ousted when some of his gambles abroad and at home went sour. Russia's leaders are realists, not adventurers. Does this fact make them less dangerous to the security of the United States? I, personally, would suggest that the Soviet Union may well be far more dangerous for the United States than Germany under Hitler.

From the days of Peter the Great to the present, Russia's expansionist efforts consisted of continuous probing for soft spots, in promptly moving ahead when the opportunity presented itself, but in withdrawing unhesitatingly when resistance and risks were considered too great.

George Kennan referred to this specific Russian characteristic in his often cited dispatch from Moscow in 1944.

"The Soviet Union does not take unnecessary risks. Impervious to logic or reason it is highly sensitive to force. For this reason it can easily withdraw and usually does when strong resistance is encountered at any point. Consequently, if the adversary has sufficient force and makes clear his readiness to use it, it rarely has to do so. If situations are properly handled there need be no prestige engaging showdown."

Looking back we find this pattern of Soviet expansionism throughout the history of the last thirty-three years. The communist regimes in Poland, Bulgaria and Romania were set up after the Russian Army was in absolute control of the countries and there was no danger of effective interference from the West. Uncertain of Western reactions, the Soviet government moved somewhat more slowly in Hungary, as well as in Czechoslovakia. As the record shows, the Communists could have taken over in Prague as soon as the country had been liberated. The Minister of the Interior, who controlled the police, and the Minister of Information, who licensed newspapers and supervised the national radio, were Communists. The Prime Minister, nominally a Social Democrat, was pro-communist and the Chief of Staff was a fellow traveler. Moreover, in the free elections of 1946 the Communists emerged as the strongest party and about two of every five adults were registered Communists. However, only when the last American troops had been withdrawn from Czech soil and the Soviet-American rift was no longer feared, were the comrades in Prague given the green light.

In 1948, in an attempt to oust Russia's former allies from Berlin, the Kremlin ordered the blockade of the town which is located in the center of Soviet-held territory. It will probably never be known what Soviet reactions would have been had General Lucius Clay's recommendation to send a convoy escorted by tanks into the beleagured city been accepted. The technical solution of the airlift evaded a military confrontation while serving as a face-saving device for the feuding parties. When a British transport plane collided with a buzzing Soviet fighter in the initial phases of the blockade, the Soviets, sensitive to possible consequences, rushed to offer their profound apologies.

In Iran in 1963, as well as in Cuba in 1962, the Kremlin fared less well. According to a tri-partite agreement, the three signatories—the United States, Great Britain and the Soviet Union—were committed to end the wartime occupation of Iran by March 1946. Soviet troops, however, had sealed off their area, released communist sympathizers from prison and encouraged the activities of a revolutionary party which led to the formation of a separatist national government of Azerbaijan in Tabriz. When the Iranian government tried to send a small military unit to deal with the insurgents, the Soviets refused it entry. The Kremlin's noncompliance with the withdrawal agreement prompted an Iranian complaint to the United Nations and a British-American declaration that the issue would remain before the Security Council even if Iran—under Soviet pressure—should withdraw its request. The dispatch of U.S. Naval forces to the critical area provided the necessary emphasis. The Soviets continued to negotiate with the Persian government for a while, but eventually "got the message" and withdrew. Another example of Soviet expansionist tactics, the story of Soviet withdrawal from Cuba in 1963 is still fresh in everybody's mind and does not have to be retold.

We can now turn to the American-Soviet competition in strategic strength and examine the record of Soviet expansionism. Ten years ago the United States had roughly 900 intercontinental ballistic missiles (ICBMs), 592 submarine launched missiles (SLBMs), and about 500 long range bombers. At the same time, the Soviet Union had an arsenal of only 300 ICBMs and 125 SLBMs. As to intercontinental bombers, the Soviets were estimated to have about one third of the U.S. Strategic Air Command's B–52 force. The extraordinary expansion of Soviet strength during the last decade has eliminated for all practical purposes this strategic supremacy of the United States. The question arises how this amazing feat could have been accomplished?

Before attempting an answer, it seems appropriate to summarize briefly the current status of the two strategic forces. Under the Vladivostok guidelines there exists a ceiling of 2400 strategic offensive launching vehicles which encompass ICBMs, SLBMs, as well as heavy bombers. Within this overall ceiling, which of course applies to both sides, the United States as well as the Soviet Union, have agreed on a limit of 1320 ballistic missile launchers (ICBMs and SLBMs) with MIRVed warheads. Under this general classification, however—because of the absence of any direct limitations on throw-weight—the Soviets have been able to obtain clear-cut quantitative superiority in fixed-site ICBM launchers. At sea, on the other hand, we find 656 SLBMs of the United States opposed by approximately 940 SLBMs on the Soviet side. But since the American missiles, in contrast to those of the U.S.S.R., are MIRVed, a count of warheads reverses the balance: 5120 U.S. warheads are facing about 950 warheads of the Soviet Union. Turning to heavy bombers, the U.S. strategic force of 330 aging B–52's is opposed by a modern Soviet force of about 140, whereas, in the area of medium bombers, Russia is considerably ahead. Summing up, our military experts nevertheless believe that the present situation reflects overall parity. While the Soviets may have an edge in the land-based section of the Triad, it still seems balanced by American superior strength at sea and in the air.

Before looking at the basis for this and similar appraisals, it is useful to ascertain how the Soviet Union was able to ascend in a few brief years from a status of clear strategic inferiority to the current equality. In my judgment, the answer again lies in the Russians' historical ability to exploit weaknesses in the opponents armor—in this case the American tendency to avoid hardships and to accept only too willingly easy and fast solutions. If one views the United States from the vantage point of the Kremlin in 1966, it is clear that the United States strategic supremacy could not be effectively

challenged as long as the United States was on guard and psychologically willing to use its technical and economic superior capabilities to prevent Soviet Russia from catching up. Accordingly, two things had to be accomplished to "soften up" the opponent. A more friendly atmosphere between the two nations had to be created and the rationale found to sell the principle of parity to the United States. As to the first goal, the slogan of "detente" fully accomplished what it was supposed to do. Most Americans gladly endorsed the new pattern of American-Soviet relations. The new development was widely interpreted as the beginning of a new era; the Cold War had come to an end and Americans and Russians were friends again.

In the new euphoric atmosphere of detente, it was not too difficult to convince America's leaders that the United States and the Soviet Union, as the only two superpowers, should have equal strategic strength. Since both sides had enough atomic power to destroy each other many times over, it was said that the concept of strategic superiority was actually meaningless. As long as the two nations maintained a second strike capability, neither would become the aggressor. An effective second strike—so it was agreed—not only would impose "unacceptable" damage on the opponent, but actually would destroy the opposing nation "as a society." Consequently, it was really not necessary to have superiority in each of the three categories of the Triad, since only the total strategic power mattered.

We know that during the last decade each of these theses has been accepted by America's leaders who accordingly told the nation that atomic war between the two superpowers had become "unthinkable" and there was nothing to fear. In sum, the traditional Soviet methods of expansion again succeeded, and American-Soviet strategic parity thus became an accepted basis for our national life.

It has been my habit through my mature years to look behind slogans, labels and words in order to understand their true meaning and to eliminate obfuscation whenever possible. I therefore cannot help but question some of these generally accepted theses. To start, is a nuclear war really "unthinkable"? I remember forty years ago most people would have considered the mass slaughter of millions of civilians in World War II equally unthinkable.

More to the point, are the United States and the Soviet Union in fact strategic equals? As I see it, the two societies are as different as they could be. While the population figures do not differ too greatly, the area of the Soviet Union has only 8 towns with a population of one million or more. By contrast, 42 percent of the American people live in large cities. The resulting highly interdependent infrastructure of the American economy has dramatically increased our vulnerability. Finally the Russian people have a history of long subjugation by the Mongols and of innumerable wars, which included a civil war and two world wars on Russian soil. A Soviet loss of 20 million lives in World War II can be usefully compared with the American battle death figure of about 300,000. Today there is no American alive who has witnessed any war action on his country's soil. As everybody who has watched a boxing match knows, an individual's ability to "accept damage" varies widely from person to person. Is it therefore wise to assume equal acceptability of damage and base one's strategic calculations on such tenuous ground? In a similar vein, what does the notion "an atomic exchange will mark the end of either side functioning as a society" actually mean? It seems to me that the remaining societies will be unlike anything we know today but there still will be a national life among the unfortunate survivors.

The question now arises, where to go from here? This takes us to SALT II. In the emerging American debate on a new treaty proponents and opponents disagree on most points although—to my surprise—there is general agreement that it is not possible to decipher Soviet intentions. I, a non-expert, would suggest, however, that those intentions can be summarized in Samuel Gompers' famous slogan: "More." I am sure this goal will not change, regardless of any agreements that may be signed. There will continue to be requests for more when the three-year protocol which is under discussion elapses; and there will be new and additional Soviet demands when the proposed eight-year SALT II agreement expires. Finally, any concession made to the Kremlin will promptly acquire status quo sanctity, whereas everything not yet conceded or rejected outright will remain "negotiable."

Keeping these premises in mind, we find for SALT II a proposed overall ceiling of 2100 to 2200 strategic offensive launching vehicles (ISMBs, SLBMs and heavy bombers). While the new ceiling, if agreed upon, would represent about 10 percent decrease for the presently approved overall level—thus establishing an essentially cosmetic arms reduction—there would be substantial increases in most categories on the Soviet side. The MIRVed and unMIRVed ICBM balance would shift drastically by 1985 in favor of Russia; at the same time an approximate SLBM parity would prevail. As to the strategic bomber force, the Administration has greatly weakened the United States military potential by relinquishing its plans for the B–1 bomber. While there may be some technical and financial reasons in defense of this action, the Presidential decision to throw away this bargaining chip cannot be condemned in strong enough terms. As a consequence, the United States arrived at the negotiations table in an already weakened position, and is now facing additional Soviet demands.

Paul H. Nitze effectively presents some of the principal objections to the pending SALT II agreement. Calculating throw-weight and yield, he argues that by 1985 the proposed terms would give the Soviets a superiority of 6 to 1 in MIRVed and of better than 2 to 1 in unMIRVed intercontinental ballistic missile launchers. Because of this figuration of strategic forces, he concludes that by 1985 the Soviet Union would be able to destroy all 550 Minutemen III by a first strike.

Nitze acknowledges a likely United States lead in MIRVed SLBMs by 1985, but cautions that accuracy and yield in this area are substantially less than that of U.S. ICBM's. As he writes, "the U.S. SLBM force does not now have and is not expected to have by 1985 any significant capabilities against Soviet hard targets such as hardened silos." Moreover, the U.S. will phase out its unMIRVed Polaris force by 1985, whereas Russia is expected to retain some 500 unMIRVed SLBM tubes.

Turning to the bomber/cruise missile balance in 1985, Nitze points out that it will depend on the range of Soviet barrier defenses around the U.S.S.R. as well as on the number and range limitation on air-launched cruise missiles (ALCM). Since barrier defenses against B–52's will possibly be extended by 1981 to many hundreds of miles beyond the Soviet periphery, a temporarily acceptable 2500 km range limitation on ALCM—fixed for three years in the protocol—would constitute a dangerous precedent. In other words, the problem becomes one of being able to prevent the 2500 km range limitation from being carried over beyond the terms of the protocol. It furthermore appears that under SALT II only 120 B–52's would be equipped with air-launched cruise missiles. Since only about 50 percent would be on continuous alert, and the United States has no significant air defenses, the Soviet forces would have a much greater potential to deliver megatonnage on U.S. target than vice-versa.

Nitze's comments have been countered by proponents of SALT II who stress that ICBMs make up 70 percent of the Soviet deterrent force, but only about 30 percent of the U.S. deterrent. In other words, the Soviets have relied more heavily on ICBMs, whereas the United States has concentrated more on submarine-launched missiles and strategic bombers. Emphasizing the obvious, namely that the United States had the technology and financial resources to have built larger and more MIRVed ICBMs, the Administration points out that the decision to stake our national security on a balanced Triad of forces gives the United States a more survivable, versatile, and variable strategic deterrence. Why this decision had to lead to overall parity is not being explained, however.

While the possible destruction of all the Minutemen III is admitted, the counterargument is offered that the Soviets would face the risk that the United States, no matter what our declared policy might be, would launch our ICBMs upon verified notice of such an attack (the so-called launch-on-warning concept). The Soviet capability to coordinate and synchronize the dispatch of 2500 warheads halfway around the world is also questioned. Another argument in favor of a treaty is the alleged coverage of all the Soviet Union by U.S. cruise missiles and bombers. Moreover, because of Soviet fears of the cruise missile, proponents of SALT II anticipate great U.S. leverage for SALT III. They finally offer the defeatist comment that the strategic advantages for the Soviet Union would be even greater without a new treaty.

I am not an expert in atomic weaponry and consequently shall not enter the technical debate, but merely offer some common sense observations.

1. Soviet compliance with the terms of the proposed SALT II agreement will be verifiable only in part. For instance, the range of cruise missiles, limitations on MIRV, the actual production of Soviet backfire bombers, and a Soviet conversion of their SS–20 mobile intermediate range ballistic missiles to intercontinental range cannot be verified with certainty. The Administration has conceded the impossibility of verification with regard to other categories as well.

2. The establishment of so-called strategic parity is a highly theoretical exercise. Our estimates of Soviet silo strength are based on intelligence data which may or may not be reliable. The recent CIA failure to keep tabs on the Soviet harvest augurs ill as to the accuracy of our data.

3. The computations of physicists make allowance for mistakes in targeting—however, the range for such inaccuracies is broad.

4. There are many aspects of vulnerability which have never been subjected to controlled experimentation. No one has ever measured or experienced the impact of a great number of closely timed nuclear explosions on a U.S. or U.S.S.R. target.

5. The United States has never exploded a nuclear warhead at the end of an intercontinental missile flight. It has never fired more than a very few missiles simultaneously.

6. Military experts admit that calculations about overall performance in actual combat are extrapolated from data on single components under unrepresentative test conditions. Accordingly, there is an inherent uncertainty in all calculations of ICBMs, destructive power and silo vulnerability.

7. It is always difficult to prepare unambiguous texts for international agreements. To find unequivocal language in the area of strategic defense seems to me an almost impossible task. Moreover, as innumerable ex-

amples demonstrate, the Soviets are masters in interpreting the fine print.

Considering all these uncertainties and technical complexities, I wonder whether the Senate, in spite of all its wisdom, will be able to draw the fine line between a good agreement and a bad one. I, for one, would rather be guided by the result of past performance than by official assurances. Unfortunately, the record is not good.

Sir William Hayter, the former British Ambassador, wrote in *The Diplomacy of the Great Powers:*

"Americans are not good at the observation of subtle gradations, the long-term calculations, the patient endurance of irremediable inconveniences that are part of the diplomatic substance. They want quick and definite solutions. But many international situations are not susceptible of quick and definite solutions, and this leads to a feeling of frustration. Patience is not a typically American quality, but it is one of the greatest virtues."

One must add to this that Soviet diplomats enjoy the great advantage of operating within a unified command structure. By contrast their American colleagues are subject to continuous pressures partly emanating from feuding departments of the executive branch and partly from diverse groups in Congress. Accordingly, our foreign service officers can never be certain whether they have an agreement or not. The record of the last years reflects these built-in weaknesses. In the huge grain deal of 1972, the American taxpayers were taken to the cleaners. As the latest experience shows, we still have not learned our lesson. A recent article in *Time,* (November 28, 1977) "Another Soviet Grain Sting," tells a disquieting story in this regard:

"To avoid a replay of that fiasco, in 1975 Washington got Moscow to agree to a long-range sales arrangement . . . So why were U.S. officials caught by surprise? The sting seems to have been the result of a combination of Soviet duplicity and U.S. gullibility.

"Agents acting for the Russians arranged for food deliveries through European subsidiaries of U.S. grain dealers . . . The purchases were heavy and—under the letter of the U.S.-Soviet agreement—did not have to be reported to Washington. "Official" purchases continued at a modest rate.

"During talks at the department only a few weeks ago, a Soviet grain team insisted that it had reported all the purchases it had to. Rasped an Agriculture official: "That was a technically accurate statement. But it also was a goddamn lie. They hornswoggled us." . . . Even the CIA was taken in. It has been trying to keep tabs on Soviet agriculture with eye-in-the-sky photo satellites . . . But this time the photo interpretations went awry, because of what the agency calls bad "ground truth" data-information from the observers escorted by the Russians."

As I pointed out above, the record of strategic arms negotiations is equally disquieting. We have been told that SALT I and Vladivostok were highly beneficial agreements from the standpoint of the United States. But as we saw, the final result was a Soviet strategic advance from a 1:3 inferiority to parity, if not better. In all likelihood, a new agreement will merely accelerate this trend. Our experts indicate that Soviet advances in the area of strategic weaponry will occur at an about equal pace with or without a new agreement. I consequently would suggest that the lack of a treaty may keep us more on our toes and enable us to match Soviet advances by our own without any self-imposed restrictions.

The experiences of the Cuban Missile crisis are still freshly in my mind. In 1962 the dangers of a strategic blackmail were averted by our strategic superiority and the geographic conditions. In an unguarded moment, Henry Kissinger once remarked: "I would not know what to do with strategic superiority." I can only hope the Soviets will not be given the opportunity to show the professor what can be done.●

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Richard W. Nehring, of Iowa, to be U.S. marshal for the southern district of Iowa for the term of 4 years vice Harold M. Grindle, deceased.

James R. Williams, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years vice Frederick M. Coleman, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, March 10, 1978, any representations or objections they may wish to present concerning the above nominations with a further statement whether it is their intention to appear at any hearing which may be scheduled.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 12 noon on Monday. After the prayer, the Senate will resume consideration of the treaty, at which time the pending question will be on the adoption of the amendment by Mr. ALLEN, amendment No.——

The PRESIDING OFFICER. Sixty-one.

Mr. ROBERT C. BYRD. Amendment No. 61.

There is a time limitation on that amendment of 1½ hours.

Upon the disposition of that amendment, which will be by rollcall vote either up and down on the amendment or on a tabling motion, because all rights of Senators have been reserved under the order as entered, upon the disposition of that amendment, the Senate will then take up Mr. ALLEN's second amendment, which is amendment No. 52, and it will also be under a time limitation of 1½ hours.

Upon the disposition of that amendment, which again will necessitate a rollcall, the Senate will without further amendment to article I proceed to take up article II. It is hoped that amendments to article II, if there be any, will be called up during the afternoon of Monday, and that the Senate can dispose of all or as many of such amendments as possible on Monday. I do not know how many amendments are at the desk to article II. May I inquire of the Chair?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. There are none; very well.

I would hope that the Senate, on disposing of article II then also on Monday, will then proceed to article III. How many amendments are there to article III?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. There are none.

I hope the Senate could dispose fairly soon of both articles II and III and proceed to article IV. Parenthetically, may I say that the leadership has an amendment, which has been cosponsored by not only the majority and minority leaders but also by 74 or 75 other Senators, to article IV.

So there will be rollcall votes on Monday. The first should occur at around the hour of 1:30 p.m., unless there is a necessity for a rollcall vote in connection with the establishment of a quorum prior to that time.

Mr. President, for the information of Senators and committee chairmen, it is the desire of the leadership during next week as much as possible to convene the Senate at around 11 o'clock or 12 o'clock, 11 o'clock in the morning or 12 noon, so as to allow committees to meet.

Committees are being hampered in their meeting by the fact that the Senate has been in session early and late. So for the convenience of committees so that they may deal with legislation that is being backed up in the committees, the leadership is going to strive to call the Senate into session daily next week at about 11 a.m. on some days, perhaps at noon, so that committees can meet at least until 1 p.m. and on some days maybe meet until 2 p.m. without consent.

I would have to say also that the Senate would be in session into the evenings by virtue of not coming in earlier than 11 o'clock a.m. The Senate will likely be in session into the evenings, and Senators should be prepared to act accordingly. Rollcall votes should be expected daily; and may I say again that I hope that the Senate can move forward with adequate speed in dealing with the remaining amendments to the articles in the treaty before us.

RECESS UNTIL 12 NOON ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, in executive session, stand in recess until the hour of 12 o'clock noon on Monday next.

The motion was agreed to; and at 2:31 p.m. the Senate, in executive session, took a recess until Monday, March 6, 1978, at 12 noon.

CONFIRMATION

Executive nomination confirmed by the Senate March 3, 1978:

FEDERAL RESERVE SYSTEM

G. William Miller, of California, to be a member of the Board of Governors of the

Federal Reserve System for a term of 14 years from February 1, 1978.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

NOMINATIONS

Executive nominations received by the Senate March 3, 1978:

DEPARTMENT OF STATE

Alfred L. Atherton, Jr., of Florida, a Foreign Service officer of the class of Career Minister, to be Ambassador at Large.

Harold H. Saunders, of Virginia, to be an Assistant Secretary of State.

DEPARTMENT OF AGRICULTURE

P. R. Smith, of Georgia, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Robert Haldeman Meyer, resigned.

HOUSE OF REPRESENTATIVES—*Friday, March 3, 1978*

The House met at 11 o'clock a.m. and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WRIGHT) laid before the House the following communication from the Speaker:

WASHINGTON, D.C., *March 3, 1978.*

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

May the Lord grant you to be strengthened with might of His Spirit in the inner man.—Ephesians 3: 16.

Our Father, we thank Thee for Thy mercies which are new every morning and fresh every day.

"New every morning is the love
Our wakening and uprising prove;
Through sleep and darkness safely brought,
Restored to life and power and thought.

The trivial round, the common task,
Will furnish all we ought to ask;
Room to deny ourselves, a road
To bring us daily nearer God.

And help us this and every day
To live more nearly as we pray."

Grant to us and to the leaders of our Nation the attitudes and the activities which will make the American dream come true in our own day. Glory be to Thee, O Lord, most high. Amen.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, under rule I, clause 1, of the rules of the House, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 98]

Addabbo	Blanchard	Burton, Phillip
Ambro	Blouin	Carney
Anderson, Ill.	Boland	Chappell
Andrews, N.C.	Brinkley	Chisholm
Armstrong	Brodhead	Clausen, Don H.
Ashley	Brown, Calif.	Clay
Baucus	Burke, Calif.	Cochran
Bingham	Burke, Mass.	Collins, Ill.
Howard	Richmond	
Ireland	Risenhoover	
Jeffords	Roberts	
Jones, N.C.	Rogers	
Jones, Okla.	Roncalio	
Jones, Tenn.	Rose	
Kazen	Rousselot	
Kostmayer	Rudd	
Krueger	Runnels	
LaFalce	Ruppe	
Le Fante	Russo	
Lederer	Santini	
Lehman	Satterfield	
Lent	Sawyer	
Lloyd, Calif.	Scheuer	
Lott	Shuster	
McClory	Sikes	
McCloskey	Slack	
McDade	Smith, Iowa	
Mahon	Spellman	
Mazzoli	St Germain	
Metcalfe	Steed	
Meyner	Stump	
Mikva	Symms	
Miller, Calif.	Teague	
Moss	Thornton	
Myers, Michael	Tucker	
Nolan	Van Deerlin	
Ottinger	Waxman	
Patterson	Weiss	
Pattison	Wiggins	
Quie	Wilson, Tex.	
Quillen	Wydler	
Rahall	Young, Tex.	
Reuss	Zeferetti	
Rhodes		

The SPEAKER pro tempore. On this rollcall 305 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. For what purpose does the gentleman from Maryland (Mr. BAUMAN) rise?

Mr. BAUMAN. I object, Mr. Speaker.

The SPEAKER pro tempore. The Chair will inquire of the gentleman, to what does he object?

Mr. BAUMAN. Mr. Speaker, the Chair stated that, without objection, the Journal stands approved, and I object.

The SPEAKER pro tempore. The gentleman objects to the approval of the Journal?

Mr. BAUMAN. I have been objecting, Mr. Speaker, for about the last 30 seconds.

The SPEAKER pro tempore. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—yeas 193; nays 34.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BAUMAN. Mr. Speaker, may I inquire, is a recapitulation in order on that count?

The SPEAKER pro tempore. The Chair will state that under the rules there is no recapitulation in order on a vote by division.

Mr. BAUMAN. Then, Mr. Speaker, on the question of the approval of the Journal, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 304, nays 20, not voting 110, as follows:

[Roll No. 99]

YEAS—304

Abdnor	Cleveland	Gradison
Akaka	Cohen	Grassley
Alexander	Coleman	Green
Allen	Collins, Tex.	Guyer
Ammerman	Conte	Hagedorn
Anderson, Calif.	Corcoran	Hall
Andrews, N.C.	Corman	Hamilton
Andrews, N. Dak.	Cornell	Hannaford
Annunzio	Cunningham	Harkin
Applegate	D'Amours	Harris
Archer	Daniel, Dan	Harsha
Armstrong	Daniel, R. W.	Hawkins
Aspin	Danielson	Hefner
AuCoin	Davis	Heftel
Badham	Delaney	Hightower
Bafalis	Derrick	Hillis
Baldus	Derwinski	Holland
Barnard	Devine	Hollenbeck
Bauman	Dickinson	Holt
Beard, R.I.	Dicks	Holtzman
Beard, Tenn.	Diggs	Horton
Bedell	Downey	Hubbard
Benjamin	Drinan	Huckaby
Bennett	Duncan, Oreg.	Hughes
Bevill	Duncan, Tenn.	Hyde
Biaggi	Early	Ichord
Bingham	Eckhardt	Jenkins
Boggs	Edwards, Ala.	Jenrette
Boiling	Edwards, Calif.	Johnson, Calif.
Bonior	Emery	Johnson, Colo.
Bonker	English	Jones, N.C.
Bowen	Erlenborn	Jordan
Brademas	Ertel	Kasten
Breaux	Evans, Colo.	Kastenmeier
Breckinridge	Evans, Ga.	Kelly
Brodhead	Fary	Kemp
Brooks	Fascell	Ketchum
Broomfield	Fenwick	Keys
Brown, Calif.	Findley	Kildee
Brown, Ohio	Fish	Kindness
Broyhill	Fisher	Krebs
Buchanan	Fithian	Lagomarsino
Burgener	Flippo	Latta
Burke, Fla.	Flood	Levitas
Burleson, Tex.	Florio	Livingston
Burlison, Mo.	Flowers	Lloyd, Tenn.
Burton, John	Ford, Tenn.	Long, La.
Burton, Phillip	Fountain	Long, Md.
Butler	Fowler	Lott
Byron	Fraser	Lujan
Caputo	Frenzel	Lundine
Carr	Garcia	McCormack
Carter	Gaydos	McDonald
Cavanaugh	Gephardt	McEwen
Cederberg	Giaimo	McHugh
Clawson, Del	Glickman	McKay
	Gonzalez	McKinney
	Gore	Madigan

Maguire	Panetta	Staggers
Mann	Patten	Stangeland
Markey	Pease	Stanton
Marks	Pepper	Stark
Marlenee	Perkins	Steed
Marriott	Pettis	Steers
Mathis	Pickle	Stokes
Mattox	Pike	Stratton
Meeds	Poage	Studds
Michel	Pressler	Thompson
Mikulski	Preyer	Thone
Mikva	Price	Traxler
Miller, Calif.	Pritchard	Trible
Miller, Ohio	Pursell	Tsongas
Mineta	Railsback	Udall
Minish	Rangel	Vander Jagt
Mitchell, Md.	Regula	Vanik
Mitchell, N.Y.	Rinaldo	Vento
Moakley	Robinson	Volkmer
Moffett	Rodino	Waggonner
Mollohan	Roe	Walgren
Montgomery	Rooney	Walsh
Moore	Rose	Wampler
Moorhead, Calif.	Rosenthal	Watkins
	Rostenkowski	Waxman
Moorhead, Pa.	Roybal	Weaver
Mottl	Ryan	Whalen
Murphy, Ill.	Scheuer	White
Murphy, N.Y.	Schroeder	Whitehurst
Murphy, Pa.	Schulze	Whitley
Murtha	Sebelius	Whitten
Myers, Gary	Seiberling	Wilson, C. H.
Myers, John	Sharp	Wilson, Tex.
Natcher	Shipley	Winn
Neal	Simon	Wirth
Nedzi	Sisk	Wolff
Nichols	Skelton	Wylie
Nix	Skubitz	Yates
Nolan	Slack	Yatron
Nowak	Smith, Iowa	Young, Alaska
O'Brien	Smith, Nebr.	Young, Fla.
Oakar	Snyder	Young, Mo.
Oberstar	Solarz	Zablocki
Obey	Spellman	
Ottinger	Spence	

NAYS—20

Ashbrook	Heckler	Steiger
Brown, Mich.	Jacobs	Stockman
Conable	Leach	Taylor
Coughlin	Martin	Treen
Forsythe	Quayle	Walker
Goodling	Sarasin	Wilson, Bob
Hansen	Shuster	

NOT VOTING—110

Addabbo	Frey	Myers, Michael
Ambro	Fuqua	Patterson
Anderson, Ill.	Gammage	Pattison
Ashley	Gibbons	Quie
Baucus	Gilman	Quillen
Bellenson	Ginn	Rahall
Blanchard	Goldwater	Reuss
Blouin	Gudger	Rhodes
Boland	Hammer-schmidt	Richmond
Brinkley		Risenhoover
Burke, Calif.	Hanley	Roberts
Burke, Mass.	Harrington	Rogers
Carney	Howard	Roncalio
Chappell	Ireland	Rousselot
Chisholm	Jeffords	Rudd
Clausen, Don H.	Jones, Okla.	Runnels
	Jones, Tenn.	Ruppe
Clay	Kazen	Russo
Cochran	Kostmayer	Santini
Collins, Ill.	Krueger	Satterfield
Conyers	LaFalce	Sawyer
Cornwell	Le Fante	Sikes
Cotter	Lederer	St Germain
Crane	Leggett	Stump
de la Garza	Lehman	Symms
Dellums	Lent	Teague
Dent	Lloyd, Calif.	Thornton
Dingell	Luken	Tucker
Dodd	McClory	Ullman
Dornan	McCloskey	Van Deerlin
Edgar	McDade	Weiss
Edwards, Okla.	McFall	Wiggins
Eilberg	Mahon	Wright
Evans, Del.	Mazzoli	Wydler
Evans, Ind.	Metcalfe	Young, Tex.
Flynt	Meyner	Zeferetti
Foley	Milford	
Ford, Mich.	Moss	

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REORGANIZATION OF THE CIVIL SERVICE SYSTEM

(Mr. NIX asked and was given permission to address the House for 1 minute.)

Mr. NIX. Mr. Speaker, it is my pleasure to comply with the request of President Carter to introduce a bill to amend title 5, United States Code, relating to the civil service system of the U.S. Government.

Reorganization of the civil service and substantial modernization of civil service laws were part of President Carter's platform when he was elected by the American people in 1976. His proposal is far reaching and is a progressive and imaginative basis for change to provide the American people and our dedicated civil servants with the best governmental personnel system possible.

I have scheduled hearings before the Committee on Post Office and Civil Service on this legislation to begin March 14, at which time the Chairman of the U.S. Civil Service Commission, Alan K. Campbell, will appear.

Further hearings will be held during the remainder of that week and the following weeks. I plan for our committee to mark up the bill and bring it to the floor as expeditiously as possible.

Mr. CHARLES W. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. NIX. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, by introducing this bill, is the gentleman supporting the legislation, or does he know at this time whether he is in support of the legislation?

Mr. NIX. That would be a premature judgment for me to make.

Mr. CHARLES H. WILSON of California. Mr. Speaker, the only comment I would make to my distinguished friend is that had Mr. Nixon introduced this type of legislation, there would have been uproars from the Democratic side of the aisle about the legislation.

APPOINTMENT OF CONFEREES ON H.R. 3813, EXPANDING REDWOOD NATIONAL PARK

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3813) to amend the act of October 2, 1968, an act to establish a Redwood National Park in the State of California, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from Arizona? The Chair hears none, and without objection, appoints the following conferees: Messrs. PHILLIP BURTON, UDALL, KASTENMEIER, TSONGAS, KREBS, DON H. CLAUSEN, and SEBELIUS.

There was no objection.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE REPORTS ON H.R. 1609, COAL PIPELINE ACT, AND S. 1671, ABSAROKA-BEARTOOTH WILDERNESS, CUSTER AND GALLATIN NATIONAL FORESTS

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file reports on:

H.R. 1609. To amend the Mineral Leasing Act of 1920, and for other purposes. (Coal Pipeline Act), and

S. 1671. To designate the Absaroka-Beartooth Wilderness, Custer and Gallatin National Forests, in the State of Montana.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON PROGRAM AND BUDGET AUTHORIZATION OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE TO SIT DURING 5-MINUTE RULE TODAY

Mr. BURLISON of Missouri. Mr. Speaker, I ask unanimous consent that the Subcommittee on Program and Budget Authorization of the Permanent Select Committee on Intelligence may sit today during proceedings of the House under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENDING AND MODIFYING COUNTERCYCLICAL REVENUE-SHARING PROGRAM

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I have, today, introduced legislation to extend and modify the countercyclical revenue-sharing program. My bill has two purposes. First, it would extend the countercyclical revenue-sharing program for five quarters. In addition, it would reduce the national unemployment trigger to 5.5 percent.

The continuation of this legislation is extremely important to the fiscal health of many localities. As the national unemployment rate approaches 6 percent, many localities are still confronted by high rates of unemployment and severe fiscal distress.

This legislation has proven to be extremely important to local governments. It would enable the continuation of existing levels of public services and the maintenance of public service jobs that have been created with countercyclical funds. According to a recent Treasury Department report, countercyclical revenue sharing is the most effective method for targeting funds according to fiscal strain. Of the 48 city governments

studied, the per capita allocation average for high-strained cities is $29 and $7 for low-strained cities.

Allowing this program to expire would have a depressing effect on localities of all sizes and locations. I am convinced that this necessary program must continue and I intend to lead the House fight to insure that it does.

WORLD BANK MAKES $105 MILLION LOAN TO ARGENTINA TO STIMULATE ITS GRAIN PRODUCTION AND EXPORTS

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, just yesterday I received a copy of a news release from the World Bank about a $105 million loan to Argentina to assist in improving that country's grain marketing and stimulating its grain production and exports. That is nothing short of appalling.

I have nothing against effective foreign aid programs and in fact generally vote for them, but I do think we need to make sure that U.S. dollars are not working at cross-purposes. All very confusing—here we are trying to resolve a domestic agricultural crisis of great severity, and among the avenues we are pursuing is expansion of our export markets. Now, through the World Bank, we are providing funds to another major grain exporter to compete with us in the world grain markets. And we should not be fooled; the United States—our taxpayers, including our farmers—are providing one-fourth of the funding the Bank is providing.

It also makes no sense for us to be telling U.S. farmers to be holding back, setting aside acres, to bring up prices to make their business profitable and then to turn around and encourage—through multilateral foreign aid—farmers abroad in a country that is a competitor of ours, to increase their own production. Instead, we need to be working with negotiators from the other wheat producing nations—including Argentina—to develop a strong, unified negotiating posture which will result in higher international grain prices for all of us.

In closing, let me make one more point. Our balance of payments is critically in deficit—the dollar is still going downhill in the international money markets. But this loan, according to the World Bank press release, is designed to strengthen Argentina's balance-of-payments situation. Charity is all well and good, but it strikes me as ludicrous that we would permit our tax dollars to be used to resolve problems elsewhere which we have yet to correct here at home.

Maybe we need to consider reducing our contributions to organizations like the World Bank, where we cannot sufficiently control the use of those funds. We cannot afford to let our own tax dollars work against us.

COMMUNICATION FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES IN RE POSSIBLE VIOLATIONS OF TITLE 18, UNITED STATES CODE, SECTIONS 2, 201, 371, 1962, 1952, 1951, 1503, 1343, 1341

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 2, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: On February 17, 1978, I was served with the attached Subpoena *Duces Tecum*, together with the accompanying Findings of the Court concerning the materiality and relevancy of the subpoenaed documents and records.

Pursuant to the provisions of House Resolution 10, I am hereby transmitting the above referenced Subpoena and Order, and the matter is presented for your consideration.

With kind regards, I am

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 10, the subpena and findings of the court will be printed in the RECORD.

The subpena and findings referred to follow:

[U.S. District Court for the District of Columbia]

IN RE POSSIBLE VIOLATIONS OF 18 U.S.C. §§ 2, 201, 371, 1962, 1952, 1951, 1503, 1343, 1341—MISC. No. 78–0035

FINDINGS OF COURT

Upon consideration of *in camera* disclosures made by representatives of the Criminal Division of the United States Department of Justice and of U.S. House of Representatives Resolution No. 10 adopted January 4, 1977, it is this 17th day of February, 1978,

Found that the papers, documentary evidence, and materials subpoenaed under the subpoena *duces tecum* dated February 17, 1978 and addressed to the Honorable Edmund L. Henshaw, Clerk, House of Representatives of the United States or his authorized representative, a facsimile of which is attached hereto are necessary, material and relevant to a pending Grand Jury investigation in this judicial district and in this Court for the promotion of justice.

Wherefore, the Court desires that the documentary evidence or certified copies thereof which are the subject of the subpoena *duces tecum* be supplied to its authorized representative and agent, Clerk of this Court James F. Davey, accompanied by Department of Justice Attorneys John M. Dowd and Robert R. Chapman as representatives of the proper party to this proceeding, to wit: the Federal Grand Jury, pursuant to said subpoena *duces tecum* and in conformance with House Resolution No. 10.

J. H. PRATT,
U.S. District Judge.

[U.S. District Court for the District of Columbia]

IN RE POSSIBLE VIOLATIONS OF 18 U.S.C. §§ 2, 201, 371, 1962, 1952, 1951, 1503, 1343, 1341—MISC. 78–0035

SUBPOENA DUCES TECUM

To: Honorable Edmund L. Henshaw, Clerk, U.S. House of Representatives, Washington, D.C., or his authorized representative

Bring With you: All books, records, transcripts, computer printouts, telephone toll records of all telephone calls from or charged to the Office of Representative Daniel J. Flood including but not limited to numbers 225–6511, 225–6584 and any other numbers assigned to Representative Daniel J. Flood for the years 1973 through and including February 10, 1978.

You are hereby commanded to appear before the Grand Jury of this Court on Thursday, February 23, 1978, at 10:00 a.m. to testify and produce the aforesaid documents on behalf of the United States, and not depart the Grand Jury without leave of the Court or the United States Attorney.

Witness this 17th day of February, 1978.

J. H. PRATT,
U.S. District Judge.

COMMUNICATION FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *March 2, 1978.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 3:07 p.m. on Thursday, March 2, 1978, and said to contain a message from the President concerning the reform of the Federal Civil Service system.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REFORMING THE FEDERAL CIVIL SERVICE SYSTEM — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95–299)

The SPEAKER pro tempore laid before the House the following message from the President of the United States which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

I am transmitting to the Congress today a comprehensive program to reform the Federal Civil Service system. My proposals are intended to increase the government's efficiency by placing new emphasis on the quality of performance of Federal workers. At the same time, my recommendations will ensure that employees and the public are protected against political abuse of the system.

Nearly a century has passed since enactment of the first Civil Service Act—the Pendleton Act of 1883. That Act established the United States Civil Service Commission and the merit system it administers. These institutions have

served our Nation well in fostering development of a Federal workforce which is basically honest, competent, and dedicated to constitutional ideals and the public interest.

But the system has serious defects. It has become a bureaucratic maze which neglects merit, tolerates poor performance, permits abuse of legitimate employee rights, and mires every personnel action in red tape, delay and confusion.

Civil Service reform will be the centerpiece of government reorganization during my term in office.

I have seen at first hand the frustration among those who work within the bureaucracy. No one is more concerned at the inability of government to deliver on its promises than the worker who is trying to do a good job.

Most Civil Service employees perform with spirit and integrity. Nevertheless, there is still widespread criticism of Federal government performance. The public suspects that there are too many government workers, that they are underworked, overpaid, and insulated from the consequences of incompetence.

Such sweeping criticisms are unfair to dedicated Federal workers who are conscientiously trying to do their best, but we have to recognize that the only way to restore public confidence in the vast majority who work well is to deal effectively and firmly with the few who do not.

For the past 7 months, a task force of more than 100 career civil servants has analyzed the Civil Service, explored its weaknesses and strengths and suggested how it can be improved.

The objectives of the Civil Service reform proposals I am transmitting today are:

—To strengthen the protection of legitimate employee rights;

—To provide incentives and opportunities for managers to improve the efficiency and responsiveness of the Federal Government;

—To reduce the redtape and costly delay in the present personnel system;

—To promote equal employment opportunity;

—To improve labor-management relations.

My specific proposals are these:

1. REPLACING THE CIVIL SERVICE COMMISSION WITH AN OFFICE OF PERSONNEL MANAGEMENT AND A MERIT PROTECTION BOARD

Originally established to conduct Civil Service examinations, the Civil Service Commission has, over the years, assumed additional and inherently conflicting responsibilities. It serves simultaneously both as the protector of employee rights and as the promoter of efficient personnel management policy. It is a manager, rulemaker, prosecutor and judge. Consequently, none of these jobs are being done as effectively as they should be.

Acting under my existing reorganization authority, I propose to correct the inherent conflict of interest within the Civil Service Commission by abolishing the Commission and replacing it with a Merit Protection Board and Office of Personnel Management.

The Office of Personnel Management will be the center for personnel administration (including examination, training, and administration of pay and benefits); it will not have any prosecutorial or adjudicative powers against individuals. Its Director will be appointed by the President and confirmed by the Senate. The Director will be the government's management spokesman on Federal employee labor relations and will coordinate Federal personnel matters, except for Presidential appointments.

The Merit Protection Board will be the adjudicatory arm of the new personnel system. It will be headed by a bipartisan board of three members, appointed for 7 years, serving non-renewable overlapping terms, and removable only for cause. This structure will guarantee independent and impartial protection to employees. I also propose to create a Special Counsel to the Board, appointed by the President and confirmed by the Senate, who will investigate and prosecute political abuses and merit system violations. This will help safeguard the rights of Federal employees who "blow the whistle" on violations of laws or regulations by other employees, including their supervisors.

In addition, these proposals will write into law for the first time the fundamental principles of the merit system and enumerate prohibited personnel practices.

2. A SENIOR EXECUTIVE SERVICE

A critical factor in determining whether Federal programs succeed or fail is the ability of the senior managers who run them. Throughout the Executive Branch, these 9200 top administrators carry responsibilities that are often more challenging than comparable work in private industry. But under the Civil Service system, they lack the incentives for first-rate performance that managers in private industry have. The Civil Service system treats top managers just like the 2.1 million employees whose activities they direct. They are equally insulated from the risks of poor performance, and equally deprived of tangible rewards for excellence.

To help solve these problems I am proposing legislation to create a Senior Executive Service affecting managers in grades GS–16 through non-Presidentially appointed Executive Level IV or its equivalent. It would allow:

—Transfer of executives among senior positions on the basis of government need;

—Authority for agency heads to adjust salaries within a range set by law with the result that top managers would no longer receive automatic pay increases based on longevity;

—Annual performance reviews, with inadequate performance resulting in removal from the Senior Executive Service (back to GS–15) without any right of appeal to the Merit Protection Board.

Agency heads would be authorized to distribute bonuses for superior performance to not more than 50 per cent of the senior executives each year. These would be allocated according to criteria prescribed by the Office of Personnel Management, and should average less than five per cent of base salary per year. They would not constitute an increase in salary but rather a one-time payment. The Office of Personnel Management also would be empowered to award an additional stipend directly to a select group of senior executives, approximately five per cent of the total of the Senior Executive Service, who have especially distinguished themselves in their work. The total of base salary, bonus, and honorary stipend should in no case exceed 95 per cent of the salary level for an Executive Level II position.

No one now serving in the "supergrade" managerial positions would be required to join the Senior Executive Service. But all would have the opportunity to join. And the current percentage of non-career supergrade managers—approximately 10 per cent—would be written into law for the first time, so that the Office of Personnel Management would not retain the existing authority of the Civil Service Commission to expand the proportion of political appointees.

This new Senior Executive Service will provide a highly qualified corps of top managers with strong incentives and opportunities to improve the management of the Federal government.

3. INCENTIVE PAY FOR LOWER LEVEL FEDERAL MANAGERS AND SUPERVISORS

The current Federal pay system provides virtually automatic "step" pay increases as well as further increases to keep Federal salaries comparable to those in private business. This may be appropriate for most Federal employees, but performance—not merely endurance—should determine the compensation of Federal managers and supervisors. I am proposing legislation to let the Office of Personnel Management establish an incentive pay system for government managers, starting with those in grades GS–13 through GS–15. Approximately 72,000 managers and supervisors would be affected by such a system which could later be extended by Congress to other managers and supervisors.

These managers and supervisors would no longer receive automatic "step" increases in pay and would receive only 50 per cent of their annual comparability pay increase. They would, however, be eligible for "performance" pay increases of up to 12 per cent of their existing salary. Such a change would not increase payroll costs, and it should be insulated against improprieties through the use of strong audit and performance reviews by the Office of Personnel Management.

4. A FAIRER AND SPEEDIER DISCIPLINARY SYSTEM

The simple concept of a "merit system" has grown into a tangled web of complicated rules and regulations.

Managers are weakened in their ability to reward the best and most talented people—and to fire those few who are unwilling to work.

The sad fact is that it is easier to promote and transfer incompetent employees than to get rid of them.

It may take as long as 3 years merely to fire someone for just cause, and at the same time the protection of legitimate rights is a costly and time-consuming process for the employee.

A speedier and fairer disciplinary system will create a climate in which managers may discharge non-performing employees—using due process—with reasonable assurance that their judgment, if valid, will prevail.

At the same time, employees will receive a more rapid hearing for their grievances.

The procedures that exist to protect employee rights are absolutely essential.

But employee appeals must now go through the Civil Service Commission, which has a built-in conflict of interest by serving simultaneously as rule-maker, prosecutor, judge, and employee advocate.

The legislation I am proposing today would give all competitive employees a statutory right of appeal. It would spell out fair and sensible standards for the Merit Protection Board to apply in hearing appeals. Employees would be provided with attorneys' fees if they prevail and the agency's action were found to have been wholly without basis. Both employees and managers would have, for the first time, subpoena power to ensure witness participation and document submission. The subpoena power would expedite the appeals process, as would new provisions for prehearing discovery. One of the three existing appeal levels would be eliminated.

These changes would provide both employees and managers with speedier and fairer judgments on the appeal of disciplinary actions.

5. IMPROVED LABOR-MANAGEMENT RELATIONS

In 1962, President John F. Kennedy issued Executive Order 10988, establishing a labor-management relations program in the Executive Branch. The Executive Order has demonstrated its value through five Administrations. However, I believe that the time has come to increase its effectiveness by abolishing the Federal Labor Relations Council created by Executive Order 10988 and transferring its functions, along with related functions of the Assistant Secretary of Labor for Labor Relations, to a newly established Federal Labor Relations Authority. The Authority will be composed of three full-time members appointed by the President with the advice and consent of the Senate.

I have also directed members of my Administration to develop, as part of Civil Service reform, a Labor-Management Relations legislative proposal by working with the appropriate Congressional Committees, Federal employees and their representatives. The goal of this legislation will be to make Executive Branch labor relations more comparable to those of private business, while recognizing the special requirements of the Federal government and the paramount public interest in the effective conduct of the public's business. This will facilitate Civil Service reform of the managerial and supervisory elements of the Executive Branch, free of union involvement, and, at the same time, improve the collective bargaining process as an integral part of the personnel system for Federal workers.

It will permit the establishment through collective bargaining of grievance and arbitration systems, the cost of which will be borne largely by the parties to the dispute. Such procedures will largely displace the multiple appeals systems which now exist and which are unanimously perceived as too costly, too cumbersome and ineffective.

6. DECENTRALIZED PERSONNEL DECISIONMAKING

Examining candidates for jobs in the career service is now done almost exclusively by the Civil Service Commission, which now may take as long as six or eight months to fill important agency positions.

In addition, many routine personnel management actions must be submitted to the Civil Service Commission for prior approval. Much redtape and delay are generated by these requirements; the public benefits little, if at all. My legislative proposals would authorize the Office of Personnel Management to delegate personnel authority to departments and agencies.

The risk of abuse would be minimized by performance agreements between agencies and the Office of Personnel Management, by requirements for reporting, and by follow-up evaluations.

7. CHANGES IN THE VETERANS PREFERENCE LAW

Granting preference in Federal employment to veterans of military service has long been an important and worthwhile national policy. It will remain our policy because of the debt we owe those who have served our nation. It is especially essential for disabled veterans, and there should be no change in current law which would adversely affect them. But the Veterans Preference Act of 1944 also conferred a *lifetime benefit* upon the non-disabled veteran, far beyond anything provided by other veterans readjustment laws like the GI Bill, the benefits of which are limited to 10 years following discharge from the service. Current law also severely limits agency ability to consider qualified applicants by forbidding consideration of all except the three highest-scoring applicants—the so-called rule of three. As a result of the 5-point lifetime preference and the "rule of three", women, minorities and other qualified non-veteran candidates often face insuperable obstacles in their quest for Federal jobs.

Similarly, where a manager believes a program would benefit from fewer employees, the veterans preference provides an absolute lifetime benefit to veterans. In any Reduction in Force, all veterans may "bump" all non-veterans, even those with far greater seniority. Thus women and minorities who have recently acquired middle management positions are more likely to lose their jobs in any cutback.

Therefore I propose:

—Limiting the 5-point veterans preference to the 10 year period following their discharge from the service, beginning 2 years after legislation is enacted;

—Expanding the number of applicants who may be considered by a hiring agency from three to seven, unless the Office of Personnel Management should determine that another number or category ranking is more appropriate;

—Eliminating the veterans preference for retired military officers of field grade rank or above and limiting its availability for other military personnel who have retired after at least 20 years in service to 3 years following their retirement;

—Restricting the absoute preference now accorded veterans in Reductions in Force to their first 3 years of Federal employment, after which time they would be granted 5 extra years of seniority for purposes of determining their rights when Reduction in Force occurs.

These changes would focus the veterans preference more sharply to help disabled veterans and veterans of the Vie^ Nam conflict. I have already proposed a 2-year extension of the Veterans Readjustment Appointment Authority to give these veterans easier entry into the Federal workforce; I support amendments to waive the educational limitation for disabled veterans and to expand Federal job openings for certain veterans in grades GS–5 to GS–7 under this authority. I propose that veterans with 50 percent or higher disability be eligible for non-competitive appointments.

These changes are intended to let the Federal Government meet the needs of the American people more effectively. At the same time, they would make the Federal work place a better environment for Federal employees. I ask the Congress to act promptly on Civil Service Reform and the Reorganization Plan which I will shortly submit.

JIMMY CARTER.

THE WHITE HOUSE, *March 2, 1978.*

PROVIDING FUNDS FOR COMMITTEE ON VETERANS' AFFAIRS

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 957) providing funds for the Committee on Veterans' Affairs, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 957

Resolved, That effective January 3, 1978, the expenses of the investigations and studies to be conducted pursuant to House rule XI, by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $500,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legisla-

tive Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)) of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)) and not to exceed $15,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purposes.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker. I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1978, the expenses of the investigations and studies to be conducted pursuant to House rule XI, by the Committee on Veterans' Affairs, acting as a whole or by subcommittee, not to exceed $400,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)) of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)) and not to exceed $15,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purposes.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Veterans' Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Chair recognizes the gentleman from Illinois (Mr. ANNUNZIO) for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, the Commmittee on Veterans' Affairs requested for the 2d session of the 95th Congress $500,000, and we cut that to $400,000.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ARMSTRONG. Mr. Speaker, the 11 committee resolutions before us today provide for a total of $14.3 million to meet various committee expenses. It is refreshing to see that House administration has not automatically provided all that was asked by each committee. But, the total for these 11 funding resolutions is still an 11.5-percent increase over the 1977 funding level.

Over the years, there has been a dramatic growth in spending authorized by committee resolutions of this kind. If we go back and compare the 1970 figures with the 1977 amounts authorized by funding resolutions for all committees, the increase is a staggering 381 percent—from $6.8 million in 1970 to $32.7 million in 1977.

It is my impression that House administration is now reviewing committee requests with greater care and at least seeking some justification for sizable increases. This is a welcome change, but, not the solution. Only in Congress is a reduction of the increase thought of as a budget cut. In the rest of the country that's still a spending increase.

If you glance through the reports accompanying these 11 resolutions, a sizable part of the problem is readily apparent—and it is one we know well. Page 6 of the report on the Government Operations Committee tells us they are examining the operation of HUD programs intended to aid inner-city homeowners. Page 33 of the report on the Banking, Finance, and Urban Affairs Committee tells us their Subcommittee on the City will be looking at the administration's urban policy and programs to preserve city neighborhoods. The Interior and Insular Affairs Committee needs funds for its Subcommittee on Energy and the Environment; the Government Operations Committee needs funds to continue its work on energy; and the Select Committee on Aging needs funds to examine energy costs and programs. The waste and expense created by duplication and overlapping jurisdiction would be even more obvious if we were looking at the funding of all committees—not just the 11 before us today.

Clearly we need a complete revamping of the entire system—not just closer scrutiny of annual budgets. A proposal to at least begin this effort—to look at a reorganization of the committee system—was included in the ill-fated recommendations of the Administrative Review Commission. Unfortunately, those recommendations were brought to the floor of the House last year under a gag rule and the Members properly rejected such a procedure. As a member of that now defunct Commission, I urged the Speaker last December to bring these recommendations back to the floor in this session, under an open rule, so that the recommendations for reform of the committee system—and other recommendations, some of which I oppose—can be acted on by the House. I know some of the public members of the Administrative Review Commission also urged the speaker to bring these proposals back to the floor. Since I have not yet received a reply from the speaker, I assume either the mail between the Capitol and the far reaches of the Cannon Building move exceedingly slow, or, there is little interest in reforming this system. And we will continue to see these committee expenditures climb.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 336, nays 1, not voting 97, as follows:

[Roll No. 100]

YEAS—336

Abdnor	English	McKinney
Akaka	Erlenborn	Madigan
Alexander	Ertel	Maguire
Allen	Evans, Colo.	Mann
Ammerman	Evans, Ga.	Markey
Anderson, Calif.	Fary	Marks
	Fascell	Marlenee
Andrews, N.C.	Fenwick	Marriott
Andrews, N. Dak.	Findley	Martin
	Fish	Mathis
Annunzio	Fisher	Mattox
Applegate	Fithian	Meeds
Archer	Flippo	Michel
Armstrong	Flood	Mikulski
Ashbrook	Florio	Mikva
Ashley	Flowers	Milford
Aspin	Foley	Miller, Calif.
AuCoin	Ford, Tenn.	Miller, Ohio
Badham	Forsythe	Mineta
Bafalis	Fountain	Minish
Baldus	Fowler	Mitchell, Md.
Barnard	Fraser	Mitchell, N.Y.
Bauman	Frenzel	Moakley
Beard, R.I.	Garcia	Moffett
Beard, Tenn.	Gaydos	Mollohan
Bedell	Gephardt	Montgomery
Beilenson	Giaimo	Moore
Benjamin	Glickman	Moorhead, Calif.
Bennett	Gonzalez	
Bevill	Goodling	Moorhead, Pa.
Biaggi	Gore	Motti
Bingham	Gradison	Murphy, Ill.
Boggs	Grassley	Murphy, N.Y.
Boiling	Green	Murphy, Pa.
Bonior	Gudger	Murtha
Bonker	Guyer	Myers, Gary
Bowen	Hagedorn	Myers, John
Brademas	Hall	Natcher
Breaux	Hamilton	Neal
Breckinridge	Hannaford	Nedzi
Brodhead	Hansen	Nichols
Brooks	Harkin	Nix
Broomfield	Harris	Nolan
Brown, Calif.	Harsha	Nowak
Brown, Mich.	Hawkins	O'Brien
Brown, Ohio	Heckler	Oakar
Broyhill	Hefner	Oberstar
Buchanan	Heftel	Obey
Burgener	Hightower	Ottinger
Burke, Fla.	Hillis	Panetta
Burke, Mass.	Holland	Patten
Burleson, Tex.	Hollenbeck	Pease
Burlison, Mo.	Holt	Pepper
Burton, John	Holtzman	Perkins
Burton, Phillip	Horton	Pettis
Butler	Hubbard	Pickle
Byron	Huckaby	Pike
Caputo	Hughes	Poage
Carr	Hyde	Pressler
Carter	Ichord	Preyer
Cavanaugh	Ireland	Price
Cederberg	Jacobs	Pritchard
Clawson, Del	Jenkins	Pursell
Cleveland	Jenrette	Railsback
Cohen	Johnson, Calif.	Rangel
Coleman	Johnson, Colo.	Regula
Collins, Tex.	Jones, N.C.	Rinaldo
Conable	Jordan	Robinson
Conte	Kasten	Rodino
Corcoran	Kastenmeier	Roe
Corman	Kelly	Rooney
Cornell	Kemp	Rose
Cornwell	Ketchum	Rosenthal
Coughlin	Keys	Rostenkowski
Cunningham	Kildee	Roybal
D'Amours	Kindness	Ryan
Daniel, Dan	Krebs	Sarasin
Daniel, R. W.	Lagomarsino	Scheuer
Danielson	Latta	Schroeder
Davis	Leach	Schulze
Delaney	Levitas	Sebelius
Dellums	Livingston	Seiberling
Derrick	Lloyd, Tenn.	Sharp
Derwinski	Long, La.	Shipley
Devine	Long, Md.	Shuster
Dickinson	Lott	Simon
Dicks	Lujan	Sisk
Downey	Luken	Skelton
Drinan	Lundine	Skubitz
Duncan, Oreg.	McCormack	Slack
Duncan, Tenn.	McDade	Smith, Iowa
Early	McDonald	Smith, Nebr.
Eckhardt	McEwen	Snyder
Edwards, Ala.	McFall	Solarz
Edwards, Calif.	McHugh	Spellman
Emery	McKay	Spence
Staggers	Tsongas	Whitley
Stangeland	Udall	Whitten
Stanton	Ullman	Wiggins
Stark	Vander Jagt	Wilson, Bob
Steed	Vanik	Wilson, C. H.
Steers	Vento	Wilson, Tex.
Steiger	Volkmer	Winn
Stockman	Walgren	Wirth
Stokes	Walker	Wolff
Stratton	Walsh	Wright
Studds	Wampler	Wylie
Taylor	Watkins	Yates
Thompson	Waxman	Yatron
Thone	Weaver	Young, Alaska
Traxler	Whalen	Young, Fla.
Treen	White	Young, Mo.
Trible	Whitehurst	Zablocki

NAYS—1

Quayle

NOT VOTING—97

Addabbo	Frey	Patterson
Ambro	Fuqua	Pattison
Anderson, Ill.	Gammage	Quie
Baucus	Gibbons	Quillen
Blanchard	Gilman	Rahall
Blouin	Ginn	Reuss
Boland	Goldwater	Rhodes
Brinkley	Hammer-schmidt	Richmond
Burke, Calif.		Risenhoover
Carney	Hanley	Roberts
Chappell	Harrington	Rogers
Chisholm	Howard	Roncalio
Clausen, Don H.	Jeffords	Rousselot
	Jones, Okla.	Rudd
Clay	Jones, Tenn.	Runnels
Cochran	Kazen	Ruppe
Collins, Ill.	Kostmayer	Russo
Conyers	Krueger	Santini
Cotter	LaFalce	Satterfield
Crane	Le Fante	Sawyer
de la Garza	Lederer	Sikes
Dent	Leggett	St Germain
Diggs	Lehman	Stump
Dingell	Lent	Symms
Dodd	Lloyd, Calif.	Teague
Dornan	McClory	Thornton
Edgar	McCloskey	Tucker
Edwards, Okla.	Mahon	Van Deerlin
Eilberg	Mazzoli	Waggonner
Evans, Del.	Metcalfe	Weiss
Evans, Ind.	Meyner	Wydler
Flynt	Moss	Young, Tex.
Ford, Mich.	Myers, Michael	Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Zeferetti.
Mr. Flynt with Mr. Dent.
Mrs. Collins of Illinois with Mr. Diggs.
Mr. Krueger with Mr. Kazen.
Mr. Ginn with Mr. Moss.
Mrs. Chisholm with Mr. Mahon.
Mr. Dodd with Mr. Cotter.
Mr. Chappell with Mr. Rogers.
Mr. Lloyd of California with Mr. Teague.
Mrs. Meyner with Mr. Pattison of New York.
Mr. Russo with Mr. Van Deerlin.
Mr. Sikes with Mr. Waggonner.
Mr. Mazzoli with Mr. Jones of Oklahoma.
Mr. Gibbons with Mr. Fuqua.
Mr. Kostmayer with Mr. Le Fante.
Mr. Jones of Tennessee with Mr. Harrington.
Mr. Dingell with Mr. Gammage.
Mr. de la Garza with Mr. Blouin.
Mr. Metcalfe with Mr. Santini.
Mr. Blanchard with Mr. Ambro.
Mr. Roncalio with Mr. Runnels.
Mr. Conyers with Mr. Ford of Michigan.
Mr. Richmond with Mr. St Germain.
Mr. Baucus with Mr. Hanley.
Mr. Thornton with Mr. Stump.
Mr. Clay with Mr. Brinkley.
Mr. Reuss with Mr. Tucker.
Mr. Weiss with Mr. Patterson of California.
Mr. Edgar with Mr. Leggett.
Mr. LaFalce with Mr. Howard.
Mr. Rahall with Mr. Roberts.
Mr. Edwards of Oklahoma with Mrs. Burke of California.
Mr. Lederer with Mr. Michael O. Myers.
Mr. Carney with Mr. Lehman.
Mr. Satterfield with Mr. Risenhoover.
Mr. Eilberg with Mr. Anderson of Illinois.
Mr. Wydler with Mr. Symms.
Mr. Don H. Clausen with Mr. Evans of Delaware.
Mr. Hammerschmidt with Mr. Quillen.
Mr. Cochran of Mississippi with Mr. Dornan.
Mr. Lent with Mr. Jeffords.
Mr. Evans of Indiana with Mr. McCloskey.
Mr. Quie with Mr. Rudd.
Mr. Rousselot with Mr. Sawyer.
Mr. Goldwater with Mr. Ruppe.
Mr. McClory with Mr. Crane.
Mr. Frey with Mr. Gilman.

Mr. BOWEN changed his vote from "nay" to "yea."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 957 just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PROVIDING FUNDS FOR COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 953) providing funds for the Committee on the District of Columbia, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 953

Resolved, That, effective January 3, 1978, the expense of investigations and studies to be conducted by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $288,750, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $5,250 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(1) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (1)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with re-

spect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1978, the expenses of investigations and studies to be conducted by the Committee on the District of Columbia, acting as a whole or by subcommittee, not to exceed $275,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $5,250 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the District of Columbia shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, on the budget for the Committee on the District of Columbia, the request was for $288,750; and the committee recommendation is $275,000, a cut in that budget.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

Mr. HOLLAND. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant of Arms will notify absent Members.

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. ASHBROOK. Mr. Speaker, the vote would now occur on the substitute committee amendment; would it not? The question was not put on the resolution; was it?

The SPEAKER pro tempore. The Chair will state that the Chair had already put the question on the committee amendment, and the Chair understood that the gentleman was seeking a vote on agreeing to the resolution, as amended.

Mr. HOLLAND. Mr. Speaker, the Chair is correct.

The SPEAKER pro tempore. The rollcall is automatic.

The vote was taken by electronic device, and there were—yeas 318, nays 15, not voting 101, as follows:

[Roll No. 101]

YEAS—318

Abdnor	Broomfield	Dickinson
Akaka	Brown, Calif.	Dicks
Alexander	Brown, Mich.	Downey
Allen	Brown, Ohio	Drinan
Ammerman	Broyhill	Duncan, Oreg.
Anderson, Calif.	Buchanan	Duncan, Tenn.
Andrews, N.C.	Burgener	Early
Andrews, N. Dak.	Burke, Fla.	Eckhardt
Annunzio	Burke, Mass.	Edwards, Ala.
Applegate	Burleson, Tex.	Edwards, Calif.
Archer	Burlison, Mo.	Emery
Armstrong	Burton, John	English
Ashley	Burton, Phillip	Erlenborn
Aspin	Butler	Ertel
AuCoin	Byron	Evans, Colo.
Badham	Caputo	Fary
Bafalis	Carr	Fascell
Baldus	Carter	Fenwick
Barnard	Cavanaugh	Findley
Beard, R.I.	Cederberg	Fish
Beard, Tenn.	Cleveland	Fisher
Bedell	Cohen	Fithian
Beilenson	Coleman	Flippo
Benjamin	Conable	Flood
Bennett	Conte	Florio
Bevill	Corcoran	Flowers
Biaggi	Corman	Foley
Bingham	Cornell	Ford, Tenn.
Boggs	Coughlin	Forsythe
Bolling	Cunningham	Fountain
Bonior	D'Amours	Fowler
Bonker	Daniel, Dan	Fraser
Bowen	Daniel, R. W.	Frenzel
Brademas	Danielson	Garcia
Breaux	Davis	Gaydos
Breckinridge	Delaney	Giaimo
Brodhead	Dellums	Glickman
Brooks	Derrick	Gonzalez
	Derwinski	Goodling
	Devine	Gore
Gradison	Marlenee	Roybal
Grassley	Marriott	Ryan
Green	Martin	Sarasin
Gudger	Mathis	Scheuer
Guyer	Mattox	Schroeder
Hagedorn	Meeds	Schulze
Hall	Michel	Sebelius
Hamilton	Mikulski	Seiberling
Hannaford	Mikva	Sharp
Harkin	Milford	Shipley
Harris	Miller, Calif.	Simon
Harsha	Mineta	Sisk
Hawkins	Minish	Skelton
Heckler	Mitchell, Md.	Skubitz
Hefner	Mitchell, N.Y.	Slack
Heftel	Moakley	Smith, Iowa
Hightower	Moffett	Smith, Nebr.
Hillis	Mollohan	Snyder
Holland	Montgomery	Solarz
Hollenbeck	Moore	Spellman
Holt	Moorhead, Calif.	Spence
Holtzman	Moorhead, Pa.	Staggers
Horton	Moss	Stangeland
Hubbard	Mottl	Stanton
Huckaby	Murphy, Ill.	Stark
Hughes	Murphy, N.Y.	Steed
Hyde	Murphy, Pa.	Steers
Ichord	Murtha	Steiger
Ireland	Myers, Gary	Stokes
Jacobs	Myers, John	Stratton
Jenkins	Natcher	Studds
Jenrette	Neal	Taylor
Johnson, Calif.	Nedzi	Thompson
Johnson, Colo.	Nichols	Thone
Jordan	Nix	Traxler
Kasten	Nolan	Treen
Kastenmeier	Nowak	Tsongas
Kelly	O'Brien	Udall
Kemp	Oakar	Ullman
Ketchum	Oberstar	Vander Jagt
Keys	Obey	Vanik
Kildee	Ottinger	Vento
Kindness	Panetta	Volkmer
Krebs	Patten	Walker
Lagomarsino	Pease	Walsh
Latta	Pepper	Wampler
Leach	Perkins	Watkins
Levitas	Pettis	Waxman
Livingston	Pickle	Weaver
Lloyd, Tenn.	Pike	Whalen
Long, La.	Poage	White
Long, Md.	Pressler	Whitehurst
Lott	Preyer	Whitley
Lujan	Price	Whitten
Lundine	Pritchard	Wilson, Bob
McCormack	Railsback	Wilson, C. H.
McDade	Rangel	Wilson, Tex.
McEwen	Regula	Winn
McFall	Rinaldo	Wirth
McHugh	Robinson	Wolff
McKay	Rodino	Wylie
McKinney	Roe	Yates
Madigan	Rooney	Yatron
Maguire	Rose	Young, Alaska
Mann	Rosenthal	Young, Fla.
Markey	Rostenkowski	Young, Mo.
Marks		Zablocki

NAYS—15

Ashbrook	Dornan	Miller, Ohio
Bauman	Evans, Ga.	Pursell
Clawson, Del	Hansen	Quayle
Collins, Tex.	Luken	Shuster
Cornwell	McDonald	Trible

NOT VOTING—101

Addabbo	Eilberg	Lederer
Ambro	Evans, Del.	Leggett
Anderson, Ill.	Evans, Ind.	Lehman
Baucus	Flynt	Lent
Blanchard	Ford, Mich.	Lloyd, Calif.
Blouin	Frey	McClory
Boland	Fuqua	McCloskey
Brinkley	Gammage	Mahon
Burke, Calif.	Gephardt	Mazzoli
Carney	Gibbons	Metcalfe
Chappell	Gilman	Meyner
Chisholm	Ginn	Myers, Michael
Clausen, Don H.	Goldwater	Patterson
Clay	Hammer-schmidt	Pattison
Cochran	Hanley	Quie
Collins, Ill.	Harrington	Quillen
Conyers	Howard	Rahall
Cotter	Jeffords	Reuss
Crane	Jones, N.C.	Rhodes
de la Garza	Jones, Okla.	Richmond
Dent	Jones, Tenn.	Risenhoover
Diggs	Kazen	Roberts
Dingell	Kostmayer	Rogers
Dodd	Krueger	Roncalio
Edgar	LaFalce	Rousselot
Edwards, Okla.	Le Fante	Rudd
		Runnels

Ruppe	Stump	Weiss
Russo	Symms	Wiggins
Santini	Teague	Wright
Satterfield	Thornton	Wydler
Sawyer	Tucker	Young, Tex.
Sikes	Van Deerlin	Zeferetti
St Germain	Waggonner	
Stockman	Walgren	

The Clerk announced the following pairs:

Mr. Diggs with Mr. Clay.
Mrs. Burke of California with Mr. Addabbo.
Mr. Wright with Mr. Mahon.
Mr. Kazen with Mr. Krueger.
Mrs. Meyner with Mr. Le Fante.
Mr. Baucus with Mr. Richmond.
Mr. Sikes with Mr. Fuqua.
Mr. de la Garza with Mr. Hanley.
Mr. Teague with Mr. Roberts.
Mr. Jones of Oklahoma with Mr. Gibbons.
Mr. Ambro with Mr. Blanchard.
Mr. Mazzoli with Mr. Howard.
Mr. Conyers with Mrs. Collins of Illinois.
Mr. Lederer with Mr. Dent.
Mr. Brinkley with Mr. Flynt.
Mr. Chappell with Mr. Lehman.
Mr. Gammage with Mr. Ford of Michigan.
Mr. Metcalfe with Mr. Michael O. Myers.
Mr. St Germain with Mr. Lloyd of California.
Mr. Patterson of California with Mr. Risenhoover.
Mr. Zeferetti with Mr. Van Deerlin.
Mr. Weiss with Mr. Satterfield.
Mr. Edgar with Mr. Edwards of Oklahoma.
Mr. Rogers with Mr. Reuss.
Mr. Ginn with Mr. Blouin.
Mr. Harrington with Mr. Dodd.
Mr. Jones of North Carolina with Mr. LaFalce.
Mr. Gephardt with Mr. Dingell.
Mr. Russo with Mr. Leggett.
Mr. Walgren with Mr. Tucker.
Mr. Thornton with Mr. Stump.
Mr. Runnels with Mr. Rahall.
Mr. Carney with Mr. Jones of Tennessee.
Mr. Santini with Mr. Roncalio.
Mr. Eilberg with Mr. Waggonner.
Mr. Kostmayer with Mr. Evans of Delaware.
Mr. Lent with Mr. McClory.
Mr. Evans of Indiana with Mr. Quie.
Mr. Wiggins with Mr. Symms.
Mr. Frey with Mr. Crane.
Mr. Quillen with Mr. Wydler.
Mr. Rousselot with Mr. Goldwater.
Mr. Hammerschmidt with Mr. Don H. Clausen.
Mr. Gilman with Mr. Sawyer.
Mr. Ruppe with Mr. Jeffords.
Mr. Cochran of Mississippi with Mr. McCloskey.
Mr. Anderson of Illinois with Mr. Rudd.

Mr. HANSEN changed his vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 953, the Committee on District of Columbia funding resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PROVIDING FUNDS FOR THE COMMITTEE ON RULES

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 1012) providing funds for the Committee on Rules.

The clerk read the resolution, as follows:

H. RES. 1012

Resolved, That effective January 3, 1978, in carrying out its duties during the second session of the Ninety-Fifth Congress, the Committee on Rules is authorized to incur such expenses (not in excess of $89,500) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

SEC. 2. Funds authorized by the resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1978, in carrying out its duties during the second session of the Ninety-fifth Congress, the Committee on Rules is authorized to incur such expenses (not in excess of $49,500) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

SEC. 2. Funds authorized by the resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I wonder if the gentleman from New Jersey could give us some enlightenment about the total budget of the Committee on Rules. As the gentleman well knows, this particular resolution provides for $49,500 in funding for investigations and studies and—would you believe—foreign travel on the part of the Committee on Rules. But is there not also a statutory authorization for a certain number of staff members as well as one clerk to be assigned to each member of the Committee on Rules, and what would be the total amount of that money as well as this?

Mr. THOMPSON. If the gentleman will yield, Mr. Speaker, the gentleman is correct that there is a statutory authorization for professional and clerical staff for every House standing committee. The distinguished chairman of the Committee on Rules, the gentleman from New York (Mr. DELANEY), has not used it all.

Mr. BAUMAN. Are we talking about several hundred thousand dollars in salaries? I would suspect that it is at least that.

Mr. THOMPSON. If the gentleman will yield further, the maximum would be, theoretically, 30 slots—two permissible at $50,000 each and 28 slots at $47,500, the permissible maximum. The total permissible maximum for any standing committee is therefore $1,430,000. Of course, no committee uses anywhere near that maximum figure.

Mr. BAUMAN. What was the figure the gentleman gave?

Mr. THOMPSON. Theoretically, it would be two times $50,000 and 28 times $47,500.

Mr. BAUMAN. So that it is actually in excess of $1 million probably.

Mr. THOMPSON. Yes, but that is only the theoretical maximum. As I said before, no committee uses anywhere close to that figure.

Mr. BAUMAN. Further reserving the right to object, I just think that those who review the record on these funding resolutions ought to understand that when we grant $49,500 to the Committee on Rules, that is a very small part of the amount of money that this committee is actually receiving. It would be a little bit better for public information purposes, I think, to point out that $1 million-plus is actually the expense of these committees, and the same thing applies to other committees.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New Jersey, Mr. THOMPSON, for 1 hour.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the distinguished gentleman from Ohio, the ranking member, for debate only.

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Speaker, I really wish to point out for the information of the gentleman from Maryland that this professional staff allowance applies to all standing committees, but it does not apply to select committees.

Mr. THOMPSON. The gentleman is correct. In this case I might enlighten the gentleman from Maryland by saying that because of the workload of the Committee on Rules, the chairman of the committee, the gentleman from New York (Mr. DELANEY), has out of his statutory allowance, provided funds for staff persons to assist each member who requests one.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Maryland for debate only.

Mr. BAUMAN. I thank the gentleman for yielding.

My only point is that it would give the public a clear picture of what the Congress itself is spending if we would include in these reports some reference to the statutory amount that the committee receive. In the case of both the Committee on Rules and the Committee on Appropriations we have adopted the practice in the last 2 years of granting to each member automatically a staff member in addition to his congressional staff, and this is what we would have to call—I am not allowed to use the phrase—the other body's method of operating.

I think that we really owe an explanation to our constituents.

Mr. THOMPSON. Mr. Speaker, I would like to point out that anyone can consult the Clerk's report, which is now published quarterly, and determine the precise amount of money paid to each and every committee and, indeed, to every single House employee.

Mr. Speaker, does the gentleman from Illinois wish recognition for purposes of debate only?

Mr. DERWINSKI. Yes. Mr. Speaker, but I do not wish to josh the gentleman. I wish to commend the gentleman for supporting this resolution, especially that part of the resolution pertaining to foreign travel for the members of the Committee on Rules. I feel very strongly that every Member of Congress ought to engage in responsible travel. They ought to exercise that opportunity whenever practical. The U.S. Congress is the greatest legislative body in the world and when its Members travel abroad they are great representatives of our country. They are also assets to the administration and to our diplomats.

I believe that is equally true of the Committee on Rules, so I commend the gentleman from New Jersey for his statesmanship.

Mr. THOMPSON. Mr. Speaker, I thank the gentleman from Illinois very much. In my case, I have traveled a number of times with the gentleman who is asking me to yield now (Mr. ABOUREZK) but not in foreign countries as much as we would like.

Mr. Speaker, I yield for purposes of debate only to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I cannot contemplate what would happen to this body if we travel as much as my good friend, the gentleman from Illinois travels. It might make it difficult to get a quorum, would it not?

Mr. THOMPSON. We might have difficulty getting a quorum; but on the other hand, we might have a lot less trouble. If I have any money left in my subcommittee and the gentleman from Ohio wants to go abroad, I will be glad to send the gentleman.

Mr. ASHBROOK. Particularly on a Friday.

Mr. THOMPSON. Mr. Speaker, I move the previous question on the committee amendment.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 321, nays 13, not voting 100, as follows:

[Roll No. 102]

YEAS—321

Abdnor	Davis	Jacobs
Akaka	Dellums	Jenkins
Alexander	Derrick	Jenrette
Allen	Derwinski	Johnson, Calif.
Ammerman	Devine	Johnson, Colo.
Anderson, Calif.	Dickinson	Jones, N.C.
Andrews, N.C.	Dicks	Jordan
Andrews, N. Dak.	Dornan	Kasten
Annunzio	Downey	Kastenmeier
Applegate	Drinan	Kelly
Archer	Duncan, Oreg.	Kemp
Ashbrook	Duncan, Tenn.	Ketchum
Ashley	Early	Keys
Aspin	Eckhardt	Kildee
AuCoin	Edwards, Ala.	Kindness
Badham	Edwards, Calif.	Krebs
Bafalis	Emery	Lagomarsino
Baldus	English	Latta
Barnard	Erlenborn	Leach
Bauman	Ertel	Levitas
Beard, R.I.	Evans, Colo.	Livingston
Beard, Tenn.	Evans, Ga.	Lloyd, Tenn.
Bedell	Fary	Long, Md.
Beilenson	Fascell	Lujan
Benjamin	Fenwick	Luken
Bennett	Findley	McCormack
Bevill	Fish	McDade
Bingham	Fisher	McDonald
Boggs	Fithian	McEwen
Bonior	Flippo	McHugh
Bonker	Florio	McKay
Bowen	Flowers	McKinney
Brademas	Foley	Madigan
Breaux	Ford, Tenn.	Maguire
Breckinridge	Forsythe	Mann
Brodhead	Fountain	Markey
Brooks	Fowler	Marks
Broomfield	Fraser	Marlenee
Brown, Calif.	Frenzel	Marriott
Brown, Mich.	Garcia	Martin
Brown, Ohio	Gaydos	Mathis
Broyhill	Gephardt	Mattox
Buchanan	Giaimo	Meeds
Burgener	Glickman	Michel
Burke, Fla.	Goodling	Mikulski
Burke, Mass.	Gore	Mikva
Burleson, Tex.	Grassley	Miller, Calif.
Burlison, Mo.	Green	Miller, Ohio
Burton, John	Gudger	Mineta
Burton, Phillip	Guyer	Minish
Butler	Hagedorn	Mitchell, Md.
Byron	Hall	Mitchell, N.Y.
Caputo	Hamilton	Moakley
Carr	Hannaford	Moffett
Carter	Hansen	Mollohan
Cavanaugh	Harkin	Montgomery
Cederberg	Harris	Moore
Clawson, Del	Harsha	Moorhead, Calif.
Cleveland	Hawkins	Moorhead, Pa.
Cohen	Heckler	Moss
Coleman	Hefner	Motti
Collins, Tex.	Heftel	Murphy, N.Y.
Conable	Hightower	Murphy, Pa.
Conte	Hillis	Murtha
Corcoran	Holland	Myers, Gary
Cornell	Hollenbeck	Myers, John
Cornwell	Holt	Natcher
Coughlin	Holtzman	Neal
Cunningham	Horton	Nedzi
D'Amours	Hubbard	Nichols
Daniel, Dan	Huckaby	Nix
Daniel, R. W.	Hughes	Nolan
Danielson	Hyde	Nowak
	Ichord	O'Brien
	Ireland	Oakar
	Jacobs	Oberstar
	Jenkins	Obey
	Jenrette	Ottinger
	Johnson, Calif.	Panetta
	Johnson, Colo.	Patten
	Jones, N.C.	Pease
	Jordan	Pepper
	Kasten	Perkins
	Kastenmeier	Pettis
	Kelly	Pickle
	Kemp	Pike
	Ketchum	Poage
	Keys	Pressler
	Kildee	Preyer
	Kindness	Price
	Krebs	Pritchard
	Lagomarsino	Pursell
	Latta	Quayle
	Leach	Railsback
	Levitas	Regula
	Livingston	Rinaldo
	Lloyd, Tenn.	Robinson
	Long, Md.	Rodino
	Lujan	Roe
	Luken	Rooney
	McCormack	Rose
	McDade	Rosenthal
	McDonald	Rostenkowski
	McEwen	Roybal
	McHugh	Ryan
	McKay	Sarasin
	McKinney	Scheuer
	Madigan	Schroeder
	Maguire	Schulze
	Mann	Sebelius
	Markey	Seiberling
	Marks	Sharp
	Marlenee	Shipley
	Marriott	Shuster
	Martin	Simon
	Mathis	Sisk
	Mattox	Skelton
	Meeds	Skubitz
	Michel	Slack
	Mikulski	Smith, Iowa
	Mikva	Smith, Nebr.
	Miller, Calif.	Snyder
	Miller, Ohio	Solarz
	Mineta	Spellman
	Minish	Spence
	Mitchell, Md.	Staggers
	Mitchell, N.Y.	Stangeland
	Moakley	Stanton
	Moffett	Stark
	Mollohan	Steed
	Montgomery	Steers
	Moore	Steiger
	Moorhead, Calif.	Stockman
	Moorhead, Pa.	Stokes
	Moss	Studds
	Motti	Taylor
	Murphy, N.Y.	Thompson
	Murphy, Pa.	Thone
	Murtha	Traxler
	Myers, Gary	Treen
	Myers, John	Trible
	Natcher	Tsongas
	Neal	Udall
	Nedzi	Ullman
	Nichols	Vander Jagt
	Nix	Vanik
	Nolan	Vento
	Nowak	Volkmer
	O'Brien	Waggonner
		Walgren
		Walker
		Walsh
		Wampler
		Watkins
		Waxman
		Weaver
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wilson, Bob
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wirth
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Mo.
		Zablocki

NAYS—13

Armstrong	Gradison	Rangel
Biaggi	Long, La.	Stratton
Bolling	Lott	Wolff
Delaney	McFall	
Gonzalez	Murphy, Ill.	

NOT VOTING—100

Addabbo	Frey	Patterson
Ambro	Fuqua	Pattison
Anderson, Ill.	Gammage	Quie
Baucus	Gibbons	Quillen
Blanchard	Gilman	Rahall
Blouin	Ginn	Reuss
Boland	Goldwater	Rhodes
Brinkley	Hammer-schmidt	Richmond
Burke, Calif.	Hanley	Risenhoover
Carney	Harrington	Roberts
Chappell	Howard	Rogers
Chisholm	Jeffords	Roncalio
Clausen, Don H.	Jones, Okla.	Rousselot
Clay	Jones, Tenn.	Rudd
Cochran	Kazen	Runnels
Collins, Ill.	Kostmayer	Ruppe
Conyers	Krueger	Russo
Corman	LaFalce	Santini
Cotter	Le Fante	Satterfield
Crane	Lederer	Sawyer
de la Garza	Leggett	Sikes
Dent	Lehman	St Germain
Diggs	Lent	Stump
Dingell	Lloyd, Calif.	Symms
Dodd	Lundine	Teague
Edgar	McClory	Thornton
Edwards, Okla.	McCloskey	Tucker
Eilberg	Mahon	Van Deerlin
Evans, Del.	Mazzoli	Weiss
Evans, Ind.	Metcalfe	Wiggins
Flood	Meyner	Wright
Flynt	Milford	Wydler
Ford, Mich.	Myers, Michael	Young, Tex.
		Zeferetti

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Richmond.
Mr. Zeferetti with Mr. Ambro.
Mr. Roberts with Mr. Flynt.
Mr. Russo with Mr. Howard.
Mr. Wright with Mr. Mahon.
Mrs. Collins of Illinois with Mr. Clay.
Mr. Lehman with Mr. Rogers.
Mr. St Germain with Mr. Thornton.
Mr. Krueger with Mr. Patterson of California.
Mr. Reuss with Mr. Satterfield.
Mr. Weiss with Mr. Van Deerlin.
Mr. Ford of Michigan with Mr. Edgar.
Mr. Tucker with Mr. Stump.
Mr. Dodd with Mr. Risenhoover.
Mr. Chappell with Mr. Dingell.
Mr. Lloyd of California with Mr. Blanchard.
Mr. Diggs with Mr. Conyers.
Mrs. Meyner with Mr. Lundine.
Mrs. Burke of California with Mr. Baucus.

Mr. Fuqua with Mr. Ginn.
Mr. Le Fante with Mr. Pattison of New York.
Mr. Lederer with Mr. Michael O. Myers.
Mr. LaFalce with Mr. Gibbons.
Mr. Jones of Tennessee with Mr. Kazen.
Mr. Mazzoli with Mr. Santini.
Mr. Hanley with Mr. Jones of Oklahoma.
Mr. Cotter with Mr. Metcalfe.
Mr. Sikes with Mr. Dent.
Mr. de la Garza with Mr. Corman.
Mrs. Chisholm with Mr. Kostmayer.
Mr. Runnels with Mr. Rahall.
Mr. Gammage with Mr. Milford.
Mr. Carney with Mr. Blouin.
Mr. Flood with Mr. Ellberg.
Mr. Roncalio with Mr. Brinkley.
Mr. Harrington with Mr. Leggett.
Mr. Wiggins with Mr. Cochran of Mississipi.
Mr. Evans of Delaware with Mr. Goldwater.
Mr. Frey with Mr. Don H. Clausen.
Mr. Hammerschmidt with Mr. Quie.
Mr. Edwards of Oklahoma with Mr. Evans of Indiana.
Mr. Wydler with Mr. Crane.
Mr. Symms with Mr. Sawyer.
Mr. Quillen with Mr. Rousselot.
Mr. McCloskey with Mr. Lent.
Mr. McClory with Mr. Ruppe.
Mr. Gilman with Mr. Rudd.

Messrs. GONZALEZ, WOLFF, RANGEL, BIAGGI, and STRATTON changed their vote from "yea" to "nay."

Mr. PURSELL changed his vote from "nay" to "yea."

So the committee amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. It there objection to the request of the gentleman from New Jersey?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time for the purpose of inquiring of the distinguished acting majority leader the program for next week.

Mr. ROSTENKOWSKI. Will the gentleman yield?

Mr. MICHEL. Yes, I yield.

Mr. ROSTENKOWSKI. Mr. Speaker, this concludes the business for the week. The calendar for next week will be as follows:

On Monday the House meets at noon. We will have the consent calendar, followed by two suspensions. Votes on suspensions will be postponed until the end of the suspensions. The bills are as follows:

H.J. Res. 715, National Sun Day;

H.J. Res. 578, National Architectural Barrier Awareness Week.

On Tuesday, the House will meet at noon on the private calendar and one suspension: H.R. 10551, to extend authority to waive provisions of title I of ESEA for certain local education agencies.

Then, we will consider H.R. 11180, debt limitation increase, subjfct to a rule being granted.

That will be followed by a series of committee funding resolutions. Then, we will consider the following:

H.R. 10982, first budget rescission bill, 1978:

H.J. Res. 746, emergency Southwestern Power Administration appropriation.

On Wednesday, the House will meet at 3 p.m. for consideration of H.R. 50, Full Employment and Balanced Growth Act of 1978, with an open rule and 3 hours of debate. We will take up the rule and general debate only.

On Thursday, the House will meet at 11 a.m. for further consideration of H.R. 50, Full Employment and Balanced Growth Act of 1978, for votes on amendments and the bill.

On Friday, the House will meet at 11 a.m. for consideration of H.R. 3350, Deep Seabed Hard Minerals Act, subject to a rule being granted.

The House will adjourn by 3 p.m. on Fridays and by 5:30 p.m. on all other days except Wednesdays.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. I have one question. I suspect that the funding resolutions will be the ones which were not completed today.

Mr. ROSTENKOWSKI. Those which were not completed this afternoon, correct.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I notice that we have a real killer schedule on Monday. Are we going to continue this policy of trying to spread a couple days legislative work over 5 days? It looks like this will really test the endurance of Members on Monday, with National Sun Day and National Architectural Barrier Awareness Week.

Mr. ROSTENKOWSKI. If the gentleman from Illinois will yield further, what the leadership has tried to do is arrange the schedule so that some Members would have available, if need be, some district work time. Also I think that we are not as yet receiving as many bills for consideration from the commitees. As Mr. MICHEL pointed out last week, if we have legislation on the floor we can get Members back to participate in committee activities so that we can bring additional legislation to the floor.

Mr. ASHBROOK. I notice this week when we adjourned, if I remember right—I was on the floor all week—it was about 1:30 on Monday, 1:30 on Thursday. It looks like kind of stretching out to 1 o'clock today. I think what we are accomplishing in keeping the Members here without legislatively acting that much, if that is what the leadership desires, I suppose we have to go along with it.

Mr. ROSTENKOWSKI. I think this is of prime importance at this time, so that we can bring up legislation at a later time to the floor.

Mr. ASHBROOK. I have been testing my investigative powers to find out what committees are meeting today. I see that the Interior Committee is meeting.

Mr. MICHEL. I will be happy to respond to that. The Committee on Appropriations will be meeting today, this afternoon. I must say that while I am not acquainted with all the committees that are meeting, the bulk of the work, as the gentleman well knows, preparatory to our coming up to budget consideration day in May, has to take place in the committees. I would like to see those committees keeping on schedule, as I expressed myself last week.

Let us face it; if we were not meeting every day there would be critcism from some of the committees. Should the Congress just be on recess and go home? Of course not. I would recognize that the majority side probably has a problem scheduling here, but I think the point is well taken on a Friday when Members do like to get home for a weekend.

Mr. JOHN T. MYERS. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

Mr. JOHN T. MYERS. Mr. Speaker, all of us appreciate this year the more definite dates and times we have. However, one of the reasons for coming in at 3 o'clock on Wednesdays, which has been given, is that it gives us more time for the committees to function without being interrupted. Here we could have a Friday that would be uninterrupted by not having to have the frequent votes we have had today if we did not have legislation on the floor. I have counted out how much we have been in session this week and it will be 17 hours and 6 minutes just now.

Yesterday in colloquy with the majority leader he said we had to take up the two bills today, which we are not taking up, because of the way this schedule was written, that it was definitely providing for Friday. However until this week it has been often scheduled for Wednesday and the balance of the week, and not for Thursday and for Friday. Why could the schedule not have been written that way so if we run out of legislation on Thursday we can take up the other legislation and finish up then?

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Speaker, I understand what the gentleman is saying, but scheduling is a problem that is not really solved in colloquy on the floor of the House of Representatives. Sometimes the committee chairmen are not ready to come to the floor a day earlier.

I am sure that the leadership would like very much to accommodate all the

Membership. I must make the observation that we are doing the best we can.

For instance, nobody assumed, if the gentleman will yield further, that the debate on the constitutional amendment to provide voting representation for the District of Columbia was going to conclude as early as it did. I think that was somewhat of a surprise to all of us.

We do have to give at least 24 hours notice to committee chairmen so that they can prepare to bring up their legislation on the floor.

Mr. JOHN T. MYERS. Mr. Speaker, if the gentleman will yield further, it has happened in other weeks where we planned for Thursday and the balance of the week, but for instance here we say that the Deep Seabed Hard Minerals Act will be brought up on Friday. Is there any reason why it has to come up on Friday? Could not the chairman be told it may have to be brought up on Thursday, like the two bills today have been put over to Monday and Tuesday?

Mr. ROSTENKOWSKI. We will try to take that up with the leadership and see if we can work it out. I would say that of the 38 available Fridays last session, we did work on 24 Fridays.

Mr. JOHN T. MYERS. And we should have if we had legislation.

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, the gentleman from Ohio questioned whether there were any hearings being held today. I would like to add one. My Subcommittee on Foreign Operations is holding hearings all day long on the extent to which the United States has been subsidizing directly or indirectly foreign steel capacity. That is a very important subject, I would think, but with the harassment that has been going on here—and I would not say who is the cause of it because I think the minority has something to be said for its side—it has been just about sabotaging the hearings which I thought were very important.

I will say this. I am almost determined not to be scheduling hearings anymore to be held on Fridays so we will wipe out almost a very important day on which we could have been holding hearings.

Mr. JOHN T. MYERS. Mr. Speaker, the hearing could not have been interrupted if we did not have legislation on the floor today.

Mr. LONG of Maryland. I do not mind the House meeting and I can have hearings around that, but with vote after vote being called it has caused many interruptions.

Mr. JOHN T. MYERS. The gentleman from Maryland has been here a long time and he knows it is very likely to happen. He can avoid that by scheduling hearings at a time when we are not having legislation on the floor.

Mr. LONG of Maryland. I think the leadership on both sides should try to get together on this. In my committee we get along very, very well.

I might add further, Mr. Speaker, that I try to get together with the minority Members on many things and we get along fine and we do not have things being rammed down people's throats. So it is possible to get things done.

REQUEST TO DISPENSE WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER pro tempore (Mr. VANIK). Is there objection to the request of the gentleman from Illinois?

Mr. CHARLES H. WILSON of California. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

ADJOURNMENT TO MONDAY, MARCH 6, 1978

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, would the gentleman from Illinois (Mr. ROSTENKOWSKI) consider amending his request for the House to meet on Tuesday next? I do not understand why we could not do that even faced with all of this important business that has been listed for Monday, resolutions on National Sun Day and National Architectural Barrier Awareness Week.

Although they both seem to be worthy pieces of legislation, and the Members may feel it is necessary that we should vote for them, in doing so we will probably be in session on the floor for all of 20 minutes on Monday. Why not put them over until Tuesday and have the House adjourn until Tuesday? I mention this because I do not think the House should cause my friend, the gentleman from Maryland (Mr. LONG), trouble in holding his committee hearings and also to save the gentleman from possible apoplexy.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I would like to respond to the remarks that have just been made by the gentleman from Maryland (Mr. LONG) who is the chairman of the Subcommittee on Foreign Operations of the Committee on Appropriations. I might add that I am the ranking minority member on that subcommittee. I might also add that the only problem that we had with this very important hearing was that the chairman of the subcommittee, the gentleman from Maryland (Mr. LONG) and myself were the only ones in attendance during the hearings today. Despite the fact that we were holding the hearings as well as having to appear on the floor for votes, the leaderships' reasoning which says we must have legislation on the floor to keep the Members here for committee meetings just does not work.

Nobody came to our committee meeting other than the gentleman from Maryland, CLARENCE LONG, and myself.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I am most pleased that the gentleman from Florida (Mr. YOUNG) has magnified the agitated statement made by the gentleman from Maryland (Mr. LONG) so that we can now fully understand the great import of those hearings that were being held.

But, Mr. Speaker, I would ask the gentleman from Illinois if the gentleman would consider my request that the House adjourn over until Tuesday?

Mr. ROSTENKOWSKI. Mr. Speaker, if the gentleman will yield, let me state that I have already announced the schedule and that it would be impossible for us to achieve the gentleman's desired result at this moment.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, I would ask that if the gentleman from Maryland now speaking were to object to the request of the gentleman from Illinois (Mr. ROSTENKOWSKI) would it not then mean that we would have to be in session tomorrow? Is that correct?

Mr. ROSTENKOWSKI. That is correct.

Mr. BAUMAN. Mr. Speaker, contemplating that horrible fact, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL REQUEST

Mr. HAGEDORN. Mr. Speaker, I ask unanimous consent that the special order granted to Mr. FISH, of New York, for Tuesday, March 7, 1978, immediately follow the special order granted to Mr. MOORE, of Louisiana, on that same date rather than precede it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

"OH, WHAT A TANGLED WEB WE WEAVE, WHEN FIRST WE PRACTICE TO DECEIVE"

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALLEN. Mr. Speaker, this past Monday I asked the distinguished and learned Members of the House, whatever happened to the shortage of natural gas?

"Where did it (the natural gas) go, and how did it come back?"

Now we know.

A story this morning in the Washington Post answers the question, and tells it like it is. The Post reports not a shortage but an actual glut of natural gas in Texas. The giant gas and pipeline

companies and their lobbyists who were pressuring the Members to deregulate the price of natural gas, and who are still urging the members of the conference committee on energy legislation to permit the natural law of supply and demand, without Government interference, to establish the price of natural gas, have now apparently prevailed on the Texas regulatory agency to curtail the surplus production of natural gas in order to prevent the law of supply and demand from causing the price of intrastate gas in Texas from falling. These are the same big corporations and their lobbyists we have seen and heard on Capital Hill who are now persuading the Texas regulatory commission to rig the production so as to maintain the high prices they are extracting from Texas consumers, to prevent the so-called natural law of supply and demand from cutting into their obscene profits.

At the same time, a recent report of the General Accounting Office has indicated the Federal regulatory agencies, which are charged with the duty of administering the emergency purchase provisions of the law, for being lax in enforcing the law which GAO says has allowed a gigantic "ripoff" of residential and other high priority users by charging residential and small business users the same high unregulated prices permitted to be charged to big industries and other lower priority customers.

"Such actions," GAO reports, "are counterproductive to national conservation policies." Also they are inequitable because high priority customers not affected by curtailment are forced to pay a portion of the higher cost of emergency purchases thereby subsidizing low priority users, that is, the big industries, and other low priority users.

I commend to the Congress the reading of this report by the Comptroller General of the United States, as well as the story in this morning's Post, in order that each may fully recognize the extent to which the lobbyists for the big oil and natural gas corporations have undertaken—and in some cases succeeded—in their concerted effort to filmflam the Congress, and the Senate and the House Conferees who are now considering proper legislation to protect this Nation and its citizens from "the biggest ripoff in history," as aptly described by President Carter.

The GAO and the Washington Post have now drawn back the curtains, exposing the myth of any shortage of natural gas, and the utter inconsistencies of those lobbyists in saying one thing to the Congress and still another to the Texas regulatory commission.

Mr. Speaker, I am reminded of the admonition written many years ago:

Oh, what a tangled web we weave, when first we practice to deceive.

PROPOSED SETTLEMENT OF INDIAN LAND CLAIMS IN MAINE UNACCEPTABLE

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COHEN. Mr. Speaker, I rise to comment on the status of the land claim of the Penobscot and Passamaquoddy Indian Tribes in the State of Maine. My colleagues will recall from my previous remarks in this Chamber, the importance of this subject to the citizens of Maine and to all Americans who are concerned with Indian affairs.

On Thursday, February 9, the President's counsel, Mr. Robert Lipshutz, presented to the Maine delegation a "memorandum of understanding" signed by representatives of the White House and the two Maine tribes. A text of this document may be found in the Extension of Remarks. In this settlement proposal, the two tribes agree to drop their claim to millions of acres of Maine land in exchange for $25 million to be appropriated by Congress, $25.5 million in State assistance over the next 15 years, and 300,000 acres of land presently in the hands of the State's 14 largest landholders—that, is, those who hold 50,000 acres or more.

I find this settlement proposal unacceptable in its present form. I plan to oppose it unless it is significantly altered. I will do so because it is not based on the conclusion reached by most people who have studied the claim in depth: That the Federal Government is principally responsible for the problem.

Judge William Gunter of Georgia, the President's personal adviser on the Maine claim, came to much the same conclusion. In his words:

I have conluded that private property owners owning property within the claims area do not bear any responsibility for the creation of the problem . . . .

If this is the case—and I fully believe that it is—why should 14 private property owners be forced to sell 300,000 acres of land, worth over $100 per acre, for roughly $5 per acre? This is not my idea of equal protection. In my judgment, the settlement proposal seeks to shift the burden of responsibility from the Federal Government where it belongs on to the shoulders of the large private landholders and the State, parties which are no more responsible for the alleged historic injustice than are the small landowners in the claims area.

Under the provisions of the settlement proposal these small landowners would have their title entirely cleared provided that Congress appropriates the $25 million for the two tribes.

A second erroneous assumption underlies the proposed settlement. It is that the State of Maine, and its predecessor in interest, the State of Massachusetts, somehow are partially to blame for the fact that congressional approval was not forthcoming when the land was originally transferred from the Indians to the State of Massachusetts. It is because this approval was not forthcoming that the transfer of the property is supposed to be invalid. I ask you—as many of my constituents have asked me—how could the State of Massachusetts have gained approval of the land transfers as long as the Federal Government stated, as it did for the 180 years prior to 1975, that the Non-intercourse Act did not cover such treaties in the Eastern States?

The White House has wrapped its offer in the tissue-thin rhetoric of fairness. Mr. Speaker, the proposal is not fair; it is fundamentally flawed. And if the White House seeks to divide the people of Maine on this issue by setting the interests of the small landowners against those of the large, then it has seriously miscalculated the character and the principles of the people of my State who believe deeply in the precept of the equal protection of the law.

If the Federal Government has breached a fiduciary relationship with the Passamaquoddy and the Penobscot Indian Tribes for the past 180 years, building upon the property of its beneficiaries or wards and encouraging entire communities and private property owners to do likewise, then let the Federal Government bear responsibility for its dereliction and not seek to divide its dilemma, like Gaul, into three parts.

THE COST OF HUMPHREY-HAWKINS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, the House will soon consider H.R. 50, the Humphrey-Hawkins bill. I urge my colleagues to take a close look at the provisions of this legislation before casting their votes.

Let me clear up some misconceptions. H.R. 50 is not a "mere gesture" which should be lightly passed as a tribute to the late Senator Hubert Humphrey. Despite the changes which have been made H.R. 50 is still a dangerous piece of legislation.

As a recent Washington Star editorial noted:

Under the Humphrey-Hawkins bill, Congress begins by dictating an unemployment figure, making it the be-all and end-all of economic planning.

Other important economic goals, such as reducing inflation, receive lipservice at best.

The rigid unemployment goals have a great potential for inflation. Even liberal economists such as John Kenneth Galbraith warn that at a 4 percent unemployment rate the American economy can be "disastrously inflationary."

The bill also provides a foot-in-the-door for total Government control of the economy. It institutes a program of centralized economic planning which is incompatible with our free enterprise system.

Following is an editorial from the February 24 Washington Star that discusses the pitfalls of H.R. 50 in more detail.

THE COSTS OF HUMPHREY-HAWKINS

The revised Humphrey-Hawkins bill has enjoyed smooth sailing so far because no one opposes "full employment" or "reasonable price stability." But since neither term is precise (How full is full, how reasonable is reasonable?) the bill raises two vital questions:

Are its specific numerical goals for "full employment" economically sound?

And are the procedures for incorporating those goals into the government's budget-making process institutionally sound?

In our view, the answer to the first question is no. The Humphrey-Hawkins bill requires the president to adopt a three-year "interim" goal of 4 percent adult unemployment. He could suggest the division of that target figure after three years, but the burden would be on him to show why the original figures were unsound or impractical.

In fact, we already know what most economists think—or at least economists at the Congressional Budget Office, the Treasury and the Council of Economic Advisers. They think an attempt to reach 4 percent unemployment by fiscal or monetary policy would be inflationary. Most of them put the tipping point somewhere between 4.7 and 5.5 percent unemployment.

But since the bill opens an escape hatch, if a narrow one, from mandatory goals, the new budget procedures constitute the really dubious parts.

Consider, for instance, the bill's potential impact on three relationships: between Congress and the president; between Congress and the Federal Reserve Board; and between the congressional Joint Economic Committee and the two budget committees.

The startling innovation of the Humphrey-Hawkins bill, when all is said and done, is that it greatly curtails presidential flexibility as budget-maker and economic planner. It does so by imposing rigid unemployment goals. Congress does, of course, have the constitutional authority to tax and spend, and we guess the authors of the bill deem that authority sufficient to dictate economic goals to presidents. But the dictation of specific goals, especially goals about which so many economists are doubtful, cannot make them wise. And, if taken seriously, this unilateral assertion of legislative authority would seriously reduce the status of presidents in economic planning.

And what of the Congress-Federal Reserve Board relationship? The bill requires the Fed to declare, for a full year ahead, how its "intended" policies would "relate" to (that is, implement) the interim goals on unemployment, productivity, price stability, etc. stated by the president. "Congress," it says, "shall then take such action as it finds necessary to assure closer conformity" to those goals.

At this point, no one seems to know what "action" the bill contemplates. Would the traditional independence of the Fed be impaired? No one knows. "If nothing else," one economic journalist writes, rebutting the notion that the bill is a mere symbolic monument to its late coauthor, "the bill would establish a totally new relationship between he Federal Reserve System and the executive branch of government." He adds, however: "The full effect of this change is now difficult to foresee with precision." We blinked when we read that. Is it mere whim to think that a "totally new," presumably substantial, relationship should be clearly defined for those who plan to vote for the bill?

Thirdly, there is the relationship between the Joint Economic Committee and the two budget committees. In the 1974 Budget Act, Congress established a process for internal budgetary housekeeping; and it is the job of the two budget committees, together with the Congressional Budget Office, to monitor the process. The aim was to reduce earlier budgetary chaos that played into the hands of usurping presidents. But now, under the Humphrey-Hawkins bill, Congress begins by dictating an unemployment figure, making it the be-all and end-all of economic planning. It proposes that the Joint Economic Committee embody that figure in a resolution (or say why it can't), and then it makes the JEC resolution a reference point for the budget committees. They in turn would have to choose between accepting goals they thought unrealistic and unrealizable or fussing over ways and means and thus intruding into the policy process. An odd way to do business.

The long and short of the matter is this: If indeed the Humphrey-Hawkins "balanced growth and full employment act" is serious, it will necessarily introduce major innovations into the economic-planning process: all to the end of reducing unemployment to the arbitrary figure of 4 per cent.

If so, is it not vital to measure beforehand the institutional cost of these changes? How severely will they cut into the flexibility of the president and his advisers, the Fed, and the congressional budget committees? Will they make Congress so much the dominant partner in long-range economic planning as to eliminate the valuable contribution of checks and balances in the process?

Anyone who thinks the bill a mere gesture, said the journalist we quoted above, "had better put on glasses and take a look at the precise language of the bill."

Amen to that.

LEGISLATION INTRODUCED TO PROVIDE FOR A COMPREHENSIVE 7-YEAR CIVIL DEFENSE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. MITCHELL) is recognized for 15 minutes.

Mr. MITCHELL of New York. Mr. Speaker, one of the most pressing yet unmet needs facing the Nation is for a civil defense program which is responsive to existing threats and adequately prepares us for future challenges.

To respond to these threats and prepare for those challenges I am today introducing legislation providing for a comprehensive, 7-year civil defense program. Its cost, $1.9 billion, represents but a fraction of our estimated total defense expenditures for the period covered.

The program I am advancing is one that will give us, for the first time in this nuclear era, the protection we must be assured of, as we face our ideological adversaries who lack our commitment for the pursuit of peace. Central to this proposal is the long-overdue attainment of adequacy for a range of programs which have as their principal objectives the saving of lives.

Simply put, my goal is to guarantee the survival of a nation, its people, and a way of life sacred to us all.

We have no such guarantee today. It is time we did.

The 7-year plan would concentrate the use of the funds requested for: Crisis evacuation, research and development, emergency operating centers, training and education, and management and coordination.

In each one of these critical areas our present civil defense program fails the test of adequacy.

My budget proposal, for the full 7-year plan and with a specific assignment of funds, is appended to these remarks.

This program was not developed by me alone overnight, rather it emerged over an extended period of time after protracted consultation with experts who have earned respect and a national reputation for their work in civil defense. It is a product of serious, well-intentioned people who share a concern about our present, have learned from lessons of the past and are determined to prepare us to live in peace not just tomorrow, but for the distant future.

We are in trouble. The Soviets have an excellent civil defense system. We do not. Neither nation had an adequate program in the mid-sixties. But for more than a decade the Soviets have been spending over $1 billion a year on civil defense. We have averaged less than $100 million. They have a three-track program: individual protection, community shelters, and population evacuation. We have only one, community shelters, and it is in disarray in spite of the dedicated and dogged efforts of many professional and amateur civil defense leaders.

Why is this a problem? Because it destroys the strategic balance. The best hope for peace, we are told, is the maintenance of the strategic balance. There are varying estimates on the effect of an all out nuclear war. If the Soviets have time to put their civil defense program into operation—36 or 48 hours prior to the holocaust—the results would be far more destructive to the United States (over 100 million dead) than the Soviet Union (5–20 million killed).

Most experts agree we enjoy "rough equivalence" with the Soviets in weaponry. (From our perspective it appears to get rougher each year). But if Soviet weapons have a far greater destructive effect on us, than our weapons do on them, it is as though they had far more weapons. This makes a mockery of the strategic balance. It does not exist.

Once the balance of terror is gone the Soviets have an awesome edge in any confrontation, whether it be at the bargaining table, an act of adventurism in Europe or Africa or in an all out nuclear war.

That is the bad news. The good news is it is not too late to do something about it. A relatively inexpensive remedy is to develop a civil defense system of our own. Some of our defense leaders suggest the way to compensate for Soviet superiority (they no longer claim it does not exist) is to "retarget" our weapons. "Retargeting" would supposedly rebalance the equation. It makes more sense to me to achieve the balance through civil defense—the potential saving of American lives rather than the potential destruction of Soviet citizens.

For years, Walmer Strope, a long-time American civil defense expert, has suggested we could develop an adequate system by spending roughly $100 million more a year over a 5- to 7-year period, That is less than one-tenth of 1 per cent of our annual expenditure for the defense of our Nation. Not a large sum to help insure peace through protecting the American citizenry.

Part of the money would be spent to complete our "5-year in-place shelter program" which we started 14 years ago and abandoned in the sixties. Another substantial portion would go for a program to disperse our population in time of crisis. Most of the remainder of the

appropriation would be spent on an educational program to do away with the many myths associated with a nuclear attack and to develop a positive attitude towards survival.

Dr. Conrad Chester of the Oak Ridge National Laboratory makes additional recommendations: First, we must have a recognition, at the highest levels of Government, that in the event of nuclear war, survival of the United States is desirable and possible; second, the American people must be exposed to all facets of nuclear war and to its survival potential, and that this education process should take place in the schools; and third, Government funded, financed, or insured new construction should be modified to provide fallout and blast protection.

We must begin today to rebalance the strategic equation. How do you deter an attack unless you can convince an enemy that you will win the war that he is starting? I find it doubtful that anyone aware of the strategic imbalance believes we would fire any nuclear weapon if it meant the destruction of our society. Without a civil defense system, that's precisely what it means.

A recent General Accounting Office (GAO) report highlighted the fact that the United States has no comprehensive or clearly defined civil defense policy, while the Soviet Union has an excellent program.

Recent House Armed Services Committee hearings highlighted the same deficiency. If this is true, why have not Americans done something about it? Why are not Americans more concerned? Why are not we frightened?

Well, chiefly because far too many of us are victims of three misconceptions. The first I will call the "overkill" fallacy. This thesis, according to Dr. Conrad Chester, Chief of the Emergency Technology Section of the Health Physics Division at Oak Ridge National Laboratory, originated in an article appearing in the Bulletin of Atomic Scientists in which the casualties per kiloton in Hiroshima and Nagasaki were multiplied by the number of kilotons in the world's arsenal. It was a simple mathematical computation. Dr. Chester states:

> This misleading calculation implies that some means can be devised to collect the entire target population into the same density as existed in Hiroshima and Nagasaki, and keep them in a completely unwarned and hence vulnerable posture. A statement of identical validity is that the world's inventory of small arms ammunition, or for that matter, kitchen knives, can also kill the human population several times over.

Unfortunately for Americans, we believed the article and adopted an "overkill" mentality. The Soviets did not. They apparently are prepared for the worst.

Another widely held misconception is that much of the world's population would be destroyed by fallout from a large scale nuclear war. Anyone reading "On the Beach" by Neville Shute can see how such thinking originated. Untrue, states the National Academy of Science. They estimate the long term effect of this fallout would amount to only a 2-percent increase in the cancer rate over a 15-year period. This increase could be countered by not rebuilding many of the cigarette plants that would be destroyed in such a holocaust.

Victims of this doomsday scenario also feel mistakenly that survivors of a large scale nuclear war would have to live underground for weeks at a time. Not so, our scientists tell us. Then, too, they do not realize that it is possible to protect oneself from the most dangerous type of radiation because it travels like light, in a straight line, and further that a pocket handkerchief folded over six or eight times can serve as an effective gas mask to provide protection from the less dangerous type of radiation that is carried in the air. Most of our population is unaware of the fact that a simple back yard shelter a family can dig and construct themselves in a matter hours provides adequate protection quite near the blast site. Pretested plans are available. So far there has not been any large public effort to secure them. Unfortunately the only digging most of us have done so far relative to civil defense is to scoop out a hole in the sand just large enough to accommodate our heads. We are victims of the ostrich syndrome.

The contemplation of a nuclear war is so horrible that most Americans believe it could not happen. No one should imply a nuclear attack would be anything less than an all out disaster. It would assuredly prove catastrophic. But the point is there are ways to survive one. The Soviets realize this. The American public does not.

Although DoD's Civil Defense Preparedness Agency is responsible for coordinating national civil defense operations, the protection of life and property depends primarily on the State and local plans and procedures. Despite Federal guidance and financial assistance, State and local governments are not generally committed to nuclear-attack planning, and the program's effectiveness has suffered. Many people in the United States believe we now have mutually assured destruction, that the two major nuclear powers can completely destroy one another—logic then dictates that expenditures for civil defense against nuclear attack are superfluous.

During the "era of confrontation," the main thrust of national security policy was to deter the Soviet Union from initiating a nuclear attack. The needs of deterrence took priority over arms limitation and defense. The official U.S. view this past decade has been "assured destruction," meaning the capability to absorb an initial attack and yet retain the weapons needed to destroy the aggressor as a "viable society" or as a "20th-century nation." Deterrence required an assured destruction capability. And the need to survive the opponent's first strike made the required forces larger as the potential enemy added more missiles. The thousands of nuclear weapons that now exist on both sides are believed to be needed for mutual assured destruction. The always-eloquent Winston Churchill found the world facing a situation "where safety will be the sturdy child of terror, and survival the twin brother of annihilation." Thus was born the idea of the "balance of terror," which might serve finally to make war impossible.

Until recently the American second strike capability was clear and effective. Following the Cuban missile crisis of 1962, the Soviet Union stepped up its program of nuclear weapons. As their program proceeded, and gained in momentum, our earlier view of the matter was no longer accurate.

Before 1970, our superiority in numbers of weapons and nuclear technology was such that we became complacent. That theory held that we must have adequate forces to wreak "assured destruction" on the Soviet Union after its worst possible "out-of-the-blue" attack on our strategic forces. That is, we needed a retaliatory capacity capable of destroying so large a proportion of the population and industrial plants in their cities that no prize could be worth the punishment they would take in return for striking first. If both sides had this capacity, we thought neither would ever dare to use it. The balance of terror would become stable—the "two scorpions in the bottle" would both live, because neither could survive if it attacked the other.

The doctrine of "mutual assured destruction" has been called by its acronym, MAD, because it leaves no alternative to Armageddon if either side miscalculates and deterrence fails. But recent advances in the accuracy and number of strategic weapons have made it clear that this doctrine, dubious even in its heyday, is now obsolete. The Soviets will soon be able to launch a first strike that spares our cities but destroys a substantial portion of our strategic and conventional military forces. Indeed, according to some calculations, the Soviets may now be in that position.

In view of the trends in the United States-Soviet strategic balance, it is essential that the United States rethink not just its global position and policies but also its security and future survival. Of particular importance, the United States must reassess its deterrence doctrine. Although the present doctrine of assured destruction has served well for many years, it has been seriously undermined by the Soviet civil defense effort.

Most experts agree we enjoy a posture of rough equivalence with nuclear weapons. However, if the Soviets can protect their population and industries through an excellent civil defense program, and we cannot, it is as though they had far more weapons than we.

With its deterrent thus weakened, the United States must insure that no potential attacker could expect to emerge from nuclear combat with superiority over the United States. Otherwise, the United States must either develop the means to overpower Soviet civil defenses or replace the existing deterrence concept with one that would be effective despite such defenses. Similarly, an effective deterrence concept is a vitally important prerequisite to any further strategic arms limitation agreements between the United States and the U.S.S.R.

In one of our early foreign policy pronouncements, President Nixon voiced his intent to move from "an era of confron-

tation to an era of negotiation." Yet huge numbers of nuclear weapons remain on both sides. If, indeed, an era of negotiation is at hand, it is imperative that this opportunity be seized to lower the level of potential violence in the world; perhaps to achieve a return as closely as possible to a nonnuclear world. National policies may change and agreements may be violated or renounced. Students of nuclear defense, more than most, are aware of the terrible consequences that would ensue if the agreed-upon arsenals were unleashed. Soviet scientists have warned about trusting a Soviet détente and Henry Kissinger warned that there have been at least five periods of peaceful coexistence since the Bolshevik seizure of power; each was hailed in the West as ushering in a new era of reconciliation and as signifying the long-awaited final change in Soviet purposes, but each ended abruptly with a new period of intransigence.

In an "era of negotiation," the main thrust of foreign policy is changed to emphasizing arms limitations, and hopefully, arms reductions. Deterrence of nuclear war remains important, but the means of deterrence must now be consistent with the larger objective of reducing the size and destructiveness of the nuclear arsenals possessed by the United States and the Soviet Union. Here is where the difficulty lies. Mutual assured destruction, the cold-war basis for deterrence, is incompatible with the goal of major arms reduction. No substantial reduction in the nuclear forces of each side is likely until a mutually acceptable substitute is found to serve as a lasting basis for deterrence of nuclear war.

What alternatives are possible that would better serve to deter nuclear war in an era of negotiations? Several have been proposed for consideration. First, there is complete nuclear disarmament. Without weapons, nuclear war would be impossible. Serious proposals were made by both sides when only the United States and the Soviet Union possessed nuclear weapons but agreement floundered on the issue of inspection to prevent cheating.

The key to a mutually acceptable deterrence policy that would permit major United States and Soviet arms reductions must be defensive in nature—to shield both nations against significant damage from small arsenals, such as those of France, Britain, and China. Other nations would be discouraged from acquiring nuclear weapons because superpower status would be put out of reach by the defenses. Then, major arms reductions could be agreed upon. Certainly the many thousands existing on each side could be reduced to a few hundred. With strong strategic defenses on both sides, smaller powers could not of themselves upset the bipolar balance while the two superpowers would retain the capability to threaten destruction of many great cities despite these defenses. At the same time, defense emphasis would reduce the significance of cheating, thus avoiding the stumbling block of inspection procedures in reaching an arms reduction agreement.

SALT misses the point at issue so long as it addresses itself mainly to the question of numbers of strategic weapons: Equally important are qualitative improvements within the existing quotas, the size of regular land and sea forces, and the ability of a country to defend itself against enemy weaponry. Above all, however, looms the question of intent: as long as the Russians persist in adhering to the Clauswitzian maxim on the function of war, mutual deterrence does not really exist. And unilateral deterrence is feasible only if we understand the Soviet war-winning strategy and make it impossible for them to succeed.

As stated previously, for nearly 25 years following World War II, civil defense in the United States was dominated by the fact of overwhelming U.S. nuclear offensive superiority. In recent years, the Soviet Union has steadily increased its strategic forces. One significant element in the relative strategic balance stems from the fact that, during the period of U.S. superiority, the Soviets were necessarily defense-conscious. They made major investments in blast protection for the residents of their major cities. Beginning in 1968, they embarked on a plan to evacuate most of their urban population during a period of 3 days, should a confrontation occur. Although civil defense proponents had cited Soviet emphasis on civil defense for many years, it was not until the era of offensive parity that it was recognized that the Soviet Union had never embraced the doctrine of mutual assured destruction. Basically this position reverts back to the fact that American and Soviet nuclear doctrines are starkly at odds.

The principal differences between American and Soviet strategies are traceable to different conceptions of the role of conflict and its inevitable concomitant, violence, in human relations; and second, to different functions which the military establishment performs in the two societies.

In the United States, we hold all recourse of force to be the result of an inability or an unwillingness to apply rational analysis and patient negotiation to disagreements: The use of force is prima facie evidence of failure. Some segments of our society not only refuse to acknowledge the existence of violence as a fact of life, they have even come to regard fear—the organism's biological reaction to the threat of violence—as inadmissible.

This entire theory is absent from Soviet culture. The Soviet ruling elite regards conflict and violence as natural regulators of all human affairs. wars between nations, in its view, represent only a variant of wars between classes, recourse to the one or the other being dependent on circumstances. In his principal treatise, Grechko refers to the classification of wars formulated in 1972 by Melvin Laird which divided wars, according to engineering categories—in terms of weapons employed and the scope of the theater of operations: Strategic-nuclear, theater-nuclear, theater-conventional and local-conventional. Grechko applies quite different standards to come up with his own typology:

> Proceeding from the fundamental contradictions of the contemporary era, one can distinguish, according to sociopolitical criteria, the following types of wars: wars between states (coalitions) of two contrary social systems—capitalist and socialist; civil wars between the proletariat and the bourgeoisie, or between the popular masses and the forces of the extreme reaction supported by the imperialist of other countries; wars between imperialist states and the people of colonial and dependent states fighting for their freedom and independence; and wars among capitalist states.

Americans cannot understand this mentality, so alien is it to their experience and view of human nature. Confronted with the evidence that the most influential elements in the Soviet Union do indeed hold such views, they prefer to dismiss the evidence as empty rhetoric and to regard with deep suspicion the motives of anyone who insists on taking it seriously.

Unlike the United States, the Soviet Government needs and wants a large military force. It has many uses for it, at home and abroad. As a regime which rests neither on tradition nor on a popular mandate, it sees in its military the most effective manifestation of government omnipotence, the very presence of which discourages any serious opposition from raising its head in the country as well as in its dependencies. Further, since the regime is driven by ideology, internal politics, and economic exigencies steadily to expand, it requires an up-to-date military force capable of seizing opportunities which may present themselves along the Soviet Union's immensely long frontier or even beyond. The armed forces thus are the mainstay of the regime's authority and a principal instrumentality of its internal and external policies.

For this reason, the Soviet leadership could not accept the theory of mutual deterrence. They do not believe that a country can rely on a finite number of nuclear warheads and on an appropriate quantity of delivery vehicles. They reject the concept that the large and costly traditional military establishments can be disbanded.

Thus, ultimately, it is political rather than strictly strategic or fiscal considerations that may be said to have determined Soviet reactions to nuclear weapons and shaped the content of Soviet nuclear strategy.

Soviet military theorists reject the notion that technology decides strategy. They perceive the relationship to be the reverse: strategic objectives determine the procurement and application of weapons.

Implicit in all this is the idea that nuclear war is feasible and that the basic function of warfare, as defined by Clausewitz, remains permanently valid, whatever breakthrough may occur in technology:

> It is well known that the essential nature of war as a continuation of politics does not change with changing technology and armament.

Since the mid-1960's, the proposition that thermonuclear war would be suicidal for both parties has been used by the Russians largely as a commodity for export. They have never embraced the doctrine of mutual assured destruction. We have only begun to realize this.

For more than a decade the Soviets have been spending approximately $1 billion a year on civil defense. We have averaged about $100 million. They have a three-track program: Individual protection, community shelters, and population evacuation. We have only one, community shelter, and it is in disarray in spite of the dedicated and dogged efforts of many professional and amateur civil defense leaders. While the Soviet Union has quietly, but effectively been developing a civil defense system that is now considered to be one of the best—if not the best—in the world, and one which expects to provide for the survival of all but 5 percent of the Soviet people, we are expected to accept without question 40 percent or 50 percent or possibly 60 percent fatalities, and do the best we can to save the rest. This great disparity in population losses unbalances the strategic balance and makes a mockery of our claims of "rough equivalence."

According to Dr. Leon Gouré in "War Survival in Soviet Strategy":

> Civil defense involves, in Soviet practice, the active participation of the Party, the state apparatus, the economic and social systems at all levels, and all elements of the population. The Deputy chief of USSR Civil Defense noted in December 1975 that 'there is likely to be no branch of the national economy, science and culture' which does not 'to one degree or another deal with civil defense measures.'
>
> Thus civil defense organizations operate at all levels, from the national and republic ministries, to individual factories, schools, research institutions, collective and state farms, hospitals and other medical facilities, television, radio and telephone stations, truck parks and railroad sections and so on. The administrative heads at each level are the responsible chiefs of civil defense for their area of jurisdiction and they are assisted by full- or part-time civil defense staffs, usually made up of active or retired military personnel.

Where we have a relatively small number of dedicated professional and amateur civil defense leaders, it is estimated more than 30 million civilians are serving in civil defense in the Soviet Union.

In addition to population protection, the Soviets are making preparations to protect the industrial base. Most of their new industry is being dispersed to small- and medium-sized towns. In many towns, individual enterprises are separated by more than the lethal radius of a nuclear weapon. There is evidence that preparations exist to move entire factories, within a short time, to undisclosed locations. In addition, measures have been taken to minimize damage from both blast and fire. It is known that equipment can be well protected by covering it with earth or sandbags. Earth cover coupled with simple precautions in mounting machinery can also protect against blast pressure—up to 300 p.s.i. compared with 10 p.s.i.—for unprotected machinery.

For many years our sole emphasis in civil defense has been placed on preparation to use the best protection available near where people live and work, should the threat of attack appear imminent. This effort has become known as the community shelter plan (CSP). The Federal Government supported this program by conducting engineering surveys of existing buildings for shelter and by financing the preparation of local plans to use this shelter. Procurement of essential supplies for these shelters was an important element of the program originally but was abandoned about a decade ago. Initially confined to providing protection against fallout radiation only, the shelter surveys of recent years have assessed protection against blast and fire as well. The nature of inplace sheltering has permitted each community to proceed with its own plan more-or-less independently of other jurisdictions. The completeness of CSP preparations thus varies from locality to locality throughout the country. But it is estimated this "5-year inplace shelter program" which we started 14 years ago could accommodate less than half our population. Much of the public does not know the location of their neighborhood shelters. Many of the shelters have inadequate food and water supplies. Our shelter program is in disarray.

Crisis relocation planning (CRP) is the most recent strategic defense option to receive attention and support within the Department of Defense. CRP promises to pull civil defense out of the backwaters of U.S. defense policy and into the mainstream of debate over deterrence and détente. But we are years and billions of dollars behind the Soviets. We have only begun.

The essence of CRP is to move the population from areas having a high probability of experiencing the direct effects of attack to more rural areas where only fallout risk is in prospect. The Defense Civil Preparedness Agency (DCPA) has analyzed typical nuclear attacks that might occur and has published a set of maps that identify "risk areas." These include the urbanized parts of metropolitan areas and some other areas of significant military, industrial, or economic importance. DCPA hastens to point out in this atlas-like publication that the designation of risk areas does not constitute a prediction that all or even most large cities—or any specific city—would necessarily be subject to direct attack. Nonetheless, it is the residents of these risk areas that are to be considered for relocation during a crisis if the President should determine it necessary to the security of the Nation.

As to the timing of crisis relocation, the movement itself is expected to require a several-day period, as is the case in the Soviet Union. The duration of the relocation is basically uncertain, with a minimum of perhaps one week. It is considered more likely that the crisis would be resolved short of hostilities rather than escalate into war. Severe crisis have tended to be resolved over a short period of time. Nonetheless, in circumstances in which the major cities on both sides evacuated, leaders are likely to insist on evidence that negotiated agreements are being carried out before they advise urban residents to return. Some students of CRP, such as Dr. Conrad Chester of Oak Ridge National Laboratory, insist that plans to support the relocation of population and to maintain critical economic activities should be sufficient to prevent the Soviets from attempting to outlast the United States in a crisis relocation.

How do you deter an attack unless you convince an enemy that you will win the war that he is starting? We find it extremely doubtful that any one can be convinced that we will retaliate unless we are prepared to protect our population from the consequences of that retaliation.

The first and primary justification is to prevent nuclear blackmail and to contribute to stabilizing the crisis situation so that continued efforts can be made to resolve the confrontation short of nuclear war. It is a short step beyond this argument to the view that if the Soviet Union understood that we were as capable as they to put our population in a safe place, as Herman Kahn once phrased it, they would be less likely to precipitate a confrontation in the first place. These appear to be the emerging deterrence roles for civil defense.

It is this Soviet crisis evacuation program that is changing the strategic role of U.S. civil defense back toward a primary emphasis on deterrence. President Kennedy spoke of "an irrational attack, a miscalculation." But, today, rational calculations by rational men can predict that, should the Soviets evacuate their cities in a crisis and the United States be unable to do so, the Soviets would win an ensuing nuclear exchange—or, more likely, win at the crisis bargaining table. Many years ago Herman Kahn anticipated today's situation:

> There is an enormous difference in bargaining ability of a country which can, for example, put its people in a place of safety in 24 hours' notice and one which cannot. If it is hard for the reader to visualize this, let him imagine a situation where the Russians had done exactly this and we had not. Then let him ask himself how he thinks he would come out at a subsequent bargaining table.

The gross disparity in population losses in these circumstances—5 percent for the Soviets as against 50 to 60 percent for the United States, according to the calculations of Prof. Eugene Wigner—is terribly alarming to those who are concerned about a stable basis for mutual deterrence. Indeed, it is fair to say that the current and growing interest in "crisis relocation planning" in the Defense Civil Preparedness Agency and elsewhere in the Department of Defense began only after the Soviet program had been scrutinized and pronounced successful.

During congressional hearings Walmer E. Strope, consultant on civil defense, Stanford Research Institute, stated the United States could have a good civil defense program by spending approximately $200 million a year for 5 years. This would roughly double our present effort—or cost an additional $100 million a year. Part of the money would be spent

to complete our "5-year, inplace shelter program" which we started 14 years ago. Another substantial portion of the $200 million would be spent on a program to disperse our population in time of crisis. Most of the remainder of the civil defense appropriation would be spent on an educational program to do away with the many myths associated with a nuclear attack and to develop a positive attitude towards survival.

In addition to the recommendations for survival of Walmer Strope and the General Accounting Office, Dr. Conrad Chesters feels: First, we must have a recognition, at the highest levels of government, that in the event of nuclear war survival of the United States is desirable and possible; second, the American people must be exposed to all facets of nuclear war and to its survival potential, and that this education process should take place in the schools; third, Government funded, financed, or insured new construction should be modified to provide fallout and blast protection; and fourth, in the defense area, we must develop a high silo-kill probability and adopt a launch on warning firing doctrine to negate the Soviet refire capability, along with a reinstituted air defense system if the Soviets continue to deploy the Backfire bomber.

The results would be operational in the early 1980's. At that time, the Soviets are likely to have moved either in a dangerous direction or in the direction of détente and arms control. In either case the proposed level of expenditure would be justified. Even if the Soviet threat lessens, the threat of accidental and small attacks, against which a moderate civil defense would be most effective, might well have increased as a result of the anticipated accelerated use of nuclear energy throughout the world.

Essential equivalence requires the United States to match the Soviet capability for moving population promptly out of target areas into expedient group shelters (earthworks constructed in a day), and protecting key operating personnel in target areas, so that a dispersal can be maintained for as long as necessary without halting essential industrial and Government services.

On the national level, the Defense Civil Preparedness Agency, the Federal Preparedness Agency and the Federal Disaster Assistance Administration have faced dissention, overlapping responsibility, uncertainty and modest budgets in their civil defense efforts. The current program emphasis in preparation for attack is not overly effective but is even more deficient in preparing for recovery following attack.

Strong leadership from the White House, greater concern by Congress, increased public debate of the civil defense issue at all levels of government and closer coordination among Federal agencies and State and local governments responsible for civil defense is required. Closer Federal monitoring of local communities' civil defense projects and added legislation to increase Federal funding for such high-risk target areas as key military installations and industrial complexes is a necessity.

In summary, in order to have adequate civil defense we must have a program that avails itself of every means to provide for the protection of all our people, backed by necessary laws to advance the program, and the necessary funding to enable it to achieve its ultimate goal.

FISCAL YEARS 79-85 CIVIL DEFENSE PROGRAM

[In millions of dollars]

	1979	1980	1981	1982	1983	1984	1985
Warning and detection	20.0	22.0	23.0	23.0	25.0	29.0	29.0
Warning and communications systems	10.0	10.0	10.0	10.0	10.0	12.0	12.0
Radiological defense	10.0	12.0	13.0	13.0	15.0	17.0	17.0
Emergency operations	15.2	22.0	40.0	40.0	48.0	66.0	74.0
Training and education	4.0	5.5	9.0	9.0	11.0	16.0	20.0
Emergency information	2.3	3.0	7.0	7.0	8.0	13.0	14.0
Systems development	2.5	2.3	2.8	2.3	2.3	2.3	2.3
Broadcast station protection program	3.2	4.5	8.2	8.0	9.0	14.0	17.0
Red Cross	.2	2.	1.0	.2	.2	1.2	1.2
Citizen training instructions	.5	5.	1.0	.5	.5	1.5	1.5
Shelter management training	.5	2.0	5.0	7.0	10.0	8.0	8.0
Test and exercises—EOS	2.0	4.0	6.0	6.0	7.0	10.0	10.0
Financial assistance	36.8	36.9	38.1	39.3	39.7	40.5	40.9
Management (P. & S.)	35.0	35.0	35.6	36.2	36.4	36.8	37.0
Maintenance and services	1.8	1.9	2.5	3.2	3.3	2.7	3.9

	1979	1980	1981	1982	1983	1984	1985
Management	24.1	24.1	25.9	27.7	28.3	29.5	30.1
Personal services	17.9	17.9	18.5	19.1	19.3	19.7	19.9
Travel	1.0	1.0	1.6	2.2	2.4	2.8	3.0
Administrative and housekeeping	5.2	5.2	5.8	6.4	6.6	7.0	7.2
Shelters	23.9	44.0	71.0	96.0	95.0	148.0	118.0
Survey	6.0	12.0	17.0	15.0	10.0	10.0	10.0
NCP planning	16.0	26.0	41.0	56.0	56.0	56.0	56.0
In place protection	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Crisis evacuation	(10.0)	(20.0)	(35.0)	(50.0)	(50.0)	(50.0)	(50.0)
Shelter marketing	1.0	1.0	1.5	1.0	.5	.5	.5
Shelter stocking	.1	4.0	6.0	15.0	20.0	50.0	35.0
DIDS	.1	.2	.3	.4	.5	.5	.5
Expedient shelter planning	0	.1	.5	.9	.3	.3	.3
FRC improvement	.1	.6	.6	.6	.6	.6	.6
Vent kits	.6	.1	4.1	7.1	7.1	30.1	15.1
Emergency operating centers	3.0	15.0	28.0	39.0	40.0	60.0	62.0
EOC's	2.0	8.0	20.0	30.0	30.0	50.0	50.0
Supporting materials	1.0	7.0	8.0	9.0	10.0	10.0	12.0
Research and development	14.0	16.0	17.0	18.0	17.0	40.0	21.0
Total	137.0	180.0	243.0	283.0	293.0	293.0	375.0

CHARITABLE CONTRIBUTIONS SUPPORT ACT

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Minnesota (Mr. HAGEDORN) is recognized for 15 minutes.

Mr. HAGEDORN. Mr. Speaker, with the continuing growth of the public sector in our society has come an alarming and, I believe, related decline in private charitable giving. While it is estimated that individual Americans contribute in excess of $25 billion annually to charitable institutions, as represented as a portion of the GNP, this figure has dropped significantly in recent years.

According to the 1975 report of the Commission on Private Philanthropy and Public Needs (Filer Commission), the relative purchasing power of charitable contributions declined from 2 percent of the GNP in 1960 to 1.5 percent in 1972, and has continued to fall since then as giving as decreased absolutely, as well as in constant dollars. This decline has been especially marked among middle-income groups.

In the place of private charity has emerged a growing reliance upon the State and its institutions. In the name of charity, the ideal of charity has been disregarded. As Prof. Russell Kirk observes:

The high merit of true charity is that it is voluntary, a deliberate act of will . . . If our money is taken from us in taxes, that is no credit to our hearts, unless we personally approved those taxes; indeed such compulsion may harden hearts to the very idea of personal and private charity. And the man who receives a state distribution of money as a "right", from an abstract central authority, will not feel gratitude. Why should he? And how could he? We cannot really love abstractions; we can love only particular persons.

In an effort to strengthen the eleemosynary sector of our economy, I have introduced yesterday the Charitable Contributions Support Act of 1978. It would transform the charitable contribution deduction in section 170 of the Internal Revenue Code from a personal deduction, available only to individuals itemizing their deductions, to an adjustment to income deduction to be used in the computation of adjusted gross income by all taxpayers.

Section 170 allows as a deduction on individual income tax returns the amount of charitable contributions made to religious, educational, public, or scientific organizations, and governmental units, with a maximum allowable deduction of 50 percent of adjusted gross income.

As recently as the late 1960's, more

than half of all taxpayers itemized their personal deductions, and were eligible for the charitable contribution deduction. As a result of changes in the tax laws which increased the value of the standard deduction and made it an increasingly attractive alternative to the itemized deduction, only 40 percent of taxpayers itemized by 1974, 23 percent itemized in 1977, and, according to the estimates of the administration, only 16 percent of taxpayers will be itemizing if President Carter's new tax proposals take effect. Thus, only 16 percent of all taxpayers will be eligible for the charitable contributions deduction.

Under current law, every one dollar charitable contribution made by a taxpayer using the standard deduction costs that individual a full dollar. Every one dollar charitable contribution, however, made by an itemizing taxpayer costs that individual only $0.30 to $0.70 depending upon that individual's marginal tax bracket. I believe that the philanthropic base in this country can be increased substantially by extending to all taxpayers the tax treatment presently accorded only to those who itemize their returns.

That the deductibility of charitable contributions is a strong inducement to such contributions is clearly evidenced by the following table:

TABLE 1.—*Average giving by income of itemizers and nonitemizers—1973*

Adjusted gross income	Itemized	Did not itemize
Less than $4,000	[1] $119	$69
$4,000–$7,999	215	89
$8,000–$9,999	314	117
$10,000–$14,999	407	201
$15,000–$19,999	600	329
$20,000–$29,999	800	354
$30,000–$49,999	1,564	[1] 171
$50,000–$99,999	5,679	[1] 3,190
$100,000–$199,999	17,106	[1] 816
$200,000–$499,999	39,763	[1] 8,892
$500,000 or more	71,316	[1] 5,000

[1] Based on fewer than 25 observations.

Source: Sample survey for the Commission on Private Philanthropy and Public Needs by the Survey Research Center of the Institute for Social Research at the University of Michigan and the U.S. Census Bureau.

At every level of adjusted gross income, the amount of giving made by taxpayers who itemize exceeds by a substantial margin the amount of giving by taxpayers choosing the standard deduction.

As the following table illustrates, whether or not a taxpayer chooses the standard deduction (or "zero bracket amount" as President Carter has proposed to rename it) is, to a large extent, a function of his or her income class:

TABLE 2.—*Percent of Federal individual income tax returns claiming itemized deductions by adjusted gross income class—1973*

Adjusted gross income	(1)
0 under $5,000	4.85
$5,000 under $10,000	28.04
$10,000 under $15,000	48.76
$15,000 under $20,000	68.36
$20,000 under $25,000	82.14
$25,000 under $30,000	87.54
$30,000 under $50,000	89.97
$50,000 under $100,000	94.78
$100,000 under $200,000	97.35
$200,000 under $500,000	98.49
$500,000 under $1,000,000	99.39
$1,000,000 and over	99.45

[1] Percent of returns claiming itemized deductions.

As far back as 1973, less than 5 percent of all taxpayers with adjusted gross incomes below $5,000 itemized, with less than 30 percent who earned between $5,000 and $10,000 itemizing. By contrast, more than 9 out of 10 taxpayers earning more than $30,000 filed itemized returns.

It is clear then that my legislation would impact most heavily upon lower and middle class taxpayers by providing them with a further measure of tax relief. The estimated revenue loss resulting would be approximately $2 to $3 billion, on top of the estimated $5 to $6 billion revenue loss already resulting from the charitable contribution deduction.

While even this would be a cheap price to pay for the benefits resulting to the country's altruistic institutions, I believe that these figures seriously overplay the economic loss to the Government. It has been estimated by Prof. Martin Feldstein in a 1970 study that the "price elasticities" of charitable giving are extremely high, with potential donors remaining highly sensitive to the precise cost to them of their giving. He concluded that, for every dollar in lost tax revenue, charitable causes and organizations would receive between $1.15 and $1.29 in contributions. If we can presume that such increased giving will be, in some measure, effective in achieving its charitable ends, then we can also presume that such giving will reduce future demand for various governmental social services.

Personally, I have no doubts that $1 in the hands of most of the private charitable organizations in this country will go farther to relieve human misery and elevate the human spirit than the equivalent amount in the hands of Federal officials. While the public purse may suffer the loss of a few dollars from this proposal, public purposes will suffer not at all.

Beyond the revenue loss, the question might be raised of the propriety of establishing a separate charitable deduction in addition to a standard deduction which has presumably been set at a level approximating the total of individually itemized deductions. While, in an academic sense, this might be true, it begs the question of how best to strengthen the private, charitable sector which is the purpose of this legislation. It is clear that an express charitable deduction provides far more direct incentives to charitable contributions than does a comprehensive standard deduction designed to substitute for the charitable deduction, as well as various other individual deductions.

Further, unlike most other individual deductions, the objective of the charitable deduction is a basically public one. As noted by the Filer Commission—

> It is the only expenditure for public purposes that each person decides individually whether or not to make . . . Because of the fundamental importance of the dollars spent and the urgent need to increase the number of donors and the number of dollars given, the principal government incentive to private giving should be recognized as a special deduction, available to all taxpayers, whether or not they use the standard deduction.

The charitable contributions deduction is, in my opinion, different in kind than other deductions, and the allowance of a separate deduction will not undermine the purposes of the standard deduction.

I would also like to suggest that the extension of the deduction is to be preferred to an optional tax credit along the lines of that proposed in the 94th Congress by several Members. The tax deduction route has been tried and proven effective in achieving its purpose, it involves less complex tax decisions than would the tax credit route, it allows of fewer possible constitutional objections with respect to private religious organizations, and it is far less susceptible to political manipulation because it does not carry with it the same illusion of Federal funding that tax credits frequently do. In addition, the impact of a tax credit rather than a deduction upon higher income groups remains to be examined. It is these groups which contribute disproportionately to charitable purposes, particularly with respect to certain types of charitable purposes, including education and the arts.

Mr. Speaker, if we are to avoid further erosion of the altruistic sector of our society, and further concentration of charitable giving among the wealthy in our society, we must make available to all our citizens the incentives to giving that now motivate an increasingly small number of persons. While recognizing the critical role in philanthropy always played by our more affluent citizens, we should also seek to promote a more representative, "democratized" base of donors.

Unless a pattern and practice of charitable participation is established widely among our population, those who emerge eventually as among the more affluent will not be as likely to continue in the same benevolent tradition as their predecessors.

And if we are to preserve the full diversity and richness of our pluralistic society, with an emphasis upon private decisionmaking and individual choice, we must be prepared to do whatever is necessary to promote our country's private social welfare sector. Once these functions are monopolized by the State, the most enduring and the most noble impulses of humanity will have been undermined.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

[Mr. ANNUNZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

ATTENTION CALLED TO SERIES OF HEARINGS BY SUBCOMMITTEE ON INTERNATIONAL DEVELOPMENT INSTITUTIONS AND FINANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, I wish at this time to call to the attention of the House a series of hearings that the Subcommittee on International Development Institutions and Finance of the House Committee on Banking, Finance and Urban Affairs has begun on very important subject matters ranging from one, a review of the entire question on a basic policy matter of whether or not the United States should continue its participation in these international monetary institutions; two, whether it has the financial ability that it once had; and, three, whether or not it will touch directly or indirectly on what I consider to be the biggest crisis confronting us, and that is the dilemma of the dollar situation and its value.

It is clear that all our international financial dealings are of a single piece. While the subcommittee I chair is examining the multilateral development institutions, it should be clear in all our minds that these institutions are but a strand of the international financial network.

Part of the problem with our dollar, for example, is not just the fact that we have a great trade deficit; that deficit stems in good part from recession in other countries, whose economic activity is not sufficient to keep up with our own.

Likewise, our overall economic health is related to the world economy. The task of the multilateral development institutions is to endeavor to assure that this world economy is healthy and growing, to the extent that outside help and assistance makes this possible. The role of these institutions is significant and growing more so. That is why these particular hearings are of great importance to us.

One of the statements presented to the subcommittee was particularly helpful in sketching the importance of developing countries to our own, and in turn the importance of the development banks to lenders and borrowers alike. I include in the RECORD at this point a copy of the statement submitted by Under Secretary of State Richard Cooper, a distinguished scholar in his own right, and an economist of the first rank.

TESTIMONY OF RICHARD N. COOPER, UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS

Mr. Chairman and Members of the Committee: I am pleased to have the opportunity to testify before you this morning about United States' participation in the international development lending institutions—the World Bank Group, the Asian Development Bank and Fund, the Inter-American Development Bank, and the African Development Fund. Last year (in P.L. 95–118) the Congress authorized participation by the United States in replenishments proposed for all but one of these institutions. Appropriations were provided for each of them.

Secretary Vance has already testified in support of this year's foreign assistance programs. As he has explained, the Administration is requesting this year a total of $8.4 billion in foreign assistance appropriations: $1.7 billion for bilateral development assistance; $3.5 billion for the international development lending institutions; $2.7 billion for Security Assistance; $282 million for programs of the UN and the OAS; and $236 million for other programs ($4.7 billion of this program will require new authorizations). Additionally, we plan to undertake a $1.4 billion P.L. 480 Food for Peace program. We attach high priority to this overall program and urge your support for it.

Although we will not be seeking additional authorizations for the international development lending institutions this year, we are requesting substantial appropriations. Additionally, since my appearance before you last March, several new issues have arisen which affect the nature of our participation in these institutions. Under these circumstances, I think it timely for us to discuss the role of these institutions, our participation in them, and the reasons that they merit the continued strong support of the United States.

First, I will describe the broad foreign policy context in which these institutions operate. Next, I will address the question of how the institutions promote global development and, at the same time, serve our national interests. I will then discuss some of the inevitable trade-offs which arise from our participation in these institutions. I will close with some thoughts on the future role of these institutions and U.S. support for them.

U.S. FOREIGN POLICY OBJECTIVES

The Primary objectives of our foreign policy are peace, prosperity, and cooperative relations among nations because these conditions contribute to the well-being of the United States. Our foreign assistance programs for developing nations are an integral part of our efforts to pursue these objectives.

The developing nations are the home of a large majority of the human race. These nations are diverse in many ways, and this diversity requires that our policies be tailored to the characteristics of each nation. One characteristic in common to the developing countries, however, is their aspiration for economic development and betterment of the material conditions of their people's lives.

For most of the last twenty-five years the focus of the international community has been on maintenance of a peaceful world. In the period ahead, we must intensify our search for broadly shared, sustained prosperity and development. A more peaceful world will enable us to turn more attention to this goal. And success in achieving economic progress for all can contribute to a more enduring and meaningful peace.

Economic development is essentially an internal matter for each country. The adoption of sound domestic policies and the creation of effective institutions in the developing countries are necessary countries of development. But at the same time, the help of the developed countries is critical. Our help can hasten the development process and make it more likely that its benefits will be shared widely by the people. Our help can also promote the integration of the developing countries into an open and expanding international economic system which will be in their interest to support.

This year's foreign assistance budget is the first which fully reflects the policies and priorities of the Carter Administration. It was developed after an extensive Administration review of our relations with developing countries generally and of our foreign assistance programs in particular. That review resulted in a number of conclusions. For instance, it highlighted the growing importance of developing countries to the United States. Second, it affirmed that our foreign assistance programs help to achieve a variety of U.S. objectives with respect to the developing countries.

Consider first the importance of developing countries to the United States. We live in a world of economic interdependence—where the prosperity of each nation depends upon the well-being of others. This interdependence is clear in the fields of trade and investment. Non-oil producing LDCs alone, for instance, account for about one-quarter of our global exports and imports, as well as about one-quarter of U.S. foreign investment abroad. On the import side, developing countries provide large amounts of critical raw materials, of which the most critical is, of course, petroleum. Over the longer run, the health of the U.S. economy will depend to a considerable degree on the reliable growth in supply of the products we need from the LDCs and LDC markets for our exports, as well as the flow of investment between us.

But this interdependence is not limited to purely economic relationships. There are a number of global problems of great importance to the United States: nuclear nonproliferation and disarmament; law of the sea; terrorism; high population growth; and, pollution. Solution of these problems will require the cooperation of the developing countries. Although we believe that such cooperation is also in the interest of the developing countries, we can increase the likelihood of that cooperation through our support of their paramount goal of development. Such cooperation is far less likely in a world characterized by suspicion and hostility between the North and the South, the rich and the frustrated poor.

Finally, the developing countries are important to the United States for political and security reasons. For instance, their assistance will be vital in resolving the conflicts which now exist in the Middle East and in Africa.

Viewed against this backdrop, we can see that our foreign assistance programs serve a variety of U.S. objectives.

They help integrate the developing countries into an expanding world economy on whose health the well-being of our own country depends.

They enhance the prospects of peace by offering the promise of improved economic and physical well-being as an alternative to war.

They allow the United States to play a leadership role in working for a world economy or maximum benefit to all, with mutual rights and responsibilities, social progress and respect for human rights.

Our foreign assistance programs are at the core of our relations with developing countries. We believe they serve vital interests of the United States.

U.S. FOREIGN ASSISTANCE PROGRAMS

Our bilateral programs focus on functional and geographic areas of particular interest to the United States. The international development lending institutions are the other major instruments of our assistance programs. They play a leading role in the direct transfer of real resources in support of the developing countries' aspirations and the objectives of the United States without the functional and geographic constraints of our bilateral programs. Let me briefly mention each of these institutions before addressing in some detail the important ways in which they promote development and how our national interests are served by these institutions. I will begin with the World Bank Group.

The International Bank for Reconstruction and Development—the IBRD—is the central member of the entire family of international development lending institutions. Over the thirty-odd years since its founding its increasingly broad membership, now 130 countries; its highly competent staff; and its proven performance have established it as the leader of the global development effort. Its activities have been a valuable complement to our own bilateral aid. Traditionally, it has focused on infrastructure projects essential to economic growth. More recently, its emphasis has shifted substantially in favor of projects directly benefiting the poor, especially agriculture and rural development projects. Thanks to our position as the IBRD's major donor, we continue to be able to exercise leadership within the IBRD and substantial influence over its policies.

The IBRD's major borrowers are middle-income countries relatively far along the path to development. Many countries—despite having made important economic progress in recent years—will continue to depend on IBRD loans and advice for some years to come, all the more so because of the setback to their development inflicted by the oil crisis and the global recession from which we still have not completely recovered. Among large borrowers from the IBRD are such countries as Mexico, Brazil, Indonesia, Spain, and Yugoslavia—all countries of considerable importance to the United States, all countries whose prosperity is important to our own.

Almost all of the funds lent by the IBRD are borrowed by it in capital markets and, therefore, involve no direct contribution by donor country governments. (Paid-in capital—10 percent of total subscriptions—earnings on investments, and interest on earlier loans provide additional funds for IBRD lending.)

Last year Congress authorized our participation in a selective capital increase for the IBRD which will allow it to maintain its annual lending program at about present levels. Many IBRD members now favor an additional general capital increase which would allow an expansion in real terms of its lending programs over the coming years, and President Carter has publicly expressed his hope that future negotiations will allow the realization of such an increase.

The International Development Association—IDA—is the second member of the World Bank Group. IDA makes loans on very concessional terms to the poorest countries. Therefore, its resources must be contributed directly by donor governments. India, Pakistan, Bangladesh, and Egypt have been major recipients of IDA funds.

The needs of the countries to which IDA lends are varied and vast. IDA's task in assisting to meet them is clearly of a long-term nature.

Congress last year authorized our participation in the fifth replenishment of IDA's resources. We will be seeking this year appropriations for our pledged contributions to both the fourth and fifth replenishments. For the fourth replenishment we still need $750 million—our third and fourth (final) tranches. These two U.S. tranches represent a significant fraction—just under 17 percent—of the entire fourth replenishment. (Pledges to this replenishment totaled $4.5 billion; the U.S. share was one-third.) Congress authorized these funds years ago. We are behind schedule in obtaining appropriations. Inability to provide these funds to IDA would be viewed by others as a failure to live up to our commitments.

For the fifth replenishment we need this year the second of our three $800 million installments. Obtaining this amount is also vital because the fifth replenishment cannot continue into its second year without the appropriation and commitment from the United States, on the same terms as other countries, to provide IDA these funds.

In a world, our contributions are essential to allow IDA to continue to function smoothly; to the other IDA donors who made their pledges on the assumption that we would fulfill ours; and, of course, to the poor developing countries which will benefit from IDA lending. Politically, IDA is a central indicator by which developing countries gauge the seriousness of our commitment to assist them in their development efforts. Thus, our actions concerning IDA are central to the developing countries' perceptions of our general attitude toward them. These perceptions have a major effect on the overall North/South dialogue.

The International Finance Corporation—IFC—the final member of the World Bank Group, supports directly the development of the private sector in developing countries. It does this through syndication efforts aimed at bringing together investment opportunities, domestic and foreign private capital, and experienced management; and it participates in the projects directly by modest loans or equity investments.

Congress last year authorized our participation in a capital increase for the IFC. This increase will allow the IFC to expand its activities in coming years, notably in minerals and energy development.

The regional development banks serve as useful complements to the global reach of the World Bank Group. They develop particular expertise in their respective regions. Our support for them manifests our interest in the respective regions and thus has particular political as well as economic significance.

The Inter-American Development Bank serves an area with which the U.S. has deep historical and cultural ties and in whose prosperity we have a significant interest. The IDB with our support has contributed significantly to economic development of the region in the past and requires our support to continue to do so in the future. Its development efforts, in turn, can strengthen democratic forces and further the advancement of human rights in the region.

The Asian Development Bank serves a region of great strategic and economic interest to the United States. Its membership exends from Korea in the north to Afghanistan in the west. I believe the ADB can make a contribution to the development of the region which will enable these countries better to resist external pressures and help bring stability and true peace to the region. In view of our military withdrawal from Indochina and the proposed reduction in our forces in Korea, our support for the ADB can give a valuable signal of continued U.S. interest in the area and support for the aspirations of its people.

The African Development Fund is the newest of the regional institutions, and our participation in it to date has been modest. Our interests in Africa are clearly growing, however. Guerrilla and conventional conflicts in the area threaten not only the local populace but risk growing involvement of outside powers. Our diplomatic efforts aim to resolve these conflicts. AFDF-assisted development can enhance the likelihood of a stable peace. Increased U.S. participation in the Fund is an important element of our expression of interest in the African continent.

IFI'S, DEVELOPMENT AND U.S. INTERESTS

Let me turn now to some of the specific ways in which these institutions serve both development and the interests of the United States.

Through their role in assisting the economic and social progress of the developing countries, these institutions foster a structure of cooperation between developing and developed countries characterized by mutual responsibilities and joint contributions to the health of the international economic and political system.

The cooperation maintained within these organizations contribute positively to the substance and to the atmosphere of the broader North/South dialogue.

They contribute to an equitable sharing of the global aid burden. Contributions of individual donors are based on their economic strength and ability to provide aid. Our share in IDA was 43 percent; in the current has generally shown a declining trend over the years as the shares of other countries have increased. For instance, our original share in IDA was 43 percent; in the current replenishment it is 31.4 percent. In the Inter-American Development Bank's ordinary capital, our original share was 41 percent; in the current replenishment it is 32.3 percent. An important and justified development is that the OPEC countries are now increasing their contributions as well. We welcome these trends and expect them to continue.

To support their hard-lending operations these institutions borrow in many countries, including, recently, OPEC countries. In this way they have mobilized funds for development far in excess of their members' cash contributions to them.

They contribute significantly to the evolution of an efficient global economy and to necessary structural adjustments of a long-term nature. They do this in several ways:

They analyze individual projects within the context of both a country's development plan and the global economy and select for funding only the soundest projects.

They assist countries to diversify their economies by providing additional capital to sectors requiring it, for instance agriculture and, more recently, energy.

In their dialogues with developing members, they advise on appropriate economic policies. Their advice is generally consistent with our own views and stresses the importance of market forces and of an open international economic system. Because of the multilateral character of these institutions this advice is perceived by its recipients as apolitical and objective. The acknowledged competence and international character of the staff of these institutions gives it additional authority. As a result, their advice is often more effective than advice from bilateral aid donors.

They contribute to the efficient use of scarce development assistance coming from many sources through their leadership and participation in the aid consultative groups and consortia which coordinate bilateral aid efforts on behalf of numerous countries. The existence of their competent staffs lessens the need for similar staffs in each donor country, thus further contributing to the efficiency of the international aid effort.

These institutions can also serve tangible U.S. interests.

Development of the minerals sector worldwide—both fuel and non-fuel minerals—is in the interest of the United States because it will increase supplies and, at the same time, restrain further price increases. Unfortunately, however, uncertain investment climates in some developing countries have depressed private investment in development of this sector. The World Bank, with U.S. support, is moving to expand substantially its effort in the sector, not only through the provision of additional financing and technical assistance, but through the favorable "catalytic" effect on private investors

which the Bank's activities in a country can have. The regional banks are moving in the same direction.

The international development banks can contribute in many ways to the growth of markets for U.S. exports. They do this through policy advice which favors an open international economic system. They also assist the developing countries to overcome their foreign exchange constraints which limit their ability to import. DAC statistics indicate that in 1976 multilateral agencies—the international developments banks, the UN, and other minor sources—provided $6.2 billion in net financial resource flows to non-oil developing countries—about 10.6 percent of total receipts by these countries of $58.7 billion.

Primarily in connection with specific projects, the development banks lend the money needed to import the necessary project components—a substantial share of which comes from the United States. Over time, these projects can contribute to the saving and earning of foreign exchange by these countries which can then be used to purchase U.S. goods. In 1976, for instance, non-OPEC developing countries alone imported $26.2 billion from the United States—23 percent of our total exports. Major components of our exports to these countries included manufactures ($19 billion), agricultural products ($4.9 billion), raw materials ($1.8 billion), and fuels ($586 million).

These institutions are placing increasing emphasis on employment-creating projects, in connection with their efforts in both the agriculture and rural development sector and in urban-oriented industrialization and development efforts. Creation of additional jobs in the countryside can slow migration from rural to urban areas. Additional jobs in urban areas can ease pressures to emigrate to other countries. We fully support these efforts by the banks, which are directly relevant to our own illegal immigration problem.

These are some of the specific ways in which these institutions serve both the development effort and U.S. interests.

EXAMPLES OF SUCCESSFUL IFI ACTIVITIES

Let me now mention briefly several examples of successful projects supported by these institutions.

In India the largest single component of the World Bank program has been directed to agriculture and rural development. In addition to fertilizer production and rural electrification, this includes projects to improve the organization of specialty crops (cotton, fish, rubber, coconut, forestry). But the main aim of the program is to raise the productivity of the mass of Indian farmers growing foodgrains, by financing construction and modernization of irrigation schemes and providing agricultural extension on a sound basis. In the earlier projects it was found that roughly 50 percent of farmers in all size groups adopted the practices suggested and the adopters increased their yields 60 to 80 percent within two years. The suggested practices were kept simple and avoided use of additional purchased inputs, with the result that even the smallest farmers benefited. It is expected that about 6 million of India's 70 million farm families will benefit from improved yields under these projects in the next few years.

In the past year and a half alone, IDA has helped in the reorganization of the extension service of India's five poorest states along lines tried earlier in other states in the framework of command area development projects. Three of these states are in India's Eastern Region, where average farm size and per capita incomes are about half those of the rest of the country.

In the Philippines, the Asian Development Bank is a major contributor to the Catabato Irrigation project on Mindanao. The farmers in Mindanao are poor even by Philippine standards. The lack of feeder roads and difficult access to marketing services and irrigation works are disincentives to farmers. This project is one of the more successful of its type to date. The project had exceeded original targets both in terms of the number of beneficiaries, which almost doubled, and the extent of their economic benefits. Total net annual farm income in the project area, projected to rise in seven years from $106 per family to $427, actually increased to about $830.

In Egypt, the World Bank, together with USAID and the German agency KFW, is financing a major program of four projects to provide Egypt's agriculture lands with field drainage and to alleviate waterlogging and salinity. These projects bring substantial benefits to 780,000 farm families (about 4.4 million people) most of whom are near to or below the poverty level and yield a very-high economic return. These projects also provide very substantial employment: in excess of 170,000 man-years during implementation, mostly for the landless rural poor, and a continuing increased need for agricultural labor.

POLICY CHOICES

I would like now to touch on two areas in our relationships with these institutions which necessarily involve trade-offs between conflicting objectives.

The first involves the conflict between the concept of sharing the burden of development financing which I described above, on the one hand, and the ability of the United States to exercise control over the activities of these institutions, on the other. A major objective of our participation in these institutions has been to transform what was once a predominantly U.S. aid effort into a broadly shared one. We have succeeded in this objective. But in these institutions voting power is linked to contributions. Thus, inevitably, as our share in these institutions' resources has declined, our voting power and our ability to influence their activities has too. As their contributions rise, the objectives of other donors must be taken increasingly into account.

Luckily, within these institutions a broad consensus exists on both the aim of development and the means to attain it. This allows their work to go forward to the benefit of all despite their broad and varied membership. Our bilateral aid program is completely under our control and can be used just as we wish to advance precisely defined national objectives. We must recognize that in the international financial institutions we cannot exercise this degree of control. We have at our disposal other diplomatic and economic measures which can be used to ameliorate problems of particular concern to us. But to exert undue influence on these institutions would be inappropriate and encourage others to do so as well. I believe, moreover, that this lack of complete U.S. control is more than offset by the many ways in which these institutions serve broad U.S. interests.

The second issue is related to the first. It is the conflict between the essentially apolitical nature of these institutions—specifically stipulated in their charters—and introduction of political considerations into their deliberations, with resultant damage to their ability to execute their functions objectively and efficiently.

The concept underlying their non-political character was that these institutions' work should go forward substantially unaffected by the kinds of considerations which can cause bilateral aid flows to grow or decline abruptly as the warmth of bilateral relations betwen particular donor and recipient waxes and wanes. By and large, separation of politics from economics in these institutions is a concept which has served both the United States and the people of the developing countries well.

Last year restrictive legislation was introduced in the Congress which would have "earmarked" our contributions, that is, prohibited the institutions from using them in certain countries or for certain projects. The institutions made clear to us—the World Bank in writing, the others orally—that they could not and would not accept funds under those conditions. Had such legislation been enacted, and had the institutions accepted the funds, this would have marked the first step in the outright politicization of these institutions. Other countries, which as noted above are increasingly important contributors, might follow suit, and the restrictions which they might impose could be repugnant to the United States. Clearly, to start down this path runs the risk of great damage to future U.S. participation in these institutions, to the institutions themselves and to the global development effort.

We must accept the fact that these institutions will occasionally act in a way which we would not desire. This is the price we must pay for the many benefits we derive from them. Rather than enacting restrictive legislation, the Administration and the Congress should consult closely to determine those issues relevant to these institutions which are of greatest interest to the United States. Then, even in the absence of legislative requirements that we do so, the Administration would work with management and other members of these institutions to advance these important goals.

For instance, with respect to human rights, we have opposed loans by these institutions to countries with serious human rights problems unless those loans will clearly serve basic human needs. We are consulting with management and with other members to build support for our human rights policies.

We have encouraged these institutions to channel more of their resources to projects serving basic human needs, and there has been substantial movement in this direction. For instance, over the years 1973–76 IBRD/IDA loans to the five sectors most likely to impact on basic human needs—agriculture and rural development, education, population and nutrition, urbanization, and water supply and sewerage—average 39 percent of total IBRD/IDA lending. Lending in these sectors is projected to comprise 52 percent of IBRD/IDA lending in FY 1978.

This year we will be engaged in replenishment negotiations affecting the IBRD and each of the regional banks. We will want to consult closely with the Congress in the process of formulating our negotiating positions. In due course we will seek from you legislation authorizing our participation in these replenishments, which are necessary if the banks are to continue to play their essential role in the way we envisage.

In conclusion, Mr. Chairman, I would like to reiterate the foreign policy significance of our continued strong support for the international development lending institutions. This support represents a major part of our foreign programs which are designed to respond to the legitimate concerns of the developing nations—nations of great economic and political importance to the United States. These institutions serve U.S. interests in many ways, in particular by promot-

ing economic development abroad and the growth of the world economy in ways which benefit the United States. Our support allows us to maintain our influence within these institutions and facilitates U.S. leadership in a broader North/South dialogue along lines more acceptable to us.

Strong U.S. support of these institutions will continue to be a major goal of the Carter Administration. I urge you and your Congressional colleagues to join the Administration in providing this support.

ONCE AGAIN, SOCIAL SECURITY FINANCING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

● Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to bring to the attention of my colleagues in the House the strong endorsement of my social security one-third general revenue bill by the National Council of Senior Citizens, Inc.

As pointed out in the council's statement, throughout its history it has advocated the principle of partial general revenue funding of every trust fund in the social security system.

The National Council of Senior Citizens, Inc. has come out with a strong endorsement of my bill and at the same time has called for the Members of the House to cosponsor this timely legislation.

Time is of the essence.

If we wish to get the economy moving, we have to bring about a reduction in taxes at the employment level, which will result in more jobs in the private sector.

You still have time to get your name on the Social Security Honor Roll for 1978.

Mr. Speaker, the statement of the National Council of Senior Citizens, Inc. follows:

ONCE AGAIN, SOCIAL SECURITY FINANCING

The National Council of Senior Citizens has endorsed throughout its history the principle of partial general revenue funding of every trust fund in the Social Security system. We offer our support of this principle once again in Congressman Burke's bill (H.R. 10668) and ask you to offer your support by cosponsoring this legislation.

WHAT OTHER COUNTRIES DO

Although the payroll tax is by far the most important means of financing in all industrial nations, every country—with the single exception of France—uses general revenues in some form to finance their Social Security systems. Some use a specific percentage formula, some infuse a specific lump sum, and in at least three cases—Austria, Holland and Canada—deficit financing from general revenues is used. General revenues account for roughly 15 to 20 per cent of program expenditures in almost all other countries regardless of the manner in which it is infused. In none of these cases has the entitlement principle been endangered. However, there is serious risk of eroding the broad based eligibility entitlement which is an important strength of the system if one or more of the trust funds were to have sole reliance on general revenues, while others remained reliant on the payroll tax. The Burke bill avoids this risk.

In addition to the negative reaction of the public (amplified greatly by the news media) to increased payroll taxes, there is also a strong positive basis for using general revenues in the system.

SOCIAL SECURITY IS NOT JUST FOR AGING

The Social Security system represents a balance between two goals: (1) social adequacy and (2) individual equity. Contributions into the system support three elements consistent with the overall goals:

1. future security for self and spouse when retirement is likely to occur;

2. future security for self, spouse, and other dependents should the unfortunate event of disability or premature death of the family breadwinner occur; and

3. adequate security for less fortunate members of society who have low earnings histories, irregular employment, or become disabled or who die leaving dependents.

THE FAIREST WAY

There appears to be no justifiable reason why anyone should be excused from supporting the third element which is present in part in every one of the trust fund programs under the Social Security system. And, our most progressive form of taxation—the income tax, which is the basis of general revenues—is, the fairest way to support the interests of society as a whole.

That is why we ask you to add your name to the growing numbers who have endorsed the principle of across-the-board infusions of general revenue into the trust funds. We urge you to become a cosponsor of H.R. 10668.●

THE BARBARIC SLAUGHTER OF THE BABY HARP SEAL CAN NO LONGER BE TOLERATED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, within the next few weeks, the annual harvest of the baby Harp seal will be carried out. The manner in which these seals are slaughtered has been of great concern to me for some time and I would like to take this opportunity to again voice my objection to this brutal practice.

Many of the seals who will be harvested within the next few weeks will be just a few months old. They will be clubbed unconscious, skinned, and left to die an agonizing death on the ice.

The inhumane practice has raised the ire of a great many Rhode Islanders. Under the coordination of my constituent, Mrs. Charlotte Fleury of North Smithfield, more than 900 signatures have been collected calling for an end to the Harp seal harvest.

I join with my Rhode Island constituents in protesting the annual harvest of the Harp seal and urge that the Congress act in helping put an end to this unfortunate practice.

The text of the petition circulated by Mrs. Fleury reads as follows:

We, the undersigned, urge the Congress of the United States to impress upon the Norwegian and Canadian Governments that Americans can no longer tolerate the barbaric slaughter of the baby Harp seal.●

END THE "TAX ON MARRIAGE"

(Mrs. FENWICK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

● Mrs. FENWICK. Mr. Speaker, I am today introducing legislation to end the so-called tax on marriage. Joining me in this are 55 other Members of the House who realize that it is time for Congress to address this tax inequity which costs so many couples so much each year.

A January 29, 1978, article in the Washington Post, by an economist at the Federal Reserve, amply describes the problem which confronts married couples when both husband and wife work. I am placing excerpts of this article in the RECORD because they clearly define a complicated tax matter. This tax penalty for marriage is not so complicated, however, that millions of couples do not understand that it affects them directly. I will always remember the young woman who came up to me after a public meeting in New Jersey and told me that she and her fiancé would pay over $600 more in taxes if they married.

In her article, Ms. Key describes the origin of the marriage tax penalty thirty years ago:

The basic structure of our present income tax laws—which favor married one-earner couples—dates back to 1948. Then, in the normal American family, the husband worked and the wife stayed at home. Now, 30 years later, families in which both husband and wife are employed outnumber one-earner couples. In perhaps the ultimate statistical recognition of the two-earner couple as the norm, the Census Bureau is abandoning its practice of designating the male as "head of household." Yet the male "head of household" concept still seems to hold sway in national tax policy.

This concept was clearly present in the Tax Reform Act of 1969, which set up a new, lower rate schedule for single wage earners and ignored what effect this would have when two wage earners were married. This new rate schedule, combined with increases in the standard deduction that benefited a single person more than a married person, produced what is known as the "marriage tax" on two-earner couples.

The penalty derives from three basic sources, as Ms. Key points out in her article. For 1977 income tax returns, a married couple, even when both spouses work, is limited to a standard deduction of only $3,200 ($1,600 if separate returns are filed); if single, they could each claim a standard deduction of $2,200 for a total of $4,400.

Even if the couple itemized deductions greater than $4,400, they still would be penalized by the effect of the tax rate schedules. For example, if each spouse had a taxable income of $15,000 the "marginal tax rate"—that is, the tax rate on the highest dollars of income earned—would be 39 per cent, whether they filed jointly on their combined taxable income of $30,000 or separately on their taxable incomes of $15,000 each. But if two single people had the same taxable incomes—$15,000 each—each would have a marginal tax rate of only 31 per cent.

The singles rates are lower because of a special tax rate schedule created by the Tax Reform Act of 1969. Until then, singles had to use the schedule for married individuals filing separately, the schedule with the high-

est tax rates. The purpose of the new singles' schedule was to reduce somewhat the taxes a single person paid compared to the taxes paid by a married one-earner couple filing a joint return with the same taxable income. But, as is often the case, the government's attempt to help one group (here, the singles) inadvertently left another group (the two-earner couples) relatively worse off. Married two-earner couples still had to use either the high rates of the schedule for marrieds filing separately or add their incomes together and use the schedule for marrieds filing jointly. Since the tax rate increases as income increases, adding the two incomes together results in the second income being taxed at higher than the first.

The final factor contributing to the marriage tax is the general tax credit for 1977. Each single person with a taxable income of $9,000 or more may claim one $180 tax credit; if two such people are married, they get only $180 credit.

Ms. Key also notes in her Washington Post article that the United States is nearly alone among the Western industrial countries in perpetuating this inequity. She writes:

Since the United States has been in the forefront in so many areas of equal rights for women. it is perhaps surprising that, compared with other industrial countries, it is almost alone in adhering to the principle of taxation that only the total income, and not who earns it, matters. A recent Organization for Economic Cooperation and Development survey of 17 industrial countries found that in all but the United States a two-earner couple with the husband and wife each earning the average national wage are taxed less heavily than a one-earner couple with the same total income. In the United States, the tax would be the same.

Last fall, however, there were some intimations of change. The Office of Tax Analysis began acknowledging that "opposition to the marriage penalty is now so widespread that . . . it seems clear that . . . there must be some distinction between one-earner and two-earner married couples." And President Carter's tax proposals originally included an additional deduction of up to $600 for two-earner couples. But even this very limited attempt to deal with the marriage tax problem was eliminated from the administration's final tax package.

My bill gives couples—when both work—the option of using the single tax table if that will eliminate the marriage tax penalty. The bill does not mandate that they use this table—it is up to the individual taxpayers to decide which tax is fairer for them. I am also attaching a section-by-section analysis of this bill and a table showing the cost of the penalty to various families.

SECTION-BY-SECTION ANALYSIS

Section 1. Will allow married couples, when both work, to use the single's tax table if they so choose. In community property states, a taxpayer will file on his or her own actual income. Married individuals using the single table will also qualify for the single standard deduction.

Tax credits and deductions, such as child care, will be allowed as now.

This section also provides that the change will take effect in the tax year in which the bill is passed.

Section 2. Gives the Secretary of the Treasury authority to modify the withholding tax tables to take into account changes in filing status which result from this legislation.

TAX ON MARRIAGE EFFECT ON 2-INCOME SPOUSES AT VARIOUS INCOME LEVELS, TAXABLE YEAR 1977

Assumed incomes	Tax on married couple filing joint return	Total tax on 2 single individuals with same incomes	Marriage tax penalty	Marriage tax penalty as percentage over tax on 2 singles (percent)
$4,200 and $4,200	$499	$308	$191	62.01
$5,000 and $5,000	765	566	199	35.16
$6,200 and $10,200	2,020	1,758	262	14.9
$9,200 and $11,000	2,961	2,498	463	18.53
$12,500 and $14,000	4,784	4,004	780	19.48
$15,000 and $15,000	5,957	4,944	1,013	20.49
$16,250 and $19,750	8,217	6,765	1,452	21.46
$19,950 and $19,950	9,835	7,998	1,937	24.22
$22,000 and $28,000	14 530	11,738	2,792	23.79
$30,000 and $30,000	19,530	15,766	3,764	23.87
$31,000 and $34,000	22,030	18,016	4,014	22.28

LEAVES OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. STUMP (at his own request), for today, on account of official business.

To Mr. LEHMAN (at the request of Mr. WRIGHT), for today, on account of official business.

To Mr. EVANS of Indiana (at the request of Mr. WRIGHT), for today, on account of official business of the Select Committee on Aging.

To Mr. CLAY (at the request of Mr. WRIGHT), for today, on account of inclement weather.

To Mr. ADDABBO (at the request of Mr. WRIGHT), for today, on account of official business.

To Mrs. CHISHOLM (at the request of Mr. MATTOX), for today, on account of official business.

To Mrs. MEYNER (at the request of Mr. ANNUNZIO), for today, on account of official business.

To Mr. SAWYER (at his own request), for today, on account of personal business in district.

To Mr. GILMAN (at the request of Mr. RHODES), for today, on account of official business.

To Mr. RUDD (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HAGEDORN) to revise and extend their remarks and include extraneous material:)

Mr. HAGEDORN, for 15 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous matter:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HAGEDORN) and to include extraneous matter:

Mr. DICKINSON.
Mr. LIVINGSTON.
Mr. HORTON.
Mr. LATTA.
Mr. CONABLE.
Mrs. HOLT.
Mr. WHITEHURST.
Mr. COHEN.
Mr. LENT.
Mr. SYMMS.
Mr. YOUNG of Florida.
Mr. DERWINSKI in two instances.
Mr. SHUSTER.
Mr. ANDREWS of North Dakota.
Mr. SARASIN.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. MAZZOLI.
Mr. CARNEY.
Ms. MIKULSKI.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. VANIK.
Mr. BYRON.
Mr. WALGREN.
Mr. EILBERG.
Mr. BONKER.
Mr. MURPHY of New York.
Mr. MCCORMACK.
Mr. RYAN.
Mr. MCDONALD in five instances.
Mr. STOKES.
Mr. WOLFF.
Mr. HOLLAND.
Mr. GAYDOS.
Mr. WEAVER.
Mr. SOLARZ.
Mr. ERTEL.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 13 minutes p.m.), under its previous order, the House adjourned until Monday, March 6, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXVI, executive communications were taken from the Speaker's table and referred as follows:

3448. A communication from the President of the United States, transmitting a report on recommendations for reform of the United Nations, pursuant to section 503 of Public Law 95–103; to the Committee on International Relations.

3349. A communication from the President of the United States, transmitting a draft of proposed legislation to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on International Relations.

3450. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to further the rationalization, standardization, interoperability, and effectiveness of the land, air, and naval forces of the North Atlantic Treaty Organization countries; to the Committee on Armed Services.

3451. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a draft of proposed legislation to expand and facilitate urban lending investment by Federal savings and loan associations; to the Committee on Banking, Finance and Urban Affairs.

3452. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act No. 2–153, "To amend the provisions of the District of Columbia Youth Services Act of 1976," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

3453. A letter from the Secretary of the Treasury, transmitting the fifth annual report of the Office of Revenue Sharing, covering fiscal year 1977, pursuant to sections 105(a)(2) and 121(f) of the State and Local Fiscal Assistance Act of 1972, as amended; to the Committee on Government Operations.

3454. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3455. A letter from the Director, Office of Public Information, Commodity Futures Trading Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3456. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3457. A letter from the Chairman, Federal Election Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3458. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a report of the Board's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3459. A letter from the General Counsel, Legal Services Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3460. A letter from the Director, Office of Government and Public Programs, National Science Foundation, transmitting a report on the Foundation's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3461. A letter from the Information Officer, Postal Rate Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3462. A letter from the Acting Chairman, the Renegotiation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3463. A letter from the Administrator, Agency for International Development, Department of State, transmiting a report on energy needs, uses and resources in developing countries, pursuant to section 119 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

3464. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the first annual report on the activities of the Energy Information Administration and its predecessor agency, the Office of Energy Information and Analysis of the Federal Energy Administration, covering calendar year 1977, pursuant to section 57(a)(2) of the Federal Energy Administration Act of 1974, as amended (90 Stat. 1139; 91 Stat. 572); to the Committee on Interstate and Foreign Commerce.

3465. A letter from the Comptroller General of the United States, transmitting a report on improvements needed in the Federal employee performance rating systems (FPCD–77–80, March 3, 1978); jointly, to the Committees on Government Operations, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DELANEY: Committee on Rules. H.R. 50. A bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs; with amendment (Rept. No. 95–895, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEHMAN: Committee on Post Office and Civil Service. House Joint Resolution 578. Joint resolution authorizing the President to proclaim the third week of May of 1978 and 1979 as National Architectural Barrier Awareness Week (Rept. No. 95–918). Referred to the House Calendar.

Mr. LEHMAN: Committee on Post Office and Civil Service. House Joint Resolution 715. Joint resolution proclaiming May 3, 1978, Sun Day (Rept. No. 95–919). Referred to the House Calendar.

Mr. CLAY: Committee on Post Office and Civil Service. H.R. 3793. A bill to amend title 5, United States Code, to provide Federal employees under investigation for misconduct the right to representation during questioning regarding such misconduct; with amendment (Rept. No. 95–920). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 6635. A bill to amend the Second Liberty Bond Act to allow the interest rates paid on U.S. retirement plan and individual retirement bonds to be increased to the rate paid on U.S. series E savings bonds; with amendment (Rept. No. 95–921). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 9518. A bill to amend the Shipping Act, 1916, to provide for a 3-year period, to reach a permanent solution of the rebating practices in the U.S. foreign trade; with amendment (Rept. No. 95–922). Referred to the Committee of the Whole House on the State of Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 11180. A bill to increase the public debt limit through March 1, 1979, to provide that thereafter the public debt limit shall be established pursuant to the congressional budget procedures and to improve debt management (Rept. No. 95–923, Pt. I). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1609. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; with amendment (Rept. No. 95–924, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself and Mr. REUSS) (by request):

H.R. 11265. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BEDELL (for himself, Mr. FRENZEL, and Mr. SEIBERLING):

H.R. 11266. A bill to amend the Internal Revenue Code of 1954 to provide graduated corporate income tax rates; to the Committee on Ways and Means.

By Mr. BEDELL (for himself, Mr. LEACH, and Mr. ROE):

H.R. 11267. A bill to amend title 38, United States Code, to provide that agricultural employment required for eligibility for educational assistance under the GI bill for a person enrolled in a farm cooperative program need not be full-time employment or the principal expected source of income of such person and may include employment in establishments engaged in the processing, distribution, or sale of agricultural products; to the Committee on Veterans' Affairs.

By Mr. BROYHILL (for himself, Mr. ROBINSON, and Mr. TRIBLE):

H.R. 11268. A bill to authorize a study for the purpose of determining the feasibility and desirability of designating the Overmountain Men Victory Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. FINDLEY (for himself, Mr. HAWKINS, and Mr. PEPPER):

H.R. 11269. A bill to prohibit age discrimination in employment; to the Committee on Education and Labor.

By Mrs. FENWICK for herself, Mr. FRENZEL, Mr. LEHMAN, Mr. KETCHUM, Mr. KINDNESS, Mr. MITCHELL of Maryland, Mr. MURPHY of Pennsylvania, Mr. PATTEN, Mr. DAN DANIEL, Mr. DUNCAN of Tennessee, Mr. COCHRAN of Mississippi, Mr. EILBERG,

Mr. GIAIMO, Mr. CLEVELAND, Mr. PURSELL, Mr. DOWNEY, Mr. BOB WILSON, Mr. GUYER, Mr. QUIE, Mr. EDWARDS of Oklahoma, Mr. NEAL, Mr. SPENCE, Mr. COHEN, Mr. HARRINGTON, and Mr. BENJAMIN):

H.R. 11270. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself, Mr. CRANE, Mr. ROBINSON, Mr. MOLLOHAN, Mr. QUILLEN, Mr. PEPPER, Mr. MURPHY of Illinois, Mr. KEMP, Mr. MCCLOSKEY, Mr. RICHMOND, Mr. ROSENTHAL, Mr. ZEFERETTI, Mrs. SCHROEDER, Mr. STEERS, Mr. ROE, Mr. LE FANTE, Mr. HORTON, Mr. ADDABBO, Mr. YATRON, Ms. MIKULSKI, Mr. BOWEN, Mr. SARASIN, Mr. ERTEL, Mr. WINN, and Mr. FRASER):

H.R. 11271. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself, Mr. LENT, Mrs. LLOYD of Tennessee, Mr. MAGUIRE, Mrs. CHISHOLM, Mrs. PETTIS, Mr. TRAXLER, and Mr. EDWARDS of California):

H.R. 11272. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

By Mr. FISH (for himself, Mr. WAMPLER, Mr. SOLARZ, Mr. LENT, Mr. RONCALIO, Mr. NOLAN, Mr. MOFFETT, Mr. HEFNER, and Mr. HUBBARD):

H.R. 11273. A bill to amend section 1332 of title 28, United States Code, to grant jurisdiction to the district courts to enforce any custody order of a State court against a parent who, in contravention of such order, takes a child to another State; to the Committee on the Judiciary.

By Mr. FORD of Michigan (for himself, Mr. PERKINS, Mr. THOMPSON, Mr. BRADEMAS, Mr. BIAGGI, Mr. BLOUIN, Mr. SIMON, Mr. MOTTL, Mr. CORNELL, Mr. HEFTEL, Mr. QUIE, and Mr. BUCHANAN):

H.R. 11274. A bill to amend title IV of the Higher Education Act of 1965 to increase the availability of assistance to middle-income students and to amend section 1208 of such act; to the Committee on Education and Labor.

By Mr. MICHEL (for himself and Mr. QUIE):

H.R. 11275. A bill to establish a policy to promote full employment, reduce inflation, increase productivity and real income, and provide for adequate productivity growth; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H.R. 11276. A bill to amend title 28, United States Code, to provide that the courts of appeals and district courts of the United States may transfer cases improperly filed in those courts to the appropriate court of appeals or district court in order to cure a defect of jurisdiction or venue; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 11277. A bill to amend title 38, United States Code, to provide veterans' hospital and medical care to certain members of the armed forces of Poland and Czechoslovakia who were prisoners of war during World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. LATTA:

H.R. 11278. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H.R. 11279. A bill to amend the Federal Civil Defense Act of 1950 to authorize appropriations for the purposes of such act for fiscal years 1979 through 1985; to the Committee on Armed Services.

By Mr. NIX (for himself and Mr. DERWINSKI) (by request):

H.R. 11280. A bill to reform the civil service laws; to the Committee on Post Office and Civil Service.

By Mr. MOTTL (for himself, Mr. ADDABBO, Mr. BONIOR, Mr. BRODHEAD, Mrs. CHISHOLM, Mr. CORNELL, Mr. CRANE, Mr. EILBERG, Mrs. FENWICK, Mr. GAYDOS, Mr. GOODLING, Mr. HYDE, Mr. KILDEE, Mr. KOSTMAYER, Mr. LE FANTE, Mr. MARKEY, Ms. MIKULSKI, Mr. MITCHELL of New York, Mr. MOFFETT, Mr. RICHMOND, Mr. ROE, Mr. RUSSO, Mr. SOLARZ, Mr. TUCKER, and Mr. VENTO):

H.R. 11281. A bill to provide for the issuance of a commemorative postage stamp in honor of Gen. Casimir Pulaski and Americans of Polish descent; to the Committee on Post Office and Civil Service.

By Mr. PERKINS (for himself, Mr. THOMPSON, Mr. BRADEMAS, Mr. HAWKINS, Mr. FORD of Michigan, Mr. PHILLIP BURTON, Mr. GAYDOS, Mr. CLAY, Mr. BIAGGI, Mr. ANDREWS of North Carolina, Mr. BLOUIN, Mr. SIMON, Mr. BEARD of Rhode Island, Mr. ZEFERETTI, Mr. MILLER of California, Mr. MICHAEL O. MYERS, Mr. MURPHY of Pennsylvania, Mr. WEISS, Mr. HEFTEL, Mr. CORRADA, Mr. KILDEE, and Mrs. CHISHOLM):

H.R. 11282. A bill to extend and amend the Elementary and Secondary Education Act of 1965 and related programs, to establish programs to promote the improved achievement of children in basic skills and to assist State and local educational agencies to enhance the quality of their education programs, to improve the administration of Federal elementary and secondary education programs, and for other purposes; to the Committee on Education and Labor.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 11283. A bill to amend chapter 5 of title 37, United State Code, to make permanent the special pay provisions for reenlistment and enlistment bonuses, and for other purposes; to the Committee on Armed Services.

By Mr. ROBERTS (by request):

H.R. 11284. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SEBELIUS (for himself, Mr. QUIE, Mr. KINDNESS, Mr. GLICKMAN, Mr. HIGHTOWER, and Ms. KEYS):

H.R. 11285. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 crops; to the Committee on Agriculture.

By Mr. STAGGERS (for himself and Mr. DEVINE):

H.R. 11286. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1979 and 1980; to the Committee on Interstate and Foreign Commerce.

By Mr. STANGELAND:

H.R. 11287. A bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail and highway crossings in certain impacted cases; to the Committee on Public Works and Transportation.

H.R. 11288. A bill to amend section 131 of title 23, United States Code, to permit the advertising of certain seasonal recreational activities in areas adjacent to the interstate and primary systems; to the Committee on Public Works and Transportation.

By Mr. STANGELAND (for himself and Mr. QUIE):

H.R. 11289. A bill to amend title 23, United States Code, relating to utility facilities on highway rights-of-way; to the Committee on Public Works and Transportation.

By Mr. TEAGUE:

H.R. 11290. A bill to authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mr. FLIPPO, and Mr. HOLLENBECK):

H.R. 11291. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and to change the name of the National Fire Prevention and Control Administration to the U.S. Fire Administration; to the Committee on Science and Technology.

By Mr. WAXMAN (for himself and Mr. STEERS):

H.R. 11292. A bill to provide for further research and services with regard to victims of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER:

H.R. 11293. A bill to provide for the use of alcohol produced from renewable resources including silvicultural materials from the national forests as home heating and motor vehicle fuels; jointly, to the Committees on Agriculture, and Interstate and Foreign Commerce.

By Mr. WEAVER (for himself, Mr. BLANCHARD, Mr. DERRICK, Mr. NOLAN, and Mr. BURLISON of Missouri):

H.R. 11294. A bill to amend the Commodity Credit Corporation Charter Act to provide the highest possible prices in foreign markets for American agricultural producers and to provide price and supply stability in domestic markets; to the Committee on Agriculture.

By Mr. WHITEHURST:

H.R. 11295. A bill to establish a National Zoological Foundation; to the Committee on Merchant Marine and Fisheries.

By Mr. WHITTEN:

H.R. 11296. A bill to amend title 38 of the United States Code to provide that the survivors of a veteran who was rated totally and permanently service-connected disability for a period of at least 1 year would be automatically entitled to dependency and indemnity compensation; to the Committee on Veterans' Affairs.

By Mr. WOLFF:

H.R. 11297. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Interior and Insular Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 11298. A bill to extend title II of the Public Works Employment Act of 1976 for 1 year and to reduce the termination percentage to 5.5 percent; to the Committee on Government Operations.

By Mr. MURPHY of New York:

H.J. Res. 773. Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the 7 calendar days beginning September 17, 1978, as National Port Week; to the Committee on Post Office and Civil Service.

By Mr. RYAN (for himself, Mr. JEFFORDS, Mr. OTTINGER, and Mr. CORCORAN of Illinois):

H.J. Res. 774. Joint resolution proclaiming May 3, 1978, Sun Day; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN (for herself, Mr. AKAKA, Mr. BOLAND, Mr. BONIOR, Mr. PHILLIP BURTON, Mr. CORRADA, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. DRINAN, Mr. EVANS of Georgia, Mr. FRENZEL, Mr. GOODLING, Mr. HANLEY, Mr. HEFNER, Mr. HUGHES, Mr. LAGOMARSINO, Mr. LENT, Mr. MAZZOLI, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MOTTL, Mr. RAHALL, Mr. RANGEL, Mr. RICHMOND, and Mr. ROE):

H.J. Res. 775. Joint resolution to authorize and request the President to issue a proclamation designating May 20, 1979, as National Fallen Heroes Day, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN (for herself, Mr. STEERS, Mr. TUCKER, Mr. VENTO, and Mr. WHITEHURST):

H.J. Res. 776. Joint resolution to authorize and request the President to issue a proclamation designating May 20, 1979, as National Fallen Heroes Day, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H. Con. Res. 499. Concurrent resolution disapproving the proposed sale of 50 F5E aircraft to Egypt which was announced by the Secretary of State on February 14, 1978; to the Committee on International Relations.

H. Con. Res. 500. Concurrent resolution disapproving the proposed sale of 60 F–15 aircraft to Saudi Arabia which was announced by the Secretary of State on February 14, 1978; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII,

1310. The SPEAKER presented a memorial of the Legislature of the State of Hawaii, relative to exempting Hawaii from the Federal mandatory requirement of converting new and existing powerplants to coal, and providing Hawaii with relief from the fuel oil penalty tax; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHUSTER:

H.R. 11299. A bill for the relief of Dr. Nikolaos Photias; to the Committee on the Judiciary.

By Mr. ALLEN:

H.R. 11300. A bill for the relief of Lance Industries, Inc.; to the Committee on the Judiciary.

By Mr. ALLEN:

H. Res. 1055. Resolution to refer the bill, H.R. 11300, for the relief of Lance Industries, Inc., to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

410. The SPEAKER presented a petition of John B. Ferrante, Pocasset, Mass., relative to the refusal of the Soviet Union to allow John Jodwalis and Lorraine Jodwalis Vaicekauskiene permission to return to the United States, which was referred to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 50

By Mr. BLOUIN:

Page 74, beginning on line 13, strike "of stockpiles of agricultural commodities and" and insert in lieu thereof: "and maintenance of farmer-held agricultural commodity reserves and stockpiles of".

Page 74, line 14, strike "stabilize" and insert in lieu thereof: "insure equitable".

H.R. 11180

By Mr. LONG of Louisiana:

Amend the title to read: "To increase the public debt limit through March 1, 1979, and to improve debt management."

Strike out title II and strike out the following:

TITLE I—INCREASE IN PUBLIC DEBT LIMIT THROUGH MARCH 1, 1970; IMPROVEMENT OF DEBT MANAGEMENT

EXTENSIONS OF REMARKS

THE VOICE OF DEMOCRACY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. WOLFF. Mr. Speaker, since 1961 the Veterans of Foreign Wars of the United States and its Ladies Auxiliary has conducted a Voice of Democracy speech contest. This year I was requested in my capacity as chairman of the Subcommittee on Asian and Pacific Affairs to insert into the RECORD the winning speech for the Pacific area delivered by Clayton Walter Cole. Mr. Cole is 17 years old and is originally from New Hartford, N.Y. He currently resides with his family in Taiwan, where his father is employed as an electrical engineer.

I believe that this speech deserves mention in the RECORD not only because it represents an achievement of considerable merit, but also because it is a refreshing reminder of the idealism and patriotism of our Nation's youth. The United States was once described as the last best hope of mankind. Since the foundation of our Nation, it has been the idealism of our youth which has helped to keep alive that hope. I firmly believe that individuals like Clayton Cole and ideas like those which he expresses in this speech will enable this hope to live on into the future.

CLAYTON WALTER COLE—1977–78 V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM OVERSEAS WINNER

(Clayton Walter Cole, A–24 Chilan Villa, Yangminshan, Taipei, Taiwan, Republic of China)

"I am an American.

My father belongs to the Sons of the Revolution;

My mother to the Colonial Dames.

One of my ancestors pitched tea overboard in Boston Harbor;

Another stood his ground with Warren;

Another hungered with Washington at Valley Forge. . . .

Every drop of Blood in me holds a heritage of patriotism.

I am proud of my past."

These words, spoken by Elias Lieberman, vividly describe my feelings of patriotism, and it's that patriotism which forms the basis for my responsibilities to America. My responsibilities to America are divided into two categories—the first, the responsibilities of citizenship in my country, and the second, the responsibilities of civil participation in my country

The first responsibility of citizenship is to obey the laws of the land. Whether it be a speed limit or a law on moral conduct, every regulation is developed to enable Americans to live together in peace with each other.

It is my responsibility of citizenship to serve on a jury, if called. To assist in the democratic process of trial by jury is an important role of every American Citizen.

It is my responsibility of citizenship to provide financial support to the government through the payment of taxes, since the Executive, Legislative, and Judicial branches, as well as any other governmental agencies, require adequate funds to operate.

It is my responsibility of citizenship to assist agencies of law enforcement by reporting crimes or providing information which might be of assistance in the prevention or detection of crime or the solution of criminal cases.

It will be my responsibility of citizenship, when becoming of age, to exercise my right to vote. It is only through the election of public officials that the democratic process can prosper.

It is my responsibility of citizenship to show respect for the rights of others. Living by this Golden Rule fosters happiness throughout our society.

It is my responsibility of citizenship to show respect for public and private property. The care of our personal assets as well as public establishments and parks develops pride in our communities and our country.

Lastly, it is my responsibility of citizenship to willingly serve and defend the United States in time of national or international crisis. Many Americans have given their time and their lives in the past and I shall do so in the future if the need arises.

These eight responsibilities of citizenship not only apply to me but to every citizen of the United States of America.

The second category of responsibilities to America, which are the responsibilities of civic participation in my country, is now an obligation that I personally must honor because of the opportunities I have had through a fine home and family, a high-quality education, and extensive community involvement. As John D. Rockefeller, Jr., aptly put it, "I believe that every right implies a responsibility, every opportunity, an obligation."

The first responsibility of civic participation is to set an outstanding example to my fellow citizens through appropriate words and proper actions.

It is my responsibility of civic participation to be informed on local, state, and national issues of government and to assist others in keeping so informed.

It is my responsibility of civic participation to be a wise voter in every election, and to make careful decisions regarding candidates and issues.

It is my responsibility of civic participation to choose both a vocation and an avocation which will be assets to me and that I can contribute to the community and to my nation.

It is my responsibility of civic participation to volunteer my time and any talents that I may have to community work which will ensure that other people will have the same advantages that have been available to me. And lastly, it is my responsibility of civic participation to serve, if needed, in elected or appointed local, state, or national governmental positions to the fullest extent of my ability and my resources.

These six responsibilities of civic participation are appropriate because of the great benefits that I personally have received as an American.

In the words of John F. Kennedy, spoken on the day of his inauguration, "Ask not what your country can do for you, but what you can do for your country." It is a privilege, an honor, and an obligation to uphold my responsibilities of citizenship and my responsibilities of civic participation to the United States of America.●

SOUTH CAROLINA WINNER MARY MARSHALL STEWART

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. HOLLAND. Mr. Speaker, the following is the winning speech in the South Carolina 1977–78 Veterans of Foreign Wars' Voice of Democracy Contest, written by an outstanding young woman from the Fifth Congressional District—Miss Mary Marshall Stewart of Clinton, S.C. I believe this essay which assesses the rights and responsibilities of all citizens of this country is an excellent example of the calibre of youth in my district, and at this time submit it for inclusion in the RECORD:

SOUTH CAROLINA WINNER MARY MARSHALL STEWART

As a citizen of the United States of America, I have a responsibility to and for my country. As one participant in our democracy—our government by each of its people—I must strive to make myself better so that I may effectively help maintain and even improve the systems and strengths of America.

I must obey the laws of my land; but, although my obeying the laws is necessary for my being a good citizen, it is not sufficient. I am a better person and, therefore, a better citizen when I obey not only the letter of the law, but also the spirit of the law. If I merely attend a highschool pep rally, I might be doing all the Student Government requires, but just fulfilling the requirement is not enough. When I understand the rally promotes unity—shared concern and caring about the school—I become a good citizen of the school. When I cheer, I become an even better school citizen. When an eligible citizen votes, he fulfills only the minimum of his patriotic responsibility. When he understands the issues and is informed about the candidates, the voter is a good citizen. When the voter serves his country by running for offices for which he is fit to serve, the voter is an even better citizen.

My government expects me, then, to govern myself. It allows and encourages me to become better so that I may contribute more. Lincoln defined democracy in his Gettysburg Address as a government of and by and for the people. Democracy depends on our concern for others, our caring about others, and our contributing to others.

It is my responsibility to America not only to develop morally but also to grow in knowledge and to develop in skills—however I am able. Knowledge and skill lead to contribution. Benjamin Franklin's belief that in America "the doors of wisdom are never shut" led him, even when his formal schooling ended, to study natural sciences while he was apprenticed as a printer. Franklin's search for knowledge led to his discovery of electricity. Franklin's development of his skills led to his publishing the Philadelphia Gazette, a newspaper of the colonies which pioneered in presenting projects of civic reform. Franklin's example shows me that whatever knowledge I gather and whatever skill I perform earnestly and honestly may lead to my making contributions to America.

It is part of my responsibility to remember that, as John F. Kennedy insisted, "One man can make a difference, and every man should try." Yes, I do believe that in America, for America, every man CAN make a difference: I intend to try.●

THE SURRENDER SYNDROME

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. SYMMS. Mr. Speaker, Anthony Harrigan of the U.S. Industrial Council writes a newspaper column that is syndicated on a regular basis to papers throughout the country. In late January he wrote a column entitled "The Surrender Syndrom" that aptly describes the current foreign and national defense policies of the Carter administration. I commend the Harrigan column to my colleagues:

THE SURRENDER SYNDROME

(By Anthony Harrigan)

The national debate over the Panama Canal is concerned with more than the importance of the waterway.

The viewpoints of the pro and anti-canal surrender groups and leaders reflect profoundly different convictions about the place and the power of the United States. Thus the canal debate reveals the battle of ideas in our country.

The most powerful aggregation of financial, academic and media forces in America—what is referred to as the liberal establishment—believes that a surrounded America must make major concessions to the Third World in order to survive. The proposed surrender of the Panama Canal is regarded, therefore, as an important symbolic act. The Third World wants America to confess to "imperialism." The countries of Afro-Asia and Latin America regard a turnover of the canal to Panama as an act of decolonization.

The Carter administration accepts this thesis in its official pronouncements. It apologizes for the U.S. role in acquiring the Canal Zone in the first place. Its spokesmen, such as Dr. Zbigniew Brzezinski, head of the National Security Council, envision the United States yielding to the numerous socialist nations of the Third World. This philosophic outlook also was reflected in President Carter's speech at Notre Dame University.

Over the past year, the Carter administration has discounted U.S. ties with anti-communist states and allies among the industrialized powers. It has sought to find new friends among the communist states and the Third World regimes of Africa.

Only a few days ago, Sen. Alan Cranston (D-Calif.), the Majority Whip and close administration adherent, urged that the United States "normalize" its relations with Peking, along the lines suggested by the communists. Cranston's appeasement proposal calls for abandonment of the free Chinese on Taiwan, including an end to the U.S.-Taiwanese defense treaty.

That's the pattern: concessions and yielding to communist regimes around the globe. Another part of the patern is abandonment of America's power position and symbolic acts of retreat. Ratification of the Panama Canal treaties would accomplish both goals. It would signal that the United States is prepared to accept a smaller role in the world.

The greatest danger to the American people in the future is not loss of the canal installations at the Isthmus of Panama but the entrenchment of the surrender syndrome. It spreads like a malignant growth through the organs of politics, education and the press. Surrender of the Panama Canal is presented as a sophisticated approach to dealing with hemispheric security—the gambit employed by columnist William F. Buckley, Jr., who has engaged in a crusade for ratification of the treaties, thereby dismaying his conservative admirers.

The Ford-Kissinger lineup on behalf of the Panama treaties only testifies to the common philosophical basis of the present and past administrations. Both recruited their foreign policy staffs out of the network of liberal establishment institutions that engendered the surrender syndrome.

The "other" America that believes in America's historical greatness and capacity for achievement in a hostile world environment finds spokesmen in the opponents of the Canal giveaway. One of these opponents, Vice Adm. Fitzhugh Lee, the distinguished former commandant of the National War College, has reminded us in a brilliant essay that retention of the canal is vital to "our national spirit and our national willingness to win."

Despite the establishment's determination that America should feel guilty about its past and yield to present enemies, grassroots Americans remain largely unaffected by this lack of faith. They believe in the rightness of their country. They don't want the U.S. governmen to sound retreat in Panama or anywhere our freedoms and interests are challenged.●

DR. NIKOLAOS G. PHOTIAS, A GREEK-AMERICAN PATRIOT, DESERVES HIS AMERICAN CITIZENSHIP

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. SHUSTER. Mr. Speaker, today I have introduced legislation to restore American citizenship to Dr. Nikolaos G. Photias, a Greek-American patriot who sacrificed his American citizenship to help restore democracy in Greece.

Prime Minister Karamanlis, a friend of the United States, asked Dr. Photias to become Minister of Finance in October of 1974. Dr. Photias is an internationally known economist, scholar, author, and retired associate dean of the school of business administration and professor emeritus of the American University here in Washington, D.C. Dr. Photias, who was placed under a death sentence by the Communists in Greece during the Second World War and narrowly escaped death in the service of the allies, came to America in 1949 and became a U.S. citizen in 1957. His wife and two children are American citizens today.

Prime Minister Karamanlis' purpose in urging Dr. Photias to join his cabinet was to establish a nonpolitical government composed of experts who could run the government until free elections could be held. Dr. Photias consulted with the American Embassy in Greece before accepting the position and made clear his desire to retain his U.S. citizenship. Although he recognized that his citizenship could be in jeopardy, he felt a moral commitment to participate in the rebuilding of democracy in Greece and accepted the appointment. Our consul general in Athens recommended to the State Department that Dr. Photias' American citizenship not be revoked, however, the Department felt that under section 349 of the Immigration and Nationality Act it had no alternative, and revoked Dr. Photias' citizenship in September of 1975.

Now that elections have been held and Dr. Photias is no longer in the Greek Government, the American Consul General in Athens has recommended that Dr. Photias' citizenship be restored. The consul general brought this matter to my attention when he learned that I received my doctorate from American University during the time when Dr. Photias was the chairman of the doctoral studies program. I have forwarded to the Judiciary Committee a letter from the consul general dated January 16, 1978, setting forth the circumstances of this unfortunate situation.

Mr. Speaker, I can think of no single act that our Federal Government might take which could possibly exemplify a more pure, unalloyed, simple stroke of justice than the restoration of American citizenship for Nikos Photias.

I respectfully urge the prompt enactment of this legislation.●

COUNCILMAN BERNIE ESSER

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. RYAN. Mr. Speaker, I was surprised and saddened by the announcement that Councilman Bernie Esser has decided to leave the city of Millbrae where he has served for almost 20 years.

Councilman Bernie Esser began his municipal service as a member of the parks and recreation commission, being appointed in 1959. He served as chairman of the commission for 4 consecutive years, between 1960 and 1964 when in April he was appointed to the city council to complete the term of Councilman George Warman. In 1966 he was elected councilman as well as in 1970 and in 1974. He served as mayor three times, 1968–69, 1972–73, 1976–77.

He has also served as chairman of the San Mateo County Council of Mayors, second vice president of the Peninsula Division of the League of California Cities, representative of the city of Millbrae on the San Mateo County Civil Defense and Disaster Council for 4 years, and as representative of the city of Millbrae to the regional planning committee, to the San Mateo County Convention and Visitors Bureau and to BASSA—Bay Area Sewage Service Agency.

No one who has come in contact with Bernie Esser could deny the degree of talent and hard work which he brought to the job of helping the city of Millbrae over all these years. Bernie Esser has been a successful leader not only in his own city but in the neighborhood of communities that make up San Mateo County and the Bay Area.

I understand that the reason for his decision has to do with his increasingly absorbing work for Lockheed Corp. Put very simply, Lockheed certainly gains what Millbrae has lost from his departure.●

WORLD WAR I VETERANS PENSION

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. ANDERSON of California. Mr. Speaker, it lightened my heart that hearings were recently, finally, held in the Veterans' Committee on the long-overdue pension for the veterans of the First World War. Even as I speak, more of these veterans are dying, dying at the rate of 200 per day, forgotten and in poverty.

How many more must die? How many more pleading letters must we receive? How long can we ignore 60 percent of them and no assistance at all? How long can we insult many of this brave, elderly, and vanishing group with monthly payments of $5 a month? How long can we think ourselves generous by increasing payments for the oldest veterans by 25 percent when for many that amounts to only a few dollars? How long can we ask where the money will come from? How long can we dicker over who is the neediest while taps blow for the last of these veterans?

They are passing away at the rate of 200 per day. We cannot act swiftly enough to bring this bill to the floor for a vote.

H.R. 9000, the World War I Pension Act of 1978, would give $150 a month to veterans and widows, more than 60 percent of whom now receive no assistance. While this proposal has been reintroduced in each Congress for the last 10 years, over 1 million of these veterans have died, many of them in poverty. For the sacrifices of this group, H.R. 9000 is meager compensation to the remaining few. As one witness, herself a veteran of both world wars, correctly noted:

The government does not owe the veteran a living; it owes the veteran its existence.

Over 50 Members of the House gave testimony at these hearings in favor of H.R. 9000, my bill to provide a small pension for 90 percent of the veterans of World War I and their widows. I am overwhelmed by the intensity of support from the cosponsors during this first set of hearings ever to be held on this proposal. It stands with the 329-to-73 favorable vote in the budget consideration on the floor last spring as clear evidence of the sentiment of this Congress for this pension. I especially appreciate the efforts to prepare statements by the chairmen of committees whose schedules and whose staffs' schedules severely limit their time to bills in which they have a profound personal interest. They include HAROLD JOHNSON of Public Works and Transportation, CLEM ZABLOCKI of International Relations, CLAUDE PEPPER of the Select Committee on Aging, MEL PRICE of Armed Services, JOHN MURPHY of Merchant Marine and Fisheries, LESTER WOLFF of the Select Committee on Narcotics and Drug Abuse, and JAMIE WHITTEN, ranking member of Appropriations.

I commend Chairman MONTGOMERY for allowing the 210 cosponsors of H.R. 9000 to be heard by the Subcommittee on Compensation, Pension, and Insurance.

Before the whole House, I would like to speak to Chairman MONTGOMERY'S suggestion that this bill is wrong either because it does not fit with the current needs-based philosophy of the Veterans' Administration or because it is too expensive.

The recently published "Analysis of the Pension Program" from the Veterans' Administration clearly indicates that from the Revolutionary War through the Spanish American War, pensions were granted across the board. Few benefits were available until long after their service. The only element of need involved in those pensions was indirect. Those pensions were implemented only after most of the veterans of those wars were dead, the few survivors had reached very advanced age, and most of the survivors were destitute.

World War I saw the beginning of a change in benefits. Not until World War II was this change completed to include the full range of social and educational assistance, home loan programs, and the rest. This development was the result of progress in social attitudes and increasingly sophisticated technological capacities. While the resultant needs-based and rehabilitative approach to veterans benefits is certainly a change for the better, the veterans of World War I have been shortchanged in the transition.

Again it seems, these old soldiers are marching to their deaths through "no man's land."

H.R. 9000 is directed to compensate this group caught in the middle.

The cost of H.R. 9000 is not insignificant; but, neither is our debt to these veterans. The program would start around $2.2 billion per year and decrease

steadily. The veterans eligible for this pension are dying at a rate of 10 percent per year. Shortly, their death rate will climb to 20 percent, and the cost of this pension will dwindle with the number of survivors.

Also discussed at these hearings was Chairman MONTGOMERY's bill, H.R. 10173. This legislation, that provides higher incomes for only the neediest of our veterans and their families, deserves our support.

H.R. 10173 also makes necessary improvements in the way we compute pensions. It provides for automatic increases in veterans' pensions to match increases in social security. For too many years, when social security and other incomes have gone up, veterans have found their pensions decreased by the same amount, leaving them with no net gain in the face of inflation. I have introduced separate legislation to remove the paradox of giving with one hand and taking away with the other. Chairman MONTGOMERY and his staff are to be congratulated for the thorough and just solution they have presented for this problem that has disturbed many of us for so long.

The automatic cost-of-living increase in H.R. 10173 also solves the perennial problem of Congress having to actively increase pensions periodically. Although we may all enjoy voting these benefits in election years, the process is imperfect, and the veteran is left in doubt about the time and amount of future income. With this legislation, raises will be precise and predictable. It is a change I welcome.

While I support Chairman MONTGOMERY in H.R. 10173, I would discount the suggestion that it and H.R. 9000 are mutually exclusive, either in philosophy or in financial limitations.

H.R. 10173 would start at $800 million per year and climb to $2.8 billion by 1983. Although the cost of H.R. 10173 will zoom as more veterans of the Second World War reach retirement age, it is a sound proposal. The cost of my pension proposal will diminish as the cost of the other increases.

Now the subcommittee has heard us. It should be clear to them, and to every one of us, that H.R. 10173 and H.R. 9000 are compatible bills. They could be passed separately or as a combined bill to comprehensively reform pensions for all veterans while providing just and overdue compensation for the veterans of the First World War.

It is now up to the subcommittee and the full Veterans' Committee to consider the World War I Pension Act and to report it to the floor where we may again vote our consciences on this much-needed legislation.

Finally, Mr. Speaker, I ask permission to list the cosponsors of bills to provide a pension for the veterans and widows of the First World War:

LIST OF COSPONSORS

Daniel Akaka, Clifford Allen, Glenn Anderson, John Anderson, Mark Andrews, Douglas Applegate, John Ashbrook, Les Aspin, Les AuCoin, Robert Badham, L. A. Bafalis, Max Baucus, Robert Bauman, Edward Beard, Berkley Bedell, Tom Bevill, Mario Biaggi, Michael Blouin, David Bonior, David Bowen, Jack Brinkley, William Brodhead, Garry Brown, George Brown, John Buchanan, Clair Burgener, Yvonne B. Burke, Charles Carney, Bob Carr, Tim Lee Carter, Elford Cederberg, Shirley Chisholm, Don Clausen.

Thad Cochran, William Cohen, Cardiss Collins, Silvio Conte, John Conyers, Tom Corcoran, James Corman, Robert Cornell, David Cornwell, Baltasar Corrada, John Cunningham, Norman D'Amours, Mendel Davis, E de la Garza, Ronald Dellums, Ron de Lugo, Charles Diggs.

Robert Drinan, John Duncan, Robert Edgar, Mickey Edwards, David Emery, Glenn English, Allen Ertel, John Fary, Dante Fascell, Hamilton Fish, Jr., Floyd Fithian, Daniel Flood, James Florio, Walter Flowers, Harold Ford, Donald Fraser.

Louis Frey, Jr., Don Fuqua, Robert Giaimo, Sam Gibbons, Benjamin Gilman, Bo Ginn, Dan Glickman, Henry Gonzalez, Tennyson Guyer, Tom Hagedorn, Lee Hamilton, Mark Hannaford, Tom Harkin, Michael Harrington, William Harsha, Augustus Hawkins, Margaret Heckler.

Cecil Heftel, Jack Hightower, Harold Hollenbeck, Marjorie Holt, Frank Horton, James Howard, William Hughes, Henry Hyde, Andy Ireland, Andrew Jacobs, James Jeffords, John Jenrette, Harold Johnson, Walter Jones, Richard Kelly. Jack Kemp.

William Ketchum, Dale Kildee, Thomas Kindness, John Krebs, Robert Krueger, Robert Lagomarsino, Jim Leach, Raymond Lederer, Joseph Le Fante, William Lehman, Norman Lent, Marilyn Lloyd, Gillis Long, Trent Lott, Thomas Luken, Stanley Lundine.

Paul McCloskey, Mike McCormack, Joseph McDade, John McFall, Stewart McKinney, Ron Marlenee, James Martin, Dawson Mathis, Romano Mazzoli, Lloyd Meeds, Barbara Mikulski, Clarence Miller, George Miller, Norman Mineta, Joseph Minish, Donald Mitchell.

Parren Mitchell, Joe Moakley, Anthony Moffett, Robert Mollohan, Carlos Moorhead, Ronald Motti, Austin Murphy John Murphy, John Murtha, Gary Myers, William Natcher, Stephen Neal, Lucien Nedzi, Bill Nichols, Robert Nix.

Mary Rose Oakar, George O'Brien, Richard Ottinger, Leon Panetta Jerry Patterson, Claude Pepper, Carl Perkins, Larry Pressler, Melvin Price, Joel Pritchard, Carl Pursell, James Quillen, Nick Joe Rahall, Tom Railsback Robert Roe, Paul Rogers.

Edward Roybal, Philip Ruppe, Marty Russo, Leo Ryan, Harold Sawyer, Richard Schulze, Keith Sebelius, Philip Sharp, Robert Sikes, Paul Simon, B. F. Sisk, Ike Skelton, Joe Skubitz, John Slack, Gladys Spellman, Floyd Spence.

Harley Staggers, Tom Steed, Newton Steers, William Steiger, Dave Stockman, Bob Stump, Gene Taylor Charles Thone, Bob Traxler, Paul Trible, Paul Tsongas, Guy Vander Jagt, Bruce Vento, Harold Volkmer, Doug Walgren, Robert Walker.

William Walsh, William Wampler, Wes Watkins, Henry Waxman, James Weaver, Jamie Whitten, Charles Wilson, Charles H. Wilson, Larry Winn, Lester Wolff, Gus Yatron, C. W. Bill Young, Don Young, Robert Young Clement Zablocki, Leo Zeferetti.●

WGMS EDITORIAL SAYS NO TO CANAL TREATY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. McDONALD. Mr. Speaker, station WGMS in Washington, D.C., recently broadcast an excellent editorial on the proposed Panama Canal Treaty which I would like to share with my colleagues. The point of the editorial is that it is important that Torrijos is a Marxist inclined dictator and this should be a prime consideration in our deliberations. The editorial follows:

EDITORIAL

(Presented by Jerry R. Lyman)

The Panama Canal issue continues in debate this week. So far, we have heard little that convinces us the treaty should be ratified in its present state. It seems to us that those who call for ratification are dealing in emotional negatives instead of looking at our control of the canal as an important positive. President Carter, in his highly political message, covered up or misrepresented several key facts. These misrepresentations have since been beautifully articulated by Ronald Reagan and others. Mr. Carter failed to point out that the treaty would cost the U.S. taxpayers money, would result in increased tolls for those who use it, and he implied improperly that our Latin American friends support ratification. Still, the major concern of most Americans who oppose the treaty, is the fact that we are dealing with a Marxist dictator who is a friend of Castro, who is a puppet of the Soviet Union. Certain Senators have made statements like "we have General Torrijos' word" or "Torrijos promised" or the like. Come on, how naive can you get? Is the word of a dictator to be believed? We know of a couple from history whose actions answered that question. The other argument in favor is that violence and civil strife will erupt if we don't accept Panama's demands. Statements like that are not only without fact, but are dangerously irresponsible. If such statements are uttered by U.S. leaders, then those radical elements in Panama are only being encouraged to support them. Should we give in to destructive radicals in Panama anymore than we have in the United States? Absolutely not!

For once, let's approach the problem from strength. Let's not be intimidated by a country run by a man who's philosophies go against everything this country has defended for 200 years. This treaty is not in the best interests of the United States and its allies.●

DR. EULA BINGHAM AND THE OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION AFTER 1 YEAR

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

Mr. GAYDOS. Mr. Speaker, the Occupational Safety and Health Administration's commonsense approach to providing safe and healthful workplaces was announced nearly a year ago. Since that time, OSHA's commonsense efforts have been well-received by both labor and business.

Credit for many of OSHA's accomplishments is given to the Assistant Secretary for Occupational Safety and Health, Dr. Eula Bingham. An article in the New York Times on February 19 provides an insightful look at Dr. Bingham and OSHA 1 year after Bingham's appointment to head the agency. The article follows:

[From The New York Times, Feb. 19, 1978]

THE WOMAN WHO TURNED OSHA AROUND

(By Philip Shabecoff)

WASHINGTON.—The Labor Department's Occupational Safety and Health Administration has traditionally been one of the most criticized and battered agencies of the Federal Government with virtually every act greeted with howls of anger from industry and ample helpings of scorn from labor. Lately, however, the howls have subsided to dyspeptic mutters, and the scorn has given way to expression of praise and admiration.

Credit for this turnaround is given chiefly to a rather motherly looking 49-year-old, Eula Bingham, who became Assistant Secretary of Labor for Occupational Safety and Health in the Carter Administration last March. In a town that does not award such accolades lightly, Dr. Bingham is rapidly gaining a reputation as one of the toughest Federal regulators.

Before Dr. Bingham's arrival, dissatisfaction with OSHA had grown to the point that there was some question about the continued viability of the Occupational Health and Safety Act itself. The act was hailed upon its passage seven years ago as opening a new era of healthy and safe work places, but critics said that little had been accomplished in its first six years.

Business and industry, especially small businesses, charged that OSHA inspectors nitpicked them about improper toilet seats or fire extinguishers stored at other than the requisite number of inches from the ground. They complained that they were being buried by OSHA-generated paperwork and that the agency's regulations were driving up the cost of business.

At the same time, unions and other labor spokesmen pointed to workers suffering from cancer as a result of on-the-job exposure to vinyl chloride, as well as to the high rate of job-related diseases, maiming and even loss of life. OSHA was not fulfilling its mission, they charged.

Dr. Bingham, with the backing of the President and Secretary of Labor Ray Marshall, has eliminated thousands of what she calls "Mickey Mouse" regulations, reduced paperwork requirements 50 percent and announced her intention of concentrating on "common sense" priorities in carrying out the law.

Those priorities start with "high hazard" work areas. In particular, Dr. Bingham proposes attacking the problems of carcinogens, the cancer-causing substances to which millions of workers are exposed, through a comprehensive regulation to cover all carcinogens.

Dr. Bingham, a native of Covington, Ky., who holds a degree in chemistry and a Ph.D. in zoology, was associate director of the department of environmental health at the University of Cincinnati School of Medicine before coming to OSHA. She knows that she is sitting in one of Washington's hottest seats but is in no way overawed. "I know what should be done about the health and safety of workers, and I am doing it," she says.

Returning from a visit to snow-covered Cincinnati, where she had flown to see her three daughters, Dr. Bingham clomped around in galoshes and slacks before settling down for an interview at the Labor Department. One of the main things she hopes to do at OSHA, she said, is to open good communications with workers. Corporations have sufficient opportunity to make their views known and continually do so, she asserted, but the worker's voice has not been coming through so clearly.

"Before I came here I thought that setting standards was the most critical thing," she said. "But what is really important is what goes on in the work place. My best encounters have been with workers."

Recently, she said, she stood outside a grain elevator that had exploded shortly before, talking with a group of workers. One was waiting to see if his son would walk out of the wrecked building.

"Things like that make you come back here and say, 'Damn the torpedoes, full speed ahead,'" she declared, throwing a right-handed punch at the air in front of her to emphasize the point.

"We have to catch up with 200 years of tragedy in the work place," she said. "There are things we have known about for more than 200 years, things such as lead poisoning, dangerous fire escapes, dangers from aromatics and metals that we haven't done anything about. But we can catch up. And when we do, the burden on this agency will become much lighter."

Described as a likable, no-nonsense woman by those who deal with her, Dr. Bingham is not afraid to butt heads with heavyweights in the Carter Administration. For example, Charles L. Schultze, the influential chairman of the Council of Economic Advisers, wants to regulate industry through economic incentives rather than through specific rules and standards.

Under Mr. Schultze's approach, ways would be found to make workers' sickness and injury such a heavy economic burden that employers would voluntarily make their premises safe and healthy. Principally, he would make the cost of workmen's compensation insurance prohibitively expensive for those whose employees had filed numerous claims, although the council is still studying how to put the approach into practice.

But Dr. Bingham is having none of it. "The idea of using workers' bodies to drive the wheel is a philosophy untenable to me. I am in the business of preventing sickness and injury, not using bodies to drive up the cost so that business will find it more profitable to comply." The matter has not yet been given to President Carter for a decision.

Dr. Bingham is not regarded as an unmitigated blessing in Washington, particularly not by business groups. They grant her a certain grudging respect, but obviously would be happier if she and her agency would quietly vanish.

"We like Eula Bingham; we like her common-sense approach," said Christie Waisanen, a labor relations attorney for the Chamber of Commerce of the United States.

But she quickly added that the chamber strongly opposed a number of things Dr. Bingham was doing at OSHA. One is the requirement that companies pay "walk-around money," meaning that employees who accompany OSHA inspectors on plant tours on company time must be paid regular wages. Business also opposes the requirement that employees who are laid off because of job-related health factors be paid full wages.

Industry is particularly upset about OSHA's proposed general standard for carcinogens. The affected companies argue that the carcinogens—hundreds of them—ought to be regulated chemical by chemical. But Dr. Bingham believes that hundreds of workers could die before individual exposure standards could be set. Such business spokesmen as Miss Waisanen also suggest that the dropping of the nit-picking regulations is no more than a public-relations ploy.

Some academic experts and other professionals in occupational health and safety, on the other hand, worry that Dr. Bingham is not proving to be a firm administrator and that because of bureaucratic inertia she has had to move very slowly in attacking crucial problems.

But generally, Dr. Bingham has won warm praise for her first year at OSHA.

"We will not be happy with everything she does," said Sheldon Samuels, of the A.F.L.-C.I.O.'s industrial union department. "For example, her benzene standard did not go far enough" in limiting workers' exposure to benzene, a chemical widely used in plastics, pesticides and other industries, he said. "But Eula is not in anyone's pocket," he added. "She is a tough lady."

One of Dr. Bingham's chief contributions, Mr. Samuels said, has been to ease tensions—within OSHA and between OSHA and the business, labor and academic communities.

Dr. Bingham herself, who was noted for her research in chemical carcinogenesis and other occupational health hazards both at the University of Cincinnati and as a consultant to the National Institute of Occupational Safety and Health before entering government, plans to press ahead with new standards and more stringent enforcement of the law, including the imposition of criminal penalties on "willful" offenders.

"It is very difficult to bring about change," she acknowledged. Nevertheless, she added, "I really believe that in time, business will find that to be socially acceptable, it must provide safe, healthy working places."

OUR FREE ENTERPRISE SYSTEM

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

Mr. LATTA. Mr. Speaker, many people do not seem to realize how our free enterprise system functions and how vital it is that businesses operating within that system have earnings sufficient to justify their existence as well as meeting their weekly employee payrolls. With the Socialist system making unwarranted advances around the world, I feel it imperative that we keep reminding ourselves of the untold benefits of the free enterprise system and how the system works in order to provide those benefits. Mr. Robert G. Wingerter, chairman and chief executive office of Libbey-Owens-Ford of Toledo, Ohio, is a person who believes, as I do, that we must keep explaining our system. He has recently written an excellent letter to LOF employees on this subject which I would like to share with my colleagues. This letter reads as follows:

FREE ENTERPRISE SYSTEM

To LOF Employees:

One of the questions frequently asked of American business heads is why we can't do a better job of explaining the profit-and-loss system to the public. A lot of effort has been expended by business in recent years to explain the need for profits but, judging by results of public opinion polls, we have met with little success.

Many of our citizens view business earnings as some kind of a rip-off on society rather than as a necessary vital element in our economy.

On this point, I was impressed recently by some published correspondence between a university business critic and the president of Republic Steel Corporation, Mr. William J. De Lancey. The campus critic's letter took Mr. De Lancey to task for being preoccupied with Republic's profitability and said:

"Without exception, every paragraph of your letter (to shareholders) conveyed the theme of inadequate profitability in an age of inflationary spirals.

"Achieving profits as you have intimated, will require increased costs to consumers (more inflation) coupled by the threat of societal and environmental sacrifices.

"Your lack of appreciation or devaluation of the environment is obvious as suggested by your relegating the mention of the responsibility: 'and $50-million for pollution control plus, and the environmental demands continue.'

"Your hunger for profits, for the Almighty Dollar, reflects a distorted perspective. I can empathize with your responsibility to share the company's financial condition, but I am fearful that your words mirror those of other corporation executives."

The author of the letter, a staff-member of a college admissions department, requested a response. Mr. De Lancey's letter of reply, reprinted and distributed by his company, carried important thoughts on profitability that are not only applicable to the Republic Steel Corporation, but to LOF and all American business.

Perhaps the critic's views were not changed by the response. Let's hope, however, that a larger audience gave it serious thought and study, because the matters at issue are of great importance.

COMBATING INFLATIONARY PRESSURES

One of the first points noted by the Republic chief executive officer is that the company profitability plays an important role in keeping industry efficient in combating inflationary pressures and in providing most of the required funds to finance environmental outlays.

"It may seem incongruous to you," he wrote, "but I believe that high among the reasons for the alarming rate of inflation in recent years is the fact that corporate profits have been so *low*, not so *high*."

SOURCE OF REPLACEMENT FUNDS

It is simply a fact of life, he pointed out, that funds for the replacement of obsolete plants and facilities must come to a very considerable extent from a corporation's profit. Mr. De Lancey continued:

"When the profit is inadequate, plants and facilities do not get replaced as they become obsolete; efficiency and productivity decline, and either prices rise to cover rising costs or companies go out of business.

"This is what has been happening in the United States in recent years with the result that one-fifth of the manufacturing facilities in the nation are now 20 years old or more.

"That is double the percentage of obsolescence in Japan or West Germany.

"As a consequence, the United States is now last among industrial nations in productivity growth measured by output per man-hour . . . It is also last in the percentage of national income being plowed back into productive facilities."

DOLLARS FOR EXPANSION

Mr. De Lancey then noted that profits also help supply funds needed for expansion of facilities to meet the nation's growing requirements for goods and services.

Profit provides this expansion capital in two ways, he explained.

First, profit provides internally-generated funds that can be directly plowed back into the enterprise; and second, it is a generater of borrowing potential that opens the door for the issuance of bonds, the sale of stock or the procurement of bank loans.

If demonstrated profitability is lacking, he added, outside sources of funds are reluctant to provide a company with new capital.

ENVIRONMENTAL EXPENDITURES

Then Mr. De Lancey shifted to the subject of environmental control facilities and the concerns expressed by this critic.

Here again, profits must do the job, and he explained that environmental control capital expenditures at one of Republic's plants have exceeded $107-million, with $37-million more already approved for expenditure.

Environmental facilities must not only be installed at great expense, but must also be maintained at annual costs (including depreciation and interest) amounting to more than the 20 percent of the cost of the equipment itself.

He estimated that in 1975 the added cost of environmental control facilities in Republic Steel's Cleveland District was approximately $8.30 for every ton of steel shipped. He commented:

ROLE OF CONSUMER

"Ultimately, such added production cost must find its way into the price of steel and the ultimate consumer will pay all or most of it.

"You may find this an unattractive prospect but the hard facts of economic life are that all cost of production ultimately must be borne by the consumer. Or the producer goes out of business."

In the balance of his letter, Mr. De Lancey went on to explain that the American steel industry as a whole is facing heavy capital requirements through 1983; yet its best earnings year ever experienced (1974) fell far short of the annual amount which will be required.

SOMETHING HAS TO GIVE

"Under these circumstances," Mr. De Lancey remarked, "something has to give, obviously.

"If environmental control expenditures remain too high, then replacement of plants and facilities will suffer; there will be insufficient funds for required additions to capacity and shortages will develop . . ."

With those considerations in mind, Mr. De Lancey concluded, no one should hold a greater concern and appreciation of the need for business profits than the American consumer.

"It is the consumer who will have to pay the higher prices which result from lagging productivity and rising shortages.

"It is the consumer who suffers when job-creating or job-protecting investment cannot be made or when research budgets must be cut."

Mr. De Lancey's major concerns are about the steelmaking industry, but his comments are also particularly applicable to any capital-intensive business with heavy investment needs.

LOF SHARES PROBLEMS

As we have pointed out on occasions, LOF's similar needs for adequate capital investment funds to expand our business, introduce new methods and to cover replacement costs of worn-out plants and machinery are some of our most worrisome problems.

If a business manager seems disproportionately preoccupied with maintaining profitability, it hardly reflects a mania for the "Almighty Dollar" or a distorted perspective.

It is more likely that his perspective is crystal clear, and he sees that the long-range alternatives to profitability are grim, indeed, for everybody associated with the company: its employees, its customers, its shareholders, and its plant communities.

IMPORTANT TO ALL CITIZENS

I would also note that the outlook becomes equally grim for our nation and citizens when business profitability withers away.

Almost everything that we depend upon for personal security rests on a foundation of corporate and business profits—our jobs, retirement benefit expectancies, insurance policies, investments, and the tax base of our communities.

Pension funds, for example, now own over 30 percent of America's corporations and that ownership will increase, plus a significant part of corporate debt.

And the individual who criticized Mr. De Lancey for his apparent excessive interest in profitability owes his employment to funds that trace their origins to wages, taxes, dividends and contributions generated by business.

The economic well-being and security of every American are based upon the economic viability of our business, industry, and agriculture.

SOCIETY KIDS ITSELF

Society kids itself when it loads our economic structures with costs it chooses not to pay directly.

The costs for all forms of government, and the things government taxes pay for, now represent about 40 percent of our total Gross National Product.

There are no other places to cover those "overhead" costs except in the prices for everything we buy or in our personal taxes.

Once again, "there ain't no such thing as a free lunch."

Sincerely,

R. G. WINGERTER,
Chairman.

VOTE ON HOUSE JOINT RESOLUTION 554

Hon. Robert L. "Bob" Livingston

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. LIVINGSTON. Mr. Speaker, yesterday the House of Representatives voted to accord the District of Columbia all of the rights and privileges of a State with respect to representation in the Congress, election of the President and Vice President, and ratification of amendments to the Constitution of the United States. Because I feel strongly that certain implications of this action are contrary to the interests of the vast majority of the citizens of this country, I have cast my vote against this proposal, and I wish to explain my reasons for doing so at this time.

Article I of the Constitution empowers Congress to exercise exclusive jurisdiction over the District of Columbia, which was established in 1790 as the seat of the U.S. Government following cessions of territory from Maryland and Virginia. To insure the political neutrality of the Capital City, District residents were denied voting rights in national elections and excluded from representation in Congress.

Yesterday's resolution (H.J. Res. 554) seeks to eliminate what proponents maintain is an injustice subjecting D.C. citizens to taxation without representation. Accordingly, they propose that only through full representation on a per capita basis in the House, and full equivalence with States in the Senate, may they rectify such an injustice. They also demand full equivalence with States with respect to future constitutional amendments.

I cannot take issue with their claims for representation in the House of Representatives. The House has the constitutional responsibility to originate all tax and revenue bills, and as taxpaying citizens of the United States, it is just that the citizens of the District have representation in that branch of Con-

gress empowered with the original jurisdiction over the raising of taxes.

The Senate, by contrast, has power only to concur with, or to amend, tax legislation which the House has passed. Thus, the imperative for equal representation with respect to tax legislation is not as apparent in the Senate as in the House.

The proponents of House Joint Resolution 554 claim representation under the "fairness" doctrine. That is, they claim it is "unfair" to allow taxpaying citizens to go unrepresented in either body.

But the Senate was not intended to be, and has never been, "fair" in the context of equal representation on the basis of population. Unlike the House, the Senate is not, and has never been, subject to the one-man, one-vote rule. It is hardly "fair" to the 21,520,000 citizens of California or the 12,487,000 citizens of Texas to be represented by the same number of Senators accorded the 927,000 citizens of Rhode Island, or 582,000 citizens of Delaware or 753,000 citizens of Montana. Yet, such is the structure of the Senate because the Constitution accords each State the right to be represented by two Senators.

To date, the residents of the District of Columbia have not requested to be included in the Union as a State. Personally, I have no objection to granting them such status, and would vote to accord them all the rights, privileges, responsibilities and obligations were they to request such status. However, as they have chosen to remain a special district for whatever reason, benefit or disadvantage, I see no reason to grant them the representation entitled only to a State in the Senate. Otherwise, to be "fair" to the District would necessarily be "unfair" to the various 50 States, as such accordance would necessarily dilute the powers accorded them by the Constitution.

Likewise, ratification of amendments to the Constitution is a privilege to be accorded to the States under article V of that worthy document. In my opinion, the District shall be entitled to this privilege only upon admission to the Union as a State thereof.●

MR. JOEY BISHOP OF STRUTHERS, OHIO, RECEIVES REFEREE AWARD

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. CARNEY. Mr. Speaker, the sport of boxing has taught many of our Nation's youth the importance of dedication, training, and good sportsmanship. One of my constituents, Mr. Joey Bishop of Struthers, Ohio, has devoted many years of his life to helping young men develop a sense of personal accomplishment from the sport of boxing.

Mr. Bishop recently received a trophy from the Kenner Boxing Club of Louisiana in honor of having refereed his 500th boxing match during the Golden Anniversary of the Youngstown, Ohio "Golden Gloves Boxing Tournament." Qualifying for the Golden Gloves is an amateur boxer's most important goal. Victory in the Golden Gloves is a stepping-stone to a professional boxing career. Mr. Bishop is a former Golden Glover, and has continually demonstated his concern for the future of amateur boxing by helping to train young boxers and by refereeing both amateur and professional boxing matches. He is currently a member of the Struthers, Ohio Boxing Commission.

Mr. Speaker, at this time I would like to congratulate Joey Bishop for his accomplishments in the sport of boxing, and express my appreciation for the many efforts he has made in behalf of the youth of our community. Through hard work and discipline, he has given amateur boxers the skill to become champions.●

"NATIONAL PORT WEEK"

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. MURPHY of New York. Mr. Speaker, today I have the distinct pleasure of introducing a House joint resolution entitled "National Port Week," aimed at giving our ocean and inland ports the attention they rightly deserve. Collectively, our port communities comprise the largest port system in the world. Throughout this country's great history our ports have established efficient and economical transfers of cargo that have made us the world's greatest trading nation.

Our ports presently provide us with an annual economic activity of 1.7 billion tons of waterborne commerce, which translates into over $200 billion. As the world's greatest trading nation, we must recognize the importance of our ports as an essential force in expanding our national economic development. The ports presently provide employment for over 1 million Americans, add $5 billion to the U.S. Treasury from customs revenue, and $1 billion to our balance of payments. Since World War II, our ports have invested an average annual sum of $300 million in marine terminal improvements.

In my dual role as a representative and lifelong resident of the port community of New York, I have been a personal witness to the changes which have made that port one of the greatest in the world. From the old finger piers of the past, handling bulk cargoes, to our present containerized facilities, it has always been the ports that have been at the forefront of technological innovation to meet the needs of our international and domestic commerce.

The time is now to recognize the vital importance that our four seacoasts and inland waterways have played in linking our urban centers of trade, finance, and culture. It is in this important role that our ports have worked in the tradition of serving as a focal point for our Nation's defense and present prosperity. "National Port Week" will acknowledge the vast contribution of our ports to the welfare and vitality of our American way of life.

I urge my colleagues to recognize the socioeconomic benefits of our port communities by cosponsoring this "National Port Week" resolution. The text of the legislation follows:

H.J. RES. 773

Joint resolution authorizing and requesting the President of the United States to issue a proclamation designating the seven calendar days beginning September 17, 1978, as "National Port Week"

Whereas United States coastal and inland ports make a direct and significant contribution to our national economic well-being; and

Whereas much of the history of the United States has been shaped by its ports and interconnecting inland waterways and greatly influenced the growth of various communities; and

Whereas ports, in serving United States waterborne commerce, generate significant employment and direct dollar income to the local and regional economies they serve, as well as have a major impact on employment and production in areas far distant from their location; and

Whereas United States ports provide a wide variety of services and activities essential to the smooth and efficient conduct of foreign trade and have a direct impact on our balance of payments; and

Whereas American ports are a vital asset in maintaining a strong posture in national security: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the seven-day period beginning September 17, 1978, as "National Port Week" and to invite the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such week with appropriate ceremonies and activities.●

VOICE OF DEMOCRACY CONTEST

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. FOWLER. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a voice of democracy contest. This year, more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as the top prizes. The winning contestant from each State is brought to Washington, D.C., for the final judging as a guest of the Veterans of Foreign Wars.

I would like to commend the winning contestant from the State of Georgia, Miss Karen Erica Blumensaadt of Atlanta.

Mr. Speaker, I would like to share with my colleagues the well-written, inspiring essay by a thoughtful and patriotic young woman.

The essay by Karen Erica Blumensaadt follows:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM GEORGIA WINNER

(By Karen Erica Blumensaadt)

As a young American citizen, I have many responsibilities to our country. First, I must be proud of the United States, proud of what it stands for, and be willing to speak out for it. I must learn about the problems that face this country and try to understand them. I need to follow major events that take place in Washington, D.C., such as meetings of the Senate and House of Representatives, decisions by and talks from the President, and also follow the major events that happen in the states. I have a responsibility to know and understand America's written foundations—The Declaration of Independence, The Constitution, and The Bill of Rights. Although written two centuries ago by strong leaders striving towards the perfection of a democratic society, they now stand for a free America. I need to support our government's leaders today at local, district, state, and national levels. I have a responsibility to make suggestions and express my opinions by writing my representative. This way I can become involved in our country and its work. I can also do this by joining projects that support America, like the Young Republicans and Democrats, and by participating on a committee, one not only concerned with governmental issues, but one that is perhaps concerned with preserving endangered species, the cleaning of a polluted lake or mountain stream, or caring for unfortunate children. I also must take pride in and support our military organizations which do so much for our nation's defense.

Having these responsibilities, and also the rights of being an American citizen mean very much to me. I feel that because these rights were granted to me automatically, I must then earn them by following through with my responsibilities which will make me a better, more alert citizen, now, and in the future. Individually, these responsibilities, gratefully carried out, are what supports America. Every citizen has responsibilities that he must carry out to make the bonds between the people, and between the people and the nation, very strong. This is why fulfilling my rsponsibilities means so much to me—because I know that I count as one small part of the whole America, and that I am a part of making the bonds strong.

In the future, my responsibilities to America increase. For instance, I become eligible to vote for the person that I think will be the best leader, but I must support whoever wins, even if I did not cast my vote for him. I can also get a job in the government or another aspect of bettering America, for example, in environmental studies. As our country changes, I need to be aware and follow these changes, and stay involved, because democracies depend on all the people to make them work.

To fulfill these responsibilities, now, and in the future, I need to be mindful of what's happening, give local issues my input—in the form of a letter expressing my ideas or volunteering my time to help, learn in school about America and its foundations, and be glad that I live in America and have these responsibilities, and that I am free to do my best to fulfill them.●

MR. JAMES BIGGS, A FINE YOUNG MAN

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. ERTEL. Mr. Speaker, Mr. James Biggs, a fine young man from Williamsport, Pa., is currently participating in the Washington workshop. I am pleased that fine young people like Jim are able to come to this city and view firsthand the activities of the Federal component of our remarkable democratic system of government.●

VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mrs. HOLT. Mr. Speaker, for the past 31 years the Veterans of Foreign Wars have sponsored the Voice of Democracy Scholarship Program. This year more than 250,000 secondary school students participated in the speech contest, the theme of which was "My Responsibility to America."

I am proud to inform my colleagues that my constituent, Miss Diane Lynn Martensen, has been selected to represent Maryland in the national competition.

In her address, Miss Martensen skillfully discusses the citizens' responsibilities to their Nation. It is an inspiring speech which I am pleased to be able to share with you:

1977–78 V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM MARYLAND WINNER

(By Diane Lynn Martensen)

I am free. This seems to be a simple enough statement. Yet these three words have immense meaning. Not everyone in the world can say these words with truth and conviction. I can. I AM free because I am an American.

My country gives me freedom. Not because I'm special, but simply because I am a citizen. I am one in millions, and yet America assures ME that no man will take away my liberty or justice.

This is a tremendous and precious gift which has been given to me. I realize how much I should appreciate it and treasure it, and I do. But somehow I feel that I should do more than just acknowledge the things America has given me. I believe I have a responsibility to my country—a responsibility to uphold the ideals she stands for, to live by her laws and to defend her values. These are the things which give me my freedom, and I feel I must protect them, not only to protect my own freedom, but also that of others both now, at the present and in the future. If I do my part I can assure the liberty I love so much for my children and all generations to come. By fulfilling my responsibility, I can help America endure as she is today.

But what exactly should I do to fulfill my responsibility? To see what I should do, I looked to the four ideals which I find most important. If I do what is necessary to uphold these values, I will feel I have done my part.

I am free and freedom is a high ranking ideal. I am free to do what I want; say what I please, and be whatever I can. There are unlimited possibilities for what I can do with this freedom. I can practice religion as I please, express myself freely, and become anything from a printer to President.

However, I must take care that I do not infringe on anyone else's freedom while exercising my own. It is part of my responsibility to try and assure everyone else the same freedom I have. I must limit myself so I don't limit anyone else.

This brings me to the second important ideal—Equality. America promises ALL of her citizens the same rights and privileges. It is not only necessary that I treat everyone with equality, but I am compelled to cry out whenever I see people discriminated against. If I don't stand up to see others treated fairly, I have no right to expect to be treated so myself.

Democracy is the third element of America's ideals which I consider vastly important. I have been given the privilege of living in a society where everyone has the right to vote. I feel it is part of my responsibility to use this right and encourage others to do so. In order for our system of government to work, it is essential that everyone take advantage of this opportunity.

And lastly, I consider justice important. Justice seems to be involved in freedom and equality. But to me justice is more than just refraining from infringing on others' freedom; more than simply treating people fairly. To me justice involves doing what is right no matter how difficult that may be. I must allow my heart and consciousness to guide me in reaching for truth, for from truth arises justice.

By respecting other freedom, striving for equality, encouraging people to vote, and reaching for justice, I will be showing responsibility to America. These are all things I should do, though at times they may seem difficult. But it is my choice if I act on them or not. I am free.●

MARK FOLEY—NEW YORK STATE WINNER

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. HORTON. Mr. Speaker, each year the VFW sponsors a scholarship program designed to aid capable and qualified young people planning to attend college. Five scholarships are awarded as the top prizes to those contestants who successfully compete in the VFW's Voice of Democracy contest. State winners are brought to Washington as guests of the Veterans of Foreign Wars where the final judging is conducted.

This year's New York State contest winner is a Rochesterian and a constituent of mine, Mark D. Foley. I know I join Mark's family, friends, and teachers in congratulating him on a job well done. His speech is based on the contest theme, "My Responsibility to America." I strongly recommend it to my colleagues. The text follows:

MY RESPONSIBILITY TO AMERICA

(By Mark Foley)

America is a land of diversity. There are people from every walk of life, people from every social and economic stratum, people from every ethnic and cultural background. However, when we consider the people from the point of view of their responsibility to their country, this diversity narrows to four categories, it seems to me.

First of all there are the jawbones; these are the people who can talk a mighty good game, but when it comes to playing it, well, that's a whole different story.

Secondly there are the wishbones; these are the ones who hope everything goes alright, but if it does not they do not really care, that is so long as it does not render them the worse.

Next there are the knucklebones; these are the greedy, selfish individuals who will go to no ends to get what they want.

Lastly, there are the backbones; these people are the doers, the achievers. A well known phrase states that the "backbone of America is her people", but is it not a shame that only a few of America's people fit into this category? Yet we are the greatest Nation that the world has ever seen. Think of what it would be like if all the people of America fit into this category of backbones.

In the United States we have a bill of rights, a bill of wrongs, and a bill of goods. The bill of rights are the freedoms that we have been given, the justice that we have been guaranteed. The bill of wrongs are the laws that must follow so as to guarantee to all that their rights not be abridged by another's thoughtlessness. The bill of goods are the evils that persist because certain people don't subscribe to the bill of rights or the bill of wrongs. Yet the unfortunate fact is that many in this country, faced by these evils, are shackled by apathy. It is a sorry state when people don't care. It has been said that the one with the big mouth has the weak brain. Many will complain without a second thought, but never try themselves to do anything about the problems at hand.

It is the responsibility of all Americans to do all that they can, not for the benefit of themselves, but rather for the benefit of all.

It is the responsibility of all Americans not to be satisfied with business as usual, but rather to strive to make America the best possible nation that it can become.

It is the responsibility of all Americans not to sit back and be acted upon, but rather to roll up our sleeves and get to work solving the problems of America.

This is the responsibility of all Americans.

It has come time for all Americans to make a decision; it has come time for us to cross the Rubicon. The river is there lapping at our feet, and the boat is yonder waiting to take us across. Shall we stay on this side of the river and continue on our present path of apathy, or shall we board that boat and cross that river, and shed our jawbone, wishbone, and knucklebone tendencies and develop ourselves into backbones. If we do decide to do this, I can see our ultimate destination off in the horizon, as an American statesman put it "a shining city on the hill". But to reach that shining city we must first board the boat and cross the river. I know what I am going to do, I am going to fulfill my responsibility to America, I am going to board that boat and cross that river. But, are you?

Let's face it, one person does make a difference, but to make a significant difference it will take the united efforts of all Americans. As Martin Luther King put it "Either we can all work together as brothers, or we shall all perish together as fools."●

THE BEEF IMPORT CRISIS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. PICKLE. Mr. Speaker, in the past couple of days an incident has occurred along the Texas border with Mexico that has brought national attention to the very serious problem of foreign meat imports.

More than 250 farmers have been arrested in Hidalgo, Tex., while protesting importation of Mexican beef and vegetables. I cannot condone the disruptions of traffic or the confrontations with law enforcement officers that led to these arrests; however, I can clearly understand the frustrations of these farmers and ranchers that brought them to this protest.

Some of the men who are now in jail in south Texas are my constituents and I know some of them very well and have known their families for many years. These are good, decent, hard-working people who have been pushed to the point of desperation by Federal Government policies.

Mr. Speaker, I think that those Government policies must be changed. Right now, the House Agriculture Committee is looking at possible changes in the farm program and I hope that they will expedite their consideration and report a bill that we can support and that will be effective in solving the present farm price crisis.

At the same time, Mr. Speaker, I hope that my colleagues will closely study and support a bill that I introduced on February 2 to limit beef imports. This bill would finally give us a reasonable and realistic national policy on the importation of foreign meats that would protect both producers and consumers.

Basically, my bill would set limits for imports based on the market price for beef. When the beef prices are low, less imports would be allowed and when beef prices are high, imports would be increased. This approach would insure a reliable supply of meat for consumers and put an end to the wild ups and downs in the meat market. In the past I have sponsored beef import legislation that would regulate imports based on domestic production; however, I believe that this new approach, based on price, will be able to respond quicker and more effectively to stabilize the market.

This new bill has already been cosponsored by six of my colleagues: Mr. KRUEGER, Mr. MAHON, Mr. HALL, Mr. BURLESON of Texas, Mr. CHARLES WILSON of Texas, and Mr. HUCKABY.

Next Tuesday I plan to reintroduce this bill and I hope that more Members will join us in supporting this measure to put reasonable limits on the flow of foreign beef into the United States.●

SABOTAGE AGAINST NUCLEAR POWER PROPOSED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. McDONALD. Mr. Speaker, on previous occasions I have provided this body with information documenting that persons supporting the use of sabotage against utility companies and nuclear powered electrical generating plants are active in the "environmentalist" or "ecology" movement. One of these activists is Samuel Holden Lovejoy, a leader of the Clamshell Alliance and antinuclear saboteur who demonstrated that with sloppy prosecution one can "get away with it."

In 1974, Sam Lovejoy destroyed a $50,000 weather tower at a nuclear powerplant under construction in Massachusetts. Following a week-long trial in which Lovejow argued his action was a bizarre sort of "public service" and in which he was supported by a number of activists from the disarmament and anti-Vietnam movements who came to testify at his trial, he was acquitted at the direction of the judge on grounds that the indictment was faulty—he was charged with destroying "personal" instead of "real" property. Since that time, Lovejoy has traveled about the country advocating sabotage against nuclear facilities, but particularly against the electrical transmission lines leading from the plants to the regional electrical grids. As I reported 2 years ago, Lovejoy has claimed to find ready acceptance of sabotage tactics among the members of environmental and antinuclear groups.

In an article published by the People's Party, Dr. Benjamin Spock's Socialist group, Lovejoy gave an account of his speech to an antinuclear power group in San Luis Obispo, Calif., where his audience consisted of a majority of persons over 50 years of age. Said Lovejoy:

* * * first I suggested that a big demonstration and sit-in at the plant gates might stop the workers, or maybe a fuel shipment from entering * * *. Then I blurted out what was honest in my head, 'If I lived here, and was afraid for the life of my community, and thus decided to stop the plant's operation (and yet I couldn't actually tamper with the nuclear machine itself), the only way was to make the machine useless by cutting the umbilical cord.' * * * then almost the entire crowd was on its feet applauding!

* * * So there I was suggesting sabotage of the nukes' transmission lines (with a P.G. & E. (Pacific Gas and Electric) representative there!) and concerned citizens with little prior knowledge or experience in direct political action were enthusiastically responding.

It is plain from the context that "direct political action" and "direct action" and "civil disobedience" are code words that encompass sabotage and acts of violence among the range of action.

I would point out that in the CONGRESSIONAL RECORD Extensions of November 4, 1977, I entered one of the most complete and detailed articles on nuclear terrorism and sabotage, covering activities not only in the United States, but also in Western Europe and Latin America. That article appeared originally in the Information Digest, a newsletter reporting on political and social movement published by John Rees. The Information Digest has chronicled many of the dozens of terrorist attacks against utility companies in this country which have been virtually ignored by the press which would rather criticize law enforcement agencies and utilities from attempting to apprehend terrorists and protect property.

A number of allegedly "responsible" public figures have apparently been won over to the activists' ideas that "anything goes," even violence, to win their

fight against nuclear power. Among these is "public citizen" Ralph Nader. Nader's 1975 Critical Mass conference in Washington provided brought together a number of proviolence activists including some who recommended such actions as dropping dynamite from a light plane onto operating nuclear powerplants. And when Sam Lovejoy presented his resolution calling for "nuclear resistance including civil disobedience" to the critical mass audience, Ralph Nader continued to sit on the stage and say not a word in opposition.

At one time Ralph Nader recommended court action to stop nuclear power, not "direct action." But in an interview published in the Village Voice, April 4, 1977, Nader said:

"What the activists are trying to do is make new law based on the settled Anglo-Saxon tradition of self-defense that stretches back through Blackburn's Commentaries," Nader replied. "That is, if someone tries to break into your house you can retaliate lawfully. In the case of a nuclear reactor, the self-defense is projective. But what are you going to do, wait until radioactivity is all over the place? Here you are violating a minor law to get judgment on a more important one, the way they did in the civil rights movement when they sat at those lunch counters."

Now Sam Lovejoy has developed additional arguments for violent "direct action" against operating nuclear powerplants and other nuclear facilities. In an article in the February 9, 1978, issue of WIN magazine, he writes:

* * * a criminal case based on "competing harms" or "choice of evils" statutes can be won more easily when the civil disobedience action is directed at an operating nuclear plant. In order to win a criminal trial with a basic civil disobedience defense, the defendants must show, according to the law, that there was an "imminent danger" which had to be halted or mitigated by violating some lesser criminal law.

And thus action against operating nuclear facilities is more defensible and thus more likely in the future.

Lovejoy observes that antinuclear power activists have concentrated on stopping construction of nuclear powerplants or proposed plants, since stopping construction seemed "more winnable" than trying to force operating plants to shut down, particularly since in the Northeast and Midwest the area electrical grids are significantly "dependent on nuclear baseload generation."

Furthermore, Lovejoy admits that—

Direct action, however non-violent at existing facilities opened the door * * * to the most dangerous form of provocation which might possibly lead to an actual nuclear accident.

In plain English, sabotage of a reactor and dispersal of dangerous amounts of radioactivity is possible at demonstrations.

Since the "choice of evils" defense will encourage demonstrations at operating nuclear facilities, particularly at facilities with both civilian and national defense aspects such as the Barnwell, S.C., reprocessing center, Lovejoy expects that Federal and State legislation will be developed with criminal penalties for disruptive actions at those nuclear facilities having at least a national defense aspect. And Lovejoy characterizes a proposed Oregon law against interference with an operating nuclear facility as "the backdoor beginnings" of nuclear security legislation.

Thus Lovejoy's discussion of tactics again returns to sabotage of electrical transmission lines, saying that—

Citizens could occupy (or even disrupt) the power lines * * *. There is no point running the factory if you can't deliver the goods—a shut down reactor is vastly more safe than one in operation.

Lovejoy concludes that on these premises, it is inevitable that as in the earlier anti-Vietnam movement which gave birth to violent affinity groups and terrorism, "arguments about 'responsible' property destruction will emerge again."

Mr. Speaker, I note that the Washington Post of March 2 carried an article on plans by the House Subcommittee on Oversight and Investigations of the Interstate and Foreign Commerce Committee to hold hearings on allegations that "utilities have spied on antinuclear activists." I also learn from this article that this subcommittee has issued subpenas for material from several utility companies and private groups associated with their protection.

I find it very interesting that the Washington Post article characterizes these subpenas as "secret subpenas," since any cloak of secrecy has long since been violated. For the newsletter of the Campaign to Stop Government Spying, headed by Morton Halperin of the Center for National Security Studies which is trying to destroy all of the intelligence gathering agencies and private groups which protect us from terrorist violence, published the fact of those subpenas last month. Those newsletters were distributed at the meeting of the proterrorist National Lawyers Guild here in Washington from February 17 to 20, and became a topic for discussion among the NLG members concerned with smashing the remaining intelligence groups.

The question of the terrorist threat against nuclear powerplants is one of the deepest concern to me and I feel that it may be necessary to provide the subcommittee with testimony myself so that the fullest extent of the threat may be explored.●

THE TREES ARE NOT GROWING FAST ENOUGH

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. BONKER. Mr. Speaker, a serious timber shortage appears imminent in the Pacific Northwest.

The problem stems from systematic overcutting on private industrial forest lands. To be sure, the industry generally has a good record of planting new trees in place of the old-growth giants that it is felling, but a slump in overall production is anticipated before these seedlings grow to commercial size.

Locally, tens of thousands of jobs may well be at stake. Nationally, supply may fall to meet the growing demand for lumber, plywood, paper, and all the other products derived from wood fiber.

In the second of a series of articles, Joel Connelly of the Seattle Post Intelligencer explores the consequences and the resulting pressures that are being generated to intensify timber production on Western national forest lands:

[From the Seattle Post-Intelligencer, Feb. 13, 1978]

THE RENEWABLE RESOURCE GAP

(By Joel Connelly)

"Trees are America's renewable resource," reads a timber industry bumper sticker—but 55,000 lumber-related jobs stand to be lost while Northwest forests are renewed.

The news comes by way of the U.S. Forest Service Range Experiment Station in Portland, and it explains why lumbermen are fighting National Forest wilderness proposals.

The experiment station has told U.S. Rep. Lloyd Meeds, D-Everett, that depletion of old growth timber on industry-owned land could reduce the number of forest jobs in Western Washington and Oregon from 121,000 to 67,000 by the year 2000.

It's a figure you won't hear on timber industry television commercials about flourishing tree farms. Nor will you read it in trade association broadsides denouncing further wilderness area withdrawals.

But the battle over whether to increase logging of National Forests stems directly from the intensive cutting that has taken place on private forest lands.

The stakes are high—the future of an industry that employs 67,000 people in Washington, and some of the most beautiful and popular wild recreation land left in the United States.

A 1969 Douglas Fir Supply Study by the Forest Service said: "Continuation of current levels of private log production in Western Oregon and Southwest Washington would lead to a 65 per cent reduction in annual private harvests within 30 years."

A 1974 report by Oppenheimer & Co. security analyst Thomas Clephane estimated major northwest timber suppliers were liquidating old-growth trees at a much faster rate than new "managed" forests could be grown.

It's a trend that alarms Dr. Rupert Cutler, assistant secretary of agriculture, the man charged with running America's 187-million-acre National Forest system.

"It is my impression that industry has overcut its forests, particularly in the Northwest from the standpoint of maintaining a sustained yield," Cutler said.

Bill Hagenstein, executive vice president of the Industrial Forestry Association, dismissed Cutler's claim as ———, but confirmed industry will need more National Forest timber to maintain current harvest levels.

"Why talk about overcutting our land when you don't mention undercutting in National Forests?," asked Hagenstein.

Hagenstein argues that National Forests contributed "almost nothing" to the Northwest economy before 1945 (when logging was stepped up) and accounted for only 2.7 billion out of 45 billion board feet cut to meet timber demands during World War II.

"We're going to depend more on National Forests because that's where you find the bulk of uncut old-growth merchantable timber," he said.

Hagenstein said it will be 35 or 40 years before industry's oft-advertised tree farms will be ready for intensive production.

"In the meantime, the nation needs wood," said Forest Service Regional Forester Dick Worthington, whose 24 million acres of land in Washington and Oregon now hold more than half the northwest's remaining supply of saw timber.

But the cutting edge of the Northwest timber supply shortage isn't just the intensive cutting of private timber land.

Despite ambitious planting programs by firms such as Weyerhaeuser, a substantial amount of commercial forest land has been lost to suburbs, shopping centers, and the owners' refusal or inability to replant their lands.

"If you fly from Wenatchee to Portland, the plane passes over miles and miles of small private holdings which are growing only brush and alder," said Dick Buscher, assistant supervisor of the Wenatchee National Forest.

The latest figures from the Range Experiment Station indicate 630,000 acres of Washington's private commercial timber land was lost to non-forest uses between 1945 and 1970.

Suburbs sit on what was once productive timber land. As a boy, Hagenstein watched logging between Everett and Seattle. A sawmill was located on Silver Lake, where Meeds recently built a house to live in when he leaves Congress next year.

The Forest Service, forecasts another 1.5 million acres will be taken out of production by the year 2020—for a total of 10.5 percent of the state's forest lands.

That compares with a total of 1.25 million acres of commercial forest land contained in Washington's national parks, national recreation areas and wilderness areas.

At the national level, leaders of the National Forest Products Association recently told Congress wood demands cannot be met unless private holdings are better managed.

"Each year, about one million acres of productive timber stands are harvested without provision for regeneration of commercial species," said association official John Wood.

Wood estimated that 25 million acres of America's private timber land aren't planted at all, 50 million acres have been poorly stocked, and 120 million acres need timber stand improvement.

Conservationists and federal officials say National Forests, defined by law as "lands of many uses," shouldn't be turned over exclusively to timber production.

"We have other values at stake," said Cutler. "National Forests are not tree farms, but must support a variety of uses, including wilderness."

Oregon's U.S. Rep. Jim Weaver, whose district has a bigger National Forest timber cut than any in the nation, argues "industry has simply been a bad land manager."

"It would be disastrous if we made the same mistake on federal land as we've made on industry's lands," said Weaver. "Without restrictions, the timber industry would 'mine' public land and leave for Indonesia. That's what they've done with vast old-growth timber holdings in my district."

Weaver claims forest jobs can be saved by better thinning of young timber stands and use of waste logs left behind on clear-cut land. "With timber prices high, we can afford to better utilize what we have," he said.

Weaver, Meeds and U.S. Rep. Don Bonker have also revived the congressional drive to ban log exports to Japan which have risen from 150 million board feet in the early 1960's to the present annual level of 3 billion board feet.

"Three billion board feet is just a figure until you convert it," said Mark Houser, who spent 11 years as legislative assistant and forestry specialist on Meeds staff.

"Each year we export enough timber to run 75 sawmills, build 300,000 homes, and create a potential 90,000 direct and indirect jobs in the Northwest," said Houser. "The Mt. Baker-Snoqualmie National Forest produces only enough to run six or seven mills."

The bad timber supply outlook isn't limited to private lands. There's debate over whether National Forests are capable of taking up the slack when old growth runs out on industry lands.

"The Forest Service can carry the nation as long as it takes to get private land back into production," said Worthington, quickly adding that his agency will need more timber management money to do so.

But Worthington is operating under legal constraints as well as the starvation rations on which Congress has made the Forest Service live in years past.

Public forests have also been under intensive logging pressure since World War II. The annual National Forest timber cut climbed from 5.8 billion board feet in 1955 to 14.8 billion in 1969.

By 1973, computer projections showed some National Forests were overcut. The Forest Service issued Emergency Directive No. 16, which decreed a policy of "even-flow, non-declining yield."

In plain English, that means present timber harvest levels must be maintained in the future for all National Forest lands. Over industry opposition, a similar provision was put into the National Forest Management Act of 1976.

The shifting currents of "even flow" policy are demonstrated on Washington's most-logged federal property, the Gifford Pinchot National Forest.

In a 1974 letter to Sen. Henry M. Jackson, the Forest Service admitted it had overcut the Gifford Pinchot and could not maintain the current level of logging operations without federal aid.

Money was forthcoming, and the Gifford Pinchot became, in the words of Deputy Supervisor Bruce Cooper, "a demonstration of what the Forest Service can do in growing back cut-over land."

As clearcuts were replanted and young forests thinned for fast growth, the Gifford Pinchot's annual timber cut was allowed to reach 414 million board feet last year.

However, there's a catch. If Congress doesn't keep the money coming, the Gifford Pinchot must (by law) reduce its annual timber cut by 100 million board feet. That would also mean a 25 percent cut in the $10 million it distributed last year to Southwest Washington counties.

A recent General Accounting Office report criticized Gifford Pinchot management and said: "Officials are justifying increases in . . . the timber harvest level for the current decade partly on the basis of planned management practices that may or may not be funded or carried out in future decades."

The Gifford Pinchot is an exception among Washington's National Forests in that gentle hilly country of the South Cascades is suited to growing trees. That's not the case elsewhere.

"Our opportunities for intensive forestry are severely limited," said Cutler. "Much National Forest land is too steep, soils not right, or managed for other uses."

The National Forest logging debate is headed for a congressional showdown which is likely to pit the timber industry against the Carter administration and conservationists.

Later this year, the Forest Service will return wilderness recommendations from its RARE II study of 67 million acres in roadless land. Cutler says those recommendations will be substantial.

Five million acres of roadless "study areas" are found in Washington and Oregon. Lumbermen say 60 percent of that terrain is commercial forest land.

Only 12.6 million acres of National Forest land, less than 10 percent of the system, is currently in wilderness areas. But environmentalists have been winning additions from Congress in recent years.

Already in 1978, the Senate has voted to expand California's Redwood National Park, and a congressional conference committee recently agreed on a 1.3 million acre Endangered American Wilderness Act.

If it wants to log more in National Forests, the timber industry must reverse the trend. It will also have to live down a recent Gallup Poll taken for the National Forest Products Association. The result showed that 62 percent of people want preservation of natural areas while only 28 percent want more cutting.

"I expect it will be one helluva fight," said Rep. Weaver.●

FUNDING FOR THE NONGAME FISH AND WILDLIFE MANAGEMENT BILL

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. CONABLE. Mr. Speaker, I have been requested to introduce a bill to establish a national nongame fish and wildlife conservation program. The concept of such a program is not new. My distinguished colleagues, Mr. FORSYTHE and Mr. LEGGETT, introduced such a bill last year. The Subcommittee on Fisheries and Wildlife Conservation and the Environment, chaired by Mr. LEGGETT, with Mr. FORSYTHE, the ranking minority member has held hearings on the bill.

I understand there is overwhelming support for the bill, H.R. 10255. The State fish and wildlife agencies, national conservation organizations, local and regional park authorities, and individuals testified in favor of the bill. I am told the subcommittee has received literally hundreds of supporting letters and telegrams.

There was one recommendation to improve the bill voiced by a majority of those commenting, however. That recommendation is to fund the program via manufacturers' excise taxes on certain untaxed items used in recreational activities involving nongame fish and wildlife—things such as bird seed, bird feeders, and houses, and a few articles of camping equipment. The current bill would fund the program from general appropriations.

The rules of the House require that such titles involving taxation receive joint referral to the Ways and Means Committee on which I serve. A delegation representing some of the Nation's leading conservation organizations and the 50 State fish and wildlife agencies requested that I introduce the Forsythe bill with an additional title that calls for a manufacturers' excise tax, the receipts from which would be used to fund the program.

The bill I have introduced, H.R. 10915, with Representatives FORSYTHE and LEGGETT, is exactly like the original bill except for the funding provision. It would create a national program, specifically

for nongame fish and wildlife, along the lines of the imminently successful Federal aid in wildlife restoration program. That program, enacted in 1936, is the backbone of wildlife conservation in all 50 States. It is funded via manufacturers' excise taxes on sporting arms and ammunition and archery equipment. The receipts are collected by the Federal Government and placed in a special fund administered by the U.S. Fish and Wildlife Service. The receipts total more than $60 million each year. The Service extracts its administrative costs from the receipts—about 5 percent annually—and apportions the remainder to the 50 States and territories for wildlife restoration activities. The program receives no funds from the General Treasury. It is supported entirely and enthusiastically by sportsmen who purchase the arms and ammunition. And the amazing accomplishments of that program in restoring the Nation's wildlife populations are a matter of record.

Because of the source of funds, however, the Federal aid in wildlife restoration program understandably has concentrated on restoring and maintaining so-called game species which are enjoyed by those paying the taxes. Nongame has not had the benefit of such a program. I have been informed that nongame enthusiasts, are willing to pay excise taxes necessary to finance a national nongame program. The bill I have introduced would give them that opportunity.

I would like to make clear, however, that I am not committed to a tax on any particular item or in any particular amount. I am introducing this bill so that the alternative of financing needed nongame conservation efforts with funds paid primarily by the users of that resource will be considered at future hearings on this important subject.●

ENERGY RIPOFF, YES, BUT BY YOUR GOVERNMENT

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. DICKINSON. Mr. Speaker, the Dothan Eagle, Dothan, Ala., published by Rufus M. Josey and edited by Ed Driggers, recently carried a very informative editorial that condensed and compiled the thoughts of some of the Nation's most eminent economists who support a free market approach to solving the energy shortage problem. In particular, the editorial emphasizes the shallowness of the Carter plan to heavily tax oil products, thereby artificially driving up the price of gasoline for the American consumer, possibly to a dollar or more a gallon without contributing to the production of more energy. These tax profits to the Federal Government would probably be "blown" in another "redivision of the wealth" welfare scheme. If the American people are to pay more for energy, their money should be forced into energy development and discovery, not to feed another Federal bureaucratic or spending scheme. I commend to my colleagues this editorial by the Dothan Eagle:

ENERGY RIPOFF, YES, BUT BY YOUR GOVERNMENT

In our view the worst single mistake of the Carter administration is the energy program the President is trying to foist on the American people.

It is exactly opposite to what he advocated as a candidate. Moreover, it goes counter to the philosophy of his campaign rhetoric—all of that talk about the federal bureaucracy being too big and inefficient.

We simply don't buy Mr. Carter's "crisis" talk. There is an energy problem to be sure, a problem of supply, and it's largely of government making.

A recent message on the subject, signed by 30-odd economists, including Nobel Prize winner Milton Friedman and professors at such prestigious universities as Yale, Michigan, MIT, Stanford, Chicago, Virginia, Brown, UCLA, Columbia, and others, is one of the clearest statements on the Carter energy plan we have seen.

Here is part of what the economists had to say:

"Not since Richard Nixon left the White House has the public witnessed an outburst quite like President Carter's at his recent news conference on energy. The President heaped invective upon his opponents, denounced oil companies as 'war profiteers' and declared that defeat of his energy program and removal of natural gas price controls will mean "the biggest rip-off in history."

"As responsible economists of all parties, we deplore discussion of important national issues in these terms. We believe that the President's intemperate language reveals the essential weakness of his case.

"The issue is not oil companies versus the people. And one does not need to be a fan of the oil companies to recognize that. Every signer of this statement has been critical of the oil industry. We strongly oppose the current system of controls and import subsidies that adds millions of dollars to the income of oil refiners. We believe in a competive oil industry, free from monopoly.

"We think the best way to achieve the goals of energy conservation and limited imports from OPEC is to let the market set prices—with rewards going to those who serve consumers most efficiently. Mr. Carter wants the bureaucracy to set prices and to distribute the rewards politically.

"Under Carter's plan the lobbyists he deplores really would have the ability to 'ripoff' the public. This possibility has certainly been recognized by some of the oil companies themselves. Contrary to public impression, not all the oil companies have been fighting the Carter program. They see the possibility that it would protect them from competition as well as grant them direct subsidies.

"The so-called 'energy program' would be the largest peacetime tax increase in history It would make many billions more dollars of tax revenue available for lobbyists to seek—as well as mandate an expensive bureaucracy which would increase the overhead costs of making energy available to consumers. Already the Department of Energy is to cost $10 billion annually—a sum roughly equal to the combined after-tax earnings of America's major oil companies.

"Mr. Carter would use taxes to raise the domestic price of oil to the world level. This is his way of eliminating the subsidy we are now paying through the 'entitlement program' for the import of foreign oil. A far better way to achieve the same goal is to let the market set the price. This would provide the domestic owners of oil, many of whom are not large oil companies, with the same incentive to produce oil which we currently provide to OPEC. It makes no sense to say that OPEC oil producers can receive $12 to $13 per barrel when American producers are limited to $6 per barrel. But this is exactly what the President's tax on crude oil would do.

"If the market is allowed to set the price, this will bring forth additional energy supplies which will lead to lower prices in the future. But if the cost to the consumer goes up due to a tax increase, it will go up now and permanently. There is no increased production. The consumer's only hope under the Carter plan is that bureaucrats in the Department of Energy will somehow be more enterprising and efficient at bringing forth energy supplies than all of the many energy companies operating under the spur of profit and competition. Does anyone really expect this to be true?

"There is no energy crisis in the U.S. today, but there is an energy problem. It was created by political manipulation and price controls in energy markets. Former President Nixon deserves much of the blame for imposing these controls on oil as part of his general price control program in 1971. The controls on natural gas that created the crisis of last winter date from more than 20 years ago. And the present system of oil taxes and subsidies was passed by Congress and signed into law by President Ford in 1975. Now a Democratic President seeks to perpetuate the mistaken policies of his Republican predecessors."

As most readers know, the Carter energy bill breezed through the House late last year and for weeks has been locked in a Senate-House conference struggle. Probably a compromise will emerge eventually. We just hope it doesn't include Mr. Carter's scheme for a wellhead tax to drive up the cost of oil artificially.

President Carter spoke of a ripoff. If his energy plan survives it will be a ripoff all right, but not the kind he had in mind. Consumers would be ripped off at the hands of their own government.●

FORMER PHILADELPHIANS PLAY KEY ROLE IN CATHOLIC RELIEF SERVICES

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. EILBERG. Mr. Speaker, as a native Philadelphian, I am always proud to point to the success of former residents of our city who have made important contributions to our Nation and our world.

Such is the case with two former Philadelphians who were spotlighted recently in the Catholic Standard and Times, the weekly newspaper serving the Archdiocese of Philadelphia. Both now play key roles in the world-wide Catholic Relief Services.

Msgr. Joseph J. Harnett is stationed in Rome, where he serves as CRS Regional Director for Southern Europe, North Africa, and the Middle and Far East. He taught at Philadelphia's St. Charles Borromeo Seminary, and still maintains close ties with the city through relatives who live there.

A colleague of his, Father John J. McVeigh, grew up in Philadelphia. He works in New York City as CRS Regional Director for Asia and the Pacific, dealing with food, medical, agriculture and construction projects for countries as large as India and as small as the Solomon Islands.

I offer for the RECORD, Mr. Speaker, the stories of two former Philadelphians who are engaged in a great humanitarian service:

LOCAL PRIEST RUNS CRS IN MIDDLE EAST

"The more a person is away from home, the more he appreciates it" is one way Msgr. Joseph J. Harnett, long time veteran of Catholic Relief Services, (CRS) sums up his relationship with his hometown of Philadelphia.

Msgr. Harnett has been with Catholic Relief Services for 31 years and spent almost all his time overseas. But, he says: "I've never thought of myself as an expatriate—only as someone who is in the process of answering needs in one place or another . . . then finding the years have passed; almost a lifetime."

Msgr. Harnett, whose last assignment was at Philadelphia's St. Charles Borromeo Seminary as a language professor, considers his home as that of his sister Mary, Mrs. John G. Veith and her husband, of Merion Station. But he spends most of his time these days in Rome, where he is the CRS regional director for Southern Europe, North Africa, the Middle and Near East.

In his post Msgr. Harnett watches over a variety of relief and developmental assistance activities of CRS in 16 countries, including the troubled Middle East. His career with CRS began in postwar Europe for seven years and then shifted to Asia from 1954 to 1967. He moved from there to Rome where he not only guides the CRS activities of his region but also is in contact with a variety of Vatican, church and international organizations concerned with relief and development problems globally.

Speaking of his present assignment, Msgr. Harnett pointed out that "my job now mostly has to do with Arab countries." In the recent past and even today he has been very much involved in getting relief supplies into Lebanon to help the victims of confusing strife in that country. At the same time, his region sponsors programs in Egypt, Jordan and Israel.

One of the principal countries in which CRS is now active is the tiny Arabian peninsula nation of Yemen where he recently was a guest of the government who invited him to be present for a meeting on the country's new five-year plan.

Msgr. Harnett is proud that during the recent meeting, the Yemeni Minister of Social Welfare made it a point to thank Catholic Relief Services and the associated Catholic groups working with CRS for all the social services they have set up in the country. "They count on us to continue this work and the government prizes it highly," he said.

"On the other hand," he added, "this work is a real example of that Christian witness that we talk about so much today."

PRIEST LIVES IN "EYE OF STORM" IN CRS JOB

They say the eye of a storm is a space of calm surrounded by violent winds and destruction. If that is true, then a good place for Father John J. McVeigh to sit is right inside that eye, since his career with Catholic Relief Services (CRS) has found him in the centers of several global whirlwinds.

Father McVeigh, who grew up in Philadelphia, joined CRS in 1970 and for five years was CRS Program Director in Vietnam until the fall of that government and his evacuation from the roof the U.S. Embassy in Saigon on April 29, 1975.

Since then he has been in the New York headquarters of CRS working as Regional Director for Asia and the Pacific. In this position he oversees the work of CRS in 16 countries and shuttles back and forth across the Pacific frequently.

The normal workload for Father McVeigh includes CRS' single largest program in the world—India—and some of its smallest: Macao and the Solomon Islands. Food, health, medical care as well as agricultural, road building and community construction projects are the basic programs which Father McVeigh deals with daily. At the same time, natural disasters such as earthquakes, floods and famine add to the demands flowing into CRS each year.

The latest of these are the conditions existing in India following a series of cyclones and resultant floods which struck in November. CRS was quick to step in, using its own personnel stationed in the flood area and other parts of the vast subcontinent. As of today, the CRS postdisaster program in this one area around Madras totals more than $2.2 million in food, supplies and other commodities, much of which has been made available by the U.S. government.

And from the start, Father McVeigh was in on the direction of relief efforts half way around the world and the planning for reconstruction and rehabilitation of the lives of hundreds of thousands of people.

In a CRS report on the Indian disaster, Father McVeigh reported: ". . . . the fury of nature caused loss of life and destruction of villages and homes beyond estimate. Population and census figures are often incomplete but it is estimated that as many as 25,000 persons are dead as a result of the storms. . . . Our response to the victims was immediate and within hours a relief and rehabilitation program was mounted.

"On Thanksgiving weekend, a control post was maintained at the CRS New York Headquarters and telex messages were sent to the field advising that we stood ready to set up an airlift. . . ."

And so it went, with Father McVeigh sitting calmly in the eye of the storm until the picture began to clear. Then he was off to India for a personal look at the damage and meeting with key CRS personnel and local authorities to begin mapping out the general plan for rehabilitating the victims.

Father McVeigh is one of about 900 CRS staffers working around the world to bring immediate relief assistance and long term development help to the countries most in need of both.●

HOW MUCH WILDERNESS? HOW MUCH MULTIPLE USE?

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. BONKER. Mr. Speaker, the pressures for increased timber harvests on National Forest lands in the Northwest clash with concurrent efforts to complete the wilderness preservation system provided for by the Wilderness Act of 1964.

Attention is focused on the U.S. Forest Service's road area review and evaluation (RARE) II. Congress will not know before year's end whether this process can fulfill its promise of speeding decisions on which lands should be preserved as wilderness and which should be committed to multiple use timber management.

But, as Joel Connelly of the Seattle Post-Intelligencer notes in the conclusion to a series of articles on Northwest forest issues, the framework for the national decisions that Congress will be making will be shaped in large measure by what happens in each of our National Forest localities:

[From the Seattle Post-Intelligencer, Feb. 14, 1978]

A TALE OF TWO FORESTS

(By Joel Connelly)

In U.S. Forest Service jargon, RARE stands for the agency's process of "Roadless Area Review and Evaluation."

"Rare" is also a word which aptly describes such National Forest roadless areas as Mt. Baker and its surrounding tentacle—like ridges, and the symmetrical volcano often called "America's Fujiama," Mt. St. Helens.

These mountains are part of 2.1 million acres of roadless "de facto wilderness" in Washington's National Forests whose future is being shaped by the Forest Service's RARE II study. Environmental groups say much of this land should be preserved as wilderness.

Lumbermen have set their sights on wooded valleys far below the exalted heights of Mts. Baker and St. Helens. The timber industry estimates the RARE study areas contain 1.1 million acres of commercial forest land, which it wants to log.

As the Forest Service prepares use recommendations for release later this year, conservationists and loggers are once again staking rival claims—anticipating years of conflict before Congress finally decides what will be wilderness and which lands will be logged and managed for timber production.

The two sides of this land use issue can best be seen by looking at two roadless areas presently being "inventoried" in the Forest Service study.

The American Border Peaks country is a spectacular land of sharp peaks, high lakes and deep timbered valleys astride the U.S.-Canadian border in northern Whatcom County. It's a dream vacation land heavily used by climbers, backpackers, day hikers and fishermen.

Land south of the American border has been carefully managed for recreationists by the U.S. Forest Service.

Some areas, such as Canyon Creek, have been extensively logged, but clearcuts can rarely be seen from high country trails.

Old logging roads have been maintained as access routes to an extensive, carefully designed trail system. Easy-to-reach viewpoints such as Winchester Mountain rank as scenic highlights of the "American Alps."

Seventy-five percent of visitors to the northern Mt. Baker-Snoqualmie National Forest are Canadians, a surprising figure since the British Columbia side of the border peaks is only an hour's drive from downtown Vancouver.

However, the Canadian side of the border region is managed for a single use, timber production. The British Columbia Forest Service has turned its lands over to logging companies.

Clearcuts reach to timberline elevation and even approach the moraines of 8,000-foot Mt. Slesse, a scenic climax of the North Cascades. Canadian environmental groups say it will take 150 years for high elevation clearcuts to grow back.

The B. C. Forest Service furnishes no maps or visitor information, and often closes logging roads to recreation use. The area's few boot-built trails are steep and unmaintained.

From the summit of Winchester, American environmentalists can gaze across to high

elevation clearcuts on nearby Tomyhol Creek in Canada. They cite the view as visual evidence that the American Border region needs wilderness designation.

About 200 miles away in Southwest Washington stands Mt. St. Helens, its perfect volcanic cone usually pictured rising above nearby Spirit Lake.

It's the only unmarred look you can get of the American Fujiyama. Clearcuts reach almost to timberline on the south and west sides of St. Helens. Angry conservationists want the mountain taken out of the Gifford Pinchot National Forest and made into a national monument.

Whatever its aesthetics, however, the 1.25 million acre Gifford Pinchot Forest contributes to the nation's economy. It is what lumbermen like to call "a working forest."

The Gifford Pinchot's allowable timber cut was 414 million board feet last year, far higher than any other National Forest in Washington. It also distributed $9.6 million in revenue to Southwest Washington counties.

The Forest Service wants the Gifford Pinchot to keep on working. National Forests have been defined by Congress as lands of many uses, but the Gifford Pinchot's managers have set their minds on one use above all others.

Past plans for various units of the Gifford Pinchot have classified 940,000 acres of land as "timber management areas," compared with only 110,000 acres to be managed for recreation.

The Forest Service plan for the Upper Cispus region, which takes in popular Packwood Lake and land bordering the Goat Rocks Wilderness Area, gives over 155,000 acres to logging (of varying intensity) versus 9,000 set aside for wilderness study.

A recent plan for the Upper Lewis River region classified more than 72,000 acres out of 75,000 acres of timbered land as open to unrestricted logging.

The Forest Service RARE II study has identified 371,000 acres of still-roadless terrain in the Gifford Pinchot. But "Smokey Bear" wants most of that put to work, too.

"We can increase our timber cut by one-third if we go to intensive management. . . . We should not lock up resources which the nation needs," said Forest Service Regional Forester Dick Worthington.

Environmental groups say the Gifford Pinchot has become nothing more than a tree farm, its clearcuts indistinguishable from wholesale liquidation of old-growth timber on industry owned land.

"The place looks like a motheaten bear rug," said Isabell Lynn, a leader of the Cougar Lakes Wilderness Alliance.

David Pavelchek, forestry specialist with the Sierra Club, charges Gifford Pinchot managers have "disregarded and underestimated the value and vulnerability of other forest resources."

Conservationist criticism of Gifford Pinchot operations received support in a critical General Accounting Office report on the Forest Service released in January.

The GAO report questioned the reliability of the Gifford Pinchot's estimates of timber available for future harvest. It also said the Forest Service wasn't doing enough to protect scenic beauty.

Federal auditors reported that one ranger district had even logged leave strips (trees left standing beside roads to screen logged-over areas) before surrounding clearcuts had been returned to "a scenic appearance."

The report said also: "In establishing timber harvest levels for the Gifford Pinchot, not enough attention was paid to preserving forest areas for potentially threatened wildlife species."

The GAO report probably won't change how the Gifford Pinchot is managed. The Forest Service delegates authority to the local level, and the uses of a National Forest tend to be shaped by its surroundings.

Local conditions will also influence which RARE study areas the Forest Service judges as "rare" and deserving of protection.

The Mt. Baker-Snoqualmie National Forest is situated close to Puget Sound population centers, and closely monitored by a large and vocal conservationist constituency. Its management is recreation-oriented.

Dramatic portions of its 790,000 acres of RARE roadless lands, such as the American Border Peaks and Mt. Baker, stand an excellent chance of being recommended for wilderness or "scenic area" designation. So does the region around Monte Cristo and valleys adjoining the Glacier Peak Wilderness Area.

By contrast, the Gifford Pinchot is in Southwest Washington, a less populated timber-dependent region which needs National Forest logs for jobs. Old-growth forests on surrounding industry-owned lands are rapidly being depleted.

Environmentalists will be lucky to gain a measure of protection even for the famous Spirit Lake-Mt. St. Helens view, the nearby Mt. Margaret back country and Green River valley.

Like a creature of the woods, the U.S. Forest Service has survived by taking on the coloration of its surroundings.●

WILLIAM F. BOYD FAMILY URBAN LEAGUE FAMILY OF THE YEAR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. STOKES. Mr. Speaker, on February 18, 1978, the Urban League of Greater Cleveland celebrated 60 years of outstanding service to the community. The anniversary luncheon held at the Cleveland Plaza Hotel, featured many guests including the distingiushed Vernon E. Jordan, Jr., president of the National Urban League. In addition to the invited guests, James M. Whitley, president of the local chapter, and William K. Wolfe, executive director, were on hand to chronicle the past achievements and future plans of the organization.

Mr. Speaker, the highlight of the afternoon's proceedings came with the announcement of the Urban League's Family of the Year Award. I am pleased to announce to my colleagues that the William F. Boyd family was the recipient of this significant honor.

The Boyd family owns and operates one of Cleveland's leading family businesses. the Boyd Funeral Home, located at 2165 East 89th Street and 15357 Euclid Avenue. The Boyds are lifelong Cleveland residents and have been deeply involved in supporting community organizations that promote equality and equal opportunity for all. Among these organizations are the Cleveland Business League, NAACP, the Urban League, and the YMCA. William Boyd, Sr., was elected and served on the Cleveland Board of Education with great insight and dignity from 1963 to 1970.

Mr. and Mrs. Boyd, Sr., have three children, Marina, William, Jr., and Marcella which you will hear more about later in my remarks.

William Boyd, Sr., accepted this distinguished and coveted award for his entire family. Mr. Speaker, I was particularly moved by his eloquent remarks on this occasion and would like to share them with the Members of the House at this time:

REMARKS BY WILLIAM BOYD, SR.

It is with deep humility and gratitude that I accept this significant honor, today, being paid to my family and to myself. Needless to say, when I received the phone call, last week, from Mr. Charlie Loeb, chairman of the selecting committee, I was totally floored. In previous years I have been aware of the fact that other families have been so honored and I felt it to be a wonderful idea. At no time did the thought ever cross my mind that such would ever happen to me—that I, William F. Boyd, would be standing here before such a distinguished audience receiving such recognition. It is nice to smell the roses while on your two feet.

The Urban League in celebrating its 60 years of service parallels that of our business in that we have been serving this community since 1906. Each organization, in its own way has attempted to make this community a better one for all of its citizens. Each has addressed itself to the every day needs of the people. I am sure that over the years there have been times when you felt your efforts were not being accepted in the manner in which they were being offered. There have been times when you struggled—hard—for enough money just to remain in operation. No doubt there have been times when your purpose has been misunderstood. Regardless, you persisted, and your desired results are not as far away. The proof and results of those efforts is evidenced by broadened services, an increase in programs and in this warm supporting audience present today.

E. F. Boyd & Son began as a small enterprise shortly after the turn of the century. We suffered growing pains, a lack of sufficient funds to operate as we really wanted to, but, because of a deep, abiding faith in God, because we worked hard and long (and still do), and because we had an honest concern for people and their needs, we feel, that our survival is the outgrowth. Over the years we have undergone many changes going from horse-drawn carriages to modern vehicles—just to name one.

In all due respect I must say something, in particular, about my father and mother for, I believe, that they, too, are being honored this day. I'm very proud of the fact that my father served as a Trustee of St. John's AME Church for 35 years and that he served well. I'm happy to add that he, too, participated in community activities. The institution known for many years as the Phyllis Wheatley was named that by my mother. She contributed much time and effort to the Council of Colored Women's Clubs which aided and abetted boycotting stores which refused to hire blacks.

During my years of service to the community I cannot overlook the one person, my wife, mother of my three children who has tolerated me for 38 plus years. The last ten she has been active in the business. In 1972 she received her funeral director's license and is Vice President of the firm. I must tell you that any success that I may have achieved could never have been accomplished without her inspiration, dedication, selflessness, love and devotion.

Our son, William F. II, better known as Pepper, joined the firm in 1964 after finishing the Pittsburgh School of Mortuary Science. He is treasurer. He is married to Melanie and is the father of a lovely daughter, Victoria, and fine son, Evin. As you know youth must be served. It was he who engineered and developed the idea and subsequent

realization of our second chapel which opened in 1972.

Marina B. Carter, our older daughter, who lives in Rochester, N.Y. is married to Ronald L. Carter—a district supervisor for Oldsmobile Division of General Motors—and is the mother of two fine boys—Eric and Stephen, and two lovely girls—Lisa and Heidi. At present she is working at the Brockport State University and is taking classes, there, in Business Administration.

Marcella, the youngest of our three children, has been working in the business for some time now—at first, during the summer months while she was attending college, but now, she is working on a full time basis.

No wheel can turn unless its spokes are solidly and firmly in place. The organization is represented by the wheel; the employees represent the spokes of that wheel. One cannot operate without the other. They are inter-dependent. I cannot emphasize, enough, the importance of our employees. Without them this day could never have been. Two long time staff members, Earl Conn and Jim Drewry, are no longer with us. We miss them.

We have made many friends over the past 72 years. We are grateful to them for their support. We shall endeavor to continually make improvements in the serving of our fellow man.

In conclusion, let me leave this thought with you. A farmer plants a seed, plows and nurtures the soil. He expects a harvest in direct proportion to the care he has given it. Individuals and organizations plant seeds, too. Theirs are of concern, of love, of caring and of giving with the anticipation of harvesting an abundance. Such has been the case with the Urban League.

Again, may I express my thanks to all of you on behalf of the entire Boyd Family for this honor and for the opportunity of participating in this, the 60th Anniversary Celebration. Thank you.

Mr. Speaker, at this time I would like to ask that my colleagues join me in extending our congratulations and best wishes to the Boyd Family of Cleveland. Over the years, they have exemplified hard work, sacrifice, and belief in God as its key to business, community, and family success. Surely, Mr. Speaker, this family epitomizes the beauty and strength of black famiiles in America.●

PITTSBURGH'S BRIDGES ARE FALLING DOWN: THE REPAIR BILL

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. WALGREN. Mr. Speaker, the issue that is most discussed with me by my constituents at local town meetings is the severe bridge problem affecting Allegheny County. One of the most important decisions to be made during the 2d session of the 95th Congress is, in my opinion, the funding level for the special bridge program.

The Safe Bridge Act of 1978 (H.R. 11176), which I have recently introduced. provides for an annual authorization of $2 billion for bridge repair and replacement The administration opposes this level of funding and suggests an eventual annual funding level of only $500 million.

I am listing below the deficient bridges in the city of Pittsburgh and Allegheny County. I am also including the cost of repair or replacement of each bridge—the total cost for making the deficient bridges in Allegheny County safe is $268 million. This alone is more than the current level of funding for the special bridge program and is over half the administration's proposed funding level.

I might add, Mr. Speaker, that this is the repair bill for only one of the Nation's 3,141 counties. An annual funding of $2 billion is an appropriate response to our national bridge crisis. I urge my colleagues to support this level of funding.

The list follows at this point:

	Cost
Sewickley Bridge	$15,000,000
Port Vue Bridge	10,000,000
Clairton-Glassport Bridge	5,285,000
Thornburg Bridge	2,500,000
Boston Bridge	2,000,000
Tarentum Bridge	3,000,000
McKees Rocks Bridge	10,000,000
McKeesport-Duquesne Bridge	3,100,000
40th Street Bridge	$4,700,000
31st Street Bridge	500,000
Mon-City Bridge	1,200,000
New Kensington Bridge	2,000,000
West End Bridge	5,000,000
Jerome Street Bridge	1,475,000
Westinghouse Bridge	10,000,000
Smithfield Street Bridge	25,000,000
Liberty Bridge	14,391,000
Glenwood Bridge	3,910,000
Boulevard of the Allies Viaduct	3,000,000
Saw Mill Run Boulevard Bridge	125,000
TR 65 Bridges	10,000,000
Highland Park Bridge	984,000
Robert Fleming Bridge	2,877,000
Crosstown (10 Bridges)	10,000,000
TR 8 (14 Bridges)	10,000,000
Steubenville Pike (8 Bridges)	6,000,000
Ardmore Boulevard Bridge	1,000,000
Perry Highway Bridge	1,760,000
Montour Run Bridge	1,538,000
Washington Pike Bridge	1,202,000
Northern Pike Bridge	1,000,000
New Texas Road Bridge	386,000
Monongahela Road Bridge	125,000
Half Crow Road Bridge	175,000
Thompson Run Road Bridge	250,000
Thompson Run Road Bridge	300,000
Babcock Boulevard Bridge	250,000
Big Sewickley Creek Road Bridge	150,000
Santiago Road Bridge	178,000
Cummings Road Bridge	100,000
McKee Road Bridge	100,000
Pinkerton Run Road Bridge	333,000
Forsythe Road Bridge	325,000
Ridge Road Bridge	250,000
Coal Pit Hollow Road Bridge	400,000
Morrow Road Bridge	200,000
Piney Fork Road Bridge	750,000
Stewart Road Bridge	200,000
Cochrans Mill Road Bridge	200,000
Wexford Run Road Bridge	125,000
Bairdsford-Gibsonia Road Bridge	150,000
Wilson Street Bridge	275,000
New Texas Road Bridge	225,000
Milltown Road Bridge	861,000
Old Leechburg Road Bridge	275,000
Riddle Road Bridge	250,000
Ridge Road Bridge	1,101,000
Streets Run Road Bridge	250,000
Saxonburg Boulevard Bridge	150,000
Bull Creek Road (4 Bridges)	1,252,000
Glenfield Road Bridge	150,000
Wilwood Road Bridge	2,738,000
Wildwood Road Bridge	200,000
Old Wildwood Road Bridge	200,000
Broughton-Library Road Bridge	325,000
Lovedale Drive Bridge	200,000
Buena Vista and Greenock Bridge	200,000
Old Beaver Grade Road Bridge	275,000
Duff City and Comp Meeting Road Bridge	175,000
Lowries Run Road Bridge	150,000
Darrington Road Bridge	500,000
Burchfield Road Bridge	275,000
Chartiers Street Bridge	300,000
Big Sewickley Creek Road Bridge	200,000
Weigles Hill Road Bridge	150,000
Etna Interchange (7 Bridges)	3,500,000
Seventh Avenue Bridge	150,000
Windgap Bridge Construction	1,378,000
Thorn Hill Bridge	903,000
Washington Avenue Bridge	1,500,000
I-79 Deck Repairs	5,213,000
Penn-Lincoln Parkway	18,100,000
Penn-Lincoln Parkway	16,155,000
Fort Pitt Bridge	15,089,000
Centre Avenue Bridge	850,000
Forbes Avenue Bridge	983,000
Baum Boulevard Bridge	1,685,000
Greenfield Avenue Bridge	2,100,000
Charles Anderson Bridge	3,200,000
McArdle Roadway Bridge	$1,000,000
Lincoln Avenue Bridge	750,000
Murray Avenue Bridge	2,000,000
Shaler Bridge	220,000
South Aiken Avenue Bridge	600,000
Schenley Park Bridge	1,262,000
Schenley Park Bridge	960,000
Ellsworth Avenue Bridge	1,100,000
Pennsylvania Avenue Bridge	1,200,000
Columbus Avenue Bridge	90,000
Larimer Bridge	965,000
Carnahan Road Bridge	125,000
Mission Street Bridges (2)	413,000
Allegheny Avenue Bridge	150,000
Robert McAfee Bridge	1,700,000
Herron Avenue Bridge	3,600,000
Totals	268,107,000

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INCOMPETENT LAWYERS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. MAZZOLI. Mr. Speaker, much has been said and written in recent weeks regarding the incompetency of trial lawyers. Members of the legal profession are now publicly debating whether, indeed, their colleagues are incompetent to represent clients in the courtroom.

Perhaps incompetency is too imprecise a term. But, there seems to be general consensus that far too many attorneys cannot adequately represent or protect the interests of their clients in the setting of a courtroom.

Given this state of affairs, it is incumbent upon the members of the legal profession not only to recognize and acknowledge this problem, but also to devise means of improving the quality of lawyers who represent clients in courtrooms.

I would like to share with my colleagues a recent editorial from the February 16, 1978, edition of the Washington Post:

COURTROOM INCOMPETENTS

The outraged-innocence response to Chief Justice Warren E. Burger's New Orleans remarks about incompetent trial lawyers was, as Lee Loevinger rightly put it, "utter nonsense." The chief justice may have exaggerated a little when he said at an American Bar Association meeting that a third to a half of the lawyers who appear in court per-

form incompetently—it may be only a quarter or a tenth. But those Bar Association members who criticized him on the grounds that his comments reflected badly on all lawyers missed the point: It is the legal profession's tolerance of its incompetent members—whatever their precise number—that reflects badly on good lawyers. As for solving the problem, it is hard to see how that can be done *without* discussing it.

You don't have to be the chief justice, or even a high-powered lawyer, to spot incompetency in the courtroom. All you need do is to sit in for a while and listen to what goes on. You learn the difference, quickly, between cases that are well presented and those that are not. We've observed incompetence in police courts and known people to go to jail because of it. And we've observed incompetent arguments before the Supreme Court and wondered if decisions might have been different if the cases had been properly argued.

The trouble is that many inadequate lawyers will not admit—and no one seems to want to tell them—that they lack the skills an advocate should have. There are real differences, too, between preparing a case for trial and preparing a brief for the Supreme Court, between trying a case before a jury and arguing one before the justices. Few lawyers are good at all these tasks. Some seem to be good at none of them.

If it takes the kind of blunt criticism the chief justice has been dishing out to force the organized bar to look more closely at itself, so be it. It is true that some corrective steps have been taken; some states now requires lawyers to renew their education periodically in order to retain their licenses; there is a trend toward permitting lawyers to develop (and advertise) specialties. These are helpful, but more needs to be done. The chief justice is right in contending that a license to practice law in an office should not necessarily be a license to mangle cases in court. The idea that the lawyer is one of the few remaining generalists who can handle anything has been overwhelmed by the law's own complexity. The trouble with incompetence is that when it exists the victim is rarely the lawyer or the court, but rather some individual (or corporate) victim who may not even realize what happened.●

STATEMENT BY MRS. PATRICIA M. ATTHOWE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. McDONALD. Mr. Speaker, today the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce held a hearing at which Mrs. Patricia M. Atthowe, president of Research West, Inc., Emeryville, Calif., refused to supply documents relating to her business to the subcommittee. Unfortunately Mrs. Atthowe was not given the opportunity to explain her reasons.

A copy of the statement that Mrs. Atthowe wished to make was made available to the press, and a copy was obtained by my office; I believe that in the interest of fairness my colleagues will want to read this material which raises a number of important constitutional issues. The statement follows:

I respectfully request the opportunity to read a prepared statement into the record for myself and for Research West, Inc., of which I am President and for which I am authorized to speak.

It is not my position today, nor will it ever be my position, to defy any lawful process of the United States Congress. I am not, nor do I wish to appear, recalcitrant before the Subcommittee. As an individual and President of a small corporation I wish to explain how I have been injured by this Subcommittee's action.

The Subcommittee has placed upon me an intolerable burden. I have never been personally contacted by anyone from this Subcommittee, nor have I ever been advised of the stated purpose of these Hearings, and yet I have been arbitrarily served with a subpoena that is so broad it constitutes an unreasonable search and seizure which is prohibited under the 4th Amendment of the United States Constitution.

To comply or not to comply with what is alleged to be the law is not the issue of substance. My dilemma is that compliance with this subpoena will put Research West out of business.

Although I have a deep and abiding respect for the authority of the United States and its institutions, common sense and law dictate that Research West and I should not be made victims of a Congressional abuse of power.

Research West is an information business. We collect, evaluate and disseminate research material to private clients who pay us for that service.

As a logical outgrowth of our research capability, we engage in investigative reporting for newspapers, journals, and trade publications. On some occasions we by-line our articles; in other instances we do not.

Our work demands a voluminous collection effort from sources in the public domain, including newspapers, magazines, trade journals, newsletters, hand-outs, radio, television and wire service output.

Some of our information comes from confidential sources. This is the same technique that any newsgathering agency utilizes. The process of gathering information, analyzing it and assembling it for either public or private consumption requires a combination of journalistic and scholarly skills in combination with investigative capabilities; all of the same methods available and used by any good investigative reporter who deals in highly technical matters.

We have spent thousands of dollars to produce a rather unusual system. We have built a reputation for accuracy, integrity, and confidentiality. These are priceless assets in the information business. We have a unique collection effort, unique personnel, and our hard work and perseverance have produced a uniquely successful methodology. We are interested in any topic that is newsworthy, or has an ultimate commercial value, but we specialize in what I call a "qualitative market"—those issues of controversy which are of importance to the business community.

When this Subcommittee seeks to obtain our methodology by subpoena, such a request demands that we disclose our trade secrets. We are then confronted with an issue of confiscation.

The Subcommittee is attempting, in essence, to confiscate the totality of our intellectual work product. We have vested property rights in that work product which cannot be protected in any other way except by non-disclosure.

We believe that freedom of the press and freedom of speech implies and demands the right

. . . to talk with people of their own free will, as any journalist can and does;

. . . to report on public events without harassments, as any journalist should be able to do;

. . . to talk in confidence with contacts, and to make notes on those conversations, and to keep those trusts and confidences as any free American has the right to do, and as any journalist can and does;

. . . and the fundamental freedom of the press demands that journalists do maintain their files free from pressures so that their work can be done responsibly with the greatest concern for accuracy and protection of the public interest.

The Subcommittee has appeared to have politically declared eminent domain proceedings against Research West without the least indication that the Congress of the United States has authorized or intends to pay for the condemnation.

Research West, Inc. also engages in criminal investigations. We are licensed to do this by law. We investigate crimes of violence, sabotage and terrorism. Full disclosure to the Subcommittee regarding our methodology would not only undermine ongoing criminal investigations, but perhaps jeopardize the safety of our clients, the lives of their employees, or their assets. We should not be called upon to divulge anything that would in any way jeopardize any one's life for any reason, whether it be a client or a source.

Additionally, some of the information you have requested is now being collated for us under the direction of Counsel for purpose of litigation against certain private parties. Any disclosure of that information will jeopardize our lawsuit.

Upon the advice of Counsel, I am appearing here today. However, Mr. Chairman, I would like to call your attention to certain defects relating to the service of this subpoena, and I would like to make it a matter of record that the subpoena I received did not bear the signature of any Congressman, and I do not know anything about its authenticity. I was never advised, orally or in writing, whether I was permitted to have Counsel with me. The Rules of the Subcommittee were never provided, the Rules of the House of Representatives were never provided to me. I have travelled here at my own expense. No amount was made or tendered for transportation to and from California.

Since receiving this subpoena, I have spent an inordinate amount of time responding to inquiries, preparing for my appearance here, consulting with my attorney and seeking answers about the above-mentioned material, all of which could have been provided directly to me by the Subcommittee staff.

All of the material set forth in this subpoena is proprietary. It has been obtained at great cost. The release of this material would result in great economic loss. The Subcommittee is attempting to confiscate valuable property without due process of law.

At no time has it been stated that my company has indulged in illegal acts.

At no time has this Subcommittee even told me why it finds my company's records of importance.

The net result of this Subcommittee's activities has been to convey to the general public, through the press, an impression of impropriety by my company.

Research West has, in essence, been prejudged and threatened with reprisal.

If I divulge the name of even one of my private sources of information I lose the confidence of my clients, I lose the respect of my fellow journalists, and I ultimately lose my livelihood.

The nature and the subject matter of the subpoena, whether alone or in combination

with the manner used to bring me here, is a violation of my constitutional rights under the 1st and 4th Amendments, and that portion of the 5tn amendment which prohibits a taking of private property without just compensation or due process, as well as a violation of my rights under the Civil Rights Act.

I believe that you cannot compel me to divulge propriety information, to identify sources or methods of operation, or violate any trusts.

I believe you cannot confiscate the sum total of my intellectual property which is the only asset of my business.

Respectfully submitted,

PATRICIA M. ATTHOWE,
President.●

OUR NATION'S ECONOMY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. LENT. Mr. Speaker, for the benefit of my colleagues to whose attention it might not otherwise come. I wish to include in the RECORD at this point a statement made by Dr. Charls E. Walker on the subject of our Nation's economy. Dr. Walker heads up the American Council on Capital Formation, a private organization with whose goals I am most sympathetic. I believe Dr. Walker's statement articulates most succinctly the situation we are in and what we must do to responsibly extricate ourselves from it. I commend it to you:

STATEMENT BY DR. CHARLS E. WALKER

Mr. Chairman and Members of the Committee:

My name is Charls E. Walker. I appear before this distinguished committee as voluntary chairman of The American Council for Capital Formation, a rapidly growing group of individuals, trade and union organizations, and business corporations that are deeply concerned about the lagging pace of capital formation in this country. I am also president of Charls E. Walker Associates, Inc., a consulting firm specializing in Federal government relations.

Mr. Chairman, this nation's economy is in trouble. Since we live in what is predominantly a market economy, markets in effect tell us when things are "out of whack." The stock market—a priceless asset which instantaneously transmits signals reflecting the fears, hopes and judgments of literally millions of investors—is at its lowest point in three years and shows no signs of recovery. In foreign exchange markets, the dollar is weaker than at any time in your memory or mine. Participants in credit markets are as nervous as the proverbial cat on a hot tin roof, and expectations of even higher interest rates appear to be strengthening.

In my view, this existing malaise (which could be replaced by tomorrow's turmoil) reflects the strongly held opinion of decision-makers here and abroad that U.S. policymakers have in effect thrown in the sponge in the battle against inflation—that at least implicitly we have decided to try to live with inflation of 5 percent or more. Markets can, and often do, overreact. But speaking for myself, I find it very difficult to identify any cohesive and credible plan for bringing inflation to heel.

Before presenting my own views on how to attack inflation, let me emphasize that although I am a Republican who served three Republican presidents, my criticism is not partisan. Current and prospective inflation had its genesis in bad economic policies that emerged in the mid-1960's. Subsequent steps to control inflation have failed and there is plenty of blame to go around. The problem is too pressing to permit partisan considerations to hamper the development of policies aimed at its solution.

INFLATION: PUBLIC ENEMY NO. 1

There are those, who disagree with the view I have stated and believe instead that we can live with a significant rate of inflation. I would answer those critics by first pointing to the record. Despite two wars, inflation (GNP deflator) averaged only 2.6 percent between 1950 and 1970, with the rate in the second decade slightly lower than the first. In the 1970's, that rate has more than doubled, averaging 5.8 percent, a figure that most economists believe to be close to the basic rate today.

In addition, experience during the 1970's has convinced most expert observers that there is no lasting "trade-off" between inflation and unemployment. Indeed, many of us are convinced that if overall stabilization policies are to help minimize unemployment, the first order of business is to get inflation under control.

Success in this effort will require patience and persistence. The problem is especially difficult because we have, in effect, let the inflation genie escape from the bottle—it would have been much easier to keep him there than to stuff him back in today. The primary reason is that the so-called "money illusion" has been virtually destroyed and participants in all types of markets tend to bargain in "real" rather than "monetary" terms. The two markets where this is most apparent—and from which the greatest damage arises—are the credit market and the job market.

In the former, interest rates have come to include a premium to allow for inflation. If savers hope to obtain a real return of, say, three percent, the nominal interest rate will amount to three percent plus the expected inflation rate. The impact on individuals seeking mortgage money or businesses that seek funds to expand is obvious.

The impossibility of living with a high inflation rate becomes even clearer when we consider the impact on wage settlements. If workers believe that the cost of living will rise by six percent annually they will seek wage increases sufficient to offset that rise, plus another three percent or so in an effort to raise living standards. If that additional three percent could be offset—as in earlier years—by an equivalent increase in output per manhour, the inflation rate need not rise. But the fact is that productive investment, the major long-run source of productivity gains, has become increasingly sluggish in recent years. Capital per worker grew at a rate of 3.6 percent in the first half of the 1950's, but fell to 1.6 percent in the first half of this decade.

If productivity rises by only one percent instead of three, cost-push pressures on prices will intensify as workers seek wage increases that exceed—by two points—the existing inflation rate plus productivity gains. The viciousness of the circle is further demonstrated by the depressing effect that high inflation has on the productive investment which would foster the productivity gains necessary to keep wage increases from adding further to cost-push pressures. Inflation is the enemy of capital formation because it creates uncertainty and therefore induces caution among savers and money managers, as well as the corporate officials who make the decisions relative to new projects; it reduces funds available for investment because of a system of depreciation that relies on historical cost, thus allowing insufficiently for asset replacement; and it diminishes both the willingness and ability of individuals to save as their inflation-swollen incomes move them into higher tax brackets with a resultant transfer of a larger portion of that income to the Federal government—the biggest "dis-saver" of all.

The outcome of this type of cost-push pressure (a "wage-price spiral") is not difficult to forecast. If accommodative monetary policies allow inflation to accelerate, we shall either return again to the world of "stop-go" stabilization policy, or worse still, turn again to wage and price controls. Neither of these outcomes is inevitable. All that is required is that economic policymaking return to fundamentals.

INFLATION CONTROL: BACK TO FUNDAMENTALS

It is fashionable to state that inflation is a very complex phenomenon. I disagree. That it is difficult to control in our type of political/economic system goes without saying. But the fact is that inflation is now, has always been, and will always be a simple phenomenon, best summed up in one short phrase: "Too much money chasing too few goods." This is nothing more nor less than a verbal restatement of the venerable "equation of exchange," which has its place in every beginning economics course. It is a truism. As such, it tells us nothing about cause and effect, but it does provide a useful starting point for diagnosing and dealing with the problem.

The first fundamental is that, if inflation is to be brought under control, total spending must be held to a rate consistent with the nation's ability to produce new goods and services. Therefore, today's situation requires either a relative cutback in total spending, an increase in output, or some combination of the two. Further light can be shed on the matter by asking why the rate of inflation has doubled over the past two decades and is expected to accelerate.

I would argue that the *proximate* reason—and perhaps some monetarists would say the *only* reason—has been excessive growth in the money supply during most of the 1970's. From a policy standpoint, the strict monetarist might argue that inflation could be eliminated if only our "independent" Federal Reserve authorities would screw up their courage and curb excessive monetary growth. But here is precisely where the complexities arise—and the reason I refer to excessive monetary growth as the proximate rather than fundamental cause of inflation.

Members of Congress need not be reminded that our government institutions are—and quite properly so—responsive to the will of the people. And the simple but hard fact is that, as it directly affects their individual lives, people prefer more, not less, Federal spending; lower, not higher, taxes; and cheap and easy-to-get loans, not credit which is expensive and tight. Given these preferences, the "making of inflation" in our society is easy to describe and understand.

The story is best told with figures. In the six fiscal years ending in September 1978, Federal spending will have doubled, rising from about $230 billion in 1972 to $460 billion in 1978. That represents an increase of 12 percent a year, or some three to four times the long-term growth rate in the economy as a whole. Given this huge gap, a "pay-as-you-go" approach, through an attempt to raise Federal income taxes, would be out of the question. Federal income taxes have not been raised in this country, except during war, since 1932. Voters would rebel, just as they are now rebelling against rapidly rising Social Security taxes. And even if Congress could be persuaded to take the "pay-as-you-go" route, the negative impact of higher taxes on employment and output could be servere.

The result? The outsized deficits of the period (a whopping $274 billion) had to be

financed out of saving or money creation. To the extent savings were unavailable, the deficits had to be covered by monetary creation engineered, or at least tolerated, by Federal Reserve authorities. Monetarists might argue that savings would be "sufficiently" if the Fed held firm against the tide; market forces would equate the amount of genuine savings demanded and supplied. But that would have resulted in higher interest rates and a degree of public and Congressional stigma that even the doughtiest central banker is reluctant to bear. In addition, application of proper monetary policy is complicated by disagreement as to the economic importance of monetary aggregates as compared to interest rates. To the extent Keynesian ideas still prevail, the case for keeping interest rates low (and, the monetarists would say, creating too much money) was persuasive so long as output and employment fell short of national goals.

If, as I am suggesting, bad fiscal policy begets bad monetary policy which in turn begets inflation, then the first fundamental step toward stuffing the genie of inflation back into the bottle is to do the same with the genie of Federal spending. President Carter's proposed budget for FY 1970, with no new major initiatives, is a step in that direction, although I would have preferred a proposal for no real growth and a firm pledge to veto spending measures that would cause total spending to cross that line.

INCREASING OUTPUT

The problem of "too much money chasing too few goods" can also be attacked by increasing output. What are the prospects?

There is still some slack in the economy, although how much is a matter of debate. Over the longer term, however, maximum efficient output will be achieved—and inflation minimized—if we (1) follow sensible monetary and fiscal policies, thereby avoiding "stop-go" and providing consumers and business with a more stable environment for economic decision-making; (2) cut back sharply on the regulation and red tape that is curtailing energy output and driving many businessmen, particularly those who run smaller enterprises, up the wall; and (3) move quickly and forcefully to reduce the existing bias in the tax laws that favors consumption and discourages saving and productive investment. Steady and large increases in output require a high rate of productive investment.

I have already given my views on how to improve monetary and fiscal policies, and I shall leave the discussion of excessive government regulation to those better qualified than I. Let me instead concentrate on productive tax reform to promote capital formation.

I do not mean to be either flippant or lacking in respect, but what does Congress have against saving? Instead of hailing thrift in the image of the Puritan Ethic and Poor Richard's Almanac, we tax saving as if it were a sin. Bear with me for a quick example.

Joe and I make the same income, enjoy the same deductions and credits, and therefore pay the same income tax. But wait a minute. Assume that Joe saves 10 percent of his income, perhaps putting it into a savings account or corporate stock, whereas I spend all of mine—and perhaps more—on consumption. Does Joe get even a pat on the head for his thrift? Or do I get penalized for my profligacy? Not by any means. We both pay the same tax. That's no way to encourage thrift.

But that's not all. Having spent all of my income, I am through with the tax collector. But if Joe puts his money in a savings account, he pays additional Federal income taxes up to a top rate of—not 50—but 70 percent. Or, if he tries to put a little life into the equity market by buying corporate stocks, the company is taxed up to 48 percent on each dollar of net income and then he's taxed up to 70 percent (again, not 50 percent) on any dividends he receives. And if he sells the stock at a profit, he is taxed again.

To repeat, why do we throw tax after tax at thrifty Americans?

Tax policy with respect to the investment side of the saving/investment process is subject to similar criticism. High business taxes impede capital formation in two ways—by decreasing the after-tax return on new projects and by reducing the flow of cash available to finance them. Moreover, the lack of logic in our approach is underlined by the fact that we do not even know who really pays the taxes levied on business—except that business itself does not. A corporation, for example, is nothing more than a legal approach to doing business, and a very successful aproach at that. But corporations as such "pay" taxes only in the first instance; they are, in effect, "surrogate collectors" for the Internal Revenue Service. Such taxes are either passed on to consumers in the form of higher prices (and to this extent are probably regressive); or backwards to the factors of production, including the savers and investors who make capital formation possible.

The case for reducing business taxes is therefore strong, and it is especially gratifying that President Carter has proposed a significant reduction in the corporate rate. I only wish that he had gone further. The major argument against large cuts—namely, the assumed negative impact on Federal revenues—is open to serious challenge. The Administration estimates that its proposed gross reductions in corporate taxes will "cost" $8.3 billion in 1979 and $10.5 billion in 1980. Experience since World War II leads to the opposite conclusion: reductions in the tax burden on business through rate cuts tend to increase, not decrease, revenues, and usually within a relatively short period of time. Unfortunately, the estimated revenue impact of Federal tax changes is derived from "demand-oriented" economic models which, in my view, greatly underestimate the "feedback effects" of soundly structured tax cuts. Both the American Council and the National Association of Manufacturers are working on new models which should remedy these defects. If so, future projections of the revenue impact of tax cuts should be more consistent with past experience.

A higher rate of capital formation will not only help restrain inflation through increased output; it will also provide jobs for a growing labor force. As Treasury Secretary Blumenthal has noted, and as the figures cited earlier indicate, our stock of "human capital" (workers) has been growing faster than our stock of "real capital." This view of the matter is especially useful, inasmuch as there are more than a few 20th century Luddites who believe that new and efficient machinery eliminates jobs.

To be sure, a new machine may result in a temporary reduction in employment in some firms or industries, but the long-run relationship between jobs and capital formation is indisputable. Business spending for new plant and equipment during the past two decades approached a whopping 1¼ trillion dollars. But jobs did not disappear. Quite the contrary; employment rose from 64 million to 93 million, an increase of 45 percent.

Productive tax reform to promote capital formation will therefore pay double dividends—job creation and inflation control.

THE CHALLENGE TO CONGRESS

Today, the most urgent economic task before Congress is, of course, to complete work on the energy bill, moving it as far as possible toward reliance on market forces to promote energy production and conservation. As to stabilization policy, I would urge this Committee, in its forthcoming report, to single out inflation control as our paramount goal, not simply because price stability is in itself a worthy national objective, but also because in meeting other goals, such as minimizing unemployment, is likely to be only transitory if some degree of price stability is not restored.

This would be especially true if identification of inflation as Public Enemy No. 1 were followed by a very firm Congressional hand on the budget, with a spending ceiling for FY1979 no higher—and preferably, lower than—the $500.2 billion recommended by the President. Even then the prospects for net tax cuts in excess of those recommended by the Administration could push the deficit much higher. If so, the Federal Reserve should neither be forced nor cajoled into what would surely be a self-defeating attempt to keep interest rates from rising by excessive money creation.

As to tax policy, our economic goals would be better served if the so-called "reforms" were set aside and full attention devoted to enacting an early and well-structured tax cut. As to the shape of the cut, I see no convincing argument for increasing the progressivity of what is already a nicely progressive Federal individual income tax system. And the approximately $8 billion in gross business tax cuts to directly promote capital formation is a bare minimum. Indeed, business confidence would be significantly bolstered if the business cuts were, say, doubled, with the impact on the deficit minimized—if not eliminated or revised through "feedback"—by phasing the reductions in over a period of years.

CONCLUSION

Congress' role in economic policymaking is never easy; it is especially difficult in 1978. Inflation must be attacked forcefully, but it cannot be eliminated overnight. Still, a credible start can be made.

Congressional identification of inflation as our paramount problem would in itself be highly beneficial. I am convinced that markets would respond positively to this Congressional initiative, thus setting the stage for the inevitably slow and torturous return to high output and employment without inflation.

Thank you very much.●

IRANIAN SPY CASE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. HAMILTON. Mr. Speaker, in late 1977 Major General Mogharebi of the Iranian Armed Forces was executed for spying for the Soviet Union. Among the reporting of this incident was the Februarv 2, 1978 Jack Anderson column which indicated that information regarding the AWACS system was involved.

In correspondence with the State Department, it is clear that AWACS information could not have been involved, but that other information of perhaps U.S. source, might have been given to the Soviet Union. The State Department is now investigating this matter and will be reporting to me later on.

This type of spy case adds a new, and potentially serious, element to our arms sales transfer policy. The United States needs to assure that our own national

interest is not jeopardized by equipment, services and technology sold to other nations which might be passed on to the Soviet Union or its allies.

The correspondence I had with the State Department and the Jack Anderson column follow:

FEBRUARY 2, 1978.

Hon. CYRUS R. VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Attached is a copy of the February 2, 1978 Jack Anderson column dealing with Iran.

The article says in the circled portion that an Iranian intelligence officer had slipped AWACS secrets to the Soviets and was subsequently executed.

I would like the Department of State to coordinate for the executive branch an answer to the questions whether any of this information is true and precisely what secrets on what systems may have been given to the Soviets. I would expect your reply to have the input of the Defense Department and the Central Intelligence Agency.

I appreciate your consideration of this matter.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

FEBRUARY 28, 1978.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your February 2 letter regarding the Jack Anderson column of that date. This response has been coordinated with the Department of Defense and the Central Intelligence Agency as you requested.

Major General Mogharebi, the Iranian military officer who was executed the end of last year for spying for the Soviet Union, was not an intelligence officer. Mogharebi was Deputy Chief of J-5 (Plans, Programs and Budget) of the Supreme Commander's staff. The Supreme Commander's staff has no direct involvement in Iranian arms procurement. Therefore, Mogharebi would not have had access as a result of his duties to sensitive arms procurement information.

With respect to AWACS in particular, the letters of offer containing detailed information were not provided to the Iranian Vice Minister of War (the organization charged with procurement) until after consideration of the proposed sale by Congress had been completed in early October 1977. By that time, Major General Mogharebi had been arrested. The first AWACS will not be delivered to Iran until 1980.

Your February 2 letter contains a second, more general question: "Precisely what secrets on what systems may have been given to the Soviets." The Iranian Government kept us informed of the arrest, trial and conviction of Mogharebi, and has cooperated with us in trying to assess whether he compromised any sensitive U.S. data. The Department of Defense is currently carrying out a study to assess what, if any, compromise of sensitive technical data may have occurred. This careful and detailed review will not be completed for several more months. Please let us know if you wish us to be in further touch with you when the review is completed.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

THE SHAH'S WEAPONS SHOPPING LIST

(By Jack Anderson)

No foreign potentate is pampered by Washington quite like the shah of Iran. His latest request for American arms, for example, has the blessing of President Carter. So once again, it looks as if the shah will get just about what he wants.

Yet the president has pledged to hold down arms exports abroad, particularly to dictators who use the arms to subjugate their people. It should be no secret in the White House that the shah runs a repressive regime.

Nevertheless, Defense Secretary Harold Brown sat down personally with the shah last November to go over Iran's military shopping list. Brown reported back to the president at the next Cabinet meeting.

According to the confidential minutes, "Dr. Brown said that he spent over an hour meeting with the shah of Iran. They discussed the longer-term perspective on defense issues, as well as arms purchases from the United States.

"The President said Iran has purchased an average of $2.7 billion per year in military items from the United States since 1973. Dr. Brown said that Iranian purchases last year were $5 billion."

In military terms, this would make the shah's remote desert domain our foremost ally.

Brown told the Cabinet that "the figures are being worked out now for this year's purchases." But we couldn't find anyone in government who would discuss the figures.

A Pentagon spokesman said the estimates have been submitted to the White House. But a White House spokesman said no estimates have been received or are expected. The shah's request will be considered individually and no totals will be available until the end of the year, he said.

Our own sources estimated that the shah would spend around $3 billion with the Pentagon during this fiscal year. More than $1 billion has already been spent since the fiscal year began on Oct. 1, they said.

The shah is determined to equip his air force, for example, with the best fighter plane America can produce—the F16. He has already ordered 160 F16s, but now he wants 140 more.

The shah's most controversial purchase will be seven huge flying command posts at a cost of $1.2 billion. These planes, part of the Airborne Warning and Control Systems (AWACS), will be loaded down with supersecret equipment. Congressmen were touchy about entrusting these sensitive planes to the shah.

What the congressmen haven't been told is that one of the shah's top intelligence officers, Lt. Gen. Ahmed Mogharabi, has already slipped AWACS secrets to the Soviets. He was caught and executed. But it was too late to save the secrets.

Both the U.S. embassy in Tehran and the National Security Council in Washington knew about the Iranian general who sold out to the Soviets. But the scandal was hushed up. Apparently, U.S. officials don't want to offend the shah by interfering with his purchase of AWACS aircraft.●

MORE U.S. AID TO VIETNAM THROUGH INDIA

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. YOUNG of Florida. Mr. Speaker, on Wednesday I called attention to a news account which stated that India was providing Vietnam with $33.3 million in foreign aid. However, according to the New York Times of February 26, this is only part of the story. India has not only been providing foreign aid to Vietnam but is planning to provide a good deal more, in addition to the $33.3 million I spoke of on Wednesday. Last year when the United States gave India 122,000 tons of wheat, India turned right around and gave Vietnam 100,000 tons of wheat. How are we supposed to explain this to our taxpayers? Here we are providing wheat to India to help feed their poorest of the poor, but then India, in effect, gives our wheat to Communist Vietnam.

We are constantly being told that there are millions of people in India who go to bed hungry, yet the Indian Government intends to provide Vietnam with an additional 300,000 tons of wheat in the near future. How can we justify to our constituents the $121.9 million in Public Law 480 assistance, which the American people are giving India in fiscal year 1978, or the administration's requested $130.2 million in Public Law 480 assistance for fiscal year 1979, if India can afford to give food to Vietnam?

If that is not bad enough, at this very moment the U.S. Agency for International Development is working out plans to reprogram $60 million in fiscal year 1978 funds to begin a new bilateral aid program in India, and at the same time the Carter administration is requesting an additional $90 million for this AID program in India for fiscal year 1979. India intends to give Vietnam an additional $50 million in credits for reconstruction projects. What we are really doing is providing more aid to Vietnam through yet another indirect channel.

Instead of being so generous to Vietnam, the Indian Government should show some compassion and generosity for its own people, many of whom are the poorest of the poor, many of whom are starving to death. While some people speak of the renewed commitment of the current Indian Government to meet the needs of their poor, I submit that their actions speak louder than their words. How can India justify accepting 122,000 tons of wheat from the American people to feed the poorest of the poor and then turn right around and give 100,000 tons of wheat to Vietnam?

The New York Times story which outlines the assistance India is giving to Vietnam is reprinted below. I hope my colleagues will take time to read this thought-provoking news account:

[From the New York Times, Feb. 26, 1978]

INDIA GIVING VIETNAM A $50 MILLION CREDIT TO REBUILD

(By William Borders)

NEW DELHI, February 25.—Indian officials said today that after two days of talks with Prime Minister Pham Van Dong of Vietnam, they had agreed to offer development assistance and to help in his country's postwar reconstruction.

The Vietnamese leader, who arrived in India yesterday for a week's visit, is being welcomed enthusiastically. After Mr. Dong's second long meeting with Prime Minister Morarji R. Desai, an Indian Government

spokesman reported "total identity of views on all subjects."

The assistance agreements, to be signed tomorrow, offer a long-term credit of $50 million for development projects, and a loan of 300,000 tons of wheat in addition to 100,000 tons that were lent last September. India, though it is sometimes short of food itself, now has a big surplus after several good harvest years. And because it is in a period of general economic buoyancy, this country also has substantial foreign-exchange reserves for a change.

The Indians have been at great pains to emphasize warm feelings for unified Vietnam. Expressions range from Government press release that referred to "an official friendly visit," to the standing ovation given Mr. Dong yesterday in Parliament, where he made a speech in which he compared Ho Chi Minh and Mohandas K. Gandhi, the national heroes of the two countries.

Mr. Desai, in his welcoming address, said: "Though our methods were different, our goals were and are the same—not just liberation from a foreign yoke, but a life of dignity for our people. And beyond our national frontier, abolishing exploration of nation by nation and of racial arrogance, and the construction of human society permeated by the spirit of interdependence and shared objectives."

The Vietnamese leader has reciprocated in his appearances around the capital, repeatedly expressing his gratitude for the "strong, persevering and determined support" that India offered in the Vietnam War.

"Our feeling for India is as pure as a cloudless sky," Prime Minister Dong said today at a news conference. Smiling frequently and occasionally shaking a green pencil for emphasis, he said that Vietnam's current five-year plan would cost $7 billion to $10 billion, and that "in the national reconstruction, we mobilize the labor force of our entire nation—everyone must do something."●

REPRESSION BY LAWSUIT

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Ms. HOLTZMAN. Mr. Speaker, Anthony Lewis pointed out in a recent article in the New York Times that the Justice Department's suit against Frank Snepp raises serious questions about the administration's commitment to civil liberties.

The text of his article, published on February 16, 1978, follows:

REPRESSION BY LAWSUIT

(By Anthony Lewis)

BERKELEY, CALIF., February 15.—On the White House tape of June 23, 1972—the one that finally forced his resignation—Richard Nixon told H. R. Haldeman why they could expect Richard Helms, the C.I.A. chief, to cooperate on Watergate. "We protected Helms from one hell of a lot of things," he said.

When the Senate Intelligence Committee asked what "things," Mr. Nixon described one episode. Mr. Helms had come to him about a book that a former C.I.A. employee planned to publish, he said, and he agreed to legal action against it. The problem was turned over to John Ehrlichman, who approved the C.I.A.'s legal strategy.

Those were the political origins of what some think was the worst defeat suffered by the First Amendment in recent years. Mr. Nixon's Department of Justice got an injunction against the former C.I.A. employee, Victor Marchetti. The C.I.A. censored his book. And Mr. Marchetti was ordered to clear with the agency before writing any more about its classified activities—for the rest of his life.

The dangerous precedent of the Marchetti case is now being invoked against another ex-C.I.A. man, Frank Snepp, and his book. This time the Justice Department is suing for a lifetime injunction and damages. That such a case has been brought at all is reason for concern. That it was brought by Jimmy Carter's Justice Department is reason for despair—or so it seems to one who thought this Administration had a commitment to civil liberty.

Mr. Snepp's book, "Decent Interval," is about the last days of the American presence in Vietnam. He details incompetence and deception on the part of United States officials and argues that they betrayed thousands of South Vietnamese who had cooperated with the C.I.A. or the American military.

Mr. Snepp took care not to disclose genuine secrets, such as the names of agents; in fact, the Director of Central Intelligence, Stansfield Turner, termed him "very circumspect." His book deals with Government policy and performance—which is surely expression of the kind the First Amendment was intended to protect.

But the C.I.A., and now the Justice Department, argue that what the book says does not matter, and neither does the First Amendment. That is because Mr. Snepp, like other employees of the agency, signed an agreement to say nothing about its classified work without getting its permission first. The Government suit claims damages from Mr. Snepp—all his royalties—for breaking the promise.

Why didn't Mr. Snepp submit his manuscript for review? If he could have expected C.I.A. censors to treat the book reasonably—to object only to disclosures that would really threaten grave security interests—then he would have had little excuse. But history gave him no reason to expect such restrained behavior.

In the case of the Marchetti book, the C.I.A. first tried to delete 339 passages—some of them of the most trivial character. One reported that Mr. Helms, in a meeting of the National Security Council, had mispronounced the name of the Malagasy Republic.

The decision in the Marchetti case, by the U.S. Court of Appeals for the Fourth Circuit, gave the C.I.A. almost complete censorship discretion. Agency officials did not have to prove any likelihood of actual harm to security if something was published, the opinion said. It was enough for them to show that an item had been classified, however technically. They were entitled to "a presumption of regularity."

Moreover, it took three years for the Marchetti case to wind its way through the courts. Thus Mr. Snepp, if he had submitted the manuscript, would have faced very great uncertainty about when or in what form the book could appear. The relevance of its criticism might have been lost.

Of course it is wrong to break a promise. But not every moral fault is legally punishable, or should be. The Government may use moral pressure, including secrecy oaths, to try to keep employees within desired bounds. But it does not follow that such promises are legally enforcible as "contracts." The Constitution limits what sort of oaths may be extracted from people, and enforced, as a condition of Government employment.

American freedom often depends on whistle-blowing by people who are not so nice. It may take a disaffected Deep Throat to expose the abuse of official power. And no one can doubt that there has been abuse in intelligence agencies.

Attorney General Bell, explaining the decision to sue Frank Snepp, said he just wanted to find out from the courts whether secrecy "contracts" were valid. But the Attorney General should not so glibly go to court when sensitive interests of free expression are at risk. As the late Alexander Bickel said, freedom is safer when we do not litigate such questions.

The C.I.A. naturally pressed for legal action against Frank Snepp. But it is the very function of the Attorney General to resist pressure of that kind unless he is convinced that the national security is imminently threatened. He has to have the courage, and the wisdom, to say no.●

"MEMORANDUM OF UNDERSTANDING"

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. COHEN. Mr. Speaker, I insert for the record the text of the "Memorandum of Understanding" which was released by the White House on February 9, and signed by representatives of the White House and the Penobscot and Passamaquoddy Tribes on February 7. It was to this document that I referred in my remarks concerning the Maine Indian land claim this morning at the beginning of our deliberations.

JOINT MEMORANDUM OF UNDERSTANDING—FEBRUARY 6, 1978

For several months, representatives of the Passamaquoddy and Penobscot Tribes and a White House Work Group comprised of Eliot R. Cutler, Leo M. Krulitz, and A. Stephens Clay have been meeting to discuss the tribes' land and damage claims in Maine and the federal services to be extended to the tribes in the future. These discussions have produced agreement with respect to both a partial settlement of the claims and future federal services. The parties hope that the terms and conditions described here also will serve as a vehicle for settlement of all the tribes' claims.

A. THE BASIC AGREEMENT: A PARTIAL SETTLEMENT

The Administration, through the White House Work Group, agrees to submit to the Congress and to seek passage of legislation which would provide the two tribes with the sum of $25 million in exchange for (1) the extinguishment of the tribes' claims to 50,000 acres per titleholder of such land within the 5 million-acre revised claims area (Area I)[1] to which title is held as of this date by any private individual(s), corporation(s), business(es) or other entity(ies), or by any county or municipality; [2] and (2) for the extinguishment of all their claims in the 7.5 million additional acres (Area II) in the claims area as originally defined (Areas I and II). Thus, every landholder within Area I would have his title cleared of all Passamaquoddy and Penobscot land and damage

[1] This acreage description of the revised claims area is based on information taken from maps and not from surveys. The final revised claims area, to be determined by the Department of Justice based on information furnished by the Department of the Interior, may vary from this description by about 5%.

[2] For purposes of such extinguishment, titleholding, whether direct or indirect, partial or complete, is deemed to include control, or ability to control, through subsidiaries, partnerships, trusts, or other entities.

claims up to 50,000 acres,[3] and all titles in Area II would be totally cleared of such claims.

The tribes will execute a valid release and will dismiss all their claims with respect to Area II and with respect to landholders with 50,000 acres or less in Area I. The legislation will not clear title with respect to any of the holdings of any private individual, corporation, business, or other entity which are in excess of 50,000 acres in Area I, nor to any lands in Area I held by the State of Maine.

By preliminary estimate, the $25 million to be paid by the federal government would clear title to approximately 9.2 milion acres within the original 12.5 million-acre claims area. All claimants against householders, small businesses, counties and municipalities would be cleared. Approximately 3.3 million acres in Area I out of the original 12.5 million-acre claim would remain in dispute. About 350,000 acres of the disputed land is held by the state; the remaining 3.0 million acres is held by approximately 14 large landholders.

B. PROPOSED SETTLEMENT OF THE TRIBES' REMAINING CLAIMS AGAINST THE STATE OF MAINE AND CERTAIN LARGE LANDHOLDERS

The tribes and the White House Work Group recognize the desirability of settling the tribes' entire claim, if possible. However, direct discussions between the tribes and the State of Maine or between the tribes and the large landholders either have not occurred or have not been successful.

In an effort to promote an overall settlement, the White House Work Group has obtained from the tribes the terms and conditions on which the tribes would be willing to resolve their claims against the State of Maine and against the large landholders whose titles would not fully be cleared by the Basic Agreement. The tribes have authorized the Work Group to communicate these terms and conditions to the appropriate representatives of the State and the affected landholders. In this context, the Work Group serves primarily as an intermediary with limited authority to settle the remaining claims on the terms set forth by the tribes.

1. Claims against the State of Maine

The tribes have claims against the State of Maine for approximately 350,000 acres of State-held lands in Area I and for trespass damages. Rulings on several of the defenses originally available to Maine already have been made by the courts in the tribes' favor.

The State of Maine currently appropriates approximately $1.7 million annually for services for the Penobscot and Passamaquoddy Tribes. The tribes are willing to dismiss and release all their claims for land and damages against Maine in exchange for an assurance that Maine will continue these appropriations at the current level of $1.7 million annually for the next 15 years. The appropriations would be otherwise unconditional and would be paid to the United States Department of the Interior as trustee for the tribes. Should the State agree to give this assurance, the legislation to be submitted to the Congress by the Administration would provide for the extinguishment of all tribal claims to the affected State-held lands and all trespass damage claims when the last payment is made.

2. Claims against large private landholders

In exchange for the dismissal, release and extinguishment of their claims to approximately 3.0 million acres within Area I held by the large landholders as described in the Basic Agreement, and in exchange for a dismissal and release of all trespass claims against said individuals or businesses, the tribes ask that 300,000 acres of average quality (approximately $112.50 per acre) timber land be conveyed to the Department of the Interior as trustee for the tribes, and that they be granted long-term options to purchase an additional 200,000 acres of land at the fair market value prevailing whenever the options are exercised. The tribes also ask for an additional $3.5 million to help finance their exercise of these options.

In recognition of the desirability of achieving an overall settlement, the Administration will recommend to the Congress the payment by the federal government of an additional $3.5 million for the tribes, if the affected private landholders will contribute the 300,000 acres and the options on 200,000 acres as set forth in the tribes' settlement conditions. Additionally, the Administration will recommend the payment of $1.5 million directly to the landholders contributing acreage and options to the settlement package. The $1.5 million would be divided proportionately according to the contribution made by the respective landholders.

If a settlement of the tribes' claims against the large landholders can be accomplished on the terms specified above, the Work Group has agreed to use its best efforts to acquire easements permitting members of the tribe to hunt, fish, trap and gather for noncommercial purposes and to obtain brown and yellow ash on all property from the large landholders within Area I. The tribes will be subject to applicable laws and regulations in the exercise of these easement rights. Additionally, it is agreed that the exercise of easement rights shall in no way interfere with the landholder's use of his property, either now or in the future. If the Work Group's efforts to acquire these easements are unsuccessful, the tribes have reserved the right to reject a settlement with the large landholders.

C. OTHER TERMS AND CONDITIONS

(1) Nothing in this agreement is intended by the parties to be an admission with respect to the value of these claims. If settlement can be accomplished, it will reflect a compromise from every perspective. The tribes regard their claims as worth many times more than any consideration to be received under this agreement. The State of Maine, on the other hand, has taken the position that the tribes' claims are without merit.

The Administration has chosen to evaluate the claims not merely on the basis of their merit and their dollar value, but also in light of the facts that the claims are complex; they will require many, many years to resolve; and the litigation will be extremely expensive and burdensome to everyone and could, by its mere pendency, have a substantial adverse effect on the economy of the State of Maine and on the marketability of property titles in the State.

With these considerations in mind, any settlement will reflect a shared understanding of the reality created by the litigation, rather than one party's view of the equity of the claims. The claims are unique, and resolution of them on any basis other than litigation similarly must be unique.

(2) If a settlement can be reached with the State of Maine, with the large landholders, or with both on the terms described above, the White House Work Group has the option of implementing a settlement on those terms, rather than on the terms of the Basic Agreement specified in Section A. The Work Group has agreed to consult with the tribes before choosing any of the alternatives provided by this agreement.

(3) The tribes recognize that in no event shall the federal government's cash contribution to any settlement exceed $30 million; the federal government will pay $25 million to achieve the Basic Agreement, and an additional $5 million to facilitate a settlement of all claims against private landholders.

(4) The location of the 300,000 acres must be satisfactory to the tribes. However, it is agreed that the 300,000 acres may be in several tracts, so long as the timber land is of average quality. It is also agreed that land will be selected in such a manner as to not unreasonably interfere with the large landholders' existing operations.

(5) The cash funds to be obtained in the settlement shall be paid in trust for the benefit of the tribes on terms agreeable to them and the federal government. No part of the capital will be distributed on a per capita basis. The terms of the trust shall not preclude reasonable investment of the principal, nor shall they affect in any way the right of the tribes to dispose of income. The right to dispose of income shall be wholly a matter for tribal discretion.

(6) All property and cash obtained pursuant to this settlement shall be divided equally between the two tribes.

(7) The federal government pledges that the tribes will be considered fully federally recognized tribes and will receive all federal services, benefits and entitlements on the same basis as other federally recognized tribes.

(8) All lands acquired by the tribes and land currently held by the tribes shall be treated for governmental purposes as other federally recognized tribal lands are treated. The consent of the United States will be given to the exercise of criminal and civil jurisdiction by the State of Maine pursuant to 25 U.S.C. 1321, 1322, provided that the United States may effect a retrocession within two years upon request of the tribes.

(9) If a settlement can be reached with the State of Maine, the White House Work Group will use its best efforts to obtain for the tribes assured access under mutually agreeable regulations to a designated place in Baxter State Park for religious ceremonial purposes. If the Work Group's efforts to obtain such assured access are unsuccessful, the tribes have reserved the right to reject a settlement with the State of Maine.

(10) With respect to settlement of the tribes' claims against the State of Maine and large landholders within Area I, the White House Work Group has 60 days to accomplish an agreement. If such a settlement, cannot be accomplished within that period, the parties will proceed with the Basic Agreement outlined in Section A, above.

(11) The settlement agreement will be executed in a form appropriate to effectuation of the terms of the agreement and will preclude further litigation with respect to all claims settled. Suitable procedural safeguards will be adopted and implemented by court order in the pending litigation to assure that the parties' intent with respect to this settlement agreement is accomplished.

(12) The White House Work Group and this Administration pledge their vigorous support to settlement on the terms and conditions specified in this memorandum.

(13) This agreement is subject to ratification by the tribes on or by February Ninth, Nineteen Hundred and Seventy Eight.

For the administration:

ELIOT R. CUTLER.
LEO M. KRULITZ.
A. STEPHENS CLAY.

For the tribes:

(Unsigned).●

[3] For any landholder with holdings in excess of 50,000 acres, the 50.000-acre exemption would apply to lands which are representative of the overall holdings of such landholder.

THE IRISH OF AFRICA

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. WHITEHURST. Mr. Speaker, for the benefit of those of my colleagues who may not have read the "My Turn" column in the March 6, 1978, issue of Newsweek by Dr. Kevin M. Cahill, I ask unanimous consent to have it printed at this point in the RECORD.

In view of what is occurring on the Horn of Africa, this article takes on increased significance. Dr. Cahill has traveled extensively there, and knows that area and its people well, so his comments merit our careful attention.

Whatever short-term gains this administration may achieve have the potential of being offset by long-term consequences that could seriously impinge on our friendship and ties with Somalia, as well as the neighboring states in Africa and the Arabian Peninsula:

THE IRISH OF AFRICA

(By Keven M. Cahill, M.D.)

The eastern Horn of Africa is the land of the Somalis. It was their land when Queen Hatshepsut sent expeditions there 3,500 years ago to obtain frankincense trees. It was their land when the white man came and drew artificial boundaries on paper maps that meant nothing to the Somali nomad. Colonial politicians could carve up a continent and coastline conquerors could come and go, but the nomad in the interior knew none of this, for his life was spent in an endless search for water.

The Horn was—and is—an area inhabited by one people, with one language, one religion and one cultural heritage. An intensely poetic, physically beautiful people, the Somalis long ago learned to share in order to survive. The very word *So-maal* means "Go and milk by beast," a generous greeting that I have known at remote wells and shall not forget.

In 1854, Sir Richard Burton referred to the Somalis as "The Irish of Africa." Somalis and Irish share a love of the land and an intense nationalism, as well as an almost perversely similar history in which the curse of the present is the result of past political expediency: borders were drawn without concern for, of the consent of, the local inhabitants.

ARTIFICIAL BOUNDARIES

Lord Rennell, the English ambassador who negotiated the first Ogaden border agreement in 1887, freely acknowledged that the boundaries "were artificial; they bear no relation to geography or ethnography." Later, the European powers—first Italy, then Britain—administered the area as a single entity. In fact, it was not until the mid-1950s—before the Somalis gained independence—that the British as part of the World War II settlements ceded the Ogaden and the Haud back to Ethiopia. To the Somali people, this was and is unacceptable.

I know the Somalis well. Ours is a relationship forged in hardship. During twelve medical trips to every part of the Horn in the past fifteen years I have shared in their joy of independence, their hopes and failures. I have cared for them during epidemics and in periods of flood and drought. I have traveled the bush for weeks on end with the nomads, shared their meals while tracking their diseases. I have come away with an enormous respect for their strength, their loyalty, their kindness to the stranger, their silent wisdom, their knowledge of nature and the stars and hot winds.

I know the present President, Muhammad Siad Barre, well. We have talked the nights away and argued the meaning of freedom and democracy, socialism and national struggle, health and development. Siad Barre took a nation dominated by a colonial legacy and fashioned it into a state where the emphasis on self-reliance and communal service permeates every aspect of life.

NATIONAL UNITY

One thing Siad Barre cannot do, however, is to force his people to accept neocolonial borders. I have known all the leaders of Somalia since independence and while each nourished ties with some foreign power, none of these involvements ever took precedence over the intense feeling for national unity.

Today it appears all but certain that thousands of Cuban and Russian troops that have joined an already overwhelming and well-armed Ethiopian Army will crush the latest expression of Somali nationalism in the Ogaden. I have seen the pillaged villages and known the stench of burning flesh and cared for the survivors of prepious routs of Somali nomads in that area. I can vividly imagine the tragic and utter waste of life that will again be their fate.

With caution as our current God in this post-Vietnam period, and non-involvement the apparent balance to our rhetoric on human rights, we, in the United States, seem determined to permit a Russian-Cuban offensive in the Ogaden as long as it doesn't pass a geographic line imposed by colonial powers, a line never accepted by the Somali people and irrelevant to the pattern of nomadic life essential for survival on the Horn.

It might be politic to be silent and let the flow of force resolve the issue. But Somali nationalism will survive, and it is important that the record show at least one American citizen's sense of outrage at our lack of political will, and his disagreement with the prevailing concept that appeasement is the preferred policy. Is our fear of overseas entanglements so great that we will impotently watch while Russia dominates the Horn, and with it the Red Sea, and all that represents the insults of an Ethiopian regime that has eliminated a large portion of its university students and resolves political differences by murder? Have we lost the courage even to condemn?

No sane American would promote a United States military adventure in the Ogaden. But that surely should not preclude us from at least understanding the root cause of the problem, addressing the legitimate aspirations of an ancient people and openly assisting all parties in negotiating a peace that reflects justice and reality rather than merely the perpetuation of an illogical and unworkable colonial boundary.

Muhammad Abdullah Hassan, the great Somali poet, once wrote:

Who welcomes you like a kinsman in your day of need
And who at the height of the drought does not bar his gate against you—
Is not he who never fails you in your weakness one of your brethren?

The Somalis I have known so well never asked or even expected me to agree with all their national policies. But they do know—and will remember—those who reached out in their day of need and those who barred the gate against their dreams and watched them fail. They will know their brethren.●

ACTUARIAL DEFICIENCY OF U.S. NON-SOCIAL SECURITY PENSION PLANS GREW $18.7 BILLION IN ONE YEAR

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. VANIK. Mr. Speaker, it is well known that the social security trust funds have encountered recent difficulties. But what is less well known is that other Federal pension plans are also running enormous deficits and are facing serious problems. Each January, the Treasury Department issues a report on the public debt and the actuarial or long-range economic status of the various retirement and disability pension funds. A study of these reports shows that between September 30, 1976, and the fiscal year ending 12 months later on September 30, 1977, the actuarial deficit of the non-social security pension funds increased by $18.7 billion.

Attached is a list of these various programs and their actuarial deficit or surplus as of September 30, 1977, and September 30, 1976. It is generally true that these various programs cannot be added together for a total deficit figure, since they are structured in different ways and their deficits and surpluses are calculated over widely varying periods of time. I believe it is important, however, to provide a total figure on the increase in the deficit amount between fiscal year 1976 and fiscal year 1977, in the hope that this ominous figure will encourage increased efforts within the Federal Government to develop some coordinated control and supervision over these various pension programs.

I believe that there is an urgent need for greater coordination and sharing of information among legislators and administrators on the problems that the various pension funds have encountered. We need to consider ways in which future benefits can be calculated without bankrupting the various funds and the taxpayer, and we need to determine which of these funds can finance itself and which will need assistance from the General Treasury and the taxpayers at large.

We are accumulating enormous future pension liabilities and it is urgent that the Congress and the Federal Government begin to give a coordinated look at the long-range cost of all of these programs and ways in which their common problems can best be solved. At a time when the Federal Government is critical of so many corporations and union pension funds, we should be asking why the Federal pension system continues to accumulate such staggering actuarial deficits.

Following is the list of the non-social security programs:

SCHEDULE 10.—ACTUARIAL STATUS OF ANNUITY PROGRAMS AS OF SEPT. 30, 1977

[In millions]

Agency and program	Valuation date and valuation period	Valuation interest rate (percent)	Actuarial liabilities	Actuarial assets	Actuarial deficiency (−) or surplus (+)	Actuarial deficiency (−) or surplus (+) Sept. 30, 1976
Department of Commerce: National Oceanic and Atmospheric Administration: Retired pay, commissioned officers.	Sept. 30, 1977	5	$27		−$27	−$27
Department of Defense:						
Retired pay	do	3½	175,085		−175,085	−170,000
Panama Canal Company and Canal Zone Government: Retired benefits to certain former employees.	do		10	$10		
Note: Non-United States citizen employees who retired prior to Oct. 5, 1958, are not covered by the civil service retirement system but do receive retirement benefits under a separate annuity plan.						
Department of Labor:						
Federal Employees' Compensation Act	do		7,417		−7,417	−6,397
Note: Actuarial liabilities for Federal Employees' Compensation Act represent estimated future costs for death benefits, disability compensation, medical, and miscellaneous costs for approved compensation cases on rolls as of Sept. 30, 1977						
Pension Benefit Guaranty Corporation	do	Varying	273	118	−155	−51
Note: This corporation administers insurance programs to prevent loss of pension benefits to participants in covered private plans if they terminate without sufficient assets to pay such benefits.						
Department of State: Foreign service retirement and disability fund	do	5	2,736	1,125	−1,611	−1,067
General Services Administration: Pensions for former Presidents and former Presidents' widows	do	7	2		−2	Not listed
Note: Each former President is entitled to an annual monetary allowance equal to the basic pay of the head of an executive department. Payments are made from funds appropriated to the General Services Administration and transferred to the Secretary of the Treasury. The widow of each former President is entitled to an annual monetary allowance of $20,000. Payments are subject to certain conditions provided in 3 U.S.C. 102 note.						
Veterans' Administration:						
Compensation and pensions fund	Sept. 30, 1977 (fiscal years 1978–83).		55,742		−55,742	−53,864
Note: This is an estimate of compensation, pensions, and other benefits costs as shown in the long-range plans of the agency.						
Veterans insurance and indemnities	do		41		−41	−41
Note: This is an estimate of the claims costs as shown in the long-range plan of the agency.						
Independent agencies:						
Civil Service Commission: Civil service retirement and disability fund	Sept. 30, 1977	5	249,000	133,000	−116,000	−107,00
Railroad Retirement Board: Railroad Retirement System	do	Varying	38,179	28,926	−9,253	−8,205
Note: The actuarial deficiency has been determined under provisions of the Railroad Retirement Act of 1974, Public Law 93-445 approved Oct. 16, 1974, which completely restructured the annuity program. The above actuarial valuation was made under an open-end approach, that is, account was taken of the expected income and outgo with respect to individuals who will enter railroad service in the future. For the closed group of present members of the System, the actuarial figures show a deficiency of $14,963,000.						
Tennessee Valley Authority:						
Retirement system: Fixed benefit fund	Sept. 30, 1976	8	332	396	64	+69
Note: The amount shown for actuarial assets represents the book value of assets held by the fund plus the present value of prospective TVA contributions for currently accruing benefits. The amount shown for the actuarial deficiency represents the present value of prospective TVA contributions for past service benefits.						
Variable annuity fund	Dec. 31, 1976	5	84	84		
Note: The amount shown for actuarial assets represents the market value of assets held by the fund.						
United States Tax Court: Tax Court judges survivors annuity fund	Sept. 30, 1977	7	2	1	−1	<500,000
Note: This fund was established under 26 U.S.C. 7448, and is used to pay survivorship benefits to eligible widows and dependent children of deceased judges. Participating judges pay into the fund 3 percent of their salaries or retired pay to cover creditable service for which payment is required and such additional funds as are needed are provided through appropriations. 17 judges are participating in the fund, and 4 eligible widows are receiving survivorship annuity payments. This fund holds $599,000 of public debt securities.						

Note: Because the various annuity programs have been computed on different actuarial bases, a total has not been computed.●

ALL SIDES TAKE AIM AT FOREST SERVICE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. BONKER. Mr. Speaker, the U.S. Forest Service has long been for westerners a key source of both recreational opportunities and economically important timber production.

That dual role is now taking on expanding national significance. The increasing national demand for wood fiber is emphasizing as never before the importance of the wise use of our public timber resources, and intensified public interest in setting aside large tracts of wilderness for future generations is giving new prominence throughout the 50 States to the roadless areas that still remains on the public lands.

Reporter Joel Connelly of the Seattle Post-Intelligencer has written a perceptive series of articles on this conflict today and the battles it poses for the future.

As he notes, the Forest Service now and, ultimately, Congress, are caught right in the middle.

[From the Seattle Post-Intelligencer, Feb. 12, 1978]

THEY WANT SMOKEY BEAR'S HIDE

(By Joel Connelly)

"Smokey Bear" distributed $118 million to the counties of Washington and Oregon last year, but it hasn't stopped conservationists and lumbermen from demanding his hide.

"Smokey," long a symbol and nickname for the U.S. Forest Service, is caught in the middle of a burning controversy over how-much-to-log in America's 187-million-acre National Forest system.

Environmental groups produce satellite photos showing vast clearcuts in Southwest Washington's Gifford Pinchot National Forest. They say Smokey is cutting too many trees and following a land use policy of "multiple abuse."

Timber industry spokesmen look at those same pictures and point out forests that will remain standing forever behind the boundaries of wilderness areas.

Congress has set aside 1.5 million acres of Washington's national forests as wilderness since 1960. It created a big 393,000-acre Alpine Lakes Wilderness Area two years ago, in a battle lumbermen had hoped to turn into a Waterloo for the environmental movement.

The industry argues that "lockups" of commercial forest land could jeopardize some of the 161,000 Washington and Oregon jobs that depend on the Northwest's timber harvest.

It also says national forest timber production could be substantially increased were the Forest Service given enough money to intensively manage its forest lands.

Environmental groups scoff at industry charges and say that lumbermen have overcut their own timber stands—and that conversion of prime forest land into suburbs and shopping centers has taken away more commercial timber land than wilderness ever will.

The Forest Service, which manages nine million acres of land in Washington state—from which 20 percent of the state's timber harvest is taken—has sought to satisfy both sides. That's an impossible task.

The current call letters for controversy are RARE II. That stands for Roadless Area Review and Evaluation, the process by which the Forest Service is making plans for its remaining 67 million acres of unroaded "de facto wilderness" national forest land.

The agency aims to define territory suitable for inclusion in the nation's wilderness preservation system—which now holds 12 million acres of National Forest land—as well as what should be intensively managed for wood production.

The RARE II process is scheduled for completion later this year, but lumbermen are impatient.

Industry wants to increase logging in Northwest national forests to compensate for depletion (particularly in Oregon) of old growth timber on its own forest lands. Its tree farms aren't expected to be ready for intensive harvest for at least three decades.

Lumbermen charge that RARE II has already delayed Forest Service timber sales, and that more wilderness withdrawals would in the words of Mike Sullivan of the Industrial Forestry Association "reduce the federal timber base and force cutbacks in harvest."

If all Forest Service roadless areas were made into wilderness, it would cut into the timber yield. "It would reduce our allowable harvest by 25 percent," said Bruce Cooper, assistant supervisor of the Gifford Pinchot National Forest, which accounts for a third of Washington's national forest timber cut.

But Assistant Secretary of Agriculture Rupert Cutler, the man in charge of the Forest Service and who ordered RARE II, argues that the roadless area study will only delay timber sales by 18 months to two years. "RARE II will speed up the designation of lands for timber harvest," said Cutler.

Cutler says Forest Service RARE II recommendations will "hopefully" prompt Congress to complete wilderness area designations in 1979, and return other lands to "the working forest."

Conservationists are wary of Forest Service procedures for other reasons. They say "Smokey Bear"—characterized as "that noted ursine bore" by writer Edward Abbey—has managed its "lands of many uses" for a single use, cutting trees.

Chainsaws have been buzzing as never before in the public's forests. From 1905 (when the Forest Service was created) until 1945, the yearly national forest timber cut never topped 1.5 billion board feet.

But between 1950 and 1969, the annual harvest rose from 5.8 billion to 14.8 billion board feet. It has since stayed close to that level.

Conservation groups also cite such figures as the 1978 Forest Service budget for Washington and Oregon. It plans $9 million spending for recreation and $2 million for fish and wildlife management—compared to more than $100 million for timber sales, reforestation and logging roads.

The budget lists $34.7 million for construction of new roads, but only $554,000 for building and completing trails in a time of burgeoning back-country use.

"Forest Service policy has been to sell as much timber as possible with all other uses simply seen as byproducts," said Sierra Club forestry except Gordon Robinson.

The Forest Service replies that its budgets have been well spent. The $118 million returned to counties represents only 25 percent of nearly $500 million in income from its Washington and Oregon timber sales.

Forest Service officials often describe their agency as conservative and slow to change, but say that's a virtue. "We have never fallen captive to any special interest," said Dick Buscher, assistant supervisor of the Wenatchee National Forest.

By contrast, critics argue that Smokey has been slow in responding to public concern over the environment.

"The Forest Service has gotten itself into deep trouble because it has defied public opinion, ignored political realities and broken the law," said Mark Houser, who worked 11 years as legislative assistant to U.S. Rep. Lloyd Meeds.

"More than 1,000 lawsuits have been filed against the agency," said Houser. "The courts and Congress are giving it increasingly specific instructions on how to manage the land."

Forest Service officials privately admit to some substantial past failures and defeats.

Smokey fought to minimize preservation of the North Cascades, only to see management of more than 700,000 acres in public land turned over to the rival National Park Service when Congress passed the North Cascades Act in 1968.

Forest Service officials planned roads into the heart of lands which are now protected in the Alpine Lakes Wilderness. One road would have carved the wilderness area in half. A proposed "gyro-trail" was designed so miners could haul ore out of the scenic LaBohn Gap region along a segment of the Pacific Crest Trail.

The Forest Service was forced back to the drawing boards again after its first attempt in 1972 to inventory roadless areas which environmental groups charged was inadequate.

"They took RARE I to court and won six straight cases. Each time the judge said their job hadn't been done properly," said Oregon's U.S. Rep. Jim Weaver.

Part of the Forest Service's problem was that the Office of Management and Budget forced it to survive on starvation rations during the Nixon-Ford years. That's changing and Regional Forester Dick Worthington is looking at his first $250 million budget. "We've just gotten back to the permanent full-time work force we had in 1963," said Worthington.

Worthington served as national director of Forest Service timber management before taking charge of Smokey's operations in Washington and Oregon.

He remembers being given a budget of $37 million to manage 92 million acres of federal timber land—while the same year Weyerhaeuser was spending $120 million to plant, fertilize and thin its five million acres of commercial forest property.

Forest Service officials say Smokey has learned from all the controversy and taken a new outlook toward his job.

"Our attitudes have changed in two key areas," said Buscher. "We've come to see the public as collective owners of this forest. It's not 'our' forest. We are responsible to all categories of users.

"We're also getting full recognition that our job is not to manage a tree farm, but a national forest—with full and equal treatment of all uses."

Those who knew the Wenatchee National Forest in the bad old days would hardly recognize the place today.

Under the new management of Supervisor John Rogers, environmentalists have been taken into the planning process for land in and around the Alpine Lakes Wilderness—and put to work as volunteer backcountry rangers.

Capital funding is still scarce, but forest managers expect to complete replanting of the infamous Entiat Burn, legacy of a 1970 forest fire that consumed 100,000 acres, within five years.

The Forest Service proposal for a 139,000-acre Cougar Lakes Wilderness Area east of Mt. Rainer is actually larger than one submitted 15 years ago by the North Cascades Conservation Council. (Environmental groups now say Smokey's plan isn't big enough.)

West of the Cascade Crest, Mt. Baker-Snoquaimie National Forest Supervisor Don Campbell has moved clearcuts away from scenic highways and scuttled such projects as the "gyro-trail."

But wilderness withdrawals, roadless area studies, and attention to aesthetics have reduced the Mt. Baker-Snoquaimie's annual timber cut, and could cut it further if RARE II drags on. The timber industry isn't happy over that.

Campbell, a man who gets along well with lumbermen and backpackers, was asked about the tug-of-war during an inspection trip to Snoquaimie Pass last summer.

"The Forest Service has no allies," he said. "It's role is trying to balance user demands. You can say one thing about always being in the middle. It's never dull."! ●

NATIONAL LAWYERS GUILD REMAINS COMMITTED TO SUPPORTING TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. McDONALD. Mr. Speaker, the National Lawyers Guild (NLG), an association of 5,000 revolutionary lawyers and law students, met in the District of Columbia over the Washington's Birthday holiday weekend to reaffirm its support for revolutionary terrorist movements in the United States and abroad.

The National Lawyers Guild is the principal support organization for revolutionary terrorist groups in the United States, serving not only as a defense apparatus but also as a clandestine communications network between imprisoned terrorists and their at-large or fugitive comrades. And in the case of the most notorious U.S. terrorist group, the Cuban-sponsored Weather Underground Organization (WUO), a group of National Lawyers Guild lawyers with close ties to the Cuban regime, headed by Leonard Boudin, a paid agent of the Castro dictatorship since 1960 whose daughter is a WUO leader, have acted as a Weather Underground policy-making body of such power that the minority opposition group was forced to split away to form the separate Revolutionary Committee of the WUO.

Formed with the assistance of the Comintern in 1936, the National Lawyers Guild was first cited as a Communist front by the Special Committee on Un-American Activities in March 1944. In 1950, the House Committee on Un-American Activities characterized the NLG as "the foremost legal bulwark of the Communist Party, its front organizations and controlled unions." The NLG has worked to obstruct investigations of Soviet espionage rings and Communist penetration and perversion of educational, cultural and labor organizations.

The National Lawyers Guild's support for Soviet-backed terrorist groups has

included participation in the Soviet-controlled International Association of Democratic Lawyers (IADL) to lend a semblance of legalism to propaganda efforts, sending NLG delegations to Hanoi and promoting the National Liberation Front by which Hanoi carried out its program of terrorism against South Vietnamese civilians, NLG members traveling under various pretexts as "observers" to trials of terrorists in Iran, Spain, South Africa, Chile, and the Dominican Republic, and their efforts to join the defense team for the Baader-Mainhof gang in West Germany.

The National Lawyers Guild's support for terrorism—"armed struggle" is their term for terrorism—is based on the organization's ideological commitment, affirmed and reaffirmed in resolutions passed at its national conventions, to "antiimperialism" and working with organizations of every kind to build a solid-based antiimperialist movement on the foundations of the antiwar movement.

At its 1971 national convention, the National Lawyers Guild described its "antiimperialism" as "the NLG's struggle to defeat the ruling class in this country and to defeat its hold on large parts of the world." The NLG 1971 convention stated:

> There is no disagreement among us that we are a body of radicals and revolutionaries. We are not simply servants of the movement. We are radicals and revolutionaries who now propose to carry the struggle for social change into our lives and our profession.

An NLG internal position paper noted in 1975 that:

> Members of the Guild who insist that the politics of armed struggle have no place in a Guild publication ignore this organization's history and self-definition. The Guild is not merely a legal organization—it is not the ACLU or the ABA [American Bar Association]. * * * Many people within the Guild consider the strategy of armed struggle to be an integral part of any revolutionary struggle. The Guild itself has not only defended but actively supported the armed actions at Attica and Wounded Knee and has in some sense joined these struggles. * * *

That document went on to characterize NLG support for terrorist "armed struggle" as a "principal political stand." NLG members have formed the defense teams for virtually every U.S. revolutionary terrorist group ranging from the members of the Weather Underground Organization (WUO), the Black Liberation Army (BLA), the George Jackson Brigade, the rank and file members of the Symbionese Liberation Army (SLA) and are now coordinating unified resistance by witnesses called before grand juries investigating the FALN whose bombs have killed five people and injured scores.

NLG members have formed the defense the past 10 years with the organization's core of Communist Party, U.S.A. (CPUSA) members and supporters having regained some of their number who dropped out during the 1950's, and having recruited lawyers and law students alined not only with their own Moscow-directed views, but also a significant number whose allegiance is to Soviet-dominated Cuba, and a minority of Peking-directed Maoists and miscellaneous New Leftists.

The first split in this working coalition came with Maoist attempts to take control of the NLG and turn its orientation toward Red China. The intensity of the quarrel between the Maoists and the Moscow/Havana group has intensified since the introduction of large numbers of Cuban troops into Africa where they have been used against Peking-supported Marxist revolutionary organizations including the FNLA in northern Angola and the Eritrean guerrillas in Ethiopia. The second split developed after the NLG began moving toward official organizational support for the terrorist Palestine Liberation Organization starting at the 1975 NLG national convention in Houston.

NLG AND PLO

The controversy on the Middle East arose after the National Lawyers Guild's Moscow/Havana leadership which firmly controls the NLG International Committee decided to bring the NLG organizationally into an official position of support for the Palestine Liberation Organization following the United Nations declaration by a vote of the Soviet and Third World bloc declaring that Zionism was by their definition "racism."

The NLG contains a significant minority of Jewish radicals who generally have raised no objection to NLG support for terrorist armed struggle in the form of the prison riot at Attica, the armed occupation of Wounded Knee by the American Indian Movement, the grand jury resistance campaign to obstruct investigation of the FALN and so forth, but who strongly object to officially recognizing the PLO terrorists who are responsible for the atrocity at Munich, the murder of the children at Maalot, and the bombings of public places in Israel. They have allies among a small group of non-Jewish NLG radicals who had supported Vietcong, Pathet Lao, and Khmer Rouge terrorists and who currently actively support the so-called liberation struggles of the FALN, the Puerto Rican Socialist Party, and Marxist terrorists in southern Africa but who object to the "crude analysis" of the Soviets bloc's condemnation of Zionism as "racism" on the grounds that it "confuses national struggle with class struggle" and increases the probability of a genocidal war.

Prior to the February 17–19 national executive board meetings in Washington, two members of the Philadelphia NLG circulated an open letter urging NLG members to form a "Democratic caucus" and devise some "nongenocidal alternative" to full NLG organizational support for the PLO. The proposal contained a lengthy indictment of the NLG's Moscow/Havana axis leadership which said in part:

> It appears to us that there is a profoundly undemocratic tendency manifesting itself in the Guild, one which has been developing for years. This tendency was most recently revealed in the Guild's treatment of the Middle East question, but permeates the decision making process of the Guild in other areas as well.
>
> What has been happening, very simply, is that the Guild Leadership has been inserting its ideological and political perspective into Guild positions and Guild work, despite the repeated and emphatic refusal of the membership as a whole to take an ideological stance. * * * the Leadership has conducted Guild affairs as though we were a committed Marxist-Leninist entity.
>
> This characteristic is particularly apparent in the Guild's international work, and has resulted in a predisposition of the International Committee to identify the Guild with the position of the 'socialist' countries on every major international issue. That position as it relates to the Mid-East is well known and is almost identical to the position taken in the resolution recently enacted at the Seattle convention (8/21/77).

The statement noted that although the NLG constitution does not specify that the organization is Marxist-Leninist, although its resolutions supporting "antiimperialism"—from Lenin's "imperialism is the highest form of capitalism"—place it in that revolutionary line, "the Leadership has conducted Guild affairs as though we were a committed Marxist-Leninist organization." The Democratic caucus went on to complain:

> * * * the foreign observers and speakers at every Guild convention since the late 1960's have almost always represented the Marxist-Leninist sector of that country's politics. There have been representatives from National Liberation Front (NLF) of Vietnam, from the Puerto Rican Socialist Party (PSP), and from Cuba. There have never been representatives from any of the Democratic Socialist or Social Democratic elements in those or any other countries.

The document complains that the NLG has totally ignored the Euro-Communist movement and their "Democratic Socialist" allies.

> These omissions, in our view, are not simply accidental. Guild audiences are frequently exhorted to show their "solidarity" with the struggles of the movements whose speakers are featured at Guild events. One of the present writers remembers quite vividly how, at his first Guild convention, the Chairperson rose to his feet after the remarks of an NLF representative and, shouting NFL slogans, led the audience in a chorus of similar salutes. The Guild had at that point never endorsed the NLF (although we had endorsed U.S. withdrawal), but that fact failed to prevent the event from being conducted like a rally for the NLF.

In the February 1978 issue of Guild Notes, the NLG leadership published several attacks on the Democratic caucus organizers prior to the opening of the NEB meetings. In one of these attacks, the NLG International Committee's "Vietnam coordinator," Phyllis Bennis, states that the "NLF representative" at the 1973 Austin convention was really a member of the Association of Vietnamese Patriots. Leaders of the French section of the Association of Vietnamese Patriots were named as unindicted coconspirators in the Federal indictments of David Truong and Ronald Humphrey on charges of spying for Hanoi.

Bennis wrote that if the Democratic caucus "view our expressions of anti-

imperialist solidarity" with the Vietnamese Communists "as nothing more than a lemming-like response to a leadership cheerleader" then they "perceive a very different organization than the one in which we have such pride." What Bennis is saying is that she believes the NLG has an ideological commitment to support Communist aggression and terrorism however vague and general the NLG preamble is worded.

The Democratic caucus proponents went on to provide a graphic description of the process by which the NLG leadership manipulated the organization as to by stages force the organization to support the PLO.

At the February 1976 national convention in Houston, a resolution calling on the NLG to support a call by the Puerto Rican Socialist Party, a Castroite Communist Party which is the parent group of the FALN terrorists, for anti-Bicentennial demonstrations in Philadelphia on July 4, 1976, was made the last item of business on the program. The PSP call for demonstrations included a tribute to the PLO. The NLG's previous studied policy of neutrality on the PLO was clearly considered by the NLG leadership as "insignificant as compared to the need to remain in step with the PSP, and could easily be ignored by relegating the PLO tribute to last place on the agenda when half the convention had gone home."

This was a deliberate violation on the part of the NLG's Moscow/Havana leadership of the decision of the August 1975 national executive board meeting to abstain from taking a position on the PLO, but to study the situation for an unspecified amount of time. Said the caucus:

* * * we assumed that there would be national organization around the issues; i.e., dissemination of reading lists with a broad range of viewpoints, and invitation of speakers of opposing viewpoints to Guild meetings. Finally, we assumed that the Guild Leadership would conclude, from the membership's uncharacteristic absention on the issue, that the membership would receive substantial advance notice that the period of study was ready to draw to a close and that chapters should consider their stand on the merits of the conflict.

Unfortunately, those of us who believed this were hopelessly naive. The Leadership, to the extent that it felt charged with an educational mandate, apparently delegated that responsibility to the International Committee. That committee in turn assigned its responsibility to a Mid-East subcommittee which was effectively chaired by the Guild's staunchest advocate for the PLO [Detroit lawyer Abdeen Jabara]. The impartial study which we expected, and which the organization had supposedly directed, was transformed into a three year exercise in slow, sometimes subtle, sometimes overt, movement in the direction of PLO endorsement.

The Democratic caucus document then goes on to specify how the manipulation toward PLO endorsement took place:

The only literature distributed was PLO oriented. A debate at the Houston Convention featured one speaker on each side of the issue, plus—coincidentally—three PLO representatives who just happened to be passing through Houston to comment on the debate. No such good fortune brought the participation of Israeli representatives. The loaded topic of the debate was "Zionism as Racism," hardly the setting for a balanced discussion.

Now we come to the recent events. The Subcommittee receives, or organizes to receive, a PLO invitation to visit the Mid-East. Given that kind of sponsorship, together with the bias of the Subcommittee's leadership and the self-selection process that occurs, it develops that the Delegation is weighted almost exclusively in a pro-PLO direction from the outset. The Delegation thereon spends most of its time seeing what the PLO tells it to see, makes perfunctory contacts in Israel, and comes back with a report which unqualifiedly castigates Israeli policy and hails the PLO as the savior of the beleagured masses.

The Democratic caucus goes on to caustically describe the propaganda farce conducted by the NLG Middle East delegation upon its return:

* * * the Delegation could not manage to contain its "findings." (Given their bias and itinerary it would have been startling if they had done otherwise.) The delegates rush to announce their discoveries to the public, and find approval for a press conference among our Leadership.

Of course the Leadership, in its innocence, would never have sanctioned the media campaign if they had for one minute believed that the public might associate the Guild's views with the Delegation's views. So we are told. But for some unfathomable reason, that is exactly what everyone did, and very soon the Guild was being publicly displayed as the narrow ideologue it had become. Thousands of people who have known little of the Guild before now know it solely by its sponsorship of a document which could easily have been written by the PLO itself.

The Democratic caucus indictment of the NLG leadership goes on to describe how the organization was manipulated into taking a formal position in support of the PLO at the August 1977 national convention in Seattle.

* * * the Leadership decided in early summer that it was finally time for the national membership to take a "principled" position. Forget that the membership did not get a chance to review the (Mid-East) Delegation's work. Forget that no major resolution has ever been voted on without substantial prior discussion at the chapter level. Forget the uniqueness and sensitivity of this particular issue.

By another oversight, it did not occur to the national leadership to announce the impending event in Guild Notes or otherwise inform the chapters so that they could instruct their delegates to the Seattle Convention. Except for members of the International Committee and the New York City Chapter, and of course the Leadership itself, no one else knew that our study period was to be officially ended in Seattle.

During the Seattle convention, leadership manipulation of the delegates was even more heavyhanded:

* * * One resolution, which eventually passed, called for the recognition of the PLO a sole bargaining representative for the Palestinian people, withdrawal from all occupied territories, the right of return or compensation for all Palestinian refugees, the establishment of PLO independent sovereignty on the West Bank, and, as a last item in a long list of positions parroting the PLO view, the mutual recognition of Israel and the new PLO-run state. This resolution was presented as a "compromise resolution" at the plenary at the end of the convention, when typically no one is interested in a long debate (note the similarity to the Houston agenda).

Some of us who were there knew that the "compromise" was accepted by anti-PLO Guild members solely due to the often repeated threat that a far stronger resolution would surely get pressured through unless those items were accepted. If this is our Leadership's idea of democracy, however, then it is no wonder that the same persons have been urging us to support "national liberation" movements that also lacked support among the masses.

The Democratic caucus document went on to end with the notation that even pro-PLO Middle East delegation member Matthew Ross had admitted that PLO's "at least de facto recognition of Israel"—once the PLO controls its own ministate—"does not mean that they have abandoned their goal * * * of a full return to Palestine."

The signers of the Democratic caucus document were two members of the Philadelphia chapter of the NLG, Michael Bomstein, 905 Robinson Building, Philadelphia, Pa., 19102 [215/563-5543] and Stanley Shapiro.

NLG LEADERSHIP ON THE PLO

The National Lawyers Guild vice president, John Quigley, wrote a full page statement in the issue of Guild Notes distributed prior to and at the NEB.

Quigley argued that the NLG must adopt a resolution condemning alleged "human rights violations" by Israel, actually virtually all the "violations" are security measures designed to cope with PLO terrorism, and he gives as his reasons propaganda and legal backup. He wrote that—

As an organization of legal people, we enjoy a certain credibility as a result of the inordinate influence of lawyers in this society.

This, of course, is why the PLO's friends at the Arab Information Center published the NLG Middle East Delegation's so-called findings in the major U.S. newspapers.

The second reason the NLG must support the PLO, according to Quigley, is that the NLG can provide assistance in legal issues arising from the "struggle between imperialist and anti-imperialist forces." The chief of these issues is whether the West Bank and Gaza Strip will become a PLO "ministate" or whether it will be either returned to or effectively linked with Jordan, a state which expelled the PLO in the 1970 "Black September" when it found the PLO plotting against its government.

Quigley urged support of the Soviet-backed PLO because such support "advances the cause of an important national liberation movement. The Palestinians see themselves as part of the worldwide effort against imperialism, and objectively their actions are directed against imperialism." Quigley pointed out that the PLO "contains sufficient pro-socialist elements that one can say with some assurance that a Palestinian state would be progressive."

Quigley then came to the real core of

the reason for the importance to the Soviet camp of the PLO, the subversion of the non-Marxist Arab countries so that the Middle East falls into Communist hands. He wrote:

* * * creation of a Palestinian state would encourage progressive forces to work against reactionary governments throughout the Arab world. The fear with which those governments regard the Palestinians is indicated by the military efforts to crush the Palestinians in Jordan in 1970 and in Lebanon in 1975–76.

As for the repression of the human rights of minorities in Arab countries, Quigley said, "I do not see its significance since what we are about here is giving support to a national liberation movement." According to Quigley, the only time the NLG should get involved in allegations of repression of human rights in Arab countries is "when progressive [i.e., Marxist-Leninist] movements in Arab countries with reactionary regimes need our statements in their support." He continued:

The Guild is not Amnesty International. Its aim is not to ferret out human rights violations wherever they exist. As an anti-imperialist organization, its aim is to aid national liberation struggles.

NEB RESOLUTION ON THE MIDDLE EAST

The resolution condemning Israel that had been submitted at the Seattle convention in August had been under discussion in the local chapters for months. The resolution, with some slight revisions, was published in the February Guild Notes, chapters voted and sent delegates committed to vote either in favor of the resolution or in opposition. At the NEB workshop on the international committee's Middle East position, again the members expected to discuss that resolution and again the NLG leadership hauled out an undebated surprise resolution.

On Sunday, February 19, the delegates and NLG members assembled for the plenary debate on the Middle East resolution. However, almost one-third of the 550 participants were missing. Proceedings opened with submission of a resolution on anti-Semitism and neo-Nazism presented by members of the Democratic caucus and their allies. After it was read and after some comments, the resolution was withdrawn. The withdrawn resolution did not criticize Soviet state-sponsored anti-Semitism or acknowledge ties between Nazi groups in Europe and the Soviet-alined extremist Arab countries; but instead described anti-Semitism as an international "right-wing movement aimed at blaming Jews, immigrants, blacks, Communists, gays (homosexuals) and other oppressed people for the deepening capitalist and imperialist crises" in order to destroy "potential class alliances."

After a 45-minute recess awaiting the new resolution from the international committee, the plenary reconvened. The "compromise resolution" was then read just once, with the "therefore, be it resolved" section being read at top speed. The chair flatly refused to read it through a second time, and recognized two speakers in favor of the "compromise" or "consensus" international committee resolution. The first of these was Stan Shapiro, a veteran NLG member from the Democratic caucus long familiar with the procedure for sacrificing principle to expediency. Shapiro called the new resolution "the most advanced political position" whose support by the NLG would "provide a lesson to all progressive Americans." Throughout the NLG meeting, the word "progressive" was used as an euphemism or code word for "Communist" and "pro-Communist."

Shapiro raised the predictable call for "unity," in this case unity with the PLO; and said that "we must not allow our adversaries to divide us; we must not be ensnared in a debate on bourgeois premises."

A second goat was brought forth to lead the NLG's sheep. Matthew Ross, a member of the Middle East delegation, said:

This resolution provides assistance to the Palestine liberation struggle. It is a just resolution for progressive people to take in relation to the Arabs of the area. The Israeli government is becoming more and more reactionary. Their policies have to be condemned by the Guild.

During the debate that followed, efforts to table the resolution were defeated, as were attempts to return to the original resolution that had been circulated and discussed in the NLG newspaper. Just prior to the voting, Victor Rabinowitz spoke in favor of the "consensus" resolution. In 1950 and 1960, Rabinowitz refused to answer questions about his membership in the Communist Party, U.S.A. to the Senate Internal Security Subcommitee. Rabinowitz and his law partner, Leonard Boudin, have been paid agents of the Cuban Communist regime since 1960. Rabinowitz, whose daughter, Joni, is one of the organizers for the U.S. contingent to the World Youth Festival in Havana said:

The National Lawyers Guild has grown larger and grown more radical. This is unusual, as most organizations grow more conservative with time. This resolution represents the most progressive and radical position that will still preserve the integrity of the membership.

The Chair then announced that voting would proceed first with a vote on the "alternative resolution" which recognized both the PLO and Zionism as national liberation movements and would have required the NLG to take no position on any human rights violations, then with a vote on the "Guild Notes Middle East resolution" first "in spirit" and then, if it passed, paragraph by paragraph; and third on the "consensus resolution" of the international committee.

The Chair then reversed itself and decided there would be no paragraph by paragraph voting; resolutions would either pass or fail as a whole.

As voting was about to commence, delegates in the back of the room tore their pink voting cards in half so that with a card in each hand, they were counted as two votes. The "alternative resolution" was defeated by a wide margin; the resolution published in Guild Notes was defeated by a close margin. However, the voting for the "consensus" resolution was so close that by rough count of NLG members present it could not be determined whether or not it had passed. The Chair ordered a count and declared that the "consensus" resolution had passed. She did not announce the vote tally.

As large numbers of delegates began to leave for trains and planes, a vote was called for the "second resolution" which was a part of the "consensus" presentation calling for the NLG to send a delegation headed by the chairperson of the International Committee to participate in a panel presentation to the National Palestinian Human Rights Conference scheduled to be held in Washington, D.C., in April. This resolution was passed.

The "consensus resolution" is significant in that it points to the real significance of the PLO in overthrowing not merely Israel, but all of the moderate non-Communist Arab governments. A PLO-run ministate will provide the land base for subversion and terrorism throughout the Middle East. The resolution states that the Palestinian "struggle for national liberation" has been "brutally oppressed a number of times: by the Government of Jordan in 1970, the Falangists of Lebanon in 1975, the Syrian invasion of North Lebanon in 1976, and the Israeli incursion in South Lebanon in 1977."

The resolution continued: "The progressive movement in the United States must develop a greater sensitivity to the nature, character, and interrelationship" of the non-Communist forces in the Middle East. It said that the keystone of the U.S. Middle East policy is opposition to "a radical Palestinian government."

On the overwhelming importance of the PLO to the revolutionary movement, the resolution stated that—

The Palestinian national liberation is the cutting edge of the movement for democracy throughout the Middle East and the success of its struggle may hasten the transformation of the backward political and social institutions everywhere in that region.

The resolution offered five propositions for implementation:

First. Condemnation of U.S. policy against the PLO and support for creation of a PLO-run state.

Second. Condemnation of a long list of alleged violations of "civil and political rights of the Palestinian people" by Israel drawn from information provided to the London Sunday Times "Insight" team by two Israeli women lawyers, Felicia Langer of the Political Committee of RAKAH, the Communist Party, and Leah Tsemel, a member of the Revolutionary Communist League, the Israeli section of the Fourth International.

Third. Condemnation of "repression of the Palestinian liberation movement" by Middle Eastern Arab governments.

Fourth. Condemnation of "persecution and discrimination" against "radical movements" by Middle Eastern governments.

Fifth. That the NLG should urge consideration and support for those propositions "by all progressive and democratic organizations in the United States," and

should aid in a propaganda and pressure campaign in favor of these pro-PLO positions to influence "relevant government and other bodies."

There was no comment over the fact that the resolution concluded with the mandate:

Any further implementation of this resolution prior to the next NEB will be determined by a committee composed of the Steering Committee of the International Committee and Susan Gzesh of the National Office."

Gzesh, a 27-year-old native of Chicago who was formerly employed with the migrant legal assistance project and organizer of a women's prison movement project with the Ann Arbor NLG chapter, was a member of the NLG's 1977 delegation to Cuba.

DEFENDING RADICAL LAWYERS

The Friday night agenda for February 17 took clear recognition of the fact that only a few members would have arrived. Following greetings by the NLG President Henry di Suvero of Los Angeles and by the D.C. chapter president, Ellen Chapnick, plenary business primarily concerned passing resolutions defending United States and foreign lawyers "under attack by repression."

The lawyers included Lennox Hinds, national director of the National Conference of Black Lawyers (NCBL, an organization formed by black NLG members in the 1960's and which is also affiliated with the International Association of Democratic Lawyers (IADL), the U.S.S.R.'s international front for lawyers. The resolution noted that the Middlesex County Ethics Committee in New Jersey charging him with improper remarks regarding the trial of Joanne D. Chesimard, alias Assata Shakur, a leader of the terrorist Black Liberation Army (BLA). According to the NLG, at a press conference "Mr. Hinds is alleged to have said that the trial was a travesty of justice, a legal lynching, and that the judge's sensitivity to racial issues was questionable." Chesimard was convicted of the murder of a New Jersey State trooper and sentenced to life imprisonment.

The NLG resolution characterized the ethics committee action as "an attempt to harass, intimidate, and restrain progressive lawyers."

The second lawyer supported by the NLG was Jerry Paul who was one of the defense attorneys for Joan Little, acquitted of murder in North Carolina. Paul is facing a disbarment trial on April 17, 1918, and they will support him with a letter campaign.

Foreign revolutionary lawyers defending and aiding terrorists also came in for extensive support. These included Felicia Langer in Israel who is under restrictions for her efforts in aiding the PLO's propaganda machine and other activities and who has been disbarred from practicing in the Israeli military courts which try accused terrorists. D.C. NLG President Chapnick stated that she had met Langer in November 1977 when she and Bonnie Brower were the NLG observers at a Middle East conference sponsored by New Outlook magazine. Chapnick reported that the lawyer, a member of the Political Committee of RAKAH, "believes that one of her most powerful weapons is Israel's sensitivity to international public opinion—particularly American. Langer recently represented Terry Flaener, an American convicted of entering Israel in order to help carry out a mission for the PLO terrorists. Flaener pled guilty to reduced charges and was sentenced to 5 years in prison. According to Chapnick, Langer was able to interview and represent Flaener only after "pressure from the U.S. Embassy."

An additional resolution opposed restrictions on West German lawyers who have been abusing their professional status to obstruct investigation of the Baader-Meinhof terrorists. The resolution calls on the NLG to conduct a press and letter writing campaign against the West German Government.

NEB workshops and their leaders included:

NEB WORKSHOPS

Law Students—setting up unemployment clinics: Betsy Bunn, Washington, D.C.; Jordan Rossner, Detroit; Diane Dickstein, Seattle; and Carson Taylor, Los Angeles. This was principally concerned with obtaining NLG support for the Maoist Communist Party, Marxist-Leninist (CP-ML) and its fronts like the National Fightback Organization (NFBO) and the JOIN (Jobs or Income Now) Coalition.

National Committee on Women's Oppression: Abortion Rights—Rhonda Copelon, NLG member from the Center for Constitutional Rights in New York; Ellen Leitzer, attorney with the ACLU's "Reproductive Freedom Project;" Mary Jo Long, Coalition for Abortion Rights and Against Sterilization, New York.

Anti-Repression: Covert Police Activities—lawsuits against police intelligence units: Franklin Segal, New York NLG; Margaret Van Houghton, Campaign to Stop Government Spying (CSGS), Washington, D.C.; Val Klink, Chicago NLG.

Anti-Repression: Senate Bill 1437 opposition: John Quigley, NLG vice-president, Columbus, Ohio; Jeff Segal, New York NLG; Dan Crystal, New Jersey NLG.

Anti-Repression: Attacks on Lawyers—cases of "repression of progressive lawyers in the U.S., Israel and West Germany." George Conk, NLG New Jersey; Bonnie Brower, New York; and William Schaap, Military Law Reporter, Washington, D.C. and who after being denied permission to join the Baader-Meinhof defense with a team of U.S. NLG members and Ramsey Clark was one of the NLG "observers" at the Baader-Meinhof proceedings.

International Committee: Southern Africa—"discussion of recent political developments in Southern Africa and a report on work on the direct aid campaign, litigation, and bar association work around Southern Africa." Prexy Nesbitt, American Committee on Africa (ACOA); Phyllis Bennis and Emily DeFalla, NLG Regional vice-presidents from California; and Bill Goodman.

International Committee: Middle East—Middle East delegation report and resolution discussion.

International Committee: Cuba Subcommittee meeting—discussion of the NLG-Cuban lawyers exchange in which Paul Harris of San Francisco is being sent to Cuba to lecture on U.S. criminal procedure while the Cubans will assign someone to come to the U.S. to work with the NLG; discussion of the 1978 World Youth Festival and problems such as the need to cut U.S. participation from 500 to 400 or less. Co-chaired by the leaders of the Cuba Subcommittee, Hal Mayerson, a Weather Underground Organization contact; and Alan Dranitzke of the Washington, D.C., firm of Forer and Rein, the Washington branch of Rabinowitz, Boudin and Standard, agents of the Cuban government since 1960.

Military Discharges Upgrading: David Addlestone, D.C. member of the ACLU and NLG, attorney with the National Military Discharge Review Project of ACLU.

Military: Bill Schaap, and the editor of the Military Law Reporter, on trial tactics in courts martial cases.

Legal Services Task Force: Union Organizing in Legal Services—discussion of the history of legal worker organizing, the current status of the National Organization of Legal Services Workers. Paul Bigman, NLG Midwest Regional Vice-president (RVP), staff of Cook County (Chicago) Legal Aid; Laura Friedman, New York Legal Services Staff Association; Regina Little, Legal Services of New Jersey; and Ken Morse, Wayne County (Detroit) Legal Services.

Labor: Runaway shops and how to "organize where runaway shops now exist." Leonard Page, NLG Detroit; Sandy Karp, NLG Denver.

Labor: "how to represent rank and file caucuses and individuals challenging their union's handling of grievances. Art Read, New York NLG; Dan Siegel, NLG Oakland, a stalwart of the CP-ML faction in the organization.

Labor: Teamsters for a Democratic Union—"panelists will look at the TDU movement and the Guild involvement in this campaign. Panelists: Ted Mechler, TDU attorney, Cleveland; Dan Kablach, TDU activist, Cleveland; Bob Windrem, PROD; and Ruth Moscovitch, NLG attorney for Teamsters Rank and File Workers, Chicago.

Immigration: Carter Amnesty Campaign—formulation of a national strategy against the Carter Administration plan. Panelists: Jose Medina, NLG attorney at El Centro de Immigracion in Washington, D.C.; Peter Schey, Los Angeles NLG; Jack Waterman, NLG New York.

Puerto Rico Project: Reports by former staff member Michael Withey of Seattle, former defense lawyer for the terrorist George Jackson Brigade in Seattle; and Judy Berkan, present staff member on strikes by Puerto Rican Socialist Party controlled unions in Puerto Rico.

Additional workshops were held on the legal system of Red China given by Maoist members of the NLG's recent delegation to Peking; on supporting "affirmative action" in which panelists included Jack Hartog, NLG attorney from the U.S. Civil Rights Commission, Washington, D.C., Jeanne Mirer, an NLG regional vice president and former national treasurer; and Ralph Smith, member of the NCBL and professor at the University of Pennsylvania Law School: prison litigation and working mothers.

Two workshops were devoted to the attack on intelligence gathering and the NLG's current lawsuit against the FBI and other agencies. One workshop on "making use of the media" with panelists Rick Wagner (New York), Jeff Segal (New York) and Jim Klimanski (Washington, D.C.) discussed making contacts with reporters from the "straight and left press." It was noted that the NLG's press campaign in providing carefully selected material from its lawsuit had resulted in favorable stories in the New York Times and other

major newspapers, as well as in the "left press" such as the Guardian and Daily World.

MAOIST OPPOSITION TO THE WORLD YOUTH FESTIVAL

The Communist Party, Marxist-Leninist and its allies have sought not only to gain organizational support for its projects, but to thwart the NLG leadership's quiet campaign to withhold that support for its programs. The Maoists have control of a number of NLG chapters including those in Denver, Houston, Atlanta, and in addition have three supporters in the NLG National Office—Joe Lipofsky, Vernell Pratt, and Eddie Luban. A number of regional vice presidents (RVP's) support the faction including Cecile Singer, Chicago; Grant Crandall, Charleston, W. Va.; Lory Rosenberg, Boston; and Mary Barksdale, Oklahoma.

The Maoists' special project is setting up a NLG Southern Regional Office in Atlanta. The NLG leadership is reluctant to allocate funds from the organization's current $100,000 a year budget to a southern office. The issue was temporarily resolved at the Friday night plenary by agreement to raise funds for a future southern office which would open sometime in late 1978 or in 1979, depending on funds available.

NLG regional vice president for the "Lower South," Maureen McLaughlin, cited ongoing NLG work in representing southern "coal miners, hospital workers, the recently formed Agricultural Strike/Farmers Union people, and others" who are "involved in the struggle to organize the unorganized workers in J.P. Stevens mills."

The Atlanta NLG is also supporting a boycott of Delta Airlines called by the ad hoc Committee Against Racial Discrimination at Delta (CARDAD), a boycott which was officially endorsed by the NLG at its November 1977 meeting of the National Executive Committee (NEC) in New York. Atlanta NLG lawyers Ed Augustine and William Hazleton, formerly of Denver, are working with the CARDAD group who are also supported by two CP-ML fronts, the Southern Conference Educational Fund (SCEF) and the National Fightback Organization as well as by Hosea Williams' Atlanta Southern Christian Leadership Conference. CARDAD joined with the CP-ML fronts in sponsoring the "Jobs or Income Now" demonstration in Washington on Saturday, February 18, during the NLG meetings. It is noted that the NLG's National Executive Committee, which includes the national officers, the regional vice presidents and the national office staff and has a disproportionately large Maoist representation, voted to endorse the JOIN demonstration at its November meeting.

The law student unemployment clinic workshop has the focus of Maoist efforts to gain support for the CP-ML's National Fightback Organization (NFBO). Carson Taylor described the Los Angeles NLG involvement in the Firestone Unemployment Clinic in Los Angeles that has been operating under joint sponsorship of the Los Angeles NFBO and local NFBO in the Immanuel United Church of Christ. The "clinic" opened in November 1976, and its CP-ML organizers had intended to present it to the NLG Summer Projects Committee for funding to hire law students as staff, in other words, to pay them for their party assignment.

To the consternation of the CP-ML faction, the NLG Los Angeles executive board decided not to cosponsor their request for funding to the Summer Projects Committee. The Maoists responded with protests about this "dangerous and reactionary precedent" for NLG rejection of the "efforts of an antiimperialist community organization such as Fight Back on the grounds that there is not total unity between the views of the organization and the views of members of the Guild."

The NLG's Maoists avoid mentioning the real cause of the rejection: The political split between the Chinese Communists and the Soviet Communists intensified upon the Cuban invasion of Angola as the surrogates of the Soviet Union and their defeat of the Chinese-backed FNLA terrorists. Subsequently, following U.S. and NATO inaction, the Cubans have moved over 20,000 troops to fight in Ethiopia—under a Soviet general—not only against Somalia but also against the Chinese-supported Eritrean guerrilla movement. The vehement Red Chinese propaganda blasts against the Soviet "social imperialists" have been slavishly copied by the CP-ML.

The Maoists spelled out the function of the "unemployment clinic" in an open letter to the NLG membership which stated in part:

* * * the Clinic has served this community by providing legal representation to the unemployed and by educating people that their plight is rooted in the contradictions of the existing economic system.

The Fight Back Organization contributes to this effort by contacting potential clients at unemployment offices and by helping to staff the Clinic during office hours. This support is part of the Fight Back's current work to organize the employed and unemployed around the demand, "Jobs or income now!"

Signers of the letter included attorneys Caryn Espo, Marsha Jones, Carson Taylor, Warren Weinstein; UCLA law students Nancy Anderson, Mike Kelley, Steve Shirle, Paul Tremblay; Southwestern law student Paula Zaller; and "legal worker" Richard Espinosa.

The Sino-Soviet split surfaced in several ways at the NLG meetings. An International Committee resolution to implement the Seattle convention resolution for "study" of the Ethiopian-Eritrean conflict with "education programs * * * in conjunction with Ethiopian and Eritrean groups where possible" was tabled for future NEC consideration.

The real Maoist versus Stalinist fight came with the Saturday discussion of the International Committee's Cuba Subcommittee resolution for NLG endorsement of the 11th World Festival of Youth and Students in Havana sponsored by the USSR-controlled World Federation of Democratic Youth (WFDY).

The lengthy debate was signaled by circulation of an open letter from the Maoist faction which stated:

AN OPEN LETTER TO MEMBERS OF THE NLG ON THE WORLD YOUTH FESTIVAL RESOLUTION

Today, a resolution proposing that the NLG endorse the 11 World Youth Festival will be put to a vote before the N.E.B. What is the World Youth Festival? What is the NLG being asked to support? We think these are the primary questions which the NLG should answer before voting on this resolution.

The resolution gives us no information about what the World Youth Festival is, the theme of this festival, or the proposed resolutions to come out of it. These festivals were initiated by the Soviet Union and other pro-Soviet parties and have always been conferences organized under the control and direction of the Soviet Union. The 11th World Youth Festival is no exception.

The Appeal by the International Preparatory Committee for the festival (which has not been distributed by the proposers of the resolution) lists as the first contribution the festival will make:

"To continuously stimulate joint actions on the part of diverse sectors of youth and students in common struggle with democratic and progressive forces for peace and the security of the people; to deepen international detente and make it irreversible, extending it to the maximum; to increasingly guarantee and expand the principles of peaceful coexistence between states of different social systems, in support of the demands to limit the arms race and adopt effective methods for extending political detente to the military sphere in order to achieve general and complete disarmament."

Detente is used to promote the view that there is growing peace in the world when in reality there is growing strife. Put forward by the United States and the Soviet Union, it says that these two giant powers should be the power brokers of the struggles of the peoples of the world.

Some of us think that the Soviet Union is an imperialist superpower which is one of the two main enemies of the worlds people, and should be condemned, not supported. Others of us do not share this view, but do have questions about the role the Soviet Union plays throughout the world, and especially in Africa and Eastern Europe.

What we do agree on, though, is that this resolution is disingenuous. It appeals to peoples righteous desire to support the Cuban people but it does not tell NLG members that the political thrust of the festival is to support the Soviet Union and detente.

All of us oppose the blockade. The NLG has already gone on record against it. If people want to take this question up constructively, we should organize a program of work in the United States which all NLG members can participate in. But, this is not the main point of the World Youth Festival.

We also believe that it serves no political need of the organization to bring this question to the floor in this way and is in fact disruptive of its functioning. It in no way furthers our own work—all we are being asked to do is lend our name to the Festival. Nor does it further our political development or understanding of the question because the real significance of the Festival is being deliberately hidden from us.

We believe that the name of the Guild should be taken seriously. We should know what we are endorsing, and should work actively in support of those activities we do endorse. In this way, the Guild will make the most contribution to the struggle against imperialism.

The letter was signed by:

Diane Dickstein (Seattle); Larry Matasar (Portland); Rob Kropp (L.A.); Barry Litt (L.A.); Mary Barksdale (RVP-Oklahoma); Doug Magee (Louisville); Grant Crandall (RVP-West Va.); Greg Gaut (Twin Cities); Eddie Luban (N.O.); Joe Lipofsky (N.O.); Vernell Pratt (N.O.); Sandy Cohen (Rutgers); Lory Rosenberg (RVP-Boston); Cary playter (Boston); Amy Gladstein (NY); Pat Stanford (Denver); Jeff Lewis (S.F.); Len Cavise (Chi.); Cecile Singer (RVP-Chi.); Jim Klimaski (DC); Carlin Meyer (NY); John Kuenhold (Col).

During the debate, one of the pro-Cuban speakers attacked the Maoists for publicly confirming my reports that the NLG leadership remained in the hands of a Moscow/Havana faction. This was part of a "unity" plea customary with "centralist" organizations leaders when coping with criticism of their autocratic methods.

A large number of miscellaneous resolutions were passed unanimously, including:

Support for the Maoist Iranian Students Association members arrested on February 6 and 7, 1978, in Oklahoma City demonstrations in support of violent riots in Iran, with an organizational commitment to provide legal backup for all future ISA demonstrations.

Condemnation of an Arizona State court decision acquitting persons charged with assaulting illegal immigrants and committing the NLG to petitioning the Justice Department to take jurisdiction under the Civil Rights Act. The NLG campaign will be conducted through Antioch Law School under the supervision of NLG Prof. Antonia Bustamante.

Support for District of Columbia statehood, actually support for the CPUSA-backed D.C. Statehood Party.

Support, including coordinating legal assistance along the route, of the "Longest March" demonstration organized by Dennis Banks' National Indian Coalition and chapters of the American Indian Movement (AIM).

Support for the most extreme demands of the striking coal miners as embodied in the "Miners Right to Strike Committee," a front group for the Revolutionary Communist Party, the Maoist rival of the CP-ML. The resolution illogically but in accordance with the rhetoric of the Miners Right to Strike Committee, said that the mine owners, utility companies, and various Governors were trying to blame the miners for the shortage of coal brought about by their strike.

The resolution read in part:

Whereas, wildcat strikes have proven to be the most effective means by which miners have been able to resist company safety and contract abuses; and

Whereas, the current economic crisis has created a need for the BCOA (Bituminous Coal Operators Association) and other employers to intensify their exploitation of workers; and

Whereas, the militancy of the miners represents a threat to that exploitation;

Therefore, be it resolved that:

1. The National Lawyers Guild fully supports the miners and their demands for the right to strike * * *

2. The National Executive Board opposes the use of a Taft Hartley injunction, the use of the National Guard to transport scab coal, and the use of the grand jury system to intimidate miners (by which they mean investigate acts of organized violence and terrorism by groups of militants against non-striking coal mines and transporters of coal) * * *."

The NLG coal resolution called for a media campaign to be conducted to support the militants' demands.

Support for strikes in Puerto Rico by an electrical workers union UTIER, and by bus authority employees, TUAMA, "which movements are seen as a major obstacle to colonialist plans for Puerto Rico." NLG fundraising for the strikes commenced immediately with the NEB audience being solicited for cash donations.

Supporting several resolutions submitted by the Minority Legal Resources Task Force in support of "affirmative action" quotas and sending an official NLG delegate to the National Committee To Overturn the Bakke Decision.

Commending the "acts of resistance" of convicted Soviet atom spies Julius and Ethel Rosenberg, calling for the National Lawyers Guild to participate in the commemoration of the 25th anniversary of their executions on June 25, and for establishment of a special NLG panel to aid in the efforts to "vindicate the Rosenbergs.

Despite disagreements on issues of personal and political importance to the membership, the NLG membership remains disciplined and dedicated to supporting Marxist-Leninist revolution and the tactic of terrorism so frequently used to facilitate a Communist takeover. The organization remains a major threat to the internal security of the United States.●

THE AFL–CIO POSITION ON THE MIDDLE EAST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. SOLARZ. Mr. Speaker, the AFL–CIO Executive Council recently issued a statement on Israel and the Middle East which I believe deserves the attention of the Congress. In particular, I think that the executive council makes two points that the administration would be well-advised to consider thoughtfully.

First, the AFL–CIO notes that the proper role of the United States is a mediator, facilitating, and encouraging direct exchanges between the parties but not formulating the negotiating positions of either side or taking a stand on the substance of the issues to be negotiated. Most importantly, as the statement notes:

It is not the proper role of the United States to pressure Israel, our longtime ally and still the only democratic state in the Middle East.

Second, the AFL–CIO calls upon the administration to reconsider the projected sale of 60 F–15 fighters to Saudi Arabia and of 50 F–5E fighters to Egypt, while it urges that the proposed sale of fighter jets to Israel go forward. I think that this is the only logical position for the administration to take, and I would only add that I believe the numbers of aircraft proposed for Israel should be increased in the days ahead.

Mr. Speaker, I ask that the text of the AFL–CIO statement be entered at this point in the RECORD:

ISRAEL AND THE MIDDLE EAST

The AFL–CIO welcomes the recent peace initiatives in the Middle East precisely because they open the door to direct negotiations between Israel and the Arab states without absolute preconditions. Only such face-to-face negotiations offer the prospect of real and lasting peace in the region.

In our view, the proper role of the United States is to facilitate and encourage these direct exchanges, not to formulate the negotiating positions of either side or to take a stand on the substance of the issues to be negotiated. It is as a mediator, not as a disputant, that the United States has been accepted by the concerned parties and can be most effective.

It is not the proper role of the United States to pressure Israel, our long-time ally and still the only democratic state in the Middle East. Unreciprocated bargaining concessions may jeopardize its national security. Decisions affecting the very existence of the Israeli state can be made only by Israelis. And we do well to remember that Israel is the only state in the Middle East whose national existence has been threatened.

The AFL–CIO calls upon the Administration to reconsider the projected sale of sixty F–15 fighters to Saudi Arabia and of fifty-nine F–5E fighters to Egypt. We understand the arguments of those who hope that such sales will increase our government's influence on the Arabs and, hence, our ability to help sustain the present peace momentum. But we are not persuaded that in the long run the cause of peace will be advanced by supplying sophisticated arms to nations that have more than once launched attacks on Israel, seeking its destruction, except in the context of a settlement which effectively secures the peace. Neither are we persuaded that there is anything "even-handed" about withholding arms from Israel in an effort to force it into concessions.

Of course, good faith negotiations will require mutual accommodations and concessions to secure an enduring peace. But the history of past attacks and threats against the survival of Israel argue strongly against concessions that place Israel's security in jeopardy. This is, after all, the heart of the problem in the Middle East, and it ought not be approached by coercive pressure on Israel through manipulative arms deals.●

SILVICULTURAL AND RENEWABLE RESOURCE HOME HEATING AND GASAHOL MOTOR FUEL ACT OF 1978

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. WEAVER. Mr. Speaker, today I am introducing the Silvicultural and Renewable Resource Home Heating and Gasahol Motor Fuel Act of 1978, legislation designed to establish a national program to utilize logging and milling residues, underutilized standing forests and densely planted forestry crops grown

for energy production as well as our other renewable national resources, to replace a significant part of our growing dependence on imported foreign oil for use as home heating and motor vehicle fuels. My bill is similar to legislation introduced in the Senate, S. 2533, on February 10 by the distinguished Northwest Senator, FRANK CHURCH, of Idaho. The differences are that my legislation emphasizes the potential for utilization of silvicultural, or forest, resources as a primary focus for a national effort to move toward self-reliance in our use of such fuels. Senator CHURCH'S remarks regarding the necessity and practicality of developing an action program to replace up to 10 percent of our motor vehicle fuel requirements with alcohol blends are printed in the RECORD on that date at page 3251 and I urge my colleagues to read them. At this time I would only reiterate several major points and bring to your attention the reasons why our forest resources should become a primary focus for our national efforts in this area.

As Senator CHURCH points out, we are now dependent for almost one-half of daily petroleum consumption on foreign oil imports, a dependence that is draining our national financial resources resulting in record trade deficits and increasing vulnerability to potential embargoes with possible effects on our independence in pursuing our national objectives in foreign policy. In 1977 we paid about $45 billion for foreign oil. As Senator CHURCH pointed out, the bulk of these imports are consumed as gasoline by motor vehicles which account for over 40 percent of our national energy use and are dependent on liquid, petroleum-based fuels. The passage of a national action program to develop our renewable resources as replacements for part of this requirement could reduce our oil imports by one-fifth. In addition to the blending of alcohol-based fuels with petroleum products as motor vehicle fuels, the potential for utilizing them as home heating fuels is enormous. It is fair to say our Nation may be poised on the threshold of a great rediscovery, the use of wood to heat our homes and businesses.

Mr. Speaker, a recent report by the Congressional Research Service cites a Department of Energy report to the effect the available trees in just one section of the country, New England, could produce the energy equivalent of 2.3 billion barrels of oil by the year 2000 without damaging forest areas. CRS reports several companies already are gasifying wood and producing as much as 5 million Btu's of energy per hour and at least one other company is considering a 50-megawatt wood-fired powerplant. CRS concludes the potential of wood as an energy resource is enormous. The State of California has initiated a $3 million project utilizing wood and other organic wastes to heat and cool the State capitol and other State buildings.

In another report the Congressional Research Service cites a study by the State of Maine's Office of Energy Resources to the effect that the entire national requirement for a 10 percent blending of methanol with standard automobile fuels could be met from U.S. forest resources. While such possibilities must be carefully evaluated in the context of other uses of our national forest resources, including the need for other timber products and the necessity of preserving the forest ecosystem, the Maine study indicated such a requirement for 10 billion gallons of methanol could be produced on less than 1 percent of the total national forest acreage at a rate af 2,250 gallons per acre or roughly 4.5 million acres. If nothing else this indicates the enormous potential for utilization of our national silvicultural resources in this area. Furthermore, CRS cites a working estimate of 14 cents a gallon being used by the Maine researchers in their study which is an indication of the economic feasibility of the development of this resource although these figures have not yet been proven.

In Oregon, an outstanding physicist by the name of Rudolph Gunnerman has developed a patented process pelletizing wood and other organic materials at an estimated heat equivalency rate of 750 barrels of oil per 250 tons of pellets. The world produces 150 billion tons of organic fibrous waste each year according to a recent article in the Christian Science Monitor describing Mr. Gunnerman's Woodex process which points to the low capital requirements and short lead times to place such facilities on stream and their low-cost final fuel product which is currently selling at $22 a ton, FOB, from the plant in Brownsville, Oregon. This is another example of the enormous potential for utilization of silvicultural and other renewable resources as fuel for our homes and vehicles. It also points to the creative, inventive potential of private enterprise in this country. It is the intent of both Senator CHURCH'S and my own legislative proposals in this area to foster development of these fuels by relying on the private sector and avoiding the usual Department of Energy procedure of studies, pilot plants, demonstration projects and new bureaucracies which often stifle the development of the technology while sapping the public Treasury.

In closing, I would like to point out another potential benefit from the development of our Nation's silvicultural potential as a contribution to our national fuel requirements. According to a recent article in the Eugene Register-Guard in Oregon, more than 30 million tons of logging debris are left in the woods in Oregon and Washington each year, most of which at this time is wasted. Not only is this potentially enormous resource wasted, this forest "slash," as it is called, must now be burned to protect the forest from fire, insect infestation, disease and other hazards related to such logging wastes. This "slash burning" is a major source of air pollution. A recent forest service study found that close to half the wood volume was unused in logging operations on two overmature clearcuts in Oregon and Washington. A forest engineer from Oregon State University was quoted in the same article saying that 40 percent of this leftover material could be recovered and used as wood chips and or as hog fuel producing heat, steam, or electricity. The same engineer, Dennis Dykstra, estimates another 238 million tons of wood for energy are available just in the Northwest by the replacement of present alder stands with Douglas Fir. While other factors may have to be considered, these estimates might also be revised upward were the Congress to act on the legislation I am introducing, establishing a program utilizing these resources as home heating and motor vehicle fuels. It makes no sense to see millions and million of Btu's of heat energy being wasted, rising in the air as smoke and creating major air pollution problems. An intelligent program could here go a long way toward solving two problems at once.

To illustrate the energy potential of logging and milling residues let me cite some statistics from the U.S. Forest Service. The Forest Service has not yet inventoried any of the potential energy producing silvicultural residues except those from logging and milling over four feet in length and four inches in diameter. This inventory excludes tops and limbs as well as underutilized standing forests and, of course, does not account for the potential of forestry crops grown specifically for energy production. Nevertheless, the present inventory of logging and milling residues for the Forest Service's Region 6, the States of Oregon and Washington, amounts to 7.88 million oven-dried tons with an energy equivalent of 134.00×10^{12} Btu's. According to data developed by Math Sciences Northwest, an economic consulting firm employed by the Northwest Energy Policy Project in a study for the Governors of Oregon, Washington, and Idaho, the entire space-heating requirements of all three Pacific Northwest States amounts to 1.77×10^{12} Btu's. Using these 1974-based figures, which I am told are 90 percent accurate, the present inventory of logging and milling residues in Oregon and Washington can provide for over 75 percent of the space-heating requirements of the three States of Oregon, Washington, and Idaho. Considering that Forest Service officials estimate the potential inventory of silvicultural wastes in region 6 to be much higher than presently accounted for, the potential energy resource in our forests now being squandered, while causing serious air pollution problems at the same time, is staggering.

Mr. Speaker, as chairman of the Subcommittee on Forests, I represent not only Oregon's fourth congressional district, the Nation's No. 1 timber producing district, but I also feel a responsibility to see the wisest use made of all our national forest resources. Considering the gravity of our national oil import dilemma, I am doubly concerned to see the enactment of legislation undertaking a specific program to deal with our national energy problem while making use of our national silvicultural and other renewable resources. I urge my colleagues to join in this effort.

At this point in the RECORD I include the following:

BACKGROUND STATISTICS: WOOD WASTE POTENTIAL FOR SPACE HEATING REQUIREMENTS IN THE PACIFIC NORTHWEST

1. The following statistics were provided by Tom Adams of the U.S. Forest Service, Pacific Northwest Station, Portland, Oregon. They are 1976 annual production figures. The logging residue inventory includes only material over four feet in length and four inches in diameter. The mill residues include both sawmill and veneer wastes. The Northwest Energy Policy Project has figures about 12% higher including tops and limbs.

Oregon mill residues: 0.53 million oven-dried tons equal to 9.0×10^{12} Btus.

Oregon logging residues: 3.70 million oven-dried ton equal to 62.9×10^{12} Btus.

Washington mill residues: 0.55 million oven-dried tons equal to 9.4×10^{12} Btus.

Washington mill residues: 3.10 million oven-dried tons equal to 52.7×10^{12} Btus.

Region 6 (Oreg. & Wash.) Totals (mill and logging residues): 7.88 million oven-dried tons equal to 134.00×10^{12} Btus.

2. The following statistics provided by Ed Holt, Math Sciences Northwest, based on 1974 regional data compiled for the Northwest Energy Policy Project under the auspices of the Governors of Oregon, Idaho, and Washington. Holt vouches for their 90% accuracy.

Space-heating requirements: Oregon, Washington, and Idaho (1974).

A. Electric (total three states): 29.6×10^{12} Btus.

B. Gas (total three states): 65.4×10^{12} Btus.

C. Oil (total three states): 82.1×10^{12} Btus.

D. Total (A, B, and C): 177.1×10^{12} Btus.

NOTE: The entire residential electric requirement for the three states is 119.3×10^{12} Btus. The electric space-heating requirement of 29.6×10^{12} Btus represents approximately 25% of that. The total residential gas requirement is 68.06×10^{12} Btus and the total residential oil requirement (excluding transportation) is 112.49×10^{12} Btus. See NEPP Module II, Final Report, pp. 142–3, Tables V–25, V–26.

3. Analysis: The current Forest Service inventory of logging and milling residues over four feet long and four inches in diameter (7.88 million oven-dried tons equal to 134.00×10^{12} Btus) for just Oregon and Washington could provide for over 75% of the total space-heating requirements of the Oregon, Washington, and Idaho (177.1×10^{12} Btus).

4. Forest Service officials estimate total silvicultural waste to be much higher but have not yet inventoried them.●

HERE ARE THE JOBS, BUT WHERE ARE THE PEOPLE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

● Mr. SARASIN. Mr. Speaker, as we begin our efforts on major manpower initiatives—welfare reform, CETA reenactment, and H.R. 50—it is important that we gather a clear understanding of the nature of part of our unemployment picture. Many people could be employed who are not currently employed if only they were properly trained.

The Connecticut Business and Industry Association recently conducted a study of the types of jobs available in our State, and I am certain that their experience is repeated in every State in the country. It is time that we undertake more intensive training programs, in cooperation with business, that will equip our citizens for jobs that are going unfilled now and that offer good career potential as well.

The following article by Anne Wingate, "Lots of Jobs, Lots of Unemployment," appeared in the Hartford Courant and best describes what happens when we cannot have a farsighted, productive national manpower policy.

[From the Hartford (Conn.) Courant, Feb. 10, 1978]

LOTS OF JOBS, LOTS OF UNEMPLOYMENT

(By Anne Wingate)

The Connecticut Business and Industry Association recently published a study entitled "Unfilled Jobs in the Midst of High Unemployment." It dealt with the question that many persons have been heard to ask: How can people be out of work when the classified-ad pages of the newspaper offer so many jobs?

Good-paying, stable jobs provide the incomes that support a high quality of life. But one of the facts of economic life that can't be avoided is this:

New jobs appear only in response to economic conditions, not social conditions. Is there a demand for the product—and can it be sold for less than it cost to make?

Business people, for example, can be asked (or told) to include more minorities, women and disadvantaged in their workforce. However, someone in business can't increase the workforce simply because these people need jobs.

Once economics makes the creation of jobs possible, another critical question must be answered: Do these unemployed persons have the right skills?

Our study found that this is a key point. Many of the unemployed persons in the state lack either the needed job skills or adequate basic education in reading, writing, communicating and computing which would enable them to compete for available jobs.

In addition, some 23 percent of our young people drop out of high school (in Hartford, the figure is about 50 percent) flooding the labor market with additional underskilled, undereducated people who cannot compete for jobs which require additional training or technical skills.

Most of these people, if they become employed at all, end up in a "secondary labor market" which usually pays a minimum wage, offers no benefits, and is unstable. The jobs they find require no skills, do not support families, and lack career paths. And the number of people floating in and out of the labor market getting nowhere is increasing in Connecticut, especially in urban areas.

Meanwhile, business and industry in the state is generating an increasing number of jobs which it cannot fill because applicants just don't have the necessary skills.

We are therefore left with unused economic potential on the one hand, and wasted human potential on the other.

Years ago, there were many low-skill entry-level factory jobs which gave the undereducated, underskilled a chance to get started. Once into a job, advancement came as new skills were learned.

That's not often the case now. Most entry-level jobs today are in general services such as restaurants, hotels, cleaning, maintenance, and so forth. These jobs usually don't provide a ladder of skill levels allowing advancement.

Therefore, our employment picture in the region begins to look like this:

A modestly increasing technical-service job market that requires people with college educations or advanced training.

A secondary labor market which can provide supplemental income.

A growing group of inner-city minorities without basic education and skills.

A segment of young people and women entering or re-entering the job market without needed skills.

And a manufacturing sector, particularly in metalworking, which cannot hire the skilled people it needs.

What can be done about this?

The Association's first recommendation is a recognition by state government that the problems call for a coordination of public and private efforts. We believe this can be best accomplished by the creation of staff within the governor's office of Policy and Management to give full-time attention to this pressing need. Among other duties, this staff would use labor market information, investigate new approaches to employment problems and provide leadership in reducing duplication and ensuring efficient use of public and private resources.

But the study also makes suggestions in other areas: Proficiency testing should be instituted in the elementary and secondary schools because even high school graduates are often lacking basic education; more work-study programs should be established on the secondary school level to help slow down the drop-out rate, better math and science preparation must be offered to non-college-bound students so they will have the background required to enter technical skill trade areas; and the benefits of careers in the skilled trades should be publicized.

In addition, the State Labor Department's Job Service Division should be providing more job counseling, since many job seekers could be directed towards education and training that would increase their employability; CETA federal funding priorities should be changed; new ways should be sought to fund apprenticeships and on-the-job training positions, since many skills are best taught within an industrial setting; and the state's vocational-technical high schools and community and technical colleges should be integrated into a system that could provide skill training of varying lengths and types for post-secondary school adults.

We believe that many more people will need to be trained in the skilled trades, particularly in the metalworking industry, in order to meet the present and future needs of Connecticut industry. One does not learn to run or build sophisticated machinery in a month or even a year. These skills are truly crafts requiring the best math and science preparation and most training opportunities that this state can provide.

Improving Connecticut's economic activity will require the intelligent effort of both the private and public sectors. But the resources for realistic planning are available, and we must use them wisely and urgently.●

NORTH DAKOTA VFW VOICE OF DEMOCRACY WINNER

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 3, 1978

Mr. ANDREWS of North Dakota. Mr. Speaker, I am proud to announce that Mr. Gerald Allan Haman of Towner, N. Dak., has won the Voice of Democracy essay contest in North Dakota.

Gerald is currently a senior at Towner High School and plans to pursue the field of public administration in college.

He is the son of Mr. and Mrs. Fred Haman of Towner.

In his winning essay, Mr. Haman emphasizes the responsibility of every American to become actively involved in

this Nation's government for the preservation of our democracy and the free enterprise system. He reminds us of our duty to uphold the American tradition of religious integrity and political democracy.

Mr. Haman is an outstanding example of one who effectively translates dynamic ideas into meaningful words. His inspirational speech is a call for action, an appeal to all of us to insure that this country keeps its promise that all men be guaranteed the inalienable rights of life, liberty, and the pursuit of happiness. He has stated so well that we must remain aware of our responsibilities.

I would again like to congratulate Gerald. This fine essay deserves public attention and at this time I woud like to insert it into the RECORD:

1977–78 V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, NORTH DAKOTA WINNER

(By Gerald Allan Haman)

America—the land of the free and the home of the people, by the people and for everyone. For over two centuries, men have lived and died for America; these patriotic men believed in their country and were loyal to their country. The early colonists were responsible for our country because America was their only possession; without America they had nothing—they were nothing. Today, many generations later, times have not changed; people have not changed, nor have the peoples' responsibilities changed.

My responsibilities to America are threefold: to preserve the heritage of our past, to protect the well-being of today's Americans, and to work for a brighter future. My responsibility to America is no different from George Washington's, Thomas Edison's, or John Kennedy's. These great men worked to promote and protect America's prosperity. I must continue in my ancestors' footsteps, striving to keep America number one, striving to keep America the "Land of Plenty", striving to uphold the American tradition—the ideal of religious integrity and the ideal of political democracy.

America is a nation of incessant change—a nation full of energy, imagination, and a will. This tremendous will lies in every American heart. This great desire has carried America through various disasters: wars, depressions, and natural catastrophies. America's most important resource is its people, for its people are its backbone, and each segment of this backbone consists of a multitude of races, nationalities, and religions—all important because of each one's contribution to American culture, all of them working harmoniously together. I, too, must work in harmony with my friends and neighbors; for it is in working together that success and happiness are created.

Our system of democracy and free enterprise is equaled by no other nation on earth. America is not controlled by a dictator or a communist regime but rather by its people. I am one of its people; therefore, it is my duty to exercise my right to become involved in government, for a government can only be successful when it has the active participation of everyone.

America's future is bright; therefore, my future is bright. It is my sincere intention to help America remain the most technologically advanced country in the world. I am and always will be indebted to America for all it has given me; for all it is giving me; and for everything it shall grant me in the future.●

SENATE—*Monday, March 6, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 12 noon, on the expiration of the recess, in executive session, and was called to order by Hon. DALE BUMPERS, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal and ever-living God, accept the dedication of our souls, minds, and bodies in Thy service as we begin a new week. Grant us patient hearts, gracious spirits, and determined wills that through us Thou mayest create an order of freedom and justice among the nations.

Speak to us of our final reliance on those spiritual forces which alone abide and on which our salvation in the end depends.

Give us ears to hear above the noise and confusion of these days Thy clear voice saying "This is the way, walk ye in it." And give us eyes to see Thy footprints in the sands of time.

Endow all who labor here with wisdom and purity in the ministry of public affairs.

"Fill all our lives with love and grace divine
And glory, laud, and praise be ever Thine."

We pray in the dear Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 6, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DALE BUMPERS, a Senator from the State of Arkansas, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BUMPERS thereupon assumed the chair as Acting President pro tempore.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of article I of Executive N, 95th Congress, first session, which the clerk will state:

The second assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

Mr. GRIFFIN. Mr. President, under the order, is there an hour and a half on the amendment of Senator ALLEN?

The ACTING PRESIDENT pro tempore. That is correct.

The pending question is amendment No. 61, which the clerk will state.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) for himself, Mr. THURMOND, Mr. HELMS, Mr. LAXALT, Mr. HATCH, Mr. GARN, and Mr. SCOTT, proposes amendment No. 61:

Strike all of article I and insert in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama: *Provided, however,* That the neutrality provided for in this treaty shall not be construed as permitting the warships or submarines of nations with whom the United States is then at war to have the right of undisturbed transit of the canal.

The ACTING PRESIDENT pro tempore. Time for debate on this amendment is limited to 1½ hours, to be equally divided between the Senator from Alabama (Mr. ALLEN) or his designee, and the manager of the treaty or his designee, with a vote thereon to follow immediately. Who seeks recognition?

Mr. GRIFFIN. Will the Senator from Alabama yield for 1 minute?

Mr. ALLEN. Mr. President, I yield 1 minute.

Mr. GRIFFIN. Mr. President, I have a statement that I would like to make which is not exactly on the amendment of the Senator from Alabama, but it does relate to it. I do not know whether the Senator is prepared to go ahead with his amendment at this point or whether there will be any possibility that I could get 15 minutes to present my statement.

Mr. ALLEN. Does the Senator wish an additional 15 minutes or does he wish me to yield 15 minutes? I understand there is an hour and a half on my amendment.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that I be recognized for 15 minutes.

Mr. SARBANES. Mr. President, reserving the right to object, it is my understanding that there is a unanimous-consent agreement which has set the time for debate and vote on the pending amendment. We should not set

that time back for the purpose of introducing new speeches which may not be related to the amendment. Therefore, I would feel constrained to object.

Did the Senator from Alabama say he did not want to yield any time to the Senator from Michigan?

Mr. ALLEN. I would not be inclined to yield. If the Senator is denied his unanimous-consent request, I would be glad to yield part of the time to the distinguished Senator.

Mr. SARBANES. Mr. President, I would be prepared to yield to the Senator from the time allotted for debate on the pending amendment part of the time he is requesting.

Mr. ALLEN. Mr. President, I will ask unanimous consent that his time be equally charged to both sides.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. SARBANES. Do I understand the request is that the Senator from Michigan would proceed by taking 15 minutes, 7½ minutes yielded from the time of the Senator from Alabama and 7½ minutes yielded by me? Is that correct?

Mr. ALLEN. That is correct.

Mr. SARBANES. I have no objection to that request. It keeps us consistent with the procedure which has been adopted.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TOWER. The hour-and-a-half time begins to run from the time the Senator from Alabama has his amendment called up, is that correct?

The ACTING PRESIDENT pro tempore. The time begins at 12:04.

Mr. SARBANES. Mr. President, I yield 7½ minutes from the time of the managers of the treaty with respect to this amendment to the Senator from Michigan.

Mr. ALLEN. Mr. President, I likewise yield 7½ minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, not long after they were signed with a flourish here in Washington on September 7, 1977, the Panama Canal Treaties fell into deep trouble because many Senators quickly learned that United States and Panamanian negotiators were giving contradictory interpretations to ambiguous but critically important provisions.

Reflecting back on the period between September 7 and October 14, our colleague, Senator CHURCH, made this statement on the Senate floor:

> [I]n the early stages of the hearings . . . we began to get reports of differing interpretations. I thought that was intolerable. I said then . . . that *the Senate could not be expected to ratify these treaties if crucial provisions were being interpreted in one fashion in the United States and in another in Panama.* (Emphasis supplied.)

Failure to agree had become particularly apparent in the following areas of concern:

First. Would U.S. vessels transiting the canal after the year 2000 have the right under the Neutrality Treaty to go to the "head of the line" in an emergency? U.S. spokesmen were saying "Yes," but Panamanian spokesmen were saying "No."

Second. Would the United States have the right after the year 2000 to use military force to defend the canal against any threat to its neutrality? U.S. spokesmen were saying "Yes," the Panamanians, in effect, were saying "No."

The situation became so obvious and embarrassing that General Torrijos flew to Washington, where on October 14 he and President Carter issued the following joint statement:

> Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal [the Neutrality Treaty], Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.
>
> This does not mean, nor shall it be interpreted as a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.
>
> The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the canal rapidly.

The so-called leadership amendments—which have been introduced by Senators BYRD and BAKER—are designed to incorporate the language of the Carter-Torrijos statement into the actual text of the Neutrality Treaty.

This could be a useful step to the extent that the joint statement actually resolves any differences in interpretation between the two countries. In one respect, perhaps it does. The joint statement may have been effective to the limited extent of securing "head of the line" treatment for U.S. warships in time of emergency.

However, evidence is overwhelming that despite the Carter-Torrijos statement—and even if the leadership amendments were adopted—there will still be wide, serious disagreement between the two countries concerning the right of the United States to use military force after the year 2000 to protect the neutrality of the canal.

Indeed—now, as before the joint statement—the two countries are not in agreement on two vital points:

First. Our administration continues to tell the American people that the United States will have the right to defend the canal's neutrality after the year 2000 against any threat, including an internal threat from within Panama. But spokesmen for Panama continue to assert that the United States will have such a right only if the canal is threatened by a foreign power.

Second. Our administration continues to tell the American people that the United States can determine unilaterally when such a threat to the canal's neutrality exists. But Panamanian spokesmen insist that U.S. forces could defend the canal only if requested to do so by Panama or when such action is agreed to by Panama.

If that is the situation—and I shall document that such is the case—then it is "intolerable," as Senator CHURCH has said, and surely the Senate "* * * could not be expected to ratify these treaties if crucial provisions [are] being interpreted in one fashion in the United States and in another in Panama."

We would be living in a fool's paradise to assume that these contradictory interpretations will simply go away if the treaties are ratified. Indeed, we would be most fortunate if they do not come back to haunt us in a most agonizing way in years to come.

With his very candid statement, Senator CHURCH has hit a critical issue dead center. The question before the Senate is this: Will adoption of the language of the Carter-Torrijos statement by passage of the leadership amendments put an end to the interpretation of crucial provisions "in one fashion in the United States and in another in Panama"?

Clearly the answer to that question is "No."

I invite my colleagues to carefully examine the record.

As Senator CASE said at one point during the committee hearings:

> I think one of the things that is most important is what the Panamanian leaders do between now and the time of their plebiscite . . . in explaining this and its meaning to the Panamanian people. I think we ought to be very conscious of what they say because it will do us no good at all in respect of a climate of Panamanian opinion to have a difference between what we understand the treaties to do and what the Panamanians themselves think when they vote to ratify it.

Fortunately, this task of documentation is simplified by the existence of official (but unclassified) State Department telegrams, the texts of which I shall insert in the RECORD at the conclusion of my remarks.

These telegrams contain actual verbatim transcripts of public statements made by Panamanian officials concerning the treaties—statements which were broadcast over Panamanian radio and television stations, or which have appeared in the Panamanian press.

Of particular interest, I suggest, are the public statements made by Panamanian officials after the Carter-Torrijos statement of October 14 and prior to the October 23 plebiscite of the Panamanian people.

Any examination of this record should begin with the public statements made

by General Torrijos in Washington only hours after the joint statement was issued. Upon leaving the White House Torrijos went directly to the Panamanian Embassy, where he was interviewed by Panamanian journalists. An account of that meeting as broadcast over Panamanian television, includes the following:

Good afternoon, dear viewers. Panamanian Chief of Government General Omar Torrijos Herrera told three Panamanian newsmen this morning: "I have not signed anything." Turning to this station's reporter, he said: "Tell the Panamanians that I have not even given an autograph." . . . The Panamanian Chief of Government said that the meeting with President Carter was not intended to issue a joint declaration. Torrijos said that when he arrives in Panama he will issue a declaration to the nation and he reiterated that it is necessary for the Panamanian people to know that he did not sign any document.

Later that same day, he held a brief news conference at the airport before leaving Washington to return to Panama. According to a report in the Washington Star (October 15, 1977):

[T]he general said through an interpreter that he did not agree to anything that would permit a foreign country to intervene in Panama. . . . Torrijos indicated that the United States had a right to defend the canal *if attacked by a great power.* (Emphasis supplied.)

Panamanian treaty negotiators publicly supported and reinforced Torrijos' interpretations. October 14—the day of the joint statement—the government controlled newspaper Matutino quoted one of Panama's treaty negotiators, Aristedes Royo, as saying:

The Treaty does not authorize any kind of intervention: the document doesn't even say that they [the United States] can take military action to avoid an attack on the neutrality of the canal.

On the following day, additional members of the Panamanian negotiating team, Dr. Diogenes de la Rosa and Dr. Carlos Alfredo Lopez Guevara were sent to Caracas, Venezuela, to explain the treaties. Here are excerpts from their lectures, as reported by Panamanian radio on October 16, 1977:

Both [negotiators] . . . were emphatic in saying that *their presence there was to issue an alert to Latin American public opinion* from the people of Panama *to block biased United States interpretations of the new Panama Canal treaties* on the issue of neutrality.

In the opinion of the ambassadors, who acted as negotiators in the drafting of the recent treaty, there are still some Senators in the U.S. Congress who are attempting to make whimsical interpretations of some of the articles in the new treaty in a way that is harmful to Panamanian interests and the Treaty's spirit. . . .

Referring to expeditious passage as mentioned in the treaty, Dr. Lopez Guevara explained that this term cannot be interpreted as preferential treatment for U.S. warships as the United States is attempting to do because this is called the Treaty of Neutrality of the Panama Canal. Consequently, there can be no discrimination. *In connection with the allegations of some U.S. Senators regarding the supposed perpetual right to intervene in the Canal . . . Dr. Lopez Guevara also cautioned that this right should disappear by the year 2000* in accordance with the terms of the treaty . . ." (Emphasis supplied.)

On October 17—3 days after the Carter-Torrijos statement—and 6 days before the Panamanian people were to vote—the Panamanian Treaty Information Office (headed by Moises Torrijos) sponsored a 15-minute radio program to explain the treaties. The speaker was Luis Bejarano, an official of the Panamanian Foreign Ministry. I invite careful attention to what he said—and I quote:

Article IV of the [Neutrality] Treaty . . . cannot be interpreted as granting the right to intervention to the United States or the right for the United States to guarantee the neutrality of the waterway after 31 December 1999. It seems to us that such an interpretation has no legal validity if we adhere to the text of the treaty and an interpretation of it in accordance with international law. . . . Observe that Article IV . . . does not use the term "to guarantee neutrality," because it is obvious that the expression, "agree to maintain the regime of neutrality," clearly indicates to us that *in the event of unilateral intervention by the United States, such intervention would be from all viewpoints illegal and unjustified* because, *in the event of an attack on the Canal by a third power, the Republic of Panama must agree to the participation of the United States* in the defense of the Canal.

Article V . . . states, quote: "After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory."

It can be seen from this article that the Republic of Panama has primary responsibility for defending the Canal after 31 December 1999 and, *in the event of foreign intervention by a strong nation, the Republic of Panama, after exhausting its tactical defense resources, may agree with the United States to carry out this defense if necessary.* (Emphasis supplied.)

On October 18—4 days after the Carter-Torrijos statement—chief Panamanian negotiator Romulo Escobar held a news conference on instructions from General Torrijos to explain the Washington meeting with President Carter. Consider these excerpts from that news conference:

Why did the problem arise? Because some Senators in the United States maintained that the language used in Article IV *effectively gave the United States the right of defense against attacks on the Panama Canal in violation of the Neutrality Treaty.* They extended this to mean that, as a consequence of this right of defense, they had the right to intervene in the Republic of Panama. *On the other hand,* ever since the first public and official explanation in our country on 19 August, to the [National] Assembly . . . , *we said* that the intent of Article IV was to point out that . . . Panama and the United States had the right to defend the Canal against attack in order to keep it open for transit by all the world's nations, but that *the scope of this right of defense at no time could be extended to mean the right to intervene within the Republic of Panama.* (Emphasis supplied.)

During the question period which followed Dr. Escobar's formal statement, the negotiator stressed that "there was no joint communique," and that "they were not adding anything at all to the treaty." This exchange took place:

Question. Some Senators are asking that the interpretation be included as part of the Treaty, as they consider it important to understand the scope of the text. Would Panama accept this 5 days before the plebiscite?

Answer. That would be a decision for the General to make. However, we cannot abide by what the Senators want because they have their own problems and procedures there, their own legal system. . . . [W]e cannot adapt our procedures to that of the U.S. Senate.

Later in the questioning, Dr. Escobar was asked again if the actual treaty had been altered by the Carter-Torrijos statement. He replied:

No. No. They have *not* been altered in any way. . . . What they have said is what has been said all along. (Emphasis supplied.)

Then, this exchange occurred:

Question. . . . There is great concern . . . *regarding which country in the future will interpret or decide if neutrality has been violated.* . . . we would like to know if there are any mechanisms or if there will be any method of consultation between the two countries in such an event. . . .

Answer. There is no exact method of interpretation on how violations of the neutrality treaty will be determined. . . . The general treaty includes an article which states that in case of a discrepancy between the two sides concerning the interpretation of an article, they will reach an agreement between themselves or, if necessary, they will appoint an arbiter to decide the issues. This is the general way these situations are handled. (Emphasis supplied.)

In order to inform the Panamanian people about the treaties before the plebiscite—in accordance with a requirement in the Panamanian Constitution—General Torrijos delivered a major address on nationwide radio and television on October 20. Explaining the U.S. role under the Neutrality Treaty, as he interpreted it, he said this:

. . . [I]f we are attacked by superior forces, the United States is *obligated* to come to our defense.

. . . [I]t is necessary for the United States to be committed so that *when we ring the bell* here, *when we push the button,* a bell rings over there, and the United States comes in defense of the Panama Canal. . . .

I repeat, *we push the button,* the bell rings, and the United States is *obligated* to come to our defense. (Emphasis supplied.)

Two days later—on the day before the Panamanian plebiscite—General Torrijos said this at a rally in Colon:

I want to make it very clear that I agreed with President Carter . . . that *when an aggressive, ambitious power*—a power which has more tanks than us, and any country will have more tanks than us—*attacks, I press a button* here, the bell sounds there and they will come to our defense. They are not going to slaughter my people. They are going to come to fight but *let them fight on the high seas* . . . far away. (Emphasis supplied.)

Discussing his meeting with President Carter, Torrijos quoted the President as having explained that U.S. forces "will be here in the continental United States, ready to go to the defense of the Canal when you push a button and a bell rings here."

Finally, on October 23, 1977—the day of the plebiscite—General Torrijos was again interviewed on Panama City radio. He gave this interpretation of U.S. defense rights under the Neutrality Treaty:

. . . [T]his is what I want to make clear. The North Americans have no right to interfere, but *if some other empire* with another language or with more tanks comes to attack, the North Americans are *obligated* to send all the planes and all the equipment they wish to prevent an attack on Panama. (Emphasis supplied.)

It was on the basis of such interpretations and explanations that the Panamanian people voted approval of these new treaties with the United States.

Now, let us compare this record with interpretations placed on the same treaty provisions by spokesmen of the United States.

According to our distinguished majority leader, Senator BYRD, the language of the leadership amendments (embodying the Carter-Torrijos statement) is without ambiguity. Indeed, on February 10 he assured the Senate:

If the amendment is adopted, that amendment in itself will make perfectly clear, as clear as the Sun in a cloudless sky, that the United States has the right to take whatever action is necessary against any aggressor.

Similarly, on February 8, Senator CHURCH referred to the leadership amendments and said:

I do not know how language could make plainer the right of the United States to act against any aggression or threat.

. . . There is no plainer way to make plainer the rights that are reserved to the United States than we have done by this language. . . .

I cannot possibly envision how the language could be interpreted in any different way.

Perhaps the most useful comparison with Panamanian interpretations can be made by referring to the report filed by a majority of the Committee on Foreign Relations. At page 6, the report (which reflects the administration's views) explains the leadership amendments as follows:

The meaning of these amendments, which together constitute the entire Joint Statement, is plain. The first amendment relates to the right of the United States to defend the Canal. (*It creates no automatic obligation to do so. . . .*) It allows the United States to introduce its armed forces into Panama whenever and however the Canal is threatened. *Whether* such a threat exists is for the United States to determine *on its own* in accordance with its constitutional process. What steps are necessary to defend the Canal is for the United States to determine on its own in accordance with its constitutional processes. The United States has the right to act as it deems proper against *any* threat to the Canal, *internal* or external, *domestic* or foreign, military or non-military. Those rights enter into force on the effective date of the treaty. They do not terminate.

The above-described rights are *not* affected by the second paragraph of the amendment, which provides that the United States has no "right of intervention . . . in the internal affairs of Panama", and which prohibits the United States from acting "against the territorial integrity or political independence of Panama". (Emphasis supplied.)

It must be painfully obvious to anyone interested in the facts that U.S. interpretations of key provisions conflict sharply with interpretations by Panamanian officials in at least four significant respects:

1. The Committee Report says the United States would have no obligation to act to defend the Canal. But General Torrijos and his negotiators have told the people of Panama that we do have such an obligation under the treaty—when he "rings the bell."

2. The Committee Report assures us that the United States could introduce armed forces into Panama to defend the Canal without first obtaining Panamanian consent. Time and again General Torrijos has said otherwise. Repeatedly, Panamanian spokesmen have asserted that "Panama must agree to the participation of the United States in the defense of the Canal."

3. The Committee Report maintains that the United States has a unilateral right to determine the existence of a threat to the Canal's neutrality. Panamanian spokesmen deny this, and insist that disagreements will have to be resolved by consultation or arbitration.

4. Finally—and most importantly—the Committee Report assures the American people that the United States would have the right to use military force against any threat to the Canal's neutrality, including an internal or domestic Panamanian threat. However, Panamanian spokesmen consistently assert that the U.S. could act only against a foreign power—"an attack on the Canal by a third power," or an attack by "some other empire with another language."

Whether deliberately designed or not, the language of the Carter-Torrijos statement—now proposed as the leadership amendments—is ambiguous—and is subject to the sharply conflicting interpretations recited above.

Obviously, it matters not how many times we declare and repeat that the language means one thing. If the people of Panama believe and openly insist that it means something else, we do not have an agreement to ratify.

The view that the Carter-Torrijos statement language—the leadership amendments—is ambiguous and subject to the Panamanian interpretations is shared by experts at the Library of Congress. For example:

On October 19, 1977, a report prepared by Attorney Kenneth Merin of the Congressional Research Service concluded, and I quote:

". . . [T]he Carter-Torrijos statement, while guaranteeing each party the right to act against threats directed at the Canal, also specifies that the U.S. may not intervene in the internal affairs of Panama. *It is not altogether clear that the statement would permit the United States to intervene in the event that the aggression or threat should result from Panamanian action.*" (Emphasis supplied.)

Another CRS report, provided December 12, 1977, by Attorney David Sale, discussed the Carter-Torrijos statement at great length. Then, after noting that the joint statement rejected "the right of intervention of the United States in the internal affairs of Panama," and provided that "[a]ny United States action . . . shall never be directed against the territorial integrity or political independence of Panama," he concluded that: *"In view of this express interpretative qualification . . . a difficult issue of interpretation might arise . . . if the Canal neutrality regime were ever threatened by such actions as,* for example, *internal Panamanian* strife." (Emphasis supplied.)

It is worth recalling that the Panamanian interpretations recited after the Carter-Torrijos statement, are totally consistent with interpretations publicly declared by Dr. Escobar back in July and August 1977—interpretations which came to the attention of the Senate and which created the need for the Carter-Torrijos statement in the first place.

For example, on July 29, 1977, Dr. Escobar told a Panama City press conference:

. . . [W]e can tell you that the draft neutrality pact between our two countries does not make the U.S. a guarantor of . . . neutrality. . . . *U.S. intervention within the neutrality pact would take place only if another power attacked Panama.* (Emphasis supplied.)

Then, on August 19, Dr. Escobar made an official report on the negotiations to the Panamanian National Assembly, in which he said:

Later [in the negotiations] came a discussion on [the U.S.] proposal that the two countries commit themselves to upholding this neutrality under all circumstances. We said that if the phrase "under all circumstances" was included, two important exceptions would have to be made. The first was that this would apply only so long as internal order was not involved, since these are problems for * * * our national guard to address * * * This was cause for much discussion, and in the end they preferred to leave out the phrase so that we would not include the exception. (Emphasis supplied.)

Because these and similar statements stirred considerable concern in the Foreign Relations Committee, Ambassador Linowitz was asked about them. He told the committee on September 26, 1977:

We know of these statements. We are disturbed by them. We have discussed them with our Panamanian colleagues. I don't think you will hear such statements again.

However, Mr. Linowitz was not prophetic. Only 4 days later one of Panama's three top negotiators, Carlos Lopez Guevara, said on Panamanian television:

I have heard it said that the United States has the right to intervene in Panama after the year 2000. It is sad to see highly responsible officials in the United States say that this neutrality treaty grants the right of intervention. It is sad to note this inconsistency . . . because there is nothing in this treaty to serve as a basis for such a claim.

Such statements by senior Panamanian officials were made right up until—and, as I have shown, continued after—release of the Carter-Torrijos statement.

On October 7, in a radio interview, Dr. Lopez Guevara said:

Article 4 of the Panama Canal Treaty . . . grants to the United States the primary right to defend the Canal. But this Article 4 is contained in the Panama Canal Treaty which has a limited duration. It expires . . . on 31 December 1999. You do not find similar language either in Article 4 of the Neutrality Treaty or in any other part of the Neu-

trality Treaty. Therefore, the United States cannot act after the year 2000 in the same manner authorized by Article 4 of the Panama Canal Treaty. In order to act . . . unilaterally, without consulting Panama on the defense of the Canal, the United States would need an article containing similar terms [in the Neutrality Treaty], and it does not exist. Therefore, that right does not exist.

The following day, on October 8, Panamanian Vice President Gerardo Gonzales was interviewed on Panamanian television. This exchange occurred:

Question. Mr. Vice President, the matter of a possible U.S. intervention . . . has assumed a certain importance during the past weeks and there have been statements from various sectors. What can you tell us about this possible intervention?

Answer. I believe . . . that it has been made very clear to the people that *what we said, the interpretation given by the Panamanian Government, is the correct one* regarding this matter of intervention. There is *no way in which it can be interpreted that the United States has the right to intervene following the year 2000.* (Emphasis supplied.)

A similar line was taken later that same day by negotiator Lopez Guevara, who told a gathering of schoolteachers:

The Panamanian people are going to base their decision on the interpretation provided by the Panamanian negotiators.

In the United States they may say whatever they want. Here in Panama, where we are sovereign, we are interpreting the treaties according to the letter and the history of the negotiations. You have heard the U.S. Senate speak of a right of intervention. You have also seen how, through our protest—not before them but before you as sovereign—and through our firm stand that there is no such right as the right of intervention. . . . We are giving here the true . . . scope of those treaties. *It is of no consequence what the U.S. radios say or that you pay attention to the Senate hearings.* Above all, what should be heard is our voice, the voice of Panamanians who have negotiated this treaty and know its scope. (Emphasis supplied.)

General Torrijos joined in this campaign to refute the U.S. interpretations. Indeed, before leaving London in mid-October to fly to Washington for the purpose of releasing the joint statement with President Carter, General Torrijos told London newspapers that—

What the new treaties allowed was *joint* operations by the United States and Panama against any *power* that wanted to harm the Canal. (Emphasis supplied.)

The continued relevance of such statements, even after the release of the Carter-Torrijos joint statement, is emphasized by the General's stress on not even having given an "autograph" in Washington; and statements by Dr. Escobar and others to the effect that the Carter-Torrijos statement merely restates "what has been said all along."

In spite of the overwhelming record of conflicting interpretations of the Neutrality Treaty, even in the aftermath of the Carter-Torrijos joint statement of understanding, the Carter administration and some of its supporters in the Senate would have us pretend that no such disagreements actually exist.

For example, on February 20, Senator Sarbanes said on the Senate floor:

. . . I know the Senator from Michigan has made that argument, but I do not agree that the provisions [of the joint statement] are being given different interpretations.

Obviously, the Senator from Michigan is not the only one who recognizes the reality of these differing interpretations. In addition to Panamanians and the Library of Congress, there are revealing statements by others.

For example, a January 18, 1978, Reuter wire service story on the Panama Canal treaties reads:

The October 14 Carter-Torrijos statement said . . . The United States would have the right to use force to defend the Canal against *external* threat. (Emphasis supplied.)

On February 2, 1978, a Gallup poll—designed, ironically, to determine how well informed on the treaties its respondents were—asked this question:

The treaties would give Panama full control over the Panama Canal and the Canal Zone by the year 2000, but the United States would retain the right to defend the canal against a third nation. Do you favor or oppose these treaties between the U.S. and Panama?

On the basis of the record, these points are clear:

Prior to the Carter-Torrijos October 14 statement Panamanian officials believed and continually asserted that the Neutrality Treaty authorizes the United States to use military force to defend the Canal only with the consent of Panama and only if the Canal's neutrality is threatened by a foreign power.

After the Carter-Torrijos statement, Panamanian officials have continued to interpret these provisions of the treaty in exactly the same way.

When the Panamanian people voted in the October 23, 1977, plebiscite, they did not consent to or approve the treaty interpretations put forth by the Administration and its spokesmen in the Senate.

Mr. President, if our defense rights are really important, the language proposed to be incorporated in the treaty by the leadership amendments is totally inadequate to protect our interests.

Furthermore, under the circumstances that exist, it borders on irresponsibility to represent to the American people that the amendments resolve the differences and that a new plebiscite by the Panamanian peoples is unnecessary.

For both legal and moral reasons—we should be very interested in making certain that the Panamanian people understand the treaty as we do, and that they approve our interpretations by a vote in accordance with their constitution. Otherwise, we will have a treaty only with a dictator and not with the people of Panama.

The moral concern is important particularly in light of rhetoric we have heard from some quarters alleging moral shortcomings in connection with the 1903 treaty. If we amend these treaties now and allow General Torrijos to "ratify" them by himself—without approval of the Panamanian people—we could be on even weaker moral grounds than was the case in 1903.

In view of the seriously conflicting interpretations of key defense provisions, the Senate would be ill-advised to adopt these leadership amendments and then proceed to ratification of the treaties as though our problems had been solved.

I hope the Senate will follow this sage advice of Senator CHURCH:

. . . [T]he Senate could not be expected to ratify these treaties if crucial provisions were being interpreted in one fashion in the United States and in another in Panama.

I ask unanimous consent that the full text of various cables or telegrams to which I have referred be printed in the RECORD.

I wish also to state that the full text of General Torrijos radio-TV speech to the people of Panama on October 21, was printed in the RECORD on February 6, 1978, beginning on page 2266.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Interviews—Telegram]

PANAMA: NEGOTIATOR LOPEZ GUEVARA ON NEUTRALITY PACT

Good evening. This interview is directed to numerous groups of workers who are at present at their union headquarters, their homes, or wherever they are going to listen to it—workers who asked this newsman to do the interview which we are about to hear. Dr. Lopez Guevara is known to all of you. He is a prominent Panamanian jurist and one of the treaty negotiators. Before beginning, I would like to ask him to give his answers in a language, not necessarily for people who are unable to understand, but rather for people who would like the explanation to be kept as simple as possible because they feel that in this way they would better understand what is to be said here. First of all, good evening, Dr. Lopez Guevara.

Dr. Lopez Guevara. Good evening.

Question. We would like you to explain to us the meaning of neutrality in the language of international relations, especially in the language applicable to the topic which we are going to discuss.

Answer. It is a pleasure. If the treaty on the permanent neutrality of the Panama Canal is examined, one will observe that there is an annex containing definitions of a canal, a warship, and so forth. However, there is no definition of neutrality. This means that the two parties accept the definition of this concept given by international law, neutrality is a special regime, a group of rights and duties. When there is a war, countries have the right to become the allies of one of the belligerents or to remain neutral. It is a voluntary neutrality applying to that conflict at that time. However, in addition, there is what is known as conventional neutrality, which is a permanent neutrality. This is what we have agreed upon here for the Panama Canal. In the first place. Panama has declared the permanent neutrality of the Panama Canal. It has done so as sovereign in the territory. This means that this canal, always and at all times, in times of peace or of war, will maintain a regime that is equal for all—a regime of no discrimination, with reasonable tolls. When a war occurs, the same regime will apply. The belligerents in this war will know beforehand that the canal will be open to them, accessible to them and that there will be no discrimination. This is really the concept of neutrality which we have agreed upon, of course, international law changes. The scope of neutrality will elvolve in parallel with these changes. But in this treaty, we have very clearly outlined the essentials—impartiality, nondiscriminatory treatment, and the fact that always, always, this canal will be neutral.

Question. Doctor, you have just said that Panama unilaterally declared the neutrality

of the canal. Is that right? Prominent local jurists who have been heard by a large number of persons, including the workers who have requested this interview, have said that they believe that a unilateral declaration has no juridical validity (efecto juridico). They said with such conviction—generaling much concern among those who have heard them—that Panama cannot unilaterally declare neutrality of the canal because this has no juridical validity in international relations. We would like you to explain if this is so, and your reasons for your opinion.

Answer. With pleasure. It is an unfortunate error committed by those who affirm that a unilateral declaration has no juridical validity. It is an unfortunate error, particularly if one considers that this is a unilateral declaration given in the course of negotiations.

The best example of this known to all jurists in the world is the case known as the (Uhrhen) declaration. It was a case of a dispute between Norway and Denmark. In the course of negotiations between the two countries, the Norwegian foreign minister told his Danish colleague that Norway had no claim on Eastern Greenland. The statement is recorded in the minutes of that conversation. The dispute occurred later because Denmark claimed sovereignty over all Greenland and invoked this unilateral declaration made by the foreign minister. What did the permanent court of international justice say? It said that the unilateral declaration had been made in the course of the negotiations and that it was therefore binding on Norway. For this reason, Greenland today belongs to Denmark.

Moreover, the experts say that neutrality—I have here a quote from Charles Rousseau, and there are many others—that neutrality must come from the sovereign. Neutrality cannot be imposed. For this reason, we sought in the protocol the subscription of all the countries of the world.

However, where the United States is concerned, it is obvious that this unilateral declaration by the United States (as heard) has juridical validity and we want the regime of neutrality which is maintained over the Panama Canal Zone today (interrupts thought—FBIS) and a regime of neutrality does exist today. The fact that it has been violated by the United States is another matter. But today the canal is permanently neutral by virtue of the Hay-Pauncefote treaty which is part of the 1903 treaty. (As heard). But we want that neutrality, which was really imposed on us, to be now established by us unilaterally, as the sovereign, because neutrality entails some serious limitations on any country—a certain type of behavior. This matter of no discrimination, of impartiality, entails a number of obligations. We cannot have the canal used as an instrument of war by the United States because it is neutral, permanently neutral. Consequently, neutrality can be declared only by Panama. Moreover, we have declared it in the course of negotiations. Therefore, it has juridical validity.

Question. In line with the thoughts which you have expressed, and also in accordance with detailed pronouncements made by these eminent persons whom we have heard recently, it was said that instead of issuing a unilateral declaration, Panama should have concluded a multilateral neutrality pact. Therefore, we must ask the following question: What is the difference between a unilateral declaration by Panama and the proposal of a multilateral neutrality pact? Could you discuss this, doctor?

Answer. It is obviously to our interest to promptly end the regime presently existing in the Canal Zone, a regime which is anachronistic in present times—anachronistic in view of the United Nations charter. We have concluded this treaty on the Panama Canal which ends that old relationship and establishes a new one. At the same time, we want a multilateral regime. There is no question about this. The Panamanian Government wants a multilateral regime for the neutrality of the Panama Canal. That is the reason for the protocol. Neutrality is unilaterally declared by Panama within the bilateral framework of negotiations with the United States, but we hope (for acceptance by FBIS) the universal community—the whole world. That is why the protocol is said to be open for the subscription of all the countries of the world, not just the countries of the American continent. This means, Mr. Restrepo, that we must now launch a methodical campaign—and this is what General Torrijos is already doing by his trip to Israel and Europe—to promote support for this treaty, so that all the countries of the world will subscribe to this protocol, to this treaty of neutrality. We really want to universalize the neutrality, because it is more effective that way. The neutrality of Austria of 1955 was self-proclaimed by Austria by a domestic law. Austria made its own law and later the great powers, initially, recognized this neutrality declared unilaterally by Austria. At present, 50 countries, according to the experts, have recognized this Austrian neutrality which began unilaterally, just as in our case. The four great powers—because Austria at the time was occupied by Russia, as we are now occupied by the United States since those bases in the Canal Zone have not legal justification in the treaties—recognized the neutrality unilaterally proclaimed by Austria. Now there are at least 50 countries which have recognized that neutrality; that is, 50 countries that are going to respect Austria's neutrality. Therefore, our foreign ministry and our people, and the entire world, have the great, very important task of making this neutrality effective in the universal sphere, the multilateral sphere, as this government desires. But everything cannot be done at once. We are going to end the canal relationship with the United States, establish a new relationship and immediately seek the path by which the entire world will accept the neutrality of the Panama Canal.

Question. Now, Doctor, let's go into the articles of the treaty regarding the permanent neutrality of the canal and the operation of the Panama Canal. Some of the things which have been heard—and one cannot doubt the competence of those who have been making these statements—concern temporary and permanent neutrality and whether or not there is a guarantee of that neutrality. In this regard, article 1 of the Neutrality Pact is mentioned—as well as articles 2, 3, 4 and 5 on the subject—which is also linked to article 4 of the Panama Canal treaty. This is significant. Therefore, we would like you to comment on article one of the neutrality pact, which says: the Republic of Panama declares that the canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in the treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama. What does that mean, Doctor?

Answer. In the first place, it means that if a new canal were to be built through Panama tomorrow, or with one part in Panama and another part in another country, necessarily Colombia, this regime would extend to that new canal. It would be applicable. The fact that this canal would be closed would not end the regime of neutrality, which would be transferred to the new canal. Article five recognizes Panama's total independence, the total elimination of the U.S. presence in Panama as a foreign military force. But it also means that no other military force can come to Panama. Neither Russian, Chinese, French or English, not any nationality. We therefore, end all foreign presence in Panama. In my opinion, this is Panama's real independence, which we will duly maintain and conserve.

Question. Omitting the intervening articles let us go to article 4, another of the articles which has caused controversy. Article 4 states, as you know: the Republic of Panama and the United States of America agree to maintain the regime of neutrality established in this treaty, which shall be maintained in order that the canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two contracting parties. There are those who charge that this last portion which states: notwithstanding the termination of any other treaties entered into by the two contracting parties is linked to article 6 of the general Panama Canal Treaty. Let us look at article 6.

Answer. No, it must be article 4.

Question. Is it article 4?

Answer. It must be article 4. This one (article 6—FBIS) is on the environment.

Question. Yes, it is article 4. Yes, it is. Please explain—FBIS.

Answer. We have committed ourselves to maintaining the regime of neutrality of the Panama Canal, even after the termination of the Panama Canal Treaty. This is in essence the meaning of article 4. We have concluded two treaties—the Panama Canal Treaty, which ends, with all certainty, at noon on 31 December 1999. Although this treaty will end, the regime of neutrality which goes into effect at the same time as the Panama Canal Treaty is extended indefinitely in time. The two treaties go into effect at the same time. Although the Canal Treaty expires in 1999, the regime of neutrality, continues in accordance with the treaty of permanent neutrality of the Panama Canal.

I wish to emphasize that, it is permanent, that the neutrality regime is forever, because this permanent status is to our advantage. This is what gives security to the Panama Canal. It is permanent as is the neutrality of Switzerland, of Austria. There is nothing improper or harmful about this perpetuity. The bad perpetuity is that of the present Panama Canal Treaty, with a foreign presence, a foreign administration and a foreign government. This is what is bad. But the permanent status of the neutrality regime is good. We want it to last forever so that everyone will always know that the canal cannot be a military target, because it is open equally to neutral countries, billigerents, the entire world. We want to project that neutrality into time.

Well, then, article 4 of the Panama Canal Treaty, which you mention, grants to the United States the primary right to defend the canal. But this article 4 is contained in the Panama Canal Treaty which has a limited duration. It expires, it terminates on 31 December 1999. You do not find similar language either in article 4 of the neutrality treaty or in any other part of the neutrality treaty. Therefore, the United States cannot act after the year 2000 in the same manner authorized by article 4 of the Panama Canal. In order to act in the same manner, unilaterally, without consulting Panama on the Defense of the Canal, the United States would need an article containing similar terms (in the neutrality pact—FBIS). And it does not exist. Therefore that right does not exist.

However, we must say something here, with full emphasis and clarity. Today the Canal is neutral. Today, the Canal is open to all ships of all flags on equal terms. This is prescribed by article 17 of the Panama Canal Treaty (of 1903—FBIS). This means that the existing treaty concedes certain rights to third countries—France, Russia, Guatemala, and all the countries of the world. This new 1977 treaty and the neutrality treaty also concede rights to third countries, not just the United States.

Therefore, we are going to refer exclusively to the United States. The same thing applies to Guatemala and any other country of the world. But let us refer to the United States.

The two treaties—the existing one and the new one—give the United States the right to have access to the Panama Canal under conditions of equality, without discrimination, and give in the assurance that the Canal will always be neutral. This is the right of the United States, as it is the right of all the rest of the world. It is obvious that Panama will not dare, will never attempt, to deny this right to any country, because it is its business to keep the canal always open, and the more traffic there is, the greater the profit for Panama. The more conflict there is and the more traffic is turned away from Panama, the more the revenue decreases.

But if some third country should try to disregard this right of the United States, it would immediately give the United States a motive to act, to react, within the norms of international law, because we must remember that today the law of the jungle does not prevail in international relations. The UN charter notes the right of all countries to seek, by peaceful means, the solution to conflicts. But this charter was not created out of air. There were precedents in the League of Nations. There were precedents in the Kellogg-Briand Pact of 1928, which proscribed war as a policy. And that is why the Nazi and Japanese war criminals were brought before war tribunals and condemned.

I have heard some statements to the effect that the United States has the right to act immediately and do what it pleases. This is not so. The United States has to submit to an existing international regime, which the United States itself helped to forge, beginning basically with the statements of Woodrow Wilson, Wilson's principles, which were incorporated into the charter of the League of Nations and later into the UN charter.

But, in any case, when a country's rights are disregarded, that country has the authority to react. It can go to war, or it may take reprisals. This must be very clear, because there is a very clear right conceded to the United States and the entire international community—the right to have the canal always neutral and always open to all under equal conditions.

Question. The same article, Doctor—by the way, thank you very much—the same article states that this neutrality will be maintained. Who is going to maintain it?

Answer. Basically, it will be maintained by Panama by exercising impartiality, because we will be the executive administrators of the canal after the year 2000. This is the best way to defend the canal. This is the best way to guarantee neutrality, as Switzerland has done. Switzerland has made its neutrality effective by behaving with full impartiality. In the past war, for example, Switzerland shot down almost 458 allied planes. In 1944 alone, Switzerland downed 150 allied military planes. By this, it was saying to Germany, I am enforcing the neutrality of my airspace, so that Germany would not feel the need to take action. This is the way we should act—always with impartiality, with seriousness. To the extent that the entire world accepts, subscribes to and recognizes our neutrality, to that extent we will be eliminating every possibility of coverting the Panama Canal into a military target.

However, as I said before, if someone disregards that U.S. right which I mentioned, the United States has the authority and the power to act within the norms of international law.

Question. Thank you very much, Doctor. Among the things which were listed here for me to ask you concerns the statement which has also been made publicly to the effect that this treaty on the neutrality of the canal practically takes us back to the treaty of 1926 which was rejected by the National Assembly under pressure from the Panamanian people. Article 11 of that 1926 treaty obliged Panama to declare itself at war if the United States were at war. I would like—this is a question which has been sent to me by the workers—to ask you what connection exists between the treaty of 1926 and the present neutrality pact?

Answer. Mr. Newsman, there is no connection. It is a lamentable and unjustified error to attempt to see in the neutrality pact an alliance between Panama and the United States. Article 11 of that treaty which was not ratified, which was repudiated by the Panamanian citizenry in 1926, said very clearly that as a consequence, the Republic of Panama would consider itself to be at war in the case of any armed conflict in which the United States was a belligerent. This was contained in the proposed treaty of 1926. For this reason, Panamanian mothers took to the streets. They did not want their children to be involved in conflicts in which the United States was a participant. And they did so quote rightly. It was basically for this reason that treaty was rejected by the public. There is nothing similar in either of the two treaties which we have brought here. There is not even a provision for joint defense. That is an error which is often repeated. The Panama Canal treaty does not provide for joint defense, because the same article 4 to which I referred a short time ago very clearly indicates a separation of the chains of command of the National Guard and the U.S. Armed Forces. Consequently, no Panamanian soldier has to obey a U.S. officer; nor does any U.S. officer have to obey a Panamanian officer because the chains of command remain completely separate.

However, I have heard those statements which are groundless. They are regrettable, capricious statements which, I would say, reflect a lack of seriousness. Today we have a treaty, the Neutrality Treaty, which of course is not a treaty of alliance. Neutrality is exclusive of alliances by nature, by essence. One cannot conceive of neutrality with alliances. On the contrary, neutralized countries cannot sign pacts of alliance. The Panama Canal Treaty provides for the primary right of the United States for a little more than 22 years, for the rest of this century, to defend the Panama Canal—the neutrality of the Panama Canal. After the year 2000, this primary right completely disappears, because it is not repeated in the neutrality text. Panama remains basically responsible, as the sovereign, for defending this neutrality. To the extent that the other countries of the globe subscribe to the protocol, that is because parties to the Neutrality Treaty to the same extent the neutrality that we have agreed upon will be strengthened and made more effective. Therefore, I emphatically declare that every insinuation, not only every charge, but every insinuation that this is a pact of alliance is frivolous, frivolous. It lacks foundation. The proposed treaty of 1926 provided for an obligation on Panama's part to immediately go to war whenever the United States was a belligerent. There is nothing like this in the treaty which we have presented. On the contrary, we have agreed on neutrality and neutrality is exclusive of alliances.

Question. Unfortunately, Doctor, our time is up. There is still another question on the extension of the jurisdiction of this treaty to the 200 miles (of territorial waters—FBIS).

Answer. This is a statement made by certain people who have refused to look at the map, which is an annex to the Neutrality treaty. The map, which is a part of the neutrality pact, very clearly shows a demarcation which does not exceed the 3 miles that exist today as the extent of U.S. jurisdiction over the sea. Under the Neutrality Treaty, the neutrality regime concerning the sea extends exactly to the same area in which U.S. jurisdiction exists today. It is not over 200 miles or over Panama's territorial waters. It is only a 3-mile extension into the sea, clearly demarcated on the map, which is an integral part of the Neutrality Treaty. Thank you very much.

Our thanks to you. We also thank channel 4 television for the time given us and our thanks to the television audience for letting us into their homes.

PANAMA: VICE PRESIDENT INTERVIEWED ON COMING PLEBISCITE

Question. After your intensive campaign and information tour, from border to border and at all latitudes, on all aspects of the Torrijos-Carter treaties and the plebiscite, what is your general impression on the acceptance or not by the Panamanian people of the treaties?

Answer. According to our tour, from the response we have received and the questions asked everywhere, I believe that we are going to have a well informed, aware and enthusiastic vote. It is unbelievable the way in which the meetings develop in the most distant corners of this province of Veraguas as well as in Cocle, Chiriqui, and others. I believe that the treaty, because the people in the rural areas have followed the debate in a very intensive manner, will produce an massive attendance at the polls even if it rains heavily. This is our main fear, but we assumed the risk when we chose that date. We did it because we need time. Between 23 October and the end of the year we need time to mobilize our friends in the world so that world opinion can go in Panama's favor, with our people having already approved the treaties.

We cannot delay a national decision any longer on a matter of such vital importance for us. The treaty must be approved by our people and by the U.S. Senate so we must do everything possible after 23 October to obtain this support for a favorable decision by the U.S. Senate. A signed treaty means nothing. We must have a ratified and valid treaty, approved by the constitutional mechanisms of the two countries. The little that Panama can do is to mobilize its friends in the world, but as I said, with all of our people having approved the treaty signed by General Torrijos. He could not even wait for the plebiscite to go abroad and obtain the support of our friends in this campaign.

As soon as the plebiscite is over we will have to continue this worldwide pilgrimage. Torrijos will return during the last days of the campaign to obtain the approval of the treaties, possibly next week, by the end of next week. So the way things stand we expect to have a unanimous or almost unanimous vote of approval.

Question. Mr. Vice President, the matter of a possible U.S. intervention or the U.S. capability of intervening has assumed certain importance during the past weeks and there have been statements from various sectors. What can you tell us about this possible intervention?

Answer. I believe, Mr. Luis Espinoza, that it has been made very clear to the people that what we said, the interpretation given by the Panamanian Government, is the correct one regarding this matter of intervention. There is no way in which it can be interpreted that the United States has the right to intervene following the year 2000. The proof that we are right is that Secretary of State Warren Christopher (title as heard), in a note to the Chairman of the Senate Foreign Relations Committee, Senator Sparkman, said yesterday that in fact the United States has never intended nor does it intend to intervene in Panama and that the treaty does not authorize it. This was said in an official note which represents the U.S. Government's interpretation, the same government that

signed the treaty with us. This was said by it. So any doubt that the Panamanians could have regarding this interpretation has just been dispelled by Mr. Warren Christopher. If some Panamanians believe more in what the Americans say, then they can believe the Secretary of State who says the same thing we do.

PANAMA: NEGOTIATORS MEET WITH TEACHERS IN VERAGUAS PROVINCE

CARLOS LOPEZ GUEVARA. Fellow speakers, professors, teachers and students: In the first place allow me to insert a personal note here which I cannot refrain from expressing. I am a graduate of this school and proud of it. My great friendships were made here. The love of my life was born here. (Applause)

For this reason I am very moved by so many memories and overjoyed to be here before such a charming audience.

The question of the professor (as heard—FBIS) is very timely, very timely. In the United States the Senate is debating these two treaties. The constitutional function of the U.S. Senate is to advise the President as to whether the treaties should be ratified. (As heard) That is the reason why the U.S. negotiators have gone before the Senate to offer their guidance as to the interpretation of the treaties.

We, the Panamanian negotiators, do not go before the Senate. We go directly to the sovereign people of Panama, who have the ultimate responsibility for ratifying or rejecting the treaties. If we fulfill our duties in pointing out the true interpretation, the true scope of these treaties, it will be through this interpretation that you will make your decision. The Panamanian people are going to base their decision on the interpretation provided by the Panamanian negotiators.

In the U.S. Senate they may say whatever they want. Here in Panama, where we are sovereign, we are interpreting the treaties according to the letter (of the treaty—FBIS) and the history of the negotiations. You have heard the U.S. Senate speak of a right of intervention. You have also seen how, through our protest—not before them but before you as sovereign—and through our firm stand that there is no such right as the right of intervention. The North Americans have already rectified their position and declared that there is no right of intervention, because we are speaking the truth.

It is obvious that we should be concerned when someone makes an erroneous interpretation, but we are capable of making decisions. We are in the process of preparing for a plebiscite where the people will recover their right to decide directly and not through a representative.

We are giving here the true orientation and scope of those treaties. It is of no consequence what the U.S. radios say or that you pay attention to the Senate hearings. Above all, what should be heard is our voice, the voice of Panamanians who have negotiated this treaty and know its scope.

I would also like to take advantage of this opportunity to point out some things. Sometimes the questions we are asked do not allow us to give an adequate answer to certin fundamental points.

Efforts are being made to misguide and confuse the people regarding the following basic, fundamental problem: The treaties of 1967 have been brought up.

Those treaties do not exist. We must clearly remember why we negotiated and what we negotiated for. We negotiated because we have been living in a situation which is insulting to our dignity as a nation, under the treaty of 1903 and its amendments. We negotiated to eliminate the causes of conflict which stem from this treaty, the source of conflicts. The source of conflicts is not the treaties of 1967. The conflicts come from the 1903 treaty and that is why we must eliminate it and limit our national debate to the 1903 treaty.

This situation will be resolved with the 1977 treaties, the treaties which have been signed. Let us not confuse the people of Panama by bringing nonexistent factors into the debate. To our humiliation, the 1930 treaty exists. But the 1977 treaties exist as well. Nothing else is under discussion. Our future lies in the 1977 treaties. Let us be very aware of this.

The following question has been given to me: In the agreed minute of the Panama Canal Treaty it is specified in number 1, paragraph that our foreign minister has an adviser who is a U.S. military officer. To what extent does this affect our sovereignty?

This has been well explained in detail, especially by Education Minister Royo.

No, there is no such adviser in the Panamanian foreign ministry. This agreement dates back to 1942 when Panama was at war against the Axis Powers. Remember? At that time it was necessary to appoint that military adviser. This agreement was extended from year to year until, I think, 1959. I am not sure about the date. From then on we have had an adviser in veterinary matters for the agriculture and livestock ministry and a liaison adviser in the justice ministry for aviation problems.

I am foreign minister and never had any adviser from the United States or any other country. That does not exist, gentlemen, but the belief that it does exist continues.

That minute mentions it but continues to specify how it was modified and, I repeat, there is no military adviser in the foreign ministry. There is a veterinary adviser in the agriculture ministry and a liaison military official in the justice ministry for aviation purposes.

Here is another question: Panama has declared neutrality unilaterally. Who guarantees it?

This is also a good question. This allows me to explain something which is very important.

Remember that some circles which oppose the Government and try to confuse the people have said—I said something about this over television yesterday—that since Panama unilaterally declared this neutrality it is not effective, it has no validity, it has no practical value. That is what is being said.

Actually, it is very painful to see a lawyer, a professor of international law, make so many mistakes in so few words. I wish to avail myself of this opportunity to urge us to hold serious debates so that we will think of the fatherland, above all, so that we will not bring up personal problems when the fate of the fatherland is at stake. The fact that Panama has unilaterally declared this neutrality is a victory of Panamanian diplomacy. Neutrality is a hardship on a country, on a specific territory, and it can only be decided by the sovereign nation, by the nation exercising this sovereignty. This neutrality should not be decided abroad, but Panama should declare this neutrality, as an expression of its own will, because it wants it and because it is good.

It is valid, just as the neutrality which Austria unilaterally declared 24 years ago in 1955 was valid. Here, it is said that Panama's neutrality is not valid. What actually constitutes a sovereign action on the part of Panama is the target of mockery. It should be the object of applause on the part of everyone. The republic cannot be the target of mockery. The Republic of Panama, not just the negotiating team, has obtained a great victory when the United States accepted that Panama alone can declare this sovereignty. This victory must be emphasized.

Now then, who guarantees this neutrality? We want the world to guarantee it. That is the reason for the protocol. That protocol means that Panama does not want the United States to be the only part of this neutrality pact. We want to break that iron ring which has kept us tied to the United States since 1903. This Panama-U.S. relationship, that axis, that bilateral relation must be broken and ended. That is why we want the protocol to be subscribed to by all the countries of the world. That is why our chief of government, General Torrijos, is presently in Europe explaining those treaties to those great powers, in order to demonstrate our willingness to convert the canal into an interoceanic waterway that is really open to world traffic under conditions of true equality and to have it permanently neutral.

But when one talks of the canal being permanently neutral, this is said to be bad, and we are asked how we can talk of eliminating U.S. perpetuity and then immediately endorse perpetuity in the neutrality treaty. They are two completely different things and this should be clearly explained because neutrality (corrects himself—FBIS) bad perpetuity is the perpetuity of the Panama canal treaty (of 1903—FBIS). That is the bad one, because it involves the permanent presence of a foreign power which has converted the canal into an instrument of its military strategy. That is the bad perpetuity. Bad perpetuity is the one which authorizes the presence of the United States with all its manifestations of government. But we put an end to that perpetuity, that foreign government, that foreign force. We end it in 1999, forever. We therefore reaffirm the neutral character of our canal forever. And why do we reaffirm it? That is explained in article 2 of the canal treaty. We want that neutrality for all time, permanently, for all days because we do not want either the canal or the isthmus of panama to be a military target. To the extent that we isolate the canal from all the world's political controversies, from all the wars of the world, to that extent will be strengthing peace in Panama, that peace with which switzerland has been blessed, despite all the wars in Europe. This is the neutrality which Austria, amidst all the conflicts occurring so close to the iron curtain, has sought to be blessed with. That is what we want—permanent peace by means of permanent neutrality.

There is another detail which I wish to emphasize here. When we vote yes, when we vote no, let us not look at the details of the treaty. Let us look at it in its entirety. Let us ask ourselves the question: Does this treaty resolve the basic cause of conflict by eliminating the treaty of 1903 forever? That is the great question which we Panamanians must ask ourselves. Does this 1977 treaty, this Carter-Torrijos treaty, forever end the U.S. presence? Does it guarantee that the canal will be Panamanian, always administered by Panamanians and always all instrument for our liberation and for our economic and social development? These are the fundamental questions. Let us not look at the details. And it is obvious, gentlemen, that this treaty liberates us. It gives us freedom. It perfects our independence—that independence for which we have been fighting since 1821. Here you celebrate the cry of independence on 11 November 1821. The man of Veraguas made his pronouncement here in 1821 and a Veraguan, General Torrijos, is the one who definitely achieves the independence of Panama.

ELADIO MARTINEZ. In our efforts to publicize the treaty, we have been asked, Mr. Negotiators, certain questions which we have answered to the best of our ability. However, we would like a fuller explanation to be provided here. For example, in article 8, on privileges and immunities, paragraph 3 says that the Republic of Panama will allow the U.S. officials who are members of the Panama Canal Commission to appoint up to 20 other officials for the operation of the canal. We have been asked how many officials

can be named by the Panamanian members of the Commission. We have given an answer, but we would like a broader answer. Another question, on the article which concerns the third lane of locks. It is said that the Republic of Panama grants to the United States the right to build a third lane of locks when the United States deems it necessary and that the United States will also be able to use the additional lands and waters needed for that third lane of locks. The question is: What extra benefits would the Republic of Panama derive from this third lane of locks other than those we already know about?

LOPEZ GUEVARA. Those are two topics—immunities and a third lane of locks. We are often asked why, if Panama recovers jurisdiction over what is now the Canal Zone, why then are those 20 officials at the highest level of the canal administration immune to Panamanian jurisdiction?

It is very easy to answer this. Our ambassadors abroad cannot be arrested or tried by any foreign country. If this were not so, they would immediately become unable to fulfill their functions.

In the specific case of the 20 officials of the canal administrative body, what would happen if the Panamanian police were to arrest and imprison them? The administration would immediately be headless. The United States could not administer the canal. The same thing applies to properties. Neither the canal nor the property of that entity can be confiscated by any judge. Otherwise, the United States could not carry out its mission of maintaining the normal operation of the Panama Canal. These are elementary things. They are sacrifices which must be made so that the United States can carry out its function as administrator. All the countries of the world have these limitations, but they are accepted on the basis of reciprocity. In this specific case, reciprocity is not a factor, but necessity is a factor—the practical issue that, if the installations of the canal and the key executives of the canal administration were liable to arrest, the administrative functions of the United States would be seriously hindered. We have agreed to use every possible means to help the United States meet its responsibility of efficiently administering the Panama Canal.

The other topic is the third lane of locks. However, first of all I wish to point out an error in the way the question was presented. Any additional lands, other than those granted to the United States on the maps for the protection and operation of the canal, require Panama's consent; that is, there would have to be negotiations regarding these additional lands and we would have to come here and go throughout the country to explain why that treaty should be approved if it is negotiated, in the event the United States requests additional lands without the consent of Panama by means of a new treaty.

But why has Panama been so liberal—the word is liberal, very broadminded—with regard to granting to the United States the right to add a third lane of locks to the present canal? Why? Today's canal has certain limitations. There are ships which, because of their draught and their width, cannot transit the Panama Canal. And today's canal will be returned to Panama by the United States on 31 December 1999. It will be returned with all its improvements, without encumbrances or debts. And if the United States modernizes the canal with a third lane of locks, with its own money, and turns over to us a newer and more efficient canal in 1999 without us having to pay another cent, that is good for Panama. It is to our advantage to have the most modern canal possible without having to pay for it. And if additional lands are needed, negotiations will be needed. Therefore, let it be clear that, since we want a modernized canal and not junk returned to us in 1999, for this reason we have agreed to let the United States modernize it by adding a third lane of locks.

The sea-level canal is another matter. We have not given the United States any option for a sea-level canal. The only thing we have agreed to do is to carry out a study with the United States to determine whether it is advantageous and necessary to build a sea-level canal in Panama. If after these studies Panama and the United States reach the conclusion that it is to Panama's advantage to build a sea-level canal, we have agreed to then, and only then, negotiate another treaty, to negotiate another treaty on the route, the amount of time needed for construction, how it will be built, with what plans and on what financing terms. These are matters about which we will negotiate later. And of course, if this treaty is concluded, we will come here again to explain why it should or should not be ratified. There will be a new negotiation. And it will be, gentlemen, a great opportunity for Panama to improve the terms of the Torrijos-Carter treaty. There will be a new negotiation and a great opportunity for Panama to improve the terms agreed upon in this treaty. Thank you very much.

We are now going to present Eligio Salas, Rector of our Highest House of Learning.

Mr. SALAS. Esteemed professors, teachers, young students: A question has been asked with regard to the principle of nonintervention, namely that the United States could someday violate this principle since that country has never asked permission from anyone before intervening in other countries. In reality, history has shown that, in its position as a world power with many interests in various parts of the world, the United States has in effect carried out interventions, violating the prohibitions established by international law to guarantee the self-determination of peoples. These were deeds which violate the principles consecrated by the United Nations and even by the Organization of American States.

General Torrijos once said with his characteristic clarity, in talking with a group of students who brought up this same issue, that only two countries have been vaccinated against U.S. intervention. One, General Torrijos said, is the USSR because of its great capacity for retaliation and reprisal and the other is Vietnam because the U.S. was run out of there on a rail. This is true because neither the United States nor any other country is going to intervene in Vietnam in the wake of the United States' recent experience in its war against that people, in which the United States was defeated.

Therefore, with regard to a possible intervention by the United State in Panama's domestic affairs, we would necessarily have to resort to an international denunciation before established organizations—the United Nations, the OAS, the nonalined countries, the Third World countries—where Panama has achieved great prestige and has already gained an internationally recognized ranking.

I believe that at this time, when our country has been able to achieve international recognition as a result of the struggle it has been waging to resolve the problem of the U.S. colonialist presence in our country—which is a form of intervention—and when we have an already-recognized dignity as a country committed to having its sovereign rights and attributes respected, it will become increasingly difficult for the United States to intervene in our country's domestic affairs and unlikely that it will do so because there is no doubt that the result of this would be international repudiation from all the governments and peoples which have been on Panama's side in this struggle.

There is another question. Article 14 of the Panama Canal treaty establishes a procedure for resolving any conflict that might arise between the two countries as a result of the interpretation and application of the treaties. Article 14 provides that first of all, if such conflicts should arise, the countries should turn to the competent committees established by the treaties, and if appropriate or necessary, to diplomatic channels. Only if the two parties are unable to reach an agreement through these means could they agree to have the conflict resolved through arbitration.

Excerpts. The questioner indicates that historically the United States has been known to violate its agreements with Panama and that our notes of protest are filed away in the respective foreign ministries.

It is possible that there may be conflicts regarding the interpretation and application of the treaties and if so, Panama would have to turn to the provisions of the treaty in order to reach a solution to such a conflict. We believe that the provisions of the new treaty make it increasingly difficult for the United States to unilaterally implement its interpretations of the articles of these treaties. It should be remembered that, if the Torrijos-Carter treaty is ratified, Panama's participation in the administration of the canal will increase in the course of the 23 years remaining before the treaty expires; that is, we will not be in the same situation that we are in now, in which the only one who decides, the only one making decisions is the United States because Panama does not have any participation whatsoever in the administration of the Panama Canal and the corresponding zone. On the other hand, let us also not forget that the new treaties eliminate everything relative to the existence of the Canal Zone because Panama will have full jurisdiction in what is now the canal zone.

The situation will also change concerning the defense problem because we will have joint participation; that is, in the area of defense the U.S. troops and soldiers will not be alone because our national guard will have increasing participation during the next 23 years. Therefore, the arbitrary and whimsical attitude of the North Americans regarding the interpretation of the agreements appears to be very limited due to the Panamanian participation in the defense and the administration of the canal and with the elimination of U.S. jurisdiction over that territory called the canal zone.

In any case, we know that, as General Torrijos also said, we must still walk another 23 years with a pebble in our shoe, but with the assurance that at noon on 31 December 1999 the U.S. soldiers and administration will disappear totally and absolutely from that part of our territory. (Applause).

Unidentified Speaker. We give the floor to our local citizen, lawyer Efevo Diaz Herrera (not further identified).

DIAZ HERRERA. Distinguished teachers, honorable representatives, students and guests: We have here a difficult question. It says "What would be the fate of the Torrijos-Carter treaty if there is a tie in the plebiscite?" Mr. Minister, I believe that no one has made this query before.

Law 33 of 1977, which regulates the plebiscite, states that it will be considered approved by a majority of yes votes or disapproved by a majority of no votes. Therefore, interpreting the law, if there should be a tie, from the legal viewpoint, another plebiscite would have to be held to break the tie. General Torrijos will not be able to break this tie because he does not have the power to break a tie in this case. Therefore, legally, another plebiscite would have to be held. However, I believe that this province will be the last one to be counted due to the alphabetical order. Our letter is V (for Veraguas—FBIS) and if it is tied somewhere else, we will break the tie here because we are going to win here. (Applause)

Here are four questions referring to the same subject. If the United States should not ratify the treaty, what steps would have

to be taken to avoid continuing under the same situation? These four questions refer to the same subject.

Naturally, according to those versed in the workings of the U.S. Senate and U.S. foreign and domestic policy, there is apparently a fairly good assurance that (the U.S. Senate—FBIS) will ratify the treaties. Therefore, the president himself has not yet taken the treaties to the Senate for a vote because it is understood, it is observed that he will take that step when he is certain that he has a two-thirds majority of that body. Nevertheless, hypothetically I believe that the query is a correct one and it lies within the possibilities of what might occur. Our leadership has not provided for such a possibility in the treaties, it is not part of the body of the treaty.

Therefore, it would have to be considered according to what the Panamanian leadership has stated. In this respect, the last word we have is that General Torrijos has said that it would be necessary that, since we have chosen the path of negotiation, the peaceful path, we would have to exhaust every recourse which this chosen path offers us.

It is not sufficient for us to believe that we have exhausted every recourse. We have to convince the international community that every recourse was in fact exhausted peacefully by our people and government. Therefore, we would have to convince the international community that it was the United States which prevented the conflict, the differences existing between the two countries, from reach reaching a peaceful solution. We would have to convince the international community so that it, the international community, will support Panama's eventual measures.

On the domestic side, I believe that General Torrijos, considering the responsible attitude he has demonstrated and the capacity for leadership which he has, will adopt the measures corresponding to the desire and decision of the Panamanian people. I do not believe that the government leadership would adopt measures that would not correspond to the thoughts and conscience of our people: that is, in making a decision or adopting measures, General Torrijos will have the assent and consent of our people jointly, naturally, with the armed forces of Panama.

Excerpts. He said this after having exhausted all recourses available to nations. Those who know revolutionary theory have said that all the constitutional and legal recourses must be exhausted before leading the people to the maximum revolutionary tension.

Besides, we must also note that it would be very difficult because the United States would find itself more alone that ever regarding the Panamanian problem. I believe that there is no other country that has gained so much solidarity in the world. Puerto Rico's cause, for example, which in my own personal opinion is a just cause, has not yet received all the support that the Panamanian cause has received. In the long run, of those countries which have colonies or colonial establishments in their territory, Panama has received the most support from both the socialist and capitalist camps.

We actually have no enemies. We have a great number of friends in the world. The United States is aware of this fact. This is precisely why it is trying to solve, starting with President Carter, the Panamanian problem, even from the standpoint of the U.S. human rights policy (dentro incluso de su politica de derechos humanos).

Finally, the decision as to what will be done, if this happens, will be in the hands of the Panamanian people themselves with the approval of General Torrijos. Thank you. (Applause). (Passage omitted on series of questions read but not answered by Professor Vicente Caballero Diaz, director of the Santiago Government night school).

Unidentified speaker. Architect Edwin Fabrega, member of the negotiating committee, will now speak.

FABREGA. Comrade speakers, distinguished teachers of my province: I have in my hand lengthy questions dealing with the matter I was responsible for in the negotiations. The first one reads as follows: Please explain point one of article six of the agreement in implementation of article three of the Panama Canal treaty in so far as it relates to the regime of civilian coordination for housing areas.

Before answering that question we must bear in mind that in the agreement reached on the treaty on lands and waters, it does not refer to Panama's recovery of lands nor to land concessions to the United States for a smaller Canal Zone. In the treaty draft, we are referring to lands and waters that Panama is granting for the operation, maintenance and defense of the canal. Panama is only granting certain rights to the United States to use the lands and waters in those areas to operate, maintain and defend the canal during the duration of the treaty, while the United States is here until December 31, 1999. Therefore, what we have on the map is not what is left of the Canal Zone, because 30 months after the treaty is ratified the Canal Zone will no longer exist. Then, what do we have? An area under full Panamanian jurisdiction. Of the 1,432 square km which is now the Canal Zone, only 411 square km will be used for the operation, maintenance and defense of the canal.

Within the 411 square km, there is a sector known as the civilian coordination area which comprises the areas in which they have built houses. Housing areas in the Canal Zone, such as Rainbow City, Paraiso and Pedro Miguel, revert to Panama the same day the treaty goes into effect and so does the rest of the houses where the other Canal Zone workers live. However, an agreement was reached regarding these areas. Panama will allow the Panama Canal Commission to have a number of houses necessary to quarter its foreign employees, U.S. citizens, while they work for the canal. About 20 percent of these houses in which U.S. citizens are living will gradually revert to Panama over a period of 5 years. After that, whenever a U.S. citizen leaves and a Panamanian goes to live in that house, it immediately passes to Panama. This is what the civilian coordination area really represents, and Panama has total jurisdiction over it.

With regard to the question on Balboa's Port area, there in the agreement which is part of the treaty is a series of maps—not just one, more than 50, almost 60—of various scales describing in detail these areas. Since Balboa's port area reverts to Panama the same day the treaty goes into effect, and so does Cristobal Port area and the national railroad, we have had special maps drawn on large scale detailing these areas which include all the installations and facilities for the operation of the port. Its services, piers, workshops, dry docks, oil tank installations from which ships passing through the canal refuel—you can see this area from the bridge of the Americas, below you can see a large number of fuel tanks—this area reverts to Panama the same day the treaty goes into effect. Therefore, the port area is very clear on the map and in the text. But one must read the text and look at the map at the same time.

There are people saying that they are not really giving us the ports because of the number of conditions they are asking. I must admit that when we receive the port, Panama assumes the responsibility of maintaining the port in such working conditions that the commission managing the canal has no complaints on its efficient operation and maintenance and that there are no problems in handling military equipment for the defense of the canal.

These are really the conditions in the agreement. They are logical. If we are going to have a port which is going to do business and which is going to charge for services, the more they use it the better. For Panama, it is a good opportunity to show its ability to handle this type of installation. I also want to explain that at present, the ports of Balboa and Cristobal are not operating and were not designed or built to meet Panama's needs. They were built, designed and are operating to meet U.S. military needs and the needs of the Panama Canal Company. Therefore, it is up to Panama when it receives these ports to make a big investment to redesign these ports to meet our country's real needs. Although these ports are not designed for it, 80 percent of the cargo now being handled belongs to Panama.

Within the areas granted for the operation, maintenance and defense of the canal, we have another which refers to the defense areas or sites of the canal. Today, we realize that 80 percent of 1,432 square km which is the Canal Zone is being used for military purposes. In the agreement, in the treaty draft, only 180 square km of that area will be used for defense, which is approximately a 1,000 square km reduction. Panama is going to decide the areas where U.S. military forces for the defense of the canal are going to be stationed during the duration of the treaty. Starting from the year 2000, there will be no U.S. soldiers inside or outside of those sites. We also have areas of military coordination, areas for military training activities by Panama's National Guard and the U.S. Army. This does not mean that the person in charge in those areas is going to be the commander of the forces. Each force occupying the site in its turn will have its own commander and will not obey a commander of the other country. Therefore, the participation and command of the Panamanian forces in the defense of the canal will be under the orders of its commander, General Torrijos.

There is another question asking why there is a need to continue with military schools after the canal treaty is approved?

You know that the treaty is based on the Tack-Kissinger agreement. What is called the ugly side of the picture, the U.S. presence in the canal until the year 1999, compels us to allow those forces and the entity that will manage the canal to have the installations and facilities necessary for operation. Since those military forces, those soldiers come here with their families and the administrators will come with their families for brief periods of 3, 4 or 5 years, one of the things they requested was that the children of those soldiers and of those civilian employees who come for brief periods might receive the same kind of education in English that they receive in the United States so that their education according to their system would not be impaired.

However, those schools will be run exclusively for the children of those officials, American soldiers and civilians that I have mentioned. The school system in the present Canal Zone will be turned over to Panama with those exceptions. Those exceptions also include certain installations or schools located inside the Canal Zone.

There is another question which reads: If Panama receives 30 cents a ton, how much does the United States receive? It has been a traditional U.S. policy regarding the management and operation of the canal and its revenue to state that the canal is not intended to make a profit, that it should operate according to how much it costs. That is how they have managed it.

You have seen that they sometimes announce after their fiscal year that the canal lost $1 million or earned $1 million. What they are really doing is to work with a bal-

anced budget of income and expenses. For that reason, the current canal tolls are not real tolls because they simply cover the costs of operation. Their profit does not come from the revenue obtained through the ship tolls, but from what they are saving by the use of this resource; in other words, the more expeditious, shorter transportation of their freight, the commercial freight which comes from the United States.

For that reason, neither now nor according to the new treaty will the United States receive a single cent of canal revenue. I am sorry, I made a mistake. Today it does receive something because the canal is paying a sort of yearly interest on the capital that the United States invested which it claims it has never recovered. But the fact of the matter is that the earnings stem from the savings or the subsidy they provide to their merchant marine and as a consequence to the rest of the world, but the rest of the world benefits only by 30 percent, while 60 percent is a direct benefit for the United States.

In our country, this situation prevents those terrible currency devaluations in which a person has to carry 200,000 pesos in a push-cart to buy $1 worth of something.

It is said that almost all countries have endorsed the Torrijos-Carter treaty and that, therefore, so should we. Do you gentlemen believe that rulers such as those of Peru, Chile, Bolivia can talk about freedom, justice, peace or sovereignty?

We believe the following: Notice that when we talk about international support, we usually refer to the support given by the peoples. We talk about the support given by third world countries, by the African peoples, the peoples of Latin America, the countries, the nations.

Regarding the Panamanian struggle and our national cause, we do not usually talk about the support given by certain men or the support given by the rulers. We know that regardless of who rules in Chile, the Chilean people are fully aware and convinced that the Panamanian cause is just and honorable and that it has to be supported. The same thing can be said in connection with the others.

Besides, whether or not we approve of the ideologies or systems of government in other countries, we respect the principle of self-determination of all peoples. This is a country which maintains friendly relations with all countries in the world. For this reason, we do not concern ourselves with the systems of government in other countries.

We have made a few distinctions, though. A case in point is Rhodesia in southern Africa. In this case, Panama broke its relations with that country because of apartheid, or racial discrimination, particularly in the shameless way in which it is practiced in that country.

Some people say there is one treaty, others say there are two. We would like you to clear up this for us.

There are two treaties. One treaty concerns the Panama Canal and regulates its operation, administration and period of duration. The other treaty regulates neutrality. In it, Panama unilaterally declares its neutrality; in it neutrality is maintained. The commitment to maintain this neutrality belongs to both the United States and Panama. In addition, there is a protocol by which that neutrality is deposited in the United Nations and is left open for adherence by all countries. This is what Lopez Guevara called the multilateral regime of neutrality, which to a large extent will guarantee respect for it.

Another question: Our country wants to be free and sovereign in the Canal Zone. One of the ways of achieving this is through nonviolence.

This is true, and we referred to this nonviolent path in our initial speech.

Why do students mistreat people, as was the case a few days ago in the university when the car of one gentleman was set on fire? Has our country apolcgized in some resolution, or does it want violence in exchange for the treaty?

Fortunately, we are a very honorable government. Fortunately, we also have a very honorable rector. For this reason, neither our government nor our rector go around apologizing or sending resolutions. Our government does not justify violence. The rector issued a communique indicating that he deplored violence. But then again, it was a ceremony at the national university, the U.S. charge d'affaires had not been invited by the university authorities. The car arrived as a meeting was being held at the law school by a group of students who oppose the non-violent methods employed by this administration. They were Trotskyite students who believe imperialism should be fought with weapons, through violence, and that the Americans should be evacuated immediately from the military bases in this country. They say this treaty does not meet these requirements and therefore their response to this treaty is negative. It is at this point that the U.S. Embassy limousine showed up and the incident occurred. Neither the government nor the rector, or for that matter any Panamanian, shares that thesis. It is also true that there are causes of conflict. I am sure that if I show up in a car in front of Ronald Reagan's house in the United States, the 40 or 100 bodyguards that we suppose that gentlemen has would not only set fire to my car, but they would also set me on fire.

Article five on the principle of nonintervention refers specifically to the canal commission employees, their dependents and contractors. Is this the only group banned from all political activity in Panama as well as from any intervention in Panamanian domestic affairs? The article does not say that the United States will not intervene.

In the first place, let us suppose that these treaties did not include the two principles of nonintervention which appear for the first time in the history of Panamanian relations with the United States. Even so, the UN charter indicates that the United States cannot intervene. The Montevideo Agreement of 1933 indicates that the United States cannot intervene. The 1948 Pan American letter of Bogota also contains a principle of nonintervention. Therefore, according to the United Nations, the OAS and the Montevideo Agreement, Americans would not be able to intervene.

Furthermore, article five of the treaty and article two of the agreement for the execution of article four, the one regulating the presence of troops, refers to U.S. troops and at the end says that the United States will adopt all necessary measures to guarantee the fulfillment of this article. Therefore, both the civilian and military aspects set forth the two principles of nonintervention we have referred to.

Mr. Negotiators, why is the Socialist bloc's support not taken into account in your speeches? In the long run, they are the only ones who can help us unselfishly.

I think compatriot (words indistinct) Herrera referred to the socialist countries. Let us not forget that Panama's alliance with the third world countries, which comprise both socialist and nonsocialist countries, resulted from a succession by President Tito of Yugoslavia, whom General Torrijos just visited a few days ago. We thank all countries for their support, and we thank socialist countries for their support. Maybe I did not say this in my initial speech in order not to sound repetitious because I have said this on several previous occasions.

In last Friday's television forum we read the cable sent by the PRC, which was 800 million inhabitants. A few days ago we referred to a news conference held by Cuba's Commander Fidel Castro. We have previously referred to socialist countries, giving them their due importance. They are countries which have fought against the United States, countries which understand the problem of colonialism, countries which have strongly criticized the United States, countries which have engaged in wars against the United States. Vietnam, which was mentioned here; Cuba, with its invasion; and many of the socialist countries feel that this treaty between Panama and the United States represents a great advance, great progress for the Panamanian people, and many conquests.

Is it true that under our laws, General Torrijos is not authorized to sign international treaties?

According to article 277, General Torrijos is the leader of our revolutionary process, our leader in international relations. He appoints ministers, legislation commissioners. If he can do the most important things, he can also handle the most menial tasks. General Torrijos is fully entitled to sign the treaty he signed with President Carter. President Lakas himself repeatedly said that it was not his privilege to sign the treaty but that of General Torrijos. It is not only constitutional but legal as well.

I want to make two quick references before ending my speech. Edwin Fabrega has referred here to an average of $80 million. This is not the only amount of money Panama will receive and he made a very specific reference to the average of $80 million, even saying that we could reach $100 million.

Let us imagine that we are talking about the $80 million—which compared to the $2.6 million we currently receive represents a marked advance for Panama. If we multiply this $80 million times 23 years, it represents $1.84 billion. This is not a gift or donation. It is the first just participation that Panama will have in the benefits derived from the canal operations.

At this point, I would like to address the peasants of this country On many occasions we refer to a number of conquests and we address the educators but we do not address the peasants. We sincerely want to tell the peasants who are listening to us right now—we know they are a bit far from the canal; Panamanian peasants see the canal as something distant—that this is not the only economic solution for Panama.

Excerpts. It is one of the many possible economic solutions. These solutions are going to depend to a large extent on what they do with their land, on their productive efforts and on the agricultural and livestock projects that the revolutionary government may develop.

We believe that with this participation in the benefits of the canal, that with this 1.84 billion (no currency specified—FBIS) over these 23 years, Panama—the revolutionary government—will be able to carry out many projects that will be added to the projects that the government, with much courage and decision, is carrying out.

Finally, I want to read here a message, that as the person who brought it said, is not a question, but I want to read it now because we will not be able to do it later. The message states: Dr. Royo, this is not a question. The purpose of this message is to express to you our support for the team that negotiated the new treaty and to tell you that all the handcraft teachers of Veraguas as one man will give the world our yes on 23 October. Signed. Paula de Sanchez, president of the Association of Handcraft Workers. Thank You, Paula. (Applause.)

Unidentified Speaker. Before giving the microphone to the comrade teacher who will speak, I want to announce that His Excellency, the Vice President of the Republic of Panama, Gerardo Gonzalez, has just joined

the negotiating team. Now we will give the microphone to Veraguas teacher pastor Caballero.

Pastor CABALLERO. Comrades, as a teacher and as university student of the University of Veraguas, I fully identify with the liberation process of our country, an identification that we practice with our participation in the process of making the treaties known and that we will show up on 23 October with a yes for the Torrijos-Carter treaty. There are some questions, and we want to take advantage of this wonderful opportunity to try to get an answer.

The minister very clearly expressed the importance of education in the area today called the Canal Zone, the ill-named Canal Zone. He said that if those U.S. boys had been taught that that territory is not theirs and that they are only passing through, perhaps today the negotiations would not have been so difficult.

We also want to note the fact that in that territory we now have a labor force of 10,000 which will increase day by day. We are also aware of the fact that article 88 of the Political Constitution of our country establishes that there will be a single education system in all the national territory. Regarding this, we ask: What will be the participation of our country in regard to the educational aspect? Are we going to install basic education centers in the Canal Zone? Mr. Minister, this is our question. (Applause.)

ROYO. Yes. Responding to Pastor Caballero, let us be very clear on this. There is no longer a Canal Zone. There is no zone any longer. There will be a small piece of land out of the 400 odd square km from where they will manage the transit of the ships at all times. But the rest is no longer a Canal Zone. There we can set up education centers for children; we can set up primary schools; we can even set up polytechnical schools. We can do whatever we want there with that 70 percent of land. There will go our education system, but it is worth pointing out that we have not adopted a policy of persecution against the Zonians. We will let those who began their education in that system to finish (within the same system—FBIS).

We are leaving the Americans in the American education system. We do not want to make American children Panamanians because right now they could be there temporarily and those coming under contracts will be there for only 5 years. So, we are respecting their educational system although we are circumscribing it and reducing it (words indistinct) the Panamanian education system without hurting the children who are already in their sophomore or junior years and who would be greatly hurt if we were to take them to the Moscote or to the Teachers School of Veraguas. This is what we are trying to avoid. In the rest of what will no longer be the Canal Zone, the education system will be Panamanian. (Applause)

Unidentified Speaker. Dr. Lopez Guevara will now answer questions.

LOPEZ GUEVARA. I have in my hands a 9 August editorial of the Times of London, a prestigious newspaper. I think it is suitable to read the final portion of this editorial because it reflects how the diplomatic position of Panama has been making friends in the world. I am talking about the United Kingdom. This newspaper states: Apparently the treaty is a very reasonable agreement and the Senate would be shortsighted if it rejects it. In fact, President Carter should not let the Senate have any doubt that any return to a confrontation in this regard would leave the United States isolated, even from its own allies. The United Kingdom in particular, should be prepared to adopt a moral position in this matter in view of the valiant attitude assumed by Panama in favor of Belize and against its Central American neighbor.

Panama, with an upright and dynamic policy, has been making friends, friends that apply pressure on the American people in favor of Panama. This is why we have been advancing in this struggle for our independence.

Here is another question: In the event that the Americans refuse to leave the canal or Canal Zone within the period agreed on, what would the Panamanian people do? This is a question for everybody.

Excerpts. As in 1947 we rose up against the military bases, from the teachers college (located in Santiago, Veraguas Province—FBIS) we struggled with all our might. And in view of this pressure, the Americans left because the treaty said that they should leave. The treaty says it more clearly now. They have a definite deadline and American public opinion is aware that there will be no more interventions or unauthorized military presence.

Another question: Does the neutrality treaty refer to the Republic of Panama as well as to the canal? No. The only thing that will be permanently neutral in perpetuity is the canal, and the canal is outlined on a map. In my judgment, article five of the neutrality treaty lays the groundwork so that in another treaty that could be negotiated Panama will declare itself completely neutral. But that is a topic we will leave for later study during a nationwide debate.

Dr. Castillero Pimentel, Panamanian professer of diplomacy—FBIS, has drafted a treaty on this subject, but this is not the subject of discussion today.

How will the United States be able to maintain the regime of neutrality after the year 2000 if they will have no more troops in Panama?

I said that the United States has a legitimate right to enforce the neutrality of the Panama Canal. (Sentence as heard) Any state which threatens that neutrality affects that legitimate U.S. right.

The United States is a superpower. The United States need not to be present in Panama militarily to enforce that right of its ships to transit the Panama Canal at all times. It has rockets, it has submarines. It has so many elements to enforce its right if someone, which will not be Panama, ignores that right.

Does neutrality cover the entire Panamanian territory according to article three of the Constitution or just the canal and its operations? What will become of the 200 miles of territorial seas? You spoke of only 3 miles last night.

That is correct. The canal is defined as an area extending 3 miles offshore. That is how far the canal and its neutrality extend. We have not reached a pact on neutrality beyond this area of the canal, and its offshore extension of 3 nautical miles toward Panama Bay or toward Limon Bay on the Atlantic.

What is the deadline for ratification by the Senate?

There are no specific timeframe for this. We have set a date for our plebiscite because, after the debate concludes in Panama, we want to devote all our energies to convincing the world that it should exert pressure on the U.S. Senate, that it should convince the Senate that this is a balanced treaty and that it reflects an equilibrium between the interests of the two countries. Fortunately, U.S. public opinion is so inclined.

Article four, point five speaks of protection and defense and establishes that the United States will try to maintain its armed forces in the territory that was formerly the canal zone at the same level that they were immediately before this treaty becomes effective. What this article regulates is what we know as the level of forces. Right now, the United States abusively maintains an unlimited military force. However, it has always wanted its actual number of forces to exceed that of the police or the national guard. The United States has always taken care to exceed the number of military forces in Panama. That is why we contend that Panama is an occupied country.

During the negotiations, we made all possible efforts to restrain that level of forces. There is a definite U.S. policy, an agreement that was reached through the treaty, so that under normal circumstances those U.S. military forces will not exceed those present at the time the new treaty goes into effect. That is not an ideal situation, but there is a ceiling.

The treaties should be implemented in good faith. Under normal circumstances, the United States cannot double or increase that number of forces, because we would have the right to denounce that violation of the commitment which had been formally and clearly made.

However, if there is an emergency situation, the United States, in the exercise of its primary right (as heard) to defend the canal up to the year 2000 and no later, can then increase the number of troops. There is no controversy over that. The treaty is very clear-cut, and we are not denying that U.S. right.

There are two very similar questions here. Why is there not a debate between the two groups, those who are opposed to the treaty and those who support it?

Those debates are taking place. I held a debate on Tuesday, I think it was at the Panamanian Teachers Union, which was broadcast over the radio. It was a public debate. Spokesmen for the independent lawyers were present. With all propriety and clearness, I explained Panama's accomplishments and the unsuccessful aspects of the negotiations.

There is no question that Panama voiced its demands. The documents on the history of the negotiations will show how many proposals we made. Negotiations are not simply a matter of being successful. There has been no unconditional surrender by the United States. We have reached a pact on a liberation program over a 23-year period.

I can say in all earnestness that those who oppose the treaty did not act with sufficient forethought. They hinted at things, made statements which have no basis in the treaties. For instance, they said that this treaty establishes a military alliance, thus insinuating that it repeated the 1926 treaty which was rejected by this people. That shows you how this type of debate can be useless sometimes. However, we have engaged in it and we really do not oppose it. I am not avoiding the debate. Our negotiating team is not avoiding the debate.

That debate at the Panamanian teachers union has already been held. It was broadcast over the radio. Of course, they noted only the negative aspects. I discussed the two treaties in a general sense and I did not not introduce them as the ideal that all Panamanians want. I introduced them in a realistic fashion, in the realistic fashion that marks this government. That is the most that we were able to accomplish under the circumstances.

However, the two treaties that we are submitting to a plebiscite, to the sovereign Panamanian people, do not constitute the final battle of the Panamanians. If we gage the liberation process on a 1-to-100 scale, we are at point 77. There are still 23 points, 23 more degrees to go. However, let us consolidate what we have accomplished by ratifying this treaty.

There are no setbacks after that. Both you and all of us are committed to reach the goal, the 100 mark. However, let us conserve, let us reaffirm the 77 points that President Lakas, General Torrijos and all the Panamanian people have accomplished. Thank you

LONDON NEWSPAPER SUMMARY FOR WEEKEND, OCTOBER 15–16, 1977

General Torrijos has just been on a tour to Israel and several European countries to explain Panama's aims and to give assurances to users of the canal. People had understood Panama's problems, he said, and some of them had taken the view that it would be irresponsible and catastrophic if the Panamanian point of view was not appreciated. They had understood that "when all pacific solutions are refused, inevitably violence will follow".

Mr. Callaghan, whom General Torrijos saw on Wednesday, had told him that he understood the Panamanian cause perfectly well. Britain had had colonies and had realized that it could not go against the self-determination of a people, Mr. Callaghan had said. It had known when to retire in time.

In the United States the treaties have to be ratified by a two-thirds majority in the Senate, and there have been difficulties over the question whether they allow American intervention after 2000. The Panamanian reply is than in the long run it will in any case be impossible for the Americans to hold the canal against Panamanian opposition, and General Torrijos took up this point when I asked him about the issue.

The canal was not something that could be defended, he said, since it had many critical points which were vulnerable to the action of one man, or any power, which could make the canal useless. What the new treaties allowed was joint operations by the United States and Panama against any power that wanted to harm the canal. But if transit through the canal were expedited for everyone without discrimination, there would be no reason for anyone to want to damage it.

The only ones who might were the Panamanian people, who might become embittered by American demands in the years between now and 2000. It was impossible to predict what the attitude of the Panamanians would be in 2000.

General Torrijos is confident that the treaties will be approved in Panama in the plebiscite planned for October 23, in spite of some opposition to them on the ground that they give up too much to the Americans. A vote against was a vote for the status quo, he said. Besides, "I am one of the most radical of patriots, and if I accept, they will listen to me".

He also declares himself confident of ratification in the United States, saying that he is ready to wait for a few months. "I know that great causes are not solved from one day to the next", he said. "We have been subdued for so long that one day more or less will not make much difference."

Trade protectionism:

Observer article by Laurence Marks in Washington: "Demands for protectionist measures are becoming more insistent in the U.S. the immediate problem is the stricken American Steel Industry. . . . But steel is only one of a range of basic manufacturing industries in America that are now vulnerable. . . . The impact on the third world if the U.S. were to attempt to fossilize present patterns of world trade could be catastrophic. Powerful nations like the U.S. by restricting their markets, would prevent the poorer countries. . . . from earning the money they need for industrialization. . . . The President, who is firmly against erecting trade barriers, has expressed some skepticism about how much of American industry's problems stem from dumping, and how much from the higher productivity of its competitors. As the more advanced of the developing countries their industries with modern plant, this competition can only become worse. Brazil, Mexico and some South-East Asian countries will be exporting cars in bulk within 15 years.

America's domination of the world markets in aerospace, nuclear power, computers and some other capital-intensive high technology products, based on the cost advantage provided by huge home consumption, is no help in dealing with the mass unemployment that Mr. Carter's administration is pledged to reduce.

For the present, Mr. Strauss has managed to contain the protectionist pressure. At a meeting in the White House last week, steel corporation managers surprised observers by not pressing for import quotas or voluntary restraints, apparently in return for a promise by the President that the administration will now enforce anti-dumping laws more vigorously.

But the United Steel workers and some congressional leaders want at least temporary import quotas. The President is thought to have until the end of the year to produce effective measures before Congress takes a more aggressive initiative."

[From Panama City Televisora Nacional in Spanish, Oct. 14, 1977]

PANAMA'S TORRIJOS MEETS PRESS AFTER CARTER INTERVIEW

Good afternoon, dear viewers. Panamanian Chief of Government Gen. Omar Torrijos Herrera told three Panamanian newsmen this morning: I have not signed anything. Turning to this station's reporter, he said: Tell the Panamanians that I have not even given an autograph. Torrijos Herrera's statements came in the wake of his interview with U.S. President James Carter at the White House.

The Carter-Torrijos meeting began at 0800 today. The press was allowed to enter and take photographs and film the two government leaders. Carter was smiling and Torrijos, his eyes wide open, heard the clicking of the cameras and suddenly told Carter: How aggressive! He said later that the lights of the television cameras had blinded him.

The Torrijos-Carter meeting lasted 1 hour and 45 minutes. It was attended by minister of agricultural development Lt. Col. Ruben Dario Paredes, minister of the presidency Fernando Manfredo, chief Panamanian negotiator Romulo Escobar Bethancourt and Panamanian ambassador in Washington Gabriel Lewis Galindo.

During Torrijos' interview with newsmen at the Panamanian Embassy in Washington in the wake of the meeting with Carter, no photographs were allowed and toward the end he permitted the use of recorders if we agreed not to broadcast his recorded remarks. The Panamanian chief of government said that the meeting with President Carter was not intended to issue a joint declaration. However, he did not specify whether he had been asked to sign any document of understanding.

Torrijos said that when he arrives in Panama he will issue a declaration to the nation and he reiterated that it is necessary for the Panamanian people to know that he did not sign any document. He asked the people to have faith in him. He then admitted that there was some expectation concerning a written commitment but said that he, Torrijos had not signed any document.

The Panamanian chief of government said that even his meeting with Carter dealt with the public debate underway in the two countries, he discussed with the U.S. President his trip to Europe and the Middle East. Torrijos added that President Carter showed interest in the views of the European leaders and that Carter regards the European leaders with great esteem.

Torrijos said that he thinks he convinced many European leaders that canal transit right now is naive, not innocent (as heard). It is naive to think, Torrijos said, that there could be fluid, nondiscriminatory passage in opposition to the will of the people who are there. He added: the question is that there can be no perpetuity in a country where the people are (enslaved), and England knows that because they had that experience and they knew when to withdraw. Torrijos added: either they remove perpetuity or we will close the schools because a school is the opposite of a perpetual situation. A school is change. It is evolution. It is thought. It is dignity. It is aggressive dignity. It is honor. It is dynamic honor.

Torrijos told the three Panamanian newsmen that European leaders showed interest in talking with him as the Panamanian chief of government in order to find out the other side of the picture and to meet this government directly, obviously referring to the Torrijos government. Regarding his interview with Callaghan, he said that the English Prime Minister told him: do not worry so much.

This is so necessary for world peace, for the peaceful coexistence of the Merchant Marine that we do not see how this treaty could be rejected. Torrijos said that Callaghan added that a rejection would be a catastrophe and that it would also be a catastrophe not to render justice to the Panamanian people. Callaghan added: stay calm, Torrijos.

The Panamanian Chief of Government said that the European leaders are not so concerned about expeditious passage as about whether or not their navies will be able to cross the canal. Throughout the interview with Torrijos we would return to the topic of what he and Carter had talked about. Torrijos finally stated: "I will say what Carter and I talked about when I get to Panama."

Getting back to the subject of his meetings in Europe and, basically, his interview with Callaghan, Torrijos remarked that last year England put 17 million tons (of Carlo-FBIS) through the canal and that about 1,200 English ships crosses the interoceanic waterway. Regarding the canal problem, Torrijos said that it is a matter that must be viewed within a broader framework. He said that the Europeans are looking at it as a matter that will be resolved, and they have no doubt that it will be resolved.

Torrijos noted that certain European leaders voiced their surprise that he is not aware that it has been resolved (as heard). Torrijos added that they are viewing the canal issue from the standpoint of an example of a negotiated settlement, of a peactful solution, because they, Torrijos said in referring to the European leaders, feel that peaceful settlement was becoming a rare term in the jargon of international arrangements and since each of them, the Europeans, has one or several problems, they regained confidence in peaceful settlements.

Torrijos said that the European leaders regarded the Panamanian Chief of Government's trip as a very responsible, very mature endeavor. Afterward Torrijos said goodbye to us with his customary, over and out! In the meantime, preparations were underway for the departure from Washington.

Torrijos told me that he still did not know where he would land in the country because that is how he does things. He decides at which airport he is going to land 1 hour in advance. However, I know that Torrijos Herrera was planning to arrive in Panama tomorrow and to make a stopover in Caracas and Bogota this afternoon in order to meet with the Government leaders of these two friendly countries which have constantly given and continue to give their firm support to the Panamanian cause.

If this idea were borne out, Torrijos would arrive in Panama on Saturday. However, Torrijos has left Washington and right now we do not know whether he is going directly to Panama or whether he will pay a visit to the presidents of Colombia and Venezuela.

MEDIA REACTIONS

1. Panama City.—All October 14 papers front-paged President Carter's October 13 press conference and planned Carter-Torrijos

meeting with following headlines: Government-Controlled La Republica (October 13), "It is not necessary to amend the treaty, Carter;" sister tabloid Critica, "Jimmy Carter affirms: U.S. doesn't have the right to intervene in Panama"; and government-controlled Matutino, "We have no intention to intervene in the internal affairs of Panama, reaffirms Carter."

2. All papers also front-paged wire service stories on testimony of George Meany and Martin Berber before SFRC October 13.

3. Matutino front-paged a special report from Washington by Panama City TV-2 reporter Luz Maria Nol I. According to Matutino, Torrijos responded thusly when questioned about his brother's alleged drug activities: "Don't judge me for what a relative does; I want you to judge me for what I do." Torrijos then said to the journalist: "Are you responsible for what your family does?" Nol I further reported that Torrijos would probably return to Panama immediately after an interview with CBS which the chief of state has requested would take place under a tree because, in his words, "it is a natural setting."

4. La Estrella October 14 front-paged the October 13 treaty briefing at National Confederation of Private Enterprise (CONEP) with participation of negotiators Fabrega, Barletta, and Royo. Coverage only discussion of lands and waters and economic issue with nothing on Royo's remarks due to deadline pressure.

5. Matutino October 14 carries extensive coverage of Royo's October 13 appearance before the University of Panama School of Nursing. Article begins: (Quoting Royo) "The real defense of the Panama Canal is the affection shown for it by all nations of the world, including those that have no merchant marine. But in this regard, we find the American thesis that they can't separate themselves from canal defense and its security aspects, because the waterway is still a security issue for the government and people of the U.S., and therefore this transmission of 23 years has been made and for that reason it is logical that neutrality should be permanent."

6. Matutino further paraphrased Royo, who when questioned about intervention replied that "the treaty does not authorize any kind of intervention. The document doesn't even say that they can take military action to avoid an attack on the neutrality of the canal . . . According to the treaty, the U.S. can participate or take military action in the face of military action which attacks the Panama Canal; this is an interpretation in our judgement that flows out of the treaty although the treaty does not mention it, said Royo emphasizing, if that is the kind of intervention they are attacking us over, I say to them that they cannot intervene in internal affairs of Panama at least through (using) the treaty. Intervention is a violation.

7. Royo continued: "Juridically this type of intervention cannot be carried out; it can be done 'de facto,' it can be done in practice, it can be done in violation of the norms of international law . . . If the Americans intervene in this country, use intervention in this country, it is not because they may have the right of intervention, it is because there is a denial of a right . . . But they would be violating the Panama Treaty if they intervene in the internal affairs they would be violating the U.N. Charter, the Montevideo agreement of 1933 and the PanAmerican Charter of Bogota of 1948. There is then no type of guarantee of any type of intervention in internal affairs."

8. According to Matutino, Royo further explained that the U.S. negotiators insisted on the neutrality treaty, that the arrangement is not ideal, that it is one of the unpleasant parts of the treaty.

9. All papers October 14 carry "dispatch No. 12" from General Torrijos enroute in Europe. The following excerpts is his only direct reference to the U.S. role in the canal issue: (Torrijos describing his meeting with Swedish FM Falldin) "the Bible tells us that David always wins against Goliath. The American people are not Goliath and we aren't anti-Yankee. We are anticolonist. Because colonialism is not a distant concept for the Panamanian. Abstract concepts are not killed. For the Panamanian colonialism is a concrete fact that is seen that is watched and which establishes a defensive system pointed at the center of his heart. Falldin said to me: "For the American Senate not to ratify the treaty would be an act of great irresponsibility with regard to world peace." I don't think it would be so irresponsible. When they have asked me what my government would do if the treaty were not ratified, I have said: "Let the people decide." (Ponerlo a las orderes del pueblo.)

18. Camilo O. Perez, in his bona fide column in government-controlled critica, continues his critical analysis of the treaty: "What we know for sure is that the neutrality treaty was proposed by the U.S. and was signed by its insistence and is the fruit of American perversity." Perez further concludes: "On reading the third part of article III, we discover that national sovereignty is a fiction, and it is because it accepts the application of American law in national territory, which places us as if we were Puerto Rico, in a restricted zone."

Panama Negotiators Explain Treaties in Venezuela

EXCERPTS

Caracas, October 15.—The Venezuelan foreign ministry opened the new international affairs institution with lectures on the Panama Canal Treaty, its history and its significance for Latin America by Dr. Diogenes De La Rosa and on its legal aspects by Dr. Carlos Alfredo Lopez Guevara, Ambassadors of the Republic of Panama connected with the new treaties signed with the United States.

The introductory speech was made by Dr. Ramon J. Velasquez, the director of the institute, at a ceremony attended by Venezuelan President Carlos Andres Perez. The ceremony was closed by Minister of Foreign Affairs, Dr. Simon Alberto Consalvi. (Passage omitted on opening remarks by Ramon J. Velasquez).

Both Dr. Diogenes de la Rosa and his countryman Carlos Alfredo Lopez Guevera were emphatic in saying that their presence there (ALLI) was to issue an alert to Latin American public opinion from the people of Panama to block biased United States interpretations of the new Panama Canal treaties on the issue of neutrality.

In the opinion of the ambassadors, who acted as negotiators in the drafting of the recent treaty, there are still some Senators in the U.S. Congress who are attempting to make whimsical interpretations of some of the articles in the new treaty in a way that is harmful to Panamanian interests and the treaty's spirit.

Looking back into history, Dr. de la Rosa pointed out that it was evident—and this had to be admitted—that the United States backed Panama's separation from Colombia, helping the Panamanians with warships to prevent Colombia from seizing the Isthmus and that it was also evident that without the support of the United States it would have been impossible to achieve nationalism.

However, de la Rosa stressed that this U.S. support had been paid for by the Panamanian people at a very high price because the treaty of that period gave the United States the administration and defense of the canal in perpetuity.

Ambassador Lopez Guevara, who spoke on legal aspects, defined the new Panama Canal Treaty as an instrument for negotiations (as received) since it contains fixed dates for the disappearance of the United States as a military power in the Canal Zone and for the total return of the areas still being held by the United States on Panamanian territory.

In addition, Dr. Lopez Guevara insisted on what should be understood as neutrality which, in his opinion, is the point at issue since attempts are being made to interpret it differently.

Panama, Dr. Lopez Guevara said textually, has not yet achieved its independence and it is Latin America's duty to consecrate the new Panama Treaty, and this has been "acknowledged by such personalities as President Perez."

Referring to expeditious passage as mentioned in the treaty, Dr. Lopez Guevara explained that this term connot be interpreted as preferential treatment for U.S. warships as the United States is attempting to do because this (treaty) is called the treaty on neutrality of the Panama Canal. Consequently, there can be no discrimination.

In connection with the allegations of some U.S. Senators regarding the supposed perpetual right to intervene in the canal even though article 4 of the agreement states that during the period in which the treaty will be in effect the United States of America will have the primary responsibility of protecting and defending the canal. Dr. Lopez Guevara also cautioned that this right should disappear by the year 2000 in accordance with the terms of the treaty since, in addition, its article 5 point out that the employees of the Panama Canal who are citizens of the United States, the contractors appointed by the commission and the North American citizens shall respect the laws of the Republic of Panama and will abstain from any activity that is incompatible with the spirit of the treaty.

The Minister of Foreign Affairs, Dr. Simon Alberto Consalvi, who was in charge of the closing speech at the inauguration of the International Affairs Institute, made the following statements: (passage omitted)

In the name of the Ministry of Foreign Affairs, I wish to express our thanks to Drs. Diogenes de la Rosa and Carlos Alfredo Lopez Guevara for having accepted our invitation to lecture on the history of the canal and on the significance and importance of the treaties. We have heard the actors in an important part of the Latin American history of our days, an essential part of our history. To our Panamanian friends, the Foreign Minister concluded, we reiterate our solidarity and our hopes that this complex and difficult process will soon come to a happy end so that Panama will exercise sovereignty over all of its territory.

Panama: Foreign Ministry Official Discusses Neutrality Treaty

(Note.—Critique of article IV of the Neutrality Treaty by Luis Bejarano, Foreign Ministry Adviser, as part of regularly scheduled 15-minute treaty analysis program from Treaty Information Office—presumably live.)

Article IV of the treaty governing the permanent neutrality of the canal and the operation of the Panama Canal cannot be intepreted as granting the right to intervention to the United States or the right for the United States to guarantee the neutrality of the waterway after 31 December 1999. It seems to us that such an interpretation has no legal validity if we adhere to the text of the treaty and an interpretation of it in accordance with international law.

Article IV states: The Republic of Panama and the United States of America agree to maintain the regime of neutrality established in this treaty, which shall be maintained in order that the canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two contracting parties.

Observe that article IV, to which we refer, does not use the term "to guarantee neutrality," because it is obvious that the expression, "agree to maintain the regime of neutrality," clearly indicates to us that in the event of unilateral intervention by the United States, such intervention would be from all viewpoints illegal and unjustified because, in the event of an attack on the canal by a third power, the Republic of Panama must agree to the participation of the United States in the defense of the canal.

Article V, for example, of the 1977 treaty, states, quote: "After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces defense sites and military installations within its national territory." End quote.

It can be seen from this article that the Republic of Panama has primary responsibility for defending the canal after 31 December 1999 and, in the event of foreign intervention by a strong nation, the Republic of Panama, after exhausting its tactical defense resources, may agree with the United States to carry out this defense if necessary. In addition, one has to consider that this possibility will be faced by a correlation of forces which includes other nations of the world that will have subscribed to the neutrality protocol.

The right of intervention is nothing new if we consider that, at present, according to the provisions of the 1936 treaty, which is now in effect, intervention is guaranteed in perpetuity, in terms that are detailed as follows in the following clauses of the notes of ratification of the 1936 treaty:

1. With relation to the declared intention of the two governments, that of the United States of America and of the Republic of Panama, to cooperate in the objective of insuring full and perpetual enjoyment of the benefits of all kinds which the canal should provide to the two nations, in article I of the general treaty of 2 March 1936, the word "maintenance" when referring to the canal will be extended to permit expansion and new construction, as long as these are carried out by the Government of the United States of America in accordance with the aforementioned treaty.

2. The realization of maneuvers or exercises by the Armed Forces of the United States of America in territory adjacent the canal zone is an essential measure of preparation for protecting the neutrality of the Panama Canal and when such maneuvers or exercises are carried out. The parties must follow the procedure outlined in the minutes of the negotiating sessions of the General Treaty of 2 March 1936—procedures which were agreed upon on 2 March 1936.

3. As indicated in the minutes of the negotiating sessions of the General Treaty on 2 March 1936, and the discussion which took place on 16 March 1935, in the event of an emergency so sudden as to make it obligatory to take urgent preventive measures to safeguard the neutrality or security of the canal, and if because of this emergency it should be impossible to consult the (Panamanian—FBIS) Government, the United States is not obligated to delay the measures needed to confront the emergency pending such consultation, although it will make every effort to consult the Panamanian Government as soon as possible in the event that such consultation is not carried out before the necessary measures are taken.

Undoubtedly, after reading the foregoing it is obvious that at present the U.S. Government is authorized to intervene in Panama, but it does not do so. It does not do so because for one the people do not have the inclination to intervene and, two, the community of forces, which from the viewpoint of the third world is favorable to Panama, will not permit it.

Therefore, article IV of the 1977 Treaty eliminates the right to intervention by the United States. To think about what might occur in the year 2000 is to some extent to speculate about a right to intervention which is not granted to the United States by the Torrijos-Carter Treaty—a right to intervention which, as we have seen, was clearly authorized in the 1936 treaty.

In addition, it is worth nothing that the condition for ratification of the 1936 treaty by the United States of America was just the exchange of notes of ratification of the 1936 Treaty 3 years later; that is, condition for ratification of the Treaty was the amendment of article 10 of the 1936 treaty to make it read as I have just read it. As indicated in these minutes and in this document on the discussions which took place, in the event of an emergency so sudden that it was necessary to take urgent measures to safeguard the neutrality and security of the canal, and if this emergency made it impossible to consult the Government, the United States was not obliged to delay the measures needed to confront the emergency pending such consultation. As you can see, they do not have to consult, and this is our present situation. Therefore, we again reiterate here that article IV of the present Torrijos-Carter treaty merely establishes clearly that the republic of Panama and the United States of America agree to maintain the regime of permanent neutrality of the Canal. In no way . . . (interrupts thought—FBIS) one can clearly see that the word "intervention" does not appear, the word "guarantee" does not appear, and there is nothing that provides ground for such interpretation as is noted in the document on the exchange of notes of ratification of the 1936 treaty.

I think that with this, and due to the lack of time, we have been able to legally interpret article IV of the neutrality treaty.

Announcer: we would like to ask the following question of Luis Bejarano of the foreign ministry. In reality, who will be the beneficiaries—the entire people, the military, or the negotiators?

Answer: the question is a rather delicate one. As one can see from General Torrijos' statements, the economic benefits to be derived from the 1977 treaty will be allocated in accordance with Panama's integral development plans which seek to obtain the greatest collective benefits without discriminating against the most needy national classes and to achieve economic independence for the Republic of Panama.

Question: Here is another question. Why do the U.S. negotiators say we are a communist country?

Answer: We have no proof of any statement by the U.S. negotiators to the effect that Panama is a Communist country. However, that opinion has been expressed by some very conservative Senators. But the important thing is that, both the Panamanian people and the International Community are clearly aware of the essential concept of the Panamanian Government's Foreign Policy, which is characterized by being independent, Nationalist and nonalined.

Of course this concept, which is manifested by respect for ideological pluralism or respect for ideas, is accentuated by the strengthening of a national awareness of authenticity and identity opposed to all forms of imperialism, whatever its source. This concept is consolidated in a domestic policy which is directed primarily toward the achievement of an equilibrium between capital and labor in order to carry out Panama's integral development policies. Therefore, this spectre of Communism is no more than a slogan used by those who feel that the postulates of the U.N. Charter on self-determination and territorial integrity of peoples and such people's struggle for their economic independence must be considered within the framework of Communism.

It is quite obvious that the Republic of Panama maintains a foreign policy which consolidates the solidarity of peoples in accordance with the ideals of the liberator Simon Bolivar and which strengthens peace and promotes detente among sister peoples, within a framework of opposition to racial discrimination or segregation, colonialism, neocolonialism and imperialism. It also opposes armed aggregation by strong countries against weaker countries.

OPENING REMARKS BY PANAMANIAN NEGOTIATOR ROMULO ESCOBAR BETHANCOURT AT NEWS CONFERENCE HELD AT JOURNALISTS' HOUSE

Good afternoon, distinguished journalists. We have called this news conference on instructions from General Torrijos and the National Government, the pupose being to provide information on the meeting held in Washington between President Carter and General Torrijos.

While General Torrijos was on his tour of Israel and West Europe he was invited by President Carter to stop over in Washington on his return trip to have a talk. President Carter was interested in two things: First, to exchange views with General Torrijos on his tour of Israel and West Europe and to obtain the reaction of those countries or their rulers regarding the treaties signed between Panama and the United States. The second point was for the two heads of State to meet to clarify some matters which were causing confusion in Panama as well as in the United States. Specifically, this referred to two points, both of which are part of the Canal Neutrality Treaty.

In Washington the two heads of State first held a private meeting during which they discussed the General's trip to Israel and Europe. Subsequently, they held a broader meeting President Carter and his advisers and General Torrijos and his advisers. The following matters arose at this meeting: President Carter pointed out that, in spite of the fact that both he and General Torrijos clearly understood the points concerning the Neutrality Treaty, the following had occurred: The U.S. Senate Foreign Affairs Committee was interpreting articles IV and VI of the Neutrality Treaty in a manner different or contrary to the way it was being interpreted in Panama by us, the Government's spokesmen, and that was causing confusion in both countries.

General Torrijos expressed the same view and said he was very pleased to hold that meeting because if a concrete interpretation was to be forthcoming on these problems, he wanted the interpretation to be made before 23 October, the date of the Plebiscite in Panama. The two heads of State, with the participation of their respective advisers, continued the meeting and went right into the items in question.

The first of these topics was article IV of the Neutrality Treaty, which states that both Panama and the United States pledge to maintain the Neutrality (of the Canal—FBIS) in order that the Canal may remain open peacefully and in a nondiscriminatory manner to all ships. This language had been perfectly understood by the negotiators and the rulers of both countries, but the confusion arose with regard to the following: Whether or not the United States had the clear and indisputable right to defend the Canal in order to keep it open to the world's ships, on the one hand, and whether, on the other hand, this involved the right to intervene in the domestic affairs of the Republic of Panama.

Why did the problem arise? Because some Senators in the United States maintained that the language used in article IV effectively gave the United States the right of

defense against attacks on the Panama Canal in violation of the Neutrality Treaty. They extended this to mean that, as a consequence of this right of defense, they had the right to intervene in the Republic of Panama.

On the other hand, ever since the first public and official explanation in our country on 19 August, to the Assembly of Corregimiento Representatives, we said that the intent of article IV was to point out that, in effect, Panama and the United States had the right to defend the Canal against attack in order to keep it open for transit by all the world's nations, but that the scope of this right of defense at no time could be extended to mean the right to intervene within the Republic of Panama.

After the two heads of State managed to define these basic facts, we were able to divide the problem in such a way as to be able to clarify it. Because the objections being made in the Foreign Relations Committee of the U.S. Senate, on the one hand, and the objections in Panama, on the other, would have no reason to exist once the two heads of State managed to develop this thinking and this common interpretation.

During the talks between President Carter and General Torrijos and at the meeting, the U.S. President reiterated that at no time had his country interpreted article IV to mean the right or intervention in Panama's internal affairs; that it had always interpreted this as a right of defense against any attacks on the canal in violation of the neutrality treaty; and that the U.S. interest was fundamentally based on the fact and need that the canal must remain peacefully and permanently open to traffic by all ships of all nations of the world. In this sense the Panama Canal constitutes an interoceanic waterway that is vital not only to U.S. commerce and shipping but to many countries of the world as well.

Therefore, this was President Carter's reasoning. In addition, he very wisely pointed out that his country was not currently in a position to engage in intervention because it already has had experience with intervention in the internal affairs of other countries. General Torrijos recognized in President Carter a very moral stance regarding the political conduct of his government and of the United States, based precisely on the criterion that, although his country is a great power, it is turning away from the type of intervention that it carried out in the past in Vietnam, Santo Domingo and a number of other places in the world.

We honestly believe that the two heads of state developed a stronger understanding at this meeting, not only in regard to settling the negotiation and treaty issue, but also in regard to the political conception of the new relations that must prevail between our two countries and between the United States and the other countries on the American Continent.

A single interpretation was then agreed upon so that no conflicting interpretation or standard would be expressed in the United States and Panama regarding article IV. The two heads of state agree that the correct interpretation of article IV is based on two facts: that attacks or acts of aggression against the Panama Canal grant to Panama and to the United States the right to defend it, in order to prevent such attacks, and so that the canal may remain neutral, open and peaceful for all nations.

On the initiative of General Torrijos and President Carter to clarify the concept further, it was even pointed out that in addition, any action taken by the United States to maintain the canal open to all nations would never be an action aimed against the territorial integrity or the political independence of the Republic of Panama. We believe that in this way, through the unification of this stand, a real separation is made between the problem of the canal's defense against attacks and acts of aggression and the act of intervention which we Panamanians have always rejected and which we have said was never embodied in the neutrality treaty. This position has now been strengthened with the unified interpretation by the two heads of state on this problem.

In this regard this becames specific, since President Carter said this textually. What I am going to do here is repeat how this stand was reached to prevent continued confusion in Panama and in the United States with regard to the scope of article IV of the Neutrality Treaty.

According to the treaty on permanent neutrality and the operation of the Panama Canal—in parentheses, the Neutrality Treaty—Panama and the United States have the responsibility of insuring that the canal will remain secure and open to ships of all nations. The correct interpretation of this principle is that each of the two countries, according to its respective constitutional procedures, will defend the canal against any threat to its neutrality and consequently will have the right to act in case of aggression or threat directed against the canal or against the peaceful transit of ships through the canal.

You can see that this first part specifically states the right to defend the canal by Panama and by the United States, specifically to keep the canal open, and to prevent any obstruction of the transit of ships. The unified interpretation continues in the following manner: It does not mean and will not be interpreted as meaning a U.S. right to intervene in Panama's internal affairs. Any action by the United States will be directed as insuring that the canal remains open, secure and accessible and will never be directed against the territorial integrity or political independence of Panama.

You can see that in this specific case, the two heads of state managed to unify their stands regarding the true scope of Article IV, that is, to defend the canal against attacks or aggression directed at closing it or at obstructing the passage of ships. The actions which Panama or the United States could take are directed toward this specific purpose. But in the case of the United States, no action can ever be directed toward the territorial integrity or political independence of Panama, which is precisely what we Panamanians are defending and have been maintaining since the signing of the Torrijos-Carter treaty.

On the second point—in this case related to Article IV of the neutrality treaty—the transit of U.S. and Panamanian warships in an expeditious manner through the canal, the two heads of state clearly stated what exactly was meant by expeditious passage through the canal by U.S. and Panamanian warships. They discussed this problem and pointed out that, fundamentally, expeditious passage means quick transit, without obstacles, with the least possible processing. In addition, it was pointed out that in case of an emergency or necessity, in such specific cases expeditious passage would permit the warships or both countries—but naturally primarily those of the United States, because we do not yet have warships—to go to the head of the line of ships awaiting transit, the purpose being to go through the canal quickly.

General Torrijos said yes, he did consider this necessary and appropriate because one of the things he did not agree with was the warships should spend too much time in Panamanian territorial waters, much less in cases of emergencies or necessity.

Why? Because a prolonged delay could make that ship an object of reprisal within our territorial waters. Therefore, the sooner it left, the more secure our country would be. Second, warships which would remain for a long time in our country's territorial waters would have negative social consequences because they generally carry large crews and a large number of soldiers, and a prolonged stay would disrupt normal life in our cities.

Those who are old enough to remember what occurred in Panama during World War foreign troops in our territory—social problem is caused by a prolonged presence of foreign troops in our territory—social problems, problems of disrespect for women, drunkenness, fights, scandals and so forth. Therefore, in the case of necessity or in the event of war, having warships go through the canal quickly not only fulfills an aspiration of the United States—which, naturally, in an emergency wants its ships to transit the canal quickly—but also is to the advantage of Panama, which does not want such ships to remain in its territorial waters. On the basis, therefore, a uniform interpretation of the true meaning of expeditious passage through the canal was achieved.

It is unified in the following manner: the neutrality treaty provides that U.S. and Panamanian warships and auxiliary vessels will have the right to transit the canal in an expeditious manner. The intention is, and it will be so interpreted, to insure the transit of those ships through the canal as quickly as possible, without obstacles, with simplified processing and in case of necessity or emergency, to go to the head of the line in order to transit the canal quickly.

This is therefore the meaning which the two rulers have now accepted as the single interpretation of the expeditious transit of warships of the United States and Panama. Besides—and this is most important—since the General was returning from his tour of Israel and West European states, he consulted the various chiefs of state on the scope of this problem of expeditious passage and how it could affect these nations' support of the neutrality treaty. In this respect, those whom he consulted told him that they were not concerned about this; that the problem would arise only if the canal were closed; that U.S. warships would pass first was no problem; that the serious problem, they reiterated, was if the canal were closed because a large percentage of those nations' economies are based on the transit of their vessels through the Panama Canal; that one of the reasons why they congratulated Panama and the United States for having reached a peaceful settlement was not merely because of their solidarity with our country's just cause, but also because of their great concern that the canal remain permanently open, as their economies would be seriously affected otherwise.

Consequently, we can tell this distinguished group of journalists that as a result of the meeting between President Carter and General Torrijos in Washington, we have made it possible for the contents of article IV of the Neutrality Treaty to be specifically interpreted by the two chiefs of government who signed the treaties.

I believe an important step has been taken in really clarifying what had become cause for great concern to us Panamanians and the U.S. Senators. To us, the vital part is clearly explained and reiterated by President Carter (when he said—FBIS) that the article neither had been interpreted, nor would be interpreted, and cannot be interpreted, as a U.S. right of intervention in our internal affairs and, that U.S. actions cannot affect our territorial integrity and political independence.

Later I am going to distribute this same sheet, although you already know its contents since it was published recently in the papers. I wanted to hold this news conference to explain to you how this unification of positions was reached and, in addition, to answer any question you may want to ask.

ESCOBAR BETHANCOURT PRESS CONFERENCE

Question: My question is very brief. Is it a fact, as U.S. news agencies have reported, that a joint communique had been signed?

Answer: No, there was no joint communique. What I am reading to you is an interpretation reached by the two presidents. It is, however, an interpretation which neither one signed because it was not deemed necessary since they had signed the treaty. As signers of the treaty and as chiefs of state, they were merely giving their interpretation of two articles of the neutrality treaty. When General Torrijos said he had not signed a single autograph, he meant just that since no document was signed. In these negotiations there is nothing that is secret. If they had signed something, such a signed document would have been released immediately to the Panamanian press for publication.

When we speak of an interpretation by the two signers of the treaty we merely mean that the two chiefs of government are saying: What we signed means this. They do not have to sign a statement saying we interpret it in this manner simply because the document which includes the text of the articles was signed by them. In fact, it is just as President Carter had said previously, that when the United States says it can defend the canal against attacks and aggressions and when Panama says that this did not mean the right of intervention, they are both actually speaking about the same thing (as heard) as being certain. What they did now was to meet for him to confirm to his Senate, his people and we, to our people, the interpretation of what they had signed.

Question: Some Senators are asking that the interpretation be included as part of the treaty, as they consider it important to understanding the scope of the text. Would Panama accept this 5 days before the plebiscite?

Answer: That would be a decision for the General (Torrijos—FBIS) to make. However, we cannot abide by what the Senators want because they have their own problems and procedures there, their own legal system. In fact, I believe they have already concluded the period of hearings. Nevertheless, we cannot adapt our procedures to that of the U.S. Senate. Each country has its own procedure, and ours is through a plebiscite which is scheduled to be held on 23 October. When General Torrijos met with President Carter on this specific issue they were not adding anything at all to the treaty; they were merely confirming an interpretation which the two countries had already made in article 4 of the neutrality treaty but which, in both countries, did not seem to be very clear.

Question: Latin America is a region of political instability. Article 4 of the neutrality treaty guarantees the defense of the canal by Panama and the United States. However, if a government should emerge which is hostile toward the United States as a result of the canal, do you believe that the United States would intervene in Panama to put down the violent nature of such a government?

Answer. No. That is precisely why the interpretation points out the political independence, that this will not affect the political independence. This means that the Republic of Panama could have governments which are friendly or hostile toward the United States in the future, which we cannot know. But the commitment of Panama as a state with regard to the United States and in relation to all the other countries of the world and those that adhere to the neutrality treaty—FBIS is to keep the canal open. It does not mean to be friendly toward any particular country. It means that it must keep the canal open even if it is an enemy of that country. This is the real meaning of the concept of neutrality. Therefore, regardless of the kind of political regime which emerges in Panama, it can never close the canal, not just in the case of the United States; it cannot close the canal to any of the other countries. I would say that it cannot close the canal even if it wanted to since Panama's necessity in the case of the canal is precisely that it remain open. Otherwise, the ships would not transit the canal and would not pay tolls.

Therefore, one cannot make the Neutrality Treaty dependent on the type of political regime that may exist in Panama or in the United States. The regimen of neutrality demands that the canal remain open not only to the U.S. flag, but to all flags of the world, without discrimination.

Question: My question refers to next Sunday's plebiscite. What percentage of the people will vote yes, in the opinion of the government?

Answer: I cannot answer that because I have not really consulted the government concerning such a percentage. However, based on my very personal opinion, starting with the fact that everyone who votes yes will be voting for a new treaty and that everyone who votes no will be voting for keeping the Hay-Bunau-Varilla Treaty, I believe that a large percentage of our people will vote yes. Naturally, I am not a prophet and cannot tell you exactly what that percentage will be.

Question: Comrade, I would like to know why the Republic of Panama in article VII says: the Republic of Panama will adopt the measures necessary to insure that no other use of the land and water of the canal basin will exhaust the supply of water necessary for the continuous and efficient management, functioning and maintenance of the canal and will not interfere with the U.S. rights to use the waters of the canal basin. Panama needs water for its people to live. The Panamanian pays for his water. The Panamanian needs electricity. Why does Panama subsidize a country, which I respect but which is the world's largest economic power, and why do we give it our water?

Answer: I am going to divide your question into two parts, the one about the Panamanian people needing water and the other concerning why we took the decision not to deforest or not to interfere with the waters for use in the canal. First of all, the two points are not contradictory because the maintenance of the hydrographic basin is important to provide water for our people and for the operation of the canal. Second, we must protect the hydrographic basin in this case, in relation to the canal, because otherwise we would have to close it. If there is no water the canal must be closed. That is a great truth. And it is not a question of subsidizing the United States in that respect. The fact is that the canal constitutes, according to our geographic position, one of our resources, part of our wealth, to develop our country. That is why we are struggling to put a termination date on the treaty with the United States, so that the canal will become our property. This is also the reason why during the 23-year period we have agreed with the United States to receive approximately $88 million a year instead of the present ridiculous sum of $2.6 million.

Since it is an economic resource, we must first maintain that economic resource, take care of that economic resource, and obtain the greatest possible benefit for our country and our people. If, according to your theory, we deforest the hydrographic basin, that would be tantamount to Venezuela setting fire to its oil wells. If Venezuela sets fire to its oil wells, it would destroy one of the principal sources of its wealth.

That measure is directed at conserving sufficient water for the operation of the canal, not just now that the United States has it, but also after it is turned over to us. Furthermore, it would be absurd for us to deforest the hydrographic basin, for us to alter the water situation, or not to try to better the water situation because then we would not only have no water for the canal, but we would not have water for our country.

For instance, take the case of Panama, so as not to talk about other countries. What has happened in certain regions of our country? Indiscriminate deforestation, the felling of trees, the turning of places which years ago had abundant vegetation into barren areas has resulted in diminished rainwater reserves and a decrease in our water levels. It has resulted in an alteration of our annual rain levels to the point that last year we had one of our country's worst droughts.

By protecting our hydrographic basin, we are not engaging in anything blasphemous or doing this because the Gringos have such pretty faces. We are not interested in having the canal close down. We are interested in seeing it function and in having the canal. . . .

Question: But then why do they not pay for the water? It says here that they will use the water free of charge. How come we have to pay for it?

Answer: We pay for its consumption.

Question: That should be free of charge because they consume it too.

Answer: For its consumption, we pay for its consumption. The water . . .

Question: They consume it too . . .

Answer: Enough!

Question: You told us about how you thought Panamanians would vote in the plebiscite. I would like your reading on whether or not you think the U.S. Senate will ratify the treaty, and I also want to know if you still feel the way you felt in August, when you said that if it does not ratify the treaty, Panama will take a course of violence, a road to violence.

Answer: When I am asked questions connected with the negotiations, I like them to be asked in Spanish.

Unidentified person in English: Ann Susie, Ann Susie, would you be so kind to say that in Spanish, please?

Question in English: I can't. (Words indistinct.)

Unidentified person in English: If you make that question a little shorter, I will try.

Questioner repeats question, unidentified person in the group translates into Spanish.

Answer: Regarding your question about whether the U.S. Senate will or will not ratify the treaty, Susie, I cannot answer that because I am not a Senator, and since I am not a Senator, I cannot determine what the U.S Senate's decision will be. I do believe that President Carter's administration, several Senators, as well as various civic and labor organizations in the United States are making a major effort to convince the Senators of the advisability of reaching a negotiated solution with Panama in connection with the treaty.

Regarding your question about whether Panama will choose the path of violence if the Senate does not ratify the treaty, I cannot answer that either for a very simple reason: One cannot predict the future. One does not know what the fate of the people is. We do know that the Panamanian people want to be liberated, but we also know that the Panamanian people and government have always sought the peaceful path in this process of liberation. They have always used peaceful means. They have always tried to reach an agreement that is mutually acceptable to our two countries. We cannot say that Panama will choose the path of violence because if we did we would be guessing. We believe that in this new relationship, it is

more feasible to seek the path of negotiations than the path of violence.

Question: Dr. Bethancourt, I would simply like to get this clear: Has the text of the articles which motivated the meeting between Carter and Torrijos been in any way altered after their talks?

Answer: Which articles?

Question: Article IV of the Neutrality Treaty.

Answer: Oh, I see. No, no, they have not been altered in any way. Those articles have not been touched, those articles retain their wording, those articles are included in the Neutrality Treaty. The problem here regarding what you have asked is that, in connection with articles IV and VI, the two leaders have said: this article IV and this article VI mean the following . . . In other words, the method of interpretation of the articles, not their alteration.

Furthermore, what they have said is what has been said all along. The only difference is that now they got together to say it in order to unify the interpretation of the two articles in both countries.

Question: Dr. Bethancourt, there is great concern—concern which I share with all Panamanians—regarding which country in the future will interpret or decide if neutrality has been violated or has been or is being threatened, particularly because of the interventionist nature of the United States in the past, a history of intervention which Panama itself has suffered from, as we are an occupied country. Only today the newspaper La Republica reported that U.S. troops and advisers are in Nicaragua fighting the Sandinist Front Guerrillas. We would like to know if there are any mechanisms or if there will be any method of consultation between the two countries in such event. In other words, has this been foreseen, has this been discussed. or is this written down anywhere in the treaty?

Answer. There is no exact method of interpretation on how violations of the neutrality treaty will be determined. Generally, in these treaties one cannot go into a multitude of judicial details. In this case they would be procedural details concerned with judicial procedures. If one did this, one would never conclude a treaty. One would have to draft general codes.

Therefore, it cannot be specifically indicated in the neutrality treaty that the method of interpretation will be this way or that. The general treaty includes an article which states that in case of a discrepancy between the two sides concerning the interpretation of an article, they will reach an agreement between themselves or. if necessary. they will appoint an arbiter to decide the issue. This is the general way these situations are handled.

For instance, the violation of neutrality or the determination of the violation of neutrality has an established juridical basis regarding the scope of the neutrality concept. This is indicated in the neutrality treaty itself. It is stated there that Panama declares its neutrality for the purpose of maintaining the canal open to all ships sailing under all flags of the world and so that the canal and Isthmus of Panal will not become objects of reprisals by other countries in case of war. That is the basic principle.

On this basis Panama concluded a treaty with the United States, after that unilateral declaration, a treaty which reiterates the maintenance of neutrality. But this is not an ambiguous neutrality. It has the neutrality specifically mentioned there. Therefore, if something were to occur in Darien, for example, this would have nothing to do with the canal. Thousands of things could occur in the Isthmus of Panama, as in all other countries in the world. The neutrality indicates a specific situation. It applies to the canal. So as to make it possible for ships to transit. If for example, in Darien or in some part of the country the Government of the Republic of Panama should stop a ship for A, B or C reason, this is something which has absolutely nothing to do with the Panama Canal. What Panama will not do, under the neutrality treaty, is prevent a ship that is coming exclusively to transit the canal from doing so. This is the meaning (of the neutrality—FBIS).

Therefore, in order to discuss violations of the concept of neutrality established in this treaty one has to look directly at the objective on which the treaty is based; that is, to keep the canal from being closed, thus preventing the passage of ships, and to prevent any hindrances to the passage of ships which come to transit the canal. This is the key to how the scope of the concept of neutrality is measured. But this is not outlined in the treaty concerning the canal. If we used the method you mentioned, we would have to add to each article the procedure by which the article would be implemented. This would be highly impossible. This is not done even in codes. You see, for example, that the penal code lists the crimes, the criminals and the subjects. It is another code, the judicial code, which indicates what procedures are used to judge those crimes and apply the corresponding punishment. If the penal code, in addition to defining crimes and criminals, were to include the procedures, it would not be a functional code.

The same thing applies to treaties. Treaties indicate the points of agreement—the subject, the substance of this subject. The procedures (interrupts sentence—FBIS). For example, here in these treaties you will see that many of these things are developed by different procedures: For example, procedures to be developed by the commission which will administer the Panama Canal, procedures to be developed by the joint board for the defense of the canal. But these procedures are not specifically outlined. What the treaties gives is the subject matter which is being agreed upon by the two countries and the clause which I mentioned to you concerning what procedures are followed for (sentence left unfinished—FBIS).

(Question indistinct)

Answer: Those are different problems. One thing has nothing to do with the other. As far as the expiration date is concerned, it is clearly established. It is known to be 31 December 1999, at noon, Panama time. There is an article which states this and which cannot be disputed.

The other article concerns the date of expiration on which the canal is returned to Panama, with no cost, except as agreed upon by the two parties. (Sentence as heard—FBIS) Why (the phrase—FBIS) except as agreed upon by the two parties? Because, let us suppose that in 1996 or in 1999. with 1 or 2 years remaining before the treaty between Panama and the United States expires—this is a hypothetical case—that is, 2 years before the treaty expires, there should be the need to make an investment for x, y or z reasons related to the functioning of the canal. Then the United States could say to Panama: Well 1 year remains before our administration ends, but in this year it will be necessary to invest, let us say, $5 million and we believe that to make such an investment now, when we have 1 year to go, is absurd from the point of view of our economy. Panama could then decide to say: go ahead and invest the $5 million and when you turn over the canal, we will recognize this debt of $5 million. This is a hypothetical case. That is why one says except as agreed upon by the two parties, because the matter is not closed, because one does not know what contingencies may occur. However, one says except as agreed upon by the two parties because if they do not agree on anything, then the canal has to be returned free of costs to the Republic of Panama. If Panama were to say: No, do not make the investment, or if you do it will be at your expense because we are not going to recognize this sum, then there would be no agreement. When one stipulates except as agreed upon by the two parties, this means that the two parties must reach an agreement in this regard.

But this has nothing to do with the treaty termination date. Because as to the treaty termination date, if it were not a fixed date or if it were a fixed date but with the possibility of extension, this would appear in this article and it would say 31 December 1999, except for whatever the parties might otherwise agree upon. It would say so there, but it does not say so because the termination of U.S. control is emphatic with regard to U.S. presence here in Panama: At noon on 31 December 1999, Panama time period, nothing else is said.

The other refers rather to a problem of an economic nature, a problem of some investment that might have to be made at the last minute when there is only a short time left before Panama recovers the canal. In this case the two parties will have to agree on whether Panama agrees to assume the debt or not. That would be a problem between the two countries. However, about wanting to take what one article states and give it a meaning in another article, this does not make sense. This does not make sense because they are different subjects and each article contains what one wants it to contain. When that article is related to another article, it is so stated. You can see this in the treaty. When administration or defense is mentioned, reference is made to the schedules. You have to refer to the schedules because the articles state that these schedules will expand on the contents of that article. When one article is related to another, it is stated that the article is related to another article.

In law practice we cannot prevent attempts at all kinds of interpretations. This cannot be prevented. Furthermore, the lawyer always has a tendency to do this. This is why we have courts where, when a prisoner is being tried, one lawsyer is accusing him and another is defending him over the same issue.

However, there is another matter, which is commonsense. Commonsense is superior to law. Commonsense is what tells you when something is clear. Commonsense cannot be twisted or changed, no matter how much you argue against it. For example, if you hit an egg with a hammer and the egg breaks, there is no lawyer in the world who can deny it. Nevertheless, commonsense will tell you that if you hit it with a hammer, the egg will break.

Therefore, this problem must be clear with regard to the fact that these documents are open to many interpretations. However, we do have commonsense and this indicates to you that there is a termination date in this treaty. It is clearly stated in one of its articles which is devoted to, and even has as its title, the termination date. This article says that it expires on 31 December 1999 at noon Panama time and nothing else. It does not say that it is related to another article, or that one has to look in an annex for more information, or that one has to seek an exchange of notes to explain it, or that one has to seek a subsequent agreement or a subsequent interpretation. This article shows that it can stand on its own, that it does not need interpolations or another article to indicate whether or not it applies.

What is occurring now is an attempt to seek interpretations in order to create uncertainty—to create uncertainty with regard to this problem, so that people will think: Is it true or not that it expires on 31 December 1999? That is the aim, because we are 3 or 4 days away from the plebiscite. There are

lawyers who have said that the Hay-Bunau-Varilla Treaty is better than this one. They have said this, but they have not taken the Hay-Banua-Varilla Treaty and read it to the people article by article. They have not done this. They have said the Hay-Banua-Varilla Treaty is better than this. Let us keep that one. Moreover, this is degrading, but they have gone that far. And worse things will happen.

However, one thing is being forgotten. They are forgetting—in an attempt to think of themselves as very intelligent, or in believing that one can play with all kinds of ideas—one important thing, which is the common man. The common man is used to living with commonsense daily, and he cannot be deceived. He cannot be asked the kind of question which Plato asked in attacking Sophists, such as, tell me the meaning of a man who is not a man, who is sitting in a tree which is not a tree and hitting the tree with a stone which is not a stone. This is for the Sophists, this not for the common man.

TORRIJOS ADDRESSES RALLY IN COLON

(Extensive shouting and applause.) Please be silent. I am here, I am here after having travelled through many countries and I am here with my people not to make promises but to urge you to get together with us so that jointly we can solve all of Colon's problems, problems which we have not been able to solve. We have not been able to solve many of these problems because the main problem is the problem of the zone. (Extensive shouting and applause).

We shall put an end to unemployment; we shall eliminate the unemployment (shouts and applause) of Colon's inhabitants. I want to sincerely ask you to excuse me for being unconcerned with your problems. I want to sincerely ask for your forgiveness for having abandoned this community for such a long time. (Shouts and applause).

Comrades of the FEP: Thank you for your support but I am not deaf. I have heard you once and that is enough. (Shouts and applause). I want you to tell me the intimate truth which is in your hearts, the truth these people feel, the truth felt by all Pananamians. No, don't tell me the truth you do not feel. The truth you feel is the truth I feel.

I am overtaken by emotion, by remorse, which I feel when I see fathers without jobs, when I see a mother, having to sell guandu (locally grown variety of bean—FBIS) to live. I am ashamed because of this, but this is the embarrasment of a ruler because the Panamanian mother is not a delinquent; those of us who want to govern this country and have not yet found answers to these problems are delinquents. (Shouts and applause).

Can you hear me? (Extensive shouting; Torrijos asks for silence). I did not come here to speak to the Colon people about the treaty because if someone knows the problems of the treaty that someone is the Colon people. No one is going to tell the Colon people what to do concerning a problem of the treaty I am not so naive or foolish to do so. You know much more (words indistinct) but I do want to tell you that as long as we do not solve this problem all the other problems in Colon cannot be solved. I have become aware (words indistinct).

(Extensive shouting and applause). Sincerely speaking if we approve the treaty we will be able to build houses for each Pananamian family and then we are going to see—to discuss with you—whether we continue moving toward the Alejandro River or whether we stay right here. I am under the impression that this measure was adopted without consulting with the Colon people.

One of the great memories I have of Colon is that I did not have to use the car to go anywhere; I would walk. Yes, I would walk. (words indistinct) I am not to blame that gasoline is expensive. The countries that produce gasoline have not lowered the price. I want the people's greatest resource—the canal—to be at the service of this city's economy and not at the service of a few. Do not think that we are going to gain the zone, gain certain things and just change masters. We are not going to change from a Yankee master to a native master. No, that is a lie. The entire wealth—whatever is obtained—will benefit the largest number of Panamanians, and along these lines the Colon people have been hurt the most (as heard)

The new treaty mentions a study of a sea-level canal—which will possibly have to be studied—but I am going to push to have this sea-level canal built along the same route because if it is built in Darien we would have to move Colon to Darien and we cannot do that. (words indistinct) The people will not be able to live in Darien.

For this reason I say that it is very important when we speak of the new treaty that we think of the thousands of Colon residents who are the most directly affected. We can speak about the treaty from a romantic viewpoint but we do not feel it as deeply as you do. You have a policeman who arrests you, humiliates you and discriminates against you because you cannot go to the school where the misters, the little white ones, the blue eyed one (words indistinct). You cannot attend this school. Those schools are anglo, anglo. (words indistinct)

I want to make it very clear that I agree with President Carter that we are going to exercise police vigilance over the canal installations, that the policemen will be ours, that they will have to be high school graduates, that they have to speak the two languages but that when an aggressive ambitious power—a power which has more tanks than us, and any country will have more tanks than us—attacks, I press a button here, the bell sounds there and they will come to our defense. They are not going to slaughter my people. (shouts and applause) They are going to come to fight but let them fight on the high seas in Portobelo, far away. They can fight in San Andres if they want but not near here. I do not want the Panamanian mother, the future mother, the Panamanian woman, the mother of today, the future mother to tell me: That damn fool could not solve the problem (words indistinct). I want it to be very clear that we are not going to remove that flag to replace it with another one. And the Panamanian who is thinking in this manner is not thinking in accordance with the intimate truth, the truth in the hearts of each one of us. This is the truth I want you to tell me. (Extensive shouting). Take it easy, take it easy. We are talking about an international problem. (Extensive shouting).

TORRIJOS INTERVIEW

Question. One of the most controversial topics is intervention. We have heard the Carter-Torrijos explanation Does it have the strength of an agreement?

Answer. Exactly. While I was touring Europe, Carter left me a message in every country: Torrijos, I want to talk with you. I called Panama, and was told: Do not go, because they are going to ambush you; do not go, because they will deceive you; do not go, because history shows that it is in the last commitment that the trap is set. We have a trap complex. There are times when we do not consider, when we do not evaluate the human qualities of rulers. I can assure our people, based on my own judgment, that when one speaks with Carter, one is face to face with a new leader. One is facing a new attitude, a new attitude.

Carter was elected by the vote of American youth. Those youths have turned their backs on intervention; they made a 180 degree turn and turned their backs on intervention. Those youths do not want to fight outside their country. Those youths are ashamed to pick up a machine gun, a rifle and a hand grenade and fight in a country that is strange to them, in a war that they did not provoke, for a problem which is not theirs.

Carter told me.—I went. I went because it would be dishonest not to go and face up to a problem. He told me: Torrijos, when you and I signed the treaty, we reached an agreement, a conclusion that we would be selling the same product to different markets. This means that we would always have to tell the truth. Not to do so would be to fool my people. But it now turns out that it is the same market because communications are so fast. We receive news here that is harmful to me; and there you receive news that harms you. When Romulo says publicly that we interfere whenever we feel like it, Romulo is not telling the truth, and he is not interpreting properly what we signed. And when Linowitz says that we are going to interfere in the life of your country, he is not telling the truth either

We are not being moral in this, Omar. Let us be moral. Let us tell our people the truth. We do not have any intention—none—of interfering in the private lives of Panamanians. To interfere in the political lives of Panamanians is to introduce elements which would alter the ability of these people to tolerate and live with each other. You can choose the political system that you wish, the way of life that you want, live within the freedom which you impose, that you decide upon on yourselves. The only thing that I ask of you is that you explain to your people that we want to reserve the right to come to your aid when someone, for his own interests—Torrijos, there are many interests in the world, which are not healthy, which are evil—wants to prevent the free, innocent and speedy passage through the canal by all the flags of the world. Explain to your people that the canal is not just your problem and my problem. The 102 flags existing in the world depend on the canal. They want us to guarantee that they will be able to use this waterway, which saves them 30 days of navigation. If we do not save this, if the canal does not operate and these 30 days of navigation are not saved life will become impossibly expensive. It will become more expensive all over the world.

Then I said: Let us make this clearer. Do you dare to sign (an agreement—FBIS) that you will not interfere in our lives? (Carter said—FBIS) I would sign it, Torrijos, I would have to sign it. That is moral. But you also have to guarantee me two things: First, that in an emergency, an emergency, if one of our warships is there, it may go to the head of the line, ahead of ships carrying copper, wood, tomatoes or coal, in order to pass quickly.

I said: President Carter, that is exactly what I want. I do not want warships hanging around. Warships are frightening and they are targets for reprisal. I do not want a situation where a warship which had 5 or 6 days to transit was bombed by an enemy plane, whereupon the ship would explode and there would be repercussions on (the Isthmus). This explosion would affect our homes, and I do not want that. I do not want future generations to have a warship around for 7 or 8 days. I prefer that they pass through rapidly, rapidly, rapidly, expeditiously, expeditiously, with priority, because today's warships have guns which point everywhere, everywhere. Words indistinct. Take a drink, loses his calm and begins to fire indiscriminantly and involve the country

in a war which we have not sought. We are perfectly clear on this.

Do you dare to sign that? I said—I dare to sign it, but our people are very suspicious. They are experts, President Carter. They are a people who are capable of identifying a wolf, even in sheep's clothing. He laughed, saying: Torrijos you say things very bluntly. So, I said: I am going to tell them that I have not signed even an autograph. However, I am going to tell my people that when they go to the polls, they will be voting for that which we have just explained. And (he said—FBIS) in effect, after they realize that, they will be voting to permit our warships to transit rapidly and, while we will not remain in Panama, because we will be withdrawing gradually, we will be here in the continental United States, ready to go to the defense of the canal when you push a button and a bell rings here. We will go to the defense of the big (as heard) brother, who should not devote his entire budget to the defense of the canal, because your entire budget would not be sufficient to defend it, because there is always a country which has more tanks than you.

I do not want to leave future generations with the risk of having their country converted into a battlefield. For example, a country could say: They looked askance at my flag, and I am offended. And it will attack us. Neither do I want to lower the U.S. flag to raise another flag other than the Panamanian.

We have to be very clear about this. These are my true feelings, and I believe that these are the true feelings of many Panamanians. We are terrified of other centers of power. At least, we have already dealt with the North Americans. We already know each other, and nobody else is going to come here. It would be irresponsible of me not to sign the commitment—what he calls the right to come to our defense. I said it was an obligation. He said: Do you see? We are selling the same product, the same thing. But here I to call it a right, and you can call it an obligation. I said: You are obligated, whenever the case arises, to send your airplanes and everything to attack that which is attacking us.

Now this is perfectly clear. So let the people know that when they vote tomorrow, it will be for these conditions.

Why should we acquire atomic weapons? To frighten whom? To frighten ourselves? No, because in the future there might be someone who does not have the judgment which characterizes all the officers or each of the 8,000 troops existing now and who might use this weaponry for the persecution of his people. Then we would have firing squads, the black nights, the red nights, the blue nights so often preached about by those who want to destroy the country.

Therefore, I am very much afraid of that, and those millions will be used for civic action equipment at the service of the people.

Police vigilance over the canal will be carried out by 500 bilingual high school graduates who will be recruited from all the schools, both boys and girls. They will receive good police training, good training in traffic regulations, in how to safeguard or police the vital installations of the canal and we will have (words indistinct).

To say no to the treaty is to deny the existence of all these things. To reject the treaty is to refuse to have the police leave the Canal Zone, to prefer to have a policeman with a foreign language, a language that one does not understand.

Some days ago I was upset to see that a peasant had been given 30 days in Gamboa Penitentiary. I said: This cannot continue. (words indistinct). I visited the peasant and asked: What did you do? He answered: I was planting. I work in the Cemento Atlantic and when the work was finished I went to plant yucca, and I do not know the limits. Then there comes a policeman who points a gun at me and says I can be fined and I do not understand. (Words indistinct).

And I said: Either they let that man go or I am going to take him out because I am not going to permit our people to continue to be offended like this. And I told the Tocumen Company: I want 200 armed men prepared because we will not accept any more humiliation. (Words indistinct) and they turned him over. But I ask: How long, how long will our people continue to be subjected to these outrages?

When I told Carter about these things he said: I know, Torrijos, and I am ashamed. I have read about it. These things are shameful. Do not remind me because the more I remember, the more ashamed I am. Let us work together to correct this situation.

Therefore, to vote against the treaty is to continue this situation, and I do not understand how any Panamanian can say no, if they do not like me, that is all right. I committed many errors. At times I have even offended people. And I ask forgiveness if I have offended anyone. But one should not confuse problems with me with the problem of the country. This is a plan which will function for many generations. As long as there is peace, the plan will function. And if there is no peace, if someone wants to try to steal this strategic zone, then the north Americans are obligated—either obligated or they have the right—to come and defend it.

I do not want the mothers to have their sons fighting all the time in the future because someone came to attack us. Then they will say: That devil Omar, why did he not make arrangements for such a case? I do not want their sons be ready for war, but ready for production. And this is what I want to make very clear. The North Americans have no right to interfere, but if some other empire with another language or with more tanks comes to attack, the North Americans are obligated to send all the planes and all the equipment they wish to prevent that attack on Panama.

Question. General, you were in Europe. Finland and so forth. (Words indistinct.) Do you believe that good use has been made of the freedom that has been granted for a broad, intense discussion of the treaties?

Answer. As a Panamanian, I am quite satisfied. Good use, very respectful use has been made. But if someone had a problem in agriculture, he had to say so. A very conscientious, respectful use was made of the time. I think that the people are saturated with information about the subject of the vote. It is a different country. I like it. I have been delighted with the system because there has been no disrespectful behavior. No one has said anything about anybody's mother. No one has said anything that insults Panamanian dignity. I was very concerned because, if we are going to unite the country under one flag, as one country, I do not wish for there to be remnants of hatred that divide the Panamanian family.

I have come from countries where there is hatred. And where there is hatred, pigs do not breed, (words indistinct), the land does not produce, the children do not learn, because hatred is the worst enemy of peace and peaceful coexistence.

Mr. SARBANES addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Marvland.

Mr. SARBANES. Mr. President, I will take just a moment or two to respond to the Senator from Michigan because I know we want to proceed with the amendment that is pending that has been offered by the Senator from Alabama.

I assume that much of what he has said will be further developed in the course of considering the amendment to be proposed by Senator ROBERT C. BYRD and Senator BAKER to article IV when we reached article IV of the Neutrality Treaty, hopefully, sometime in the near future.

I want to make just two observations. First of all, that many of the conflicting statements that have been cited with respect to interpretations have revolved around the use of the word "intervention." It should be very clear that the word "intervention" carries a very special negative meaning in Latin America and is simply not an acceptable term to describe the rights that some foreign country may have. It is one of those very difficult political terms that carries with it a whole negative history, and its use in discussion or debate creates very difficult problems.

I have looked over many of the quotations cited by the Senator from Michigan and note that a great number of them are directed to disclaiming the term intervention.

In fact, in the amendment to be offered by the leadership, it is specifically set out that there is not a right of intervention of the United States in the internal affairs of Panama. Any U.S. action will be directed at insuring that the canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

So that is an effort, of course, to deal with that very sensitive question of the use of the term "intervene," which has a special meaning in Panama and in the minds of Latin America. When they think of intervention, they really perceive that as a coming in and taking over of their country, deposing their government and then, in effect, the running of their country.

I want to read the language of the amendment that will be offered by the leadership to article IV of the Neutrality Treaty. It says that "Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries (and I emphasize that it says, "each of the countries) shall, in accordance with their respective constitutional processes" (again I emphasize that it states "their respective constitutional processes," so each country can do it separately and alone:

that each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime of neutrality and consequently shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal.

I underscore the use of the word "any" in the two phrases: "any threat to the regime of neutrality" and "any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal."

The leadership proposals are being made as amendments to the treaty; it is proposed to include them in articles IV and VI of the permanent Neutrality

Treaty. Of course, the treaty, as molded by the Senate of the United States, including the leadership amendments, if adopted, will then have to be accepted by Panama.

The meaning of the provisions of the treaty and of the leadership amendments that will be pending before the Senate, in the near future, for approval by this body, has been set out very clearly in the course of this debate and will be developed further; and has been set out in the course of statements by the administration and in the course of the joint statement.

So I think that this process, in effect, will provide every protection that the United States needs with respect to our authority to act, if necessary, under this treaty.

Mr. LAXALT. Mr. President, without taking any undue time, will the Senator from Alabama yield me a moment or two?

Mr. ALLEN. How much time does the Senator desire?

Mr. LAXALT. A couple of minutes should do it.

Mr. ALLEN. I yield 3 minutes to the distinguished Senator from Nevada (Mr. LAXALT).

Mr. LAXALT. Mr. President, I commend the Senator from Michigan for making the presentation he has made today. It was comprehensive and helpful.

One must remember that the Senator from Michigan (Mr. GRIFFIN) was the only member of the Foreign Relations Committee to cast a vote against these treaties. We have had statements made on this floor about profiles in various forms of courage. I think his vote on that committee represented—at least, by my standards—a profile in courage. He is also the floor manager of this bill in opposition, and I have enjoyed and benefited greatly, as has Senator ALLEN, from his advice and guidance during the course of these proceedings.

Senator GRIFFIN raises in his statement a troublesome point that we have not disposed of on this floor, and that is the different interpretations by reason of language difficulties with respect to the two treaties.

We have had extended debate, primarily occasioned by Senator HATCH's proposed amendment. Apparently, that formula and that mechanism did not meet with the approval of our colleagues here, because the vote in support of that amendment was not particularly imposing.

I feel it is one of the prime questions we have before this body, and I hope we can resolve this matter; because if the Panamanians have a differing interpretation from our own as to these key provisions, it portends serious difficulties in the future with the Panamanians; it has to.

As indicated by Senator CHURCH and others, there are methods, by virtue of previous experience, through typical practice in the State Department and otherwise, whereby these difficulties can be resolved. But again we must point out that the Panama Canal treaties are unique and cannot be judged by any ordinary standard. We must recognize that going in.

With respect to what Senator SARBANES said as to the problem of intervention, it continues to be a very serious problem; because, as the Senator from North Carolina (Mr. HELMS) has indicated from time to time, these provisions probably cover satisfactorily—I will not concede that at this point—intervention in a situation involving other parties. However, they still do not cover the contingency which may occur—I hope not—if we have difficulties with the Panamanians themselves.

Under the terms of these treaties, we are precluded, as a party to this agreement, from interfering with the internal affairs of the Panamanians. Obviously, if we have difficulty with the Panamanians after the year 2000 in reference to protecting the neutrality, we have a head-on difficulty, under the express terms of these arrangements.

So I hope that during this debate we will address this problem with intensity and recognize that it probably presents one of the most serious difficulties going downstream that we may have with the proposed partnership in this agreement.

I thank the Senator from Alabama for yielding me time.

Mr. ALLEN. I thank the distinguished Senator from Nevada (Mr. LAXALT).

Mr. President, I yield myself 15 minutes.

I commend the distinguished Senator from Michigan (Mr. GRIFFIN) for his comments with respect to the leadership agreement. He has well nigh annihilated the leadership amendment. He pointed out its shortcomings. He pointed out defects in the leadership amendment.

I have pointed out four major objections and shortcomings of the leadership amendment, which I have discussed on the floor, and which I will discuss again as the debate continues.

I feel that by the time the leadership amendment comes to a vote, it will have been shot so full of holes that all that will remain will be a shell that will serve as a face-saving device for those who wish to support these treaties but cannot do so by the terms of the treaties and are looking for some method of saying, "Well, these amendments take care of the major objections, and therefore I can support the treaties if these amendments are made."

Already, we have offered amendments on the floor and have had them defeated by the same leadership that is offering these amendments. Our amendments would have strengthened greatly our right to defend the canal starting with the year 2000. These amendments have been rejected.

The pending amendment, which is offered on behalf of Mr. THURMOND, Mr HELMS, Mr. LAXALT, Mr. HATCH, Mr. GARN, Mr. SCOTT, and me, would nullify a provision of the treaty that needs to be nullified or eliminated altogether. I refer to the language appearing in article III, subsection (e):

> Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected, as a condition of transit, to inspection, search or surveillance.

When it speaks of "vessels of war and auxiliary vessels of all nations shall at all times," it would indicate, without doubt, that the enemies of the United States, at a time when the United States is at war with such enemies, would have a right to free and undisturbed transit of the canal. Certainly, this provision in the treaties is demagogic, hypocritical, and cynical.

What was the answer given by the leadership when I called attention to this provision, whereby warships of nations that are enemies of the United States, in time of war, would have a right to undisturbed transit of the canal? They said: "We would meet them out at sea. We would not let them up to the canal, and therefore this section would be meaningless. And if they got to the canal and transited the canal, we would get them on the other side."

How cynical, how hypocritical is that attitude.

But they were unable to answer this hypothetical situation: Suppose they were unable to intercept and destroy the enemy vessel before it reached the canal? Upon presenting their ship to the authorities in charge of the canal, unquestionably they would have a right to transit the canal, without inspection, without surveillance, and without search.

Suppose they relied then on their ability to intercept the vessel after it left the canal. Well, suppose it never left the canal. Suppose since it was not seached, it was not inspected, and it went to one of the locks and proceeded to blow it up. So obviously the answer is, Mr. President, that we are not going to permit enemy vessels in time of war with the United States to transit the canal no matter what we say in the treaty. So why be so hypocritical about it? Why put in a provision of this sort that has no meaning as far as practicalities are concerned?

When they say we will not allow it leave the canal or we will not allow it to enter the canal, what good is a provision saying that enemy vessels may move through the canal?

Mr. LAXALT. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes, I would be delighted to yield to the distinguished Senator from Nevada?

Mr. LAXALT. In terms of the use of the word "practicality" it has been suggested, and I think I have seen it over the weekend in terms of the Washington press, that we who are opponents are dealing with impracticality. We are seeking to write into these treaties provisions which would really be irrelevant in the kind of difficulty the Senator from Alabama suggests. What is the Senator's answer to that question?

Mr. ALLEN. Maybe in the next publication they will point out the inpracticality of the leadership position on this particular amendment. Possibly they will, but I doubt it.

Now, Mr. President, the amendments that have been defeated, and they have been defeated by sizable margins, I believe the highest vote received for an amendment was 38, which would certainly indicate that somewhat near the number necessary to beat the treaties still have doubt about agreeing to the treaties—all of these amendments were cut down by the leadership on grounds that it would be antagonistic to Panama. It would be against their national honor, their sovereignty, and we must not do that.

Well, Panama certainly could have no objection to this provision because, as has been pointed out, Panama is our ally. They declared war on Germany and Japan the day before the United States. They certainly support our position. Why then would they object to this amendment?

Let us see what it says. It has this proviso—this is the only new part of the amendment, even though it adopts the remainder, all of article I of the treaty, and adds this proviso. Article I speaks of the canal "shall be permanently neutral in accordance with the regime established in this treaty." The proviso provided by the amendment says:

Provided, however, that the neutrality provided for in this treaty shall not be constructed as permitting the warships or submarines of nations with whom the United States is then at war to have the right of undistributed transit of the canal.

How could Panama object to that? It is a practical approach that eliminates the demagogic, hypocritical, and cynical provision in the treaty, and it does protect the United States if it is at war with an enemy nation because it does deny access of enemy shipping through the canal in time of war.

That is important, Mr. President. Why should we be so impractical, why should we be so demagogic, about having a provision saying that enemy warships can transit the canal in time of war without inspection, without search and without surveillance, when everyone knows, I assume, that we are not going to permit that? Why do we say that in the treaty and why do we put ourselves in positions of being breakers of treaties by putting that provision in the treaty? It is a provision that should not be allowed to be in the treaty because right from the start we are saying, the leadership is saying, in effect, that this provision is meaningless.

Well, if it is meaningless why put it in there? I do not see how Panama could object to this provision. I do not see why this would not be a strengthening amendment to the treaties.

Mr. President, much has been made of the delay that has been said to have taken place in the Senate with regard to these treaties. I do not feel that any inordinate delay has taken place. We are moving very well. With the two amendments we have today we are going to leave article I. I doubt if article II will be sought to be amended. There will be amendments offered to article III.

Then when the so-called leadership amendment is offered you can rest assured that some Members of the Senate are going to seek to make that provision meaningful because, as I see it, the leadership amendment has very little meaning at all because it is fraught with ambiguities and with loopholes and with areas that are not covered.

Why do they not come out with an amendment that answers the objections that are being made to the leadership amendment? That is because of Torrijos, that is the reason.

I think they will concede, if they would be frank and candid, that the leadership amendment falls far short of solving the problem. But it is held up as a panacea for all of the ills of the treaty. That is far from being the case, and I assure you that that is not the case.

So, Mr. President, the leadership says, "We are going to extend the hours," and when the distinguished majority leader (Mr. ROBERT C. BYRD) said we were going to extend the hours for debate, I applauded him here on the floor and urged that we not only extend the hours of the day but we extend the days of the week.

This business about lengthening the hours, lengthening the days, and cutting short the recess, well, that is an old tactic. Every time there is a genuine discussion of an issue here on the floor of the Senate that might take several days—and, by the way, the leader himself said we would be 5 weeks on it, and we are not yet 3 weeks, so I do not see what all the commotion is about.

When there is some legislative debate, and we do not just rubberstamp things here in the Senate, then the hue and cry is that we have got to cut out recesses.

Well, I think that might be a good thing.

Mr. LAXALT. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. LAXALT. The Senator made reference to rubberstamping here in the Senate. It is true, is it not, that our constitutional responsibility is to inquire into every treaty presented to us?

Mr. ALLEN. Yes, we are supposed to give advice to the President.

Mr. LAXALT. And consent.

Mr. ALLEN. And consent if it should be given, but non-assent if we feel we should not give assent. That is our constitutional duty, and I fear we are abdicating our constitutional role. I do fear we are in serious danger of merely rubberstamping these treaties even though we know they are defective as regards the right of the United States to defend the canal, and even though we know they are defective as regards protecting the taxpayers of the United States from having to give hundreds of millions of dollars in additional support for the canal.

How much time remains?

Mr. ALLEN. I yield myself 3 minutes.

Mr. LAXALT. Will the Senator yield to the Senator from Nevada?

Mr. ALLEN. Yes, sir.

Mr. LAXALT. The Senator made reference to a rubberstamp situation. That is essentially what we have here. We have had offered several amendments, some of them substantial. Each and every one of them have been stonewalled, so to speak.

Is that not true?

Mr. ALLEN. Yes, that is true.

Mr. LAXALT. And it has been on that basis that there has been basic disagreement concerning the merits of the amendments, but I think more important is the point that has been made here by leadership in opposition to adopting a substantive amendment which might subject the treaties to a plebiscite in Panama.

Now, the Senator from Alabama (Mr. ALLEN) has been here for many, many years, and has sat in consideration of many, many treaties.

Has this particular element ever been previously raised, in your estimation, on the Senate floor, as a reason why we should not seriously consider amendments, and perhaps adopt them as well, as part of our constitutional responsibility?

Mr. ALLEN. No, that point has never been raised.

I will say, however, that most treaties that are submitted to the U.S. Senate are treaties that have general support and they ask unanimous consent that all of the parliamentary proceedings that should have been taking place have taken place and they bring up the resolution ratification.

However, on the genocide of the treaty, I might point out that it has been before the U.S. Senate since 1945 and still has not been acted on. It has been on the floor here several times.

I remember back in 1972 we had extended debate on the issue and the Senate decided not to proceed to a vote on the issue. So we have discharged our responsibility with respect to the Genocide Treaty, and numerous amendments were acted upon here in the Senate.

Yes, we are seeing a good number of amendments stonewalled, and I would say this: If we want to move these treaties forward at a more rapid rate, I would suggest that the leadership release some of the Senators, who feel that they are bound to vote against amendments because they have agreed to support the treaties in the final vote on those treaties, but I feel that the leadership should release the Members of the Senate and let them form their independent judgments on these issues.

I think if we adopted four or five, six, seven or eight substantial amendments, I think we can can get early action on the treaty, but as long as the leadership is saying no amendments shall pass, and that seems to be the attitude, that does not give much incentive to those who are seeking to approve these treaties to lay down the fight and say, "OK, have it your way; no amendment."

I do not believe the United States should rubberstamp these treaties, and that is what the leadership is asking us to do.

The ACTING PRESIDENT pro tempore. The Senator's 3 minutes have expired.

Mr. SARBANES. Mr. President, I wanted to make two comments about which the Senator from Alabama has just finished making. First of all, I think each Member of the Senate is exercising his own judgment with re-

spect to the amendments that are being presented. Those who hold leadership positions take a view, and the Members take their own view, make their own judgments and that is what has been going on with respect to the amendments that have been proposed.

The Senator from Alabama offered one amendment last week that received 15 votes. Had the Senate adopted that amendment it would have cost us our rights to priority passage for our naval ships through the canal.

We are told that these are "constructive amendments," and yet when an amendment is put before us and when we work through the implications of the amendment, we discover it casts doubt on our right to have priority passage for our naval vessels, in time of need through the canal.

So I think Members of the Senate are taking a careful look at the amendments that are being proposed and are exercising their judgment with respect to them. I really do not think it does justice to our colleagues in this body to suggest that they are doing anything other that exercising their own independent judgment with respect to the amendments that are being proposed.

The amendments fall short. They are deficient. They do not strengthen American interests or American rights.

They do not increase our protections. They undercut them and that is why they are being rejected.

Now, second, as to the timetable for proceeding. Of course, those that offer amendments are in a position to affect the pace of our proceedings and I think we have obviously tried to accommodate their decisions. We are now almost at the 3-week mark, 3 full weeks, in terms of debate on the treaties and consideration of amendments and we are not yet beyond article I of the first treaty.

There are two treaties before us, the permanent Neutrality Treaty, which has 8 articles, and the Panama Canal Treaty, which has 14 articles and will be taken up once we complete the consideration of the permanent Neutrality Treaty.

We are at the moment still on article I of the first treaty and we have been on this entire matter for just shy of 3 weeks. We are trying to deal with this matter in an orderly, thoughtful reasonable and thorough manner and we will continue to try and do so.

Some Members have arisen and made the point that there are other pressing issues before the country. I recognize the validity of that point. The issue that is before the Senate now is an important one and deserves appropriate consideration, but I do think, recognizing other pressing matters, that we ought to move along in an orderly way.

Last week, we had instances in which people were not calling up their amendments, although I must say that the distinguished Senator from Alabama has been forthcoming in bringing his amendments before the Senate—I do want to add that point—and we now do have an agreement, at least today, that will move us beyond article I and into article II of the permanent Neutrality Treaty, but we have been on the first treaty 3 weeks and we are just about to get beyond the first article of the first treaty—the permannt Neutrality Treaty having 8 articles and the Panama Canal Treaty having 14 articles.

Mr. LEAHY. Will the Senator yield?

Mr. SARBANES. I yield to the Senator from Vermont.

Mr. LEAHY. I would like to speak just briefly on the subject.

We seem to go back and forth along with the amendments.

Mr. ALLEN. Will the Senator yield for just a moment so that I might have an opportunity to respond?

Mr. LEAHY. Surely.

Mr. ALLEN. Without interruption there, and I wonder if the Senator would allow me to take some more of my time, because I wish to respond to what the distinguished Senator from Maryland has said, and I disagree with it.

Mr. LEAHY. Will the distinguished Senator from Alabama yield back to me?

Mr. ALLEN. Yes, sir. I will be delighted to.

Mr. President, I yield myself 5 minutes.

The distinguished Senator from Maryland (Mr. SARBANES), either wittingly or unwittingly, and I choose to believe unwittingly, has misstated what one of my amendments did or sought to do when offered.

He said that it would have eliminated the priority passage for our ships. Well, nothing could be further from the truth, and I assume that the leadership amendment does have some provision there that says that is true in an emergency but it does not describe the emergency.

The amendment that I offered that he refers to had to do with the Hay-Pauncefote Treaty. Possibly, the Senator does not understand just what the Hay-Pauncefote Treaty does, but as pointed out by the distinguished Senator from Idaho (Mr CHURCH), it is in full force and effect, and all I was seeking to do was to have those provisions incorporated in the treaty, inasmuch as it is in full force and effect. It has a lot of case law interpreting it and it seems only right that that should be made a part of this treaty, especially since Mr. CHURCH said that the basic principle was embodied in the treaty.

So, far from doing what the Senator said, my amendment had absolutely nothing to do with priority passage of American ships.

Also, I must take issue with the statement that the amendments that we offered as to the defense of the canal undercuts rights of the United States. Well, it does not undercut rights of the United States. For example, one amendment gave the President the right, to, if he thought our political presence in Panama should be extended beyond the year 2000 for an additional 20 years, if that military presence was necessary for the defense of the canal or the maintenance of its neutrality, that we could keep that military presence there.

Does that undercut our right to defend it? It gives us an additional right. It is an admission of the leadership amendment.

Also, the Senator from Alabama offered an amendment that would have said that in times of war with a foreign nation, that we should have the right to continue our military presence there for the duration of the war and 60 days thereafter.

Does that undercut our defense position? No, it adds to it.

I yield to the distinguished Senator from Vermont (Mr. LEAHY).

Mr. LEAHY. I thank my colleague from Alabama. I understand the Senator from Idaho was waiting to speak on the matter. I will yield to the Senator from Idaho.

Mr. CHURCH. I thank the Senator very much. I appreciate his courtesy.

Mr. President, I hear opponents raise the question, why should not the Senate consider seriously amendments offered? The answer to the question is, of course, that the Senate should. But the Senate should consider seriously only serious amendments.

The amendment pending is not intended to be serious but seductive. It is not only contrary to the terms of the treaty, but, I suggest, equally contrary to the best interests of the United States.

Moreover, it is completely unnecessary.

Article II of the treaty was carefully drafted to provide for nondiscriminatory transit of vessels through the canal, both in time of peace and in time of war, in order to insure that the canal would stay a neutral international waterway.

The United States could not legitimately insist on a right to exclude its enemies from the canal without providing Panama corresponding rights.

Most importantly, the United States does not require legal authority to exclude its enemies from the canal. We keep them at a safe distance by controlling the oceans on either side.

The able Senator from Alabama said it is cynical for us to prevent enemies from coming within striking distance of the canal by intercepting them on the high sets; that this somehow makes us treatybreakers. I reply to him it does no such thing.

Mr. ALLEN. Will the Senator yield?

Mr. CHURCH. I heard the Senator use the very term, treatybreaker. I simply want the record to be clear. When we intercept an enemy on the high seas in wartime, we in no way break the provisions of this treaty.

(Mr. STEVENSON assumed the chair.)

Mr. ALLEN. What the Senator from Alabama said in substance was the treaty provision saying that enemy ships would have the right to transit the canal without search, without surveillance, without inspection. That is what the Senator from Alabama said was cynical, not catching them out at sea, but having a provision like this knowing you are going to try to catch them out at sea.

Mr. CHURCH. In the first place, there was good reason for inserting that provision in the treaty. As the committee report makes clear, the provision has, as one of its purposes, "establishing the regime of neutrality to avoid the canal becoming the target of reprisals in any armed conflict. This reflects

Panama's longstanding view that guaranteed transit of the canal by vessels of all nations is essential to Panama's national security."

Moreover, Mr. President, the provision conforms with what has been the consistent practice of the United States in two world wars, which is to use our naval power beyond the canal to keep an enemy at safe distance from the canal. We would continue to do that in the future as we have done it in the past.

For this reason, Mr. President, the provisions of the amendment are not only unnecessary but they would do harm to the purpose of the treaty in establishing a neutral, international waterway.

A few minutes ago, Mr. President, the able Senator from Michigan once again raised the specter of differing interpretations, as between the United States and Panama, with respect to our right to protect the canal and head-of-the-line treatment for U.S. naval ships transiting the canal in time of need.

To some extent, all of this is so much ancient history. Yes, there was a time when the treaty provisions relating to these issues were being interpreted differently by some Panamanians and by some Americans. And yes, I stated flatly that I would not vote to ratify the treaties if these differing interpretations were not clarified by both parties.

Such clarification was forthcoming on October 14 in the form of the Carter-Torrijos memorandum of understanding.

In view of this clarification, I am forced to ask why the Senator from Michigan does not recognize that the specific purpose was to insure that the United States and Panama would interpret those critical provisions in exactly the same way; to wit, that the United States would have the right to defend the canal against any threat in perpetuity in accordance with its constitutional processes and that U.S. warships would be allowed head-of-the-line treatment in case of emergency.

Moreover, I am forced to ask why the Senator from Michigan does not mention the fact that I introduced in the Foreign Relations Committee the exact language of the Carter-Torrijos understanding as amendments designed to rivet that understanding to the treaty. As the record shows, my amendments were adopted 14 to 1 by the committee, with the able Senator from Michigan casting the lone, dissenting vote. The Senator from Michigan does not relate these facts nor does he mention that the pending leadership amendments track word for word with the amendments recommended by the Foreign Relations Committee.

The leadership amendments are now supported by three-fourths of the Senate. With their adoption, I will fully support the treaties because the incorporation of these critical provisions will serve the treaties because the incorporation of these critical provisions will serve to guarantee that there are no differing interpretations of these two crucial matters. If thte Senator from Michigan and others persist in suggesting otherwise, they will have to be held responsible for a distortion of the record.

At this point, let us review the complete record so that all of the facts are before the Senate and the American people.

Subsequent to the signing of the Panama Canal treaties on September 7, 1977, but prior to the Carter-Torrijos understanding of October 14, there was some uncertainty about our rights to protect the canal and to receive priority passage for our war vessels transiting the canal, in time of need. This problem arose largely because of statements made by the chief Panamanian negotiator Romulo Escobar Bethancourt and Lopez Guevara, another of Panama's negotiators. These and other Panamanian officials steadfastly declared that the United States had no right to intervene in Panama's internal affairs, but did have a right to protect the canal. It was possible to construe this to mean—and opponents of the treaty immediately did so—that the United States could not react to all threats to the canal, whether they came from inside or outside Panama. In fact, Gen. Omar Torrijos himself noted on October 11, 1977, that the United States right to intervene was not clearly defined and he expressed some concern that the United States might claim the right to intervene in Panama's internal affairs based on its right to protect the canal.

The uncertainty created at that time about these critical provisions prompted the Carter-Torrijos memorandum of understanding.

Mr. President, I ask unanimous consent that the full text of that memorandum be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

STATEMENT OF UNDERSTANDING

Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

This does not mean, nor shall it be interpreted as a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall go be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.

Mr. CHURCH. It provides, on its face, that the United States has the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal. Further, it provides, on its face, that in case of need or emergency, U.S. vessels of war and auxiliary vessels have the right to go to the head of the line in order to transit the canal rapidly.

The Carter-Torrijos understanding was presented to the Foreign Relations Committee and made public on October14, 1977. Four days later, on October 18, 1977, Romulo Escobar Bethancourt, Panama's chief negotiator held a press conference in Panama to discuss the understanding. The statements he made concerning both our right to defend the canal and our right to go to the "head of the line" conform with the understanding reached between President Carter and General Torrijos. Let me quote from Dr. Escobar's press conference—first, Dr. Escobar's statements concerning the U.S. right to defend the canal:

What I am going to do here is repeat how this stand was reached to prevent continued confusion in Panama and in the United States with regard to the scope of article IV of the neutrality treaty.

According to the Treaty on Permanent Neutrality and the Operation of the Panama Canal—in parentheses, the neutrality treaty—Panama and the United States have the responsibility of insuring that the canal will remain secure and open to ships of all nations. The correct interpretation of this principle is that each of the two countries, according to its respective constitutional procedures, wil defend the canal against any threat to its neutrality and consequently will have the right to act in case of aggression or threat directed against the canal or against the peaceful transit or ships through the canal.

You can see that this first part specifically states the right to defend the canal by Panama and by the United States, specifically to keep the canal open, and to prevent any obstruction of the transit of ships. The unified interpretation continues in the following manner: It does not mean and will not be interpreted as meaning a U.S. right to intervene in Panmana's internal affairs. Any action by the United States will be directed at insuring that the canal remains open, secure and accessible, and will never be directed against the territorial integrity or political independence of Panama.

And now, let me quote Dr. Escobar's statement on our right to go to the head of the line:

On the second point—in this case related to article IV of the neutrality treaty—the transit of U.S. and Panamanian warships in an expeditious manner through the canal, the two heads of State clearly stated what exactly was meant by expeditious passage through the canal by U.S. and Panamanian warships. They discussed this problem and pointed out that, fundamentally, expeditious passage means quick transit, without obstacles with the least possible processing. In addition, it was pointed out that in the case of an emergency or necessity, in such specific cases expeditious passage would permit the warships of both countries—but naturally primarily those of the United States, because we do not yet have warships—to go to the head of the line of ships awaiting transit, the purpose being to go through the Canal quickly.

Now, Mr. President, these are the statements of the chief negotiator, made after the Torrijos-Carter communique had been issued.

At my request, the State Department furnished us a cable, summarizing Dr.

Escobar's news conference, and also the text of the press conference itself. I ask unaninmous consent that this material be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Dr. Bethancourt's statements should serve to remove any lingering doubts. The interpretations are exactly the same in Panama as in the United States.

That was on October 18, 1977. On October 19, 1977, our negotiators, Mr. Linowitz and Ambassador Bunker, appeared before the Foreign Relations Committee to testify on the Carter-Torrijos understanding, the Bethancourt press conference and the Panama Canal treaties in general. We discussed how the understanding laid to rest the uncertainties raised primarily by Dr. Bethancourt's statements and questioned our negotiators at length about these subjects.

The very next day, October 20, 1977, just 3 days prior to the plebiscite, General Torrijos addressed his nation on the Panama Canal treaties and the understanding reached with President Carter. Some of his final words to the Panamanian people were a verbatim reading of the Carter-Torrijos understanding. He then made the following statement:

This is all we want . . . This is the interpretation. And I would sign this right here (in the television studio) if you want. If Carter asks, I would sign this because this is what our youth, our generations want. And this is the peace which I am going to take to my grave—that I do not leave a canal which is greatly coveted by the whole world without knowing that a great power is obligated to come to its defense.

I ask that this last section of the Torrijos press conference be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[I said]: Look, Mr. President, you are not going to intervene in our domestic affairs, [and he said]: I told you that this is not my intention. Read it, read the document, so that people do not think that I went around signing things, that I had this or that. Let the people know that when they go to vote on 23 October, everything will have been said. There is nothing, absolutely nothing, hidden.

VELASQUEZ. Very well, General, with pleasure. It concerns the joint Carter-Torrijos declaration agreed upon in Washington on Friday, which states as follows: In accordance with the treaty concerning the permanent neutrality and the functioning of the Panama Canal—the neutrality treaty—Panama and the United States have the responsibility of insuring that the canal will remain secure and open to the ships of all nations. The correct interpretation of this principle is that each of the two countries, in accordance with its respective constitutional procedures, will defend the canal against any threat to the regime of neutrality and will consequently have the right to act in the event of an aggression or threat to the canal or the peaceful transit of ships through the canal. It does not mean, nor will it be interpreted to mean, that the United States has the right to intervene in Panama's internal affairs. Any action by the United States will be designed to insure that the canal will remain open, secure and accessible, and will never be directed against the territorial integrity or the political independence of Panama. The neutrality treaty provides that warships and auxiliary vessels of the United States and Panama will have the right to transit the canal expeditiously. This was the intention, and it will be so interpreted, of guaranteeing the passage of these ships through the canal as rapidly as possible, without obstacles, with simplified processing and, in the case of necessity or emergency, they may go to the head of the line of ships in order to transit the canal quickly. This is the end of the quote from the joint declaration.

TORRIJOS. This is what we all want. There was a problem about whether they would go first. All warships will be first in line. I do not wish to see warships around here. Those warships have guns which point everywhere. They point everywhere, and when warships are in line, I would prefer to let a ship carrying copper wait rather than delay a ship which has such destructive power, because if that ship is attacked near here because it did not transit quickly, it (harms) the country. So let it leave quickly, let it leave quickly. This is the interpretation. And I would sign this right here if you want. If Carter asks, I would sign this because this is what our youth, our generations want. And this is the peace which I am going to take to my grave—that I do not have a canal which is greatly coveted by the whole world without knowing that a great power is obligated to come to its defense.

Mr. CHURCH. That was on October 20, 1977. Three days later, on October 23, 1977, the Panamanian people overwhelmingly approved the Panama Canal treaties, including the Carter-Torrijos understanding.

Now, as I have read these repetitious charges of differing interpretations, I cannot find any which follow the date of the plebiscite, when everything was laid out clearly to the people of Panama. I see no evidence of any differing interpretations in November of 1977 or in December of that year, or in January or February or March of this year. So, if such serious charges are to be made, then I think they should be based upon evidence more current than that which took place prior to the plebiscite in Panama.

The problem is that the distinguished Senator from Michigan is confusing our right to intervene to protect the canal from any threat, whether it be from inside or outside Panama, with Panama's fears that the United States will intervene in their domestic political affairs to overthrow the government, fund dissidents, or even to take military action against their own government in their own land. If you wonder why Panama has these apprehensions, look at our activities in Guatemala in 1954 when we armed regular army troops to overthrow the existing government there; look at Cuba in 1961 when our invasion at the Bay of Pigs failed. Nor did it stop there: our intelligence community plotted for years to assassinate Fidel Castro. Panama is also aware that we sent troops into the Dominican Republic in 1965 to put down a revolt. And they know that in Chile, in the early 1970's, our Government financed attempts to depose Salvador Allende from power.

Or they can just look at their own history, about how Panama was formed with U.S. warships preventing Colombia from quelling what for them was an uprising inspired by foreigners.

Let me quote exactly what our Ambassador to Panama, Ambassador Jorden, had to say about "intervention":

Now, intervention in Panama and in the minds of the Latin Americans has a very special meaning. When Latin Americans think about intervention they think of foreign troops coming in, killing their people, removing their government or replacing their government, taking over and running the show, and that is the context of intervention for the last 50 years in Latin America.

They remember the Spanish, they remember the French in Mexico, they remember Haiti and Nicaragua and all the rest of it. When they talk about intervention that hits a very sensitive nerve and it is bloody difficult for any Panamanian to say, "Yes; we have given the United States the right to intervene."

Now, when we are talking about intervention we are talking about a very different thing. We are talking about fulfilling a specific treaty obligation to protect the Panama Canal, not to destroy Panama or replace the government but to protect that canal. I think that most Latin Americans would not have any problem with that because the canal is important to them, to Peru and Ecuador and Nicaragua. All these countries that use the canal want to have it protected, want to have it open and safe, and would be quite happy if the United States did protect it.

So the Panamanians have a legitimate right to be concerned with our "right to intervene," for, to them, the word "intervention" conjures up the whole seamy history of our gunboat diplomacy in Latin America.

Taking all of that into account, Mr. President, I think the record simply repudiates the argument made by the able Senator from Michigan that there still remain, following the plebiscite, serious differences in interpretation between the rights that we reserve to the United States in the leadership amendments—to protect the canal in the future and to have priority passage in time of need.

EXHIBIT 1

STATE DEPARTMENT CABLE SUMMARIZING DR. ESCOBAR'S NEWS CONFERENCE AND THE TEXT OF THE PRESS CONFERENCE ITSELF

[From the Congressional Record, Oct. 20, 1977]

PANAMA, *October 18, 1977.*

From: American Embassy, Panama.
To: Secretary of State, Washington, D.C.
Info: Panama Canal.
Subject: Escobar Press Conference October 18.

1. Panamanian chief negotiator Romulo Escobar held a press conference Tuesday afternoon October 18 to discuss recent meeting between General Torrijos and President Carter. Announced at 16:00, conference actually began about 17:00.

2. Escobar began conference with statement describing origin of Torrijos-Carter meeting. He said President Carter had invited Torrijos to Washington to exchange views on Torrijos' European trip, and to discuss points in new treaties which had become subject of divergent interpretations during discussion of treaties in Senate Foreign Relations Committee.

3. Escobar said chiefs of government had discussed two points, both relating to neutrality treaty—right of U.S. to defend canal or to "intervene" in Panama, and right of U.S. and Panamanian warships to "expeditious" transit.

4. Regarding defense, Escobar stressed that

neutrality treaty granted to U.S. and to Panama each the right to defend the canal from any attacks or aggression which might prevent it from remaining open and neutral. He said President Carter had stated strongly that U.S. neither felt it had, nor wanted, any right to intervene in internal affairs of Panama, nor to take any action which might infringe upon its territorial integrity or political independence. Escobar said this should clear up doubts being expressed in Panama about whether U.S. had acquired right to "intervene".

5. After considerable prolog along these lines, Escobar said the two chiefs of government had agreed upon a single interpretation of the meaning of the treaty they had signed. He then read this interpretation in Spanish "in textual form," identical to first two paragraphs of statement released by White House October 14 (REFTEL).

6. Regarding expeditious passage, Escobar noted that this provision obviously applied principally to U.S. "Since Panama has no warships". He said Torrijos had agreed that it was to Panama's interest that such warships should transit as rapidly as possible rather than remaining any longer than necessary in Panamanian waters. After this briefer prolog, he read final paragraph of White House statement REFTEL.

7. In response to a question, Escobar said text he had had appeared in local newspapers earlier. He said it was not a "joint communique", and was not signed because neither government felt it necessary to have it signed. Rather, it was the single interpretation which the two chiefs of Government had agreed represented the meaning of the treaty they signed in September.

8. Foregoing report is based upon embassy monitoring of radio broadcast of press conference, drafted before conference ended. Embassy officers checked Escobar's Spanish reading of statement of interpretation, and consider it verbatim Spanish translation of English text REFTEL. Press conference terminated around 17:55 local time. FBIS/Panama has filed significant excerpts in FYI item pa 182247, and will provide full text of conference priority this evening.

PANAMA: ESCOBAR TELLS PRESS OF CARTER-TORRIJOS MEETING

(Opening remarks by Panamanian negotiator Romulo Escobar Bethancourt at news conference held at journalists' house.)

Good afternoon, distinguished journalists. We have called this news conference on instructions from General Torrijos and the national government, the purpose being to provide information on the meeting held in Washington between President Carter and General Torrijos.

While General Torrijos was on his tour of Israel and West Europe, he was invited by President Carter to stop over in Washington on his return trip to have a talk. President Carter was interested in two things: First, to exchange views with General Torrijos on his tour of Israel and West Europe, and to obtain the reaction of those countries or their rulers regarding the treaties signed between Panama and the United States. The second point was for the two heads of state to meet to clarify some matters which were causing confusion in Panama as well as in the United States. Specifically, this referred to two points, both of which are part of the Canal Neutrality Treaty.

In Washington, the two heads of state first held a private meeting during which they discussed the general's trip to Israel and Europe. Subsequently, they held a broader meeting between President Carter and his adviser and General Torrijos and his advisers. The following matters arose at this meeting: President Carter pointed out that, in spite of the fact that both he and General Torrijos clearly understood the points concerning the Neutrality Treaty, the following had occurred: The U.S. Senate Foreign Affairs Committee was interpreting Articles IV and VI of the Neutrality Treaty in a manner different or contrary to the way it was being interpreted in Panama by us, the government's spokesmen, and that this was causing confusion in both countries.

General Torrijos expressed the same view and said he was very pleased to hold this meeting, because if a concrete interpretation was to be forthcoming on these problems, he wanted the interpretation to be made before 23 October, the date of the plebiscite in Panama. The two heads of state, with the participation of their respective advisers, continued the meeting and went right into the items in question.

The first of these topics was Article IV of the Neutrality Treaty, which states that both Panama and the United States pledge to maintain the neutrality (of the canal—FRIS) so that the canal may remain open peacefully and in a nondiscriminatory manner to all ships. This language had been perfectly understood by the negotiators and the rulers of both countries, but the confusion arose with regard to the following: Whether or not the United States had the clear and indisputable right to defend the canal in order to keep it open to the world's ships, on the one hand, and whether, on the other hand, this involved the right to intervene in the domestic affairs of the Republic of Panama.

Why did the problem arise? Because some Senators in the United States maintained that the language used in Article IV effectively gave the United States the right of defense against attacks on the Panama Canal in violation of the Neutrality Treaty. They extended this to mean that, as a consequence of the right of defense, they had the right to intervene in the Republic of Panama.

On the other hand, ever since the first public and official explanation in our country on 19 August, to the assembly of Corregimiento Representatives, we said that the intent of article IV was to point out that, in effect, Panama and the United States had the right to defend the canal against attack in order to keep it open for transit by all the world's nations, but that the scope of this right of defense at no time could be extended to mean the right to intervene within the Republic of Panama.

After the two heads of state managed to define these basic facts, we were able to divide the problem in such a way as to be able to clarify it. The objections being made in the Foreign Relations Committee of the U.S. Senate, on the one hand, and the objections in Panama, on the other, would have no reason to exist once the two heads of state managed to develop this thinking and this common interpretation.

During the talks between President Carter and General Torrijos and at the meeting, the U.S. President reiterated that at no time had his country interpreted article IV to mean the right of intervention in Panama's internal affairs: that it had always interpreted this as a right of defense against any attacks on the canal in violation of the neutrality treaty; and that the U.S. interest was fundamentally based on the fact and need that the canal must remain peaceful and permanently open to traffic by all ships of all nations of the world. In this sense the Panama Canal constitutes an interoceanic waterway that is vital not only to U.S. commerce and shipping, but to many countries of the world as well.

Therefore, this was President Carter's reasoning. In addition, he very wisely pointed out that his country was not currently in a position to engage in intervention, because it already has had experience with intervention in the internal affairs of other countries. General Torrijos recognized in President Carter a very moral stance regarding the political conduct of his government and of the United States, based precisely on the criterion that, although his country is a great power, it is turning away from the type of intervention that it carried out in the past in Vietnam, Santo Domingo and a number of other places in the world.

We honestly believe that the two heads of State developed a stronger understanding at this meeting, not only in regard to settling the negotiation and treaty issue, but also in regard to the political conception of the new relations that must prevail between our two countries and between the United States and the other countries of the American continent.

A single interpretation was then agreed upon so that no conflicting interpretation or standard would be expressed in the United States and Panama regarding article IV. The two heads of state agree that the correct interpretation of article IV is based on two facts: That attacks or acts of aggression against the Panama Canal grant to Panama and to the United States the right to defend it, in order to prevent such attacks, and so that the canal may remain neutral, open and peaceful for all nations. In addition, at no time does such defense involve, refer to or grant to the United States the right to intervene in Panama's internal affairs.

On the initiative of General Torrijos and President Carter to clarify the concept further, it was even pointed out that, in addition, any action taken by the United States to maintain the canal being open to all nations would never be an action aimed against the territorial integrity or the political independence of the Republic of Panama. We believe that in this way, through the unification of this stand, a real separation is made between the problem of the canal's defense against attacks and acts of aggression, and the act of intervention which we Panamanians have always rejected and which we have said was never embodied in the neutrality treaty. This position has now been strengthened with the unified interpretation by the two heads of state on this problem.

In this regard this becomes specific, since President Carter said this textually. What I am going to do here is repeat how this stand was reached to prevent continued confusion in Panama and in the United States with regard to the scope of article IV of the neutrality treaty.

According to the Treaty on Permanent Neutrality and the Operation of the Panama Canal—in parentheses, the neutrality treaty—Panama and the United States have the responsibility of insuring that the canal will remain secure and open to ships of all nations. The correct interpretation of this principle is that each of the two countries, according to its respective constitutional procedures, will defend the canal against any threat to its neutrality and consequently will have the right to act in case of aggression or threat directed against the canal or against the peaceful transit of ships through the canal.

You can see that this first part specifically states the right to defend the canal by Panama and by the United States, specifically to keep the canal open, and to prevent any obstruction of the transit of ships. The unified interpretation continues in the following manner: It does not mean and will not be interpreted as meaning a U.S. right to intervene in Panama's internal affairs. Any action by the United States will be directed at insuring that the canal remains open, secure and accessible, and will never be directed against the territorial integrity or political independence of Panama.

You can see that in this specific case, the two heads of state managed to unify their stands regarding the true scope of article IV:

That is, to defend the Canal against attacks or aggression directed at closing it or at obstructing the passage of ships. The actions which Panama or the United States could take are directed toward this specific purpose. But in the case of the United States, no action can ever be directed toward the territorial integrity or political independence of Panama, which is precisely what we Panamanians are defending and have been maintaining since the signing of the Torrijos-Carter treaty.

On the second point—in this case related to article VI of the neutrality treaty—the transit of U.S. and Panamanian warships in an expeditious manner through the canal, the two heads of State clearly stated what exactly was meant by expeditious passage through the canal by U.S. and Panamanian warships. They discussed this problem and pointed out that fundamentally, expeditious passage means quick transit, without obstacles with the least possible processing. In addition, it was pointed out that in case of an emergency or necessity, in such specific cases expeditious passage would permit the warships of both countries—but naturally primarily those of the United States, because we do not yet have warships—to go to the head of the line of ships awaiting transit, the purpose being to go through the Canal quickly.

General Torrijos said yes, he did consider this necessary and appropriate because one of the things we did not agree with was that the warships should spend too much time in Panamanian territorial waters, much less in cases of emergencies or necessity.

Why? Because a prolonged delay could make that ship an object of reprisal within our territorial waters. Therefore, the sooner it left, the more secure our country would be. Second, warships which would remain for a long time in our country's territorial waters would have negative social consequences, because they generally carry large crews and a large number of soldiers, and a prolonged stay would disrupt normal life in our cities.

Those who are old enough to remember what occurred in Panama during World War II will understand exactly what kind of problem is caused by a prolonged presence of foreign troops in our territory—social problems, problems of disrespect for women, drunkenness, fights, scandals and so forth. Therefore, in the case of necessity or in the event of war, having warships go through the Canal quickly not only fulfills an aspiration of the United States—which, naturally, in an emergency wants its ships to transit the Canal quickly—but also is to the advantage of Panama, which does not want such ships to remain in its territorial waters. On this basis, therefore, a uniform interpretation of the true meaning of expeditious passage through the Canal was achieved.

It is unified in the following manner: The neutrality treaty provides that U.S. and Panamanian warships and auxiliary vessels will have the right to transit the Canal in an expeditious manner. The intention is, and it will be so interpreted, to insure the transit of those ships through the Canal as quickly as possible, without obstacles, with simplified processing and in case of necessity or emergency, to go to the head of the line in order to transit the Canal quickly.

This is therefore the meaning which the two rulers have now accepted as the single interpretation of the expeditious transit of warships of the United States and Panama. Besides—and this is most important—since the general was returning from his tour of Israel and West European states, he consulted the various chiefs of state on the scope of this problem of expeditious passage and how it could affect these nations support of the neutrality treaty. In this respect, those whom he consulted told him that they were not concerned about this; that the problem would arise only if the Canal were closed; that having U.S. warships pass first was no problem; that the serious problem, they reiterated, was if the Canal were closed; because a large percentage of those nations economies are based on the transit of their vessels through the Panama Canal; and that one of the reasons why they congratulated Panama and the United States for having reached a peaceful settlement was not merely because of their solidarity with our country's just cause, but also because of their great concern that the Canal remain permanently open, as their economies would be seriously affected otherwise.

Consequently, we can tell this distinguished group of journalists that as a result of the meeting between President Carter and General Torrijos in Washington, we have made it possible for the contents of article IV of the neutrality treaty to be specifically interpreted by the two chiefs of Government who signed the two treaties.

I believe an important step has been taken in really clarifying what had become cause for great concern to us Panamanians and the U.S. Senators. To us, the vital part is clearly explained and reiterated by President Carter: that the article neither had been interpreted, nor would be interpreted, and cannot be interpreted, as a U.S. right of intervention in our internal affairs, and that U.S. actions cannot affect our territorial integrity and political independence.

Later I am going to distribute this same sheet, although you already know its contents since it was published recently in the papers. I wanted to hold this news conference to explain to you how this unification of positions was reached and, in addition, to answer any questions you may want to ask.

PANAMA: ESCOBAR BETHANCOURT HOLDS PRESS CONFERENCE

(Press conference held by Panamanian treaty negotiator Romulo Escobar Bethancourt at journalists house in Panama City).

Question. My question is very brief. Is it a fact, as U.S. news agencies have reported, that a joint communique has been signed?

Answer. No, there was no joint communique. What I am reading to you is an interpretation reached by the two chiefs of state. It is, however, an interpretation which neither one signed because it was not deemed necessary since they had signed the treaty. As signatories of the treaty and as chiefs of state, they were merely giving their interpretation of two articles of the neutrality treaty. When General Torrijos said he had not signed a single autograph, he meant just that, since no document was signed. In these negotiations there is nothing that is secret. If they had signed something, such a signed document would have been released immediately to the Panamanian press for publication.

When we speak of an interpretation by the two signatories of the treaty we merely mean that the two chiefs of government are saying: What we signed means this. They do not have to sign a statement saying we interpret it in this manner simply because the document which includes the text of the articles was signed by them. In fact, it is just as President Carter had said previously, that when the United States says it can defend the canal against attacks and aggressions and when Panama says that this did not mean the right of intervention, they are both actually speaking about the same thing (as heard) as being certain. What they did was meet for him to confirm to his Senate, his people, and we, to our people, the interpretation of what they had signed.

Question. Some Senators are asking that the interpretation be included as part of the treaty, as they consider it important to understanding the scope of the text. Would Panama accept this 5 days before the plebiscite?

Answer. That would be a decision for the general (Torrijos—PPIS) to make. However, we cannot abide by what the Senators want because they have their own problems and procedures there, their own legal system. In fact, I believe they have already concluded the period of hearings. Nevertheless, we cannot adapt our procedures to that of the U.S. Senate. Each country has its own procedure, and ours is through a plebiscite which is scheduled to be held on 23 October. When General Torrijos met with President Carter on this specific issue, they were not adding anything at all to the treaty; they were merely confirming an interpretation which the two countries had already made in article IV of the neutrality treaty but which, in both countries, did not seem to be very clear.

Question. Latin America is a region of political instability. Article IV of the neutrality treaty guarantees the defense of canal by Panama and the United States. However, if a government should emerge which is hostile toward the United States as a result of the canal, do you believe that the United States would intervene in Panama to put down the violent nature of such a government?

Answer. No. That is precisely why the interpretation points out the political independence, that this will not affect the political independence. This means that the Republic of Panama could have governments which are friendly or hostile toward the United States in the future, which we cannot know. But the commitment of Panama as a state with regard to the United States and in relation to all the other countries of the world and those that adhere (to the neutrality treaty—ERIS) is to keep the canal open. It does not mean to be friendly toward any particular country. It means it must keep the canal open even if it is an enemy of that country. This is the real meaning of the concept of neutrality. Therefore, regardless of the kind of political regime which emerges in Panama, it can never close the canal, not just in the case of the United States, it cannot close the canal to any of the other countries. I would say that it cannot close the canal even if it wanted to since Panama's necessity in the case of the canal is precisely that it remain open. Otherwise, the ships would not transit the canal and would not pay tolls.

Therefore, one cannot make the neutrality treaty dependent on the type of political regime that may exist in Panama or in the United States. The regime of neutrality demands that the canal remain open not only to the U.S. flag, but to all flags of the world, without discrimination.

Question. (In English) you told us about how you thought Panamanians would vote in the plebiscite. I would like your opinion on whether you think the U.S. Senate will ratify the treaty, and I also want to know if you still feel the way you felt in August, when you said that if it does not ratify the treaty, Panama will take a course of violence, a road to violence.

Answer. When I am asked questions connected with the negotiations, I like them to be asked in Spanish.

(Unidentified person in English) Ann Susie, Ann Susie, would you be so kind to say that in Spanish, please?

(Question in English) I can't. (Words indistinct).

(Questioner repeats question, unidentified person in the group translates into Spanish).

Answer. Regarding your question about whether The U.S. Senate will or will not ratify the treaty, Susie, I cannot answer that because I am not a Senator, and since I am not a Senator, I cannot determine what the U.S. Senate's decision will be. I believe that President Carter's Administration, several Senators, as well as various civic and labor organizations in the United States are making a major effort to convince the Senators

of the advisability of reaching a "negotiated solution with Panama in connection" with the treaty.

Regarding your question about whether Panama will choose the path of violence if the Senate does not ratify the treaty, I cannot answer that either for a very simple reason: one cannot predict the future. One does not know what the fate of the people is. We do know that the Panamanian people want to be liberated, but we also know that the Panamanian people and government have always sought the peaceful path in this process of liberation. They have always used peaceful means. They have always tried to reach an agreement that is mutually acceptable to our two countries. We cannot say that Panama will choose the path of violence because if we did we would be guessing. We believe that in this new relationship, it is more feasible to seek the path of negotiations than the path of violence.

Question. Dr. Bethancourt, I would simply like to get this clear: Has the text of the articles which motivated the meeting between Carter and Torrijos been in any way altered after their talks?

Answer. Which articles?

Question. Article IV of the Neutrality Treaty.

Answer. Oh, I see. No. No they have not been altered in any way. Those articles have not been touched, those articles retain their wording, those articles are included in the Neutrality Treaty. The problems were regarding what you have asked is that, in connection with article IV and VI, the two leaders have said: This article IV and this article VI means the following . . . in other words, the method of interpretation of the articles, not their alterations.

Furthermore, what they have said is what has been said all along, the only difference is that now they got together to say it in order to unify the interpretation of the two articles in both countries.

Question. Dr. Bethancourt, there is great concern—concern which I share with all Panamanians—regarding which country in the future will interpret or decide if neutrality has been violated or has been or is being threatened, particularly because of the interventionist nature of the United States in the past, a history of intervention which Panama itself has suffered from, as we are an occupied country. Only today the newspaper La Republica reported that U.S. troops and advisors are in Nicaragua fighting the Sandinst Front guerrillas. We would like to know if there are any mechanisms or if there will be any method of consultation between the two countries in such an event. In other words, has this been foreseen, has this been discussed, or is this written down anywhere in the treaty?

Answer. There is no exact method of interpretation on how violations of the neutrality treaty will be determined. Generally, in these treaties one cannot go into a multitude of jurisdictional procedures. If one did this, one would never conclude a treaty. One would have to draft several codes.

Therefore, it cannot be specifically indicated in the neutrality treaty that the method of interpretation will be this way or that. The general treaty includes an article which states that in case of a discrepancy between the two sides concerning the interpetation of an article, they will reach an agreement between themselves or, if necessary, they will appoint an arbiter to decide the issue. This is the general way these situations are handled.

On this basis Panama concluded a treaty with the United States, after that unilateral declaration, a treaty which reiterates the maintenance of neutrality. But this is not an ambiguous neutrality. It is the neutrality specifically mentioned there. Therefore, if something were to occur in Darien, for example, this would have nothing to do with the canal. Thousands of things could occur on the Isthmus of Panama, as in all other countries of the world. The neutrality treaty indicates a specific situation. It applies to the canal. So as to make it possible for ships to transit. If, for example, in Darien or in some part of the country the government of the Republic of Panama should stop a ship for A, B or C reasons, this is something which has absolutely nothing to do with the Panama Canal. What Panama will not do, under the neutrality treaty, is prevent a ship that is coming exclusively to transit the canal from doing so. This is the meaning (of the neutrality treaty—BRIS).

Therefore, in order to discuss violations of the concept of neutrality established in this treaty one has to look directly at the objective on which the treaty is based: That is, to keep the canal from being closed, thus preventing the passage of ships, and to prevent any hindrances to the passage of ships which come to transit the canal. This is the key to how the scope of the concept of neutrality is measured. But this is not outlined in the treaty concerning the canal. If we used the method you mentioned, we would have to add to each article the procedure by which the article would be implemented. This would be highly impossible. This is not done even in codes. You see, for example, that the penal code lists the crimes, the criminals and the subjects. It is another code, the judicial code, which indicates what procedures are used to judge those crimes and apply the corresponding punishment. If the penal code, in addition to defining crimes and criminals, were to include the procedures, it would not be a functional code.

The same thing applies to treaties. Treaties indicate the points of agreement—the subject, the substance of this subject. The procedure (interrupts sentence—FBIS). For example, here in these treaties you will see that many of these things are developed by different procedures: For example, procedures to be developed by the commission which will administer the Panama Canal, procedures to be developed by the Joint Board for the Defense of Canal. But these procedures are not specifically outlined. What the treaties give is the subject matter which is being agreed upon by the two countries and the clause which I mentioned to you concerning what procedures are followed for (sentence left unfinished—FBIS).

(Question indistinct.)

Answer. Those are different problems. One thing has nothing to do with the other. As far as the expiration date is concerned. It is clearly established. It is known to be 31 December 1999, and noon, Panama time. There is an article which states this and which cannot be disputed.

The other article concerns the date of expiration on which the canal is returned to Panama, with no cost, except as agreed upon by the two parties. (Sentence as heard—FBIS) why (the phrase—FBIS) except as agreed upon by the two parties? Because, let us suppose that in 1996 or in 1999, with 1 or 2 years remaining before the treaty between Panama and the United States expires—this is a hypothetical case—that is, 2 years before the treaty expires, there should be the need to make an investment for X, Y, or Z reasons related to the functioning of the canal. Then the United States could say to Panama: Well, 1 year remains before our administration ends, but in this year it will be necessary to invest, let us say $5 million and we believe that to make such an investment now, when we have 1 year to go, is absurd from the point of view of our economy. Panama could then decide to say: Go ahead and invest the $5 million and when you turn over the Canal, we will recognize this debt of $5 million. This is a hypothetical case. That is why one says except as agreed upon by the two parties, because the matter is not closed, because one does not know what contingencies may occur. However, one says except as agreed upon by the two parties because if they do not agree on anything, then the canal has to be returned free of costs to the Republic of Panama. If Panama were to say: "No, do not make the investment, or if you do it will be at your expense because we are not going to recognize this sum," then there would be no agreement. When one stipulates except as agreed upon by the two parties, this means the two parties must reach an agreement in this regard.

But this has nothing to do with the treaty termination date. Because as to the treaty termination date, if it were not a fixed date or if it were a fixed date but with the possibility of extension, this would appear in this article and it would say 31 December 1999, except for whatever the parties might otherwise agree upon. It would say so there, but it does not say so because the termination of U.S. control is emphatic with regard to U.S. presence here in Panama: At noon on 31 December 1999, Panama time—period—nothing else is said.

The other refers rather to a problem of an economic nature, a problem of some investment that might have to be made at the last minute when there is only a short time left before Panama recovers the canal. In this case the two parties will have to agree on whether Panama agrees to assume the debt or not. That would be a problem between the two countries. However, about wanting to take what one article states and give it a meaning in another article, this does not make sense. This does not make sense because they are different subjects and each article contains what one wants it to contain. When that article is related to another article, it is so stated. You can see this in the treaty. When administration or defense is mentioned, reference is made to the schedules. You have to refer to the schedules because the articles state that these schedules will expand on the contents of that article. When one article is related to another, it is stated that the article is related to another article.

In law practice we cannot prevent attempts at all kinds of interpretations. This cannot be prevented. Furthermore, the lawyer always has a tendency to do this. This is why we have courts where, when a prisoner is being tried, one lawyer is accusing him and another is defending him over the same issue.

However, there is another matter, which is commonsense. Commonsense is superior to law. Commonsense is what tells you when something is clear. Commonsense cannot be twisted or changed no matter how much you argue against it. For example, if you hit an egg with a hammer and the egg breaks, there is no lawyer in the world who can deny it. Nevertheless, commonsense will tell you that if you hit it with a hammer, the egg will break.

Therefore, this problem must be clear with regard to the fact that these documents are open to many interpretations. However, we do have commonsense and this indicates to you that there is a termination date in this treaty. It is clearly stated in one of its articles which is devoted to, and even has as its title, the termination date. This article says that it expires on 31 December 1999 at noon Panama time and nothing else. It does not say that it is related to another article, or that one has to look in an annex for more information, or that one has to seek an exchange of notes to explain it, or that one has to seek a subsequent agreement or a subsequent interpretation. This article shows that it can stand on its own, that it does not need interpolations or another article to indicate whether or not it applies.

What is occurring now is an attempt to seek interpretations in order to create un-

certainty—to create uncertainty with regard to this problem, so that people will think: Is it true or not that it expires on December 31, 1999? That is the aim, because we are 3 or 4 days away from the plebiscite. There are lawyers who have said that the Hay-Bunau-Varilla treaty is better than this one. They have said this, but they have not taken the Hay-Bunau-Varilla Treaty and read it to the people article by article. They have not done this. They have said the Hay-Bunau-Varilla Treaty is better than this. Let us keep that one. Moreover, this is degrading, but they have gone that far. And worse things will happen.

However, one thing is being forgotten. They are forgetting—in an attempt to think of themselves as very intelligent, or in believing that one can play with all kinds of ideas—one important thing, which is the common man. The common man is used to living with commonsense daily, and he cannot be deceived. He cannot be asked the kind of question which Plato asked in attacking sophists, such as, tell me the meaning of man who is not a man, who is sitting in a tree which is not a tree and hitting the tree with a stone which is not a stone. This is for the sophists, this is not for the common man.

Question. My question refers to next Sunday's plebiscite. What percentage of the people will vote yes, in the opinion of the government?

Answer. I cannot answer that because I have not consulted the government concerning such a percentage. However, based on my very personal opinion, starting with the fact that everyone who votes yes will be voting for a new treaty and that everyone who votes no will be voting for keeping the Hay-Bunau-Varilla treaty, I believe that a large percentage of our people will vote yes. Naturally, I am not a prophet and cannot tell you exactly what that percentage will be.

Question. Comrade, I would like to know why the Republic of Panama in article VII says: The Republic of Panama will adopt the measures necessary to insure that no other use of the land and water of the canal basin will exhaust the supply of water necessary for the continuous and efficient management, functioning and maintenance of the canal and will not interfere with the U.S. rights to use the waters of the canal basin. Panama needs water for its people to live. The Panamanian pays for his water. The Panamanians needs electricity. Why does Panama subsidize a country, which I respect but which is the world's largest economic power, and why do we give it our water?

Answer. I am going to divide your question into two parts, the one about the Panamanian people needing water and the other concerning why we took the decision not to deforest or not to interfere with the waters for use in the canal. First of all, the two points are not contradictory because the maintenance of the hydrographic basin is important to provide water for our people and for the operation of the canal. Second, we must protect the hydrographic basin in this case, in relation to the canal, because otherwise we would have to close it. If there is not water, the canal must be closed. That is a great truth. And it is not a question of subsidizing the United States in that respect. The fact is that the canal constitutes, according to our geographic position, one of our resources, part of our wealth, to develop our country. That is why we are struggling to put a termination date on the treaty with the United States, so that the canal will become our property. This is also the reason why during the 23-year-period we have agreed with the United States to receive approximately $80 million a year instead of the present ridiculous sum of $2.6 million.

Since it is an economic resource, we must first maintain that economic resource, take care of that economic resource, and obtain the greatest possible benefit for our country and our people. If, according to your theory, we deforest the hydrograpic basin, that would be tantamount to Venezuela setting fire to its oil wells. If Venezuela sets fire to its oil well, it would destroy one of the principal resources of its wealth.

That measure is directed at conserving sufficient water for the operation of the canal, not just now that the United States has it, but also after it is turned over to us. Furthermore, it would be absurd for us to deforest the hydrographic basin, for us to alter the water situation, or not to try to better the water situation because then we would not only have no water for the canal but we would not have water for our country.

For instance, take the case of Panama, so as not to talk about other countries. What has happened in certain regions of our country? Indiscriminate deforestation, the felling of trees, the turning of places which years ago had abundant vegetation into barren areas has resulted in diminished rainwater reserves and a decrease in our water levels. It has resulted in an alternation of our annual rain levels to the point that last year we had one of our country's worst droughts.

By protecting our hydrographic basin, we are not engaging in anything blasphemous or doing this because the gringos have such pretty faces. We are not interested in having the canal close down. We are interested in seeing it function and in having the canal. . . .

Question. But then why do they not pay for the water? It says here that they will use the water free of charge. How come we have to pay for it?

Answer. We pay for its consumption.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Will the Senator yield?

Mr. CHURCH. I thank the Senator from Vermont for yielding to me and I am happy to give him the balance of the time remaining.

Mr. LEAHY. I thank the Senator.

Mr. President, I rise on two matters. One is a reference to the State of New Hampshire. I did not have a chance following the speech given by my distinguished colleague from New Hampshire (Mr. MCINTYRE) the other day to add some words of my own.

I have known Senator MCINTYRE for a number of years. As a Vermonter, I knew of him well before coming to the Senate myself.

We Vermonters, Vermonters of both parties, have long admired and respected Senator MCINTYRE for the hard work he has given not only to the State of New Hampshire, but to all of New England. He is certainly recognized by those of us in New England as a leader in the areas of energy and of the particular problems of the economy for New England, and, certainly, as one who has been protective of small businesses and of the working people in that area.

He is also known, though, by all of us as a typical New Englander, that is, one with a strong sense of independence, one who makes up his own mind, and, most importantly, one who cannot be pushed around by anyone.

I know because my State borders his and because we share some of the same news media.

I know the enormous amount of pressure Senator MCINTYRE has been faced with during the past several months on this whole question. I know some of the absolutely irresponsible allegations that have been made against him on the possibility that he might vote to ratify the treaties as they stand before us.

But I know the same TOM MCINTYRE who is a World War II hero, the same TOM MCINTYRE who has so resolutely represented the State of New Hampshire during all these years, the same TOM MCINTYRE who is one of the most respected members of the Senate Armed Services Committee, and I think it came as no surprise to us in New England that TOM MCINTYRE stood on the floor of the Senate and spoke as strongly and as forthrightly as he did.

Mr. President, I must say that I, like so many others in Vermont and throughout New England, am extremely proud that we have within the New England delegation as a leader, TOM MCINTYRE.

I also say, Mr. President, what I have said before, that these debates have been good. They have been good for the Senate. They have been good for the American people. I think the public radio system has done an enormous service to the country by broadcasting it. But I think the people listening to it are beginning to think the same as some of us in the Senate, for or against the treaty. We are hearing arguments over and over again and it is getting a bit hard to come up with anything new on either side without going into diversionary issues that bear absolutely no relevance whatsoever to the matters before us.

Mr. President, I am certainly not eager to cut off debate precipitately. But, certainly, if this were to go on much longer, certainly beyond the end of this month, I think the American people, whether they favor or oppose the treaties, could, quite justly, ask if we are more interested in debate for the sake of debate or if we are interested in voting either for ratification or against ratification, then getting on to the enormous problems that face this country, the problem of energy, the problem of jobs, the coal strike, other military and national security matters, and the myriad things that face this country every single month.

Mr. RIBICOFF. Will the Senator yield?

Mr. LEAHY. I am happy to yield to my distinguished colleague from Connecticut.

Mr. RIBICOFF. Mr. President, I would like to take this opportunity to join in the highest praise of my distinguished colleague from New Hampshire (Mr. MCINTYRE).

In the years I have been in the Senate, there is no man in this body that has consistently shown so much courage and intelligence. The speech the other day on the floor of the Senate is a model that all of us could adopt.

As a fellow New Englander, I want to express my pride and appreciation in our colleague from the State of New Hampshire, Senator MCINTYRE.

Mr. MCINTYRE. Will the Senator from Vermont yield?

Mr. LEAHY. Yes.

Mr. MCINTYRE. Mr. President, I just happened to enter the Chamber. I want to thank my good friend and neighbor from the great State of Vermont for his friendship and his kind statements.

Of course, I also wish to thank my longtime friend and counselor and adviser on difficult issues in the Finance Committee, the distinguished Senator from Connecticut, very much for his kind and thoughtful remarks.

Mr. GRIFFIN. Mr. President, is there time remaining?

Mr. ALLEN. How much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator from Alabama has 6 minutes remaining.

Mr. ALLEN. How much times does the Senator want, 6 minutes?

Mr. GRIFFIN. Three minutes.

Mr. ALLEN. I had intended to answer the statements of the distinguished Senator from Idaho, but I shall wait to discuss the next amendment.

I, therefore, yield the remainder of my time to the distinguished Senator.

Mr. GRIFFIN. I thank the distinguished Senator from Alabama.

Mr. President, I have been on the floor and listened with attention to the statement made by the Senator from Idaho (Mr. CHURCH). I think that the record will be interesting for our colleagues to examine and I invite and urge them to examine the RECORD of the statements made by Panamanian negotiators and Panamanian spokesmen, particularly during the period following the Carter-Torrijos joint statement of October 14 and prior to the plebiscite of the Panamanians on October 23.

I think that it would be very difficult for any objective person to read the RECORD and not come to the conclusion I have come to. That is, that there really is and was no agreement between the Panamanian people and the United States with respect to important defense considerations.

The Senator from Idaho has said, "Well, there are not any statements since then." Of course, I think that is very revealing, in and of itself, that since the plebiscite, the Panamanian spokesmen have said very little, if anything.

But certainly what they have said has not contradicted the interpretation placed on the Carter-Torrijos statemen prior to the plebiscite.

To give just an example of the situation, I call attention to an interview which General Torrijos gave on October 23, the very day of the plebiscite in Panama.

The question put to him in this interview in Panama City was:

> One of the most controversial topics is intervention. We have heard the Carter-Torrijos explanation. Does it have the strength of an agreement?

Then General Torrijos goes on and on and on, at great length, with an answer. I read from a part of it. He is referring in his answer to his conversation with President Carter at the White House on October 14. He asked, referring to President Carter:

> Do you dare to sign that? I dare to sign it, but our people are very suspicious. They are experts, President Carter. They are a people who are capable of identifying a wolf, even in sheep's clothing. He laughed, saying "Torrijos, you say things very bluntly."

So, I said: "I am going to tell them that I have not signed even an autograph. However, I am going to tell my people that when they go to the polls, they will be voting for that which we have just explained." And he said, President Carter, in effect, after they realize that, they will be voting to permit our warships to transit rapidly and, while we will not remain in Panama, because we will be withdrawing gradually, we will be here in the continental United States, ready to go to the defense of the canal when you push a button and a bell rings here.

Then he goes on, at another point, referring to the same conversation with President Carter:

> I said it was an obligation. He said: "Do you see? We are selling the same product, the same thing. But here I have to call it a right—"

Referring to President Carter—

> "and you call it an obligation." I said: "You are obligated, whenever the case arises, to send your airplanes and everything to attack that which is attacking us." Now this is perfectly clear. So let the people know that when they vote tomorrow, it will be for these conditions.

Even in that interview, on the very day of the plebiscite, General Torrijos is acknowledging that the United States is taking the view that we have a right but not an obligation to go to the defense of the neutrality of the Panama Canal, whereas he is saying we have an obligation. So that there was a realization of disagreement even while they were voting on it.

That, of course, is only one of the points of difference, but it is emphasized in the committee report. The committee report very clearly says that the United States is not obligated to go into Panama and defend the Panama Canal neutrality but that we have a right to do it, if we want to. Panama says, "No; you have the obligation to do it."

So right there the difficulty was clear. It never has been straightened out. It is still a disagreement to this day. It seems to me that the record substantiates every other point that the Senator has made in this debate.

I yield the floor. I thank the distinguished Senator from Alabama for allowing me the opportunity to make this statement.

● Mr. LAXALT. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Alabama, Mr. ALLEN. Senator ALLEN's amendment would define neutrality in Article I of the Neutrality Treaty in such a way as to preclude the undisturbed passage of enemy warships and submarines.

As you know, the present Neutrality Treaty provides for a neutrality so broad as to include literally the passage of ships at war with the United States. Let me cite from the appropriate provision (article III, paragraph I, section E):

> Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination, or armament, without being subjected as a condition of transit, to inspection, search or surveillance.

What this means is that enemy vessels, including nuclear armed submarines, would be allowed passage through the Panama Canal. This is what is considered neutrality to treaty proponents. To me it is a serious threat to our national security.

I understand the arguments being offered, among others the distinguished Senator from Idaho, Mr. CHURCH, that we would, in the event of war, meet and sink enemy vessels outside the canal. But, in view of the growing strength of the Soviet Navy and Soviet encroachment in Cuba and elsewhere in the Caribbean, it seems to me that we need to take every possible precaution to safeguard our national security.

Quite frankly, Mr. President, there is no way we can determine at this juncture what Panama will be like 20 years hence. If anyone had said 20 years ago that the United States would be threatened by a missile base in Cuba, he would not have been taken seriously. As we know, this did happen in 1962 and within 4 years of Castro taking power. If anyone would have said 20 years ago that the United States had remained immobile in the face of an airlift of 15,000 troops in Africa, that person would have been considered certifiable. But, what do we find today? Cuban troops are in Ethiopia and fighting the Soviet Union's proxy war in that area.

In the face of continuing Soviet and naval encroachment in the Caribbean, Soviet bases in Cuba from which to operate and intransigent Cuban policies in Jamaica, our role in Panama cannot be to allow enemy warships free and unimpeded transit of the Panama Canal.

The strategy of the Russians has always been to control land masses adjacent to bodies of water. This is one of the reasons why they moved into Cuba. From there the Straits of Yucatan and the Straits of Florida, as well as the Gulf of Mexico, are available to Soviet interdiction.

Again, Mr. President, this should not be taken as any reflection on the fighting capabilities of the U.S. Navy. I certainly agree with Admiral Holloway, General Brown, and others that there is sufficient military strength to meet and engage with enemy vessels outside the Canal Zone area. However, we must remain cognizant of the growing disadvantage at which our fleet is placed relative to the Soviet Navy.

In 1968 the United States had 976 naval ships. Today that figure has been cut more than half to 459. In 1974, when the Soviet fleet was smaller than what it is today, our Joint Chiefs of Staff stated that we would need 800 ships to support our national security. By 1975, with the Soviet Navy having grown to 1,200 vessels, real concern has been raised about our ability to control military chokepoints of the world, such as the Panama Canal. What is more, if present trends continue, the situation could be even worse by the end of this century.

Last fall, serious controversy arose over the prospect that the proposed Permanent Neutrality Treaty inadequately provided for our right to intervene to defend the Panama Canal after

the year 2000. To guarantee this right, the Foreign Relations Committee recommended that the so-called leadership amendment—No. 20—be added to the treaty.

Although I am a cosponsor of the leadership amendment, I find it insufficient. The amendment states that we have the right to defend the neutrality of the canal, but defining neutrality in such a way as to include the undisturbed passage of enemy warships and submarines, makes this neutrality almost farcial. Once our military evacuates the Canal Zone area, reintroducing a military presence in a crisis situation will certainly be much more difficult and could be impossible in wartime. Accordingly, to implement the intent of the leadership amendment, I feel it is necessary to define neutrality in such a way as to preclude enemy use of the canal. The Allen amendment, as modified, would do precisely that. It would amend the definition of neutrality in article I in such a way as to preclude the uninspected passage of warships and submarines of nations at war with the United States.

The vital strategic nature of the Panama Canal has been attested to by virtually every witness in hearings before three major Senate committees. Over 70 Senators have cosponsored the leadership amendment designed to insure our ability to guarantee an open and accessible canal. I strongly urge your support for the Allen amendment. Because the canal is so vital to our national security, we must make every effort to insure that it is not used by our enemies.●

● Mr. THURMOND. Mr. President, I rise in support of the Allen amendment No. 61, of which I am a cosponsor. This amendment would enable the United States to prevent the passage of enemy warships through the canal in time of war after the year 2000.

Mr. President, the Senate simply must realize that the Panama Canal location makes its use and control vital to the national security interest of only one major world power—the United States.

If, in the event of a conflict, this vital waterway was denied to the United States, our Navy would be greatly inhibited in defending this country. Therefore, I am totally opposed to any treaty which would provide for the free passage through the canal during wartime of warships dedicated to the destruction of this Nation.

Certainly as the builder of the canal the United States should have some benefits from this waterway. This amendment attempts to address one of the faults in this treaty, that of allowing warships of an enemy nation to transit the canal during wartime.

Many will argue that the U.S. Navy should prevent such passage by guarding both entrances to the canal. That may be true, but should tie up significant portions of our fleet to protect ourselves in waters we should easily control?

In other words, our smaller Navy should be directed toward other threats rather than having to guard a waterway over which we should have control.

If this amendment is accepted, the enemy warships would not even be in the waters south of California and in the Caribbean because they would know that transit of the canal during wartime would be denied them. Thus it would not be necessary for our Navy commanders to tie up our smaller Navy in guarding both entrances of the canal.

Mr. President, I hope the Senate will take this amendment seriously and recognize the highly significant major security implications which it addresses.●

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The time of the Senator from Alabama has just expired.

Mr. CHURCH. Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Idaho yield back his time?

Mr. CHURCH. I yield back any time remaining to me, yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion to table the amendment of the Senator from Alabama. On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Iowa (Mr. CULVER), the Senator from Missouri (Mr. EAGLETON), the Senator from Montana (Mr. HATFIELD), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON) and the Senator from New York (Mr. MOYNIHAN) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON) is necessarily absent.

The result was announced—yeas 52, nays 40, as follows:

[Rollcall Vote No. 42 Ex.]

YEAS—52

Anderson	Hathaway	Packwood
Baker	Hayakawa	Pearson
Bayh	Heinz	Pell
Bumpers	Hodges	Percy
Byrd, Robert C.	Hollings	Proxmire
Case	Huddleston	Ribicoff
Chafee	Humphrey	Riegle
Chiles	Inouye	Sarbanes
Church	Javits	Sasser
Clark	Leahy	Sparkman
Cranston	Magnuson	Stafford
Danforth	Mathias	Stevenson
Durkin	Matsunaga	Stone
Glenn	McGovern	Weicker
Gravel	McIntyre	Williams
Hart	Metzenbaum	
Haskell	Morgan	
Hatfield, Mark O.	Muskie	
	Nelson	

NAYS—40

Allen	Ford	Randolph
Bartlett	Garn	Roth
Bentsen	Goldwater	Schmitt
Biden	Griffin	Schweiker
Brooke	Hansen	Scott
Burdick	Hatch	Stennis
Byrd, Harry F., Jr.	Helms	Stevens
Cannon	Johnston	Talmadge
Curtis	Laxalt	Thurmond
DeConcini	Long	Tower
Dole	Lugar	Wallop
Domenici	McClure	Young
Eastland	Melcher	Zorinsky
	Nunn	

NOT VOTING—8

Abourezk	Eagleton	Jackson
Bellmon	Hatfield, Paul G.	Kennedy
Culver		Moynihan

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 52

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the Chair recognizes the Senator from Alabama (Mr. ALLEN) to call up amendment No. 52, which the clerk will state.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself and others, proposes an amendment numbered 52:

Strike out Article I and substitute in lieu thereof the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama: *Provided*, That in the event sabotage shall at any time have impeded and threatens to impede again the free and open transit of the Canal and the President of the United States prior to December 31, 1999, shall have so certified to the Government of Panama, then the military presence of the United States in what was the Panama Canal Zone on September 7, 1977, shall be continued beyond December 31, 1999, but not beyond December 31, 2019.

The PRESIDING OFFICER. The time for debate on this amendment is limited to 1½ hours, to be equally divided between and controlled by the Senator from Alabama (Mr. ALLEN) or his designee. and the floor manager for the proponents of the treaties or his designee.

Mr. ALLEN. I yield to the Senator from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. President, I ask unanimous consent that Wayne Mehl of my staff have floor privileges during the further consideration of these treaties and any votes thereon.

Mr. McGOVERN. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I yield to the Senator from South Dakota.

Mr. McGOVERN. I make the same request made by the Senator from Montana for Mr. John Holum of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I presume that order refers to both requests, does it not, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. I yield to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HARRY F. BYRD, JR. Mr. President, at this time I wish to commend the able Senator from Alabama on the very effective work he has done and the very effective presentation he has made to the Senate in regard to the two proposed new Panama Canal treaties.

The Senator from Alabama has presented to the Senate four or five very important amendments for the consideration of the Senate. While none of those amendments have been approved, most of them have drawn considerable support.

The last amendment drew 40 votes from the Senate. I believe that is significant. It is the highest number of votes that any amendment to the treaties has yet received. I think it is a tribute to the able Senator from Alabama (Mr. ALLEN), and I, as one Senator, extend to the Senator from Alabama (Mr. ALLEN) my warm appreciation for the fine role that he is playing in the process of Senate consideration of the proposed new treaties.

The amendments he has proposed have been amendments designed to protect American defense interests, and I must say that I am somewhat astonished that some of those amendments have been voted down in the Senate; but that does not in any way detract from the magnificent fight that the Senator from Alabama is making to acquaint the American people with just how far-reaching are these proposed new treaties.

I thank the Senator for yielding.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) for his warm and generous remarks.

Mr. President, I get the very distinct impression that it is the will of the Senate to vote down all further amendments to article I of the Neutrality Treaty, because I believe the amendments we have had before us as to the President being allowed to maintain our military presence in Panama if, at the turn of the century, we were at war with another nation, for the duration of the war and 60 days thereafter, which the Senate has turned down; the amendment that provided that our military presence could continue in Panama for 20 years beyond December 31, 1999, if the President deemed it necessary for the defense of the canal and for maintenance of the security thereof, which was also turned down; and then this last amendment, which provided that this Neutrality Treaty shall not be construed to allow enemy warships and submarines to transit the canal undisturbed during time of war with the United States—those three amendments having been turned down by substantial majorities, I would not anticipate that any amendment, no matter how meritorious or how defensive of our position for defense of the Panama Canal, would stand any chance of passing.

The pending amendment, I would say, would probably fare no better, and perhaps somewhat worse, than the amendment the Senate has just defeated. So, Mr. President, in order to expedite consideration of the treaties and move on to another article, I am willing to withdraw the amendment.

Since a time limitation has been placed on this amendment, I assume it would require unanimous consent to withdraw the amendment; is that not correct, Mr. President?

The PRESIDING OFFICER (Mr. LEAHY). The Senator is correct.

Mr. ALLEN. Therefore, Mr. President, I ask unanimous consent that the pending amendment, which was offered by me and some eight other Senators, be withdrawn at this time.

Mr. SARBANES. Mr. President, reserving the right to object, and I shall not object, pursuant to the order previously entered, once this amendment is withdrawn will we then proceed to the consideration of article II of the treaties?

The PRESIDING OFFICER. The Senator from Maryland is correct; the Senate will proceed to the consideration of article II.

Mr. ALLEN. I might state, Mr. President, that, of course, after we finish article I and go to article II, we could still bring up amendments to article I; but I have no intention and I know of no one who has any intention of doing that.

Similarly, if we go to article III, we can bring up amendments to articles II and I. But I know of no Senator who wishes to backtrack with amendments. As far as I am concerned, well leave article I once and for all at this time.

Mr. McGOVERN. Mr. President, reserving the right to object, and I do not intend to object, I appreciate the Senator's willingness after 2½ weeks of debate on this treaty, and after the full hearings before the committee, to expedite the procedure. Is the Senator willing to withdraw his remaining amendments? It now appears that the Senate recognizes that these are dilatory amendments designed to defeat the treaty rather than to amend it. I think the Senator understands that. I think any amendment we adopt which was not recommended by the Committee on Foreign Relations would not be acceptable to the people of Panama.

In effect, what we are engaged in is a series of amendments designed to defeat the treaty. In view of the reasonableness that the Senator shows on this amendment in asking that it be withdrawn, will he consider withdrawing his remaining amendments so we can get on to voting?

Mr. ALLEN. I have no further amendments at the desk. I do not see the act of withdrawing nonexisting amendments.

Mr. McGOVERN. Perhaps the Senator can use his influence——

Mr. ALLEN. If the Senator has any influence, it will be used during the vote. The Senator may not consider this matter as of such great importance as the Senator from Alabama. Much has been said about dilatory tactics. If the Senator wishes to use an hour and a half of discussing it, with 15 minutes on a rollcall, that is up to the Senator. I have withdrawn the amendment.

Mr. McGOVERN. I just thought in a spirit of reasonableness, I thought it might——

Mr. ALLEN. I cannot call back my amendment since I have none.

Mr. President, I have withdrawn the amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Alabama? The Chair hears none. The amendment is withdrawn.

Under the previous order, the Senate will now proceed to the consideration of article II of Executive N, 95th Congress, 1st session, which the clerk will state.

The legislative clerk read as follows:

ARTICLE II

The Republic of Panama declares the neutrality of the Canal in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason, and so that the Canal, and therefore the Isthmus of Panama, shall not be the target of reprisals in any armed conflict between other nations of the world. The foregoing shall be subject to the following requirements:

(a) Payment of tolls and other charges for transit and ancillary services, provided they have been fixed in conformity with the provisions of Article III(c);

(b) Compliance with applicable rules and regulations, provided such rules and regulations are applied in conformity with the provisions of Article III;

(c) The requirement that transiting vessels commit no acts of hostility while in the Canal; and

(d) Such other conditions and restrictions as are established by this Treaty.

The PRESIDING OFFICER. Article II is open for amendment. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, few issues of foreign policy in recent years have stirred so great a controversy as the question of ratification of the proposed new Panama Canal treaties.

Is the Panama Canal and the buffer zone which surrounds it important to the United States?

Is U.S. ownership—which our country has had for more than 70 years—important?

Are the defense and economic interests of the United States best served by our maintaining ownership—or by relinquishing ownership to the Panamanians?

At this joint, I think some history is in order.

This is not the first time a President has proposed surrendering our sover-

eignty over the Panama Canal and Canal Zone.

In 1967, President Johnson put a head of steam behind Panama's resolve to wrest the canal away from undisputed American control. Draft treaties prepared in 1967 made concessions to Panama which many Members of Congress felt were unwise.

So great was the congressional opposition to the proposed treaty that President Johnson never submitted the proposal to the Senate for consideration. I am pleased to say that I took an active and firm role in opposition to the Johnson proposal.

I see no fundamental difference between the Johnson proposal and the Carter proposal. Each would surrender U.S. control.

The Congress was told in 1967 that there would be a series of anti-American riots in Panama if the U.S. Government did not give the Panamanians what they want. We are being told the same thing today.

It is vitally important that the United States maintain a position of strength in Latin America, and the pivotal point in our defense arrangements is the Panama Canal and the Canal Zone.

As nearly as I can determine, the basic arguments in support of approving the new treaties are these:

First, those favoring the treaties are told, and believe, that the Panama Canal is obsolete or becoming obsolete—that we really do not need it anymore, or will not need it very long.

That most certainly is not the case. Far from it. The canal is important to U.S. security, important to our economy—and, according to knowledgeable witnesses, will become more important in the years ahead—as I will detail later.

Second, the argument is made that unless the new treaties are ratified violence will erupt in Panama and access to the canal will be jeopardized by acts of terrorists and radicals. This is a rehash of the same argument made more than a decade ago by President Johnson and those who supported his proposal to give away the Panama Canal.

To determine the defense and economic interests of the United States on such a basis seems to me most unwise.

Furthermore, as I will explain, I am deeply concerned that approval of the Carter treaties will render the canal more vulnerable, not less; will increase the risks of confrontation with radical or foreign elements.

Finally, the argument is made that we should ratify these treaties to divest ourselves of the guilt and stigma we are supposed to feel concerning the U.S. role in connection with the 1903 treaty and our operation of the Panama Canal.

I do not subscribe to such a view. Along with most Americans, I am proud of the U.S. role in building, operating, and maintaining the engineering masterpiece that is the Panama Canal.

I see no reason to be ashamed or to apologize.

The canal has been good for the United States; it has been good for the world; and especially—especially—it has been good for Panama. As a result of U.S. presence there, Panama, a nation of 1,700,000 persons, about one-third that of the State of Virginia, has the highest per capita income of any Central American nation and the fourth highest in all of Latin America. Panama has the fourth highest per capita income of all 19 countries of Latin America.

Let me say, at this point, that I regard the Panamanians as a very fine people. I first got to know them many years ago when I went to school with many of them (one of whom became President of Panama). I have had Panamanian friends through the years.

I am not unsympathetic to the views of the people of Panama.

Realizing as I do that times and conditions change, I am willing to recognize, as one Senator, that a major revision in our treaty relationship with the Republic of Panama could serve the interests of both countries.

But I am not convinced that the treaties now before the Senate for ratification meet that criteria.

These treaties have numerous flaws which are so serious as to make them unacceptable. They need to be renegotiated.

The first and most serious flaw is that these treaties are totally inadequate in protecting the economic and defense interests of the United States.

Second, they would surrender U.S. operational control over an extremely important international waterway.

Third, they would be very costly to the American taxpayer.

Fourth, they would deny to the United States until the year 2000 the right to negotiate with any countries other than Panama for the construction of an interoceanic canal.

Yes, Mr. President, these treaties would deny to the United States the right to even negotieate with any other country except Panama for the construction of an interoceanic canal, and Panama, thus, would have a veto over the construction of a canal by the United States in another Latin American country.

Finally, the treaties are so vague and subject to varying interpretations as to risk serious disputes over their meaning in the future.

Let us look more closely at the facts.

Proponents of the treaties argue that we can give the canal to Panama, because it is no longer important to the United States militarily or economically.

This argument, however, has been shown to be false.

The canal provides an essential link between the naval forces in the Atlantic and the Pacific oceans. With the exception of our 13 aircraft carriers, all of the Navy ships now in the active fleet are able to transit the canal. In a crisis, ships and supplies can be quickly transferred from one ocean to the other, thus allowing a smaller Navy than would otherwise be necessary.

History has clearly recorded how relatively quickly we were able to move elements of the Atlantic naval fleet to the Pacific after the attack on Pearl Harbor in 1941.

Moreover, this quick-transfer capability was of critical importance to the United States in the more recent past.

During the Cuban missile crisis, substantial military forces were transferred from the Pacific to the Atlantic in preparation for an invasion of Cuba. Their presence in the waters surrounding Cuba undoubtedly contributed to the successful outcome of that crisis.

The canal was also important during the Vietnam conflict with over 33 percent of the supplies for our forces passing through it.

Today, the canal continues to play an important part in U.S. military plans.

For example, in the event of a crisis in NATO Europe, American plans call for the transfer of a substantial number of U.S. Navy ships through the canal to strengthen the Atlantic fleet.

If access to the canal were denied to U.S. Navy vessels, the alternative route around Cape Horn involve an additional 8,000-mile journey taking 3 to 4 weeks and simultaneously would consume a great deal of fuel.

Emphasizing this military importance, Adm. James Holloway, Chief of Naval Operations, testified before the Senate Armed Services Committee just last month that the canal "is absolutely essential to the war plans of the U.S. Navy and the U.S. Defense Establishment * * *."

Adm. Thomas H. Moorer, former Chairman of the Joint Chiefs of Staff, also emphasized the critical military importance of the Panama Canal in his testimony before the Senate Armed Services Committee.

I might say parenthetically that Admiral Moorer is the only person in our Nation's history to serve as commander in chief of both our Pacific fleet and our Atlantic fleet.

Admiral Moorer said this:

> There is no feasible war plan for the United States, taking into account our reduced forces and extended commitments, that does not assume that the Panama Canal will be available for full-time priority use.

The canal is also important to the United States economically, with an average of about 70 percent of all cargo sent through the canal either originating in or bound for U.S. ports.

Without the canal, according to a Department of Commerce report issued in May 1975, there would be:

A 71-percent increase in the average annual consumption of fuel by carriers of U.S. foreign trade;

A 31-day increase in average shipping time;

A $932 million increase in the yearly total delivered price of all exports, which would price our farm products out of Pacific markets; and

A $583 million increase in the yearly total delivered price of all imports including $78 million for intercoastal deliveries, thus adding to the U.S. cost of living.

These burdens would be borne by our citizens in the form of increased consumer costs, resulting in a higher rate of inflation and a loss of jobs.

Any serious interruption in canal traf-

fic would result in serious economic problems in many parts of our Nation.

Many authorities are concerned, too, that a substantial increase in tolls which the treaties would require, could have a very adverse effect on U.S. export products.

Clearly, the uninterrupted and efficient operation of the canal in the years ahead is an important U.S. interest.

And it is not only the interests of the United States which are at stake. Trading countries all around the world, but especially Japan and Latin America, will be deeply affected by any change in the status of the Panama Canal.

However, the proposed treaties, instead of protecting these interests, make threats to the canal more likely by making the canal more vulnerable.

With sovereign rights, existing rights which we have held for many years, the United States has been able to garrison troops in the Canal Zone and control access to the U.S.-owned areas immediately adjacent to the canal.

In this way the United States has kept the canal secure, even during two world wars and the Korean and Vietnam conflicts.

Now, however, under the terms of the proposed treaties, the United States would no longer have the rights of ownership and there would no longer be the protective buffer of the Canal Zone.

Furthermore, after the year 2000 the United States would be prohibited from stationing any troops in Panama under the terms of the proposed treaties—and, indeed, would have no bases from which to defend the canal.

By surrendering control over the Canal Zone and agreeing to withdraw all U.S. military forces from Panama by the year 2000, the United States would be relinquishing the capability to adequately defend the Panama Canal.

In the words of Admiral Moorer, this would be a situation of having responsibility but "* * * divest(ing) ourselves of all the tools with which to carry out the responsibility."

In addition, without secure U.S. military bases in the Canal Zone area, it would be more difficult and more costly for U.S. military forces to reassert control over the canal should that become necessary.

This was made clear to the Senate Armed Services Committee by the Commandant of the Marines, Gen. Louis Wilson, and by the Chief of Naval Operations, Admiral Holloway. Here is what General Wilson said at the committee hearings:

> I agree that it would be easier and less costly to meet threats after 1999 if the United States were to maintain forces in Panama beyond that time.

Admiral Holloway made this statement:

> Without bases, the introduction of U.S. forces would take longer and be more costly.

Clearly, by surrendering control of the Canal Zone and agreeing to remove all U.S. troops from Panama, the United States would be increasing the vulnerability of the Panama Canal.

Mr. McGOVERN. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I would like to finish my statement, if I could, then I would be glad to yield to the distinguished Senator from South Dakota.

Mr. McGOVERN. All right.

Mr. HARRY F. BYRD, JR. Mr. President, not only would these treaties relinquish U.S. control over the canal, but they also would place control in the hands of a weak and unstable government which has already acknowledged that it plans to milk the canal financially to cure its economic ills.

For example, Panama's Planning and Economic Policy Minister, Nicolas Ardito Barletta, in an August 19, 1977, speech concerning the proposed treaties, said that the economic terms of the treaties provide for "* * * the real possibility of accelerating Panama's general development and provid(e) an important answer to the important needs of our people * * *" In another statement Minister Barletta was even more direct. He said:

> This treaty will create a perfect situation for a lasting [economic] boom.

Panama's economy has been growing steadily worse in recent years despite the substantial boost to the economy resulting from the canal and despite continuing U.S. foreign aid. Panama's economic growth rate has sunk from 8 percent when General Torrijos seized power in 1968 to less than 1 percent in 1977.

The country's indebtedness has grown from $167 million when General Torrijos took power to approximately $1.5 billion at present and it is estimated that debt service alone will consume 39 percent of Panama's budget this year. Panama now has the highest debt per capita of any nation in the world.

In short, Panama's economy is a shambles, and the Torrijos regime is hoping to have the United States save it from its own financial mismanagement.

Panama also has experienced considerable political instability. The present regime took power in a coup in 1968, and an assassination and other takeovers marked periods preceding Gen. Omar Torrijos' taking power.

These facts are cause for real concern over Panama's ability to operate and efficiently maintain the canal in the years ahead.

Another serious objection I have to these treaties is that they will prove to be very costly to the American people.

The administration has contended that the treaties will not result in costs to the American taxpayer, but this is clearly not the case.

In addition to the value of the actual facilities and land to be given to Panama, now valued by the Panama Canal Company at almost $10 billion (in terms of replacement value), there are other direct and indirect costs which will require appropriated funds.

These include military base relocations, early retirement costs for canal employees, the loss of interest payments to the U.S. Treasury and more.

These costs alone are now estimated to amount to almost $800 million and they are not the only costs.

These figures could go much higher if the canal enterprise incurs deficits between now and the year 2000. Article XIII of the Panama Canal Treaty requires that the canal be turned over to Panama "free of liens and debts." Any deficits remaining at the time the canal transfers to Panama could become an obligation of the U.S. Treasury.

An additional cost to the American taxpayer, should these treaties be ratified, would be $345 million in economic and military aid promised to Panama by the Carter administration outside of the terms of the treaties.

In all, although there is no way of knowing precisely how much these treaties will cost, one can be sure that they will cost the American public a great deal.

The treaties themselves are vague and ambiguous and many of the details will have to be settled in the implementing legislation that must be enacted if the treaties are ratified.

This legislation would set forth crucial interpretations of the treaty language concerning appropriations, pension costs, labor contracts, the toll structure, employment practices, accounting procedures, and court jurisdiction, and would establish at least some of the costs which will have to be borne by the American taxpayer.

The Carter administration, through the State Department's senior legal adviser, has admitted to the Senate Foreign Relations Committee that such legislation is "an essential component of the overall program of implementation of the treaties."

I say again, for emphasis, that the State Department senior legal advisor has told the Foreign Relations Committee the implementing legislation is an "essential component" of the overall program of implementation of the treaties.

However, despite this admission of the importance of the implementing legislation, and despite a State Department promise to have this legislation ready for Congress well before the end of October of last year, the implementing legislation still is not available to Congress.

Here is what the State Department legal advisor, Mr. Herbert J. Hansell, told the Foreign Relations Committee on September 29, 1977:

> We hope to have a complete draft available for submission to both Houses within several weeks. We have been at work on it for some period of time. Certainly well before the end of October we expect to have it to you.

But October has come and gone; November has come and gone; December has come and gone; January has come and gone; February has come and gone; and this is the 6th day of March.

Mr. McGOVERN. Mr. President, I know that the Senator is reluctant to yield during his speech, but just on this specific point, will he yield for a clarification?

Mr. HARRY F. BYRD, JR. I yield.

Mr. McGOVERN. The Senator has made an interesting point—that the implementing legislation did not come up

as rapidly as the State Department had indicated. I just wanted to draw the Senator's attention to the fact that it has arrived. Every Senator received a copy today. The Senator is to be excused if he has not had a chance to look at the text of that agreement, because it did in fact just arrive, with a covering letter, in each Senator's office today. The committee was given a copy of it last Friday.

I am not criticizing the point the Senator is making, but I think the record should show that we now have the implementing legislation in hand. So, to whatever extent that is relevant to our further deliberations, we now have it.

Mr. HARRY F. BYRD, JR. I thank the Senator from South Dakota.

The Senator from Virginia has not had that legislation available to him. I am glad to know that I will receive it today.

I say again, however, that the State Department promised the Foreign Relations Committee to have this legislation to Congress not later than October. Yet, October came and went, November came and went, December came and went, January came and went, February came and went; and not until the 6th day of March has this essential component of the treaties been made available to Congress.

This is the third week Congress has been debating the proposed treaties; yet, only today has it been made available, and I doubt that more than a few Senators have seen it up to this point.

Further, it seems strange that the legislation which was unavailable for so long, is now suddenly made available after it became obvious that the Senate would be reluctant to vote on these treaties until such time as the implementing legislation was available.

To this Senator, it would seem that those who favor the new Panama Canal treaties would be especially interested in obtaining all of the facts, with particular reference to the essential implementing legislation. Indeed, the distinguished Senator from Massachusetts, Senator BROOKE, spoke at length in the Senate last week deploring the fact that implementing legislation was not available to the Congress.

The strongest statement as to the great importance of having available the implementing legislation for simultaneous consideration with the treaties was made by the distinguished Senator from New Jersey (Mr. CASE), the ranking Republican member of the Foreign Relations Committee, and the Republican leader in the fight to ratify the treaties.

Here is what Senator CASE said on September 29, 1977, according to the official transcript of the Foreign Relations Committee hearing of that date:

> This implementing legislation is very much a part of the treaty proposal . . . It covers diplomatic matters. It covers property matters. It covers rights of individuals who are affected. Frankly, I don't see how we can really pass on this proposed treaty intelligently until we have everything before us . . . We must have it if we are going to make our decision and the country must have it if it is going to make its decision.

To the assertion of Senator CASE, the Senator from Virginia says, "Amen."

The implementing legislation will clearly have an effect on just how costly these treaties would be to the American people.

Elmer Staats, the Comptroller General of the United States, charged by the Congress with the responsibility of factual information in costs of Government, told the Senate Armed Services Committee:

> . . . the treaty implementing legislation is the key determinant of the financial viability of the proposed Panama Canal Commission.

And the Congressional Budget Office made this statement, which is a part of the Foreign Relations Committee Report:

> Clearly, because the implementing legislation has not been submitted the complete estimate of the budget impact of the treaties is impractical at this time.

So while the treaties are being debated in the Senate, the Congresional Budget Office has been unable to give the Senate and Congress and the American people the budget impact of approval of such treaties.

Thus, it is clear that the implementing legislation promised to the Congress 5 months ago but not yet received, is vitally important in attempting to assess the total costs to the American people of the proposed new treaties.

As to why the Congress has been denied access to the essential implementing legislation until just today, I frankly do not know. But to one Senator, one of two conclusions seems logical:

Either the legislation was so complex and so far-reaching that a battery of Government lawyers was unable to put it together for over 5 months, or

Second, the implementing legislation, which will make more clear the costly features of the proposed treaties, may further weaken support for the proposed treaties and therefore the administration has been reluctant to submit it to the Senate.

In either case, it seems obvious the proposed new treaties should not be approved until the implementing legislation has been studied and analyzed.

In addition to the deficiencies of the treaties with regard to the security of the canal and the economic costs, there are two other serious weaknesses.

Article XII of the Panama Canal Treaty contains a provision which would prohibit the United States until the year 2000 from negotiating with any other nation for the right to construct an interoceanic canal anywhere in the Western Hemisphere until the next century—unless Panama agrees to permit such negotiations.

This veto power by Panama would put the United States at the mercy of that nation insofar as any waterway connecting the Atlantic and Pacific is concerned. If the United States were dissatisfied with the new canal arrangement we would not be permitted to seek accommodations elsewhere. Panama would have a monopoly.

I believe it would be a serious mistake for the United States to be restricted in such a way.

Frankly, I think it is bad enough to give away the Panama Canal—and to pay the Panamanians for the privilege of giving it to them. But, I submit, it is even worse to block ourselves by treaty from having the opportunity to negotiate with other nations for the right to construct an interoceanic canal in the Western Hemisphere.

An additional weakness is that the proposed treaties have been written in vague terms which are subject to varying interpretations.

We have seen clear evidence that Panamanian officials have taken a different interpretation from that of the Carter administration on several important parts of the two treaties.

The Carter administration has contended that the treaties preserve for the United States the permanent right to act unilaterally to defend the canal.

Secretary of State Vance testified before the Senate Foreign Relations Committee that—

> * * * there is no limit under the treaty on the freedom of the U.S. to assure permanently the canal's neutrality.

However, the head of Panama's treaty negotiating team, Dr. Romulo Escobar Bethancourt, has repeatedly taken a different position. On August 22, 1977, Dr. Escobar flatly stated in a press conference that—

> The neutrality pact does not provide that the United States will say when neutrality is violated.

This and other differing interpretations were so glaring, in fact, that General Torrijos returned to Washington, where he and President Carter issued an unsigned clarifying statement intended to put to rest any misunderstandings.

On the contrary, however, the clarifying statement only added to the confusion and uncertainty concerning the terms of the treaties. In fact, according to the American Law Division of the Congressional Research Service, the Carter-Torrijos statement does not clarify whether the United States would be permitted to intervene to restore the neutrality of the canal if aggression or other interference resulted from Panamanian action.

The amendment proposed by the distinguished majority and minority leaders of the Senate suffers from this same ambiguity, since the amendment uses the identical language of the Carter-Torrijos statement.

Moreover, even if the right of U.S. intervention were made crystal clear, the absence of U.S. bases and troops near the canal would make any intervention extremely difficult.

The treaties not only suffer from ambiguity, but also have serious omissions.

For example, under the Neutrality Treaty, Panama is under no clear obligation to operate and maintain the canal after the year 2000. In fact, Panama's chief negotiator has said that "Panama could not be tied down to keeping open a canal which was not earning revenues."

Confronted with this important omission, U.S. negotiator Sol Linowitz admitted that, since the United States and Panama disagreed over this matter, it

was simply left out of the treaties. This disagreement was simply ignored.

In addition to these ambiguities and omissions in the treaties, it should be noted that a number of executive agreements will be required to clarify the meaning of other sections. In fact, one section of the Panama Canal Treaty which does not even cover a page is explained and defined in an executive agreement 20 pages long.

I believe it is ill-advised for the United States to agree to treaties which are so ambiguous.

To do so would be to guarantee confrontation and dispute.

Finally, there are two issues outside of the actual terms of the treaties which need to be addressed.

First, these treaties were negotiated under a cloud of violence.

The negotiations leading to these treaties were initiated in 1965 in response to violence in the Panama Canal Zone and, since the, threats of violence have been used periodically by the Panamanians to move the negotiations along.

In fact, the threat of renewed violence now seemed to be the major argument of those in favor of these treaties.

The Carter administration has relied heavily on this threat as a reason for supporting the treaties.

While our senior military officers on active duty echo the Commander in Chief's support of the treaties, it is signifiant that virtually all of our senior retired military officers strongly oppose the treaties as not being in the best interests of the United States.

While the current Chief of Naval Operations, Admiral Holloway, voiced support of the treaties, under questioning he stated that from a military point of view he would prefer that the United States continue to have the unchallenged right to military bases in Panama in order to protect the canal. But he said he supported the new treaties as an effort "to appease our allies." That is, indeed, a most significant assertion.

In fact, it accords with what seemingly is the dominant theme of many seeking approval of the treaties.

As one Senator, I am convinced that making concession under the threat of violence will only lead to more threats and more unwarranted concessions—not just in Panama but around the world.

I recognize that there is a risk that these threats of violence may be carried out if the United States retains control of the canal.

In fact, our State Department has raised the expectations of Panamanians so high that anything less than a complete surrender of the canal and Canal Zone will be likely to stimulate some violence.

However, contrary to the administration's view, I believe that the greater risk in bringing about confrontation would be in surrendering U.S. control of the Panama Canal.

The fact that the Canal Zone is now U.S. territory with U.S. military forces present gives pause to those who might threaten the canal.

By surrendering the canal to Panama, the United States would be placing a strategically important defense asset in the hands of a weak and historically unstable government, and thereby making the canal more vulnerable.

The second issue is the argument made by treaty proponents that we must ratify these treaties because they will greatly improve our relations with the countries of Latin America.

The Carter administration has often made the assertion that all of the nations of Latin America enthusiastically support the proposed treaties?

It is true that officials of most Latin American countries have publicly endorsed the proposed treaties. But what do they say privately?

Lt. Gen. Gordon Sumner, Jr., Chairman of the Inter-American Defense Board, testified before the Senate Armed Services Committee.

Now this is General Sumner testifying before the Armed Services Committee, and General Sumner is chairman of the Inter-American Defense Board and he says that in his discussions with "the Presidents, the Ministers of Defense and the high level military people" of the 17 Latin American member countries—other than Panama and the United States—of the Inter-American Defense Board, these leaders "all expressed a grave concern about the treaties." He stated further that all these countries "expressed reservations about the fact that the United States will no longer be in Panama * * *"

To me that is highly significant. Highly significant. I do not know of any individual who is in a better position to judge the attitude and the thinking of the leaders of the 17 Latin American countries who are members of the Inter-American Defense Board than the chairman of that board, Lt. Gen. Gordon Sumner.

I wanted to emphasize again to the Senate that the chairman of the Inter-American Defense Board told the Armed Services Committee that in his discussions with the Presidents, the Ministers of Defense and the high-level military people of 17 Latin American countries they all expressed a grave concern about the treaties.

Also, former Ambassador Robert Hill, who has had extensive diplomatic experience in Latin America and who has recently completed an extensive trip to much of Latin America, sent word to the Armed Services Committee he experienced similar sentiments concerning the treaties among the leaders of Latin America.

It is significant, Mr. President, that Mr. Hill has served as Ambassador to Mexico, Ambassador to Argentina, Ambassador to Costa Rica, Ambassador to El Salvador, and Ambassador to Spain.

Obviously, he is a man who knows Latin America intimately.

Let me say again: I am not opposed to any and all changes in the existing treaty relationship between Panama and the United States.

In fact, I believe some changes are desirable and would welcome a renegotiation of the proposed new treaties.

I recall that during his campaign for the Presidency, candidate Carter declared that he would "never give up complete control or practical control of the Panama Canal Zone."

I want to say for the RECORD that I agree with candidate Carter; but now, of course, candidate Carter, who is President Carter, is at the center of the Washington atmosphere.

From the very beginning of the discussion of the Panama Canal issue, the atmosphere in Washington—largely created by the State Department—has been one favoring surrender of operational control of the canal.

That is a Washington way of thinking. It permeates our relationship with other countries. The dominant idea in this Washington way of thinking is this: If any nation is unhappy, and its leaders make a lot of noise, give them something.

This kind of thinking has resulted in the giveaway of billions of dollars in foreign aid since World War II—and has left us with fewer friends abroad than we had 30 years ago.

Now the Washington thinkers propose the giveaway of the Panama Canal. And the President—who had another view when he was out campaigning, close to the people—is urging that the Senate approve the treaties effecting this new giveaway.

I think it is important to note that Panama has received more U.S. aid per capita than any other nation in the world. Still the Panamanian Dictator is not satisfied.

I am convinced that we as individuals cannot buy friends. I am convinced, too, that a nation cannot buy friends.

In my judgment, the proposed new treaties which would give away American ownership of an important American defense and economic asset is unwise.

I see no logic in it.

On the contrary, I foresee that down the road a bit the ratification of the proposed new treaties could seriously jeopardize American defense and economic interests—and, of course, will be very costly to the American taxpayers. I shall deal with the cost aspects in more detail in a speech in the Senate next week.

Mr. McGOVERN. Mr. President, the Senator from——

Mr. HARRY F. BYRD, JR. Do you wish me to yield to you?

Mr. McGOVERN. Yes, if you would.

Mr. HARRY F. BYRD, JR. Yes, I will be glad to.

Mr. McGOVERN. Mr. President, I just want to make a few observations on the statement delivered by the Senator from Virginia. I want, first of all, to congratulate him on making a weak case sound as eloquent and as logical as he did. We have come to expect that from the Senator from Virginia.

The Senator has raised two or three points about the treaties which I want to just comment on briefly.

First of all, his concern is that after the year 2000 the United States would not be in a position to defend adequately the continued operation of the canal.

As the Senator knows, the Foreign Relations Committee has recommended

language, which I suspect will be adopted unanimously, clearly giving us the right to move in militarily in the event it becomes necessary, even after the year 2000.

The Senator from Virginia, in attempting to point out a military anxiety about this, quoted both General Wilson, the Commandant of the Marine Corps, and Admiral Holloway, the Naval Chief of Staff.

The first thing I want to say about that is that both of these distinguished officers are very strongly for the treaties, as the Senator knows.

Mr. HARRY F. BYRD, JR. I said that.

Mr. McGOVERN. Yes. He quoted General Wilson as having said:

I agree it would be easier and less costlier to meet the test after 1999 if the United States were to maintain forces in Panama beyond that time.

But the Senator from Virginia neglected to finish the general's statement, which I would like to do. He went on to say:

I do not believe, however, that successful defense of the canal is dependent upon continued U.S. military presence in Panama. With the capability of the Navy and the Marine Corps to provide an amphibious task force to steam within a few miles of either end of the canal, a meaningful U.S. presence for all practical purposes is assured.

I think that is why General Wilson, although he was frank to say that we might be in a little stronger position militarily if our forces were there indefinitely, is for the treaty, because what slight advantage we sacrifice militarily is more than offset by the fact that through these treaties we create a more friendly environment for the canal and, therefore, one which is subject to less threat.

The Senator from Virginia also quoted Admiral Holloway's concern about the protection of the canal after American forces are withdrawn. Just for the record, let us read three or four sentences from the admiral because I think many Americans are concerned about this matter. This is what he had to say in hearings before the Armed Services Committee:

Our capability to protect the canal after the year 2000 depends largely upon our ability to reintroduce forces into Panama once use of the canal by the United States is threatened or denied. Clearly, there would be no legal limitation on the prerogative of the U.S. Navy to defend the approaches to the canal, a right which would in no way be affected by either treaty. In practice, the Navy could always pre-position amphibious forces with Marines embarked in the vicinity of the canal for rapid insertion, should that be required. Once forces have been introduced there the ability of those forces to defend the canal would not be a great deal different from that which exists today.

In other words, while the admiral, I think truthfully, said, as a military man, he would see some slight advantage in having U.S. forces there indefinitely, he says very clearly in his testimony before the Armed Services Committee and before the Committee on Foreign Relations that the advantages are far outweighed by the advantage of negotiating a treaty acceptable to the people of Panama, thus assuring us a friendly environment for our forces. In other places he goes on to talk about how difficult it is to station military forces in a hostile environment.

So I think it is quite clear why these two distinguished military officers, and indeed all the rest of the Joint Chiefs of Staff, have come out in support of the treaties.

Gen. Maxwell Taylor, former Chairman of the Joint Chiefs of Staff, said in testimony before the Foreign Relations Committee:

This hemisphere and its approaches constitute our home base. If we cannot control all military aircraft and vessels approaching our vital areas, there is something wrong with our Armed Forces.

I agree with that. I think the United States, with its enormous military power, has the capability not only to defend that canal but to defend the approaches to it, that hostile vessels would be intercepted long before they reached the canal.

While I appreciate the argument the Senator from Virginia makes, I think it is not one that ought to be decisive on this matter.

The Senator from Virginia made another point with regard to our right to negotiate a canal elsewhere than in Panama.

As I think the Senator knows, it was at the suggestion of the President of the United States that a provision was included in the treaty under which Panama agreed that during these next 22 years, while we continue to operate the canal, they would not enter into a deal with any other country to build a canal inside their borders. In return for that, we agreed, during that period, that we would not go outside Panama to build an alternative route. As numerous witnesses have made clear before the committees of Congress, we did not give away anything since all of the studies indicate that Panama is really the only feasible place for a canal in Central America.

The Senator may recall that we commissioned a study on this matter some 13 years ago, back in 1965, with a number of our most distinguished citizens sitting on that commission, including Dr. Milton Eisenhower and numerous others. That committee spent some $22 million trying to find some route other than across Panama where a sea-level canal could be built.

To quote the executive director of the commission, Col. John P. Sheffey, who served as executive director during all this time, he told our committee last fall, in September:

I assure you that there are no foreseeable circumstances in which the United States would be likely to consider building a new Isthmian canal outside Panama. The only feasible routes are in Panama.

Then he states further:

When we entered this study in 1965, one of our purposes was to prove that we could build a . . . canal outside Panama because it would give us far better negotiating leverage to renegotiate our relationships with Panama.

Here is the conclusion:

We spent $22 million of the taxpayers' money in 5 years and proved only that we could not build outside of Panama.

So when the Panamanians give us the exclusive right to negotiate for the construction of another sea-level canal, we got the better end of the deal. They gave us something of great value and we gave them nothing of any consequence when we said we would not build a canal other than in Panama, unless we negotiated with their approval.

I think we are setting up a straw man here when we are talking about surrendering our right to build outside Panama under the terms of this treaty, when that very clause was put in the treaty at the insistence of the President of the United States in order to protect us against the possibility of some foreign power building a parallel canal in Panama.

Just one other point, if the Senator will bear with me. He dwelt considerably this afternoon on the fact, as to the implementing legislation that we have to deal with once we approve these treaties—that is, the mechanical and financial procedures that we will set up in order to make this transfer to Panama—that we did not have that before us during the deliberations on the treaty. Speaking, personally, I agree with the Senator that it would have been convenient to have this legislation. But, again, I do not think it is a crucial matter, because, in the end, the Congress of the United States is going to pass judgment on this implementing legislation.

As a matter of fact, it is a rather strange situation we are in, that we are even placing ourselves in a dependent role on the State Department for the drafting of legislation. Legislation is basically the responsibility of the Congress of the United States, not the State Department. I have been disturbed for some years that we have fallen into a kind of pattern around here where we sit back and wait for important legislation to be drafted, not in Congress, but in some executive office downtown. I realize that has become the tradition, but it is certainly not what the Constitution had in mind when it talked about a tripartite system of government in which legislation would originate in Congress.

We still have that power. We may not always use it, but we have that power. If we do not like the implementing legislation that has been submitted by the Department of State, we can draft our own bill. That is independent of what we do on the treaty.

As to the budget impact of implementing this treaty, if we agree on it, Senator MUSKIE, the chairman of the Budget Committee in the Senate, took the floor last week with his staff sitting here with him, in the Chamber. Having gone over this matter, they estimated that even if all of the proposed costs are included, at most, the implementation of these treaties would not cost in excess of $34 million in any one year. Of that amount, a sizable portion represents the cost for providing for the early retirement of those American employees who are now working in the Canal Zone; part of it provides for the relocation of our military once the bases are closed down. We would be faced with that cost, as the

Senator knows, anywhere in the world where we closed a base. If we closed some of our NATO operations, or in Japan or in the Philippines or elsewhere, we would have to take care of these relocation costs and retirement benefits and so on.

The other item of consequence was the interest that the Panama Canal Company is paying to the Treasury on the initial cost of building the canal. That comes to about $20 million a year, so that is the basic part of this $34 million cost. That item did not used to show up in the budget, as a matter of fact, but in 1950, we discovered that for the first time, we were making a little money on the canal and, not knowing what to do with it, we decided to charge the Panama Canal Company $20 million interest on the initial cost of building the canal. If that charge had been made from the very beginning, obviously, the canal would long ago have been paid for.

I make the point with the Senator: If these distinguished authorities, the Joint Chiefs of Staff and six Presidents of the United States—three Democrats and three Republicans—and men like former Secretary of State Rusk, Secretary Kissinger, Secretary Vance, and others, all have come to the conclusion that we reduce the danger of an upheaval in Panama with this treaty, then it seems to me that another cost we have to consider is the cost of dealing with continued agitation and guerrilla activity, the kind of thing that I think has led many of our top military people to the conclusion that we can better keep this canal open and functioning peacefully with this treaty than without.

I do not have to tell the Senator, a member of the Committee on Armed Services, that the cost of putting down one uprising in Panama would be far more than the $34 million that is envisioned in the transfer cost under this treaty. Anyone who remembers even vaguely what we spent in Vietnam trying to deal with a very small country in jungle warfare knows that it is an enormously expensive operation.

For those reasons, I concluded, some time ago, that this treaty was clearly in the interest of the United States. I believe that is the way it is perceived by the people of Latin America. I know the Senator quoted a military officer from one of the Latin American countries who said that, privately, he was opposed to the treaty. The fact is that 26 heads of state from Latin America came here for the public signing of that treaty. These are not stupid politicians; these are men and women who understand the political crosscurrents which are moving in Latin America. They thought it was to their advantage to be here in this capital, joining in moral support—political support, if I may use that word—of the treaty. I think the Senator would agree that there is no other explanation for why they were here.

Commenting on this, former Secretary of State Kissinger had this to say:

I find it significant that no Western Hemisphere leader, regardless of what his private feelings on this issue might be, feels able publicly to take any position other than that of strongest support for the modernization of the 1903 treaty. This reflects the depth of public sentiment on the issue.

It was another former Secretary of State, Dean Rusk, who told our committee that the more democratic Panama becomes, the more they are going to insist on a new treaty along the lines of the ones that we are now debating.

So, while I commend the Senator for his eloquence, I must say that I find the case against this treaty wanting.

If the Senator will indulge me, I ask unanimous consent that, at the end of my remarks, the proposed bill to implement the Panama Canal Treaty of 1977 and related agreements, as submitted by the Department of State to the Senate, be printed in the RECORD.

(Mr. RIEGLE assumed the chair.)

There being no objection, the material was ordered to be printed in the RECORD, as follows:

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Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to provide legislation necessary to or desirable for the implementation of the Panama Canal Treaty of 1977 between the United States of America and the Republic of Panama and of the related agreements accompanying that Treaty.

DEFINITIONS AND GENERAL PROVISIONS

SEC. 2. (a) As used in this Act, references to the Panama Canal Treaty of 1977 and related agreements mean the Panama Canal Treaty between the United States of America and the Republic of Panama signed September 7, 1977, and the agreements relating to and implementing that Treaty signed on the same date.

(b) The Canal Zone Code is hereby redesignated the Panama Canal Code.

(c) Except as otherwise provided in, or where inconsistent with, the provisions of this Act, the following words and phrases are amended as follows wherever they appear in the Panama Canal Code and other laws of the United States, unless in context the changes are clearly not intended, or unless such words and phrases refer to a time prior to the effective date of this Act, as defined in Section 502 (herein called "the effective date"):

(1) "Panama Canal Company" to read "Panama Canal Commission".

(2) "Company" to read "Commission" wherever the word "Company" has reference to the Panama Canal Company.

(3) "Canal Zone Government" to read "Panama Canal Commission".

(4) "Governor" or "Governor of the Canal Zone" to read "Panama Canal Commission" wherever the reference is to the Governor of the Canal Zone.

(5) "President" to read "Administrator" wherever the word "President" has reference to the president of the Panama Canal Company.

(6) "Government of the Canal Zone", or "Government", wherever the reference is to the Government of the Canal Zone, to read "United States of America".

(7) "Canaly Zone waters" and "waters of

the Canal Zone" to read "Panama Canal waters" and "waters of the Panama Canal", respectively.

(8) "Canal Zone Merit System" to read "Panama Canal Employment System".

(9) "Canal Zone Board of Appeals" to read "Panama Canal Board of Appeals".

(d) Reference to the Canal Zone in provisions of the Panama Canal Code or other laws of the United States which apply to transactions, occurrences, or status after (treaty effective date) shall be deemed to be to areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements.

(e) The President shall, within two years after the Panama Canal Treaty of 1977 enters into force, submit to the Congress proposed legislation which would—

(1) amend or repeal provisions of law which in their present form are applicable only during the transition period prescribed in Article XI of that Treaty, and

(2) incorporate the remaining provisions of the Panama Canal Code into the United States Code, proposing any changes thereto considered advisable in light of the experience as of that time under that Treaty.

TITLE I—PANAMANIAN RELATIONS AND SECURITY MATTERS

UNITED STATES-PANAMA JOINT COMMITTEES; SEA LEVEL CANAL STUDY

SEC. 101. (a) The President shall appoint the representatives of the United States to the Joint Commission on the Environment to be established under paragraph 2 of Article VI of the Panama Canal Treaty of 1977, and to any joint committee or body with the Republic of Panama to study the possibility of a sea level canal in the Republic of Panama pursuant to Article XII of that Treaty.

(b) Upon the completion of any joint study between the United States and the Republic of Panama concerning the feasibility of a sea level canal in the Republic of Panama pursuant to paragraph 1 of Article XII of the Panama Canal Treaty of 1977, the text of the study shall be transmitted by the President to the President of the Senate and to the Speaker of the House of Representatives.

(c) No construction of a sea level canal by the United States in the Republic of Panama shall be undertaken except with express Congressional authorization after submission of the study by the President as provided in subsection (b).

(d) The President shall designate and the Secretary of State shall coordinate the participation of the representatives of the United States to the Consultative Committee between the United States and the Republic of Panama to be established under paragraph 7 of Article III of the Panama Canal Treaty of 1977.

SECURITY LEGISLATION

SEC. 102. (a) Sections 34 and 35 of title 2 of the Panama Canal Code are repealed.

(b) Section 1 of title II of the Act of June 15, 1917 (50 U.S.C. § 191) is amended by (1) striking the second paragraph of that section, and by (2) striking the term "the Canal Zone,".

(c) Section 2 of the Act of November 15, 1941 (50 U.S.C. § 191b) is repealed.

(d) Section 1 of title XIII of the Act of June 15, 1917 (50 U.S.C. § 195) is amended by striking the term "the Canal Zone and".

(e) Section 1 of the Act of August 9, 1954 (50 U.S.C. § 196) is amended by striking the term "including the Canal Zone,".

ARMS EXPORT CONTROL

SEC. 103. Section 38 of the Arms Export Control Act (22 U.S.C. § 2778) is amended by striking out subsection (d) thereof.

PRIVILEGES AND IMMUNITIES

SEC. 104. The Secretary of State shall from among persons recommended by the Panama Canal Commission determine, and shall maintain and from time to time furnish to the Government of the Republic of Panama, the list of those officials and other persons who shall enjoy the privileges and immunities accorded under Article VIII of the Panama Canal Treaty of 1977.

TERMINATION OF CANAL ZONE GOVERNMENT; EXTRADITION WITH PANAMA; TRANSFER OF RECORDS

SEC. 105. (a) Sections 1, 2, 3, 31, 32, 33, 333, and 334 of title 2 and sections 5081–5092 of title 6 of the Panama Canal Code are repealed.

(b) The Panama Canal Commission, other agencies or departments, and United States courts in the Republic of Panama are authorized to transfer any of their records, or copies thereof, including records acquired from the Canal Zone Government or Panama Canal Company such as vital statistics records, to other agencies, departments or courts of the United States and, under the coordination and with the approval of the Ambassador, to the Government of the Republic of Panama.

TITLE II—PANAMA CANAL COMMISSION

Chapter 1. COMMISSION: FISCAL MATTERS

SEC. 201. (a) Section 61 of title 2 of the Panama Canal Code is amended to read as follows:

"SEC. 61. Continuation, purposes, offices and residence of the Commission. (a) For the purposes of managing, operating and maintaining the Panama Canal and its complementary works, installations and equipment, and of conducting operations incident thereto, in accordance with the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission is established as a body corporate and as an agency and instrumentality of the United States, and is declared to be the successor to the Panama Canal Company.

"(b) The principal office of the Commission shall be located in the Republic of Panama in one of the areas made available for the use of the United States under the Panama Canal Treaty of 1977 and related agreements, but the Commission may establish agencies or branch offices in such other places as it deems necessary or appropriate in the conduct of its business. Within the meaning of the laws of the United States relating to jurisdiction or venue in civil actions, the Commission is an inhabitant and resident of the District of Columbia, and of the eastern judicial district of Louisiana."

(b) Subsection (a) of section 62 of title 2 of the Panama Canal Code is amended by substituting the words "Panama Canal Company" for "Company" and the words "Panama Canal Commission" for "Panama Canal Company".

SEC. 202. (a) Subsection (e) of section 62 of title 2 of the Panama Canal Code is repealed.

(b) Subsection (f) of section 62 of title 2 of the Panama Canal Code is amended by substituting the words "compute its capital surplus account" for "account for its surplus", and by deleting the words "in determining the base for the interest payments required by subsection (e) of this section".

(c) Section 70 of title 2 of the Panama Canal Code is amended by deleting the words "in determining the base for interest payments required by section 62(e) of this title", and by inserting the term "including operating expenses and payments required by Article III (5) and Article XIII(b) (a), (b), and (c) of the Panama Canal Treaty of 1977," after the term "working capital requirements,"

(d) Section 72 of title 2 of the Panama Canal Code is amended by deleting the words "pursuant to section 62(e) of this title".

SEC. 203. (a) Subsection (g) of section 62 of title 2 of the Panama Canal Code is amended to read as follows:

"(g) The Panama Canal Commission shall pay directly from Canal operating revenues to the Republic of Panama those payments required under paragraph 4 of Article XIII of the Panama Canal Treaty of 1977. In determining the adequacy of operating revenues for the purpose of payments to Panama under paragraph 4(c) of that Article, such operating revenues of a given fiscal period shall be reduced by all expenditures of that period including: (i) amounts paid or payable for operations and maintenance, inventory, goods, services and that portion of unfunded liabilities paid or currently payable; (ii) payments to Panama under paragraphs 4(a) and 4(b) of that Article and under paragraph 5 of Article III of the Treaty; (iii) amounts payable into a capital reserve account programmed to fund requirements for plant replacement, expansion and improvements; (iv) amounts payable into programmed reserve accounts established prior to the effective date of an increase in tolls for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect; and (v) the accumulative sum from prior years (beginning with the year in which the Panama Canal Treaty of 1977 enters into force) of any excess of such expenditures of the Commission over operating revenues.

(b) Title I of the Act of November 27, 1973 (87 Stat. 636), is amended by striking out the heading "Payment to the Republic of Panama" and all that follows under that heading.

SEC. 204. Section 62 of title 2 of the Panama Canal Code is amended by adding a new subsection (h) reading as follows:

"(h) Payments by the Commission to the Republic of Panama for providing public services in accordance with paragraph (5) of Article III of the Panama Canal Treaty of 1977 shall be treated for all purposes as an operating cost of the Commission."

SEC. 205. Subsection (a) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) A board of directors shall manage the affairs of the Panama Canal Commission. The President of the United States shall appoint the members of the board in accordance with paragraph 3 of Article III of the Panama Canal Treaty of 1977, and neither this chapter nor any other law prevents the appointment and service as a director, or as an officer of the Commission, of an officer or employee of the United States, or of a person who is not a national of the United States. Each director so appointed shall, subject to paragraph 3 of Article III of the Panama Canal Treaty of 1977, hold office at the pleasure of the President, and, before entering upon his duties, shall take an oath faithfully to discharge the duties of his office."

SEC. 206. Subsection (c) of section 63 of title 2 of the Panama Canal Code is amended to read as follows:

"(c) The directors shall hold meetings as provided by the bylaws of the Panama Canal Commission. A quorum for the transaction of business shall consist of a majority of the directors of which a majority of those present are citizens of the United States."

SEC. 207. Section 64 of title 2 of the Panama Canal Code is amended to read as follows:

"ADMINISTRATOR AND DEPUTY

"SEC. 64. The President of the United States shall appoint the Administrator and Deputy Administrator of the Panama Canal Commission. The Administrator shall, subject to the direction and under the supervision of the Board, be the chief executive officer of the Commission. The Administrator and Deputy Administrator shall hold office at the pleasure of the President."

SEC. 208. Paragraph (3) of subsection (a)

of section 65 of title 2 of the Panama Canal Code is amended to read as follows:

"(3) Sue and be sued in its corporate name, except that—

"(A) its amenability to suit is limited by the immunities provided by Article VIII of the Panama Canal Treaty of 1977, and otherwise by law;

"(B) salaries or other moneys owed by the Commission to its employees shall not be subject to attachment, garnishment or similar process, except as otherwise expressly provided by the laws of the United States; and

"(C) it is exempt from any liability for prejudgment interest."

SEC. 209. The opening clause of subsection (a) of section 66 of title 2 of the Panama Canal Code is amended to read as follows:

"(a) Subject to the Government Corporation Control Act (31 U.S.C., sec. 841 et seq.), and to the Panama Canal Treaty of 1977 and related agreements, the Panama Canal Commission may:"

SEC. 210. Sections 67 and 73 of title 2 of the Panama Canal Code are repealed. Section 68 of that title is amended to read as follows:

ASSETS AND LIABILITIES

"SEC. 68. (a) Property and other assets of the Panama Canal Company and of the Canal Zone Government which are not transferred to other United States Government agencies or to the Republic of Panama, or otherwise disposed of, shall be the property and assets of the Panama Canal Commission from and after the effective date, and except as otherwise provided by law, the Commission shall assume the liabilities of the Panama Canal Company and Canal Zone Government then outstanding.

"(b) The Commission may depreciate the Panama Canal, its complementary works, installations and equipment, and all other property and assets of the Commission, and may amortize over the life of the Panama Canal Treaty of 1977 the right to use certain assets such as housing made available to the United States under that treaty and related agreements.

"(c) The assets and liabilities referred to in this section shall be deemed to have been accepted and assumed by the Commission without the necessity of any act on the part of the Commission except as otherwise stipulated by section 62 of this title."

SEC. 211. Section 1331 of title 2 of the Panama Canal Code is amended to read as follows:

REGULATIONS GOVERNING NAVIGATION, TRANSITING AND PILOTAGE

"SEC. 1331. The Commission may prescribe, and from time to time amend, regulations governing:

"(1) the navigation of the waters of the Panama Canal and areas adjacent thereto including the ports of Balboa and Cristobal;

"(2) the passage and control of vessels through the Panama Canal or any part thereof, including the locks and approaches thereto; and

"(3) pilotage in the Canal or the approaches thereto through the adjacent waters."

FUNDS AND ACCOUNTS

SEC. 212. (a) Section 231 of title 2 of the Panama Canal Code is repealed.

(b) Section 232 of title 2 of the Panama Canal Code is amended to read as follows:

FURNISHING OF SERVICES; REIMBURSEMENTS

"SEC. 232. (a) The Department of Defense shall reimburse the Panama Canal Commission for amounts expended by the Commission in maintaining defense facilities in standby condition for the Department of Defense.

"(b) Notwithstanding any other law, appropriations of the Department of Defense, or such other agency or agencies as may be designated for this purpose by the President, are made available for conducting the educational and health care activities, including kindergartens and college, formerly carried out by the Canal Zone Government, and for providing the services related thereto to the categories of persons formerly served thereby. Amounts so expended for furnishing services to employees of other agencies and their dependents, less amounts payable by such persons, shall be fully reimbursable to the agency furnishing the services. The appropriations or funds of the agency bearing the cost of the compensation of the employee concerned are made available for such reimbursements. In addition, the appropriations or funds of agencies conducting operations in the Republic of Panama are made available for provision of health care services to elderly or disabled persons who were eligible for such services prior to the effective date."

(c) Section 233 of title 2 of the Panama Canal Code is amended by striking the terms "Canal Zone Government or the Panama Canal Company" and by inserting in their place the term "Panama Canal Commission".

(d) Section 234 of title 2 of the Panama Canal Code is amended by striking the term "Canal Zone" and by inserting in its place the term "Panama Canal Commission".

(e) Section 235 of title 2 of the Panama Canal Code is amended by striking the term "Canal Zone Government and the Panama Canal Company" and by inserting in its place the term "Panama Canal Commission".

PUBLIC PROPERTY AND PROCUREMENT

SEC. 213. (a) Section 371 of title 2 of the Panama Canal Code is repealed.

(b) Section 372 of title 2 of the Panama Canal Code is amended to read as follows:

TRANSFERS AND CROSS-SERVICING BETWEEN AGENCIES

"SEC. 372. (a) In the interest of economy and maximum efficiency in the utilization of Government property and facilities, there are authorized to be transferred between departments and agencies, with or without exchange of funds, all or so much of the facilities, buildings, structures, improvements, stock and equipment of their activities located in the Republic of Panama as may be mutually agreed upon by the departments and agencies involved and approved by the President of the United States or his designee. With respect to transfers without exchange of funds, transfers to or from the Panama Canal Commission are subject to section 62 of this title, as amended.

"(b) The Panama Canal Commission and other agencies of the United States may enter into cross-servicing agreements for the use of facilities, furnishing of services, or performance of functions."

Chapter 2. TOLLS

SEC. 230. Section 411 of title 2 of the Panama Canal Code is amended to read as follows:

PRESCRIPTION OF MEASUREMENT RULES

"SEC. 411. (a) The Panama Canal Commission may prescribe, and from time to time change:

"(1) the rules for the measurement of vessels for the Panama Canal; and

"(2) subject to section 412 of this title, the tolls that shall be levied for the use of the Canal.

"(b) The Commission shall give three months' notice, by publication in the Federal Register, of proposed changes in basic rules of measurement or in rates of tolls, during which period a public hearing shall be conducted. Changes in basic rules of measurement and changes in rates of tolls shall be subject to and shall take effect upon the approval of the President of the United States, whose action in such matters shall be final."

SEC. 231. In order to insure that the rates of tolls in effect on the effective date are adequate to meet the requirements of section 412 of title 2 of the Panama Canal Code, as amended by section 232 of this Act, the Panama Canal Company is authorized, in advance of that date, to change the rates, effective on the effective date, such change to be subject to the approval of the President whose action in the matter shall be final. If and to the extent that time permits, the Company shall give three months' notice, by publication in the Federal Register, of such proposed changes in rates of tolls, during which period a public hearing shall be conducted. This section shall become effective upon the date of enactment of this Act.

BASES OF TOLLS

SEC. 232. (a) Subsection (b) of section 412 of title 2 of the Panama Canal Code is amended to read as follows:

"(b) Tolls shall be prescribed at rates calculated to cover as nearly as practicable all anticipated costs of maintaining and operating the Panama Canal, together with the facilities and appurtenances related thereto, including depreciation of assets, amortization of use rights, and the payments to Panama pursuant to paragraphs 4(a) and 4(b) of Article XIII of the Panama Canal Treaty of 1977. In determining the rates of tolls, there may also be taken into account unrecovered past costs, funding required to establish or maintain a capital reserve account programmed to fund requirements for plant replacement, expansion, and improvements, and the necessity of establishing reserves for the purpose of matching revenues with expenses during the period projected for a given toll rate to remain in effect."

(b) Subsection (d) of section 412 of title 2 of the Panama Canal Code is amended by deleting the words "of articles XVIII and XIX of the convention between the United States and Panama concluded on November 18, 1903, and", by inserting a comma in place of the period at the end of the subsection, and by adding thereafter "and of Articles II, III, and VI of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, between the United States of America and the Republic of Panama, signed September 7, 1977."

Chapter 3. CLAIMS

SEC. 260. Chapter 11 of title 2 of the Panama Canal Code is amended as follows:

(a) The title of the chapter is amended to read, "Claims Arising from Operation of Canal."

(b) Section 271 of title 2 of the Panama Canal Code is repealed.

(c) The headings of subchapters I and II are deleted.

(e) Section 293 of title 2 of the Panama Canal Code is amended as follows:

(1) The period at the end of the first sentence is changed to a comma, and the following language is added: "unless it is established that the injury was not proximately caused by the negligence or fault of any of its officers or employees acting within the scope of his employment and in the line of his duties in connection with the operation of the Canal."

(2) In the fourth sentence, the words "the side" are amended to read "any portion of the hull".

(e) Section 293 of title 2 of the Panama Canal Code is amended to read as follows:

MEASURE OF DAMAGES

SEC. 293. (a) In determining the amount of the award of damages for injuries to a vessel for which the Panama Canal Commission is determined to be liable, there may be included:

"(1) actual or estimated cost of repairs;

"(2) charter hire actually lost by the owners, or charter hire actually paid, depending upon the terms of the charter party, for only the time the vessel is actually undergoing repairs, on drydock or otherwise;

"(3) maintenance of the vessel and wages of the crew, if they are found to be actual additional expenses or losses incurred outside of the charter hire, for only the time the vessel is actually undergoing repairs, on drydock or otherwise; and

"(4) except as prohibited by subsection (b) of this section, or by any other provision of law, other expenses which are definitely and accurately shown to have been incurred necessarily and by reason of the accident or injuries.

"(b) Agent's fees or commissions, general average expenses, attorney's fees, bank commissions, port charges or other incidental expenses of similar character, or any items which are indefinite, indeterminable, speculative, or conjectural may not be allowed.

"(c) The Commission shall be furnished such vouchers, receipts, or other evidence as may be necessary in support of any item of a claim. If a vessel is not operated under charter but by the owner directly, evidence shall be secured if available as to the sum for which vessels of the same size and class can be chartered in the market. If the charter value cannot be determined, the value of the use of the vessel to its owners in the business in which it was engaged at the time of the injuries shall be used as a basis for estimating the damages for the vessel's detention; and the books of the owners showing the vessel's earnings about the time of the accident or injuries shall be considered as evidence of probable earnings during the time of detention. If the books are unavailable, such other evidence shall be furnished as may be necessary."

(f) Section 294 of title 2 of the Panama Canal Code is amended by deleting the word "or" in paragraph (5), by renumbering the present paragraph (6) as paragraph (7), and by inserting a new paragraph (6) reading as follows: "(6) time necessary for investigation of marine accidents; or".

(g) Section 296 of title 2 of the Panama Canal Code is amended by deleting the words "United States District Court for the District of the Canal Zone" in the first sentence and inserting in lieu thereof the words "United States District Court for the Eastern District of Louisiana".

(h) The present section 297 of title 2 of the Panama Canal Code is designated as subsection (a), and a new subsection (b) is added to read as follows:

"(b) Lack of knowledge on the part of the master, officers, crew or passengers that an accident giving rise to a claim under this chapter has occurred does not excuse noncompliance with the requirements of this section."

(i) A new section 298 of title 2 of the Panama Canal Code is added, to read as follows:

TIME FOR PRESENTING CLAIM AND COMMENCING ACTION

"SEC. 298. A claim against the Commission under this chapter shall be forever barred unless it is presented in writing to that agency within two years after such claim accrues or unless action is begun within one year after the date of mailing of notice of final decision on the claim by the Commission." (j) A new section 299 of title 2 of the Panama Canal Code is added, to read as follows:

BOARD OF LOCAL INSPECTORS

"SEC. 299. (a) There is established a Board of Local Inspectors of the Panama Canal Commission which shall perform, in accordance with regulations prescribed by the Commission,—

"(1) the investigations called for by section 297 of this chapter; and

"(2) such other duties in matters of a marine character as it may be assigned by the Commission.

"(b) The Commission shall, by regulation, designate the members of the Board and establish procedures by which the Board carries out its functions.

"(c) In conducting the investigations provided for by subsection (a) of this section, members of the Board may summon witnesses, administer oaths and require the production of books and papers necessary thereto."

TITLE III—EMPLOYEES AND POSTAL MATTERS

Chapter 1. EMPLOYMENT SYSTEM

SEC. 301. (a) Sections 101, 102, 122, 123, 147 and 154 of title 2 of the Panama Canal Code are repealed.

(b) Section 103 of title 2 of the Panama Canal Code is amended by striking the term "Canal Zone Government, Panama Canal Company" and inserting in lieu thereof the term "Panama Canal Commission", and by redesignating that section as section 122 of that title and code.

SEC. 302. Section 141 of title 2 of the Panama Canal Code is amended as follows:

(a) The definition of the word "department" is amended to read as follows:

"'department' means (i) the Panama Canal Commission, and (ii) an executive agency (within the meaning of section 105 of title 5 of the United States Code) which makes an election under section 142(b) of this chapter;"

(b) The definition of the word "position" is amended to read as follows:

"'position' means those duties and responsibilities of a civilian nature under the jurisdiction of a department which are performed in the Republic of Panama."

SEC. 303. Section 142 of title 2 of the Panama Canal Code is amended by redesignating subsection (b) thereof as subsection (c), and by striking the caption and subsection (a) thereof and inserting in their place the following:

"PANAMA CANAL EMPLOYMENT SYSTEM

"SEC. 142. (a) The Panama Canal Commission shall conduct its wage and employment practices in accordance with a Panama Canal Employment System which shall be established in accordance with—

"(1) the principles established in the Panama Canal Treaty of 1977 and related agreements, and with the provisions of this chapter and other applicable law; and

"(2) regulations promulgated by, or under the authority of, the President in accordance with this chapter and taking into account any recommendation of the Panama Canal Commission.

"(b) The head of an executive agency other than the Panama Canal Commission may elect in whole or in part to have the Panama Canal Employment System made applicable to personnel of his agency in the Republic of Panama."

SEC. 304. Notwithstanding other provisions of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Panama Canal Code establishing the Canal Zone Merit System, and the administrative regulations promulgated thereunder, shall continue in effect until such time as the Panama Canal Employment System has been established pursuant to section 303 of this Act.

SEC. 305. Section 144 of title 2 of the Panama Canal Code is amended by deleting subsection (d) thereof. Section 146 is amended to read as follows:

RECRUITMENT AND RETENTION REMUNERATION

"SEC. 146. In addition to basic compensation, additional remuneration in such amounts as the head of the department concerned determines, may be paid, as overseas recruitment and retention differentials, to (a) persons employed by the Panama Canal Company, Canal Zone Government or a department in the Canal Zone prior to the effective date, and (b) persons thereafter recruited outside of Panama for a position in the Republic of Panama. Additional remuneration prescribed under this section may not exceed by more than 25% the rate of basic compensation for the same or similar work performed in the continental United States by employees of the Government of the United States."

SEC. 306. Title 2 of the Panama Canal Code is amended by adding a new section 147 to read as follows:

TRANSFER OF FEDERAL EMPLOYEES TO PANAMA CANAL COMMISSION

"SEC. 147. The head of any Federal agency, including the United States Postal Service, is authorized to enter into agreements for the transfer or detail of that agency's employees, serving under permanent appointment, to the Panama Canal Commission. Under regulations prescribed by the Civil Service Commission, any employee so transferred or detailed shall, upon completion of his tour of duty with the Commission, be entitled to reemployment with the agency from which he was transferred or detailed without loss of pay, seniority or other rights or benefits to which he would have been entitled had he remained on the rolls of that agency."

SEC. 307. Section 149 of title 2 of the Panama Canal Code is amended to read as follows:

MERIT AND OTHER EMPLOYMENT REQUIREMENTS

"SEC. 149. (a) Subject to this subchapter, the President may, from time to time and taking into account any recommendation of the Panama Canal Commission, amend or modify the provisions of the Panama Canal Employment System, including provisions relating to selection for appointment, reappointment, reinstatement, re-employment, and retention, with respect to positions, employees, and individuals under consideration for appointment to positions, established by regulations under section 142 of this chapter.

"(b) The Panama Canal Employment System shall:

"(1) subject to and as limited by the Panama Canal Treaty of 1977 and related agreements, be based on the merit of the employee or individual and upon his qualifications and fitness to hold the position concerned;

"(2) conform generally to policies, principles, and standards for the competitive civil service of the Government of the United States; and

"(3) include provision for appropriate interchange, between the Panama Canal Employment System and the competitive civil service of the Government of the United States, of citizens of the United States employed by the Government of the United States.

SEC. 308. Section 155 of title 2 of the Panama Canal Code is amended by redesignating subsection (b) thereof as subsection (c), and by inserting in lieu of subsection (a) thereof the following:

"(a) The President shall issue regulations necessary and appropriate to carry out the provisions and accomplish the purposes of this subchapter and, in the event of any election under section 142(b), coordinate the policies and activities under this subchapter of the departments involved.

"(b) In order to assist in carrying out his coordination responsibility under subsection (a) and in implementing the provisions of the Panama Canal Treaty of 1977 and related agreements relating to recruitment, examination, determination of qualification standards and similar matters, the President may establish, as the successor to the Canal Zone Central Examining Office, an office which shall be an entity within the Panama Canal Commission."

SEC. 309. Subsection (a) of section 201 of title 2 of the Panama Canal Code is amended by deleting the words "Governor of the Canal Zone and President of the Panama Canal Company, or as Lieutenant Governor of the Canal Zone and Vice President of the Panama Canal Company," and inserting in lieu there-

of the words "Administrator or Deputy Administrator of the Panama Canal Commission."

Chapter 2. CONDITIONS OF EMPLOYMENT, PLACEMENT, AND RETIREMENT

SEC. 321. Title 2 of the Panama Canal Code is amended by adding a new section 202 reading as follows:

TRANSFERRED EMPLOYEES

"SEC. 202. With respect to employees of the Panama Canal Company or Canal Zone Government who are transferred to employment with the Panama Canal Commission or other United States Government agencies in the Republic of Panama, the following terms and conditions of employment shall be generally no less favorable, from and after the date of exchange of instruments of ratification of the Panama Canal Treaty of 1977, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government immediately prior to that date:

Wage rates; tropical differential; premium pay and night differential; reinstatement and restoration rights; injury and death compensation benefits; leave and travel, except as modified to provide equity with other employees within the agency to which the employee is transferred; transportation and repatriation benefits; group health and life insurance; reduction in force rights; an employee grievance system, and the right to appeal adverse and disciplinary actions as well as position classification actions; veteran's preference eligibility; holidays; saved pay provisions; and severence pay benefits."

SEC. 322. Title 2 of the Panama Canal Code is amended by adding a new section 203 reading as follows:

PLACEMENT

"SEC. 203. (a) A United States citizen who, immediately preceding the date of exchange of instruments of ratification of the Panama Canal Treaty of 1977 was an employee of the Panama Canal Company or Canal Zone Government, who separates or is scheduled to separate on that date or anytime thereafter throughout the life of the Panama Canal Treaty of 1977 for any reason other than misconduct or delinquency, and who is not placed in another appropriate position with the United States Government in the Republic of Panama shall, upon the employee's request, be accorded appropriate placement to vacancies with the United States Government in the United States."

"(b) A United States citizen who, immediately preceding the date of exchange of instruments of ratification of the Panama Canal Treaty of 1977 was an employee of an agency of the United States Government in the Canal Zone other than the Panama Canal Company or Canal Zone Government, whose position is eliminated as the result of implementing the Panama Canal Treaty of 1977, and who is not placed in another appropriate position with the United States Government in the Republic of Panama shall, upon the employee's request, be accorded the placement assistance provided for in subsection (a)."

"(c) The United States Civil Service Commission shall develop and administer a Federal Governmentwide placement program for all eligible employees who request placement assistance under this section."

SEC. 323. Title 2 of the Panama Canal Code is amended by adding a new section 204 to read as follows:

EDUCATIONAL TRAVEL BENEFITS

"SEC. 204. Dependents of United States citizen employees of the Panama Canal Commission who are eligible for educational travel benefits under regulations issued by the Commission shall be entitled to one round trip per year for undergradute studies in the United States until they reach their 23rd birthday."

ADJUSTMENT OF COMPENSATION

SEC. 324. United States citizen employees of the Panama Canal Commission shall be paid an allowance to offset the increased cost of living that may result from the withdrawal of the eligibility of such employees and their dependents to use military postal services, sales stores and exchanges five years after the date of entry into force of the Panama Canal Treaty of 1977. The amount of the additional compensation shall be determined by the Panama Canal Commission.

EARLY RETIREMENT ELIGIBILITY

SEC. 325. Section 8336 of title 5 of the United States Code is amended:

(1) by redesignating subsection (c) as subsection (c)(1) and adding the following new paragraph "(2) A law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government immediately prior to the date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who is separated from the service prior to January 1, 2000, and, upon separation, meets the age and service requirements in paragraph (1), or who is separated within 2 years prior to meeting the age and service requirements in paragraph (1) is entitled to an annuity."

(2) by redesignating subsection (h) as subsection (k) and inserting the following new subsections "(h), (i), and (j)"

"(h) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama, who is separated from the service prior to January 1, 2000—

(1) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, after completing 20 years of service;

(2) voluntarily after completing 25 years of service or after becoming age 50 and completing 20 years of service; or

(3) involuntarily, as a result of the implementation of the Panama Canal Treaty of 1977, except by removal for cause on charges of misconduct or delinquency, or voluntarily within 2 years prior to meeting the age and/or service requirements in paragraph (2) is entitled to an annuity if he—

(A) was employed by the Canal Zone Government or the Panama Canal Company immediately prior to the date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

(B) has been continuously employed by the Panama Canal Commission or by an Executive agency conducting operations in the Canal Zone or the Republic of Panama since the date of exchange of instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force.

(i) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama, who is separated from the service as a result of the implementation of the Panama Canal Treaty of 1977, prior to January 1, 2000—involuntarily, except by removal for cause on charges of misconduct or delinquency—

(1) after completing 20 years of service; or

(2) within 2 years prior to meeting the age and/or service requirements in paragraph (2) or subsection (h) of this section is entitled to an annuity if he—

(A) was employed in the Canal Zone by an Executive agency other than the Panama Canal Company or the Canal Zone Government immediately prior to the date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977; and

(B) has been continuously employed by the Panama Canal Commission or an Executive agency conducting operations in the Canal Zone or the Republic of Panama since the exchange of instruments of ratification of the Panama Canal Treaty of 1977 or its entry into force."

"(j) For the purpose of subsections (h) and (i) of this section, 'Executive agency' includes the Administrative Office of the United States Courts and the Smithsonian Institution."

EARLY RETIREMENT COMPUTATION

SEC. 326. Section 8339 of title 5 of the United States Code is amended—

(1) by inserting in subsection (f), immediately after "subsections (a)–(e)", the following: "and (n)";

(2) by inserting in subsection (i), immediately after "subsections (a)–(h)", the following: "and (n)";

(3) by inserting in subsection (j) and (k)(1), immediately after "subsections (a)–(i)" each time it appears, the following: "and (n)";

(4) by inserting in subsection (l), immediately after "subsections (a)–(k)", the following and (n)";

(5) by inserting in subsection (m), immediately after subsections (a)–(e)", the following and (n)"; and

(6) by adding at the end thereof the following new subsections (n), (o), and (p)":

"(n) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government immediately prior to the entry into force of the Panama Canal Treaty of 1977, who continues in employment with the Panama Canal Commission, or with another Executive agency in the Republic of Panama is computed with respect to the period of that service performed on a continuous basis after the entry into force of the Panama Canal Treaty of 1977 by multiplying—

(A) 2½ percent of the employee's average pay by so much of such service as does not exceed 20 years; plus,

(B) 2 percent of the employee's average pay multiplied by so much of such service as exceeds 20 years."

"(o) The annuity computed under subsection (n) of this section for an employee who was employed as a law enforcement officer or firefighter shall be increased by $8 for each full month of such service in the Republic of Panama after the entry into force of the Panama Canal Treaty of 1977. This increase in annuity shall not be paid with respect to service performed after completion of 20 years as a law enforcement officer or firefighter."

"(p) The annuity computed under this subchapter for an employee who was employed as a law enforcement officer or firefighter by the Panama Canal Company or the Canal Zone Government immediately prior to the date of exchange of instruments of ratification or entry into force of the Panama Canal Treaty of 1977, who does not qualify for retirement under section 8336(c) of this title shall be increased by $12 for each full month of such service, prior to the entry into force of the Panama Canal Treaty of 1977. This increase in annuity shall not be paid with respect to service performed after completion of 20 years as a law enforcement officer or firefighter."

COURT, CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD, AND RELATED EMPLOYEES

SEC. 327. For the purposes of sections 202, 203, and 204 of title 2 of the Panama Canal Code, as amended by sections 321, 322, and 323 of this Act, and sections 325–326 of this Act, the district judge, the clerk, the court reporter, and other employees of the United States District Court for the District of the Canal Zone, the United States Attorney for the District of the Canal Zone and the As-

sistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants; the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their deputies and clerical assistants shall be treated the same as employees of the Panama Canal Commission.

SEC. 328. (a) Chapters 81 (Compensation for Work Injuries), 83 (Retirement), 87 (Life Insurance), and 89 (Health Insurance) of title 5 of the United States Code are inapplicable to persons who are not citizens of the United States, who are hired by the Panama Canal Commission after the effective date and who are covered by the Social Security System of the Republic of Panama pursuant to the Panama Canal Treaty of 1977 and related agreements.

(b) In section 8701 of title 5 of the United States Code, the definition of "employee" in subsection (a) is amended by revising paragraph (B) to read as follows:

"(B) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless such person was an employee for the purpose of this chapter on the day before the effective date by virtue of service with a Federal agency in the Canal Zone.

(c) In section 8901 of title 5 of the United States Code, the definition of employee in subsection (1) is amended by revising paragraph (ii) to read as follows:

"(ii) an employee who is not a citizen or national of the United States and whose permanent duty station is outside the United States unless such person was an employee for the purpose of this chapter on the day before the effective date by virtue of service with a Federal agency in the Canal Zone."

NON-U.S. CITIZEN RETIREMENT UNDER SPECIAL TREATY PROVISIONS

SEC. 329. (a) Under such regulations as the President may prescribe, there shall be paid to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement Fund under section 8334(a)(2) of title 5 of the United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in that System for each person who is separated from employment with the Panama Canal Company, the Canal Zone Government, or the Panama Canal Commission, as the result of the implementation of the Panama Canal Treaty of 1977 and related agreements, and becomes employed under the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program, provided such person—

(1) has been credited with at least five years of Federal service under the United States Civil Service Retirement System;

(2) is not eligible for an immediate retirement annuity, and does not elect a deferred annuity under the United States Civil Service Retirement System; and

(3) elects to withdraw the entire amount of his contributions to the United States Civil Service Retirement System and transfer it to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph 3 of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The sums of money made available under subsection (a) shall not exceed, in any case, the amount of the employee contribution withdraw from the fund and paid over to the Panamanian Social Security System.

(c)(1) Pursuant to Pargraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, the President of the United States, or his designee, is authorized to pay out of the general funds of the United States Treasury, in accordance with such regulations as the President or his designee may prescribe, such sums of money as may be necessary to purchase, or to supplement the purchase of, a retirement equity in the Social Security System of the Republic of Panama for the benefit of each employee of the United States Forces in the Republic of Panama—

(A) who is not a citizen of the United States of America;

(B) who was employed prior to and is employed upon the effective date of the Panama Canal Treaty of 1977 by an instrumentality of the United States Government in the Republic of Panama (including, in the case of employment prior to such date, the former Canal Zone);

(C) who, for any period of his or her employment with that instrumentality of the United States Government prior to the effective date of the Panama Canal Treaty of 1977 was not covered, on account of such employment, by the Civil Service Retirement System of the United States of America or another retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) whose period of employment referred to in subparagraph (C) above was of such a nature that he or she would have been covered at that time by the Social Security System of the Republic of Panama had such law been applicable.

(2) The retirement equity referred to in subparagraph (c)(1) above will cover retroactively, from the effective date of the Panama Canal Treaty of 1977, all periods of employment of such persons with United States Government instrumentalities in the Republic of Panama (including the former Canal Zone) during which such persons were not covered by the Civil Service Retirement System of the United States of America or any other retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama and during which such persons' employment was of such a nature that he or she would have been covered by the Social Security System of the Republic of Panama had such law been applicable.

SEC. 330. (a) Section 6322(a) of title 5 of the United States Code is amended by deleting the words "the Canal Zone, or", by inserting a comma in place of the period after "the Trust Territory of the Pacific Islands" at the end of the same sentence, and by adding thereafter "or the Republic of Panama."

(b) Subchapter III of Chapter 59 of title 5 of the United States Code, pertaining to Overseas Differentials and Allowances, is inapplicable to employees assigned to work in the Republic of Panama for the Panama Canal Commission or an executive agency which makes an election under section 142 (b) of title 2 of the Panama Canal Code.

(c) References to the Canal Zone in the following sections of title 5 of the United States Code shall henceforth be deemed to refer to areas in the Republic of Panama used or regulated by the United States pursuant to the Panama Canal Treaty of 1977 and related agreements:

(1) section 5595(a)(2)(iii);

(2) section 5724(a); and

(3) section 8102(b).

(d) Section 1(b) of the Act of April 14, 1966 (20 U.S.C. § 903(c)) and section 6(a) of the Act of July 17, 1959 (20 U.S.C. § 904(a)(2)) are inapplicable to teachers who are employed by the Canal Zone Government school system immediately prior to the effective date and are transferred to the Department of Defense Overseas Dependent School System.

Chapter 3. POSTAL MATTERS

POSTAL SERVICE

SEC. 341. (a) The postal service established and governed by chapter 73 of title 2 of the Panama Canal Code shall be discontinued upon the effective date.

(b) The provisions of chapter 73 relating to postal-savings deposits, postal-savings certificates, postal money orders, and the accounting for funds shall continue to apply for the purpose of meeting the obligations of the United States concerning outstanding postal savings and money orders and disposition of funds.

(c) The Panama Canal Commission shall take possession of and administer the funds of the postal service and shall assume its obligations. The Commission and the United States Postal Service are authorized to enter into agreements for the transfer of funds or property and the assumption of administrative rights or responsibilities, with respect to the outstanding obligations of the postal service.

(d) Mail addressed to the Canal Zone from or through the continental United States may be routed by the United States Postal Service to the military post offices of the United States forces in the Republic of Panama. Such military post offices shall provide the required directory services and shall accept such mail to the extent permitted under the Panama Canal Treaty of 1977 and related agreements. The Panama Canal Commission is authorized and directed to furnish personnel, records and other services to said military post offices to assure wherever appropriate the proper distribution, rerouting, or return of said mail.

(e)(1) The words, "Except as provided in the Canal Zone Code, the", in the second sentence of section 403(a) of title 39 of the United States Code are revised to read, "The";

(2) The words "each post office in the Canal Zone postal service," in section 3402(a) of title 39 of the United States Code are revised to read "each military post office of the United States forces in the Republic of Panama" and section 3402(b) of title 39 of the United States Code is deleted;

(3) Section 3682(b)(5) of title 39 of the United States Code is amended by striking the words "the Canal Zone and"; and

(4) Section 3401(b) of title 39 of the United States Code is amended by inserting the word "or" before the words "the Virgin Islands" and by striking the words "or the Canal Zone."

TITLE IV—COURTS AND RELATED FUNCTIONS

CONTINUATION OF CODE AND OTHER LAWS

SEC. 401. (a) Except as otherwise provided in this Act, the provisions of the Panama Canal Code, as amended, and other laws applicable in the Canal Zone prior to the entry into force of the Panama Canal Treaty of 1977 by virtue of the territorial jurisdiction of the United States in the Canal Zone shall continue in force only for the purpose of the exercise of the authority vested in the United States by that Treaty and related agreements.

(b) None of the provisions or laws referred to in subsection (a) shall henceforth be construed as regulating, or providing authority to regulate, any matter as to which the United States may not exercise jurisdiction under the Panama Canal Treaty of 1977 and related agreements.

JURISDICTION DURING TREATY TRANSITION PERIOD

SEC. 402. (a) The Congress of the United States finds that Article XI of the Panama Canal Treaty of 1977 prescribes certain special provisions governing the jurisdiction of the United States in the Republic of Panama during a transition period of thirty months beginning upon the date the Panama Canal Treaty of 1977 enters into force.

(b) Notwithstanding inconsistent provisions of the Panama Canal Code or any other law, the jurisdiction of the district court and magistrates' courts established pursuant to title 3 of the Panama Canal Code shall be limited as provided by Article XI of the Panama Canal Treaty of 1977.

(c) For the purposes of the exercise of the aforesaid jurisdiction, the terms "United States citizen employees," "members of the United States Forces," "civilian component," and "dependents" shall be construed as they are defined in the Panama Canal Treaty of 1977 and related agreements. Similarly, the term "areas and installations made available for the use of the United States" shall be construed to mean (1) the Canal operating areas and housing areas described in Annex A to the Agreement in Implementation of Article III of that Treaty, (2) the Ports of Balboa and Cristobal described in Annex B to that Agreement, and (3) the Defense Sites and Areas of Military Coordination described in Annex A to the Agreement in Implementation of Article IV of that Treaty.

DIVISIONS AND TERMS OF DISTRICT COURT

SEC. 403. (a) The United States District Court for the District of the Canal Zone is authorized to conduct its affairs at such places within the areas made available for the use of the United States under the Panama Canal Treaty of 1977 and related agreements, and at such times, as the district judge may designate by rule or order.

(b) Sections 2 and 3 of title 3 of the Panama Canal Code are repealed.

TERM OF CERTAIN OFFICES

SEC. 404. Notwithstanding the provisions of sections 5, 41, 45 and 82 of title 3 of the Panama Canal Code, the term of office of a district judge, magistrate, United States attorney or United States marshal appointed after the date of enactment of this Act shall extend for a period of 30 months beyond the date the Panama Canal Treaty of 1977 enters into force, and be subject to such extension of time as may be provided for disposition of pending cases by agreement between the United States and the Republic of Panama pursuant to the last sentence of paragraph 7 of Article XI of the Panama Canal Treaty of 1977.

RESIDENCE REQUIREMENTS

SEC. 405. Sections 5(d), 7(d), 41(d), and 45(d) of title 3 of the Panama Canal Code, the second sentence of section 42 of that title, and the second sentence of section 82 (c) of that title, which require that certain court officials reside in the Canal Zone, are repealed.

SEC. 406. (a) Section 6 of title 3 of the Panama Canal Code is amended to read as follows:

"SPECIAL DISTRICT JUDGE

"SEC. 6. The chief judge of the judicial circuit of which the district court is a part may designate and assign a special district judge, to act when necessary:

"(1) during the absence of the district judge;

"(2) during the district judge's disability or disqualification, because of sickness or otherwise, to discharge his duties, or

"(3) when the office of district judge is vacant."

(b) Each such designation and assignment by the chief judge shall be made in accordance with chapter 13 of title 28 of the United States Code, which shall be deemed to apply for such purposes.

MAGISTRATES' COURTS

SEC. 407. (a) The two magistrates' courts established pursuant to section 81 of title 3 of the Panama Canal Code and existing immediately preceding the date upon which the Panama Canal Treaty of 1977 enters into force shall continue in operation for 30 months from that date unless discontinued during that period as otherwise provided by this section.

(b) During the period referred to in subsection (a), one or both magistrates' courts, together with the positions of magistrate and constable corresponding thereto, may be abolished by the President or his designee if in his judgment the workload is insufficient to warrant continuance of either or both courts. If one of the courts is so abolished, the remaining magistrate's court shall exercise the jurisdiction that otherwise would have been exercised by the abolished court and shall take custody of and administer all its records.

(c) If both magistrates' courts are abolished pursuant to subsection (b), the following provisions shall thereafter apply:

(1) The district court shall exercise the jurisdiction of the magistrates' courts.

(2) All records of the magistrates' courts shall be deemed records of the district court.

(3) A criminal action that otherwise would have come within the original jurisdiction of the magistrates' court shall be instituted in the district court by a complaint executed pursuant to section 3701 of title 6 of the Panama Canal Code, and the law and rules applicable in the district court shall thereafter apply. All other criminal actions shall be instituted in the district court by the filing in each case of an information pursuant to chapter 213 of title 6 of the Panama Canal Code.

(4) The requirement of and procedures for preliminary examinations under section 172 of title 3 and sections 3801–3806 of title 6 of the Panama Canal Code shall not apply.

SEC. 408. Section 543 of title 3 of the Panama Canal Code is amended to read as follows:

"SEC. 543. OATH.—Before receiving a certificate the applicant shall take and subscribe in court an appropriate oath prescribed by the district judge."

TRANSITION AUTHORITY

SEC. 409. Except as expressly provided to the contrary in this Act, in any other statute, in the Panama Canal Treaty of 1977 and related agreements, or by executive order, any authority necessary to the exercise during the transition period of the rights and responsibilities of the United States specified in Article XI of the Panama Canal Treaty of 1977 shall be vested in the Panama Canal Commission.

SPECIAL IMMIGRANTS

SEC. 410. (a) Section 101(a)(27) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(27)) relating to the definition of special immigrant, is amended—

(1) by striking out "or" at the end of subparagraph (C) and inserting "; or" at the end of subparagraph (D);

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E) an immigrant who is an employee of the Panama Canal Company or Canal Zone Government, who is resident in the Canal Zone on the date of the exchange of instruments of ratification of the Panama Canal Treaty of 1977, and who has performed faithful service for one year, or more, and his accompanying spouse and children."

TITLE V—MISCELLANEOUS PROVISIONS

HEALTH DIRECTOR; HOSPITALS

SEC. 501. (a) In chapter 57 of title 5 of the Panama Canal Code references to "hospitals", to the "Health Bureau", and to the "health director", shall be deemed to be, respectively, to the hospitals operated by the United States in the Republic of Panama after the effective date, to the organizational unit operating such hospitals, and to the senior official in charge of such hospitals.

(b) In section 4784 of title 6, section 2 of title 7, and sections 32, 35–38 of title 8 of the Panama Canal Code, references to the health director shall de deemed to be the senior official in charge of the hospitals operated by the United States in the Republic of Panama after the effective date.

EFFECTIVE DATE

SEC. 502. Except as otherwise provided in sections 231, 321, 322, 325, 404 and 411 of this Act, the provisions of this Act shall take effect on ————.

Mr. McGOVERN. I thank my colleague from Virginia.

Mr. HARRY F. BYRD, JR. I thank my able friend from South Dakota. I want to make a brief comment on three or four points that the Senator from South Dakota (Mr. McGOVERN) made in regard to my speech.

Insofar as the proposal that is found in the treaty which provides that the United States cannot negotiate with any nation other than Panama without Panama's approval for an interoceanic canal, it seems to me that that is an option that we would be very wise to keep for ourselves. Insofar as any other nation coming into Panama and spending $5 billion, which is what it would cost, I do not think Panama gave away anything when it agreed to that point.

Now, as to what the leaders of Latin America feel about these treaties, the distinguished Senator from South Dakota is totally correct when he says that, in all their public statements, the leaders of the Latin American nations have voiced support for the treaties. Publicly, they have to maintain that position. I do believe, however, that it is a matter of great significance when Lieutenant General Sumner, chairman of the Inter-American Defense Board, testifies that, in his recent discussions with the Presidents and ministers of defense and the high level military officers of the 17 Latin American member nations—leaving out only Panama and the United States—those leaders all expressed a grave concern about the treaties.

I think that the Senate should be aware of that attitude expressed to the committee by not only the high-ranking military officer of our Nation, but an American military officer who serves as chairman of the Inter-American Defense Board.

Mr. McGOVERN. Will the Senator yield on that point?

Mr. HARRY F. BYRD, JR. Yes.

Mr. McGOVERN. I realize it does seem to carry some weight as the Senator quotes the Chairman of the Inter-American Defense Board as to the feelings of other members of that Board in Latin America. But it is interesting that our own chairman of that Board of recent times, Gen. Matthew Ridgway, the former Chairman of the Joint Chiefs of Staff, testified in exactly the opposite way.

He said that as one familiar with the custom of his counterparts from other countries in the hemisphere and throughout Latin America that he was convinced that this treaty was overwhelmingly endorsed by the military leaders.

So I think on this point we would be better advised, perhaps, rather than taking the word of either General Ridgway, whom I greatly respect, or the general whom the Senator from Virginia just cited in Latin America, we would be better advised to look at the fact that heads of state, presumably in closer touch in those countries, all of them,

would appear to strongly endorse the treaty.

I think Secretary Kissinger's logic is very strong. He says that they take that position because they realize that is the sentiment in the countries that they represent and that they could not feasibly take any other position.

Mr. HARRY F. BYRD, JR. Of course, neither the Senator from Virginia nor the Senator from South Dakota has personal knowledge of these sentiments, and I assume the Senator from South Dakota does not have personal knowledge as to what the leaders of the other 17 Latin American countries feel.

But I do think it is of importance to know the general's testimony, he being Chairman of the Inter-American Defense Board, and, as such, the individual who deals with the top officials in the other Latin American nations.

It is important that due consideration be given to the view that he has presented to the committee and to the Senate, namely, that there is grave concern privately among the leaders of Latin America.

I admit that the Senator from South Dakota is totally correct about the public posture of the leaders of those nations. Their private views, however, are another matter.

The Senator from South Dakota made comment that he felt by ratifying these treaties it would create a more friendly environment for the United States and the Canal Zone in relation to the use of the Panama Canal and, therefore, we would run less risk of the Panama Canal being shut down if we ratify these treaties.

That is a question of viewpoint, I think, and I do not quarrel with the Senator from South Dakota for the view he takes. I, however, take a different view. I admit that there is a risk either way. I think we have gotten ourselves into a position now that we run a risk whether we ratify the treaties or whether we do not ratify the treaties.

If we do not ratify the treaties. we run a risk of violence in the Canal Zone because our State Department has led the Panamanians to believe that they are going to have given to them the vast amount of property which the United States owns there. If they do not get it, naturally, they will be upset.

This is just a question of judgment, but I think in the long run we would be better off to maintain the same rights to the use of our bases and the operation and the control of the canal that we have had through a long period of time.

I think we run a greater risk to turn operation and control of the canal over to Panama than we would if we maintained the U.S. control over that important international waterway.

There are only two other points I want to mention, which the distinguished Senator from South Dakota brought out. He mentioned the Joint Chiefs of Staff and their support of the canal treaties, which is correct.

I would point out, however, that while these four senior officers have voiced support for the treaties, virtually all of the retired senior military officers, virtually all of them, have opposed these treaties because they do not believe these treaties to be in the best interests of the United States.

One of the strongest opponents is the immediate past Chairman of the Joint Chiefs of Staff, Adm. Thomas Moorer, the only person in the history of our Nation to have served as commander in chief of the Pacific Fleet and also as commander in chief of the Atlantic Fleet.

He has testified very strongly in opposition because he feels that the treaties are not in the best interests of our Nation.

Mr. McGOVERN. Mr. President, will the Senator yield on that point?

Mr. HARRY F. BYRD, JR. Yes.

Mr. McGOVERN. I am a little surprised the Senator brings up this argument again that most of the retired military officers are opposed to the treaty.

I would challenge the Senator on that. I think there is no poll that has been taken. We have some 350,000 retired military officers in this country. To the best of my knowledge, there has been no survey made of these men to determine how they feel.

I recognize that some of them have spoken out in opposition to the treaty. But among those former officers or retired officers who have testified very strongly in favor of the treaty are Gen. Maxwell Taylor, Gen. Matthew Ridgway, our commander during the Korean war.

Mr. HARRY F. BYRD, JR. Two excellent men.

Mr. McGOVERN. Two superb Army leaders.

Admiral Zumwalt from the Senator's State of Virginia, General Westmoreland, Gen. Lucius Clay, Gen. Lauris Norstad.

I think the Senator would agree that is a rather distinguished array.

So I think that perhaps because we have had a few letters from some of the retired officers indicating their opposition to the treaty, a conception has developed on the part of some Senators that they are speaking for some of the 350,000 retired officers. I do not see the evidence as to that.

Mr. HARRY F. BYRD, JR. What I said was that virtually all the retired senior military officers opposed it, and there are not 350,000 of those. Of the retired senior military officers, I think the Senator from South Dakota will find that an overwhelming percentage oppose the treaties.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Utah.

Mr. HATCH. Mr. President, I thank the Senator from Virginia for yielding.

I bring up the point that approximately 250 generals and flag officers did come out against these treaties in no uncertain terms, including 4 former Chiefs of Naval Operations and the former Chairman of the Joint Chiefs of Staff, Adm. Thomas Moorer. These are distinguished generals and admirals. As I recall, only about six or seven retired officers of this rank came out strongly for the treaties.

The fact of the matter is that if we really were to put it to a test, the retired officers would be as much opposed to these treaties as are the American people, and that is that somewhere around 70 percent of the American people. I would be very shocked if at least 70 percent of the retired officers are not against them, also. Certainly, the vast majority of generals, flag officers, and admirals are against these treaties.

When we list four former Chiefs of Naval Operations, including Admiral Moorer, who was the Chairman of the Joint Chiefs of Staff from 1970 to 1974, then I think we can see that there is strong opposition to the treaties among our top military leaders.

Mr. GARN. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. GARN. I think we also need to take into account the fact that almost all the veterans organizations that I am aware of are overwhelmingly opposed.

The Veterans of Foreign Wars will hold a rally tomorrow on the Capitol steps. I just came from speaking at the Navy Yard, at noon today, to the Naval Reserve Association. That is all I heard.

I think we are kidding ourselves, whether formal polls have been taken or not, if we think that the majority of retired officers of any rank or enlisted men, who were polled, would not be overwhelmingly opposed to these treaties, as would the average American.

Let me make one more comment which I have made on the floor. But I think it needs to be said once again. In questioning Admiral Holloway before the Armed Services Committee, I asked him about these polls of retired officers. And his comment was that he could understand that they did not have access to all the information that he did, and they were looking at it more from an overall viewpoint.

Well, whatever his rationale, he agreed that the reserve officers would be overwhelmingly opposed.

I said, further, "Admiral, what do you think a poll of active duty general and flag officers would show if it were secret?" He testified that it would be about the same, with the caveat that, again, they did not have access to the information he had and they were not directly responsible.

That is fair enough. They were not directly involved. Nevertheless, the point is, even with the caveat, that he agreed that the majority of general and flag officers on active duty would be opposed if they were polled secretly.

Mr. HARRY F. BYRD, JR. I think both Senators from Utah are quite right. I do not think many people would deny that an overwhelming majority of retired military officers and, according to Admiral Holloway, an overwhelming majority of those on active duty, if a secret poll were taken, would be opposed to the treaties. They are opposed to the treaties because they are convinced that these treaties are not in the best interests of our Nation.

They may be wrong and I may be wrong in thinking that they are not in our best interest. But they are convinced of it, and I am convinced of it.

I recognize that others have different viewpoints, and I do not quarrel with a different viewpoint at all. But I do be-

lieve that almost any Member of the Senate who has had wide contact with the retired officers living in his State would find the same situation. Virginia, except for California and maybe one or two other States, probably has more retired military personnel than any other State in the Union.

The best I can determine is that those men who have had intimate contact with war, intimate contact with defense needs and defense opportunities, many of whom have had contact with the Panama Canal, many of whom have served in that area—virtually all of them, or an overwhelming percentage of them, are strongly opposed to these treaties as not being in the best defense interests of our Nation.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. HELMS. I thank the Senator for yielding.

Reference has been made to Admiral Holloway, who, as the able Senator from Virginia knows, appeared before the Armed Services Committee, and even he displayed a high degree of ambivalence on this issue. Of course, he knows who the Commander-in-Chief is, and it is a political decision to give away the Panama Canal.

However, in response to a direct question, he said, in effect, that his "druthers" would be that we keep the Panama Canal in terms of the defense capability of this country.

The Senator from Virginia is absolutely correct about the active duty and retired officers. At least, I have formed that conclusion, based on my own experience and my own correspondence that I have received from all over the country.

I would be willing to make this bargain with the distinguished Senator from South Dakota: If he wants to put up a list of every retired officer in the United States who favors these treaties, I will put up a list of those who violently oppose them.

Mr. McGOVERN. I am not about to let retired officers start voting instead of the U.S. Senate on a matter that is basically a diplomatic judgment. I was trying to meet the Senator from Virginia on his own grounds, when he referred to the military issues involved here.

I think we should remind ourselves once in a while that on a delicate diplomatic question of this kind, which, after all, is what a treaty is all about, we do not poll the Retired Army Officers' Association; we do not even poll the VFW and the American Legion. I belong to those two organizations. I am a lifetime member of both the Veterans of Foreign Wars and the American Legion. However, as I told them when I came to my office, I think they would be better advised to concentrate on improving benefits for our veterans, especially the veterans of the Vietnam war, who have not had a fair break, than trying to advise the Senate how to handle a matter which is essentially one of diplomacy.

Mr. HELMS. Mr. President, who has the floor?

Mr. HARRY F. BYRD, JR. I have the floor.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. HELMS. I thought the Senator yielded to me.

Mr. HARRY F. BYRD, JR. I did yield to the Senator from North Carolina.

Mr. McGOVERN. I thought the Senator was through. I am sorry.

Mr. HELMS. The Senators from South Dakota cannot have it both ways. He said, as have all the other advocates of the treaties, that the Joint Chiefs of Staff unanimously approve these treaties.

Mr. McGOVERN. And I stand on that statement.

Mr. HELMS. But when the Senator turns it around as to other distinguished military officers, he says they do not count. The Senator just polls the Joint Chiefs of Staff, who are under the finger of the Commander in Chief.

Mr. McGOVERN. Before the Senator came on the floor, I reminded the Senate that no poll has been taken of the retired Army officers of this country. The Senator may have a case as to how they feel about this issue; but if he will permit me, I should like to refer to the one alleged poll that was taken by the Reserve Officers Association, in which officers were asked to register their objection to the treaty. It was not really a canal poll. This is the way this so-called poll, which I think is the basis for this argument, was made. It was a letter rather than a poll, and it was printed this way:

> Gentlemen, I concur with your opposition to the treaty concerning the canal zone to be brought before the United States Senate. I am willing to join Admirals Moorer and Burke and a great many other senior members of the Reserve Officers Association in publicly expressing my disapproval of the treaty, in the belief it is not in the best interest of the people of the United States.

In other words these officers were not asked how they felt. They were asked to come out against the treaty. Of 800 flag officers who received that letter, general flag officers, only 347 of them even bothered to return the blank. If I wanted to speculate here I presume I could make the argument that the other 500 must have been for the treaties since they did not return the request that they come out and be against the treaties.

Mr. HELMS. Mr. President, I am not a betting man, if the Senator will yield——

Mr. McGOVERN. I do not have the floor.

Mr. HELMS (continuing). But I will make a bet with him.

Mr. HATCH. I would likewise make that wager.

How many of the 347, if I might interject here, were against the treaties?

Mr. McGOVERN. Three hundred and forty-seven signed the statement that asked them to come out against the treaties. It was not a question; it was a statement that these officers were asked to sign in opposing the treaties.

Mr. HATCH. These are generals and admirals?

Mr. McGOVERN. These are generals and admirals. And out of the 800, 347 signed the statement.

Mr. HATCH. Were there any who said they were for the treaties?

Mr. McGOVERN. I am not going to argue that the other 450 were in favor of the treaties, but at least they were not sufficiently opposed to them to take the time to write their names on a mimeographed sheet of paper and return it, and they are retired officers.

Mr. HARRY F. BYRD, JR. I think the Senator from South Dakota has made the point that the Senator from North Carolina, the Senator from Utah, and the Senator from Virginia are trying to make.

The Senator from South Dakota has been stating in the RECORD some five, six, or seven officers and retired officers who favored the treaties, but he has also read into the RECORD the fact that 347 others do not favor the treaty, and that is about the right ratio, I think.

Mr. McGOVERN. I read the names that the Senator himself cited, Admiral Holloway and General Wilson. This was because I felt the Senator was leaving the impression that these distinguished officers were against the treaties.

Mr. HARRY F. BYRD, JR. No, no. I think you will find in my remarks that I pointed out——

Mr. McGOVERN. No, the Senator from North Carolina, at least said——

Mr. HARRY F. BYRD, JR. They voiced support for the treaties.

Mr. McGOVERN. Yes.

Mr. HARRY F. BYRD, JR. I went on also to point out what they said under questioning, and under questioning the Chief of Naval Operations stated that from the military point of view he would prefer the United States retain its existing rights in the Panama Canal area, but he was supporting the treaties in an effort to appease our friends.

Mr. McGOVERN. But the Senator knows that Admiral Holloway went on to say that this is more than simply a military matter; that while there might be some slight advantage, if you assume there is going to be a war where we have to defend the canal, there might be some slight advantage in keeping our forces there, he went on to say they could be reintroduced readily, and that beyond that he would prefer, as the Chief of Naval Operations, to have the responsibility for defending this canal with the treaty that is now pending before us than he would have the obligation of doing so in the kind of hostile environment that may very well develop if these treaties are rejected.

Mr. HARRY F. BYRD, JR. He also said:

> Without bases the introduction of U.S. forces will take longer and be more costly.

I yield to the Senator from Arizona.

REPLY TO STATE DEPARTMENT NON-ANSWER ON CONGRESSIONAL POWER TO DISPOSE OF PUBLIC PROPERTY

Mr. GOLDWATER. Mr. President, on Friday, I was given the honor of having a supposed reply made by the State Department to material which I supposedly had printed in the RECORD relative to the constitutional power of Congress to dispose of public property. The junior Senator from Maryland said that I had placed in the RECORD on March 2 a memorandum that had been prepared by Mr. Kenneth Merin, who is a legislative attorney at the American Law Division in the Library of Congress. The Senator

from Maryland then had printed in the RECORD comments which were prepared by the Department of State in response to Mr. Merin's paper.

Now, Mr. President, the State Department reply is interesting, but it does not answer any paper or argument that I have placed in the RECORD. It is true that I did have printed in the RECORD two papers on March 2, one of them pointing out the errors in the State Department list of so-called precedents for transfer of the Panama Canal without the consent of both Houses of Congress and the other pointing out the irrelevancy of the court cases erroneously cited by the State Department in support of its novel constitutional theory, but I did not place in the RECORD on March 2 or any other day a memorandum prepared by Mr. Merin.

The truth is that the arguments and material which I have relied on in discussing the necessary role of the House in the transfer of public property are based on independent research which I and my staff have made into the subject.

The papers which I inserted in the RECORD on March 2 were prepared entirely in my office and anyone who had taken the time to read them would know at a moment's glance that they are not the memorandum by Mr. Merin, to which the Senator from Maryland referred.

Mr. President, this episode confirms once again my suggestion that the Senate Foreign Relations Committee has not made an adequate investigation into the constitutional issue. The committee keeps falling back on the State Department for its answers to this issue and, frankly, the State Department does not know what it is talking about.

Now, the State Department is obviously an advocate for the proposed treaties. It is not going to give us objective opinions. I am surprised that the committee persists in relying upon material prepared by the State Department instead of conducting its own independent analysis of the constitutional question.

Mr. President, the State Department has not yet responded to my statement that its list of so-called precedents actually includes three treaties, the Mexican boundary treaties, which specifically included language calling for authorizing legislation by the full Congress.

The State Department has never responded to my statement that Indian treaties—which the administration relies upon—were prohibited by an Act of Congress in 1871 as a means of transferring property to Indian tribes, which means that Congress can preempt the President from disposing of public property by treaty.

Nor has the State Department answered my statement that Indian tribes are considered under the Constitution to be wards of the Government. Surely the State Department is not contending that Panama is a ward of the United States.

Mr. President, I have yet to see an answer from the State Department to my contention that several of the cases and treaties relied upon by the administration involved the transfer of land belonging to individuals or to States, not to the U.S. Government. Therefore, these examples are irrelevant to the Panama Canal Zone, where it is openly conceded by the State Department that the United States owns most, if not all, of the property in the zone.

Mr. President, I also have yet to see an answer by the State Department to the opinions by three previous U.S. Attorneys General, John Griggs, Harlan Stone, and Robert Jackson, who issued opinions telling past Presidents that the full Congress is the only authority to be invoked where there is a transfer or surrender of Government property. The State Department has completely ignored these previous official opinions by past Attorneys General of the United States, whose opinions outnumber the present Attorney General at least 3 to 1.

Nor, Mr. President, has the State Department yet given reply to my statement that the Congress can and has preempted the subject of transferring property in the Panama Canal Zone, if the President ever had authority to convey property in the zone by a treaty alone.

Nor does anything in the State Department comments placed in the RECORD by the Senator from Maryland respond to the distinction which exists between boundary treaties and treaties of cession. As I have mentioned before, nearly all writers on treaty law state that a boundary treaty is no precedent for treaties where the United States gives away land which our Government recognizes as belonging to us, but which we are nevertheless willing to yield. As Justice Story wrote:

> In the case of a contested boundary, there is no pretense to say that an ascertainment of the true boundary involves the question of cession.

Nor, has the State Department denied that in 1955 Assistant Secretary of State Holland informed the Foreign Relations Committee that authorizing legislation by both Houses of Congress would be necessary to carry out the transfer of property provided for in the 1955 treaty with Panama.

Mr. President, I hope the next time the State Department attempts to answer my statements on this subject that they will have the courtesy to read what I actually have said or placed in the RECORD and will not submit a reply to a memorandum that was not mine.

Mr. President, I would also like to take this opportunity today to point out a new discovery I have made that reinforces my amazement that the White House has not put a provision in these treaties, which makes them subject to authorizing legislation by the full Congress.

It has just been revealed in hearings before a House Veterans' Affairs Subcommittee that our Government has not provided in these treaties for the care and maintenance of graves containing the remains of nearly 5,000 U.S. citizens in the Canal Zone. The way these treaties are now written, we would trust the care of these graves to the Government of Panama.

Mr. President, I should point out that there are 909 veterans from 42 of the 50 States buried in the Canal Zone, including over 250 wartime veterans. I am certain the families of our honored war dead and other citizens who are buried in the Canal Zone would want to have assurance that the graves of their loved-ones and relatives are properly cared for. I think that before the United States seeks to turn over the Canal Zone to Panama, the very least our Government could do is to enact proper implementing legislation providing for the proper care of these graves, even if it means allowing the next of kin of those buried in the Canal Zone to have the remains transported to the Continental United States at Government expense for reburial in a national cemetery or at a site chosen by the relatives.

Mr. President, I will have more to say on this subject at a later time and I mention it now merely to offer one more bit of evidence that these treaties are not in the best interest of the United States.

Mr. GARN. Mr. President, will the Senator yield for one more point?

Mr. HARRY F. BYRD, JR. Yes.

Mr. GARN. I happen to be the Senator who asked Admiral Holloway those questions in the Armed Services Committee that you have been referring to. I think I am aware of what responses he gave. There was much greater colloquy than you are referring to because he had talked before, in response to my questions about retired military officers. This can all be checked for the exact wordage in the testimony. He said they were considering more than the military situation. They were looking at the prestige of the United States in relationship to other countries, and maybe that is why the retired officers were opposed.

So later on I asked him about his opinion. He said if he had his way, he would much prefer to comment on the real world situation. I said,

> That is politics, admiral. The real world means politics to us. Don't you think you should be advising on the military situation and leave the politics to the Senate of the United States?

I think the testimony contradicts itself. He was saying that the reserve and retired officers were getting involved in politics. But, later on, he is judging the real world situation. Anybody who reads that colloquy in its entirety will understand that from a military standpoint, without getting involved in the political considerations that Admiral Holloway said he would rather—and it would be an advantage—have troops there. I do not think you have to go much beyond kindergarten to figure out after the year 2000 it will be easier to defend the canal if you have troops on site guarding the locks, guarding the lakes, guarding the facilities than having to go back and invade.

Let us not kid ourselves. Some of the rhetoric on this floor is unbelievable. You do not have to be a military officer, and you do not have to have any experience. Most grade school kids could figure that out.

What is the American political mood about invasion if there is trouble down there after the year 2000? We have no troops. We have no ships. We have no airplanes. It is interesting that Panama—with which we are going to have all these friendly relations—will not let us have some forces. Spain does, under status-of-forces agreements. The Philippines does. Germany and Japan, our

former enemies do. We have bases all over the world, which we pay for. But Panama wants to keep that canal open, and they are not willing to let us keep any troops there.

We must consider the political implications if something happens down there. I wonder if the American people will say, "Well, they—any potential aggressor—have a headstart. They have already taken over some of the locks of the canal. Are we going to send American boys in there to invade, to establish a beachhead?" I think it is utterly ridiculous that a treaty is actually better than having men there to guard against subversion, sabotage, and to be on the spot if something happens.

Regardless of what they have testified, it should be obvious to everybody that it would be much better, from a military standpoint, to maintain the neutrality and defend that canal if there were a military presence.

Mr. HARRY F. BYRD, JR. I think the Senator (Mr. GARN) is correct, and the Senator from Virginia has the same feeling that apparently the Senator from Utah has, and that is, we run less of a risk with respect to problems in the future in Panama if we maintain control than if we give away control.

I stated I think we run some risk either way, but we run the greater risk if we turn control over to Panama, and it does not work out. We have had control now for over 60 years, and we have not had any problem there. We have taken care of it.

It is an international waterway for all of the shipping of the world; it is vitally important to the United States where we can connect the Atlantic coast shipping with our Pacific coast shipping. It is the only canal that we have where we can do that, and we will run much less risk of confrontation in the future, in my judgment, by keeping control than we will by giving it to Panama.

I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, since this discussion started we have called the Reserve Officers Association to get the exact figures. I had those figures but misplaced them, so we called to get accurate figures.

The ROA polled the flag officers, and that was the reserve officers and retired officers and a few active officers. The 775 were polled, and they were asked if their names could be used and whether they favored the treaties or they did not favor the treaties.

While 342 answered that their names could be used against the treaties. Seven said they were for the treaties. Eight said they were muzzled and were afraid to answer. So that makes a total there of 357.

So out of 357 only 7 said they were in favor of these treaties.

Mr. McGOVERN. Does the Senator know what happened to the other 450 who did not reply?

Mr. THURMOND. I imagine they were afraid for their names to be used.

Mr. McGOVERN. If they are retired what are they worried about? I thought that was the advantage of quoting retired people, that they could say what they thought.

Mr. THURMOND. There are some officers who, even though they are retired, are reluctant to participate in any active matters. But I think it is very clear from this that of those who responded they were 46-to-1 against the treaties.

Mr. McGOVERN. I am surprised it was not unanimous, I say to the Senator, with the way that question was worded.

Mr. HARRY F. BYRD, JR. I yield to the Senator from Utah (Mr. HATCH).

Mr. HATCH. I appreciate the distinguished Senator from Virginia's statement and, as is so characteristic of him, I think his statement here today has been very much in point and very beneficial to our country, and to us as Senators. I think he has done us a great service.

As I review the Armed Services Committee report, I agree with my esteemed colleague from Utah (Mr. GARN) that he asked some pretty tough questions of Admiral Holloway, and Admiral Holloway came out and said exactly what Senator GARN said he said.

I might mention he also indicated——

Mr. McGOVERN. Will the Senator, Mr. President, yield on that point before he leaves what Admiral Holloway said to Senator GARN.

Mr. HATCH. If I may just finish.

At least as I read, a number of them indicated that they would rather keep our military presence there, but if I recall the language correctly it is that in this imperfect world, such as it was, they were relying on what the State Department told them in that study.

Now, the point that has always been pretty persuasive to me, inasmuch as it is a waterway, it is used by the Navy, it is used by maritime fleets, has been the letter written to the President of the United States by the four former Chiefs of Naval Operations. These include Robert B. Carney—they are all former admirals—George W. Anderson, Arleigh Burke, and Thomas H. Moorer, Admiral Moorer being the Chairman of the Joint Chiefs of Staff from 1970 to 1974.

In this letter they said:

DEAR MR. PRESIDENT: As former Chiefs of Naval Operations, fleet commanders and Naval Advisers to previous Presidents, we believe we have an obligation to you and the nation to offer our combined judgment on the strategic value of the Panama Canal to the United States.

Contrary to what we read about the declining strategic and economic value of the Canal, the truth is that this inter-oceanic waterway is as important, if not more so, to the United States than ever. The Panama Canal enables the United States to transfer its naval forces and commercial units from ocean to ocean as the need arises. This capability is increasingly important now in view of the reduced size of the U.S. Atlantic and Pacific fleets.

We recognize that the Navy's largest aircraft carriers and some of the world's supertankers are too wide to transit the Canal as it exists today. The super-tankers represent but a small percentage of the world's commercial fleets. From a strategic viewpoint, the Navy's largest carriers can be closely positioned as pressures and tensions build in any kind of a short-range, limited situation. Meanwhile, the hundreds of combatants, from submarines to cruisers, can be funneled through the transit as can the vital fleet train needed to sustain the combatants. In the years ahead as carriers become smaller or as the Canal is modernized, this problem will no longer exist.

Our experience has been that as each crisis developed during our active service—World War II, Korea, Vietnam and the Cuban missile crisis—the value of the Canal was forcefully emphasized by emergency transits of our naval units and massive logistic support for the Armed Forces. The Canal provided operational flexibility and rapid mobility. In addition, there are the psychological advantages of this power potential. As a Commander-in-Chief, you will find the ownership and sovereign control of the Canal indispensable during periods of tension and conflict.

As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the United States, giving us maximum strength at minimum cost. Moreover, sovereignty and jurisdiction over the Canal Zone and Canal offer the opportunity to use the waterway or to deny its use to others in wartime. This authority was especially helpful during World War II and also Vietnam. Under the control of a potential adversary, the Panama Canal would become an immediate crucial problem and prove a serious weakness in the over-all U.S. defense capability, with enormous potential consequences for evil.

Mr. President, you have become our leader at a time when the adequacy of our naval capabilities is being seriously challenged. The existing maritime threat to us is compounded by the possibility that the Canal under Panamanian sovereignty could be neutralized or lost, depending on that government's relationship with other nations. We note that the present Panamanian government has close ties with the present Cuban government which in turn is closely tied to the Soviet Union. Loss of the Panama Canal, which would be a serious set-back in war, would contribute to the encirclement of the U.S. by hostile naval forces, and threaten our ability to survive.

For meeting the current situation, you have the well-known precedent of former distinguished Secretary of State (later Chief Justice) Charles Evans Hughes, who, when faced with a comparable situation in 1923, declared to the Panamanian government that it was an "absolute futility" for it "to expect an American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of (the) rights which the United States had acquired under the Treaty of 1903," (H. Doc. No. 474, 89th Congress, p. 154).

These former Chiefs of Naval Operations go on to say:

We recognize that a certain amount of social unrest is generated by the contrast in living standards between Zonians and Panamanians living nearby. Bilateral programs are recommended to upgrade Panamanian boundary areas. Canal modernization, once U.S. sovereignty is guaranteed, might benefit the entire Panamanian economy, and especially those areas near the U.S. Zone.

The Panama Canal represents a vital portion of our U.S. naval and maritime assets, all of which are absolutely essential for free world security. It is our considered individual and combined judgment that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty.

Very respectfully,

The letter is signed by Robert B. Carney, George W. Anderson, Arleigh Burke, and Thomas H. Moorer, all former

Chiefs of Naval Operations and, of course, people who know how extremely valuable that canal is, and I think their pronouncements back up everything that the distinguished Senator from Virginia has been saying.

I think we the Senate would be well disposed to listen to him and listen to these persuasive arguments that he has made today, and I think that the distinguished Senator from Virginia can take solace in the fact that I believe that at least two-thirds to 75 percent of the American people stand with him. I think they are a lot smarter than some of my colleagues in the Senate think they are in denouncing these treaties for what they are.

Basically, they are very poorly written documents with many disparities and ambiguities between the Spanish and the English translations, with differences that are unprotective of the United States of America, and with problems that will result therefrom which could create all kinds of difficulties for this country—in fact, for all of the free world, starting the day these treaties are ratified.

Now, I, for one, hope that the distinguished Senator from Virginia's point of view is followed here, because I think that he, standing for America, is doing so based on the facts, based upon what is right, based upon what our constituents all over this country know in their hearts is right, based upon what has been brought out in the various hearings and based upon what I consider to be the clear facts and commonsense.

So I compliment the distinguished Senator, my friend from Virginia, for the eloquent and very important message that he has presented today.

Mr. HARRY F. BYRD, JR. I am very grateful to the distinguished Senator from Utah (Mr. HATCH) for his comments.

The Senator from Utah mentioned the ambiguities in the treaties, the fact that they are subject to varying interpretations and the fact that the Panamanian Government views them one way and the U.S. Government views them in a somewhat different light. I believe that, with the ambiguities, with the wording so that each country can interpret the treaties the way it wishes, instead of making friends in Latin America, as a result of the ratification of these treaties, we will end up with less friends because there are so many areas of controversy within the treaties themselves.

When the time comes, if it does come, to put the treaties into effect, there can be no assurance that each country will read the treaties in the same way.

I want to mention one other aspect concerning the comments made by the Senator from South Dakota. That is in regard to the implementing legislation.

Mr. McGOVERN. Mr. President, before the Senator proceeds, could I express one final word on the generals and admirals?

I must say that one thing we have done this afternoon is to elevate retired officers to heretofore unthought of pinnacles.

Mr. HARRY F. BYRD, JR. I believe this is a very serious problem which is facing the country today. It is not just a problem for the Senate, though the Senate is the only forum which can vote. American people, including retired officers, will be affected by these treaties.

Mr. McGOVERN. I agree with that. I have to state that I also had my part of quoting generals and admirals all afternoon. I cannot recall since I have been in the Senate that there has been such a deference made.

Mr. HARRY F. BYRD, JR. But if the Senator will read the RECORD, it was the Senator from South Dakota who brought this up.

Mr. McGOVERN. I believe that is correct.

In any event, we have been talking about admirals and generals, and Senator GARN referred to his colloquy with Admiral Holloway. I think we ought to read it, or at least a portion of it. If the Senator thinks he has been misquoted in the hearing record, he can correct me.

This is the hearing of January 24 of this year, which shows Senator GARN saying to Admiral Holloway:

But haven't you, in direct contradiction to your own testimony now told us, or told me, that you have entered the politics of the situation into your military decision rather than keeping it a narrowly defined military decision?

Admiral HOLLOWAY. Senator Garn, I don't view it that way. Rather than term the situation as political, I term it a real-life situation, as opposed to the theoretical.

Senator GARN. I don't disagree with you. Isn't that decison for the administration or Senators to make, that kind of decision, rather than a purely military recommendation? That is my point: Yours is a purely military recommendation; it sounds to me like the Joint Chiefs of Staff are really against it,

Presumably meaning the treaty—

but you have put into your equation the political, which is realistic; it is the decision, but isn't that a civilian decision rather than a military?

Admiral HOLLOWAY. No, sir, I don't believe it is. I think it is a real-life set of factors that influence the military decisions in this specific situation.

To continue:

I certainly understand your line of reasoning and I think it is correct that the chiefs need to confine themselves to their business, but in this particular case we are offering advice and I don't think our advice would be very useful unless it was based upon a real-life situation.

Mr. President, to me that makes eminent good sense, that an admiral responsible for the lives of young Americans and for the defense of this country when he is asked for a judgment on a matter of this kind, would not make it purely in technical, military terms.

There were too many judgments made along those lines that I suspect helped take us so deeply into Vietnam. It looked like it ought to be a military pushover for a great country like the United States to take on a little country like Vietnam, without an air force and without adequate defense. But we found to our sorrow that when military judgments are made without taking into consideration the climate in which those military forces have to operate—I use the word climate to embrace the whole political, social, and economic spectrum—then we can get into a very disastrous situation.

What I said here a moment ago, that I regretted so much relying so heavily on military authority, I say that not so much that this argument can be won on military grounds, but because I regret the fact that it puts the Senate in the position of saying we cannot do anything until we have taken a poll of retired army officers and those on duty and then made a judgment based entirely on what they tell us.

The one point I agree with here which Senator GARN made very well is that this is a judgment which goes beyond military considerations. I agree with him that these judgments in the last analysis ought to be made by the U.S. Senate; that they are matters which are fundamentally more in our jurisdiction than they are in Admiral Holloway's. That is the only point I made a moment ago when I said I regret somewhat the tenor of this argument today because it seems to imply that the fundamental judgments are military when they are not.

I was willing to meet the Senator on that ground today because that is the basis on which he was developing his argument. But I would come back to this point where I think Senator GARN and I stand in agreement. We may disagree ultimately on whether the Senate ought to ratify these treaties or not, but I think all of us here, if we think about it, recognize that in the end this is basically a civilian judgment. It is one we have to make as U.S. Senators. There comes a point when we have to leave the generals and the admirals out of it and make a judgment based not only on those military considerations but on all the factors that have led our current Joint Chiefs of Staff, our former Presidents, and our present President to come to the conclusion it is in the interest of this country to ratify these treaties.

No general and no admiral is going to vote on it. There will be 100 Senators who ultimately decide this matter. I am very thankful to the Senator from Utah (Mr. GARN), my distinguished friend, for reminding Admiral Holloway, and reminding all the rest of us, that in the last analysis this is a civilian judgment.

I thank the Senator for yielding.

Mr. GARN. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield.

Mr. GARN. We do not disagree on the point, but there is some distortion on the overall impact of the colloquy. Let us read a little more.

Admiral Holloway, may I summarize, so there is no misunderstanding, about what I heard today? First of all, I heard you testify that your position—and I am speaking of the Joint Chiefs of Staff—was to look at it from a very narrow, military defense position. Is that correct?

Admiral HOLLOWAY. Yes, Senator.

I repeat, he said, "Yes, Senator."

Senator GARN. That is why you differed on some other questions because they were beyond the scope of that. You have also said, two or three times, that if you had your druthers you would prefer, from a military standpoint, to keep the canal in perpetuity, keeping our bases, and that would be the best military situation possible. Is that correct?

Admiral HOLLOWAY. That is my opinion, yes.

No qualifications. Then we get on to the sections the Senator read.

My point is: I do not care whether we call it a real world situation, as he did. I could not agree with the Senator more, that we are the ones who ought to make the political decisions. That is our responsibility. So if we get a recommendation from the military that it would be easier to defend the canal if we kept a presence there, if we kept control, I think that is obvious. There are other factors that have to be considered, obviously, but here is the place where it ought to be decided. I think his testimony points that out very well. He was not equivocal in saying that. He talks about a real-life situation. If he is a military man, why does he not confine himself to military opinions and let us judge what the impact is on other countries and what the impact is politically?

Mr. McGOVERN. That is exactly what he did do.

Mr. GARN. No, he is entering the political equation. It is very clear. The Senator has already read it.

Mr. McGOVERN. He gave the Senator the benefit of his judgment, that from the technical, military point of view if we were going to have a war, we would be better off to be involved——

(Mr. GLENN assumed the chair.)

Mr. GARN. I do not know how the Senator interprets "little."

Mr. McGOVERN. I use that word "little" because he said it wasn't as important as other considerations.

Let me just read what I think can be a summary statement. He said:

That would be my initial military objective because we are better off with a base——

This is where he is agreeing with your point on the technical military aspect of it—

Yes, that would be my initial military objective because we are better off with a base in that part of the world than without a base. However, I thought it was more important to have these two treaties than it was to have a base in perpetuity in Panama.

So maybe the Senator does not like the use of the word "little," but on a comparative basis, it is quite clear that what the admiral is saying is, while there is some military advantage in maintaining those bases, it is not as important, in his judgment as a man charged with the defense of this country, as it is to operate in a friendly climate.

Mr. GARN. The Senator continues to miss my point. He has made a political judgment there, and he does not stop at commenting on the military situation. If the Senator wants to get back to General Mabry's testimony, who was the commander down there for 4 years through 1964, when they had the riots, and many others who were there on the spot, including General McAuliffe, he will find that it is an overwhelming military opinion that, it would be much easier to defend. I said before, I do not think you have to be a military officer to understand that. You could be a kindergartner and understand that.

Beyond that recommendation, then, we are getting into a political decision. We can feed those figures in and debate them here, but the point I am making, over and over again, is that the military commanders say it would be easier to defend the canal.

Mr. McGOVERN. Would the Senator answer this question? When we had that uprising in Panama in 1964, would the Senator define that as a purely military uprising or was it a political uprising, or what was it? How does he define that military upheaval we had there in 1964? Does he see that as politics or as military strategy?

Mr. GARN. I would see that as the left-wing people agitating to stir that up.

Mr. McGOVERN. What kind of response would he recommend?

Mr. GARN. The kind of response I would recommend is if they were to enter the Canal Zone, they should be removed by military force.

Mr. McGOVERN. If it is a left-wing agitation that produced it, somebody has to make a judgment to that effect. It seems to me we are in a situation here where it is very difficult for us to ask our commanders to make judgments purely on technical military grounds.

In other words, you cannot say to a general, "Do we have the capacity to defend the canal," and leave it at that. Of course, we have that capacity. The question is, What would produce the least likelihood of having to involve American forces again in a jungle war? That seems to me the kind of thing that is in the minds of Admiral Holloway, General Brown, and the other Joint Chiefs. I do not think they have any doubt about our capacity to defend that canal, with or without this treaty. But the course they have chosen is the responsible one, in the sense that they went beyond the technical military arguments to say that there are other considerations that have to be kept in mind.

The place where the Senator from Utah and I stand shoulder to shoulder is our agreement that, in the last analysis, we listen to what the generals and the admirals and the Secretaries of State and heads of state and others say to us, then we make a judgment here, in the Senate. If the Senator is willing to accept that as the common ground between us, I have nothing else to say this afternoon.

Mr. GARN. I agree with the Senator on that point alone. But let us back up to the 1964 situation and suppose that we were in the situation that we propose to be in now. And there had been no U.S. troops there to cope with that leftist agitation, or whatever it was. What would have happened to the canal? Would it have been taken over? I think the Senator has made my point: That having a presence there prevented the disruption of the canal. Having no presence there, would we invade, would we make a military decision to go back in and invade with that same kind of disturbance?

Mr. McGOVERN. The point is that disruption occurred when we were there; we did have forces there, and we did have military there. I think it is that presence that is providing the grist for this left-wing agitating group in Panama that first set us to thinking about the possibility of taking some other course.

I do not believe the present government in Panama has directly threatened us during these negotiations with violence. But they have warned us that there are elements in Panama that resent the continued presence of military forces there. It is that seething resentment against an American presence 10 miles wide, right across the center of that country, that is, in my judgment, at the basis of this treaty. That is why we are here in the first place.

If it were not for that very dangerous, explosive situation, I would say leave the whole matter alone. But, if we can have continued access to that canal guaranteed by these treaties in perpetuity, if we have the right to intervene in the event of any military threat to the canal, it seems to me we are much better off. We have reduced the danger of another 1964-type uprising. I remind the Senator again, the presence of our forces did not prevent it in 1964.

Mr. GARN. The presence of our forces may have prevented a total takeover of the canal at that time. Again, I repeat, having a force there is a deterrent. We can remove the guards from this Capitol and keep them 10 miles away and say, if anything happens, rush them over here. But having them here acts as a deterrent.

Seething resentment does not exist among the people of Panama. That is overwhelmingly true. There are a small number of radicals who will try to stir it up. But the majority of Panamanian citizens do not feel that.

There is another point I cannot leave, where the Senator talked about our military getting us in trouble in Vietnam. I am not going to start the Vietnam war again, but I simply cannot let that go.

I happen to share a different view of Vietnam: that the military leaders were ignored. No military leader that I know of ever advised us to involve 500,000 troops in a ground war. I know of no aircraft commanders who liked the idea of not having targets of opportunity, of waiting until the SAM sites were built and able to shoot back before our pilots were able to attack them. I happened to fly a few missions in Vietnam and I resented the restrictions, not put on by the military, but by the politicians.

That is my point, and it makes it very well. We made political decisions in Vietnam, and I am sick of having the military made the scapegoat for that war.

What will happen down here if something starts and we have to run troops back in for an invasion? Who will blame the military, again, when it was we, the politicians, who took our military presence out of there and caused a situation that could become inflammatory after the year 2000 because we are not there.

But, again, I cannot ignore the assertion that the military was to blame for Vietnam. It was this body, along with the House of Representatives and the President—civilians—who overrode the military recommendations. I still happen to believe, along with Senator GOLDWATER and others, that if we had been allowed to attack a few targets in 1965 and earlier, that war might have been over in a few months, long before they had their SAM sites and all their help from China.

North Vietnam was a little country with no air force. All we faced were all the Red Chinese and all the Russian supplies they could get their hands on. But we waited until they became competent to fight us. I think the civilian politicians deserve the credit for that war.

Mr. THURMOND. Will the distinguished Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the distinguished Senator from South Carolina (Mr. THURMOND).

Mr. THURMOND. Mr. President, on page 40 of the hearings before the Senate Committee on Armed Services in January and February of this year, Admiral Holloway testified. This has been referred to here. I want to quote that testimony:

Senator THURMOND. Now, Admiral Holloway, in the negotiations with Panama, what was the maximum of years sought by the Defense Department for continued U.S. defense presence in Panama?

Admiral HOLLOWAY. To the best of my recollection, in the period I was involved in discussing the negotiations, I think 50 years was the maximum that we considered.

Farther down in his testimony, he says: "DOD did support a U.S. defense responsibility for 50 years at one point."

Farther down, in another place, is this exchange:

Senator THURMOND. Admiral, why did the Joint Chiefs feel we needed a defense presence in Panama well past the year 2000? Why did you feel that we needed that for 50 years?

There has been a lot said about supporting the treaties, but I can tell you this distinguished officer is bound to have serious thoughts about this matter. If you place yourself in his position, I am sure you will understand.

The response was:

Admiral HOLLOWAY. Because, in my view the Panama Canal is and will continue to be an essential element in our national defense plans. It will be essential as long as the United States remains a leader of the free world and has alliances overseas with NATO, and Japan, and as long as we still depend, as we do today to such a large degree, on the foreign import of energy. Therefore, because of the importance of the canal, as a military man, I would very much like to have seen the complete responsibility and control of the operation and the defense of the canal in U.S. hands.

How clearer can a man say it than that?

They say he goes along with the treaties. Maybe it does say that he goes along with it as Commander in Chief. But there he says he would like to see the responsibility and control of the canal in the U.S. hands.

Admiral Moorer, and again I refer to the proper part of the Senate Armed Services Committee hearings held in January and February of this year, made this statement:

The defense and use of the Panama Canal is wrapped inextricably with the overall global strategy of the United States and the security of the free world. I submit that, if the United States opts to turn over full responsibility for the maintenance and operation of such an important waterway to a very small, resource poor and unstable country as Panama and then withdraws all U.S. presence, a vacuum will be created which will quickly be filled by proxies or directly by the Soviet Union as is their practice at every opportunity.

Mr. President, that is very clear. That is very clear that Admiral Moorer is saying we have a presence down there, but if we get out from down there, then a vacuum is going to be created and filled by a proxy of the Soviet Union or the Soviet Union itself, then to go back and try to defend it, we have a confrontation that can bring on war.

As I said a few days ago here in speaking on this subject, is it better to have a few riots that we are able to control, or is it better to have a war?

Mr. President, I think it is very clear the situation that exists there.

I am just afraid too many of the Members of this Senate want to find some reason to go along with the President. Of course, we always can find a reason for doing most anything. But, in my judgment, it is going to be a great mistake for this country to turn this canal over to a small, weak country like Panama, and especially when they have as the head of the Government a dictator who is close to Castro, visits Castro, and has close relations with the Soviet Union.

Mr. President, I commend the able and distinguished Senator from Virginia for the outstanding address he has given here on the floor of the Senate today. I hope all Senators will read it.

Mr. HARRY F. BYRD, JR. I thank my friend from South Carolina (Mr. THURMOND).

I wish to make some brief comments in regard to the implementing legislation which was just received by the Senate today. I did not receive my copy until I had completed my speech.

I have been listening to the debates in the Senate, I guess this is the third week now, and during that time various Members of the Senate have deprecated the importance, downplayed the importance of the implementing legislation.

On September 29 of last year the senior legal adviser to the State Department told the Foreign Relations Committee that the implementing legislation is an essential component—an essential component—in implementing the treaties.

That same senior legal adviser, Mr. Herbert J. Hansell, told the Foreign Relations Committee on September 29, 1977:

We hope to have a complete draft available for submission to both Houses within several weeks. We have been at work on it for some period of time. Certainly well before the end of October we expect to have it to you.

That is from the senior legal adviser of the State Department.

But October came and went. November came and went. December came and went. January came and went. February came and went.

It was not until today, March 6, that this essential component of the treaties was submitted to the Senate of the United States.

As I mentioned earlier, some Members of the Senate have downplayed the value and importance of the implementing legislation.

I want to read what one member of the Foreign Relations Committee stated at that September hearing before the Foreign Relations Committee; the strongest statement as to the importance of having available the implementing legislation for simultaneous consideration with the treaties, and it was made by the distinguished Senator from New Jersey (Mr. CASE), the ranking Republican member of the Foreign Relations Committee and the Republican leader in the fight to ratify the treaties. Here is what Senator CASE said:

This implementing legislation is very much a part of the treaty proposal. It covers diplomatic matters. It covers property matters. It covers rights of individuals who are affected. Frankly, I do not see how we can really pass on this proposed treaty intelligently until we have everything before us. We must have it if we are going to make our decision and the country must have it if it is going to make its decision.

That is a powerful statement by the Senator from New Jersey (Mr. CASE), the ranking Republican member of the Foreign Relations Committee, a strong advocate of the treaties.

But the Senate has been debating this matter for 3 weeks without having this essential component available.

I think also significant is the testimony of Elmer Staats, the Comptroller General of the United States, a man charged by the Congress with the responsibility of factual information on costs of government.

The Comptroller General told the Armed Services Committee this:

The treaty implementing legislation is the key determinant of the financial viability of the proposed Panama Canal Commission.

So I cannot see how proponents of the treaty could deprecate the value, the importance, of having available this implementing legislation. As I say, it arrived in the Senate only this afternoon. I think it is going to take a great deal of time to digest it, to analyze it, to understand it. It appears to be 59 pages, incidentally.

Unless Senator CASE is totally wrong, and I do not think he is, I do not see how we can pass intelligently on the treaties without having all the essential information available.

I would think that those who really would want more than anyone else to have this information available would be those who plan to vote for the treaties. Those who plan to vote against the treaties do not necessarily need it, because it is already obvious to them that the treaties have defects over and above the implementing legislation.

Mr. President, I have just now had the opportunity to read the cover page sent by the legal adviser to the State Department, Mr. Herbert J. Hansell, and I want to read two paragraphs:

As most Senators are aware, some time ago I reported to the Senate Foreign Relations Committee on behalf of the executive branch that draft implementing legislation would be provided to Congress as soon as available; completion of the details of this legislative proposal has involved greater complexities, and consequently has

taken a longer time, than was then foreseen.

While the enclosed draft has the general concurrence of the executive departments primarily concerned with the Treaties, it is still under active consideration within the executive branch, and review by other agencies and clearance by the Office of Management and Budget are being sought. Changes in the draft may occur as the result of that process.

I point out to the Senate that still the Senate does not have available the completed draft of the implementing legislation which the State Department has declared to be an essential component of the treaties. Mr. Hansell says that the administration may want to make further changes.

Mr. HATCH. Mr. President, last Thursday, I believe it was March 2, I posed 37 questions to the proponents of these treaties; and I respectfully request that some proponent begin to answer those questions, if not the President of the United States.

I should like to add a few more questions to that list, and I would like to see answers to these questions as well. I do not believe some of them can be answered, but I would like to see as many answered as can be. I shall extend the number of questions to No. 44 today.

No. 38: Does there exist information or reports to indicate that Cuban or other foreign personnel are now in the Republic of Panama teaching military or nonmilitary students guerrilla warfare and terrorist tactics? In the presentation of such tactics, if they are being taught, is reference made directly or indirectly to the Panama Canal and Canal Zone? If personnel foreign to Panama are not teaching such tactics, are there Panamanian officials teaching these tactics with the advice of foreign nationals?

No. 39: Does there exist information or reports to indicate that General Torrijos or members of the Cabinet of the Panamanian Government have been saying in format or informal circumstances that nationalization of the Panama Canal is the ultimate objective of the Panamanian Government after a new treaty is signed?

I should like to add, any information directly or indirectly, secret information or otherwise. I would like to have an answer to that question.

No. 40: Does there exist information or reports that the Partido del Pueblo, which apparently operates openly in the Republic of Panama, is essentially a Communist organization controlled and directed by Communist leaders? Does there exist information or reports that General Torrijos and/or members or former members of the Panamanian Cabinet have made contributions to the Partido del Pueblo?

No. 41: Does there exist information or reports to indicate that Colonel Noriega, the G–2 in Panama, has travelled to Cuba secretively in order to meet with various Cuban officials? If such trips have taken place, is it known who Colonel Noriega has met with while in Cuba, and can we give all other information pertaining to his meetings there, with whom, what they consisted of, and the results thereof?

No. 42: Does there exist information or reports to indicate that U.S. citizens have been imprisoned on the island of Coiba by the Government of Panama? Is there information to indicate that U.S. citizens have been killed attempting to escape from that island prison?

No. 43: Does there exist information or reports that indicate planning contingencies within the Government or Panama for seizure, violent or nonviolent, of all or any parts of the Canal Zone or facilities within the Canal Zone? More specifically, is there any evidence at all to substantiate the rumor recently promulgated to the effect that some attempt at confrontation will be attempted by the Government of Panama in late 1976 in order to bring the canal issue to the attention of the United Nations?

No. 44: Does there exist information or reports to indicate that Cuban military troops have recently come into the Republic of Panama? If such an entry has occurred, what is the purpose of their entry into Panama? Does there exist information or reports to indicate that Angolan troops have recently come into the Republic of Panama?

These are questions I would like to see answered, in addition to the 37 that I asked the other day.

Mr. MATSUNAGA. Mr. President, will the Senator from Utah yield?

Mr. HATCH. I yield, without losing my right to the floor.

Mr. MATSUNAGA. I remind the Senator from Utah that on that Thursday, when the Senator offered the 37 questions, or posed the 37 questions, the Senator from Maryland (Mr. SARBANES) offered to respond to the questions. However, it is my understanding that the Senator from Utah preferred that the questions be inserted in the RECORD and that they be answered subsequently but not at that point.

Mr. HATCH. That is correct.

Mr. MATSUNAGA. I inform the Senator from Utah that the answers are being prepared at this time, and they be inserted in the RECORD.

Mr. HATCH. I thank the distinguished Senator from Hawaii (Mr. MATSUNAGA) for informing me of this. I presume, then, that these next seven questions, up through 44, which I have asked, likewise will be answered on the floor of the Senate.

Mr. MATSUNAGA. Yes, I am sure they will be.

Mr. HATCH. It is not my intention to limit these questions to Senator SARBANES. He may or may not know the answers to some of these questions. I would be happy to have any proponent, including Senator SARBANES but not limited to him, answer any of these questions. I think it would be very beneficial to the country and to the Senate.

Mr. MATSUNAGA. Mr. President, will the Senator yield further?

Mr. HATCH. I am delighted to yield.

Mr. MATSUNAGA. In response to one of the questions the Senator posed, whether there was an truth to the rumor that General Torrijos intends to have or already has Cuban troops in Panama, and whether or not there is any truth to the intention on the part of General Torrijos to turn over the operation of the canal to the Cubans or even to the Russians, I might say this: I did make a visit to Panama with the distinguished majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), last November. We spent 4 days there.

One of the questions we posed—as a matter of fact, it was a question I posed—to General Torrijos, in all seriousness, was this:

Is it true, General, that after the treaties are ratified and put into effect, you intend to invite the Cubans or the Russians, the Communists, to operate the canal?

His response—and I stated this earlier, during my presentation of my argument for ratification—was:

I do not want Panamanian waters infested by Communist sharks.

Then we pressed him further and, in all seriousness, he said:

If I were to leave or attempt to leave my country, my people, to communism, they would throw me out of the country, and if despite my leadership my people would embrace communism I would leave this country.

So I am firmly convinced without any doubt that General Torrijos is not a Communist, and on this matter we questioned hundreds of Americans, businessmen, and military alike in Panama. We questioned university students, Panamanians who had voted for and Panamanians who had voted against ratification of the treaty in the last plebiscite, and we could find not a single one—I repeat, not a single one—who would say that Torrijos was a Communist.

As a matter of fact, President Lakas, who, as you know, is Texas educated and well known for an anti-Communist attitude, went so far as to say when asked the question, "Is Torrijos a Communist?" said, "I would stake my life on it that Torrijos is not a Communist."

Mr. HATCH. He may be doing exactly that.

Mr. MATSUNAGA. So on the basis of statements made by those who know Torrijos and Torrijos himself, I can see no truth whatsoever in the rumor—and I say rumor because that is all it is—that Torrijos has any intention of inviting any Communist troops or has any Communist troops now stationed in Panama aiding him in nefarious plots.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. HATCH. If I could first make a couple points I will be happy to yield to the distinguished Senator from North Carolina.

I happen to have had a very similar experience in some ways, at least going down to Panama, but our conclusions and our experience in meeting with Panamanian nationals, labor leaders, Panamanian labor leaders, people on the street, American people down there, the Canal Zone Government officials, the military officials, going throughout the canal, flying over the complete Canal Zone, all of the military bases, and all of the other experiences we had last August, led us to conclude somewhat differently from the distinguished Senator from Hawaii.

The reason I ask these questions is because I believe the answers to them will be very beneficial to us.

I would also like to suggest with regard to the answers to any of the 44 questions I have posed that the proponents please list their sources to the extent they can, and tell us upon whom they have relied in answering these questions. I think that is only fair so that we just do not have yes-and-no answers.

Mr. MATSUNAGA. Mr. President, will the Senator yield on that point?

Mr. HATCH. If I might just finish my statement, I would be delighted to yield to my dear friend from Hawaii.

I would just like to cite something to my colleague. This was cited earlier by Senator GOLDWATER, but I think it is worthy of repeating at this time in the context of what the distinguished Senator from Hawaii has raised:

On January 29 the Mexican newspaper Diario Las Americas reported a statement by the Cuban Chancellor in Mexico City, Isidoro Malmierca, in which Mr. Malmierca "observed with sadness the presence of U.S. soldiers in Guantanamo and that eventually the North American army would intervene in the Panama Canal". The Cuban Chancellor also stated that Cuba has agreed to supply military aid to Panama, if Panama so desires.

Now, that is an interesting quote by the Cuban chancellor in Mexico City.

All I can say is this: When we were there, there were a number of people who listed up to 20 top Panamanian officials whom they described as Communists, if not anti-American subversives. I think we probably had as thorough, if not a more thorough, opportunity to look into many of the matters as the distinguished Senator from Hawaii.

Now, I think these are important concerns and important questions. I do not think they can be answered really off the top of anybody's head because I think they deserve much more than a cursory review of the questions.

I would hope we shall get detailed answers, and answers which list the sources to those answers so that we can make a proper evaluation of them.

I yield at this time to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, if the Senator has no objection I would like to seek the floor in my own right.

Mr. HATCH. I would be happy to relinquish the floor.

Mr. MATSUNAGA. Mr. President, will the Senator yield prior to yielding the floor?

Mr. HATCH. Yes.

Mr. HELMS. I have the floor and I will be glad to yield.

Mr. MATSUNAGA. I thank the Senator from North Carolina (Mr. HELMS) for yielding.

In response to the question raised by the Senator from Utah (Mr. HATCH), I would like to say that General Brown, the Chairman of the Joint Chiefs of Staff, himself stated there is no evidence of Cuban troops in Panama. In addition, of course, our intelligence community is monitoring the situation daily to make sure that none are introduced. By all evidence the present leadership of Panama would never permit Communists to take over.

The only ones, I might remind the Senator from Utah, who are opposed to the treaty in Panama, are the Communists themselves. Why are they opposed to the treaties? Because the ratification and the effectuation of the treaties would completely eliminate the one issue which the Communists have. Once the treaties are ratified the Communists would need to fold up their tents and steal away.

But if we fail to ratify the treaties here then we will give new life to the Communists in Panama, because then they will be able to spread the tale that the United States is a country large enough to dictate to the little nations what they ought to do, what they ought not to do, and because the 1903 treaty gives them complete control until eternity, they would not dare release control even though in the 1903 treaty itself it is clear that Panama retains sovereignty over the Panama Canal Zone and the canal.

And I would say that if we failed to ratify these treaties, then we would need to fear a takeover by the Communists in Panama.

I thank the Senator from South Carolina for yielding.

Mr. HELMS. If you would move me back to North Carolina, I would appreciate it. [Laughter.]

Mr. MATSUNAGA. I am sorry.

Mr. HELMS. I know the able Senator from Hawaii is aware of my affection and my respect for him, but in this matter I must confess that I am 180 degrees in disagreement with him.

Now, perhaps the Senator was beguiled by Mr. Torrijos, when a group of Senators favoring these treaties visited Panama—others may have been also—and it may be that Mr. Torrijos is indeed a charming man. That in itself is irrelevant. Somehow, as the Senator spoke, I thought back a decade or so when the American people were receiving assurances from opinion makers and politicians in the United States that another dictator, Fidel Castro, was not a Communist.

"Oh," they said, "it is rightwing extremism to suggest that Fidel Castro is a Communist." I remember the intonations of certain TV commentators. I remember at least two distinguished Senators who went down to Cuba, and when they came back, they used the most glowing of terms to praise what they called a splendid patriot—Mr. Castro; they repeatedly assured the American people Castro was not a Communist by any means.

And then Mr. Castro took over Cuba. The first thing he said was:

I have always been a Communist, I am now a Communist and I will always be a Communist.

And then, Mr. President, from that point on the liberties—indeed, the very lives—of countless thousands of Cubans were lost. If there is any doubt about that, maybe the Senators would like to converse with some of the Cuban people who have visited me.

Now as to those 1964 riots, which have been mentioned several times on this floor. The Armed Services Committee heard a series of distinguished witnesses, among them General Mabry, who was the first U.S. military officer on the scene when those riots began. I call the Senator's attention to the printed report of the Armed Service Committee; under the heading "Who Instigated the 1964 Riots" beginning on page 262 of the hearings, the following line of questioning occurred between General Mabry and the Senator from North Carolina. It went like this, Mr. President:

Senator HELMS. You mentioned your having been the first person in authority on the scene during the 1964 riots in Panama. Will you share such detail as you may think useful as to who promoted those riots, and who was involved, and so forth?

General MABRY. Sir, Communist elements in the Republic of Panama supported by Cuban elements that were in Panama.

Now this was the first American officer on the scene, Mr. President. General Mabry saw what was going on, and if the Senators will take the time to read his testimony and the subsequent interrogation of General Mabry, I think they may be enlightened somewhat as to the origin of those 1964 riots.

Now, let one thing be clear. Those riots began on the university campus in Panama and it is irrefutable that Communist agents were sent from Cuba to that campus to organize the students and train them in the most effective means of conducting a riot.

I would say one further thing about that university, Mr. President. The man who in the United States would be called the chancellor of that university—I think they call him the rector in Panama—but the head man at the university is a man who has refused to say whether he is or has been a Communist. He has flirted with Marxism throughout his career.

And it is interesting that the "rector" of that university at the time of those riots, Mr. President, was Escobar Bethancourt, who just happens today to be the chief adviser to Omar Torrijos and who was the chief Panamanian negotiator for these treaties.

Now, I do not know how to define a Communist. I do not know whether the Senator means a card-carrying Communist, or one who merely subscribes to Communist philosophy, or one who has Marxist philosophy, or what. I will not get into that. But I will say, Mr. President, that the same glowing recommendations that we are hearing today from Omar Torrijos were made a decade or more ago about a man named Fidel Castro.

Now, what kind of man is Omar Torrijos? Bear in mind that the proponents of these treaties advocate that we go into partnership with him. Let us not kid ourselves. The proposition here is not to give our canal in Panama to the Panamanian people. If these treaties are approved, we will be turning it over to a regime, the Torrijos regime. We are going into partnership with that regime and I trust that the proponents of the treaties will not disagree with that.

Now back to the hearings to which I referred just a moment ago: In questioning General Mabry, I asked him, "General Mabry, what kind of man is Omar Torrijos?" He gave a rather involved answer. He said:

Sir, my personal evaluation of him is as follows: He has thus far—or at least he had when I knew him personally—the backing of the campesinos, in other words, the rural farmers because he promised them a lot.

That sounds a little bit familiar. It sounds like U.S. politics, people running for the Senate and the House of Representatives.

Then General Mabry continued, with reference to General Torrijos:

Now he gave them something but he did not give them everything he promised.

And that sounds familiar, too, in terms of U.S. politics.

But I will get down a little further in his answer. Remember the question, Mr. President, was, "General Mabry, what kind of person is General Torrijos?" General Mabry responded:

He is impetuous. He had a cabinet meeting under a banyan tree in Panama when we were on this three-day trip. He hands out money to his cabinet members and makes commitments. In fact, it appeared to me he was running his government out of his hip pocket. I commented to him later and said, "General Torrijos, this is the first time I have ever seen a government operate from under a banyan tree."

Then General Mabry went on in his response to my question and he volunteered:

I am going too far, maybe, to answer your question, sir. I am convinced that he will promise you anything orally, but he will not—from my experience—live up to those oral promises, and you will have difficulty in getting him to sign them.

Mr. MATSUNAGA. Will the Senator yield?

Mr. HELMS. I will be glad to yield to my friend, of course.

Mr. MATSUNAGA. I thank the Senator from North Carolina (Mr. HELMS) for yielding.

Mr. HELMS. I thank you for moving me back to North Carolina, too. [Laughter.]

Mr. MATSUNAGA. It seems that the distinguished Senator is trying to associate General Torrijos with Cuba's dictator Castro and by such association implicate General Torrijos in some secret Communist takeover.

Mr. HELMS. If the Senator will allow me.

General Torrijos has associated himself with Fidel Castro, not the Senator from North Carolina. I do not have to. He has done it.

Mr. MATSUNAGA. Well, of course, the Senator is not finding anyone guilty by mere association. That is definitely not the case of the Senator from North Carolina, I take it.

Mr. HELMS. That is correct. General Torrijos has repeatedly made clear his relationship with Castro.

Mr. MATSUNAGA. Let me point out the difference between Cuba's Castro and Panama's Torrijos. For one thing, Torrijos is American educated. That is not so with Cuba's Castro. That, I think, should make a major difference. One's education would definitely shape one's philosophy.

As once indicated to the Senator, I called his attention to the fact that in December of 1959 General Torrijos attended the Junior War College at Fort Sherman in the Canal Zone.

Mr. HELMS. In the Canal Zone.

Mr. MATSUNAGA. Yes. In June 1962, he was a student in the counterinsurgency orientation course in the U.S. Army Caribbean School at Fort Gulick in the Canal Zone.

Mr. HELMS. In the Canal Zone.

Mr. MATSUNAGA. In July 1964, he was again a senior officer in the preventive maintenance course, conducted by the U.S. Army School of the Americas at Fort Gulick.

Mr. HELMS. In the Canal Zone.

Mr. MATSUNAGA. In the Canal Zone. In March to December 1966, General Torrijos was again a student of the Army Command and general staff course, School of the Americas, Fort Gulick, Canal Zone.

Mr. HELMS. In the Canal Zone. The able Senator acknowledges that the Canal Zone is part of the United States.

Mr. MATSUNAGA. In the Canal Zone. And by the very contention of the Senator from North Carolina the Canal Zone is American territory. So we definitely can say that General Torrijos was American educated. When this point was raised earlier, the Senator will recall that Senator GOLDWATER, who is opposed to the ratification of the treaties, said that he was sure that General Torrijos was not a Communist.

If the Senator will yield further, let me read from the hearing record on page 286 of the hearings held by the Committee on Foreign Relations on the treaties. This is what Ambassador Jorden in response to a question put to him by Senator CLARK said:

Ambassador JORDEN. In the first place, I have come to know General Torrijos very well over the last 3½ years. I have spent a lot of time with him traveling around the country and in the capital. I guess at this point I know him about as well as any American. I can assure you that he is not a Communist. He is a man deeply dedicated to his country and to the improvement of his people's conditions. He has insisted on great improvements in education, health care and particularly for those people in the countryside who in the past have never had much opportunity for an education or for much help.

Just a footnote, let me point out that as captain in the national guard he was rounding up a group of left-wing guerrillas and was shot by the Communists.

I am still quoting Ambassador Jorden:

It is very hard for me to believe that a man who has been shot by the Communists can become a convinced member of the organization. In any case, all one needs to do is to talk to the man at great length, see what he has done, see what the impulse is in his government to quickly recognize that he is not a Communist and does not approve of the Communist system.

I continue to quote Ambassador Jorden:

One of the things that is closest to his heart, for example, is the establishment in Panama of the largest banking center in the Western Hemisphere. Would bankers who are very astute observers be likely to establish banks there if they thought they were going to be Communists?

I cannot for the life of me see how, in the face of facts which have not been refuted, the Senator from North Carolina associates the tendency toward communism of General Torrijos with the experience of Cuba's catastrophe.

Mr. HELMS. I have all the faith in the world in my friend from Hawaii, but as he himself indicates, I have not said that General Torrijos is or was a Communist. As to General Torrijos' relationship with Fidel Castro, I have simply referred to information which is readily available. For example, that when General Torrijos flew home from Washington after his meeting with the President of the United States General Torrijos directed the pilot to fly over Cuba so that he could radio his affectionate felicitations to his dear friend, Fidel Castro.

The Senator from Hawaii will have to make his own assessment. That is his business. I would simply mention that a lot of people staked their reputations on Fidel Castro in the 1960's and late 1950's. And they were woefully wrong in their assurances that Castro was not a Communist.

I am simply saying, Mr. President, that we had better exercise extreme care in the matter of with whom the U.S. Government enters into the kind of partnership that these treaties stipulate.

Mr. President, the distinguished Senator from Hawaii said, if I recall correctly, that the Communists are against these treaties because these treaties give the Communists an issue for agitation. I must differ with the distinguished Senator. There is evidence that the Communists favor these treaties. That is no surprise to me.

The political bureau of the People's Party of Panama, in Panama, on September 7, 1977, issued this statement:

People of Panama,

The new Panamanian-U.S. treaty, signed by General Torrijos and President Carter at an OAS ceremony on September 7 in the presence of heads of state of the American continent, marks a further step in the talks between the two nations. However, this treaty has yet to be ratified by the U.S. Senate and by a plebiscite of the people of Panama. It is vital to win these two important battles in order to consummate yet another phase of the struggle against colonialism. In both the USA and Panama there is opposition to this treaty, although in our country the opposition is obviously a minority. The situation is different in the USA.

Then the Communist Party, the so-called People's Party of Panama, went on to clearly endorse these treaties.

I ask unanimous consent that the full text of the statement of the bureau of the People's Party of Panama be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HOW THE COMMUNISTS OF PANAMA VIEW THE CARTER-TORRIJOS TREATY

With our newsletter of January 1, 1978, we distributed a questionnaire which included the question, "Should the communist program of encirclement be considered when judging the Panama Canal Treaty?" The thousands who have answered the questionnaire have replied "yes" to this question almost unanimously.

The communist regard the treaty as a step towards the overthrow of the U.S.A. Their synonym for the U.S.A. is Imperialism.

MESSAGE OF THE PEOPLE'S PARTY OF PANAMA IN CONNECTION WITH THE CARTER-TORRIJOS TREATY

People of Panama,

The new Panamanian-U.S. treaty, signed by General Torrijos and President Carter at an OAS ceremony on September 7 in the presence of heads of state of the American continent, marks a further step in the talks between the two nations. However, this treaty has yet to be ratified by the U.S. Senate and by a plebiscite of the people of Panama. It is vital to win these two important battles in order to consummate yet another phase of the struggle against colonialism. In both the USA and Panama there is opposition to this treaty, although in our country the opposition is obviously a minority. The situation is different in the USA.

The Washington meeting of presidents is part of the two leaders' strategy relative to the treaty's ratification. On the part of General Torrijos it is a logical sequence of the policy of drawing the peoples and heads of state into the Panama issue. However, Carter is endeavoring to make capital out of this important meeting in Washington in a bid to lull vigilance and sow discord in the anti-imperialist movement. He is trying to portray the legitimate victory of the Panamanian people as his own victory and a triumph of imperialism. He has used this issue to win votes in his own country and thereby break the resistance encountered by him in the Senate, in other words, for purposes ranging beyond the framework of voting on this matter.

Moreover, the People's Party feels it is essential to remind the Panamanian people that in January 1964, when the USA launched its foul aggression against Panama, the OAS—that U.S. ministry for colonies—blocked the denunciation of this aggression by the Panamanian government and damaged its own prestige in the process. Now, in an effort to recoup that damage it arranged for the new treaty to be signed in its premises.

This meeting was held within the OAS framework on U.S. initiative in order to preclude the presence of a representative of the glorious Cuban revolution, people and government of Cuba, who have always supported the Panamanian cause. This found expression in the firm stand adopted by the Panamanian people's great friend Comrade Fidel Castro Ruz.

There are clear indications that imperialism and the reactionary, anti-popular regimes in Latin America are seeking to nullify our victory, blunt the anti-imperialist orientation of our struggle and prove that Yankee imperialism has now become "kind" to the peoples. In this context it must be emphasized that the exploitative and oppressive nature of imperialism has not changed. The United States has no intention of voluntarily yielding to the demands of the Latin American peoples and abandon its so-called vital interests, which boil down to oppressing our peoples.

If the U.S. President has had to sign a new treaty that constitutes a step toward Panama's liberation from colonialism, the reason for this is that the world is now living in a new epoch. Strategically, imperialism is on the defensive and can no longer, as was the case 75 years ago, impose its will. The socialist community led by the Soviet Union, the struggle of the peoples for national liberation and the struggle of the world working class today make up the determining and invincible anti-imperialist tide.

In the U.S. Senate there are elements, representing the most reactionary circles of imperialism, who doggedly refuse to recognize the international realities of our day. But there also are forces thinking in realistic terms and capable of seeing the benefits created by détente. We Panamanians are doing everything to make political realism predominant among the ruling circles in the USA, as was the case when peace was signed in Vietnam, so that the Senate would approve the new treaty and the House of Representatives would pass the relevant laws under which the new treaty would be embodied in concrete deeds. In any case, the People's Party draws attention to the fact that nobody should naively believe that imperialism has ceased being imperialism.

In this message we are making no attempt to analyze the new treaty in detail or to estimate its concrete results. We shall do this after we have studied it. In the previous communiqué we said the "achieved agreements do not entirely satisfy the aspiration of the Panamanian people . . . for complete and final national liberation," their aspiration that "the flag of imperialism should never again fly over our territory and that there should not be a single Yankee soldier in our country." However, in view of the fact that the treaty contains provisions calling for the abolition of the colonial enclave and restoring the canal to Panama, it is an important step forward.

We do not agree with those circles who feel this treaty settles all the problems in the relations between Yankee imperialism and Panama. But the treaty is a real achievement on the road to full liberation and decolonization.

Some people would like the view to be accepted that in the future there would be no problems with imperialism, that everything will be settled within the framework of a "common destiny," in a friendly way and harmoniously. From this it follows that Panama must end the struggle against the imperialist presence (monopolies, neocolonialism, cultural infiltration, and so forth) and smoke the pipe of peace with its exploiters. This implies that we must agree with the neo-colonialist forms which imperialism is fostering in its relations with Panama and which it is striving to develop and make more acceptable.

It must therefore be borne in mind that ahead of us there are the 23 long years needed for the abolition of the last colonial mainstay and that it is necessary to bear the banner of struggle against imperialism on high and strengthen unity among all of Panama's anti-imperialist forces in order to make sure that the new treaty is ratified and implemented. This is also necessary in order to continue advancing along the road to complete liberation, moving steadily from one level to another.

The People's Party urges strengthening the process of national liberation, improving the life of our people, consolidating the government headed by General Torrijos and deepening the anti-imperialist alliance. The canal zone must not be turned into the private property of the long-standing exploiters, for this would spell out a retreat. We are entirely in agreement with General Torrijos' view that the property passing to Panama must be "in the widest possible collective use," that under state and public ownership, the land, water space and facilities of the canal zone, alongside, the new forms of the economy that have appeared in Panama, must help to promote the Panamanian revolutionary process toward the attainment of complete national and social liberation, and that this process must be made irreversible. Hence, only a government of this kind enjoying solid popular, anti-oligarchic and anti-imperialist support and the backing and solidarity of all the peoples waging a worldwide struggle against imperialism, for peace and progress, can ensure the strict fulfillment of the new treaty's provisions on decolonization, use the new international conditions that favor carrying out the reforms, and make sure that the reactionary provisions which the new treaty still contains do not, as General Torrijos said at the signing of the treaty on September 7, "become an instrument for unceasing interference."

We, Panamanian communists, support the treaty signed by Torrijos and Carter inasmuch as it is a vehicle of our country's decolonization and point out the need for strengthening anti-imperialist national unity in order to advance toward complete liberation through the defeat of the imperialist oligarchy in all areas and consummate the structural transformations launched in preceding years.

We have taken a step forward. The struggle continues!

Political Bureau, People's Party of Panama, Panama, September 7, 1977.

The following proceedings occurred during Mr. HELMS' remarks and are printed at this point by unanimous consent:)

Mr. ROBERT C. BYRD. Mr. President, will the Senator from North Carolina yield?

Mr. HELMS. I yield to the Senator from West Virginia.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I am about to propound a unanimous consent agreement which has been discussed with several Senators and tentatively agreed to by them. They include the distinguished minority leader, the distinguished majority whip, the distinguished minority whip the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from Maryland (Mr. SARBANES), the distinguished Senator from Alabama (Mr. ALLEN), the distinguished Senator from New Jersey (Mr. CASE), the distinguished Senator from Idaho (Mr. CHURCH), and the distinguished Senator from Michigan (Mr. GRIFFIN).

The agreement would be as follows:

Mr. President, I ask unanimous consent that with relation to the pending business before the Senate, Executive N of the 95th Congress, 1st session, the so-called Neutrality Treaty, that when the Senate completes consideration of the treaty as in committee of the whole, amendments made as in committee of the whole shall be considered as having been concurred in by the Senate and no further amendments to the treaty, or motions with respect thereto, or debate, will be in order; provided further, Mr. President, that the Senate proceed to the resolution of ratification on the Neutrality Treaty no later than 4 p.m. on Tuesday, March 14, 1978; and that the vote on the resolution of ratification of the Neutrality Treaty occur no later than 4 p.m. Thursday, March 16, 1978; ordered further, Mr. President, that if the Senate delays consideration of the treaty to consider emergency legislation, the time consumed on such emergency legislation be added to the time for consideration of the treaty and that the time specified above be adjusted accordingly.

Mr. BAKER. Mr. President, reserving the right to object, I would say to the majority leader that I think this is a good agreement and accurately reflects the conversation that was conducted in his office just a short time ago. I am very pleased indeed that we are reaching the place where it is possible to propound a

request that would give us a time certain to dispose of the first treaty on the Executive Calendar, the Neutrality Treaty.

If this unanimous consent is granted, I would like to ask the majority leader if it would be possible to give us some idea about times for meeting and recessing or adjourning of the Senate between now and, say, March 16.

Mr. ROBERT C. BYRD. Mr. President, I respond by saying yes. As I look at the schedule from the vantagepoint of this hour, I would say that we ought to be able to begin at 12 o'clock daily with the exception of Fridays. Friday I would like to come in at, say, 10 o'clock. But on other days, come in at noon so as to give committees ample time to meet on other matters which have been backing up and go until, say, circa 7 o'clock; 6:30, or 7:30—somewhere in that neighborhood—in the evenings; with the exception of Fridays, on which we ought to come in, I would say, at 10 o'clock in the morning and stay until around 5 o'clock in the afternoon.

Mr. ALLEN. Reserving the right to object, and I shall not object, what is presently anticipated in the conference looking toward a unanimous-consent agreement that would set a definite time for action on the Neutrality Treaty?

As I understand the agreement, Mr. President, this does not set any time limit on the Panama Canal Treaty.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. ALLEN. But it is the intention of the leadership after the action on the Neutrality Treaty, provided the Senate gives its advice and consent to the treaty. to proceed immediately to the Panama Canal Treaty.

Mr. ROBERT C. BYRD. The Senator is correct, barring any emergency legislation that might have to be taken up.

Mr. ALLEN. I understand. And if the Neutrality Treaty does not receive a two-thirds approving vote, would it be the intention of the leadership to withdraw the Panama Canal Treaty?

Mr. ROBERT C. BYRD. Mr. President, I respectfully wish to decline to respond to any questions as to what happens if.

Mr. ALLEN. I see.

Mr. ROBERT C. BYRD. I know the Senator will not think me to be impertinent, because his question is a pertinent question, but I just do not want to be put in the position of answering that kind of hypothetical question at this point.

Mr. ALLEN. Well, it is hardly hypothetical. Could it not be answered? Should we not know whether the leadership would proceed with the Panama Canal Treaty if the Neutrality Treaty is defeated?

Mr. ROBERT C. BYRD. I should not want to respond to that question right at this moment, if my friend will bear with me.

Mr. ALLEN. I assume, then, that the distinguished majority leader would not object to a hypothetical question assuming the approval of the treaties, would he? Would he have any objection to a hypothetical question on another assumption?

Mr. ROBERT C. BYRD. That is a hypothetical question I thought I had answered quite a long time ago.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. That we intend to go from one treaty right into the next one.

Mr. ALLEN. Unless the first treaty is defeated.

Mr. ROBERT C. BYRD. If it is defeated, we shall have to reach a judgment right at that time. I should rather not go beyond that.

Mr. ALLEN. Well, it is the intention of the leadership to move to the Panama Canal Treaty in the event the first treaty is agreed to?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. And it is the intention of the leadership to stay on that treaty until action is taken thereon, and that there will be no shift to other legislation—other than emergency legislation—is that correct?

Mr. ROBERT C. BYRD. That is correct, with one exception. I do not think this would come about, but it would be in the instance of legislation that was in the nature of emergency legislation. For example, I do not anticipate debate on the treaties lasting as far as May 15, but if, indeed, we reached a deadline of that kind, when we are bound by law to act on, say, the first budget resolution—something of that nature would force us to move away from the treaties temporarily. But I do not foresee that.

Mr. ALLEN. I would not anticipate that consideration of the Panama Canal Treaty would extend beyond April. It would certainly not be the intention of the Senator from Alabama to go beyond that.

Mr. ROBERT C. BYRD. I merely cited that as an example that there would possibly be some law that would expire, that I do not know about at the moment, which we would have to deal with quickly. Barring that, and I do not know of such legislation, it would be the intention——

Mr. ALLEN. The Senate majority leader does not plan having a so-called two-track system?

Mr. ROBERT C. BYRD. No, indeed. The only way we would go to legislation that might not be classified as of an emergency nature would be in the event we had such a thing as we did with the nomination of Mr. Miller, where we had unanimous consent to proceed for 1 hour to take up the nomination.

Mr. ALLEN. I think this is an agreement that I can agree to with full conscience and with the feeling that we are bringing the matter before the public. I think a pledge was made at the outset that there was no intention to filibuster the treaties. I feel that this agreement is in line with that.

At the same time, I do know, however, that we will have been on the Neutrality Treaty for, possibly, almost a month. Is that correct?

I do recall my assessment some weeks ago that, had we reversed the order of these treaties, we might have concluded action on the Neutrality Treaty at a much earlier date than we are now seeming to agree on as to time.

I do feel that this is a fair agreement, and I commend the joint leadership for the opportunities that have been given to those of us who have offered amendments. We are having ample time to bring before the Senate every constructive amendment that we might care to offer to the Neutrality Treaty.

At the same time, no agreement is being made as to the Panama Canal Treaty. But I am hopeful that an early vote can be had on that in the month of April.

I do not foresee any action on that treaty. I gather that the distinguished majority leader does not anticipate action on the Panama Canal Treaty until after the recess.

Mr. ROBERT C. BYRD. I would have to agree with the Senator in that respect. It certainly appears that way at this time.

Mr. ALLEN. Further reserving the right to object, I would like to say that the quid pro quo that has been discussed in the matter of hours and possible days that might be devoted to consideration of the treaty has nothing to do with the decision of the Senator from Alabama that this agreement is in the public interest, because I looked forward, frankly, to further days of consideration of the treaties. The cutting off of the recess is something that I thought was a constructive intention on the part of the majority leader. Coming in for longer hours, I think, was also constructive.

I do approve and endorse the unanimous-consent agreement that has been requested.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, I would like to take this opportunity to thank the distinguished Senator from Alabama for his expression of support for this unanimous-consent agreement. I, too, think it is a good agreement and an aid to progress in this debate.

I especially pay tribute to the distinguished Senator from Alaska (Mr. STEVENS), who first brought the possibility of this agreement to my attention today; and to the distinguished Senator from Nevada, who was present and helped with the negotiations. I think it is especially helpful that the opponents of this treaty have been so cooperative in this case and throughout this debate. Indeed, for an emotional issue, one that has created such division in the country, I think the Senate owes a special debt of gratitude to those who have been in opposition for having conducted themselves so responsibly.

The distinguished Senator from Michigan has expressed, on more than one occasion, his desire to see this matter disposed of in a timely way.

So I wish to take this opportunity to express my thanks to all of them, and many others, for making it possible to propound this agreement, to, indeed, have suggested it in the first instance today, and to see us make this progress at this moment.

Mr. President, I might say also to my friend from Alabama that my inquiry of the majority leader, with respect to the regulatory working hours of the Senate, had nothing to do with this agreement. It has, rather, to do with the inherent

responsibility I have as minority leader to try to advise Senators on this side of the aisle.

Mr. ALLEN. I understand.

Mr. BAKER. What their times for work may be, and there is no quid pro quo. It is just a question of trying to make sure on every occasion and to the extent I can do so what our time arrangements are going to be so that they can order their public life and their private life on some sort of a reasonable basis.

Mr. President, I am happy to join the majority leader in support of this.

Mr. ALLEN. Reserving the right to further object, Mr. President.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I want to state to the joint leadership, I am hopeful we can save at least 2 days in this time limit because I believe we can offer now and know there will be a final vote not later than next Thursday. I am hopeful we can cut at least 2 days off that time so we can spend time on the Panama Canal Treaty, which is more susceptible of amendment.

I thank the distinguished majority leader.

The PRESIDING OFFICER. The Senator from West Virginia.

Is there objection to the request?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, let me thank all Senators who participated in the deliberations that led up to this agreement.

I think I should state also, it is hoped that within the next few days an agreement can be reached—and I wonder if the distinguished minority leader would agree with me when I say that it is hoped, and we did discuss the possibility—Mr. President, may be have order in the Senate?

The PRESIDING OFFICER. May we have order in the Senate?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, we discussed the possibility of an agreement on the Panama Canal Treaty during our conversations in my office and at this time it was not possible to reach an agreement on that treaty because the Senators had no knowledge of what amendments or the number of amendments that might be called up to that treaty.

But it is a possibility that an agreement can be reached on that treaty. At least, we can hope for that within the next few days, and the joint leadership will certainly be contacting Senators in the effort to explore the reaching of an agreement on the Panama Canal Treaty which would at least give everyone an idea as to a final date for a vote on the ratification of that treaty.

We have not reached that point yet, but we are going to explore it.

Mr. BAKER. Mr. President, if the majority leader would yield to me, I must say that I have suggested in the course of that conference in his office that we might couple the two agreements together, that is, the time certain to vote on the Neutrality Treaty, as well as a time certain to vote on the canal treaty.

Concern was expressed by certain opponents of the treaties that were they to do that at this point, without some canvass or inventory of the amendments that are or might be offered to the canal treaty, that a date was uncertain as to the adequacy of it.

I think that is a sound possibility. But I would hope opponents of the canal treaty in this case would set about trying to canvass or inventory the amendments that are likely to be offered to the canal treaty and give us a chance, say early next week, to meet again and discuss the possibility of a similar time agreement on the canal treaty, as well.

Mr. ROBERT C. BYRD. Yes.

I say that, Mr. President, for the purpose, or at least one purpose being that the leadership may at the earliest possible moment be able to determine whether or not the Easter nonlegislative period is going to be cut short.

So I think it would be in the interest of both proponents and opponents if an agreement could be reached that would nail down a final termination date for action on the Panama Canal Treaty, so that we could all do our best to program the days ahead.

Now, Mr. President, there is one bit of language in this agreement that I want to make sure is clear. It is the language which I stated as follows: The time consumed on the emergency legislation will be added to the time for consideration of the treaty and the time specified above will be adjusted accordingly.

I am sure everyone understands that to mean that any time that may be consumed on any emergency legislation that might be taken up, if need be, before the expiration of the actions on the Neutrality Treaty, would not be charged against the time as specified in the agreement, or to be consumed in the Committee of the Whole and on the resolution of ratification.

I would not want it to be understood if we spent 40 hours on emergency legislation, that 40 hours would be added to the time for consideration of the treaty.

We all understand that to mean that time simply would not be charged against the time that is envisioned in this agreement.

Mr. ALLEN. I do not understand it that way, I will say to the distinguished majority leader, because time certain, they are not hours of consideration, but there is a time certain for vote. So, obviously, this must mean that instead of voting at 4 o'clock on Thursday, that if we have 2 days of work on emergency legislation, that would move it forward for the 48 hours, otherwise it is meaningless.

Mr. ROBERT C. BYRD. I did not say that. I do not think I meant that. I did not mean to imply that. But the situation on the emergency legislation point, I consider it would not mean we would add 6 weeks additional time for consideration of the treaty. It would simply mean we would not have the time we are on the emergency legislation against this agreement.

Mr. ALLEN. Oh, no. I understand that.

Mr. ROBERT C. BYRD. If we had 48 hours remaining, let us say that at 4 o'clock on Tuesday, March 14, we went out of the Committee of the Whole, but immediately had to go on emergency legislation and stayed on that emergency legislation for 10 days, the agreement means, as I understand it, once we go back on the treaty, once we went back on the resolution of ratification, we would have 2 full days. In other words, 48 hours left on that.

Mr. ALLEN. Yes.

In other words, we would be guaranteed the number of hours contained in this time.

Mr. ROBERT C. BYRD. Exactly.

Mr. ALLEN. Yes. That is very good.

I have no objection to that.

Mr. ROBERT C. BYRD. I think we are in agreement as to the understanding, Mr. President.

I thank all Senators.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I will take but just a moment. I previously acknowledged the excellent cooperation of so many Senators in trying to move this matter along. I should have mentioned the distinguished Senator from North Carolina (Mr. HELMS), who has not only contributed so much in terms of meaningful and significant debate, but has also sharpened our perception of issues here by a careful analysis of details, of circumstances, that, frankly, in some cases, some of us were not aware of.

He has provided a quality of consideration and debate to this matter that we would not have had without his careful and persistent analysis of the issues. So I am especially grateful to him, because of the intensity of his feelings on this issue and the carefulness of his debate. I am thankful to him for agreeing to this time certain for disposing of the first treaty.

There are many others—the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Kansas (Mr. DOLE), and others who have concurred in this, and I pay my respects to them as well. But in the case of the Senator from North Carolina, I know it is a matter of great concern to him, and therefore possibly a greater gesture on his part than almost anyone else in the Senate, to agree to this time certain, and I thank him for it.

Mr. HELMS. Mr. President, the minority leader, the Senator from Tennessee, is always gracious, particularly so on this occasion, and I appreciate it.

Mr. President, quite often during the course of these debates, members of the Senate have often resorted to quotations from eminent historians and other commentators to buttress their arguments either for the treaties or against them. I have heard quotations from everything from Holy Writ to the most ephemeral effusions in the daily papers, and insofar as these insights help us to understand what is at stake for our country in ratifying these treaties, I have surely no objection to such allusions.

But, Mr. President, I think too often we tend to overlook the fact that the building of the Panama Canal is not an episode of ancient history. We do not

need to depend for all of our information on reference libraries and scholarly tomes. The fact is that our Nation's achievement in the Canal Zone occurred within the memory of men now living, men who themlselves had a hand in its creation, and whose first hand testimony of what went on during that epochal period is worth far more than all the speculation and second guessing that we get from present day critics and commentators.

My State of North Carolina, Mr. President, happens to be the home of many people who have made outstanding contributions to the creation and the maintenance over the years of the Panama Canal. One of the most remarkable of these individuals is Mr. J. C. Luitweiler of Tryon, N.C., a gentleman now 88 years of age who served as Secretary of the Joint Land Commission set up by the United States and Panama to evaluate the cost of property expropriated for the creation of the zone. On a previous occasion I have shared with my colleagues Mr. Luitweiler's account of the scrupulous care that was employed to see that the claims of individual land owners in Panama were duly and properly remunerated.

Of course, those deeds are on record, and they are an absolute refutation of the suggestion by some, including the President of the United States, that we do not own and never have owned the Panama Canal.

Today I should like to submit to my colleagues Mr. Luitweiler's account of another American triumph, indeed, of an achievement that made the canal possible and that still goes on today. That is the elimination of the unimaginable incidence of disease in the Isthmus of Panama, an achievement of the brilliant and courageous doctors, William Crawford Gorgas and Walter Reed, who surely have earned their place as benefactors not only of Panama, but of the human race.

Mr. President, I do not wish to anticipate Mr. Luitweiler's eloquent and moving memoir. I will simply submit it to the attention of my fellow Senators and urge them, when they are weighing in the minds what some would have us believe is the evidence of reprehensible dealings with Panama, to consider the lasting advantages to Panama and to the world which have accrued from the genius, determination, and self-sacrifice of men like Dr. Gorgas and Dr. Reed.

Mr. President, I ask unanimous consent that the essay of Dr. Luitweiler, entitled "The Panama Canal," be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

THE PANAMA CANAL

WHO BUILT IT?

(By J. C. Luitweiler)

Current school books probably tell the readers it was George W. Goethals. But he came to the Canal only in 1908 when Americans had already been at work for four years. He succeeded a civil engineer, John F. Stevens, who had laid out the plan of the Canal in greatest detail. Col. Goethals admitted he only carried out Stevens' plans.

In 1904 Dr. William Crawford Gorgas, an army doctor, had been sent down by President Theodore Roosevelt to make the Canal Zone a fit place for Americans to live and work.

But read on and decide for yourself who should have the chief credit for our Canal.

Americans tackled the job against the back-drop of the French's tragic failure. De Lesseps, the builder of the Suez Canal, first visited Panama in 1881. He met a French resident who tried to dissuade him. Said he: "There will not be enough trees on the Isthmus to make crosses for the graves of your laborers."

The Isthmus of Panama has earned the reputation as one of the world's worst pest holes, dating back hundreds of years. The Spanish Conquisidores who crossed the Isthmus on their way south in search of Inca gold left more of their men dead from disease then from the arrows of hostile Indians.

Then when the Isthmus became a favorite route to get from Eastern America and Europe to California during the gold rush, in the middle of the last century, a railroad was built across the Isthmus that carries the ghoulish reputation of costing the life of a Chinese laborer for every tie that was laid for the railroad.

But De Lesseps persisted and in 1888 a written chronicle tells us funeral trains on the railroad were as much in evidence as freight trains, on their way to the burial ground at Monkey Hill, where there were 30 to 40 burials daily. He also tells of a French ship riding at anchor in Panama harbor, with not a single live sailor on board; all the crew had died of yellow fever.

We must digress a moment to learn how Teddy Roosevelt came into the Panama picture, since so much is being said of the story that Teddy "Took Panama" and so we should give the Canal back to Panama.

The Spanish-American War occurred in 1898 and Teddy came into the public eye by organizing his Rough Riders of Western cowboys, which Teddy chose Leonard Wood to head. Being a popular figure with Americans he was chosen as Vice-Presidential candidate with McKinley and when McKinley was assassinated in 1901, Teddy became President at 43 years of age, the youngest President up to that time. America having won the war took Cuba from Spain, and Teddy appointed Leonard Wood as Governor-General of Cuba. On General Wood's recommendation, Dr. William Crawford Gorgas was sent to Cuba to "clean up Havana", which had the reputation of the filthiest city in the Americas and a "pest hole" because it harbored Yellow Fever. For their sanitation the Cubans relied on flocks of Zobilotes (buzzards) to rid their streets of carrion.

Dr. Gorgas was immune to yellow fever, having had a severe case at an army post in America, from which he had almost died. Dr. Gorgas held the common belief that yellow fever was a "filth disease". So to make Havana a healthy city all one had to do was to make it a clean city. When he reached Havana he was amazed to discover that there were very few cases of yellow fever or malaria in the squalid parts of the city. They occurred most frequently in the better parts where Americans lived. So Gorgas set to work to make Havana as clean as a New England city. Not a single building was overlooked: bakeries, butcher shops, hotels, grocery stores and cafes were cleaned up in the most approved fashion.

But with the return of some 25,000 immigrants from Spain who flocked back after the war was over, an epidemic of yellow fever ensued which was the worst Havana had ever experienced. Under Gorgas cleansing, Havana became the most spotless city in the Caribbean, but was still the worst pest hole. Leonard Wood and Gorgas were in constant touch. Their conclusion was "more sanitation and more scrubbing." They became appalled when deaths began occurring among the most prominent citizens and Americans. Wood going off on a fortnight's vacation gave Gorgas instruction: "Spend as much as $50,000 and increase your cleansing and fumigation."

Dr. Gorgas career might have ended ignominiously there in Cuba had a commission, headed by Dr. Walter Reed, not been sent down to Havana to try to solve the cause of yellow fever, which they did, but at the cost of the lives of some of their own experimenters. They found the cause of yellow fever was the bit of a stegomyia mosquito, which transmitted the disease by biting one ill of the fever and then biting a well person. But they found it was much more than that, for the mosquito to be virulent had to bite the sick patient at a particular stage in his disease.

Gorgas quickly adopted Reed's theory and abandoned his own theory of filth as the cause of yellow fever and he soon eradicated yellow fever in Havana. In his own later writings he gave Dr. Reed full credit, saying he had simply adopted Reed's thesis of how yellow fever should be dealt with and applied his principles.

Meanwhile Roosevelt was toying with the idea of building a canal across the Isthmus of Panama. We won't go into the political moves that were made, but with the new government of Panama set up and the treaty of 1903 signed giving the United States the right to build the canal and to have sovereignty over a strip of land five miles on either side of the canal, the stage was set. But Roosevelt was mindful of the Havana experience, and acting on the experience of Leonoard Wood, Gorgas was selected to go to Panama and make the Canal Zone a fit place for Americans to work and live. Before going to Panama, however, Gorgas paid a visit to Paris and studied the record of De Lesseps failure and his unavailing struggle against disease. This record showed that disease, mainly yellow fever, killed 20 of each of his 80 employees.

On his first visit to Panama, Gorgas was aghast at the scope of his task—500 square miles of miasmic jungle! That American genius could construct the canal was not questioned. But if it had the chance to do so depended upon Gorgas and his little band of eager sanitarians he took with him. He spent the next ten years of his life in that work against all sorts of obstacles from higher ups, such as an order from Washington: "Don't cable for supplies; write letters, they're cheaper!" The most stunning blow came when the Secretary of War Taft visited the Zone and Gorgas was assigned to show him around. Taft was a genial man and their association on the Zone was entirely friendly. Among other things, Taft was looking over the sanitation work. He came convinced there was nothing to the 'Mosquito theory.' He held the old theory that it was filth that caused disease. And when he reurned to Washington he reported that Gorgas wasn't cleaning up things. So Gorgas had failed in his sanitation job. So he indorsed the recommendation of the Canal Commission that Gorgas should be replaced. The suggestion to replace Gorgas was an osteopath and this recommendation went to President Roosevelt. None of the Commission accepted the theory that mosquitos were the cause of disease. The Chairman of the Commission, Mr. Shonts, had been a railroad builder and railroad manager in the West. At that time the yellow fever epidemic had not been wholly stamped out. When Mr. Stevens, the chief engineer on the Zone, learned of this his comment was:

"Why do you want to make a change? Gorgas is getting results. What does your

friend (the osteopath) know about sanitation?"

Replied Shonts: "He has been in the South and seen yellow fever."

Roosevelt was a man who made up his own mind, so, before accepting Taft's recommendation to fire Gorgas, he consulted Dr. Alexander Lambert, a close friend who had been his hunting companion for years. It was on a bear hunt in the rockies in 1905 that Dr. Lambert had attempted to persuade Roosevelt to make Gorgas a member of the Panama Canal Commission in the light of his success in Havana. So Roosevelt sent for Dr. Lambert. He told him:

"I'm told Gorgas spends all his time oiling pools trying to kill mosquitos. Commissioner Shonts claims he isn't cleaning up Panama and Colon. They smell as bad as ever and recommends Gorgas be fired. The Secretary of War (Taft), just back from an inspection tour of the Isthmus, acquiesces in the recommendation."

Dr. Lambert: "Removing smells and ordinary sanitation doesn't destroy mosquitoes. Neither have anything to do with yellow fever and malaria. We must eradicate those insects to stamp out those two diseases. The Canal can't be built until this is done," adding, "Upon what you decide depends on whether you're going to get your Canal. If you will back up Gorgas and let him carry on his campaign against mosquitoes you will get your Canal."

Looking squarely at Dr. Lambert, Roosevelt in his usual manner of making quick decisions, replied: "I never appreciated before how essential it was to make war on the mosquito. I'll back Gorgas and see it through." Roosevelt ended up by firing Shonts and the entire Panama Canal Commission. From then Teddy gave Gorgas his full support and Teddy and Gorgas became close friends. When in 1906 Roosevelt visited the Zone, he went directly to the Ancon Hospital where Gorgas had his headquarters, toured the hospital and expressed himself as entirely satisfied with conditions.

But Gorgas' troubles were far from over. In 1908, Col. Goethals was appointed Chief Engineer in replacement of Stevens and a corps of army engineers were named on Goethal's recommendation. It was a very happy move, for it meant continuity of service. Army men can't just quit in a huff. Goethals was also made a member of the Commission. Goethals was an excellent administrator and at the time had 40,000 employees to boss. Goethals was an autocrat and wouldn't stand for any one to have equal authority with him. And of course that was Gorgas status, as his authority stemmed directly from Roosevelt. So there was constant friction between Goethals and Gorgas. Goethals tried to "put spokes in his wheel" and became a constant impediment to Gorgas' work. Goethals also became exceedingly jealous of Gorgas, for when important visitors came to the Canal they asked to see Gorgas because of his noteworthy achievement in triumphing over disease. His chief criticism of Gorgas was his "lavish" expenditure of money. Gorgas was spending $350,000 a year in his sanitation work, a mere trifle compared to the over all cost of the Canal. But Gorgas expenditures were called a "wild extravaganza." Their disagreement is epitomized in this colloquy:

GOETHALS. "Do you know, Gorgas, that every mosquito you kill costs the U.S. Government ten dollars!"

Gorgas mild answer: "But just think, one of those $10 mosquitoes might bite you and what a loss that would be to the country."

Gorgas never went over Goethal's head to President Roosevelt. He was content to carry on doggedly on his appointed task of fighting the mosquito.

Here I shall inject a personal note. I came to the Canal Zone in 1913–14 as Secretary of the Joint Land Commission set up by the United States and Panama to evaluate the cost of expropriated property growing out of building the Canal. There was an immediate clash between Goethals and this Commission, also over the expenditure of money. It was also a new element over which Goethals had no authority. All communications and orders of the Joint Land Commission were signed by me By Order of the Commission? I quickly became persona non grata to Goethals and was the recipient of tart notes from Goethals. Gorgas and I had become friends and on one of my calls at his home I unburdened myself. Gorgas just gave a good, hearty laugh: "Well Luitweiler, you and I are in the same boat. You will have to do as I do—Grin and bear it." We were both Holland-Dutchman by blood, which seemed to bring us together. He also told me of his trials and tribulations. He also gave me some good advice:

"Luitweiler, you came down here as a healthy young man. See that you stay that way. This is a murderous climate for Northerners. But if you will stay in your screened barracks after dark you'll avoid malaria. The anopheles mosquito, the bearer of malaria, flies only after dark. So get your exercise between 5 o'clock when you quit work and sundown. Sweating in the tropics helps keep you well."

I took his advice, in part. I hired me a horse and took my girl friend, an Ancon Hospital nurse, out for evening rides, for a swim at the beach, a picnic dinner and a ride back to the Hospital. That was all right so long as it was pouring rain, as it did most of the time. The anopheles mosquito doesn't like rain any more than humans. But on one of those rides in the moonlight I must have been bitten by an infected mosquito and shortly thereafter came down with a raging case of malaria that kept me unconscious for almost a week lying on a bed of ice. I have good reason to respect malaria, for once I was invalided home shortly thereafter I couldn't swim the length of the U. of P. pool, where I had been a member of the swimming squad when I left for Panama. My weakness endured for several years.

Gorgas had also told me: "I had yellow fever and got over it, so ever since I have been immune. But I consider malaria is more to be shunned, for it can stay with one for life and leave one enervated. The difficulty of controlling it in Panama is that the native people nearly all have had it and become conditioned to it. To them is like the common cold to Americans, who have the sniffles but go about their work as usual. So the Panamanians have a slight chill and fever, get over it quickly without even taking to their beds. But they are nevertheless carriers of the germ and transmit it to Americans if the anopheles mosquito bites them and then bites an American. The best I have been able to do is to reduce the incidence by getting Canal workers to keep in their screened barracks after dark.

CONCLUSION

Why dip so deeply into the past of more than 60 years ago?

Because it is our heritage that makes America what it is.

Because it's time to reawaken the present generation with the pride our people used to feel in the accomplishments of our country and its men who did so much to make our world a better place to live in. When the Canal was abuilding, our newspapers carried daily news of the progress and setbacks being made. How we thrilled when President Wilson pressed a button in Washington that opened the Canal in 1914 as a gift to the world to be used freely and without favor by the ships of all nations. The Panamanian people rejoiced along with us. The world acclaimed it as the Eighth Wonder of the World. Too bad there aren't many living of the 40,000 Canal workers who participated in its building for they would feel the same pride as do members of the American Legion of having served their country. They were indeed soldiers of peace who risked their lives as surely as did the men who served their country on battle fields. Many of their fellow workers even laid down their lives, succumbing to yellow fever and malaria in the early days before Gorgas eradicated yellow fever and reduced the incidence of malaria. Any one who, like the writer, nearly lost his life from malaria in the Canal Zone late in 1914 cannot but feel ashamed that our present administration is campaigning throughout the length and breadth of the country to have us give away the Canal, asserting it has become worthless to us; or to say we are simply asking Panama to help us defend it! When before have we asked a small country like Panama to help us defend our own property?

When Castro, in Cuba, allowed the Russians to erect missile bases in Cuba threatening our mainland, President John Kennedy stood eye-ball to eye-ball with Khrushchev and threatened Russia with war unless they withdrew these missile bases from Cuba. He even brought marines through the Panama Canal to back up our threat.

I am hopeful that the Senate will defeat these new treaties not with a bare minority vote, but with a resounding majority, coupled with a resounding resolution telling the world we shall defend our Canal at all costs as our property.

I am also hopeful that the American people will elevate General Gorgas to the stature of Edison and Bell as one of the benefactors of mankind. For it was Gorgas who for, the first time, spent ten years of arduous service on the Canal Zone, demonstrating that the tropics can be made a fit place for humans to live and work. It has opened up great areas of the world in the tropics for humanity to expand. By his work in Panama Gorgas has given the world's population a hope that nations whose people are living in cramped areas and suffering direst poverty, can find places to settle and improve their lot. America should follow Gorgas' lead and help in such an effort. The new treaties don't offer such help. They will simply line the pockets of a self-serving dictator (Torrijos) who has committed acts that violate all of Mr. Carter's demands for respect for human rights. These treaties do not and will not benefit the people of Panama.

If we truly wish to do something in Panama that will benefit its people let Congress announce that once representative government is restored in Panama we will give serious consideration to building an addition to our Canal that will accommodate larger vessels, and to extend Gorgas sanitation measures to make available still larger areas of that fertile country for settlement by industrious people. Such an addition to the Canal might cost several billions of dollars, much of which would flow directly to the masses of the Panamanian population.

If at the same time we expand Gorgas sanitation methods to areas on both sides of the Canal Zone, we could make the Republic of Panama a show place for the rest of the world in the tropical belt to emulate.

I like to emphasize the positive. But I cannot pass over the negative aspects of our approval of these treaties. Within 6 months of our approval of these treaties the borders between the Canal Zone and the Republic of Panama will be obliterated and Torrijos and his henchmen will move in, as did Castro in Cuba, and confiscate millions of dollars of our American property. The highly trained technicians who have been operating the Canal so successfully for the good of the world will leave the Zone refusing to work under Torrijos bossism and in the unhealthy

conditions of a tropical jungle, to which the zone will soon revert to. Sooner or later the Canal Zone will fall into disuse and the rest of the world will look to the United States to restore it. Then we must resort to armed conflict with Panama to retake it.

Still worse—and no figment of the imagination—we may be confronted with the Russian-Castro-Torrijos Axis, already forming. That may bring us into confronting the Communist on-marching domination of the world. Once Russia has completed the capture of the other waterways of the world, including the sea routes around Africa, whence we get about half our oil now, the United States will be reduced to a second class nation.

To become aroused do Americans have to await eventualities by surrendering the Panama Canal to Torrijos as the first step of this ongoing movement?

U.N. "RIGHTS" TREATIES DENY AMERICANS' CONSTITUTIONAL RIGHTS

Mr. HELMS. Mr. President, the history of the United States has been, in no small part, the history of one nation's attempt to advance the cause of freedom and human rights. Following the end of World War II, we joined with other countries which participated in that conflict to establish the United Nations organization. One of its first acts was the adoption in 1948 of the Universal Declaration of Human Rights. This document remains today a unique expression of international cooperation to secure freedom, justice, and peace in the world. Following so closely the barbarism of World War II, the declaration was a reaffirmation that human rights should be protected by the rule of law.

The Universal Declaration of Human Rights, however, does not have the force of law. It is not a treaty, but a mere statement of principles. The United Nations then undertook to transform the principles of the declaration into treaty provisions which establish international legal obligations on the part of each ratifying State. Nearly 20 years later, the U.N. General Assembly unanimously adopted the two treaties drafted to implement the declaration: The International Covenant on Economic, Social, and Cultural Rights, and the International Covenant on Civil and Political Rights.

Yet the unanimous vote of the General Assembly in 1966 in adopting the two covenants tended to conceal the profound and vigorous divisions which so greatly prolonged the acceptance of these treaties. From the very first discussions in the attempt to codify the declaration, the Soviet Union strenuously objected to article 17 of the declaration being included in any implementing treaty. The issue was not a minor one. Article 17 reads:

Everyone has the right to own property alone as well as in association with others. No one shall be arbitrarily deprived of his property.

President Truman insisted that the Universal Declaration contain article 17 guaranteeing the individual's right to property, before the United States would support the declaration. It has been the consistent position of the United States since that time—of Presidents Truman, Eisenhower, Kennedy, Johnson, Nixon, and Ford—that before the United States, would become a party to any implementing treaty of the declaration, the treaty must recognize each person's right to property as a basic human right protected under international law.

On October 5, 1977, President Carter reversed this American position of nearly three decades by signing, on behalf of the United States, the International Covenants on Economic, Social and Cultural Rights and on Civil and Political Rights. On February 23 of this year, the President transmitted these covenants to the Senate for ratification. Because of the history of these covenants regarding article 17 of the declaration and personal property rights, their ratification by the Senate would for the first time legitimize the unlawful expropriation without compensation or arbitrary seizure of Americans' property overseas. Furthermore, ratification by the Senate would again for the first time have the United States formally acquiesce to the Socialist and Marxist governments' denial of basic individual economic rights. As presently written, these U.N. covenants require the United States to ignore basic constitutional rights of Americans as a matter of international law.

THE RIGHT TO PROPERTY AND THE FRAMERS OF THE CONSTITUTION

Mr. President, the authors of the Constitution realized that the existence of personal liberty depends upon a delicate balance of many individual freedoms. The freedoms articulated in the Bill of Rights come together in a unique way to establish a context in which personal liberty is possible. To erode or ignore one part of that liberty, they understood, was to seriously weaken the whole. They were not willing to maintain one right at the expense of another, and they strove to preserve a balance of freedoms as the foundation of liberty in an ordered society.

The Americans, Jefferson asserted in the Declaration of Independence, strove to preserve their inherited rights and freedoms as part of their English legal tradition.

The Founding Fathers of the new United States determined to preserve this heritage of liberty. Certainly the right to property was viewed as part of the tradition of freedom obtained from England. "The Commentaries on English Law" by William Blackstone, which sold nearly as many copies in the 13 colonies as in England itself, maintained that "so great is the regard of the law for private property, that it will not authorize the least violation of it." And John Locke's "Second Treatise of Government," the influence of which can be seen throughout the Declaration of Independence and Constitution, observed that the preservation of property is the reason why societies are formed and governments are created. Locke maintained that "the supreme power cannot take from any man any part of his property without his own consent."

The authors of the Constitution sought to protect the right to property from government intrusion. Section 9 of article I prohibits the seizure of property through the use of arbitrary tax laws and section 10 prohibits laws impairing the obligation of contracts. James Madison argued in the Federalist Papers that the denial of property rights through laws impairing the obligation of contracts is "contrary to the first principles of the social compact, and to every principle of sound legislation."

John Adams maintained that the right to property was not only a personal right, but a cornerstone of just government. Without the right to property, Adams believed the exercise of freedom was not possible in an ordered society. He wrote:

The moment the idea is admitted into society that property is not as sacred as the laws of God, and that there is not a force of law and public justice to protect it, anarchy and tyranny commence. Property must be secured or liberty cannot exist.

The Bill of Rights accords the right to property the same high standing as other rights of the person. The fourth amendment establishes the same protection against unlawful search and seizure of property as it does of the person. The right to trial by jury extends not only to criminal cases against the individual, but also to civil cases concerning property. The fifth amendment provides that no person shall "be deprived of life, liberty or property, without due process of law."

Wrote Madison:

Government is instituted to protect property of every sort, and this being the end of government, that alone is not a just government . . . where the property which a man has in his personal safety and personal liberty, is violated by arbitrary seizures.

The right to property was understood by the framers of the Constitution to encompass more than just real estate. It extend to the product of an individual's labor and industry. The newly instituted Supreme Court moved quickly to defend the inviolability of contracts and the right of individuals to private property under the Constitution. Along with Blackstone, Locke, and Madison, Justice Joseph Story understood that "one of the great objects of political society is the protection of property."

In a series of decisions beginning with the case of Fletcher against Peck, Chief Justice John Marshall and Justice Story used the contract clause to affirm a strong constitutional right to property. Later, Story was to explain the motivation of the Court in this endeavor:

The sacred rights of property are to be guarded at every point. I call them sacred, because, if they were unprotected, all other rights become worthless or visionary. What is liberty, if it does not draw after it the right to enjoy the fruits of our own industry? What is political liberty, if it imparts only perpetual poverty to us and all our prosperity? What is the privilege of a vote, if the majority of the hour may sweep away the earnings of our whole lives?"

THE RIGHT TO PROPERTY AMENDMENT

Mr. President, how is it that we are suddenly asked to abandon a right so central to the Constitution and Bill of Rights? Would we not hesitate to abandon its companion rights central to the existence of a free society? Rights such as freedom of speech, of the press, and of religion? Would we agree to ratify a treaty which specifically and purpose-

fully rejected a right of free speech or of religion or of a fair trial on the grounds that "our failure to become a party increasingly reflects upon our attainments"?

Mr. President, to ratify treaties which purport to advance human rights while in fact denying the basic human right of each individual to possess the product of his labor would be to ignore our own constitutional heritage. The United States must continue to lead the development of human rights under international law. Yet, we cannot do so if we fail to defend and promote those human rights so long a part of our own Constitution. To ratify these treaties in their present form would be such a denial of our Constitution and Bill of Rights.

Therefore, Mr. President, when the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights are presented for the advice and consent of the Senate to their ratification I intend to submit in the form of an amendment to the covenants, article 17 of the U.N. Universal Declaration of Human Rights which states as follows:

Everyone has the right to own property alone as well as in association with others. No one shall be arbitrarily deprived of his property.

I believe that only in this way can we contribute to the international legal protection of human rights consistent with our own Constitution. I urge my colleagues to support this proposal.

PROTECTING THE PANAMA CANAL IN A HOSTILE ENVIRONMENT

● Mr. CHURCH. Mr. President, much of the argument against the pending treaties has centered on the premise that they would make the Panama Canal less defensible.

But not nearly enough attention has been paid to the vulnerability of the canal if we found ourselves in a situation where Panama had become actively hostile to the United States.

In this regard, an excellent article appeared in the Salt Lake Tribune for March 15, written by Ray Brim of Salt Lake City.

Mr. Brim provides a timely analysis of what could happen if the United States faced a hostile political environment and were forced to actively defend the canal against attack.

In the course of his analysis, Mr. Brim makes the same point made by American military leaders. To quote the author:

It would not be possible to defend the canal if the government of Panama did not cooperate in countering guerrilla warfare.

This is a timely piece, and I ask unanimous consent that Mr. Brim's article be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMON CARRIER: PANAMA CANAL'S DISPENSABLE

(By Ray E. Brim)

I respect the comments presented in the Common Carrier (Feb. 12) regarding the Panama Canal. However, it is extremely important that another viewpoint be given.

This is even more critical since the debate on the ratification of the treaty is now taking place in the Senate.

To begin with, it is extremely interesting that little has been written regarding the use of modern weapons not only in the defense of the canal but also in the destruction of the canal.

Thousands of words have been written about the continuing need to base United States troops in the Canal Zone for defense, as we did during World War I and II. It appears that many people feel we can be faced with the same kind of warfare as we were then. This just isn't the case.

It is my thesis that the canal cannot be defended at any reasonable cost with or without the zone.

FOURTEEN MAJOR BASES

According to The Defense Monitor, published by the Center for Defense Information in Washington, D.C., the United States maintains some 14 major bases and facilities in the Canal Zone.

About 9,300 troops are stationed in the zone, 7000 of them United States Army. Major units include the 193rd Light Infantry Brigade, elements of the 7th Special Forces Group, and smaller Army, Navy and Air Force logistical and support units.

A good share of the facilities and United States manpower in the Zone are employed in duties which are not related to the defense of the canal. The zone, for instance, is a major training area for Latin American military forces.

The United States Army School of the Americas and the United States Air Force Inter-American Air Force Academy conduct a wide range of courses, including counter-insurgency training. The Jungle Operations Training Center is also located in the zone.

CANAL VULNERABLE

Even since its opening in 1914, the Panama Canal has been vulnerable to destruction or damage. In earlier years, there was danger from enemy naval forces; by World War II, sabotage was a major worry.

But today, the two most serious military threats are nuclear missile attacks and guerrilla raids. The Panama Canal cannot be defended from nuclear missile attack. For example, it would be extremely easy for one of the 82 Russian nuclear submarines, carrying ballistic missiles, to attack from either the Pacific or the Atlantic side of the canal with a tactical nuclear missile, no larger than the one we used against Japan during World War II, which would completely close down the canal.

With the proliferation of nuclear capability, the detonation of a small nuclear weapon aboard a ship going through the canal at the right time would also be a practical means of attack. Hence, modern weapons have made the Panama Canal area indefensible.

CURTAIL THREAT

Something can be done to curtail the guerrilla threat. The risk of Panamanian nationalists attack the canal for political objectives would be undercut when the source of the problem—the 1903 treaty—is terminated and the Panamanians are given a major stake in the continued successful operation of the waterway.

The protection of the canal from attacks by outside groups or small terrorist forces opposed to the Panamanian regime naturally will depend on how well the joint United States and Panamanian defense forces train and work together.

Attempting to counter the guerrilla threat by maintaining the old treaty and adding more troops is not a good answer. In 1976, the Pentagon estimated it would require a ground force of 100,000 men and sizable air and naval forces to protect the present Canal Zone against a serious guerrilla campaign.

EXCEED SUPPORT

But even with this massive force, the Pentagon report concluded that "the continuous operation of the canal could not be insured in that environment."

The cost of maintaining a force of this size would far exceed the monetary support outlined in the proposed agreement. And anyway, our history in countering guerrilla warfare has not been noted for success as reflected in the recent Vietnam effort.

In my judgment, it would not be feasible to defend the canal if the government of Panama did not cooperate in countering guerrilla warfare.

In the Oct. 14 Carter-Torrijos "Statement of Understanding," there is a provision for the transit of warships through the canal and, in the case of emergency, for United States ships to go to the head of the line.

The right of passage of United States warships in times of crisis is a natural concern to the United States. But with modern intelligence information provided by satellites, the monitoring of warship locations has been simplified and passage through the canal would equate to target practice for an enemy.

QUESTIONABLE JUDGMENT

We no longer enjoy military superiority over the seas, in the air or in space, and to funnel a fleet or even tankers through the canal would be questionable tactical judgment.

The provision in the Neutrality Treaty that provides for all nations during peace or war to transit the canal is nothing more than what was guaranteed in the old 1903 treaty.

Technically, the Imperial Japanese Navy had the right to use the Panama Canal during World War II. Although we had the military superiority during that time to preclude this from ever becoming an issue, we do not have that superiority now.

CONSTANT VIGIL

If the United States is prepared to pay the heavy political, economic and military cost of maintaining our current position in Panama, then we must accept the concept of occupation, comparable perhaps to the constant vigil necessarily maintained by Russia over her satellites.

In my judgment, this is not acceptable. Another objection cited against the current treaty under consideration is that it has some "loose language" but every treaty has "loose language" which often works for the benefit of both sides.●

Mr. HELMS. Mr. President, I would like to suggest the absence of a quorum, without losing my right to the floor. I am awaiting the return of the distinguished Senator from Utah.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, who has the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

ORDER FOR RECESS UNTIL 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW; AND RESUMPTION OF CONSIDERATION OF NEUTRALITY TREATY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the prayer Mr. MORGAN be recognized for not to exceed 15 minutes, after which Mr. BARTLETT be recognized for not to exceed 15 minutes; after which the Senate resume consideration of the Neutrality Treaty. I make this request as in legislative session, and I ask that the orders for the recognition of Senators on tomorrow be as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be, as in legislative session, a period for the transaction of routine morning business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SCOTT UPON RESUMPTION OF CONSIDERATION OF THE NEUTRALITY TREATY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate resumes its consideration of the Neutrality Treaty tomorrow Mr. SCOTT be recognized immediately.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPRESENTATION OF THE DISTRICT OF COLUMBIA IN THE CONGRESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 554 be read twice and placed on the Senate Calendar.

The PRESIDING OFFICER. Is there objection?

Mr. LAXALT. Mr. President, on behalf of the leadership——

The PRESIDING OFFICER. Objection is heard?

Mr. LAXALT. Objection is made.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 554 be read the first and second time.

The PRESIDING OFFICER. Is there objection?

Mr. LAXALT. I have an objection.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, as I understand it, the resolution, House Joint Resolution 554, will be considered as having been read once, is that correct?

The PRESIDING OFFICER. The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

H.J. Res. 554 proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress.

Mr. ROBERT C. BYRD. Mr. President, as I understand it, this resolution, by virtue of the fact that a request was made for its first and second reading, and a timely objection was made thereto, that the resolution, having been read once, and in view of the objection to its being read the second time, will not go to the committee but it will be called up for a second reading on the next legislative day subsequent to the current legislative day. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. It will receive a second reading on that second legislative day, and if objections are placed against any further consideration of that bill on that day, am I correct that it will go on the calendar?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank the distinguished Presiding Officer.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. SPARKMAN, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 9179.

The Presiding Officer (Mr. ANDERSON) laid before the Senate a message from the House of Representatives on H.R. 9179, an act to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second time and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senate proceeded to consider the bill.

Mr. SPARKMAN. On February 23, the House passed H.R. 9179, the Overseas Private Investment Corporations Amendments Act. Under normal procedure, a unanimous-consent request would have been agreed to that would have permitted the House to take up the Senate version of the bill, S. 1771, which passed the Senate on October 25, to strike all after the enacting clause, and insert in lieu thereof the provisions of H.R. 9179 as passed by the House. However, an objection by a Member in the House prevented this procedure. On several occasions since then renewed attempts have been made to obtain unanimous consent but each time there has been an objection.

Unless the Senate acts the House must seek a rule from the Rules Committee—a time-consuming procedure. OPIC's authority to issue new insurance and guaranties expired at the end of 1977. There is, therefore, some urgency in getting this bill to conference.

Because the House has been unable to clear this procedural roadblock, we shall ask unanimous consent that the Senate take action to initiate a conference with the House. This request has been cleared on both sides of the aisle.

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that all after the enacting clause of H.R. 9179 be stricken and that in lieu thereof the language of S. 1771, as amended, be inserted.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. And now, Mr. President, I ask unanimous consent that H.R. 9179, as amended, be read the third time and passed, and a motion to reconsider laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I move that the Senate insist upon its amendments and request a conference with the House and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. ANDERSON) appointed Mr. SPARKMAN, Mr. CHURCH, Mr. CLARK, Mr. BIDEN, Mr. CASE, Mr. JAVITS, and Mr. PERCY conferees on the part of the Senate.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following Calendar orders numbered 586 through 602.

Mr. BAKER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I will not object. I only rise to advise the majority leader that these items just identified by him are clear on these Calendar orders and we have no objection to their passage.

Mr. ROBERT C. BYRD. Mr. President, that being the case, I ask unanimous consent that the various resolutions be considered en bloc, with the amendments thereto agreed to en bloc, and that the record show them as considered individually.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

The resolution (S. Res. 384) authorizing additional expenditures by the Committee on Agriculture, Nutrition, and Forestry, for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned with the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $766,000, of which amount not to exceed $35,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–644), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 384 would authorize the Committee on Agriculture, Nutrition, and Forestry from March 1, 1978, through February 28, 1979, to expend not to exceed $766,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $35,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 144,[1] agreed to June 14, 1977, to expend not to exceed $330,300 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $15,000.

An explanation for the request is expressed in a joint letter addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Herman E. Talmadge, chairman, and Senator Bob Dole, ranking minority member, Committee on Agriculture, Nutrition, and Forestry, which letter (with accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C., February 2, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Please find enclosed 30 copies of Senate Resolution 384 and a supporting budget to provide additional expenditures for inquiries and investigations by the Committee on Agriculture, Nutrition, and Forestry for the period March 1, 1978 through February 28, 1979.

The Resolution, which was unanimously agreed to by the Committee on February 1, 1978 would provide $766,000.00 for these purposes. This budget represents the Committee's best estimate of the minimum funding required to carry out its heavy legislative responsibilities during the 12-month period covered.

The proposed budget represents an increased level of funding for this Committee over last year's budget. This results in large measure from the addition of five staff members from the Select Committee on Nutrition and Human Needs, which was phased out in accordance with Senate Resolution 4 on December 31, 1977.

The combined budgets for the two Committees last year was approximately $920,000.00. The requested budget included in this Resolution thereby represents a saving over last year's costs of approximately $154,000.00. In addition, with Committee costs increasing by 10 to 15 percent annually, this proposed budget, in essence, represents a saving of at least an additional $100,000.00 over what the budget costs would have been had this Committee and the Select Committee on Nutrition and Human Needs continued as separate operations.

The number of staff included in this Resolution is 23. Last year's Budget Resolution for the Committee on Agriculture, Nutrition, and Forestry for inquiries and investigations was 17. This Resolution continues those seventeen positions while also transferring five people to the Nutrition Subcommittee from the Select Committee on Nutrition and Human Needs and establishing the Committee's own Printer to meet its growing printing needs.

While the printing position is new, it would not result in a new outlay for the Government. It would represent transferring one person from the Government Printing Office rolls to our Committee. The reason for this shift is that our Committeee has greatly increased its volume of reports and prints, and it is desirable to have our own staff person working in this area. No other expansions are provided aside from these transfers.

The Committee spent more than a year conducting hearings, reviewing issues and holding conference committee sessions leading to the Food and Agriculture Act of 1977 which was signed by the President on September 29, 1977. This was the first farm bill passed in the initial year of a new Administration since the Agricultural Adjustment Act of 1933.

While the omnibus farm bill was our major focus in 1977, the Committee also passed, and the President signed, major legislation to amend the National School Lunch and Child Nutrition Acts and establish a major soil and water conservation program.

Our Committee has an extensive agenda before it in this session, with the immediate task of reviewing the entire agricultural situation in light of the severe cost-price squeeze facing farmers today and the demand that legislation be passed establishing parity for farm producers. Our Committee has already had Secretary of Agriculture Bergland testify before it, and further extensive hearings are planned to commence on February 23.

A Conference Committee will be meeting shortly to finalize the FIFRA legislation which was passed by both bodies last year. In addition, a farm credit bill which was reported out of subcommittee last year, will be considered shortly by our full Committee.

The Committee also will be carrying out detailed reviews of the Department of Agriculture's proposed 1979 budget and preparing its recommendations for the budget and appropriations committees. We have made this a major focus in recent years, not only from the standpoint of reviewing the budget but also conducting in-depth program reviews.

Other major legislation, which must be reported out of Committee by May 15, is the reauthorization of the Commodity Futures Trading Commission and the reauthorization of the Special Supplemental Feeding Program for Women, Infants and Children, and the Child Care program. We have already begun intensive work in both areas.

We have begun to review the crop insurance and disaster programs, and we expect to pass legislation to revise and improve these programs. We have already prepared and printed a detailed Committee print outlining issues and possible approaches.

Our members are interested in other bills and hearings, and we are likely to be reviewing international reserves, export promotion, aquaculture, beef marketing, the international sugar agreement, the international wheat agreement, a rural development bank and legislation on forestry research.

With the addition of new staff for the Nutrition Subcommittee, we anticipate a major nutrition effort, building on the earlier work of the Select Committee and looking at a number of new areas such as nitrates and nitrites in food processing, nutrition research priorities, nutrition education and nutrition labelling. The Subcommittee plans extensive oversight work, related not only to reauthorizing the W.I.C., and Child Care programs, but also to a review of all feeding and nutrition activities. This effort is in line with the expanded nutrition mandate given the Department of Agriculture in the Food and Agriculture Act of 1977.

We also will continue to be heavily involved in work relating to possible reorganization proposals affecting the Department of Agriculture. In addition, our staff has, and will continue to be involved in, work related to "Sunset" legislation.

Because of the outstanding work of our Committee and the growing interest in food and agricultural areas, increased demands are being placed upon our staff as the members become more interested and involved in food-related issues. Our members also will continue to follow the issue of hunger, here and abroad.

We have continued to expand our work in terms of the budgetary process. This year we will not only be doing cost estimates on all agricultural and related legislation, but we will be doing a more thorough effort in following the appropriations process throughout the entire year.

In the last session of Congress, nine bills were reported out of Committee and approved by the President. One bill was vetoed, and nine Resolutions were agreed to by the Senate. Eight other bills were passed by the Senate and are now pending in the House.

The Committee also received, reviewed and confirmed 14 nominations for policymaking positions within the Department of Agriculture. We held 22 full Committee hearings, 33 Subcommittee hearings, and 18 field hearings. During the session, the Committee prepared eight prints which were widely distributed through the Nation.

Last year, the Committee was authorized 17 employees for inquiries and investigations, and the request for this year is for 23 employees. This increase is to provide three professional and two clerical staff for the Nutrition Subcommittee in line with phase-out of the Select Committee on Nutrition and Human Needs. Adding a printer to the Committee staff, as mentioned earlier, would help to meet our expanding printing needs which is in line with other Committee practices.

Committee costs are likely to increase as salaries are adjusted to reflect increased living costs and related fringe benefits. We anticipate holding extensive field hearings, and particularly as the Nutrition Subcommittee gets into operation.

[1] As amended by S. Res. 291, agreed to Jan. 27, 1978, which authorized the committee $300,000 (increase from $300,300 to $330,300) in supplemental funds.

In requesting $776,000.00 for the period March 1, 1978, through February 28, 1979, the Committee is adhering to its rigid policy of operating with the minimum staff and budget necessary.

As the Committee on Rules and Administration knows, the Committee on Agriculture, Nutrition, and Forestry traditionally makes one of the smallest budget requests in the Senate. We are able to do this because we maintain flexibility in terms of shifting our staff to meet subcommittee requirements, and the Committee calls on the Congressional support agencies such as the Congressional Research Service and the General Accounting Office for special expertise. This practice has proven to be both satisfactory and economical. It avoids the problem of having a number of idle staff people when we do not happen to be working on a particular problem area.

The Committee has had additional responsibility thrust upon it, and it has established a reputation for trying to be responsive and effective.

The Committee's budget request is a modest one, in light of its added responsibilities. If there are economies which could be achieved without endangering the adequate executive of the Committee's obligations, they are not apparent to the Committee.

Members of the Committee join us in urging the Rules Committee to consider the Resolution with favor.

Sincerely,

HERMAN E. TALMADGE,
Chairman.

BOB DOLE,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

The Senate proceeded to consider the resolution (S. Res. 385) authorizing additional expenditures by the Committee on Armed Services for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 1, line 6, strike ", or any subcommittee thereof,";

On page 2, line 4, strike "$817,000" and insert "$808,800";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Armed Services is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $808,800, of which amount not to exceed $55,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–645), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 385 as referred would authorize the Committee on Armed Services from March 1, 1978, through February 28, 1979, to expend not to exceed $817,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $55,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 142,[1] agreed to June 14, 1977, to expend not to exceed $508,700 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $32,400.

The Committee on Rules and Administration has amended Senate Resolution 385 by reducing the requested amount from $817,000 to $808,800, a reduction of $8,200; and by making a technical amendment which would conform with the Committee's policy of not providing funds for subcommittees.

Letters (with accompanying budget) in support of Senate Resolution 385, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator John C. Stennis, chairman, and Senator John Tower, ranking minority member, of the Committee on Armed Services, are as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., February 1, 1978.

HON. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Senate Committee on Armed Services has approved a resolution which, if adopted, will provide spending authority for the committee, or any authorized subcommittee, for the period from March 1, 1978, to February 28, 1979, for the examination, investigation and study of all matters within the jurisdiction of the committee as specified by rule XXV of the Standing Rules of the Senate. Substantially similar resolutions have been approved by the Senate for each session of the past 15 Congresses.

The total spending authority requested by the committee for the 12-month period, March 1, 1978, through February 28, 1979, is $817,000. This breaks down to $55,000 for consultants, $638,135 for salaries and $123,965 for administrative expenses.

The committee was authorized $61,000 for consultants for the 8-month period, July 1, 1977, through February 28, 1978, of which approximately $46,000 was spent or obligated; $36,000 was used for contracted studies and the balance was used for computer services and individual consultants.

The $638,135 being requested for salaries is the actual salary cost at current rates of the 21 staff positions authorized by last year's annual resolution; 20 of these spaces are actually filled with personnel employed on a permanent basis and the one remaining position is expected to be filled early in the budget year.

Of the approximately $123,865 budgeted for administrative costs about $66,015 is for so-called fringe benefits, this relates directly to the salary level and number of employees; about $17,950 is for other administrative expenses and $40,000 is for the contingent fund. A larger than usual contingency is being budgeted primarily to cover any possible pay increases. In prior years there have been staff vacancies for extended periods of time and the unexpended salary funds have been sufficient to cover past pay increases, but no such vacancies are anticipated in the foreseeable future.

The same number of staff personnel, 12 professional, 9 clerical (including 3 research assistants) is being requested as were authorized in 1977. Although with the adoption of Senate Resolution 4 the committee's jurisdiction was expanded to include the national security aspects of nuclear energy, every effort is being made to provide the necessary expertise in this area within the currently approved staff level. The maintenance of this personnel level is considered essential if the committee is to continue the present level of expertise needed to examine and scrutinize national security programs in the depth and detail which our responsibilities to the Senate and to the country require.

Examples of activities carried out in 1977, to be continued in 1978, are discussed as follows:

During the committee's consideration of the fiscal year 1978 military authorization bill in 1977 the Subcommittee on Research and Development, chaired by Senator McIntyre, examined all major research and development budget items and many minor items. The subcommittee reviewed the details of strategic weapon programs, including the air launched cruise missile, the sea launched cruise missile, the Trident missile, the B–1 bomber and the Seafarer submarine communications system. In addition, the subcommittee reviewed programs for our conventional forces including several Army helicopter programs, Navy antisubmarine systems and Air Force communication air lift and surveillance systems. The subcommittee examined the Department of Defense plans for maintaining and expanding our technology base. This comprehensive and detailed review resulted in the subcommittee recommending reductions of $244 million, or 2.1 percent, from the fiscal year 1978 R.D.T. & E. request.

In addition, the Subcommittee on Research and Development held extensive hearings on the fiscal year 1978 supplemental authorization request submitted by the administration following the cancellation of the B–1 bomber program. This detailed review served as a major forum for the examination of our national strategic policy in light of the cancellation of the B–1 bomber and the acceleration of the cruise missile programs.

The Subcommittee on Tactical Air, chaired by Senator Cannon, reviewed more than 50 weapon systems and research projects, with budget requests totaling about $10.3 billion in the fiscal year 1978 budget. This was roughly 30 percent of the part of the fiscal year 1978 Defense budget requiring authorization. The subcommittee held 12 days of hearings; 11 were in executive session because of security classification and the 12th, on the Enforcer airplane, was open to the public. The subcommittee's efforts resulted

[1] As amended by sec. 1 of S. Res. 297, agreed to Oct. 27, 1977, which authorized the committee $8,700 (increase from $475,000 to $483,700) in supplemental funds; and further amended by S. Res. 314, agreed to Jan. 27, 1978, which authorized the committee an additional $25,000 (increase from $483,700 to $508,700) in supplemental funds.

in recommended budget reductions of about $150 million in fiscal year 1978 and recommendations affecting some 28 individual programs.

The Subcommittee on Manpower and Personnel, chaired by Senator Nunn, reviewed the numerous combat and support programs for which military, civilian and reserve personnel are required. These programs are the basis for the authorization of about 4 million personnel in the Department of Defense and account for almost 60 percent of the total Defense budget. This subcommittee held hearings on a wide range of manpower problems, from internal manpower management to overseas troop deployments and force structure to personnel problems of enlisted personnel. Almost all of these hearings were held in open session.

The Subcommittee on Research and Development, Tactical Air, Manpower and Personnel, and General Procurement did not issue formal printed reports. Each subcommittee submitted a detailed report to the committee. The subcommittees' hearings were printed as part of the fiscal year 1978 authorization hearings of the committee.

The reports and recommendations of the above subcommittees again greatly facilitated the committee's decisions on the $35.9 billion requested by the Department of Defense in the fiscal year 1978 authorization bill for procurement, research and development and civil defense. While the bill reported by the committee increased the President's request by $119 million, this increase was offset by savings of $191 million which resulted from reductions in the manpower strengths and other legislative items in the bill. Therefore, the bill as reported had an overall budget impact which would reduce the overall budget request by $72 million.

In the manpower area after an in-depth study and review of the size and composition of our Armed Forces, the committee recommended a reduction of 17,100 in the Active Forces, an increase in reserve strength of 24,400 and a reduction in civilian end strength of 19,800. Changes to the Department of Defense request were based on careful assessments leading to recommended improvements in the use of manpower resources for support functions and in overall military and civilian manpower management. A thorough review of overseas troop deployments in Europe and Asia were made, as well as a review of the size and quality of the Army's 16 division force structure, the Marine Corps' force structure, the Air Force's 26 wing force structure and the Navy's fleet structure. The Manpower and Personnel Subcommittee also proposed amendments to reduce the number of generals and admirals by 2 percent from the planned level for fiscal year 1978 and an additional 4 percent for fiscal year 1979 and to set the pay of cadets and midshipmen at the service academies at $313.20 per month.

The General Procurement Subcommittee, chaired by Senator Stennis, reviewed all of the major strategic procurement programs, the ship programs, and the ground warfare programs. These programs included the B–1 aircraft, Trident ship and missile, and the Army tank program.

The staff continued its examination and made detailed inquires into such military programs as the Navy's F–18 fighter, the Air Force's F–16 aircraft, the A–10 close air support aircraft, the advanced medium STOL transport, utility tactical transport air system, advanced attack helicopter, surface effect ship, other Navy ships, Army and Marine Corps tank and antitank programs, and various missile programs, including Sparrow, Sidewinder, Aegis, Maverick, Phoenix, Condor. Sam–D, and many other military matters and programs.

The Subcommittee on Military Construction and Stockpiles, under the chairmanship of Senator Hart, examined in depth the annual military construction authorization request. The fiscal year 1978 request contained over 466 separate construction projects at over 280 Department of Defense installations. The total request for fiscal year 1978 was $3,576,517,000. Based on recommendations of the subcommittee, an authorization of $3,725,333,000 was reported to the Senate by the committee. Major items for consideration included military base realinement and closure provisions, an upgrade program for the physical security of nuclear weapons, and construction of support facilities for the Trident submarine. In addition, the subcommittee held oversight hearings on the Nation's strategic stockpiles and the naval petroleum reserves. In a major new initiative, the subcommittee began a series of hearings to explore how the Department of Defense installations might be used to accelerate solutions to the energy crisis by sponsoring demonstration efforts or large scale application to encourage public acceptance and to achieve cost reductions by virtue of large scale acquisitions.

The present economic climate requires expert review and analysis of the ever increasing cost and contracting problems with the major weapon systems. The continuing evaluation by the staff in this area has been of significant benefit to the committee in its consideration of these major weapon systems programs.

The staff has also continued to monitor the progress of the major weapon systems through the quarterly reporting system established by the committee in 1969. The staff is currently receiving reports on 45 major weapons systems estimated to cost over $200 billion. The analysis by the staff of data provided in these reports has been of substantial assistance to the committee in its deliberations during the authorization review process.

The staff is required to continuously review the reports on scheduled contract awards for major weapon systems. These reports are required to be submitted under a section in the Military Procurement Authorization Act (sec. 506, Public Law 92–156). Staff reviews of these reports have proven beneficial to the committee in its efforts to monitor the progress of the major weapons programs.

The committee staff continually assists Senators outside the committee with contracting, procurement and cost problems of defense weapon systems about which they have inquiries.

The Congressional Budget Act enacted in 1974 has imposed a major workload on the Armed Services Committee staff. This additional work is created by three factors in the Congressional Budget Act. First, the act requires a report from each authorizing committee which contains that committee's recommendations on budget matters. Second, the act compresses the time available to the committee for consideration of the annual military authorization bill by fixing a firm date of May 15 for reporting of authorization bills. Third, the act requires various reports and estimates of the budget impact of all legislation reported by the committee. In short, the Budget Act requires the staff to substantially more work in substantially less time.

Supplementing the above functions, in support of the committees basic responsibilities, the committee staff is containing its general close surveillance of the readiness and preparedness of our Armed Forces and the status of our national security.

In 1977, the committee issued a report on the All-Volunteer Force that had been undertaken by an independent expert. In addition on Ocober 1, 1977, the committee issued a study on the defense civilian work force that had been prepared under a contract with the Brookings Institution.

In 1977 the Committee on Armed Services continued to utilize the computer services offered by the Senate Computer Center. These computer terminals in the committee offices provides access to the computer and research data files from the Computer Center and the Library of Congress. Through a contract with the Service Bureau Co., the committee is taking advantage of procedures and computer programs already developed for the House and Senate Appropriations Committees. This computer service enables the committee staff to prepare tables to more efficiently analyze budget requests for procurement and research and development.

This by no means covers all the activities of the committee's inquiries and investigations staff and consultants, but I believe the matters discussed will give you an insight into the continuing need for a staff of competent professionals such as we have employed under the authorizing resolutions in prior years.

As I have indicated in other documents furnished to your committee, the committee will return this year approximately $32,400 of the $476,700 authorized for the 8-month period, July 1, 1977, through February 28, 1978. Each year since I have been chairman, first of the Preparedness Investigating Subcommittee and later the Committee on Armed Services, we have returned substantial amounts of unexpended funds. I think our consistent record of not spending all the money provided under authorizing resolutions over the year indicates the austerity and economy with which we control the expenditure of allotted funds.

In closing I would like to note that the committee must continue its strong vigilance over the increasing costs of the Defense program to assure that only the essential costs are being approved. An adequate and fully qualified staff is essential to this effort.

Sincerely,

JOHN C. STENNIS,
Chairman.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 371) authorizing additional expenditures by the Committee on Banking, Housing, and Urban Affairs for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 1, line 6, strike ", or any subcommittee thereof,";

On page 2, line 5, strike ", or any subcommittee thereof,";

On page 2, line 7, strike "$1,138,000" and insert "$1,126,600";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs, is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis, the services of personnel of any such department or agency

SEC. 2. The expenses of the committee, under this resolution shall not exceed $1,126,600.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–646), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 371 as referred would authorize the Committee on Banking, Housing, and Urban Affairs from March 1, 1978, through February 28, 1979, to expend not to exceed $1,138,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 164,[1] agreed to June 14, 1977, to expend not to exceed $670,000 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $48,550.

The Committee on Rules and Administration has amended Senate Resolution 371 by reducing the requested amount from $1,138,000 to $1,126,600, a reduction of $11,400; and by making a technical amendment which would conform with the Committee's policy of not providing funds for subcommittees.

A joint letter (with accompanying budget) in support of Senate Resolution 371, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator William Proxmire, chairman, and Senator Edward W. Brooke, ranking minority member, of the Committee on Banking, Housing, and Urban Affairs, is as follows:

U.S. SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, D.C., February 6, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on Banking, Housing, and Urban Affairs has reported, without dissent, Senate Resolution 371 authorizing the examination, investigation, and study of certain matters under the committee's jurisdiction including expenditures therefor. Senate Resolution 371 has been referred to the Committee on Rules and Administration and we request that it be given favorable consideration.

Senate Resolution 371 would authorize the committee, or any duly authorized subcommittee, under sections 134(a) and 136 in accordance with the committee's jurisdiction specified in rule XXV of the Standing Rules of the Senate, to examine, investigate, and study certain subjects specified in the resolution. In accordance with the Reorganization Act of 1970, the committee is requesting a total budget amount of $1,138,000 to make these examinations, investigations, and studies for the period March 1, 1978, to February 28, 1979.

The amount requested for carrying on these activities of the committee for the second sesion of the 95th Congress is $154,000 above the amount authorized the committee during the first session of the 95th Congress. An explanation and breakdown of these expenditures follows:

The committee budget request reflects an increase of $84,000 over last year's authorization to carry on the functions of the Joint Committee on Defense Production for a full fiscal year. The committee's resolution for 1977–78 was increased by $60,000 on October 1, 1977 (S. Res. 243), following a transfer of the joint committee's oversight responsibilities to the Banking Committee as of that date. These funds financed five new positions and related expenses transferred from the joint committee for the 5-month period from October 1, 1977, to February 28, 1978. The full annual cost of these positions was $144,000. Accordingly, an increase of $84,000 is needed in 1978–79 to finance these functions for a full 12 months.

The committee's budget request also reflects an increase of $61,000 in personnel costs. This figure represents an increase of 7 percent over the amount authorized in 1977–78 and is attributable to the 7 percent cost-of-living pay raise authorized on October 1, 1977. The committee's budget request for 1978–79 does not include any funds for the next cost-of-living pay raise anticipated for next October. The budget request assumes the cost of these and other raises will be absorbed through delays in filling vacancies and by filling new positions arising from employee turnover at lower rates of pay.

Finally, the committee's budget request reflects an increase of $9,000 in expenses other than personnel. This represents an increase of 8 percent over the amounts authorized for 1977–78 and is needed to cover anticipated price increases for the coming year.

We believe the funds requested in the enclosed resolution are the minimum amounts needed for the committee to discharge its responsibilities. We therefore urge your favorable consideration of this request.

Sincerely,

WILLIAM PROXMIRE,
Chairman.
EDWARD W. BROOKE,
Ranking Minority Member.

[1] As amended by S. Res. 243, agreed to Sept. 21, 1977, which authorized the committee $60,000 (increase from $610,000 to $670,000) in supplemental funds.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

The Senate proceeded to consider the resolution (S. Res. 387) authorizing additional expenditures by the Committee on the Budget for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 2, line 4, strike "$2,430,800" and insert "$2,406,500";

On page 2, line 12, strike "1978" and insert "1979";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,406,500, of which amount not to exceed $100,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28,

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that voucers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–647), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 387 as referred would authorize the Committee on the Budget from March 1, 1978, through February 28, 1979, to expend not to exceed $2,430,800 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $100,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 159, agreed to June 14, 1977, to expend not to exceed $1,514,300 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $300,000.

The Committee on Rules and Administration has amended Senate Resolution 387(1) by reducing the requested amount from $2,430,800 to $2,406,500, a reduction of $24,300; and (2) by making a technical amendment.

Justification for the request is expressed in a letter addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Edmund S. Muskie, chairman, and Senator Henry Bellmon, ranking minority member, of the Committee on the Budget, which letter (with accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, D.C., January 31, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on the Budget has reported S. Res. 387, a resolution requesting funding for inquiries and investigations for the committee for fiscal year 1979, which begins March 1, 1978. This resolution provides most of the funding for the Budget Committee and the budget process in the Senate.

This budget continues the commitments we have made to the Rules Committee in the past to limit the committee staff to the minimum level necessary to conduct the committee's work effectively. The number of staff provided for in this resolution is exactly the same as the number provided for

in our present resolution. This budget does not request funds for additional staff positions. It contains an increase of about 7.02 percent compared to the annualized cost of the committee's present budget. This increase is slightly less than the 7.05 percent governmentwide pay increase of October 1977.

This budget continues the unique feature the Rules Committee has approved in all Budget Committee funding resolutions since 1974. Of the total of 79 staff positions, 28 are for employment by each committee member of not more than two staff members to assist him in his committee work. This provision in our funding resolution originated prior to Senate adoption of S. Res. 60. It continues to be used by most members of the committee in lieu of the S. Res. 60-type allowance, which is now provided under authority of section 111 of the Legislative Appropriations Act.

A number of Senators on the committee have elected to use the Senate Resolution 60-type allowance in lieu of the appointment of staff under the committee's budget. As we promised your committee last year, the money contained in our budget for staff for those Senators who use the Senate Resolution 60-type allowance has not been spent for other purposes. That amount—$223,500—and the $40,000 earmarked in the current budget for the operation of subcommittees—will be returned to the Treasury at the end of this budget year. The subcommittee funds remain unexpended because subcommittees were not formed. These two items account for most of the budget balance the committee will return at the end of the year.

We have lived within the budget your committee has provided. We have returned the funds we promised to return if they were not used for Senator's assistants or subcommittees.

In all other regards the committee's operations have required virtually the full amount of the budget you granted us last year. For that reason, we ask your committee to grant us the full amount of our budget request this year as well. Like last year's budget, it provides a modest amount—$60,000—for the operation of subcommittees, should they be formed. (Last year's budget contained $40,000 for the 8-month period which is $60,000 on an annual basis.) These subcommittee funds would be used for hearings and investigations by such subcommittees as may be formed. We are not asking for any additional staff for subcommittees. The subcommittees would be staffed by the committee's present staff members.

We are also including sufficient funds in the budget to appoint staff members to the Budget Committee staff in lieu of the Senate Resolution 60-type allowance. We continue to believe it is better for such personnel to be actually employed as members of the committee staff and will continue to encourage all members to use the committee's budget for that purpose.

To the extent that some members choose the Senate Resolution 60-type allowance instead, we will—as we have in all cases in the past—return the relevant portion of this budget to the Treasury at the end of the budget year. But we believe it more prudent to include these funds now, with the promise to return them if unused, than to leave Senators in the position of only being able to use the Senate Resolution 60-type allowance, even if later in the year they come to see the wisdom of employing people directly on the committee staff instead.

The funds provided by this budget will enable the committee to continue to meet its responsibilities to the Senate under the budget process. Now in its fourth year, the Budget Committee has demonstrated it can execute the responsibilities entrusted to it under the Budget Act to bring the budget under effective congressional control in a manner consistent with and helpful to the work of the other committees.

In order to meet its mission, the committee employs technical experts who analyze the President's budget, authorizing committee spending plans, economic conditions, and appropriation and revenue bills. These analysts present the Budget Committee and—through it—the Senate with the clearest possible picture and analysis of the competing priorities recommended for congressional action.

The committee workload has steadily increased since its inception and reached its heaviest burden yet this year. In addition to preparing the two regular concurrent resolutions on the budget, the committee had to report an extraordinary third budget resolution as well. The third resolution consumed weeks of committee effort and months of staff time.

Last year the chairman and ranking member of the committee made 93 floor statements interpreting the impact of specific legislation on the congressionally-approved budget. The committee nearly doubled its publications, which increased to 98 documents relating to the budget process. They include the weekly scorekeeping report, which is a key element in the committee's effort to keep each Senator informed regarding the budget status of bills during the legislative and appropriations process.

All of these documents and statements, as well as preparation of the hearings, markups, and conferences have been performed by the staff provided for in this resolution. Without the staff, these tasks could not have been performed.

Even before the adoption of Senate Resolution 4, the Budget Committee has always maintained a policy of according the minority at least 30 percent of the committee's staff. The present committee staff ratio is 69 percent majority and 31 percent minority in terms of both dollars and personnel. We also have all space and committee facilities on a two-thirds—one-third basis. This same bipartisanship has permeated the committee's work, producing an overwhelming majority within the committee and the Senate on behalf of the budget resolutions. The staff of the majority and minority, funded in large part by this resolution, are key ingredients of that success.

Just as we seek no increase in staff in this budget, we do not anticipate asking the Rules Committee for additional staff next year. We believe this budget is adequate to our needs and that, if it is granted we will not need to return for a supplemental budget during the course of the year.

Although almost all committees have been very supportive of the budget process so far, no committee has been more so than the Rules Committee. Not only was the Budget Act developed and polished in the Committee on Rules, but our space and staff needs have been supported fully and consistently by the Committee on Rules. For our part, we have lived within our budgets and will continue to do so. We thank you for your support and ask your favorable consideration of this resolution.

Sincerely,

EDMUND S. MUSKIE,
Chairman.
HENRY BELLMON,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

The Senate proceeded to consider the resolution (S. Res. 374) authorizing additional expenditures by the Committee on Commerce, Science, and Transportation for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 6, strike ", or any subcommittee thereof," so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the standing Rules of the Senate, the Committee on Commerce, Science, and Transportation, is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,677,800, of which amount not to exceed $100,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–648), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 374 would authorize the Committee on Commerce, Science, and Transportation from March 1, 1978, through February 28, 1979, to expend not to exceed $2,677,800 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $100,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 151, agreed to June 14, 1977, to expend not to exceed $1,847,800 for the same or similar purposes. The committee estimates that the unobligated balance under that authority as of February 28, 1978 (funds returnable to the Treasury), will be approximatey $387,730.

The Committee on Rules and Administration has reported Senate Resolution 374 with a technical amendment, which would conform with the committee's policy of not providing funds for subcommittees.

A joint letter (with accompanying budget) in support of Senate Resolution 374, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Howard W. Cannon and Senator James B. Pearson, chairman and ranking minority member, respectively, of

the Committee on Commerce, Science, and Transportation, is as follows:

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, D.C., February 16, 1978.

Hon. CLAIBORNE PELL.
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on Commerce, Science, and Transportation has reported an original resolution containing a proposed budget authorization of $2,677,800. In the 95th Congress, 1st session, our committee was authorized $880,000 under Senate Resolution 78, and $1,847,800 under Senate Resolution 151, for a total authorization of $2,727,800.

The budget we have submitted for the second session reflects a reduction of $50,000 from that authorized for the first session. It is our belief that the Committee on Commerce, Science, and Transportation can remain an active and effective committee with the reduced level of funding we have proposed.

Although we only show a modest reduction of committee expenditures from the previous the chairmanship change, that further reductions in committee expenditures can be realized when the staff transition has been fully achieved. We will continue to seek ways to trim our committee payroll and make the most prudent and productive use of the funds we are now requesting.

This budget is designed to comply with the minority staffing goal of Senate Resolution 4, with respect to the minority professional staff. The projected staff of 91 under the investigations resolution breaks down as follows: 33 percent professional majority, 20 percent professional minority, 36 percent clerical for majority and minority, and 11 percent nonpartisan professional and clerical. The nonpartisan category represents committee employees who perform duties committee-wide that are beneficial to all members.

At this time we firmly believe that the funds in our budget resolution are at a minimum level to permit our committee to fulfill its responsibilities. It is our hope that we have demonstrated to you by our respective records as administrators and by our proposed budget this year that we merit the confidence and trust of the Rules Committee to administer wisely the funds we are seeking.

In conformance with our committee's past practice, the chairman is forwarding for your consideration a detailed statement, prepared under his direction setting forth the goals for the committee during the second session of the 95th Congress.

Sincerely yours,

HOWARD W. CANNON,
Chairman.
JAMES B. PEARSON,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENERGY AND NATURAL RESOURCES

The resolution (S. Res. 367) authorizing additional expenditures by the Committee on Energy and Natural Resources for inquiries and investigations, was considered and agreed to, as follows:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,235,000, of which amount not to exceed $50,000 may be expended for the procurement of the services of individual consultants, or organizations threof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–649), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD as follows:

Senate Resolution 367 would authorize the Committee on Energy and Natural Resources from March 1, 1978, through February 28, 1979, to expend not to exceed $1,235,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $50,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 158,[1] agreed to June 14, 1977, to expend not to exceed $797,000 for the same or similar purposes. The committee estimates that the unobligated balance under that authority as of February 28, 1978 (funds returnable to the Treasury), will be approximately $67,749.

A joint letter (with accompanying budget) in support of Senate Resolution 367 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Henry M. Jackson, chairman, and Senator Clifford P. Hansen, ranking minority member, of the Committee on Energy and Natural Resources, is as follows:

U.S. SENATE, COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C., February 8, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: We are writing in support of Senate Resolution 367, now pending before your committee, which would provide additional funds for the work of the Committee on Energy and Natural Resources during the fiscal year which begins March 1, 1978.

The resolution authorizes the committee to make expenditures for staff, consultants and administrative expenses in the total amount of $1,235,000. This is some $72,000 more than the amount provided for our work during the current fiscal year, assuming we had been budgeted for the full year at the same rate authorized by your committee for the last 8 months.

The budget we are proposing is essentially a "no growth" budget. The Rules Committee authorized a very substantial increase in our funding for the current fiscal year. This enabled us to increase the majority and minority staffs significantly in order to deal with the committee's new energy responsibilities. The modest increase we are requesting for the new fiscal year would merely provide for past and future salary increases and associated administrative costs. We do not anticipate any further additions to the staff this year.

The committee continues to deal with an unprecedental workload in the 95th Congress. While much of our work is energy related, we are dealing with major responsibities in the natural resources field. Resources issues now pending before us include the regulation of deep seabed mining, revision of the 1872 mining law, and the proposals to add millions of acres of parks, forests, and wildlife refuges in Alaska.

During the first session, the committee held 148 hearings, 53 conference meetings, and 53 business meetings. While much of this extraordinary record may be attributed to our work on the President's energy program, we expect continued high levels of activity in the second session. We have substantial unfinished business with respect to the President's program. In addition, we have for the first time an annual authorization bill for the new Department of Energy. We must also consider the first quadrennial authorization bill for the Bureau of Land Management.

While we anticipate a substantial legislative program this year, we must also devote considerable time and effort to the committee's oversight responsibilities. We hope to review major programs of the Department of Interior and Energy throughout the year.

We believe our budget request is reasonable in light of the committee's growing responsibilities. We intend to continue to manage the committee is prudently and efficiently as possible. We will be grateful for the support of you and your colleagues on the Rules Committee.

Sincerely yours,

HENRY M. JACKSON,
Chairman.
CLIFFORD P. HANSEN,
Ranking Minority Member.

[1] As amended by sec. 2 of S. Res. 297, agreed to Oct. 27, 1977, which authorized the committee $22,000 (increase from $775,000 to $797,000) in supplemental funds.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

The Senate proceeded to consider the resolution (S. Res. 379) authorizing additional expenditures by the Committee on Environment and Public Works for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 5, strike "$1.414,500" and insert "$1.386,200", so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 1978 through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration,

to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,386,200, of which amount (1) not to exceed $10,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $500 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–650), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 379 as referred would authorize the Committee on Environment and Public Works from March 1, 1978, through February 28, 1979, to expend not to exceed $1,414,500 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount (1) not to exceed $10,000 would be available for the procurement of the services of individual consultants or organizations thereof, and (2) not to exceed $500 would be available for the training of professional staff of the committee.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 157,[1] agreed to June 14, 1977, to expend not to exceed $875,800 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $200,000.

The Committee on Rules and Administration has amended Senate Resolution 379 by reducing the requested amount from $1,414,500 to $1,386,200, a reduction of $28,300.

A joint letter (with accompanying budget) in support of Senate Resolution 379, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Jennings Raldolph, chairman, and Senator Robert T. Stafford, ranking minority member, of the Committee on Environment and Public Works, is as follows:

U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., February 6, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On January 31, 1978, we reported Senate Resolution 379, an original resolution from the Committee on Environment and Public Works to provide funds for the committee's investigative and oversight activities from March 1, 1978, through February 28, 1979.

During the first session of the 95th Congress, the committee was assigned additional jurisdiction through reorganization of the Senate committee system. These activities include half of the responsibilities of the former Joint Committee on Atomic Energy; responsibility for fish and wildlife programs previously under the Commerce Committee; and environmental and water-related jurisdictions previously under the Commerce and Interior committees.

The committee expects to return a substantial amount from its present budget to the contingent fund of the Senate. These unexpended funds resulted largely from delays in filling authorized staff positions and in recruiting replacements for staff members who resigned. Substantially less travel was carried out due to the emphasis on floor and conference activities during this funding period and the requirement to examine carefully new jurisdictional responsibilities before scheduling field hearings on either legislative or oversight matters. The committee continued, as in the past, to practice economies in its operations.

The committee currently is operating under an 8-month budget of $878,500. On a 12-month basis this spending level would be $1,317,750. The proposed budget is $1,414,500, an increase of 7.36 percent. For the first time the Committee on Rules and Administration this year has provided for inclusion of funds to cover possible comparability pay raises later in the year. Accordingly, our resolution provides $37,500 for this purpose. Without this item our proposed budget increase would be less than 4.5 percent. On an annualized basis amounts requested this year for hearings and stationery represent only fractional increases; travel remains the same. The only substantial increases are in low budget items such as communications and newspapers, magazines and professional publications. Funds for consultant fees were increased slightly over last year's authorization, on an annualized basis, because the requirement for such professional assistance in several areas of committee activity is foreseen.

A total of $1,127,500 is proposed for committee salaries. In addition, $125,053.74 is included to cover agency contributions and, for the first time, $37,500 to cover anticipated comparability pay raises.

Environmental, transportation, resource protection, regional and community development, water resources and nuclear regulation matters all will be addressed during this session.

ENVIRONMENTAL POLLUTION

Approximately 16 days of hearings are anticipated, both in Washington and in the field. Subjects which will be considered are the Environmental Protection Agency budget, oil spill liability legislation, oversight of drinking water programs, toxic substances, ocean dumping and clean water, and a review of the General Accounting Office report on clean air program enforcement. The subcommittee also proposes to implement its oversight responsibility by visiting as many Environmental Protection Agency regional offices as possible.

WATER RESOURCES

It is hoped that the pending omnibus bill can be enacted soon; the House-passed bill is pending on the Senate Calendar. When the user charge issue is resolved it, as well as several other amendments, will be included in the omnibus bill. Dam safety proposals will be studied and legislation was introduced last week on this subject. Consideration also will be given to several areas of broad water policy. Approximately 15 days of hearings—in Washington and in the field—are planned.

TRANSPORTATION

Development of a new Federal-Aid Highway Act will be a major legislative activity of the subcommittee this year. Hearings began last fall on this subject and will be resumed this week, with a bill scheduled to be reported by mid-April. Five hearings are scheduled to be held in the near future, with possibly 4 or 5 more days later this session.

REGIONAL AND COMMUNITY DEVELOPMENT

This subcommittee expects to hold approximately 8 days of hearings in Washington to deal with agency budgets, reorganization proposals, the Economic Development Administration portion of the administration's urban development program, the inland energy impact assistance bill, proposed administration amendments to regular Economic Development Administration programs and possible oversight of the public works employment program. Several days of field hearings relating to energy impact assistance and oversight of the public works employment program may be scheduled. The subcommittee expects to be involved in any economic programs proposed by the President which fall within its jurisdiction.

RESOURCE PROTECTION

This subcommittee excepts to hold 18 to 20 days of hearings in Washington, covering such areas as possible amendments to the Endangered Species Act, oversight on the solid waste program, the Natural Diversity Act and environmental research and development. Five days of hearings in the field are planned, as well as staff attendance at several professional meetings.

NUCLEAR REGULATION

This subcommittee plans an ambitious program this session, to include approximately 15 days of hearings in Washington, 4 days of field hearings, and 14 days of subcommittee markup. Subjects under consideration include mill tailings, research, safeguards, and environmental health, and waste disposal. The subcommittee will also have to consider an expected administration proposal to revise substantially procedures for licensing nuclear powerplants. Several visits to sites are planned, to include inspection of nuclear fuel cycle activities, spent fuel storage, and reprocessing.

Our jurisdiction over buildings and grounds matters has been designated for consideration at the full committee level. We will review a number of proposals by the General Services Administration to provide space for Federal agencies. The committee also plans to conduct oversight hearings in several areas relating to public buildings policies and anticipates development of legislation relating to the John F. Kennedy Center for the Performing Arts. The full committee also will act on a number of executive nominations expected to be received from the President. The reorganization of the executive branch is likely to require committee attention for the review of such proposals submitted by the President.

A division of the funds requested follows:

[1] As amended by sec. 3 of S. Res. 297, agreed to Oct. 27, 1977, which authorized the committee $17,300 (increase from $858,500 to $875,800) in supplemental funds; and further amended by S. Res. 339, agreed to Jan. 27, 1978, which increased from $3,900 to $7,000 the portion of the funds authorized by S. Res. 157 which may be expended for the procurement of consultants.

Accounts	1978–79
Salaries, including health benefits, life insurance, and retirement contributions	$1,252,753.74
Consultants	10,000.00
Training of professional staff	500.00
Cost-of-living salary increase	37,500.00
Reimbursable payments to agencies	25,000.00
Travel (inclusive of field investigations)	30,000.00
Hearings (inclusive of reporters' fees)	35,000.00
Witness fees, expenses	1,500.00
Stationery, office supplies	6,000.00
Communications (telephone, telegraph)	11,000.00
Newspapers, magazines, professional publications	5,000.00
Contingent fund	246.26
Total amount requested	1,414,500.00

Your early consideration of Senate Resolution 379 will be sincerely appreciated.

With kind personal regards and assurance of our cooperative attitude, we are

Truly,

JENNINGS RANDOLPH,
Chairman.
ROBERT T. STAFFORD,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FINANCE

The Senate proceeded to consider the resolution (S. Res. 392) authorizing additional expenditures by the Committee on Finance, for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 4, strike "$635,000" and insert "$609,600", so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $609,600, of which amount not to exceed $40,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (be authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–651), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 392, as referred would authorize the Committee on Finance from March 1, 1978 through February 28, 1979, to expend not to exceed $635,000 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $40,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 97, agreed to June 14, 1977, to expend not to exceed $385,000 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $40,000.

The Committee on Rules and Administration has amended Senate Resolution 392 by reducing the requested amount from $635,000 to $609,600, a reduction of $25,400.

A joint letter (with accompanying budget) in support of Senate Resolution 392, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Russell B. Long, chairman, and Senator Carl T. Curtis, ranking minority member, of the Committee on Finance, is as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., January 31, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Finance Committee met on January 26, 1978, and unanimously ordered reported a resolution requesting additional funding for Finance Committee activities for the period March 1, 1978, through February 28, 1979. The resolution would provide $635,000 for Finance Committee staffing expenses over the 12-month period.

The amount sought for inquiries and investigations in the coming year, $635,000, represents an increase of $119,000 above the operating budget under the amounts authorized for the past year. The major elements of increase are the following:

1. Maintaining present staffing levels ($70,700).—The increased cost of maintaining the present staff reflects the full year application of the October 1977 pay increase as well as full year annualization of new positions filled only part of the year last year. As of today, all professional and clerical positions funded under the inquiries and investigations budget have been filled.

2. Additional clerical assistant ($15,600).—The Finance Committee is requesting one additional clerical assistant for the coming year, to be assigned to the minority. The additional assistant is needed to handle the increasing workload of the minority staff.

3. Additional funds for consultant services ($10,000).—Last year the Committee used consultative services in connection with social security financing and (to a small extent) welfare reform cost estimates. This year we are seeking a modest increase to allow also for independent cost estimating in connection with health legislation.

4. Allowance for October pay increase ($11,500).—This year's budget request includes an allowance (as does the President's budget) for a 6 percent pay increase effective October 1.

5. Other increases ($11,200).—The remaining increases relate to stationery, office supplies, communications, and other categories of administrative expenses.

We urge the Committee on Rules and Administration to approve the funding resolution to assist the Committee on Finance in its work on major legislation.

Sincerely,

RUSSELL B. LONG,
Chairman.
CARL T. CURTIS,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

The Senate proceeded to consider the resolution (S. Res. 377) authorizing additional expenditures by the Committee on Foreign Relations for a study of matters pertaining to the foreign policy of the United States, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 6, strike ", or any subcommittee thereof,", so as to make the resolution read:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Foreign Relations, is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $1,231,000 of which amount not to exceed $30,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(1) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–652), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 377 would authorize the Committee on Foreign Relations from March 1, 1978, through February 28, 1978, to expend not to exceed $1,231,000 on a study of matters within its jurisdiction under rule XXV

of the Standing Rules of the Senate, of which amount not to exceed $30,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 156,[1] agreed to June 14, 1977, to expend not to exceed $918,100 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $130,000.

The Committee on Rules and Administration has reported Senate Resolution 377 with a technical amendment, which would conform with the committee's policy of not providing funds for subcommittees.

A joint letter (with accompanying budget) in support of Senate Resolution 377 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator John Sparkman, chairman, and Senator Clifford P. Case, ranking minority member, of the Committee on Foreign Relations, is as follows:

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., February 2, 1978.

HON. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, Washington, D.C.

DEAR MR. CHAIRMAN: We refer to Senate Resolution 377, which would authorize the Committee on Foreign Relations to expend not to exceed $1,231,000 in the year ending February 28, 1979, to study matters pertaining to U.S. foreign policy and otherwise to carry out its duties under the Legislative Reorganization Act.

During 1977, the committee continued to give careful attention to all jurisdiction, nominations, treaties, and other matters within its jurisdiction. In this connection, the committee held hearings on U.S. foreign policy, ambassadorial and other nominations, and conducted hearings on authorization bills for the State Department, foreign assistance, the U.S. Information Agency, the Peace Corps, and the Arms Control and Disarmament Agency. Hearings were also held on several tax and other miscellaneous treaties. An extensive series of hearings were held on the Panama Canal Treaties.

The committee also continued to devote attention to the SALT talks, arms policies, developments in South Asia and Africa, the situation in the Middle East, and other foreign policy matters. The committee also reviewed the operation and effectiveness of the war powers resolution and engaged in various other oversight and investigative activities.

In carrying out its responsibilities during the second session of the 95th Congress, the committee expects to continue its examination of major fields of foreign policy with particular emphasis on its legislative and oversight responsibilities. For example, a major rewrite of U.S. economic assistance statutes is underway, and a consolidation of the administrative and policy statutes governing the foreign affairs agencies is being prepared.

It is hoped, therefore, that the Committee on Rules and Administration will approve the full amount requested in Senate Resolution 377 so that the committee will have adequate funds to carry out its responsibilities. The amount requested is $126,500 below the annual spending level approved for 1977.

There are enclosed 30 copies of this letter, the proposed budget, and the questionnaire in support of this resolution, which you requested in your letter of January 3, 1978.

Sincerely,

JOHN SPARKMAN,
Chairman.
CLIFFORD P. CASE,
Ranking Minority Member.

[1] As amended by sec. 4 of S. Res. 297, agreed to Oct. 27, 1977, which authorized the committee $13,100 (increase from $905,000 to $918,100) in supplemental funds.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 370) authorizing additional expenditures by the Committee on Governmental Affairs for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 1, line 6, strike ", or any subcommittee thereof,";

On page 2, line 5, strike "$4,466,321" and insert "$4,242,900";

On page 2, line 10, strike ", or any duly authorized subcommittee thereof,";

On page 3, line 3, strike "or any subcommittee thereof";

On page 5, line 17, strike "number" and insert "member";

On page 7, line 2, strike "or any subcommittee thereof";

On page 7, line 15, strike ", or any duly authorized subcommittee thereof,";

On page 7, line 17, strike "or subcommittee";

On page 7, line 18, strike "July 1, 1977" and insert "March 1, 1978";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,242,900, of which amount not to exceed $77,055 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee is authorized to study or investigate—

(1) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided,* That in carrying out the duties herein set forth, the inquiries of this committee shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting their particular branch of the Government;

(2) the extent to which criminal or other improper practices of activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interest against the occurrence of such practices or activities;

(3) syndicated or organized crime which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, what facilities, devices, methods, techniques, and technicalities are being used or employed, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or the laws of any State and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activities have infiltrated into lawful business enterprise; and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against the occurrences of such practices or activities;

(4) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety;

(5) riots, violent disturbances of the peace, vandalism, civil and criminal disorder, insurrection, the commission of crimes in connection therewith, the immediate and long-standing causes, the extent and effects of such occurrences and crimes, and measures necessary for their immediate and long-range prevention and for the preservation of law and order and to insure domestic tranquillity within the United States;

(6) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(A) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(B) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge, talents, and

(C) the adequacy of present intergovernmental relationship between the United States and international organizations principally concerned with national security of which the United States is a member; and

(D) legislative and other proposals to improve these methods, processes, and relationships;

(7) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(A) the collection and dissemination af accurate statistics on fuel demand and supply;

(B) the implementation of effective energy conservation measures;

(C) the pricing of energy in all forms;

(D) coordination of energy programs with State and local government;

(E) control of exports of scarce fuels;

(F) the management of tax, import, pricing, and other policies affecting energy supplies;

(G) maintenance of the independent sector of the petroluem industry as a strong competitive force;

(H) the allocation of fuels in short supply by public and private entities;

(I) the management of energy supplies owned or controlled by the Government;

(J) relations with other oil producing and consuming countries;

(K) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(L) research into the discoverey and development of alternative energy supplies:

Provided, That, in carrying out the duties herein set forth, the inquiries of this committee shall not be deemed limited to the records, functions, and operations of the particular branch of the Government, under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government.

(b) Nothing contained in this section shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946, as amended.

(c) For the purpose of this section the committee, or its chairman, or any other member of the committee designated by the chairman, from March 1, 1978, through February 28, 1979, is authorized, in its, his, or their discretion (1) to require by subpena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents, (2) to holding hearings, (3) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate, (4) to administer oaths, and (5) to take testimony, either orally or by sworn statement.

SEC. 4. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 5. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–653), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 370, as referred, would authorize the Committee on Governmental Affairs from March 1, 1978, through February 28, 1979, to expend not to exceed $4,466,231 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $77,055 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 161, agreed to June 14, 1977, to expend not to exceed $2,683,200 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $204,246.

The Committee on Rules and Administration has amended Senate Resolution 370 by reducing the requested amount from $4,466,231 to $4,242,900, a reduction of $223,331; and by making technical amendments which would conform with the Committee's policy of not providing funds for subcommittees.

A joint letter (with accompanying budget and activities of the committee) in support of Senate Resolution 370, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Abe Ribicoff and Senator Charles H. Percy, chairman and ranking minority member, respectively, of the Committee on Governmental Affairs, is as follows:

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C. January 30, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is our supporting letter and budget summaries for your consideration in support of S. Res. 370, 95th Congress, Second Session, which request authorization for the full Committee on Governmental Affairs and its subcommittees in the amount of $4,466,231. We have also included budget letters submitted to us by our subcommittees. Last year, our funding was placed under a single funding resolution; however, we feel it appropriate to include these supplemental letters by our subcommittees as it will further demonstrate the activities of our subcommittees and their budgetary needs.

As you recall, S. Res. 4a added to our Committee numerous additional responsibilities. The jurisdictions of both the former Post Office and Civil Service and District of Columbia Committees were added to our already demanding jurisdiction.

Even though our activity has increased substantially, we have held our budget request to a minimum 10.9 percentage increase above last year's. Some of this increase is due to the cost-of-living salary increase and the remaining due to general inflationary adjustments. We are proud of our attempt to hold the budget increase at a bare minimum, and feel that our request supports reasonable budgetary objectives in light of our new responsibilities and the continuation of our present and projected activities.

Our annual budget request was unanimously approved at a meeting of the full Committee on January 30. We respectfully submit it to you for your consideration.

Sincerely,

ABE RIBICOFF,
Chairman.
CHARLES PERCY,
Ranking Minority Member.

Enclosures.

FUNDS FOR FULL COMMITTEE AND SUBCOMMITTEES

In order to determine our budget under our single funding resolution, we have continued our practice of working with the subcommittees to determine specifically their projected budgetary needs so that we may most accurately assess the complete budgetary picture for the Committee as a whole.

The following requests the specific breakdown of our budget proposal by the expressed needs of the full Committee and supporting subcommittees:

Full Committee.—The Full Committee's portion of the budget request is in the amount of $515,648. This represents a slight 6 percent increase over the amount requested last year. We have attempted to hold the budget at the same level of spending as last year, and due to inflationary increases, our budget has been reduced. Four percent of this increase is due to the necessity of hiring an additional secretary for our minority. This additional position also serves to increase the minority's percentage of our budget.

Permanent Subcommittee on Investigations.—This subcommittee has requested funds in the amount of $1,447,313. This has resulted in a 14 percent increase for the subcommittee. Most of this increase is due to an additional $54,149 for the minority staff because of the requirement, pursuant to Sec. tion 703(e) of S. Res. 4 which stipulates that at least one-third of Committee funds for personnel be allocated over a four-year period to the Minority Members for compensation of Minority Staff.

Subcommitte on Intergovernmental Relations.—This subcommittee's budget request is in the amount of $485,500. This is a no-growth budget for the subcommittee, and represents a 7 percent increase in the sum of $32,500, on an annual basis, which will go to cover statutory pay increases.

Subcommittee on Governmental Efficiency and the District of Columbia.—The budget request for this subcommittee is in the amount of $486,038, or 8 percent more than the annual equivalent of its current budget. Some of this increase is due to cost-of-living adjustments in staff salaries. In addition, the subcommittee expects to hold detailed hearings on certain measures which have been in development for the past few years—these include reform of pension systems and a new criminal code for the District of Columbia. Part of the increase will be needed for comprehensive actuarial studies required for responsible pension reform and for an additional staff person in the area of municipal management and accounting.

Subcommittee on Federal Spending Practices and Open Government.—This subcommittee's budget request is for $360,497. This represents an 8.8 percent increase over the subcommittee's previous eight month authorization, if it were annualized. The increase is due to the increased cost-of-living salary adjustment and increases in administration costs. The subcommittee is in accordance with section 703(e) of S. Res. 4 with respect to the fact that approximately one-third of its professional personnel budget is for the Minority.

Subcommittee on Energy, Nuclear Proliferation and Federal Services.—This subcommittee has submitted a budget request in the amount of $477,572. Its budget request is 19.3 percent. This subcommittee was created last year as a result of changes made by S. Res. 4. The subcommittee has had to budget for an increased amount this year due to the fact that the wide range of jurisdiction that it assumed as a result of the reorganization has required it to budget for higher salaries for more qualified technical personnel as well as to budget for an additional technical expert, on loan, from the General Accounting Office. The jurisdiction includes legislation dealing with the U.S. Postal Service, matters in the area of organization and management of energy, nuclear proliferation, federal planning, productivity and census and statistics.

Subcommittee on Civil Service and General Services.—The subcommittee's budget request is for $353,663. This represents an in-

crease of 10.4 percent over the amount authorized last year, if determined at an annual rate. Due to the results of S. Res. 4, the Civil Service and General Services Subcommittee was formed as a consolidation of the former General Services Subcommittee of Government Operations as well as the jurisdiction pertaining to civil service functions which were in the former Post Office and Civil Service Committee. The subcommittee's request reflects these wide responsibilities in its staff and salary requirements as well as anticipated administrative increases for necessary subcommittee work.

Subcommittee on Reports, Accounting and Management.—This Subcommittee was formerly chaired by Senator Metcalf. During consideration of our Committee's budget the Committee agreed to support a request for $340,000 to carry on the work of this Subcommittee. This amount is a 5.1 percent increase over the amount the Subcommittee received last year, on an annual basis. At the time of the Committee's meeting, it was not determined whether the Subcommittee would continue to exist in the same format it had in the past, or whether its activities and jurisdiction would be divided up into other subcommittees.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON HUMAN RESOURCES

The Senate proceeded to consider the resolution (S. Res. 361) authorizing additional expenditures by the Committee on Human Resources for inquiries and investigations, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 4, strike "$2,723,000" and insert "$2,623,000", so as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Human Resources is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $2,623,000, of which amount (1) not to exceed $100,000 may be expended after December 31, 1978, for support of activities transferred to the committee from the Select Committee on Indian Affairs pursuant to the provisions of section 105(d) of S. Res. 4, Ninety-fifth Congress, and (2) not to exceed $72,000, including $2,000 for Indian Affairs activities, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–654), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 361, as referred, would authorize the Committee on Human Resources from March 1, 1978, through February 28, 1979, to expend not to exceed $2,723,000 for a study of matters within its jurisdiction under the Standing Rules of the Senate, of which amount (1) not to exceed $100,000 may be expended after December 31, 1978, for support of activities transferred to the committee from the Select Committee on Indian Affairs, and (2) not to exceed $72,000, including $2,000 for Indian Affairs activities, would be available for the procurement of the services of individual consultants or organizations thereof.

Pursuant to the provision of section 105(d) of Senate Resolution 4, agreed to February 4, 1977, the Select Committee on Indian Affairs will cease to exist at the close of the 95th Congress and, effective with the commencement of the 96th Congress, its jurisdiction and duties will be transferred to the Committee on Human Resources.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 146, agreed to June 14, 1977, to expend not to exceed $1,624,000 for inquiries and investigations. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $245,699.

The Committee on Rules and Administration has amended Senate Resolution 361 by reducing the requested amount from $2,723,000 to $2,623,000, a reduction of $100,000.

Additional information on the purposes of Senate Resolution 361 is contained in a joint letter addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Harrison A. Williams, Jr., chairman, and Senator Jacob K. Javits, ranking minority member, of the Committee on Human Resources, which letter (with accompanying budget and a summary of committee activities), is as follows:

U.S. SENATE,
COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., January 31, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration. U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On January 25, 1978, the Committee on Human Resources unanimously approved an original resolution requesting funds for investigations and inquiries during the 2d session of the 95th Congress. The resolution, Senate Resolution 361, has been reported to the Senate and referred to the Committee on Rules and Administration for consideration.

The budget request of the committee for the 12-month period ending February 28, 1978, is for $2,723,000. Of this amount, $100,000 is earmarked in Senate Resolution 361 for funding, during the final 2 months of the budget year, the activities of the Select Committee on Indian Affairs. These activities are scheduled to be transferred to this committee at the beginning of the 96th Congress, pursuant to the provisions of section 105(d) of Senate Resolution 4, the Committee Reorganization Amendments of 1977.

We regard our proposed budget as austere and responsible and, at the same time, sufficient to insure that we can effectively carry out our responsibilities without requiring supplemental funds later in the budget year. The $2,623,000 we are requesting for ongoing activities of the committee represents an increase of $187,000 over the annualized budget authorized by Senate Resolution 146 for the 8-month period ending February 28, 1978. All but $49,400 of this increase is required to meet the revised salary levels resulting from the cost-of-living adjustment that was applied last October. This amount has been allocated, along with $6,100 from other budgeted activities, to provide $56,500 for any cost-of-living salary increases as may be approved for the final 5 months of the coming budget year.

As compared with the current authorized rate of spending, therefore, the committee's request constitutes a slight reduction in its budget. This is reflected not only in the budget for compensation of staff, which at $2,085,887 is slightly below the current rate, but also in the administrative budget, which is 1.4 percent lower than the current rate. This reduction in administrative expenses is being made despite increases required to meet potential contributions to the civil service retirement fund and to support the heavy hearing schedule in connection with the large number of legislative responsibilities of the committee this year.

Within its budget, the committee has approved two additional positions on the minority staff in order to continue our progress toward the minority staff goals enunciated in Senate Resolution 4. Filling these positions and existing vacancies would increase the minority share of the staff to 32.3 percent. No increase in majority staff is provided in this budget.

In the coming year, the committee faces an exceptionally heavy workload. Major programs within our jurisdiction expire at the end of the fiscal year. Among them are the Elementary and Secondary Education Act; the Comprehensive Employment and Training Act, including several youth employment programs enacted last year, the Developmental Disabilities Assistance and Bill of Rights Act and vocational rehabilitation authorizations; important elements of the Public Health Service Act, including health planning, disease research, genetic disease, family planning, and community health centers authorizations; the Community Services (Economic Opportunity) Act; the Older Americans Act, and authorization for the volunteer programs of the ACTION agency. In addition, the committee plans to consider and report a revised version of S. 50, the Full Employment and Balanced Growth Act, and S. 2084, the Program for Better Jobs and Income Act proposed by President Carter. A program of national health insurance will move to the forefront of the committee's agenda later this year.

Yet to be completed are the committee's initiatives in labor law reform, control of hospital costs, age discrimination, pregnancy disability rights, regulation of clinical laboratories, and revision of the black lung benefits program. Legislation in this category has advanced to the point that concentrated effort by the committee can bring them to final passage and enactment this year.

In view of the committee's extensive jurisdiction for approximately 700 programs conducted by 19 Federal agencies, the committee has developed a heavy responsibility for participation in reorganization of the executive branch. The focus on reorganization has multiplied our already extensive activities in program review and evaluation for which we will continue intensive development of evaluative tools.

Against the background of the committee's large and growing responsibilities, we believe our budget request represents a realistic

assessment of our needs for staff and administrative support. For your assistance in evaluating and considering our projected budget, we are attaching hereto a statistical compilation of committee work during the 1st session of the 95th Congress and a narrative statement on the activities and accomplishments during the last session and projected oversight and legislative objectives of the committee and its subcommittee for the current session.

We are grateful for your consideration of these materials in connection with the Committee's budget request.

Sincerely,

HARRISON A. WILLIAMS, Jr.,
Chairman.

JACOB K. JAVITS,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

The Senate proceeded to consider the resolution (S. Res. 398) authorizing additional expenditures by the Committee on the Judiciary for inquiries and investigations, which had been reported from the Committee on the Judiciary with amendments, and reported from the Committee on Rules and Administration with additional amendments.

The amendments of the Committee on the Judiciary are as follows:

On page 2, line 9, strike "$5,693,642" and insert "$5,526,700";

On page 2, line 10, strike "$75,000" and insert "$75,700";

The amendments of the Committee on Rules and Administration are as follows:

On page 1, line 6, strike ", or any subcommittee thereof,";

On page 2, line 9, strike "$5,526,700" and insert "$4,835,900";

The amendments were agreed to.

The resolution, as amended, was agreed to, as follows:

S. RES. 398

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $4,835,900, of which amount not to exceed $75,700 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–655), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 398 as referred, would authorize the Committee on the Judiciary from March 1, 1978, through February 28, 1979, to expend not to exceed $5,526,700 for a study of matters within its jurisdiction under rule XXV of the Standing Rules of the Senate, of which amount not to exceed $75,700 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 170, agreed to June 14, 1977, to expend not to exceed $3,111,700 for the same or similar purposes. The committee estimates that the unobligated balance under that authority as of February 28, 1978 (funds returnable to the Treasury), will be approximately $350,000.

The Committee on Rules and Administration has further amended Senate Resolution 398 by reducing the requested amount from $5,526,700 to $4,835,900, a reduction of $690,800; and by making a technical amendment which would conform with the committee's policy of not providing funds for subcommittees.

A joint letter (with accompanying budget and activities of the committee) in support of Senate Resolution 398, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator James O. Eastland, chairman, and Senator Strom Thurmond, ranking minority member, of the Committee on the Judiciary, is as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., February 21, 1978.

HON. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in support of Senate Resolution 398 authorizing expenditures by the Committee on the Judiciary for inquiries and investigations, together with forwarding letters addressed to me as chairman of the committee.

Copies of letters, attached hereto and made a part thereto by reference, are submitted by the following subcommittees:

Administrative Practice and Procedure.
Antitrust and Monopoly.
Citizens and Shareholders Rights and Interests.
Constitution.
Criminal Laws and Procedures.
Immigration.
Improvements in Judicial Machinery.
Juvenile Delinquency.
Penitentiaries and Corrections.
Separation of Powers.

In addition to the proposed budgets submitted by the subcommittees, in order to accomplish the investigations and inquiries outlined in their respective letters, the resolution includes approximately $100,000 for inquiries and investigations by the full Judiciary Committee. For the first time, the committee will authorize the budget for the Department of Justice, which will require extensive hearings and investigation. In addition, several Senate bills are being considered by the committee as a whole which have and will require hearings in the field as well as in Washington. We also expect extensive hearings on judicial appointments, some of which will require field investigation by staff.

This resolution was considered and approved by the committee on February 21, 1978.

With kind regards, I am

Sincerely,

JAMES O. EASTLAND,
Chairman.

STROM THURMOND,
Ranking Minority Member.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 382) authorizing additional expenditures by the Committee on Veterans' Affairs for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 1, line 6, strike ", or any subcommittee thereof,";

On page 2, line 15, strike "committee" and insert "committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee under this resolution shall not exceed $279,000, of which amount not to exceed $30,000 may be expended for the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–656), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 382 would authorize the Committee on Veterans' Affairs from March 1, 1978, through February 28, 1979, to expend not to exceed $279,000 for a study of matters within its jurisdiction under rule XXV of

the Standing Rules of the Senate, of which amount not to exceed $30,000 would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the committee was authorized by Senate Resolution 149, agreed to June 14, 1977, to expend not to exceed $198,800 for the same or similar purposes. The committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $63,800.

The Committee on Rules and Administration is reporting Senate Resolution 382 with technical amendments.

Additional information on the purposes of Senate Resolution 382 is contained in a joint letter addressed to Senator Howard W. Cannon, former chairman of the Committee on Rules and Administration, by Senator Alan Cranston, chairman, and Senator Robert T. Stafford, former ranking minority member, of the Committee on Veterans' Affairs, which letter (with accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., January 26, 1978.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Committee on Veterans' Affairs has unanimously ordered reported the enclosed resolution, which will shortly be pending before your committee, authorizing funding in the amount of $279,000 for the Committee on Veterans' Affairs for inquiries and investigations.

The funding requested in the resolution enclosed calls for a reduction of about 11 percent in inquiries and investigations funding from that authorized for the previous 12-month period, but for the same number of staff as previously authorized. The requested amount is also less than the amount provided by the Senate for the committee for 1976 (S. Res. 372) and approximately the same as for 1974 (S. Res. 250 and S. Res. 412).

During the 95th Congress, first session, the committee was authorized for inquiries and investigations $115,000 under the continuing resolution, Senate Resolution 78, February 11, 1977, for the period from March 1 to June 30, 1977, and $198,000 under Senate Resolution 149, June 14, 1977, for the 8-month period ending February 28, 1978. The committee plans to maintain the same inquiries and investigations staff of 11 members which has been authorized since October 1973, and 3 consultants, as authorized in 1977 (2 less than the prior year). In addition, we have projected no increase for 1978 over actual 1977 expenditure experience for administrative expenses. The proposed annualized funding reduction of approximately $34,800 is made possible by the committee's continuing efforts to reevaluate expenditures in certain categories and develop other cost containment measures.

We have budgeted an amount in excess of our projection of actual expenditures for the present 12-month period because of the need to meet cost-of-living and merit increases for salaries and because our salary and related expenditures this past year were depressed by normal delays in the hiring process.

We strongly believe that the committee's record clearly warrants the funding at the amounts requested. The committee is charged with oversight and legislative responsibility for the third largest Federal agency, the Veterans' Administration; that agency employs over 230,000 individuals and has an annual budget in excess of $19 billion. The VA has the largest budget of any independent agency. Among all agencies and departments, it has the fifth largest budget, with potential beneficiaries comprising nearly 45 percent of the Nation's population (veterans and the dependents, spouses, and survivors of veterans). An agency of this magnitude clearly requires careful and extensive scrutiny to insure that legislative intent is being carried out properly, fairly, and compassionately.

In view of this the following are some of the topics which the committee plans to consider in the second session of the 95th Congress.

Oversight of the VA health-care system and its many complex functions for the delivery of care to eligible veterans will continue to be a paramount concern. The very important National Academy of Sciences (NAS) study mandated by Public Law 93–82, the Veterans Health Care Expansion Act of 1973, was received by the committee on June 7, 1977. This comprehensive study, costing over $6 million, covers a wide range of extremely significant issues pertaining to the VA hospital and medical care system, including the quality of care in the various types of VA health-care facilities, staffing requirements for such facilities, the characteristics of VA patients as related to VA health care resource allocation, budgeting, and planning, and the utilization of VA specilized medical resources. The first part of the VA's statutorily mandated response with regard to its views on the NAS findings was received by the committee in September, 1977; and the second part of the VA's response—its proposed plans for implementing the Academy's findings and recommendations (including legislation to be proposed by the Administration)—is to be received in conjunction with the President's budget submission for 1979.

The NAS study and the VA's responses constitute by far the most comprehensive analyses ever accomplished of the VA health-care system and its various component parts. The committee conducted four hearings on the study and the VA's response to it during the period September 1977 through January 1978, and has scheduled two further hearings this year.

Another statutorily mandated report from the Veterans' Administration—"The Aging Veteran: Present and Future Medical Needs"—was received on January 6, 1978. This report contains the short- and long-range plans for VA health-care programs, including nursing home, intermediate care, and domiciliary facilities, in light of the increasing age of the eligible veteran population. The committee plans to give this report very close scrutiny in light of the very rapid growth which will be experienced in the next two decades in the numbers of elderly veterans—a class of individuals with well-above average health-care needs, many of whom will likely turn to the VA for care and treatment. For example, from 1976 to 1995 the number of veterans 65 years of age or over will more than triple from the present 2.28 million to 8.04 million; and in 1995 veterans over 65 years of age will constitute nearly 30 percent of all veterans and almost two-thirds of the national elderly male population.

The committee's consideration of both the NAS report and the VA's aging veteran report may result in additional legislative initiatives to insure that the VA has the capacity to provide quality health-care services to all veterans and is making adequate and appropriate preparations to meet the new health-care needs of elderly veterans.

Also, the committee must give consideration to legislation which the administration is expected to propose to provide a uniform special-pay program for all Federal civilian physicians and dentists. If agreement is not reached on a uniform system, the committee will consider the desirability of extending further the Veterans' Administration's Physicians and Dentists Pay Comparability Act of 1975, which is due to expire on September 30, 1978. In addition, due to a provision in the legislation extending that act last year (Public Law 95–201), the Veterans' Administration must submit to this committee and to the counterpart committee in the House of Representatives by April 1, 1978, a report on whether there are difficulties in the VA's furnishing of health care resulting from the lack of basic proficiency in spoken or written English on the part of its personnel with direct patient-care responsibilities and, if such problems do exist, how the VA plans to promote the achievement of English language proficiency on the part of these personnel.

The committee continues to be deeply concerned about this issue because of its relevance to the quality of health-care services and will be evaluating carefully any legislative initiatives which the Administrator's report may require.

The President's budget for fiscal year 1979 recommends the enactment of legislation to establish a program of psychological readjustment services for recently discharged veterans and to authorize the VA to enter into fee-for-services contracts with community agencies for the treatment and rehabilitation of patients with drug and alcohol dependencies. The committee is presently involved in discussions with the House Committee on Veterans' Affairs regarding further action on legislation containing similar and other health-care eligibility provisions which passed the Senate during the last session but as to which the House has taken no action. The committee attaches a high priority to these matters and will give full consideration to the President's proposals.

Last year, the committee initiated a series of onsite visits by staff, particularly with respect to neuropsychiatric facilities and drug and alcohol treatment units within the Veterans' Administration health-care system. We strongly believe that the extent of familiarization with health care as it is actually delivered at the local level is essential to the committee professional staff's adequate understanding of the VA's health-care system and their ability to advise the committee with respect to the implementation of legislation and its impact on the quality of care in these facilities. Although staff vacancies and turnover and certain other factors prevented our accomplishing as much in this area as we would have liked, the committee intends to commit additional resources to onsite visits in this session, including visits to facilities providing unique programs for elderly veterans and to nursing homes, domiciliary facilities, ambulatory treatment programs, and facilities with major activities in the fields of sharing specialized medical resources and health-care planning.

After extensive study by committee staff, on December 15, 1977, the committee introduced S. 2384, which would amend title 38, United States Code, in order to provide a need-based "security pension" program for non-service-connected disabled and elderly war veterans and their survivors. This program grows out of the committee's continuing concern over the inadequacies and inequities of the current pension program. The first such bill developed by the committee was introduced in the 94th Congress as S. 2635; it passed the Senate in 1975, and in the resulting law (Public Law 94–432) Congress determined that the present pension system failed to provide sufficient support to the most needy veterans and survivors and subjected many pensioners to annual reductions in their pensions as a result of increases in benefits they receive from other Federal assistance and retirement programs.

These pension inequities have, we believe, been addressed in the new legislation, and it is the committee's intention to move

swiftly to enact a new pension program in this session. A substantial amount of the committee's time this year will be spent perfecting the legislation through public hearing, markup, floor action, and consultations with the House committee.

We also feel that the committee has a major obligation to continue to monitor very closely the implications and ramifications of the chapter 32 program of education benefits which became effective on January 1, 1977. This new program of education benefits for the "All-Volunteer Army" is a participatory, matching-fund program unlike the straight entitlement benefits to which post-Korean conflict veterans beginning service before 1977 have been entitled. Crucial to the understanding of the value of this program will be our continuing review of enrollment rates among the various branches of the service to determine whether the program is being well implemented and to assure that participating recruits who become eligible to use benefits within 3 years of enlistment have had full opportunity to benefit from this type of program.

Additionally, the committee is obligated to continue its oversight of the present GI bill program, under which approximately 1,595,300 veterans and other eligible persons are presently enrolled. While enrollment declined somewhat in the last fiscal year due primarily to expiration of entitlement for those veterans who were discharged from service 10 years ago, the program still comprises the largest single Federal postsecondary education assistance program. Close oversight will be necessary to assure that this program is conducted in an efficient and economical fashion and in conformity with the intent of Congress. Recently enacted legislation, Public Law 95–202, the GI Bill Improvement Act of 1977, made a number of significant changes in the educational assistance program designed to improve its administration and its responsiveness to the needs of enrolled veterans, educational institutions, and those administering the program at the Federal, State, and local levels. The implementation of these provisions will require ongoing monitoring by the committee to assure that the program is being administered properly and fairly and that abuses are curtailed.

In addition, Public Law 95–202 liberalized eligibility for VA education loans, increased the maximum loan amount from $1,500 to $2,500, extended, in certain cases, the period of eligibility for a loan, and provided for loan repayment through the acceleration of benefits in certain cases. Committee oversight will be necessary in connection with the implementation of these new provisions.

Through 1977, unemployment among Vietnam-era veterans continued to exceed the rate for their nonveteran counterparts of similar age. In 1976, in Public Law 94–502, Congress established the position of Deputy Assistant Secretary of Labor for Veterans' Employment in the expectation that the elevation of this position to a higher level of visibility and authority in the Department of Labor, with direct responsibility to the Secretary, would bring about more effective management of programs aimed at dealing with the employment problems of Vietnam-era and disabled veterans. The committee believes it continues to have a heavy responsibility to monitor the activities of this new office and the implementation of programs initiated by the President to combat the high rates of veterans' unemployment.

The committee will also be studying very carefully, as part of its oversight responsibility, any proposals to alter the veterans' preference laws governing Federal employment.

As we indicated last year, the committee has sought, on a number of occasions, to obtain Veterans' Administration guidance with respect to updating the chapter 31 vocational rehabilitation program for disabled veterans. When such guidance was not forthcoming, the Congress last year, in Public Law 95–202, mandated a study of this program to be submitted to the President and the Congress by March 1, 1978. This study is to include the Administrator's recommendations for administrative or legislative changes in the program. The committee thus will be reviewing very carefully this report and its recommendations and expects to invest substantial resources in preparing a revision of this chapter in order to make the program more meaningful and useful for the rehabilitation of our severely disabled service-connected veteran population.

In light of the enactment of Public Law 95–126, the committee will monitor the military discharge-review process and other programs under which determinations are made as to the VA benefits eligibility of persons originally discharged under other than honorable conditions. That law requires the Department of Defense to develop and publish, for the first time, uniform standards and procedures for the review of administrative discharges under such conditions; to make a second review under the new standards of the cases of all upgradings of such discharges under the Ford and Carter special review programs for the purpose of deciding the eligibility for VA benefits of those persons; and, for a period of at least 1 year after the uniform standards and procedures are published, to accept applications for discharge review under those new guidelines from all persons with administrative discharges under other than honorable conditions, regardless of when they were discharged and whether they have previously been denied upgrading. The law also creates a new, conditional bar to benefits in the case of individuals discharged under other than honorable conditions for an unauthorized absence for a continuous period of 180 days or more, but provides that such bar shall not apply if the VA determines that there are compelling circumstances to warrant the prolonged absence.

Both the Defense Department and the VA must publish implementing regulations under Public Law 95–126. The committee is giving very careful scrutiny to the regulations which have been proposed, and is calling on the Defense Department to publish further, necessary regulations and to coordinate its regulations in this area more closely with the VA. The committee will also oversee the operation of the discharge-review process and VA determinations regarding the conditional bar for prolonged absence in order to assure that congressional intent is faithfully carried out.

In addition, the committee will monitor the VA's reform of its character-of-discharge regulations, under which it determines whether an individual with an administrative discharge under other than honorable conditions is eligible for veterans' benefits. These regulations are badly in need of review and reform; and the VA announced its intention last June in hearings before this committee to undertake such a review and to accomplish needed revisions.

In all such matters, the committee is concerned that decisions regarding benefits eligibility are made on a case-by-case basis in accordance with fair procedures and adequate, published standards and that the principle that veterans' benefits are to be conferred on the basis of honorable service is observed.

Another area in which the committee has invested substantial time in the past session is the due process aspects of the adjudication process and the finality of adjudication decisions of the VA Administrator. The committee held 5 days of hearings on S. 364, a bill to provide for judicial review of the decisions of the Administrator, and expects to devote much effort in the early part of this session to the drafting of legislation to increase the due process rights of veterans who bring claims before the Administrator for adjudication.

It is very likely that inflationary pressures will warrant the enactment of cost-of-living increases in the veterans' service-connected disability compensation rates and in the rates of dependency and indemnity compensation (DIC) payments to the surviving spouse dependents of service persons whose deaths occur during active duty or of veterans whose deaths result from service-connected causes. The committee will be following this situation carefully. Also, the committee will be receiving a statutorily mandated VA study of the DIC program on the general adequacy of benefits and the question whether, or to what extent, DIC benefits should be based on the deceased person's military pay grade. The committee will give careful consideration to the question whether the findings and recommendations of the study require legislative initiatives.

The committee intends to continue its activity in the area of insurance, including legislation proposing requirements for disclosure to veterans who are converting from Veterans Group Life Insurance programs which are available to them for the 5-year period immediately following their discharge from service. Any such legislation would be the first Federal law in this area. Committee staff, therefore, will need to make considerable effort in exploring this area and analyzing alternative approaches.

The committee also has a growing concern about the effectiveness of VA housing programs and how such new initiatives as solar energy might be included in the VA guaranteed loan program. We will be exploring this issue as well as the need for further national cemeteries.

As was also brought out at the Rules Committee hearing last year on S. Res. 149, the committee has two printers on detail from the Government Printing Office. We propose to continue that arrangement. Enclosed for your information is data[1] which we believe justifies very clearly the continuation of this detail in order to assist the committee in continuing to provide legislative and resource materials to Members of the Senate, various agencies of the Government, and the general public.

On the basis of our first year of operation as chairman and ranking minority member of the committee, we now know a great deal more than we knew a year ago about the committee's needs. We believe our work plan and the budget proposed to carry it out are reasonable and prudent, and we recommend them to you. As we have this year, we will spend only what we need to, in order to carry out our responsibilities.

In summary, then, we believe that the work of the Committee on Veterans' Affairs for the second session of the 95th Congress requires the funds which this resolution requests.

Also enclosed are the completed Senate committee investigations questionnaire and budget form. We will appreciate your full and favorable consideration of the requests of the committee and will be happy to provide you with any other information which the Committee on Rules and Administration requires.

Sincerely,

ALAN CRANSTON,
Chairman.
ROBERT T. STAFFORD,
Ranking Minority Member.

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[1] The data referred to may be found in the files of the Rules Committee.

ADDITIONAL EXPENDITURES BY THE SELECT COMMITTEE ON SMALL BUSINESS

The Senate proceeded to consider the resolution (S. Res. 378) authorizing additional expenditures by the Select Committee on Small Business for inquiries and investigations, which had been reported from the Committee on Rules and Administration with amendments as follows:

On page 1, line 7, strike ", or any subcommittee thereof,";

On page 2, line 11, strike "$285,500" and insert "$276,900";

So as to make the resolution read:

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by section 134(a) of the Legislative Reorganization Act of 1946, as amended, and S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, as amended and supplemented, in accordance with its jurisdiction under such Senate resolution, the Select Committee on Small Business is authorized from March 1, 1978, through February 28, 1979, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency, and (4) to procure the temporary services (not in excess of one year) or intermittent services of individuals consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(i) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. The expenses of the committee under this resolution shall not exceed $276,900, of which amount not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946, as amended).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendments were agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–657), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 378 as referred would authorize the Select Committee on Small Business from March 1, 1978, through February 28, 1979, to expend not to exceed $285,500 for a study of matters within its jurisdiction under Senate Resolution 58, 81st Congress, agreed to February 20, 1950, as amended and supplemented, of which amount not to exceed $1,000 would be available for the training of professional staff of the select committee.

During the 8-month period from July 1, 1977, through February 28, 1978, the select committee was authorized by Senate Resolution 140,[1] agreed to June 14, 1977, to expend not to exceed $174,500 for the same or similar purposes. The select committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $100.

The Committee on Rules and Administration has amended Senate Resolution 378 by reducing the requested amount from $285,500 to $276,900, a reduction of $8,600; and by making a technical amendment which would conform with the Committee's policy of not providing funds for subcommittees.

A joint letter (with accompanying budget) in support of Senate Resolution 378, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Gaylord Nelson, chairman, and Senator Lowell P. Weicker, Jr., ranking minority member, of the Select Committee on Small Business, is as follows:

U.S. SENATE,
SELECT COMMITTEE ON SMALL BUSINESS,
Washington, D.C., January 31, 1978.

HON. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration,
Washington, D.C.

DEAR MR. CHAIRMAN: By Senate Resolution 378, unanimously reported from the Small Business Committee on January 31, 1978, this committee is requesting authority to make expenditures from the contingent fund of the Senate in the total amount of $285,500 to support the activities of the full committee and its subcommittees for the 12-month period, March 1, 1978, through February 28, 1979. Appended to this letter is a budget, in the form prescribed by your committee, showing how the Small Business Committee proposes to use the requested funds, if authorization is granted.

Under authority of Senate Resolution 78, which authorized $85,000 to the Small Business Committee for March 1, 1977, through June 30, 1977, and Senate Resolution 140, which authorized $174,500 for July 1, 1977, through February 28, 1978, the Small Business Committee's total budget for fiscal year 1977 was $259,500. We anticipate that all but $100 of that budget will be spent by February 28. For the period, March 1, 1978, through February 28, 1979, the committee is requesting expenditure authority totaling $285,500. This represents an increase of 10 percent over last year's expenditures, or a dollar increase of $26,000.

The increase will cover an additional majority professional staff member, and merit increases for two minority staff members. Additional increases due to uncontrollable costs, such as agency contributions and an anticipated cost-of-living increase, and $1,000 for professional staff member training. will be offset by reductions in other line items in the administrative categories of the budget.

In our April 22, 1977, letter to the Rules Committee supporting the Small Business Committee's funding request in Senate Resolution 140 for the 8-month period ending February 28, 1978, we predicted a hearing schedule of at least 46 hearings. We also predicted a heavier workload as a result of the legislative authority granted the committee in Senate Resolution 104, effective January 1977. We are pleased to report that by the end of the 1977 fiscal year the committee will have held 73 hearings, 62 in the District of Columbia and 11 in the field, a record number for the Small Business Committee. The majority of these hearings related directly to the Small Business Administration and its programs or to legislation pending before the committee. Four markup sessions, two conference meetings, and two other committee meetings were held on legislation pending in and reported out of the committee. The committee issued seven committee reports on bills reported to the Senate and three nonlegislative committee prints on small business related issues.

During 1977, 29 bills, 6 resolutions, 2 amendments, 1 House-passed bill, 1 nomination, and 24 executive communications were referred to the committee. Of the 38 legislative measures (bills, resolutions, and amendments) and the 1 nomination, 18 bills received committee action in markups, 8 were passed by the Senate, 2 became public law, and the nomination was confirmed.

We would like to mention some examples of committee accomplishments in the past year—

The committee's research and hearings led to the drafting of the $2,100 employment tax credit in the form in which it was enacted into law. We regard this as recognition of the importance of private-sector labor-intensive small businesses, which account for more than one-half of all private employment, and their potential role in any comprehensive solution to the Nation's unemployment problem.

A series of eight hearings on product liability insurance resulted in the introduction of two bills by committee members representing different approaches to the cost and availability problems faced by small businesses in obtaining this coverage.

Committee action produced an amendment to the minimum wage bill which has reduced reporting requirements on businesses which hire students, condensing a five-page form and seven pages of instructions to a simple index style card with four questions.

Our hearings on Government regulation have documented many unnecessary and burdensome aspects of this situation for small business and resulted in the introduction by committee members of legislation which would provide broad regulatory relief for small businesses.

Hearings by the committee looked into and prompted efforts within SBA overhauling the SBA paperwork required of its loan applicants.

In addition, some creative legislative initiatives have been proposed respecting SBA programs and their effectiveness in assisting small businesses. For example, pending legislative proposals would: create a small business extension service program similar to that provided by the Department of Agriculture; amend statutory authorization for two venture capital programs by providing a mechanism for the private sector to increase the flow of venture capital dollars to the small business community; overhaul the SBA advocacy program, effect a statutory reorganization of the agency, upgrade the SBA Administrator position to an executive level I position (Cabinet rank), and provide a framework for SBA to organize a small business data collection program and a small business economic analysis unit.

The committee anticipates that in the second session of the 95th Congress, about six bills now pending will be reported out for Senate action. We expect another nomination to be submitted shortly which will require additional hearings. Hearings on SBA authorizations and oversight on SBA's programs will continue, as well as other hearings on, for example, the impact of the President's tax proposals on small business, capital formation, Government regulation

[1] As amended by S. Res. 272, agreed to Oct. 27, 1977, which increased from $1,500 to $4,500 the portion of the funds authorized by S. Res. 140 which may be expended for the procurement of consultants.

and paperwork, product liability insurance and other small business related issues. We are predicting a schedule of 60 to 70 days of hearings in this session.

Both the majority and the minority on the committee have agreed to request an additional professional staff member, designated majority, to help with the increasing workload of the committee. Additionally, there is agreement on the merit increase recommendations for the minority staff.

When the Rules and Administration Committee meets to consider this funding request, we shall be pleased to appear before you in support of the resolution and to furnish any supporting data to assist you in your consideration.

Sincerely,

GAYLORD NELSON,
Chairman.
LOWELL P. WEICKER, Jr.,
Ranking Minority Member.

EXPENDITURES BY THE SELECT COMMITTEE ON INTELLIGENCE

The Senate proceeded to consider the resolution (S. Res. 383) authorizing expenditures by the Select Committee on Intelligence, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 6, strike "$1,925,000" and insert "$1,809,500"; so as to make the resolution read:

"Resolved, That the Select Committee on Intelligence, in carrying out the duties and functions prescribed by S. Res. 400, Ninety-fourth Congress, agreed to May 19, 1976, as amended, is authorized from March 1, 1978, through February 28, 1979, to make expenditures from the contingent fund of the Senate not to exceed $1,809,500, of which amount not to exceed $12,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 2. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–658), explaining the purposes of the measure.

There being no objection, the excerpt was order to be printed in the RECORD, as follows:

Senate Resolution 383 as referred would authorize the Select Committee on Intelligence from March 1, 1978 through February 28, 1979, to expend not to exceed $1,925,000 in carrying out the duties and functions prescribed by Senate Resolution 400, 94th Congress, agreed to May 19, 1976, as amended. Not to exceed $12,000 of that amount would be available for the procurement of the services of individual consultants or organizations thereof.

During the 8-month period from July 1, 1977, through February 28, 1978, the select committee was authorized by Senate Resolution 148, agreed to June 14, 1977, to expend not to exceed $1,150,000 for the same or similar purposes. The select committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $163,220.

The Committee on Rules and Administration has amended Senate Resolution 383 by reducing the requested amount from $1,925,000 to $1,809,500, a reduction of $115,500.

A joint letter (with accompanying budget) in support of Senate Resolution 383 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Birch Bayh and Senator Barry Goldwater, chairman and vice chairman, respectively, of the Select Committee on Intelligence, is as follows:

U.S. SENATE,
SELECT COMMITTEE ON INTELLIGENCE,
Washington, D.C., January 31, 1978.

HON. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, Russell Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN. We are writing in support of Senate Resolution 383, which would authorize expenditures in the amount of $1,925,000 for the Select Committee on Intelligence for a period of 1 year, from March 1, 1978, through February 28, 1979.

The committee spent the first 3 months of its existence (S. Res. 400, May 19, 1976) planning how it could most effectively meet the responsibilities as mandated in its authorizing legislation and the recommendations of the predecessor investigative committee. The select committee subsequently organized itself into six subcommittees to address its assigned responsibilities as follows: Subcommittee on Intelligence and the Rights of Americans; Subcommittee on Budget Authorization; Subcommittee on Collection, Production and Quality; Subcommittee on Charters and Guidelines; Subcommittee on Secrecy and Disclosure; Subcommittee on Special Investigations.

The committee has functioned as a committee of the whole for most oversight responsibilities, including covert action and other clandestine activities. Efforts are underway to formalize these oversight arrangements. To carry out the work of the committee, the staff has been chosen carefully and gradually hired. At present there are 50 employees on the staff, and the committee has budgeted for a total of 53—the remaining slots of chief counsel, minority counsel, and a professional staff member, will be filled as soon as qualified persons are found.

Under Senate Resolution 400, the select committee has responsibility for studying "the extent and nature of the authority for the departments and agencies of the executive branch to engage in intelligence activities and the desirability of developing charters for each intelligence agency or department." For the past 2 years, the Subcommittee on Charters and Guidelines has been engaged in the difficult task of the drafting of a charter for the governance of all intelligence activities. The charter legislation is the result of a joint effort on the part of the committee and the executive branch. This marks a commitment by President Carter and the committee to work closely together to set forth clearly the principal missions and purposes of our national intelligence system, and to provide for its governance under the Constitution and the laws. During the hearings which are scheduled early this spring, the committee and the executive branch will work through the draft bills until as close a consensus as possible has been reached.

The Subcommittee on Budget Authorization is responsible for authorizing budget levels for intelligence expenditures in each fiscal year. Attendant to that duty is the need to analyze, on a continuing basis, the programs and budgets of the agencies, monitor agency expenditures during the fiscal year, and to conduct annual hearings and detailed evaluations of budget requests upon submission by the President. In the past year the subcommittee has—

Conducted more than 45 hours of hearings reviewing the fiscal year 1978 budget;

Reported to the Senate the first bill and report in the history of the Senate which authorized and evaluated expenditures for intelligence activities;

Conducted hearings and reported to the Senate a resolution calling for public disclosure of overall intelligence expenditures.

In the coming year the subcommittee will continue its evaluation of particular intelligence agency programs and conduct lengthy hearings on the fiscal year 1979 budget.

In the past session, the Subcommittee on Intelligence and Rights of Americans held hearings on a revised version of the Foreign Intelligence Surveillance Act (S. 1566), reported by the Judiciary Committee. The subcommittee is now considering amendments and the bill will be reported to the floor shortly. In the preparations of intelligence charter legislation which will set standards for techniques in intelligence investigations which are directed at Americans or conducted within the United States, the subcommittee has also been engaged in the study of intelligence activities as they affect the rights of Americans. These oversight studies and the legislative charter work will intensify in the year ahead. Charter work is conducted in coordination with the Subcommittee on Charters and Guidelines.

During the past session the Subcommittee on Collection, Production and Quality prepared extensive reports on the A team-B team exercise which was a competitive estimation of Soviet strategic weapons. Another intensive study was done on the performance of U.S. intelligence agencies and their ability to estimate and judge the impact of the Arab oil price hikes of 1973–74. The subcommittee also investigated a number of other questions related to the analytic and reporting performance of U.S. intelligence agencies. Among other reports which will subsequently appear are: Worlr terrorist activities, Soviet oil prospects, certain sensitive questions concerning the Soviet military, China, Portugal, and the usefulness of U.S. intelligence to policymaking consumers. In all cases, the subcommittee's chief interest relates to the intelligence community's capabilities for anticipating and providing accurate and timely analysis. In carrying out this work, committee staff members have reviewed extensive written materials and conducted some 350 interviews with members of the intelligence community and with senior policymakers in the White House, the NSC staff, the Departments of State and Defense, and other departments and agencies. Unclassified versions of the subcommittee's reports will be released as appropriate.

Last year, the select committee created a Subcommittee on Secrecy and Disclosure. The mandate of the Secrecy and Disclosure Subcommittee was to conduct a study of the problems of secrecy, including the legislative issues that surround the problems of lawful classification and declassification. The subcommittee is preparing for hearings which will commence in March of this year. The focus of these particular hearings will be the question of the use of classified information in criminal and civil litigation.

In the exercise of its oversight responsibility, the committee continues to receive numerous allegations of impropriety within the intelligence community. These require screening, explanations, analysis and determinations as to whether investigations are warranted. The Subcommittee on Special Investigations, which was formed last year has had the responsibility for several sub-

stantial investigative matters in the last session. This has worked out to be a successful means to follow up on allegations involving intelligence abuses.

The committee has a staff of unusually highly qualified men and women. Most of the staff have had useful prior experience in the intelligence community. The work of the committee has required the staff to work unusually long hours in difficult physical circumstances and under very strict discipline. The sensitive nature of conducting oversight of secret intelligence activities requires a staff of the very highest integrity and responsibility. For these reasons, we have sought to assemble such a staff and believe we have done so.

The present staff's total compensation for the last 8 months' funding period ending February 28, 1978 (under S. Res. 148, June 14, 1977), is expected to be $897,596.45. Administrative costs for the same period will amount to approximately $89,183.03, for an expected total 8-month expenditure of $986,779.48. On an annual basis this amounts to $1,480,169.28. The estimated unobligated balance as of February 28, 1978, is $163,220.52. The budget request we are presenting today asks for a total of $1,925,000 with monthly expenditures amounting to $160,415.67.

Sincerely,

BIRCH BAYH,
Chairman.
BARRY GOLDWATER,
Vice Chairman.

EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

The resolution (S. Res. 375) authorizing expenditures by the Special Committee on Aging, was considered and agreed to, as follows:

Resolved, That the Special Committee on Aging, established by section 104 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, is authorized from March 1, 1978, through February 28, 1979, in its discretion to provide assistance for the members of its professional staff in obtaining specialized training, in the same manner and under the same conditions as a standing committee may provide such assistance under section 202(j) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. In carrying out its duties and functions under such section and conducting studies and investigations thereunder, the Special Committee on Aging is authorized from March 1, 1978, through February 28, 1979, to expend $321,000 from the contingent fund of the Senate, of which amount (1) not to exceed $25,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of such Act).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1979.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at annual rate.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95-659), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 375 would authorize the Special Committee on Aging from March 1, 1978, through February 28, 1979, to expend not to exceed $321,000 for a study of any and all matters pertaining to problems and opportunties of older people. Of that amount (1) not to exceed $25,000 would be available for the procurement of the services of individual consultants, or organizations thereof; and (2) not to exceed $1,000 would be available for the training of committee professional staff.

During the 8-month period from July 1, 1977, through February 28, 1978, the special committee was authorized by Senate Resolution 147,[1] agreed to June 14, 1977, to expend not to exceed $442,000 for the same or similar purposes. The special committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $2,000.

A joint letter (with accompanying budget) in support of Senate Resolution 375, addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Frank Church and Senator Pete V. Domenici, chairman and ranking minority member, respectively, of the Special Committee on Aging, is as follows:

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C., January 31, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Today we introduced Senate Resolution 376 to restore permanent funding status for this committee, and Senate Resolution 375 to request $321,000 in contingent funds (in addition to the statutory authorization) for the period from March 1, 1978, through February 28, 1979.

FUNDING STATUS

Members of the Senate Committee on Aging, at an executive session on January 24, 1978, reaffirmed their support for restoration of a provision (amendment No. 23) enacted by a Senate vote of 90 to 4 as part of Senate Resolution 4 (the Committee System Reorganization Amendments of 1977) which established statutory funding for the Committee on Aging for core staff and operating expenses comparable to other permanent committees.

An exchange of letters with the Rules Committee last March on the subject of core funding is enclosed (attachment 1).[2] It sets forth this committee's reasons for reestablishment of core funding. It also gives the position, taken by Senator Cannon at that time, as chairman of the Senate Committee on Rules and Administration. His letter indicated that the request from this committee to reinstate core funding would be reconsidered.

We hope that his reexamination will result in the approval by the Rules Committee of Senate Resolution 376 which would restore the language giving our committee the funding status enacted by the Senate as part of Senate Resolution 4.

We believe that our letter of March 1, 1977 (see attachment 1) explains fully the committee's reasons for seeking this action.

EFFECTS OF STATUTORY FUNDING RESTORATION

The amount of contingency funding sought in Senate Resolution 375 is based upon Senate approval of Senate Resolution 376. Approval of Senate Resolution 376 would relieve the Committee on Aging of the requirement of seeking all of its funds, as it has since its establishment in 1961, from contingency authorizations.

In 1977, the Senate Rules Committee and the Senate approved the following funds for the Senate Committee on Aging:

February 11, 1977 (for March through June 1977)	[3] $191,000
June 10, 1977 (a reduction of $25,000 from the amount requested for expenses from July 1, 1977, through February 28, 1978)	[4] 407,000
January 24, 1978 (for supplemental funds needed to meet work demands through February 28, 1978)	[5] 35,000
Total	633,000

The 1977 budget included a $50,000 set-aside for investigations. The committee members feel strongly that the investigatory functions of the Committee on Aging need ongoing status for maximum effectiveness. For this reason the investigatory function is included in the overall budget and not as a set-aside. This is consistent with the Rules Committee instructions to submit a single funding request. With core funding, the Committee on Aging would be able to have a permanent, full-time investigator.

Our 1978 budget request represents an overall increase of 7 percent over funds approved by the Senate Rules Committee for this committee for March 1977 through February 1978. This increase is roughly comparable to the cost-of-living adjustment authorized under the Payroll Comparability Act of 1977 and includes the following:

An increase from $23,500 to $25,000 (6 percent) for consultants, primarily to buttress investigative activity.

An increase from $11,000 to $16,000 (45 percent) for reimbursements to agencies for specialists to assist in investigations.

An increase from $22,126 to $25,000 in travel (14 percent, primarily for investigations).

In short, it is the intention of the Committee on Aging to seek no special funding in the future for investigations, but through the increases listed above to expand its capacity for an ongoing effort which has already yielded major results.

The budget would also permit the addition of another professional staff member, for noninvestigative functions. This addition is considered essential because the majority professional staff now comprises only six persons: Staff director, chief counsel, associate counsel, and three professional staff members. The minority staff (now comprising a minority staff director, three professional staff members and a minority clerk) would also be strengthened to reflect the increase in the majority staff (but still within the present two-thirds/one-third ratio as provided by S. Res. 4).

COMMITTEE ACTIVITIES IN 1977

An unusually large number of legislative enactments during the past year either resulted from or are associated with committee activities (see attachment 2.)[6]

[1] As amended by S. Res. 288 agreed to Jan. 27, 1978 which authorized the special committee $35,000 (increase from $407,000 to $442,000) in supplemental funds.

[2] The attachments referred to may be found in the files of the Rules Committee.

[3] Under authority of S. Res. 78.

[4] Under authority of S. Res 147.

[5] Under authority of S. Res. 288.

[6] See footnote 1.

HEARINGS

Please note that several of the public laws relate to legislative proposals arising directly from committee hearings. For example, earlier committee hearings on social security led to action on items 183, 184, 185, and 186, as shown on the list. Hearings on energy costs advanced legislative items now before the energy conference committee.

In other cases, hearings have been conducted to supplemental legislative hearings by standing subcommittees. For example, the hearing on October 18 on "Senior Centers and the Older Americans Act" was coordinated with the Subcommittee on Aging, Committee on Human Resources, in preparation for legislative hearings by that subcommittee this year on extension of the Older Americans Act.

Since February 28, 1977, the Committee on Aging has conducted 31 hearings—14 in the field and 17 in Washington, D.C. Two more events are scheduled before the end of this February. One is a hearing on "Tax Forms and Tax Equity for Older Americans"; the other is an executive session to receive depositions from persons subpenaed to present material related to hearings on alleged political influence on nursing home operations. The full list of hearings for the past year appears as attachment 3.[6]

One series of hearings dealt with "Health Care for Older Americans: The 'Alternatives' Issue." The importance of developing alternatives to institutional care in this Nation is underscored by Health, Education, and Welfare Secretary Califano's recent statement that 100,000 of the 700,000 patients now in acute care hospitals would not have to be there if suitable alternative care were available. He said that this situation raises current hospital costs needlessly by about $2.6 billion yearly. A comprehensive report based upon the "alternatives" hearings and related studies will be a major committee task in 1978. Legislation providing for home health care has been introduced as a result of recent committee hearings.

Hearings on the "The Nation's Rural Elderly" helped make the case for enactment of new legislation authorizing medicare coverage for physician extenders in rural areas.

INVESTIGATIONS

Senator Herman Talmadge gave the Senate Committee on Aging a share of the credit for Senate approval of the Medicare-Medicaid Reform Act on September 30, 1977, when he said:

"Both H.R. 3 and its companion bill, S. 143, reflect in their provisions the extensive time and effort devoted by several committees of the Congress in exposing fraud and abuse in medicare and medicaid. For example, the Senate's Special Committee on Aging has, for years, vigorously and imaginatively exposed the fastbuck artists and the exploiters who prey on older Americans. That committee has sought, as we on the Finance Committee have, to keep the Federal programs and the old from being corrupted and subverted."

He made similar remarks when introducing the conference report on October 13.

Cooperation with Ways and Means Committee

Investigators from the Senate Committee on Aging and the House Ways and Means Committee worked cooperatively towards hearings in March 1977 on medicare and medicaid frauds related to home health care operations in California. Testing on March 8 and 9 raised issues which have since been referred to State and Federal law enforcement authorities.

The committee interest in this case, however, continues.

[6] See footnote 1.

Investigations of political influence on nursing homes

Investigations in five States on this subject led to hearings in September 1977. It was established that the situation in three of those States requires intensive further scrutiny, either followup hearings or taking of depositions. As noted, this executive session will take place on February 23.

Also the Federal Elections Commission has joined the committee staff in examining issues related to donations in several political campaigns in one major State.

Upon completion of the political influence inquiries' committee investigators will return to ongoing scrutiny of: (a) the role of fiscal intermediaries in the medicare program (b) the effect of current medicare and medicaid reimbursement formulas on hospitals, in particular (c) possible price fixing and restraint of trade by nursing home chains and (d) existing State pharmacy programs and lessons that can be learned from States which have effective accountability procedures for prescription drugs in public programs.

Report on kickbacks among medicaid providers

This was a compilation of investigative findings issued on June 30, 1977. It concluded that "kickback" schemes to defraud the medicaid program are rampant, and that a 1972 law enacted by the Congress to make them illegal is not being fully enforced.

Fraud and abuse among clinical laboratories

A 1976 investigation into the fraudulent practices of some clinical laboratories, which provide services to medicaid patients in five States, resulted in the Clinical Laboratory Improvement Act which passed the Senate in June 1976 but failed in conference committee with the House. The bill passed the Senate again in 1977 and was ordered reported by the Health and Environmental Subcommittee of the House Interstate and Foreign Commerce Committee. The investigation also caused States to review their reimbursement procedures for laboratories. New York and Illinois reduced lab payments by 40 percent. In addition, numerous laboratory owners named in the investigation in these two States have been indicted and several convicted of fraud.

Fraud in medicaid mills

In August 1976 the committee released the results of its investigation of fraud in shared health care facilities (so-called medicaid mills) which house practitioners of disciplines as diverse as podiatry and psychiatry. The operators of such "clinics" were found to usher as many patients through the facility in as short a time as possible. The revelations of fraud and questionable quality of care received national attention and provided the impetus for the enactment in September of the bill creating the Office of Inspector General in the Department of Health, Education, and Welfare. The committee during 1977 maintained close contacts with the Inspector General's office and has assisted States such as New York and Missouri in establishing antifraud and abuse units.

PUBLICATIONS

The Committee on Aging has issued the following publications since March 1, 1977. (See attachment 4.)[7]

Eight issues of Memorandum, a summary of aging-related legislative actions, were distributed in 1977.

In addition, manuscripts are nearing completion on such subjects as:

Reporting and paperwork requirements under the Older Americans Act;

[7] See footnote 1.

Importance of single room occupancy (SRO) accommodations to older persons in many urban centers;

Developments in aging—1977 (annual report);

Senior Centers and the Older Americans Act.

Early action is also contemplated on a paper describing transportation innovations in several major cities and the previously noted report on "alternatives" in long-term care and support.

FUTURE ACTIVITIES

Committee members, at a meeting on January 24, 1978, began consideration of possible work items for the year.

The committee has since issued a summary suggesting that early attention be given to the following proposed hearings or subjects for additional research:

Continuation of "health care status" hearings and reports, possibly dealing first with dental needs of the elderly and care of the dying;

Identifying issues which will arise with the complete or partial abolition of mandatory retirement;

Issues related to the sale of "Medi-Gap" insurance policies;

"Older Americans in the Nation's Neighborhoods," a subject suggested by a week-long investigation by Committee on Aging staff during August into the eviction of 34 elderly persons from the International Hotel in San Francisco;

Use and overuse of medications among older Americans and possible relationships to dietary problems;

Continuation and possible conclusion of hearings on "The Nation's Rural Elderly," together with preparation of a report;

A review of recent actions taken by the Department of Housing and Urban Development to test the "reverse annuity" issues.

In addition, committee members and staff are contributing to hearings and other activities related to extension of the following programs in 1978:

Older Americans Act;

Domestic Volunteer Services Act (renewal of ACTION, which includes several programs for older persons);

Home health demonstration program (under the Health Revenue Sharing Act);

The Comprehensive Employment and Training Act, which may include a proposal expected to deal with structural employment problems of older workers.

Attention may also be given to other, omnibus legislation which includes items of concern to older Americans, including: the administration's proposed tax reduction package, the Humphrey-Hawkins bill, and welfare reform.

CONCLUSION

This summary of past and proposed activities gives only a limited account of the wide range of daily concerns and ongoing interests of the Senate Committee on Aging. But we believe that it provides additional documentation of the argument, made so often by supporters of the committee during last year's debate on Senate reorganization, that a special committee on aging is needed to provide coherent and cohesive attention to issues and legislative actions going beyond the jurisdiction of any one standing committee.

Furthermore, the growing degree of cooperation and coordination between this special committee and the standing committees indicates that jurisdictional overlaps can be avoided. You can be certain that the majority and minority members of the Committee on Aging will continue to insist on responsible, conscientious, and comprehensive attention to the needs and aspirations of older persons in this Nation.

We would like to thank you once again for the careful and courteous attention given by the Rules Committee to all requests made by this committee, and, most recently, for the favorable action taken on our request to restore requested funds for 1977.

Sincerely,

FRANK CHURCH,
Chairman.
PETE V. DOMENICI,
Ranking Minority Member.

EXPENDITURES BY THE SELECT COMMITTEE ON INDIAN AFFAIRS

The Senate proceeded to consider the resolution (S. Res. 368) authorizing expenditures by the Select Committee on Indian Affairs, which had been reported from the Committee on Rules and Administration with an amendment on page 1, line 7, strike "$575,410" and insert "$518,000"; so as to make the resolution read:

Resolved, That in carrying out the duties and functions imposed on it by section 105 of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, and in exercising the authority conferred on it by such section, the Select Committee on Indian Affairs is authorized from March 1, 1978, through the close of the Ninety-fifth Congress to expand not to exceed $518,000 from the contingent fund of the Senate, of which amount not to exceed $12,000 may be expended for the procurement of the services of individual consultants or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended).

SEC. 2. Expenses of the select committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee, except that the vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate.

The amendment was agreed to.

The resolution, as amended, was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–660), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 368 as referred would authorize the Select Committee on Indian Affairs from March 1, 1978, through the close of the 95th Congress (10-month period) to expend not to exceed $575,410 in carrying out the duties and functions imposed on it by section 105 of Senate Resolution 4, 95th Congress, agreed to February 4, 1977. Not to exceed $12,000 of that amount would be available to the select committee for the procurement of the services of individual consultants or organizations thereof.

During the 11-month period from April 1, 1977, through February 28, 1978, the select committee was authorized by Senate Resolution 102, agreed to April 1, 1977, to expend not to exceed $484,000 for the same or similar purposes. The select committee estimates that the unobligated balance under that authorization as of February 28, 1978 (funds returnable to the Treasury), will be approximately $11,000.

The Committee on Rules and Administration has amended Senate Resolution 368 by reducing the requested amount from $575,410 to $518,000, a reduction of $57,410.

The Select Committee on Indian Affairs was established to conduct a study of any and all matters pertaining to problems of Indians, including but not limited to, Indian land management and trust responsibilities, Indian education, health, special services, and loan programs, and Indian claims against the United States.

The select committee is composed of five members, who are appointed by the President of the Senate—three from the majority party and two from the minority party. Pursuant to Senate Resolution 4, the select committee will cease to exist at the close of the 95th Congress and, effective with the commencement of the 96th Congress, its jurisdiction and duties will be transferred to the Committee on Human Resources.

A joint letter (with accompanying budget and a statistical summary of the select committee's activities during the first session of the 95th Congress) in support of Senate Resolution 368 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator James Abourezk and Senator Dewey F. Bartlett, chairman and ranking minority member, respectively, of the Select Committee on Indian Affairs, is as follows:

U.S. SENATE, SELECT
COMMITTEE ON INDIAN AFFAIRS,
Washington, D.C., January 30, 1978.

Hon. CLAIBORNE PELL,
Chairman, Rules and Administration Committee, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN PELL: To continue the work of the Senate Select Committee on Indian Affairs, I have introduced Senate Resolution 368 which requests $575,410 for the 10-month period beginning March 1, 1978, and ending with the close of the 95th Congress.

The Select Committee on Indian Affairs was established pursuant to Senate Resolution 4 and will "cease to exist at the close of the 95th Congress * * * effective with the commencement of the 96th Congress" jurisdiction over Indian matters "shall be transferred to the Senate Committee on Human Resources." Section 105(d). It is for this reason that I have submitted the attached budget covering a period of 10 months rather than the customary 12 months.

Since the Select Committee on Indian Affairs was not in existence prior to the 95th Congress, it was difficult to estimate the committee's budgetary needs for the period beginning April 1, 1977, and ending February 28, 1978. However, it appears that the budget request which was made for this period was quite accurate. Based on known committee expenditures and accrued expenditures through December 31, 1977, as well as estimated expenditures for the months of January and February 1978, it appears that an unobligated balance of about $11,000 will remain as of February 28, 1978. This balance, I believe, demonstrates the committee's efforts to maintain expenditures at a minimal level required to successfully conduct the committee's work.

In the budget now being requested, I once again, have made every effort to keep projected expenditures at a minimum level.

The following budget justification is based on staff and administrative needs necessary to conduct the committee's activities consonant both with the volume of Indian-related legislation which we expect will be introduced during the second session of the 95th Congress, as well as with the requirements upon the Senate mandated by Public Law 93–580 establishing the American Indian Policy Review Commission.

Senator Bartlett, ranking minority member of the Select Committee on Indian Affairs, joins me in supporting this budget request.

I. COMMITTEE ACTIVITY RELATED TO THE AMERICAN INDIAN POLICY REVIEW COMMISSION RECOMMENDATIONS

The American Indian Policy Review Commission (AIPRC) established pursuant to Public Law 93–580, submitted more than 100 legislative recommendations to the Congress in May of 1977. The AIPRC was specifically directed by the Congress to review the entire history of Federal-Indian relations as well as the present status of Indian affairs and formulate comprehensive recommendations designed to not only resolve conflicting and inconsistent Federal policies but also to point out a direction for the future. The Organic Act establishing the AIPRC required that the appropriate committees in the Senate and the House report to their respective bodies on each of these recommendations within 2 years.

In the first business meeting of the select committee, the committee staff was directed to analyze the legislative recommendations of the AIPRC report and tentatively identify areas of priority which could form the committee's basic legislative program. In subsequent committee meetings, these areas of priority were fully discussed and agreed upon by the committee. Examples of such priority questions included: First, economic development and natural resources protection of Indian reservations; second, revision and recodification of title 25 of the United States Code; third, development of recognition standards and procedures for nonrecognized Indian tribes; and fourth, reorganization of the Federal administration of Indian affairs.

In addition, a growing number of specific legislative proposals in the area of Indian affairs were identified for early congressional action—these included the Indian Child Welfare Act (S. 1214), Indian Community Colleges Act (S. 1215), amendments to the Indian Self-Determination Act, and the requirements for an annual report on Federal Indian programs to be submitted by the Secretary of the Interior.

Oversight hearings regarding significant problems in the administration of Indian affairs have been held and the followup committee staff work has resulted in the preparation for introduction of a number of bills which will implement still other priority Policy Review Commission recommendations. The need for this legislation was extensively documented in the AIPRC final report and, again, through hearings conducted by the select committee.

Although specific legislative proposals are still in the preparation phase, the necessary research and drafting is well underway on the Federal Indian law (title 25, United States Code) recodification and revision project which the committee has undertaken as a priority recommendation of the AIPRC. Several chapters are available in draft form and comments from the public and executive department agencies regarding these draft chapters will be solicited. A comprehensive recodification bill is the objective of the committee and estimates are that such a bill will be available in early summer.

Indian tribal participation in the Federal domestic assistance program system has also been identified as a priority matter. The AIPRC report extensively documents the variety of obstacles which now exist for tribes who seek assistance under these programs which are designed to support local units of government in the delivery of basic services. Committee oversight hearings have made it clear that a combination of legislative approaches must be devised to address divergent statutory and regulatory obstacles to full tribal participation in the total range of these local governmental assistance programs. We anticipate that continued staff research should result in legislatively clarifying tribal program eligibility status and es-

tablishment of a coordinating administrative mechanism early this coming year.

II. NON-AIPRC COMMITTEE ACTIVITIES

The Select Committee on Indian Affairs has also identified and acknowledged a responsibility for traditional or non-AIPRC related legislative and oversight needs in Indian affairs. These include a wide variety of issues addressing long overdue needs of individual tribes in such areas as water rights settlement legislation, petitions for restoration of previously terminated tribes, and various lands to be held in trust for a number of tribes.

A. Involvement with complex land title cases

Adding to the complexities in Indian affairs which the Congress must face and which the Indian Affairs Committee has begun to address is the resolution of Indian claims for land taken in violation of the Indian Trade and Intercourse Act in the late 1700's and early 1800's. Most widely known are the Passamaquoddy and Penobscot Indian claims in Maine. Similarly, the Catawba Tribe has asserted a claim in South Carolina, the Wampanoag in Massachusetts, Narragansett in Rhode Island, and the Oneida in New York. The committee is in the process of identifying a reasoned and principled legislative approach to such situations. The interests and responsibilities of disparate groups must be considered in sensitive negotiations resolving these claims.

B. Major legislative packages for the second session

In the closing days of the 95th Congress. I introduced a number of legislative proposals including amendments to Public Law 93–638, the Indian Self-Determination Act. These amendments would implement the new and much needed provision in this law which was intended to bring about a transfer of control over the Bureau of Indian Affairs and the Indian Health Services from the Federal Government to Indian tribes. I also introduced legislation designed to give policy guidance and direction to the Secretary of the Interior regarding the issue of so-called nonrecognized Indian tribes. Finally, I introduced a Senate joint resolution directed at clarifying Federal policy relative to the religious rights of Indian traditional groups.

The Select Committee on Indian Affairs will begin conducting hearings on these legislative proposals sometime in February and these hearings will most likely extend into March and April.

Shortly after the commencement of the 95th Congress, I will be submitting additional legislation which will be referred to the Indian Affairs Committee; included will be legislation requiring the Secretary of the Interior to submit to the Congress an annual report evaluating and documenting the total range of Federal services presently being provided to Indian tribes.

I will also introduce legislative proposals designed to address certain legal obstacles to tribes and States interested in entering into compacts of intergovernmental agreements. This is consistent with the AIPRC recommendations that no blanket legislative proposals be adopted to resolve jurisdictional disputes between Indian tribes and local units of government, but rather that such disputes be resolved by compact or intergovernmental agreements tailored to the situation or the status of the parties.

As you can see from the above survey of the select committee's activities during the past year, we are on the brink of bringing to resolution some very fundamental issues which go to the heart of our Government's responsibilities in Indian affairs. Nearly all of these legislative proposals represent initiatives which are the result of years of effort by the Congress and the Indians themselves. Although the legal and policy proposals are sometimes themselves complex, I am convinced that they are all well throughout, balanced, and most importantly, form a fair, consistent, and workable policy framework. Approval of the budget request of $575,410, I believe, will provide the Select Committee on Indian Affairs with sufficient funds to maintain a highly trained staff experienced with the unique issues affecting Indian people.

In the first session of the 95th Congress, the committee reported out 22 bills, all of which passed the Senate. A backlog of individual tribal legislation has been largely cleared up and several far-reaching legislative proposals implementing specific AIPRC recommendations have been enacted in the Senate.

During the first session of the 95th Congress: 53 Senate bills, 4 House acts, 2 Senate resolutions, 3 Senate joint resolutions, 1 House joint resolution, 1 nomination, and 11 reports were referred to the committee.

Public laws resulting from committee activities: (1) Extended the period of time for the American Indian Policy Review Commission to file its final report; (2) declared that certain land in Nevada be held in trust for the Ely Indian Colony; (3) amended the Indian Financing Act of 1974 to extend the Indian business development program for 2 years; (4) and (5) extended the statute of limitations under which the United States, as trustee, can bring Indian claims for monetary damages on land claims by Indian tribes, bands, and groups; (6) authorized funds for the Indian Claims Commission and also pertained to other matters of the Commission; (7) extended Federal recognition to the Siletz Indian Tribe; and (8) transferred 80 acres of land to the Te-Moak Shoshone Indians.

Following is a statistical summary of the committee's activities in the first session of the 95th Congress.

Sincerely,

JAMES ABOUREZK.
Chairman.
DEWEY F. BARTLETT.
Ranking Minority Member.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider en bloc the votes by which the various resolutions were agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I so move.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. ANDERSON). The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355 (a), appoints the following Senators to the Board of Visitors of the U.S. Air Force Academy: The Senator from Colorado (Mr. HART) (Armed Services), the Senator from South Carolina (Mr. HOLLINGS) (Appropriations), the Senator from Alaska (Mr. STEVENS) (Appropriations), and the Senator from Idaho (Mr. MCCLURE) (at-large).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 6963 (a), appoints the following Senators to the Board of Visitors of the U.S. Naval Academy: The Senator from Montana (Mr. HATFIELD) (Armed Services), the Senator from Tennessee (Mr. SASSER) (Appropriations), the Senator from Maryland (Mr. MATHIAS) (Appropriations), and the Senator from North Carolina (Mr. HELMS) (at-large).

ABUSE OF UNION POWER

Mr. HELMS. Mr. President, too often overlooked in the matter of industrial-labor relations is the economic cost to this Nation resulting from the abuse of union power. The current coal strike has dramatically emphasized this issue. It has exacted a tremendous economic toll, and will continue to do so; the consequences will quickly escalate as a result of the miners having refused to ratify the contract.

But such a dramatic and well-publicized example should not be permitted to obscure the continuous day-to-day cost of unreasonable and concentrated union power. Strikes, chronic and uncontrollable absenteeism, featherbedding, jurisdictional disputes, inefficient production techniques, and interruptions in the smooth flow of commerce all exact a toll. The fact that it may be statistically difficult or impossible to exactly measure this toll should not be an excuse for ignoring it.

And let us not engage in the puerile economic argument which declares that, after all, it is "only business" that is being hurt. Any time there is waste, unneeded expense or inefficiency in the economy, that waste, unneeded expense or inefficiency is eventually borne by all citizens—including union members. Sometimes we pay through higher prices, sometimes through inflation, sometimes through higher taxes, sometimes through poorer quality of goods or services, but eventually we all pay.

Therefore, in the most literal sense, the curb of union abuses is in the national economic interest. Every citizen has a stake in such reform. Therefore, it is dismaying that the so-called labor reform bill contains nothing that addresses this serious problem. Thinly disguished as reform, it is actually the first step in an attempt to establish forced nationwide unionization. The economic cost of abusive unionism, if the proponents of this ill-advised legislation have their way, will be extended from the Northeast where it is now concentrated to ravage the prosperous South and West.

Just recently I received a letter from a fine North Carolinian, Harry Bagnal of Winston-Salem. In his letter, which I will ask to be printed at the conclusion of of my comments, Mr. Bagnal tells the story of just one episode of abusive union power, and the cost, not to mention the frustrations, to just one business caught in a typical union "Catch 22" situation. Multiply this episode daily by thousands of similar instances, and one can begin to understand what the so-called labor reform bill will do to our economy. It is a sad irony that the people who can least afford further erosion of their purchasing power—the blue collar workers—are the very people whose interests are supposed to be advanced by this so-called labor reform bill.

Mr. President, I ask unanimous consent that a letter to me from Mr. Harry

Bagnal of Winston-Salem, N.C., be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WINSTON-SALEM, N.C.,
February 15, 1978.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR JESSE: I am writing to bring a matter to your attention. I would appreciate knowing if there is any action you might take on our behalf or if anything could be done. I will briefly explain what happened to the best of my knowledge.

This company received an order from Leyenaar Hardhout in Rotterdam, The Netherlands for some kiln dried Oak dimension furniture parts. Due to the strike at the port we were delayed in shipping this order for several months. When the strike was settled we delivered part of this order from Jackson, Tennessee to the Wilmington Bonded Warehouse by a truck owned by Tennessee Dimension in Jackson, Tenn. on December 16, 1977. On January 9, 1978 we delivered additional parts for this order from Associated Forest Products Company in Live Oak, Florida. This was also shipped on their own truck and delivered to the Wilmington Bonded Warehouse. When both shipments were received, they were loaded into a container for overseas shipment and sent over to the port of Wilmington to be loaded on a container ship. The International Longshoremen's Union refused to load this on a vessel at the port and the vessel sailed without the shipment. We called Hipage Company which has on office in Wilmington and acts as our forwarding agent and were informed that since the material was not loaded in a container by the Union we would have to pay a $1,000.00 fine or this would not be loaded on any future ship. They also stated if we did not comply they would strip this container and leave the material at the port. We called the North Carolina Ports Authority to see if they could get this container loaded on a vessel, but they said that they had no authority to make the Union load any container they did not desire to load. This material in the container had a value of $19,472.12. The Hipage Company paid the International Longshoreman's Union fine of $1,000.00 and we repaid this amount to the Hipage Company for this expense and the container was loaded on the M.S. *Poplawski*. We were informed that Union can refuse to load on board any container loaded within a 50 mile radius of Wilmington. Since this stock would have been ruined if it had been unloaded at the dock and not in a warehouse that is bonded or secured or heated, we could not deliver this directly to the port. We have shipped many containers to our customer in Rotterdam and all previous shipments were loaded in containers at the mill and shipped to the port. Since this was not possible because the material came from two different mills approximately 800 miles apart, we handled this in the only manner we could. This is the most outrageous thing I know of and it is inconceivable to me that a company in this country must pay extortion or blackmail to a labor union. We are a small company and it is not possible for us to become involved in a long and costly law suit. I understand there are a number of other companies that have been involved in the same thing. It is no wonder we have a large trade deficit and that no country wants to do business with shipping companies in the states. In the last year and a half we have probably shipped the equivalent of sixty to eighty container loads but we do not intend to ship through the North Carolina ports again.

I would like to know if there is any action you can take or any assistance you can give us in recovering our $1,000.00 and to see that this terrible situation does not occur again.

Looking forward to hearing from you soon, I am

Sincerely yours,
DIMENSION ENTERPRISES,
HARRY BAGNAL,

NEW STUDY SHOWING SOVIET STRATEGIC AND CONVENTIONAL SUPERIORITY LIKELY BY 1980'S

Mr. THURMOND. Mr. President, an important new study showing the likelihood of Soviet military superiority in the 1980's was released March 1, 1978, by the National Strategy Information Center here in Washington.

This 157-page study was authorized by three distinguished military authorities, Francis P. Hoeber, David B. Kassing, and Dr. William Schneider, Jr.

Some of the principal conclusions of the study include the following:

The current strategic arms limitation talks (SALT) seem likely to tilt the strategic balance even more drastically against the United States.

The Soviets have sharply increased the numbers and improved the equipment of Warsaw Pact forces poised on the frontiers of Western Europe.

U.S. Army and Air General Purpose Forces continue to lag dangerously behind the Soviet Union in numbers, weapons, and rates of modernization.

The U.S. Navy has suffered continued attrition in the past decade, and current plans for rebuilding naval strength fall far short of what is required in the face of mushrooming Soviet capabilities.

Mr. President, this is an important work and shows the need for increased defense spending if we are to meet this threat. The continued termination of important programs, such as the B–1, and other defense cutbacks are risking the future of this Nation.

Mr. President, I ask unanimous consent that the press release, announcing this study last week, be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SOVIET MILITARY SUPERIORITY NOW LIKELY
INCREASED U.S. DEFENSE SPENDING REQUIRED

WASHINGTON, D.C.—March 1, 1978—Soviet strategic and conventional military superiority by the early 1980's is now likely, according to a comprehensive new study of defense issues released today by National Strategy Information Center, Inc. The study's authors believe that defense cut-backs evident in President Carter's proposed five-year defense program will result in substantial reductions in U.S. defense capabilities and that the alarming prospect of Soviet superiority is inevitable unless the United States acts surely and rapidly to improve its military posture by substantially increasing its defense expenditures.

As documented in the study (entitled Arms, Men and Military Budgets—Issues for FY 1979) the likelihood that the U.S. may be forced to conduct its foreign policy in the shadow of Soviet military superiority has been brought about by both Soviet and U.S. actions:

On the one hand, the Soviet Union is now outspending the U.S. by 25–40% per year in its military programs, with new weapons systems being deployed or developed on an unparalleled scale, directly threating U.S. and NATO deterrent forces. At the same time, with the help of its growing sea and air lift capabilities and its expanding Cuban legion, the Soviet Union is driving aggressively into important new areas of the Third World.

The United States, on the other hand, appears to be conceding military momentum, both strategic and conventional, to the Soviet Union, with the Carter Administration recommending defense expenditures at one of the lowest relative levels of the past 40 years, and proposing a five-year defense program far below projected Soviet efforts and some $34 billion less than recommended by the Ford Administration (some $8 billion less in total obligational authorities in FY 1979 alone).

Soviet strategic superiority in the early 1980's has been brought closer to certainty:

On the Soviet side there has been: development of improved 5th generation ICBMS and continued deployment of new fourth generation ICBMS with MIRVed payloads and improved accuracy against our deterrent forces; new submarines with new ballistic missiles outranging ours; deployment each year of 30–50 new Backfire bombers usable in a strategic role; initial deployment of large numbers of SS–20 mobile missiles convertible to a strategic role; operational capability in hunter-killer satellites; intense R&D in anti-missile (ABM) programs and large air defense and civil defense programs.

The U.S. side has seen the unilateral cancellation of the B–1 bomber; a closing of the Minuteman production line; a slow down in the MX missile and Trident submarine and ballistic missile programs; continued, relatively low, levels of ABM R&D and of air and civil defense programs; and SALT proposals which reportedly would increase asymmetries favoring the USSR, while restricting U.S. cruise missile ranges, down playing major verification issues and leaving major new Soviet programs untouched.

At the level of General Purpose Forces (GPF) the shifting strategic balance puts a heavier burden on these forces to deter or counter conventional attack by the Soviet Union and its allies. Yet the United States continues to lag substantially behind the Soviet Union in rates of production, modernization and stockpiling of GPF weapons and in active and reserve GPF force levels.

The Soviet side has seen the continued expansion of a modern ocean-going navy and the deployment of very large numbers of new tanks, armored personnel carriers, self-propelled artillery pieces, fighter planes and other modern weapons systems on a scale far outnumbering U.S. and Allied programs.

On the U.S. side, the Administration proposes drastic slashes in the Navy's projected ship-building programs (including carrier, sea lift, surface effect ship and amphibious programs); cuts in VSTOL and intra-theater transport plane programs; cuts in armored infantry vehicle programs and cuts in active and reserve manpower—cuts which will weaken the general balance of conventional forces, specifically undercutting the Administration's announced goal of strengthening U.S. and Allied forces on the NATO/Warsaw Pact front.

In the context of these alarming trends, the authors of the new study recommend alternative U.S. defense programs calling for increases in Strategic Force expenditures by $5–7 billion a year, increases in General Purpose Force expenditures of at least $10 billion per year and in the defense expenditure growth rate by 10% a year, as well as redirection, reform and innovation in a number of specific defense policies and programs.

The study's authors are three noted defense specialists—Francis Hoeber (an expert on strategic issues and President of Hoebercorp); David Kassing (a former senior official of the Department of Defense and President of the Center for Naval Analysis, which is affiliated with the University of Rochester)

and Dr. William Schneider, Jr. (author of many works on defense and a member of a Congressional Staff and of the Hudson Institute).

The study marks the third annual review of defense issues undertaken by the nonpartisan National Strategy Information Center, Inc. Like the two prior studies, which found wide use in the academic and defense communities, with the media and in the Congress, this year's defense annual promises to be an important reference work in the continuing national debate on defense.

NATIONAL SECURITY AND SALT

Mr. BAKER. Mr. President, one of the most important issues before our Nation is how to obtain a fair, equitable and verifiable strategic arms limitation agreement with the Soviet Union. Our negotiators meeting with the Russians at Geneva are trying to solve this arduous problem. Their task, and ultimately the task of the Senate, is made all the more trying because of the destabilizing effect of the involvement of Soviet and Cuban forces in the difficulties between Ethiopia and Somalia.

There has been much discussion concerning the delicate balance of strategic nuclear power between the United States and the Soviet Union. A fair reading of the military posture statement for fiscal year 1979 by Gen. George Brown, Chairman of the Joint Chiefs of Staff, and Secretary of Defense Brown's annual defense report, indicates cause for concern in this area.

In this connection I ask unanimous consent to have printed in the RECORD at this point an article in today's New York Times by Drew Middleton which reports that a Defense Department survey of United States and Soviet strengths found the United States ahead in 15 categories and the Soviet Union ahead in 12, with five other uncertain. The article also quotes Aviation Week and Space Technology as reporting that the Russians were in violation of the interim United States-Soviet agreement on offensive weapons. I ask unanimous consent that the Aviation Week article also be printed in the RECORD.

I also ask unanimous consent to have printed in the RECORD an article by former Secretary of Defense, Melvin Laird, on this same issue (Reader's Digest, December 1977).

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 6, 1978]

SURVEY SEES UNITED STATES LEADING SOVIET IN 15 KEY WEAPONS

(By Drew Middleton)

A Defense Department survey of the superpowers' strength in 32 key nuclear and conventional weapons and in command-and-control systems found the United States ahead in 15 categories and the Soviet Union in 12, with leadership in the 5 other uncertain.

The estimate of surface ships reflects the uncertainty. The Russians are judged ahead in speed, sea-keeping qualities, which is the ability to remain at sea for long periods, and armament, the Americans in range and size of ships, including a substantial advantage in carrier-based aircraft.

The survey was submitted to Congress by William J. Perry, Under Secretary of Defense for Research and Engineering. It coincided with reports from European intelligence sources that the Russians were making intensive efforts to deploy a second generation of precision-guided antitank weapons and were operating two ballistic-missile submarines beyond the limit of 62 permitted by interim agreement.

While Soviet progress appears most pronounced in seven areas of ground warfare, the report also shows the Russians making strides in the performance of nuclear weapons.

ICBM GAP SAID TO BE CLOSING

The United States retains its lead in the accuracy of ICBM's, the report says, but the Soviet Union is rapidly improving and closing the gap between the two forces of intercontinental ballistic missiles.

The Russians lead in throw weight, the amount a missile can deliver over a stated range and in a stated trajectory, although American technology in solid propellants is more advanced, according to the report.

Defense Department analysts are said to be uncertain about the lead in technology for MIRV's (multiple independently targetable re-entry vehicles). The Air Force, it was said, appears to hold its lead, but here, too, the Russians are improving.

In the important area of the hardness of ICBM silos, or their ability to withstand direct missile attack, the Russians are said to have achieved more than the Americans. In the next decade, as the accuracy of ICBM's improves, silo hardness is expected to be a major factor in calculations on nuclear warfare.

The United States is regarded as leading in the accuracy of submarine-launched ballistic missiles and in the MIRV technology for such weapons. The Americans also lead in solid-propellant technology for these missiles, but the report said that the Soviet Union had successfully employed liquid propellants to achieve greater ranges.

VIOLATION OF TREATY ALLEGED

The authoritative weekly Aviation Week and Space Technology reported that the Russians were operating 64 ballistic-missile submarines in violation of the interim U.S.-Soviet agreement on offensive weapons, which binds both Governments pending completion of the treaty on limitation of strategic arms being negotiated at Geneva.

The agreement, under which the Russians are permitted 62 boats with 950 launchers, expired last Oct. 3, but both sides agreed to conform to it until a new one was signed.

The magazine asserts on the basis of talks with Pentagon officials that the Russians are also preparing three more for deployment. They are armed with SS–N–8 missiles, which have a range of 4,800 miles.

The lead in heavy bombers, both in payload and range, remains with the United States, the report says, but recent Soviet modification of its bombers to increase payload could reduce the advantage.

SUBSTANTIAL EFFORT DESCRIBED

Defensive systems find the Russians ahead in mobile surface-to-air missiles and in the diversity of such weapons. The study says they are also making a substantial effort in advanced antiballistic-missile technology. The United States has retained its lead in aircraft interceptor technology, according to the report.

In conventional weapons, a major beneficiary of Soviet capital investment, the Russians are ahead in essential categories, the survey finds.

Soviet tanks, mainly the T–72 and T–62, are less vulnerable and fire more lethal rounds at higher rates than the armor deployed by the United States and its allies. This balance may be altered when the Army deploys the XM–1 main battle tank in Europe in the next decade.

The Western powers are found to be ahead of the Soviet Union in the accuracy and deadlines of their artillery, but Soviet artillery has greater range. The Russians also lead in the survivability, firepower and chemical-warfare defense of their infantry combat vehicles and in the diversity, salvo capability and crew protection of battlefield air-defense systems, the report says.

The American advantage in antitank guided munitions, reported in the survey, may be eroded, European experts say, by new Soviet weapons of this type.

The survey says the United States still leads in the accuracy of the air-to-surface missiles carried by aircraft, but here again it notes a major Soviet effort to improve capability.

The Air Force and the Navy retain their lead in combat aircraft although, the report says, the MIG–25 is the fastest operational fighter in the world. The Russians are reported to be making a major effort to improve the payload and range of tactical aircraft, although in this field, as in surveillance and reconnaissance, the Americans still appear to hold a lead.

The balance in naval forces shows the result of a decade of heavy investment in research and production by the Soviet Union, which, the report says, leads in antiship cruise missiles, although the new American Harpoon strengthens the Navy's capability. In surface combatants the Russians lead in speed, armament and ability to remain at sea, while the Americans retain their lead in range and carrier-based tactical air power.

In the most important defensive area of naval warfare, that of antisubmarine technology, the United States has an overall lead, according to the report, although it notes that the Soviet Union is seeking substantial capabilities. It is said to lead in mine warfare.

SOVIET SUBMARINES VIOLATE PACT—RUSSIANS HAVE TWO MORE BOATS AT SEA THAN PERMITTED UNDER INTERIM OFFENSIVE AGREEMENT; THREE MORE READY TO DEPLOY

(By Clarence A. Robinson, Jr.)

WASHINGTON.—Soviet Union is operating 64 ballistic missile submarines in violation of the interim offensive agreement that binds both sides pending completion of the second strategic arms limitation accord now being negotiated in Geneva.

Under the interim pact, the USSR is permitted 62 ballistic missile boats with an aggregate 950 launchers. The interim agreement expired Oct. 3, 1977, but both sides said they would respect it until it is replaced with a new agreement.

In addition to the 64 ballistic missile submarines already at sea, the Soviets have three Delta class submarines outfitted and ready to put to sea. That is partially the reason why the official Soviet newspaper, Pravda, recently called for a rapid conclusion of the SALT 2 treaty, U.S. strategic arms experts said. One official of the Administration of President Jimmy Carter said that with the limit in the SALT 1 accord, "the Russians are shackled because they are moving more and more of their nuclear armed missiles to sea, phasing out older ICBMs [intercontinental ballistic missiles], and they are stymied until SALT 2 is ratified."

Under the proposed SALT 2 agreement based on the Vladivostok framework, it would not be necessary to dismantle or destroy older ICBMs in order to increase SLBMs, provided that the aggregate limit of 2,400 strategic delivery systems—ICBM launchers, and heavy bombers—or the sublimit of missiles with multiple independently retargetable vehicles is not exceeded, a Defense official told Congress.

U.S. officials said that in addition to the Delta submarines now at sea, there are another six or seven Hotel class boats being

operated that also are over the limit in SALT 1. "Part of the problem is that the Soviets said they were dismantling some of the older ballistic missile submarines, but there is no real move on their part to do that," another U.S. official said.

"This is just another example of the Russian characteristic to see how far they can push until we call them on it," the official added. "It was only a year or so back when we had to demand that they dismantle some SS–7 and SS–8 ICBM launchers to compensate for submarines armed with ballistic missile launchers [AW&ST May 31, 1976, p. 14; May 24, 1976, p. 20].

"They were in violation of the interim treaty then," the official added.

The protocol to the interim agreement permitted both the U.S. and USSR to increase the size of submarine-launched ballistic missile forces—from 656 to 710 on 44 boats for the U.S. and 740 to the 950 on 62 submarines for the USSR. But any increase over boats operational or under construction on the date of the SALT 1 agreement required dismantling and destruction of ICBM launchers on a one-for-one basis.

"It was clearly a part of SALT 1 and understood by both sides that Hotel boats would be counted," one U.S. strategic arms expert said. "Now, however, the U.S. has waffled on that item, and it is unclear just what we are counting."

Gen. George S. Brown, chairman of the Joint Chiefs of Staff, told Congress this month that "the Soviet ballistic missile submarine force continues to grow in size and capability, a reflection of its high priority. As of Jan 1, 1978, the Soviets had almost 900 submarine-launched ballistic missile launchers on SSBNs in operational status. There are additional launchers on SSBNs, which are fitting out, on sea trials or under construction. There also are launchers on older diesel units, which are not accountable under the SALT interim agreement."

In response to an AVIATION WEEK & SPACE TECHNOLOGY query, the Defense Dept. said that the Soviet Union was operating, as of Jan. 1, the following numbers of submarines:

Yankee class nuclear-powered boats armed with 16 SS–N–6 ballistic missiles with a range of 2,400–3,000 km.—34 vessels.

Delta class boats—27. This is a mix of both the 12-launcher Delta 1 and the 16-launcher Delta 2. Both vessels are now armed with the SS–N–8 missile with a 7,800-km. range.

Other older ballistic missile submarines—30. This includes nuclear-powered Hotel boats that are armed with three SS–N–5s each. The missile has a range of 1,300 km.

Cruise missile submarines—65.

Attack submarines—195.

Defense Secretary Harold Brown said the Soviet SLBM force continues to undergo both expansion and modernization. Construction of the Yankee-class submarine stopped at 34 boats with 540 launchers. "However, we believe that a new solid-fuel missile was a post-boost vehicle, greater accuracy and range—the SS–NX–17—may be backfitted into some or all of the Yankees. To date, only one unit has been so fitted," Brown said.

He added that "the Soviets now have a total of 27 Delta submarines. The Delta 1s and 2s carry the SS–N–8, a single-warhead missile with a range of at least 7,800 km. A new submarine, the Delta 3, is now undergoing sea trials. The Soviets are also testing the SS–NX–18—a very long-range liquid post-boost vehicle and up to three MIRVs.

Both the SS–N–8 and the SS–NX–18 will permit the Soviets to cover targets located in the U.S. from patrol areas as distant as the Barents Sea and the waters of the North Pacific. With the SS–N–8, the Soviets already have a system of greater range than the Trident 1," Brown explained.

The Delta 3 has 24 launchers.

One of the major problems facing the U.S. Navy today is obsolescence of the Poseidon fleet ballistic missile force. The normal 20-year life of some Poseidons is being extended to 25 years, but even with that there will be a significant reduction of U.S. SLBM launch tubes in the 1980s.

"Since the Polaris/Poseidon force was built at a faster rate than that planned for Trident, with a 20-year service life, the U.S. would encounter a low level of 312 SLBM launchers in 1986 as compared to the current level of 656. If a 25-year maximum service life is attained, the nadir will be 480 SLBM launchers in 1982," Navy officials said.

U.S. SLBM launcher levels have lagged the Soviet Union since the end of Fiscal 1974. "The combination of a steadily increasing Soviet SLBM force level, block obsolescence of the United States Polaris/Poseidon force, and a slow Trident ship-building rate clearly predicts a continued Soviet advantage in SLBM launchers, the most invulnerable element of each nation's strategic forces for the foreseeable future," Navy officials said.

Of the current force of 41 fleet ballistic submarines, which were commissioned between 1960 and 1967, the oldest is now 18 years old, and the Navy is experiencing increasing materiel maintenance costs. Navy officials told Congress: "The uncertainties associated with the technological obsolesence of these ships in the face of the increasing Soviet antisubmarine warfare threat, the increasing maintenance costs that we are experiencing, the inability to backfit modern noise reduction techniques and ship systems into these ships and the lack of growth room for future improvements in ship and missile systems make it inadvisable to plan on a service life much beyond 20 years."

The Navy is backfitting the Lockheed Trident 1 ballistic missile into a portion of the Poseidon force. This will improve survivability because of the resultant expanded operating area allowed by the missile's increased range, and will provide the ability to cover potential targets upon departure from the continental U.S. bases without the need for lengthy transits.

The Soviet Union is expected to build more than 90 new ballistic missile submarines by the 1990s, according to U.S. strategic weapons experts, and because the boats now being operated by the Russians will have a service life of only 12–15 years at that time, the U.S. cannot expect them to dismantle them, one Administration official said. There is a question about where the Soviets are going with the SLBM program, the official added.

"It is as difficult as the questions now being raised about the numbers of SLBMs the Soviets have at sea. Under the agreement, both sides count submarines as deployed when they begin sea trials. The question now has narrowed to when is a boat at sea trials.

"There is clearly a backlog of Soviet boats awaiting sea trials," the official added.

The U.S. believes the best way to insure survivability of the SLBM force is to keep a maximum percent of the boats at sea. Currently 72% of the Poseidon force is at sea, and the Navy plans to maintain 78% of the Trident force at sea. This will yield a 63% increase in missiles because the 24 launchers on Trident compare with the 16 on Poseidon boats.

The Trident 1 (C–4) ballistic missile is proceeding toward an October, 1979, operational availability date. There have been 11 flight tests with the missile from a pad at Cape Canaveral, Fla., and 10 have been successful. Operational deployment in the Poseidon is scheduled for late 1979.

"The ultimate Trident force level is under continual review," a Navy official said, "and will be influenced by several interrelated factors. Primary among these will be the outcome of the on-going SALT negotiations, which will cap the number of MIRVed strategic missiles the U.S. will be permitted. Another factor bearing on the decision is a requirement to replace, at some point, our currently operational SSBN forces as a result of aging and technical obsolescence.

Additional considerations are the role SLBMs will play in the future U.S. mix of strategic forces.

"However, potential force levels can be inferred based upon current SLBM levels or potential SALT 2 outcomes. Should significant strategic arms reductions occur, it is possible that a MIRV limit which reflects current levels could be imposed. In this case, our current level of 496 MIRVed SLBM launchers would equate to 21 Trident submarines. Adherence to the extended interim strategic arms limitation agreement with its limit of 710 SLBM launchers could be accommodated with 29 Trident submarines or 696 Trident launchers. Finally, some unidentified share of a SALT 2 accord MIRV limit will be allocated to MIRVed SLBM launchers."

The Soviet Union is stressing to U.S. SALT negotiators in Geneva that when the new agreement is signed the USSR does not expect to scale down its present force of strategic delivery vehicles to meet the imposed ceiling until 1981 or 1982.

"This would be after the expiration of the three-year protocol if the agreement is concluded and ratified in this year," one Administration official said, "and it gives them awesome political leverage to extend the protocol with favorable terms in an agreement. They have told us privately at the negotiating level that they would abrogate the treaty [SALT 2] if the protocol is not extended."

ARMS CONTROLS: THE RUSSIANS ARE CHEATING

(By Melvin R. Laird)

(Long-withheld evidence proves that, by repeatedly violating the SALT I accords, the Soviets are posing a grave threat to U.S. security. We must now demonstrate our resolve to stop these infringements.)

The United States took a calculated risk in 1972 by entering into strategic-arms-limitation treaties with the Soviet Union. When the accords were signed, the nuclear striking power of the two nations was roughly equal. We knew that if the Russians were permitted to violate these agreements, known popularly as SALT I, they well might gain a potentially disastrous military advantage over us. In testifying before Congress, I stressed the necessity of guarding against this danger. But we went ahead anyway, hoping that the Soviet Union would show good faith, slowing and eventually halting the nuclear-arms race that threatened the world with proliferation of ever more only and deadly weapons.

As Secretary of Defense at the time, I felt that the prospective benefits of mutual cooperation justified our taking a chance. But today, five years later, I must report that our hopes have not been realized and that our worst fears are rapidly becoming reality. The evidence is incontrovertible that the Soviet Union has repeatedly, flagrantly and indeed contemptuously violated the treaties to which we have adhered.

This evidence has been withheld from the Congress, the press and the public. I believe there no longer is any excuse for denying the American people and their elected representatives facts whose suppression profits only our enemies. Let us consider the record.

Terms of Agreement. The United States and the Soviet Union contracted by the 1972 accords to limit their land and sea missiles

to the number then in place or under construction.* Both sides further agreed not to perfect and build extensive advanced missile defenses that could substantially nullify the other's striking force. Existing, obsolescent missiles could be replaced by modern models. However, the replacements could not appreciably exceed the size of those discarded.

We argued that—to guarantee that both nations abided by SALT I—each should open its territory to inspection teams from the other. The Russians adamantly rejected this approach. So the treaties specified that, to assure compliance, "each Party shall use national technical means of verification at its disposal." This meant that we would watch each other by means of satellite reconnaissance and electronic monitoring. The treaties also stipulated that "each Party undertakes not to interfere with the national technical means of verification of the other Party." Neither nation would resort to camouflage, deception or other action intended to disguise what it was doing.

The treaties were signed by President Nixon and Secretary Brezhnev in Moscow amid extravagant expectations. The next year, however, sophisticated U.S. monitoring equipment clearly showed that the Russians were testing a radar for use with an anti-ballistic-missile (ABM) system—in flagrant violation of explicit treaty provisions. When we privately protested, the Russians pretended ignorance. After they had performed more than a dozen radar tests specifically proscribed by the treaties (I alluded to these violations in a 1975 article**), the Russians finally halted the tests. But not until they had accomplished all the illegal research and development they desired.

Among some in the Ford Administration, evidently, the desire to see detente work was so intense that they sought to suppress—or at least minimize the significance of—intelligence revealing Soviet violations. When President Ford was asked at a press conference about the violations to which my article generally referred, he truthfully stated that he knew of no Soviet cheating. I promptly shared with him the intelligence that certainly should have been brought to his attention much earlier. Upon verifying what I had told him, the President offered to issue a correction of his press-conference statement. But such a public confirmation of disarray within the Administration would not have helped us in dealing with the Russians.

Violations Mount. At the time, I hoped that through confidential negotiations the Soviet Union might still be induced to live up to its treaty commitments. But Soviet violations have increased progressively, in both number and seriousness:

The treaties prohibit the development, testing and deployment of any mobile components of an ABM system. Stationary weapons systems, unless artfully camouflaged, can in time be detected and counted through satellite photography. But it is very difficult to assess the overall capability of mobile systems moved stealthily about at night and hidden in forests. Thus, we have cause for concern upon learning, as we have, that the Russians have tested movable ABM radars in defiance of treaty pledges.

The Soviets have also emplaced around 110 urban areas the most formidable anti-aircraft defenses ever created, based upon thousands of surface-to-air SAM-5 missiles. Some U.S. intelligence experts have long feared that were the SAM-5 modified, then joined with appropriate computers and radars, it could be converted to shoot down missiles as well as aircraft. Because such a transformation would radically shift the balance of power, the SALT treaties expressly forbade any testing aimed at upgrading an anti-aircraft missile system into an ABM system. Nevertheless, on at least five occasions the Russians have made such tests. From their desert range at Kapustin Yar, north of the Caspian Sea, they have fired SAM-5s in an effort to test their capability to intercept missiles.

The Soviet Union is producing a new intercontinental ballistic missile, the SS-16, with the range and power to obliterate any U.S. city. Unlike our land-based missiles, the SS-16 is mobile, and the Russians have gone to extreme lengths to deny us knowledge of how many are being built and where they are being stationed. SS-16s have been transported from factories under cover of darkness and camouflaged in wooded areas. Sections of the Plesetsk range where they have been tested are cloaked in netting seldom penetrable by cameras.

Because of such concealment, we cannot be sure whether the Russians are producing SS-16s merely to replace older missiles, as the treaties allow, or to expand their missile force beyond the numbers permitted. But we are sure that by elaborate concealment they are deliberately interfering with our "national technical means of verification"—a flagrant violation of the treaties.

In further contempt of SALT I, the Soviets have sought to hide the capabilities of another new missile, the SS-20. As a missile undergoes tests, devices aboard measure every aspect of its performance and continuously transmit data by telemetry to ground stations. The Russians are aware that ordinarily we, too, can receive and analyze the telemetry from their tests, so they encrypted SS-20 telemetry to make it incomprehensible to us.

Why would they violate the treaties by hiding the capabilities of the SS-20? Ostensibly an intermediate missile with sufficient range to threaten Western Europe and China but not the United States, the SS-20 is not included in the number of intercontinental missiles authorized by treaty. However, when we finally deciphered SS-20 telemetry, military analysts concluded that the missile had been tested with some 2000 pounds of ballast. Were this ballast to be replaced by fuel, the SS-20 would become an intercontinental missile capable of menacing North America.

Soviet Goal. As if the Soviets do not care whether we document still other undeniable treaty violations, they continue to expand already extensive camouflage of strategic sites. Huge sections of the prefabrication and assembly areas at the Severodvinsk submarine construction yard on the White Sea, the largest such yard in the world, have been covered by canvas and planking placed over intricate latticework. Giant tarpaulins mask submarine hulls, preventing us from counting and studying missile launch tubes. A similar coverup has been effected at the Khabarovsk submarine construction yard in Siberia. Factories known to produce components for missiles and submarines are being camouflaged, as are missile launching and test sites throughout the U.S.S.R.

How much of a military advantage the Russians have gained by all this cheating is unclear. But it is terribly clear that they remain determined to gain decisive military superiority over the United States, and that in pursuit of this end they have been willing to dishonor their most fundamental agreements with us. This reality becomes all the more apparent with consideration of the dramatic Soviet expansion of conventional military power.

Since 1972, virtually every segment of the Soviet civilian economy has fallen upon hard times, and indicators suggest that even gloomier economic times are ahead. Yet, instead of diverting resources from the military to the civilian sectors of its economy, the Soviet Union has increased military spending each year since the signing of SALT I.

The U.S. intelligence community generally agrees that the Soviets are currently allocating at least 17 percent of their gross national product to the military in contrast with a U.S. allotment of less than six percent. In every vital phase of military preparedness, the Russians now are outspending us both in dollar terms and as a percentage at GNR in modernization of ground forces, they are outspending us by an astonishing ratio of three to one.

I submit that the Russians would not be willing to so cheat and sacrifice in quest of military dominance unless they intend to exploit that dominance, once it is attained. I do not think that they necessarily are planning a Pearl Harbor-like nuclear attack on the United States, although tha possibility could not be excluded should the balance of power radically change. Rather, I think Soviet leaders contemplate threatening the use of their superiority to drive the United States into head-long retreat and isolation from its vital interests around the world.

U.S. Response. In light of this Soviet duplicity and continuing military buildup, what should the United States do? We still must try to persuade the Soviet Union that a stable balance of power and an effective end to the arms race would ultimately benefit them as much as us. But such efforts certainly will fail unless we are much more realistic than we were five years ago.

As a nation, we must convince the U.S.S.R. that we are unwilling to be militarily inferior and politically subservient. Accordingly, we should not even consider any new treaty likely to consign us to inferiority. We must not seek agreement for the mere sake of agreement.

Treaties that cannot be enforced are worse than no treaties at all. They breed a baseless sense of security and dangerous complacency. Therefore, we must effectively communicate to the Russians our unwillingness to tolerate any further violations of past agreements or any transgressions of future accords. Our position should be that henceforth any deliberate violation of a treaty will mean instant abrogation of that agreement.

The Soviets appreciate that the U.S. economy is so strong and our technology so advanced that we can outstrip them in any form of weaponry, if we have a national resolve to do so. What the Russians are counting upon are ignorance and a lack of will among Americans. We should unite to demonstrate that we will do whatever is necessary to ensure survival of the United States and all nations wishing to stand with us in freedom. There is a very practical way to demonstrate such resolve.

The Congress, with the support of the people, should proceed now to give President Carter standby authorization and appropriations to immediately and decisively strengthen our military forces should the Russians defy any new agreements. More than anything else, such action would be likely to induce the Russians to negotiate reasonably and seriously. It would remind them and

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* Under SALT I, the total number of land-based intercontinental ballistic missiles and submarine-launched missiles allowed was: 1710 for the United States, and 2358 for the Soviet Union. The numerical superiority accorded the Russians was partially offset by our lead in intercontinental bombers, not covered by the treaties, and by the superior accuracy of our missiles.

**See "Is This Detente?", The Reader's Digest, July '75.

everybody else that the emblem of the United States still is the eagle and not the ostrich.

THE COAL STRIKE

Mr. ALLEN. Mr. President, the Nation has been confronted with a serious crisis, because of the coal strike, and I want to commend the President of the United States for his leadership and his political courage in the action that he has taken today.

As I see it, the President, in confronting the crisis facing the Nation, had the option first, of invoking the Taft-Hartley law; second, calling on Congress to pass legislation authorizing him to seize, on behalf of the Government, and to operate the coal mines; and third, to ask for legislation providing for compulsory and binding arbitration, which to me was the most distasteful option; and a fourth option, as I see it, to invoke the Taft-Hartley law and to accompany that with a request for legislation authorizing him on behalf of the Government to seize the mines and to operate the mines on behalf of the Government.

The President, to the surprise of many, chose the option of invoking the Taft-Hartley law. It would have been a more politic decision, a decision possibly of greater appeal to the one element of the controversy merely to have asked the Congress to pass legislation authorizing seizure of the mines, or second, to invoke Taft-Hartley and accompany that with the request for legislation authorizing a seizure.

President Carter did not opt for those decisions on his part that would have had the more popular appeal option of adopted the less appealing option of merely invoking Taft-Hartley, shying away from the drastic step of Government seizure and Government operation of the mines, which would have had repercussions and entanglements for years to come.

I commend him for his courage in this matter. The Nation has been looking to the President for leadership in this crisis and I feel that he has responded in an outstanding way to the challenge that confronted him. It took political courage. It took statesmanship and it took leadership on his part to come to this decision, and I am hopeful that the miners of our country—we have many coal mines in Alabama and hard working miners who expect and desire fair treatment—will respond to the President's request. After all, it is in effect a request by the President, followed by legal action requiring the miners to return to work. I have full confidence that it is in the national interest and in the miners interest that they do so and that public opinion will support efforts to see that a fair and just settlement of the issues of the strike is agreed upon.

But the purpose of my speaking at this time is to commend the President for going the high road, but possibly the rough road politically in this area.

I yield the floor.

The PRESIDING OFFICER (Mr. MATSUNAGA). The Senator from New Mexico.

COAL STRIKE III

Mr. SCHMITT. Mr. President, I commend the Senator from Alabama (Mr. ALLEN) for his statement on this very serious, but unfortunately timely issue of the coal strike and the action of the President.

Mr. President, the news that the membership of the United Mine Workers has rejected the proposed contract is discouraging. It is discouraging, I am certain, to the negotiators for both the UMW and the BCOA, who have worked so hard to find a common ground of agreement. It is discouraging to the administration and to the Members of Congress, among whom I include myself, who hoped that a settlement in this national crisis could be reached without Government intervention.

It must be most discouraging, however, to the average American including the union miner. It is the average American who has been laid off or may be laid off due to the strike. It is the average housewife who will be paying higher utility bills due to the strike. It is the average business which has to deal with power cutbacks and cash flow problems due to the length of this strike.

Mr. President, in the Washington Post this morning, the effects of this strike on the economy of this Nation was discussed. Apparently, the effects are not known and economists disagree on their predictions. One view is that the strike will "halt the economy's growth for the first quarter" of this year. If the strike continues for another month, it might even "plunge the Nation into a recession." Another economist maintains that the economy is "flexible" and will bounce back once a settlement is reached.

Whichever view is correct, and I subscribe unhappily more to the former, the fact is that the effects of the strike on individuals was not even discussed. This troubles me greatly and I am sure it will trouble all of my colleagues. We are so concerned with the economy rather than with individuals, that we are forgetting what this crisis is doing to the "forgotten American."

The average American's budget is not "flexible" even if the American economy is. I find it difficult to tell an individual who has been laid off and has lost the income on which he and his family or she and her family depends that the economy will bounce back when the crisis is over. It is hard to explain macroeconomics to a retired miner who has had his pension benefits suspended. When businessmen face severe problems including the possibility of bankruptcy due to cash-flow problems resulting from the strike, I do not want to explain to them that the economy is flexible.

The human element seems to have dropped out of the picture. We cannot just deal with the economy as a whole; we must look at what is happening to individuals throughout our country at the same time we talk about macroeconomics.

Here in Washington, we have become so accustomed to dealing on the macro level using flow charts and economic indicators that we have forgotten the individuals which we were elected to represent. We deal with the effect of an issue on the economy but not on individuals. It is time we start thinking about the crisis that is being faced by the "forgotten American," the factory worker, the retired miner, the housewife, the student, the small businessman.

We are in the 90th day of this strike. Even had the proposed settlement been ratified this past weekend, it would have taken 2 to 3 weeks before coal would be moving again in the quantities required by our economy. But we do not have a settlement and each day without one, the crisis becomes more severe, more so in States in the Midwest and Eastern part of this country.

The "Nation's health and safety" is at stake. The President's action earlier today to invoke the Taft-Hartley Act is welcome. I and many others called for the President to invoke the provisions of Taft-Hartley 11 days ago. The delay in pursuing this course of action has served to worsen the crisis. The announcement earlier today, however, is late but good news.

I am confident that the miners of this country, their families and all people including the Congress will assist the President in protecting the health and safety of this Nation. I am also confident that the miners will realize that the safety of the United States and the welfare of millions of individual men, women and children requires that they return to work as soon as possible.

The margin by which the contract was rejected seems to indicate that there is little chance that a settlement can be reached quickly. I hope that assessment is incorrect. Negotiations, of course, must and will continue, but the Nation cannot continue to suffer during an additional period of discussion and negotiation. That discussion and negotiation must continue during the 80 days. The 80-day cooling off period will provide the coal which this country desperately needs. It will allow those individuals laid off to return to work. It will restore health benefits to miners and their families and pension benefits to retired miners. It should also offer the atmosphere for a settlement acceptable to both sides.

It is encouraging that the President did use the mechanism which is already available in dealing with this crisis before the crisis worsened. Any more delay could have had dangerous consequences. I hope that the administration, the Congress, the miners, and the mine operators focus attention on the fate of the "forgotten American" as they continue to seek a solution to this problem. In the meantime, it is imperative that coal, the historic source of energy on which so many Americans depend—in fact, probably our greatest source of energy for many, many years to come—be provided for the health and safety of this Nation and her citizens.

S. 2672—SURFACE MINING CONTROL AND RECLAMATION ACT AUTHORIZATIONS

Mr. FORD. Mr. President, I am pleased to introduce today, along with my distinguished colleague from Kentucky, Senator HUDDLESTON, legislation to increase the amounts available under the recently enacted Surface Mining Control and Reclamation Act of 1977 (Public Law 95–87) for assistance to small coal operators in meeting the requirements of the act.

Our bill is aimed at assuring that coal mining operations producing under 100,000 tons per year will not be forced to cease production as a result of the added regulatory burdens imposed by Public Law 95–87. Specifically, we are concerned that the presently authorized levels will not be sufficient over the coming years to cover the significant laboratory costs resulting from the "determination of probable hydrological consequences" and the "statement of the result of test borings or core samples" as called for in section 507(c) of the act.

The Congress has already recognized the need for help to the smaller operations by authorizing for the purposes listed above $10 million per year for the next 15 years. However, calculations provided by the Department of the Interior indicate that particularly for the next 2 years, fiscal years 1979 and 1980, $10 million will not be enough. The next 24 months will bear the greatest burden since it is during this time that as many as 2,500 of the Nation's existing small coal operations will be gathering and analyzing substantial data, much of which must be newly developed, and making their requests for assistance to complete the work necessary before production can begin.

Since the average cost for the required work has been determined to be $25,000 per operation we feel that an increase in the authorization to $25 million for the next 2 years is justified. Since the number of applications to be received is likely to decrease to 600 or so per year after 1980 our bill would set the authorization at $15 million per year for the subsequent 13 years.

In appearances before the Energy Committee on which I serve and the Subcommittee on Interior and Related Agencies of the Appropriations Committee where Senator HUDDLESTON sits, officials of the Office of Surface Mining have indicated the need for additional money. Senator HUDDLESTON and I both strongly believe that with the added authorization and the careful scrutiny of the Appropriations Committee in dispensing the funds, we will be able to maintain the environmentally sound operation of small surface mines despite added regulatory burdens.

PRIVILEGE OF THE FLOOR—TREATIES

Mr. HELMS. Mr. President, I ask unanimous consent that John Carbugh, of my staff, be granted the privileges of the floor during the consideration and votes on the treaties.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 2674—REVENUE BOND FINANCING

Mr. PROXMIRE. Mr. President, I am introducing today a bill to expand the market for revenue bonds issued by State and local governments by authorizing commercial banks to underwrite these bonds. Commercial banks are already authorized by law to underwrite general obligation bonds issued by State and local governments. Bank participation in the revenue bond market would increase competition and reduce significantly the cost of revenue bond financing paid by State and local governments.

This bill, with one minor exception, is identical to title II of S. 3838 which the Senate passed in 1974. It is also very similar to S. 1306 passed by the Senate in 1967. As many of my colleagues will remember, I was the sponsor of both of those bills. Unfortunately, neither bill was approved by the House. However, I am hopeful the House will hold hearings on a similar measure this year.

In 1974 the Banking Committee report on S. 3838 pointed out that if that legislation had been enacted in 1967, State and local governments would have saved about $280 million by 1974 through the lower costs that would have resulted from bank competition for their revenue bond issues, and that annual savings of $50 to $100 million could be expected at the $10 billion level of revenue bond financing of 1973 and 1974. The projected annual savings have now increased to around $200 million, based on the increased volume of revenue bond financing.

State and local governments, and the authorities established by them to own and operate public works, have in recent years relied more and more on revenue bond financing to fund a wide variety of public facilities, such as water and sewer systems and plants, park and recreational facilities, hospitals, powerplants, airports, and highways. Revenue bonds will account for over 50 percent of all new municipal bonds issued in 1977, a dramatic increase from 30.4 percent in 1960 and 33.6 percent in 1970. The dollar value of the 1977 issues is expected to exceed $20 billion, as compared to $2.2 billion in 1960 and $6 billion in 1970.

The entry of banks into the revenue bond market should increase substantially the percentage of revenue bond issues sold on a competitive bid basis, instead of the more costly negotiated basis. At the present time, about 60 percent of revenue bond issues are sold on a negotiated basis, as compared to only about 10 percent of general obligation bond issues, which banks are able to underwrite. Competitive bidding not only reduces the interest rate that the State or local government must pay on its bonds, it also reduces the fees the underwriter charges to manage the issue. Bank participation will also broaden the market, both primary and secondary, for revenue bonds, thereby resulting in lower interest costs.

Over the years opposition to granting this additional authority to commercial banks has been based on the fear that abuses would occur in its use. I believe that the bill I am submitting today adequately deals with any such possibility of abuse.

Although this bill would permit banks to underwrite revenue bonds, similar authority would not be extended to special assessment obligations and industrial revenue bonds or to revenue bonds which are not eligible for purchase by a bank as an investment. Under current bank regulatory procedures, bank investment grade bonds must have a quality rating of B–aa or higher.

The bill would establish clear limitations to guard against potential conflicts of interest and unsound banking practices in connection with the underwriting of revenue bonds. Briefly, these limitations would insure that—

First. Banks could underwrite and deal only in revenue bonds eligible for purchase by national banks. This will prevent banks from dealing in risky or speculative issues;

Second. A bank's investment in the revenue bonds of any one obligor would be limited to 10 percent of its capital and 10 percent of its surplus;

Third. A bank acting as an underwriter or dealer could not sell revenue bonds to any of its trust accounts unless lawfully directed by court order;

Fourth. No member of an underwriting syndicate could sell bonds to the trust department of any other bank which is a member of the syndicate until the syndicate has closed. This prohibition would prevent reciprocal dealing in an attempt to circumvent the self-dealing prohibitions on a member of an underwriting syndicate;

Fifth. Sale of revenue bonds by a bank to its depositors, borrowers, or correspondent banks would be required to be accompanied by a statement disclosing that the bank is acting as an underwriter or dealer;

Sixth. A bank could not transfer revenue bonds which it purchased as underwriter to its investment account during the underwriting period, with certain exceptions; and

Seventh. The Secretary of the Treasury would be required to submit an annual report to the Congress showing the distribution of underwriting business in the revenue bond market between commercial banks and investment banking firms.

Mr. President, I believe that the savings that will flow to our hardpressed State and local governments from enactment of this legislation amply justify its consideration by the Congress. By this action we can save $200 million a year. Of course, that is $200 million in property taxes. Unlike most proposals we consider to deal with their problems, it will require no appropriations or other obligations to be incurred by the Federal Government. As a member of the Appropriations Committee, that certainly is a welcome side benefit. Another substantial side benefit is the fact that its enactment will ratify once again our commitment to a free enterprise economy based on market competition.

I commend this legislation to my colleagues.

THE GENOCIDE CONVENTION AND THE STATE DEPARTMENT HUMAN RIGHTS REPORT

Mr. PROXMIRE. Mr. President, the State Department issued a most disturbing report 2 weeks ago, and I would like to bring this report to the attention of each and every Senator. The Carter administration has stressed repeatedly the importance which it attaches to human rights as a part of our foreign policy. And yet, in spite of our attempt at leadership in this area, the State Department reported that there is still widespread disregard for many of the most basic human rights throughout the world.

I cannot help but wonder if our attempt at leadership is being hampered by our failure to ratify the Genocide Convention. Countries which fail to respect human rights can question our own commitment, for we have failed to ratify a treaty which would guarantee the most basic of all human rights—the right to live.

While there is some cause for optimism in the report, particularly the encouraging note on the renewed respect for "human rights and democracy" in India, the overall message is clear. The world still has far to go before we can rest on our laurels and speak of an age in which human rights are universally respected. Let us now take an important step toward that age by ratifying the Genocide Convention. I call upon the Senate to pass the Genocide Convention as soon as possible.

IMPACT AID: ANOTHER FLEECING

Mr. PROXMIRE. Mr. President, one of the fleeces that this Congress imposes on the hard-pressed taxpayer is impact aid, that is, additional Federal assistance which is given to those areas in which Federal employees live or work. I recognize, of course, that where a Federal employee lives on a reservation, a military reservation, for example, and works on that reservation, and sends his children to school, there should be a payment in lieu of taxes, and I favor that.

Mr. President, this impact aid has gotten way out of hand. Every single President since President Truman has opposed the way we apply it. That is, the part of that aid program that provides for assistance whether employees live on the reservation, the Government reservation, Government property, or not. The result has been that enormous excess aid goes to some of the richest counties in the country, such as Fairfax County, Va., which is far more, incidentally, than the entire State of Wisconsin, and, of course, with a smaller population and a greater ability to pay their property taxes and support education without this kind of assistance.

An excellent article by Howie Kurtz, an investigative reporter for Jack Anderson, appeared in the Washington Monthly this month.

I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMPACT AID: ANOTHER FLEECING

(By Howie Kurtz)

Washington is full of programs that serve little purpose, and President Carter is constantly proclaiming his deep antipathy for government waste. So it would seem, logically, that this would be a time, when the useless activities of the federal government were rapidly falling by the wayside.

That isn't the case, of course. Reforming government is extremely difficult because even the worst program helps somebody, albeit perhaps somebody undeserving. When the beneficiaries of misguided government largesse are politically strong, which they often are, they can usually make sure that the program that helps them stays alive regardless of its merits. Defense contractors keep needless weapons programs going; social workers keep welfare programs a mess; federal employees remain impervious to firing even for gross incompetence.

A classic case in point is a program known formally as School Assistance to Federally Affected Areas, and informally as impact aid. Impact aid was designed to serve a real purpose more than 30 years ago, but now it's largely a form of welfare for the rich. The Carter administration has tried to do away with the program's most unfair aspects, but so far to no avail—the people it helps may be undeserving, but they're very powerful and very reluctant to give up their special little deal. Because impact aid has a constituency, in other words, its survival doesn't depend on whether or not it's a good program.

Impact aid was created with the best of intentions during World War II, to solve a small crisis the war had brought on at home. Hundreds of thousands of military personnel and other government employees were being moved around the country according to the dictates of the war planners in Washington. Communities might have huge influxes of troops taking up temporary residence.

One thing these influxes of people would upset in communities was public school systems. Public schools are usually financed through property taxes; if a military base is built in a school district all of its personnel will send their children to the public schools there, but they won't be paying property taxes. Therefore the school district is saddled with a huge increase in students without any offsetting increase in revenues. No federal government building has to pay property taxes (as private buildings do), and military personnel who live on bases don't own houses and so don't pay property taxes either. This problem is especially severe for the military in wartime, but it's also evident today—for example, in the District of Columbia, where the vast amount of space taken up by tax-free buildings means the schools are woefully underfinanced.

Impact aid is money the government pays to the "impacted" school districts, to make up for this imbalance between students and revenues and to bring the affected schools up to normal financing levels. But there's one catch in the program that makes it almost completely nonsensical today: the aid is parceled out to school districts according to how many government employees live in them, regardless of whether the school districts are being deprived of property tax money. Thus a school district full of federal employees who own homes and pay property taxes still gets impact aid.

So the school districts with the most federal employees get the most impact aid, even though these districts are often among the richest in the country already. Fairfax County, Virginia, a Washington suburb with a median family income of about $28,000, gets more than $13 million a year in impact aid. Prince George's County and Montgomery County, Maryland, both also well-off Washington suburbs, get $10 million and $6 million respectively.

On the other hand, the entire state of Wisconsin, with a median income of about $10,000, gets only $3 million a year. Cleveland collects just $828,000; Milwaukee, $398,000; Buffalo, $350,000; and Jersey City, $263,000.

Every President since Harry Truman has tried to scrap the program, and every year Congress has dug in its heels and refused to go along. This is because impact aid's sponsors, in their wisdom, have seen to it that 400 of the 435 congressional districts receive at least some money from the program. Even in areas that are short-changed, any congressman who dares oppose the program is virtually certain to hear from angry school officials who are counting on their share of the federal money.

The latest effort to reform impact aid is the brainchild of Health, Education and Welfare Secretary Joseph Califano, who has proposed to stop paying impact money to districts where federal employees live but don't work. His reasoning is that a county like Fairfax has many federal employees living in it, but almost all of them pay property taxes. They are likely to work in the District of Columbia, so there aren't many tax-exempt government office buildings in Fairfax either. In short, the number of federal employees living there has no real impact on the local tax money available for Fairfax's public schools, but the schools get a tremendous amount of impact money.

Congress made a half-hearted attempt to deal with this situation in 1974, deciding to phase out aid to the home districts of federal commuters but also to guarantee that each district would receive at least 90 per cent of the money it got the year before. The second provision effectively de-fanged the first. Califano wanted to move much more quickly on taking the commuters out of the program, knocking out a major portion of next year's estimated $823 million in impact aid. With the savings, he said, the government could meet other educational needs such as those of the handicapped and disadvantaged."

The White House approved Califano's plan, but its opponents were already hard at work trying to kill it. Somebody leaked a copy of the plan to *The Washington Star*, which ran a story that triggered a predictable outcry. Worried school officials started calling their congressmen. Military lobbies like the Retired Officers Association began firing salvos. Within three days, Rep. Herbert Harris, a second-term liberal Democrat from Fairfax County (and, like the other Washington-area congressmen, a skillful saboteur of any bill that might hurt federal employees) got 75 of his colleagues to sign a letter condemning the proposal. The letter warned the administration against "shirking its responsibility for the impact of the federal presence on our local public schools."

As the pressure continued to rise, any congressman who was leaning toward voting with Califano probably decided it was more trouble than it was worth. There is no political benefit in opposing a program that most people have never heard of and much risk of incurring the wrath of its beneficiaries. As Harris says, "the program has a lot of support, because it does reach into so many school districts."

But Califano, who doesn't have to run for reelection this year, didn't buckle under the pressure. He went ahead and proposed a $76 million cut in next year's impact aid by phasing out the money for federal employees who live in one school district but work in another. The Maryland and Virginia suburbs alone would have lost about $5 million next year. Califano did try to soften the blow by promising that every district would get 75 percent of the aid it received last year, thus delaying the inevitable for a few years.

Califano remains optimistic that he can sell these reforms to a hostile Congress simply because they make sense. "It's perfectly clear that it isn't going to be easy," admits HEW spokeswoman Eileen Shanahan. "But instead of using the meat-ax approach to cutting up the program, we're trying to use a scalpel. We think we can come up with something rational and defensible."

Some congressmen are hard pressed to justify the program now that a Democratic administration is calling it unfair. Under the Republicans, they could argue that they were just trying to save some badly needed aid to education from the conservative budget ax. But now that Califano is calling for those funds to help the disadvantaged, liberals have shed the cloak of principle and are fighting for more bucks for the folks back home.

That's unlikely to help Califano much, though. Unless the White House makes a concerted push to cut back impact aid, which seems unlikely, the program will probably stay intact as a simple giveaway to federal employees.

There are suburban counties like Montgomery and Fairfax surrounding every major city in the country. These suburbs have, for the most part, modern, efficient school systems financed by local property taxes and populated largely by white middle-class students. Many of their parents commute to jobs in large cities that have deteriorating schools where discipline takes precedence over education.

Any policy based on reason would have to recognize that schools in Cleveland and Detroit are in far more desperate shape than those in the suburbs of Washington. Why should a steelworker in Buffalo, for instance, pay part of his hard-earned salary for a federal program that hands out $13 million to Fairfax County, Virginia, but only $350,000 to the decaying schools that his own children attend? As Senator William Proxmire, one of the few politicians who has fought against impact aid in Congress, says, "This simply can't be justified as national policy."

The impact aid system is also unbelievably complex: there are 23 different ways a school district can qualify for various kinds of payments. The computerized printout of how the aid is distributed runs over 300 pages. "It's an incredible morass," says one insider. "It's a ridiculous way to run a program." Perhaps the nicest thing that can be said about impact aid is that it keeps a growing number of bureaucrats off the jobless rolls.

Few would argue that the federal rug should be suddenly pulled out from under school districts that have relied on impact aid for many years. The aid could be phased out over a couple of years while the schools looked for ways to make up the difference. Several studies have shown that most school districts could replace their impact aid with only a slight increase in property taxes: Fairfax County's $13-million grant, for instance, is only five per cent of its total school budget.

The reason Califano and Carter seem unable to get rid of impact aid is, simply, self-interest politics. It's very hard to push anything through Congress that will mean less money for a lot of members' districts—and it's much easier to pass a new program if it offers a little something to a majority of congressmen. A solid bloc of intransigent congressmen can be a bigger obstacle to reform than the most vehement unions and special interest lobbies.

PLAY TO THEIR SELF-INTEREST

One way around this problem is to play to the congressmen's self-interest. For example, the administration has been working for months on an "urban policy" that was intended to revitalize the ailing cities of the Northeast and Midwest, but the President has become convinced that such a plan won't wash, politically, on Capitol Hill. Carter therefore decided to broaden his urban aid formula to include the newer, more affluent cities of the Sunbelt in order to attract enough votes to pass it. This kind of dilution may get bills passed, but it means our new urban policy will be nothing more than just general revenue sharing. Every federal dollar spent on schools or rehabilitation in Phoenix or Dallas for political reasons will mean less money for places like Newark and the South Bronx.

The other way out of the dilemma of self-interest politics is to build enough pressure to overcome it. If the President really pushes a worthy cause like abolishing impact aid, if politicians who remain intransigent are made to look simply greedy, if the press, and in turn the public, overcomes its indifference and becomes aroused, then it's possible to achieve change undiluted by political buy-offs. The survival of a program like impact aid is a testament to congressmen's inclination to vote only in the narrow self-interest of their districts, but with more effort they might be persuaded to do otherwise this time. If Jimmy Carter doesn't make an issue out of impact aid, however, the congressmen will go about their business as usual, the program will survive, and nobody outside of the Washington area will know the difference.

SENATE JOINT RESOLUTION 116—NATIONAL NEIGHBORHOOD WEEK

Mr. PROXMIRE. Mr. President, I am introducing a resolution to designate the week of June 4–10 as National Neighborhood Week.

I intend this designation to draw attention to the importance of our neighborhoods in enriching the lives of Americans in every part of the Nation—the cities, the suburbs, and the countryside. I want, however, to draw special attention to the important, and often overlooked, role of neighborhoods in our cities.

One of the most exciting and hopeful trends in housing and urban policy in recent years has been the awakening recognition that our cities truly are made up of neighborhoods—small living communities of people who know each other and care about the place where they live.

As obvious as this may seem, it is something that has had to be discovered. Only a few years ago, when government policymakers looked at the cities, they saw little which they considered worthy of preserving. They saw old, deteriorating houses, run-down apartment buildings, vacant lots, failing commercial strips, boarded up buildings, children playing in the streets, parks without grass and trees—they saw, in short, what looked to them like urban blight. Their most common reaction was to tear these places down and replace them with attractive new commercial developments or high-income apartments. The conventional wisdom was that most people wanted to live in the suburbs, and governments accordingly poured billions of dollars into suburban development. The cities were seen, too often, primarily as places for suburbanites to work, commuting to their jobs on highways built at massive public expense through areas which had once been occupied by people's homes.

This view of the cities was flawed by a partial, but critical blindness: it saw the buildings, but not the people. In the past few years, we have learned to look more closely, and we have found that many of these same areas that show the physical wear and tear of the years and of public neglect, are at the same time vital neighborhoods, in the very best sense of that word.

Looking more closely, you can see the wonderful richness of many of our old urban areas. It is hazardous to generalize about them, because there are as many variations as there are differences in the backgrounds of the people, the age and architecture of the buildings, the industrial and commercial history of the cities, and so forth. At the same time, however, real urban neighborhoods have many common features. They are made up, most importantly, of people who know each other. Many of the families in such a neighborhood have lived there for decades—some even for generations. These people know their neighbors, and that means not only the family next door, but also the merchant and shopkeeper down the street, the children from a few blocks away, and, hopefully, the neighborhood employees of the city, like police officers and schoolteachers. People in such a neighborhood watch out for each other, looking after the elderly person who lives in the block, or the children from down the street, and keeping an eye open for anything which might threaten the neighborhood with crime.

A neighborhood like this is very often built on cultural and institutional ties which hold the people together and give them a foundation. It may have an ethnic or black heritage which gives the area a special character and tradition, or it may have an industrial history which sets it apart from the rest of the city. These historical roots are reflected, in turn, in the churches, in the names and sometimes the curriculum of the schools, in the types of restaurants and shops, and so on.

Even looking directly at the buildings, themselves, these neighborhoods very often show their special character. The homes usually date from one or several periods of past development, and reflect the architecture of the time and the lifestyle of the original group of owners. Besides the houses, there are often old farmers markets, or perhaps the historic home of some important person which has now become a community center or a neighborhood museum. Even the names of the streets, themselves, often carry the signs of the neighborhood's history and tradition.

These neighborhoods are, above all, places where people live, and they reflect the daily activities of their residents. On any evening there are functions going on in the church basements and the schools—meetings on improving the schools or city services, activities for teenagers, gatherings for the elderly, pot luck dinners for clubs, and other such community events. On Saturday there are wedding parties visible on the sidewalks in front of the churches. On summer weekends there may be block parties in the streets, or crafts festivals in the

neighborhood parks. Every day of the year these communities are supporting and reflecting their residents' daily lives—the births, deaths, weddings, and graduations, the shopping and commercial activities, the religious worship—all of the things which make a community of people a living, vital thing.

The picture I have drawn of these neighborhoods contrasts starkly with the one I described at the outset, the view through the eyes of the traditional government policymaker. And yet the great irony is that both views are, in their way, accurate. These very same communities which are pulsing with the vitality of their residents, are suffering at the same time from the severe physical strains of age, coupled with decades of public and private neglect. The residents do their best to keep the neighborhood a good place to live, but they lose ground year after year. The city provides inadequate services like police protection and trash collection. The local lending institutions cut off mortgage credit and home improvement loans. The local supermarket chains close their stores in the area and move to the suburbs for more space. The insurance companies refuse to provide homeowner insurance policies. Absentee landlords fail to maintain their buildings up to housing codes, or, even worse, leave properties vacant, attracting vandalism and fire. And year after year, the old houses and streets and stores get older and more deteriorated, with no one willing to make the investment to save them.

The lesson we have been learning in the past few years is that we must look closely enough at our declining urban areas to be able to identify the ones which are vital neighborhoods. We must then recognize that such a neighborhood is worth preserving and supporting, and that this can be done by working with, rather than against, the existing energy and concern of the residents. By harnessing the community spirit of such a place, we can create a foundation for rebuilding the confidence of the business and lending communities and the local government, so that they will begin making the financial investments needed to meet the area's needs.

As I said earlier, I am offering an oversimplified view of a highly complex matter. I do believe, however, that the real key to the whole question is an extremely simple principle: if the people in a neighborhood really care about it, then it can be saved; and, even more importantly, it is worth saving.

Mr. President, we owe most of our growing understanding of urban neighborhoods to the work which has been done in recent years by a grassroots movement of community groups across this country. These groups, made up of ordinary people willing to fight the destruction and decline of their cherished homes and neighborhoods, have taken their message to everyone from the U.S. Congress and Federal Government, to their local governments, local financial institutions, the insurance industry, the business community, the building industry, and everyone else who has a role to play in keeping the neighborhood alive. I believe that the people they are talking to have begun to listen, and to agree, and sometimes even to pick up the cause for themselves. This progress, perhaps more than anything else, makes me optimistic about the future of our cities.

This vast network of neighborhood groups would like to mark their progress this spring with a nationwide celebration of the neighborhood movement, through conferences and workshops and idea-exchanges across the country. I believe that the Congress should recognize and support their efforts by designating the week of June 4 as National Neighborhood Week, and I strongly urge my colleagues to support this resolution.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEANINGFUL QUORUM CALLS

Mr. ALLEN. Mr. President, I wish to comment on the matter of quorum calls and to point out that, during this Senate debate, extending more than 2 weeks, there have probably not been more than half a dozen or, at most, 10 quorum calls during the 2 weeks or more that the treaties have been under discussion. Senators have been ready to speak; there have been no dilatory tactics.

I noticed that when this quorum call was ended, it was not many seconds before the distinguished majority leader (Mr. ROBERT C. BYRD) and the distinguished minority leader (Mr. BAKER) came to the Chamber.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes, I yield.

Mr. ROBERT C. BYRD. That is nothing new, I say to the Senator. Almost every time I hear a quorum call—of course, I listen to the speaker for what is happening—but I usually get here in a hurry.

Mr. ALLEN. I am seeking to commend the leadership——

Mr. ROBERT C. BYRD. Then I shall be silent.

Mr. ALLEN [continuing]. For coming to the floor. I feel that a quorum call is taking on some significance now. At a time when we would have 15 or 20 or 25 quorum calls during a day, quorum calls meant very little. It was not until a live quorum was called that they really amounted to a great deal.

I am pleased that one of the spinoffs of the treaty debate has been the attachment of some significance to quorum calls. If we have not done any more than that during the discussion on the treaties, we have made the quorum calls in the Senate meaningful. It is more than just a hiatus between speeches, and it does indicate that the presence of the distinguished leaders is required in order that we might move forward.

I do want to commend Senators for being ready to debate, to make their speeches, and there has been no dilatory practice at all engaged in during this debate. I commend the Senate for that.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for his timely comments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now to the consideration of the Calandar Orders Nos. 604 through 613 as in legislative session.

Mr. BAKER. Reserving the right to object, I shall not object. I point out to the majority leader that, while these matters have not been cleared for passage, because of the requirement of the 3-day rule—I note that all of them are printing resolutions, with the exception of certain appointments to the Board of Regents of the Smithsonian. Under those circumstances, in this case, I am willing to waive the 3-day rule on behalf of this side. We have no objection to proceeding to consideration of all of the items identified by the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

REAPPOINTMENT OF A. LEON HIGGINBOTHAM, JR., AS A CITIZEN REGENT OF THE BOARD OF DIRECTORS OF THE SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 106) to provide for the reappointment of A. Leon Higginbotham, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 106

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of A. Leon Higginbotham, Junior, of Pennsylvania on May 11, 1978, be filled by the appointment of the present incumbent for the statutory term of six years.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–662), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 106 would provide that the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of A. Leon Higginbotham, Jr., of Pennsylvania on May 11, 1978, be filled by the reappointment of the present incumbent for the statutory term of 6 years.

The Board of Regents, pursuant to 20 U.S.C. 42, is composed of the Vice President, the Chief Justice of the United States, three Members of the Senate, three Members of the House of Representatives, and nine other persons, other than Members of Congress. The nine citizen regents, two of whom shall be residents of the District of Columbia and seven of whom shall be inhabitants of some State (but no two of the same State), are appointed by joint resolution of Congress and serve 6-year terms.

A letter in support of Senate Joint Resolution 106 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by S. Dillon Ripley, Secretary of the Smithsonian Institution, enclosing a vita of Mr. Higginbotham, is as follows:

SMITHSONIAN INSTITUTION,
Washington, D.C., February 17, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to take this opportunity to comment on Senate Joint Resolutions 106 and 107 to provide for the reappointment of Messrs. A. Leon Higginbotham, Jr. and John Paul Austin and Senate Joint Resolution 108 for the appointment of Mrs. Anne Legendre Armstrong as citizen regents of the Board of Regents of the Smithsonian Institution.

The manner of appointment and terms of office of regents of the class other than Members of Congress are set forth in 20 U.S.C. 43. At its meeting on January 16, 1978, the Board of Regents voted unanimously to request congressional members of the Board to introduce legislation to provide for the reappointment of Messrs. Higginbotham and Austin, whose current terms expire on May 11, 1978, and for the appointment of Mrs. Anne Legendre Armstrong, for the statutory term of 6 years. There is enclosed for your convenient reference a vita on each of the nominees.

The services of Messrs. Higginbotham and Austin have been outstanding and the Regents most heartily endorse their reappointment.

I shall, of course, be happy to furnish any additional information you may require.

Sincerely yours,

S. DILLON RIPLEY,
Secretary.

A. LEON HIGGINBOTHAM, JR.

Judge Higginbotham was born in 1918. He received his bachelor of arts from Antioch College in 1950 and his bachelor of laws from the Yale University Law School in 1953.

He was admitted to the Pennsylvania Bar in 1953 and appointed that year as assistant district attorney for Philadelphia County. He served in that position very briefly, turning to the private practice of law in Philadelphia in 1954.

In 1962, he became the first Negro to be appointed to the Federal Trade Commission. He served with the Commission until January 1964, when he was appointed judge of the U.S. District Court for Philadelphia. In October 1977 he was appointed to the U.S. Third Circuit Court of Appeals.

He has been a member of the NAACP, Philadelphia branch, since 1959; and also served with the Pennsylvania Fair Employment Commission. In 1968, he was appointed to President Johnson's National Commission on Violence.

REAPPOINTMENT OF JOHN PAUL AUSTIN AS A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 107) to provide for the reappointment of John Paul Austin as a citizen regent of the Board of Regents of the Smithsonian Institution, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of John Paul Austin of Georgia on May 11, 1978, be filled by the reappointment of the present incumbent for the statutory term of six years.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–663), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 107 would provide that the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of John Paul Austin of Georgia on May 11, 1978, be filled by the reappointment of the present incumbent for the statutory term of 6 years.

The Board of Regents, pursuant to 20 U.S.C. 42, is composed of the Vice President, the Chief Justice of the United States, three Members of the Senate, three Members of the House of Representatives, and nine other persons, other than Members of Congress. The nine citizen regents, two of whom shall be residents of the District of Columbia and seven of whom shall be inhabitants of some State (but no two of the same State), are appointed by joint resolution of Congress and serve 6-year terms.

A letter in support of Senate Joint Resolution 107 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by S. Dillon Ripley, Secretary of the Smithsonian Institution, enclosing a vita of Mr. Austin, is as follows:

SMITHSONIAN INSTITUTION,
Washington, D.C., February 17, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to take this opportunity to comment on Senate Joint Resolutions 106 and 107 to provide for the reappointment of Messers. A. Leon Higginbotham, Jr. and John Paul Austin and Senate Joint Resolution 108 for the appointment of Mrs. Anne Legendre Armstrong as citizen regents of the Board of Regents of the Smithsonian Institution.

The manner of appointment and terms of office of regents of the class other than Members of Congress are set forth in 20 U.S.C. 43. At its meeting on January 16, 1978, the Board of Regents voted unanimously to request congressional members of the Board to introduce legislation to provide for the reappointment of Messrs. Higginbotham and Austin, whose current terms expire on May 11, 1978, and for the appointment of Mrs. Anne Legendre Armstrong, for the statutory term of 6 years. There is enclosed for your convenient reference a vita on each of the nominees.

The services of Messrs. Higginbotham and Austin have been outstanding and the Regents most heartily endorse their reappointment.

I shall, of course, be happy to furnish any additional information you may require.

Sincerely yours,

S. DILLON RIPLEY,
Secretary.

JOHN PAUL AUSTIN

Beverage company executive; born, La Grange, Ga., February 14, 1915; son of Samuel Yates and Maude (Jernigan) A.; A.B., Harvard, 1937. LL.B., 1940; married to Jeane Weed, July 14, 1950; children—John Paul, Samuel Weed. Admitted to New York Bar, 1940; practiced in New York, N.Y., 1940–41, 1945–49; member of legal department Coca-Cola Co., 1949–50, executive vice president, 1961–62, present director, 1962—; chief executive officer, 1966—; executive vice president Coca-Cola Export Corp., 1958–59, present director, 1959—; director Continental Oil Co., Morgan Guaranty Trust Co., New York, N.Y., General Electric Co., Trust Co. of Georgia, Atlanta, Ga. Served as commander U.S. Naval Reserve, 1942–45. Clubs: Racquet and Tennis, Links (New York N.Y.); Blind Brook Golf (Purchase, N.Y.); Capital City, Peachtree Golf (Atlanta). Office: P.O. Box 1734, Atlanta, Ga.

APPOINTMENT OF ANNE LEGENDRE ARMSTRONG AS A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The joint resolution (S.J. Res. 108) to provide for the appointment of Anne Legendre Armstrong as a citizen regent of the Board of Regents of the Smithsonian Institution, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the resignation of Robert Francis Goheen of New Jersey on May 14, 1977, be filled by the appointment of Anne Legendre Armstrong of Texas for the statutory term of six years.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–664), explaining the purposes of the measure.

There being no objection the excerpt was ordered to be printed in the RECORD, as follows:

Senate Joint Resolution 108 would provide that the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, caused by the resignation of Robert Francis Goheen of New Jersey on May 14, 1977, be filled by the appointment of Anne Legendre Armstrong of Texas for the statutory term of 6 years.

The Board of Regents, pursuant to 20 U.S.C. 42, is composed of the Vice President, the Chief Justice of the United States, three

Members of the Senate, three Members of the House of Representatives, and nine other persons, other than Members of Congress. The nine citizen regents, two of whom shall be residents of the District of Columbia and seven of whom shall be inhabitants of some State (but no two of the same State), are appointed by joint resolution of Congress and serve 6-year terms.

A letter in support of Senate Joint Resolution 108 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by S. Dillon Ripley, Secretary of the Smithsonian Institution, enclosing a vita of Mrs. Armstrong, is as follows:

SMITHSONIAN INSTITUTION,
Washington, D.C., February 17, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to take this opportunity to comment on Senate Joint Resolution 106 and 107 to provide for the reappointment of Messrs. A. Leon Higginbotham, Jr. and John Paul Austin and Senate Joint Resolution 108 for the appointment of Mrs. Anne Legendre Armstrong as citizen regents of the Board of Regents of the Smithsonian Institution.

The manner of appointment and terms of office of regents of the class other than Members of Congress are set forth in 20 U.S.C. 43. At its meeting on January 16, 1978, the Board of Regents voted unanimously to request congressional members of the Board to introduce legislation to provide for the reappointment of Messrs. Higginbotham and Austin, whose current terms expire on May 11, 1978, and for the appointment of Mrs. Anne Legendre Armstrong, for the statutory term of 6 years. There is enclosed for your convenient reference a vita on each of the nominees.

The services of Messrs. Higginbotham and Austin have been outstanding and the Regents most heartily endorse their reappointment.

I shall, of course, be happy to furnish any additional information you may require.

Sincerely yours,

S. DILLON RIPLEY,
Secretary.

ANNE LEGENDRE ARMSTRONG

Corporate director; born, New Orleans, December 27, 1927; daughter of Armant and Olive (Martindale) Legendre; graduated Vassar College, 1949; married Tobin Armstrong, April 12, 1950; children—John Barclay, Katherine A., Sarita S., Tobin and James L. (twins). Trustee Kenedy County (Tex.) School Board, 1968–74; member Republican National Committee from Texas, 1968–73, cochairwoman, 1971–73; member, Executive Committee, Republican National Committee, 1971–73; delegate, Republican National Convention, 1964, 1968, 1972; counsellor to President of United States, 1973–74; member, Advisory Council Bicentennial Administration, 1975—; director, American Express Co., Union Carbide Corp., First City Bancorp. Tex. Inc., Boise Cascade Corp., International Harvester Co. Board of Directors, Stratford Hall, 1971—; chairwoman, Federal Property Council, 1973–74. U.S. Ambassador to the Court of St. James's, March 1976–March 1977. Member, Phi Beta Kappa, Home: Armstrong Ranch, Armstrong, Tex. 78338.

Addition's to Anne Armstrong's biography since her return as ambassador to Great Britain:

Board of directors, Braniff International Corp.; board of directors, General Motors Corp.; board of directors, General Foods Corp.; board of directors, Halliburton Co.; board of directors, First City Bancorporation of Texas, Inc.; director, The Atlantic Council; board of governors, The Atlantic Institute for International Affairs; member, Trilateral Commission; member, Council on Foreign Relations; trustee, the Robert A. Taft Institute of Government; board of directors, The Alliance to Save Energy; chairwoman, The English-Speaking Union of the United States.

Vice-Chairman of the Advisory Board and member of the Executive Committee, Center for Strategic and International Studies, Georgetown University; Edmund A. Walsh professorial lecturer in diplomacy, Georgetown University; Member of the President's Council, Tulane University; board of trustees, Southern Methodist University; Policy Board of the Council on National Security and International Affairs, Republican National Committee; member, International Council on the Future of Business; board of overseers, Hoover Institution.

STUDY ON FEDERAL REGULATION VOLUME V, REGULATORY ORGANIZATION

The resolution (S. Res. 359) authorizing the printing of the committee print entitled "Study on Federal Regulation, Volume V, Regulatory Organization" as a Senate document, was considered and agreed to, as follows:

Resolved, That the committee print of the Committee on Governmental Affairs entitled "Study on Federal Regulation, Volume V, Regulatory Organization" be printed as a Senate Document, and that there be printed one thousand additional copies of such document for the use of that committee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–665), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 359 would provide (1) that the committee print of the Committee on Governmental Affairs entitled "Federal Regulation, Volume V, Regulatory Organization," be printed as a Senate document, and (2) that there be printed 1,000 additional copies of such document for the use of that committee.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500) copies	$5,383.14
1,000 additional copies, at $1,122.60 per thousand	1,122.60
Total estimated cost, S. Res. 359	6,505.74

A joint letter in support of Senate Resolution 359 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Abe Ribicoff and Senator Charles H. Percy, chairman and ranking minority member, respectively, of the Committee on Governmental Affairs, is as follows:

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, D.C., January 30, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Senate Resolution 359, before your Committee, provides for printing as a Senate Document the Governmental Affairs Committee's print, "Study on Federal Regulation, Volume V, Regulatory Organization", which was published in December 1977. It was prepared pursuant to Senate Resolution 71 (94th Cong., 1st sess.) by the Study of Regulatory Agencies of the Governmental Affairs Committee. Senate Resolution 359, would authorize the printing of volume V as a Senate document (1,500 copies) and the printing of 1,000 further additional copies of this volume for the use of the Committee on Governmental Affairs.

This volume represents further findings of the Committee on Governmental Affairs investigation of the regulatory agencies which was begun pursuant to authority granted by Senate Resolution 71 (94th Cong., 1st sess.). Volume V examines the organizational structure of regulatory agencies and the ways organization and structure affect agency performance. We have taken a particularly close look at the structure of regulation in six fields which affect the lives of virtually all Americans.

This is the first time these problems have been studied by the Congress and much of the information in these reports has never before been published. It is understandable, therefore, that the demand for these works has been overwhelming. Our supply of volume V has been virtually exhausted. Libraries, state and local governments, Federal agencies, the press, Members of Congress, the private sector and the public have requested copies. We have filled as many as we have been able. We would like to fill all requests and we anticipate that with the publication of the final report, volume VI, demand for volume V will resume.

We respectfully request that the Rules Committee approve Senate Resolution 359.

Sincerely,

ABE RIBICOFF,
Chairman.
CHARLES H. PERCY,
Ranking Minority Member.

PERMANENT STAFF FOR THE SPECIAL COMMITTEE ON AGING

The resolution (S. Res. 376) to make sections 133(g), 134, and 202 of the Legislative Reorganization Act of 1946 applicable to the Special Committee on Aging, was considered and agreed to, as follows:

Resolved, That section 104(a)(2) of S. Res. 4, Ninety-fifth Congress, agreed to February 4 (legislative day, February 1), 1977, is amended by inserting "and for purposes of sections 133(g), 134, and 202 of the Legislative Reorganizations Act of 1946," before "the special committee".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–666), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

Senate Resolution 376 would amend section 104(a)(2) of Senate Resolution 4, 95th Congress, agreed to February 4, 1977, by making sections 133(g), 134, and 202 of the Legislative Reorganization Act of 1946, as amended, applicable to the Special Committee on Aging. Specifically, this action would provide the special committee the same regular permanent staff (six professional and six clerical) and the $10,000 routine purpose fund

per Congress authorized for standing committees and the Select Committee on Small Business.

"THE PANAMA CANAL—A REEXAMINATION"

The resolution (S. Res. 400) authorizing the printing of additional copies of the committee print entitled "The Panama Canal—A Reexamination," was considered and agreed to, as follows:

Resolved, That there be printed for the use of the Committee on Environment and Public Works one thousand additional copies of its committee print entitled "The Panama Canal—A Reexamination".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–667), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 400 would authorize the printing for the use of the Committee on Environment and Public Works of 1,000 additional copies of the committee print entitled "The Panama Canal—A Reexamination".

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

Back to press, 1,000 copies..... $874.00

A joint letter in support of Senate Resolution 400 addressed to Senator Claiborne Pell, chairman of the Committee on Rules and Administration, by Senator Jennings Randolph and Senator Robert T. Stafford, chairman and ranking minority member, respectively, of the Committee on Environment and Public Works, is as follows:

U.S. SENATE,
COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS,
Washington, D.C., February 24, 1978.

Hon. CLAIBORNE PELL,
Chairman, Committee on Rules and Administration, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is to advise you that we are in accord with Senator Gravel's request for the reprinting of 1,000 copies of the committee print entitled "The Panama Canal—A Reexamination", as submitted in Senate Resolution 400.

Sincerely,

JENNINGS RANDOLPH,
Chairman.
ROBERT T. STAFFORD,
Ranking Minority Member.

MAJORITY AND MINORITY LEADERS OF THE SENATE

The resolution (S. Res. 408) authorizing the reprinting of a compilation entitled "Majority and Minority Leaders of the Senate" (Senate Document 95–24), was considered and agreed to, as follows:

Resolved, That there be printed an additional two thousand copies of Senate Document 95–24, entitled "Majority and Minority Leaders of the Senate."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–668), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 408 would authorize the printing of 2,000 additional copies of Senate Document 95–24, entitled "Majority and Minority Leaders of the Senate".

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

Back to press, first 1,000 copies	$361.17
1,000 additional copies, at $80.23 per thousand	80.23
Total estimated cost, S. Res. 408	441.40

"ELECTION LAW GUIDEBOOK"

The resolution (S. Res. 409) authorizing the printing of a revised edition of the "Election Law Guidebook" as a Senate document, was considered and agreed to, as follows:

Resolved, That a revised edition of Senate Document Numbered 94–216, entitled "Election Law Guidebook," be printed as a Senate document, and that there be printed one thousand additional copies of such document for the use of the Committee on Rules and Administration.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–669), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 409 would provide (1) that a revised edition of Senate Document 94–216, entitled "Election Law Guidebook", be printed as a Senate document; and (2) that 1,000 additional copies of such document be printed for the use of the Committee on Rules and Administration.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

To print as a document (1,500 copies)	$4,512.71
1,000 additional copies, at $553.01 per thousand	553.01
Total estimated cost, S. Res. 409	5,065.72

FRANCES D. HASKINS

The resolution (S. Res. 410) to pay a gratuity to Frances D. Haskins, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Frances D. Haskins, widow of Thomas Haskins, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

DESIGNATION OF LIBRARIES OF ACCREDITED LAW SCHOOLS AS DEPOSITORY LIBRARIES

The Senate proceeded to consider the bill (H.R. 8358) to amend title 44, United States Code, to provide for the designation of libraries of accredited law schools as depository libraries of Government publications, which had been reported from the Committee on Rules and Administration with amendments as follow:

On page 2, line 7, strike "purpose" and insert "purpose or accredited by the highest appellate court of the State in which the law school is located";

On page 2, beginning with line 13, insert the following:

SEC. 3. The amendments made by this Act shall take effect on October 1, 1978.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT S. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–670), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The bill would provide for the designation as a depository library of the library of any accredited law school, upon the request of such law school to the Public Printer, and the compliance by such law school with depository laws.

COMMITTEE AMENDMENTS

The Committee on Rules and Administration has reported H.R. 8358 with amendments, which would (1) modify the definition of the term "accredited law school", and (2) provide for an effective date of the act.

As the bill was referred to the committee, the term "accredited law school" was defined as "any law school which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner of Education for the purpose." Upon the request of the Senators from the State of Indiana, Senator Birch Bayh and Senator Richard Lugar, the committee added the following language: "or accredited by the highest appellate court of the State in which the law school is located."

The second amendment would provide for the act to become effective on October 1, 1978.

COST ESTIMATE

Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office prepared a 5-year cost estimate for H.R. 8358 as reported by the Committee on Rules and Administration, which cost estimate is as follows:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill No. H.R. 8358.

2. Bill title: To amend title 44, United States Constitution, to provide for the designation of libraries of accredited law schools as depository libraries of Government publications.

3: Bill status: As reported by the Senate Committee on Rules and Administration, March 1, 1978.

4. Bill purpose: The purpose of this legislation is to allow accredited schools to become depository libraries of Government publications.

5. Cost estimate:

Estimated cost:

Fiscal year:	*Millions*
1978	0
1979	$2.2

1980	$1.7
1981	1.8
1982	1.9
1983	2.0

The costs of this bill fall within budget function 800.

6. Basis of estimate: The effective date of this legislation is October 1, 1978. The American Bar Association currently accredits 164 law schools in the United States, all meeting the requirements of the Public Printer necessary to establish depository libraries. Although approximately 34 of these schools are already in the depository library program, it has been assumed that if this bill is enacted, these 34 libraries will be transferred to the law school section, allowing for the designation of 34 additional depository libraries under other sections of the program. The Government Printing Office's (GPO) average fiscal year 1977 cost per library ($8,700) was applied to the 164 schools, along with a first year startup cost of $3,550. The $8,700, inflated each year over the projection period, represents an estimate of the costs for printing and distribution of hard copies to each library.

In addition, approximately 15 law schools are accredited by the highest appellate court in their respective States. The costs incurred by the Public Printer to determine whether these 15 schools will meet the requirements necessary to establish a depository library are estimated to be $10,000 in fiscal year 1979. However, these schools are not likely to meet the requirements due to the present size and composition of their libraries. Therefore, it is projected that no further costs will be incurred by GPO for these 15 schools.

7. Estimate comparison: None.

8. Previous CBO estimate: An estimate of the costs of H.R. 4751, a similar bill, was submitted to the Committee on House Administration on April 8, 1977; and an estimate of H.R. 8358, as reported was submitted on September 27, 1977. Both of these estimates assumed an enactment date of October 1, 1977. An estimate of the costs of H.R. 8358, as passed by the House, was submitted on January 13, 1978, assuming an enactment date of October 1, 1978.

9. Estimate prepared by: Kathy Weiss, Chris M. Blair.

10. Estimate approved by:

C. G. NUCKOLS,
(For James L. Blum, Assistant Director for Budget Analysis).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to move to reconsider en bloc the votes by which the various measures were agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I so move.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 5:44 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 554. A joint resolution proposing an amendment to the Constitution to provide for representation of the District of Columbia in the Congress.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–2952. A communication from the Governor, Farm Credit Administration, transmitting, pursuant to law, the 44th Annual Report of the Farm Credit Administration and the cooperative Farm Credit System, which includes a report of the activities of the Federal Farm Credit Board, covering the fiscal year ended June 30, 1977; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2953. A communication from the Counsel to the Vice Chairman, Commodity Futures Trading Commission, transmitting, pursuant to law, proposed amendments to the pending legislation in the House of Representatives for the Commission's reauthorization, H.R. 10285; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2954. A communication from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of a commitment to guarantee a non-REA loan in the amount of $223,897,000 to Cooperative Power Association, of Minneapolis, Minnesota, to finance certain generation and transmission facilities; to the Committee on Appropriations.

EC–2955. A communication from the Chairman, Indian Claims Commission, transmitting, pursuant to law, a report of final determination with respect to Docket No. 18–S, The Minnesota Chippewa Tribe, et al. v. The United States; to the Committee on Appropriations.

EC–2956. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the value of property, supplies, and commodities provided by the Berlin Magistrate, and under German Offset Agreement for the quarter October 1, 1977 through December 31, 1977; to the Committee on Appropriations.

EC–2957. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $17.7 million of funds available in the Army Stock Fund for war reserve stock; to the Committee on Appropriations.

EC–2958. A communication from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of a commitment to guarantee a non-REA loan in the amount of $69,827,000 to the Pacific Northwest Generating Company, of Hermiston, Oregon; to the Committee on Appropriations.

EC–2959. A communication from the Secretary of Labor, reporting, pursuant to law, exemplary rehabilitation certificates, calendar year 1977; to the Committee on Armed Services.

EC–2960. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, the Statistical Supplement Stockpile Report, April–September 1977; to the Committee on Armed Services.

EC–2961. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

EC–2962. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2963. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of aluminum oxide crude from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2964. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of antimony from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2965. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of iodine from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2966. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of castor oil-sebacic acid from the national stockpile; to the Committee on Armed Services.

EC–2967. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of mica, muscovite film from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2968. A communication from the Administrator, General Service Administration, transmitting a draft of proposed legislation to authorize the disposal of diamond dies from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2969. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2970. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of bismuth from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2971. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–2972. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on the enforcement of Title I of the Consumer Credit Protection

Act of 1968, for calendar year 1977; to the Committee on Banking, Housing, and Urban Affairs.

EC–2973. A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC–2974. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report on the operations of the Export-Import Bank for the fiscal year 1977; to the Committee on Banking, Housing, and Urban Affairs.

EC–2975. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to facilitate the implementation of section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976, to provide for the conversion of a part of the National Visitor Center to railroad passenger service. and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–2976. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting pursuant to law, the first annual report describing the activities of the Energy Information Administration; to the Committee on Energy and Natural Resources.

EC–2977. A communication from the President of the United States transmitting a draft of proposed legislation to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Relations.

EC–2978. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC–2979. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Indian Self-Determination Act—Many Obstacles Remain," March 1, 1978; to the Committee on Governmental Affairs.

EC–2980. A communication from the Acting Director, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, the annual report of calendar year 1977 on the fourteen scientific or professional positions authorized for establishment in the United States Arms Control and Disarmament Agency; to the Committee on Governmental Affairs.

EC–2981. A communication from the Secretary of the Treasury and the Acting Director, Office of Management and Budget, transmitting, pursuant to law, an annual report on the performance of functions and duties imposed on the Office of Management and Budget and the Department of Treasury by Sections 201 and 202 of the Legislative Reorganization Act of 1970, as amended by the Congressional Budget Act of 1974; to the Committee on Governmental Affairs.

EC–2982. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, an act adopted by the Council on February 7, 1978, which would amend provisions of the District of Columbia Youth Services Act of 1976 (Act 2–153); to the Committee on Governmental Affairs.

EC–2983. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Employee Performance Rating Systems Need Fundamental Changes," March 3, 1978; to the Committee on Governmental Affairs.

EC–2984. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Linking the Americas—Progress and Problems of the Darien Gap Highway," February 23, 1978; to the Committee on Governmental Affairs.

EC–2985. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Analysis of IRS' Proposed Tax Administration System: Lessons for the Future," March 1, 1978; to the Committee on Governmental Affairs.

EC–2986. A communication from the Governor, Farm Credit Administration, transmitting, pursuant to law, a report of the Farm Credit Administration for calendar year 1977, covering specific aspects of the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2987. A communication from the Chairman, Federal Communications Commission, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2988. A communication from the Chairman, National Endowment for the Humanities; transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act for 1977; to the Committee on the Judiciary.

EC–2989. A communication from the Administrator, National Credit Union Administration, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2990. A communication from the Acting Assistant Director for Information, Office of Governmental and Public Affairs, Department of Agriculture, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2991. A communication from the Director, Community Services Administration, relating to administration of the Freedom of Information Act covering the period January 1 through December 31, 1977; to the Committee on the Judiciary.

EC–2992. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EC–2993. A communication from the Chairman, Federal Home Loan Bank Board, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EC–2994. A communication from the Acting Chairman, The Renegotiation Board, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2995. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC–2996. A communication from the Chairman, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2997. A communication from the Acting Secretary, Interstate Commerce Commission, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2998. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–2999. A communication from the Director, Office of Public Information, Commodity Futures Trading Commission, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–3000. A communication from the Deputy Director for Administration, Central Intelligence Agency, transmitting, pursuant to law, a report relating to administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–3001. A communication from the Director, Bureau of the Census, Department of Commerce, transmitting, pursuant to law, a report on the Survey of Registration and Voting conducted by the Bureau of the Census after the 1976 general elections; to the Committee on the Judiciary.

EC–3002. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–3003. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend provisions of law concerned with health maintenance organizations; to the Committee on Human Resources and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication transmitted by the Secretary of HEW, relative to amending provisions of law concerned with health maintenance organizations, and the bill to carry this out introduced by Senator KENNEDY and others, be referred jointly to the Committee on Human Resources and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

EC–3004. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on alternative means of allocating Federal intergovernmental assistance; to the Committee on Environment and Public Works and the Committee on Finance, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of the Treasury, relative to reporting on alternative methods of allocating Federal intergovernmental assistance, be referred jointly to the Committee on Environment and Public Works and the Committee on Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials which, without being read, were referred as indicated:

POM–505. A resolution adopted by the Young Republicans of Lebanon County, Pa., relating to the dismissal of David Marston as the U.S. attorney for the Eastern District of

Pennsylvania; to the Committee on the Judiciary.

POM–506. A resolution adopted by the city council of the city of Chula Vista, Calif., relating to the SES vessel program; to the Committee on Armed Services.

POM–507. A resolution adopted by the Legislature of Guam; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 248

"Relative to requesting the United States of America to forswear repayment of the indebtedness arising out of the Guam Rehabilitation Act currently amounting to approximately $40 Million and to endorsing the study incorporated in the resolution which justifies the request for forgiveness of this debt

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, Guam's limited public facilities were totally destroyed during the liberation of Guam during the Second World War, and then following the laborious and incomplete reconstruction and extension of these facilities in the immediate years after the war, they were again almost totally destroyed during Typhoon Karen in November of 1962, a storm whose winds were so great that instruments designed to measure them were destroyed and barometric pressures were the lowest ever recorded over land; and

"Whereas, as a result of this double destruction, Congress enacted the Guam Rehabilitation Act (Public Law 170, 88th Congress) which was intended to provide grants and loans for the post-war rehabilitation of Guam, the program to be coordinated with post-typhoon Karen reconstruction as funded by the Office of Emergency Planning; and

"Whereas, under the terms of the Act, rehabilitation loans amounting to approximately $45 Million were made, which loans were to be repaid by taking the funds that would ordinarily be deposited in our General Fund, by virtue of Section 30 of the Organic Act of Guam, and instead applying them to repayment of these loans over a 30-year period at the prevailing treasury interest rate, under which arrangement approximately $4 Million in principal and $13 Million in interest has been paid, the total long-term debt remaining, including both principal and interest, amounting to almost $80 Million, a sum which Guam can ill afford particularly since its General Fund has a cumulative deficit balance of approximately $40 Million and an actual cash deficit of over $6 Million, according to the latest unaudited preliminary financial statement for fiscal year 1977; and

"Whereas, although Super Typhoon Pamela which struck in May of 1976, (and again badly devastated Guam's public facilities) will apparently bring about an increase in General Fund revenues at least for the next three or four years as a result of reconstruction and rehabilitation projects, particularly on the military bases here in Guam, it is nevertheless the general prediction of those familiar with the island's financial resources that General Fund revenues thereafter will decline in the absence of any showing of substantial development in the private sector, it appearing clear that it will take many years for Guam to fully recover from (i) the recent economic recession caused by the fantastic increase in oil prices which has driven the cost of electric power in Guam to the highest level within the American commonwealth, (ii) the substantial military reductions in force resulting from the close of the Vietnam Conflict, and (iii) the very large losses caused by Super Typhoon Pamela, which frightened investors as did the worldwide and unfavorable publicity Guam received as a staging area for Vietnamese refugees, the combination of which has brought outside investment to a standstill in Guam, the only economic activity of any consequence being the post-typhoon Pamela rehabilitation; and

"Whereas, thus the continued withholding of Section 30 funds from the General Fund to pay the rehabilitation debt will serve only to aggravate and exacerbate the already extremely critical deficit status of the General Fund, and since the principal of the debt in question arose from circumstances in which the people of Guam were passive victims of international strife over which they had no control whatsoever, Guam being the only American community to suffer enemy invasion and occupation for three long and painful years, and since the Congress and President of the United States have always demonstrated true compassion toward communities ravaged by man-made or natural disasters and have always extended generous financial assistance to the governments and peoples affected by such acts of God or the enemy; now, therefore, be it

"*Resolved*, That the Fourteenth Guam Legislature does hereby, on behalf of the people of Guam, respectfully petition and memorialize the President and the Congress of the United States to forgive repayment of the balance of the rehabilitation debt by repealing Sections 3 and 5 of the Guam Rehabilitation Act which relate to debt repayment; and be it further

"*Resolved*, That this resolution does also hereby endorse and transmit to the President of the United States, to the Secretary of the Interior, to the Director of the Office of Territories, to the Chairman of the Senate Committee on Interior and Insular Affairs, to the Chairman of the House Committee on Interior and Insular Affairs, to Guam's Delegate to Congress, and to the Governor of Guam, the attached study prepared by the Legislature which is respectfully submitted as proof of the desirability and appropriateness of the request herein contained for forgiveness of this indebtedness which is so crippling to the operation of the territory; and be it further

"*Resolved*, That the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the Secretary of the Interior; to the Director of the Office of Territories; to the President of the Senate; to the Speaker of the House of Representatives; to the Chairman of the Senate Committee on Interior and Insular Affairs; to the Chairman of the House Committee on Interior and Insular Affairs; to Guam's Delegate to Congress and to the Governor of Guam."

PETITIONS PRESENTED

Mr. PELL. Mr. President, I present two memorials adopted by the House of the General Assembly of Rhode Island, and one memorial adopted by the Senate of the General Assembly of Rhode Island. I ask unanimous consent that they be printed in the RECORD at this time, and appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolutions ordered to be printed in the RECORD are as follows:

POM–508. A resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION

"Memorializing Congress to issue a commemorative stamp in honor of General Nathanael Greene

"Whereas, General Nathanael Greene, second in command of the continental army to General George Washington, was the only other American general who served continuously throughout the entire eight years of the Revolutionary War, from the first skirmishes at Boston to the final retreat of the British from American soil in 1783; and

"Whereas, His skillful deployment of troops and his prudent use of limited resources enabled him to destroy the northward movement of General Howe in the south, to surround the British at Yorktown and to force their surrender; and

"Whereas, General Greene not only established himself as a fine soldier and valiant military leader, but displayed great respect for the lives and welfare of his men; now therefore be it

"*Resolved*, That the house of representatives of the state of Rhode Island and Providence Plantations hereby respectfully requests the congress of the United States to issue a commemorative stamp in honor of General Nathanael Greene in recognition of his efforts during the Revolutionary War; and be it further

"*Resolved*, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the senators and representatives from Rhode Island in the congress of the United States."

POM–509. A resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Environment and Public Works:

"SENATE RESOLUTION

"Memorializing Congress to enact legislation to increase Federal funds for municipal highway maintenance

"Whereas, The availability of federal highway funds to cities and towns for municipal road maintenance has gradually decreased; and

"Whereas, Many cities and towns have suffered a loss of population and a subsequent decrease in the tax base which has caused a decrease in funds available for road maintenance; now, therefore, be it

"*Resolved*, That this senate of the state of Rhode Island and Providence Plantations memorializes the congress of the United States to enact legislation to increase federal funds for municipal highway maintenance; and be it further

"*Resolved*, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the senators and representatives from Rhode Island in the congress of the United States."

POM–510. A resolution adopted by the Legislature of the State of Rhode Island; to the Committee on Foreign Relations:

"HOUSE RESOLUTION

"Memorializing Congress to withhold monetary aid to Vietnam

"*Resolved*, That the house of representatives of the state of Rhode Island and Providence Plantations hereby respectfully requests the Congress of the United States to withhold monetary aid to the government of Vietnam unless and until the United States is allowed to investigate the disappearance of American prisoners of war who have not yet been accounted for; and be it further

"*Resolved*, That the secretary of state be and he hereby is respectfully requested to transmit duly certified copies of this resolution to the members of Congress from Rhode Island.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a concurrent resolution transmitted by the Senate of the State of Hawaii, requesting that Hawaii be exempted from Federal mandatory requirements of converting new and existing powerplants to coal and to provide the State of Hawaii with relief from the fuel oil penalty tax and other restrictive measures, be jointly re-

ferred to the Committees on Energy and Natural Resources, and Finance.

The PRESIDING OFFICER. Without objection, it is so ordered.

POM-511. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Energy and Natural Resources and the Committee on Finance, jointly, by unanimous consent:

S. Con. Res. No. 12

"Senate concurrent resolution requesting the United States Congress to exempt the State of Hawaii from the Federal mandatory requirement of converting new and existing power plants to coal and to provide the State of Hawaii with relief from the fuel oil penalty tax and other restrictive measures

"Whereas, H.R. 8444 and several other national energy bills are currently under consideration by the United States Congress; and

"Whereas, U.S. Senate and House conferees have agreed to grant Hawaii an exemption from the federal mandatory requirement of converting new and existing power plants to coal in recognition of the State's unique geographic location and the excessive costs involved; and

"Whereas, H.R. 8444 contains a provision requiring electric utilities in the State of Hawaii to pay a penalty tax of $1.50 per barrel of fuel oil, adjusted upward by inflation factors, commencing in 1983, and it is estimated that in 1983, this penalty tax will amount to more than $30 million for all electric companies and their ratepayers in the State; and

"Whereas, H.R. 8444 also contains a provision eliminating accelerated depreciation and the investment tax credit on new boilers using fuel oil, commencing in 1977; and

"Whereas, since the penalty tax as well as the provision providing for the loss of accelerated depreciation and the investment tax credit for new boilers are intended as incentives for utility companies to convert to coal, their applicability to Hawaii is totally inconsistent with the coal conversion exemption for Hawaii already agreed to by the U.S. Senate and House conferees; and

"Whereas, U.S. Senate and House conferees have not yet reached any decisions on the aforementioned user tax, accelerated depreciation and investment tax credit parts of the energy bill; now, therefore,

"Be it resolved by the Senate of the Ninth Legislature of the State of Hawaii, Regular Session of 1978, the House of Representatives concurring, that the United States Congress is requested to approve the U.S. Senate-House conferees' decision to exempt Hawaii from the federal mandatory requirement of converting new and existing power plants to coal; and

"Be it further resolved that the United States Congress and the U.S. Senate-House Conference Committee is requested to give favorable consideration to providing the State of Hawaii with relief from the fuel oil penalty user tax as well as the loss of accelerated depreciation and investment tax credit on new boilers using fuel oil: and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's delegation to the United States Congress."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. RIBICOFF (for himself and Mr. RANDOLPH):

S. 2647. A bill to amend title XVIII of the Social Security Act for the purpose of including outpatient rehabilitation services among the benefits of the medicare program; to the Committee on Finance.

By Mr. McGOVERN:

S. 2648. A bill to provide for the issuance of a special commemorative stamp in honor of Hubert Horatio Humphrey; to the Committee on Governmental Affairs.

By Mr. STAFFORD:

S. 2649. A bill to provide loans for the prevention of retarding of streambank erosion which threatens public and private facilities; to the Committee on Environment and Public Works.

By Mr. ABOUREZK (by request):

S. 2650. A bill to amend the Wild and Scenic Rivers Act by increasing the appropriation authorizations therein, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2651. A bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

S. 2652. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Bruneau River, Idaho, as a component of the National Wild and Scenic Rivers, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2653. A bill to authorize the Secretary of the Interior to designate a segment of the Delaware River, New York and Pennsylvania, as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2654. A bill to designate a segment of the Dolores River in the State of Colorado as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2655. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in Texas as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2656. A bill to designate a segment of the Pere Marquette River in the State of Michigan as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2657. A bill to amend the Wild and Scenic Rivers Act by designating the Salmon River in Idaho as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

S. 2658. A bill to amend the Wild and Scenic Rivers Act by designating the Skagit River in Washington as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

S. 2659. A bill to establish National Historic Trails as a new category of trails within the National Trails System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2660. A bill to amend the National Trails System Act by designating the Continental Divide Trail, located in portions of Montana, Idaho, Wyoming, Colorado and New Mexico, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2661. A bill to establish the North Country National Scenic Trail located in portions of New York, Pennsylvania, Ohio, Michigan, Wisconsin, Minnesota, and North Dakota, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2662. A bill to amend the National Trails System Act by designating the Potomac Heritage Trail located in portions of Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2663. A bill to amend the National Trails System Act by designating the Oregon Trail, located in portions of Missouri, Kansas, Nebraska, Wyoming, Idaho, Oregon and Washington, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2664. A bill to amend the National Trails System Act by designating the Lewis and Clark Trail, located in portions of Missouri, Kansas, Nebraska, Iowa, South Dakota, North Dakota, Montana, Idaho, Oregon, and Washington, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2665. A bill to designate certain lands in the Arches National Park, Utah, as wilderness; to the Committee on Energy and Natural Resources.

S. 2666. A bill to designate certain lands in the Buffalo National River, Arkansas, as wilderness; to the Committee on Energy and Natural Resources.

S. 2667. A bill to designate certain lands in the Canyonlands National Park, Utah, as wilderness; to the Committee on Energy and Natural Resources.

S. 2668. A bill to designate certain lands in the Capitol Reef National Park, Utah, as wilderness; to the Committee on Energy and Natural Resources.

By Mr. NELSON (for himself, Mr. ANDERSON, Mr. CLARK, Mr. CULVER, Mr. FORD, Mrs. HUMPHREY, Mr. MCINTYRE, Mr. WEICKER, Mr. HUDDLESTON, and Mr. SPARKMAN):

S. 2669. A bill to amend the Internal Revenue Code of 1954 to provide an equitable tax structure for small and independent companies, and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA:

S. 2670. A bill for the relief of Janet Abraham, also known as Janet Susan Abraham; to the Committee on the Judiciary.

S. 2671. A bill for the relief of Masami Yamada; to the Committee on the Judiciary

By Mr. FORD (for himself and Mr. HUDDLESTON):

S. 2672. A bill to increase the amounts authorized to be appropriated for the fiscal year 1979 and succeeding fiscal years to carry out the purposes of section 507(c) of the Surface Mining Control and Reclamation Act of 1977; to the Committee on Energy and Natural Resources.

By Mr. MATSUNAGA:

S. 2673. A bill to authorize certain withholding of seamen's wages on a voluntary basis; to the Committee on Commerce, Science, and Transportation.

By Mr. PROXMIRE:

S. 2674. A bill to assist cities and States by amending section 5136 of the revised statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PELL:

S. 2675. A bill to extend and amend the Elementary and Secondary Education Act of 1965 and related programs, to establish programs to promote the improved achievement of children in basic skills and to assist State and local educational agencies to enhance the quality of their education programs, to improve the administration of Federal elementary and secondary education programs, and for other purposes; to the Committee on Human Resources.

By Mr. KENNEDY (for himself, Mr. SCHWEIKER and Mr. RIBICOFF) (by request):

S. 2676. A bill to amend provisions of law concerned with health maintenance organizations; to the Committee on Finance and the Committee on Human Resources, by unanimous consent.

By Mr. PROXMIRE:

S.J. Res. 116. A joint resolution to declare June 4 through 10, 1978, to be "National Neighborhood Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIBICOFF (for himself and Mr. RANDOLPH):

S. 2647. A bill to amend title XVIII of the Social Security Act for the purpose of including outpatient rehabilitation services among the benefits of the medicare program; to the Committee on Finance.

Mr. RIBICOFF. Mr. President, today I am introducing legislation to remedy an inequity and an inconsistency in the current medicare law as it applies to rehabilitation services. I am honored that Senator JENNINGS RANDOLPH, the chairman of the Subcommittee on the Handicapped and an expert in the field of rehabilitation has joined with me in offering this bill.

This bill recognizes outpatient rehabilitation centers as provided under medicare.

Today medicare treats rehabilitation services differently according to where they are provided and by whom. Inpatient rehabilitation services are covered along with all other inpatient services. Outpatient rehabilitation services provided by a center connected with a hospital are covered. But if a patient goes to a freestanding rehabilitation center, medicare covers only speech and physical therapy.

Today we force medicare beneficiaries who need long periods of comprehensive rehabilitation treatment to choose between going to a hospital or paying out of their own pocket. At a time of rising health care costs it makes no sense to disallow medicare coverage in facilities which can provide high quality care at a relatively low cost.

To avoid questions in administration, this bill contains a definition of rehabilitation services. This definition reflects those services which are now covered by medicare when provided to outpatients by a hospital. This definition clarifies just what benefit is being discussed; it is a current benefit when provided in one setting. We are permitting its provision in a different setting. This definition includes the requirement—long a part of good rehabilitation—that there be a plan for each patient with specific measurable goals. The definition also clarifies the confusion which has resulted from arguments over whether care is custodial or restorative.

In Connecticut, we are most fortunate to have a strong network of outpatient facilities. In fact, a large portion of the capacity to provide high quality outpatient rehabilitation services rests with rehabilitation centers which are independent of hospitals. Through the seven comprehensive medical rehabilitation centers sponsored by the National Easter Seal Society, high quality care is provided not only in the centers but in the home and nursing homes as part of the Easter Seal outreach program.

In Connecticut, these centers are an integral part of our health care system and they have proved their effectiveness. They have enabled and assisted individuals in returning to their homes and gainful lives instead of being confined to nursing homes or hospitals. We recognize in our State that the traditional settings for medical care; for example, private doctors offices, hospitals, and nursing homes—must be updated to include new modes of care.

Outpatient rehabilitation facilities are typically community-based, nonprofit organizations similar in organization and governance to hospitals, but providing services on an outpatient basis. A number are affiliated with national organizations identified with physical restoration, such as the Easter Seal Society. Outpatient rehabilitation facilities are generally subject to State licensing and may be accredited by the Commission on the Accreditation of Rehabilitation Facilities.

To assure that adequate standards of care apply to services provided by such facilities as a public or private institution which is primarily engaged in providing a program of diagnostic, therapeutic, and restorative services under the direction of physicians to outpatients addressed to the rehabilitation of injured, disabled, or sick persons; maintains adequate clinical records on all patients; has bylaws in effect with respect to its staff or physicians; has a requirement that every patient must be under the care of a physician; provides nursing services rendered or supervised by a registered professional nurse consistent with the needs of its patients; is licensed pursuant to such law, or is approved by the agency meeting the standard established for such licensing; meets such other requirements as the Secretary finds necessary in the interest of the health and safety of patients served by the institution.

By treating the rehabilitation center as an equal partner in the health care system, my bill will serve to stimulate additional alternatives for those needing long-term care. It will foster the provision of rehabilitation care by these community-based centers for those who need not be institutionalized but do need rehabilitation health care and need it to the degree that home health care is not appropriate or efficient. In the comprehensive center, a chronically ill or disabled medicare beneficiary may receive a physician's services, nursing services, physical therapy, speech therapy, occupational therapy, or medical social services.

In other centers, only a single service may be offered such as speech therapy, but the nature of the services and equipment may necessitate a visit to a center, rather than a home visit. By expanding such community based care, my bill will assist in developing the resources necessary to enable our elderly and disabled to remain in their homes with their families and in a setting they know rather than in institutional settings which are foreign to them, costly and encourage their dependency.

Mr. President, I have received valuable counsel in the preparation of this bill from a number of national organizations concerned with rehabilitation, such as the National Easter Seal Society for Crippled Children and Adults, the Connecticut Easter Seal Society and personnel from local Easter Seal Centers in Connecticut, the International Association of Rehabilitation Facilities, the American Congress of Rehabilitation Medicine, and the Academy of Physical Medicine and Rehabilitation. These organizations and others in the field of rehabilitation care support this bill. Dr. Howard Rusk, the eminent leader in the field of rehabilitation, supports this bill, as do many other leaders in the field of rehabilitation such as Edmund McLaughlin, the director of the Bridgeport, Conn., Easter Seal Rehabilitation Center, and former president of the Easter Seal Executives Association.

This bill has been introduced in the House by Congressman ABNER MIKVA.

I ask unanimous consent that a memorandum outlining the current status of rehabilitation services under medicare and the issues be printed in the RECORD at this point, together with the text of the bill.

There being no objection, the memorandum and bill were ordered to be printed in the RECORD, as follows:

COVERAGE OF REHABILITATION SERVICES UNDER TITLE XVIII SOCIAL SECURITY ACT (MEDICARE)

This memorandum examines the treatment of rehabilitation services and facilities providing such services under Title XVIII of the Social Security Act (Medicare). It is addressed to certain anomalies in the present statutory and regulatory structure.

BACKGROUND

The Medicare program provides insurance of health care for people over 65 and for certain persons qualifying by reason of disability. The Medicare Act is divided into two types of coverage, Part A covers hospital care and Part B covers physician's fees, outpatient services, and a variety of other supplemental benefits. Rehabilitation services are treated quite differently depending upon whether they are delivered in an inpatient or outpatient setting; comprehensive inpatient services being generally reimbursable, but with severe limitations placed on reimbursement for services delivered to outpatients. In some cases, as set forth below, the nature of the institution delivering such services determines whether Medicare coverage is available.

NATURE OF MEDICAL REHABILITATION

It is useful to define "medical rehabilitation, "Medical rehabilitation consists of a series of services, (listed at the end of this section) which are provided in an integrated and coordinated fashion to have positive impact on the handicapping condition affecting the patient.

These services are delivered in a variety of settings usually depending on services required. Settings include inpatient areas of acute-care hospitals, free standing rehabilitation hospitals, rehabilitation units of acute care hospitals, rehabilitation units of university-based medical centers, outpatient

rehabilitation facilities, and rehabilitation units in skilled nursing facilities.

Rehabilitation services are delivered by a multidisciplinary team. Goals for each patient are established by this team. Follow-through and evaluation are a regular part of the programming.

Any of the following may be rehabilitation services if they are provided in a medically-directed program to meet specific goals which improve functional capacity or lessen deterioration in a patient with a disabling condition.

Physician services, including diagnostic, evaluation and therapeutic services;

Physical therapy, occupational therapy, inhalation therapy, and speech therapy;

Prosthetic and orthotic devices, including testing, fitting or training in the use of prosthetic or orthotic devices;

Social and psychological services;

Nursing care provided by or under the supervision of a professional nurse;

Supplies, appliances, and equipment, including the purchase or rental of equiment;

Other services as are medically necessary for the mental and physical restoration of the patient, or the prevention of his deterioration, and are ordinarily furnished by a hospital.

INPATIENT SERVICE

Part A of Medicare covers virtually all inpatient services rendered by a hospital meeting Medicare requirements. The statute provides for coverage of all hospital services which are appropriate to the medical needs of a Medicare patient. This includes physical, occupational and speech therapy as well as such vocational counseling, psychological counseling, family counseling and adjustment services as normally provided by a hospital.

Hospitals primarily affording rehabilitative care qualify as Medicare providers. Rehabilitation hospitals meeting other requirements of the Act and regulations issued pursuant thereto are generally reimbursed for services provided to Medicare beneficiaries. Similar services covered under Part A for individuals transferred from hospitals to skilled nursing facilities. The services covered as extended care services are essentially the same as those covered for inpatient treatment. If a facility does not offer complete skilled rehabilitation services, it can make "arrangements" with a rehabilitation agency to furnish physical and speech therapy, but the services must be billed through the skilled nursing facility. Also, under Part A an individual referred to a home health agency by a hospital or SNF may receive similar services.

Some rehabilitation hospitals have experienced difficulty with Medicare reimbursement relative to the appropriate setting for delivery of care. Medicare fiscal intermediaries have on occasion denied claims retroactively on the theory that an inpatient hospital level of care was not medically necessary. This problem was lessened somewhat when the Bureau of Health Insurance issued a letter in 1972 which prescribed guidelines for intermediary interpretations and which gave weight to the view and assessment of the attending physician. There continue to be some difficulties, particularly with regard to intermediary determinations of the medical necessity of rehabilitation services. This often turns on the question of whether services are restorative in character or designed to "maintain" the condition and level of function of the patient. This distinction is often difficult and to some extent artificial particularly in dealing with elderly people. This bill would address this problem by amending the Medicare Act to include a definition of inpatient rehabilitation services including "the prevention of deterioration in the disabling condition of the patient."

In the main, however, hospitals are receiving Medicare reimbursement for comprehensive rehabilitation services.

OUTPATIENT REHABILITATION SERVICES

Coverage of rehabilitation services rendered to Medicare beneficiaries on an outpatient basis is limited. This reflects the quite different treatment by Medicare of outpatient services generally and the fact that the statute does not recognize outpatient rehabilitation facilities as providers.

Outpatient services fall under Part B of the Act. They are defined by Section 1832 and 1861. Medicare covers "medical and other health services furnished by a provider of services" or "outpatient physical therapy services." Outpatient rehabilitation services are covered as "medical and or health services provided by a provider of services". "Provider" generally means a hospital. The language generally recognizes the need for a variety of supporting services to complement physicians' services rendered in the outpatient department or program of a hospital, generally including all of the services (assuming medical necessity) which are rendered by the institution to inpatients. Under such language it is possible for a rehabilitation hospital or a general hospital with a rehabilitation unit or services to provide such services to Medicare beneficiaries on an outpatient basis and obtain reimbursement under Medicare.

Because outpatient rehabilitation facilities not connected to hospitals are not considered "providers" under the law, coverage of their services is limited to physical and speech therapy.

The distinction in coverage means that a Medicare beneficiary who obtains comprehensive rehabilitation services on an outpatient basis at an institution recognized as a "hospital" is covered by Medicare Part B for 80 percent of the reasonable charges for such services. A Medicare beneficiary who obtains precisely the same services from an outpatient rehabilitation facility is covered only to the extent of physical therapy and speech therapy. Thus the patient must pay 100 percent of charges for other elements of a comprehensive medical rehabilitation program including occupational therapy, psychological services, social services, family counseling, and similar services.

The effect of the distinction between comprehensive outpatient rehabilitation services rendered by hospitals and by outpatient rehabilitation facilities is to discriminate among institutions of equal professional competence. It also discriminates among Medicare beneficiaries in that one Medicare beneficiary receives full coverage for services while another receives only partial coverage or no coverage at all for the same services because they are rendered by another institution. Removal of the barriers to full coverage of comprehensive rehabilitation services provided by outpatient rehabilitation facilities would not expand the benefits of Medicare, it would make such benefits more uniformly available to eligible beneficiaries.

OUTPATIENT REHABILITATION FACILITIES

Generally, outpatient rehabilitation facilities are nonprofit, tax exempt entities which are governed and operated very much in the manner typical of hospitals. A typical rehabilitation facility offers a range of services from evaluation through treatment to final at-home therapy. Specific services given include prevocational evaluation, training and placement; rehabilitation medicine; orthopedic services; pediatric services; physical, occupational, speech and audiovisual therapy and evaluation; and social and psychological services. Trained specialists affiliated with a center include physicians specializing in rehabilitation medicine; pediatricians, includng neuro-pediatricians; pulmonary and cardiovascular specialists; trained and qualified therapists; psychiatrists and psychologists; social workers and counselors; trained nurses and skilled aides. While these services are generally rendered at the facility, trained specialists may make home visits to provide therapy and check on the progress of a discharged client, or to counsel the family.

Such facilities must meet the state licensing requirements and/or accredited by the Commission on Accreditation of Rehabilitation Facilities. (CARF).

Some of these institutions are associated with the Easter Seal Society and started as clinics for orthopedically-handicapped children. Generally, such facilities are financed through fees for services, fund raising (including participation in United Way, Easter Seals and similar fund raising programs) and occasionally through tax support.

CASE HISTORIES

Adequate coverage of comprehensive outpatient services rendered by rehabilitation facilities is clearly of concern to such facilities. It is of greater concern, however, to the Medicare beneficiaries who do not receive services. The following case histories illustrate the problem and the high cost in acute medical care and human suffering.

CASE I

A man in his late 60's suffered a stroke causing partial paralysis on the left side of his body. After acute care the patient received initial rehabilitation services in the hospital including physical and occupational therapy and substantial counseling for the patient and his wife. Such counseling was designed to relate the physical and occupational therapy programs which were indicated to the patient's prospects for continued physical improvement and independence. Of particular concern was his wife's awareness of the need for substantial personal incentive to regain and maintain maximum functional capacity.

Upon discharge the patient began receiving physical therapy and further occupational therapy from an outpatient rehabilitation center. The physical therapy was covered by Medicare but further occupational therapy and counseling (medical social services) which were covered by Medicare when he was an inpatient were no longer covered and were stopped. As a result the climate for restoration of the patient deteriorated as his wife through misguided sympathy cared for more and more of his physical needs. The patient became dependent, lost ambulatory capacity, developed contractures, and in a fairly short period of time, was readmitted to the hospital. The subsequent cost of hospitalization was greatly in excess of the cost of providing a comprehensive outpatient program including the necessary counseling.

CASE II

A 66 year old man who was self-employed in an automobile agency had a stroke. He progressed satisfactorily in a rehabilitation hospital and was referred to an outpatient facility for continuation of services upon discharge. His condition dictated a program of physical therapy, occupational therapy, speech therapy and psychological services. The psychological services were indicated because the patient experienced severe depression resulting from his physical limitations. Only physical and speech therapy were covered by Medicare and the patient did not have sufficient funds to pay for additional services. As a result the progress toward restoration of function and self-sufficiency which was made in the hospital was not continued. The patient was eventually readmitted to a hospital where such care is reimbursable under Medicare.

CONSEQUENCES

The failure of Medicare to provide coverage of comprehensive rehabilitation services has a number of negative consequences.

(1) It promotes the provision of services on an inpatient basis as a means of qualifying such care for reimbursement and prolongs inpatient stays because of inadequate outpatient programs when Medicare coverage is not available to the patient if discharged.

(2) It promotes outpatient services in high cost settings.

(3) It discourages Medicare patients from seeking and receiving comprehensive services which restore their capacity to function and mitigate the likelihood of recurrent acute care.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1832(a)(2) of the Social Security Act is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof "; and", and by inserting the following new subparagraph after subparagraph (C):

"(D) outpatient rehabilitation services."

(b) Section 1835(a)(2) of such Act is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (D), and by inserting the following new subparagraph after subparagraph (D):

"(E) in the case of outpatient rehabilitation services, such services are or were medically required."

(c) Section 1861(u) of such Act is amended by inserting "rehabilitation facility," immediately after "home health agency,".

(d) Section 1861(z) of such Act is amended by inserting "rehabilitation facility," after "care facility,".

(e) Section 1861 of such Act is amended by adding the following new subsections at the end thereof:

"Rehabilitation Facility

"(aa) The term 'outpatient rehabilitation facility' means a public or private institution (or a distinct part of an institution) which—

"(1) is primarily engaged in providing a program of diagnostic, therapeutic, and restorative services to outpatients addressed to the rehabilitation of injured, disabled, or sick persons;

"(2) maintains adequate clinical records on all patients;

"(3) has bylaws in effect with respect to its staff or physicians;

"(4) has a requirement that every patient must be under the care of a physician;

"(5) in the case of an institution in any State in which State or applicable local law provides for the licensing of rehabilitation facilities, (A) is licensed pursuant to such law, or (B) is approved by the agency meeting the standard established for such licensing;

"(6) has in effect an overall plan and budget that meets the requirements of subsection (z); and

"(7) meets such other requirements as the Secretary finds necessary in the interests of the health and safety of patients served by the institution.

"Outpatient Rehabilitation Services

"(bb) The term 'outpatient rehabilitation services' means services by a rehabilitation facility furnished under a medically directed plan related to the achievement of specific outcomes regarding function capacity or the prevention of deterioration in the disabling condition of the patient; including any one or more of the following:

"(1) physician services, including diagnostic, evaluation, and therapeutic services;

"(2) physical therapy, occupational therapy, inhalation therapy, and speech therapy;

"(3) prosthetic and orthotic devices, including testing, fitting, or training in the use of prosthetic and orthotic devices;

"(4) social and psychological services;

"(5) nursing care provided by or under the supervision of a professional nurse;

"(6) supplies, appliances, and equipment, including the purchase or rental of equipment; and

"(7) such other services as are medically necessary for the mental and physical restoration of the patient, or for the prevention of his deterioration, and are ordinarily furnished as outpatient services by a hospital.

"Inpatient Rehabilitation Services

"(cc) The term 'inpatient rehabilitation services' means services furnished under a medically directed plan related to the achievement of specific outcomes regarding functional capacity or the prevention of deterioration in the disabling condition of the patient, which plan may include the following services:

"(1) bed and board;

"(2) physician services, including diagnostic, evaluation, and therapeutic services;

"(3) physical therapy, occupational therapy, inhalation therapy, and speech therapy;

"(4) prosthetic and orthotic devices, including testing, fitting, or training in the use of prosthetic and orthotic devices;

"(5) social and psychological services;

"(6) nursing care provided by or under the supervision of a professional nurse;

"(7) drugs, biologicals, supplies, appliances and equipment, including the purchase or rental of equipment; and

"(8) such other diagnostic or therapeutic services or items, furnished by a hospital or by others under arrangements with them made by the hospital, as are ordinarily furnished to inpatients by such hospital or by others under such arrangements.".

By Mr. McGOVERN:

S. 2648. A bill to provide for the issuance of a special commemorative stamp in honor of Hubert Horatio Humphrey; to the Committee on Governmental Affairs.

HUBERT HUMPHREY COMMEMORATIVE STAMP

● Mr. McGOVERN. Mr. President, today I am introducing legislation calling for a commemorative stamp to be issued in honor of the late Vice President and Senator Hubert Humphrey. At the present time, with the exception of deceased Presidents, commemorative stamps are never issued sooner than 10 years after the death of the person to be honored. We should not have to wait 10 years to issue a commemorative stamp in honor of this great American.

Although he never became President, Mr. Humphrey did so much for this country that at the time of his death the American people paid him the kind of respect normally reserved for Presidents. Our memorials and tributes to this beloved statesman show the world how proud we are that Hubert Humphrey belonged to us, and will also remind Americans of the responsibility each of us has to continue his efforts to improve the quality of life in our country and in the world.

I ask my colleagues to support this legislation which directs the U.S. Postal Service to issue, during calendar year 1978, a commemorative postage stamp in honor of Hubert Humphrey.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the United States Postal Service shall issue, during calendar year 1978, a special commemorative postage stamp in honor of the late Vice President and Senator Hubert Horatio Humphrey.

SEC. 2. The Postal Service shall issue such stamp in such denomination and design as it deems appropriate.●

By Mr. STAFFORD:

S. 2649. A bill to provide loans for the prevention of retarding of streambank erosion which threatens public and private facilities; to the Committee on Environment and Public Works.

● Mr. STAFFORD. Mr. President, recently I introduced an amendment to assure that the Corps of Engineers can provide technical assistance for more effective local streambank erosion control programs.

More can and should be done to meet this accelerating problem. For this reason, I am today introducing legislation that would make $50 million available in interest-free loans to assist individuals and communities in providing more effective erosion control.

Frankly, I cannot say that the authorization figure in this bill reflects accurately the national need. In addition, there may be valid reasons to require a modest interest charge under such a program. But the issue needs to be addressed. I would hope that this legislation will focus attention on the need and benefits from a stepped-up effort to control streambank erosion.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that streambank erosion destroys property, both public and private, creates and aggravates flooding, increases sedimentation in the nation's rivers, adds to the needs for disaster assistance in many areas, and creates annual financial and environmental losses to the nation.

(b) The Congress, therefore, determines that it is in the national interest to assist agencies and individuals, both public and private, in lessening, and when possible preventing, the erosion of streambanks, particularly when such erosion threatens, or can be expected to threaten, public and private facilities and structures.

SEC. 2. The Secretary of the Army, acting through the Chief of Engineers (hereinafter referred to as the "Secretary") is authorized to provide loans of up to $10,000 to any public or private group or agency or individual for a period of 10 years for the purpose of stabilizing streambanks when erosion of such streambanks threatens, or can be expected to threaten, any facility or structure, or produce or seriously aggravate flooding downstream. Plans for any work to be undertaken with a loan under this section shall be submitted to the Secretary Approval by the Secretary of such plans shall be a commitment of the Secretary to such loan. Notwithstanding the first sentence of this subsection, any loan to a public agency may be

for up to 20 years and for a sum up to $25,000.

(b) Loans granted under this section shall be free of interest. Repayment shall be required in equal installments.

(c) The sum of $50,000,000 is authorized to be appropriated to the Secretary to carry out this section, and shall remain available until expended.●

By Mr. ABOUREZK (by request):

S. 2650. A bill to amend the Wild and Scenic Rivers Act by designating certain appropriation authorizations therein, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2651. A bill to amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

S. 2652. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Bruneau River, Idaho, as a component of the National Wild and Scenic Rivers, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2653. A bill to authorize the Secretary of the Interior to designate a segment of the Delaware River, New York and Pennsylvania, as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2654. A bill to designate a segment of the Dolores River in the State of Colorado as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2655. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in Texas as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2656. A bill to designate a segment of the Pere Marquette River in the State of Michigan as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2657. A bill to amend the Wild and Scenic Rivers Act by designating the Salmon River in Idaho as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

S. 2658. A bill to amend the Wild and Scenic Rivers Act by designating the Skagit River in Washington as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

S. 2659. A bill to establish National Historic Trails as a new category of trails within the National Trails System, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2660. A bill to amend the National Trails System Act by designating the Continental Divide Trail, located in portions of Montana, Idaho, Wyoming, Colorado, and New Mexico, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2661. A bill to establish the North Country National Scenic Trail located in portions of New York, Pennsylvania, Ohio, Michigan, Wisconsin, Minnesota, and North Dakota, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2662. A bill to amend the National Trails System Act by designating the Potomac Heritage Trail located in portions of Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2663. A bill to amend the National Trails System Act by designating the Oregon Trail, located in portions of Missouri, Kansas, Nebraska, Wyoming, Idaho, Oregon and Washington, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2664. A bill to amend the National Trails System Act by designating the Lewis and Clark Trail, located in portions of Missouri, Kansas, Nebraska, Iowa, South Dakota, North Dakota, Montana, Idaho, Oregon, and Washington, as a component of the National Trails System; to the Committee on Energy and Natural Resources.

S. 2665. A bill to designate certain lands in the Arches National Park, Utah, as wilderness; to the Committee on Energy and Natural Resources.

S. 2666. A bill to designate certain lands in the Buffalo National River, Arkansas, as Wilderness; to the Committee on Energy and Natural Resources.

S. 2667. A bill to designate certain lands in the Canyonlands National Park, Utah, as wilderness; to the Committee on Energy and Natural Resources.

S. 2668. A bill to designate certain lands in the Capitol Reef National Park, Utah, as wilderness; to the Committee on Energy and Natural Resources.

ENVIRONMENTAL LEGISLATION

Mr. ABOUREZK. Mr. President, on May 23, 1977, the President transmitted his environmental message to Congress. I am sending to the desk for introduction, by request, several of the legislative proposals outlined in that message.

First. Amendments to the Wild and Scenic Rivers Act to increase appropriation authorizations; and designate 20 rivers for study.

Second. Further proposed amendments to the Wild and Scenic Rivers Act would designate as wild and scenic rivers, segments of:

The Bruneau River, Idaho;

The Delaware River, N.Y. and Penn.;

The Dolores River, Colo.;

The Rio Grande, Tex.;

The Pere Marquette River, Mich.;

The Salmon River, Idaho;

The Skagit River, Wash.

Third. Amendments to the National Trail System Act to establish the new category of National Historic Trails and to establish:

The Continental Divide Scenic Trail;

The North Country National Scenic Trail;

The Potomac Heritage Trail;

The Oregon Trail; and

The Lewis and Clark Trail.

Fourth. Legislation to designate certain lands as wilderness within:

The Arches National Park, Utah;

The Buffalo National River, Ark.;

The Canyonlands National Park, Utah; and

The Capitol Reef National Park, Utah.

Mr. President, I ask unanimous consent that each of the President's proposals be printed in the RECORD at this point followed by the respective executive communication.

There being no objection, the bills and material were ordered to be printed in the RECORD, as follows:

S. 2650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act of October 2, 1968 (82 Stat. 906; 16 U.S.C. 1271 et seq.), as amended, is further amended as follows:

(a) In section 5(b)(3) delete $2,175,000" and substitute therefor "$4,060,000".

(b) In section 3(a)(10) concerning the Chattooga River in North Carolina, South Carolina, and Georgia, delete "$2,000,000" and substitute therefor "$5,200,000"; and in section 16(a) delete (1) "Eleven Point, Missouri, $4,906,500" and substitute therefor "Eleven Point, Missouri, $10,406,500", and (2) "Rogue, Oregon, $12,447,200; St. Croix, Minnesota and Wisconsin, $11,768,550; Salmon, Middle Fork, Idaho, $1,237,000" and substitute therefor "Rogue, Oregon, $15,147,200; St. Croix, Minnesota and Wisconsin, $21,768,550; Salmon, Middle Fork, Idaho, $1,837,100".

DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 26, 1977.

HON. WALTER F. MONDALE,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: At the direction of the President, enclosed is a draft bill "To amend the Wild and Scenic Rivers Act by increasing the appropriation authorizations therein, and for other purposes."

We recommend that the bill be referred to the appropriate Committee for consideration, and that it be enacted.

The enclosed draft bill amends section 5(b)(3) of the 1968 Wild and Scenic Rivers Act, as added by Public Law 93-621 (16 U.S.C. 1276(b)(3)), by increasing the appropriation ceiling in that section for the study of the rivers listed in paragraphs (28) through (56) of section 5(a) of the Act. The bill would raise the existing $2,175,000 ceiling established by Public Law 93-621 to $4,000,000—a $1,885,000 increase.

As was recognized during the hearing in the 93d Congress on S. 3022, the bill which became Public Law 93-621, the then $75,000 average cost estimate for each of the 29 river studies authorized by that law was a conservative figure. It was recognized that this figure would escalate rapidly if the Federal agencies conducting the studies were to comply with the Water Resources Council's Principles and Standards for Planning Water and Related Land Resources. One of our most recent wild and scenic river studies cost $216,000. Another river study has cost in excess of $156,000 to date. An analysis of the possible cost to complete the 29 river studies authorized by Public Law 93-621 indicates there will be an average cost of $140,000 per river. This means an increase of $65,000 in the average cost per river study over that provided in P.L. 93-621 which amounts to the total $1,885,000 increase requested in the enclosed bill. Of course, if the studies can be completed for less, this amount will not be spent.

The draft bill also amends sections 3(a)

(10) and 16(a) of the Wild and Scenic Rivers Act by increasing the appropriation ceilings in these sections for acquisition of land and interests in land along five of the federally administered components of the National Wild and Scenic Rivers System. The enclosed bill would authorize an additional $22,000,000 to complete acquisitions at these river areas, with the increased cost for each area being as follows:

Chattooga, N. Carolina, S. Carolina, Ga.	$3,200,000
Eleven Point, Mo.	5,500,000
Rogue, Oreg.	2,700,000
Upper St. Croix, Minn. & Wisc.	10,000,000
Salmon, Middle Fork, Idaho	600,000
Totals	22,000,000

These increased appropriation authorizations are needed because of the extremely rapid escalation in land values within the five components, and because some of the earlier land cost estimates of Federal agencies proved to be too low. The latter was due primarily to court awards in condemnation proceedings being substantially above agency acquisition estimates.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

CECIL D. ANDRUS,
Secretary.

S. 2651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271), as amended, is further amended as follows:

(a) In section 5(a) after paragraph (58) insert the following new paragraphs:

"(59) Gila, New Mexico: the main stem from the Arizona-New Mexico border but excluding the authorized Hooker Reservoir site or alternative suitable to the requirements of P.L. 90-537; the West Fork to its headwaters; the East Fork to the junction of Taylor and Beaver Creeks; and the Middle Fork from the junction of Galita and Willow Creeks to its confluence with the West Fork.

"(60) Green, Utah: the main stem below Flaming Gorge Reservoir, except for the reach from the town of Jensen, Utah, to the boundary of the Dinosaur National Monument.

"(61) Illinois, Arkansas: the entire river from its source to Arkansas-Oklahoma border.

"(62) Kern (North Fork), California: the main stem from its source to Isabella Reservoir.

"(63) Shenandoah, Virginia and West Virginia: the main stem, the North Fork from Front Royal to Brocks Gap, and the South Fork from Front Royal to Waynesboro.

"(64) Sweetwater, Wyoming: the main stem from its source downstream to Wilson Bar.

"(65) Cacapon, West Virginia: the entire river.

"(66) Columbia, Washington: the main stem from Priest Rapids Dam to McNary Reservoir.

"(67) Guadalupe, Texas: the entire river from its source to New Braunfels but excluding Canyon Reservoir.

"(68) John Day, Oregon: the main stem from Service Creek upstream to its confluence with North Fork; the North Fork upstream to Baldy Creek and Granite Creek upstream to Clear Creek.

"(69) Loxahatchee, Florida: the entire river including its tributary, North Fork.

"(70) Niobrara, Nebraska: the main stem from Antelope Creek to Sparks Gauging Station.

"(71) Tangipahoa, Louisiana and Mississippi: the entire river.

"(72) Yellowstone, Wyoming and Montana: the main stem from Yellowstone Lake to Pompey's Pillar.

"(73) Delta, Alaska: the main stem from its source to Black Rapids.

"(74) Gulkana, Alaska: the entire river including its tributaries, West and Middle Forks.

"(75) Madison, Montana: the main stem from Earthquake Lake to Ennis Lake.

"(76) Ogeechee, Georgia: the entire river.

"(77) Salt, Arizona: the main stem upstream from the Salt River bridge on Arizona Highway 288; and its major tributaries (including the White and Black Rivers).

"(78) Wenatchee, Washington: the main stem including Lake Wenatchee, and its tributaries, the Little Wenatchee, White and Chiwawa Rivers."

(b) In section 5(b) redesignate existing paragraph "(3)" as "(4)" and insert the following new paragraph "(3)":

"(3) Except for the river named in subparagraph (60), the studies of rivers named in subparagraphs (59) through (78) of subsection (a) of this section shall be completed and reports thereon submitted not later than five full fiscal years after the date of enactment of this paragraph. The study of the river named in subparagraph (60) shall be completed and the report thereon submitted not later than two full fiscal years after the date of enactment of this paragraph. There are authorized to be appropriated for the purpose of conducting the studies of the rivers named in said subparagraphs such sums as may be necessary, but not more than $2,800,000."

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 26, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: At the direction of the President and as part of his message on the Environment, enclosed is a draft bill "To amend the Wild and Scenic Rivers Act by designating certain rivers for study as potential additions to the National Wild and Scenic Rivers System."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

Section 5(a) of the Wild and Scenic Rivers Act of October 2, 1968, as amended (82 Stat. 910; 16 U.S.C. 1276(a)) designated 27 rivers for study as potential additions to the National Wild and Scenic Rivers System and required that the studies be completed within 10 years. P.L. 93-621, dated January 3, 1975, amended the Act by adding 29 additional rivers to section 5(a) and required that, with one exception, the study of these rivers be completed by October 2, 1979. The exception is that the study of the Dolores River, Colorado must be completed by January 3, 1976. Our present schedules provide for completion of the studies by the established deadlines.

The 20 rivers identified in the draft bill are those which were included in this Department's legislative proposal to the 93rd Congress for study under section 5(a) of the Act, but which were not included in Public Law 93-621. Two rivers submitted in that proposal—the Little Missouri, North Dakota and the Blackfoot River, Montana—are not included in this draft bill. The Little Missouri, North Dakota has been protected by State action, and private actions are underway to protect portions of the Blackfoot River, Montana. Further, the study boundaries of the 20 rivers included in the draft bill have been more specifically defined.

Section 1 of the enclosed draft bill would add these rivers to the existing "study list" in section 5(a) of the Wild and Scenic Rivers Act. Under the terms of the Act, the Secretary of the Interior—and where National Forest lands are involved, the Secretary of Agriculture—would be required to study the rivers and then report to the Congress. Section 1(b) of the draft bill would require that, except for the Green River in Utah, the studies of the identified rivers be completed and reports thereon transmitted to the Congress within 5 full fiscal years after enactment of the bill. It would further require that the study of the Green River in Utah be completed and a report thereon transmitted to the Congress within 2 full fiscal years after enactment of the bill. Further, it would authorize the appropriation of not to exceed $2,800,000 for the conduct of the studies.

It should be noted that 13 of the rivers listed in the enclosed draft bill were identified by the Secretaries of the Interior and Agriculture as potential national wild, scenic and recreational river areas in 1970 pursuant to section 5(d) of the Wild and Scenic Rivers Act. Notice of such identification was published in the Federal Register of October 29, 1970 (35 F.R. 16693). Since that date, all Federal agencies have been required, in their planning reports concerning these rivers, to evaluate their wild, scenic or recreational potential as alternative uses of the water and related land resources involved.

The enclosed legislative proposal reflects the recommendations from members of an Interdepartmental Study Group on Wild and Scenic Rivers. This group was established following passage of the 1968 Act for the purpose of coordinating and reviewing required studies, and to identify additional rivers which appear to have outstanding resources sufficient for addition to section 5(a) as rivers to be studied for possible inclusion in the System. This group consists of representatives from the Departments of the Interior, Agriculture and Army, the Tennessee Valley Authority and the Environmental Protection Agency. During the course of its work, this group received numerous recommendations from Federal, State and local agencies and individuals concerning these additional study rivers.

During the review of the legislative proposal, the Tennessee Valley Authority (TVA) identified its interest in possible uranium reserves along a portion of the Green River in Utah proposed for study. If the area is authorized for study, section 9(b) of the Wild and Scenic Rivers Act will preclude further uranium exploration and development activity pending completion of the study and action by the Congress on any recommendation for designation. To minimize the impact of designation on TVA's activities, the Department of the Interior has agreed to (1) a 2 full fiscal year study period rather than the 5 full fiscal year period proposed for the other studies, (2) restrict the study designation to the main stem of the river, and (3) consider alternative boundary proposals which would minimize the impact of designation of those sections of the river which might be proposed for a wild river classification. It further points out that the study will be conducted under the Water Resources Council's Principles and Standards. Thus, at the time final Congressional action on wild and scenic designation is being considered, all interests can be taken into account and an informed decision made.

This proposal has been developed with the full cooperation of the Department of Agriculture due to the mutual interests of the two Departments in the National Wild and Scenic Rivers program. It should be noted that the Department of Agriculture administers a number of land and water resource projects in the vicinity of the rivers proposed for study in the draft bill and that both Departments manage Federal lands in portions of the river areas. The continuation of these projects and management activities are not viewed as conflicting with the protection afforded under section 7(b) of the Wild and Scenic River Act.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

CECIL D. ANDRUS,
Secretary.

S. 2652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271 et seq.), as amended, is further amended as follows:

In section 3(a) after paragraph (15) insert the following new paragraph:

"(16) Bruneau, Idaho—The segment downstream from Blackrock Crossing to Hot Creek; the Jarbidge River downstream from the junction of its East and West Fork tributaries to its confluence with the Bruneau; and Sheep Creek downstream from Mary's Creek to its confluence with the Bruneau; to be administered by the Secretary of the Interior: *Provided,* That the Secretary of the Interior shall take such action as is provided under subsection (b) of this section within two years from the date of enactment of paragraph (16): *Provided further,* That for the purposes of this river, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not to exceed $350,000 for the acquisition of lands and not to exceed $440,000 for development."

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 12, 1977.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the designation of a segment of the Bruneau River, Idaho, as a component of the National Wild and Scenic Rivers System.

This recommendation stems from this Department's responsibility under the Act of October 2, 1968 (82 Stat. 906; 16 U.S.C. 1271 *et seq.*), which established a National Wild and Scenic Rivers System, designated eight rivers as initial components of the System, and prescribed methods and standards for the addition of other rivers to the System. The 1968 Act also designated 27 rivers for study by the Secretary of the Interior and/or Secretary of Agriculture as potential additions to the System. The Bruneau River in Idaho was among those designated for study by section 5(a) of the Act.

The Bureau of Outdoor Recreation was designated by the Secretary of the Interior as the lead agency to make the study. The Bureau and the State organized a joint Federal-State study task force to undertake the study and prepare a report and recommendations. The draft bill implements the recommendations presented in the enclosed copy of the Department's study report.

Our draft bill would further amend section 3(a) (16 U.S.C. 1274(a)) of the Wild and Scenic Rivers Act, as amended, by adding segments of the Bruneau River, Idaho, and its tributaries, Jarbidge River and Sheep Creek—a total of 121 miles—to the National Wild and Scenic Rivers System, under the administration of the Secretary of the Interior. Because approximately 80 percent of the proposed area is public land administered by the Bureau of Land Management, management responsibility for the area would be delegated to that agency.

The Secretary would establish boundaries, classification, and a development plan for the Bruneau component, in accordance with section 3(b) of the Wild and Scenic Rivers Act, within two years after the date of enactment of the enclosed bill. Our proposed legislation would authorize the appropriation of the funds necessary to carry out its provisions, but not to exceed $350,000 for the acquisition of lands and interests in lands, and not to exceed $440,000 for development.

The bill provides that 121 miles of the Bruneau River, Jarbidge River and Sheep Creek be included in the National Wild and Scenic Rivers System. The Department's study report recommends that the proposed river areas be classified as follows: Bruneau River downstream from Blackrock Crossing through the old Triguero homestead, 11 miles, scenic; Bruneau River downstream from the old Triguero homestead to Hot Creek, 60 miles, wild; Jarbidge River downstream from the junction of its East and West Fork tributaries to its confluence with the Bruneau, 29 miles, wild; and Sheep Creek downstream from Mary's Creek to its confluence with the Bruneau, 21 miles, wild.

Enclosed is a draft bill which, if enacted, would designate the recommended segment of the Bruneau River as a component of the National Wild and Scenic Rivers System.

Sincerely,

CECIL D. ANDRUS,
Secretary.

S. 2653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to include the 75.4 mile segment of the Upper Delaware River, New York and Pennsylvania, from the confluence of the East and West Branches at Hancock, New York, to Matamoras, Pennsylvania, as identified in the Department of the Interior Upper Delaware River Study Report, dated July, 1977, in the National Wild and Scenic Rivers System as provided in subsection (c) of this section.

(b) For not more than three years after the date of enactment of this Act, the Federal Power Commission shall not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project works under the Federal Power Act, as amended, on or directly affecting the Upper Delaware River area described in subsection (a), and no department or agency of the United States shall assist by loan, grant, license, or otherwise in the construction of any water resources project that the Secretary determines would have a direct and adverse effect on values for which he might designate such area for inclusion in the National Wild and Scenic River System.

(c) Within 180 days after the date of enactment of this Act the Secretary shall publish guidelines in the Federal Register specifying standards for the land use control measures to be developed and implemented for such area by the appropriate officials of the States of New York and Pennsylvania and political subdivisions thereof, jointly or through the Delaware River Basin Commission, substantially in accordance with the recommendations in the Department of the Interior study report referred to in subsection (a). The Secretary shall assure that ample opportunity is afforded for participation in the development of the land use control measures by all levels of State and local government and concerned private individuals and organizations. After the Secretary determines such land use control measures have been developed and implemented, he is authorized to designate such area as a component of the National Wild and Scenic Rivers System by publication of notice thereof in the Federal Register, and to administer the Upper Delaware River component. Upon the date of such publication of notice, the Upper Delaware River component shall be added to the list of rivers in section 3(a) of the Wild and Scenic Rivers Act (82 Stat. 907) and shall be subject to all of the provisions of that Act not in conflict with the provisions of this Act: *Provided,* That, with respect to such component, the Secretary shall take the action specified in section 3(b) of the Wild and Scenic Rivers Act within one year after such date.

SEC. 2. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not to exceed for the acquisition of lands and interests in lands the amounts necessary to acquire a total of 450 acres for access and development sites, and not to exceed $1,600,000 for development. No funds otherwise authorized to be appropriated by this section for land acquisition and development shall be expended by the Secretary until the date of publication of notice in the Federal Register of the designation of the Upper Delaware component.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 12, 1977.

THE PRESIDENT,
White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the designation of a segment of the Upper Delaware River, New York and Pennsylvania, as a component of the National Wild and Scenic Rivers System.

This recommendation stems from this Department's responsibility under the Act of October 2, 1968 (82 Stat. 906), which established a National Wild and Scenic Rivers System, designated eight rivers as initial components of the System, and prescribed methods and standards for the addition of others rivers to the System. The Act also designated 27 rivers for study of the Secretary of the Interior and/or Secretary of Agriculture as potential additions to the System. The Upper Delaware in New York and Pennsylvania was among the rivers designated for study.

The Bureau of Outdoor Recreation was designated by the Secretary of the Interior as the lead agency to make the study. The Bureau and the two States organized a joint Federal-State study task force to undertake the study and prepare a report and recommendations. The draft bill implements the recommendations presented in the enclosed copy of the Bureau's study report.

The enclosed draft bill would authorize the Secretary of the Interior to include in the National System the segment of the Delaware River from the confluence of its East and West Branches at Hancock, New York, downstream 75.4 miles to Matamoras, Pennsylvania, to be administered by the National Park Service.

Immediately upon the enactment of the bill a 3-year moratorium would be placed on the Federal Power Commission licensing of water resource projects on or directly affecting the Upper Delaware River area, and on Federal assistance in the construction of any water resource project which the Secretary determines would have a direct and adverse effect on the wild and scenic river values of the area.

The bill provides that, within 180 days of its enactment, the Secretary would issue guidelines specifying standards for the land use control measures to be developed and implemented for the area jointly by the appropriate officials of the States of New York and Pennsylvania and political subdivisions thereof or through the Delaware River Basin Commission. After the Secretary determines proper land use control measures have been developed and implemented, he would be authorized to designate the Upper Delaware as a component of the National System by publication of notice in the *Federal Register* and to administer the river component.

It is proposed that, upon the date of publication of the above notice, all the provisions of the Wild and Scenic Rivers Act (82 Stat. 906) applicable to the "instant rivers"

of the National System would become applicable to the Upper Delaware component, except that the action specified in section 3(b) of the Act would be accomplished within one year after such date.

The bill provides that the Secretary shall assure ample opportunity is afforded for participation by all levels of State and local government and concerned private individuals and organizations on matters relating to the development and implementation of adequate land use control measures for the Upper Delaware component, and on matters affecting the environment of the area.

The proposed bill would authorize the appropriation of the funds necessary to carry out the provisions of this legislation. However, appropriations for the acquisition of lands and interests in lands could not exceed the amounts necessary to acquire a total of 450 acres for access and development sites, and appropriations for development could not exceed $1,600,000. Based on 1975 costs, acquisition of the 450 acres would cost $1,000,000. Final land acquisition costs would be determined during preparation of the development plan provided for in section 1(c) of the draft legislation. The proposal would prohibit the expenditure of funds for land acquisition and development by the Secretary until he had published notice in the Federal Register of the designation of the Upper Delaware component.

The Bureau of Outdoor Recreation report recommends that the proposed component be classified as follows: from the confluence of the East and West Branches to ½ mile downstream from Lordville, New York, (9.8 miles), recreational; from ½ mile downstream from Lordville to 1¼ miles upstream from Callicoon, New York, (15.8 miles), scenic; from 1¼ miles upstream from Callicoon to the lower limits of Narrowsburg, New York (16.7 miles), recreational; from the lower limits of Narrowsburg to one mile downstream from Westcolang, Pennsylvania, (9.3 miles), scenic; and, from one mile downstream from Westcolang to Matamoras, Pennsylvania, (23.8 miles) recreational.

Enclosed is a draft bill which, if enacted would designate the recommended segment of the Upper Delaware River as a component of the National Wild and Scenic Rivers Systems.

Sincerely,

CECIL D. ANDRUS,
Secretary.

S. 2654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Wild and Scenic Rivers Act (82 Stat. 907, 16 U.S.C. 1274(a)), as amended, is further amended by adding at the end thereof the following new paragraph:

"( ) DOLORES, COLORADO. The segment from 1.3 miles below the McPhee Damsite downstream, 105 miles to a point 1.0 river miles above the Colorado Highway 90 bridge near the community of Bedrock; to be administered by the agencies of the Department of Agriculture and the Department of the Interior, as agreed upon by the Secretaries of said Departments or as directed by the President: *Provided,* That after consultation with the State and local governments and the interested public, the Secretaries shall take such action as is provided for under subsection (b) of this section within one year from the date of enactment of this paragraph:

Provided further, That for purpose of this river there are authorized to be appropriated not more than $220,000 for the acquisition of lands or interests in lands."

SEC. 2. The provisions of section 9(a)(iii) of the Wild and Scenic Rivers Act shall apply to the river segment designated as a component of the National Wild and Scenic Rivers System pursuant to section 1 of this Act: *Provided however,* That boundaries of the area withdrawn from appropriation under the mining laws and from operation of the mineral leasing laws may be modified as part of the management plan developed pursuant to section 3(b) of the Wild and Scenic Rivers Act. In no case shall the area withdrawn exceed an average distance of one-quarter mile from the river bank.

DEPARTMENT OF AGRICULTURE,
Washington, D.C. May 6, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to give you a report recommending the designation of the Dolores River and its immediate environs as an addition to the National Wild and Scenic Rivers System.

The entire Dolores River in Colorado, with the exception of three short segments, was designated for study in the Wild and Scenic Rivers Act of 1968, as amended. Our study of the Dolores indicates the river and its immediate environs fully meet the criteria for a wild, scenic or recreational river as stated in section 2(b) of the Act (82 Stat. 906, 16 U.S.C. 1273). We recommend that 105 miles of the Dolores River from 1.3 miles below the authorized McPhee Dam downstream to one river mile above the Colorado Highway 90 bridge near the community of Bedrock be designated for inclusion in the National Wild and Scenic Rivers System. The Secretary of the Interior concurs with this recommendation.

The Dolores River study was a joint effort by the Departments of Agriculture and of the Interior and the State of Colorado. The Dolores River Study Report has been reviewed by other Federal and State agencies as provided by section 4(b) of the Wild and Scenic Rivers Act. Copies of the review comments are appended to the report. Generally, the reviewers support our recommendation that the Dolores River should be added to the National Wild and Scenic Rivers System. The Governor of Colorado, in his comments on the study report, supported our recommendation for the Dolores River. He also recommended that the West Dolores River be included in the designation.

In the study of the river, the Federal study team members found inclusion of the West Dolores segment unwarranted. Although, the West Dolores River generally meets the minimum criteria for inclusion in the National System, only the upper nine miles contain outstandingly remarkable scenic and other values. This, and the fact that there is extensive private land with many houses, mines, fences and water diversions along the lower reaches of the stream, formed the basis for the findings of the Federal members of the study team. The West Dolores River is more suitable to a cooperative Federal-State protection effort which could be initiated by the State of Colorado.

The Federal Energy Administration and the Department of Commerce in their comments on the study report, both pointed out that the minerals from the area, especially coal and uranium, could make a significant contribution to the Nation's energy supplies. Both recommended that a mineral survey of the area be completed prior to any action to designate the river. We recognized the mineral potential of the area in our study of the river, and we believe that our proposal for the river is generally compatible with other resource use and development. Under our proposal the costs of extracting the minerals may increase somewhat because of the need for maintaining the quality of the river environment. However, where Federal lands and minerals are involved, the same basic environmental safeguards would apply whether or not the river is designated as a component of the National System. Therefore, the potential for mineral development and use should not be affected in a major way by our proposed designation. In addition, section 2 of our proposed draft bill provides for delineation of the appropriate area of mineral withdrawal in the year following enactment based on the management plan for the river.

The responses received at public meetings indicate support both for and opposition to wild and scenic river designation for the Dolores River. Local landowners have expressed concern about the effects that designation may have on privately owned lands and resource developments. Those expressing support for designation of the river, generally want the entire river designated. We believe the proposal for the river, as outlined in the study report, is compatible with most of the positions presented at the public meetings.

The Dolores River flows through a mixture of private and public lands. The area encompassed within a visual corridor along the 105-mile segment is approximately 56,400 acres. Of this, 27 percent is within the San Juan National Forest, 64 percent is on lands administered by the Bureau of Land Management, and 9 percent, or about 5,180 acres, is privately owned. We are recommending that administration of the river area be divided between the Department of Agriculture and the Department of the Interior.

Estimated costs for implementing the proposal are $220,999 for land acquisition, $453,000 for development and $90,000 annually for operation, maintenance and administration. It is anticipated that necessary land acquisition would be funded through the Land and Water Conservation Fund. A small increase in Federal employment is anticipated which would primarily consist of seasonal workers employed for maintenance and protection of the river area.

The Dolores River is a free-flowing stream located in a largely primitive environment. Although seasonal in nature, the river provided outstanding white-water boating opportunities and viewing of outstanding scenery and geologic formations. I believe this combination of unique natural values is an irreplaceable resource, and the best use of the river is as a component of the National Wild and Scenic Rivers System. Therefore, I recommend submission of legislation to incorporate 105 miles of the Dolores River into the National System.

A draft of legislation which would implement this proposal is enclosed. Also enclosed is an environmental statement for the proposal which has been prepared in accordance with the National Environmental Policy Act of 1969 (83 Stat. 583).

Sincerely,

JOHN C. WHITE,
Deputy Secretary.

Enclosure.

S. 2655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Wild and Scenic Rivers Act (82 Stat. 907; 16 U.S.C. 1274(a)) as amended, is further amended by adding at the end thereof the following:

"(13) Rio Grande, Texas.—The segment on the United States side of the River from River mile 842.3 above Mariscal Canyon downstream to River mile 651.1 at the Terrell-Val Verde County line; to be administered by the Secretary of the Interior."

SEC. 2. The Secretary of the Interior shall, within two years after the date of enactment of this Act, take with respect to the Rio Grande component in Texas such action as is provided for under section 3(b) of the Wild and Scenic Rivers Act: *Provided,* That (a) the action required by such section shall be undertaken by the Secretary, after consultation with the United States Com-

missioner, International Boundary and Water Commission, United States and Mexico, and appropriate officials of the State of Texas and its political subdivisions; and (b) the development plan required by such section shall be construed to be a general management plan only for the United States side of the River and such plan shall include, but not be limited to, the establishment of a detailed boundary which shall include an average of not more than one hundred and sixty acres per mile.

SEC. 3. Nothing in this Act or the Wild and Scenic Rivers Act shall be construed to be in conflict with the commitments or agreements of the United States made by or in pursuance of the treaty between the United States and Mexico regarding the utilization of the Colorado and Tijuana Rivers and of the Rio Grande, signed at Washington, February 3, 1944 (59 Stat. 1219), or the treaty between the United States and Mexico regarding maintenance of the Rio Grande and Colorado River as the International boundary between the United States and Mexico November 23, 1970.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not more than $1,100,000 for the acquisition of lands and interests in lands and not more than $1,300,000 for development.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 12, 1977.

The PRESIDENT,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the designation of a segment of the Rio Grande in Texas as a component of the National Wild and Scenic Rivers System.

This recommendation stems from this Department's responsibility under the Act of October 2, 1968 (82 Stat. 906; 16 U.S.C. 1271 *et seq.*), which established a National Wild and Scenic Rivers System, designated eight rivers as initial components of the System, and prescribed methods and standards for the addition of other rivers to the System. The 1968 Act also designated 27 rivers for study by the Secretary of the Interior and/or Secretary of Agriculture as potential additions to the System. The Rio Grande in Texas was among those designated for study.

In accordance with the directive in section 5(a)(20) of the Wild and Scenic Rivers Act, the Secretary of the Interior determined, through appropriate channels, that Mexico had no objection to the study of the U.S. side of the Rio Grande. The Secretary designated the Bureau of Outdoor Recreation as the lead agency to make the study. The Bureau organized a joint Federal-State study team to undertake the study and prepare a report and recommendations. The draft bill implements the recommendations presented in the enclosed copy of the Department's study report.

Our draft bill would further amend section 3(a) of the Wild and Scenic Rivers Act, as amended, by adding a total of 191.2 miles of Rio Grande in Texas to the National Wild and Scenic Rivers System, under the administration of the Secretary of the Interior. Additionally, it is proposed that the National Park Service be delegated management responsibility for the area.

Within two years after the date of enactment of the enclosed bill, the Secretary would establish boundaries, classification, and a development plan for the Rio Grande component in accordance with section 3(b) of the Wild and Scenic Rivers Act, except that (1) the action required by such section would be undertaken by the Secretary only after consultation with the U.S. Commissioner, International Boundary and Water Commission, U.S. and Mexico, and appropriate State and local officials; and (2) the development plan required by such section would be construed to be a general management plan only for the U.S. side of the river. The general management plan would include, among other things, a detailed boundary for the Rio Grande component, and an average of not more than 160 acres per mile could be included within this boundary.

A specific provision has been included in the proposed legislation to make it clear that none of its provisions may be construed to impair the provisions of the Mexico-United States hydroelectric treaty affecting the area which was signed February 3, 1944 (59 Stat. 1219), or the Mexico-United States treaty signed November 23, 1970, regarding maintenance of the Rio Grande and Colorado River as the boundary between the two countries.

Our proposed legislation would authorize the appropriation of the funds necessary to carry out its provisions, but not more than $1,100,000 for the acquisition of lands and interests in lands, and not more than $1,300,000 for development.

The bill provides that 191.2 miles of the Rio Grande in Texas extending from River mile 842.3 (the Chihuahua-Coahuila State line), approximately 16 miles upstream from Mariscal Canyon in Big Bend National Park to River mile 651.1 (the Terrell-Val Verde County line) be included in the National Wild and Scenic Rivers System. The Department's study report recommends that the proposed river areas be classified as follows: scenic, from River mile 842.3 to the Boquillas Canyon Overlook (45 miles); Wild, from the Boquillas Canyon Overlook to Stillwell Crossing (25.1 miles); scenic, from Stillwell Crossing to Reagan Canyon (30 miles); wild, from Reagan Canyon to the confidence of Indian Creek (70.1 miles); and scenic, from Indian Creek to River mile 651.1 (21 miles).

Enclosed is a draft bill which, if enacted, would designate the recommended segment of the Rio Grande River as a component of the National Wild and Scenic Rivers System.

Sincerely,

CECIL D. ANDRUS,
Secretary.

S. 2656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Wild and Scenic Rivers Act (82 Stat. 907, 16 U.S.C. 1724(a)), as amended, is further amended by adding at the end thereof the following new paragraph:

"( ) Pere Marquette, Michigan—The segment downstream from the junction of the Middle and Little South Branches to its junction with United States Highway 31 as generally depicted on the boundary map entitled "Proposed Boundary Location, Pere Marquette Wild and Scenic River," to be administered by the Secretary of Agriculture: *Provided,* That after consultation with State and local governments and the interested public, the Secretary shall take such action as is provided for under section 3(b) of the Wild and Scenic Rivers Act within one year from the date of enactment of this paragraph: *Provided further,* That nothing in this Act shall be deemed to impair or otherwise affect such statutory authority as may be vested in the Secretary of the Department in which the Coast Guard is operating to achieve its assigned missions including aids to navigation, search and rescue, marine environment protection, and recreational boating safety; and *Provided further,* That for the purposes of this river there are authorized to be appropriated not more than $8,125,000 for the acquisition of lands or interests in lands."

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 6, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to give you a report recommending the designation of the Pere Marquette River, Michigan, and its immediate environs as an addition to the National Wild and Scenic Rivers System.

The entire Pere Marquette River was designated for study in the Wild and Scenic Rivers Act of 1968. We have conducted a detailed study of the river. Our study found that 66.4 miles of the main stem of the river, between the junction of the Middle and Little South Branches and the U.S. Highway 31 Bridges, fully meet the criteria for a scenic river as stated in section 2(b) of the Act. We recommend that this 66.4-mile segment of the river be designated for inclusion in the National Wild and Scenic Rivers System.

The Pere Marquette River Study Report has been reviewed by other Federal and state agencies as provided by section 4(b) of the Wild and Scenic River Act. Copies of the comments of these agencies are appended to the report. The reviewers support our recommendation that the Pere Marquette River should be added to the National Wild and Scenic Rivers System.

Public meetings were held to provide the public an opportunity to comment on the proposal to designate the river as a wild and scenic river. The record from these meetings indicates the majority of the respondents favored wild and scenic river designation. Some concern was expressed by local landowners over the possibility that designation of the river would adversely affect their property rights and that designation would result in an increase in river use which would impact their lands. We have attempted to ease these concerns by explaining to the landowners that current uses of their land would be largely unaffected and that, insofar as possible, acquisition of land or an interest in land, would be conducted on the basis of a willing buyer—willing seller. We indicated that a detailed management plan would be prepared for the river and adjacent lands in the event the river is added to the National System. In that plan, local zoning and land use controls and State laws and regulations will be relied on wherever possible to protect and preserve the river environment. The power of eminent domain will be used only when local and State controls are inadequate and it is not possible to reach agreement on value of right to be acquired.

The segment of the Pere Marquette proposed for designation flows through a mixture of public and private lands. The area encompassed within the proposed river management zone is about 13,000 acres. Some 2,014 acres are National Forest land, 1,236 acres are State-owned, 260 acres are owned by local units of government, and the remaining 9,544 acres are in private ownership. We are recommending that the river be administered by the Secretary of Agriculture. State and other public lands within the management zone would continue to be administered by the State of Michigan and local governments under cooperative agreements between the State and local entities and this Department.

The estimated additional costs for administration of the river as a scenic river for the 5-year period following enactment are $8.1 million for land acquisition, $407,000 for development, and $376,000 for operation and maintenance. Land acquisition would be funded through the Land and Water Conservation Fund. A small increase in Federal employment is anticipated which would primarily consist of seasonal workers employed

for maintenance and protection of the river area.

In conclusion, I believe the combination of unique natural values associated with the Pere Marquette River is an irreplaceable resource, and the best use of the river is as a component of the National Wild and Scenic Rivers System. Therefore, I recommend submission of legislation to incorporate the Pere Marquette into the National System.

A draft of legislation which would implement this proposal is enclosed. Also enclosed, is an environmental statement for the proposal which has been prepared in accordance with the National Environmental Policy Act of 1969 (83 Stat. 853).

Sincerely,

JOHN C. WHITE,
Deputy Secretary.

Enclosure.

S. 2657

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 906 as amended; 16 U.S.C. 1274 et seq.), is further amended as follows:

In section 3(a) after paragraph (15) insert the following new paragraph:

"( ) Salmon, Idaho—The segment from the town of North Fork to its confluence with the Snake River as generally depicted on a map entitled "Salmon River Study" dated July 1976, which is on file and available for public inspection in the office of the Chief, Forest Service, United States Department of Agriculture, and is also part of a report entitled "A Proposal for the Salmon River, Idaho;" that portion from the Nezperce National Forest boundary, near the town of Riggins, downstream to the Snake River to be administered by the Secretary of the Interior, and all other portions to be administered by the Secretary of Agriculture: *Provided,* That after consultation with State and local governments and the interested public, the Secretaries shall take such action as is required by subsection (b) of this section within one year from the date of enactment of this paragraph: *Provided further,* That nothing in this Act shall impair or otherwise affect the statutory authority vested in the Secretary of the Department in which the Coast Guard is operating to achieve its assigned missions, including aids to navigation, search and rescue, marine environmental protection, and recreational boating safety; and *Provided further,* For the purposes of this river, there are authorized to be appropriated not more than $6,211,000 for the acquisition of lands and interest in lands."

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 6, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I take pleasure in transmitting the report and accompanying information on the Salmon River in the State of Idaho. The report and our recommendations are in response to the provisions of the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1275–76). The Act designated the Salmon River from the town of North Fork to its confluence with the Snake River for study and potential addition to the National Wild and Scenic Rivers System.

We, jointly with the State of Idaho, and in cooperation with other Federal agencies, conducted a detailed study of the designated segment. The study found that the river segment is clean and free-flowing with outstanding fish and wildlife, scenic and recreational values. The river with its immediate environs fully meets criteria for wild, scenic and recreational classification as defined in the Wild and Scenic Rivers Act. We recommend that the study segment, encompassing approximately 237 miles of river, be designated for inclusion in the National Wild and Scenic Rivers System.

The Salmon River report has been reviewed by other Federal and State agencies as provided for in section 4(b) of the Wild and Scenic Rivers Act. Copies of the comments from these agencies are appended to the report. The primary concern expressed by some of the reviewers is that designation of the river will foreclose opportunities for development of the river's great potential for hydroelectric power. This potential has been recognized in numerous studies both past and on-going. However, the value of the Salmon River as a spawning and rearing area for anadromous fish has been a primary deterrent to the construction of dams on the river. The Salmon River drainage provides spawning and rearing areas for more spring and summer Chinook Salmon than any other drainage in the Columbia River system. It is estimated that the Salmon River and tributaries produce 3.4 percent and 41 percent respectively of the Columbia River spring and summer Chinook Salmon runs. Although a cost-benefit analysis of future hydropower development on the Salmon River may possibly outweigh monetary benefits of a free-flowing river, we consider the unique characteristics of the river and their related intangible values to justify maintaining the river in its near natural condition. Hydroelectric development probably would foreclose most of the unique fishery value of the river. Because of this fishery resource, along with the scenic, recreational and other natural resource values of the river, we believe designation of the river as a part of the National Wild and Scenic Rivers System is in the Nation's interest.

"Another major concern is that designation of the river would preclude mineral development within a quarter-mile strip on both sides of the river. The principal known minerals along the recommended segment are gold, copper, fluorite, titanium, thorium, rare earth metals, by-product silver and lead, and sand and gravel. A minor amount of mining is ongoing and some exploration work is underway. Although no estimate has been made of potential values under current conditions, it is known that gold values vary from a trace to $5 per cubic yard of gold-bearing gravels, and that the copper resources near the upper and lower reaches of the river segment may be significant. Further development is dependent on market conditions. Under the proposal, lands within one-quarter mile of the river would be withdrawn from appropriation under the mining laws and from operation of the mineral leasing laws. Valid existing rights would not be affected. However, the costs of extracting minerals could increase to some extent because of regulations the Secretary may prescribe to protect and maintain the quality of the river environment.

The record from public hearings indicates wide support for wild and scenic river designation. Although concern was expressed by local landowners over the possibility that designation of the river would adversely affect their property rights, the segment of the river from the town of Riggins downstream to Hammer Creek where private land predominates, contains less than 350 acres of private land within the recommended boundary. In the total length of river, about 5,691 acres of private land would be inside the river boundary out of a total of 56,391 acres. The remainder is comprised of 32,192 acres of National Forest land, 17,963 acres of public lands administered by the Bureau of Land Management, and 545 acres owned by the State of Idaho. It is anticipated that the Secretary of the Interior would administer the segment of the river from the boundary of the Nezperce National Forest, about two miles east of the town of Riggins, downstream to the Snake River, and the Secretary of Agriculture would administer the remainder. State owned lands within the river management zone would continue to be administered by the State of Idaho under agreements with the Departments of Agriculture and of the Interior.

The estimated additional costs for administration of the river as a wild and scenic river for the five-year period following enactment are $6.2 million for land acquisition, $2.5 million for development, and $1.3 million for operation and maintenance. Land acquisition would be funded through the land and water conservation fund. A small increase in Federal employment is anticipated which would consist primarily of seasonal workers employed for maintenance and protection of the river area.

In conclusion, I believe the Salmon River is a unique and irreplaceable natural resource, and the best use of the river is as a component of the National Wild and Scenic Rivers System. To accomplish this, draft legislation to incorporate the Salmon River into the National System is enclosed. Also enclosed is an environmental statement for the proposal prepared in accordance with the National Environment Policy Act of 1969 (83 Stat. 853).

Sincerely,

JOHN C. WHITE,
Deputy Secretary.

Enclosure.

S. 2658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Wild and Scenic Rivers Act (82 Stat. 906 as amended; 16 U.S.C. 1374 et seq.), as amended, is further amended as follows:

In section 3(a) after paragraph (15) insert the following new paragraph:

"( ) Skagit, Washington—The segment from the pipeline crossing at Sedro Woolley upstream to and including the mouth of Bacon Creek; the Cascade River from its mouth to the junction of its North and South Forks; the South Fork to the boundary of the Glacier Peak Wilderness Area; the Suiattle River from its mouth to the boundary of the Glacier Peak Wilderness Area at Milk Creek; the Sauk River from its mouth to its junction with Elliott Creek; the North Fork of the Sauk River from its junction with the South Fork of the Sauk to the boundary of the Glacier Peak Wilderness Area; as generally depicted on the boundary map entitled "Skagit River—River Area Boundary"; all segments to be administered by the Secretary of Agriculture: *Provided,* That after consultation with affected Federal agencies, State and local governments and the interested public, the Secretary shall take such action as is provided for under subsection 3(b) of this section within one year from the date of enactment of this paragraph ( ): *Provided further,* That as part of such action the Secretary of Agriculture shall investigate that portion of the North Fork of the Cascade River from its confluence with the South Fork to the boundary of the North Cascades National Park. If found to qualify for inclusion such segment shall become part of the National System upon publication by the Secretary of notification to that effect in the Federal Register; *Provided further,* That nothing in this Act shall impair or otherwise affect the statutory authority vested in the Secretary of the Department in which the Coast Guard is operating to achieve assigned missions including aids to navigation, search and rescue marine environmental protection, and recreational boating safety; and *Provided further,* That for the purposes of this river there are authorized to be appropriated not more than $11,734,000 for the acquisition of lands or interest in lands."

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 6, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am pleased to send you a report recommending the designation of the Skagit River, Washington, and its immediate environs as an addition to the National Wild and Scenic Rivers System. The study and the recommendations included in the report were made in response to the provisions of the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1275–76).

The Skagit River from the town of Mount Vernon to and including the mouth of Bacon Creek; the Cascade River between its mouth and the junction of its North and South Forks; the South Fork to the boundary of the Glacier Peak Wilderness Area; the Suiattle River from its mouth to the Glacier Peak Wilderness Area boundary at Milk Creek; the Sauk River from its mouth to its junction with Elliott Creek; the North Fork of the Sauk River from its junction with the South Fork of the Sauk to the Glacier Peak Wilderness Area boundary were designated for study in the Wild and Scenic Rivers Act. The study segments total about 166 miles in length. We, in conjunction with the State of Washington, conducted a detailed study of the river segments. The study found that the segments were clean and free-flowing with outstanding fish and wildlife, scenic, and recreational values. The study segments and their immediate environs fully meet the criteria for a scenic and recreational river classification as defined in section 2(b) of the Wild and Scenic Rivers Act (82 Stat. 906, 16 U.S.C. 1273) and in the supplementary criteria developed by the Secretaries of Agriculture and of the Interior.

However, because of proposals for flood alleviation measures involving the lower reach of the Skagit study segment, we recommend that approximately 158 miles of the total 166 miles studied be designated for inclusion in the National Wild and Scenic Rivers System. Late in the review process the potential was identified for the road along the North Fork of the Cascade River becoming a major means of access to the southern portion of the North Cascades National Park. At the request of the Secretary of the Interior we are reviewing that portion of the North Fork of the Cascade River, some 2 to 3 miles, between its confluence with the South Fork and the Park boundary to determine whether it qualifies for inclusion in the National System. Language has been included in our proposed legislation to permit its designation if found to qualify and be worthy of designation.

The Skagit Wild and Scenic River Study Report has been reviewed by other Federal and State agencies as provided by section 4(b) of the Wild and Scenic Rivers Act. Copies of the review comments received are appended to the report. In addition to the study report, a Draft Environmental Statement was prepared and coordinated in accordance with section 102(2)(c) of the National Environmental Policy Act of 1969. Generally, the reviewers support our recommendation that the Skagit River and tributaries should be added to the National Wild and Scenic Rivers System. The Federal Power Commission and the Department of the Interior pointed out in their responses to the study report that some of the river segments proposed for designation contain reservoir sites with substantial hydroelectric power potential. The Department of the Interior estimates that in view of the area's dependence on imported oil, the amount of petroleum saved if sites were found to be feasible and were constructed could be as much as 5 million barrels per year. The Federal Power Commission estimates the potential capacity for conventional hydroelectric power to be 839,200 kilowatts and the potential from pumped storage hydro projects to be 9,000,000 kilowatts. Although there are no known plans to construct projects at any of the sites, the potential does exist and would be foregone by designation of the river segments. In addition, the Department of the Army, in their response to the study report, pointed out that designation of the Sauk River would preclude construction of a flood control storage project on the river. However, while flood control alternatives to storage at the Sauk River site exist, they would provide a lesser degree of protection for downstream areas at a higher cost.

Public response to the proposal for the river is mixed. Generally, those living in or adjacent to the area recommended are opposed to designation primarily because they are concerned that their property rights could be adversely affected. Although, there would be some impact on private lands generally, uses of the private lands which are compatible with wild and scenic river objectives would be unaffected.

The segments of river proposed for designation flow through both public and private lands. The area encompassed within the proposed river management zone is about 34,650 acres. Some 16,605 acres are National Forest land, 1,430 acres are owned by the State and/or other public agencies, and the remaining 16,615 acres are in private ownership. Overall administrative responsibility for the entire river and tributaries would rest with the Secretary of Agriculture, with management of the Skagit River and adjacent lands resting with the State of Washington under an agreement.

The estimated additional Federal costs for administration of the segments of river as a wild and scenic river for the 5-year period following enactment are $11.7 million for land acquisition, $332,000 for development, and $534,000 for operation and maintenance. Land acquisition would be funded through the Land and Water Conservation Fund. A small increase in Federal employment is anticipated which would consist primarily of seasonal workers employed for maintenance and protection of the river area. There would be additional acquisition, development and operation and maintenance costs to the State of Washington for the mainstem of the Skagit.

I believe the combination of unique natural values associated with the Skagit River is an irreplaceable resource. Accordingly, I recommend the proposal to Congress of legislation to incorporate the Skagit, Sauk, Cascade, and Suiattle Rivers into the National Wild and Scenic Rivers System and enclose a draft bill for this purpose.

A Final Environmental Statement for classification of the Skagit River as a part of the National Wild and Scenic Rivers System was prepared in accordance with the National Environmental Policy Act of 1969 (83 Stat. 853) and also is enclosed.

Sincerely,

JOHN C. WHITE,
Deputy Secretary.

Enclosure.

S. 2659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails Systems Act (82 Stat. 919; 16 U.S.C. 1241) is amended as follows:

(a) In section 2(a) after "promote" insert "preservation of and"; and after "outdoor areas" insert "and historic resources".

(b) In section 2(b) delete "and scenic" and insert ", scenic and historic".

(c) In section 3 redesignate subsection "(c)" as "(d)", and insert prior thereto a new subsection "(c)" as follows:

"(c) National historic trails, established as provided in section 5 of this Act, which will be extended nationally significant historic trails so located as to follow as nearly possible their original location, but they need not be continuous. Where necessary, they may follow existing trails, public roads, railroad rights-of-way, or waterways. Such trails will be established to preserve identifiable historic trail segments, related historic and archeological features, and to provide for public outdoor recreation use compatible with such preservation."

(d) In the new section 3(d) delete "or national scenic trails" and insert "or national scenic or historic trails".

(e) In the heading of section 5 after "SCENIC" insert "AND NATIONAL HISTORIC".

(f) In section 5(a), insert in the first sentence after the word "scenic" the words "and national historic" and in the second sentence delete "the initial" and insert after the word "scenic" the words "or national historic".

(g) In section 5(b) wherever "national scenic" appears insert after it "or national historic".

(h) In section 5(b)(3) after the semicolon add "and in the case of national historic trails the report shall include the recommendation of the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments as to the national historic significance based on the criteria developed under the Historic Sites Act of 1935 (49 Stat. 666; U.S.C. Sec. 461);".

(i) In section 5(b)(7), after "national scenic" add "or national historic".

(j) In section 5(b)(8) delete the word "and" at the end of the section; in section 5(b)(9) delete the period at the end of the section and insert "; and"; and at the end of section 5(b) add the following new paragraph:

"(10) the anticipated impact of public outdoor recreation use on the preservation of a proposed national historic trail and its related historic and archeological features and settings, including the measures proposed to ensure evaluation and preservation of the values that contribute to their national historic significance."

(k) In section 6 delete in the first sentence "or national scenic trail" and insert ", national scenic, or national historic trail"; and in the second sentence delete "or scenic trails" and insert ", or historic trails".

(l) In section 7 in the first sentence of subsection (a) after "National Scenic" insert "and National Historic"; in subsection (b) wherever "national scenic trail" appears insert after it "or national historic trail"; in subsection (c) in the first sentence after "National scenic trails" insert "or National historic trails"; and after the fourth sentence of subsection (c) insert the following new sentence:

"Where a national historic trail follows existing public roads, railroad rights-of-way or waterways approximating the original location of a historic route, such segments may be marked to facilitate retracement of the historic route, and where a national historic trail parallels an existing public road such road may be marked to commemorate the historic route: *Provided*. That section 4(f) of the Department of Transportation Act, as amended (49 U.S.C. 1653(f)), shall not apply to highway agency activities such as modifications or changes or repairs of a routine nature within such segments: *Provided further*. That, authority for Federal acquisition of lands for historic trails is limited to those lands within the exterior boundaries of federally-administered units which are expressly needed for purposes of maintaining historic integrity or which are necessary for the interpretation and preservation of historic sites, buildings and/or trail remnants having high potential for enhancing the opportunity for the public to identify with the Nation's historic heritage."

(m) In section 7 in the penultimate sentence of subsection (c) before the period at the end of the sentence insert "and each national historic trail"; in subsection (d) after "scenic trail" insert "or national historic trail"; in subsection (e) after "national scenic trail" wherever it appears insert "or national historic trail"; in subsection (h) in the first sentence after "national recreation or scenic trail" insert "or national historic trail"; and in the second sentence after "a national scenic" add "or national historic"; and in subsection (i) in the first sentence after "national recreation or scenic trail" insert "or national historic trail".

(n) In section 8 in the first sentence of subsection (a) after "establishing park, forest, and other recreation" insert "and historic" and after "administered by States, and recreation" insert "and historic"; and at the end of the first sentence of subsection (a) change the period to a semicolon and add the following language: "and the Secretary is also directed to consider in these plans and in their comprehensive statewide historic preservation plans and proposals for financial assistance for State, local, and private projects submitted pursuant to the Historic Preservation Act of October 15, 1966, as amended (16 U.S.C. 470), the needs and opportunities for establishing historic trails."

WASHINGTON, D.C.,
May 26, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: At the direction of the President and as part of his message on the Environment, enclosed is a draft bill "To establish National Historic Trails as a new category of trails within the National Trails System." We recommend that the bill be referred to the appropriate committee for consideration and that it be enacted.

The purpose of the National Trails System Act is to promote access to, travel within and the enjoyment and appreciation of the open-air, outdoor areas of the Nation. This is to be accomplished by instituting a national system of recreation and scenic trails.

The Act identifies three types of trails for inclusion in the system:

1. National Recreation Trails.
2. National Scenic Trails.
3. Connecting Scenic Trails.

No provision is made for historic trails, per se, although "historic qualities" are mentioned in connection with the characteristics which national scenic trails should have. The Act indicates that national scenic trails, are "to provide for maximum outdoor recreation potential and for the conservation and enjoyment of the nationally significant scenic, historic, natural or cultural qualities of the area through which such trails may pass".

During the course of its studies of the routes listed in the National Trails System Act for possible designation as national scenic trails, the Department of the Interior has found that many of the routes which are historically notable lack substantial scenic characteristics throughout much of their length. They often traverse country which is not particularly amenable to long-distance foot, horseback or bicycle travel. These trail routes although important for their historic aspects, do not fit readily into the scenic trail mold. They are, however, significant routes which have played major roles in the history of our country. For that reason, and because certain segments of the routes can provide nationally significant interpretive/recreation opportunities and have high potential for enhancing the public's identification with the Nation's heritage, these routes merit Federal recognition.

To facilitate recognition of routes or segments thereof which meet historic/interpretive/recreation criteria, it is recommended that the National Trails System Act be amended to include a new category of trails, National Historic Trails. Establishment of such a category would provide a new means of achieving the goals of the National Trails System Act in terms of these special types of trails—combining the provision of quality outdoor recreation opportunities in close association with historic events of national significance.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

CECIL D. ANDRUS,
Secretary.

S. 2660

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Continental Divide National Scenic Trail Act of 1977."

SEC. 2. Section 5(a) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended as follows:

After existing paragraph "(3)" insert a new paragraph "(4)" as follows:

"(4)" The Continental Divide National Scenic Trail, a trail of approximately thirty-one hundred miles, extending from the Montana-Canada border to the new Mexico border, following the approximate route depicted on the map, identified as, "Proposed Continental Divide National Scenic Trail" in the Department of the Interior Continental Divide Trail Study Report dated August 1976: *Provided,* (i) That only those already existing trail segments along the route which are located within exterior boundaries of federally administered areas and which meet presently acceptable standards for use are established initially as the Continental Divide National Scenic Trail by this Act, and (ii) That notwithstanding the provisions of section 7(c) of this Act, the use of motorized vehicles on roads which will be designated segments of the Continental Divide National Scenic Trail will be permitted in accordance with regulations prescribed by the appropriate Secretary."

SEC. 3. The responsibility for coordination of Continental Divide National Scenic Trail matters shall rest with the Secretary of Agriculture, in consultation with the heads of other Federal and State agencies where lands administered by them are involved. Such responsibilities shall include:

(a) selecting the specific trail route, as provided for in section 7(a) of the National Trails System Act, within four years after the date of enactment of this Act;

(b) identifying those segments of the trail which are presently constructed, or which are reconstructed to acceptable use standards as components of the Continental Divide National Scenic Trail;

(c) assuring that Federal land managers adequately mark segments of the trail when they become suitable for use; and

(d) establishment at the appropriate time of additional segments as prescribed in section 7 of the National Trails System Act.

WASHINGTON, D.C.,
May 13, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the designation of the Continental Divide Trail, located in portions of Montana, Idaho, Wyoming, Colorado and New Mexico, as a component of the National Trails System.

The recommendation stems from this Department's responsibility under the Act of October 2, 1968 (82 Stat. 919; 16 U.S.C. 1241), which established a National Trails System; designated the Appalachian and Pacific Crest Trails as National Scenic Trails; and listed 14 additional routes, including the Continental Divide Trail, for study as potential National Scenic Trails. The Act also prescribed procedures for establishing additional National Scenic Trails, National Recreation Trails, and connecting and side trails in the National Trails System.

The enclosed draft bill implements the recommendations resulting from the Department's study of the Continental Divide Trail route. We have concluded that the trail, as studied and presented in the report, meets the criteria for addition to the National Trails System as a National Scenic Trail. A copy of the study report is also enclosed.

The Continental Divide Trail Corridor, as discussed in the study report, covers some 3100 miles and runs as close to the physical Continental Divide as is reasonable. It starts at the Canadian border on the west shore of Waterton Lake in Glacier National Park, leads south through western Montana and along the Idaho-Montana boundary. From there, it proceeds southeastward through Yellowstone National Park and across the Great Divide Basin of south-central Wyoming. It goes through Rocky Mountain National Park and follows the Divide in Colorado to a point near Chama, New Mexico. The corridor then proceeds southward in western New Mexico, through Silver City, to the United States-Mexican border near Cloverdale, New Mexico. Extending along the backbone of the Continent, this trail would provide a complementary north-south scenic route between the Appalachian and Pacific Crest National Scenic Trails.

Approximately 82 percent of the Continental Divide Trail Corridor is located on federally-owned lands. While some 62 percent of the trail is in place, mostly on public land, only some 19 percent (about 600 miles) located on Federal land is developed to presently acceptable standards.

The findings of the Continental Divide Trail study indicate that the most immediate and highest trail priority in the vicinity of the trail corridor is for trails at lower elevations and loop systems which would allow users to enjoy a Continental Divide Trail experience and return to the same trail head from which they started. This need is especially great near the population concentrations and recreation destination centers flanking the Continental Divide. In recognition of the above priorities, the enclosed draft bill would establish only about 600 miles of the trail as the Continental divide National Scenic Trail. Appropriate legislation will be submitted to the Congress in the future whenever the development of additional trail segments as a north-south connecting National Scenic Trail is warranted.

Overall administration of the Continental Divide National Scenic Trail would be assigned to the Department of Agriculture, which will consult with the heads of other Federal agencies, where lands administered by them are involved, and with State, county, and local agencies or private trails organizations as appropriate.

The enclosed bill provides that, notwithstanding the provisions of section 7(c) of the National Trails System Act (prohibiting use of motorized vehicles), the use of motorized vehicles on roads which will be designated segments of the Continental Divide National Scenic Trail will be permitted in accordance with regulations prescribed by the appropriate Secretary. A total of 218 miles of the route would be located on primitive roads, and this provision would permit vehicular use now existing on those roads to continue. This vehicular use, however, should be periodically evaluated to assure that conflicts in trail use are not developing. Should conflicts develop, vehicular use would be curtailed or limited, or the trail would be relocated.

The proposed Continental Divide National Scenic Trail will pass through or by spectacular scenery of a quality and magnitude matched only by the North Cascades and the Yellowstone-Teton areas. The proposed trail will traverse a variety of terrain, including high desert, forest, geologic formations and mountain meadows. It will provide outstanding recreation opportunities for a substantial number of users.

Inasmuch as the Continental Divide National Scenic Trail qualifies for inclusion in the National Trails System as a National Scenic Trail, we urge that the enclosed draft bill be transmitted to the Congress with a recommendation that it be enacted.

Sincerely,

BOB HERBST,
Assistant Secretary.

S. 2661

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "North Country National Scenic Trail Act of 1977".

SEC 2. There is hereby established as a component of the National Trails System, created by the Act of October 2, 1968 (82 Stat. 919; 16 U.S.C. 1241), the North Country National Scenic Trail, a corridor of approximately thirty-two hundred miles, extending from eastern New York State to the vicinity of Lake Sakakawea in North Dakota following the approximate route depicted on the map, identified as "Proposed North Country Trail-Vicinity Map" in the Department of the Interior North Country Trail Report dated June 1975: *Provided,* (i) That only those segments of the corridor located within exterior boundaries of federally administered areas are established as the North Country National Scenic Trail by this Act; and (ii) That segments outside of the exterior boundaries of federally administered areas may be established as part of the North Country National Scenic Trail upon application to the appropriate Secretary by the State or local governmental agencies or private interests involved if such segments meet the criteria established in the National Trails System Act and are administered by such agencies or interests without expense to the United States.

SEC. 3. Within three years after the date of enactment of this Act, the Secretary of the Interior shall select for the North Country National Scenic Trail a right-of-way, which shall be located within the corridor depicted on the map referred to in Section 2. The locations and the width of such rights-of-way across Federal lands under the jurisdiction of another Federal agency shall be by agreement between the head of that agency and the appropriate Secretary. In selecting the location and rights-of-way for non-Federal segments of the trail, the Secretary shall obtain the advice and assistance of the States, local governments, private organizations and landowners and land users concerned. After the final route of the trail has been published in the Federal Register, the 10-mile wide planning corridor used in selecting that route shall cease to exist. The Secretary shall develop guidelincs for the acquisition, development, management and maintenance of the trail with the advice and assistance of the Secretary of Agriculture and other Federal, State and local agencies and organizations.

SEC. 4. The Secretary shall, within one year after the date of enactment of this Act, further study and report to the Congress his recommendations regarding the feasibility and desirability of establishing a connecting trail between the North Country National Scenic Trail authorized by this Act and the Appalachian National Scenic Trail.

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

WASHINGTON, *May 13, 1977.*

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the establishment of the North Country National Scenic Trail located in portions of New York, Pennsylvania, Ohio, Michigan, Wisconsin, Minnesota, and North Dakota as a component of the National Trails System.

This recommendation stems from this Department's responsibility under the Act of October 2, 1968, P.L. 90–543, which established a National Trails System; designated the Appalachian and Pacific Crest Trails as National Scenic Trails; and listed 14 additional routes, including the North Country Trail, for study as potential National Scenic Trails. The Act also set forth procedures fo restablishing additional National Scenic Trails, National Recreation Trails, and connecting and side trails in the National Trails System.

The enclosed draft bill implements the recommendations resulting from the Department's study of the North Country Trail route. We have concluded that the trail as studied and presented in the report meets the criteria for addition to the National Trails System as a National Scenic Trail. A copy of the study report is enclosed.

The draft bill would authorize establishment of a long distance trail extending more than 3,200 miles from eastern New York State to the vicinity of Lake Sakakawea in North Dakota. The trail would be developed and maintained as a multigovernment effort, with State and local governments and the private sector having jurisdiction over trail segments on their lands, within an overall framework coordinated by the Secretary of the Interior.

Under section 2 of the draft bill, only those components of the trail located within exterior boundaries of federally administered areas would be designated initially. The Secretary would designate lands outside such boundaries as components of the North Country Trail upon application from the States or local government agencies or private interests involved if such components meet established criteria and are administered by such agencies without expense to the United States. Guidelines for the development, management, and maintenance of the trail would be prepared by the Secretary within three years after the trail is designated. A specific trail right-of-way would also be selected within that period.

In the National Trails System Act, the Congress clearly envisioned a connection between the North Country Trail route and the Appalachian National Scenic Trail in Vermont. Since a trail corridor location through Vermont has not been approved by the State, a connection from New York State to the Appalachian Trail has not been determined. Under section 4 of the draft bill, the Secretary is directed to study the feasibility and desirability of establishing such a connection.

The draft bill amends the National Trails System Act to render inapplicable to this proposal the authority of the Secretary regarding the establishment of the trail right-of-way outside the exterior boundaries of federally administered areas, since these components would be administered without expense to the United States. Funds to establish initial sections of trail designated under the draft bill would be provided by the Federal administering agencies involved under existing authorities. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of the legislation, including mapping the trail, publication of the trail route, guidelines, and other such requirements.

Please note that the study report contains discussions of the possibility of designating some segments of the route as national *recreation* trail rather than national *scenic* trail to permit snowmobile use (pages 2, 7, 92, and 103). These discussions are followed up with proposed recommendations appropriate to such designation (pages 3 and 4).

However, the draft legislation accompanying the report differs from these recommendations in that it addresses designation of the trail as a national *scenic* trail only. We believe that this is appropriate in view of the comments on the report from a number of Federal and State agencies which favored designation of the North Country Trail as a national scenic trail only. Despite the apparent contradiction between the report and the draft legislation, we have not changed the report. Leaving the discussion of the alternative for designation of some North Country Trail segments as national recreation trail in the report will permit that option to be fully explored and be given all due consideration by the Congress during its deliberations on the trail proposal.

Sincerely,

BOB HERBST,
Assistant Secretary.

S. 2662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited at the "Potomac Heritage National Scenic Trail Act of 1977."

SEC. 2. Section 5(a) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended as follows:

(a) At the end of the first sentence change the period to a colon and add the following proviso: *"Provided,* That the Secretary of the Interior may designate non-Federal segments of the Potomac Heritage National Scenic Trail."

(b) Change the existing paragraph "(3)" to "(4)" and insert a new paragraph (3) as follows:

"(3) The Potomac Heritage National Scenic Trail, a corridor of approximately eight hundred and seventy-four miles, extending from the mouth of the Potomac River to its source (except for one segment extending into Pennsylvania) following the route as generally depicted on the map, identified as "National Trails System, Proposed Potomac Heritage Trail" which shall be on file and available for public inspection in the Office of the Director of the National Park Service: *Provided,* (i) That only those segments of the corridor located within exterior boundaries of federally administered areas are designated as the Potomac Heritage National Scenic Trail by this Act; and (ii) That the Secretary of the Interior may designate lands outside of federally administered areas as segments of the Potomac Heritage National Scenic Trail upon application from the States (including the District of Columbia) or local governmental agencies involved if such segments meet the criteria established in this Act and are administered by such agencies without expense to the United States. The segments of the Potomac Heritage National Scenic Trail designated by this Act shall be administered by the Secretary of the Interior, in consultation with the heads of other Federal agencies where lands administered by them are involved. The Secretary of the Interior, within three years after the effective date of this paragraph, shall prepare guidelines for development, management and maintenance of the Potomac Heritage National Scenic Trail."

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

WASHINGTON, D.C.,
May 13, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the designation of the Potomac Heritage Trail located in portions of Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia, as a component of the National Trails System.

The recommendations stems from this Department's responsibility under the Act of October 2, 1968, which established a National Trails System; designated the Appalachian and Pacific Crest Trails as National Scenic Trails; and listed 14 additional routes, including the Potomac Heritage Trail, for study as potential National Scenic Trails. The Act also established procedures for establishing additional National Scenic Trails, National Recreation Trails and connecting and side trails in the National Trails System.

The enclosed draft bill implements the recommendations resulting from the Department's study of the Potomac Heritage Trail route. We have concluded that the trail, as studied and presented in the report, meets the criteria for addition to the National Trails System as a National Scenic Trail of approximately 874 miles in length. A copy of the study report is enclosed.

The draft bill would add the Potomac Heritage Trail to the National System as a National Scenic Trail. Overall administration would be assigned to the Department of the Interior, which will consult with the heads of other Federal agencies where lands administered by them are involved, and with State, county and local agencies or private trail organizations.

Under section 2 of the draft bill, only those components of the trail, 323 miles in total length, located within exterior boundaries of federally administered areas (including the District of Columbia) are designated initially. The Secretary would designate lands outside such boundaries as components of the Potomac Heritage National Scenic Trail upon application from the States (including the District of Columbia) or local governmental agencies involved if such components meet established criteria and are administered by such agencies without expense to the United States. Guidelines for the development, management and maintenance of the trail would be perpared by the Secretary in consultation with appropriate public agencies and private organizations within three years after the trail is designated.

The draft bill amends the National Trails System Act to render inapplicable to this proposal the authority of the Secretary regarding the establishment of the trial right-of-way outside the exterior boundaries of federally administered areas, since these components would be administered without expense to the United States. Funds to establish initial sections of trail designated under the draft bill would be provided by the Federal administering agencies involved under existing authorities. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of the legislation including mapping the trail, publication of the trail route, guidelines and other such requirements.

The trail route as recommended in the study report runs from Point Lookout, Maryland, and Smith Point, Virginia, generally following the Potomac to the Washington-Arlington metropolitan area; it runs westward from Georgetown to Cumberland, Maryland, on the towpath of the Chesapeake and Ohio Canal; from Arlington to Harpers Ferry, West Virginia, it runs along the south bank of the Potomac. At Oldtown, Maryland, the main trail divides, one branch running south to dual termini at Spruce Knob-Seneca Rocks National Recreation Area and at Blackwater Falls State Park, both in West Virginia. A second, or northern branch, continues from Cumberland, Maryland, to the Youghiogheny River and then north to Braddock's Road, west to Fort Necessity National Battlefield and Ohiopyle State Park, and north along the Laurel Ridge highlands to Conemaugh Gorge Near Johnstown, Pennsylvania.

Inasmuch as the Potomac Heritage Trail qualifies for inclusion in the National Trails System as a National Scenic Trail, we urge that the enclosed draft bill be transmitted to the Congress with a recommendation that it be enacted.

Sincerely,

BOB HERBST,
Assistant for Secretary.

S. 2663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Oregon National Historic Trail Act of 1977".

SEC. 2. Section 5(a) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by inserting the following new paragraph at the end of said section:

"(5) The Oregon National Historic Trail, a trail of approximately two thousand miles, extending from near Independence, Missouri, to the vicinity of Portland, Oregon, following the primary route of the Historic Oregon Trail depicted on the maps, identified as, "Primary Route of the Oregon Trail 1841–1848" in the Department of the Interior Oregon Trail study report dated April 1977: *Provided,* (i) That while this Act will commemorate the entire route of the Oregon Trail along its historic alignment by designation as the Oregon National Historic Trail, only those suitable cross-country segments of the Oregon Trail which are within the exterior boundaries of federally administered areas and which meet the national historic trail criteria established in this Act, are established initially as components of the Oregon National Historic Trail; and (ii) that the Secretary of the Interior may designate lands outside of the exterior boundaries of federally administered areas as segments of the Oregon National Historic Trail upon application from State or local government agencies or private interests involved if such segments meet the national historic trails criteria established in this Act and such criteria supplementary thereto as the Secretary may prescribe, and are administered by such agencies or interests without expense to the United States."

SEC. 3. The responsibility for overall coordination of Oregon National Historic Trail matters shall rest with the Secretary of the Interior, in cooperation with the heads of other Federal and State agencies where lands administered by them are involved. Such responsibility shall include:

(a) determining the specific trail route, as provided for in section 7(a) of the National Trails System Act;

(b) identifying those segments of the trail within the exterior boundaries of federally administered areas that are suitable for establishment as the initial components of the Oregon National Historic Trail; and

(c) preparing an overall plan for development and management of the trail within three years after the date of enactment of this Act, provided that responsibility for the development and management of trail segments located within the boundaries of lands administered by other Federal departments or agencies shall lie within the heads of such departments or agencies and shall be exercised consistent with the overall concept, route, and plan for the trail established by the Secretary of the Interior.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

WASHINGTON, D.C.,
October 5, 1977.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend the National Trails System Act by designating the Oregon Trail, located in portions of Missouri, Kansas, Nebraska, Wyoming, Idaho, Oregon and Washington as a component of the National Trails System."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

The Act of October 2, 1968 (82 Stat. 919; 616 U.S.C. 1241), established a National Trails System, designated the Appalachian and Pacific Crest Trails as National Scenic Trails and listed 14 additional routes, including the Oregon Trail, for study as potential National Scenic trails. The Act also prescribed procedures for establishing additional National Scenic Trails, National Recreation Trails, and connecting and side trails in the System

The enclosed draft bill implements the recommendations resulting from the Department's study of the Oregon Trail route. We have concluded that the trail, as studied and presented in the report, meets the criteria for addition to the National Trails System as a National Historic Trail. Legislation to establish a category of National Historic Trails System has been submitted to the Congress separately.

The Oregon Trail route, as discussed in the enclosed copy of the study report, is the route thought to have received the most use as a wagon road by Willamette Valley (Oregon)—bound emigrants during the period 1841–1848. That period of western migration was historically very significant to the development of Oregon and the rest of the Pacific Northwest. The route, approximately 2,000 miles in length, extended from near Independence, Missouri, to the vicinity of Portland, Oregon.

The components of the trails recommended for initial designation and development are those portions of the trail which are within the exterior boundaries of existing federally administered areas. Under the proposed legislation, the Secretary of the Interior may designate trail systems outside of the exterior boundaries of federally administered areas as components of the Oregon National Historic Trail upon application from State or local government agencies or private interests when prescribed criteria are met and when those segments are administered by such agencies or interests without expense to the United States.

Overall coordination of the Oregon National Historic Trail would be assigned to the Secretary of the Interior. The Secretary will cooperate with the heads of other Federal agencies, where lands administered by them are involved, and with State, county and local agencies or private trail or historic organizations in planning the development of the trail and its subsequent management.

The proposed Oregon National Historic Trail offers a variety of historical, scenic and recreation opportunities.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

JAMES C. JONES,
Under Secretary.

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act my be cited as the "Lewis and Clark National Historic Trail Act of 1977".

SEC. 2. Section 5(a) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended by inserting "National Scenic" after "The Appalachian" at the beginning of paragraph (1) and after "The Pacific Crest" at the beginning of paragraph (2) and by inserting the following new paragraph at the end of said section:

"(4) The Lewis and Clark National Historic Trail, a trail of approximately thirty-seven hundred miles, extending from St. Lous, Missouri, to the mouth of the Columbia River in Oregon, following the outbound and inbound routes of the Lewis and Clark Expedition depicted on the maps, identified as, "Vicinity Map, Lewis and Clark Trail" in the Department of the Interior Lewis and Clark Trail study report dated April 1977: *Provided,* (i) That while this Act will commemorate the entire route of the Lewis and Clark Expedition along its historic alignment by designation as the Lewis and Clark National Historic Trail, only those selected land and water based components of the Lewis and Clark Trail which are within the exterior boundaries of federally administered areas and which meet the national historic trail criteria established in this Act, are established initially as components of the Lewis and Clark National Historic Trail; and (ii) That the Secretary of the Interior may designate lands outside of the exterior boundaries of federally administered areas and segments of the Lewis and Clark National Historic Trail upon application from State or local government agencies or private interests involved if such segments meet the national historic trail criteria established in this Act and such criteria supplementary thereto as the Secretary may prescribe, and are administered by such agencies or interests without expense to the United States."

SEC. 3. The responsibility for overall coordination of National Historic Trail matters shall rest with the Secretary of the Interior, in cooperation with the heads of other Federal and State agencies where lands administered by them are involved. Such responsibility shall include:

(a) establishing the specific trail route, as provided for in section 7(a) of the National Trails System Act;

(b) identifying those segments of the trail within the exterior boundaries of federally administered areas that are suitable for establishment as the initial component of the Lewis and Clark National Historic Trail; and

(c) preparing an overall plan for development and management of the trail within three years after enactment of this Act. *provided,* that the responsibility for the development, and management of trail segments located within the boundaries of lands administered by another Federal department or agency shall lie with the head of that agency and shall be exercised consistent with the overall concept, route, and plan for the trail established by the Secretary of the Interior.

SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., December 14, 1977.

Hon. WALTER F. MONDALE,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend the National Trails System Act by designating the Lewis and Clark Trail, located in portions of Missouri, Kansas, Nebraska, Iowa, South Dakota, Montana, Idaho, Oregon and Washington as a component of the National Trails System."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

The Act of October 2, 1968 (82 Stat. 919; 16 U.S.C. 1241), established a National Trails System, designated the Appalachian and Pacific Crest Trails as National Scenic Trails and listed 14 additional routes, including the Lewis and Clark Trail, for study as potential National Scenic Trails. The Act also prescribed procedures for establishing additional National Scenic Trails, National Recreation Trails, and connecting and side trails in the System.

The enclosed draft bill implements the recommendations resulting from the Department's study of the Lewis and Clark Trail route. We have concluded that the trail, as studied and presented in the report, meets the criteria for addition to the National Trails System as a National Historic Trail. Legislation to establish a category of National Historic Trails within the National Trails System has been submitted to the Congress separately.

The Lewis and Clark Trail route, as discussed in the enclosed copy of the study report, follows the outbound and inbound 3,700-mile route of the 1804–1806 Lewis and Clark Expedition from St. Louis, Missouri, to the Pacific coast in Oregon.

The majority of the Lewis and Clark Trail route is water based along the Missouri, Snake and Columbia Rivers. The land based trail will be located in Idaho and Oregon where the expedition actually traveled over land.

Overall coordination of the Lewis and Clark National Historic Trail would be assigned to the Secretary of the Interior. The Secretary will cooperate with the heads of other Federal agencies, where lands administered by them are involved, and with State, county, and local agencies or private trail or historic organizations in planning the development of the trail and its subsequent management.

The proposed Lewis and Clark National Historic Trail can offer a variety of historical, scenic, and recreational opportunities.

The Office of Management and Budget has advised that this legislative proposal is in accord with the program of the President.

Sincerely,

ROBERT HERBST,
Assistant Secretary.

S. 2665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), certain lands in the Arches National Park, Utah, which comprise about 54,450 acres, designated "Wilderness," and which are depicted on the map entitled "Wilderness Plan, Arches National Park, Utah," numbered 138–20,014 and dated October 1974, are hereby designated as wilderness. Certain other lands in the national park, which comprise about 9,050 acres and which are designated on such map as "Potential Wilderness Addition," are, effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, hereby designated wilderness. The map and a description of the boundaries of such lands shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

SEC. 2. As soon as practicable after this Act takes effect, a map of the wilderness area and a description of its boundaries shall be filed with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Arches Wilderness" and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

SEC. 4. Within the wilderness areas designated by this Act, the Secretary of the Interior may authorize the use and maintenance of the underground gas pipeline, in accordance with such regulations as he may deem desirable, presently operated by the El Paso Natural Gas Company.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 12, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the establishment of areas totaling approximately 54,450 acres in Arches National Park, Utah, as part of the National Wilderness Preservation System.

The recommendation stems from this Department's responsibility under the Act which established the park (85 Stat. 422) to recommend to the President areas within Arches National Park which are suitable for preservation as wilderness in accordance with the Wilderness Act (78 Stat. 890). Having reviewed potential areas in Arches National Park, we conclude that 54,450 of the park's 73,233 acres should be designated wilderness.

Arches National Park overlooks the Colorado River from the Colorado Plateau region of southeastern Utah. More natural arches, windows, spires, and pinnacles have been carved out of the red sandstone that prevades the park than exist anywhere else in the country. The sandstone is believed to have been lifted by wind from a vast coastal desert during the Jurassic period some 150 million years ago and deposited as sand at the park site, where it was subsequently buried by new layers and hardened to rock. Then the rock was uplifted, twisted, and cracked. Water worked its way into cracks of the stone, and wind carried off the loosened sand. Water, wind, and frost found soft spots in certain lower layers of stone and cut under the higher layers to gouge out perforations that slowly winded and rose into the graceful arches of today. Like much of the canyonlands, these arches are transitory formations: their connecting spans will eventually be weathered to the point of collapse.

Among the park's 90 arches are Delicate Arch, the park symbol, and Landscape Arch, whose 291-foot length makes it the longest natural stone span in the world. The predominant vegetation in the park is pinyon pine and juniper forest, but striking pockets of lush greenery called "hanging gardens" occur intermittently in moist alcoves in the rock and on cliff faces. Such large mammals as deer, coyotes, and foxes are found in the park.

Excluded from this wilderness recommendation are roadways, areas required for management, and sites of high visitor concentration. A total of 9,050 acres—including lands under mineral lease; non-Federal lands; small, isolated parcels; and lands now serving as road corridors for livestock-grazing purposes—are recommended for addition to the Arches Wilderness at such times as they qualify for wilderness.

In accordance with requirements of the Wilderness Act, public hearings on the rec-

ommendtion were held at Moab, Utah, on August 13, 1974, and at Salt Lake City, Utah, on August 15, 1974. Analyses of the hearing record and written expressions received, together with letters received from other Federal Agencies, are contained in the enclosed report. Complete records have been compiled and are available for inspection by the public.

Enclosed is a draft bill which, if enacted, would incorporate the recommended area of Arches National Park into the National Wilderness Preservation System.

Sincerely,

BOB HERBST,
(For Secretary Cecil D. Andrus).

S. 2666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), certain lands in the Buffalo National River, Arkansas, which comprise about 10,529 acres, designated "Wilderness," and which are depicted on the map entitled "Wilderness Plan, Buffalo National River, Arkansas," numbered 173-20,036-B and dated March 1975, are hereby designated as wilderness. Certain other lands in the national river, which comprise about 25,471 acres and which are designated on such map as "Potential Wilderness Additions," are, effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, hereby designated wilderness.

SEC. 2. As soon as practicable after this Act takes effect, a map of the wilderness area and a description of its boundaries shall be filed with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Buffalo River Wilderness" and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 12, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the establishment of areas totaling approximately 10,529 acres in the Buffalo National River, Arkansas, as part of the National Wilderness Preservation System.

The recommendation stems from this Department's responsibility under the Act establishing the Buffalo National River (86 Stat. 44) to recommend to the President, in accordance with the Wilderness Act (78 Stat. 890), areas with the river suitable for designation as wilderness. Having reviewed potential areas in the Buffalo National River, we conclude that 10,529 of the national river's 95,730 acres should be designated wilderness.

One of the few remaining free-flowing streams in the Ozark region of Missouri and Arkansas, the Buffalo National River originates in the Boston Mountains of Arkansas as a scarcely perceptible trickle. From this 2,400-foot elevation, the river enlarges and flows eastward, surging over rapids and sweeping against canyon walls. Eventually the river settles at a 400-foot elevation before joining the larger White River near Buffalo City, Arkansas.

The rocks of the Buffalo watershed are entirely sedimentary, having been laid down in an ancient marine basin. The bluffs, canyons, and myriads of small caves along the river provide striking evidence of its erosive powers. One of the river's most noteworthy features is the 200-foot waterfall in Hemmed-in-Hollow, the highest free fall of water between the Appalachians and the Rockies.

Of the river's approximately 150-mile length, 132 miles lie within the national river. Although the park unit generally consists of a narrow band along the river, at three locations there are significant and expansive areas retaining a wild and natural character. These areas contain a rich diversity of vegetation, wildlife, and geologic features in a remote natural scene which makes them well qualified for wilderness designation. In addition, I recommend that the Secretary of the Interior be provided with the authority to designate as wilderness an area of about 25,471 acres, not presently qualified, at such time as he determines that it qualifies.

In accordance with the requirements of the Wilderness Act, a public hearing on the preliminary wilderness study and environmental assessment was held on December 5, 1974, at Harrison, Arkansas. Analyses of the hearing record and written expressions received, together with the letters received from other Federal Agencies, are contained in the enclosed report. Complete records have been compiled and are available for inspection by the public.

Enclosed is a draft bill which, if enacted, would incorporate the recommended area of Buffalo National River into the Wilderness Preservation System.

Sincerely,

BOB HERBST,
Assistant Secretary for Cecil D. Andrus, Secretary.

S. 2667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 3(c) of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132(c)), certain lands in the Canyonlands National Park, Utah, which comprise about 260,150 acres, designated "Wilderness," and which are depicted on the map entitled "Wilderness Plan, Canyonlands National Park, Utah," numbered 164-20015 and dated October 1974, are hereby designated as wilderness. Certain other lands in the national park, which comprise about 18,270 acres and which are designated on such map as "Potential Wilderness Addition," are, effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, hereby designated wilderness. The map and a description of the boundaries of such lands shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior.

SEC. 2. As soon as practicable after this Act takes effect, a map of the wilderness area and a description of its boundaries shall be filed with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Canyonlands Wilderness" and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

SEC. 4. Within the wilderness area designated by this Act, the Secretary of the Interior may (1) construct, use, and maintain an underground water pipeline extending from Taylor Canyon to Island in the Sky, as he deems necessary, and (2) authorize the recovery of missiles and fragments thereof in areas designated as Missile Recovery Cooperative Zones on the 'Wilderness Plan, Canyonlands National Park, Utah', for so long as the military requirement for such zones exists and as long as such removal is in accordance with any regulations of this activity that the Secretary may deem desirable.

DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 12, 1977.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the establishment of areas totaling approximately 260,150 acres in Canyonlands National Park, Utah, as part of the National Wilderness Preservation System.

The recommendation stems from this Department's responsibility under the Act of November 12, 1971 (85 Stat. 421), (which revised Canyonland Park boundaries) to recommend areas within the Park suitable for designation as wilderness in accordance with the Wilderness Act (78 Stat. 890). Having reviewed potential areas in Canyonlands National Park, we conclude that 260,150 of the Park's 337,258 acres should be designated wilderness.

Canyonlands National Park is located in the southeastern corner of Utah, in the heart of the uplifted Colorado Plateau geologic region. Encompassing most of the Four Corners area—the intersection of Utah, Colorado, Arizona, and New Mexico—the plateau is replete with parks whose common characteristics include canyons, arches, and pinnacles carved out by the erosive forces of water, particularly the Colorado River. A subregion of the plateau, Canyonlands National Park, is dominated by deeply eroded deserts and red sandstone canyons. One of the most spectacular features in the park is the Maze district, where sheer-walled canyons twist and wind, divide and redivide in a totally confusing manner.

Above all, the park is a testimonial to the permanence of geologic change: the canyons are still being formed, and the spires, towers, and arches are remnants of a previous landscape, most of which has been removed by erosion. In spite of the hot, arid environment, such animals as bighorn sheep, mule deer, cougars, bobcats, coyotes, foxes, and pronghorn inhabit the park. And in the shadow of certain cliffs in the northeast corner of the park there survives a small stand of Douglas-fir.

In general, those portions of the park not recommended for wilderness designation consist of areas subject to heavy visitor use or committed to development. The wilderness suitability of that segment of the Colorado River which flows through Cataract Canyon will be determined at a later date, after a thorough study has been conducted of the impact of motorized river running on the area. In addition to the acreage recommended for wilderness designation at this time, potential wilderness additions of 18,270 acres would qualify for wilderness designation when non-Federal lands or interests in land are acquired and present nonconforming uses are terminated.

In accordance with requirements of the Wilderness Act, public hearings on the recommendation were held at Monticello and Moab, Utah, on August 12, 1974, and at Salt Lake City, Utah, on August 15, 1974. Analyses of hearing records and written expressions received, together with letters received from other Federal Agencies, are contained in the enclosed report. Complete records have been compiled and are available for inspection by the public.

Enclosed is a draft bill which, if enacted, would incorporate the recommended area of Canyonlands National Park into the National Wilderness Preservation System.

Sincerely,

BOB HERBST,
Assistant Secretary
(For Cecil D. Andrus, Secretary).

S. 2668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5(c) of the Act of December 18, 1971 (85 Stat. 740, 16 U.S.C. 273d(c)), certain lands in the Capitol Reef National Park, Utah, which comprise about 179,815 acres, designated "Proposed Wilderness," and which are depicted on the map entitled "Wilderness Plan, Capitol Reef National Park, Utah," numbered 158–20016 and dated October 1974, are hereby designated as wilderness. Certain other lands in the park, which comprise about 4,050 acres and which are designated on such map as "Potential Wilderness Addition," are, effective upon publication in the Federal Register of a notice by the Secretary of the Interior that all uses thereon prohibited by the Wilderness Act have ceased, hereby designated wilderness. The map and a description of the boundaries of such lands shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior: *Provided,* That in order to accommodate proposed utility lines, a corridor traversing the park and comprising not to exceed 2,000 acres of its lands shall, where necessary, be withdrawn from the wilderness designated purusant to this Act upon publication in the Federal Register of a description of the boundaries of that corridor, and a notice of that withdrawal, by the Secretary of the Interior.

SEC. 2. As soon as practicable after this Act takes effect, a map of the wilderness area and a description of its boundaries shall be filed with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such map and description shall have the same force and effect as if included in this Act: *Provided, however.* That correction of clerical and typographical errors in such description and map may be made.

SEC. 3. The wilderness area designated by this Act shall be known as the "Capitol Reef Wilderness" and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, and where appropriate any reference in that Act to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 12, 1977.

The PRESIDENT,
The White House
Washington, D.C.

DEAR MR. PRESIDENT: It is with pleasure that I recommend the establishment of areas totaling approximately 179,815 acres in Capitol Reef National Park, Utah, as part of the National Wilderness Preservation System.

The recommendation stems from this Department's responsibility under the Act which established the park (85 Stat. 740) to recommend to the President, in accordance with the Wilderness Act (78 Stat. 890), areas within the park which are suitable for designation as wilderness. Having reviewed potential areas in Capitol Reef National Park, we conclude that 179,815 of the park's 241,671 acres should be designated wilderness.

There are a total of 4,050 acres proposed as potential wilderness additions, and will become wilderness when they qualify.

Situated on the western edge of the Colorado Plateau in south-central Utah, Capitol Reef National Park centers on an elongated uplift or fold of the earth. This uplift is dissected by deep gorges that have been cut by rivers through multicolored sedimentary rock. Water and wind have carved cliffs along the uplift into domes, towers, and pinnacles.

Early geologists called such cliffs "reefs" because their intricately eroded surfaces bear a resemblance to coral formations. Several dome-like peaks of sandstone—including one called Capitol Dome—which formed over ancient sand dunes account for the name Capitol Reef. The Park is replete with other unusual geologic features, among them a Pleistocene mudslide, petrified wood, and arches. The meager wildlife of the park includes a few cougars, ring-tailed cats, and an occasional coyote. Pygmy forests of pinyon pine and juniper occur in the park's higher elevations; in the lower desert are cactus and Fremont barberry are dominant.

We would not that a detailed study of the mineral potential in the Park has not been made. However, the Energy Research and Development Administration has provided some data on the southern portion of the park estimating the existence of from 0.7 to 2.0 million pounds of uranium U_3O_8 and 1.0 to 4.5 million pounds of vanadium V_2O_5.

Further, there exists within the national park one uranium mine which ceased operations in 1965, and twenty unpatented mining claims. Since 1965, assessment work has been performed at the uranium mine, known as the Rainy Day Mine, to maintain this claim. The Rainy Day Mine is not within the area recommended for wilderness designation.

We would add that when the Capitol Reef National Monument, from which the national park was created, was first set aside in 1937, the lands under national monument status were closed to application of the mining laws. When Congress established Capitol Reef National Park in 1971, it extended the closure to mineral entry to the park, subject to valid existing rights.

Road corridors, some lands subject to oil and gas leases, non-Federal lands, and high visitor use areas have been excluded from the wilderness recommendation. A large new addition to the park which covers 27,000 acres in the northeastern portion has been considered in the formulation of this recommendation: some access to this area should be provided, and a supplementary wilderness recommendation for the addition will be made after the completion of a new master plan. Finally, the recommendation is made subject to the withdrawal of a utility corridor, as provided for the Act establishing the park, within wilderness areas if necessary.

In accordance with the requirements of the Wilderness Act, public hearings on the recommendation were held in Salt Lake City, Utah, on August 16, 1914, and at Loa, Utah, on August 14, 1974. Analyses of the hearing record and written expressions received, together with letters received from other Federal Agencies, are contained in the enclosed report. Complete records have been compiled and are available for inspection by the public.

Enclosed is a draft bill which, if enacted, would incorporate the recommended area of Capitol Reef National Park into the National Wilderness Preservation System.

Sincerely,

BOB HERBST,
Assistant Secretary for Cecil D. Andrus, Secretary.

By Mr. NELSON (for himself, Mr. ANDERSON, Mr. CLARK, Mr. CULVER, Mr. FORD, Mrs. HUMPHREY, Mr. MCINTYRE, Mr. WEICKER, Mr. HUDDLESTON, and Mr. SPARKMAN):

S. 2669. A bill to amend the Internal Revenue Code of 1954 to provide an equitable tax structure for small and independent companies, and for other purposes; to the Committee on Finance.

SMALL BUSINESS TAX REDUCTION AND STIMULATION ACT OF 1978

● Mr. NELSON. Mr. President, I am introducing today a bill entitled "Small Business Tax Reduction and Stimulation Act of 1978." The bill is designed to provide economic stimulation in a more efficient and equitable manner by restructuring the administration's 1978 business tax proposals which presently allocate only 3.5 percent of the tax reductions to the small business community.

WHAT THE BILL WOULD DO

This bill would more than double the amounts going to the small- and medium-sized corporations with taxable income up to $500,000. This can be done by allocating 1 point less of the reductions to the largest companies, that is, if the top rate is reduced from 48 percent to 45 cent, rather than 48 percent to 44 percent as proposed by the administration, as follows:

COMPARISON OF CURRENT CORPORATE TAX RATES, ADMINISTRATION AND NELSON PROPOSALS

[In percent]

Corporation taxable income	Current law	Administration proposal	Nelson bill
0 to $25,000	20	18	15
$25,000 to $50,000	22	20	20
$50,000 to $100,000	48	44	30
$100,000 to $150,000	48	44	40
Above $150,000	48	44	45

The practical effect of such an alternative scale is shown in the table below, which compares the per-firm tax saving of my bill and the administration bill, followed by the ratio of the tax savings under my proposal to those proposed by the administration for each bracket:

TAX REDUCTION PER FIRM COMPARISON OF ADMINISTRATION AND NELSON PROPOSALS, BY TAXABLE INCOME CATEGORIES

[Calendar year 1980 basis]

Corporation taxable income	Administration proposal	Nelson proposal	Ratio of Nelson proposal to administration
0 to $25,000	$170	$420	2.47
$25,000 to $50,000	720	1,500	2.08
$50,000 to $75,000	1,500	3,400	2.27
$75,000 to $100,000	2,400	6,700	2.79
$100,000 to $500,000	7,000	14,600	2.09
$500,000 to $1,000,000	25,400	30,000	1.18
$1,000,000 to $10,000,000	94,000	81,600	.87
Over $10,000,000	2,600,000	1,940,000	.75

To put our bill in context, on January 21st, the administration proposed a series of tax reductions for individuals and businesses totalling $34 billion for the purpose of tax stimulating the economy.

The centerpiece of the business portion of this package is a reduction in corporate income taxes by $6 billion, in calendar year 1979, and $8.5 billion in 1980. The administration planned to accomplish these reductions by cutting the rates in the two lower brackets by two points (from 20 percent to 18 percent and from 22 percent to 20 percent) while the rates in the upper brackets are cut by four points (from 48 percent to 44 percent). Our bill proposes to give 1 point less of the reduction to the 1 percent of U.S. corporations at the top; and with these savings, to substantially increase the benefits to the other 99 percent.

BACKGROUND

As everyone familiar with the business world is aware, new, small, growth, and independent enterprises have always been starved for capital. The greater their success, the greater their need. Rapid growth in orders for their products guarantees that they will run out of money to finance their accounts receivable, to accumulate inventory, to recruit a service organization, build a production staff, and pay Federal, State, and local taxes.

Smaller business has always been at the back of the line for obtaining credit. They are less preferred customers at the bank because they are riskier than big business and they could only obtain money from the stock market in the best of times.

However, 1974–75 were the worst of times since the Great Depression. Since then, capital has been virtually unavailable to even the most promising smaller enterprises in this country (see statement by Senator NELSON, CONGRESSIONAL RECORD, January 4, 1978, Shortage of Capital Causing Flight of U.S. Technology to Foreign Countries—Overhaul of Tax and Capital Formation Policies Urgently Needed for Small Business, S. 19968).

For example, in the 3 years, 1974–76, only 41 small companies (under $5 million in net worth) were able to sell stock to the public, compared to nearly 700 companies in 1969 (See statement by Senator NELSON, CONGRESSIONAL RECORD, September 27, 1977, Small Businesses Disappearing from Nation's Securities Markets, S. 15731).

The respected publication Business Week Magazine concluded that:

Access to the capital market has been pretty much open to the nation's big companies for years now . . . the top 1,000 or so corporations. . . .

The experts are not sure how much of this situation is cyclical and how much is attributable to permanent changes in the structure of U.S. financial markets. Our committee opened hearings on February 8 and 10, 1978, to explore these questions.

However, this much is certain, in these troubled times of inflation, recession and energy shortage, smaller businesses are desperate in their need for capital—not only to grow and expand, but simply to stay afloat.

For the small business that cannot reach the stock market or the bond market, the most equitable and efficient way for Government to help is to permit such firms to retain more of the dollars which they have earned in the competitive marketplace.

Our tax law has been seriously deficient in this regard. It squeezed small business more tightly with every passing year by keeping the dividing line between large and small business at the same $25,000 level for nearly 40 years, while prices climbed 358.9 percent during that period (GNP deflator increase, 1938–77).

Finally, in the Tax Reduction Act of 1975, the six Senate Small Business Committee members who also serve on the tax-writing Finance Committee, succeeded in lifting this dividing line to $50,000. That Act cut the corporate tax rates from 22 percent to 20 percent for the first $25,000 in earnings and from 48 percent to 22 percent for the next $25,000 on a temporary basis.

This was a needed first step; but this did not give us a permanent, rational, and equitable corporate rate that recognizes the differing circumstances of small, medium-sized and large business.

THE PROBLEMS AND THE POTENTIAL OF GROWTH FIRMS

For example, the 1975 legislation did not deal with the particular difficulties of the growing business which potentially has the most to contribute to our economy. At the February 8 hearings on capital formation, mentioned above, we received evidence from the American Electronics Association that the smallest and youngest electronic firms produced disproportionately greater benefits to the economy compared with the older and larger companies in this same industry. An extensive survey covering more than 500 firms showed the following benefits:

JOB-CREATION

Firms less than 20 years old created an average of 89 new jobs per company, compared to 69 new jobs for companies 20 years and older which had 27 times the number of employees;

PAYMENT OF TAXES

Seventy-seven small electronic companies founded between 1971 and 1975 generated tax payments at the incredible rate of $35 for each $100 of invested capital, as follows:

Federal Corporate Taxes	$15
State and Local Taxes	5
Federal Individual Income Taxes	15
Total	35

BALANCE OF PAYMENTS

The competitive edge developed by the small companies less than 20 years old enabled them to sell one-third of their products in international trade and thereby render needed assistance to the U.S. international balance of trade.

However, the study of new companies confirmed how much more difficult it is for young firms to obtain capital. The firms founded in the 1970's were able to raise just over $500,000 in startup capital compared to over $1 million for the firms launched in the 1960's. That demonstrates that new firms can now raise only one-half as much initial capital as their counterparts of just 10 years ago, and in a bigger economy.

The testimony bears out that these conditions certainly inhibit the formation of any new ventures which might be substantially beneficial for our economy and our society. The shortage of risk capital also makes the companies which do manage to get started more vulnerable to economic downturns, buyouts by domestic or foreign competitors, and mergers or forced takeovers.

All of these factors argue for a rational tax system which does not treat infant businesses or youths the same as adults at the height of their powers.

The corporate tax system is probably the most important factor in the process of maturation. The corporate tax only impinges on companies which want to hold funds within their businesses for expansion purposes, rather than paying all the earnings out. Therefore, by making the costs of retaining earnings high—as the present system currently does with a vengeance for growth firms, and which the Administration's proposal does nothing to relieve—we assure a climate most favorable to the most established firms and least favorable to the small and independent ones.

RECOMMENDATIONS TO THE ADMINISTRATION

In an effort to work toward a more equitable system, the Senate Small Business Committee consulted throughout 1977 with over 30 small business associations of all kinds. Out of this process came a series of consensus proposals for inclusion in the administration's 1978 tax package, subscribed to by 27 small business organizations representing 750,000 members. These recommendations were presented to and discussed with the President, Vice President, and the Treasury Department in October 1977.

A summary of these proposals is as follows:

First. That 50 percent of the business tax reductions be allocated to small business, on the grounds that small business accounts for 55 percent of private sector employment, 48 percent of business output, 43 percent of GNP, and more than half of all new inventions;

Second. That corporate tax rates be reduced at the $25.000, $50,000, $75,000, and $100.000 levels;

Third. That capital gains treatment be preserved for small business;

Fourth. That depreciation be simplified to offer a 3-year period for $100,000 or $200,000 of annual equipment purchases; and

Fifth. That there be affirmative assistance to the 85 percent of the business community which is unincorporated through rate reductions and simplification of accounting and depreciation requirements.

ADMINISTRATION RESPONSE

The Small Business Committee has just completed 3 days of public hearings

on the administration's tax proposals on February 14, 20, and 28 and has also performed an extensive study of the administration's program in cooperation with the Congressional Joint Tax Committee and the Congressional Research Service of the Library of Congress.

We found that the administration has forgone, for the timebeing, recommending the elimination of capital gains treatment. I have said previously that the narrowing of the differential between ordinary income tax and capital gains tax since 1969 has been a disaster for small business (Senate Small Business Committee press release 95–104, February 10, 1978) and would regard the elimination of that differential as a serious setback for the private enterprise system. That the administration has avoided.

However, as to the basic equity between businesses of different sizes, the committee has found the administration program would accord an overwhelming proportion of the benefits to those "1,000 or so corporations" of the very largest size.

These companies earn the most and already have access to all of the capital markets, and which, therefore, need the tax relief least. This would be at the expense of the new, small, and medium-sized corporations who earn the least, do not have access to any of the capital markets and need the relief most.

The committee's study: "1978 Tax Proposals Relating to Small Business, Analysis of Administration's 1978 Small Business Tax Proposals and Certain Alternative Approaches" shows that the administration's corporate rate reductions would allocate 66 percent of the proposed tax savings to the largest 1,200 corporations; an additional 15 percent to the next largest 7,100, and only 3.5 percent for the 1.5 million corporations with taxable income below $50,000. It is also likely that when we learn what proportion of the $1½ to $2 billion of proposed investment credit for manufacturing and utility structures is earmarked for large and small business, that the share of the largest corporations will be even greater and the share of small business will fall below 3.5 percent of the total tax reductions.

HISTORY OF RECENT CONGRESSIONAL ACTION ON TAX STIMULATION BILLS

The disposition of Congress as to a division of benefits of this sort is indicated by it record of action on the 1975 and 1977 tax stimulation packages.

When stimulation of the economy was directly at issue in 1975, Congress allocated one-third of the business tax reductions to small businesses with less than $50,000 of taxable income, rather than the one-fourth recommended by the administration at the time.

Again in 1977, the economy called for tax stimulation and the administration recommended an employment credit which would have amounted to about $21 per employee. Congress changed that to $2,100 for each new employee for 1977 and 1978.

This recognized the role of labor-intensive smaller businesses in providing employment and fueling economic growth. This intention was further demonstrated by placing a cap of $100,000 on the amount of jobs credit available to any one firm, which would provide full benefits for the first 47.6 new employees. (See 28th Annual Report of the Senate Small Business Committeee, S. Rept. 95–629, pages 51–56.)

The 1978 tax proposals are also primarily for economic stimulation, and also involves offsetting the recently enacted social security increases, which testimony of the U.S. Chamber of Commerce on February 28 established fall most heavily on labor-intensive small business.

I therefore hope that Congress will again restructure the 1978 tax package to make it more equitable for smaller and independent business.

MODERATE SMALL BUSINESS MEASURE

My proposal is a moderate one. It preserves a very substantial tax reduction for the largest companies, amounting to an average of nearly $2 million per firm (compared to the administration's $2.6 million per firm). But, it realines the planned tax reductions between the small, medium, and large sized companies more fairly, as illustrated in the table below:

PROPOSED DISTRIBUTION OF TAX REDUCTIONS COMPARISON OF ADMINISTRATION AND NELSON PROPOSALS

	Number of firms	Administration (percent)	Nelson bill (percent)
Small companies (under $50,000 in taxable income)	1,522,000	3.5	7.9
Medium-sized companies ($50,000 to $1,000,000 in taxable income)	122,900	15.8	29.7
Large companies (more than $1,000,000 in taxable income)	8,300	80.0	62.4
Total	1,653,200	100.0	100.0

It is our intention in this bill that the revenue effects should be exactly what they are in the administration's tax reduction bill. We have phased the proposal in the same way, with the final 1-point reduction for the largest firms becoming effective on October 1979, just as the administration has done. Our committee analysis shows that the revenue outlays are very nearly identical both short and long range.

SUMMARY

This bill would provide a rational long-term corporate rate schedule which would give a more equitable share of the payment to small- and medium-sized corporations. It would extend the recent relief to small companies which was enacted in 1975; and would provide the first meaningful rate reduction for medium-sized companies since the 1930's.

In doing so, it would strengthen the growth companies and allow them to increase their capability to provide the goods and services which our citizens prefer, to expand employment, to exert downward pressures on prices through competition, and to improve our international trade position through their export sales.

By creating a more equitable balance between companies of different sizes, Congress can go a long way to restoring a greater sense of fairness to our corporate tax policy at the same time that it delivers tax savings which our smaller businesses need most of all.

I hope that this bill receives early, serious, and favorable consideration in connection with development of the 1978 tax legislation.

Mr. President, I ask unanimous consent that the bill as introduced be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2669

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Tax Reduction and Stimulation Act of 1978".

SEC. 2. (a) Section 11 of the Internal Revenue Code of 1954 (relating to tax imposed on corporations) is amended—

(1) by striking out subsections (a), (b), (c), and (d),

(2) by redesignating subsections (e) and (f) as (b) and (c), respectively, and

(3) by inserting before subsection (b) (as redesignated) the following new subsection:

"(a) GENERAL RULE.—A tax is hereby imposed for each taxable year on the taxable income of every corporation at the following rates:

"Taxable income—not over $24,999: Tax—15 percent.

"Taxable income—over $24,999 but not over $49,999: Tax—$3,750 plus 20 percent of the excess over $25,000.

"Taxable income—over $49,999 but not over $99,999: Tax—$8,750 plus 30 percent of the excess over $50,000.

"Taxable income—over $99,999 but not over $149,999: Tax—$23,750 plus 40 percent of the excess over $100,000.

"Taxable income—over $149,999: Tax—$43,750 plus 46 percent of the excess over $150,000.".

(b) The Secretary of the Treasury shall, as soon as practicable (but in any event not later than 90 days after the date of enactment of this Act) submit to the Committee on Ways and Means of the House of Representatives, and to the Committee on Finance of the Senate, a draft of any technical and conforming changes in the Internal Revenue Code of 1954 which are necessary to reflect throughout such Code the changes made in the substantive provisions of law made by subsection (a).

SEC. 3. The amendments made by section 2 of this Act take effect on October 1, 1978.

SEC. 4. The tax table in Section 11(a) of the Internal Revenue Code is amended by striking out "46 percent" and substituting therefor "45 percent."

SEC. 5. The amendment made by Section 4 of this Act takes effect on October 1, 1979.●

By Mr. FORD (for himself and Mr. HUDDLESTON):

S. 2672. A bill to increase the amounts authorized to be appropriated for the fiscal year 1979 and succeeding fiscal years to carry out the purposes of section 507(c) of the Surface Mining Control and Reclamation Act of 1977; to the Committee on Energy and Natural Resources.

(The remarks of Mr. FORD when he introduced the bill appear earlier in today's proceedings.)

By Mr. MATSUNAGA:

S. 2673. A bill to authorize certain withholding of seamen's wages on a voluntary basis; to the Committee on Commerce, Science, and Transportation.

● Mr. MATSUNAGA. Mr. President, I have today introduced a bill to permit the voluntary withholding of State income tax from seamen's wages.

Section 601 of title 46 of the United States Code, forbids an employer from withholding State income tax from seamen's wages. This provision seeks to prevent seamen from being victimized when several States attempt to tax and have the tax withheld from seamen's wages. This statute forbids the employer from withholding State tax even when the seamen would voluntarily want withholding. The Internal Revenue Code permits the employer to withhold Federal taxes, but the employer cannot withhold State income tax.

This provision makes no sense where the seamen work on ships that ply between ports in the same State and voluntarily request the employer to withhold State tax. In Hawaii, barges transport pineapples from plantations on the outer islands to the canneries in Honolulu. These barge seamen sail only between Hawaiian ports. They are in no danger of being subject to the taxes of two or more States, since they only enter Hawaiian ports. They have asked their employer to withhold Hawaii State tax, but the barge companies are barred by the statute from withholding.

My bill seeks to permit a seaman employed in trade between ports in the same State to voluntarily and revocably have the employer withhold State income tax.

Several barge companies in Hawaii support this legislation and they have informed me that the labor unions involved support the measure also. I, therefore, urge the Senate to pass the bill which I have introduced.●

By Mr. PROXMIRE:

S. 2674. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. PROXMIRE when he introduced the bill appear earlier in today's proceedings.)

By Mr. KENNEDY (for himself, Mr. SCHWEIKER, and Mr. RIBICOFF) (by request):

S. 2676. A bill to amend provisions of law concerned with health maintenance organizations; to the Committee on Finance and the Committee on Human Resources, by unanimous consent.

HEALTH MAINTENANCE ORGANIZATION AMENDMENTS OF 1978

● Mr. KENNEDY. Mr. President, on February 10 I introduced, with Senator SCHWEIKER, S. 2534, a bill to revise and extend the provisions of title XIII of the Public Health Service Act concerning health maintenance organizations (HMO's). Today I am pleased to introduce by request the administration's HMO proposal.

The Senate Subcommittee on Health and Scientific Research, of which I am chairman, heard testimony last week from Under Secretary Hale Champion and Assistant Secretary for Health Julius Richmond regarding S. 2534 and the administration's proposal. This testimony and the considerable consensus regarding future directions for the HMO program expressed in both bills underscores the importance of this period in the evolution of the HMO movement.

While Congress has long appreciated the potential contribution of HMO's to provide systematic, cost-effective health services, administration of the Federal program has lagged far behind our expectations. The Under Secretary's testimony indicated that the administration plans to make a serious attempt to remedy past problems in the implementation of the HMO law. We look forward to working with the administration in this effort.

We concur that HMO's have proven their worth through the demonstration phase and now deserve a place in our long-term strategy to improve health delivery in this country. We agree that flexibility must be provided to HMO's in meeting limits on direct contracting and receiving support after qualification. Both bills also reflect the need to adjust loan and grant levels to account for inflation.

We concur that authority for support of ambulatory care facilities can enhance the cost-saving potential of HMOs. In addition, both bills include important financial disclosure requirements that can significantly deter self-dealing and other financial abuses that can compromise the financial viability of HMOs and the quality of its services.

These and other areas of agreement provide a strong starting point for deliberations. S. 2534, however, provides for an appropriation authorization which, I believe, will more adequately meet the program's needs than the figure submitted in the President's budget. This legislation also provides for establishment of a small training program for HMO managers that can meet the critical need for expertise in management of these unique delivery systems.

The administration's bill includes other provisions about which I have some reservations and which the subcommittee will want to assess carefully. It calls for repeal of requirements to fund HMOs that are in the poorest financial position, as well as HMOs in rural and medically underserved areas. It provides for the repeal of a prohibition against the use of other Public Health Service funds in development of prepaid services for enrolled populations.

Finally, the administration proposal includes amendments to the Social Security Act, which, while not in the jurisdiction of my subcommittee, make important and necessary changes in HMO reimbursement mechanisms and dual choice requirements under the medicaid program. Despite these differences, these proposals reflect a shared commitment to improvement in Federal HMO activities. We are clearly on the same track and look forward to close collaboration with the administration in the design of a more flexible, effective, and accountable HMO program.

I ask unanimous consent that the bill, Secretary Califano's transmittal letter and a section-by-section summary be printed in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Health Maintenance Organization Amendments of 1978".

TITLE I—AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

APPROPRIATION, LOAN, AND LOAN GUARANTEE AUTHORIZATIONS

SEC. 101. (a) Section 1304(j) of the Public Health Service Act is amended (1) by striking out "1978" and inserting instead "1981", and (2) by striking out "1979" and inserting instead "1981".

(b) Section 1305(d) of that Act is amended by striking out "1980" and inserting instead "1981".

(c) Section 1309(a) of that Act is amended (1) by striking out "and" after "1977,", and (2) by striking out everything after "1978" and inserting instead ", $23,910,000 for the fiscal year ending September 30, 1979, and such sums as may be necessary for the fiscal years ending September 30, 1980, and September 30, 1981.".

LIMITATIONS ON, AND EXCLUSIONS FROM, BASIC HEALTH SERVICES

SEC. 102. (a) The material in section 1301(b) of that Act preceding paragraph (1) is amended by striking out "other than those prescribed by or under this title" and inserting instead "(other than a limitation authorized by the Secretary that he finds will assist in the development of health maintenance organizations; and other than a limitation otherwise prescribed by or under this title)".

(b) Section 1302(1) of that Act is amended by inserting after the second sentence the following: "A health maintenance organization may, in specific circumstances, exclude from basic health services those services for which the Secretary authorizes an exclusion, if the Secretary finds that not including those services in those circumstances will assist in the development of health maintenance organizations.".

(c) The first sentence of section 1302(2) of that Act is amended (1) by striking out "and" at the end of clause (F), (2) by redesignating clause (G) as (H), and (3) by inserting after clause (F) the following:

"(G) services that the Secretary, under the material in section 1301(b) preceding paragraph (1), or under the third sentence in paragraph (1) of this section, has authorized to be excluded from basic health services; and"

LIMIT ON DIRECT CONTRACTING FOR SERVICES

SEC. 103. The antepenultimate sentence of section 1301(b)(3) of that Act is amended—

(1) by striking out everything before the third comma and inserting instead "A health maintenance organization may not, in any of its fiscal years, enter into contracts with

physicians or entities other than medical groups or individual practice associations if the amounts paid under such contracts for basic and supplemental health services provided by physicians exceed fifteen percent of the estimated total amount to be paid in such fiscal year by the health maintenance organization for basic and supplemental health services provided by physicians", and

(2) by inserting before the period ", and does not apply to a health maintenance organization during the forty-eight month period beginning with the month following the month in which the organization becomes a qualified health maintenance organization (within the meaning of section 1310(d))".

ADDITIONAL REQUIREMENTS FOR HEALTH MAINTENANCE ORGANIZATIONS

SEC. 104. (a) Section 1301(c)(11) of that Act is amended—

(1) by striking out the subclause designation

(2) by inserting "(E) major financial and other transactions among the health maintenance organization and related organizations (as defined by the Secretary)," after "members," in subclause (D).

(b) Section 1301(c) of that Act is amended—

(1) by striking out "and" at the end of clause (10),

(2) by striking out the period at the end of clause (11) and inserting instead "; and," and

(3) by adding after clause (1) the following:

"(12) provide the Secretary (A) in any case in which the health maintenance organization is related to another organization by common ownership or control, an annual consolidated financial statement, and, in all other cases, an annual financial statement, and (B) with respect to any major financial or other transaction between the health maintenance organization and a related organization (as defined by the Secretary), a certification that the terms of the transaction are at least as favorable to the health maintenance organization as they would have been if the transaction had occurred between the health maintenance organization and an entity not related to the health maintenance organization."

(c) This section is effective 180 days after the enactment of this Act.

REPEAL OF CERTAIN RESTRICTIONS

SEC. 105. (a)(1) Section 1303(c) of that Act is repealed.

(2) Section 1303(d) of that Act is amended—

(A) in paragraph (1), by striking out "paragraph (2)" and inserting instead "subsection (d)",

(B) by striking out "(d)(1)" and inserting instead "(c)",

(C) by striking out "(2)" and inserting instead "(d)", and

(D) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(b)(1) Section 1304(d) of that Act is repealed.

(2) Section 1304(c) of that Act is amended—

(A) in paragraphs (1) and (2), by redesignating clauses (A) and (B) as clauses (1) and (2), respectively,

(B) by repealing the paragraph designation "(1)", and

(C) by redesignating paragraph (2) as subsection (d).

(c) Section 1303(i) and 1304(k) of that Act are repealed, but any funds available for obligation under section 1303(i) or 1304(k) at the time of enactment of this Act shall remain available for obligation until the end of the fiscal year in which enactment of this Act occurs.

(d) Subsections (e) and (f) of section 1305 of that Act are repealed.

(e)(1) Section 1306(b) of that Act is amended (A) by repealing clause (2), (B) by renumbering clauses (3) through (8) as (2) through (7), and (C) by striking out "paragraph (3)" in the last sentence and inserting instead "paragraph (2)".

(2) The second sentence of section 1307(b) of that Act is amended by striking out "section 1306(b)(3)" and inserting instead "section 1306(b)(2)".

INCREASED SCOPE AND AMOUNT OF GRANTS, CONTRACTS, AND LOAN GUARANTEES FOR INITIAL DEVELOPMENT COSTS

SEC. 106. (a) Section 1304(b)(1) of that Act is amended by inserting "(including health maintenance organizations)" after "entities" each place it occurs.

(b) The first sentence of section 1304(b)(3) of that Act is amended by striking out "one-year" and inserting instead "three year".

(c) Section 1304(f)(2)(A) of that Act is amended to read as follows:

"(A) $2,000,000, and"

INCREASE IN LIMITS FOR LOANS AND LOAN GUARANTEES FOR INITIAL OPERATION COSTS

SEC. 107. Section 1305(b)(1) of that Act is amended (1) by striking out "$2,500,000" and inserting instead "$5.000,000", and (2) by striking out "$1,000,000" and inserting instead "$2,000,000".

LOANS AND LOAN GUARANTEES FOR THE CONSTRUCTION OF AMBULATORY HEALTH CARE FACILITIES

SEC. 108. (a)(1) Section 1305(b)(1) of that Act is amended by striking out 'this section" each place it occurs and inserting instead "subsection (a)".

(2) Section 1305(b)(2) of that Act is amended by inserting "or subsection (b)" after "subsection (a)".

(b) Subsections (b) through (d) of section 1305 of that Act are redesignated subsections (c) through (e).

(c) Section 1305 of that Act is amended by adding after subsection (a) the following:

"(b) The Secretary may—

"(1) make loans to public or private entities (including health maintenance organizations) to assist them in the acquisition, construction, or renovation of, or the purchase of equipment for, ambulatory health care facilities for health maintenance organizations, and

"(2) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to private entities (including health maintenance organizations) to assist them in the acquisition, construction, or renovation of, or the purchase of equipment for, ambulatory health care facilities for health maintenance organizations."

ADMINISTRATIVE LOCATION OF QUALIFICATION AND COMPLIANCE ACTIVITIES

SEC. 109. (a) Section 1310(h) of that Act is amended to read as follows:

"(h) The administration of the duties and functions of the Secretary, insofar as they involve making determinations as to whether an organization is a qualified health maintenance organization within the meaning of subsection (d), shall be integrated with the administration of section 1312."

(b) Section 1312(c) of that Act is repealed.

REPEAL OF LIMITATION ON SOURCE OF FUNDING FOR HEALTH MAINTENANCE ORGANIZATIONS

SEC. 110. Section 1313 of that Act is repealed.

HEALTH MAINTENANCE ORGANIZATIONS UNDER A STATE CERTIFICATE OF NEED PROGRAM

SEC. 111. (a) The second sentence of section 1523(a)(4) of the Act is amended by striking out "services, facilities, and organizations" each place it occurs and inserting instead "services and facilities".

(b) Section 1531(5) of that Act is amended by striking out "and health maintenance organizations" and "and organizations".

REVIEW OF FACILITIES, EQUIPMENT, AND SERVICES OF HEALTH MAINTENANCE ORGANIZATIONS

SEC. 112. (a) Section 1532(c) of that Act is amended—

(1) in the material preceding paragraph (1), by striking out "Criteria" and inserting instead "Except as provided in subsection (d), criteria",

(2) by striking out paragraph (8),

(3) by renumbering paragraph (9) as (8), and

(4) by striking out the last sentence.

(b) Section 1532 of that Act is amended by adding at the end the following:

"(d) Criteria required by subsection (a) for health systems agency and State agency review, in relation to the facilities, equipment, or services of health maintenance organizations (as defined in section 1301), shall include only those criteria specified by the Secretary, and shall be consistent with the standards and procedures established by the Secretary under section 1306(c)."

(c) This section is effective 180 days after the enactment of this Act.

TITLE II—AMENDMENTS TO TITLES XI AND XVIII OF THE SOCIAL SECURITY ACT

CAPITAL EXPENDITURES LIMITATION AS APPLIED TO HEALTH MAINTENANCE ORGANIZATIONS

SEC. 201. Section 1122 of the Social Security Act is amended—

(1) by striking out "or health maintenance organizations" each place it occurs,

(2) by striking out "or health maintenance organization" each place it occurs, and

(3) in subsection (d)(2), by striking out "or organization, or of any facility of such organization,".

ADMINISTRATIVE LOCATION OF MEDICARE HEALTH MAINTENANCE ORGANIZATION ACTIVITIES

SEC. 202. (a) Section 1876(b)(2)(A) of that Act is amended by striking out "and in the Office of the Assistant Secretary for Health".

(b) Section 1876(b)(2)(B) of that Act is amended by striking out "Commissioner of Social Security" and inserting instead "Administrator, Health Care Financing Administration".

REQUIREMENT UNDER MEDICARE FOR ENROLLMENT BY HEALTH MAINTENANCE ORGANIZATIONS OF INDIVIDUALS UNDER 65

SEC. 203. Section 1876(h)(2) of that Act is amended to read as follows:

"(2) Paragraph (1) shall not apply to a health maintenance organization—

"(A) that is a public health maintenance organization,

"(B) that has received a grant under section 330 of the Public Health Service Act in the current or preceding calendar year, or

"(C) to which the Secretary, for good cause shown, has granted a waiver from the application of paragraph (1)."

PAYMENTS TO HEALTH MAINTENANCE ORGANIZATIONS UNDER MEDICARE

SEC. 204. (a) Section 1876(a)(1) of that Act is amended—

(1) by striking out "and" at the end of clause (A),

(2) by striking out the period at the end of clause (B) and inserting instead ", and", and

(3) by adding at the end the following new clause:

"(C) for services provided under part A for individuals enrolled with such organization pursuant to subsection (e) who are entitled to hospital insurance benefits under part A but who are not enrolled for medical insurance benefits under part B."

(b) Section 1876(a)(2) of that Act is amended to read as follows:

"(2) The Secretary shall annually determine a per capita rate of payment for each health maintenance organization. The rate shall be equal to 95 percent of the adjusted average per capita cost. Each month the Secretary shall pay each such organization its rate, in advance, for each individual enrolled with it pursuant to subsection (e)."

(c) Section 1876(a)(3) of that Act is amended to read as follows:

"(3) The term 'adjusted average per capita cost' means the average per capita amount that the Secretary estimates (on the basis of actual experience, or retrospective actuarial equivalent based upon an adequate sample and other information and data, in the geographic area served by a health maintenance organization or in a similar area, with appropriate adjustments to assure actuarial equivalence) would be payable in any contract year for services covered under this title and types of expenses otherwise reimbursable under this title (including administrative costs incurred by organizations described in sections 1816 and 1842) if such services were to be furnished by other than a health maintenance organization."

(d) The first sentence of section 1876(a)(4) of that Act is amended by striking out "subparagraph" and inserting instead "subsection".

(e) Section 1876(b)(1) of the Act is amended—

(1) in clause (A), by (A) inserting "part A or" before "part B", and (B) by striking out "subparagraph (A) or (B)" and inserting instead "subparagraph (A), (B), or (C)", and

(2) in clause (C), by (A) inserting "and" at the end of subclause (i), (B) striking out subclause (ii), and (C) redesignating subclause (iii) as (ii).

(f) Section 1876(c) of that Act is amended—

(1) in the material preceding clause (1), by (A) striking out "risk sharing", and (B) striking out "subsection (i)(2)(A)" and inserting instead "subsection (i)", and

(2) in clause (2), by—

(A) inserting "and in the case of an individual who is entitled to hospital insurance benefits under part A but who is not enrolled for medical insurance benefits under part B," after "part B,", and

(B) inserting "or section 1812, respectively" before the period.

(g) Section 1876(e) of that Act is amended to read as follows:

"(e) An individual may enroll with a health maintenance organization under this section as may be prescribed in regulations, and may terminate his enrollment with a health maintenance organization as of the beginning of the first calendar month following a full calendar month after he has requested termination."

(h) Section 1876(g)(1) of that Act is amended by inserting "the applicable clause of" before "subsection (c)".

(i) Section 1876(g)(2) of that Act is amended to read as follows:

"(2) If the health maintenance organization provides to its enrollees under this section services in addition to those described in the applicable clause of subsection (c), the portion of its premium rate or other charges for the services described in the applicable clause of subsection (c) shall not exceed the actuarial value of the deductible and coinsurance which would otherwise be applicable to such enrollees under part A and part B if they were not enrolled under this section, the portion of its rate or other charges for other services described in subsection (c) shall not exceed the adjusted community rate (as defined in subsection (i)(2)(B), but without adjustment for any deductible or coinsurance) for those services, and the remaining portion of its premium rate or other charges shall not exceed what that portion of the rate or other charges would be if the enrollees were not entitled to hospital insurance benefits under part A or enrolled for medical insurance benefits under part B."

(j) Section 1876(i)(1) of that Act is amended to read as follows—

"(i)(1) The Secretary is authorized to enter into a contract with any health maintenance organization which undertakes to provide the benefits described in subsection (c) to individuals enrolled with such organization pursuant to subsection (e)."

(k) Section 1876(i)(2) of that Act is amended to read as follows:

"(2)(A) The contract shall provide that, if the adjusted community rate for an individual enrolled with the organization pursuant to subsection (e) is less than 95 percent of the adjusted average per capita cost (as defined in subsection (a)(3)), further adjusted to reflect the individual's enrollment under part A, part B, or both parts A and B, the health maintenance organization shall provide to the individual reduced charges, additional services, or some combination of reduced charges and additional services, that the Secretary finds are at least equal in value to the difference between 95 percent of the adjusted average per capita cost, as so further adjusted, and the adjusted community rate.

"(B) The term 'adjusted community rate' means the rate of payment which the Secretary estimates would apply to an individual enrolled with a health maintenance organization pursuant to subsection (e) for the benefits described in the applicable clause of subsection (c) if the rate of payment were determined under a 'community rating system' (as defined in section 1302(8) of the Public Health Service Act, other than subparagraph (C)), but adjusted for the applicable deductible and coinsurance under parts A and B and for characteristics of the population eligible for benefits under those parts."

(l) Section 1876(i)(6) is amended (1) by inserting "and" at the end of clause (A), (2) by striking out clause (B), and (3) by redesignating clause (C) as (B).

(m) Paragraph (3) of section 1876(i) of that Act is repealed, and clauses (4) through (6) are renumbered as clauses (3) through (5).

(n) Section 1876 of that Act is amended by adding at the end the following new subsection:

"(l) If an individual is enrolled pursuant to subsection (e) with a health maintenance organization with which the Secretary has entered into a contract under this section, neither the individual nor any other person or entity (except for the health maintenance organization) shall be entitled to receive payments from the Secretary under this title for services furnished to the individual."

(o) Section 1833(a)(1)(A) of that Act is amended by inserting "(other than a health maintenance organization as defined in section 1301 of the Public Health Service Act)" after "organization" the first place it occurs.

(p) The amendments made by this section shall apply with respect to services furnished on or after the first day of the twenty-fifth calendar month which begins after the date of enactment of this Act, or earlier with respect to any health maintenance organization if the Secretary and the organization so request, but shall not apply, with respect to services furnished by a health maintenance organization to any individual who is enrolled pursuant to section 1876(e) of the Social Security Act with that organization and at the time the organization first enters into a contract subject to the amendments made by this section, unless the individual requests determines at any time that the amendments should apply to all members of the health maintenance organization because of administrative costs or other administrative burdens involved and so informs in advance each affected member of the health maintenance organization.

HEALTH MAINTENANCE ORGANIZATION PARTICIPATION IN MEDICAID

SEC. 303. (a) Section 1902(a) of that Act is amended—

(1) by striking out "and" at the end of paragraph (39),

(2) by striking out the period at the end of paragraph (40) and inserting instead "; and", and

(3) by adding after paragraph (40) the following new paragraph:

"(41) provide that the State will enter into a provider agreement with any health maintenence organization which requests such an agreement under which the State will make payments to the health maintenance organization for services and benefits covered under the State plan and provided by the health maintenance organization to any individual eligible for benefits under the State plan who chooses to enroll with, and is accepted for enrollment by, the health maintenance organization."

(b) Section 1903(m) of that Act is amended by striking out the first word and inserting instead "For purposes of this title, the".

(c)(1) The amendments made by this section shall (except as otherwise provided in paragraph (2)) apply to medical assistance provided, under a State plan approved under title XIX of that Act, on and after the first day of the first calendar quarter that begins more than six months after the date of enactment of this Act.

(2) In the case of a State plan for medical assistance under title XIX of that Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

PAYMENTS TO HEALTH MAINTENANCE ORGANIZATIONS UNDER MEDICAID

SEC. 304. (a) Section 1903(m) of that Act is amended by adding at the end the following new paragraph:

"(4)(A) No payment may be made under this title to a State with respect to expenditures incurred by it for payment for services provided by a health maintenance organization, unless payment by the State for services was made pursuant to a provider agreement between the State and the health maintenance organization that meets the requirement of subparagraph (B).

"(B) The agreement referred to in subparagraph (A) shall contain the following terms:

"(i) The Secretary shall annually determine a per capita rate of payment for each health maintenance organization with which a State has contracted. The rate shall be equal to 95 percent of the adjusted average per capita cost. Each month the State shall pay each such organization its rate, in advance, for each individual enrolled with the organization who is eligible for benefits under the State plan. The term 'adjusted average per capita cost' means the average per capita amount that the Secretary estimates (on the basis of actual experience, or retrospective actuarial equivalent based upon an adequate sample and other information

and data, in the geographic area served by a health maintenance organization or in a similar area, with appropriate adjustments to assure actuarial equivalence) would be payable in any agreement year for services and benefits covered under the State plan and types of expenses otherwise reimbursable under the State plan if such services and benefits were to be provided by other than a health maintenance organization.

"(ii) The health maintenance organization shall provide to, or arrange to have provided to, each individual enrolled with the organization who is eligible for benefits under the State plan the services and benefits covered under the State plan.

"(iii) An individual may terminate enrollment with a health maintenance organization as of the beginning of the first calendar month following a full calendar month after he has requested termination.

"(iv) If the adjusted community rate for an individual enrolled with the organization who is eligible for benefits under the State plan is less than 95 percent of the adjusted average per capita cost (as defined in clause (i)), the health maintenance organization shall provide to the individual additional services or benefits that the State and the organization have agreed upon and that the Secretary finds are at least equal in value to the difference between 95 percent of the adjusted average per capita cost and the adjusted community rate. The term 'adjusted community rate' means the rate of payment which the Secretary estimates would apply to an individual enrolled with a health maintenance organization who is eligible for benefits under the State plan if the rate of payment were determined under a 'community rating system' (as defined in section 1302(8) of the Public Health Service Act, other than subparagraph (C)), but adjusted for characteristics of the population eligible for benefits under the State plan.

"(v) Such additional terms as the State and the health maintenance organization may agree upon, except such terms the Secretary finds will impede the development of health maintenance organizations."

(b) The amendments made by this section shall apply to medical assistance provided, under a State plan approved under title XIX of that Act, on or after the first day of the first calendar quarter that begins more than twenty-four months after the date of enactment of this Act.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration by the Congress is a draft bill "To amend provisions of law concerned with health maintenance organizations".

Health maintenance organizations (HMOs) offer a method of providing health care of high quality at costs below those associated with the traditional fee-for-service health delivery system. HMOs have demonstrated the capacity to reduce hospitalization by at least 40 percent and to emphasize preventive health care. This Administration is committed to assisting the development of this important component of our health care delivery system.

The enclosed draft bill recognizes the responsibility of the Federal Government to assist in the development of HMOs on a continuing, rather than demonstration, basis. The draft bill would extend the authorizations for the HMO program through fiscal year 1981, at the level of $23,910,000 for grants and contracts for fiscal year 1979, and "such sums as may be necessary" for the following two fiscal years. The bill would make a number of amendments to provisions of law governing the HMO program so as to increase the efficiency and flexibility of the program. The draft bill would also assist in encouraging further utilization of HMOs under Medicare and Medicaid, primarily by changing the reimbursement mechanism under those programs to a prospective one.

Estimates of additional federal outlays and savings for ten years under the Medicare and Medicaid provisions of the bill are presented at Tab A; a summary of the draft bill appears at Tab B.

We urge the Congress to give the draft bill its prompt and favorable consideration.

We are advised by the Office of Management and Budget that enactment of the draft bill would be in accord with the program of the President.

Sincerely,

JOSEPH A. CALIFANO, Jr.,
Secretary.

TAB A

Estimates of Additional Federal Outlays and Savings Under the Medicare and Medicaid Provisions of the "Health Maintenance Organization Amendments of 1978"

[Figures are in millions of dollars. Savings are indicated in parentheses]

FY	*Medicare*	*Medicaid*	*Total*
1979	5	0	5
1980	10	5	15
1981	20	5	25
1982	15	5	20
1983	15	0	15
1984	5	0	5
1985	(10)	(5)	(15)
1986	(20)	(10)	(30)
1987	(40)	(15)	(55)
1988	(60)	(25)	(85)

TAB B.—SUMMARY OF DRAFT BILL

TITLE I

Section 101 would authorize appropriations, loans, and loan guarantees through fiscal year 1981. $23,910,000 would be authorized for grants and contracts for fiscal year 1979, and "such sums as may be necessary" for the following two fiscal years.

Section 102 would permit the Secretary of Health, Education, and Welfare to authorize exclusions from, and limitations on, HMO basic health services, if the Secretary found that an exclusion or limitation would assist in the development of HMOs. This provision would enable HMOs to exclude services for which private insurers usually do not provide coverage, such as services in the event of war.

Section 103 would allow a new HMO four years to phase down to 15 percent or less the portion of its physician services provided by individual physicians through contracts with the HMO, and would change the computation of the limitation by referring to physicians both in terms of funds expended through individual contracts and total funds expended for services; at present the computation refers to health professionals in terms of funds expended through individual contracts, but to physicians in terms of total funds expended.

Section 104 would require HMOs to provide information on major transactions with related organizations, to provide an annual financial statement (a consolidated financial statement if an HMO and another organization were under common ownership or control), and to certify that major transactions with related organizations were as favorable to the HMO as they would have been if conducted with an unrelated organization.

Section 105 would repeal certain restrictions, in relation to grants, contracts, loans, and loan guarantees, concerning set-asides or priorities for projects serving medically underserved or nonmetropolitan populations, and would eliminate the requirement that assistance could be provided only if the applicant could show that it could not accomplish a project without the assistance.

Section 106 would permit funds for initial development costs to be provided to entities which had already met the statutory requirements of a health maintenance organization, would extend from one to three years the costs which could be covered by the funds and would increase the maximum amount permitted for a particular applicant from $1,000,000 to $2,000,000.

Section 107 would increase the limit on a loan or loan guarantee to a particular HMO for initial operation costs from $2,500,000 to $5,000,000, and would increase the amount which could be annually disbursed to the HMO from $1,000,000 to $2,000,000.

Section 108 would authorize loans and loan guarantees to public and private entities for the acquisition, construction, renovation, or purchase of equipment for, ambulatory care facilities for HMOs.

Section 109 would repeal the requirement that qualification and compliance activities be conducted in the Office of the Assistant Secretary for Health.

Section 110 would repeal the prohibition against using funds appropriated under the Public Health Service Act (other than under the HMO title) for projects involving HMOs.

Section 111 would eliminate the requirement that State certificate of need programs determine the need for the establishment of health maintenance organizations.

Section 112 would require health systems agencies and State health planning and development agencies, in reviewing the facilities, equipment, or services of HMOs, to utilize only those criteria specified by the Secretary.

TITLE II

Section 201 would remove health maintenance organizations as such from the purview of the capital expenditures limitation under the Medicare, Medicaid, and Maternal and Child Health programs.

Section 202 would delete the requirement that determinations as to whether an entity is a health maintenance organization for Medicare purposes be made within the Office of the Assistant Secretary for Health, and would transfer the exercise of other functions from the Commissioner of Social Security to the Administrator, Health Care Financing Administration.

Section 203 would permit an HMO to have more than 50 percent of its membership over the age of 65 if the HMO is a public HMO, receives funding under the Community Health Centers program, or is granted a waiver by the Secretary.

Section 204 would replace the present provisions of law under which an HMO may contract for Medicare reimbursement on either a cost or a risk basis; the existing risk basis reimbursement authority has not been acceptable to HMOs and has been used only once. Under the new method, HMOs would be paid, on a prospective basis, 95 percent of the amount the Secretary estimates would be paid on the average for Medicare services furnished by entities other than HMOs. The Secretary would also estimate the amount that the HMO would charge its Medicare members if the HMO billed them on the basis of a community rate, adjusted for characteristics of the Medicare population, such as age and sex ratio. If that amount were lower than the Medicare reimbursement rate, the HMO would have to return the difference to its members through some combination of extra services or reduced premiums. Members of an HMO could not receive Medicare payments for services not furnished by or through the HMO. This new reimbursement method would not take effect

for two years, unless the Secretary and a particular HMO both agreed to utilize it earlier. In addition, Medicare beneficiaries enrolled in an HMO at the time the new method was first applied to the HMO could continue under the present method if they so wished. The Secretary, however, could, because of administrative costs or other administrative burdens involved, require the new method to apply to all members of a particular HMO.

TITLE III

Section 301 would delete the requirement that determinations as to whether an entity is a health maintenance organization for Medicaid purposes be made within the Office of the Assistant Secretary for Health.

Section 302 would permit an HMO to have more than 50 percent of its membership as Medicare or Medicaid recipients if the HMO is a public HMO, receives funding under the Community Health Centers program, or is granted a waiver by the Secretary of Health, Education, and Welfare.

Section 303 would require a State to enter into a provider agreement with any health maintenance organization which requests such an agreement.

Section 304 would require State provider agreements with HMOs to contain certain terms. A State would pay HMOs, on a prospective basis, 95 percent of the amount the Secretary estimates the State would pay on the average for Medicaid services furnished by entities other than HMOs. The Secretary would also estimate the amount that the HMO would charge its Medicaid members if the HMO billed them on the basis of a community rate, adjusted for characteristics of the Medicaid population, such as age and sex ratio. If that amount were lower than the Medicaid payment rate, the HMO would have to return the difference to its members through extra services upon which the HMO and the State agreed. This reimbursement method would not be required until two years after enactment of the draft bill.

● Mr. SCHWEIKER. Mr. President, as the ranking Republican on the Senate Subcommittee on Health and Scientific Research, I am pleased to join with our distinguished chairman, Senator KENNEDY, in introducing, by request, the administration's proposals for amending Federal laws concerning health maintenance organizations.

On February 10, we introduced S. 2534, the Schweiker-Kennedy Health Maintenance Organization Act Amendments of 1978, declaring our commitment to moving the Federal HMO program from an experimental demonstration project to a permanent health care reform. I am delighted that the Department of Health, Education, and Welfare shares that commitment and is placing such a high priority on upgrading and revitalizing the administration of this important program. The Department's recommendations will be of great value in our subcommittee's efforts to formulate a more workable HMO law.

Mr. President, we worked closely with the administration in writing the Schweiker-Kennedy bill, which has much in common with the administration bill introduced today. There are a number of differences between the two measures, however, most noticeably is the inclusion in the administration's bill of provisions to revise the medicare and medicaid laws concerning HMO's.

When S. 2534 was introduced, I stated my desire to work with the Senate Finance Committee in an effort to find mutually agreeable methods for increasing HMO participation in medicare and medicaid, and I invited suggestions on what revisions might be most desirable. I continue to believe that such revisions are extremely important to the ultimate success of the HMO concept. In consultation with our colleagues on the Finance Committee, I will study these and the other administration proposals with great care. While I have reservations about a number of provisions contained in this measure, it is an important and laudable contribution to a full discussion of the issues; and I am happy to join in presenting it to the Senate for further deliberation.●

By Mr. PROXMIRE:

S.J. Res. 116. A joint resolution to declare June 4 through 10, 1978, to be "National Neighborhood Week"; to the Committee on the Judiciary.

(The remarks of Mr. PROXMIRE when he introduced the joint resolution appear in today's proceedings.)

ADDITIONAL COSPONSORS

S. 856

At the request of Mr. STONE, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 856, the renter's tax deduction bill.

S. 1882

At the request of Mr. GLENN, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1882, the Arson Control Assistance Act.

S. 2187

At the request of Mr. JACKSON, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 2187, a bill to authorize the Secretary of the Interior to construct hydroelectric powerplants at various existing water projects, and for other purposes.

S. 2400

At the request of Mr. BAYH, the Senator from New York (Mr. JAVITS), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. BUMPERS), the Senator from Massachusetts (Mr. BROOKE), the Senators from South Dakota (Mr. MCGOVERN and Mr. ABOUREZK), the Senator from Michigan (Mr. RIEGLE), the Senators from California (Mr. CRANSTON and Mr. HAYAKAWA), the Senators from New Hampshire (Mr. MCINTYRE and Mr. DURKIN), the Senator from MISSOURI (Mr. EAGLETON), the Senator from North Dakota (Mr. YOUNG), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Oregon (Mr. PACKWOOD) were added as cosponsors of S. 2400, a bill to establish a National Alcohol Fuels Commission.

S. 2462

At the request of Mr. DOLE, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2462, a bill to permit a limited individual retirement deduction to individuals who are participating in retirement plans.

S. 2557

At the request of Mr. HUDDLESTON, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 2557, the Emergency Transportation Act of 1977.

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. GLENN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Concurrent Resolution 66, a resolution relating to disapproval of import relief to domestic producers of nuts, bolts, and large screws.

SENATE RESOLUTION 411—SUBMISSION OF A RESOLUTION RELATING TO DEPOSITS TO MINORITY OWNED COMMERCIAL BANKS

Mr. LUGAR (for himself, Mr. BROOKE, Mr. MCINTYRE, Mr. PROXMIRE, Mr. RIEGLE, Mr. SCHMITT, and Mr. TOWER) submitted the following resolution, which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 411

Whereas, certain commercial banks are owned or controlled by minority Americans;

Whereas, these commercial banks, by assuring the availability of and accessibility to credit at a reasonable cost to all creditworthy persons, including blacks, Hispanic-Americans and other minorities, have contributed in a significant way to the economic health and development of the communities which they serve;

Whereas, in an attempt to assist and encourage these institutions, moneys of the federal government have been deposited with them, pursuant to the minority bank deposit program initiated in 1970, in order to provide a stable source of funds;

Whereas, federal departments and agencies have available to them pursuant to Treasury Department policy a variety of cash management procedures;

Whereas, several federal departments and agencies have implemented cash management procedures whereby commercial banks must engage in competitive bidding for federal government deposits, thereby ignoring as a factor the important role played by minority banks;

Whereas, as a result of these procedures deposits in minority banks have not increased over the level reached in January, 1977; and

Whereas, the President of the United States has urged all federal departments and agencies, within the constraints of good cash management, to make efforts to channel a larger volume of deposits into minority-owned commercial banks: Now, therefore, be it

Resolved, that it is the sense of the Senate that

1. All federal departments and agencies should make every possible effort to channel additional funds under their control or administered through their departments or agencies into these financial institutions.

2. In determining which deposits shall be channeled into these financial institutions, federal agencies and departments shall consider the vital role these institutions play in their communities consistent with the application of good cash management policies.

● Mr. LUGAR. Mr. President, today I submit along with Senators BROOKE, MCINTYRE, PROXMIRE, RIEGLE, SCHMITT, and TOWER a resolution expressing the sense of the Senate that further efforts be made by Federal departments and agencies to channel additional deposits within their control to minority owned commercial banks.

In 1970, the Treasury Department initiated a minority bank deposit program

in an attempt to assist and encourage commercial banks which have been established with the active participation of minority representatives. This program directed significant deposits of Federal moneys to these institutions in order to provide them with a stable source of funds. The minority bank deposit program recognized the financial needs of the institutions involved as well as the vital function they serve in their communities by making credit available and accessible at a reasonable cost to all creditworthy persons including blacks, Hispanic-Americans, and other minorities.

The Treasury Department is national in scope with participants from every area of the country. A common denominator among the banks involved, however, is their relative lack of stable financial resources. This characteristic results in an inability to meet the full financial needs of the communities they serve.

State and local governments often are quick to recognize that minority banks are a vital community asset and, therefore, they have initiated programs to direct public deposits to those institutions. As mayor of Indianapolis, I developed a program whereby city deposits were channeled into local commercial banks which had active participation by minority individuals as investors and managers. This program proved to be successful both for the institutions involved and the community.

Mr. President, I introduce this resolution as a result of the recent leveling off of Federal deposits in these commercial banks. Treasury Department policy permits the 24 Federal departments and agencies that deposit Federal funds in commercial bank accounts to elect from a variety of cash management procedures. Several departments and agencies have implemented cash management procedures whereby commercial banks must engage in competitive bidding for Federal Government deposits, thereby ignoring as a factor the important role played by minority banks.

U.S. Treasury Department figures demonstrate a relatively consistent increase in total minority bank deposits from June 30, 1972, through December 31, 1976, at which time the deposits reached $102.1 million. Minority bank deposits decreased by March 31, 1977, to $96.9 million and increased by September 30, 1977, to $105 million.

Federal minority bank deposits

Total minority bank deposits:	
June 30, 1972	$84.0
June 30, 1973	86.6
June 30, 1974	74.0
June 30, 1975	72.3
June 30, 1976	89.2
Sept. 30, 1976	86.6
Dec. 31, 1976	102.1
March 31, 1977	96.9
Sept. 30, 1977	105.0

1. All figures in millions.
2. Figures for quarter ending date listed.

SOURCES.—U.S. Dept. of Treasury.

Medicare accounts represent a significant portion of the Federal deposits in the minority institutions. In June 1975, 13 minority banks held medicare funds. This number dropped to three by the end of 1977.

Twenty-four Federal departments and agencies deposit funds in local commercial banks. Approximately one-half of all Federal moneys in minority banks have been deposited by the Department of Housing and Urban Development. I believe Secretary Harris deserves special commendation for her efforts in furtherance of this important program.

The intent of this resolution is to alter the recent trend so that Federal deposits continue to build in these institutions. The resolution encourages all Federal departments and agencies to make every effort to channel additional deposits under their control or administration into minority institutions. The resolution states that in determining where Federal deposits are placed, agencies and departments must give consideration to the role these institutions play in their respective communities and how that role can be fostered through additional stable financial resources, when applying good cash management policies.

● Mr. PROXMIRE. Mr. President, I am delighted to join with the distinguished Senator from Indiana, Mr. LUGAR, in cosponsoring the resolution he is introducing today. This resolution is aimed at spurring additional efforts by Federal departments and agencies to increase Government deposits in minority banks. As chairman of the Committee on Banking, Housing, and Urban Affairs, I believe it is most important to lend full support to the growth of minority banks, and I commend the Senator from Indiana, who is a member of the committee, for his efforts in this regard.

The minority bank deposit program was initiated in 1970 for the purpose of stimulating the growth of minority owned and operated commercial banks. These banks render vital services to their communities, and thus it is in the interest of the Federal Government to expand their ability to provide those services through measures designed to increase their deposit base. In addition, these institutions offer employment and training opportunities to minority group members who have previously been largely excluded from managerial jobs in the financial community.

Last April, President Carter called for a larger commitment to the minority bank deposit program on the part of the departments and agencies of the Federal Government. Some departments have responded well. I am pleased to note that the Department of Housing and Urban Development, whose programs come under the jurisdiction of the Banking Committee, is responsible for about half of all Federal deposits in minority banks. Unfortunately, other departments have not done as well, for various reasons. The overall result is that there has been no significant growth in Federal deposits in minority banks in the year which has elapsed since the President launched his initiative.

I understand that this situation is due in part to certain cash management procedures recently adopted by some Federal agencies which make it more difficult for minority banks to receive Federal deposits. While I certainly would not advocate that Federal agencies follow unwise cash management policies, that is not the issue here. I believe it is perfectly reasonable for Federal agencies to take into account such factors as a bank's record of investments in and service to its community in establishing its policies with regard to channeling deposits into private financial institutions. The Banking Committee made special allowances for minority banks in its deliberations on the Treasury tax and loan accounts legislation, Public Law 95–147. I think it is similarly appropriate to give special consideration to these institutions in channeling the deposits of Federal agencies, to the extent that this is consistent with good cash management policies.●

AMENDMENTS SUBMITTED FOR PRINTING

PANAMA CANAL TREATIES—EX. N, 95–1

AMENDMENT NO. 63

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

AMENDMENT NO. 64

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources will hold a hearing on the subject of the price differential between leaded regular and unleaded gasoline. The hearing will be on Thursday, March 23, 1978, at 10 a.m., in room 3110, Dirksen Senate Office Building.

The purpose of the hearing is to examine the reasons for this price differential which sometimes amounts to several cents at the pump.

The committee has asked for testimony from the Department of Energy and the Environmental Protection Agency. The National Petroleum Refiners Association will also testify.

If anyone has any questions, they may wish to call R. D. Folsom, counsel, at 224–0611.

ADDITIONAL STATEMENTS

RHODESIAN SETTLEMENT

● Mr. CASE. Mr. President, there are disturbing reports in the press that some of the African nations at the United Nations are attempting to push through a resolution condemning the agreement signed in Rhodesia last Friday between three black leaders and Prime Minister Smith.

I am deeply concerned that bloodshed

is likely to be increased, not halted, in Rhodesia if the United Nations and key African states reject out of hand the settlement reached in Salisbury to facilitate a transfer to black majority rule.

It is not unexpected that the leaders of the Patriotic Front, outside Rhodesia, would vow to fight the settlement negotiated by the black African leaders inside Rhodesia. Such a reaction is regrettable, although understandable.

But what would be less understandable in the eyes of many including those such as myself who supported reimposing the sanctions against Rhodesian chrome imports, is an automatic and flat rejection of the settlement by countries outside Rhodesia—or by their delegates to the United Nations. Even before full details were available there was a reported effort to pass a United Nations resolution against the settlement.

Such a move, if successful, would appear to give legitimacy to those who contend change can come only from the barrel of a gun, despite the evidence of progress in a negotiated transition in Rhodesia.

It is Africans who will be hurt the most if neighboring and other outside countries try to impose one faction upon another and allow what started as an effort to end white minority government to turn into a raw power struggle between different African leaders.

And it is the Africans in neighboring countries who may also suffer if the continuation of the conflict is exploited by the Russians and Cubans for their own purposes. Not only could their countries be hurt by being drawn into a possible whirlpool of fighting but their own economic development is likely to be hindered by the impact on foreign aid programs, investment, and training.

The United Nations could play a far more useful role by encouraging the leaders of the Patriotic Front who wish to join in peace talks to do so, instead of letting itself be used as a forum for telling the Africans of Rhodesia who their new leaders should be.

Those who believe in the slogan of "Africa for the Africans" should let the black Rhodesians work out their own solution with the Smith government.●

WIND ENERGY

● Mr. HART. Mr. President, as we review the Department of Energy's proposed budget in the weeks ahead, we will be examining a number of programs designed to reduce our dependence on foreign oil and natural gas. Deserving special attention is the Federal wind energy program.

Wind supplied much of rural America with its only source of electricity before Federal rural electrification programs in the 1930's. Unlike many of the alternate energy sources currently under study, wind energy can make a substantial contribution to our national energy supply within the next few years. It can do so only with the commitment of the Federal Government in cooperation with private industry.

A recent article published in the February 20 Newsweek magazine points out that we could save millions of dollars in import bills if just 1 percent of the Nation's energy could be supplied by the wind—a conservative estimate in the view of many wind enthusiasts. Further, wind generators could provide a major export market for the United States.

Mr. President, so that all Senators might have a chance to learn of the latest development in capturing the wind's energy, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POWER IN THE WIND

On a windswept plain at the edge of the remote hamlet of Clayton, N.M., a brand-new orange, white and blue windmill is more than a local curiosity. Whenever the wind speed exceeds 8 mph, the machine's two 63-foot blades start to rotate—and feed enough electricity into the local power grid to supply 60 of the town's 1,300 homes. "We have wind practically always," says City Manager Robert O. Johnston. "We figure that the windmill will be producing 90 per cent of the time."

A joint project of the Department of Energy and the National Aeronautics and Space Administration, the Clayton windmill is just the first in a promising line of wind machines to be built in U.S. towns.

Devices similar to the 200-kilowatt Clayton generator, which cost $1 million and began operating last month, will soon start up on Block Island, R.I., and Culebra Island in Puerto Rico. And in late 1978, the largest wind machine yet developed, a 2,000-kilowatt generator with 100-foot-long blades, will go on stream near Boone, S.C. By 2000, reckon some optimistic experts, windmills could supply as much as 10 percent of U.S. electric energy needs.

Wind technology is hardly free of problems. For one thing, the looming turbine towers can interfere with television reception. More important, electricity from even the largest wind turbines now in action costs more than three times as much as that generated from oil. But according to the DOE's Louis Divone, "early studies show that costs should come down as the size of the wind machine goes up."

A DEAL

Wind, of course, can also be capricious. So utilities that invest in wind turbines will have to provide spare power capacity to handle the slack when the wind dies. But this difficulty should be minimized by picking the proper site. "If you can find a place where the wind blows at 17 mph for 80 per cent of the time, you've got a deal," says Deputy Secretary of Energy John F. O'Leary. As a further safeguard, some projects are being specifically designed to link up with existing power resources. For example, the Interior Department's Bureau of Reclamation is studying plans for a cluster of 50 2,000-kilowatt wind turbines near Medicine Bow, Wyo., to complement hydroelectric power generated by six Colorado River dams.

Clearly, the Federal government sees enormous potential in harnessing the wind. Not only is wind power free of pollution, but, as oil prices rise, it promises hefty economic benefits. If the wind provides just 1 percent of the nation's energy, it could reduce import bills by millions of dollars What's more, wind generators could open up a major export market for U.S. technology—especially in underdeveloped countries, where such machines wouldn't be competing against well-established power grids.●

WATERWAY USER CHARGES: THE HOUSTON POST TALKS OF THE COMMONSENSE OF THE DOMENICI APPROACH

● Mr. STAFFORD. Mr. President, the Houston Post recently carried an editorial stating that newspaper's strong support for the Senate-passed language on waterway user charges. This opinion carries particular significance, I believe, in light of the role of Houston as a major port of our Nation.

Mr. President, I commend the Post on its views, and ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Houston Post, Feb. 19, 1978]

SHARING COSTS

Water freight is the cheapest in the land. It should be. Tax money supports water shipping at the rate of $400 million a year. But the barges using the rivers and waterways move free of charge. They have no expenses for construction or maintenance of the 15,000 miles of waterway they use. The Army Corps of Engineers provides both. A year ago Congress agreed to stop paying the bills for the inland waterways out of general tax revenue. It is now considering legislation, supported by the White House, that would levy charges on waterway users. The debate is over what form the charge should take.

The free use of the waterways has given water shippers an advantage over competing railroads. Even freight that might be more efficiently shipped by rail is often routed by water to gain the cheaper rates. Washington pays about 29 percent of the cost of operating barges, but only 6 percent of railroad costs. The amply supplied budget throughout the years has led to a certain untrammeled spirit in both the Corps of Engineers and river users in urging on Congress expansions and new construction of locks and other river facilities.

Tremendously expensive projects have been planned and carried out on somewhat sketchy cost-benefit evidence. For example, a decade ago the Corps of Engineers expected the Tenn-Tom waterway linking the Tennessee River to Mobile Bay to cost $300 million. It is now expected to cost $1.6 billion and cannot hope to pay off.

The Senate and House have taken two quite different approaches to levying a user fee. The House bill, which is supported by barge operators, is scarcely more than a token gesture. It calls for a 6-cent-per-gallon tax on fuel sold on the waterways. This tax would offset only 10 percent—possibly 15 percent—of the annual cost of construction and operation. The Senate bill, backed by the White House, is more realistic. It rests on the premise that barge operators should pay fees tied to the cost of the facilities they use. The feeling is that waterway users would be less inclined to push for costly expansion and improvements if they knew that part of the cost would be passed on to them. Sen. Pete Domenici, R-N.M., has drafted a bill that would impose fees or tolls for the use of such river facilities as locks.

The Senate bill would generate enough revenue in the long run to cover a substantial part of the government's expenses. Barge operators point out that this would greatly raise the cost to shippers and would drive some shippers from waterways to railroads. But after all these years of special privilege, the barge operators can justly be asked to take their share of the total burden of transportation costs. Evening the balance

would lower the total cost of hauling freight around the country, and give some of the millions of tons of coal, grain and chemicals to the railroads to haul. This would be a life-saver for financially distressed railroads in the Mississippi River Valley.

The two bills will go into conference and the final legislation will take a compromise form. But Congress should keep in mind the underlying common sense of the Senate version.●

AIRLINE SERVICE TO INTERMEDIATE CITIES

● Mr. McGOVERN. Mr. President, one of the serious problems faced by regional airlines in the United States is to find an acceptable replacement for their turboprop equipment that is rapidly becoming functionally obsolete.

For example, one of the principal air carriers in my State of South Dakota, North Central Airlines, is planning to phase out its Convair 580 aircraft by 1985.

The U.S. airframe industry does not have—nor do they plan to have—any suitable replacement.

In the meantime, foreign airframe manufacturers are stepping into that equipment gap with such products as the Canadian De Havilland Company's four engine turboprop 50-passenger Dash-7 and Germany's VFW-Fokker full jet 44-passenger VFW–614.

U.S. domestic carriers are understandably reluctant to buy foreign equipment. However, with the lack of domestically produced aircraft of this type, regional carriers will be forced by equipment circumstances to reduce service to smaller communities and work toward larger routes to accommodate their larger capacity equipment.

Those who support airline deregulation are using this equipment shortfall as one of the supportive arguments for the adoption of S. 2493, the Air Transportation Regulatory Reform Act of 1978.

I personally believe that there is a sufficient market for intermediate jet aircraft in the U.S. airline industry. Certainly foreign manufacturers feel that such a market exists and will expand.

Over the past few months, I have been exchanging views on this matter with Secretary Adams of the U.S. Department of Transportation. I ask unanimous consent that the most recent report on the situation from the Secretary be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., February 28, 1978.

Hon. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: Thank you for your letter concerning the availability of intermediate sized aircraft to provide service to smaller communities when aviation regulatory reform legislation is enacted.

As I indicated in my letter of November 30, American aircraft manufacturers produce a wide variety of aircraft larger than 75 seats and smaller than 20 seats, but have not chosen to do so in the intermediate-sized range. This void exists primarily because the U.S. market for intermediate-sized aircraft has not been large enough to provide sufficient incentive for American manufacturers to develop those aircraft. The small market has been caused, in part, by existing regulatory restrictions under which commuter carriers are prohibited from operating intermediate-sized aircraft. In addition, certificated carriers have acquired larger aircraft to modernize and increase their fleet capacity.

The regulatory restriction that would be modified by the proposed regulatory reform legislation is found in Part 298 of the CAB regulations (14 C.F.R. 298). Part 298 exempts air taxi operators, which includes commuter carriers, from many requirements placed on certificated carriers; but the exemption is limited to those aircraft capable of carrying 30 passengers or less, or which have a maximum payload capacity of not more than 7,500 pounds. Both the House and Senate regulatory reform proposals would permit increased seating capacity for commuter carriers without the need to comply with the costly requirements imposed on certificated carriers.

Thus, under regulatory reform the market for intermediate-sized aircraft could be expected to increase. Although the extent of this potential market increase is unclear, it could provide enough incentive for the private sector to develop and market such aircraft. Meanwhile, as you observed, there are new foreign-made aircraft available in that size range.

I should also point out that, in a recent Civil Aeronautics Board meeting, the Board discussed the possibility of raising the seating capacity for air taxis while still exempting them from certification requirements. Further, the Board directed the staff to look into the feasibility of initiating rulemaking on this subject.

With respect to encouraging American manufacturers to develop intermediate-sized aircraft, the National Aeronautics and Space Administration (NASA), in cooperation with the Federal Aviation Administration (FAA), is presently studying the air service needs of the smaller communities with a new look at the role of commuter services. The objective of this study is to determine what facets of small community air service can be improved by increased technology. With this information, NASA should be able to define research programs that will help in the development of improved, reliable, low cost aircraft that can serve the smaller communities.

Also, there is an active research and technology program at NASA, in which technology is being developed to permit the manufacture of small aircraft that use less fuel, have reduced noise levels, are safer, and are optimized within reasonable costs. Some of the research for this program is being done either jointly or with the cooperation of the FAA. The knowledge developed from this program could prove beneficial to domestic aircraft manufacturers in building both small and intermediate-sized airplanes that are more efficient and economical.

You may be assured that DOT and particularly FAA will continue to follow the legislative and commercial events that may impact on aircraft in the intermediate size range. Should we find that our regulations inhibit the production of such aircraft, we will move promptly to correct this situation consistent with our safety mandate.

Sincerely,

BROCK ADAMS.●

INCENTIVES FOR PEACE

● Mr. CASE. Mr. President, in the last few months of his life, Senator Hubert Humphrey, my colleague and my friend, was hard at work preparing new foreign assistance legislation. His objective was to revise and modernize the structure of the whole aid program and, additionally, to put a higher national priority on the importance of development assistance.

Unfortunately, Senator Humphrey died before he himself could introduce the legislation in the Senate. Senator SPARKMAN and I decided that this new legislation was of great importance and we both joined in introducing the Humphrey bill (S. 2420). The Senate Foreign Relations Subcommittee on Foreign Assistance has started hearings on the bill, which now has 25 cosponsors.

During the preparation of the legislation I talked to Senator Humphrey about finding ways to get behind the prospect of peace agreements in the Middle East.

I suggested, and Senator Humphrey agreed, that we should do something in this year's foreign aid bill to help the peace process. Both of us proposed a regional peace fund that would set aside money to help finance scientific, agricultural, and technological cooperation between Israel and her neighbors.

The planning, development, and implementation of a cooperative program between the states of the Middle East could be an important ingredient in the peace process, as well as being good in itself.

As is well known, Israel has a great deal of background in the areas of science, agriculture, solar energy, and water conservation which could be of assistance to her neighbors. All the states in the area also could save large sums of money and avoid duplication on certain programs such as power distribution, through joint projects.

Senator Humphrey and I agreed informally that a regional peace fund of $50 million might be appropriate and sufficient to set up the institutional and planning structure to stimulate cooperation and begin projects. In many instances the United States may be able to assist the planning, for example, in joint power projects, or in large-scale water projects.

The key to establishment of a regional peace fund is the cooperation of the Carter administration. The fund should be authorized as soon as possible so joint programs of common interest to Israel and her neighbors can be started as soon as the political climate permits. Cooperative programs between Israel and her neighbors will help promote and cement peace between these countries. This objective is fully compatible with President Carter's interest in creating real peace in the region.

I urge the administration to support the regional peace fund and the sooner the better. We have heard too much about obstacles to peace and not enough about incentives for peace.●

GEN. DANIEL "CHAPPIE" JAMES

● Mr. NUNN. The passing of Gen. Daniel "Chappie" James is the passing of a magnificent American. The career of "Chappie" James is eloquent testimony not only to military excellence but also to the reality of the American dream. It is testimony to an old-fashioned brand

of patriotism unfettered by the momentary siren calls of political, ethnic, and racial divisiveness.

As a young man who began his career in the Air Force by risking court martial to fight segregation, James went on to attain four-star rank as head of the North American Air Defense Command. The tragedy is that James was denied the opportunity to enjoy the retirement he had so brilliantly earned.

Mr. President, rather than recount in detail the contribution which James made to the Air Force and to his country, I ask permission to insert into the RECORD portions of a recent article in the Washington Post by George Wilson, which I think captures the genuine flavor of the man.

[From the Washington Post, Feb. 26, 1978]

GEN. DANIEL (CHAPPIE) JAMES, FORMER NORAD CHIEF, DIES

(By George C. Wilson)

Retired Air Force general Daniel (Chappie) James, 58, the only four-star black general in the American military, died yesterday at the Air Force Academy Hospital near Colorado Springs after suffering a heart attack.

Gen. James, who had retired Feb. 1 rather than on May 1 as planned because of previous heart trouble had traveled to Colorado Springs to address an American Trucking Association convention there.

His scheduled speech was to be part of what Defense Secretary Harold Brown, at Gen. James' retirement ceremony at the Pentagon on Jan. 26, called a "new phase" of the general's traditional "active behavior."

That active behavior included fighting for equal rights for blacks, serving in three wars, and making flag-waving speeches whenever he had a chance to do so.

"I fought in three wars and three more wouldn't be too many to defend my country," Gen. James wrote in his own hand on a painting of him standing in front of his F–4 Phantom fighter bomber in Ubon, Thailand. "I love America and as she has weaknesses or ills, I'll hold her hand." That inscribed portrait now hangs outside Air Force offices on the fourth floor of the Pentagon.

Gen. James' fight for equal rights started early in life, before it was popular. He grew up in Pensacola, Fla., in the 1920s when equal rights were still a distant dream. He went to segregated schools and sat in the back of the bus. But his mother—who found and ran the Lillie A. James School at 1606 N. Alcaniz St. because she felt the school set aside for "colored" was unacceptable—ordered young Chappie never to give up on his dreams.

"My mother used to say: 'Don't stand there banging on the door of opportunity, then, when someone opens it, you say, wait a minute, I got to get my bags. You be prepared with your bags of knowledge, your patriotism, your honor, and when somebody opens that door, you charge in.'"

Gen. James, in another recollection of his Pensacola boyhood, once told a reporter that "as Bill Cosby says, we were poor, but we didn't know it. We worked hard. We were never on welfare, I'll tell you that."

Encouraged by his schoolteacher mother and hardworking father—he pushed a coal dolly in the local gas plant—Chappie, the youngest of 17 children, decided to prepare his "bags of knowledge" by going off to study at Tuskegee Institute in Alabama.

He figured at the time that to leap over the racial barrier he would have to go into the undertaking business.

But Gen. James' boyhood in Pensacola, site of a Navy flight training base where seaplanes sk imed over the Gulf of Mexico and fighters thundered off runways, had set off fires of desire in him for flying.

"I didn't want to go into the Navy," Gen. James once recalled, "and end up as another black cook." So at Tuskegee he joined the campus branch of what was then called the Army Air Corps and later the U.S. Air Force. Air Corps flight training was segregated, with blacks flying their Piper Cubs in one pattern and white cadets in another. "It was a helluva traffic pattern," Gen. James commented.

These "Tuskegee airmen" found themselves segregated in separate black facilities wherever they were sent, despite the regulations against this. Gen. James and fellow black officers at Selfridge Air Force Base, Mich., decided to change things—entering the officer's club that was then open only to whites. The club closed every time the blacks entered. The Air Command finally transferred the black officers to air bases in the South—where Jim Crow held sway.

But Gen. James and fellow blacks did the same thing at Godman Field next to Fort Knox, Ky., and next at Freeman Field in Seymour, Ind. On April 5, 1945, the Army arrested 101 black airmen at Freeman Field and charged them with mutiny, treason and other offenses.

Although some who were arrested and earned their place on what was to become the "101" honor roll of protesting blacks could not recall Gen. James' making the list, he did spread the word of the arrests to the black press and official Washington. He was flying a C–47 courier plane from Fort Knox to Eastern cities at the time, carrying dispatches about the arrests along with official mail.

The Army put three of the 101 blacks on trial in 1945, but the charges were dropped. Gen. James stayed in the Army after World War II, stuck in the rank of first lieutenant for six years. He became Air Force Capt. James in Korea, where he flew 101 combat missions in the conflict there.

His mother had once told him: "For you, my son, there is an 11th commandment. Thou shall not quit." And she added lots of other commandments for her son, including: "Prove to the world that you can compete on an equal basis."

Gen. James tried to follow both those commandments while flying fighters in Korea, and later in Vietnam, advancing up to the rank of colonel in Vietnam where he led the 8th Tactical Fighter Wing.

This fighting black colonel who was foursquare behind the Vietnam war did not escape the attention of Washington officialdom, then under political siege, partly on charges that blacks were bearing a disproportionate share of the pain and death of that war. He won his first star in July 1970, and got former Defense secretary Melvin R. Laird as his enthusiastic sponsor.

Laird brought Gen. James to the Pentagon, where in 1970 he became deputy assistant Secretary of Defense for public affairs. In that job, Gen. James traveled around the country as a spokesman for the administration's Vietnam war policy He also sometimes conducted Pentagon briefings for newsmen, although that was not his forte.

He kept getting stars and choice command assignments from 1970 until Sept. 1, 1975, when Gen. David C. Jones, Air Force chief of staff, pinned on Gen. James' fourth star. He was the first black to be so honored. He got his final command at that time: commander in chief, North American Air Defense Command/Aerospace Defense Command.

"This promotion is important to me," Gen. James said when he won his fourth star, "by the effect it will have on some kid on a hot sidewalk in some ghetto. If my making an advancement can serve as some kind of spark to some young black or other minority, it will be worth all the years, all the blood and sweat it took in getting here."

He acknowledged during one interview that some young blacks felt he had made it to the top by letting himself be used as a 6-foot-4 puppet of the white establishment—an "oreo." But it angered him that some young blacks did not realize how far their fight for equal rights had advanced.

"Most of their obstacles," he said of the young blacks trying to refight battles Gen. James felt were already won, "are illusory. You can vote. You can go to any school you want to. Most of them are making a career out of being black. They don't know what suffering is."

Gen. James' strong feelings about the need for a strong national defense often impelled him to make strong statements. "I wear my patriotism like a badge," he once said. But both Gen. James and Air Force headquarters denied a Nov. 23, 1977, column by Rowland Evans and Robert Novak that General James was relieved of command earlier because of a strong letter he had written to Air Force Chief of Staff Jones protesting a reorganization plan for the Aerospace Defense Command.

General James and the Air Force both said the black four-star general would retire in February rather than May strictly for health reasons.

At his farewell press conference at the Pentagon on January 25, General James said "absolutely not" when asked if his letter accelerated his retirement.

"If I could write the script for my life all over again, of how I wanted it to go, I don't know of anybody else who has been able to do precisely what he set out to do and what he wanted to do, and what he had the most fun doing and that he felt the most sense of accomplishment at having done, than I have.

"The Air Force is the greatest place in the world for me," General James continued. "And if I had it to do all over again, I would do it exactly the same way."

He said he planned to settle in the Washington area in his retirement years because "you are close enough to the arena to hear the screams of the Christians and the roar of the lions." But at the time of his death he and his family had not yet established a firm residence.

General James' military decorations include the Defense Department's Distinguished Service Medal; the Air Force Distinguished Service Medal with one Oak Leaf Cluster; the Legion of Merit with one Oak Leaf Cluster; the Distinguished Flying Cross with two Oak Leaf Clusters, and the Air Medal with 13 Oak Leaf Clusters.●

LEONARD NIMOY

● Mr. McGOVERN. Mr. President, to tens of millions of Americans Leonard Nimoy is known as "Mr. Spock" from the starship, "Enterprise." In fact, in addition to virtually creating that innovative role and thereby entertaining so many of us, Leonard is an accomplished and serious actor, a talented writer, and a thoughtful poet.

I have known him as a man vitally concerned with the future direction of his country. He is someone who brings a keen mind and extraordinary commitment to the greater issues of peace and justice. He is willing to speak out no matter how great the press of other concerns.

In a recent People magazine article, some of the breadth and depth of this man as an artist and as a human being is revealed.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LEONARD NIMOY BEAMS HIMSELF ABOARD "EQUUS" AND OUT FROM UNDER MR. SPOCK'S POINTY EARS

For 26 years Leonard Nimoy has struggled to establish himself as an important American actor. But in the minds of millions he is unshakably identified as Mr. Spock, the green-blooded, pointy-eared extraterrestrial who serves as first officer of the starship Enterprise on the eternally rerunning TV series Star Trek.

This summer, nevertheless, Nimoy moved into the Broadway production of Peter Shaffer's *Equus* and took over the eloquent, deeply searching role of Dr. Martin Dysart, an alienated alienist treating an unstable stable boy who thinks God is a horse. Would Nimoy manage at last to get out from under those peculiar ears?

More than image was against him. For one thing, his performance would be compared with the work of four famously skillful actors who preceded him in the part: Alec McCowan, Anthony Hopkins, Tony Perkins, and Richard Burton (who plays the psychiatrist in Sidney Lumet's forthcoming film version of the play). For another, *Equus* has been running for nearly 1,150 performances. With Perkins leaving, Nimoy was asked to take over and make sure the old gray production kept on being what it used to be.

No small challenge, but Nimoy is not a man who swerves from challenges. Even before rehearsing the first scene of *Equus*, Nimoy made a scene of his own. Small eyes glittering, long upper lip set hard, he was frightening to look at and he meant to be. He wanted the play to take new roads and he was ready to drive it along with any stick at hand. What concerned him most fiercely was what happens between Dysart and his patient, played by a gifted 21-year-old actor named Ralph Seymour. To stir up the relationship, Nimoy decided to rip into Seymour as savagely in real life as Dysart rips into the boy in the play.

"You smoke too much, friend!" he snapped less than five minutes after they met. "Your part demands a powerful voice but your voice is shot. I didn't come to New York to play around with a pussycat. You'd better be up to this part or you're gonna bleed!"

Staggered, Seymour quit smoking on the spot. His voice improved and, on-stage as off, he kept a wary eye on Nimoy—the very attitude the part requires. Then Seymour began to sneak a drag now and then; one day he showed up with incipient bronchitis. In a rage, Nimoy stopped rehearsal and ordered Seymour to a throat specialist. "Are you smoking again?" he demanded. When Seymour was evasive, Nimoy looked him in the eye and said, "You're an ass," then strode offstage.

Nimoy was just as hard on himself. At the theater he rehearsed seven hours a day; at home he rehearsed several more; and all night, as his wife testifies grimly, he thrashed about the bed rehearsing in his sleep. He questioned every line, nudging the other actors to react anew to his fresh insights. Even director John Dexter, benumbed by the experience of four very strong-willed Dysarts, was caught up in the creative vortex and developed an elementally new vision of the role. By the time Nimoy's opening night arrived, the production was in furious gestation. When the house lights went down, only God and the stage cat knew what might be born.

Nimoy has always been a determined cuss. Born in Boston 46 years ago, he was an intense, pent-up boy, more like his forceful mother than his easygoing barber father. At 8, he showed an inkling of dramatic talent while playing the lead in a settlement house production of Hansel and Gretel. At 17, his dignity infringed when pretty girls passed him over in favor of high school jocks, Nimoy vowed to "get revenge" by becoming a famous actor. Defying his practical parents, he took $600 earned by selling vacuum cleaners and, after three junk-food-filled days on a transcontinental train, enrolled as a student at California's Pasadena Playhouse.

Nothing came easy. Nimoy worked so hard to break his Boston accent that he developed a temporary stutter. And his lean, saturnine looks set limits to his hopes: "I never dreamed I could be a star. I just wanted to do good work."

After a dozen grim years he had done little more than bit parts in four laughably bad movies and the lead in a fifth (*Kid Monk Baroni*), plus an occasional minor TV role. Cruel times for a young man who in 1954 had married an attractive actress, Sandi Zober, and soon had two babies.

Nimoy worked in a pet shop, jerked sodas, delivered newspapers, ran a vending machine route, drove cabs at night. But he hung on tight to his dream, and Sandi backed him up. "We had terrible fights," she remembers, "sometimes because he wanted to give up acting and take a sensible job and I wouldn't let him. Leonard wasn't much fun in those days, and I didn't always appreciate what a strong husband and father he was. But we worked it through."

In the early '60s Nimoy at last began to get big parts on TV shows. In 1965 he was cast as Mr. Spock in *Star Trek*. Half Vulcan and half Earthman, Spock in the early scripts was a sci-f cliché: a mysterious hemihuman with a giant brain and no feelings. But Nimoy, seeking in Spock a secret longing for love, badgered his scriptwriters to exploit the dramatic possibilities.

When they did, Nimoy played like a bottled cyclone. The sacks of Spock mail reached 10,000 letters a month, mostly from women, much of it torridly erotic. Leonard Nimoy fan clubs sprang up all over. The name LEONARD NIMOY appeared on his very own parking space. He loved it.

Nimoy fought hard for better stories and better lines, mostly with his producer but sometimes with his co-star William Shatner. Says Shatner: "We went through that fire together and today we are fast friends. Leonard is an honest man and a fine craftsman."

Worn down by constant battles, Nimoy wound up on an analyst's couch. Then NBC grounded the show after three seasons, though it threatens to rerun until the universe crawls back into its little black hole. (Lately Nimoy had agreed to appear in a *Star Trek* movie but not in the revived TV series Paramount is now contemplating.)

In the interim he signed a four-year, $7,500-a-week contract with another long-running series, *Mission: Impossible*, but two years later abruptly quit. Well off, he decided he was tired of playing roles he didn't believe in for money he didn't need. "In 1971," Nimoy says, "I had reached professional menopause. It was time for an artistic change of life."

But not for a rest. Discovering a green thumb, he tore up his patio in Los Angeles and replanted it. Photography came next. He bought a good Japanese camera and set up his own darkroom. Eighteen months later he put together a book of photographs captioned with unpretentious, sometimes moving poems of his own composition. A sample:

I have killed time.
I have squandered it . . .
As a man of unlimited wealth
Might drop coins on the street
And never look back.

Nimoy's third volume of verse (We Are All Children Searching for Love) will soon appear, and he has also published a graceful autobiography (I Am Not Spock). He learned to fly a plane (he has an instrument rating) and, encouraged by his assertively liberal wife, campaigned in 35 states for George McGovern.

Then in 1975, at 44, Nimoy entered college. This summer, after two years of study carried on during dozens of acting assignments ("I chewed up the whole elephant," he says cockily), he won a master's degree in education from Antioch College.

All the while, Nimoy kept hoping for a major movie offer, but it never came. What was the alternative? Theater. Nimoy discovered that dozens of great parts were his for the playing in regional theaters. The pay was often no more than $300 a week, but the psychic income was limitless.

Nimoy became a gypsy actor and the wife and kids often traveled with him.

Much of the time Julie and Adam were educated by tutors—with obvious success. She is about to graduate from the University of California at Santa Barbara as an art major; he studies political science at Berkeley and has a summer job in the office of House Speaker Tip O'Neill.

In the six years before *Equus*, Nimoy played 13 major roles in 27 American cities. He was an exultant Tevye in *Fiddler on the Roof*, a prissy Malvolio in *Twelfth Night*, a raunchy McMurphy in *One Flew Over the Cuckoo's Nest*. And in *Man in the Glass Booth*, as a Jew on trial for collaborating wth the SS, he gave what director Ben Shaktman of the Pittsburgh Public Theater calls "the most dangerous performance I've ever seen—a rattlesnake in its death throes, but you were never quite sure if it was dying or feigning."

Shaktman adds: "This man has very big range and dramatic intelligence. And the more he plays the stronger he gets—he's adrenalized by the act of acting. There'd be heart attacks in the front rows if he played Iago—and he can do comedy too."

Wanted: Horse psychiatrist to help in research for *Equus*. 221–6587.

Believing that the play depicts a battle between modern man and a primeval power expressed in the Horse God, Nimoy made a simple, shrewd move to get inside the head of genus *Equus*. His ad in the New York Times was answered by more than 200 psychologists, veterinarians, trainers, jockeys, horseplayers and people who just whinnied and hung up. Nimoy hired an able young ethologist named Hedy Strauss as his instructor. "I came away," Nimoy says, "with a feeling of awe at the power of the horse in the night mind of man." Would that feeling help him play his part?

"Probably. A character is like a plant. The richer the soil, the better it grows. One of the actor's jobs is to nourish his plants.

"I started out as an organic actor, a Method actor. Playing Spock helped me personally to become more cerebral and objective. My feelings don't rule my acting now. I use what works.

"My job is to be part of a magical illusion created equally by the play, the players and the audience. When all those elements meet in the right way, the truth takes place between us and within us, and it's an experience like no other I know."

No amount of preparation can guarantee that experience. Would it happen in the Helen Hayes Theater on opening night?

On a raised square in a cone of light a lean unillusioned shrink paced wearily in a rumpled tan suit as he declaimed in hard clinical tones. From the apron to the upper tier not a breath was drawn. Nimoy had started slowly, too slowly; but the tension had tightened twist by twist as the audience sensed that Dysart and the boy were playing a fearful game in which the winner might save his sanity but lose his soul.

"Screw it!" director John Dexter burst out in high excitement at intermission. "I only came for the first act but I'm staying. It's good!" In the second act there were rough spots, but in scene after scene Nimoy chipped

away insidiously at the ground of everyday reality under the spectators' feet.

At curtain call, the audience rose and cheered. Almost every night since his opening, in fact, the new Dysart and the revitalized Seymour have taken a standing ovation. Almost every night his performance has strengthened. Ticket sales for *Equus* are up 20 percent. Asked if he was satisfied, Nimoy let out a booming laugh. "Hell, no! I'm working harder than ever. The day I'm satisfied, I'm finished." ●

THREAT TO CHILD CARE PROGRAMS IN FEDERAL FACILITIES

● Mr. CRANSTON. Mr. President, an editorial appeared last week in the Washington Post about an issue that concerns me deeply. I refer to proposed regulations being circulated by the Office of Management and Budget to executive departments and agency heads which could have the effect of impairing the welfare of over 300 children in the Metropolitan Washington area who are presently enrolled in child care centers located in Federal agencies.

The purpose of these regulations is to standardize Federal agency policies regarding the assignment of Federal space to non-Federal activities. In fact, these regulations, as I will explain shortly, treat child care programs quite differently—and more stringently—than certain other non-Federal programs using Federal property. As the Post editorial points out, these regulations, if adopted, may well result in the closing of these child care centers altogether.

There are currently seven Federal agencies with onsite child care centers in the metropolitan Washington area and a number more in the planning stages. The programs are essentially run by the parents of children enrolled, who pay an average of $30 to $40 per week for each child. These fees are in line with what parents would pay for good child care in community nonprofit programs. The parents' fees cover the costs of supplies, equipment, meals, teacher's salaries, and certain other charges. The agencies now generally provide the centers with space and utilities. The space utilized by these centers is space which is not otherwise used by the agency.

The proposed OMB regulations would be prejudicial to the future of child care centers in two ways. First, the regulations would provide that child care centers cannot be established unless the agency head has determined that "the facilities are essential to the efficient operation of the agency." Second, the regulations would require that the centers pay the full commercial costs of the space utilized.

DISCRIMINATION AGAINST CHILD CARE CENTERS IN REGULATION

What is perhaps most striking in the proposed OMB regulations is the different treatment afforded child care centers in contrast to certain other non-Federal programs utilizing Federal property. For example, the regulations also govern the use of Federal space by programs such as employee welfare and recreation associations and concessions. These programs, however, can utilize Federal space when the agency head determines that they are beneficial for the "welfare and morale of the employees." The standard which would be imposed upon child care centers—"essential to the efficient operation of the agency"—is obviously far more rigid than the standard imposed upon all other programs.

Similarly, the regulations provide that the agency may waive charges for the use of space by employee welfare and recreation associations. Flexibility is also provided to agencies in determining whether to charge labor organizations for space utilized. Yet, inexplicably, no discretion is provided for waiver for costs for child care centers.

COSTS TO CHILD CARE PROGRAMS

Although it is not yet clear what the exact charges would be under the proposed regulations, estimates range from an extra $500 to $1,000 per child per year. This type of increase would force the cost of tuition for parents to impossible levels. The going rate for office space and utilities—as much as $9.25 a square foot in some instances—would simply make these centers economically impossible to run.

HEARINGS BEFORE THE CHILD AND HUMAN DEVELOPMENT SUBCOMMITTEE

Mr. President, as chairman of the Subcommittee on Child and Human Development of the Human Resources Committee, I have been holding hearings on the subject of child care and child development programs. Throughout these hearings, we have repeatedly heard from parents about their interest in workplace or onsite child care programs. Testimony before the subcommittee has emphasized the benefits of this type of child care for employers, working parents, and children. These programs can reduce employee absences and thereby benefit the employer. They also permit parents and children to spend more time together, during commuting time, lunch breaks, and rest periods. There are ongoing efforts throughout the country by private employers as well as labor organizations to establish and support this type of program. The Federal Government would be setting a poor example for private industry if it took the steps outlined in the proposed OMB regulations which would effectively terminate these Federal agency-based programs. This is an area in which the Federal Government should be exhibiting leadership, not destroying programs.

LETTER TO OMB

I have expressed my strong opposition to the proposed regulations in a letter I sent last week to James T. McIntyre, Acting Director of the Office of Management and Budget, asking that the provisions of the proposed regulations relating to child care programs be reconsidered. I ask unanimous consent that the text of that letter be printed in the RECORD at the conclusion of my remarks along with yesterday's editorial from the Washington Post.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

ADMINISTRATION'S COMMITMENT TO FAMILY-ORIENTED POLICIES

Mr. CRANSTON. Mr. President, finally, let me say that I think that the OMB regulations run counter to President Carter's desire to implement family-oriented Government policies and his expressed commitment to join in the development of a comprehensive child care program in this country. On February 20, Arabella Martinez, Assistant Secretary for Human Development Services in the Department of HEW, testified at our subcommittee hearings. Ms. Martinez' testimony indicated a positive orientation on the part of the administration and a willingness to work together with Members of Congress in addressing the child care needs of this Nation. I very much hope that, at a time when we are beginning again to work cooperatively on the Federal level toward meeting the child care needs of this Nation, the executive branch does not take the steps outlined in the proposed OMB regulations which could deal a fatal blow to numerically small, but symbolically important, child care programs operating in Federal agencies.

EXHIBIT 1

[From the Washington Post, Mar. 2, 1978]

CHILD CARE IN FEDERAL BUILDINGS

There is growing evidence that child-care centers located in office buildings, factories and other places of work are good for the children—and substantially improve the attendance and efficiency of the parent/employee. During the past few years, HEW, the Equal Employment Opportunity Commission and the Labor Department have been trying to encourage establishment of workplace day-care-centers by private industry. As an incentive, the federal government offers tax breaks to businesses that establish such centers. Federal laws also allow Cabinet members to establish child-care centers for *their* employees. But the federal budget people now want to charge rent for the space the government provides for child-care centers, welfare and recreation associations, credit unions and the like—and their effort may result in the closing of these child-care centers altogether.

In the Washington metropolitan area there are seven child-care centers in federal office buildings, serving about 350 youngsters; at least a dozen more are being planned. All of the activities are run by parents, who pay from $25 to $40 a week for each child—the going rate for nonprofit private child-care centers throughout the country. Tuition covers the cost of teachers, supplies, equipment, meals and, in some instances, maintenance—but not rent. Space not otherwise needed is provided by the agency, as it is in many private businesses.

The federal rent proposal would require that agency directors determine that a child-care center is "essential for efficient agency operations" to qualify for space—whatever that means. Yet these same agencies need only decide that cafeterias "maintain the welfare and the morale of the employees" before they are given space. Each center would then have to pay the going rate for office space and utilities—as much as $9.25 a square foot in some instances. That means that the Labor Department's center, with 6,000 square feet of space, would have to raise its tuition to an unrealistic level just to pay the rent.

This proposal is too harsh. Perhaps the centers should pay a modest fee for space. But when extra rooms can be used for such an important purpose—and for programs otherwise paid for by those who use them—the benefits clearly outweigh the costs.

EXHIBIT 2

COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., February 21, 1978.

Hon. JAMES MCINTYRE,
Acting Director, Office of Management and Budget, Executive Office of the President, Washington, D.C.

DEAR JIM: I understand that the Office of Management and Budget is circulating for review and comment a proposed OMB circular containing policies for the assignment of Federal real property to non-Federal activities.

As Chairman of the Subcommittee on Child and Human Development of the Committee on Human Resources, I am very concerned about the effect that these regulations will have on child care centers operating in Federal agency buildings. If these centers are required to charge fees that will cover the cost of equivalent commercial rents, I am advised that it is quite likely they will lose most parents and probably be forced to close down.

Such a result would be undesirable for several reasons. First, it would reduce the supply of quality child care at a time when what is needed is more good child care, not less. Second, it could be interpreted as a lack of concern on the part of the Federal Government for child care needs. Third, these programs could provide us with valuable experience and data on on-site child care programs that could be useful to our cooperative efforts to develop new legislative approaches in this field. Fourth, child care programs should provide a full range of arrangements so that parents can choose the one that is best for themselves and their children. Finally, it would be far more difficult for the Federal Government to encourage private industry to support on-site child care programs were it to refuse to provide any support for its own programs.

I am also concerned that the regulations would have the effect of discouraging on-site child care because of their prohibition on the establishment of centers "except where the agency head has determined that the facilities are essential to the efficient operation of the agency." This is a much stricter standard than is required by the proposed regulations for the establishment of either concessions or employee recreation and welfare associations.

It is my understanding that regulations similar to these were proposed under President Ford's Administration and that they were withdrawn in response to the protest of those concerned about their effect on child care programs.

I urge you to reconsider these proposed regulations and to allow Federal agencies to provide assistance in the form of space, utilities, and maintenance to on-site child care activities. Such a move would seem to be required, in my opinion, by the President's oft-repeated intention to implement family-oriented government policies, his recognition "that adequate child care services are just as essential to the children of mothers who work as food, shelter, and clothing" and his pledge to join in the development of a comprehensive child care program in this country.

With warmest regards,
Cordially,

ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development.●

ENERGY PROCLAMATION OF THE CITY COUNCIL OF OAK RIDGE, TENN.

● Mr. SASSER. Mr. President, I am greatly concerned by the impact the coal strike is having on the Nation, particularly today when it seems that a settlement is not as near as we had all hoped. I would like to take this opportunity to have printed in the RECORD an energy proclamation drawn up by the city council of Oak Ridge, Tenn., and sent to the President and Members of Congress.

Our emerging national energy plan relies heavily on coal to meet increasing energy demands, a position which today's circumstances are placing in jeopardy. At the same time, we have available another resource, nuclear energy, which is capable of providing a reliable supply of electricity while reducing our dependence on nonrenewable resources and foreign imports. It is time for us to commit ourselves to establishing a realistic role for nuclear energy and exploiting its safe capacity to the fullest.

Mr. President, I ask unanimous consent that the proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

ENERGY PROCLAMATION

The United States of America was founded by men and women who devoutly believed in a better life for all of its citizens. History has amply proven that our founders' dreams can be accomplished provided that the people, in cooperation with their government, work steadfastly toward their realization.

Now we are faced with a totally unnecessary energy crisis which is a forerunner of many more crises to come: reductions in power supplied to major industries (people out of work), limited retail store hours, closing of universities and schools and, ultimately, vastly curtailed electric power for residential areas. The present plans for energy conservation and development of renewable sources of energy cannot meet immediate and long term needs and the desires of all our citizens for improved economic status and quality of life.

The disastrous effects of such an energy crisis are incompatible with the aspirations of our forefathers and the people of this country, now and for future generations. The fundamental requirements of our Nation for expanding economic opportunities for all of its citizens require a reliable, economical and currently available energy supply. Nuclear energy, unaffected by adverse weather conditions and embargoes, meets these criteria. The immediate expansion of our planned nuclear energy capacity will minimize our dependence upon foreign sources of energy, conserve our nonrenewable fossil fuels, and redress our balance of payments problems.

Therefore, the Council of the City of Oak Ridge, Tennessee, unanimously urges the elected representatives of these United States to vigorously pursue a more realistic role for nuclear energy in meeting the present and future needs of all of the people of our great country. Let us not falter in our pursuit of the vision of our founders.●

SCIENCE CENTERS: A POTENTIAL FOR LEARNING

● Mr. PELL. Mr. President, a museum education department has, until recently, been regarded more as a distraction from the main thrust of the institution than as a working, vital link between the museum and its community. Likewise, museums as learning environments in which the public can actually participate in the exhibits rather than merely observe or study them is a relatively new concept and one that I find interesting.

An article written by Mrs. Lee Kimche that appeared in the January 20, 1978, issue of Science magazine makes a thorough and most thoughtful examination of this trend toward more visitor involvement in museum exhibits especially in regard to science-technology centers. Her article, entitled "Science Centers: A Potential for Learning" describes how this particular type of learning institution has become the most popular type of all the different kinds of museums. The number of public visits made to science museums is now greater than to any other single type of museum. This is due in large part, as Mrs. Kimche so persuasively reports, to the imaginative new directions being followed in the areas of educational programs and participatory exhibits.

Lee Kimche is director of the recently established Institute of Museum Services within the U.S. Department of Health, Education, and Welfare. She was formerly the executive director of the Association of Science-Technology Centers in Washington, D.C.

I encourage my colleagues to read her article, Mr. President, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCIENCE CENTERS: A POTENTIAL FOR LEARNING

(By Lee Kimche)

Science centers provide a whole new field of self-motivating experiences in learning, through environmental exhibits that appeal to the senses, emotion, and intellect. They are among the most rapidly developing institutions of learning in contemporary society. They have been responsive to a growing public demand for knowledge and information. As more and more people visit them, the science centers have a unique opportunity to assist a large segment of the public to gain a greater understanding of the contemporary technological issues of society. The objects and exhibits can form the basis for other types of educational programs, not only within museums, but throughout the entire community. The informal educational techniques that science centers employ may have implications for other types of institutions. Traditional forms of education are undergoing reappraisal; perhaps some of the methods used in science centers can be adapted to enhance more conventional methods of teaching.

The growth of science centers began early in the century. The greatest growth has occurred within the last 10 years, and there is no sign that the trend will slow down soon. The expansion of existing science centers is proceeding apace with the building of new facilities.

ATTENDANCE EXPLOSION AT SCIENCE CENTERS

The increasing number and size of science centers is a direct result of the sharp rise in public demand on existing institutions. The number of visitors to science museums is greater than to any other single type of museum. According to a 1974 survey of 1820 institutions conducted by the National Endowment for the Arts,[1] 38 percent of the museum visits were to science museums, 24 percent to history museums, and 14 percent to art museums. The survey, which included

Footnotes at end of article.

natural history museums in the science museum category, found that, of a total of 308 million museum visits in FY 1971–72, 117 million were to science museums. Excluding natural history museums, science-technology centers alone have experienced skyrocketing attendance in this decade, with the 14.4 million visits registered in 1973 soaring to 36.5 million in 1975. And in 1976, more than one-fifth of the members of the Association of Science-Technology Centers reported attendance increases of at least 10 percent since 1975. Many science centers that offer after-school, evening, weekend, and summer courses have reported waiting lists for enrollment, and still other museums have been forced to impose time limits at certain participatory exhibits due to long waiting lines.

Until recently, it was thought that science centers appealed primarily to children. It is true that school groups form approximately 25 percent of visitors to these centers, but a brief survey shows that 45 percent of the visitors are adults, including college students and senior citizens.[2]

Most full-scale science-technology centers offer workshops for all age groups in chemistry, biology, photography, ham radio operations, computers, magnetism, model airplane construction, and other popular fields. Classes and workshops for school-age children reveal some intriguing offerings, such as "Elementary, My Dear Watson: Solving Problems by Deduction," "Marble Shoot Computers," "Water Wizardry," "Optical Toys and Parlor Amusements," and "Performing Plants." Although fewer programs are offered for adults, they range from auto rally classes to lapidary labs, from workshops on dehydrating foods to "Wild Parties," banquets based on edible and wild plants.[3]

CHARACTERISTICS OF SCIENCE CENTERS

Most other kinds of museums have evolved as depositories for categorical collections that may be admired by the public and studied by scholars in private. While traditional museums emphasize static displays of objects and artifacts, science centers have followed the more dynamic philosophy of the Chinese proverb: "I hear and I forget, I see and I remember, I do and I understand."

Studies by Thier and Linn [4] revealed that visitors are not attracted to science centers to learn only facts; they come to experience new and interesting phenomena. This is substantiated by a preliminary study by Yan-Museum. Fifty percent of the visitors in the museum, when asked why they visited the museum, answered "for juicy tid-bits"; 40 percent said that they came for entertainment or a dynamic experience, and 10 percent cited miscellaneous purposes.

Attendance at science centers is voluntary, unlike the required attendance of most traditional educational programs, and the course that the visitor follows once inside is self-established. There is no "required" reading, listening, or viewing. There is no prescribed path to be followed, or set time for departure. In the museum, visitors may spend as much time as they want at the exhibits that interest them most. Goodman [6] has stated that people will learn best when they have opportunities to make choices about their own learning and chances to build on their own interests. In a study of children between the ages of 10 and 12, Thier [7] found that they showed an interest in explaining science materials of their choice, and that self-selected science experiences foster the development of logical thinking in that age group.

A museum is a social environment, and learning takes place more readily in a social context. One reason that people go to science museums is to share time with family or friends. According to Laetsch, who is director of the Lawrence Hall of Science in Berkeley, family groups constitute the museums's single largest constituency, and his research has shown that adult-child combinations spent more time at the exhibits selected for observation than did child-child or adult-adult combinations.[8] Almost no research has been done on learning in family groups, yet the museum is perhaps the only educational setting where families frequently appear as a unit.

Another feature of science centers is that they provide experiences that are not available anywhere else. Increased technology has brought about an increased desire among people to do things in simulation that they cannot do in actuality.

Through the modern, sophisticated technology found in science centers, the public is able to experience more activities on a first-hand basis. In addition to simulated submarines and airliners, many science museums offer the public opportunities to use telescopes, computers, musical instruments, and other apparatus to which few people have access elsewhere. The instructional design of such exhibits as the "Physics Playground" at the Exploratorium in San Francisco is one of the more innovative approaches to informal learning to be found anywhere. There, swings and other playground equipment were constructed to teach the principles of physics.

People go to science centers to satisfy their curiosity about branches of science that are having more and more impact on their daily lives. The public is demanding timely access to information of subjects such as the saccharin debate, genetic engineering, nuclear reactors, solar energy, air and noise pollution, food supply, and other critical issues. Science centers are peculiarly adapted to presenting this material understandably. Few of these issues were publicly evident when many people completed their formal education; the science center affords access to authoritative information in a setting where people can keep abreast of new developments in science and technology voluntarily and on a lifelong basis.

The learning opportunities available at science-technology centers comprise a resource that can be understood best in the context of a change in public attitudes toward formal and informal education and leisure time. A survey of high school graduates' satisfaction with their educational achievements during the past 10 years since their high school graduation showed that 46 percent were dissatisfied with their intellectual accomplishments.[9] This would partially explain the findings of Hyman [10] that indicate that 50 million adults are currently engaged in pursuing some form of continuing education and that only 9.6 million of those adults are enrolled in programs that lead to a degree or other certification from an educational institution. The remaining 40.4 million are involved in course, classes, symposia, and discussion groups that are provided by other institutions, such as museums, libraries, businesses, community groups, religious organizations, and science-technology centers.

Furthermore, science centers present information on current issues objectively since their goal is to present enough facts to enable people to make intelligent decisions on their own.

Special constituencies such as the deaf, the blind, women, senior citizens, inner-city youth, and non-English speaking immigrants and tourists are finding that science centers have been among the institutions most responsive to their needs.

OPPORTUNITIES FOR EDUCATIONAL RESEARCH

Relatively little information exists from which to determine whether the experiences that people have in science centers actually result in measurable advances in learning. Research to date has concentrated on gathering demographic data about museum audiences and on exhibit popularity, rather than on the effectiveness of exhibits in transmitting information. Both cognitive and affective testing of museum experiences are limited because the traditional instructional model that is employed in pedagogical research is inadequate to measure the effectiveness of museum experience.

Furthermore, if learning in a museum is a visual and kinesthetic experience, which differs qualitatively from sequential classroom lectures or reading printed texts, recent theories of brain physiology should also be taken into consideration ([11], p. 1). Current experiments have found that this distinction has a somatic basis, that is, the hemispheres of the brain have distinctive behavioral attributes (for example, visual learning is right-brained, while linguistic-based information-transfer is left-brained). If we are to maximize the potential of learning opportunities in museums, it is imperative that new models for measurement be developed. These models should be based on the uniqueness of the museum experience and take into account the most recent theoretical and empirical studies of the brain.

A systematic measurement of what people get out of a visit to a science center, or how, if at all, they are changed as a result of the visit, is just getting under way. The few researchers who have pursued this question are divided over the question of whether or not such changes are even measurable. It is possible to measure information transfer in terms of cognitive gains by testing how much a person can do, or how many questions he can answer correctly, before and after exposure to a given exhibit message ([11 13]). But if the results of the cognitive testing are disappointing, the value of the visit should probably not be written off without knowing anything about the affective or attitudinal impact of the visit. As long as evaluation of the museum experience is carried out with methodologies designed to measure cognitive gains, or the quantity of information absorbed, the danger exists that museum exhibits will fall short of their potential to be inspirational and provocative stimulators of ideas as well as transmitters of knowledge. New evaluation tools need to be developed that can meaningfully register the museum-goer's attitudes' and feelings, not only about science but about the informal learning environment itself. Photography is it not a measurement tool, yet one only has to look at photographs of people interacting with exhibits for evidence that something more than information transfer is taking place. Systematic tools need to be designed that can interpret what the camera has always been able to capture; laughter, concentration, perplexity, satisfaction, curiosity, surprise, awe, and the thrill of discovery. Tressel has suggested that one of the most important accomplishments of a museum visit is to provide people with reference points that can aid them in later reasoning ([14]). It may be impractical to collect data on the recollection of museum experiences days, weeks, months, or even years after a visit, or on how recollections are triggered; but it is evident that mention of a particular science museum will make eyes light up, nostalgia creep in, and people respond, "I will never forget my childhood experiences at the Museum of Science and Industry," or "I practically grew up in the Franklin Institute."

Screven pointed out in his studies that "learning cannot be directly observed. It must be inferred, usually from observed changes in what a visitor can do before and after exposure to an exhibition" [12] (p. 68). How much visitors learn depends on the time and effort they devote to an exhibit, as well as on an exhibit's content and layout. Therefore, it is useful to distinguish between the "teacher-learning" aspects of an exhibition (what an exhibit potentially can teach or communicate) and its motiva-

Footnotes at end of article.

tional aspects. Motivation involves exhibit conditions (contingencies), which determine whether the visitor will stop, spend time and effort attending to content, return, and so on.[15] Effective teaching exhibits should integrate both learning and motivational aspects.

Shettle found that the average visitor views an exhibit unit for 20 seconds and tours a complete exhibit for a maximum of 14 minutes [12] (p 38). If both observations are correct, it may be concluded that science centers are able to draw the attention of the viewer for a very limited, if concentrated, period of time, in order to capitalize on that time, it is important not to require the reading of extensive text nor concentration on visual aids that would try the patience of the average viewer. To create such learning systems, Screven has added various interactive response devices to permanent exhibits, such as cassette tape recorders linked to punch cards, game cards, free-standing self-teaching machines. His data suggest that the added interactive devices improve visitor learning.[13] Screven also found that casual visitors in both art and history-science museums can then be motivated to spend time and effort at exhibits to achieve specific learning goals, and will learn considerable substantive content in the process [13] (p. 69). Much more work needs to be done to develop and expand the more effective use of these methods to meet the practical and everyday demands of museums.

Science centers have been forerunners among educational institutions in introducing participatory experiences which provide effective but informal learning techniques. The findings of Laetsch, Screven, and Shettle correlate well with the theories of many educators who have found that learning is enhanced when the learner is involved in self-discovery.[16] Involving the learner in what is to be learned is an approach basic to science centers. Shettle studied the educational and attitudinal impact of exhibits and stated that "active participation heightens the acquisition and retention of information" [12] (p. 40).

The concepts of "visitor involvement" and "participatory exhibit" have undergone some basic changes in recent years as a result of museum research on viewer attention span and of nonmuseum research on cognitive and affective processes. The earliest exhibits deemed participatory were those in which the role of the viewer was limited to pushing a button which then activated the exhibit on a fixed course, started a tape recording, or lit up a panel bearing a printed message. Thus, the push-botton variety of exhibit was considered an early mode of viewer participation.

With the advent of systematic exhibit evaluation, the participatory nature of push-button exhibits fell into dispute. Eason and Linn explained "the term participatory does not refer to exhibits equipped merely with start buttons or audio tapes. Participatory exhibits actively involve the visitor in discovering information through his own participation in the demonstration process." [16] In a more recent study, Borun found that push buttons correlate negatively with learning, and that successful participatory learning devices are those that allow manipulation, experimentation, and variation [11], p. 67. Laetsch, in attempting to determine the essential properties for an instructionally efficient and effective exhibit, concluded "some feedback loop between the person and object appears to be necessary." [17]

Currently, push-button exhibits are considered first-generation participatory exhibits. In this context, an attempt to improve upon the push-button exhibit and correct its deficiencies has resulted in the development of exhibits that provide for viewer dependent variation. Many of these exhibits are in the form of self-teaching machines, which offer a number of advantages over their push-button predecessors. They are equipped with several buttons instead of one, and may offer the viewer an opportunity to select the button that he thinks is appropriate in response to a series of stimuli. Often the visitor will be asked by the exhibit to select the correct answer to a question from a multiple-choice set of responses, and usually the exhibit will give immediate feedback on whether the answer is right or wrong. This method seems to have some success in helping visitors to learn [13].

The inclusion of feedback mechanisms into exhibits would appear to be, as Laetsch has claimed, essential if the object is to maximize learning. People tend to repeat a behavior when positive reinforcement is given; Shettle has found that people tend to discontinue a behavior when no reinforcement is given as well as when negative reinforcement is given [12], p. 40.

While Shettle has demonstrated that interactive devices improve learning [12], it must be remembered that he is referring to on-the-spot learning and to the learning of a finite amount of information contained in the instructional format of the exhibit. Others have suggested that while automated exhibits may increase the likelihood of learning some things, they actually limit the potential for learning many more things by designing all but a few possibilities out of the exhibit. Self-teaching machines allow choices, but from a preestablished set of alternatives. They do not allow an opportunity for raising questions other than those raised by the machine, or for learning information other than that transmitted by the machine.

Moreover, it has been demonstrated that mechanical devices and moving parts are not necessary to render a participatory experience. "A tree has no pushbuttons or gadgets attached to it. But one can look at it, lie under it, climb it, feel it, study the bark and cambium layer and root hairs, extract sap, learn about photosynthesis, hear the rustle of the leaves, and watch the sway of the branches," says Oppenheimer [18].

Many science centers make use of live animals in their exhibits and educational programs. Laetsch has found that live animals have more attention-holding power than any other kind of exhibit except computers, each averaging 15 minutes. Other types of exhibits surpassed in holding power by the live animals were passive displays (30 seconds), push-button-activated devices (2.5 minutes), puzzles (5 minutes), and games (5 minutes), including noncomputer self-teaching exhibits.[8] Neither a tree nor a goat has push buttons, nor does an iguana or a rabbit have gadgets attached; yet one can feel, hold, or feed a goat or rabbit, examine its coloring, observe its behavior, and speculate upon the structure and function of its anatomy as an adaptation to its natural habitat. Thus, one is moved to ask more profoundly, "Why does an iguana have thick skin?" or "Why do a rabbit's ears differ from those of a cat?"

If participation is enhanced by maximizing accessibility to an object and its intrinsic features, can trees, animals, water, sand, and prisms be called third-generation participatory exhibits? The addition of interpretative devices to models representing these natural objects and materials may facilitate viewer learning, but it does so at the expense of reducing the viewer's range for discovery.

The possibilities for learning through participatory exhibits seem to be endless. But the possibilities for measuring what is learned have not even begun to be realized. One can learn the color of animals or the height of trees from a book or lecture or film. But manipulating a live rabbit or tree, or operating a real computer, produces more than a knowledge of its physical properties; it produces affective responses, and it is these, affective responses that so far have not been measured adequately. Goodman has noted that it is important to address the "whole person" in any education endeavor. In addition to the cognitive realm, it is crucial that we acknowledge and focus on the affective.[9]

Oppenheimer argues that the attributes of participatory exhibits, "their beauty, their multiple linkages with different themes, the inclusion of extraneous possibilities for intervention and discovery, have proved important to the overall effectiveness of the museum" [19] (p. 33). He sees most of the exhibit pieces at the Exploratorium (San Francisco) as links in a pedagogical chain, with many links common to several different chains. Thus, the Relative Motion Swing, which has a swinging table beneath a pendulum on the same period, can be used in many contests. "We can use it in talking about vectors, polarized light, Lissajous figures, phase, amplitude and frequency, damping, kinetic and potential energy, frame of reference, and relative motion" [19] (p. 31). Chase, after conducting a museum study on the environment, states "objects that allow tangible, direct, personal and complementary experiences . . . are most meaningful when they are linked to other components of the museum learning environment".[20]

To carry these findings to a logical conclusion, if the cognitive and affective experiences gained by the museum visitor can be linked to the internal and external experiences that occur in everyday living, then the informal kind of learning that is possible in museums is invaluable. It becomes important to understand ways in which opportunities for learning in the museum can be enhanced by appropriate linkages to other learning environments, as well as ways in which learning in other environments might be enhanced through appropriate linkages to museums.

CONCLUSION

Little data have been collected to prove that the experiences that people have in science centers are educational. Two factors suggest that the potential for learning in science centers is great. (i) The dramatic rise in attendance during the past decade and the enthusiasm of repeat visitors reflect a strong public demand for science centers to provide exhibits designed to help the visitor develop a better understanding of the contemporary scientific issues of society. (ii) Objects housed in the museum form the basis of alternative, participatory educational programs. Museums are the only institutions that can provide the general public with these kinds of participatory experiences, together with an accurate scientific interpretation of the materials that are involved. The interaction of these two factors—the predisposition on the part of the visitors to be receptive to the museum's message, and the capability of the museum to transmit the message in a multisensory and yet authentic manner—indicates the presence of conditions favorable to learning.

Although no conclusive data exist, it can be deduced from available research that exhibits can be considered an educational medium, but that new evaluation models must be developed. The present educational and anthropological evaluation models that have been imposed on the science and technology center environment are inadequate. To ascertain the full potential for learning in science centers, systematic data must be gathered about the characteristics and effectiveness of the informal learning environment offered by science centers. Methods for collecting evidence that are not dependent on the exogenous variables that each visitor

Footnotes at end of article.

brings to the science center environment must be devised.

FOOTNOTES

[1] *Museums USA* (National Endowment for the Arts, Washington, D.C., 1974), p. 48.
[2] *A Profile of Science-Technology Centers* (Association of Science-Technology Centers, Washington, D.C., 1975), p. 3.
[3] The Oregon Museum of Science and Industry in Portland sponsors the "Wild Parties."
[4] H. D. Thier and M. C. Linn, *Curator* 3, 233 (1976).
[5] D. Yankelovich, personal communication.
[6] J. Goodman, personal communication.
[7] H. D. Thier, "Opportunities for learning," paper presented at the annual meeting of the Association of Science-Technology Centers in Portland, Ore., 20 to 22 February 1974 (Association of Science-Technology Centers, Washington, D.C., 1974), p. 2.
[8] W. M. Laetsch, in *Highlights of the International Conference of Science and Technology Museums* (Association of Science-Technology Centers, Washington, D.C., 1976), p. 7.
[9] H. Hodgkinson, in *Highlights of Measuring the Immeasurable: A Workshop on Museum Effectiveness* (Association of Science-Technology Centers, Washington, D.C., 1976), p. 7.
[10] M. B. Hyman, *Adult Education Survey* (Association of Science-Technology Centers, Washington, D.C., 1976), p. 4.
[11] M. Borun, *Measuring the Immeasurable: A Pilot Study of Museum Effectiveness* (Association of Science-Technology Centers, Washington, D.C., 1977).
[12] H. H. Shettle, *Museum News* 52 (No. 1), 32 (1973).
[13] C. G. Screven, *ibid.* 52 (No. 5), 67 (1974).
[14] G. Tressel, in *Highlights of the International Conference of Science and Technology Museums* (Association of Science-Technology Centers, Washington, D.C., 1976), p. 9.
[15] C. G. Screven, personal communication.
[16] L. P. Eason and M. C. Linn, *Curator* I, 45 (1976).
[17] W. M. Laetsch, personal commnuication.
[18] Anonymous, "Adopt-a-Tree Program at Hall of Science Believes Familiarity Breeds Ecology," *ASTC Newsletter* 4 (No. 4), 9 (1977).
[19] F. Oppenheimer, *Technology Review* 7 (No. 7), 31 (1976).
[20] R. A. Chase, *Museum News* 54 (No. D, 37) (1975).●

THE DIVERSION OF PLUTONIUM

● Mr. ABOUREZK. Mr. President, on Tuesday, there was a front-page story in the New York Times which suggested that the electric power industry has developed a fuel cycle which eliminates the possibility that plutonium could be diverted to build weapons.

Mr. President, despite the fanfare of announcement, this is not a new fuel cycle discovery. I understand that the Federal Government has been studying the proliferation risks of the process for some time, with no conclusion that it would take the risk out of the worldwide breeder sales program that major corporations would like to pursue. In fact, what the New York Times refers to as "research officials from the United States" turns out to be no one other than the electric power industry working through its private research arm, the Electric Power Research Institute. ERPI does as much promotion as it does research, and I fear that the Times has been misled in this case into accepting promotion as a research breakthrough.

The electric power industry refuses to allow legitimate public reservations about the choice of nuclear breeders as the energy source of the future. They dismiss all criticism, whether it deals with safety, or with economics, or with the kind of societal arrangements that flow from a massive nuclear establishment, as irresponsible and self-serving.

Mr. President, I would like to have printed in the RECORD a statement which puts the EPRI announcement that the proliferation problem is solved into its proper context. New Directions and the Natural Resources Defense Council released a statement at the same press conference that EPRI called to make its claims. The New Directions and NRDC release refers to specific points in materials supplied by EPRI, and written by an EPRI division head named Zebroski, and made public in advance of the press conference.

I think that these will be of some help in correcting the false impression left by the Times story, and I ask unanimous consent that both the Times article and the New Directions/NRDC release be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 23, 1978]

NUCLEAR FUEL PLAN THWARTS DIVERSION: "CIVEX" RECYCLING SYSTEM DESIGNED TO AVERT USE FOR WEAPONRY

(By Victor K. McElheny)

The development of a nuclear-fuel recycling system that would prevent the diversion of plutonium from future breeder power plants into weaponry was disclosed yesterday by research officials from the United States and Britain.

Concerns about such diversion led President Carter last year to postpone indefinitely efforts to recover plutonium from existing types of nuclear power plants and to propose halting this country's multibillion-dollar effort to commercialize plutonium-fuel breeders.

The announcement that the new recycling process had been designed came as President Carter signed yesterday a $6.1 billion energy research bill that includes $80 million to continue work on the Clinch River breeder project in Tennessee.

A VETO LAST FALL

Last November President Carter vetoed a similar allocation for the Clinch River demonstration of the breeder, a plant designed to produce more plutonium fuel than it consumes.

The research officials—from the United Kingdom Atomic Energy Authority and the Electric Power Research Institute of Palo Alto, Calif.—said that the so-called Civex process, designed primarily for us with breeders, would avoid purifying plutonium into weapons-grade material at any stage.

Reprocessing plants using the Civex system, they said, would carry out all steps by remote control in so-called "hot cells," including the refashioning of new fuel for return to the breeder's sodium-cooled core.

They said that the process, under study for the last year, represented a combination of techniques, all of which have been tested in laboratories in the U.S. and Great Britain. At an energy technology conference in the Sheraton-Park hotel in Washington, Chauncy Starr, president of the Electric Power Research Institute, said that "the Administration really has what it asked for" in the new recycling process.

A pilot plant to test the economics of the Civex system would cost an estimated $100 million to build and at least $30 million a year to operate during a decade of testing, Dr. Starr said.

Similar efforts would be needed in any demonstration of the existing Purex recycling process on breeder fuel. That process is used in several countries, including the United States, for both weapons and power programs. It isolates both uranium and plutonium in pure form.

THE WEAPONRY ISSUE

Until the risk of channeling plutonium from civilian nuclear power into military weapons programs became an issue, most proponents of nuclear power had assumed that the Purex process would be used for reclaiming plutonium for use both in today's types of nuclear power plants and in breeders that were expected to become commercial in the 1990's.

In the proposed Civex process, only uranium would be purified for return to the so-called "blanket" region surrounding the breeder's core. In a breeder, uranium in the blanket is converted into plutonium.

Dr. Starr said at a Washington news conference that the Civex proces would keep all plutonium from a breeder mixed with uranium and with so-called fission products, or byproducts of atom-splitting, so that the concentration of plutonium would never exceed 20 percent. A concentration of more than 60 percent would be needed for weapons, he said.

Walter Marshall of the United Kingdom Atomic Energy Authority said at the news conference: "We believe that once you have established a fast [breeder] reactor cycle, then indeed you can make it proliferation-proof. You can make it so difficult to steal the plutonium from the cycle that you can virtually forget about it."

In a telephone interview, Milton Levenson, head of the Electric Power Research Institute's nuclear division, said of the steps in the Civex process: "There's substantial research behind all of these. All the feasible spigots for diversion have been fairly effectively blocked."

Mr. Levenson said that the Civex plant would be so radioactive that it would have to be shut down for many weeks for decontamination before it could be converted to making weapons-grade plutonium. This would allow much time for international warning systems to detect the shutdown, he said.

Dr. Starr added that he knew of "no technical jokers to keep the Civex system from working." He said that nations supplying nuclear fuel, such as the United States, should now begin buying back used fuel for use in future breeder reactors.

Demonstration of the Civex process, he said, cold accelerate commercialization of breeders because Civex offers a means of keeping plutonium out of military channels.

Because of this, he said, there would be more incentives to recover plutonium from the used fuel of existing nuclear power plants, which now is stored without reprocessing. At the end of about 10 years of storage, he said, the used fuel has lost enough of its original radioactivity to become vulnerable to theft.

NEWS RELEASE FROM NEW DIRECTIONS AND NATIONAL RESOURCES DEFENSE COUNCIL

PUBLIC INTEREST GROUPS GIVE EPRI'S PROLIFERATION PROPOSAL AN "A" FOR EFFORT, BUT AN "F" FOR PERFORMANCE.

EPRI is to be congratulated for facing up to the proliferation dangers of plutonium reprocessing, and accepting a "no worse than light water reactor" non-proliferation criterion. Unfortunately, the EPRI criterion still contains a major flaw and the fuel cycle proposed does not measure up to EPRI's own criterion.

The most surprising aspect of this pro-

posal is that for the first time, EPRI has admitted the proliferation dangers of plutonium reprocessing and the breeder reactor. It also admits that both the breeder and plutonium reprocessing can be deferred.

Having lost the debate over the proliferation risks of the plutonium breeder and reprocessing, EPRI is now attempting to justify plutonium use by attacking light water reactors as major proliferation risks.

Jim Cubie, legislative representative of New Directions, and Tom Cochran, staff physicist of the Natural Resources Defense Council, noted that the CIVEX proposal is an indictment of existing plutonium reprocessing facilities. "Civex's criticisms of traditional plutonium reprocessing should ring the deathknell for the Windscale, Barnwell and the Tokai Mura reprocessing facilities. None of these facilities as constructed or designed meets EPRI's proliferation criteria."

EPRI's non-proliferation criteria are themselves inadequate because they allow national control of plutonium-bearing spent fuels. Concern over the proliferation dangers of spent fuel has led the U.S. to seek the return of spent fuel from India.

Among the criteria accepted by EPRI which its CIVEX process fails to meet are:

I. "The overall risk of diversion by national, sub-national, or terrorist groups must not be higher than that for spent fuel from conventional light water reactors."

II. "No pure plutonium in storage. No pure plutonium in any intermediate points."

CIVEX fails to meet these criteria. First, since breeder reactor fuel, even in the CIVEX fuel cycle, has a twenty-five times higher concentration of plutonium than spent fuel a CIVEX breeder fuel cycle facility can produce twenty-five times more weapons than a light water reactor spent-fuel reprocessing facility.

Secondly, CIVEX fails to meet its objective of being as proliferation-resistant as the LWR fuel cycle because it would place in many countries a plutonium extraction facility. An LWR fuel cycle without reprocessing would not proliferate such facilities. Recognizing the danger that a reprocessing facility designed to produce non-weapons material could be quickly reengineered to produce weapons material, CIVEX proposes to prevent easy re-engineering by fixed flow rates and avoidance of multiple-feed and take-off points. However, any real reprocessing plant must be designed for changes in operation (such as start-up and shut-down) and the maintenance and decoupling of units that malfunction. These concessions to practicality will result in a facility that can be easily converted to produce weapons-usable material.

Also, any country with a CIVEX reprocessing facility will have a trained cadre available to build a standard plutonium reprocessing plant. The CIVEX plant would provide a perfect cover for illicit activities.

Cochran and Cubie also noted that the CIVEX co-processing system ". . . would eliminate any possibility of plutonium reprocessing being economically competitive in the foreseeable future." They noted that an ERDA report (ERDA 77–75), prepared during the Ford Administration had concluded that co-processing would nearly eliminate any economic benefits from plutonium reprocessing because of the higher costs inherent in the handling of irradiated material. They also noted that the Atomic Energy Commission had concluded that the spiking of plutonium with radiation was an unacceptable safeguards measure because of the higher health and safety risks to workers.

Although EPRI states that pure plutonium should not exist in an acceptably proliferation-resistant fuel cycle, the chief British proponent of CIVEX, Walter Marshall, Deputy Chairman of the United Kingdom Atomic Energy Agency, is quoted in Energy Daily (February 24, 1978) as foreseeing ". . . the likely necessity of providing radiation-free fuel for start-up of new fast reactors, simply to ease operational worries."

Cubie and Cochran also warned that, "The press release leaves the impression that this proposal is a United States Government initiative. In fact, the proposal has no affiliation with the United States Government or the United States Government's role in the International Fuel Cycle Evaluation (IFCE)."

Finally, as EPRI admits, the CIVEX process is not new. It is basically a synthesis of existing processes—co-processing and spiking. In fact, DOE and ACDA have been examining the proliferation risks of these technologies for several years.

MAJOR CONCESSIONS MADE TO PLUTONIUM CRITICS BY EPRI CIVEX DOCUMENTS

1. U.S. can afford to defer plutonium reprocessing and breeder (Zebroski p. 2):

Plutonium reprocessing proponents in the nuclear industry and government have argued that implementation of plutonium reprocessing and rapid development of breeder reactors were essential to meet energy needs. Plutonium reprocessing proponents have also forecast large near-term benefits. EPRI now rejects both of these contentions. It states that, "The U.S. is currently able to defer non-military reprocessing . . . and the breeder. . . ." "The benefits of all of these options in decreasing demands for resources and increased security of supply occurs mostly after the year 2000."

2. Any new fuel cycle should not have greater risk of diversion than spent fuel from light water reactors (Zebroski p. 1.):

During the early stages of the Carter Administration, an expert panel was created to make recommendations to ERDA and the President concerning the future of the breeder reactor program and the Clinch River Breeder Reactor. The section of the panel advocating cancellation of the CRBR proposed that new fuel cycles should at least be as proliferation-resistance as the LWR without plutonium reprocessing, with international control of spent fuel. Thus, EPRI is now adopting a proliferation standard similar to the critics of the breeder reactor program.

3. Breeder reactors are a major proliferation risk (Zebroski p. 2):

Proponents of the plutonium breeder have argued that the breeder was not a serious proliferation risk. EPRI is now admitting that breeder reactors use "processes directly applicable to weapons production."

4. Several weapons could be quickly fabricated from reprocessing plutonium (Zebroski p. 4):

In contrast to early industry statements which have characterized diversions of plutonium as a lengthy time consuming process, EPRI is now admitting that "an inventory of such material could be diverted to produce several nuclear weapons in a short time."

5. Light water reactors are a major proliferation risk (Nucleonics Week, February 24, p. 1):

EPRI now apparently agrees with nuclear critics who have criticized the Carter Administration for not admitting that light water reactors, even without plutonium reprocessing, are a major proliferation risk. The Marshall-Starr thesis is that unreprocessed spent fuel is a major proliferation risk.●

SENATOR DOLE ADDRESSES THE NATIONAL PEANUT COUNCIL CONVENTION

● Mr. TALMADGE. Mr. President, last week the National Peanut Council held its 38th annual convention here in Washington. The makeup of this association includes the entire spectrum of the peanut industry. Every growing region and every segment, from growers to shellers to end-users, are represented in the National Peanut Council.

The peanut industry is important to America. Its volume is approaching $2 billion and it provides an important source of nutrition for the tables of our country and abroad.

This past year, the National Peanut Council embarked on a course to revitalize its value to the peanut industry. One element of this revitalization program was to have the most successful convention in the history of the council. According to many of my friends, who attended, this goal was achieved in every respect. The program included the Speaker of the House. the distinguished chairman of the House Agriculture Committee and other outstanding American leaders and entertainers.

One event that made an indispensable contribution to the success of this convention was a speech by my distinguished colleague, the Senator from Kansas, who sits with me on the Senate Agriculture Committee as its ranking minority member.

Senator DOLE made a thoughtful and informative speech on the current agriculture situation that deserves the attention of the Senate. Early in this speech he made some very generous references to me. I appreciate his kind comments and all of us should appreciate the contribution the remainder of the speech makes to the current debate over agriculture policy.

Mr. President, I ask unanimous consent that the text of Senator DOLE's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR BOB DOLE

I am deeply grateful for this opportunity to meet with you today. The invitation of the National Peanut Council will enable me for the first time to visit and exchange ideas with you men and women who serve the Nation so well. I cherish this opportunity.

I wish to assure you that I have learned much about this industry from Chairman Talmadge of our Committee on Agriculture, Nutrition, and Forestry. He is a great Chairman, dedicated to the welfare of farmers everywhere. Moreover, his knowledge of your industry and his great interest has meant much economically to all of you. However, I want you to know that I am working day and night to change places with him.

Spurred by the discipline of competition, you are leaders in the global fight for an improving quality of life. I have been much impressed by the fact that despite higher prices to producers, per capita consumption of high quality peanuts has increased in each of the last three decades. Your promotional activities accompanied by excellent products have enabled you to expand your sales. I know that this background of expanding per capita consumption of peanuts and the products will reach even greater heights in the next five years.

I want to pay tribute to you who are leaders in the highly competitive and creative agribusiness system which is second to none in the world. You are efficient. You are an integral link between the producer and the

ultimate consumer. In a larger sense, you serve all society. For fundamentally, you are part and parcel of the entire modern productive process.

EFFICIENT SYSTEM OF FREE ENTERPRISE

The miraculously efficient system which free enterprise has developed for the production, marketing, distribution, and processing of food is a real tribute to what free men in a free society can do. You should be proud of your share in these accomplishments. That is the basic reason for my belief in an expanding future for this industry.

I believe in the profit system—and I also believe that it can work even more effectively than it has in the past for the public good.

For too long, business and government entrenched themselves on opposite sides of an imaginary line—the line dividing the so-called "private sector" from the so-called "public sector" and glowered at one another.

Some still regard business as inherently oblivious or even antagonistic to the public interest. Some even regard profits as actually immoral—rather than as an incentive essential to efficiency, as even the Communists are now coming to recognize.

These old suspicions must be made to fade rapidly into history. I do not believe that government has any monopoly of wisdom—or of dedication to the public good.

I think we need to draw upon the ability, the energy, and the innovative talents of all elements of the community in dealing with the problems which confront us.

Our political, economic, and social systems have produced a greater degree of individual freedom, higher levels of income, a more equitable distribution of an ever-rising national product, more equality of opportunity, more religious freedom, a greater appreciation of the value of the spirit and the dignity of man, than has been heretofore achieved by any nation in history.

CONTINUING REVOLUTION

Our revolution did not start and end in 1776. It is a continuing phenomenon. The frontiers of opportunity, of knowledge, of health, of social justice and economic and political progress in our land are still being expanded.

On the facade of the Archives Building, one finds "What Is Past Is Prologue". Many men long ago planted the seeds that produced modern agriculture. The discoverers, explorers, inventors, colonist, and pioneers after them, the farmers, inventors, and especially the scientists—white and black.

GEORGE WASHINGTON CARVER

It was the agricultural chemist, educator, and botanist, Dr. George Washington Carver (1864–1943) who first appreciated the nutritional contribution of the peanut. Working in his laboratory at Tuskegee Institute in Alabama, Dr. Carver did hundreds of experiments to identify uses of the peanut plant. In his discoveries of over 200 products from peanuts, he is also believed to have produced the first peanut oil in this country.

I'm proud that he spent many of his early years in my home state of Kansas. Born on a farm near Diamond, Missouri, this son of slave parents left home about the age of 14 and went to Fort Scott, Paola, and Olathe, Kansas. He received his high school training in Minneapolis, Kansas and there took the middle name "Washington" to distinguish himself from another George Carver.

From Kansas where he farmed, he went to Iowa. There he received a B.S. degree (1894) and an M.S. degree (1896) in agriculture from Iowa State University. Later he went on to Tuskegee Institute in Alabama to teach.

His work with Southern farmers soon convinced him that their adversities were caused mainly by lack of crop diversification, insufficient knowledge of soil conservation and plant protection, and inadequate utilization of farm products and byproducts.

National attention was focused on Carver in 1921 when he presented testimony for peanut growers in hearings on the Fordney-McCumber Tariff Bill before the House Ways and Means Committee.

Dr. Carver died of anemia in 1943. His career was remarkable for its dedication to teaching and inquiry solely for humanitarian purposes, and probably most notable as an example of exceptional personal triumph over great obstacles. In spite of his fame and many honors, Dr. Carver did not escape discrimination and insults widely suffered by American blacks.

If one compares the achievements of our system with that of others, we can take great pride in our accomplishments and in our determination for even greater improvement in the future. Our farm people have been in the front ranks of these great achievements. They are still there. We can count on them. As a matter of fact, many of our national policies rest on the assumption of the continuing miracle called agricultural abundance and its counterpart increasingly efficient agribusiness.

And in a real sense we need to understand that agriculture is in the forefront of the struggle for a better world. And you are helping to make this possible.

CHANGE AS AN ALLY

Change is inevitable. Agriculture's—and America's challenge—is to make change an ally, not an enemy.

Nowhere has there been more marked changes than in agriculture. There is and will continue to be the fact of change which is the chief characteristic of our world. You now have changed legislation which will require a rethinking of your activities and priorities.

Being the Ranking Minority Member of the Senate Nutrition Committee—the former Select Committee on Nutrition and now the new Subcommittee of the Senate Agriculture Committee—I've learned many things about nutrition. One is that the peanut is a good source of protein. It's nutritional merits are recognized.

Federal regulations covering school meal programs—serving more than 26 million student meals daily—allow the use of peanut butter as a substitute food for fish, poultry, eggs, and other high protein meal alternatives. I believe that other uses should be explored and developed in order to raise the income of peanut producers.

One of the titles of the Food and Agriculture Act of 1977 changes in a substantial way the U.S. peanut price support program. It also changes in a major way the possibilities for producers and how the buyers and users must look at this program. The activities of this Association, yes its very agenda, will be influenced.

SUPPORT LEVELS

The Secretary of Agriculture has announced the National Average Support Levels of $420 per short ton for 1978-crop quota peanuts, and $250 per short ton for 1978 crop additional peanuts. The $420 quota level is the legal minimum and the "additional" level is based on estimated export demand and world prices. For 1978, the quota peanut level will be 1,680,000 tons, slightly more than 90 percent of the 1977 production. It decreases 5 percent per year to 1,440,000 tons in 1981.

The two-tier level of support is new and required by the Food and Agriculture Act of 1977. For the 1977 crop, there was only one support level of $430.50 per short ton, or $410.50 per ton after a deduction of $20 for storage, handling, and inspection. This deduction will not be made under the 1978 program.

Producers are going to have to decide how many acres to plant—whether to plant their full acreage allotment or to plant only enough to cover their quota production. Will it be more profitable to grow another crop on the approximately 20 percent of their production allocated to "additional" peanuts?

What is the possibility of getting more than the price support of $250 per ton on the "additional" peanuts? This presents some major questions to exporters and crushers, especially in view of the uncertainties of the world markets for peanuts and U.S. markets for peanut oil and peanut meal. In this area, you are moving from government set prices and special arrangements into areas of risks.

It seems to me that we should do everything feasible to maximize the return to producers for "additional" peanuts in the free market.

There should now be support from groups such as this for my legislative proposals to:

(1) Expand Export-Import Bank Credits;

(2) Authorize CCC Credits to non-market economies, such as the Soviet Union and the People's Republic of China;

(3) Authorization for intermediate credits to take advantage of export opportunities that require credits with terms longer than the current 3-year maximum;

(4) I would like to see the Administration spend less time at International Commodity Agreement Conferences and direct more of their resources into market development activities. The USDA-Industry Cooperator Market Development Program is not receiving the attention that it should be getting. There is far less real activity by these programs in the world markets than there was 10 years ago. The market development activities of the National Peanut Council need to be carrying the message to overseas markets even more vigorously than currently. The job is different. If done successfully, it can mean millions of dollars in increased income.

(5) I would urge that you see that the Administration's trade negotiators in Geneva not be "mousetrapped" into any agreements that would work to the detriment of U.S. farm exports. I believe that we must not give away easier access to U.S. markets for industrial goods or agricultural commodities by reduced tariff or non-tariff barriers without attaining greater access to the markets of the world for U.S. agriculture. This is the most important objective for U.S. agriculture. Both industrial and farm items must be brought along together as the trade negotiations proceed. We must not be the forgotten relatives as we were during the Kennedy Round.

We are moving into the experience of a new program. It is essential farmers understand the new program. It is essential that this National Peanut Council not only help farmers understand the program, but also help them maximize their returns. Help farmers develop the opportunities for greater domestic demand, and help them get and utilize export authorities which will give the Nation greater clout in export competition.

I wish you every success.●

MERIT SELECTION OF JUDGES

● Mr. LUGAR. Mr. President, since I introduced Senate Resolution 353 on January 19, calling for the merit selection of U.S. district court judges, attorneys, and marshals, many articles written about the resolution have appeared in newspapers all across this Nation.

I take this opportunity to call attention to one of the best-written of these

articles, which was published in the Purdue Exponent on February 20, 1978. I believe that this article offers a concise, thorough, and fair review of my resolution and of the circumstances surrounding the merit selection issue.

The Purdue Exponent serves the West Lafayette, Ind., campus of Purdue University. Throughout my years of public service, I have found young people to be genuinely concerned about government, and eager to make it work better. The Exponent's attention to this issue is certainly indicative of this concern.

I commend the Exponent for its coverage of this matter, and compliment Ms. Cecilia Rak on a well-written article. Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MERIT SELECTION OF JUDGES PROPOSED

(By Cecilia Rak)

In an attempt to remove "the political spoils system for judicial appointments," Senator Richard G. Lugar (R-Ind) has presented a proposal to Congress which would establish a selection on the basis of merit for the appointment of federal judges, U.S. attorneys and marshals.

Under Lugar's proposed plan, the direct power of appointment would be removed from the senators and placed in the hands of judicial district commissions. A separate commission would be formed for each district in every state. Selection to the commission would be appointed by representatives of law schools, bar associations, or through the suggestion of the Senators.

Although the senators would have the option to help select members to the committee, each senator could not select more than one half of the committee, and together the senators could not choose over two-thirds.

Mark Lubbers, legislative assistant to Lugar, said that the recent removal of U.S. Attorney David Marston has acted as a catalyst in calling attention to the bias of the present system.

Marston, who formerly served as a Republican Attorney in Philadelphia, was abruptly removed from office by Attorney General Griffin Bell in light of the fact he was in the midst of an investigation of several prominent Democrats in office who were allegedly involved in financial corruption.

Lubbers also referred to the recent removal of Attorney James Young from southern Indiana as "a classic example of a very well respected and competent official removed for purely political reasons."

Lubbers said that Lugar's proposal is currently awaiting a full hearing by the Judiciary Committee, but noted that the issue is so timely that some could be avoiding the issues. Reappointments to judgeships by both parties are expected within the next few months, following the signing of the Omnibus Judgship Bill by President Carter.

In addressing the Congress with his proposal earlier last month, Lugar stated, ". . . the time has come to reject partisan considerations in selecting those who constitute the Federal judicial system, and to assure that all selections are based upon finding persons whose character, experience, temperament, ability, and commitment to equal justice justify their being nominated to serve."

Senator Birch Bayh (D-Ind) disagrees with Lugar's proposal. Bayh has outlined a similar committee for the creation of a judicial review panel, yet under his plan, the committee would evaluate possible candidates and submit the results of their investigation to Bayh, who would then make the final choice.

Carol Sanger, Bayh's press secretary, said in defense of the senator's proposal, "It's well-known as one of the facts of life that the spoils system has been a part of our country for over 200 years. Under this system, the party in power feels that, as in this case, a qualified Democrat can do just as good a job as a qualified Republican."

Michael Cole, Legislative director for Common Cause, said their agency with Lugar's staff in drafting and gaining support for the proposal.

"We feel that Senator Lugar's proposal would be a major step in getting away from the highly political process, which has traditionally been a prime factor in the selection," he stated.

Cole said the organization had been "bitterly disappointed" by President Carter's campaigning pledge for the removal of political sway from the selection system.

"Carter did instill the merit selection system for the appointment of U.S. circuit judges for the Courts of Appeal last spring," said Cole, "but he stopped there. It is one thing to be a candidate with promises and another thing when they face reality with Congress."

William Ruckelshaus, former Republican member to the House of Representatives, stated that political pull was "all a part of the game."

"If you get good people, I see nothing really wrong with the political appointment; I can't see excluding people with political experience."

According to Ruckelshaus, most appointments were made on the basis of both ability and political pull.●

SCIENCE INDICATORS—1976

● Mr. KENNEDY. Mr. President, I want to call to the attention of my colleagues the National Science Board's most recent report, Science Indicators—1976. The Chairman of the National Science Board, in transmitting the Board's findings to President Carter, described this series of reports as follows:

Our goal is a periodical series of indices of the strengths and weaknesses of science and technology in the United States and the changing character of that activity. We hope that by contributing to the understanding of the scientific enterprise itself we will strengthen its forward thrust, illuminate its significance, assist in the examination of its problems, and thereby increase its role in the resolution of issues of great national concern.

Included in the report are indicators for international science and technology, resources for research and development, resources for basic research, industrial research and development and innovation; science and engineering personnel, and public attitudes toward science and technology.

I want to call the particular attention of my colleagues to the results of the public opinion survey on science and technology which is included in the Board's report. Its findings have special relevance with regard to public support for improvements in health care and the desire of the American people to see additional resources devoted to health related activities.

For example, in ranking research areas according to benefits realized, the survey found that improvements in medicine were cited by 81 percent of those questioned. When asked to cite areas in which science and technology could make a major contribution toward solving problems, 65 percent of those responding identified improvements in health care as their top priority. In identifying areas in which taxes should be spent for science and technology, 57 percent named health care as the field in which they would most like to see their tax dollars spent. Furthermore, 60 percent of those polled felt that the Nation is spending too little to improve and protect the Nation's health.

Mr. President, these findings are particularly important to the Congress as we review the President's budget request for research and related activities. Of the $27.9 billion the President is requesting for research and development, just $2.6 billion, or less than 10 percent, is earmarked for health research. For the National Institutes of Health, the President has requested no measurable increase in funding.

It is not my position that the Nation should determine its research priorities solely on the basis of public opinion polls. But year after year we have seen the bulk of the Nation's R. & D. resources devoted to defense- and space-related activities. Year after year, health-related research has been shortchanged.

The American people are ready for a change in those priorities—there is strong public support for comprehensive national health insurance; there is strong public support for research which could lead to improvements in health care; and there is a widespread belief that at present the Nation is doing far too little to improve and protect the Nation's health.

As chairman of the Subcommittee on Health and Scientific Research I will continue to press for a more intensive review of the way in which we allocate R. & D. funding, and I ask unanimous consent that the National Science Board's findings be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PUBLIC ATTITUDES TOWARD SCIENCE AND TECHNOLOGY

INDICATOR HIGHLIGHTS

In the public's rankings of ten occupations according to prestige, scientists were second only to physicians in 1972, 1974, and 1976, with engineers in third place. This is in spite of a general decline in the public's regard for the ten occupations from the 1960's to the 1970's and again from 1974 to 1976. The relative standing of scientists has improved since the 1960's.

While the public in general has a high regard for science and scientists, this regard is highest among the relatively affluent and educated and those who have professional or managerial occupations. The least favorable attitudes are held by the poor and uneducated, and those who live and work on farms. These latter groups also respond "no opinion" with high frequency.

About 70 percent of the public believed in 1972 and 1976 that science and technology have changed life for the better, and over half believed that they have done more good than harm. More favorable attitudes on

these issues were expressed in 1974 than in either 1972 or 1976.

Improvements in medicine are by far the greatest benefit that the public believes science and technology have produced, followed by space exploration. The most harmful thing is damage to the environment, with the expense and dangers of the space program coming second.

In 1976, 6 percent of the public thought that science and technology have caused most of our problems, 45 percent some of our problems, 28 percent few of our problems, and 14 percent none of our problems. In 1972, only 9 percent felt that none of our problems were caused by science and technology. Government decisionmakers were most often cited in 1976 as the group responsible for causing such problems, while business decisionmakers too were often mentioned. Scientists and engineers were very seldom cited, but there was a marginally greater concern about engineers. There was also a marginally greater desire to control technology than science, especially among professionals and the college educated.

The portion of the public that believed that science and technology will eventually solve most problems such as pollution, disease, drug abuse, and crime was 27 percent in 1976. This number has been 30 percent in 1972 and had dropped to 23 percent in 1974.

The two problem areas in which science and technology would be most effective, in the view of the public, are health care and pollution. The two areas in which they would be least effective are thought to be reducing crime, and weather control and prediction.

The areas in which the public would *most* like its tax money spent for science and technology are the same as those in which they are considered potentially most effective. The areas in which the public would *least* like its money spent are space exploration, defense, birth control, and weather control and prediction.

An essential aspect of the scientific enterprise in the United States is the attitudes of the U.S. public toward that enterprise. Those attitudes affect science and technology in many ways. Directly, public attitudes influence the decision of young people to take up careers in science-related fields, Also, they affect public voting in areas related to technology. Indirectly, public attitudes influence the scientific enterprise through their influence on the actions of government at all levels. These actions take the form of decisions to fund or to regulate certain research or technological activities. The 1976 report of the National Science Board, *Science at the Bicentennial: A Report from the Research Community*, showed that the scientific community in the United States is greatly concerned about public attitudes toward science and technology, because it perceives a deterioration in these attitudes to be the cause of many of its current problems.

The survey of public attitudes summarized in *Science Indicators*—1972 and *Science Indicators—1974* was repeated for this report [1] with a few modifications that will be discussed below. Personal interviews were conducted in September 1976 with 2,108 persons 18 years of age or older. The sampling method used in the survey permits the results to be projected to the entire U.S. adult population.

Such public opinion surveys provide information that cannot be gained in any other way. However, their limitations should also be recognized. The wording and ordering of questions may have an unexpected effect on the response obtained. A respondent may really have no opinion on a particular issue, or may confuse one issue with another, so that his response does not reflect his actual opinion. Further developments in polling technique are expected to minimize such effects. Finally, it must be understood that the purpose of this survey was to elicit opinions, rather than information, about science and technology. Some respondents may be misinformed or uninformed, for example, as to what effects science and technology have had on society and what they are able to accomplish. Even so, it is valuable to know what they believe about these things. Indeed, it may be especially important to know when the public has unrealistic beliefs or expectations about science and technology.

In this chapter, the public attitudes revealed by the survey are grouped for discussion into four sections: general attitudes, results of science and technology, capabilities of science and technology, and public preferences. In each case, the attitudes expressed by the total public are shown, as well as the attitudes of those demographic groups that diverged most significantly from the total public. The 1976 results are compared with those from 1972 and also with the 1974 results when the latter shows a significant difference from both 1972 and 1976. Comparison is also made with the results of other surveys in which similar questions were asked.

GENERAL ATTITUDES TOWARD SCIENCE AND TECHNOLOGY AND TOWARD THEIR PRACTITIONERS

The public continues to have an overwhelming positive general reaction to science and technology. Out of four possible evaluations of science and technology, over 70 percent of the public chose favorable replies in both 1972 and 1976.

6–1. General reactions to science and technology

Reaction	Percent	
	1972	1976
Excitement or wonder	23	23
Satisfaction or hope	49	55
Fear or alarm	6	6
Indifference or lack of interest	6	9
No opinion	16	7

SOURCE.—Opinion Research Corporation, *Attitudes of the U.S. Public Toward Science and Technology, Study III* (September 1976), p. 16.

The reaction "excitement or wonder" was expressed by 23 percent of the public in both years. In 1976, this response was given more often by people between 18 and 29 years of age, by those with some college, those with "professional" occupations and those with annual incomes over $15,000. Fewer people with incomes under $5,000 or 60 years old or over had this reaction.

The most common reaction was "satisfaction or hope", at 55 percent in 1976, which was significantly above the 49 percent with this reaction in 1972. Again persons with annual incomes below $5,000 had this feeling less often than the average—less often, in fact, than any other group.

"Fear or alarm" was the reaction of 6 percent in both years. This was the least frequent response in 1976. However, the group with incomes under $5,000 expressed this reaction 12 percent of the time.

Besides their attitude toward science and technology as such, one may ask about the public's attitude toward the persons who practice them. Table 6–2 below is concerned with the attitudes of the public toward scientists and engineers, as compared with other professionals. Each job or profession listed was rated as "excellent", "good", "average", "below average", or "poor" in terms of its prestige or general standing. The table shows the percent answering "excellent" or "good" for each occupation in each of the years in which this survey has been taken. The occupations are rank-ordered according to the proportion of "excellent" or "good" ratings they were given in 1976.

6–2. Prestige of occupations

Occupation	Percents responding "excellent" or "good" for each occupation		
	1972	1974	1976
Physician	92	91	86
Scientist	86	89	81
Engineer	83	86	77
Minister	80	80	75
Architect	82	85	74
Banker	80	76	72
Lawyer	80	78	69
Accountant for a large business	75	76	67
Businessman	72	71	61
U.S. representative in Congress	73	65	52

SOURCE.—Opinion Research Corporation, *op. cit.*, pp. 5–14.

The public's esteem for scientists in 1976 was second only to its esteem for physicians, among the ten occupations listed. The same was true in 1972 and 1974. Engineers ranked third, directly after scientists, in each year. The table also shows that there has been a general drop in the public's regard for all ten occupations, between 1972 and 1976. The drop was especially severe in the case of lawyers and businessmen, and most severe in the case of U.S. representatives in Congress, who ranked lowest of these ten occupations in each year.[2] In most cases, the drop from 1974 to 1976 was greater than the drop, if any, from 1972 to 1974. However, in spite of the general decline in prestige for all jobs, scientists and engineers maintained their relative standing.

In 1976, those who most often responded "excellent" or "good" with regard to scientists were in one of the following groups: those from 30 to 49 years of age; those who had some college education; had professional, managerial, or clerical or sales occupations; lived in cities of over one million population or in the northeastern United States; or had incomes of $15,000 or more per year. Those with the least favorable attitudes were 60 years old or more, had not completed high school, worked on farms, lived in the South, or had annual incomes below $5,000.

In the case of engineers, those giving them an especially high general standing in 1976 belonged to the managerial occupations. Those giving them an especially low general standing were 60 years old or more, had less than a high school education, lived in rural areas, or had incomes below $5,000 per year.

There have been many other studies of public attitudes toward professions, including science, with which these results can be compared. Similar (though not identical) surveys taken in 1947 and 1963 found the following ratings for occupations on the previous list.

6–3. Prestige of occupations

Occupation	Percents responding "excellent" or "good" for each occupation	
	1947	1963
Physician	97	96
Scientist	91	95
Civil engineer	88	92
Minister	87	86

Footnotes at end of article.

6.3 Prestige of occupations.—Continued

Occupation	Percents responding "excellent" or "good" for each occupation	
	1947	1963
Architect	90	92
Banker	92	90
Lawyer	89	91
Accountant for a large business	82	82
U.S. representative in Congress	92	91

SOURCE.—R. W. Hodge, P. M. Siegel, and P. H. Rossi, "Occupational Prestige in the United States, 1925–63", *American Journal of Sociology*, Vol. 70 (1964), pp. 286–302.

These were among the 30 highest-ranking occupations in a list of 90. In place of "engineer", this table has "civil engineer", while it has no entry corresponding to "businessman" on the previous table.

If differences in sampling method between the surveys are neglected, it would appear that there has also been a drop in the general standing of most occupations since 1947 and 1963. In any case, physicians again led the list in both years. The numerical ratings are closely bunched together, but by 1963 physicians and scientists had established a higher general standing than the other professionals listed. This pattern was to continue in the 1970's.

Since 1966, the Harris Survey and the National Opinion Research Center (NORC) have also measured the public's feelings toward scientists, using a somewhat different question. Some social institutions in this country are named, and the respondent is asked whether he or she has "a great deal" of confidence in the people running each institution. Clearly this is not the same as asking for attitudes toward occupational groups as such, as in Table 6–2. The responses may reflect attitudes toward authority and institutions, as well as attitudes toward the occupations. Still, the trends in these responses over time may help in interpreting the response on Tables 6–2 and 6–3. In particular, the responses may help in evaluating the consistent drop in the expressed confidence in all occupations that is shown on those tables.

The Harris surveys were conducted in 1966, 1971, and 1972. Table 6–4 shows the results. The words in parentheses are names of occupations, taken from Table 6–2, that correspond to the institutions named in this survey. Similarly, results from NORC surveys conducted in 1973, 1974, and 1976 are shown in Table 6–5.

6–4. Confidence in people who run institutions

Institution	(1)		
	1966	1971	1972
Medicine (physician)[2]	72	61	48
Banks and financial institutions (banker)	67	36	39
Scientific community (scientist)	56	32	37
Military	62	27	35
Education	61	37	33
Mental health and psychiatry	51	35	31
Organized religion (minister	41	27	30
Retail business (businessman)	48	24	28
U.S. Supreme Court	51	23	28
Executive branch of the Federal Government	41	23	27
Major companies (businessman)	55	27	27
Congress (U.S. Representative in Congress)	42	19	21
Press	29	18	18
Television	25	22	17
Organized labor	22	14	15
Advertising	21	13	12

[1] Percents responding "a great deal" of confidence for each institution.

[2] Terms in parentheses are the corresponding occupations, taken from Table 6–2.

SOURCE.—The Harris Survey, release of November 13, 1972.

6–5. Confidence in people who run institutions

Institution	(1)		
	1973	1974	1976
Medicine (physician)[2]	54	60	54
Scientific community (scientist	37	45	43
Banks and financial institutions (banker)	([3])	([3])	39
Military	32	40	39
Education	37	49	37
U.S. Supreme Court	31	33	35
Organized religion (minister)	35	44	30
Press	23	26	28
Major companies (businessman)	29	31	22
Television	18	23	19
Congress (U.S. Representative in Congress)	23	17	14
Executive branch of the Federal Government	29	14	13
Organized labor	15	18	11

[1] Percents responding "a great deal" of confidence, for each institution.

[2] Terms in parentheses are the corresponding occupations, taken from Table 6–2.

[3] Not included in 1973 and 1974 surveys.

SOURCE.—National Opinion Research Center, University of Chicago, Codebooks of the Spring 1973, 1974, and 1976 General Social Survey, question 78 in 1973, 87 in 1974, and 74 in 1976.

According to Table 6–4, there was a definite decline in public confidence in the people running all the listed institutions, from 1966 to the 1970's. Tables 6–2 and 6–3 make a similar point regarding the prestige of occupations. The scientific community shared in this trend. Table 6–5 shows a widespread increase in the public's confidence in the leaders of institutions from 1973 to 1974, followed by a decrease from 1974 to 1976. This applies to the scientific community in particular, though the 1974–76 change is too small to be considered significant.

Table 6–5 indicates a drop in public confidence from 1974 to 1976 in all the institutional leaders that correspond to occupations listed on Table 6–2. This suggests that the 1974–76 drop that Table 6–2 shows represents a genuine change in public opinion. Another possible explanation for the drop shown on Table 6–2 is that in 1976 for the first time the survey questionnaire was prefaced by a statement notifying the respondent that the questions to follow come from a Federal agency. This was done to comply with the Privacy Act of 1974. In view of the unfavorable attitudes expressed toward government in some of the 1976 responses, it is possible that this preface led to relatively negative answers to this question, which was the first one after the preface.

Tables 6–4 and 6–5 together provide a time series, extending from 1966 to 1976, measuring the public's confidence in the leaders of institutions. Since the tables come from two different sources, however, caution is needed when making comparison between them.[3] It is relatively safe to compare rank orders on the two tables. Thus in 1966 scientific leaders ranked fifth among the institutions on Table 6–4, barely above leaders of major companies, who were sixth. In 1971, they were again fifth, though only slightly below banking leaders, who were third. In subsequent years, they gradually emerged in second place, next to medical leaders. By this measure, the leaders of the scientific community have gained in public esteem from 1966 to 1976, in relation to leaders of other institutions, in spite of a general drop in public confidence in all leaders of institutions.

Tables 6–2 and 6–3 show scientists ranking second only to physicians in every year indicated from 1963 to 1976. However, these lists do not contain some of the highly ranked institutions on Tables 6–4 and 6–5 that made the scientific leaders rank slightly lower in some years.

RESULTS OF SCIENCE AND TECHNOLOGY

Besides asking about general attitudes, one can measure more specifically the public's feelings about the effects or results of science and technology. Have they made life better or worse, for the most part? What specific good or bad things have they done? Public attitudes regarding past and present effects of science and technology are discussed in this section. Table 6–6 shows that the vast majority of Americans feel that science and technology have made life better.

6–6. Have science and technology changed life for the better or for the worse?

Response	Percent		
	1972	1974	1976
Better	70	75	71
Worse	8	5	7
Both	11	11	12
Neither/no effect	2	3	3
No opinion	9	6	7

SOURCE.—Opinion Research Corporation, *op. cit.*, p. 18.

The answers other than "better" or "worse" were volunteered by the respondents. The table shows that the response "better" was given by a large majority. The percent giving this reply rose in 1974 and returned nearly to its 1972 level in 1976. Again, the least favorable replies were given by those least privileged in U.S. society, particularly by those with lowest incomes, non-Whites, the oldest, and the least educated.

The Harris Survey also attempted to measure public attitudes on this issue in 1972, using a national sample of 1,548 households.[4] When asked whether modern life is much better off due to the wonders that scientific progress has brought, 81 percent agreed, 10 percent disagreed, and 9 percent were not sure. The response shown on Table 6–6 for 1972 was not this favorable, perhaps because

Footnotes at end of article.

the Harris question was more positively worded.

A closely related issue is whether the public perceives that science and technology change life to fast or too slowly. Table 6–7 shows its reaction on this issue.

6–7. Do science and technology change things too fast, too slowly, or just about right?

Response	Percent 1972	1976
Too fast	22	23
Too slowly	16	16
Just about right	51	53
No opinion	11	8

SOURCE.—Opinion Research Corporation, *op. cit.*, p. 17.

In both years, about half of the public was satisfied with the rate of change due to science and technology. Only 22 and 23 percent felt the pace was too fast. In 1976, significantly more men than women felt that science is changing things too fast (25 percent versus 20 percent). Those responding "too slowly" would presumably have liked to see even more work done in science and technology or even more of an effect of that work on society.

Other studies have also measured the public's feelings about the rate of change caused by science. For example, when asked whether they thought that science makes our way of life change too fast, 43 percent agreed in 1957, 47 percent in 1958, and 57 percent in 1964.[5] When asked in 1968 whether scientific research is causing the world to change too fast, 20 percent agreed strongly and 34 percent agreed somewhat, for a total of 54 percent.[6] These results suggest an increasing apprehensiveness about science in the interval from 1957 to 1968. Unfortunately, the question used in the present survey is sufficiently different that no direct comparison can be made.

There is broad agreement with the general proposition that science and technology do more good than harm, as Table 6–8 shows.

6–8. Overall, do science and technology do more good than harm, more harm than good, or about the same of each?

Response	Percent 1972	1974	1976
More good	54	57	52
More harm	4	2	4
About the same	31	31	37
No opinion	11	10	7

SOURCE.—Opinion Research Corporation, *op. cit.*, p. 21.

A high percentage feel they do "more good," just as most people feel that science has changed life for the better. Moreover, there was an increase in those with this feeling in 1974, followed by a drop in 1976, just as on Table 6–6. In this case, however, a neutral response "about the same" was offered, and many took advantage of it. Again, in 1976 the reactions most favorable to science and technology were given by those between 30 and 39 years old,. those with some college education, those with professional or managerial occupations, and those with higher incomes. The least favorable reactions came from those who had not completed high school, those with manual or service occupations, those with the lowest income, those who rent rather than own their homes, and non-Whites.

Louis Harris also investigated attitudes on this issue in 1972. When asked whether scientific discoveries have produced more good or more harm, an overwhelming 78 percent said more good, versus 9 percent who said more harm.[7] This is roughly similar to the responses on Table 6–8, if one recognizes that the Harris question did not offer the response "about the same" to the respondents. It is also comparable to the responses on Table 6–6 for 1972.

Those who felt that science and technology do more good than harm were asked to mention some "good thing" they thought science and technology had done. Then they were asked, in a second question, to name another good thing. The responses were then analyzed by classifying them under a set of appropriate headings. The combined results from the two questions are shown in Table 6–9.

6–9. Benefits from science and technology
(Cited by those feeling they do more good than harm)

Benefit	Percent citing[1] 1972	1976
Improvements in medicine	79	81
Space exploration	26	24
General improvements (products and living conditions in general)	12	14
Protecting environment, conservation	12	11
Electrical and electronic products	9	11
Improved methods of travel and transportation	9	9
Food and agriculture	9	7
Energy programs	[2] 2	5
Improved communications	3	4
Other answers	16	9
Don't know	4	4

[1] Two responses were requested.
[2] Includes only atomic energy in 1972.

SOURCE.—Opinion Research Corporation, *op. cit.*, pp. 23–33.

It is clear from the table that by far the greatest benefit that the public perceives coming from science and technology is in the field of medicine. This is consistent with the high ranking that was accorded to the medical profession on Table 6–2. "Space exploration" is a distant second, followed by a number of benefits reported not more than 12 or 14 percent of the time.

Those who felt that science and technology do the same amount of good as of harm were asked to name one good thing that science and technology have done, and also one harmful thing. The responses again were analyzed and classified. Tables 6–10 and 6–11 show the results.

In the case of the good things reported (Table 6–10), the benefits cited are much the same as those on Table 6–9. The great exception is that those who felt science and technology have done as much good as harm failed much more often to produce an example (13 percent on Table 6–10 versus 4 percent on Table 6–9, for 1976). When these people were asked to name a harmful thing (Table 6–11), even more were unable to give an example (23 percent in 1976). However, there was an evident concern about the environment and conservation. This concern seems to have increased between 1972 and 1976.

6–10. Benefits from science and technology
(Cited by those feeling they do as much good as harm)

Benefit	Percent citing 1972	1976
Improvements in medicine	50	56
Space exploration	9	10
General improvements (products and living conditions in general)	6	5
Protecting environment, conservation	6	4
Electrical and electronic products	3	4
Food and agriculture	3	2
Improved methods of travel and transportation	2	2
Other answers	5	5
Don't know	17	13

NOTE.—Percentages may not add to 100 percent because of rounding.

SOURCE.—Opinion Research Corporation *op. cit.*, pp. 41–45.

6–11. Harmful effects of science and technology
(Cited by those feeling they do as much good as harm)

Harmful effect	Percent citing 1972	1976
Harm to environment, waste of fuel resources	29	35
Expense and dangers of space program	16	11
Nuclear bombs and radiation	9	8
Food additives	[1]	7
Dangerous medicines	2	5
Drug abuse	1	3
Unemployment and general personal problems	[1]	2
Other answers	16	7
None or don't know	27	23

[1] These categories were included in "Other answers" in 1972.

NOTE.—Percentages may not add to 100 percent because of rounding.

SOURCE.—Opinion Research Corporation, *op. cit.*, pp. 47–49.

Concern about the environment was especially strong in 1976 among those with a high school or some college education and those in managerial professions. It was least often expressed by those 60 or over and those who had never completed high school. Negative reactions to the space program dropped significantly from 16 percent of the public in 1972 to 11 percent in 1976. This reaction was most often expressed in 1976 by those who had not completed high school, and least often by those with some college and those in professional occupations.

Those who felt that science and technology do more harm than good were asked to name two harmful things they have done.[8] There were too few respondents in this case to produce meaningful quantitative results, but

Footnotes at end of article.

the greatest concern was expressed in connection with pollution and the space program. Personal problems caused by science and technology, such as anxiety and difficulty in keeping up with rapid change, were also prominent concerns.

The 1972 Harris survey mentioned earlier also sought to find out what benefits and harms the public believes science and technology have brought. When asked for the two or three biggest benefits they personally had obtained from scientific progress, and also the biggest problems, members of the public gave the replies shown on Tables 6–12 and 6–13.

6–12. Benefits from scientific progress

Benefit	Percent citing[1] (1972)
Medical research	34
Major appliances (TV, refrigerators, air conditioning)	22
Easier, more comfortable living	19
Utilities (electric power, gas, telephone	18
Better transportation	14
Drugs (vaccines, penicillin, etc.)	11
Longer lifespan	8
Food preservatives, easier to prepare	5
Progress in space, gone to moon	5
Work on pollution	2
Birth control pills	1
Atomic energy	1
None	18

[1] Multiple responses were accepted.

SOURCE.—*The Harris Survey*. Release of February 17, 1972.

6–13. Problems created by science

Problem	Percent citing[1] (1972)
Air, water, environmental pollution	45
Space can create health problems	9
Threat of atomic bombs	7
Man's loss of inspiration, values	4
Too much automation	4
Food quality poor	3
Drugs, control of life and death by medicine	3
Cars go too fast	2
Overpopulation	2
Birth control pills unsafe	1
Insecticides used wrong way	1
None	34

[1] Multiple responses were accepted.

SOURCE.—*The Harris Survey*, Release of February 17, 1972.

These results can be compared only roughly with the answers on Tables 6–9 through 6–11, since both the questions and the classification schemes for the answers were somewhat different. Still, it is clear that medical advances were the benefits cited most often in both surveys. Similarly, environmental pollution was the main harmful effect, according to both surveys, by a wide margin. It is also significant that in both surveys a high percentage of members of the public could not name any harmful effect of science.

With regard to problems, most Americans feel that science and technology have caused some or few of our problems, rather than most of them or none of them. This is demonstrated by Table 6–14.

6–14. Have science and technology caused most problems, some of our problems, few of our problems, or none of our problems?

Response	Percent citing 1972	Percent citing 1976
Most	7	6
Some	48	45
Few	27	28
None	9	14
No opinion	9	7

SOURCE.—Opinion Research Corporation, *op. cit.*, p. 19.

There is a strong and significant increase from 1972 to 1976 in the proportion who feel none of our problems are due to science and technology, but little change in the number expressing the other reactions. Overall, this would appear to be a favorable trend in the public's attitude toward science and technology.

Different demographic groups have various reactions to this issue. In 1976, only 9 percent of those 18 to 29 years of age felt that none of our problems can be attributed to science and technology, which is relatively unfavorable when compared with the 14 percent of the total population who felt this way. Results were similar for those living in the West. Only 34 percent of those who had not completed high school felt that some problems are due to science and technology; since many in this group had no opinion, this may mean that this group as a whole is not well informed on this issue. On the other hand, of those who had completed some college, 56 percent blamed science for some problems, 8 percent for none, while 2 percent had no opinion. Similar figures occurred with those in professional occupations. Since it is fairly noncommittal to blame science for some problems, these figures may indicate a high level of awareness that there are current problems related to science and technology, but it need not indicate a positive rejection.

Those with the lowest incomes ($5,000 or less per year) blamed science for some problems less often than the average (37 percent). Fewer of these said few problems (19 percent), and more had no opinion (16 percent). There is little consistency in these results, and perhaps an underlying uncertainty is the best explanation for them. Nonwhites said some problems 35 percent of the time, few problems 19 percent, and no problems 23 percent, which is very high and, by itself, very favorable. However, the number with no opinion again is high, and perhaps some uncertainty is again being expressed by these numbers.

There have been numerous studies by previous investigators that bear on the above results. With regard to Table 6–6, La Porte and Metlay[9] studies the California population in 1972 and 1974 to determine how much of a change for the better or worse in life in general they believed that each of five technologies had made. The technologies were household appliances, automotive vehicles, automated factories, the space program, and atomic weapons. In 1974 computers, birth control pills, and television were added. Only atomic weapons received a largely negative reaction. Otherwise, the results were highly favorable, the least favorable being for the space program, where 61 percent in 1972 and 65 percent in 1974 reported that it makes life slightly or very much better.

The same authors have made further investigations of the public's attitude toward specific technologies.[10] In addition there have been many surveys, going back to 1957, dealing in a general way with the effects of science and/or technology.[11] They support the general conclusion that the public strongly favors science and technology for the improvements they have made in the standard of living. However, there is growing concern about their cultural side effects, e.g., on lifestyles and values, and especially about the effects of new technologies.

While the public believes that science and technology have in some fashion caused problems, it is a further question how they think these problems arise. Scientists and engineers carry on their activities within an economic and social framework that involves many other agents as well. In particular, decisions are made within government and business that determine to a large extent how science and technology will be applied. When this application produces undesirable social and economic effects, it is of interest to know whether the public holds scientists and engineers responsible, or whether the decisionmakers are considered the responsible agents. In 1976 a first step was made in assessing the public's opinion about this, by asking those who had said that science and technology have caused at least a few problems which group is most at fault. Scientists and engineers were separately mentioned as possibilities, since it is important to know whether the public holds one group responsible more than the other. As Table 6–15 shows, most of the public considers government decisionmakers to be the group most responsible.

6–15. When science and technology cause problems, who is most at fault?

Response	Percent citing (1976)
Scientists	5
Technologists and engineers	7
Government decisionmakers	60
Business decisionmakers	14
Some other group	5
No opinion	9

SOURCE.—Opinion Research Corporation, *op. cit.*, p. 20.

The emphasis on government decisionmakers is shared by all segments of the public. While this undoubtedly reflects a critical public attitude toward government, much of it may also be due to a feeling that government decisionmakers are the most powerful group when it comes to producing serious social changes. Business decisionmakers were a distant second at 14 percent, but they are cited by 21 percent of those with some college education and by 22 percent of those in professional occupations. These groups cited government decisionmakers slightly less frequently than did the public as a whole. Overall, technologists and engineers were mentioned slightly more often than scientists, but in both cases the percentages are quite low.

CAPABILITIES OF SCIENCE AND TECHNOLOGY

Another facet of its attitude toward science and technology is the public's feeling as to what they are able to accomplish. This is a matter of anticipating the future rather than interpreting the present or the past. While Table 6–14 in the last section is concerned with the problems that science and technology are thought to have caused, Table

Footnotes at end of article.

6–16 below shows the public's view of their ability to solve problems. There is a high degree of public confidence in the ability of science and technology to solve at least some of our problems.

6–16. Will science and technology eventually solve most problems such as pollution, disease, drug abuse, and crime, some of these problems, or few if any of these problems?

Response	Percent		
	1972	1974	1976
Most problems	30	23	27
Some problems	47	53	48
Few if any problems	16	20	19
No opinion	7	4	6

SOURCE.—Opinion Research Corporation, *op. cit.*, p. 15.

In 1972, 30 percent had the most favorable feeling about science and technology, that they will solve most problems. This figure dropped sharply in 1974, but about half of this drop was recovered in 1976. In 1972 also, 16 percent thought they will solve few if any problems, while significantly more felt that way in 1974 and 1976. Thus there evidently was a declining belief in the capabilities of science and technology from 1972 to 1974, with some recovery by 1976.

Among related studies, public opinion was measured in 1958 on the issue of whether science will solve our social problems, like crime and mental illness.[12] This was agreed to by 44 percent. In 1974, the survey of the California population previously mentioned asked whether relying only on scientific and logical thinking to solve society's problems can only make things more complicated.[13] Forty-six percent agreed or disagreed strongly, 4 percent were neutral, and 50 percent disagreed or disagreed strongly. Thus Table 6–16 and related studies show that on this issue the public is not as favorably disposed toward science and technology as it is on many of the other issues.

As was noted in the discussion of Table 6–14, scientific and technological activity takes place within a social and economic framework. Hence one may wonder whether the response on Table 6–16 means that the public expects science and technology to solve social problems without help from other fields, or whether they are only expected to make one contribution among many to the solution of these problems. One may also wonder whether the public expects science and technology to be able to contribute more in some problem areas than in others. A question to this effect was introduced in 1976. As Table 6–17 indicates, many members of the public believe that science and technology could at least make a major contribution in several problem areas, particularly health care and pollution.

6–17. Areas in which science and technology could make a major contribution (little or no contribution) toward solving the problems

Area	Percent choosing [1] (1976)	
	Major contribution	Little or no contribution
Improving health care	65	3
Reducing and controlling pollution	56	4
Reducing crime	51	19
Finding new methods for preventing and treating drug addiction	48	7
Developing/improving methods of producing food	44	5
Improving education	42	12
Improving the safety of automobiles	39	6
Developing faster and safer public transportation	34	9
Discovering new basic knowledge about man and nature	30	11
Finding better birth control methods	30	12
Developing/improving weapons for national defense	28	12
Space exploration	26	13
Weather control and prediction	23	17
None of these	0	25
No opinion	5	14

[1] Multiple responses were accepted.

SOURCE.—Opinion Research Corporation, *op. cit.*, pp. 52–55.

The two areas in which the greatest confidence is expressed are also those in which the public believes that science and technology have done the most good and the most harm in the past, according to Table 6–9 through 6–11. The typical member of the public is willing to name about 5 areas of the 13 presented to him in which science and technology could make a major contribution but only about 1 area where little or no contribution could be expected. Almost all members of the public are able to designate at least one area in which a major contribution is possible, while 39 percent are unable or unwilling to designate even one area in which science and technology can make little contribution. These facts suggest a high degree of confidence in science and technology.

For the most part, the areas where many feel a major contribution is possible are the same as the fields where few feel there can be little or no contribution. The major exception is in the area of reducing crime. Though this ranks third as an area for science and technology to make a major contribution, it is also first in order among areas where little or no contribution is expected. This indicates some kind of disagreement among different members of the public. Possibly many who say that major contributions are possible with regard to crime think of this as an area in which they would like to see some action taken, any action, to relieve the problems. Many who say little or no contribution is possible may mean more literally that crime is not an area in which science and technology can be effective.

The same point is suggested by the relatively low standing accorded to discovering new basic knowledge. Perhaps most of the public do not feel that science and technology are good for solving problems in this area, but it seems more likely that they do not see an urgent need to attack such problems. Tables 6–9 and 6–10 show that the public values science and technology for the social benefits that they help achieve, not because it values basic knowledge for its own sake.[14]

PUBLIC PREFERENCES REGARDING SCIENCE AND TECHNOLOGY

Since science and technology are perceived to have certain capabilities and to cause certain problems, it is of interest to ask what the public would like to see done about them. In which areas do the expected benefits justify the spending of public money on science and technology? Should there be more control of science and technology? Table 6–17 above shows the areas in which the public feels science and technology could make a major contribution or little contribution. Table 6–18 shows that the areas in which the public would most and least like its tax money spent for science and technology are rather similar to the areas most and least favored on Table 6–17.

The typical member of the public cited about 3 areas in which he would most like his taxes spent and about 2 in which he would least like such money spent, out of the 13 areas offered. The preponderance of positive replies indicates a measure of public confidence in the ability of science and technology to help in solving problems. It is not as great, however, as the preponderance indicated on Table 6–17 of those who feel that science and technology would be effective in solving problems. The difference may be due to a reluctance to see tax money spent on public programs in general. By the same token, there was a greater number of areas in which the public would least like money spent, according to Table 6–18, than of areas where they would be ineffective, according to Table 6–17.

6–18. Areas in which taxes should be spent for science and technology

Area	Percent choosing [1] (1976)	
	Would most like	Would least like
Improving health care	57	1
Reducing crime	37	3
Reducing and controlling pollution	33	2
Improving education	33	4
Finding new methods for preventing and treating drug addiction	24	4
Developing/improving methods of producing food	20	5
Improving the safety of automobiles	15	7
Developing faster and safer public transportation	13	14
Finding better birth control methods	10	19
Developing/improving weapons for national defense	10	24
Discovering new basic knowledge about man and nature	9	16
Space exploration	7	35
Weather control and prediction	5	18
None of these	1	6
No opinion	6	11

[1] Multiple responses were accepted.

SOURCE.—Opinion Research Corporation, *op. cit.*, pp. 56–59.

The rank ordering of the areas listed on Table 6–18 is much the same as on Table 6–17. However, reducing crime seems to have a higher priority than reducing and controlling pollution. Doubts about the ability of science and technology to help in reducing crime are not translated into an unwillingness to see money spent on the effort. This is also true regarding improving education. This area moves up on the list, from sixth on Table 6–17 to fourth on Table 6–18. Misgivings about the ability of science and technology to help (as shown on Table 6–17) produce few negative votes for the attempt (on Table 6–18). On the other hand, dis-

Footnotes at end of article.

covering new basic knowledge about man and nature ranks higher as a capability of science and technology than as something the taxpayer would like to pay for. The fact that the rank orders are so much alike on the two tables confirms the impression that Table 6–17 really shows to a large extent the areas in which the public would like work to be done.

There is considerable consistency between the "most like" and "least like" columns on Table 6–18. The areas usually most liked are very seldom least liked, and inversely. The major exceptions are space exploration and national defense. Both receive an exceptional number of negative votes.[15]

Table 6–18 can be compared with the results of a study that the National Opinion Research Center made in 1976 as part of their General Social Survey. The main difference is that the General Social Survey simply asks whether we are spending too much or too little money in certain areas. Science and technology are not mentioned. The public's feelings about expenditures in these areas are indicated on Table 6–19.

6–19. Are we spending too much money on this problem, too little money, or about the right amount?

Problem	Percent citing (1976)	
	Too little	Too much
Halting the rising crime rate	65	8
Improving and protecting the Nation's health	60	5
Dealing with drug addition	58	8
Improving and protecting the environment	55	9
Improving the Nation's educational system	50	9
Solving the problems of the big cities	42	19
Improving the conditions of Blacks	27	25
The military, armaments, and defense	24	27
Welfare	13	60
Space exploration program	9	60
Foreign aid	3	75

Source: National Opinion Research Center, University of Chicago, Codebook for the Spring 1976 General Social Survey (July 1976), Question 59.

Only 7 of the 11 items on the table correspond to items on Table 6–18. The latter does not list the problems of cities, the conditions of Blacks, welfare, or foreign aid. In spite of differences in the questions, there is some similarity between this table and the response on Table 6–18. Here the crime problem ranks ahead of health (perhaps because the crime issue is expressed in inflammatory terms), and drug addiction is relatively more important in the NORC results than on Table 6–18. For the most part, however, the ordering is quite similar on the two tables. On both, space exploration and defense were among the least liked of the areas in which tax money might be spent. Thus it seems that the public has a certain set of priorities in the problems it wishes to see attacked, whether or not science and technology are part of that attack. It is conceivable, in fact, that the public, when asked about the problem areas in which tax money should be spent for science and technology, had very little idea how science and technology might bear on the problems listed, and that they were simply recording their concern about the problems themselves.

6–20. Should the degree of control that society has over science and technology be increased, be decreased, or remain as it is now?

Response	Percent	
	1972	1976
Increased	28	31
Decreased	7	10
Remain as it is	48	45
No opinion	17	14

SOURCE.—Opinion Research Corporation, *op cit.*, p. 50.

The public shows considerable confidence in the ability of science and technology to help in solving public problems. However, some public concern about science and technology is evidenced by the fact that about 30 percent wish to see society's control over them increased.

A plurality wish control to remain as it is, but there is also a sizable number wishing the control to be increased. This number grew between 1972 and 1976, but so did the number wishing control to be decreased. In 1976, the desire to see control increased was especially great among professionals (41 percent) and low among farmers and farm laborers (18 percent), those 60 or over (24 percent), and those living in rural areas (25 percent). Those who especially wished control to be decreased included those living in the West (16 percent).

While there is some public interest in controlling science and technology, it is important to know whether there is a stronger feeling about controlling one or the other. A question to this effect was asked in 1976, with the result indicated on Table 6–21. Very little difference was discovered between the need to control science and the need to control technology, in the public's view.

6–21. Is it more important for society to control science, to control technology, to control both equally, or to control neither?

Response:	Percent (1976)
Control science	2
Control technology	5
Control both equally	59
Control neither	20
No opinion	14

Source: Opinion Research Corporation, op. cit., p. 51.

This table should be compared with Table 6–15, which also differentiates public attitudes toward science and toward technology. In both cases the percentages of those critical of science and technology are quite low, but there is somewhat more concern about technology. Also in the case of both questions, there is a significant demographic group that is somewhat more worried about technology. Thus 11 percent of those with some college education and 11 percent of professionals thought in 1976 that it is more important to control technology. No group had that strong a percentage in favor of controlling science. Of the lowest income group, below $5,000 per year, 27 percent had no opinion; 26 percent of the rural respondents and those 60 or over and 23 percent of those who had not completed high school groups are uncertain about the difference between science and technology.

There were 20 percent of the total public also had no opinion. This suggests that these who thought neither science nor technology was more in need of control, which suggests that these people wanted to see less control of science and technology than there is now. But this greatly exceeds the 10 percent recorded on Table 6–21 who felt in 1976 that control should be decreased. Presumably public attitudes are more consistent with regard to more specific issues, such as the problem areas listed on Table 6-18.

The question whether the public distinguishes science from technology was also discussed by Etzioni and Nunn,[16] who did not find that it makes such a distinction, and by La Porte and Metlay,[17] who did. The latter authors used a number of questions in 1972 and 1974 that probe the public's desire to control science or technology.

FOOTNOTES

[1] These three surveys were conducted by Opinion Research Corporation, Princeton, N.J. For more information on the survey method and results, including statistical significance levels and complete demographic breakdowns, see their publication *Attitudes of the U.S. Public Toward Science and Technology, Study III* (September 1976.) This study was commissioned specifically for the present report. It and the ORC reports of the 1972 and 1974 surveys (Study I and Study II) can be ordered from the National Technical Information Service, U.S. Department of Commerce.

[2] The 1976 survey was taken in September. In April 1977, the Gallup Poll reported that 36 percent of the American public approves of the way the U.S. Congress is handling its job. (*The Gallup Poll*, Release of April 14, 1977.) This is more favorable than the September 1976 result and may suggest a recent improvement in the public's view of Congress.

[3] Both organizations have used this question annually from 1973 through 1976, with varying lists of institutions. Discrepancies between their results are greater than chance would account for.

[4] *The Harris Survey*, Release of February 17, 1972.

[5] A. Etzioni and C. Nunn, "The Public Appreciation of Science in Contemporary America," *Daedalus* (Summer 1974), pp. 192f.

[6] National Opinion Research Center, Study SRS–4050 (April 1968), Supplement for Question 61.

[7] *The Harris Survey*, Release of February, 17, 1972.

[8] Opinion Research Corporations, *op. cit.*, pp. 24–39.

[9] T. La Porte and D. Metlay, "Public Attitudes Toward Present and Future Technologies: Satisfactions and Apprehensions", *Social Studies of Science*, Vol. 5 (1975), pp. 379–380.

[10] T. La Porte and D. Metlay, *They Watch and Wonder: Public Attitudes toward Advanced Technology* (December 1975). Final Report of the Institute of Governmental Studies, University of California, Berkeley, to Ames Research Center, National Aeronautics and Space Administration, NASA Grant NGR 05–003–0471, pp. 79, 149–152.

[11] T. La Porte and D. Metlay, "Technology Observed: Attitudes of a Wary Public", *Science*, Vol. 188 (April 11, 1975), p. 123.

The Harris Survey, Release of February 22, 1972.

G. R. Funkhouser, "Public Understanding of Science: The Data We Have", pp. 18–20, in G. R. Funkhouser, ed., *Final Report on Workshop on "Goals and Methods of Assessing the Public's Understanding of Science", November 29 and 30, 1972, Palo Alto, California*, NSF Grant No. GM 35058 (University Park: Pennsylvania State University, January 26, 1973).

Etzioni and Nunn, *op. cit.*, pp. 192–193.

National Opinion Research Center, Study 466 (May 1969), Question 31.

La Porte and Metlay, *They Watch and Wonder. op. cit.*, pp. 65, 69.

I. Taviss, "A Survey of Popular Attitudes Toward Technology", *Technology and Culture*, Vol. 13, No. 4 (October 1972), p. 609.

[12] Funkhouser, *op. cit.*, pp. 18–19.

[13] La Porte and Metlay, *They Watch and Wonder, op. cit.*, pp. 49, 58.

[14] A related study, on the usefulness of further technological development in solving various social problems, is reported in La Porte and Metlay, "Public Attitudes Toward Present and Future Technologies: Satisfactions and Apprehensions", *op. cit*, pp. 373–398.

[15] The same question was used in the 1972 and 1974 surveys, but since it was not preceded in those years by the question about the *capabilities* of science and technology, the results are not strictly comparable to the 1976 results shown on Table 6–18.

[16] Etzioni and Nunn, *op. cit.*, pp. 195f.

[17] La Porte and Metlay, *They Watch and Wonder, op. Cit.*, Chapter III.●

NUCLEAR ENERGY: THE MIDDLE PATH

● Mr. GLENN. Mr. President, after much hard work by a number of people in both Houses, the Nuclear Non-Proliferation Act has now been sent to the White House for President Carter's signature. During the heat of debate on the bill, both inside and outside the Congress, there were charges that this bill would help bring an end to the nuclear option on the part of the United States. In my view, nothing could be further from the truth. I can think of no way of shutting off nuclear exports faster than to permit them to go to countries that will use them to fashion nuclear weapons. A healthy nonproliferation/export policy will, indeed, have a beneficial impact policy will, indeed, have a beneficial impact upon the ability of the United States to exercise the nuclear option domestically. And, in my view, it is quite clear that nuclear power is needed in order to bridge the gap between energy demand and energy supply from other sources until well into the next century.

If the United States is to protect its environment as well as its national security it should be looking at diverse sources of supply and bringing as many to the point of commercialization as is feasible with our capital resources. Large increases in energy R. & D. are called for. The development of "soft-path" technologies should be pursued. But in order to do this, it is neither necessary nor desirable to turn away from centralized electricity-generating facilities, including nuclear powerplants. In emphasis of this point, I should like to insert into the RECORD at the conclusion of my remarks, an address by Dr. Joseph S. Nye, Jr., Deputy to the Undersecretary for Security Assistance, Science and Technology, presented at the annual meeting of the American Association for the Advancement of Science. There may be specific points of different emphasis, but I believe Dr. Nye's speech is intelligent, thoughtful and deserving of attention by anyone concerned with energy policy and nuclear proliferation.

Mr. President, I ask unanimous consent that the address by Dr. Nye be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NUCLEAR ENERGY: THE MIDDLE PATH

(By Joseph S. Nye, Jr.)

Energy has become a crucial political issue in our country, and particular controversy has focused on the role of nuclear energy. Over the past half decade, public debates have arisen over the effects of nuclear power on the environment, on human health and safety, and on national security. Nuclear proliferation became an issue in the 1976 Presidential campaign. Planning the role of nuclear energy was a high priority of the new Administration.

In announcing the outlines of his policy on nuclear energy during April 1977, President Carter stated that

"There is no dilemma today more difficult to resolve than that connected with the use of nuclear power. Many countries see nuclear power as the only real opportunity, at least in this century, to reduce the dependence of their economic well-being on foreign oil—an energy source of uncertain availability, growing price, and ultimate exhaustion. The U.S., by contrast, has a major domestic energy source—coal—but its use is not without penalties and our plans also call for the use of nuclear power as a share in our energy production."

By and large, the Carter Administration conclusions on nuclear energy have been similar to the findings of the Ford-Mitre study, Nuclear Power: Issues and Choices and the Report to the American Physical Society, Nuclear Fuel Cycles and Waste Management. The former group concluded that "the ranges of possible social costs, such as health and environmental impacts, associated with coal and nuclear power . . . overlap to such an extent that neither has a clear advantage . . . While nuclear power is one of the options that should be pursued, it is not as critical to future economic development as its advocates claim. . . . A balanced research and development program should develop additional options based on improved use of coal and nuclear power, as well as solar, geothermal, and fusion energy." (p. 4). When dealing with long-term energy options that will be available several decades hence, prudent social policy avoids dogmatism and encourages flexibility. In more practical terms the current Department of Energy budget is designed to move forward a board set of options, including nuclear.

The most serious danger that the Ford-Mitre Report saw associated with nuclear energy was providing "additional countries a path for access to equipment, materials, and technology necessary for the manufacturer of nuclear weapons." An immediate concern was the premature development and diffusion of reprocessing facilities which would result in the spread of weapons-usable materials around the world. By reaffirming the safety record and low proliferation hazard of the current generation of reactors, while deferring the premature commercialization of plutonium, the Administration chose a middle course between the extreme paths urged by nuclear critics and advocates.

Anti-nuclear critics have said that the hard path of nuclear technology and the soft technological path which relies on "sun, wind, and biomass"—must be mutually exclusive. Nuclear advocates who believe it is necessary to commercialize plutonium as rapidly as possible have categorized the government's policy as antinuclear. The Administration has rejected both of these views—the thrust toward the rapid commercialization of plutonium and the reliance on unproven technology. Neither view is adequate as energy policy, and, ironically, both of these extreme views can accelerate rather than retard proliferation.

Both the Ford-Mitre and the American Physical Society Studies agree with the Administration's policy which indicates that the US can afford to postpone the reprocessing of plutonium in the near term. Equally interesting, the Ford-Mitre Report indicates that alternate energy sources such as "sun, wind, and biomass" cannot solve our energy problems in this century. The President's nuclear policy establishes a middle course—it supports the use of low enriched uranium for electrical power without premature commercialization of the next generation of technology which is based on plutonium. Even with conservative estimates, we have sufficient uranium at reasonable costs to meet our Planned Light Water Reactor needs through the end of the century. Moreover, since the cost of uranium contributes only 2–3 mills/kWh (or about 5 percent of the delivered cost of electricity), it is clear that we can go to higher priced uranium if necessary without making nuclear power uneconomic. Thus President Carter rejected the Clinch River breeder demonstration project as premature and technically inappropriate, but retained broader breeder options open for the future. As President Carter told the Newspaper Farm Editors of America last September 30, "I have no objection to breeder reactors. I don't think the time has yet come."

NON-PROLIFERATION POLICY

Headline reporting of US non-proliferation policy tends to cater to the dramatic events, but it frequently overlooks some of the more fundamental assumptions of the policy. For example, if this nation were to turn its back on the clear and proven option based on our present Light Water Reactors, it would not only be foolhardy for our domestic energy policy, but it would also be destructive of our international non-proliferation policy.

If the U.S., which presently supplies over 75 percent of the world export market of enrichment services for reactor fuel, were to abandon its present course, other nations now relying upon us would accelerate development of their own enrichment and reprocessing facilities. It is for this reason that we have chosen to continue as a major supplier of enrichment services by increasing our enrichment capacity by building the Portsmouth centrifuge facility. This commitment has been enhanced by the recent passage of the non-proliferation legislation by the Congress. This legislation establishes the export criteria for our future nuclear cooperation. Light Water Reactors, low enriched uranium, and verified stored spent fuel are at the heart of our program, since we feel they present relatively acceptable proliferation risks. Indeed, the LWR fuel cycle surely can and must be a major contributor to our energy resources of the future without unnecessarily exacerbating the dangers of proliferation.

The question is whether we have come too far down the commercial road or whether there is still time for a second look. Our conclusion is that we have time to examine fuel cycle alternatives that minimize proliferation and physical protection risks. This was the basis for the President's April 7 decisions to extend the previous administration's moratorium on the commercialization of reprocessing, and to restructure the U.S. breeder reactor program to emphasize safer fuel cycle technologies rather than early commercialization. The intent was *not* to turn the clock back, nor did we expect resource-poor nations to automatically follow our lead. The purpose was to escape the prevailing inertia in order to explore ways to shape nuclear technology and institutions to reinforce rather than erode the international safeguards system.

The fact that President Carter's first statement on April 7 focused on the issue

of plutonium led critics to charge that the Administration's non-proliferation policy was technical rather than political, and ignored problems other than reprocessing. Nothing could be further from the truth. The Administration focused on the plutonium and reprocessing issue because that issue was immediately before us for decision. We never believed that stopping reprocessing would stop proliferation. Nor did we believe that the commercial nuclear fuel cycle was the best path for a country openly dedicated to building a bomb. The concern was to preserve the existing distance between commercial and weapons uses of nuclear energy. For the past two decades, the barriers to misuse of commercial nuclear energy have worked.

But we saw the premature diffusion of plutonium technology as reducing those barriers, eroding the international system of safeguards and, consequently, threatening the delicate political balance of the international nuclear regime. We also rejected a number of proffered solutions (such as promoting commercial reprocessing in the U.S. while attempting to deny it to other countries) because of the negative effects that such overtly discriminatory solutions would have on important political instruments such as the Non-Proliferation Treaty which promises non-discriminatory behavior in the commercial aspects of nuclear energy.

The long run solution to these differences must be an international consensus on the undesirability of the further spread of nuclear weapons and on the nature and management of the nuclear fuel cycle. This is the basis for the Carter Administration's six-pronged non-proliferation strategy that includes: (1) making the international safeguards system more effective by insisting upon comprehensive safeguards; (2) self-restraint in the transfer of sensitive technologies and materials that can contribute directly to weapons until we have learned to make them more safeguardable; (3) creation of non-proliferation incentives through fuel assurances and assistance in the management of spent fuel; (4) building consensus about the future structure and management of the nuclear fuel cycle through studies in the International Fuel Cycle Evaluation that first convened in Washington in October; (5) taking steps at home to ensure that our domestic nuclear policy was consistent with our international objectives; and, last but most important, (6) taking steps to reduce any security or prestige motives that states might have to develop nuclear explosives.

The goal of our non-proliferation policy is to slow the spread of nuclear weapons capabilities—preferably to zero—and to minimize any destabilizing effects that may accompany the diffusion of nuclear technology. The long run task is to establish a regime of norms and institutions for governing the split atom that will be widely accepted as legitimate in the face of technical and political change.

We are sometimes told that the goal is hopeless because the nuclear "horse is out of the barn." But proliferation is a matter of degrees, not absolutes. Our policy can affect the number of horses, which horses, and when horses leave the barn. Of the twenty countries with relatively advanced nuclear technology, most have chosen not to develop nuclear weapons. Our non-proliferation policy is aimed at maintaining or improving that result as basic nuclear technology spreads to some forty countries over the next two decades.

In our first year, we have made useful progress as exemplified by the transmittal of the Nuclear Suppliers Guidelines to the IAEA, the establishment of the International Nuclear Fuel Cycle Evaluation in Washington on October 19, and the inscribing in statute of strong sanctions against those who would materially violate safeguards agreements.

Let us return to the energy issues being considered in this session and explore in greater depth why this middle path is also a sensible energy option.

THE SOFT PATH

Consider the issue of the soft path first: When we are asked to forego nuclear and fossil energy, we are asked to move toward the use of softer, more "natural" paths such as solar electric energy. Clearly, at this time the solar electric option is more technically immature than the solar heating option. It certainly is true that a mature solar electric industry would simplify the problems of non-proliferation, but one cannot phase out energy sources merely on the basis of hypothesis and hope.

Let's take a closer look at the solar electric option so as to better understand the present state of the art. In December, a corporation offered the lowest bid to date for a planned photovoltaic facility. By using advanced concentrator arrays, the number of solar cells is reduced by a factor of twenty. Solar cells are very expensive. Consequently, this change of solar technology lowered the price of solar cells to about $5/peak Watt and perhaps $10/peak Watt installed. When coupled with present energy storage devices, this system will produce electricity at more than 80 cents/kWh or twenty times the price of fossil or nuclear power. On the other hand, many are predicting that the uninstalled price will drop to $2/peak Watt between 1980–82. The Congressional office of Technology Assessment report on solar energy indicates that further technological changes might lower the price to 5–15 cents/kWh in the next decade. Other data indicate that the trends are in the right direction and deserve a high priority. Thus, we are pursuing the solar soft path with a very considerable solar budget of $310 million for the base program and $65 million for demonstrations. In fact, these budgets for solar energy are about the same as those for the breeder reactor.

But the promise of solar does not mean we should stop work on breeders as a long-term energy option. One cannot base national survival only on projected improvements by a factor of twenty. Other technologies such as ocean energy thermal conversion (OTEC) are also not on the very near horizon.

Thus, I do not believe that the paths are mutually exclusive. Exclusion is a political, not a technical problem. The rapid increase in investment in soft technology and the moderation of the breeder development program show that exclusion is not a necessary political condition.

In contrast to previous years, next year's proposed energy budget includes roughly $1.5 billion for conservation, solar, geothermal and biomass along with $1.2 billion for the peaceful uses of nuclear energy.

THE CONSERVATION OPTION

The 94th Congress did make some progress on conservation, but its main accomplishment—the automobile efficiency standards—will only save about 3 million barrels per day by 1990–1995. This year the Department of Energy's budget for conservation has risen by 46 percent—from $692 million to $1.01 billion—in order to carry out a number of conservation programs. The energy extension, State energy plans, weatherization grants, applicance energy labeling, building standards, and loans and loan guarantees for conservation are the proper steps to take.

But we must do better if we expect to reduce our growing dependency on foreign oil imports. That dependence raises important foreign policy questions, and the forty billion dollars a year we now send abroad to pay for this oil is a burden for the international monetary system. The 95th Congress is presently working on economic incentives and disincentives, especially in the form of tax credits, to increase conservation. Great quantities of energy can be conserved by increased end-use efficiency or by changes of life-style; I believe that the pricing mechanism is the fastest path to accomplish dramatic conservation. The competing objective of an equitable social distribution of energy and money prevents these financial measures from being readily acceptable to the voter, and thus it is doubtful that they will be as easily implemented as some might wish. It is clear that the conservation option will not in the end solve the energy problem even if we are able to reduce consumption. What we do is essential to our energy future. We must do better—conservation is essential, but it can't solve the problem alone. In the last analysis a savings of 25 percent only increases reserves by 25 percent and thus conservation—without substantially higher prices—only extends time.

THE HARD PATH

On the other hand, the hard path side of the issue would ask us to move immediately—and in my view prematurely—toward a plutonium economy. The reprocessing of spent LWR fuel rods and recycle of uranium and plutonium can save about 20 percent of our future needs for uranium in this century but the use of this potential resource can be postponed without appreciable loss until and *if* the uranium demand and supply situation becomes more onerous. To commercialize plutonium before it is necessary and before we are more confident of its effective safeguardability, is to commit ourselves irreversibly to unnecessary risks. We may have to reprocess for advanced high conversion reactors or breeders in the future; but a prudent nation would not hasten that moment unnecessarily. Because the projected level of nuclear power for the year 2000 has dropped from 1200 to 380 GWe in the past five years, the Carter Administration has been able to defer commercialization of the LMFBR and reprocessing. A prudent nation also would not burn up existing plutonium stockpiles in Light Water Reactors because plutonium may be needed in the next century to breed both plutonium 239 and U–233.

THE COAL OPTION

It is clear that as a nation we must discourage the generation of electricity by natural gas and petroleum.

The additional energy for electrical generation in this century will be largely coal or nuclear since few other technologies are relevant to this time span. Some recent studies have indicated that it will be very difficult to achieve a doubling of coal production to over one billion tons annually by 1985. The GAO doubts that we will make the National Energy Plan projection of 1.2 billion tons by 1985. If there is a chance of falling short of our goal, a viable nuclear option can provide the necessary insurance to provide needed electrical energy. Uncertainties with scrubber technologies, environmental regulations, transportation, and relative costs are cited by the GAO study for the lowered expectations for the coal option. Long-term prospects for increased coal demand will "ride on the hope of coal gases and liquids becoming environmentally safe and economical."

Recently, attention has been focused on considerable increase in carbon dioxide in the atmosphere. This effect along with the more well known problems of coal mine disasters, air pollution, and acid rain must be

compared to the known side effects of nuclear power.

THE NUCLEAR POWER OPTION

As one considers some of the "less than optimistic" projections and facts that we have been discussing on the solar, coal, and conservation options, the importance of light water reactors to the nation becomes evident. The current projection of 380 GWe of nuclear power by the year 2000 becomes more important if the projections for conservation and coal are not realized. The Carter Administration is presently considering a nuclear licensing bill which would increase the utilization of the standard plant concept. In addition, the Administration is increasing its uranium enrichment facilities in Portsmouth, Ohio, which allow the U.S. to meet its contractual commitments at a lower uranium tails assay which would stretch our uranium reserves by 20%. It will also allow some additional unanimous contracts for domestic utilities. Finally the Administration has established a spent fuel policy which will allow utilities to deliver their spent fuel to the government for a one-time charge which will be a small percentage of the price of delivered electricity. This policy should remove some of the uncertainty in the licensing process.

CONCLUSION: A DIVERSE ENERGY ENVIRONMENT

Plant ecologists tell us that a dangerous aspect of the green revolution is that we are relying on fewer and fewer types of grains. With fewer types of grains we are more vulnerable to blights and diseases. Thus we may have sacrificed the stability of our society in order to enhance production. In a similar fashion we as individuals can be more vulnerable to the effects of trace elements such as mercury and cadmium if we maintain an unvaried diet. Our health is enhanced by a diverse diet.

In a similar vein it is clear that the stability of society can be enhanced by a reliance on a broad spectrum of energy sources. Prudent planning of public policy incorporates a measure of redundancy. To juxtapose two alternative energy paths and call them mutually exclusive is not a technical argument but a political distinction. A prudent energy policy can falsify that distinction and construct a public policy based on the beneficial aspects of both paths. That choice, the middle path, is, to my mind, a sound base for our long run energy future.

FOOTNOTE: RESPONSE TO QUESTIONS AT THE AAAS MEETING ON URANIUM UTILIZATION

The amount of uranium consumed by our present light water reactors depends on (1) the amount of uranium available, (2) the growth rate of nuclear power, and (3) the efficiency of our present LWRs.

I. The Case of Small Uranium Reserves:

Assume reserves of 2.4 million tons (DOE estimates probable reserves at $50/pound). A typical light water reactor consumes about 5000 tons per 30-year lifetime (load factor of 0.63). Better efficiencies are possible with other cycles listed below in Table I. Assume that nuclear power growth follows a linear growth from 0 to 350 GWe from 1970 to 2000, and a constant nuclear power of 350 GWe after the year 2000 with enough uranium for all the reactors commissioned. (Note that the 350 GWe at a capacity factor of 0.65 corresponds to the average level of U.S. electricity production in 1976.)

This amount of uranium will sustain 480 reactors (divide 2.4 million tons by 5000 tons/reactor). If one follows the projected nuclear capacities given above by solving for the additional time after the year 2000, we obtain T_{add} equal 11 years, or the year 2011.

II. The Case of Larger Uranium Reserves:

Case I used the smaller more conservative estimate and in case II we will consider the larger DOE estimate of 4.3 million tons for uranium (total reserves at $50/pound). The 4.3 million tons fill support 860 reactors (4.3 m/5000). For this case we obtain T_{add} equal 44 years, or the year 2044.

III. Uranium reserves may also be stretched by as much as 20 per cent by lower tails assays associated with technological advances in isotope separation. A tails assay reduction from 0.2 to 0.1, which is available from the centrifuge process, would stretch cases I and II to the years 2019 and 2059, respectively.

IV. Table I below lists the uranium utilizations of nuclear fuel cycles other than breeder reactors at load factors of 0.6 and 0.75. This shows that uranium reserves can be stretched by advanced thermal cycles.

TABLE I

	Tons of U_3O_8 percent savings		
	L=0.75		L=0.6
1. PWR (no recycle)	5,985	0	4,800
2. SSCR (no recycle)	5,299	11	4,250
3. CANDU (Nat. U, no recycle)	4,688	22	3,750
4. CANDU (1 percent U, no recycle)	3,563	40	2,850
5. HTGR (MEU-LEU/Th, no racycle)	4,700	22	3,750

*Charles Till, Argonne Report ANL 77-70, 1977.

TALK-BACK TV HITS COLUMBUS

● Mr. GLENN. Mr. President, as my colleagues are aware the State of Ohio has recently been experiencing what may have been described as the worst winter in history. During this crisis it was encouraging to see Ohioians working together to help one another solve their problems. Perhaps the most interesting example of citizens working together took place in Columbus where Warner Cable Corp.'s unique two-way cable television system helped the city and its citizens cooperate to deal with the emergency.

The cable system, known as Qube, has two-way interactive capacity which enables subscribers to express their opinions and communicate with the studio by simply pushing buttons on a small console attached to their television set. For instance, during the snow emergency the city's director of public safety appeared on the cable system to explain the city's plans for dealing with the crisis and Columbus residents communicated with him via their cable system to express their opinions about what needed to be done.

In an era when the mass media is accused of contributing to alienation in the cities, it is refreshing to see what happens when the medium of cable television is encouraged to respond to local needs. So that my colleagues may have a better idea of what talk-back TV has meant to Columbus, Ohio, I ask unanimous consent that the following article from the January 17, Christian Science Monitor be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TALK-BACK TV HITS COLUMBUS

(By Daniel B. Wood)

COLUMBUS, OHIO.—The coal supplies have frozen solid after a heavy rain. Utility companies ask consumers to use 50 percent less energy. There are rumors of blackout.

The recent emergency here proved to be the perfect opportunity for the country's first two-way television system—now six weeks old—to show off its public service capabilities.

By pushing buttons on a mini-computer the size of a box of Grape Nuts, cable television viewers participated in an informal live broadcast that discussed how to save energy.

Local TV personalities talked about coping with less energy and accepted phone-in tips—similar to many talk-show formats. But those subscribing to Qube—Warner Cable Corporation's new multi-channel participatory medium—registered approval or disapproval of those tips.

And when the public safety director announced contingency plans, viewers let the studio know what they thought of those. With responses recorded and results shown on the TV screen in seconds—75 percent for, 25 percent against, for example—viewers could tell how they stood with the rest of the community.

This unique two-way participation cable TV system, with its 30-channel capacity that allows more flexibility for live coverage, is what has Columbus and the cable TV industry talking.

Interviews with local programmers, marketing personnel, and Qube-watchers seem to indicate the new medium will be an overwhelming success.

If the concept is successful in central Ohio—a well-established test market—Warner Communications plans to extend two-way TV to more of its 138 cable operations nationwide and perhaps sell it to other cable systems.

Other Qube capabilities: Home viewers may participate in game shows, give opinions on impending bond issues, take college courses, bid on items, and provide instantaneous program ratings.

Use of the two-way capacity is in its infancy. Questioning is informal, spontaneous: "Which performer do you like best? Do you think the home team should stall? Would you vote yes or no on bond issue 15?"

At this stage program questioners are concerned less with scientific sampling and the search for significant statistics than with involving the viewer in programming decisions and engaging his interest.

As the potential for instantaneous program planning becomes staggering, so does the future of such a system in a democratic rule by referendum.

As early as 1961, inventor/futurist R. Buckminster Fuller foresaw the implications of such a medium of participation: "With two-way TV, constant referendum of democracy will be manifest, and democracy will become the most practical form of industrial and space-age government by all people, for all people."

In addition to Qube's unique two-way TV system, the broad array of services it offers surpass those found anywhere: 30 channels, stereo hookups for simultaneous TV-stereo enjoyment, eight 24-hour noncommercial music channels, and an optional service that allows subscribers to notify proper authorities immediately in case of fire, burglary, and other emergencies. The 30 channels include:

Ten "premium" channels for which subscribers pay $1 to $3.50—in addition to the monthly Qube rate of $10.95—for recent or first-run movies, specially filmed operas, ballets, and New York cabaret shows. Local college and high school football games are offered when viewer polls indicate sufficient demand.

Ten channels that are community oriented: "Columbus Alive" is modeled after NBC's Today Show.

Ten more channels including a PBS and Ohio State University channel, local NBC, ABC, and CBS affiliates, and cabled shows from nearby TV markets.●

COMPREHENSIVE EMPLOYMENT AND TRAINING AMENDMENTS OF 1978

● Mr. CRANSTON. Mr. President, I am pleased to join with my colleagues on the Human Resources Committee in introducing the Comprehensive Employment and Training Amendments of 1978. This measure, which was submitted by the President to the Congress yesterday, would extend the Comprehensive Employment and Training Act of 1973 (CETA) for 4 years through fiscal year 1982 and make a number of changes in the program.

I am pleased that the administration has submitted as an integral part of this Nation's employment strategy, this legislation designed to meet in a coordinated way the employment needs of economically disadvantaged, unemployed, and underemployed individuals through a wide variety of employment and training initiatives administered primarily by those most familiar with local needs.

Particularly noteworthy, Mr. President, are the provisions which the administration has included in this bill to serve the needs of disabled and younger Vietnam-era veterans. As chairman of the Senate Veterans' Affairs Committee and as a member of the Human Resources Committee, I want to express my appreciation to the Department of Labor and the administration for their responsiveness in connection with these veterans provisions in this reauthorization legislation.

Mr. President, I do have a number of concerns, however, about other provisions of this legislation including the changes which have been made with respect to the so-called "targeted" public service employment program which I authored in Emergency Jobs Programs Extension Act of 1976 (Public Law 94-444) which extended and expanded the title VI program. I intend to scrutinize carefully the changes the administration has proposed on this subject and to work very closely with my colleagues in the Subcommittee on Employment, Poverty, and Migratory Labor—including its distinguished chairman, Senator NELSON—to insure that programs conducted under CETA continue to serve those individuals who are most in need of employment and who have been out of work for extended periods of time.●

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

James C. Cissell, of Ohio, to be U.S. attorney for the southern district of Ohio for the term of 4 years, vice William W. Milligan, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, March 13, 1978, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.●

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, have we concluded morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. ROBERT C. BYRD. Is the Neutrality Treaty again before the Senate, Mr. President.

The PRESIDING OFFICER. The Senator is correct.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate in executive session now stand in recess until the hour of 11:30 a.m. tomorrow.

The motion was agreed to; and at 6:17 p.m., the Senate recessed, in executive session, until tomorrow, Tuesday, March 7, 1978, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate March 6, 1978:

IN THE COAST GUARD

Rear Adm. Robert I. Price, U.S. Coast Guard, to be the commander, U.S. Coast Guard Atlantic Area, with the grade of vice admiral while so serving, and

Rear Adm. James S. Gracey, U.S. Coast Guard, to be the commander, U.S. Coast Guard Pacific Area, with the grade of vice admiral while so serving.

IN THE AIR FORCE

The following officers for promotion in the Regular Air Force, under the provisions of chapter 835, title 10, United States Code, as amended. The officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

First lieutenant to captain

Simms, James D., [redacted].

LINE OF THE AIR FORCE

Second lieutenant to first lieutenant

Achramowicz, Stephen D., [redacted].
Adang, Thomas C., [redacted].
Amend, Joseph H., III, [redacted].
Aydelotte Roy R. L., Jr., [redacted].
Brandeberry, Frank A., [redacted].
Colliander, Richard J., [redacted].
Fritzsche, Bruce H., [redacted].
Humbach, Thomas S., [redacted].
Jones, James B., [redacted].
Kraft, Stuart A., [redacted].
Lawler, Bryan T., [redacted].
Reider, Robert D., [redacted].
Robinson, Stanley R., [redacted].
Scott, David F., [redacted].
Slipsky, Richard E., [redacted].
Sullivan, John B., [redacted].
Townsend, Richard L., [redacted].
Waguespack, Leslie J., Jr., [redacted].
Watkins, Ray M., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 8376 and 593, title 10, United States Code:

MEDICAL CORPS

Lieutenant colonel to colonel

Niles, James E., [redacted].
Todt, John C., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Casey, Richard M., [redacted].
Choate, Robert A., [redacted].
Cochran, Robert J., [redacted].
Dudenhoeffer, Jon R., [redacted].
Jensen, Walter E., [redacted].
May, Leo P., [redacted].
Muse, James W., [redacted].
Schiller, Martin E., [redacted].
Small, John D., [redacted].
Waldo, George D., [redacted].
White, Frank C., [redacted].

CHAPLAIN CORPS

Hudson Charles R., [redacted].
Page, William G., [redacted].
Thomas, Meredith J., [redacted].

MEDICAL CORPS

Balletti, Albert A., [redacted].
Bost, Charles R., [redacted].
Charles, William D., [redacted].
Christman, James E., [redacted].
Cwazka, Walter P., [redacted].
Gabatin, Jose Q., [redacted].
Herrick, Kenneth R., [redacted].
Lamb, Johnny M., [redacted].
Nemes, Irvin L., [redacted].
Nemes, Zita C., [redacted].
Reppart, John T., [redacted].
Russell, David S., [redacted].
Seth, Suman, [redacted].
Stewart, Andrew M., [redacted].
Uhrman, Richard A., [redacted].
Wennerbom, John A., [redacted].
White, Stewart A., [redacted].
Winer, Bernard A., [redacted].
Young, Jerome M., [redacted].

NURSE CORPS

Simmons, June M., [redacted].
Stallings, Sandra P., [redacted].

The following named officer for promotion in the U.S. Air Force in the temporary grade indicated, under the appropriate provisions of chapter 839, title 10, United States Code, as amended.

JUDGE ADVOCATE CORPS

Major to lieutenant colonel

Lauricella, Joseph V., [redacted].

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force:

LINE OF THE AIR FORCE

To be first lieutenant

Watson, Ronald W., [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

MEDICAL CORPS

To be colonel

Van de Pol, Henry, [redacted].

To be lieutenant colonel

Jones, R. J., [redacted].
Solomon, James W., [redacted].

To be major

Erickson, Gerald I., XXX-XX-XXXX.
Horne, Edwin G., XXX-XX-XXXX.
Johnson, Wayne A., XXX-XX-XXXX.
Poitrast, Bruce J., XXX-XX-XXXX.
Rainess, Alan E., XXX-XX-XXXX.
Speckhard, Mark E., XXX-XX-XXXX.

To be captain

Rogers, James H., Jr., XXX-XX-XXXX.

To be first lieutenant

Currier, Thomas J., XXX-XX-XXXX.

DENTAL CORPS

To be major

Salzmann, Jacob A., XXX-XX-XXXX.

To be captain

Lemar, Mark E., XXX-XX-XXXX.
McDonald, John J., XXX-XX-XXXX.

To be first lieutenant

Hatfield, John H., XXX-XX-XXXX.
Joyner, Harry N., III, XXX-XX-XXXX.
Pratt, Gregory F., XXX-XX-XXXX.

The following persons for appointment as Reserve of the Air Force, in grades indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be colonel

Haff, Roderick C., XXX-XX-XXXX.
Riley, Harris D., Jr., XXX-XX-XXXX.

To be lieutenant colonel

Anderson, Daniel H., XXX-XX-XXXX.
Anton, Achilles P., XXX-XX-XXXX.
Bailey, Robert J., XXX-XX-XXXX.
Bartko, Harold, XXX-XX-XXXX.
Biedermann, Eric R., XXX-XX-XXXX.
Bullock, Jerry L., XXX-XX-XXXX.
Campbell, Warren C., XXX-XX-XXXX.
Catsaros, Dimitri C., XXX-XX-XXXX.
Depoe, Joseph H., XXX-XX-XXXX.
Desantos, Lawrence W., XXX-XX-XXXX.
Fiederlein, Frederick J., XXX-XX-XXXX.
Fox, Milton J., XXX-XX-XXXX.
Fry, Harold H., XXX-XX-XXXX.
Griffin, Robert P., XXX-XX-XXXX.
Haggard, Robert C., XXX-XX-XXXX.
Hall, Dudley W., XXX-XX-XXXX.
Harville, Victor L., Jr., XXX-XX-XXXX.
Hauber, Frank D., XXX-XX-XXXX.
Henshaw, Dan M., XXX-XX-XXXX.
Hormozdi, Kaykhosrow, XXX-XX-XXXX.
Janco, Robert L., XXX-XX-XXXX.
Janevicius, Vincas, XXX-XX-XXXX.
Khan, Aman U., XXX-XX-XXXX.
Koch, Howard F., XXX-XX-XXXX.
Koepke, Robert C., XXX-XX-XXXX.
Larkin, Francis T., XXX-XX-XXXX.
Levitt, Robert B., XXX-XX-XXXX.
Long, Philip M., Jr., XXX-XX-XXXX.
Mickel, Edwin A., XXX-XX-XXXX.
Montalvo-Rodrigue, Roque, XXX-XX-XXXX.
Morgan, Howard W., Jr., XXX-XX-XXXX.
Murray, William E., XXX-XX-XXXX.
Myers, Lafe H., Jr., XXX-XX-XXXX.
Parsons, George R., XXX-XX-XXXX.
Peppard, Raymond W., XXX-XX-XXXX.
Pye, Stephen A., Jr., XXX-XX-XXXX.
Reese, Searle B., XXX-XX-XXXX.
Sandri, William N., XXX-XX-XXXX.
Sands, Woodrow W., XXX-XX-XXXX.
Smith, Donald T., XXX-XX-XXXX.
Stanton, Eugene S., XXX-XX-XXXX.
Stewart, Howard N., XXX-XX-XXXX.
Tongco, Rustico C., XXX-XX-XXXX.
Torriente, Luis R., XXX-XX-XXXX.
Verhey, Joseph W., XXX-XX-XXXX.
Wansley, Billy M., XXX-XX-XXXX.
Wolkoff, Aaron S., XXX-XX-XXXX.

BIOMEDICAL SCIENCES CORPS

To be lieutenant colonel

Rowe, Frederick B., XXX-XX-XXXX.

The following persons for appointment as reserves of the Air Force in the grade indicated, under the provisions of section 593, title 10, United States Code:

LINE OF THE AIR FORCE

To be lieutenant colonel

Koch, William K., XXX-XX-XXXX.
Longaker, William H., XXX-XX-XXXX.
McMillan, Tallie J., Jr., XXX-XX-XXXX.
Mayer, Clarence D., XXX-XX-XXXX.

The following officer for appointment as a reserve of the Air Force (ANGUS), in the grade indicated under the provisions of sections 593, 8351, and 8392, title 10, United States Code:

LINE OF THE AIR FORCE

To be colonel

Punderburk, Laverne G., XXX-XX-XXXX.

The following officer for appointment as a reserve of the Air Force (ANGUS), in the grade indicated under the provisions of sections 593 and 8351, title 10, United States Code:

LINE OF THE AIR FORCE

To be colonel

Hoff, David B., XXX-XX-XXXX.

The following persons for appointment as reserves of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593, 8351, and 8392, title 10, United Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Cusack, William E., Jr., XXX-XX-XXXX.
Herring, John H., XXX-XX-XXXX.
Rosen, Leonard E., XXX-XX-XXXX.

VETERINARY CORPS

To be lieutenant colonel

Smith, Malcolm C., Jr., XXX-XX-XXXX.

The following-named Air Force officers for reappointment to the active list of the Regular Air Force, in the grades indicated, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duty indicated:

DENTAL CORPS

To be lieutenant colonel

Lord, Hunting J., Jr., XXX-XX-XXXX.

LINE OF THE AIR FORCE

To be captain

Seward, William M., Jr., XXX-XX-XXXX.

IN THE ARMY

The following-named officers for promotion in the reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Abeyta, Salomon, XXX-XX-XXXX.
Acohido, Ben V., XXX-XX-XXXX.
Adams, Adran D., XXX-XX-XXXX.
Adams, Harold R., XXX-XX-XXXX.
Adams, James R., XXX-XX-XXXX.
Agersinger, Donald, XXX-XX-XXXX.
Aleixo, Edward F., XXX-XX-XXXX.
Alexander, William, XXX-XX-XXXX.
Andersh, Laverne, XXX-XX-XXXX.
Anderson, Chester, XXX-XX-XXXX.
Anderson, Robert R., XXX-XX-XXXX.
Armstrong, Robert, XXX-XX-XXXX.
Arnold, Charles E., XXX-XX-XXXX.
Arnold, Joseph R., XXX-XX-XXXX.
Ashmore, Charles B., XXX-XX-XXXX.
Ather, Stanley S., XXX-XX-XXXX.
Atwell, Charles A., XXX-XX-XXXX.
Aultman, Dorrance, XXX-XX-XXXX.
Austin, James K., XXX-XX-XXXX.
Baer, John G., XXX-XX-XXXX.
Baker, Arnold W., XXX-XX-XXXX.
Baker, Donovan J., XXX-XX-XXXX.
Baker, James, XXX-XX-XXXX.
Banchefsky, Howard, XXX-XX-XXXX.
Barker, George E., XXX-XX-XXXX.
Barnett, John C., XXX-XX-XXXX.
Barnette, Anderson, XXX-XX-XXXX.
Barrie, James W., XXX-XX-XXXX.
Barry, Dennis P., XXX-XX-XXXX.
Barry, Earl C., XXX-XX-XXXX.
Barry, Francis P., XXX-XX-XXXX.
Bartlett, Don W., XXX-XX-XXXX.
Barton, James R., XXX-XX-XXXX.
Barton, Thomas B., XXX-XX-XXXX.
Bartsch, Joseph F., XXX-XX-XXXX.
Bass, Harry I., XXX-XX-XXXX.
Bauman, Richard J., XXX-XX-XXXX.
Baumgartner, Edward, XXX-XX-XXXX.
Beckett, Eugene F., XXX-XX-XXXX.
Begasse, Bruce K., XXX-XX-XXXX.
Beill, Leo P., XXX-XX-XXXX.
Bell, Raymond E., Jr., XXX-XX-XXXX.
Bendl, Charles, Jr., XXX-XX-XXXX.
Bennet, William J., XXX-XX-XXXX.
Bennett, Wilmer L., XXX-XX-XXXX.
Berg, Wilbert L., XXX-XX-XXXX.
Best, Louis E., XXX-XX-XXXX.
Biediger, Paul N., XXX-XX-XXXX.
Birch, Robert D., XXX-XX-XXXX.
Bishop, Donald G., XXX-XX-XXXX.
Bissell, Allen H., XXX-XX-XXXX.
Bittelari, Thomas J., XXX-XX-XXXX.
Blackburn, Charles, XXX-XX-XXXX.
Blackwell, Robert E., XXX-XX-XXXX.
Bleese, Verle M., XXX-XX-XXXX.
Boals, Bruce R., XXX-XX-XXXX.
Boddington, David L., XXX-XX-XXXX.
Bogle, Robert L., XXX-XX-XXXX.
Bolz, Eric H., XXX-XX-XXXX.
Bonenfant, Norman H., XXX-XX-XXXX.
Bonnick, William A., XXX-XX-XXXX.
Borges, Hermogenes, XXX-XX-XXXX.
Bosse, Charles F., XXX-XX-XXXX.
Bottani, Aldo A., Jr., XXX-XX-XXXX.
Bowden, Reuben L., XXX-XX-XXXX.
Boyes, Arvid C., XXX-XX-XXXX.
Boyett, Donald L., XXX-XX-XXXX.
Branstetter, Charle, XXX-XX-XXXX.
Brewster, Richard E., XXX-XX-XXXX.
Briggs, Roy E., Jr., XXX-XX-XXXX.
Briney, James R., XXX-XX-XXXX.
Brokmann, Charles H., XXX-XX-XXXX.
Brown, Bruce L., XXX-XX-XXXX.
Brown, Clifford M., XXX-XX-XXXX.
Brown, James D., XXX-XX-XXXX.
Brown, William G., XXX-XX-XXXX.
Brown, William R., XXX-XX-XXXX.
Brownstein, Richard, XXX-XX-XXXX.
Broyles, Paul L., XXX-XX-XXXX.
Brumbaugh, Granvill, XXX-XX-XXXX.
Brumfield, Darrell, XXX-XX-XXXX.
Brunett, Robert J., XXX-XX-XXXX.
Bryant, James C., XXX-XX-XXXX.
Bryson, William M., XXX-XX-XXXX.
Bugh, Ernest B., Jr., XXX-XX-XXXX.
Bulette, Warren C. J., XXX-XX-XXXX.
Burroughs, Clyde K., XXX-XX-XXXX.
Burrous, Reeford G., XXX-XX-XXXX.
Burstyn, Irving R., XXX-XX-XXXX.
Bushong, Stuart A., XXX-XX-XXXX.
Caldwell, Darrol D., XXX-XX-XXXX.
Califano, Leonard E., XXX-XX-XXXX.
Campbell, Alex B., XXX-XX-XXXX.
Capellen, Earle M. V., XXX-XX-XXXX.
Carlisle, Harold W., XXX-XX-XXXX.
Carnathan, Edward E., XXX-XX-XXXX.
Carranza, Jesus, Jr., XXX-XX-XXXX.
Carter, Carl V., XXX-XX-XXXX.
Carter, John A., XXX-XX-XXXX.
Carter, John L., XXX-XX-XXXX.
Carville, Lawrence, XXX-XX-XXXX.

Caserta, Anthony S., xxx-xx-xxxx.
Ceder, Robert W., xxx-xx-xxxx.
Chick, Charles E., xxx-xx-xxxx.
Choate, Ben P., Jr., xxx-xx-xxxx.
Clardy, James D., xxx-xx-xxxx.
Clark, Chapin D., xxx-xx-xxxx.
Clark, Thomas M., xxx-xx-xxxx.
Clark, William L., xxx-xx-xxxx.
Clawson, Dan W., xxx-xx-xxxx.
Cleary, Francis J. J., xxx-xx-xxxx.
Cleland, Charles H., xxx-xx-xxxx.
Clemons, Phillip L., xxx-xx-xxxx.
Cockett, Irwin K., Jr., xxx-xx-xxxx.
Cockrell, Paul J., xxx-xx-xxxx.
Codd, William C., xxx-xx-xxxx.
Codino, Albert, xxx-xx-xxxx.
Cody, Wiliam P., xxx-xx-xxxx.
Collier, William, xxx-xx-xxxx.
Collins, Paul G., xxx-xx-xxxx.
Collins, Thomas A., xxx-xx-xxxx.
Conner, Charles, Jr., xxx-xx-xxxx.
Coruthers, John M., xxx-xx-xxxx.
Cox, James A., xxx-xx-xxxx.
Craig, James T., xxx-xx-xxxx.
Craig, Kenneth R., xxx-xx-xxxx.
Craker, Philip E., xxx-xx-xxxx.
Cramer, William M., xxx-xx-xxxx.
Crowley, Robert F., xxx-xx-xxxx.
Cude, Horace G., xxx-xx-xxxx.
Culbertson, James G., xxx-xx-xxxx.
Cullen, Charles M., xxx-xx-xxxx.
Dacosta, Albert, xxx-xx-xxxx.
Dame, John H., xxx-xx-xxxx.
Dattilio, Anthony P., xxx-xx-xxxx.
Davis, Edward R., xxx-xx-xxxx.
Davis, Robert J., Jr., xxx-xx-xxxx.
Davis, Thomas W., xxx-xx-xxxx.
Day, John E., Jr., xxx-xx-xxxx.
Day, Richard K., xxx-xx-xxxx.
Dechert, Robert C., xxx-xx-xxxx.
Demasi, Henri A., xxx-xx-xxxx.
Demers, Norman R., xxx-xx-xxxx.
Desanti, Joseph A., xxx-xx-xxxx.
Dewhirst, William S., xxx-xx-xxxx.
Deyo, Donald J., xxx-xx-xxxx.
Dietz, James J., xxx-xx-xxxx.
Dillmeier, Robert A., xxx-xx-xxxx.
Dixon, Julius C., xxx-xx-xxxx.
Doherty, Philip B., xxx-xx-xxxx.
Doitteau, Rafael, xxx-xx-xxxx.
Donarski, Steven P., xxx-xx-xxxx.
Donnelly, Clarence, xxx-xx-xxxx.
Doyel, Henry A., xxx-xx-xxxx.
Drew, David J., xxx-xx-x...
Dubow, David A., xxx-xx-xxxx.
Dunham, Theo K., xxx-xx-xxxx.
Dworkin, Herman, x...
Eades, Jerome W., xxx-xx-xxxx.
Eads, Ray A., xxx-xx-...
Eagerton, Charles W., xxx-xx-...
Eakes, Joe O., xxx-xx-xxxx.
Edmondson, Jack L., xx...
Ehrhardt, Richard E., xxx-xx-...
Ehrlich, Bernard G., xxx-xx-xxxx.
Ellison, William R., xx...
Erdahl, Ervin D., xxx-xx-xxxx.
Erickson, William F., xxx-xx-xxxx.
Estrella, John R., xxx-xx-xx...
Fallgren, John R., xxx-xx-xxxx.
Farmer, Thomas D., xxx-xx-xxxx.
Farr, Richard, xxx-xx-xxxx.
Farrell, Thomas J., xxx-xx-xxxx.
Fastabend, Robert E., xxx-xx-xxxx.
Feeney, Linwood K., xxx-xx-xxxx.
Feisley, James L., xxx-...
Felton, John W., xxx-...
Ferguson, Charles R., xxx-xx-xxxx.
Fields, William E., xxx-xx-xxxx.
Finck, John A., xx...
Fink, David H., xxx-...
Flandro, Scott C., xx...
Fleishman, Stuart J., xxx-xx...
Fleming, David F., xxx-xx-xxxx.
Fleming, Samuel E. J., xxx-...
Flesch, John J., xxx-xx-x...
Follett, Don H., Jr., xxx-...
Foreman, Johnnie J., xx...
Fox, Daniel O., xxx-xx-xxxx.
Franck, Charles O., xxx-xx-xxxx.

Frank, Norman, xxx-xx-xxxx.
Franklin, Roosevelt, xxx-xx-xxxx.
Free, Woodrow A., xxx-xx-xxxx.
Frice, Gene M., xxx-xx-xxxx.
Frusione, Daniel, xxx-xx-xxxx.
Fukushima, Takeshi, xxx-xx-xxxx.
Fuszard, Richard G., xxx-xx-xxxx.
Gaffigan, William J., xxx-xx-xxxx.
Gairaud, Louis M., xxx-xx-xxxx.
Gallear, Darrell C., xxx-xx-xxxx.
Galloway, Joseph E., xxx-xx-xxxx.
Ganley, Paul L., Jr., xxx-xx-xxxx.
Garber, Lewis C., xxx-xx-xxxx.
Garber, Philip C., xxx-xx-xxxx.
Gardner, Matthew L., xxx-xx-xxxx.
Garner, James H., xxx-xx-xxxx.
Gaskins, Leonard L., xxx-xx-xxxx.
Gaston, Joseph E., xxx-xx-xxxx.
Gautier, Augusto R., xxx-xx-xxxx.
Gay, George A., xxx-xx-xxxx.
Gaydos, Theodore, xxx-xx-xxxx.
Geiger, Melvin H., xxx-xx-xxxx.
Geis, Donald F., xxx-xx-xxxx.
Gemmell, Thomas M., xxx-xx-xxxx.
Gerke, George L., xxx-xx-xxxx.
Gezelman, Ralph L., xxx-xx-xxxx.
Gibson, Robert P., xxx-xx-xxxx.
Gilmore, Harold L., xxx-xx-xxxx.
Gong, Chung C., xxx-xx-xxxx.
Gonzalez, Carlos, xxx-xx-xxxx.
Gordon, Charles E., xxx-xx-xxxx.
Gorton, Merl D., xxx-xx-xxxx.
Grady, Harold E., xxx-xx-xxxx.
Grass, Lucian J., xxx-xx-xxxx.
Gray, Joe E., xxx-xx-xxxx.
Gray, Martin S., xxx-xx-xxxx.
Greco, Francis G., xxx-xx-xxxx.
Green, Carey W., Jr., xxx-xx-xxxx.
Grenci, Albert R., xxx-xx-xxxx.
Grossenbacher, Julius C., Jr., xxx-xx-xxxx.
Grove, James B., xxx-xx-xxxx.
Grzymkowski, Walter, xxx-xx-xxxx.
Gutzwiller, Clyde E., xxx-xx-xxxx.
Hackett, Stephen W., xxx-xx-xxxx.
Halle, Joseph F., xxx-xx-xxxx.
Hall, Daniel M., xxx-xx-xxxx.
Hall, Jack R., xxx-xx-xxxx.
Hall, Russell C., xxx-xx-xxxx.
Hallmark, Estle H., xxx-xx-xxxx.
Hanson, Harry C., xxx-xx-xxxx.
Hardman, Howard C., xxx-xx-xxxx.
Hardy, Donald C., xxx-xx-xxxx.
Harmison, Herbert A., xxx-xx-xxxx.
Harris, Compton T., xxx-xx-xxxx.
Harris, William I., xxx-xx-xxxx.
Hawkins, James C., xxx-xx-xxxx.
Heaton, Jerry W., xxx-xx-xxxx.
Hedges, Donald H., xxx-xx-xxxx.
Helden, Charles V., xxx-xx-xxxx.
Helm, Lewis M., xxx-xx-xxxx.
Helmer, Robrt L., xxx-xx-xxxx.
Hemken, Daryl D., xxx-xx-xxxx.
Henderson, Howard G., xxx-xx-xxxx.
Henderson, Jimmy D., xxx-xx-xxxx.
Henderson, Lee A., xxx-xx-xxxx.
Heneman, Allen S., xxx-xx-xxxx.
Hennelly, W. P., xxx-xx-xxxx.
Herbert, Curtis B., xxx-xx-xxxx.
Hermann, James A., xxx-xx-xxxx.
Herner, Harlan C., xxx-xx-xxxx.
Herring, Marlin J., xxx-xx-...
Heyward, James R., xxx-...
Hickey, Joseph A., xxx-xx-xxxx.
Higgins, Harold H., xxx-xx...
Hill, Dennis C., xxx-...
Hill, Edward H., xxx-xx-...
Hill, Walter L., xxx-xx-...
Hine, John M., xxx-...
Hodgson, Joseph M., xxx-xx-...
Honick, Al B., xxx-xx-xxxx.
Hoo, Edmund Bung Ho, xxx-xx-...
Horgan, Francis J., xxx-xx-xxxx.
Howard, Robert D., xxx-xx-...
Howard, Willie T., Jr., xxx-xx-...
Hoyt, George W., xxx-xx-xxxx.
Hraha, Francis M., xxx-xx-...
Huber, James J., xxx-...
Hyams, Harry T., xxx-xx-xxxx.
Hyatt, Ronald W., xxx-xx-xxxx.
Ikeda, Moss M., xx...

Ing, Melvin G., xxx-xx-xxxx.
Innes, Von A., xxx-xx-xxxx.
Ishikawa, Richard, xxx-xx-xxxx.
Jackson, Alan R., xxx-xx-xxxx.
Jackson, Arthur G., xxx-xx-xxxx.
Jackson, Ray L., xxx-xx-xxxx.
Jambura, John W., xxx-xx-xxxx.
James, William T., xxx-xx-xxxx.
Janes, Robert P., xxx-xx-xxxx.
Jarvis, Dwight C., xxx-xx-xxxx.
Jenkins, Charles, xxx-xx-xxxx.
Johnson, Harold W. J., xxx-xx-xxxx.
Johnson, Jeremy W., xxx-xx...
Johnson, Louis W., xxx-xx-xxxx.
Johnson, Milton R., xxx-xx-xxxx.
Johnston, John J., xxx-xx-xx...
Jones, Alvin W., xxx-xx-xxxx.
Jones, James W., xxx-xx-xxxx.
Jones, Roy L., xxx-xx-xxxx.
Jones, William M., xxx-xx-xxxx.
Joy, Sherwood H., xxx-xx-xxxx.
Kaardal, Elmer A., xxx-xx-xxxx.
Kachmar, Robert J., xxx-xx-xxxx.
Kane, Frank E., xxx-xx-xxxx.
Karrh, Tobe C., xxx-xx-xxxx.
Kass, Donald F., xxx-xx-xxxx.
Katz, Robert N., xxx-xx-xxxx.
Keller, Lawrence A., xxx-xx-xxxx.
Kelley, Timothy, xxx-xx-xxxx.
Kelly, Billy B., xxx-xx-xxxx.
Kelly, Samuel P., xxx-xx-xxxx.
Kennon, Floyd L., Jr., xxx-xx-xxxx.
Kent, James H., xxx-xx...
Killian, Charles W., xxx-xx-xxxx.
Kimmel, Herbert R., xxx-xx-xxxx.
Kimura, Tom T., xxx-xx-xxxx.
Kinon, Marion H., xxx-xx-xxxx.
Kittelson, Walter G., xxx-xx...
Knowles, Charles A., xxx-xx-xxxx.
Koehler, Rodney G., xxx-xx-xxxx.
Kone, Charles H., xxx-xx-xxxx.
Kotch, Joseph R., xxx-xx-xxxx.
Kottsick, Virgil R., xxx-xx-xxxx.
Koufos, George, xxx-xx-xxxx.
Krinke, Gordon C., xxx-xx-xxxx.
Kruger, Arthur J., xxx-xx-xxxx.
Kuba, William F., xxx-xx-xxxx.
Kurland, Bert, xxx-xx-xxxx.
Kurman, Edward S., xxx-xx-xxxx.
Kurtz, George W., xxx-xx-xxxx.
Laakso, Charles L., xxx-xx-xxxx.
Labuff, John B., xxx-xx...
LaChance, Philip A., xxx-xx...
Lakier, Saul W., xxx-xx-...
Lala, Angelo P., xxx-xx-...
Lambremont, Edward, xxx-xx-xxxx.
Lampman, Audis E., xxx-...
Lander, Richard J., xxx-xx-x...
Landstrom, Lyle G., xxx-xx-xxxx.
Langer, Milton F., xxx-xx-xxxx.
Larkin, Charles W., xxx-xx-xxxx.
Larsen, Robert W., xxx-xx-xx...
Larson, Harold L., xxx-xx-xxxx.
Layton, Gary E., xxx-xx-xxxx.
Leahy, Joseph P., xxx-xx-xxxx.
Leavitt, Charles W., xxx-xx-xxxx.
LeClaire, James F., xxx-xx-xxxx.
Lee, Charles W., xxx-xx-xxxx.
Lefebvre, Alton R., xxx-xx-xxxx.
Leon, Gustavo A., xxx-xx-xxxx.
Lett, Lincoln J., xxx-xx-xxxx.
Lett, Thomas E., xxx-xx-xxxx.
Lewis, Alvin J., xxx-xx-xxxx.
Lewis, John E., xxx-xx-xxxx.
Lewis, Robert O., xxx-xx-xxxx.
Linton, John R., xxx-xx-xx...
Lippert, Laverne F., xxx-xx-xxxx.
Listi, Eugene G., xxx-xx-xxxx.
Logue, Thomas O., xxx-xx-xxxx.
Lord, Carl W., xxx-xx-xxxx.
Lucas, Clarence A., xxx-xx-xxxx.
Lucas, Claude D., xxx-xx-xxxx.
Lucke, Arnold S., xxx-xx-xxxx.
Lundquist, Carl W., xxx-xx-xxxx.
Lurtey, Henry L., xxx-xx-xxxx.
Lyle, Richard E., xxx-xx-xxxx.
Lynch, Robert F., xxx-xx-xxxx.
MacBurney, Robert C., xxx-...
MacFadden, Richard, xxx-...
Machno, Edward J., xxx-xx-...

Mackert, William C., xxx-xx-xxxx.
Madigan, Edward F., xxx-xx-xxxx.
Mahach, Raymond J., xxx-xx-xxxx.
Mahoney, Francis X., xxx-xx-xxxx.
Mahoney, Harley R., xxx-xx-xxxx.
Maier, John A., xxx-xx-....
Mallett, Edmund I., xxx-xx-xxxx.
Maloney, James, xxx-xx-....
Mancini, Alfonso R., xxx-xx-xxxx.
Mangskau, Dale N., xxx-xx-xxxx.
Mann, Dean D., xxx-xx-xxxx.
Manutes, Nicholas J., xxx-xx-xxxx.
Marfull, Rene S., xxx-xx-xxxx.
Marholz, Duane J., xxx-xx-xxxx.
Marostica, Lawrence, xxx-xx-xxxx.
Martin, Robert D., xxx-xx-xxxx.
Martinez, Samuel A., xxx-xx-xxxx.
Mason, Theodore B., xxx-xx-xxxx.
Matuszewski, M. J., Jr., xxx-xx-xxxx.
Matyus, George R., xxx-xx-xxxx.
Mazzone, Thomas W., xxx-xx-xxxx.
McBarron, James F., xxx-xx-xxxx.
McClendon, Joe M., xxx-xx-xxxx.
McCluer, Leon J., xxx-xx-xxxx.
McCormack, Glen R., xxx-xx-xxxx.
McCullough, Joseph, xxx-xx-xxxx.
McDaniels, Homer A., xxx-xx-xxxx.
McDonald, Henry E., xxx-xx-xxxx.
McGillen, William D., xxx-xx-xxxx.
McHenry, Allen E., xxx-xx-xxxx.
McLeod, Claude H., xxx-xx-xxxx.
McMeekin, James L., xxx-xx-xxxx.
McMillan, David V., xxx-xx-xxxx.
McMullen, Harry A., xxx-xx-xxxx.
McPhaul, Elbert, xxx-xx-xxxx.
McPherson, Hubert L., xxx-xx-xxxx.
McWilliam, Robert, xxx-xx-xxxx.
Meekins, Eugene B. J., xxx-xx-xxxx.
Meilstrup, Jack E., xxx-xx-xxxx.
Meixner, Allan R., xxx-xx-xxxx.
Merchant, Robert L., xxx-xx-xxxx.
Merrill, Edwin F., xxx-xx-xxxx.
Mickelson, Dwane E., xxx-xx-xxxx.
Middleton, Charles, xxx-xx-xxxx.
Miller, Nicholas M., xxx-xx-xxxx.
Miller, Robert F., xxx-xx-xxxx.
Miller, Walter W., xxx-xx-xxxx.
Mills, Ralph F., xxx-xx-xxxx.
Mitchell, George, xxx-xx-xxxx.
Mitchell, James L., xxx-xx-xxxx.
Mixon, Earl L., xxx-xx-xxxx.
Modeas, Harry G., xxx-xx-xxxx.
Mohr, Charles G., xxx-xx-xxxx.
Moore, David P., xxx-xx-xxxx.
Moore, Ottie J., xxx-xx-xxxx.
Moore, William E., xxx-xx-xxxx.
Morgan, William D. J., xxx-xx-xxxx.
Morin, Remi, xxx-xx-xxxx.
Morris, William L., xxx-xx-xxxx.
Moseley, George H., xxx-xx-xxxx.
Mulvey, James J., xxx-xx-xxxx.
Murphy, Francis M., xxx-xx-xxxx.
Myers, Oliver W., xxx-xx-xxxx.
Myrick, Ronald F., xxx-xx-xxxx.
Nau, James J., xxx-xx-xxxx.
Neal, Joseph L., xxx-xx-xxxx.
Neer, Lawrence A., xxx-xx-xxxx.
Nelson, Arnold W., xxx-xx-xxxx.
Nelson, Dallas E., xxx-xx-xxxx.
Neuvar, Erwin W., xxx-xx-xxxx.
Newberry, Merwin R., xxx-xx-xxxx.
Newton, Malcolm M., xxx-xx-xxxx.
Nichols, Sherman E., xxx-xx-xxxx.
Nicholson, Brown, Jr., xxx-xx-xxxx.
Nielsen, Chris, Jr., xxx-xx-xxxx.
Nissen, Edward M., xxx-xx-xxxx.
Nix, James E., xxx-xx-xxxx.
Noll, Arthur W., xxx-xx-xxxx.
Nolley, Edwin F., xxx-xx-xxxx.
Norris, Robert O., xxx-xx-xxxx.
Nottingham, Paul T., xxx-xx-xxxx.
Obert, Karl A., xxx-xx-xxxx.
Olive, Charles E., xxx-xx-xxxx.
Oliver, James W., xxx-xx-xxxx.
O'Neil, John J., xxx-xx-xxxx.
Orphe, Wilson, xxx-xx-xxxx.
Orr, Norman E., xxx-xx-xxxx.
Pace, Everette L., xxx-xx-xxxx.
Palmeteer, Albert G., xxx-xx-xxxx.
Panciera, Kenneth H., xxx-xx-xxxx.
Parkhill, Roland, L., xxx-xx-xxxx.
Parks, Donald F., xxx-xx-xxxx.
Parks, James E., xxx-xx-xxxx.
Patton, Devon K., xxx-xx-xxxx.
Patton, John D., xxx-xx-xxxx.
Pavlow, George, xxx-xx-xxxx.
Pedersen, Leonard M., xxx-xx-xxxx.
Pelfrey, James A., Jr., xxx-xx-xxxx.
Penton, Ben H., xxx-xx-xxxx.
Pereira, Percival E., xxx-xx-xxxx.
Perkins, Edward C., xxx-xx-xxxx.
Petri, John, Jr., xxx-xx-xxxx.
Pettit, Robert S., xxx-xx-xxxx.
Pfeiffer, Thomas H., xxx-xx-xxxx.
Phillips, James G., xxx-xx-xxxx.
Pickerill, Everett, xxx-xx-xxxx.
Pigg, Charles L., xxx-xx-xxxx.
Pirrello, Mario, xxx-xx-xxxx.
Plavnick, Robert L., xxx-xx-xxxx.
Pleasant, Ernest R., xxx-xx-xxxx.
Pobuk, John, xxx-xx-xxxx.
Pogue, J. E., xxx-xx-xxxx.
Pointer, Frank M., xxx-xx-xxxx.
Pope, Walter V., xxx-xx-xxxx.
Poston, Mendel L., xxx-xx-xxxx.
Prater, John L., xxx-xx-xxxx.
Proctor, Orval D., xxx-xx-xxxx.
Psomiades, Harry J., xxx-xx-xxxx.
Pulket, Arthur W., xxx-xx-xxxx.
Pursley, Frank J., xxx-xx-xxxx.
Purtle, Herbert G., xxx-xx-xxxx.
Pusch, Herbert B., xxx-xx-xxxx.
Queally, Justin M., xxx-xx-xxxx.
Quigley, Maurice, xxx-xx-xxxx.
Quimbey, Byron E., xxx-xx-xxxx.
Ranald, Ralph A., xxx-xx-xxxx.
Remich, Antone F., xxx-xx-xxxx.
Reybold, William U., xxx-xx-xxxx.
Rhoads, Russell E., xxx-xx-xxxx.
Rhue, William A., xxx-xx-xxxx.
Richard, Marland H., xxx-xx-xxxx.
Richburg, Lonnie C., xxx-xx-xxxx.
Rishel, Darrell F., xxx-xx-xxxx.
Roberts, John L., xxx-xx-xxxx.
Roberts, Thomas P., xxx-xx-xxxx.
Robertson, Sherrill, xxx-xx-xxxx.
Robinette, Joe A., xxx-xx-xxxx.
Robinson, Ernest P., xxx-xx-xxxx.
Roeder, Frederick W., xxx-xx-xxxx.
Rogers, Roy D., xxx-xx-xxxx.
Rohena, Santos, Jr., xxx-xx-xxxx.
Roland, Alan C., xxx-xx-xxxx.
Ross, Charles F., xxx-xx-xxxx.
Russell, Gordon C., xxx-xx-xxxx.
Russell, J. Frank, Jr., xxx-xx-xxxx.
Russo, Richard S., xxx-xx-xxxx.
Ryan, James A., xxx-xx-xxxx.
Sachse, Victor, xxx-xx-xxxx.
Santelli, John O., xxx-xx-xxxx.
Sarnecki, Aloysius, xxx-xx-xxxx.
Saxton, Richard W., xxx-xx-xxxx.
Schell, Richard L., xxx-xx-xxxx.
Schmitz, Daniel C., xxx-xx-xxxx.
Scholl, Edwin R., Jr., xxx-xx-xxxx.
Schoonover William, xxx-xx-xxxx.
Schulman, Ellsworth, xxx-xx-xxxx.
Schultz, Joseph W., xxx-xx-xxxx.
Schumm, Brooke, Jr., xxx-xx-....
Schweikert, James F., xxx-xx-xxxx.
Scott, Harry A. Jr., xxx-xx-xxxx.
Scribner, John C. L., xxx-xx-xxxx.
Shrap, Edgar B., xxx-xx-xxxx.
Shaw, Victor H., Jr., xxx-xx-xxxx.
Sherrill, James W., xxx-xx-xxxx.
Shields, Claude W., xxx-xx-xxxx.
Shimkus, Daniel F., xxx-xx-xxxx.
Shimp, William B., xxx-xx-xxxx.
Shoemaker, Theodore, xxx-xx-xxxx.
Shuler, Ashton A., xxx-xx-xxxx.
Shyvers, Richard P., xxx-xx-xxxx.
Sills, Donal J., xxx-xx-xxxx.
Simmons, Ralph E., xxx-xx-xxxx.
Simoneaux, Frank P., xxx-xx-xxxx.
Simpson, James L., xxx-xx-xxxx.
Simpson, William R., xxx-xx-....
Sims, Robert E., xxx-xx-xxxx.
Single, Robert M., xxx-xx-xxxx.
Smith, Curvin C., xxx-xx-xxxx.
Smith, Eugene P., xxx-xx-xxxx.
Smith, Glenn, xxx-xx-xxxx.
Smith, Jerald G., xxx-xx-xxxx.
Smith, Jesse M., xxx-xx-xxxx.
Smith, Thomas W., xxx-xx-xxxx.
Snowden, James E., xxx-xx-xxxx.
Snyder, Theodore A., xxx-xx-xxxx.
Stanberry, Jim D., xxx-xx-xxxx.
Stankewich, Joseph, xxx-xx-xxxx.
Stansberry, Robert, xxx-xx-xxxx.
Sterba, Richard R., xxx-xx-xxxx.
Stevens, Louis A., xxx-xx-xxxx.
Storer, Duane L., xxx-xx-....
Stottlebower, J., xxx-xx-xxxx.
Straus, James D., xxx-xx-xxxx.
Strukel, Jack, Jr. xxx-xx-xxxx.
Sullivan, Gilbert J., xxx-xx-xxxx.
Sullivan, James E., xxx-xx-xxxx.
Sullivan, John F., xxx-xx-xxxx.
Suveg, Zoltan S., xxx-xx-xxxx.
Swan, Valentine A., xxx-xx-xxxx.
Swearingen, Douglas, xxx-xx-xxxx.
Sweeney, Jack W., xxx-xx-xxxx.
Sweetman, Russell E., xxx-xx-....
Szablewski, Stanley, xxx-xx-xxxx.
Taylor, Harry R., xxx-xx-xxxx.
Taylor, Henry, xxx-xx-....
Taylor, Jess W., xxx-xx-xxxx.
Taylor, Jesse R., xxx-xx-xxxx.
Taylor, Otis C., xxx-xx-xxxx.
Teale, Thomas A., xxx-xx-xxxx.
Tenhoff, Marvin L., xxx-xx-xxxx.
Teske, Herbert W., xxx-xx-....
Thomas, Donald J., xxx-xx-xxxx.
Thompson, Charles A., xxx-xx-....
Thompson, Charles B., xxx-xx-xxxx.
Thompson, Ralph E., xxx-xx-xxxx.
Thompson, Robert D., xxx-xx-xxxx.
Thorn, Richard E., xxx-xx-xxxx.
Tierney, Raymond, xxx-xx-xxxx.
Tilton, Russell F., xxx-xx-xxxx.
Tollerson, Ernest J., xxx-xx-xxxx.
Tollin, Milroy J., Jr., xxx-xx-xxxx.
Torgelson, John W., xxx-xx-xxxx.
Tosi, Peter D., xxx-xx-xxxx.
Towle, James G., xxx-xx-xxxx.
Treadwell, George W., xxx-xx-xxxx.
Trivieri, Lawrence, xxx-xx-xxxx.
Tucci, George L., xxx-xx-xxxx.
Tucker, William E., xxx-xx-xxxx.
Turley, Robert E., xxx-xx-xxxx.
Turner, Hammond C., xxx-xx-xxxx.
Turner, Robert L., xxx-xx-xxxx.
Turnipseed, Ned L., xxx-xx-xxxx.
Tutchton, Joseph T., xxx-xx-xxxx.
Tuttle, Allen H., xxx-xx-xxxx.
Tyson, Thomas H., xxx-xx-xxxx.
Usiak, Leonard M., xxx-xx-xxxx.
Valentin-Perez, E., xxx-xx-xxxx.
Valentine, Robert G., xxx-xx-xxxx.
Vanekeren, John H., xxx-xx-xxxx.
Vanhaltern, Frank J., xxx-xx-....
Van Lear, Jack, xxx-xx-xxxx.
Vanloon, Donald E., xxx-xx-xxxx.
Vass, Stanley C., xxx-xx-xxxx.
Venanzini, Sante P., xxx-xx-xxxx.
Vincent, Jack R., xxx-xx-xxxx.
Vogel, August W., xxx-xx-xxxx.
Vollnogle, James C., xxx-xx-xxxx.
Vos, Francis W., xxx-xx-xxxx.
Wall, Lynn A., xxx-xx-xxxx.
Wallace, Raymond E., xxx-xx-xxxx.
Wallach, Arthur E., xxx-xx-xxxx.
Wallig, Thomas V., xxx-xx-xxxx.
Ward, James H., xxx-xx-xxxx.
Ward, Philip R., xxx-xx-xxxx.
Wasil, James A., xxx-xx-xxxx.
Watson, Glenn M., xxx-xx-xxxx.
Watson, Richard, xxx-xx-xxxx.
Weinberg, Richard G., xxx-xx-xxxx.
Whidden, Theron D., xxx-xx-xxxx.
White, Clardie A., xxx-xx-xxxx.
White, Robert A., xxx-xx-xxxx.
White, Shelly L., xxx-xx-xxxx.
Whitehead, Jimmy L., xxx-xx-xxxx.
Whypp, David A., xxx-xx-xxxx.
Wilkes, Earl C., xxx-xx-xxxx.
Williams, Howard S., xxx-xx-xxxx.
Williams, Carl E., xxx-xx-....
Williams, James L., xxx-xx-xxxx.
Williams, Teddy E., xxx-xx-xxxx.
Windle, Robert H., xxx-xx-xxxx.
Withers, Warren A., xxx-xx-xxxx.
Wood, Bobby G., xxx-xx-xxxx.
Woollen, James M., xxx-xx-xxxx.
Worthy, Thomas C., xxx-xx-xxxx.
Woywod, George M., xxx-xx-xxxx.

Wrage, Lyle B., [redacted].
Wright, Peter, [redacted].
Yarbrough, John F., [redacted].
Yonker, John A., [redacted].
Yoshida, Richard N., [redacted].
Young, Arthur W., [redacted].
Young, Barry W., [redacted].
Zalopany, Peter E., [redacted].
Zimmerman, Donald A., [redacted].
Ziobro, Martin T., [redacted].

CHAPLAIN

To be colonel

Durkee, Robert M., [redacted].
Fitton, Walter A., [redacted].
Fleming, Martin M., [redacted].
Hallanger, F. T., [redacted].
Jaeger, James C., [redacted].
McEuen, William R., [redacted].
McGowan, Matthew, [redacted].
Miller, Leonard H., [redacted].
Nelson, Oral D., [redacted].
Norris, Eugene B., [redacted].
Patterson, Donis D., [redacted].
Russell, Paul E., [redacted].
Sensenbrenner, E. W., [redacted].
Spear, David A., [redacted].
Spraberry, Rufus B., [redacted].
Wagner, Ralph F., [redacted].
Wood, Thomas E., [redacted].
Wright, James E., [redacted].

WOMEN'S ARMY CORPS

To be colonel

Braun, Dolores H., [redacted].
Roberts, Grace L., [redacted].

MEDICAL CORPS

To be colonel

Thomas, James H., [redacted].

The following-named officers for promotion in the reserve of the Army of the United States, under the provisions of title 10, U.S. Code, sections 3366, 3367, and 3383:

ARMY PROMOTION LIST

To be lieutenant colonel

Anderson, Quentin W., [redacted].
Arevalo, Teodoro, [redacted].
Baiden, Arthur H., III, [redacted].
Barfield, Walter R., [redacted].
Batey, John E., [redacted].
Behan, James B., [redacted].
Bertolet, John R., [redacted].
Besselman, Joseph J., [redacted].
Bird, James E., Jr., [redacted].
Bosma, Stephen F., [redacted].
Botts, Julian F., [redacted].
Bouldin, Kenneth A., [redacted].
Bowman, James B., [redacted].
Bray, William E., [redacted].
Brox, Charles A., [redacted].
Budd, Alan L., [redacted].
Bundy, L. D. Lamar, [redacted].
Burns, Daniel T., [redacted].
Caron, Francis J., [redacted].
Carter, James E., [redacted].
Chin, Dick K., [redacted].
Comeaux, Roy D., [redacted].
Connelly, John E., III, [redacted].
Corey, Ronald T., [redacted].
Cowgill, Claiborne W., [redacted].
Daggett, Robert P., [redacted].
Dashnaw, Lloyd V., [redacted].
Dempsey, James C., [redacted].
Devaughan, Zed F., [redacted].
Diaz, Rodolfo, [redacted].
Donnelly, John H., [redacted].
Duddy, William J., [redacted].
Erdon, Robert W., [redacted].
Fine, Donald L., [redacted].
Fleenor, James R., [redacted].
Foley, James F., [redacted].
Ford, Wilbur E., Jr., [redacted].
Fortney, Kenneth R., [redacted].
Friegeri, Anthony, [redacted].
Gallahorn, James T., III, [redacted].
George, William P., [redacted].
Giller, Paul H., [redacted].
Glover, William L., [redacted].
Gove, Richard L., [redacted].
Griffith, Lebron D., [redacted].
Guglielmo, James L., [redacted].
Guidroz, Theodore J., Jr., [redacted].
Gunderman, George L., [redacted].
Hagopian, Carl F., [redacted].
Hannah, William J., [redacted].
Harlan, Daryl R., [redacted].
Harra, David E., [redacted].
Harris, Lee C., [redacted].
Henne, William G., [redacted].
Holcman, Louis, [redacted].
Hoover, William R., [redacted].
Jones, Clare A., [redacted].
Jones, Glenn W., [redacted].
Jones, Leamon F., [redacted].
Jones, Nova G., [redacted].
Kelly, Phil A., [redacted].
Kelly, William V., [redacted].
Kenny, Thomas P., [redacted].
Kozieja, Richard S., [redacted].
Kringle, Paul R., Jr., [redacted].
Lartigue, Fred, III, [redacted].
Lauber, William, [redacted].
Lee, James E., [redacted].
Leimer, Weldon H., [redacted].
Linthicum, Elmer J., [redacted].
Long, William H., [redacted].
Loscar, Donald D., [redacted].
Lowrie, Virgil A., [redacted].
Lutkus, John W., [redacted].
Lynn, James A., [redacted].
Lyons, Thomas J., [redacted].
Mahowald, Donald G., [redacted].
Makstenieks, Atis, [redacted].
Malone, Doyle R., [redacted].
Mason, Edward P., [redacted].
Mathews, William E., [redacted].
Mays, John E., [redacted].
McCarthy, Daniel M., [redacted].
McDonald, John D., [redacted].
McElwee, Claude W., [redacted].
McLaughlin, Hugh D., [redacted].
Melloy, James T., [redacted].
Meyers, Richard A., [redacted].
Miller, Forrest E., [redacted].
Milne, William B., Jr., [redacted].
Minton, James N., [redacted].
Mitsunaga, Jimi, [redacted].
Monger, Phillip A., [redacted].
Morris, Charles B., [redacted].
Mullis, William F., [redacted].
Negro, Paul D., [redacted].
Ne James, Emile A., [redacted].
Nelson, Darrell W., [redacted].
Nelson, Kenneth E., [redacted].
Norton, Donald V., [redacted].
Nutt, William E., [redacted].
O'Brien, Thomas P., [redacted].
O'Brien, William F., [redacted].
Outcault, Richard F., [redacted].
Padgent, Charles E., [redacted].
Pajak, John J., [redacted].
Pappalardo, Richard, [redacted].
Parker, Jack E., [redacted].
Payne, Larry C., [redacted].
Pendleton, Raymond, [redacted].
Pfeifer, Jack D., [redacted].
Rea, Patrick E., [redacted].
Reiter, William F., Jr., [redacted].
Rice, Norman C., [redacted].
Riley, William J., [redacted].
Ross, Martin S., [redacted].
Sample, Max E., [redacted].
Sasser, Joe D., [redacted].
Saunders, Charles R., [redacted].
Schlaeppi, James E., [redacted].
Scruton, Gordon L., [redacted].
Scully, John E., Jr., [redacted].
Sexton, Dennis W., [redacted].
Shankle, Joe B., [redacted].
Shires, James C., [redacted].
Simons, Donald S., [redacted].
Singleton, Harold W., [redacted].
Smith, Adrian, [redacted].
Smith, Harold G., [redacted].
Smith, Troy V., [redacted].
Smithson, Leland D., [redacted].
St. Clair, Edward B., Jr., [redacted].
Swing, Theodore R., II, [redacted].
Tetterton, Larry E., [redacted].
Toledo, Richard J., [redacted].
Vaughan, William A., [redacted].
Vongortler, Justin B., [redacted].
Wade, Billy C., [redacted].
Wells, William W., [redacted].
Whitlock, Myles W., Jr., [redacted].
Williams, Robert D., [redacted].
Wilson, Nicholas B., [redacted].
Wilson, Robert S., [redacted].
Winker, Maurice C., [redacted].
Wright, Arvin L., [redacted].
Zeigler, Lawrence D., [redacted].
Zinni, Gabriel J., [redacted].

CHAPLAIN

To be lieutenant colonel

Fuchs, Sylvester J., [redacted].
Goodner, James H., [redacted].
Greenspan, Alan M., [redacted].
Matz, Leo J., [redacted].
Musselwhite, Eugene, [redacted].
Swanson, Robert O., [redacted].
Toland, William L., Jr., [redacted].

DENTAL CORPS

To be lieutenant colonel

Schroeder, Robert V., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Clement, Richard J., [redacted].
Matsuo, Yoshiro, [redacted].
Meikle, Alfred W., [redacted].
O'Dea, James E., [redacted].
Pandey, Madhukar B., [redacted].
Sapre, Arun B., [redacted].
Schmidt, Helmut S., [redacted].
Tendal, Myroslaw M., [redacted].
Willis, Isaac, [redacted].

MEDICAL SERVICE CORPS

To be lieutenant colonel

Buchanan, Jimmy W., [redacted].
Cannon, Wayne M., [redacted].
Edge, Jesse T., [redacted].

The following-named officers for appointment in the reserve of the Army of the United States, under the provisions of title 10, U.S.C., sections 591, 593, and 594:

DENTAL CORPS

To be lieutenant colonel

Blakemore, James F., [redacted].
Goldstein, Herbert A., [redacted].
Hunter, Robert E., [redacted].
Vanderberg, James L., [redacted].

MEDICAL CORPS

To be lieutenant colonel

Alexander, Margaret, [redacted].
Allport, Frederick W., [redacted].
Bradley, William B., [redacted].
Chalarie, Frank M., [redacted].
Gates, Davis F., [redacted].
Heitzman, Marvin, [redacted].
Humbert, Paul E., [redacted].
Keeney, Glenward T., [redacted].
Legg, Joseph S., [redacted].
Miller, Franklin C., [redacted].
Mills, Richard G., [redacted].
Neal, Gary L., [redacted].
Oktay, Aydogdu, [redacted].
Penzell, Yale, [redacted].
Prestine, Arthur P., [redacted].
Rasberry, James N., [redacted].
Siegel, Robert R., [redacted].
Stewart, Roger R., [redacted].
Taylor, James E., Jr., [redacted].
Visintine, Robert E., [redacted].
Webb, James A., [redacted].

VETERINARY CORPS

To be lieutenant colonel

Nytch, Thomas F., [redacted].

The following-named Army National Guard Officers for appointment in the reserve of the Army of the United States under the provisions of title 10, U.S.C., section 3385.

ARMY PROMOTION LIST

To be colonel

Brockman, Charles H., [redacted].
Codd, William C., II, [redacted].
Cox, Harold L., [redacted].
Frey, Archer C., [redacted].

Griffin, Howard L., XXX-XX-XXXX.
Jackson, Arthur G., XXX-XX-XXXX.
James, Vernon E., XXX-XX-XXXX.
Lewis, Charles E., Jr., XXX-XX-XXXX.
Shuler, Ashton A., Jr., XXX-XX-XXXX.
Teale, Thomas A., Jr., XXX-XX-XXXX.
Walker, Reginald G., Jr., XXX-XX-XXXX.

MEDICAL SERVICE CORPS

To be colonel

White, William K., XXX-XX-XXXX.

ARMY PROMOTION LIST

To be lieutenant colonel

Batchelder, Robert F., XXX-XX-XXXX.
Blunck, Leo G., XXX-XX-XXXX.
Cheney, John F., XXX-XX-XXXX.
Day, Cloyd C., XXX-XX-XXXX.
Deppey, Robert G., XXX-XX-XXXX.
Faulkner, Charles B., XXX-XX-XXXX.
Gaynor, John S., Jr., XXX-XX-XXXX.
Gilman, Jean, III, XXX-XX-XXXX.
Graham, James G., XXX-XX-XXXX.
Gruselle, John C., XXX-XX-XXXX.
Harrison, James T., Jr., XXX-XX-XXXX.
King, Stanley R., XXX-XX-XXXX.
Kohl, Delbert E., XXX-XX-XXXX.
Livesay, James D., XXX-XX-XXXX.
Lopez-Torres, Javier, XXX-XX-XXXX.
Lumsden, John F., XXX-XX-XXXX.
Morgan, Andy C., Jr., XXX-XX-XXXX.
Morris, Earle E., Jr., XXX-XX-XXXX.
Nathe, David M., XXX-XX-XXXX.
Oura, Donald M., XXX-XX-XXXX.
Page, Ralph S., XXX-XX-XXXX.
Sealock, David D., XXX-XX-XXXX.
Simon, Duane R., XXX-XX-XXXX.
Small, Richard S., XXX-XX-XXXX.
Sykora, Harold J., XXX-XX-XXXX.
Tibbetts, Roscoe C., XXX-XX-XXXX.
Whitley, Douglas B., XXX-XX-XXXX.
Zaysoff, John, Jr., XXX-XX-XXXX.

DENTAL CORPS

To be lieutenant colonel

Antario, Joseph P., XXX-XX-XXXX.
Kaufman, Donald XXX-XX-XXXX.

MEDICAL CORPS

To be lieutenant colonel

Boas, Edward L., XXX-XX-XXXX.
Gladue, Joseph R., XXX-XX-XXXX.
Howard, Leonard R., XXX-XX-XXXX.
Kistler, Henry E., Jr., XXX-XX-XXXX.
Koss, George W., XXX-XX-XXXX.
Miller, Leslie L., XXX-XX-XXXX.
Mitchell, Andrew C., XXX-XX-XXXX.

MEDICAL SERVICE CORPS

To be lieutenant colonel

Brooks, Richard A., XXX-XX-XXXX.

HOUSE OF REPRESENTATIVES—*Monday, March 6, 1978*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. ALEXANDER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ALEXANDER) laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
March 6, 1978.

I hereby designate the Honorable BILL ALEXANDER to act as Speaker pro tempore for today.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Jesus said, "I am the light of the world: he that followeth me shall not walk in darkness, but shall have the light of life."—John 8: 12.

Eternal Father, who are the life and light of Thy children, we give Thee hearty thanks for all the blessings Thou has so abundantly bestowed upon us. We commend ourselves and all who are near and dear to us to Thy care and protection. Give us grace so to live that we may have insight to see what is right, inspiration to do what is right and industry to keep on doing what is right at whatever cost. Grant us strength for all our work, understanding with all our endeavors, good will amid all our relationships, and peace in all our hearts.

We pray for our country that she may be exalted in righteousness; for our leaders that they may be wise and just in their decisions; and for our people that they be loyal to the best within them and obedient to Thy laws and to the laws of our land. Grant that our country may ever be the land of liberty, the promoter of peace, the sphere of service to others, and the fountain of faith in Thee now and forever more. Amen.

CALL OF THE HOUSE

Mr. TSONGAS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. TSONGAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 103]

Addabbo	Garcia	Pettis
Akaka	Goldwater	Pursell
Ambro	Gonzalez	Quie
Andrews, N.C.	Goodling	Rangel
Armstrong	Gudger	Reuss
Beard, Tenn.	Guyer	Rhodes
Biaggi	Harrington	Richmond
Bingham	Heckler	Rinaldo
Bowen	Heftel	Roncalio
Brodhead	Holland	Rostenkowski
Burke, Calif.	Howard	Roybal
Burton, Phillip	Jeffords	Runnels
Cavanaugh	Jenrette	Santini
Cederberg	Jones, N.C.	Sarasin
Chappell	Krueger	Scheuer
Chisholm	Leach	Seiberling
Clausen, Don H.	Lloyd, Calif.	Shuster
Clay	Long, La.	Sisk
Cleveland	Luken	Skubitz
Collins, Ill.	McEwen	Smith, Iowa
Conyers	McKinney	Solarz
Daniel, Dan	Mann	St Germain
Diggs	Meeds	Stokes
Dingell	Mikulski	Teague
Dodd	Mitchell, Md.	Thornton
Duncan, Oreg.	Mitchell, N.Y.	Tucker
Eckhardt	Moffett	Udall
Erlenborn	Moorhead, Pa.	Van Deerlin
Fish	Motti	Wampler
Fisher	Murphy, Ill.	Wiggins
Fithian	Murphy, Pa.	Wilson, Bob
Foley	Myers, Michael	Wilson, Tex.
Ford, Mich.	Nix	Wright
Fraser	Nolan	Young, Tex.
Frey	Nowak	Zeferetti
Gammage	Oakar	
	Patten	

The SPEAKER pro tempore. On this rollcall 326 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—yeas 75; nays 15.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 331, nays 11, answered "present" 2, not voting 90, as follows:

[Roll No. 104]

YEAS—331

Abdnor	Burlison, Mo.	Edwards, Okla.
Alexander	Burton, Phillip	Ellberg
Allen	Butler	Emery
Ammerman	Byron	English
Anderson, Calif.	Caputo	Ertel
Anderson, Ill.	Carney	Evans, Del.
Andrews, N.C.	Carr	Evans, Ga.
Andrews, N. Dak.	Carter	Evans, Ind.
Annunzio	Cavanaugh	Fary
Applegate	Chappell	Fascell
Archer	Chisholm	Fenwick
Ashbrook	Clausen, Don H.	Findley
Ashley	Clawson, Del	Flippo
Aspin	Clay	Flood
AuCoin	Cochran	Florio
Badham	Cohen	Flowers
Bafalis	Coleman	Flynt
Baldus	Collins, Tex.	Ford, Tenn.
Barnard	Conable	Fountain
Baucus	Conte	Fowler
Bauman	Corcoran	Frenzel
Beard, R.I.	Corman	Fuqua
Bedell	Cornell	Gaydos
Beilenson	Cornwell	Gephardt
Benjamin	Cotter	Giaimo
Bennett	Crane	Gibbons
Bevill	Cunningham	Gilman
Blanchard	D'Amours	Ginn
Blouin	Daniel, Dan	Glickman
Boggs	Daniel, R. W.	Gore
Boland	Danielson	Gradison
Bolling	Davis	Grassley
Bonior	de la Garza	Green
Bonker	Delaney	Hagedorn
Bowen	Dellums	Hall
Brademas	Dent	Hamilton
Breaux	Derrick	Hammer-schmidt
Breckinridge	Derwinski	Hanley
Brinkley	Devine	Hannaford
Brodhead	Dickinson	Harkin
Brooks	Dicks	Harris
Broomfield	Dingell	Harsha
Brown, Calif.	Dornan	Hawkins
Brown, Ohio	Downey	Hefner
Broyhill	Drinan	Hightower
Buchanan	Duncan, Tenn.	Hillis
Burke, Fla.	Early	Hollenbeck
Burke, Mass.	Edgar	Holt
Burleson, Tex.	Edwards, Ala.	Holtzman
	Edwards, Calif.	Horton

Hubbard	Miller, Calif.	Shipley
Huckaby	Miller, Ohio	Shuster
Hughes	Mineta	Sikes
Ichord	Minish	Simon
Ireland	Moakley	Sisk
Jenkins	Mollohan	Skelton
Johnson, Calif.	Montgomery	Slack
Johnson, Colo.	Moore	Smith, Iowa
Jones, Tenn.	Moorhead, Calif.	Smith, Nebr.
Jordan	Moorhead, Pa.	Snyder
Kasten	Moss	Spellman
Kastenmeier	Murphy, N.Y.	Spence
Kazen	Murtha	Staggers
Kelly	Myers, Gary	Stangeland
Kemp	Myers, John	Stanton
Ketchum	Natcher	Stark
Keys	Neal	Steed
Kildee	Nedzi	Steers
Kindness	Nichols	Steiger
Kostmayer	Nolan	Stratton
Krebs	O'Brien	Studds
LaFalce	Oberstar	Stump
Lagomarsino	Obey	Symms
Latta	Ottinger	Taylor
Le Fante	Panetta	Thompson
Lederer	Patterson	Thone
Leggett	Pattison	Traxler
Lehman	Pepper	Treen
Lent	Perkins	Trible
Levitas	Pickle	Udall
Livingston	Pike	Ullman
Lloyd, Tenn.	Pressler	Vander Jagt
Long, Md.	Preyer	Vanik
Lott	Price	Vento
Lujan	Quillen	Volkmer
Lundine	Rahall	Waggonner
McClory	Railsback	Walgren
McCloskey	Rangel	Walsh
McCormack	Regula	Watkins
McDade	Reuss	Waxman
McDonald	Rinaldo	Weaver
McFall	Risenhoover	Weiss
McHugh	Roberts	Whalen
McKay	Robinson	White
Madigan	Rodino	Whitehurst
Maguire	Roe	Whitley
Mahon	Rogers	Whitten
Markey	Rooney	Wilson, C. H.
Marks	Rose	Wilson, Tex.
Marlenee	Rosenthal	Winn
Marriott	Rousselot	Wirth
Martin	Rudd	Wolff
Mathis	Russo	Wright
Mattox	Ryan	Wydler
Mazzoli	Satterfield	Wylie
Meeds	Sawyer	Yates
Metcalfe	Scheuer	Yatron
Meyner	Schroeder	Young, Alaska
Michel	Schulze	Young, Fla.
Mikva	Sharp	Young, Mo.
Milford		Zablocki

NAYS—11

Brown, Mich.	Hansen	Pritchard
Burton, John	Hyde	Quayle
Coughlin	Jacobs	Walker
Forsythe	Jones, Okla.	

ANSWERED "PRESENT"—2

Pease	Sebelius

NOT VOTING—90

Addabbo	Goodling	Patten
Akaka	Gudger	Pettis
Ambro	Guyer	Poage
Armstrong	Harrington	Pursell
Beard, Tenn.	Heckler	Quie
Biaggi	Heftel	Rhodes
Bingham	Holland	Richmond
Burgener	Howard	Roncalio
Burke, Calif.	Jeffords	Rostenkowski
Cederberg	Jenrette	Roybal
Cleveland	Jones, N.C.	Runnels
Collins, Ill.	Krueger	Ruppe
Conyers	Leach	Santini
Diggs	Lloyd, Calif.	Sarasin
Dodd	Long, La.	Seiberling
Duncan, Oreg.	Luken	Skubitz
Eckhardt	McEwen	Solarz
Erlenborn	McKinney	St Germain
Evans, Colo.	Mann	Stockman
Fish	Mikulski	Stokes
Fisher	Mitchell, Md.	Teague
Fithian	Mitchell, N.Y.	Thornton
Foley	Moffett	Tsongas
Ford, Mich.	Mottl	Tucker
Fraser	Murphy, Ill.	Van Deerlin
Frey	Murphy, Pa.	Wampler
Gammage	Myers, Michael	Wiggins
Garcia	Nix	Wilson, Bob
Goldwater	Nowak	Young, Tex.
Gonzalez	Oakar	Zeferetti

Mr. CARNEY and Mr. GLICKMAN changed their vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Consent Calendar.

The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING RETIREMENT OF CERTAIN RESERVE ENLISTED MEMBERS AFTER 20 YEARS OF ACTIVE DUTY

The Clerk called the bill (H.R. 10341) to amend title 10, United States Code, to authorize Reserve enlisted members of the Army and the Air Force to retire with 20 years of service.

Mr. McKAY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

RECALCULATING THE RETIRED PAY OF CERTAIN FORMER SERGEANT MAJORS OF THE MARINE CORPS

The Clerk called the bill (H.R. 10343) to provide for recalculation of the retired pay of individuals who served as sergeant major of the Marine Corps before December 16, 1967.

Mr. McKAY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Utah?

There was no objection.

The SPEAKER pro tempore. This concludes the call of the Consent Calendar.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 11180, DEBT LIMITATION INCREASE

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95-925) on the resolution (H. Res. 1056) providing for the consideration of the bill (H.R. 11180) to increase the public debt limit through March 1, 1979, to provide that thereafter the public debt limit shall be established pursuant to the congressional budget procedures and to improve debt management, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 50, FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 95-926) on the resolution (H. Res. 1057) providing for the consideration of the bill (H.R. 50), a bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs, which was referred to the House Calendar and ordered to be printed.

THE PRESIDENT AND THE COAL STRIKE

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the stark realism of the prospect of national paralysis because of the coal strike is now upon our Nation. In a matter of days, catastrophic consequences to our economy will begin to appear unless there is a settlement.

Time has run out for a settlement of the coal strike by negotiation. Unemployment will begin to escalate by leaps and bounds unless the mines are reopened. The President has accepted the necessity for more positive action. He has made a very diligent effort to bring about an acceptable agreement between operators and miners. He is in a position to know best that serious consequences can result regardless of the action he takes. Unless the miners cooperate by going back to work, legal technicalities or the necessity for congressional action, can exhaust the Nation's coal supply and precipitate economic chaos. By acting in a forceful way, he will risk the enmity of the miners and operators alike. By not acting, he risks the safety of our country. It is heartening that he is now ready to take what steps are necessary.

The President needs our country's support in this grave problem. However difficult the decisions may be, Congress should stand beside him throughout the resolution of this dangerous situation.

TESTIMONY ON THE SOUTH KOREAN AFFAIR

(Mr. ERTEL asked and was given permission to address the House for 1 minute.)

Mr. ERTEL. Mr. Speaker, over a month ago, I introduced a resolution insisting that the South Korean Government make Tongsun Park and Kim Dong Jo available to the House Committee on Standards of Official Conduct in connection with its investigation of the Korean scandal. Subsequent to that resolution Tongsun Park came to this country and he is currently testifying

before the committee. It is essential that former Ambassador Kim Dong Jo appear before the committee because his testimony will permit a timely completion of the committee's inquiry.

Let there be no doubt that former Ambassador Kim is a key witness in the investigation. During his period of service in the United States he was unquestionably a foreign national officially representing the interests of his government. In the course of carrying out his official duties, he was observed packing envelopes with money for delivery to the U.S. Capitol. In at least one instance he attempted, unsuccessfully, to leave one such envelope at the office of a Member of the House. In addition, it has been established that Mr. Kim's wife tried to give money to the wives of two Congressmen. In view of this pattern of activity, it is essential that the House Ethics Committee have the opportunity to question Mr. Kim about his involvement with Members of Congress. So long as questions about Mr. Kim's actions remain, the work of the committee will be incomplete and the good name of this House and its Members will continue to be jeopardized.

I find it remarkable that the South Korean Government cites international law in refusing to permit Ambassador Kim to testify. Mr. Kim's availability is not a question of law: Rather, it is a question of whether the South Korean Government will choose to act as our ally in making him available. Nothing in international law prevents South Korea from volunteering Ambassador Kim's testimony; just as nothing in law compels us to continue our programs of assistance to South Korea. In both cases, the matter is one of friendship between two nations. Mr. Speaker, South Korea's actions in the coming weeks will shape the future of that friendship. Today, I am reintroducing the resolution calling for Messrs. Park and Kim's appearances before the committee.

A PLEA FOR SOUTH KOREAN COOPERATION IN COMMITTEE'S INVESTIGATION

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, I am a cosponsor of the resolution which was just referred to that would require the Republic of South Korea to furnish the testimony of Tongsun Park and former Ambassador Kim Dong Jo so that the Committee on Standards of Official Conduct could have the opportunity to ask those questions so necessary to complete its investigation.

I think this is important. I think it is highly important that the Republic of South Korea fully comply with what it means to be an ally of this country.

Several years ago many Americans went to that country and gave their lives. Many were killed or wounded in action, and many spent months and even years there in the defense of that country. I think it is important that South Korea recognize that fact and begin acting like an ally of ours.

I hate to see the South Korean Government use as a shield the international law that does not actually require it to cooperate with our Committee on Standards of Official Conduct. I think they should cooperate, and do so voluntarily, and help to get this cloud off this body.

FURTHER SUPPORT OF RESOLUTION URGING SOUTH KOREAN COOPERATION

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, I wish to join with my colleagues in urging the Republic of South Korea to cooperate in the completion of the investigation on the Korean matter.

I think one of the key accomplishments of this Congress has been in the area of ethics reform, but, frankly, we do not have ethics reform unless we have the will to police ourselves. The test of that will is the Korean investigation.

The Committee on Standards of Official Conduct has shown its will to pursue this matter vigorously. The testimony of Tongsun Park has certainly aided in trying to arrive at the truth, but the failure or success of this investigation rests on whether we have the whole truth. We cannot have that without having former Ambassador Kim Dong Jo present his version and his testimony before the committee.

Mr. Speaker, I urge the Republic of South Korea to cooperate in this effort in order to obtain the full truth in this matter.

UNITED STATES AND SOUTH KOREA COOPERATION URGED IN ETHICS COMMITTEE INVESTIGATION

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOSTMAYER. Mr. Speaker, I rise to commend my distinguished colleague, the gentleman from Pennsylvania (Mr. ERTEL), for the action he has taken on this subject, and to join with him and the gentleman from California, Mr. PANETTA, and the gentleman from Missouri (Mr. SKELTON), in urging our own Government of the United States and the Government of South Korea to cooperate fully so that Kim Dong Jo, the former South Korean Ambassador to the United States, can testify in the current House Ethics Committee investigation. I think if this cooperation is not forthcoming, the House should consider aid reductions to the South Korean Government. I think it is essential that we have this testimony, and that the testimony be full, thorough, and complete, so that those who are innocent will be vindicated and those who are guilty will be punished.

A TRIBUTE TO ARIZONA GOV. WESLEY BOLIN

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Arizona Gov. Wesley Bolin died of a heart attack over this past weekend, and we are left to mourn the passing of an extraordinary man, a genius of personal charm, a public servant infected with a lifetime of patriotism.

Wesley Bolin gave his life to the people of Arizona, assuming his first elected office as constable of the west Phoenix precinct in 1938. He since served as justice of the peace in Phoenix, as secretary of state for almost 30 years, and as Governor since last October.

Mr. Speaker, Wes Bolin was a man of enormous integrity, and a good friend to those he served, regardless of party. He gave what he was asked to give, and much more. And he leaves us supremely grateful that we knew and benefited from his immense personal integrity, charm, and selfless service.

Wesley Bolin was a quintessential public servant. We have lost a great American. He will be sorely missed, but his contribution to us lives on.

THE 1978 FEED GRAINS PROGRAM

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the administration keeps putting off its announcement of the 1978 feed grains program. It is already late, too late for many farmers. The rational decision for the administration to make is to drop the loan rate from the $2 level of last year to $1.80 per bushel, as provided in the law enacted last year.

The target price level is already fixed by law at $2 a bushel, but the loan level is not.

The administration has indicated it will require a 10-percent set-aside as a condition of eligibility.

If the loan rate is kept at $2, the target price payment will be only 10 cents per bushel. Already it is very plain that very few corn farmers will sign up for that modest target price payment. That being the case, many farmers will have difficulty getting marketing loans at harvest time.

If the loan is established at $1.80, however, existing law will require that USDA hold cooperators harmless from loss caused by the lower loan rate. This would mean a prospective target price payment of 30 cents a bushel, and thus a substantial signup.

Mr. Speaker, dropping the loan rate will not hurt farm income one cent. In fact, by encouraging a broad signup which will take land out of production, it will actually help farm income.

Mr. Speaker, the administration should act now, without further delay.

A VISIT WITH FORMER SPEAKER McCORMACK

(Mr. WAGGONNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Speaker, I had one of the most pleasant and delightful experiences anyone could possibly have last Saturday evening.

I was privileged to be in Boston, the hometown of our present Speaker and of another of our former distinguished Speakers. I had the occasion on Saturday evening to once again, as I have done several other times, have dinner with Speaker McCormack, a great American, a great gentleman, and a great Speaker. What an inspiration it was.

We reminisced for some 2½ hours, and I simply want to, as he asked, convey to each of you his best regards almost on an individual name-by-name basis. This great American and grand old gentleman is still as much in love with the country as he ever was, is as much in love with this House as he ever was, and as much an advocate of our system as he ever was.

Mr. Speaker, I wish to God that all of us, after a distinguished period of service such as his, would command the respect that he yet commands of his fellow Bostonians and staters. Their love of him is self-evident as it should be. In fact, it appears that many go to Jimmie's Harbor Side, a great restaurant which is his regular eating place, on whatever the evening may be, not for a good meal, which they get, but, rather, in adulation, go to meet and get a word or two with that great American, John McCormack. He is indeed a dear friend.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to make an announcement.

Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

"SUN DAY"

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 715) proclaiming May 3, 1978, "Sun Day."

The Clerk read as follows:

H.J. RES. 715

Whereas the realization and the promise of solar energy will be observed and celebrated throughout the Nation on the 3d of May, 1978; and

Whereas the development of solar technologies will provide an abundant, economical, safe, and environmentally compatible energy supply; and

Whereas a day devoted to a celebration of all solar technologies should help inform the general public, industry, and labor, and demonstrate the potential of the sun in meeting the Nation's energy needs; and

Whereas Federal, State, and local governments should foster and encourage the further development, refinement, and utilization of solar energy technologies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 3, 1978, is proclaimed "Sun Day", and the President is authorized and requested (a) to issue a proclamation calling upon the general public, industry, and labor of the United States to observe such day with appropriate activities and ceremonies, and (b) to direct all appropriate Federal agencies to cooperate with, and participate in, the celebration of "Sun Day".

The SPEAKER pro tempore. Is a second demanded?

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. LEHMAN) and the gentleman from California (Mr. ROUSSELOT) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation has been cosponsored by more than 218 Members, over half of the membership of the House; that it has passed unanimously through the subcommittee that I chair and through the full Committee on Post Office and Civil Service; and that I strongly support this joint resolution.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Speaker, Members, while this may not be one of the most important pieces of legislation on the floor this year, I think as far as the public is concerned, and what its conception of what is solar energy and what it can become, it is an extremely important effort. Bear in mind that it is not being supported solely by the Congress, because if it were, we would still be discussing this bill as a "concept" in some subcommittee. "Sun Day" is a group of people throughout the country with diversified interests coming together on this single subject, by naming Wednesday, May 3, 1978 as Sun Day.

The obvious purpose of Sun Day is simply to promote the maximum possible participation by as many people in as many different places as we can on May 3, 1978 to call attention to the public as to the vast possibilities solar energy may offer us.

This legislation is not anti any other kind of power, but is simply recognizing the fact that sooner or later, this country and the entire world will have to become involved in the development of solar energy as the sole, or almost the sole, source of support for energy purposes.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. RYAN. I will be glad to yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding to me. I want to commend him for raising this issue on the floor and focusing attention on the need to do more about solar energy at a time when our national energy policy is still buried in committee.

Mr. Speaker, I thank the gentleman from California for yielding and welcome this opportunity to support the resolution proclaiming May 6, 1978, as Sun Day in order to promote the development of solar technologies as an energy source.

Since ancient times, mankind has been intensely aware of the Sun as a vital force in their lives. We constructed buildings to take advantage of prevailing winds and at angles to catch the Sun's rays. We built our industries near streams and rivers to benefit from power generation and to make transportation easier, and our lives revolved around the agricultural seasons. However, with the coming of certain technological advances, particularly in the 18th and 19th centuries, natural gas and petroleum became the primary energy sources for an industrialized world, while power from the Sun, as well as from other natural sources—was, for the most part, ignored.

Our Nation has finally recognized the fact, in an all too explicit way via high prices and shortages, that the resources and materials we have always called upon in the past to supply us with our energy needs is not unlimited in supply. Currently, there is a great deal of attention being focused on the various means of conserving energy. However, we must not lose sight of the importance of developing new sources of energy as well as the utilization of the ones that we have to their maximum potential. Accordingly, as a cosponsor of this resolution, I am pleased to support House Joint Resolution 715, a joint resolution proclaiming May 3, 1978, as the Nation's "Sun Day." On April 22, 1970, the concept of a national "Earth Day" was instituted to heighten all Americans' awareness of the state of our Nation's ecology. This came about as a result of people having become more aware of our ecology and the threats to ecological balance. A national "Sun Day" seeks to serve a similar purpose by helping the American people recognize and celebrate the promise and future potential of the Sun and solar energy in all our lives, particularly at this most critical time in our history when our entire energy future will be determined by the directions we choose to pursue.

All of us must be made aware of the important role the Sun, and the enormous amount of unharnessed energy it possesses, can play in meeting our future energy needs which are ever-increasing. As a member of the Republican Conference Energy Task Force, it has been made all too plain to my colleagues and myself the vast untapped potential of the Sun's rays alongside the needs of our Nation which constantly have difficulty being met. It is good commonsense that, as quickly as possible, we begin using the Sun to meet these needs, or else we may see the day when there will

be such extreme shortages, that the Sun and other natural sources of energy will never be able to meet all those needs.

The time to act is now. This is the spirit in which America's national "Sun Day" should be proclaimed. Each and every individual in this country must be made aware of the vital role the Sun can play in fulfilling our Nation's vast need for energy.

Let us use May 3 as a day to renew our commitment to solving our Nation's energy future and to reaffirm our resolve to develop the proper technology to enable the Sun to assume its rightful place as one of our Nation's most important energy sources.

Mr. RYAN. Mr. Speaker, there are events planned across the entire country, including, for example, the sunrise observance on Cadillac Mountain in the State of Maine, at the easternmost point of the country; a sunrise concert at the United Nations in New York; a solar fair in Washington, D.C. and solar home displays in Martinsburg, W. Va.; solar festival magic show and regatta in San Francisco, in my district. The day will begin with a sunrise celebration in Maine, and end on the shores of the Pacific at sunset on that same day.

I commend the attention of this body to this particular resolution, and ask for its adoption.

Mr. ROUSSELOT. Mr. Speaker, as already stated by the chairman of our subcommittee, this bill, House Joint Resolution 715, will designate May 3, 1978, as "Sun Day." The resolution received 251 cosponsors and was reported unanimously by the Post Office and Civil Service Committee on February 22.

In California, we have long been aware of the importance of the Sun and the State has been a pioneer in the development and use of solar energy, in residential dwellings, office buildings, and industrial plants. Solar energy must be seriously considered as a major means of meeting the growing energy demands of the future. For those of us concerned with exploring every avenue for increased energy production, solar energy provides interesting possibilities for future development.

House Joint Resolution 715 provides for the recognition of the potential of the Sun as a vast, clean, renewable energy source. At a time when oil imports and costs are at their highest, when the coal mines are closed as a result of a seemingly unresolvable strike, and when nuclear energy development is being questioned and delayed, solar energy is a viable, efficient, nonpolluting energy resource.

I urge my colleagues to support "Sun Day" and to undertake efforts in each congressional district to educate the American public on the issue of solar energy and its important place in our future.

Mr. LEHMAN. Mr. Speaker, I want to thank the gentleman from California for his support on this legislation. I think it is very important and it is good to see that both sides of the aisle can give this kind of resolution their joint effort.

Mr. Speaker, I now yield such time as he may consume to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Speaker, I want to thank my colleague from Florida (Mr. LEHMAN) and my colleague from California (Mr. RYAN) for moving expeditiously on this legislation. What it does, really, is give us in Congress an opportunity to participate in a celebration of solar energy that is going to take place, that has been started by private citizens all over the country.

Unfortunately, the citizenry has to a great extent been ahead of the Government in promotion of solar energy as an alternative energy resource. There is a great deal that remains to be done and that can be done by the Federal Government to make many of the potential uses of solar energy a reality more quickly—not just solar collectors with which solar energy is most frequently associated, but also passive solar systems used in the way we construct our homes, the use of biomasse and alcohol fuels such as the Germans actually used to run its army on during World War II, the use of the energy of the Sun falling on our oceans, and the many other forms solar energy may take.

This May 3, Sun Day will give an opportunity for people all over the country to demonstrate the possible uses of solar energy. We hope the State legislatures all over the country are going to make similar declarations and that there will be activities in every part of the land.

I am very pleased to be on the national board of the Sun Day effort, on the New York State board, and to have participated with my colleagues, particularly the gentleman from Vermont (Mr. JAMES JEFFORDS) and the gentleman from California (Mr. LEO RYAN) in bringing this measure to fruition in the House of Representatives. The resolution has 250 cosponsors in this body and a majority in the other body. With that substantial majority of Members already supporting Sun Day, I feel sure we will approve the resolution overwhelmingly today.

All across the country, citizens are organizing their own Sun Day events, including teach-ins, seminars, solar equipment displays, and the like. Sunrise and sunset observances are set and people from all walks of life are involved.

Sun Day promises to inspire a series of exiciting events, and I am confident that it will achieve the major goal of its organizers: To recognize now that solar energy is the cheapest, cleanest, and safest energy option available to us.

Mr. FLOWERS. Mr. Speaker, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Alabama (Mr. FLOWERS).

Mr. FLOWERS. Mr. Speaker, this of course is legislation everybody can support.

I am wondering, just to call our attention to our underutilization of some of our other resources, I know this bill is not subject to amendment under the process we are operating now, but would the gentleman support an effort to add a Nuclear Day to our library of days that we commemorate?

Mr. OTTINGER. I think the gentleman knows the answer to that. Sun Day is celebrating solar energy which is relatively noncontroversial, completely clean and safe and I think one of the most desirable energy alternatives if we can bring it to fruition quickly enough. We are trying to hasten that day without in any way derogating from other forms of energy, such as nuclear energy, on which many people have differing opinions.

Mr. FLOWERS. I thank the gentleman for yielding.

Mr. ROUSSELOT. Mr. Speaker, I yield 7 minutes to the distinguished gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, Members of the House, I thank the gentleman from California (Mr. ROUSSELOT) for yielding me time. I am a cosponsor of legislation (H.J. Res. 719) which is identical to the measure now before the House of Representatives. I fully believe that a day devoted to a celebration of all solar technologies to inform the general public, industry, and labor of the potential of the Sun in meeting our Nation's energy needs, and I am quoting directly from House Joint Resolution 715, would be appropriate. Nonetheless I do have a few reservations with regard to the way in which this matter is being handled outside the Congress.

The first I heard about "Sun Day" was when I reviewed a Dear Colleague letter circulated by the gentleman from California (Mr. RYAN). Raising our consciousness regarding solar energy would be in the best interests of the people of the United States. Before agreeing to cosponsor the Sun Day resolution, a member of my staff was assured that no special interest group or whatever, was going to use this day for its own particular purposes. In other words, the thrust of this movement was not lobbying against nuclear power, oil and natural gas producers or the increased use of coal in meeting our Nation's energy needs.

A couple of weeks ago I was contacted by an individual who had received a fund-raising solicitation in the mail. That letter, mailed under a nonprofit organization meter from Howard Lake, Minn., and bearing a "Sun Day, 1028 Connecticut Avenue NW., Washington, D.C." letterhead, begins, and I quote:

Dear Friend: If the oil companies could figure out some way to exploit sunlight for their own profit, there would not be any need for Sun Day. Because by now, they'd be spending hundreds of millions of dollars on advertising to convince everyone that solar energy is our best bet for the future.

Instead we're told that solar energy is impractical, that its time hasn't come, that it will never be equal to the energy needs of our civilization. By funny coincidence, it turns out that the people whose interests are most closely tied to fossil and nuclear fuels are the most skeptical about solar energy. You can't blame them really. I guess if I had 50 million barrels of something that's bound to get more valuable because the supply is dwindling, I wouldn't exactly welcome alternatives.

Further on, the author, a certain Denis Hayes, states, and I quote:

This is going to take some money. Not a whole lot—probably the equivalent of what Exxon loses in an average day in drippings from its gasoline pumps . . .

Then there is a contribution card and a business reply mail envelope to Solar Action here in Washington, D.C. It is not specified whether or not potential contributors should make their check out to "Sun Day" or "Solar Action." In any event a P.S. to the original solicitation letter assures all concerned, and I quote:

Your contribution to Sun Day is tax deductible.

The only problem here is that my staff has checked with the Internal Revenue Service and have been advised that "Sun Day" as such is not a nonprofit organization and that contributions to "Sun Day" as such are not tax deductible. Further, no applications for tax exempt status are on file. I do know that checks sent to the above address have been endorsed and stamped "Solar Action/Sun Day."

This whole matter concerns me from another point of view, too. One of the organizers refers to the Sun Day movement as a revolution in two respects.

A Los Angeles Times article of December 1, 1977, quotes one of the Sun Day organizers, in this case a certain Richard Munson, as follows:

The first is a solar revolution to replace oil, coal and nuclear power with the sun and to end the energy crisis. The other is a *social revolution* (emphasis added) to begin creating institutions that are smaller and smaller . . .

So now we are not just celebrating solar energy—now we are talking, and I quote, about a "social revolution."

Sponsors of this resolution should know exactly what is going on. A number of questions, which warrant answers, must be asked, and I would include the following:

1. Are Members aware that over 100,000 fund-raising letters have been sent out in conjunction with Sun Day, 1978?
2. Are Members aware that Sun Day organizers are claiming that contributions are tax deductible?
3. Do Members know that the I.R.S. in Washington, as well as the I.R.S. in Baltimore (where applications for tax exempt status are received), have stated to me that contributions to Sun Day as such are not tax deductible?
4. Are some of our colleagues aware that these fund-raising appeals have gone out with their names on the letter-head?
5. Is there going to be a public accounting of how money raised by this project is to be spent?

I would point out that this joint resolution was reported to the floor with no hearings and little or no debate. It would seem that some reflection, which goes beyond the usual platitudes and tributes to the possibilities of solar energy as a means of dealing with our Nation's energy crisis, would be in order. I am afraid that certain groups and individuals have very cleverly taken advantage of the Congress and individual Members who in good faith sponsored and will vote for House Joint Resolution 715.

For my part, I have directed my staff to continue to check into the tax-exempt status of Sun Day and their use of nonprofit organization postage rates. We might also ask ourselves who, or what, is Solar Action?

For the benefit of my colleagues I would like to at this point in the RECORD include the Dear Colleague letter, the fundraising solicitation letter, and the Los Angeles Times article of December 1, 1977, which I referred to in this discussion:

WASHINGTON, D.C.,
December 5, 1977.

DEAR COLLEAGUE: What energy resource now supplies one-fifth of all energy used around the world?

By the year 2000 what energy resource could provide 40% of the global energy budget?

By the year 2025, what energy resource could provide 75% of the world's energy needs?

The answer to all three of these questions is SOLAR ENERGY. It is only too clear that the United States has not tapped even a fraction of the potential which solar energy can provide to heat our homes, and run our appliances.

Since we are still in the prehistoric era in terms of developing solar energy, I am pleased to note that an effort is being made to "raise our consciousness" regarding solar energy. May 3, 1978, has been designated as "SUN DAY" throughout the United States. The endorsement of this endeavor by the Congress will be an important step in ensuring the success of this project. I have introduced H. CON. RES. 431 urging the people of the United States and the representatives of government, industry and labor throughout the nation to participate in the programs, discussions, demonstrations, celebrations, and other activities to mark SUN DAY, May 3, 1978.

If you wish to cosponsor this resolution, please contact Jackie Speier at 5-3531.

Sincerely yours,

LEO J. RYAN,
Member of Congress.

SUN DAY,
Washington, D.C.

On May 3, 1978, the Solar Age will begin! Mark it on your calendar. Talk about it. think about it. Make plans. Get ready for Sun Day . . . the international demonstration of humankind's passage from the Petroleum Age to a new era of unlimited, decentralized, economical, pollution-free, ecologically sound energy use . . . *the era of solar energy!*

But we need your help now to make Sun Day really happen.

DEAR FRIEND: If the oil companies could figure out some way to exploit sunlight for their own profit, there would not be any need for Sun Day. Because by now, they'd be spending hundreds of millions of dollars on advertising to convince everyone that solar energy is our best bet for the future.

Instead, we're told that solar energy is impractical, that its time hasn't come, that it will never be equal to the energy needs of our civilization. By funny coincidence, it turns out that people whose interests are most closely tied to fossil and nuclear fuels are the most skeptical about solar energy. You can't blame them, really. I guess if I had 50 million barrels of something that's bound to get more valuable because the supply is dwindling, I wouldn't exactly welcome alternatives.

But can we let those who control our energy resources continue to act in their own interests at the expense of everyone else and maybe the future wellbeing of humanity?

The answer, I think you'll agree, is "no." We've got to generate a counter force to offset the impact of the giant energy corporations and make people aware of the critical importance of solar energy in the future of the world, and to their own futures.

That's what Sun Day is all about.

Although no single solar technology can meet humanity's total energy needs, a combination of them can. And the transition to the Solar Age could begin right now—it is technically feasible, economically attractive and environmentally sound.

Here are the realities.

Let's assume that the world's population will level off after one more doubling and stabilize at eight billion by the year 2025 (that may be far too optimistic). Let's assume, too, that the per capita energy use by the eight billion population will then amount to one-third of what we Americans use right now (that may be far too conservative).

Do you realize what this means? Do you know what we'll face if we still depend upon fossil and nuclear energy sources?

If the energy were all provided by coal, the resulting carbon dioxide added to the atmosphere would raise the earth's temperature by retarding the radiation of heat into space. If that happens, head for the hills—because after the polar caps melt, only the hills will be above water.

If we were to rely instead upon nuclear fission, we'd have to build 15,000 reactors. These, in turn, would require the annual recycling of 20 million kilograms of plutonium—enough to fabricate four million Hiroshima-size bombs.

What about petroleum? It won't be a factor by 2025. How about nuclear fusion? A big "maybe." Scientists haven't made it work yet, and scores of them have been trying hard for a long time.

That leaves solar options. Direct sunlight is the one everyone thinks of. But wind power is actually solar energy in disguise, and so is falling water. Likewise biomass—the green plants that photosynthesize and store chemically a portion of the solar energy that strikes the earth.

Not enough people know and understand this. And the policymakers continue to believe that solar technology is exotic and not likely to be available for many years. In fact, right now 95% of the federal energy research budget is being spent upon non-renewable energy sources (coal, oil, synthetic fuels, shale, breeder reactors). All are technologies that don't have a future.

So we're wasting valuable time. Every passing year postpones the solution and prolongs the energy establishment's lock on your pocketbook.

An essential first step must be a major, worldwide educational program to explain solar energy—and prove to people that it makes sense to begin preparing for what must occur if we're to survive.

Sun Day will mark the launching of this program. Here's what it is all about.

Remember Earth Day in April 1970? When countless thousands of citizens throughout the country celebrated the beginning of a new national commitment to environmental quality? Remember the "teach-ins," the demonstrations, the litter pick-ups, the hikes and bicycle trips?

Remember, too, how effectively Earth Day raised America's environmental consciousness—and how that observance touched off the movement that has done so much already to improve our quality of life?

Well, Sun Day is organized by the same concerned citizens who brought you Earth Day. Up to now, there hasn't been any coordinated expression of citizen interest in solar energy, but I think America is ready for it. And on May 3, 1978, it will happen. Sun Day will—

Work with international, national and local press and media to promote increased coverage of solar issues and help shatter the myth that solar energy is exotic;

Discuss the benefits of solar energy with organizations such as labor unions, minority groups, farmers, civic clubs, PTA's, consumer and environmental groups;

Encourage citizen groups, especially low-income areas, to develop self-help programs which reduce energy waste and take advantage of the sun;

Educate the public about solar energy through talk shows, magazine articles and public service announcements;

Publish a newsletter to inform interested citizens about solar—and Sun Day—activities and developments;

Serve as a clearinghouse for information on solar energy;

Encourage students and teachers to explore the possibilities for solar energy.

This is going to take some money. Not a whole lot—probably the equivalent of what Exxon loses in an average day in drippings from its gasoline pumps.

I'm writing in hope that Sun Day makes sense to you—and that you will contribute and thus become a Sun Day Sponsor. Let me suggest a dollar figure equal to the cost of a full tank of gas for your car—say $15 (or whichever is more).

In return, we'll send you the Sun Day newsletter and keep you posted on Sun Day activities shaping up in your area. Also, in return, you'll help secure a great future for you, your family and everyone else on earth. That's not a contribution, it's an investment.

I hope you see it this way, too, and that we can count on your help. Thanks, in advance.

Sincerely,

DENIS HAYES,
Chairman.

P.S.—Your contribution to Sun Day is tax deductible. Also, may I suggest that you tear off and display the Sun Day Sponsor emblem reproduced on the reply card.

THE GOAL OF SUN DAY: SOLAR POWER

(By Marlene Cimons)

WASHINGTON.—May 3 will be a day to celebrate the sun.

A coalition of unionists, small businesspeople, farmers, environmentalists, consumer activists and public officials announced a drive Wednesday to "lead the United States into the solar era," and proclaimed the upcoming spring date as Sun Day.

"Earth Day in 1970 was a day of great significance in the attempt to solve our planet's environmental problems—I hope that Sun Day 1978 can do the same for solar energy," said Mayor Thomas Bradley in a statement issued earlier by his office. "Our challenge is different, of course. We are ta'king about making the public aware of a solution, not a problem."

PUBLIC SUPPORT NEEDED

"Public awareness will help liberate the technological genius of this country by building the public support needed to break down the barriers to the rapid development of this environmentally and economically desirable form of energy," continued Bradley, who is a member of the Sun Day board of directors. "I am therefore supporting Sun Day 1978 and I hope all public officials across the nation will do so as well."

Sun Day events will include teach-ins, demonstrations, energy conferences and fairs at schools, colleges and communities across the nation. In Los Angeles, the Southern California Solar Energy Assn. and the mayor's office are cooperating in planning a series of events, none of which is specific at this time. "We aren't worried about L.A.," said one Sun Day official. "We know it won't rain May 3." In San Francisco, the Fort Mason Foundation will sponsor a solar festival and "magic show."

In New York, Sun Day will begin with a sunrise concert at the United Nations. In Washington, there will be a solar fair on the Mall, a public concert and an energy conference at George Washington University. Several federal agencies—including the Interior Department and the Department of Housing and Urban Development—also have indicated an interest in participating, according to Sun Day officials.

Martinsburg, W. Va., will host a tour of its community's dozen solar homes.

The day will be inaugurated by a sunrise celebration on Cadillac Mountain in Maine, the spot where the sun first hits the United States.

Other participating cities include Boston, Philadelphia, Chicago, Iowa City, Denver, Albuquerque and Seattle.

Denis Hayes, chairman of Solar Action—the name adopted by the coalition—outlined its objectives at a press conference Wednesday.

"What do we want?" he said. "We want solar energy to be put on an equal financial footing with competing energy sources. We want to give it an equal chance. We want to clear away institutional obstacles that deter solar energy. We would like to see strong 'rights to sunlight' legislation, so that, for example, if a person builds a solar house someone else won't be permitted to build a tall building next to it that would block out the light."

CONSUMER PROTECTION A MUST

"We would like to see a strong, well-informed labor force built that is capable of handling solar technologies. Finally, of critical importance, we would like to see a strong degree of consumer protection built, with laws to stop fast-buck exploitation as the solar industry grows."

The coalition, whose membership includes many of the same people who sponsored Earth Day in 1970, is funded by private donations from its individual members and supporters. It intends to seek foundation and church grants.

"Right now our major function is just to put information out," said Lola Redford, the director of Consumer Action Now, an educational and lobbying organization in New York and Washington. "We want each area in the nation to develop its own solar programs, appropriate to its own region. We are not concerned with lobbying right now—but in creating a grass roots movement for an awareness of solar energy."

Her sentiments were repeated by others organizing the events of May 3.

"While vested interests want to turn toward nuclear and coal power, citizen concern for a safe, renewable energy is growing rapidly," said Richard Munson, one of the Sun Day coordinators. "Sun Day's goal is to coordinate the growing interest into a strong citizen movement."

Peter Harnik, the other coordinator, agreed. "The Sun Day coalition represents a powerful new political force" he said. "Its members have a wide variety of interests in solar development. Solar technologies, for example, provide safe, secure jobs for labor unions; reduce energy bills for consumers and farmers; create energy self-sufficiency for community groups; reduce pollution and resource exploitation for environmentalists, and eliminate the reliance on centralized power sources that concern civil libertarians."

Munson described the movement as "two revolutions."

"The first is a solar revolution to replace oil, coal and nuclear power with the sun and to end the energy crisis," he said. "The other is a social revolution to begin creating institutions that are smaller and more humane, instead of bigger and more impersonal.

"What's happening is that there are a lot of groups around the country concerned with the growing centralization of the institutions in their lives—big government and big business, for example. The one thing solar energy does is offer a decentralized technology. It's best used when solar collectors are on individual houses or small groups of houses. It gives you energy self-sufficiency. You have some independence.

"Naturally, millions of Americans are going to celebrate these much-needed changes. Just as naturally, a few powerful groups are going to fight us until they lose."

"The Sun's appeal is enormous," Harnik said. "Sunlight is delivered to your doorstep or rooftop every morning without powerlines or fuel trucks. It doesn't pollute. It won't run out and it can't be diverted by hijackers, terrorists or international cartels. It's the people's energy source."

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

First of all, I would like to assure the gentleman that a great number of us who signed and agreed to support this resolution were in no way connected with the organization of which the gentleman speaks. Even though I understand that two of our colleagues are listed on the letterhead, they had no knowledge in advance of the contents of this fundraising effort put on by this organization; so I can assure the gentleman that most of the people who are supporting this idea were not in any way trying to help this obvious fundraising activity of Sun Day by this Mr. Don Hayes.

Mr. GRASSLEY. I thank the gentleman for his clarification.

Mr. RYAN. Mr. Speaker, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from California.

Mr. RYAN. I thank the gentleman for yielding.

I want to bring to the attention of those Members who are not aware that as a member of the Subcommittee on Environment, Energy, and Natural Resources of the Committee on Government Operations, I was told about the efforts being made by a group to establish the particular day May 3, 1978, as Sun Day to emphasize the value of solar energy. On that basis, and on that basis alone, I put the resolution in with the coauthors, the gentleman from Vermont (Mr. JEFFORDS) and the gentleman from New York (Mr. OTTINGER). We have obtained additional coauthors for the number that have been put in the RECORD so far.

I want to assure the gentleman that as far as I am concerned this particular resolution is simply an effort on our part as coauthors to indicate to the people of this country that we support the concept of solar energy as a form of energy to be used in whatever way possible. It is not meant to make any kind of statement as such for or against any particular kind of energy, because that kind of statement would inevitably open up a

donnybrook such as we have seen on the flood here too often in the past. So the purpose and reason for this resolution is simply to allow Members to express approval of the idea of calling attention to the fact that Sun Day is important as a source of energy.

Mr. OTTINGER. Mr. Speaker, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

As I said before, I am on the board of this organization. I was not aware of the fundraising letter before it was sent out. When it was brought to my attention, I pointed out that I and others made representations to Members of this body that Sun Day was solely to celebrate solar energy and not to be in derogation of any other form of energy. That is the emphasis I thought it ought to have.

The organizers of Sun Day were in this long before we and Congress became involved. They are the same people who organized Earth Day a number of years ago. I think this is the fifth anniversary of that day to try and bring attention to the overall environmental problems the Nation was experiencing. I think all of this effort is to have an affirmative thrust. I want to make it quite clear that the private efforts on behalf of Sun Day were something that preceded our effort and are apart from it.

Mr. GRASSLEY. I want the Members to know that I have no doubt about the intention of my two colleagues, the gentleman from California (Mr. RYAN) and the gentleman from New York (Mr. OTTINGER), but I did feel that since this has come to my attention it ought to be brought out. I do not approve of their efforts in using the Congress in this way to raise funds.

Mr. LEHMAN. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. BEDELL).

Mr. BEDELL. Mr. Speaker, I am extremely proud to see the House of Representatives take the initiative today and consider House Joint Resolution 715 which designates May 3, 1978, as a national day to inform the public about solar energy and to celebrate the potential uses of the Sun. More than 250 Members of the House, including myself, have joined in sponsoring this resolution. This support reflects the extent and intensity of the public's interest in solar energy development.

Support for solar energy development is crucial to solving our Nation's energy problems. The current coal strike and its effect upon our economy has again brought the magnitude of our energy problem into full view. In my judgment, it is not acceptable to ignore or only give lip service to the potential of solar energy while at the same time recognizing our dependence upon imported oil, the nonrenewable nature of our domestic oil and gas reserves, and the ever-increasing economic and safety questions associated with nuclear development. If our current energy crisis in fact requires the "moral equivalent of war," then surely solar energy deserves a great deal more financial support and consideration as both an immediate and long-range solution to our national energy problems.

While there are economic and technical aspects to solar energy which are yet to be perfected, solar unquestionably possesses the most promising potential for meeting our energy needs. Solar cells, windmills, solar thermal energy, and biomass fuels all have much to offer, and I believe that, with proper Government support and acknowledgment, such sources will make a major contribution to solving our energy dilemma.

Solar technologies already can provide energy for many purposes at no higher costs than conventional sources. Since 1973, the cost of solar equipment has dropped steadily while the costs of all competing energy sources has risen. Today, with factory production, a typical solar collector costs about $25 a square foot; by 1981, mass production could bring average costs under $10. Perhaps the most interesting comparison shows that advances in solar cell technology have brought the cost down to one-tenth of what they were 5 years ago. Nuclear power, meanwhile, costs about twice as much as it did 5 years ago.

It is unfortunate that in spite of these advances, the administration continues to give solar energy less than 4 percent of the Federal energy budget. Solar, wind, and biological energy sources combined will receive less than one-fifth as much as is directly spent on nuclear fission. Or, one might look at the fact that breeder reactors alone will receive $200 million more than renewable energy resources. Most disappointing is the fact that, despite strong public and congressional support, the Federal solar budget, when adjusted for inflation, is $40 million less than it was last year. I am confident that Congress will revise the administration's energy budget for renewable energy sources and increase its funding. However, there remains a long way to go to provide adequate funding for a technology as promising as solar, particularly in light of the many problems associated with continued dependence upon fossil fuels and nuclear programs.

In closing, I would like to commend the efforts of the many diverse groups across the country who are joining together to celebrate Sun Day. By providing recognition of solar technologies as well as the many advances already being made, Sun Day emphasizes the reality that solar energy is not far off in providing the best answer to our energy needs.

Mr. LEHMAN. I yield 2 minutes to the gentleman from Alabama (Mr. FLIPPO).

Mr. FLIPPO. Mr. Speaker, I wish to add my voice to those in support of the National "Sun Day" resolution. The events of "Sun Day" can help bring a greater awareness of the American people of the opportunities solar energy offers our Nation. Solar energy has the potential of providing a cost-efficient, clean source of energy for the future. A better understanding of solar energy will assist in public and private efforts to explore this great resource.

Congress must take the lead to assure that solar energy is given a high priority in the national dialog on energy. Herblock caricatured the Congress and President Jimmy Carter in his Sunday, March 5, Washington Post editorial cartoon as the blind leading the blind in the solar energy area. I hope that our efforts here today will show that Congress has its eyes wide open to the development of solar energy.

There are legislative initiatives which the Congress will consider this year to get moving to fully investigate and utilize the energy of the Sun. We must pursue technologically and environmentally sound legislation which will permit us to find the best means to use the almost infinite energy potential of the Sun.

Research and development provide the key to the availability of this renewable energy source. For this reason I have introduced the Solar Power Satellite Research, Development and Demonstration Program Act of 1978. This bill would provide for a program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and used to generate electricity for domestic purposes. We need legislation which will provide a focus on the development of solar power satellites as a major source of energy to satisfy our national energy needs. This proposal would initiate a study of the feasibility of space solar power satellites by the Department of Energy and the National Aeronautics and Space Administration.

Congress must demonstrate a commitment to solar energy to responsibly deal with the energy crisis which faces our Nation. Events in recent years and recent weeks demonstrate the dangers of our dependence on depletable fossil fuel supplies. Solar energy may offer us the least costly source of clean energy and reduce the dependence of our Nation on shrinking fossil fuel supplies and foreign suppliers. We are overly dependent on foreign sources of energy which threaten our economic and national security. The strength of our dollar and the ability of our economic system to grow depends on our development of new energy sources.

I hope that the support of National Sun Day by the Congress will help demonstrate our commitment to solar energy as a real means to solve national problems.

Mr. ROUSSELOT. Mr. Speaker, I yield 2 minutes to my distinguished colleague, the gentleman from Ohio (Mr. WYLIE), the substantial chairman of this legislation.

Mr. WYLIE. Mr. Speaker, I am not sure I deserve all that send off, but I do rise in support of this legislation. I am not on the board of directors of any of the organizations which were heretofore mentioned, but I would like to note for the record that last winter we in Ohio suffered through a very severe natural gas shortage. Today we are in the 91st day of a coal strike. Within the next few weeks if it is not resolved, there will be over 500,000 people in Ohio out of work.

Over half of our oil which we use in the United States of America today is being imported from foreign sources; so I think we need to speed up our efforts looking to alternative sources of fuel and of energy. I think one of the best alternative sources is solar energy.

Last June I had the pleasure of cosponsoring a solar energy conference on the campus of the Ohio State University with the Battelle Memorial Institute, the Ohio Energy Office and the Columbus Solar Society. It was very successful and very popular. Over 10,000 people came. We had another one scheduled for March 3 and 4, but it was called off because of the coal strike, so it was rescheduled for June 3 and 4 this year.

There have been several solar energy homes built in Columbus, Ohio, which does not get all that much sun as in the case of the sun belt States. Surprisingly, they are working. I think it is very important to call attention to the use of solar energy to help solve our energy needs. I do support the resolution and urge its adoption.

Mr. LEHMAN. Mr. Speaker, I thank the gentleman from Ohio for the gentleman's support.

● Mr. DERWINSKI. Mr. Speaker, I rise in support of House Joint Resolution 715, to designate May 3 as "Sun Day" authorizing and requesting the President to call upon the general public, industry, and labor to observe the national celebration of solar energy. The resolution also directs the appropriate Federal agencies to cooperate with, and participate in, such activities as may be planned for "Sun Day."

Solar energy is a positive and readily available means of energy production. National recognition of that fact would go a long way to encourage the American public to consider the Sun as a complement to the more expensive and scarce energy forms.

Solar energy is safe and nonpolluting. It is not controlled by any one country, government, or industry. It cannot be destroyed, embargoed, or rationed. There is nothing anyone can do to prevent the Sun from reaching those who need its energy.

Today, our country relies on three major energy resources: Coal, nuclear power, and oil. Each requires massive production, transportation, and storage facilities. Each is subject to mechanical failure, astronomical cost increases, environmental dangers, and labor dislocations. Solar energy can heat a house in the winter and cool it in the summer year after year and the costs are proper. Once the necessary equipment is in place and the initial cost is absorbed, sunpower will be inexpensive, clean and reliable for home users, business, and industry.

I hope the Members of the House will support House Joint Resolution 715 calling for national understanding of the Sun and the energy it produces.●

● Mr. PICKLE. Mr. Speaker, recently someone wrote in to a newspaper column asking for some information regarding a solar clothes dryer now on the market that was economically competitive with conventional dryers. The columnist informed him that there was indeed a technologically feasible, economically competitive solar clothes dryer on the market: It merely consisted of getting two poles, sticking them in the ground, tying a rope between them, and draping the clothes over the rope.

Solar energy has been with us a long time.

It is going to be with us more and more. Not all of it is as technologically feasible or as cost effective as the solar clothes dryer. But some of it is—and more and more of it is getting to be that way.

Solar energy does not have to mean something new and elaborate and uncertain. The New England salt box house, with its preponderance of windows on the South side, and its long, sloping roof on the North, uses simple construction to maximize the heat available from the Sun. Eaves and awnings on southern buildings—verandas and breezeways—use simple construction to mitigate the sun's summer noonday heat while capturing warmth in the evening and winter.

The flat plate collector technology is already here and proven and can do much to ease our energy needs.

Concentrating collectors, photovoltaic cells, and advanced solar energy technologies are fast coming of age.

I am a strong believer in American know-how and the American can-do attitude. I think if we put our minds to it we can provide a significant amount of our energy needs through solar energy, and I think we can do it within the next decade. I would hope that extensive use of solar energy could be a national energy goal, and that we would redouble our efforts to spread the sunshine around.●

● Mr. WHALEN. Mr. Speaker, as a cosponsor of House Joint Resolution 715, I rise in strong support of this measure proclaiming May 3, 1978, "Sun Day." Approval of this resolution will indicate Congress endorsement of a day dedicated to increasing public awareness of solar energy and will signify a national commitment to an expanded development of solar power.

It is a well-known fact that each and every day vast amounts of energy from the Sun strike the Earth. Daily the world receives 10,000 times more energy from the Sun than from all other conventional sources combined. Furthermore, the Sun will cast its energy earthward a billion years from now, whether or not it is harnessed today for human needs.

The Federal solar energy research and development effort has increased dramatically since its inception in 1971. The President's budget for fiscal year 1979 calls for the expenditure of $400 million for solar R. & D.; up from the $300 million budgeted for 1978. Yet, Federal spending for solar energy continues to lag far behind that for the nuclear option. Many believe that the solar budget proposed by the President for 1979 is $155 million short of what will be required to support solar programs already planned by the Government.

The transition toward a solar era can be begun today—it is technically feasible, economically sound, and environmentally attractive. Past efforts to tap the solar flow have been thwarted by unreasonable economic and political biases. Moreover, fossil fuel prices only recently have begun to reflect the cost of discovery, extraction, refining, and delivery, as well as the social, environmental, and even esthetic price tag.

Congressional declaration of a national "Sun Day" while symbolic, is a significant step by Congress toward the emphasis of this safe, sustainable energy source. A sensible energy strategy demands more than the substitution of sunlight for petroleum and uranium. But it certainly requires the development of the largest and longest source of clean fuel—that which we receive daily from the Sun.●

● Mr. DON H. CLAUSEN. Mr. Speaker, the national celebration of "Sun Day" on May 3 comes as a bright spot in this unusually harsh winter where fuel use and fuel costs have been dramatically high. As a cosponsor of the House resolution proclaiming Sun Day, I was delighted that my colleagues overwhelmingly supported this measure.

Our purpose in declaring "Sun Day" is to center the Nation's attention on the development of solar technologies and to demonstrate the potential of the Sun in meeting our energy needs of the future. Throughout the country, Sun Day will include teach-ins, demonstrations, energy conferences, fairs at schools, colleges, and communities across the country, sunrise celebrations and other events to help educate and clear away the institutional obstacles that have deterred the rapid utilization of solar energy.

Public awareness is imperative if we are to make real progress in breaking down the traditional barriers to the rapid development of this environmentally and economically desirable form of energy. Solar technology can provide safe, secure jobs for our labor force, reduce energy bills for our consumers and farmers, create energy self-sufficiency, reduce pollution, and "decentralize" our highly centralized society. Solar energy is a technology that works most effectively when solar collectors are used on individual homes or small groups of houses—which will make small communities much more self-sufficient and less dependent on centralized power sources.

I have long held that solar energy will be an increasingly important alternative to our dwindling supplies of fossil fuels in the future and have consistently supported Federal funding for research, development, and demonstration projects. As many of you will remember, we began the real boost in solar funding with the Solar Heating and Cooling Demonstration Act of 1974, followed shortly thereafter by the Solar Energy Research, Development and Demonstration Act of 1974. Since that time I have worked for increased funding, more of a Federal commitment to the use of solar technologies and the development of photovoltaics because I have felt that these efforts were necessary to bring the com-

mercialization of solar energy to an economically viable position in meeting our energy needs.

Today, I believe it is equally important that we have a strong commitment by the Congress to Sun Day to help channel our human "energies" to develop a broad-based program to effectively harness this secure, cheap energy source from the Sun.●

Mr. LEHMAN. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. Does the gentleman from California have further requests for time?

Mr. ROUSSELOT. No, Mr. Speaker.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 715).

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

NATIONAL ARCHITECTURAL BARRIER AWARENESS WEEK

Mr. LEHMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 578) authorizing the President to proclaim the third week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week."

The Clerk read as follows:

H.J. RES. 578

Authorizing the President to proclaim the third week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week".

Whereas architectural barriers infringe upon the rights of the physically handicapped by impeding their access to buildings and other facilities in the United States; and

Whereas the Congress has enacted legislation requiring the removal of architectural barriers at institutions receiving Federal funds; and

Whereas the Internal Revenue Code of 1954 provides deductions of as much as $25,000 per year to taxpayers to encourage the removal of architectural barriers; and

Whereas public commitment is necessary to achieve the goal of removing architectural barriers from buildings and other facilities in the United States; and

Whereas public commitment to solve the problem of architectural barriers is based upon public awareness of such problem and the means to solve such problem; and

Whereas the American National Standards Institute has developed standards which, if implemented, would increase the accessibility of buildings and other facilities in the United States to the physically handicapped: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That the President of the United States is authorized and requested to issue a proclamation designating the third week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week", and calling upon the people of the United States to observe such week with appropriate activities.

The SPEAKER pro tempore. Is a second demanded?

Mr. ROUSSELOT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. LEHMAN) will be recognized for 20 minutes, and the gentleman from California (Mr. ROUSSELOT) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly support this legislation. As with the previous joint resolution just considered, it has received more than 218 cosponsors. It has also been unanimously supported by the subcommittee which I chair and by the full Committee on Post Office and Civil Service.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. NOLAN).

Mr. NOLAN. Mr. Speaker, I thank the gentleman for yielding and would like to extend my thanks to him and to Mr. LEHMAN for their assistance in expediting this bill through the Post Office and Civil Service Committee.

Mr. Speaker, when the Architectural Barriers Act was passed in 1968, it required that all facilities built or supported by Federal funds be made barrier free to handicapped persons. Unfortunately, but perhaps predictably, the good intentions behind that act were not translated into practical reality and it became necessary in 1973 to pass the Rehabilitation Services Act (Public Law 93–112) creating the architectural and transportational barriers compliance board to enforce the 1968 principles. As my colleagues know, that act also included sections 503 and 504, extending the legal concept of affirmative action to include handicapped persons. Still, the ideals and concepts of congressional intent remained essentially domant, awaiting the promulgation of regulations by Federal agencies. Finally, in May of 1977, the Department of Health, Education, and Welfare issued regulations designed to insure that no person shall solely on the basis of a handicap, be denied access to or participation in any program receiving Federal funding. Those regulations call for a major change in our society, not only in physical structures, but in the attitudes our society has long held toward its disabled members—over 35 million individuals who have been waiting for the rest of us to unlock the doors. The "504 regulation" is not without flaw, and the costs of complying with its mandates will be extensive: we have a responsibility to assist in meeting those costs and I commend my colleague from Vermont, Mr. JEFFORDS, for his efforts in this area. But the challenge we face goes far beyond the reach of the Rehabilitation Services Act; the disabled people of this country—and that could include any one of us within the next moment of time—can never hope to participate fully in our society until society's attitudes change. Perhaps it is the fact of our own vulnerability that leads us to prefer closing our eyes to their existence, but we have a responsibility to lead the way in changing that attitude—toward helping the able-bodied majority to realize that we create the barriers, both physical and psychological, that turn disabilities into handicaps.

As I have said before, the fact is that until we have public awareness, acceptance of responsibility, and community-wide commitment to accessibility, the disabled will continue to be denied participation in the mainstream of social, professional, and political life. That is why I have introduced this legislation calling for a National Architectural Barriers Awareness Week and requesting the President to designate the third week of May in 1978 and 1979 for focusing national attention on this problem pervading our society. I have asked that both years be included because the Tax Reform Act of 1976 makes available a tax deduction of up to $25,000 a year in 1977–79 for expenses incurred by private businesses in removing architectural and transportational barriers to the handicapped and elderly. If people are to be expected to use this deduction before January 1, 1980, they must be made aware of its existence and of the need for change. We have helped make the means available—now it is up to the neighbors, colleagues, clients, and patrons of private businesses to call for change. I would like to ask that the Internal Revenue Code regulations providing for this tax deduction be printed as a part of my statement.

Mr. Speaker, on occasion Congress passes bills calling for specially designated days or weeks, but few have the potential for bringing about such long-overdue progress as Architectural Barriers Awareness Week. I urge my colleagues to join me in voting for this legislation.

The Internal Revenue Code regulations providing for this tax reduction follows:

[¶1999P] EXPENDITURES TO REMOVE ARCHITECTURAL AND TRANSPORTATION BARRIERS TO THE HANDICAPPED AND ELDERLY

SEC. 190 [1954 Code]. (a) TREATMENT AS EXPENSES.—

(1) IN GENERAL.—A taxpayer may elect to treat qualified architectural and transportational barrier removal expenses which are paid or incurred by him during the taxable years as expenses which are not chargeable to capital account. The expenditures so treated shall be allowed as a deduction.

(2) ELECTION.—An election under paragraph (1) shall be made at such time and in such manner as the Secretary prescribes by regulations.

(b) DEFINITIONS.—For purposes of this section—

(1) ARCHITECTURAL AND TRANSPORTATION BARRIER REMOVAL EXPENSES.—The term "architectural and transportation barrier removal expenses" means an expenditure for the purpose of making any facility or public transportation vehicle owned or leased by the taxpayer for use in connection with his trade or business more accessible to and usable by, handicapped and elderly individuals.

(2) QUALIFIED ARCHITECTURAL AND TRANSPORTATION BARRIER REMOVAL EXPENSE.—The term "qualified architectural and transpor-

tation barrier removal expense" means, with respect to any such facility or public transportation vehicle, an architectural or transportation barrier removal expense with respect to which the taxpayer establishes, to the satisfaction of the Secretary, that the resulting removal of any such barrier meets the standards promulgated by the Secretary with the concurrence of the Architectural and Transportation Barriers Compliance Board and set forth in regulations prescribed by the Secretary.

(3) HANDICAPPED INDIVIDUAL.—The term "handicapped individual" means any individual who has a physical or mental disability (including, but not limited to, blindness or deafness) which for such individual constitutes or results in a functional limitation to employment, or who has any physical or mental impairment (including, but not limited to, a sight or hearing impairment) which substantially limits one or more major life activities of such individual.

(c) LIMITATION.—The deduction allowed by subsection (a) for any taxable year shall not exceed $25,000.

(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section within 180 days after the date of the enactment of the Tax Reform Act of 1976.

.01 Added by P.L. 94–455.

Committee Report on P.L. 94–455

.10 *Present law*

Under present law, there are no special provisions for the tax treatment of expenditures to remove architectural and transportational barriers to the handicapped and elderly. Generally costs incurred for the improvement of property used in a trade or business must be capitalized. Such improvements may be depreciated over their useful life, if the period is determinable.

Reasons for change

In spite of previous Federal legislation to contend with the problem of architectural and transportational barriers to the handicapped and elderly, such barriers remain widespread in business and industry. The committee believes that creating a tax incentive for a limited period could promote more rapid modification of business facilities and vehicles. In addition, the removal of barriers to the handicapped and elderly would increase their involvement in economic, social and cultural activities.

Explanation of provision

The committee amendment provides electing taxpayers with a tax incentive for the removal of architectural and transportational barriers to the handicapped and elderly. There is no similar provision in the House bill.

Under this amendment, an electing taxpayer may treat certain expenses for the removal of architectural and transportational barriers as deductible expenses in the year paid or incurred instead of capitalizing them. Deductible expenses are those paid or incurred in order to make more accessible to and useable by the handicapped and elderly any facility or public transportational vehicle owned or leased by the taxpayer for use in his trade or business. The maximum deduction for a taxpayer for any taxable year is $25,000.

In order to qualify for the deduction, the expenses must be for barrier removal in business facilities which meet standards set by the Administrator of the General Services Administration, the Secretary of Defense, and the Secretary of Housing and Urban Development under previous legislation. * * * Deductible expenses for barrier removal in public transportational vehicles must meet standards set by the Secretary of the Treasury in consultation with the Architectural and Transportational Barriers Compliance Board. The definition of an elderly person under this provision is age 65 or over, the normal retirement age.

The deduction is limited to a 3-year period in order that the Congress may review its cost effectiveness.

Effective date

The amendment applies to taxable years beginning after December 31, 1976, and ending before January 1, 1980. * * *.—Senate Finance Committee Report.

Temporary regulations

[¶ 1999PD] § 7.190–1. Expenditures to remove architectural and transportation barriers to the handicapped and elderly.—(a) *In general.* Under section 190 of the Internal Revenue Code of 1954, a taxpayer may elect, in the manner provided in § 7.190–3 of this chapter, to deduct certain amounts paid or incurred by him in any taxable year beginning after December 31, 1976, and before January 1, 1980, for qualified architectural and transportation barrier removal expenses (as defined in § 7.190–2(b) of this chapter). In the case of a partnership, the election shall be made by the partnership. The election applies to expenditures paid or incurred during the taxable year which (but for the election) are chargeable to capital account.

(b) *Limitation.* The maximum deduction for a taxpayer (including an affiliated group of corporations filing a consolidated return) for any taxable year is $25,000. The $25,000 limitation applies to a partnership and to each partner. Expenditures paid or incurred in a taxable year in excess of the amount deductible under section 190 for such taxable year are capital expenditures and are adjustments to basis under section 1016(a). A partner must combine his distributive share of the partnership's deductible expenditures (after application of the $25,000 limitation at the partnership level) with that partner's distributive share of deductible expenditures from any other partnership plus that partner's own section 190 expenditures, if any (if he makes the election with respect to his own expenditures), and apply the partner's $25,000 limitation to the combined total to determine the aggregate amount deductible by that partner. In so doing, the partner may allocate the partner's $25,000 limitation among the partner's own section 190 expenditures and the partner's distributive share of partnership deductible expenditures in any manner. If such allocation results in all or a portion of the partner's distributive share of a partnerships deductible expenditures not being an allowable deduction by the partner, the partnership may capitalize such unallowable portion by an appropriate adjustment to the basis of the relevant partnership property under section 1016. For purposes of adjustments to the basis of properties held by a partnership, however, it shall be presumed that each partner's distributive share of partnership deductible expenditures (after application of the $25,000 limitation at the partnership level) was allowable in full to the partner. This presumption can be rebutted only by clear and convincing evidence that all or any portion of a partner's distributive share of the partnership section 190 deduction was not allowable as a deduction to the partner because it exceeded that partner's $25,000 limitation as allocated by him. For example, suppose for 1978 A's distributive share of the ABC partnership's deductible section 190 expenditures (after application of the $25,000 limitation at the partnership level) is $15,000. A also made section 190 expenditures of $20,000 in 1978 which he elects to deduct. A allocates $10,000 of his $25,000 limitation to his distributive share of the ABC expenditures and $15,000 to his own expenditures. A may capitalize the excess $5,000 of his own expenditures. In addition, if ABC obtains from A evidence which meets the requisite burden of proof, it may capitalize the $5,000 of A's distributive share which is not allowable as a deduction to A. [Temporary Reg. § 7.190–1.]

.01 Historical Comment: Adopted 3/30/77. The Preamble to T. D. 7477 is at 779 ¶ 6535.

Temporary regulations

[¶ 1999PE] § 7.190–2. Definitions.—For purposes of section 190 and the regulations thereunder—

(a) *Architectural and transportation barrier removal expenses.* The term "architectural and transportation barrier removal expenses" means expenditures for the purpose of making any facility, or public transportation vehicle, owned or leased by the taxpayer for use in connection with his trade or business more accessible to, or usable by, handicapped individuals or elderly individuals. For purposes of this section—

(1) The term "facility" means all or any portion of buildings, structures, equipment, roads, walks, parking lots, or similar real or personal property.

(2) The term "public transportation vehicle" means a vehicle, such as a bus, a railroad car, or other conveyance, which provides to the public general or special transportation service (including such service rendered to the customers of a taxpayer who is not in the trade or business of rendering transportation services).

(3) The term "handicapped individual" means any individual who has—

(i) A physical or mental disability (including, but not limited to, blindness or deafness) which for such individual constitutes or results in a functional limitation to employment, or

(ii) A physical or mental impairment (including, but not limited to, a sight or hearing impairment) which substantially limits one or more of such individual's major life activities, such as performing manual tasks, walking, speaking, breathing, learning, or working.

(4) The term "elderly individual" means an individual age 65 or over.

(b) *Qualified architectural and transportation barrier removal expense*—(1) *In general.* The term "qualified architectural and transportation barrier removal expense" means an achitectural or transportation barrier removal expenses (as defined in paragraph (a) of this section) with respect to which the taxpayer establishes, to the satisfaction of the Commissioner or his delegate, that the resulting removal of any such barrier conforms a facility or public transportation vehicle to all the requirements set forth in one or more of paragraphs (b)(2) through (22) of this section or in one or more of the subdivisions of paragraph (b)(20) or (21). Such term includes only expenses specifically attributable to the removal of an existing architectural or transportation barrier. It does not include any part of any expense paid or incurred in connection with the construction or comprehensive renovation of a facility or public transportation vehicle or the normal replacement of depreciable property. Such term may include expenses of construction, as, for example, the construction of a ramp to remove the barrier posed for wheelchair users by steps. Ma'or portions of the standards set forth in this paragraph were adapted from "American National Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped" (1971), the copyright for which is held by the American National Standards Institute, 1430 Broadway, New York, New York 10018.

(2) *Grading.* The grading of ground, even contrary to existing topography, shall attain a level with a normal entrance to make a facility accessible to individuals with physical disabilities.

(3) *Walks.* (i) A public walk shall be at least 48 inches wide and shall have a gradient not greater than 5 percent. A walk of maximum or near maximum grade and of considerable length shall have level areas at regular intervals. A walk or driveway shall have a nonslip surface.

(ii) A walk shall be of a continuing common surface and shall not be interrupted by steps or abrupt changes in level.

(iii) Where a walk crosses a walk, a driveway, or parking lot, they shall blend to a common level. However, the preceding sentence does not require the elimination of those curbs which are a safety feature for the handicapped, particularly the blind.

(iv) An inclined walk shall have a level platform at the top and at the bottom. If a door swings out onto the platform toward the walk, such platform shall be at least 5 feet deep and 5 feet wide. If a door does not swing onto the platform or toward the walk, such platform shall be at least 3 feet deep and 5 feet wide. A platform shall extend at least 1 foot beyond the strike jamb side of any doorway.

(4) *Parking lots.* (i) At least one parking space that is accessible and approximate to a facility shall be set aside and identified for use by the handicapped.

(ii) A parking space shall be open on one side to allow room for individuals in wheelchairs and individuals on braces or crutches to get in and out of an automobile onto a level surface which is suitable for wheeling and walking.

(iii) A parking space for the handicapped when placed between two conventional diagonal or head-on parking spaces, shall be at least 12 feet wide.

(iv) A parking space shall be positioned so that individuals in wheelchairs and individuals on braces or crutches need not wheel or walk behind parked cars.

(5) *Ramps.* (i) A ramp shall not have a slope greater than 1 inch rise in 12 inches.

(ii) A ramp shall have at least one handrail that is 32 inches in height, measured from the surface of the ramp, that is smooth, and that extends 1 foot beyond the top and bottom of the ramp. However, the preceding sentence does not require a handrail extension which is itself a hazard.

(iii) A ramp shall have a nonslip surface.

(iv) A ramp shall have a level platform at the top and at the bottom. It a door swings out onto the platform or toward the ramp, such platform shall be at least 5 feet deep and 5 feet wide. If a door does not swing onto the platform or toward the ramp, such platform shall be at least 3 feet deep and 5 feet wide. A platform shall extend at least 1 foot beyond the strike jamb side of any doorway.

(v) A ramp shall have level platforms at not more than 30-foot intervals and at any turn.

(vi) A curb ramp shall be provided at an intersection. The curb ramp shall not be less than 4 feet wide; it shall not have a slope greater than 1 inch rise in 12 inches. The transition between the two surfaces shall be smooth. A curb ramp shall have a nonslip surface.

(6) *Entrances.* A building shall have at least one primary entrance which is usable by individuals in wheelchairs and which is on a level accessible to an elevator.

(7) *Doors and doorways.* (i) A door shall have a clear opening of no less than 32 inches and shall be operable by a single effort.

(ii) The floor on the inside and outside of a doorway shall be level for a distance of at least 5 feet from the door in the direction the door swings and shall extend at least 1 foot beyond the strike jamb side of the doorway.

(iii) There shall be no sharp inclines or abrupt changes in level at a doorway. The threshold shall be flush with the floor. The door closer shall be selected, placed, and set so as not to impair the use of the door by the handicapped.

(8) *Stairs.* (i) Stairsteps shall have round nosing of between 1 and 1½ inch radius.

(ii) Stairs shall have a handrail 32 inches high as measured from the tread at the face of the riser.

(iii) Stairs shall have at least one handrail that extends at least 18 inches beyond the top step and beyond the bottom step. The preceding sentence does not require a handrail extension which is itself a hazard.

(iv) Steps shall have risers which do not exceed 7 inches.

(9) *Floors.* (i) Floors shall have a nonslip surface.

(ii) Floors on a given story of a building shall be of a common level or shall be connected by a ramp in accordance with subparagraph (5) of this paragraph.

(10) *Toilet rooms.* (i) A toilet room shall have sufficient space to allow traffic of individuals in wheelchairs.

(ii) A toilet room shall have at least one toilet stall that—

(A) Is at least 36 inches wide;

(B) Is at least 56 inches deep;

(C) Has a door, if any, that is at least 32 inches wide and swings out;

(D) Has handrails on each side, 33 inches high and parallel to the floor, 1½ inches in outside diameter, 1½ inches clearance between rail and wall, and fastened securely at ends and center; and

(E) Has a water closet with a seat 19 to 20 inches from the finished floor.

(iii) A toilet room shall have, in addition to or in lieu of a toilet stall described in (ii), at least one toilet stall that—

(A) Is at least 66 inches wide;

(B) Is at least 60 inches deep;

(C) Has a door, if any, that is at least 32 inches wide and swings out;

(D) Has a handrail on one side, 33 inches high and parallel to the floor, 1½ inches in outside diameter, 1½ inches clearance between rail and wall, and fastened securely at ends and center; and

(E) Has a water closet with a seat 19 to 20 inches from the finished floor, centerline located 18 inches from the side wall on which the handrail is located.

(iv) A toilet room shall have lavatories with narrow aprons. Drain pipes and hot water pipes under a lavatory shall be covered or insulated.

(v) A mirror and a shelf above a lavatory shall be no higher than 40 inches above the floor, measured from the top of the shelf and the bottom of the mirror.

(vi) A toilet room for men shall have wall-mounted urinals with the opening of the basin 15 to 19 inches from the finished floor or shall have floor-mounted urinals that are level with the main floor of the toilet room.

(vii) Towel racks, towel dispensers, and other dispensers and disposal units shall be mounted no higher than 40 inches from the floor.

(11) *Water fountains.* (i) A water fountain and a cooler shall have up-front spouts and controls.

(ii) A water fountain and a cooler shall be hand-and-foot-operated.

(iii) A water fountain mounted on the side of a floor-mounted cooler shall not be more than 30 inches above the floor.

(iv) A wall-mounted, hand-operated water cooler shall be mounted with the basin 36 inches from the floor.

(v) A water fountain shall not be fully recessed and shall not be set into an alcove unless the alcove is at least 36 inches wide.

(12) *Public telephones.* (i) A public telephone shall be placed so that the dial and the headset can be reached by individuals in wheelchairs.

(ii) A public telephone shall be equipped for those with hearing disabilities and so identified with instructions for use.

(iii) Coin slots of public telephones shall be not more than 48 inches from the floor.

(13) *Elevators.* (i) An elevator shall be accessible to, and usable by, the handicapped or the elderly on the levels they use to enter the building and all levels and areas normally used.

(ii) Cab size shall allow for the turning of a wheelchair. It shall measure at least 54 by 68 inches.

(iii) Door clear opening width shall be at least 32 inches.

(iv) All essential controls shall be within 48 to 54 inches from cab floor. Such controls shall be usable by the blind and shall be tactilely identifiable.

(14) *Controls.* Switches and controls for light, heat, ventilation, windows, draperies, fire alarms, and all similar controls of frequent or essential use, shall be placed within the reach of individuals in wheelchairs. Such switches and controls shall be no higher than 48 inches from the floor.

(15) *Identification.* (i) Raised letters or numbers shall be used to identify a room or an office. Such identification shall be placed on the wall to the right or left of the door at a height of 54 inches to 66 inches, measured from the finshed floor.

(iii) A door that might prove dangerous if a blind person were to exit or enter by it (such a door leading to a loading platform, boiler room, stage, or fire escape) shall be tactilely identifiable.

(16) *Warning signals.* (i) An audible warning signal shall be accompanied by a simultaneous visual signal for the benefit of those with hearing disabilities.

(ii) A visual warning signal shall be accompanied by a simultaneous audible signal for the benefit of the blind.

(17) *Hazards.* Hanging signs, ceiling lights, and similar objects and fixtures shall be placed at a minimum height of 7 feet, measured from the floor.

(18) *International accessibility symbol.* The international accessibility symbol (see illustration) shall be displayed on routes to and at wheelchair-accessible entrances to facilities and public transportation vehicles.

(19) *Additional standards for rail facilities.* (i) A rail facility shall contain a fare control area with at least one entrance with a clear opening at least 36 inches wide.

(ii) A boarding platform edge bordering a drop-off or other dangerous condition shall be marked with a warning device consisting of a strip of floor material differing in color and texture from the remaining floor surface. The gap between boarding platform and vehicle doorway shall be minimized.

(20) *Standards for buses.* (i) A bus shall have a level change mechanism (*e.g.* lift or ramp) to enter the bus and sufficient clearance to permit a wheelchair user to reach a secure location.

(ii) A bus shall have a wheelchair securement device. However, the preceding sentence does not require a wheelchair securement device which is itself a barrier or hazard.

(iii) The vertical distance from a curb or from street level to the first front door step shall not exceed 8 inches; the riser height for each front doorstep after the first step up from the curb or street level shall also not exceed 8 inches; and the tread depth of steps at front and rear doors shall be no less than 12 inches.

(iv) A bus shall contain clearly legible signs that indicate that seats in the front of the bus are priority seats for handicapped or elderly persons, and that encourage other passengers to make such seats available to handicapped and elderly persons who wish to use them.

(v) Handrails and stanchions shall be provided in the entranceway to the bus in a configuration that allows handicapped and elderly persons to grasp such assists from outside the bus while starting to board and to continue to use such assists throughout the boarding and fare collection processes. The configuration of the passenger assist system shall include a rail across the front of the interior of the bus located to allow passengers to lean against it while paying fares. Overhead handrails shall be continuous except for a gap at the rear doorway.

(vi) Floors and steps shall have nonslip surfaces. Step edges shall have a band of bright contrasting color running the full width of the step.

(vii) A stepwell immediately adjacent to the driver shall have, when the door is open, at least 2 foot-candles of illumination measured on the step tread. Other stepwells shall have, at all times, at least 2 foot-candles of illumination measured on the step tread.

(viii) The doorways of the bus shall have outside lighting that provides at least 1 foot-candle of illumination on the street surface for a distance of 3 feet from all points on the bottom step tread edge. Such lighting shall be located below window level and shall be shielded to protect the eyes of entering and exiting passengers.

(ix) The fare box shall be located as far forward as practicable and shall not obstruct traffic in the vestibule.

(21) *Standards for rapid and light rail vehicles.* (i) Passenger doorways on the vehicle sides shall have clear openings at least 32 inches wide.

(ii) Audible or visual warning signals shall be provided to alert handicapped and elderly persons of closing doors.

(iii) Handrails and stanchions shall be sufficient to permit safe boarding, onboard circulation, seating and standing assistance, and unboarding by handicapped and elderly persons. On a level-entry vehicle, handrails, stanchions, and seats shall be located so as to allow a wheelchair user to enter the vehicle and position the wheelchair in a location which does not obstruct the movement of other passengers. On a vehicle that requires the use of steps in the boarding process, handrails and stanchions shall be provided in the entranceway to the vehicle in a configuration that allows handicapped and elderly persons to grasp such assists from outside the vehicle while starting to board, and to continue using such assists throughout the boarding process.

(iv) Floors shall have nonslip surfaces. Step edges on a light rail vehicle shall have a band of bright contrasting color running the full width of the step.

(v) A stepwell immediately adjacent to the driver shall have, when the door is open, at least 2 foot-candles of illumination measured on the step tread. Other stepwells shall have, at all times, at least 2 foot-candles of illumination measured on the step tread.

(vi) Doorways on a light rail vehicle shall have outside lighting that provides at least 1 foot-candle of illumination on the street surface for a distance of 3 feet from all points on the bottom step tread edge. Such lighting shall be located below window level and shall be shielded to protect the eyes of entering and exiting passengers.

(22) *Other barrier removals.* The provisions of this subparagraph apply to any barrier which would not be removed by compliance with paragraphs (b)(2) through (21) of this section. The requirements of this subparagraph are:

(i) A substantial barrier to the access to or use of a facility or public transportation vehicle by handicapped or elderly individuals is removed;

(ii) The barrier which is removed had been a barrier for one or more major classes of such individuals (such as the blind, deaf, or wheelchair users); and

(iii) The removal of that barrier is accomplished without creating any new barrier that significantly impairs access to or use of the facility or vehicle by such class or classes. [Temporary Reg. § 7.190–2.]

.01 Historical Comment: Adopted 3/30/77 by T. D. 7477. The Preamble to T. D. 7477 is at 779 ¶ 6535.

Temporary Regulations

[¶ 1999PF] § 7.190–3. Election to deduct architectural and transportation barrier removal expenses.—(a) *Manner of making election.* The election to deduct expenditures for removal of architectural and transportation barriers provided by section 190(a) shall be made by claiming the deduction as a separate item identified as such on the taxpayer's income tax return for the taxable year for which such election is to apply (or, in the case of a partnership, to the return of partnership income for such year). For the election to be valid, the return must be filed not later than the time prescribed by law for filing the return (including extensions thereof) for the taxable year for which the election is to apply.

(b) *Scope of election.* An election under section 190(a) shall apply to all expenditures described in § 7.190–2 (or, in the case of a taxpayer whose architectural and transportation barrier removal expenses exceed $25,000 for the taxable year, to the $25,000 of such expenses with respect to which the deduction is claimed) paid or incurred during the taxable year for which made and shall be irrevocable after the date by which any such election must have been made.

(c) *Records to be kept.* In any case in which an election is made under section 190(a), the taxpayer shall have available, for the period prescribed by paragraph (e) of § 1.6001–1 of this chapter (Income Tax Regulations, records and documentation, including architectural plans and blueprints, contracts, and any building permits, of all the facts necessary to determine the amount of any deduction to which he is entitled by reason of the election, as well as the amount of any adjustment to basis made for expenditures in excess of the amount deductible under section 190. [Temporary Reg. § 7.190–3.]

.01 Historical Comment: Adopted 3/30/77 by T. D. 7477. The Preamble to T. D. 7477 is at 779 ¶ 6535.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. NOLAN. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding. I am very pleased that House Joint Resolution 578, authorizing the President to proclaim the third week of May as "National Architectural Barriers Awareness Week" has come to the floor. My esteemed colleague, the gentleman from Florida (Mr. LEHMAN) and the gentleman from Minnesota (Mr. NOLAN) and the many cosponsors of this legislation are commended for focusing attention on the need to promote public awareness of the problems of architectural barriers.

Architectural barriers are one of the most insidious and subtle problems facing the physically handicapped today. While the barriers do not seem significant to the majority of Americans, steep steps, inaccessible drinking fountains, elevator buttons, and pay telephones beyond the reach of the handicapped are monumental to many of our citizens. Architectural design usually accommodates the able bodied, and narrow doorways and curbs seem insignificant to them. Indeed, stairs and pay phones are "normal," and the inconveniences that they present to an individual are minimal—except if that individual happens to be physically handicapped.

Imagine having to ask assistance every time you need to make a phone call, or having someone help you onto a train or bus, or airplane. Imagine having to carefully maneuver your wheelchair through a crowded entrance, a narrow doorway, or onto a crowded elevator. Let us try to perceive how that feels—and there are over 20 million Americans who do not have to imagine how it feels—they know—they are the handicapped.

While there have been some very significant steps in removing the barriers for the handicapped—in new buildings, such as the Visitors Center in Washington's Union Station, there is still much more to be done. Universities and schools have the mandate of section 504 signed by Secretary Califano in 1977, and they must become accessible to the handicapped. But this is a big job, and there have been only minimal funds forthcoming from the Federal Government.

What is essential in the interim is the public awareness of barriers—and this proclamation of the third week in May—is a step in the right direction. Sympathy with the plight of the handicapped is not what is called for here; no, it is more than that. It is empathy, and after empathy the removal of these barriers. It does not inconvenience anyone to have a drinking fountain lowered, or to have a pay phone reinstalled a foot lower. But insistence upon the status quo, the way of thinking that all conveniences should be designed to accommodate the tall people, the able bodied, and the ambulatory is wrong. Such thinking alienates more than one-tenth of our Nation's population, making it difficult, if not impossible, for the handicapped to enjoy the simplest aspects of American life.

Accordingly, I urge my colleagues to support this legislation proclaiming the third week in May as National Architectural Barriers Awareness Week.

Mr. ROUSSELOT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 578 would designate the period of the third week in May of 1978 and 1979 as National Architectural Barrier Awareness Week. This legislation received more than the required 218 cosponsors and was reported unanimously on February 22 by the Post Office and Civil Service Committee.

In 1968 the Congress enacted the Architectural Barriers Act—Public Law 94–480—which committed the Federal Government to remove all physical barriers from Federal buildings and installations. In 1973, the National Architectural and Transportation Compliance Board was created by the Rehabilitation Services Act and given the re-

sponsibility of enforcing compliance with Public Law 94-480. We all remember the dramatic protests at the Department of Health, Education, and Welfare last spring during which the problems of the handicapped in gaining access to buildings was so vividly demonstrated. The resolution we are considering today would focus national attention on these problems. It also recognizes efforts, both in Government and in the private sector, to construct or alter buildings which are barrier free.

The dates specified in the bill correspond to those selected for the observance of National Handicapped Awareness Week throughout the country. This resolution will establish National Architectural Barrier Awareness Week for 2 years to coincide with the duration of the $25,000 tax deduction for businesses which makes facilities more accessible to the handicapped. This deduction expires after 1979. Although committee rules require that commemorative legislation have a 1-year limit, it was agreed that an exception might be made in this one case.

We should support this resolution and follow through to encourage the construction or improvement of buildings to increase their availability to the handicapped person.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague, the gentleman from Illinois, who has been a champion of this resolution.

Mr. O'BRIEN. I thank the gentleman for yielding and I thank him for his comments.

Mr. Speaker, I rise in support of the resolution.

Mr. ROUSSELOT. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DERWINSKI), the distinguished ranking minority member on the Committee on Post Office and Civil Service.

Mr. DERWINSKI. Mr. Speaker, I rise in support of House Joint Resolution 578, to designate the third week of May 1978 and 1979, as National Architectural Barrier Awareness Week.

In 1968, the Congress recognized that handicapped individuals are regularly prevented from utilizing many Federal buildings and facilities due to the lack of ramps near stairways, small elevators or lack of elevators, and narrow halls. Restrooms are rarely equipped to handle the needs of the handicapped and drinking fountains are often inaccessible. We passed the Architectural Barriers Act of 1968 and later established the National Architectural and Transportation Compliance Board to remove physical barriers from Federal buildings and to encourage their removal from buildings in the private sector. The Congress has also provided tax deductions (to end after 1979) for businesses which have made facilities more accessible to the handicapped. The resolution we are considering today simply focuses national attention on these efforts and hopefully will encourage a wider awareness among the general public of the physical barriers which the handicapped must overcome.

● Mr. DODD. Mr. Speaker, I rise in support of House Joint Resolution 578, which would designate the third week in May 1978 and 1979 as National Architectural Barrier Awareness Week.

Do we handicap the handicapped? By imposing environmental obstructions to the freedom of mobility and access of those we consider to be handicapped, are we not placing artificial barriers all around persons with physical disabilities? By removing physical barriers, we can eliminate the handicaps that restrict the full participation of the millions of disabled adults and children in our country. This is the major problem that will be addressed by those participating in National Architectural Barrier Awareness Week.

No one but a handicapped person can fully appreciate the day-to-day problems that confront the millions of disabled adults and children in buildings and vehicles ill-equipped for their special needs. Imagine the constant struggles of a child on crutches who goes to a school with a multitude of stairs and not an elevator in sight, or the man in a wheelchair who goes to work in a building with staircases but no ramps, or the blind man who walks into a restaurant and cannot read the menu.

Those who are not wheelchair bound can never know the frustration of not being able to reach the water fountain for a drink or ride the bus to work. Six million disabled people cannot use public transportation or take advantage of other essential health and social services funded with billions of Federal dollars. One million disabled children and youth are out of school altogether because their needs cannot be accommodated in existing structures.

Barrier-free design would be beneficial not only to permanently disabled individuals, but also to the person who has broken his leg, the child who cannot open a heavy door, the pregnant woman or the man with his arms full who is handicapped by a high curb or a narrow doorway.

Standards have been finalized under section 504 of the Rehabilitation Act of 1973 that would require that those cultural, health, and social service programs, as well as all school, colleges, and employers receiving Federal funding make their facilities accessible to the disabled. There is also currently a tax deduction of up to $25,000 that is allowed for architectural and transportation barrier removal expense. Section 190 of the 1954 Tax Code is a temporary regulation that a taxpayer can elect to take after making his or her facility or transportation equipment accessible and usable by handicapped indivduails:

National Architectural Barrier Awareness Week would not only provide information to communities about the problems of architectural obstacles to the disabled, but would also make businesses aware of options like the $25.000 tax deduction so that there would be incentive for alterations to be made in existing structures.

It is ultimately up to the individual businessman to put an end to this silent discrimination against the dsabled that hampers their mobility and ultimately wastes the talents of millions of handicapped Americans. I urge my fellow colleagues to join me in supporting House Joint Resolution 578 and insure that persons with physical handicaps no longer be at a disadvantage.●

● Mr. WHALEN. Mr. Speaker, I rise in support of House Joint Resolution 578, which would designate the third week of May as "National Architectural Barrier Awareness Week." I am an enthusiastic cosponsor of this legislation, because I believe there is a legitimate need to direct public attention to the everyday obstacles which handicapped persons face.

In recent years, the Federal Government has undertaken to remove all physical barriers to the handicapped from Federal buildings. A thoughtful effort is now needed to inform and encourage private organizations and businesses to plan more carefully the construction of new structures and to modify existing ones.

In the Tax Reform Act of 1976 we provided a maximum $25,000 deduction (available through 1979) for businesses making their facilities fully accessible to those with handicaps. Already many establishments have converted restrooms, set aside special parking areas, and lowered water fountains for the convenience of the handicapped. This measure also encourages the use of such devices as nonslip flooring in lobbies and other public access areas, of braille on elevator control panels, and the installation of strategically placed rest rooms for the elderly.

Mr. Speaker, House Joint Resolution 578 promises to be instrumental in the wider dissemination of creative ideas to assist public and private institutions in adapting to the requirements of those with physical handicaps. By focusing on the problem and publicizing existing tax incentives, a National Architectural Awareness Week represents a small step in making life a little less complicated for an important segment of our population.●

Mr. LEHMAN. Mr. Speaker, I have no further request for time.

Mr. ROUSSELOT. Mr. Speaker, I have no further request for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 578).

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3, rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

Votes will be taken in the following order:

House Joint Resolution 715, by the yeas and nays; and House Joint Resolution 578, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

SUN DAY

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution (H.J. Res. 715).

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 715), on which the yeas and nays are ordered.

The Chair observes that the electronic voting system is temporarily inoperative.

In view of that fact, the Clerk will call the roll.

The question was taken; and there were—yeas 349, nays 7, not voting 78, as follows:

[Roll No. 105]

YEAS—349

Abdnor	Butler	Evans, Colo.
Alexander	Byron	Evans, Del.
Allen	Caputo	Evans, Ga.
Ambro	Carney	Evans, Ind.
Ammerman	Carr	Fary
Anderson, Calif.	Carter	Fascell
Andrews, N.C.	Cavanaugh	Fenwick
Andrews, N. Dak.	Cederberg	Findley
Annunzio	Chappell	Flippo
Applegate	Chisholm	Flood
Ashbrook	Clausen, Don H.	Florio
Ashley	Clawson, Del	Flowers
Aspin	Clay	Flynt
AuCoin	Cochran	Ford, Tenn.
Bafalis	Coleman	Forsythe
Baldus	Collins, Tex.	Fountain
Barnard	Conte	Fowler
Baucus	Corcoran	Frenzel
Bauman	Corman	Fuqua
Beard, R.I.	Cornell	Gaydos
Beard, Tenn.	Cornwell	Giaimo
Bedell	Cotter	Gibbons
Bellenson	Coughlin	Gilman
Benjamin	Crane	Ginn
Bennett	Cunningham	Glickman
Bevill	D'Amours	Gonzalez
Bingham	Daniel, Dan	Gore
Blanchard	Daniel, R. W.	Gradison
Blouin	Danielson	Grassley
Boland	Davis	Green
Bolling	de la Garza	Hagedorn
Bonior	Delaney	Hall
Bonker	Dellums	Hamilton
Bowen	Dent	Hammer-schmidt
Brademas	Derrick	Hanley
Breaux	Derwinski	Hannaford
Breckinridge	Devine	Hansen
Brinkley	Dickinson	Harkin
Brodhead	Dicks	Harris
Brooks	Dingell	Harsha
Broomfield	Dornan	Hawkins
Brown, Calif.	Downey	Heckler
Brown, Mich.	Drinan	Hefner
Brown, Ohio	Duncan, Tenn.	Hightower
Broyhill	Early	Hillis
Burgener	Edgar	Hollenbeck
Burke, Fla.	Edwards, Ala.	Holt
Burke, Mass.	Edwards, Calif.	Holtzman
Burleson, Tex.	Edwards, Okla.	Horton
Burlison, Mo.	Eilberg	Hubbard
Burton, John	Emery	Huckaby
Burton, Phillip	English	Hughes
	Ertel	Hyde
Ichord	Mitchell, Md.	Sikes
Ireland	Mitchell, N.Y.	Simon
Jacobs	Moakley	Sisk
Jenkins	Moffett	Skelton
Johnson, Calif.	Mollohan	Skubitz
Johnson, Colo.	Montgomery	Slack
Jones, Okla.	Moore	Smith, Iowa
Jones, Tenn.	Moorhead, Calif.	Smith, Nebr.
Jordan	Moorhead, Pa.	Snyder
Kasten	Moss	Solarz
Kastenmeier	Murtha	Spellman
Kazen	Myers, John	Spence
Kelly	Natcher	Staggers
Kemp	Neal	Stangeland
Ketchum	Nedzi	Stanton
Keys	Nichols	Stark
Kildee	Nolan	Steed
Kindness	O'Brien	Steers
Kostmayer	Oberstar	Steiger
Krebs	Ottinger	Stockman
LaFalce	Panetta	Stokes
Lagomarsino	Patterson	Studds
Latta	Pattison	Stump
Le Fante	Pease	Symms
Lederer	Pepper	Taylor
Leggett	Perkins	Thompson
Lehman	Pickle	Thone
Lent	Poage	Traxler
Levitas	Pressler	Trible
Livingston	Preyer	Tsongas
Lloyd, Tenn.	Price	Udall
Long, Md.	Pritchard	Ullman
Lott	Pursell	Vanik
Lujan	Quayle	Vento
Lundine	Quillen	Volkmer
McClory	Rahall	Waggonner
McCloskey	Railsback	Walgren
McCormack	Rangel	Walker
McDade	Regula	Walsh
McDonald	Reuss	Wampler
McFall	Rinaldo	Watkins
McHugh	Risenhoover	Waxman
McKinney	Roberts	Weaver
Madigan	Robinson	Weiss
Maguire	Rodino	Whalen
Mahon	Roe	White
Markey	Rogers	Whitehurst
Marks	Rooney	Whitley
Marlenee	Rose	Whitten
Marriott	Rosenthal	Wiggins
Martin	Rousselot	Wilson, C. H.
Mattox	Rudd	Wilson, Tex.
Mazzoli	Russo	Winn
Meeds	Ryan	Wirth
Metcalfe	Satterfield	Wolff
Meyner	Sawyer	Wright
Michel	Scheuer	Wydler
Mikulski	Schroeder	Wylie
Mikva	Schulze	Yates
Milford	Sebelius	Yatron
Miller, Calif.	Sharp	Young, Alaska
Miller, Ohio	Shipley	Young, Fla.
Mineta	Shuster	Young, Mo.
Minish		Zablocki

NAYS—7

Badham	Obey	Treen
McKay	Pike	
Myers, Gary	Stratton	

NOT VOTING—78

Addabbo	Garcia	Nowak
Akaka	Gephardt	Oakar
Anderson, Ill.	Goldwater	Patten
Archer	Goodling	Pettis
Armstrong	Gudger	Quie
Biaggi	Guyer	Rhodes
Boggs	Harrington	Richmond
Buchanan	Heftel	Roncalio
Burke, Calif.	Holland	Rostenkowski
Cleveland	Howard	Roybal
Cohen	Jeffords	Runnels
Collins, Ill.	Jenrette	Ruppe
Conable	Jones, N.C.	Santini
Conyers	Krueger	Sarasin
Diggs	Leach	Seiberling
Dodd	Lloyd, Calif.	St Germain
Duncan, Oreg.	Long, La.	Teague
Eckhardt	Luken	Thornton
Erlenborn	McEwen	Tucker
Fish	Mann	Van Deerlin
Fisher	Mathis	Vander Jagt
Fithian	Mottl	Wilson, Bob
Foley	Murphy, Ill.	Young, Tex.
Ford, Mich.	Murphy, N.Y.	Zeferetti
Fraser	Murphy, Pa.	
Frey	Myers, Michael	
Gammage	Nix	

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Biaggi.

Mrs. Burke of California with Mrs. Boggs.

Ms. Oakar with Mr. Murphy of Pennsylvania.

Mr. Eckhardt with Mr. Teague.

Mr. Van Deerlin with Mr. Diggs.

Mr. Harrington with Mr. St Germain.

Mr. Seiberling with Mr. Mottl.

Mr. Murphy of New York with Mr. Zeferetti.

Mr. Howard with Mr. Michael O. Myers.

Mr. Rostenkowski with Mr. Murphy of Illinois.

Mr. Jones of North Carolina with Mr. Richmond.

Mr. Nowak with Mr. Nix.

Mr. Thornton with Mr. Mathis.

Mr. Patten with Mr. Lloyd of California.

Mr. Long of Louisiana with Mr. Runnels.

Mr. Luken with Mr. Tucker.

Mr. Gammage with Mr. Fraser.

Mr. Holland with Mr. Garcia.

Mr. Akaka with Mr. Conyers.

Mr. Duncan of Oregon with Mr. Fisher.

Mr. Gudger with Mr. Santini.

Mr. Fithian with Mr. Jenrette.

Mr. Heftel with Mr. Ford of Michigan.

Mr. Roybal with Mr. Krueger.

Mr. Gephardt with Mr. Roncalio.

Mrs. Collins of Illinois with Mr. Foley.

Mr. Anderson of Illinois with Mr. Buchanan.

Mr. Cleveland with Mr. Goldwater.

Mr. Goodling with Mr. Archer.

Mr. Wydler with Mr. Guyer.

Mr. Frey with Mr. Cohen.

Mr. Bob Wilson with Mr. McEwen.

Mr. Conable with Mr. Erlenborn.

Mr. Jeffords with Mr. Leach.

Mr. Sarasin with Mr. Vander Jagt.

Mr. Quie with Mr. Ruppe.

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

VACATING PROCEEDINGS ON ORDERING YEAS AND NAYS ON HOUSE JOINT RESOLUTION 578, NATIONAL ARCHITECTURAL BARRIER AWARENESS WEEK

Mr. CHARLES H. WILSON of California. Mr. Speaker, I ask unanimous consent that the House vacate the proceedings whereby the yeas and nays were ordered on House Joint Resolution 578, authorizing the President to proclaim the third week of May of 1978 and 1979 as National Architectural Barrier Awareness Week.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. LEHMAN) that the House suspend the rules and pass the joint resolution (H.J. Res. 578).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEHMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 715 and House Joint Resolution 578.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC STABILIZATION OF COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO SIT PAST NOON TOMORROW AND PAST 3 P.M., WEDNESDAY, MARCH 8, 1978

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs may be permitted to sit past noon tomorrow, March 7, 1978, and past 3 p.m. on Wednesday, March 8, 1978, in order to conduct hearings on New York City's financial and fiscal situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, I simply would ask the gentleman from Pennsylvania (Mr. MOORHEAD) whether the minority members of the subcommittee have been consulted and have agreed to this request.

Mr. MOORHEAD of Pennsylvania. If the gentleman will yield, Mr. Speaker, yes, they have. This is for the purpose of emergency hearings.

Mr. BAUMAN. It is not for markup, but simply for hearings; is that correct?

Mr. MOORHEAD of Pennsylvania. It is not for markup; that is correct.

Mr. BAUMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ROA'S MINUTE MAN OF THE YEAR AWARD IS TO CHARLIE BENNETT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, The Reserve Officers Association of the United States is one of America's great patriotic organizations. The ROA's Minute Man of the Year Award, which is given annually to an individual in recognition for outstanding contributions to national security, was bestowed this year upon our distinguished colleague, the Honorable CHARLES E. BENNETT of Florida's Third District. There is widespread satisfaction about his selection to receive one of the Capitol's most prized awards. CHARLIE BENNETT is one of the most highly regarded Members of the House and he is recognized on both sides of the aisle for his sound and conscientious service in Congress.

Serving continuously since he was first elected in 1948, Mr. BENNETT is now the ranking member of the important House Committee on Armed Services and next year it is anticipated that, because of retirements, he will become chairman of the House Committee on Ethics.

CHARLIE has been described by one astute publication as having a "reputation for probity and attention to duty which is second to none in the House."

Mr. BENNETT is now in his 15th term in the House. The type of dedicated service which he gives in the House is indicated by the fact that he served for more than 26 continuous years without missing a single legislative rollcall vote, a total of 3,428 consecutive votes; the highest record for attendance ever established in Congress.

The trust and confidence placed in this outstanding public servant by the people of his district since 1948 are shared by everyone who knows CHARLIE BENNETT in the Nation's Capital. Our heartfelt congratulations are extended both to CHARLIE and to his beloved wife, Jean.

His speech of acceptance given at the time of the award on February 24, 1978, is a great example of his ability to speak effectively on the Nation's defense problems.

Mr. Speaker, I place it in the CONGRESSIONAL RECORD at this point:

REMARKS OF CHARLES E. BENNETT AT ROA CONFERENCE, FEBRUARY 24, 1978

Mr. President, distinguished guests, fellow reserve officers, ladies and gentlemen, I am grateful that there is a fine organization like ROA and its able director, General J. Milnor Roberts and its president, General Earl O. Anderson.

I am deeply grateful for the honor you give me on this occasion. I accept it humbly, in a representative capacity in behalf of all in Congress who made possible the things that you are considering in this award—primarily the enactment of the reserve vitalization act of 1968.

That act put behind us forever, I hope, the merger issue, which would have been the death blow to our reserve system, something dreamed up by cost-analysts of the MacNamara era.

The Secretary left a blank space that year for funds usually sought for the Army Reserve.

To the credit of the appropriations committee and the leadership of Congressmen MAHON, SIKES, WHITTEN, and others, the program was funded. The Reserve Officers Association, and its able executive director Col. Jake Carlton, provided the spark needed for this very necessary effort.

Let us consider for a few minutes the reason why military reserves are so vital to our national security. At the heart of this importance is the fact that from the beginning, Americans have consistently opposed large standing armies.

This was a part of their request for liberty from oppressive government.

When French Huguenots seeking religious freedom came to Florida's St. Johns River in 1564 they not only began the permanent European settlement of what is now the United States but they were the first to arrive here in a search for liberty. Our English roots date from the 1607 settlement at Jamestown, Va., and the American free enterprise system may be said to stem from that settlement, since it was a business venture and a successful one. Everyone knows of this spirit of freedom and independence which motivated the 1620 Plymouth Colony up in Massachusetts.

Many of those who came to our shores were fugitives: fugitives from a feudal system which denied them individual rights and democratic liberties.

Many of them came to avoid spilling their blood needlessly in the wars which continued to rage in Europe.

They fled to avoid the "press gangs" which took them unwillingly to service in navies and bloody battles on high seas.

They came to America looking for freedom—for the kind of life European tyrannies made impossible.

They were "free" spirits and they built a "free" land and a new concept of citizenship.

They fought as minutemen to defend their land. Like all minutemen, when the war was over they returned to their homes.

The term "Minuteman" meant to them, and means today, an American citizen who has volunteered to be ready for military service at a minute's notice.

The Minutemen of the Revolution were the soldiers who struck the first blow for freedom at Lexington and Concord in 1775.

Militarism was not in the nature of this new freedom for which they fought.

George Washington knew the nature and character of these frontier Americans and articulated the new design of national defense when he stated: "Every man who enjoys the blessings of a free government owes his service in defense of it."

The Minuteman principle exists today: our armed forces are a very small minority of our population. But without adequate reserves our defenses would be inadequate for national security.

That principle is nurtured by the thirty thousand of your members who built the minuteman memorial building here in Washington and who two days ago placed in that marble hall, a magnificent bronze Minuteman statute, pledging that the Minuteman spirit will live in the hearts of Americans for all times.

It is a sacred trust, not only for your organization and Congress but for all people of the United States.

In the days of the Revolution there was a phrase "the common cause" often used by Minutemen and others and it had a special meaning.

There were many reasons for discontent with the mother country England—many causes which were not the *common* cause. There were excessive taxes and taxes without representation; impressment of seamen into the Naval service; and the legal inability to be tried by one's peers and neighbors.

There were many different points of view as to what was desired in the New World. There were abolitionists who opposed slavery, others who advocated it.

There were those who thought that only property owners or the wealthy should be allowed to vote. Some favored an autocratic type of government.

There were people who felt that the government should see to it that religion flourished; others were atheists.

There were a myriad of different points of view among our Founding Fathers but there was only one "common cause", and that cause, common to all, was a strong independent nation, a nation in which the people could set new goals in new times but always protecting individual liberties.

That was the common cause of 1776 and it should be our common cause in 1978.

Today there are many points of view as to what the Federal Government should do. Almost every problem that is nationwide is considered a prime target for national legislation and financial support despite restrictions of the Federal Constitution designed to keep governmental power at grassroots levels.

Today there are different points of view about abortion, welfare programs, bussing, equal rights for women, revenue sharing, foreign aid, affirmative action programs and a host of other proposals already adopted or being considered for adoption.

But should not our "common cause" in America today be to see that our first priority is the security of the United States so that our freedoms and liberties can be protected and good new ideas have a chance to flourish? If, in fact, we spend so excessively of the national tax income for things other than national defense, isn't it possible that all of the other benefits which our society enjoys may be imperiled?

We should not spend one cent more than we need for national defense. We should not spend one cent less than we need for national defense.

The public has been given an erroneous impression that the president's fiscal 1979 budget has been generous to defense objective.

The defense request went up this year 9.4 percent, while health expenditures went up 12.2 percent, education 10.7 percent, energy 23 percent and international affairs 14 percent. You will note that all of these went up a larger percentage than defense did. The biggest dollar increase in the fiscal '79 budget was not for defense but for income security—a whopping $12.4 billion increase.

It has been repeatedly said that there are no new substantial legislative proposals in the '79 budget. But there is a new supplemental food program of $530 million; a new program to stimulate private sector employment for youth and disadvantaged at $400 million; a new program for disadvantaged area education in the amount of $644 million; a new program to prevent unwanted pregnancies; a new program to subsidize local government bond issues with a proposed budget authority of $7 billion. And recently we have heard of a new multibillion dollar education tax credit or grant program and of a new health insurance program.

All these programs may have great merit; but it is clearly not so that there are no new costly programs proposed in 1978.

Fifteen years ago (in 1964) defense accounted for 44¢ of every national budget dollar. Now it accounts for only 24¢.

Direct benefit payments to individuals then represented only 22¢ of every budget dollar; and the figure is 37¢ today.

While cutting the defense percentage in half we doubled the direct payments to individuals item. Direct payments to individuals now greatly exceed the defense outlay in dollars.

The Brookings Institute tells us that in the last 15 years the Soviets have pushed rapidly forward in defense: That they have, for example, increased their strategic nuclear power five fold; and expanded their ground forces from 140 divisions to 170. We have today our smallest Navy since 1939.

This year our national defense budget is passing up the B–1 bomber, passing up a nuclear or nonnuclear carrier and is cutting all forces by 20,000 men in uniform and 13,000 in civilian jobs. Naval Reserves are to be cut from 94,100 to 51,400.

If carried out, the 1979 national defense budget would be a calamity, grossly inadequate for our country's security requirements.

General Brown, the Chairman of the Joint Chiefs of Staff said to our committee earlier this month:

"In looking back over my previous (four annual) reports to you, I am struck by the fact that in nearly every area of military strength there has been a relative decline over the years in relation to the Soviet Union."

One thing is clear and that is that we are going to continue a broad range of social and welfare programs. Also, it is clear that because of this we cannot afford to have a significantly larger military establishment on active duty.

For financial reasons we absolutely have to rely upon the willingness of minutemen throughout the United States to serve our country in time of need. The cost of a reservist is now one-fifth that of a man on active duty.

The Minutemen of the 20th century cannot simply pick up their turkey guns and sally forth to effective combat. Weapons today are much more complex and require a much higher degree of education and training. So the Minuteman of today has to prepare for his obligation to his country by spending time and effort outside of his regular occupation in order to be ready when called on for military duty. This requires long-term sacrifice, which the Government must encourage.

Regrettably there has not always been a clear cut policy for the reserves coming from the administration through the years. There has not always been commitment to full and competent use of the Reserves.

In the early days of the conflict in Southeast Asia there were serious considerations given to the use of the Reserves. There were some who believed that if the United States threw all of its forces, including its 2 million 500 thousand reserves, into the battle that the Communist aggression would have ended in a few months and South Vietnam's independence would have been assured. If that had happened the nation would have been spared a terrible trauma and the cause of world peace would have been advanced.

There were at the same time those in Government who believed that the Reserves were useless. Most of these were "short war" advocates who said that there would never be another conventional war and that any atomic war would end in days. Such theories have little logic or history to back them up.

As long as our strategic nuclear forces are kept strong, any wars we have are likely to be conventional rather than nuclear.

The budget request this year reduces the Reserves, while at the same time the military on active duty are also being reduced. This is folly.

If the Reserve components are going to play the role they must, then we must take positive action to increase the number and effectiveness of the Reserves, not reduce them.

The greatest challenge the Army faces today according to its Commanding General Bernard Rogers is "the short fall in the individual Ready Reserve."

Recently the general suggested before the House Armed Services Committee that favorable consideration should be given to the Reserve Revitalization Act that the Army has developed, and also a package called Reserve Component Action.

He strongly supported enlistment and reenlistment bonuses for the reserves, which were recently authorized by Congress but only funded in a trial pattern.

He also supported educational incentive for reservists, a program Congress has authorized for trial but not funded.

Moreover, General Rogers suggested a new opportunity to enlist for the individual ready reserve with a bonus when there is an assignment to a unit that would be called up for immediate combat in case of war.

What the general said to our committee made sense to me. I hope we can get legislation now to do those things that he has so warmly recommended.

In 1978 it will take a real fight in Congress to obtain the national defense that this country needs to prevent war; or to win if war should come. We cannot shirk that responsibility.

George Washington in the darkest hours of the revolution once received a long listing of troubles from one of his subordinate generals and wrote back, "When is the time for brave men to exert themselves in the cause of liberty and their country if this is not it?" Thomas Paine once said, "Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it."

I believe the American people are not fatigued with the defense of our country.

They support the "common cause" to see that our defenses are adequate to protect the security of our country. They give this "common cause" top priority.

And you, you Minutemen of 1978, in the tradition of Lexington and Concord: In you lies the best hope in our time for the protection of our country; and the security for ourselves and generations yet to come, the blessings of democracy and individual liberty.

U.S. PUBLIC OPINION SURVEY SHOWS GENUINE CONCERN OVER SOVIET GROWING MILITARY POWER

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STRATTON. Mr. Speaker, on December 20, 1977, I made public a study prepared by members of the House Armed Services Committee Staff which provides, in terms of precise numbers, proof of the contention that the Soviet Union will soon achieve the capability of destroying the bulk of U.S. land-based ICBM's in a first-strike attack. My comments and the study are contained in the January 23, 1978 CONGRESSIONAL RECORD on page 434.

Warnings such as mine are generally relegated to the obituary page, if they receive media presentations at all, because of lingering anti-Vietnam, anti-military sentiments. Therefore, I was heartened this morning when I read the Evans-Novak column in the Post about a nationwide poll which indicated that the American people themselves are beginning to understand just what harm SALT I has done to our national security and how SALT II and a comprehensive test ban on nuclear testing could further reduce our defenses.

The Evans and Novak article follows:

[From the Washington Post, March 6, 1978]

A NEW ANTI-SOVIET SENTIMENT

(By Rowland Evans and Robert Novak)

While President Carter decides whether Soviet African adventures are a cause for slowing the pace of SALT negotiations with Moscow, American voters, reacting less ambiguously, are switching to an anti-Soviet mood that signals the end of the post-Vietnam syndrome of low military spending.

That is the clear portent of a just-completed nationwide poll conducted by Opinion Research Corp. of Princeton, showing a sharp rise in the public's concern over Soviet military power. Most significant, the sample of 1,015 citizens, published here for the first time, shows that among Americans who feel the United States should be "superior" to the Russians in military strength—48 percent of the total—a surprising 74 percent specifically endorsed higher taxes. They expressed willingness to finance up to $10 billion a year in new military programs to achieve that superiority, despite the nationwide tax revolt.

As for the current strategic arms limitation (SALT) negotiations with the Russians, the poll showed that 64 percent believe that the Russians would not "live up to their part of the agreement" if a new agreement were reached. That obviously reflects the present low state of détente.

The sample was finished on Feb. 27, just before the administration mounted a major effort last week to persuade Congress that the Russians never have cheated on SALT I. But it followed by one month a Reader's Digest article called "The Russians are Cheating!" by former Defense Secretary Melvin Laird, which attracted heavy public attention and 20,000 letters from concerned readers to the magazine.

Commissioned by the Institute of American Relations, a tax-exempt defense-oriented organization, the new poll reveals a stark shift in public opinion on one of the most perplexing political issues facing President Carter. Is the Soviet Union moving ahead of the United States in military power and, if so, what should the United States do about it?

One year ago, a similar poll by Opinion Research found that 15 percent of the public believed the United States was "much stronger" than the Soviets, 14 percent that the United States was "somewhat stronger" and 30 percent that the two had rough equality.

The new poll, reflecting public concern over Soviet military adventures in Africa and possibly greater knowledge about Moscow's nuclear and conventional arms progress, shows a marked decline of confidence in U.S. power: Only 8 percent believe the United States now is "much stronger"; 12 percent that the United States is "somewhat stronger"; and 36 percent that the two are equal.

Likewise, the percentage believing that the United States is "somewhat weaker" has risen from 22 percent a year ago to 29 percent today, while those judging the United States to be "much weaker" has remained constant at 5 percent.

Totaling the "stronger" and "weaker" segments, the poll shows that the perception of a strong United States has declined from 29 percent to 20 percent, and the perception of a weak United States has risen from 27 percent to 34 percent.

For Carter, these findings carry both dangers and opportunity. They strongly suggest that, if the president decided to go to Congress for even a steeply higher defense budget, his bargaining power would be infinitely greater than any of his predecessors back to the early years of Lyndon Johnson.

Throughout the Nixon-Ford years, Henry Kissinger's private argument for making sometimes controversial strategic arms agreements with Moscow was that no other course was possible for the United States since Congress would not consider financing all-out competition with the Russians, the next best policy was to try and tie down Soviet strategic growth through SALT.

That argument, disputed even then by some politicians, is no longer valid, a judgment backed up not only by the Opinion Research Poll but by the political shift on Capitol Hill. Massachusetts Sen. Edward Brooke, a Republican liberal up for reelection this year, told the Senate 10 days ago that earlier arms-control negotiations were handled "in a rather impetuous manner" and that the United States "gave far too little attention to the ambiguities of SALT I and their consequences."

Brooke now believes that the curves of declining American power and increasing Soviet power have crossed, and many congressmen—not just those in the hard-line defense block—agree with him.

This is a potent political asset for the president—if he wants to use it. But the political danger in the developing national mood reflected by the new poll is that Carter might try to impede the rising national concern over Soviet strength, instead of making judicious political use of it.

In an administration that has betrayed deep uncertainties in devising a plan to deal with Soviet conduct, that could damage the president as well as the nation.

THE 5TH ANNIVERSARY OF DEATH OF FORMER PAGE CHARLES A. LEHMAN

(Mr. SISK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SISK. Mr. Speaker, today marks the fifth anniversary of the sad and tragic death of a former page in this body, Charles A. Lehman of Sanger, Calif. Charlie, who served as a page under my patronage from September 1972 until the end of January 1973, was killed in an automobile accident on March 6, 1973. He was on his way from classes at Sanger High School, where he was a senior, to work in my district office at Fresno.

It has been my pleasure, Mr. Speaker, to have sponsored dozens of House pages since my first election to Congress in 1954. But I can say without hesitation or qualification that Charlie Lehman was one of the very finest young men who has served as a page in this Chamber. I know that many of my colleagues in the House, his fellow pages, and his teachers at the Capitol Page School held him and still hold him in great esteem and affection. This fine Christian young man had an unusually strong character and was well respected by all who enjoyed the pleasure of his company.

Charlie Lehman wanted to be a politician. His avid interest in politics began when his brother Richard Lehman, now an exemplary member of the California Assembly in Sacramento, became actively involved in the 1968 California Presidential primary campaign of the late beloved Senator Robert F. Kennedy of New York. Charlie followed his brother Rick's footsteps into politics, greatly impressed members of my staff and myself, and I was pleased to secure him a page appointment in 1972. That he was able to serve here during his tragically short life—just under 18 years—is something of which I am quite proud.

While preparing these remarks, Mr. Speaker, I asked members of the administration and faculty of the Capitol Page School to comment on the coming of the sad fifth anniversary of the death of Charlie Lehman. Their remarks touched me deeply with their obvious warmth for the memory of this young man to whom a beautiful large preserved segment of a California redwood tree is dedicated as a monument to Charlie in the library of the Page School.

Mrs. Naomi Z. Ulmer, longtime teacher and chairman of the science department at Capitol Page School said:

As the years go by, Charles fades less from my memory. I think of his bright smile, his curly brown hair, and his sparkly blue eyes more and more. May he know eternal peace.

Expanding upon Mrs. Ulmer's remarks, Page School Principal John C. Hoffman commented:

Even though it's been five years since the tragic passing of young Charlie Lehman, the memory of the warmth and kindness he enkindled still permeates the atmosphere of the Page School. Those of us who knew him will always cherish the rich memory of all the wonderful things for which he stood.

Finally, Mr. Speaker, another of my former pages, Rick Valentine, who served with Charlie at that time under the patronage of our former colleague the Honorable Bob Casey, of Texas, added these words to those of Mrs. Ulmer and Mr. Hoffman:

I have felt no greater loss in my life than that of my cherished friend Charlie Lehman. But my best memory of him is of his unending enthusiasm for life and especially politics. He never failed to keep his outlook optimistic. I think that he's probably up there in Heaven now, watching us mortals, grinning and laughing, and eagerly talking politics with the other angels.

IMPORTATION OF RHODESIAN CHROME

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ICHORD. Mr. Speaker, when the House considered H.R. 1746, the bill which repealed the Byrd amendment relating to the importation of Rhodesian chrome, I offered and the House accepted an amendment reading as follows:

"SEC. 2. (a) Upon the enactment of this Act, the President may suspend the operation of the amendments contained in this Act if he determines that such suspension would encourage meaningful negotiations and further the peaceful transfer of governing power from minority rule to majority rule in Southern Rhodesia. Such suspension shall remain in effect for such duration as deemed necessary by the President.

(b) If the President suspends the operation of the amendments contained in this Act, he shall so report to the Congress. In addition, the President shall report to the Congress when he terminates such suspension.

(c) If the President suspends the operation of the amendments contained in this Act, any reference to those amendments to date of enactment shall be deemed to be a reference to the date on which such suspension is terminated by the President, . . ."

The amendment was later offered by Senator BYRD and was separately considered and adopted by the Senate and is now a part of Public Law 95–12. I submit, Mr. Speaker, that the time has come for the President to use the authority specifically granted him by H.R. 1746 to suspend the economic sanctions against Rhodesia so that the importation of chrome and ferrochrome, which we sorely need as a nation, can immediately be resumed.

I advised the House at the time of the submission of the amendment, after consultation with Prime Minister Smith and representatives of Bishop Abel Muzorewa, that both Smith and Muzorewa thought there was a good chance that Smith and Muzorewa would produce from on-going negotiations an agreement that would result in transition from minority to majority government in Rhodesia or Zimbabwe. Last Friday, the agreement became a reality with the signing of an agreement between Prime Minister Ian Smith, Bishop Abel Muzorewa, Rev. Ndabanigi Sithole, and Chief Jeremiah Chirau who are without doubt the real leaders of and represent more than 90 percent of all Rhodesians, both black and white. The agreement signed Friday will establish majority rule by December 31, 1978, and it is in substantial compliance with the plan proposed by Secretary Kissinger in 1976 and endorsed by President Carter prior to the elections.

This agreement, I further submit, is the only chance of obtaining a solution to Rhodesia's problem without the wholesale slaughter of both blacks and whites. As I pointed out to the House at the time of the adoption of the amendment, Nkomo, with whom the British and the United States were dealing at the time of the adoption of the amend- white simply because he came from the minority tribe, the Matabele. Since that time, it has been definitely established that Nkomo and Mugabe, particularly Mugabe, are Marxist oriented and their terrorist activites are being actively supported by the Cubans and the Soviet Union. Isn't it time that we support an internal settlement rather thar. an external one imposed upon Rhodesians by outside countries and Communist-supported guerrillas who represent only a small portion of Rhodesian blacks.

Equally involved, Mr. Speaker, are the economic and security interests of the United States. This country does not mine one ounce of chrome, without which stainless steel cannot be made. With the repeal of the Byrd amendment we automatically increased costs of chrome by shutting off our Rhodesian supply and making us primarily dependent upon South Africa and the Soviet Union, of course, at increased prices. South Africa and Rhodesia have between 85 and 90 percent of the world reserves of chrome. Most of the remaining reserves are in the Soviet Union.

Consequently, Mr. Speaker, I am introducing today, a resolution cosigned by several of my colleagues expressing the sense of the House of Representatives that the President immediately exercise his prerogative and suspend the ban on the importation of Rhodesian chrome. I have also circulated a letter among my colleagues requesting additional cosponsors. I hope that the House will act expeditiously on the same in the interest of human rights as well as our own economic and national security interests.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I am very happy to join with the gentleman from Missouri (Mr. ICHORD) in supporting the document he mentioned.

Is it not true that the success that has now been achieved in Rhodesia results from the peaceful "internal" solution which the gentleman recommended to the House more than a year ago, and if it is accepted, it will obviate a bitter war in Africa?

Mr. ICHORD. The gentleman is correct. The agreement, signed last Friday by Smith and Muzorewa, turns the government over to majority rule on December 31, 1978. I would state to the gentleman that the agreement is basically the same as the Kissinger proposal which was endorsed by President Carter before the 1976 election.

MHD—A STATUS REPORT ON A NEW ENERGY TECHNOLOGY

(Mr. BAUCUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUCUS. Mr. Speaker, as the Congress attempts to resolve the energy crisis facing our country, hopefully we can reach a sensible accommodation very quickly this month.

I would like to inform the House of my appreciation to those on the Committee on Science and Technology for increasing the authorization for MHD research and development—a technology to heat coal or gas to a high temperature so as to generate electricity more efficiently.

Mr. Speaker, by raising that authorization another $20 million to a total of $90 million we will be working to develop MHD as a new source of energy. As we look down the road, we are going to find in our country that this will be another source of electrical energy and of help to the country. More than 2 years ago I addressed this body with a statement that began "Energy issues have dominated the efforts of this Congress."

I could begin this statement the same way. The 95th Congress finds itself still deeply immersed in energy issues; indeed, in some respects there has been almost no forward movement. We are still without a national energy policy. Congress still has not agreed whether to regulate or deregulate gas and oil. We still have not approved measures to encourage conservation. We have not moved appreciably forward in our efforts to convert to more efficient or more abundant domestic resources. We do not have a meaningful tax policy to work in tandem with an energy policy. The House and Senate remain deadlocked over these issues and no one knows when they will be resolved. Let us hope soon, for we cannot afford to continue much longer without a national energy policy.

A key aspect of the energy program is conversion to coal, our most abundant energy resource—and, conincidentally, a resource in which Montana is rich. Few dispute the overall recommendation; we obviously must make use of coal if we are to end the disastrous balance-of-payments problems stemming from our reliance on foreign oil. Even more, our very survival and national security require that we become as self-sufficient as we can in energy.

I am happy to say that at least in one part of this coal-conversion program there is some encouraging progress. It is in the field of magnetohydrodynamics, or MHD, which converts coal to electricity. I would like to briefly describe the program and review its status.

Conventional and nuclear power requires a three-step process to create electricity. MHD requires one. The heat produced by burning fuel and air is made to conduct electricity by the addition of small amounts of seed such as potassium or cesium. The combustion gases become the armature of the MHD generator and move the seed at very high speeds through a magnetic field where electric power is generated.

When coupled with steam or gas turbine cycles, MHD offers a practical and useful technology for more efficient use of coal and other fossil fuels.

How much more efficient? The most recent Energy Conversion Alternatives Study by NASA for the Department of Energy, which analyzed a number of different experimental systems, found MHD to be 50 percent more efficient than the others. The Congressional Research Service said that when compared to conventional and nuclear powerplants, again it was substantially more efficient by at least 20 percent.

But efficiency is not the only factor. Because it is efficient, MHD is also better from an environmental point of view. Less fuel is used. Less heat is therefore rejected which therefore means less cooling water is required, an important factor in water-short areas such as Montana.

Questions have been asked about particulates and other stack emissions. Again, MHD has been shown in a variety of tests conducted by numerous leading industrial and university research laboratories as having less total stack emissions than that of a conventional steam powerplant. Techniques have been developed to reduce nitrogen oxides and sulfur dioxide pollutants to levels less than those produced by present powerplants and less than stated EPA requirements. Control of nitrogen oxides can be accomplished by two-stage combustion of the coal and/or by the practical tech-

niques of after burning at lower temperatures downstream of the MHD power generation channel. Sulfur dioxide removal is inherent to the process in that it reacts with the potassium seed and is collected as potassium sulfate.

The evidence is conclusive enough that the Friends of the Earth have expressed their support for MHD as a process for converting coal to energy.

So we are developing in Montana and elsewhere a system which is efficient, ecologically sound, and dedicated to using our principal energy resource, coal.

There have been problems, however, which cannot be denied. MHD got off to a shaky start with poor management by the Federal energy bureaucracy. Only recently has this management been entirely revamped. The MHD project is now under a new team of experienced researchers. They are pulling together all the separate parts of the program and making them work as a cohesive whole to avoid duplication and delay. They are pressing ahead with experimental facilities. They are exchanging valuable information with other countries doing similar research, such as the Soviet Union.

Questions were asked about the environment, but these have been answered. There have also been questions about some of the components, but these too have been addressed; after all, that is what the entire project is about, to test various components and ultimately to make them available for commercial exploitation.

The highly commendable recent action by the House authorizing the subcommittee to raise the authorization by $20 million to a total of $92 million is evidence that past uncertainties about MHD are being laid to rest. This will make possible an acceleration of the CDIF (component development and integration facility) and of the development of the components to be tested then. However, I do not think we can rest with that. MHD is finally coming into its own. Its troubled genesis hopefully is part of the past. If we can continue along these lines, I am convinced that our Nation will be better served by an exciting new program for coal conversion. It will help make us self-sufficient in energy and will help redress our balance of payments. I am proud and pleased with Montana's past participation in the program and look forward to its future role in developing additional test facilities—and ultimately in making available as soon as possible a commercially viable MHD generator facility.

LEGALITY OF PANAMA CANAL TREATY ON DISPOSAL OF AMERICAN PROPERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 30 minutes.

Mr. HANSEN. Mr. Speaker, fellow colleagues, my remarks today concern the proposed Panama Canal treaties. Article IV, section 3, clause 2 of the U.S. Constitution states that only the Congress of the United States has the authority to dispose of American property. Representatives of the Departments of State and Justice have argued that the President also has the constitutional authority to dispose of American property. They argue that the President's power is concurrent with that of the Congress under article II, section 2, clause 2 of the Constitution.

These two clauses of the Constitution are on a collision course over the Panama Canal Treaty. Herbert Hansell, Legal Adviser to the Department of State, testified before the Senate Subcommittee on Separation of Powers that it was the position of the State Department that the President had power to dispose of territory belonging to the United States without an act of Congress. This represents a complete turnabout by State in less than 20 years.

In 1957, a representative of State testifying on the 1955 Panama Treaty, acknowledged that legislation was required to implement expropriation of U.S. territory under a treaty.

Hansell based his current claim of Presidential power on four arguments:

First. The language of the Constitution itself;

Second. The drafting history of the Constitution in general and the treaty clause in particular;

Third. Judicial precedents; and

Fourth. Prior treaty practice particularly with regard to Panama and the canal.

Mr. Speaker, I must, however, point out that such arguments are incorrect and without historical precedent. It is extremely important to note that in each and every instance concerning the Panama Canal Zone throughout our history, there was always an act of Congress for all land acquisitions and disposals in the Canal Zone. Specifically, I would like the committee to note that the Spooner Act of 1904 arranged for payments to Colombia and the French canal company. Later in the year another congressional act arranged for a payment to the new Republic of Panama.

In 1920, Congress authorized the Panama Railroad Company to "sell, transfer, and convey" certain tracts of land in Cristobal, Canal Zone, "to any other person or persons or association of persons."

As called for in a 1942 executive agreement with Panama, Congress authorized the transfer of certain U.S. properties in the cities of Colon and Panama to the Republic of Panama. The resolution was approved May 3, 1943.

I pause here to point out two key factors which I think are significant and bear special note. It is clear that the executive agreement had no effect without the act of Congress. Our situation today is no different.

Finally, in 1957, the Senate and House authorized the transfer of U.S.-owned property to the Republic of Panama as stipulated in the Treaty of Mutual Understanding and Cooperation signed in January 1955. More specifically, the House authorized the transfer of property as called for by article V.

Herbert Hansell's theory that Presidential power is concurrent with congressional power. except for taxation and, perhaps, appropriation, is decidedly novel. Intrinsic evidence of its novelty is that Hansell offers not one single example of the prior exercise of these broad "concurrent powers." In the entire Constitution, exclusive power is mentioned only in connection with the power to impeach. The breadth of such claimed concurrent powers is virtually limitless and, if taken seriously, makes a mockery of the very document the President is sworn to uphold.

In fact, respected constitutional writers such as Willoughby and Corwin seriously doubt that a treaty has ever superseded or repealed an inconsistent statute of the United States.

As to the specific power to cede territory of the United States by treaty alone, the record is even clearer; State clearly perceives that the cession of the Panama Canal Zone would be a cession of territory of the United States.

It can be undeniably stated as I have just pointed out that the simple transfer of U.S. territory has never occurred without congressional enabling legislation.

In discussing Mr. Hansell's treaty arguments a distinction must first be made between passing title and expropriation of U.S. territory to a foreign power. The State Department arguments concern only the expropriation of property.

In the border settlement treaties with Great Britain, in each instance the issue settled was territory disputed by the powers; no clear sovereignty was apparent. Hansell himself makes the point when he describes the 1819 Treaty with Spain as:

> . . . ceding lands *claimed* by the United States on the *Spanish side* of the Boundary (west of the Mississippi). (Emphasis added)

State's reliance upon the Mexican treaties of 1933 and 1970 in support of Presidential power to expropriate territory is nearly pathetic. The Rio Grande is the natural boundary between Mexico and the United States. Over the years it has changed course slightly, isolating certain Mexican territory on the U.S. side of the river. The mentioned treaties merely acknowledge the legal boundary and recognize as Mexican, territory over which the United States had never made a claim of sovereignty as it had always been Mexican before the shift of the river.

Finally, the Senate is asked to examine the cession of the Ryukyus and Daitos in 1971. These were Japanese islands over which the United States acquired dominion as a result of the Second World War. Perhaps all that need be said of the precedent allegedly established here is said by Hansell himself—

> The transfers were made without implementing legislation apparently in reliance

on the treaties or general *statutory authority* to dispose of *foreign* excess property. (Emphasis added)

Before passing on to the precedents of the canal treaties themselves, it is necessary to note that the record, raised by State itself, clearly demonstrates that U.S. territory has not been expropriated without congressional enactment. Perhaps a case can be made from the same record, that U.S. territory has never been expropriated under any circumstances.

In the British treaties settling parts of our Northern border, it could not fairly be said that there had been an absolute boundary. Even in that negotiable situation, Great Britain paid indemnity and the cession depended as a condition precedent upon approval by the legislatures of the States involved. The border settlements with Spain and Mexico were of the same general nature. What was settled in each case was a disputed boundary. In none of the instances, used by State to support its theory of "concurrent powers," was an expropriation of undisputed U.S. sovereign territory involved.

In the Indian Treaty cases, there is not even a pretense of expropriation of sovereign territory. Almost all of the cases are plain title cases which have no bearing on the Presidential claim of "concurrent powers." The dicta in these cases often appear to strongly support such a position when, in fact, they merely repeat the proposition that treaty power is very broad with, or without, the concomitant observation that such treaty provisions often require congressional implementation.

The State Department admits that property transfers have been made by executive agreement implemented by a joint resolution of the Congress; by treaty specifically calling for legislative implementation; and claims at least one instance of transfer by treaty alone. However, Mr. Hansell has conveniently forgotten to specify which transfer by treaty alone he is referring to; in fact, there is no precedent concerning the Panama Canal Zone where any property has been acquired or disposed of without congressional action.

The latest Canal Treaty specifically requires that cession of Canal Zone land requires legislation. In hearings on that treaty, the State Department recognized that all territory covered in the treaty was subject to the legislative proviso. With the exception of minor border corrections between the zone and Panama, no transfer of territory, in either direction, has ever taken place without legislation being adopted in the Congress.

The pertinent question is why, at this late date with all precedents against disposition of territory by treaty alone, the Executive is attempting to circumvent the constitutional role of the Congress of those provisions requiring enabling legislation. What motivates the State Department to embarrass itself by reversing the position it took 20 years ago on the same subject matter? Scholars, Senators, Representatives, and laymen may argue for changing the method by which the United States may cede territory and there are bound to be controversies over various facets of the proposed treaty, but it appears improvident to add to the heat of the ratification arguments an attempt to broaden the scope of Executive power. Mr. Speaker, I might add that such an attempt to broaden the scope of Executive power will be at the expense of the prerogatives of the Congress and the people of the United States.

The concurrent powers theory purported by the State Department is a novelty. Apart from the obvious fact that it is disconsonant with the "checks and balances" theory underlying the entire Federal structure, prior testimony has not offered a single example of the exercise of "concurrent power." Constitutional authorities doubt that a treaty could repeal an existing Federal statute. No such cession of uncontested U.S. sovereign territory has ever occurred. There is a clear distinction between passing title to real estate and passing sovereignty of national territory. The State Department relies chiefly for support of its position on Indian treaties which deal principally with title and not sovereignty. Their other citations mainly involve boundary corrections and settlement of disputed territory.

A closer look at the treaties in question shows beyond a shadow of a doubt that administration arguments concerning the "concurrent powers" theory are invalid. For example:

First. Northeast and Northwest boundary treaties with Great Britain did not involve undisputed U.S. territory and settlements were favorable to the United States. Also, Northeast treaties required assent of affected States as well as indemnity to them for any territory lost.

Second. 1819 treaty with Spain. United States received substantially all of Florida in exchange for relinquishing its claim to disputed territory west of the Mississippi.

Third. Border treaties with Mexico. Land "ceded" to Mexico was always Mexican. United States never claimed sovereignty. Natural change in river course was sole basis for adjustment of legal border.

Fourth. 1971 treaty with Japan. Returned Ryukyus and Daitos islands acquired during World War II. State Department witness admitted that return was likely pursuant to general statutory authority regarding the disposition of excess foreign property. United States never claimed sovereignty, treated islands more as trust territories.

Mr. Speaker, I cannot fail to stress again that among the various treaties concerning the Panama Canal there is no precedent for expropriation of U.S. territory without congressional action. Testifying in the 1955 treaty, State acknowledged that legislation was required to effectuate territorial transfers contemplated by treaty. Only minor border adjustments have ever been effectuated absent legislation.

Why is the claim of "concurrent power" made at this time? In view of the tangled problems growing from the terms of the proposed treaty and the dispute over the handling of the negotiations, the only specific reason for the present attempt to expand Executive power appears to be a disinclination to subject the treaty to the scrutiny that hearings over implementing legislation would require.

The administration's claims have no substance or merit and the following four points should be kept in mind:

First. Prior treaty practice does not support the theory of "concurrent power."

Second. State's interpretation of the Constitution would leave Congress with only impeachment and taxation as exclusive powers.

Third. Precedents in Panama treaties totally oppose self-executing expropriation of U.S. territory.

Fourth. There is not a single judicial precedent supporting divestiture of U.S. territorial sovereignty without an act of Congress.

Finally, Mr. Speaker, I would like to point out that 230 of our colleagues representing 47 States, a clear majority of this body, have joined me in cosponsoring legislation (H. Con. Res. 347) which would uphold the constitutional powers of the Congress and allow the House to vote on the property question under article IV of the Constitution.

My resolution calls for one thing—a chance for the House to vote on the Panama matter. This is a constitutional issue and not one of partisan politics. It is our duty as the elected representatives of the people to assure that the voice of the House is heard. The Constitution calls for it—now we must assert ourselves and demand it. Our stand must be perfectly clear to the President and all of America—we will not abide by backdoor loans and grants to Panama made without our consent and outside the authorization and appropriations process of the Congress.

All of us in Congress will and should be held accountable at the polls next year if we fail to act now and allow the President to usurp our constitutional authority over this matter.

I sincerely feel that it is in the Nation's best interest that we assert our constitutional authority and bring this question before the House as well as the Senate. In this effort I have strong bipartisan support both from key committee chairmen and from minority leaders in the House.

The issue is a constitutional one but certainly any additional scrutiny of the Panama issue can only be in the best interests of the American public.

I should also point out that the testimony of Dr. Raoul Berger, a retired Harvard University law professor and noted authority on the Constitution, before the Senate Subcommittee on Separation of Powers, has unequivocally sustained the principle of my resolution, that the House as well as the Senate must consider the Panama issue.

Mr. Speaker, in closing, I would like to include for the RECORD a list of the 230 cosponsors of my resolution. I would like to express my appreciation to each and

every Member who has cosponsored the Hansen-Murphy resolution. Additionally, I would like to call my colleagues' attention to an article prepared by the Foundation of Law and Society, which I include for the RECORD which further expands the legal arguments for requiring the House of Representatives to vote on the disposal of the Panama Canal Zone. The article follows:

COSPONSORS OF HOUSE CONCURRENT RESOLUTION NO. 347

Alabama: Edwards, Dickinson, Nichols, Bevill, Flippo, Buchanan, Flowers.
Alaska: Young.
Arizona: Rhodes, Stump, Rudd.
Arkansas: Alexander, Tucker, Hammerschmidt, Thornton.
California: Clausen, Leggett, Ketchum, Lagomarsino, Goldwater, Moorhead, Rousselot, Dornan, Anderson, Clawson, Hannaford, Lloyd, Pettis, Wiggins, Badham, Wilson, Burgener, McCloskey, Wilson.
Colorado: Armstrong.
Connecticut: None.
Delaware: Evans.
Florida: Sikes, Fuqua, Bennett, Chappell, Kelly, Young, Ireland, Frey, Bafalis, Burke.
Georgia: Ginn, Mathis, Flynt, McDonald, Evans, Jenkins, Barnard.
Hawaii: Akaka.
Idaho: Symms, Hansen.
Illinois: Murphy, Derwinski, Fary, Hyde, Collins, Crane, McClory, Corcoran, Michel, Madigan, Shipley, Price, Railsback.
Indiana: Benjamin, Quayle, Hillis, Evans, Myers.
Iowa: Leach, Grassley.
Kansas: Sebelius, Winn, Skubitz.
Kentucky: Hubbard, Snyder, Carter, Breckinridge, Mazzoli.
Louisiana: Livingston, Treen, Waggonner, Huckaby, Moore, Breaux.
Maine: Emery. Cohen.
Maryland: Bauman, Long, Holt, Byron.
Massachusetts: Heckler.
Michigan: Brown, Stockman, Sawyer, Vander Jagt, Cederberg, Broomfield, Dingell.
Minnesota: Quie, Hagedorn, Frenzel, Stangeland.
Mississippi: Whitten, Bowen, Montgomery, Cochran, Lott.
Missouri: Young, Skelton, Taylor, Ichord, Volkmer.
Montana: Marlenee.
Nebraska: Thone, Smith.
Nevada: None.
New Hampshire: Cleveland.
New Jersey: Hughes, Forsythe, Roe, Hollenbeck, Minish, Rinaldo, Le Fante, Patten.
New Mexico: Lujan, Runnels.
New York: Lent, Wydler, Biaggi, Zeferetti, Murphy, Caputo, Fish, Gilman, Stratton, McEwen, Mitchell, Walsh, Horton, Conable, Kemp.
North Carolina: Jones, Fountain, Whitley, Neal, Hefner, Martin, Broyhill, Gudger.
North Dakota: Andrews.
Ohio: Gradison, Luken, Guyer, Latta, Harsha, Brown, Kindness, Miller, Devine, Wylie, Regula, Ashbrook, Applegate, Oakar, Mottl.
Oklahoma: Risenhoover, Watkins, Edwards, English.
Oregon: Duncan.
Pennsylvania: Eilberg, Schulze, Yatron, Shuster, McDade, Flood, Walker, Ertel, Gaydos, Murphy.
Rhode Island: Beard, St Germain.
South Carolina: Davis, Spence, Holland, Jenrette.
South Dakota: Pressler, Abdnor.
Tennessee: Quillen, Duncan, Lloyd, Beard, Jones.
Texas: Hall, Wilson, Collins, Roberts, Teague, Archer, Young, White, Burleson, Gammage, Milford, Hightower.
Utah: Marriott.
Vermont: Jeffords.
Virginia: Trible, Whitehurst, Satterfield, Daniel, Daniel, Butler, Robinson, Wampler.
Washington: Pritchard, Cunningham.
West Virginia: Mollohan, Staggers, Slack, Rahall.
Wisconsin: Zablocki, Kasten.
Wyoming: None.
Puerto Rico: None.
District of Columbia: None.
Guam: Won Pat.
Virgin Islands: None.

[From Council for Inter-American Security, Special Report, December 1977]

PANAMA CANAL TREATY—EXECUTIVE POWER TO DISPOSE OF TERRITORY OF THE UNITED STATES WITHOUT LEGISLATIVE ACTION

ANALYSIS OF CASE LAW

In our immediately previous paper, it was pointed out that Mr. Hansell of the State Department had cited a number of decisions of the Supreme Court in support of the claimed Presidential power to dispose of territory by treaty without enabling legislation. It might be well to look at those cases in order to evaluate the validity of this novel claim to Executive "concurrent power".

The Indian Treaty Cases are cited by Hansell as "authoritative precedents for treaties with *foreign nations*." (emphasis added) It is conceivable that such an assertion is not wholly meretricious. It is not at all clear, however, how it contributes to the exploration at hand. There are four basic problems inherent in the citation of Indian Treaty Cases in support of broad Executive power to preempt the role of Congress in the expropriation of U.S. territory.

(1) Treaties with indigenous Indian Tribes have been barred by statute for over a century. The Law barring negotiation of such treaties by the President was an act of *legislative power*. Historically, the demise of Indian treaty power is a more cogent argument for the limitation of Executive power than for its expansion.

(2) All Indian Treaties presumed the United States as the sovereign granting various forms of title to the tribes. None of the Indian Treaties granted territorial sovereignty to them. None of the Indian Treaty Cases cited give solace to the claim of "concurrent power".

(3) All of the Indian Treaty citations serve but one purpose. They are cited for the proposition that the range of subjects to which the treaty power extends is limited only by the Constitution itself. That narrow point is conceded by everyone. It has no bearing on the issue of Executive power to expropriate U.S. territory, nor does it support a general claim to "concurrent power".

Mr. Hansell takes a major leap into non sequitur in his restatement of the scope of treaty powers. From the premise that treaties may deal with a wide variety of subjects, Hansell concludes that the Executive may conclude treaties which operate in place of legislation.

A case may be made for self-executing treaties, in some instances. It is, however, the very point in contention whether a treaty proposing expropriation of U.S. territory can operate to alienate the subject territory upon ratification alone. In logic, Hansell's proposition is called petitio principii, or circular reasoning. In politics, it has a less pleasant name.

Extracting the essence from the arcane language of the lawyer, Hansell does not cite a single Indian Treaty Case to the effect that the President has power to dispose of territory of the United States. *There are no such cases.*

(4) Even in the citation of Indian Treaty Cases in aid of a proposition over which there is no serious disagreement, as pointed out above, Hansell cites them in truncated form without distinguishing between the Court's decision and its opinion on rainfall and geometry. Lawyers call the Court's reasoning leading to its decision, together with the decision itself, the *holding* of the case. These "holdings" constitute the Eleusynian mysteries of which the profession is constructed. The remainder of the judicial prose is the *opinion* which may be instructive but is not binding.

Within an opinion, Courts often make statements of "law" not precisely on issues before the Court. These are called *obiter dicta*, side comments. The distinction between the "holding" and all other comment is essential to an appraisal of any argument, from case citations, made by a lawyer.

In every instance, Hansell cites "opinion" and "obiter dicta". In not one instance does he cite the "holding" of the cases upon which he relies to support his argument for expanded Executive power. In no Indian Treaty Case has the Supreme Court found that the Executive has the power to expropriate U.S. territory nor has it ever considered the question of Executive power to cede sovereignty in such cases. *Holden* v. *Joy*, discussed below, may be the sole exception and, as will be seen, that case was decided without reference to presidential power.

THE CASES THEMSELVES

Holden v. *Joy*, 17 Wall. 211 (1872), is given great prominence by Hansell, and nearly equal attention by Attorney General Bell in his written opinion on the same subject. Mr. Bell makes clear that the case suffers from the infirmities of being over "Indian Treaties" and questions of "title to real property". Both Bell and Hansell cite the case for the proposition that a treaty may dispose of property without an act of Congress.

The case "holds" that the transfer of property in question was *authorized by a prior act of Congress* in 1847. It does not support, in any way, an extension of Executive power. Both witnesses cite dicta from the case. Neither witness makes it clear that the Court is talking of transfer of title and not expropriation of sovereign claim. *Holden* v. *Joy* is offered in support of a position diametrically opposite to its holding.

Missouri v. *Holland*, 252 US 416 (1920), focuses on a conflict between federal treaty power and the police power of state government. It arises over a migratory bird treaty. There is not so much as an allusion, in the case, to the conflict between Executive and Congressional authority, nor did the treaty in question attempt to expropriate territory of the United States. For the purposes of the Hansell/Bell thesis of Executive Power, this case merely fills up paper.

Asakura v. *Seattle*, 265 US 332 (1924), focuses on a conflict between the federal treaty power and the ordinance power of a city. The question was whether a Seattle ordinance making citizenship a prerequisite for a pawnbroker's license was valid in the face of a Treaty with Japan giving its citizens certain rights in the U.S. while remaining aliens. The Court found that the Treaty overrode the local ordinance on the dual grounds that (1) the treaty was the law of the land, and (2) alien and nationality matters were within the control of the federal government to the exclusion of any other government unit.

Neither Hansell, nor Bell, mention what *Asakura* was about, nor do they quote from the opinion or holding. Hansell cites the case in a footnote for its support of disposition of public land and other property by

treaty alone. Of course, the case does not support such a proposition.

Bell cites the case for an even more alarming proposition: "when a treaty purports to do so, it acts *ex proprio vigore*, without the aid of legislation, and is effective for all purposes, provided it does nothing that is forbidden by the Constitution." (Bell opinion, page 10) Bell then goes on to argue that the President has "concurrent power" to dispose of U.S. territory by treaty, without an act of Congress. Like Hansell, Bell cites a group of cases in support of that position. With considerably more candor than Hansell, he adds, "I do not hold that these cases provide a sufficient answer to the question you (Hansell) have raised." They all involved Indian treaties and questions of "title" to real property. Bell relies principally on *Holden* v. *Joy*, supra, and quotes, of course, from the dicta of the case.

Bell cites a case independent of Hansell; *United States* v. *The Schooner Peggy*, 1 Cranch 103 (1801). Bell makes it stand for the proposition that the President can, by Treaty, invade the legislative arena. During the undeclared naval war with France, American ship Trumbull, acting under a presidential commission, issued pursuant to Congressional authorization, captured the French ship Peggy. A proceeding was instituted against the Peggy as a prize of war. Prior to a final determination, a treaty was entered with France which provided that any ship, not yet definitely condemned, be returned to its nation of origin. When the case got to the Supreme Court, it found (according to Bell) that the Treaty overrode the statute.

"The Constitution . . . Analysis and Interpretation" prepared by the Congressional Research Service (Senate Document 92–82) disposes of the case in a footnote at page 391 (Note 18), *"United States* v. *Schooner Peggy*. applied a treaty into subsequent to enactment of a statute abrogating all treaties then in effect between the United States and France, so that it is inaccurate to refer to the treaty as superceding a prior statute."

Of similar merit is the citation by Bell of the case *Geofroy* v. *Riggs*, 133 US 258 (1890). Without stating the holding, Bell cites it as authority for the proposition that all treaties which do not violate the Constitution are self-executing. The case involved an estate and turned upon what civil law was in effect in Maryland at the beginning of the 19th Century. A treaty affected that part of Maryland ceded to the United States as the District of Columbia, and the Court decided the question of applicable law by giving effect to the treaty. Upon this slender reed does "concurrent power" depend in Mr. Bell's view.

In addition to Bell's arguments, it must be remembered that there are two Bell positions. The first is a written opinion delivered to the Senate by Hansell on July 29, 1977, as an addendum to his own testimony before the Judiciary Committee. In that opinion, Bell disclaims any attempt to pass on the "concurrent powers" issue as it affected the proposed Panama Canal Treaties.

In his own appearance before the Senate Foreign Relations Committee on September 29, 1977, the Attorney General had "clarified" his position so that it was then in complete harmony with the position of Hansell and the Department of State supporting the power of the President to expropriate the Canal and Zone without legislative enactment.

In his personal appearance, Bell dropped all independent legal citation and relies on the same cases as cited by Hansell. Bell's major contribution is an historical statement with which some scholars might disagree. "It is recognized that under these provisions (of the 1903 treaty) the Republic of Panama retained titular sovereignty over the Canal Zone." He does not say who recognizes that alleged fact.

In fairness, it must be noted that in his opinion of July 29 and in his September testimony, Attorney General Bell consistently limits his own case. He makes a general point of the fact of self-executing treaties, and then carefully points out that they generally concern customs inspection and trademarks.

The Attorney General is peculiarly reluctant to use the Hansell catch-phrase, "concurrent powers", preferring the expression "self-executing treaties". Perhaps he sees the problem of preemption, discussed elsewhere in this paper, and seeks to avoid facing the implications of a self-executing treaty expropriating the Canal and Zone.

Santovicenzo v. *Egan*. This case questioned the right of a foreign government to receive a decedent estate and focused on the issue of a federal treaty versus a state statute on descent and distribution. No Congressional enactment was involved; no contest between Executive and Legislative power was involved.

Reid v. *Covert*. The question was whether the wife of a U.S. serviceman could be tried for his murder by court-martial or whether she could only be tried by a civilian court. The holding of the case was that no Executive Agreement with a foreign power could deprive an American citizen of his constitutionally protected rights. This case cannot be correctly cited to support expansion of Executive power.

Finally, running through all the citations, through all the argument, through all the comment of both the State Department and Justice is a euphemism deserving of comment. The phrase "concurrent powers" appears to mean one thing, but means quite another.

It appears to imply a sharing of power between the Executive and Legislature. It means, however, the exercise of that power by the Executive to the *exclusion* of Congress. It denotes a *preemption* of power by the Executive to the exclusion of the legislative function.

The reason that this, in the context of the proposed Treaties, is so dangerous, is that Congress has acted first and in emphatic terms on the legal status of the Canal Zone for seventy years. It authorized, prior to the acquisition of the Zone, treaty negotiations for the *permanent acquisition* of land. Congress has since enacted a plethora of legislation treating the Zone as American territory over which it has exercised sovereignty. Congress has established Courts, enacted civil and criminal codes; provided for defense; appropriated money for the maintenance and operation of both the Zone and the Canal.

In the plainest terms, for seventy years the Congress has exercised legislative power over the Canal and the Zone. If ever there were such a concept as "concurrent powers", Congress has consistently preempted those powers without claim by any American President to a competing authority.

The present claim by the Executive to "concurrent powers" cannot mean merely "concurrent" and is not merely preemptive with respect to the Canal and Zone.

It must mean that the President is claiming the power to enter a field in which Congress has definitely acted and by a mere claim of "concurrent power" abrogate Congressional power and repeal an entire statutory structure which has been built up over seventy years. Neither Hansell nor the Attorney General has provided an argument or citation for such an unprecedented expansion of presidential power. Nor indeed could they, since, plainly, none exists.

The extraordinary claim of presidential power not concurrent with, but superceding that of Congress may be a more important issue than the one from which it arises. The preservation of control over territory is the ultimate act of sovereignty; if the President can treaty it away without Legislative authority, then he can treaty into place almost any "legislative" act he chooses. Ordinary citizens will hope, provided they understand the issue, that the Senate will not permit this question to be resolved in terms of the traditional jealousy between the two chambers.

The Congress as a whole, as the Legislative Branch of government, cannot accept application of this novel doctrine with respect to the proposed Treaties regardless of how its rejection affects them. If the House cannot, for political reasons, adopt a statute of alienation with respect to the Zone, the Treaties will fail. But that will have been a reflection of the will of the people. One may speculate on the consequences but hardly on the appropriateness of the people of a "democracy" effecting its policy.

If one reads the testimony of Hansell and Bell in the light of their true claim to superceding power, their Constitutional argument that the President and Congress share equal power in the matter of territorial disposition becomes untenable. The Congress, one of the two holders of the averred "concurrent powers," has already acted decisively on Canal questions. If the "concurrent powers" can be exercised successively by either holder, our orderly form of government will be reduced to a shambles. It will become a "race to the courthouse" as the lawyers' saying goes.

So too, disappear the Hansell and Bell claims to judicial precedent. However tenuous and tendentious we may have seen them to be, they relied on "concurrent", not "competing" claims to power.

It would seem, from the mouths of the witnesses, that transfer of the Canal Zone to the Republic of Panama by Treaty alone would be a direct violation of the legislative power of Congress and would create a precedent with which succeeding Congresses might find it difficult to live.

In conclusion, it must be said that there is no basis in Constitutional interpretation or in the historic motivations for the design of the Constitution upon which to rest a claim to broad Presidential powers invading the legislative domain. Quite the contrary. The separation of powers is almost legendary as a device to restrict the powers of government, at least to restrict the powers of any branch of government. To suggest that there is a legitimate construction of the Constitution which amalgamates the separated powers in the Executive is to deny the very foundation of the nation.

● Mr. ROUSSELOT. Mr. Speaker, today I want to talk about the cost of the Panama Canal treaties to the American taxpaver. The administration has suggested that these costs are minimal and will be paid out of the canal's "operating revenues." A more careful analysis, however, reveals that they are very substantial and much of the burden will be borne by the taxpayer. Not only are we giving away a valuable strategic and economic asset, but we are actually paying to give it away. Let me just describe these costs.

Article III calls on the United States to pay the Republic of Panama $10,000,000 annually for such services as police, fire, and garbage collection with regular upward adjustments for "inflation and other relevant factors." This $10,000,000 would be underwritten by the American taxpayer regardless of the actual value of those services.

Article XIII calls on the United States to pay a fixed annuity of $10,000,000 drawn from canal operating revenues. Under article XIII the United States must also pay 30 cents per commercial

net ton transiting the canal, that amount to be adjusted upward with changes in the Wholesale Price Index. These payments are to be made as "a just and equitable return on the natural resources which (Panama) had dedicated to the efficient management, operation, maintenance, and protection of the canal." Panama, of course, pays nothing for these services. Moreover, when the Canal Company's capital reserve fund—which in recent years has absorbed the canal's operating deficit—is exhausted, it will be up to Congress to pick up the tab with American tax dollars.

Finally, the United States is required to pay to Panama an annual sum of up to $10,000,000, to be paid out of canal operating revenues, to the extent that such revenues exceed expenditures. With this clause they have us coming and going.

In addition, the treaty requires the United States to turn the canal over to Panama free of all liens and debts. Should operations continue to run in the red—as they most probably will—the United States could owe Panama $230,000,000 by 1999. This burden, too, would ultimately have to be borne by the American people.

If we add these figures, it appears that these treaties could cost the United States upwards of $70,000,000 annually—$10,000,000 for services, $10,000,000 annuity, approximately $40,000,000 per year tonnage, and $10,000,000 override on revenues—for giving away the canal. Toll revenues can be expected to cover only a marginal portion of such payments, because the canal is now running at a deficit. Even covering the current deficit would require a 40-percent increase in tolls and this does not include the cost of payments required under the treaty.

These treaties entail a number of hidden costs as well. There is the cost to the taxpayer of paying the Panamanian members of the Panama Canal Commission, who would be employees of the United States, as well as the bureaucracy established under the Commission. Also, transition of control to Panama will almost certainly result in higher tolls and thus increased costs for every commodity that passes through the canal. This is particularly significant since 70 percent of the cargo transiting the canal originates or terminates in American ports. The burden of these general price increases will, again, come out of our pockets.

If we look at these costs in the aggregate, spread over a 19-year period with specified adjustments for inflation, including other costs attendant to the treaty—such as replacement cost of the canal itself, loss of interest paid to the United States by the Panama Canal Company, transfer of Canal Zone improvements, and the cost of pending capital improvements—we come to the staggering figure of over $8,000,000,000 total cost of these proposed treaties with Panama. That is no small sum. It is a sum which the Carter administration does not like to talk about. I must ask my fellow Members here, is not $8,000,000,000 enough to justify the consideration of these treaties by the House of Representatives, which is ultimately responsible for the fiscal affairs of this Government? I surely believe it is, Mr. Speaker, and I am equally certain that my constituents, and those of every Member here, would fully agree. Mr. Speaker, fellow Members, these treaties must receive the full consideration of this body if we are to effectively discharge our constitutional duties as Members of the House of Representatives.●

● Mr. McDONALD. Mr. Speaker, I am very concerned that the Panama Canal treaties do not contain a provision to require the House of Representatives to decide the transfer of U.S. property and territory in the Canal Zone to the Republic of Panama. The Constitution of the United States, in article IV, section 3, clause 2, states that Congress has the power to dispose of Federal territory overseas. That section reads:

> The Congress shall have the power to dispose of and make all peaceful Rules and Regulations respecting the Territory or other Property belonging to the United States.

The Supreme Court has ruled on many occasions in the past that the power of Congress as a bicameral unit alone is exclusive in this regard. While the present Attorney General, Secretary of State Vance and others in the executive branch of the Government have expressed a different opinion, this reflects on the balance of power which exists between the several branches of Government, and not necessarily on the historic and objective merits of the case.

I believe, Mr. Speaker, that the historic record on this question is quite obvious. A brief recounting of this record will bear out my contention that the House has not only a right but an obligation to assent to the transfer of American property.

During the past several years, especially since the end of the Vietnam war, many Members of the House of Representatives have made a commitment to strengthen the role of Congress in shaping the direction of U.S. foreign policy. Amendments have been passed on the floor which have affected the amount and nature of U.S. foreign assistance, both economic and military. The defense budget has been scrutinized by congressional committees, and Members are becoming more interested in, and are taking a more direct hand in, the future of U.S. military policy.

All of this indicates a renewal of congressional prerogatives in foreign policy issues. The Framers of the Constitution intended a balance between the executive and legislative so that no single branch would become all powerful. The so-called imperial Presidency is hopefully behind us, and there is no better sign of this than the current resolution, signed by 230 Representatives, which reasserts the role of the House in the Panama treaty vote. I support this measure. For nearly two centuries Members of the House of Representatives have participated in the disposition of American property abroad. A brief look at this record will indicate why the present treaties, also, should require a House vote.

In 1816, a conference disagreement on a bill concerning the regulation of commerce between Great Britain and the United States was resolved by a report which acknowledged the legitimate role of the House to cede territory. In part, this report stated:

> . . . the necessity of legislative enactment to carry into execution all treaties which contain stipulations requiring appropriations, or which might bind the nation to lay taxes, to raise armies, to support navies, to grant subsidies, to create States, or to cede territory; if indeed this power exists in the government at all.

In 1845, a joint resolution admitted Texas into the Union and was approved by the President. This measure was, in fact, introduced in the House after a previous annexation treaty had been rejected. In 1898, annexed by an identical process.

In 1868, a House Foreign Affairs Committee reported on a proposed treaty with Russia. The report stated that the House had the right to determine the treaty-making authority of the United States by legislation which could directly affect the nature of the treaty. In particular, the report noted that—

> The House would be justified in such action in regard to any treaty which should change the character of the government; bring into the Union and confer political powers upon large populations incapable of self-government, whose participation in its affairs would imperil our institutions and endanger the peace and safety of the people; which should alienate territory, surrender political power to any other government . . .

More specifically with each disposal of territory in the Canal Zone the executive branch has sought the consent of the House or at least conceded that implementing legislation was necessary. In 1942, for example, the chairman of the Senate Foreign Relations Committee made the following comments during a debate over cession of Canal Zone Territory to Panama:

> Mr. President, I am and have been and in the future shall continue to be ardent in my maintenance of the integrity and the rights of the Senate of the United States in all its proper functions as a branch of the Government; but the matter covered by the joint resolution has to be passed by the Congress sooner or later in some form, for the simple reason that under the Constitution of the United States, Congress alone can vest title to property which belongs to the United States. The Constitution itself confers on Congress specific authority to transfer territory or lands belonging to the United States. So if we had a formal treaty before us and if it should be ratified, it still would be necessary for the Congress to pass an act vesting in the Republic of Panama the title to the particular tracts of land; because "the Congress" means both bodies. The House of Representatives has a right to a voice as to whether any transfer of real estate or other property shall be made either under treaty or otherwise. 88 Cong. Rec. at 9267.

In conclusion, Mr. Speaker, I believe that history has consistently upheld the right and the duty of the House of Representatives to vote on the disposition of U.S. property abroad. No subtly woven and misleading argument, such as the one advanced by the Department of State, can change the obvious and compelling historic record on this issue. There is no reason, furthermore, why the present situation is any different, Democratic rhetoric to the contrary. I believe that, regardless of one's views of the

canal treaties, the constitutional and historic precedents far outweigh whatever temporal advantages might accrue to those who still wish to bypass this Chamber in the implementation of its legal duty.●

GENERAL LEAVE

Mr. HANSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order for today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

FAMILY FARM FINANCING ACT

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

● Mr. NOLAN. Mr. Speaker, today I introduce the Family Farm Financing Act of 1978. During the past several years, the opportunities for new farmers to enter agriculture have been substantially reduced. Escalating land costs prevent new farmers from purchasing land and low farm income makes it difficult for them to continue farming.

The Family Farm Financing Act is geared to the needs of new farmers. This bill establishes a pilot program, to be offered in 30 counties throughout the country, which authorizes the Farmers Home Administration (FmHA) to purchase farms and ranches and to lease and sell family farm-size units to qualified individuals.

The farms will be leased from 2 to 5 years, during which period the lessee will pay an annual rent which equals local real estate and other taxes, plus an additional amount determined to be fair by the Secretary of Agriculture. During periods of low farm income, or in the event of production shortfalls, the Secretary may reduce the annual rent.

After 1 year has passed, lessees may elect to purchase the farms they are renting. If FmHA determines that such lessees will be able to successfully manage their operations, the farms will be sold to lessees for an amount equal to the purchase price initially paid to FmHA, or an amount equaling 75 percent of the current fair market value, whichever is greater.

For lessees unable to obtain land purchase loans from commercial lenders, this act authorizes FmHA to provide long-term land purchase loans with interest rates at cost of money to the Government. Penalties are established for those lessees who purchase farms but do not hold them for at least 10 years.

The Family Farm Financing Act also establishes a Family Farm and Ranch Council composed of six active farmers and six other persons from rural areas. The council will advise the Secretary of Agriculture regarding: One, administration of the pilot program; two, determination of qualifications for applicants under this program; and three, final recommendations concerning whether the program should be extended beyond the 5-year period authorized by this act.

The Family Farm Financing Act will make it possible to reverse the trend toward concentration of agricultural production in the hands of fewer and larger producers by making it economically feasible for new farmers to enter agriculture and to continue farming. The Family Farm Financing Act thus will serve as a vital step toward strengthening family farming, rural communities, and the Nation's economy.●

TRIBUTE TO GEN. DANIEL "CHAPPIE" JAMES, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 5 minutes.

● Mr. STOKES. Mr. Speaker, I commend the gentleman from Florida (Mr. SIKES), for taking out a special order on the passing of the distinguished four-star Gen. Daniel "Chappie" James. It is with a heavy heart and a deep sense of loss that I come before you today to express my feelings on the death of this outstanding military leader. Chappie James was the first black person in this Nation to rise to the rank of four-star general. Mr. Speaker, to reach the upper echelons of the military hierarchy takes unusual effort and commitment. The fact that Chappie James did so during a period in American history when blacks were discriminated against and denied equal access and opportunity makes the late general's life and career all the more extraordinary.

Many of my colleagues and I were stunned at General James' death. A few short weeks ago, he retired from active military duty in the Air Force with plans to remain active in civilian life. At the time of his retirement, he recounted events from his career in the service and spoke with candor of the blatant discrimination in the Armed Forces during World War II and the postwar period. Mr. Speaker, I would like to commend to you an article which appeared in the January 26 edition of the Cleveland Plain Dealer on the general's retirement:

MILITARY IS COLOR BLIND

WASHINGTON.—Daniel (Chappie) James Jr., the nation's first black four-star general, ends a 34-year military career today that began in World War II, when blacks lived in segregated barracks and served in Jim Crow units.

At a Pentagon press conference yesterday, James combined acrid reminiscences about past indignities with a defense of today's military race relations, which he said contain "less racism than any other segment of society."

"There are young officers, and some not so young, that cannot remember when we had separate barracks, separate facilities and separate clubs," said James, who entered what was then the Army Air Corps in 1943 and once was arrested for participating in a demonstration against segregation.

"Even when you went into combat, there was the same segregation," he said. "There were black tents where the black people slept and white tents where the white people slept. The bullets weren't marked that way, though."

But James, 57, said he prefers to think of the progress in race relations in the military services made during his career.

He said that as a youth, he and his brothers and cousins used to watch newsreels of the parade of midshipmen and cadets that preceded Army-Navy football games.

"We would watch very close to see the black one," James said. "We didn't even look at the Navy, because they didn't have any. But if you looked real close at the Army, you could see the black face flash by.

"Now, it looks like a checkerboard," he added.

James, who is retiring several months early because of a heart condition, denied reports that he was being forced into retirement because he objected to a proposed reorganization of the North American Air Defense Command.

Mr. Speaker, General James was buried yesterday in Arlington Cemetery with all of the military pageantry befitting high position. On this occasion, I would like to ask my colleagues to join with me in extending our deepest sympathy and respects to the James family. A great American and brave soldier has gone to his final rest. Yet his name and his deeds will remain indelibly etched across the annals of this Nation's history.●

FULL FAITH AND CREDIT FOR CHILD CUSTODY DECREES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Moss) is recognized for 5 minutes.

● Mr. MOSS. Mr. Speaker, today I am reintroducing legislation pertaining to the enforcement of child custody decrees.

The original bill, H.R. 988, was introduced by me on January 4, 1977. The bill I am introducing today is identical to that bill except for the addition of one clause which I believe serves to cover a situation which may arise in the midst of an unfriendly custody battle between spouses.

The legislation itself is aimed at eliminating some of the procedural difficulties surrounding the problem of conflicting child custody decrees. The failure of individual States to give full faith and credit to the child custody decrees of a sister State has led to a situation where a parent who is denied custody in one State may decide to snatch the child and retry the question of custody in another State.

Needless to say, this has created heartbreaking cases of family disruption, to say nothing of the damaging effects which such a wrenching experience may have on the children caught in the middle. The numerous phone calls and letters which I have received since I became involved with this issue has convinced me that the practice is more widespread than many of us originally realized. Furthermore, inquiries and phone calls from other Members' offices have shown that it is a problem with which many of you are all too familiar.

My bill simply would require that the initial State's custody decree be granted full faith and credit by subsequent States, unless the original court declines to exercise its jurisdiction. Respect by the courts for the custody decrees of sister States will reduce the incentive for parents to abscond with their children in search of a more friendly jurisdiction.

I have added an exception clause which does allow a court to deny full faith and credit to a custody decree of another jurisdiction in certain very limited circumstances. This exception will permit a court to deny full faith and credit to a decree which was obtained by a parent or other person who removed the child to a second jurisdiction while custody proceedings were pending in the initial State.

Mr. Speaker, I believe the time has come to do something about the problem of parental child snatching and I believe that this legislation is a step in that direction. I am hopeful that hearings will be held on the legislation this spring and that it can move expeditiously to the floor of the House.●

SOCIAL SECURITY FINANCING PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts, (Mr. BURKE) is recognized for 5 minutes.

● Mr. BURKE of Massachusetts. Mr. Speaker, the House is witnessing the growing momentum of the social security one-third social security financing proposal. Every day more and more national organizations endorse my legislation, H.R. 10668, putting the Congress on notice that the working, taxpaying and retired citizenry are demanding lower social security taxes, more jobs and a truly secure, rational national insurance system.

Today the consumers have joined with me in the fight to enact this long-standing, eminently reasonable proposal. I would like to include for the RECORD the unqualified endorsement for H.R. 10668 of the Consumer Federation of America. The Consumer Federation is a coalition of 225 national, State, and local nonprofit organizations representing 30 million consumers througout the United States.

Mr. Speaker, 30 million active and perceptive consumers fully realize that the exorbitant social security tax—a tax on labor—will substantially increase the costs of housing, clothing, food, transportation, and virtually every manufacturing product made in the United States. The social security tax has a double-barreled impact on every consumer in the Nation. First, it lowers the real wages of every working individual. Economists routinely report that social security taxes depress wage levels. Second, the tax is a cost of doing business that the employer often passes on to the consumer in the form of higher prices. The effect of the steadily rising payroll tax will ripple throughout our increasingly indexed economy. There can be no ignoring the inflationary implications, either.

Lower wages, higher prices, higher taxes, and further rounds of inflation—Mr. Speaker these are the ingredients of a political time bomb, the explosion of which will signal a long-simmering taxpayer revolt. Today's consumer is intelligent, advised, and politically astute. The Consumer Federation of America, with its approximately 30-million-member constituency, has had enough of this vicious cycle. Enough is enough. I wholeheartedly embrace their support for my legislation. One hundred fifty Members of this body share their concern. To those who have not joined in cosponsorship I ask that they look at the Consumer Federation's statement. The AFL–CIO, the National Council of Senior Citizens, the American Association of Retired Persons, the National Senior Citizens Law Center, the United Auto Workers, the ILGWU, and the National Farmers Union all have endorsed the general revenue concept.

The statement of the Consumer Federation follows:

CONSUMER FEDERATION OF AMERICA,
Washington, D.C., March 3, 1978.

Hon. JAMES BURKE,
Chairman, Subcommittee on Social Security, House Office Building, Washington, D.C.

DEAR REPRESENTATIVE BURKE: Consumer Federation of America is a federation of 225 national, state and local non-profit organizations that have joined together to espouse the consumer viewpoint. CFA and its member organizations represent more than 30 million consumers throughout the United States. Among our members are: 53 state and local consumer organizations; 17 cooperatives and credit union leagues; 66 rural electric cooperatives; 27 national and regional organizations ranging from the National Board of the YWCA to the National Education Association; and 16 national labor organizations. CFA endorses H.R. 10668, to finance the Social Security System through a one-third contribution from general tax revenues, with the balance from the traditional payroll tax.

At our recent annual meeting on January 21, 1978, CFA's membership unanimously endorsed the following resolution:

We urge the Social Security Administration and the Congress to take immediate action to assure the financial solvency of the Social Security System. In addition, CFA supports legislation that would reform the regressive social security taxation system through partial funding of the Social Security System from general tax revenues and consequently reduce current Social Security tax rates.

Sincerely,

KATHLEEN F. O'REILLY,
Executive Director.●

PERSONAL EXPLANATION

(Mr. GILMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. GILMAN. Mr. Speaker, on Friday, March 3, 1978, I was granted a leave of absence to participate in hearings in Florida conducted by the Subcommittee on Census and Population of the House Committee on Post Office and Civil Service. I thus missed the legislative session for that day. Had I been present, I would have voted in the following manner: House Resolution 957, providing funds for the Committee on Veterans' Affairs, rollcall No. 100, "yes;" House Resolution 953, providing funds for the Committee on the District of Columbia, rollcall No. 101 "yes;" and House Resolution 1012, providing funds for the Committee on Rules, rollcall No. 102, "yes."●

GOVERNOR THOMSON SPEAKS ON THE PANAMA CANAL TREATY

(Mr. SYMMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SYMMS. Mr. Speaker, the distinguished Governor of the State of New Hampshire, Meldrim Thomson, spoke on February 21 in the Canal Zone on the subject of the proposed Panama Canal treaties now under consideration by the Senate. On February 22 he gave a similar address to the Texas Society, Sons of the American Revolution, in Houston.

I commend Governor Thomson's remarks to my colleagues in Congress:

THE GIVEAWAY OF AMERICAN FREEDOM AT THE CANAL

(By Gov. Meldrim Thomson, Jr.)

The proposed giveaway of the American Canal in Panama involves much more than the relinquishment of United States sovereignty over a small piece of real estate containing one of four major water routes of the world.

At stake is the giveaway of American Freedom, promoted at best by starry-eyed liberals and egotistical bumbleheads and at worst by a Communist conspiracy.

It is bad enough, however, for us to consider the giveaway of our precious canal, a property into which for 74 years we Americans have invested more than $7 billion, but to then pledge to a Communist dictatorship the credit of the next generation of Americans to pay to Panama billions more, would be an act of irresponsible cowardice that smells of treason.

MASSIVE DECEPTION

While the debate over the canal issue has raged across America during recent months our countrymen have been subjected to a massive blitz of propaganda, much of it supported by hapless American taxpayers.

The canal deception has been led by the White House maestro, orchestrated by the State Department, and harmonized by the boom-boom boys Linowitz and Bunker.

On October 6, 1976, then candidate Jimmy Carter, in a debate with President Ford, was asked by Pauline Frederick, "would you as president be prepared to sign a treaty which at a fixed date yielded administrative and economic control of the canal zone and shared defense?

To this question Candidate Carter responded, "I would never give up complete control or practical control of the Panama Canal Zone."

Yet the proposed treaties that now have the enthusiastic support of President Carter would give up both complete and practical support of the canal by the year 2000, if not sooner!

Small wonder the American public is losing faith in "Trust-me Carter"!

Last Saturday the President spoke before a handpicked audience of New Hampshire students.

In response to a question about the canal issue the President said, "We have never had sovereignty over the Panama Canal Zone itself. This has always been under the sovereignty of Panama. We have paid them rent

on a monthly basis every year from the very beginning."

A. THE SOVEREIGNTY ISSUE

To make a valid case for the treaties the administration had to first deny the sovereign right of the United States to the Canal Zone in perpetuity.

The President and that unAmerican institution, the Department of State, have tried desperately but unsuccessfully to brainwash the American public on this Canal problem.

On the vital issue of the canal the Department of State has so frequently kneaded, stretched and distorted the truth that few Americans will now believe department personnel on a stack of bibles.

Nothing could so effectively set America on that high road of destiny envisioned by our patriotic Founding Fathers than for Congress to abolish the State Department—yes, and send those world meddlers out to hard work.

If we must have a department let it be manned by patriots who will put America first in all things—recognize that communism is a deadly scourge that must be defeated if the American way of life is to survive and who can be counted on to hold fast to every inch of our sovereign territory, including our American Canal in Panama.

In a little green propaganda pamphlet of half truths and falsifications issued by the State Department, we are told "legally the zone has always remained Panamanian territory and the United States has never had sovereignty over it, merely treaty rights within it."

The case in support of our sovereign right to the Canal Zone in perpetuity is spelled out clearly in Article III of the 1903 Treaty as being "to the entire exclusion of the exercise by the Republic of Panama of such sovereign rights, power or authority."

In view of that language, how indeed can President Carter or anyone else contend that the Canal Zone has always been under the sovereignty of Panama!

The evidence and authorities in support of ownership of the canal are overwhelming.

That great American statesman, Charles Evans Hughes, for whom Kissinger and Vance would be poor briefcase boys, in speaking of America's right to the Canal, suggested in 1923 that it was "unthinkable that any American President or Secretary of State would ever surrender any part of the rights which the United States has acquired under the Treaty of 1903."

In a note to the Governor of the Canal Zone on May 25, 1904, Panama itself recognized that its jurisdiction over the Canal Zone had ceased.

The Star and Herald in Panama on November 20, 1903 carried a Washington release that the treaty awarded absolute sovereignty over the canal strip to the United States.

The U.S. Supreme Court in 1907 construed the 1903 Treaty as having ceded title over the Canal Zone to the United States. The position of the Court on this issue was re-affirmed in 1972.

In an address given in Panama by President Taft in 1910 he said, "we are here to construct, maintain, operate, and defend a world canal, which runs through the heart of your country, and you have given us the necessary sovereignty and jurisdiction over the part of your country occupied by that canal to enable us to do this effectively."

It was not until 1974 that United States officials led by Kissinger in his eight point outline for a giveaway treaty, agreed upon by Foreign Minister Juan Tack, suggested for the first time that the United States did not have sovereignty over the canal.

My, how this administration and its craven Department of State have sought to delude the American public on this basic issue of sovereignty over the Canal Zone!

The first of this month the President in his fireside chat reiterated the inaccurate line—as though repetition would establish fact—"we do not own the Panama Canal Zone—we have never had sovereignty over it."

Then, in a brazen attempt to distort history and in a desperate effort to persuade the American citizens to go along with the sorrowful giveaway of the canal, the President suggested that if Teddy Roosevelt were alive today that he would endorse the treaties.

B. TEDDY ROOSEVELT

Such fantasy would suggest that there has been too much heat at the White House fireside and that it has affected some of those nearest to the hearth.

In a recent column by that excellent author John D. Loftin, Jr., the canard on history by President Carter was effectively refuted.

Teddy was greatly agitated by President Wilson's attempt to assuage the miffed feelings of Colombia at the loss of Panama and had recommended by means of the Thomson-Urrutia Treaty of 1914 that America give Colombia $25 million.

Teddy called the $25 million payment to Colombia, which was subsequently ratified by our Senate, "belated blackmail."

"Every action we took," said former President Theodore Roosevelt, "was in accordance with the highest principles of national, international, and private morality."

Now that is some different than the diplomatic bunk that this administration is spewing across the land about our taking advantage of Panama.

Teddy also said:

"The Canal could not have been built, it would not have begun, had our government not acted precisely as it did act in 1903.

"No action ever taken by our government, in dealing with any foreign power since the days of the Revolution, was more vitally necessary to the well-being of our people, and no action we ever took was taken with a higher regard for the standards of honor, or courage, and of efficiency."

What a travesty on history that President Carter would try to suggest that the great Teddy Roosevelt would endorse those miserable giveaway treaties!

If there were one characteristic of Teddy Roosevelt that would apply to the current Canal debate, it would be his deep concern for the national security if the treaties were ratified.

We need only read of his violent opposition to the proposed Hay-Paunceforte Treaty of 1900 when he was Governor of New York.

That proposed treaty, which due largely to Roosevelt's opposition failed ratification, contained language almost identical to that now in the Neutrality Treaty now being debated in the U.S. Senate today.

The language I refer to states:

"That both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality."

This provision in the proposed treaty would prevent us from closing the Canal to our enemies in time of war, as we have done in the past.

The language of the Hay-Paunceforte proposed treaty of 1900 referring to the possibility that the United States might construct and operate a canal across the Isthmus, stated that the canal "was to be free and open in time of war as in time of peace, to vessels of commerce and of war of all nations, on terms of entire equality."

An indignant Gov. Teddy Roosevelt said of this provision 78 years ago, "I do not see why we should dig a canal if we are not to fortify it so as to insure its being used for ourselves and against our foes in time of war."

And in the next breath he said, "If that canal is open to the war ships of an enemy, it is a menace to us in time of war."

Were Teddy Roosevelt with us today he would never endorse the proposed treaties in their present form—or in any conceivable amendable form.

Instead, he would be at the political jugular vein of Mr. Carter.

C. HUMAN RIGHTS

President Carter has raised a loud hue and cry in international circles about human rights.

If he has made one impression on the American people in the first year of his lackluster, inconsistent, and confusing administration, it is the hypocrisy of his human rights position.

There are no human rights in Cuba and yet the Carter administration contemplates normalizing relations with the Red despot Castro from whose bastion Russian bombers fly and from whose pig base Russian nuclear subs slither through the Caribbean.

And in Jamaica the last vestiges of human rights are vanishing and yet the Carter administration is, with the help of that "superb leader," as the President describes Ambassador Andrew Young, planning to turn over to Manley millions of dollars extracted from American taxpayers.

In his inaugural address a year ago Carter said, "Our moral sense dictates a clear-cut preference for those societies which share with us an abiding respect for individual human rights."

In his address to the United Nations last March Carter said, "The search for peace and justice means also respect for human dignity * * *"

"No member of the United Nations can claim that mistreatment of its citizens is solely its own business.

"Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation of freedom occurs in any part of the world."

These are beautiful, brave words which, based upon Carter's actions in embracing the Torrijos regime, make a mockery of true human rights.

There are no human rights in Panama today. There will be none in the zone tomorrow if the treaties are ratified.

Omar Torrijos catapulted to absolute power in October, 1968 after a military coup ousted the duly elected President, Dr. Arnulfo Arras, after only 11 days in office.

Since then there have been no free elections in Panama. There is no free press there and no right to habeas corpus.

Torture, exile, expropriation of property and intimidation of American citizens (Zonians as well as continentals) and non-conforming Panamanians, are common responses of the Torrijos administration to those who oppose the dictator's regime.

Antony Keith Pooré, David Mendelson, William Drummond and countless others have all felt the hot sting of the Guardia National.

But what has President Carter, Cy Vance, or their gutless sycophants of the Department of State had to say about the deprivation of the human rights of these individuals by the Torrijos dictatorship?

Not a word of support! Not a murmur in the defense of these beaten and harassed men!

Instead, an inquirer into these matters is fed a steady stream of evasion, equivocation and denial by State Department minions.

Why can't the State Department just once come to the aid of loyal and law-abiding American citizens?

How different it was almost two centuries ago when Charles Cotesworth Pinckney of South Carolina told the French, "millions for defense but not a damn cent in tribute."

And how different it was at the turn of this century when the naturalized citizen Perdicarius and his son-in-law were kidnapped by the Moroccan bandit Risoulo and held for a ransom. John Hay, our courageous and all-American Secretary of State at that time shot a wire off to the Moroccan leader "Perdicarius alive or Risoulo Dead!"

In two days Perdicarius and his son-in-law were freed!

The State Department during this critical period of its attempt to frighten, cajole and pressure senators into ratifying the treaties, quite obviously plans to keep the lid on the gross violation of human rights that go on almost daily in Panama.

The giveaway boys of the State Department have no time to bother about human rights today. They are too busy plugging with false information for the treaties that will eventually throw more Americans into the torture chambers of Torrijos.

D. NATIONAL SECURITY

Advocates of the treaties have emphasized how many military personnel believe that the proposed treaties will adequately protect our national security. With few exceptions they mention only those who are beholden to the administration for their jobs.

Since the General Singlaub incident we all know that the President keeps a headlock on the military.

Only the other day we learned that the White House wanted to pollute our great and independent National Guard by having them politicize in favor of the treaties.

We must look to our retired officers and to the more than five million organized veterans for the most accurate, knowledgeable and honest appraisal of the importance of the canal to our national security.

To date more than 350 retired admirals and generals have indicated their strong opposition to the treaties.

Several months ago four retired admirals each of whom had served as chiefs of naval operations; namely Arleigh Burke, Thomas H. Moorer, Robert B. Carney, and George W. Anderson, wrote to the President as follows:

"We note that the present Panamanian Government has close ties with the present Cuban Government which in turn is closely tied with the Soviet Union.

"Loss of the Panama Canal which would be a serious setback in war would contribute to the encirclement of the United States by hostile naval forces and threaten our ability to survive."

I don't know about you, but I find the testimony of these four respected admirals far more convincing on the vital question of the importance of the Canal to America's future safety than anything that might be said by Linowtiz, Kissinger, Ford or Carter!

E. BANKERS, BUSINESSMEN AND BEGGARS

Unfortunately, there are too many who would sell their nation's precious birthright of freedom for a miserable 30 pieces of silver.

They forget that they live in the greatest nation in the world and can prosper under a free enterprise system only because their antecedents of two hundred years ago, in the face of an overpowering enemy, had the courage to risk their lives, fortunes and sacred honor that a new nation, conceived in liberty, might grasp the hand of destiny.

Much of the push and much of the money for the drive for ratification of the treaties originates with bankers and businessmen who stand to save their investment hides or profit from business as usual under a dictatorship that would own and operate the canal for its own aggrandizement.

The Torrijos regime in ten years has added to the public debt of Panama more than a billion dollars. Today it teeters on bankruptcy which jeopardizes the credit of a number of American and international banks.

I was told several months ago by American businessmen in Panama that they lived under a stable dictatorship and that the new treaties would help their business.

Some of those businessmen reminded me of the representatives of American multi-national corporations who supplied the Soviet Union with the technology and machinery that made it possible to deliver to North Vietnam the materials of war used against our American soldiers.

Too often, and with disastrous results for this country, businessmen pledge their allegiance to the dollar instead of the flag!

Just the other day I received a copy of a letter dated February 6th, sent to the shareholders of United Brands by its president, Seymour Milstein. Enclosed was a copy of his testimony before the Senate in which he strongly recommended the passage of the proposed giveaway treaties.

It was a document of weak persuasion by which Mr. Milstein illustrated his monumental ignorance of the canal issue and displayed his preference for profit over patriotic principle.

Mr. Milstein said: "Ratification of the treaties will be a sign to Panama and to all of Latin America that the United States recognizes the growth and maturity of its neighbors to the South."

I suppose by this that the President of United Brands was suggesting that any nation in the world reaching "maturity" by the wild standards of liberals should be given a birthday present by American taxpayers consisting of a vital piece of our sovereign territory and a piece of change in the billions. What idiocy!

Mr. Milstein also said: "Certainly the United States has a vital stake in the future security of the waterway.

"However, we are persuaded by the argument set forth by the Joint Chiefs of Staff and others in the Department of Defense and State that the treaties now under consideration provide adequate protection to us in this regard."

We all know that the members of the Departments of State and Defense can exercise independent judgment on the canal issue only at the risk of their jobs. There can be no conflict of interest between departmental policy and a member's conscience, they must be one and the same.

In this case they are in my judgment contrary to the best interests of our national security.

I have nothing but disdain and disgust for businessmen who put coin before country. My wife and I shall be careful not to buy United Brands products in the future.

REPRESENTATIVE GOVERNMENT IN PERIL

In this battle over the giveaway of the Canal Zone, the very future of representative government in the United States is at stake.

James Madison explained in one of his Federalist papers that the aim of representative government, as provided in the United States Constitution, was to make it possible for the people to control their government though they were dispersed over a wide area of land.

Madison and his colleagues crafted a government that would be subservient to the will of the majority of the people while protecting the rights of the minority.

They considered elected representatives as surrogates of the people.

Little did they dream that one day the future of this great nation might be endangered by representatives who fell prey to the pressures of the Executive and thus failed to represent the will of the people.

Countless polls have all shown a vast majority of Americans are opposed to the treaties.

Three polls taken in New Hampshire this past week show from 66 to 95 percent of our people against the treaties.

Yet one Democratic Senator of New Hampshire has announced in favor of the treaties and the other Democratic senator has the matter under study—meaning that he is too chicken to level with his constituents.

Friends, if the senators can give away the Canal Zone despite the overwhelming opposition of the people to this treasonous ripoff, then representative government in America will surely perish.

Ahead will lie some more totalistic government and the liberties that we have known in the past shall be no more.

When Majority Leader of the Senate Robert Byrd pontificates that he will abide by his judgment rather than heed the petitions of his constituents, and Minority Leader of the Senate, Howard Baker, afflicted with Presidential virus, disregards the majority sentiment of the people of Tennessee, there is but one thing left for the citizens to do—vote the big heads out of office!

STILL TIME TO DEFEAT THE TREATIES

Friends, I have a deep and abiding faith in the courage and tenacity of the average American.

It is for this reason that I believe we can still defeat these noxious treaties.

You know, and I know, that if ratified they would—

1. Give away American property valued at more than $7 billion, and then, in order to make the giveaway palatable to the recipient, we must pledge the credit of our children to give to Panama billions more—much of it to come directly from the American taxpayer as recently testified to by the Comptroller General of the United States.

2. They would seriously impede our ability to move naval forces from one ocean to another in response to an international crisis.

3. They would jeopardize the livelihood and future of thousands of Zonians—all loyal American citizens—who have dedicated their lives to the efficient operation of the Canal.

4. They would pander to a Marxist dictator whose disregard of human rights eloquently proclaims the unlikelihood of his administration observing the terms of the treaties.

5. They would bow once again before the inexorable march of communism.

Have we not appeased, compromised and surrendered to the communists for too long?

Our white feathered boys at Foggy Bottom led us into two no-win wars where the blood of more than one hundred thousand Americans was criminally wasted.

They caused us to desert the freedom fighters at the Bay of Pigs.

They stood smugly by while 31 free nations perished in the wake of on-rushing world wide communism.

Shall we allow them once again to lead us into another national disaster?

I believe that the prophetic warning of Abraham Lincoln to a Springfield Lyceum of young men has special significance to the canal issue.

Lincoln said. "All of the armies of Europe, Asia and Africa with all of the treasure of the world (our own expected) and with a Bonaparte as their commander, could not in a thousand years take a drink from the Ohio or place a track on the Blue Ridge.

"If destruction be our lot then we ourselves must be its author.

"As free men we must live through all time or die by suicide."

The technology of modern warfare is such that no enemy need drink from our Ohio or cross our Blue Ridge.

I find a chilling discomfort from the fact that the shadows of Russian bombers flick our coastal waters of the Atlantic and Rus-

sian subs lurk in the murky depths of our 200 mile off-shore limit.

Will history record in some future dark age that America committed national suicide by giving away our American Canal in Panama?

Let us hope that by our efforts and sacrifices in the next few weeks we can prevent the writing of such an epitaph for America.

If suicide is not to be our lot; if we are not by these treaties to sow the seeds of another war, then before the sun sets tomorrow write to your senators and tell them to either vote against the treaties or face defeat at the polls.

If you have already written to them, do it again—and wire and telephone.

The hour on the American clock of destiny is late. If we, the vast majority of Americans, fail to win this battle, then those awesome words of Winston Churchill will one day have practical meaning for us.

"Still, if you will not fight for the right when you can easily win without bloodshed, if you will not fight when your victory will be sure and not too costly, you may come to the moment when you will have to fight with all the odds against you and only a precarious chance for survival.

"There may be a worse case. You may have to fight when there is no chance of victory, because it is better to perish than to live as slaves."●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BUCHANAN (at the request of Mr. RHODES), for March 7, 8, 9, and 10, on account of official business.

Mr. AKAKA (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

Mr. SIKES, for 30 minutes, on March 7, 1978, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) to revise and extend their remarks and in clude extraneous material:)

Mr. MCKINNEY, for 5 minutes, today.

Mr. HANSEN, for 30 minutes, today.

(The following Members (at the request of Mr. BONIOR) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. NOLAN, for 5 minutes, today.

Mr. STOKES, for 5 minutes, today.

Mr. ERTEL, for 5 minutes, today.

Mr. MOSS, for 5 minutes, today.

Mr. NEAL, for 5 minutes, today.

Mr. PREYER, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SYMMS, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $985.50.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous material:)

Mr. DORNAN.

Mr. FORSYTHE.

Mr. MOORE.

Mr. WHITEHURST in two instances.

Mr. JEFFORDS.

Mr. DUNCAN of Tennessee.

Mr. DERWINSKI in two instances.

Mr. KETCHUM.

Mr. GILMAN.

(The following Members (at the request of Mr. BONIOR) and to include extraneous matter:)

Mr. MAZZOLI.

Mr. ROGERS.

Mr. ANNUNZIO in six instances.

Mr. BROWN of California in 10 instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BINGHAM in five instances.

Mr. HEFTEL.

Mr. CHARLES H. WILSON of California.

Mr. MCCORMACK.

Mr. MURTHA.

Mr. D'AMOURS.

Mr. UDALL.

Mr. PREYER in two instances.

Mr. STUMP.

Mr. EILBERG.

Mr. ROE.

Mr. MATTOX.

ADJOURNMENT

Mr. BONIOR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 25 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 7, 1978, at 12 o'clock noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1977, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85–804:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., March 1, 1978.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is a report to the Congress pursuant to Section 4 of the Act of August 28, 1958 (Public Law 85–804; 50 U.S.C. 1431–35), submitted to the Speaker of the House of Representatives pursuant to Rule XL of that House.

During calendar year 1977, the National Aeronautics and Space Administration, acting through its Contract Adjustment Board, utilized the authority of the above-cited statute as follows:

a. Under date of July 12, 1977, the Board authorized the adjustment of a contract with Aydin Monitor Systems for the manufacture of 21 Pulse Code Modulation (PCM) Decommutator Systems. The adjustment was granted on the basis that a mutual mistake as to a material fact had occurred. Both the Government and the contractor were mistaken, at the time the contract was entered into, as to the existing state of the art in the development of the 5 Megabit Bit Synchronizer for the PCM Decommutator Systems. The parties' mistaken agreement that extensive research and development would not be required to manufacture the specified Bit Synchronizers was based on the belief that an existing Bit Synchronizer could be upgraded, because survey information indicated that Bit Synchronizers could achieve tunable performance from 1 bit per second to 5 megabits per second. However, no one had actually designed and developed such a Bit Synchronizer, and extensive research and development had to be performed by the contractor in order to manufacture the specified Bit Synchronizer. The amount of the adjustment for payment of the costs of unanticipated research and development of the 5 Megabit Bit Synchronizer was $299,990."

Very truly yours,

ROBERT A. FROSCH,
Administrator.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3466. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to extend the authorizations for rural housing programs; to the Committee on Banking, Finance and Urban Affairs.

3467. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend title V of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

3468. A letter from the Secretary of the Treasury, transmitting a report on alternative means of allocating Federal intergovernmental assistance, pursuant to section 215(c) of the Public Works Employment Act of 1976, as amended (91 Stat. 167); to the Committee on Government Operations.

3469. A letter from the Executive Secretary, Administrative Conference of the United States, transmitting a report on the activities of the Conference under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3470. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3471. A letter from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3472. A letter from the senior vice president, Export-Import Bank of the United States, transmitting a report on the Bank's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3473. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's activities under

the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3474. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3475. A letter from the Director, Federal Mediation and Conciliation Service, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3476. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3477. A letter from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C 552(d); to the Committee on Government Operations.

3478. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system for the Department of the Army, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3479. A letter from the Director, Heritage Conservation and Recreation Service, Department of the Interior, transmitting the annual report for the fiscal year 1976 on the interagency archeological program, pursuant to section 5(c) of the Act of June 27, 1960, as amended (74 Stat. 220; 88 Stat. 174); to the Committee on Interior and Insular Affairs.

3480. A letter from the Secretary of State, transmitting a report on progress toward achieving full respect for the human and legal rights of U.S. citizens detained in Mexico, pursuant to section 408(b)(2) of Public Law 94–329; to the Committee on International Relations.

3481. A letter from the Secretary of State, transmitting a report on the settlement reached between the Panamanian Government and Dr. Halla Brown, pursuant to section 510(3) of Public Law 95–148; to the Committee on International Relations.

3482. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on deliveries of excess defense articles to foreign governments during the first quarter of fiscal year 1978, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended; to the Committee on International Relations.

3483. A letter from the Secretary of Health, Education, and Welfare, transmitting the third annual report on the health maintenance organization program, pursuant to section 1315(a) of the Public Health Service Act, as amended (87 Stat. 933); to the Committee on Interstate and Foreign Commerce.

3484. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on extraordinary contractual actions to facilitate the national defense during calendar year 1977, pursuant to section 4 of Public Law 85–804; to the Committee on the Judiciary.

3485. A letter from the Secretary of Transportation, transmitting the annual report on the national transportation policy, pursuant to section 3(b) of the Airport and Airway Development Act of 1970; to the Committee on Public Works and Transportation.

3486. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the proposed use of "Construction of facilities" funds appropriated to NASA for fiscal year 1976, to construct a Water Immersion Facility capable of supporting underwater extravehicular activity training of Shuttle flight crews at the Lyndon B. Johnson Space Center, Houston, Tex., pursuant to section 3 of Public Law 94–39; to the Committee on Science and Technology.

3487. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend provisions of law concerned with health maintenance organizations; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 1056. Resolution providing for the consideration of H.R. 11180. A bill to increase the public debt limit through March 1, 1979, to provide that thereafter the public debt limit shall be established pursuant to the congressional budget procedures and to improve debt management (Rept. No. 95–925). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1057. Resolution providing for the consideration of H.R. 50. A bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs (Rept. 95–926). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 1671. An act to designate the Absaroka-Beartooth Wilderness, Custer and Gallatin National Forests, in the State of Montana (Rept. No. 95–927). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL (for himself and Mr. BALDUS):

H.R. 11301. A bill to provide a solar and conservation loan program within the Small Business Administration; to the Committee on Small Business.

By Mr. BROWN of California (for himself, Mr. WIRTH, Mr. WALKER, Mr. AMBRO, Mr. WINN, Mr. WALGREN, Mr. FORSYTHE, and Mr. BEILENSON):

H.R. 11302. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1979, and for other purposes; to the Committee on Science and Technology.

By Mr. DELLUMS:

H.R. 11303. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to repeal the limitation on the Council of the District of Columbia regarding the imposition of any tax upon individuals who are not residents of the District of Columbia; to the Committee on the District of Columbia.

By Mr. KETCHUM (for himself, Mr. ARCHER, Mr. VANDER JAGT, Mr. STEIGER, Mr. FRENZEL, Mr. MARTIN, Mr. BAFALIS, Mr. SCHULZE, and Mr. GRADISON):

H.R. 11304. A bill to amend the Social Security Act and the Internal Revenue Code of 1954, to strengthen the financing of the social security system, to provide for a gradual increase in retirement age, to improve the treatment of women through the establishment of a working spouse's benefits and to eliminate gender-based discrimination, to provide coverage under the system for Federal employees, to increase and ultimately repeal the earnings limitation, and for other purposes; to the Committee on Ways and Means.

By Mr. McCORMACK (for himself, Mr. FOLEY, Mr. MEEDS, Mr. BONKER, Mr. PRITCHARD, Mr. DICKS, and Mr. CUNNINGHAM):

H.R. 11305. A bill to amend the Internal Revenue Code of 1954 with respect to the employment of full-time students under the age of 16 as hand harvest laborers in an agricultural operation; to the Committee on Ways and Means.

By Mr. MATTOX:

H.R. 11306. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for the financing of the hospital insurance program from general revenues rather than through the imposition of medicare taxes as at present and to eliminate the recently enacted special increases in the earnings base; to the Committee on Ways and Means.

By Mr. MOSS (for himself, Mr. BEDELL, Mr. BINGHAM, Mr. BUTLER, Mr. CARNEY, Mr. COHEN, Mr. DELLUMS, Mr. DOWNEY, Mr. DUNCAN of Oregon, Mr. EDWARDS of California, Mr. ERTEL, Mr. FOUNTAIN, Mr. FRENZEL, Mr. GONZALEZ, Mr. HANNAFORD, Mr. HARRIS, Mr. JEFFORDS, Mr. KREBS, Mr. LAGOMARSINO, Ms. MIKULSKI, Mr. MINETA, Mr. NEDZI, Mr. OTTINGER, Mr. ROSE, and Mr. RUNNELS):

H.R. 11307. A bill to exercise the power of the Congress under article IV of the Constitution to declare the effect of certain State judicial proceedings respecting the custody of children; to the Committee on the Judiciary.

By Mr. NOLAN:

H.R. 11308. A bill to provide for the establishment by the Secretary of Agriculture of a pilot program which will assist farmers to purchase family farms or ranches, and for other purposes; to the Committee on Agriculture.

By Mr. ST GERMAIN (for himself and Mr. ROYBAL):

H.R. 11309. A bill to provide for the furnishing of congregate housing services under the U.S. Housing Act of 1937; to the Committee on Banking, Finance and Urban Affairs.

By Mr. REUSS (for himself, Mr. ST GERMAIN, Mr. ASHLEY, Mr. MOORHEAD of Pennsylvania, Mr. MINISH, Mr. ANNUNZIO, Mr. HANLEY, Mr. MITCHELL of Maryland, Mr. FAUNTROY, Mr. NEAL, Mr. PATTERSON of California, Mr. BLANCHARD, Mr. HUBBARD, Mrs. SPELLMAN, Mr. BROWN of Michigan, Mr. McKINNEY, Mr. HYDE, and Mrs. FENWICK):

H.R. 11310. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by establishing within the National Credit Union Administration a Central Liquidity Facility for Fed-

eral and State credit unions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. REUSS (for himself, Mr. ST GERMAIN, Mr. TSONGAS, Mr. DERRICK, Mr. HANNAFORD, Mr. EVANS of Indiana, Mr. D'AMOURS, Mr. LUNDINE, Mr. PATTISON of New York, Mr. CAVANAUGH, Ms. OAKAR, Mr. MATTOX, Mr. VENTO, Mr. GARCIA, Mr. STEERS, Mr. EVANS of Delaware, Mr. HOLLENBECK, and Mr. GREEN):

H.R. 11311. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by establishing within the National Credit Union Administration a Central Liquidity Facility for Federal and State credit unions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SNYDER (for himself, Mr. HARSHA, Mr. SHUSTER, Mr. WALSH, Mr. ABDNOR, Mr. TAYLOR, Mr. HAGEDORN, Mr. STANGELAND, and Mr. LIVINGSTON):

H.R. 11312. A bill to amend the Federal Aviation Act of 1958 to alter certain regulatory practices of the Civil Aeronautics Board, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. STAGGERS:

H.R. 11313. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the old-age, survivors, and disability insurance program and the medicare program, with appropriate reductions in social security taxes to reflect such participation, and with a substantial increase in the amount of an individual's annual earnings which may be counted for benefit and tax purposes; to the Committee on Ways and Means.

By Mr. THOMPSON:

H.R. 11314. A bill to amend the National Labor Relations Act; to the Committee on Education and Labor.

H.R. 11315. A bill to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such act, and for other purposes; to the Committee on House Administration.

By Mr. TRIBLE:

H.R. 11316. A bill to provide for a study concerning the Civil Service Retirement and Disability Fund, including an analysis of the status of such Fund and alternative methods of remedying and preventing any deficit in such Fund; to the Committee on Post Office and Civil Service.

By Mr. JACOBS (for himself, Ms. KEYS, and Mr. GLICKMAN):

H.J. Res. 777. Joint resolution to amend the Constitution of the United States to provide for balanced budgets and elimination of the Federal indebtedness; to the Committee on the Judiciary.

By Mr. RUDD (for himself, Mr. MCDONALD, Mr. KEMP, Mr. STUMP, Mr. HYDE, Mr. HALL, Mr. EILBERG, Mr. GUYER, Mr. LAGOMARSINO, Mr. BAFALIS, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. WALSH, Mr. STOCKMAN, Mr. DORNAN, Mr. COLLINS of Texas, Mr. SPENCE, Mr. FLOOD, Mr. WALKER, Mrs. PETTIS, Mr. WINN, Mr. YOUNG of Alaska, Mr. ICHORD, Mr. MURPHY of Pennsylvania, and Mr. ROE):

H.J. Res. 778. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on International Relations.

By Mr. RUDD (for himself, Mr. DON H. CLAUSEN, Mr. BADHAM, Mr. STEIGER, Mr. SYMMS, Mr. CEDERBERG, Mr. DICKINSON, Mr. MURPHY of New York, Mr. PATTEN, Mr. MARRIOTT, Mr. ROBINSON, and Mr. GORE):

H.J. Res. 779. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on International Relations.

By Mr. STARK:

H.J. Res. 780. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Ms. MIKULSKI (for herself and Mr. BYRON):

H. Con. Res. 501. Concurrent resolution directing the Congress and executive agencies to determine how they may aid in achieving national goals in outer space; to the Committee on Science and Technology.

By Mr. ERTEL (for himself, Mr. BUTLER, Mr. SAWYER, Mr. MAGUIRE, Mr. BAUCUS, Mr. WIRTH, Mr. EMERY, Mr. MCCORMACK, Mr. LENT, Mr. EDWARDS of Oklahoma, Mr. FRENZEL, and Mr. BRADEMAS):

H. Res. 1058. Resolution insisting that the Republic of Korea cooperate fully with the Committee on Standards of Official Conduct and its special counsel and declaring that a failure to cooperate will have a negative impact on relations between the United States and the Republic of Korea; to the Committee on International Relations.

By Mr. GLICKMAN (for himself, Mr. BALDUS, Mr. BAUCUS, Mr. BAUMAN, Mr. CAVANAUGH, Mr. EVANS of Georgia, Mr. EVANS of Delaware, Mr. GORE, Ms. KEYS, Mr. KINDNESS, Mr. KRUEGER, Mr. SAWYER, Mr. THONE, and Mr. WINN):

H. Res. 1059. Resolution relative to assuring U.S. farmers equality with regard to agricultural exports; jointly, to the Committees on Agriculture, International Relations, and Ways and Means.

By Mr. ICHORD (for himself, Mr. DERWINSKI, Mr. STRATTON, Mr. DICKINSON, Mr. COLLINS of Texas, Mr. HILLIS, Mr. TAYLOR, and Mr. BAUMAN):

H. Res. 1060. Resolution expressing the sense of the House that the President should exercise his authority to suspend the ban on the importation of Rhodesian chrome and ferro-chrome; to the Committee on International Relations.

By Mr. STRATTON:

H. Res. 1061. Resolution disapproving the proposed reorganization of the Department of Defense transmitted to the Congress by the Secretary of Defense on February 7, 1978; to the Committee on Armed Services.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

311. By the SPEAKER: Memorial of the Legislature of the State of West Virginia, relative to opposing proposed legislation regarding the establishment of a Potomac River shoreline area; to the Committee on Interior and Insular Affairs.

312. Also, memorial of the Legislature of the State of South Carolina, relative to issuing a commemorative stamp concerning the 200th anniversary of the siege of Star Fort at Ninety Six, S.C., to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DELLUMS introduced a bill (H.R. 11317) for the relief of Wazir Ramzan Jivani, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

411. By the SPEAKER: Petition of Eli Raitport, People for Economic Prosperity, Philadelphia, Pa., relative to redress of grievances; to the Committee on the Judiciary.

412. Also, petition of George Eugene Young, Vacaville, Calif., relative to redress of grievances; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 50

By Mrs. SCHROEDER:

Page 82, line 13, strike out "and", on line 20 strike out the period and insert in lieu thereof "; and", and insert immediately after such line the following new paragraph:

(3) insure flexi-time and part-time jobs for persons who are able, willing, and seeking employment but who are unable to work a standard workweek.

Page 71, line 2, insert immediately after "care" the following: "(especially if it affects the availability of single female heads-of-households to participate in the workforce)".

Page 76, line 13, insert immediately before "Such advisory board" the following new sentence: "Such advisory board or boards shall include representation of women and racial and ethnic minorities commensurate with their representation in the overall workforce."

EXTENSIONS OF REMARKS

FORMER CONGRESSMAN EMILIO DADDARIO REPORTS ON SCIENTIFIC FREEDOM IN ARGENTINA

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. McCORMACK. Mr. Speaker, during the month of December, former Congressman Emilio Daddario of Connecticut, who is immediate past president and chairman of the board of the 120,000-member American Association for the Advancement of Science, visited Argentina representing the AAAS Committee on Scientific Freedom and Responsibility.

The purpose of Congressman Daddario's visit was to demonstrate the concerns of the American scientific community with the plight of scientists in Argentina.

Mr. Daddario's report was presented in Science magazine on February 3. Because of the great respect for and admiration of Mr. Daddario, which all Members of Congress share, I am inserting herewith a copy of his report in the RECORD. I hope that all Members will take this opportunity to read what Congressman Daddario learned and what his observa-

tions are on this subject. His report is as follows:

VISIT TO BUENOS AIRES, DECEMBER 1977

(by Emilio Q. Daddario)

At the request of the AAAS Committee on Scientific Freedom and Responsibility, which is chartered to maintain an awareness of actions of foreign governments which circumvent scientific freedom, I made a 10-day visit to Argentina last December. The purpose of the visit was to demonstrate the concerns of the American scientific community for the plight of their colleagues who, as the consequence of excessive antiterrorist activity by the military government in Argentina, have been imprisoned, dismissed, forced to emigrate, and, in some cases, tortured and killed.

It was not the purpose of the visit to provoke a confrontation with the authorities or to censure their actions. The aim was to meet with Argentine officials in order to impress upon them the depth of U.S. scientists' concern for the loss of human rights and scientific freedom and to explore new openings for moderating and restoring conditions under which scientists and scholars could return to their work without fear of arbitrary arrest or dismissal. It is my belief that these two purposes were achieved.

It is obvious to me that there is a bad scene in Argentina. Information from a large number of reliable, neutral, and objective sources has sufficiently documented the arrests and abductions of more than 8000 citizens since the military government took office in March 1976. The scientific community has been affected heavily by the actions of the government, and physicists, psychiatrists, and psychologists appear to have been especially singled out for a harsher measure of treatment, and yet typical, in that thousands of others, from all levels of society, have been similarly affected. This situation is not without precedent. Over the past 30 years the scientific community in Argentina has become accustomed to random dismissals with the changes in their government. What is particularly alarming about the current situation, however, is the element of fear and reprisal that accompanies these dismissals and the personal horrors of abduction and arrest without charges. The definition of subversion adopted by the military is so broad that even criticism of government policies is dealt with as criminal activity.

The Argentine authorities knew the reasons for my visit and placed no obstacles in the development of my itinerary or requests for meetings with senior officials. They made themselves accessible, heard me out attentively, and showed receptiveness to the initiative of a nongovernmental organization. Permissions were given to interview the heads of scientific institutions, cabinet ministers, and other senior officials. I also met with individual scientists who have been imprisoned and the relatives of those who are still missing. There was no harassment at any stage of the visit.

These courtesies and absences of constraints do not alter the basic facts. The preemptive actions of the state security forces have, with a few exceptions, made a shambles of scientific freedom in Argentina, and the reports with which we are so familiar are not exaggerated. Although their Atomic Energy Commission (CNEA), under Admiral Carlos Castro Madero, and some small laboratories such as the Instituto de Investigacion Bioquimicas, under Dr. Luis Leloir, are functioning, and from my visitor's eye quite efficiently, they stand in stark contrast to the general situation. While it would be naive to look for a total reversal of the government's policies because of external pressures, I do not think I am mistaken in sensing that President Carter's stand on human rights has been effective and has moved the people of Argentina. For the innocent victims of the government's harsh antiterrorist policies, the President's emphasis on human rights gives a sense of important outside support. By successfully touching the conscience of government officials committed to support that policy, the President has made a most important contribution. Many of them, while continuing to argue for the necessity of stern measures under present conditions of sporadic terrorist activity, almost invariably go out of their way to acknowledge the value of individual thought in a society committed to a wide variety of philosophies. It is apparent that the moral force of President Carter's relatively simple and generally stated position is helping to move people in the right philosophical direction in a part of the world where American presidents have not been particularly successful.

There is never an easy solution through which justice, domestic peace, and mental transquility can be quickly brought about after a period of such turmoil as that through which Argentina has gone during these past few years. Even those who have seen their sons and daughters disappear and whose efforts at due process have been repeatedly frustrated recall the period of terrorism as one which nearly destroyed their country, and they support the initiatives of the government to curb this destruction. As much as they desire the return to normalcy, it is the pace at which institutions are permitted to reestablish themselves, the excessive force that continues, the lack of regard for individual rights and openness which they cannot, indeed refuse, to understand. If we are at the beginning of a transition toward a better day, it is also necessary to seek ways to escalate such actions. Scientists in Argentina want and need to communicate. Those who have decided to stay have strong feelings about not leaving, waiting it out, making things better. Invitations to meetings in the United States and elsewhere, carefully selected for quality and visibility, where Argentine scientists could participate, would be most helpful. They want to communicate, but do not have the means to do so on their own.

During my visit, I was encouraged by several signs of gradual moderation within the attitudes of the present government. There is a definite hint of a new flexibility, though one cannot predict to what extent it will affect the still operative antiterrorist policies. It is to be hoped that both terrorists and others caught in dissent will be treated openly, legally, and through understandable civil proceedings. I was personally assured by Admiral Emilio Messara, a member of the ruling military junta, that 500 prisoners would be released in the near future and that this would be only a first step toward further relaxations.

Despite additional arrests since my departure, the Christmas release of almost 400 political prisoners who had been held without charge gives hope that initiatives toward a progressive program for further release and disclosure may very well lead to other government moderations. This action is apparently consistent with the understandings given by President Videla during his visit to Washington, D.C., last summer.

Although these are the largest numbers of political prisoners released to date and therefore important, they are not a sufficient base on which to demonstrate progress and restoration of the general well-being. We can all know if the new flexibility and openness by the Argentine government is genuine if further initiatives manifest themselves through such actions as the following:

A continuing program of prisoner release, particularly those individuals who are being held without charge;

Identification of those individuals who have been killed through government security forces actions:

Identification of those individuals who are still imprisoned without charge; and

A reinstatement of the rights of habeas corpus and a general policy of open and judicial proceedings in the antiterrorist activities.

It seemed apparent to me that there is general approval of the present government in Argentina by its citizenry. Not so certain, however, is faith in its ability to recognize what needs to be done and the will to change the present climate of fear and resentment. The opportunities available to this government to take steps toward normalcy and the specter of an alternative, such as showed itself during the height of the terrorist period, are the current government's greatest strengths. It must be considered a sign of relative weakness, however, that many people support the current junta only because people do not want to take the chance that things will get worse before they get better. A government cannot expect to ensure its stability on that basis.

With respect to the scientific community in Argentina, a commitment by the government to additional and continuing actions lessening the restrictions on their research and teaching activities appears to be a good possibility. I would expect that commitment to demonstrate itself in the following ways:

A reinstatement of those scientists and engineers randomly fired from the national research institutes and universities since March 1976, reflecting the expressed intentions of Dr. Otano Sahores, State Secretary for Science and Technology, to now consider applications for reinstatement;

The replacement of military representatives by civilian experts in government research centers and the national universities; and

A broader and more visible program to encourage the return of top Argentine scientists, many of whom have emigrated to Brazil, Mexico, and Spain since the military coup.

While the situation in Argentina is an unhappy one, we must face the fact that the government is strongly entrenched and has substantial support from the people. The brightest prospect for betterment of the repressed and imprisoned scientists is through step-by-step progress toward moderation, acknowledging the positive actions which the government now seems ready to take, and encouraging others. We are not in a position to tell the government what to do, nor is this a position we wish to assume. But as observers to a situation which directly affects the lives of our foreign colleagues, it is our responsibility to demonstrate our commitment to those conditions which we believe are necessary for the development and advancement of science and the general welfare of scientists. In the light, the AAAS visit to Argentina can be viewed as establishing important contacts which can be developed in the months to come on behalf of our sorely troubled colleagues and their country in which they have such faith.●

RHODE ISLAND'S REPRESENTATIVE IN THE NATIONAL VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. ST GERMAIN. Mr. Speaker, it is the nature of a democracy that each and every individual making up the Nation understands that they are the measure of its greatness. This has never been more true than in America, where our citizens are truly the source by which we measure our strength.

It gives me cause for great hope in our country's future when I read the writings of young people such as Madeline Teresa Croy of Portsmouth, R.I.

Ms. Croy, who has been selected as the State of Rhode Island's representative in the Voice of Democracy scholarship program, dwells on what she calls a "new patriotism." It is this evolving sense of national pride that she sees directing the course of the Nation in the years ahead. With young people such as Ms. Croy, I feel sure that the Nation's future will be bright and our freedom well guarded.

I take special pride in bringing the following essay to your attention:

V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM RHODE ISLAND WINNER

Since the time of our country's establishment, the meaning of allegiance to America has changed. When we were a young nation concerned mainly with our survival and internal growth, patriotism and allegiance amounted to uncritical faith in America's success. Now we are a world power which extends our concerns beyond our geographical boundaries and demands a different patriotism. To fully comprehend the essence of this new patriotism, I am obliged to gain an effective, practical knowledge of all mankind. I am reminded by Martin Luther King, Jr. that whatever affects one directly affects all indirectly because all life is interrelated. I believe the concerns of other cultures and disciplines are my concern and it is my duty to support America in her endeavors to hear all men in their call for freedom. I must devote myself, my time, and my energy toward making the American symbol of freedom a reality for all who reach for it. My desires for peace and freedom reflect a consciousness of all mankind. But in order to see such gains, my first duty is to my country. I must encourage her demonstration of a united people working for the common goal of democracy.

The two things essential to the preservation of American democracy are rights and responsibilities. Unalienable rights to life, liberty, and the pursuit of happiness are clearly delineated in our Declaration of Independence. With these rights, inevitably come responsibilities, which are not so clearly delineated.

I am responsible to America because I believe in and support her ideals. The most valuable means I have in determining America's future come through my right to vote. However, my responsibility as a conscientious citizen demands that I have a knowledge and understanding of how my vote will preserve my rights as an American. My ever-present responsibility to America is to better understand what is required of me as a citizen, and to realize the effect, the importance, and the power of my actions. My acute awareness and evaluation of factors relevant to the maintenance of American democracy are essential to my actions.

My awareness of America must be reinforced through an observation and on-going study of her present situations, her history, her government, and especially her people.

My evaluation must affect the quality of America's moral consciousness to use past experiences as guide posts for her future. We must constantly examine and discard failures; contemplate and secure successes.

My actions must reflect American equality and freedom. I must voice my criticism as well as my praise; give as well as receive; oppose as well as support; teach as well as learn.

I will not be overcome by idleness and insincerity. My strength to persevere is buttressed by my faith in and love for my country's concern with man's basic freedoms. In order for me to have continued access to these freedoms, I must see that they are constant in the lives of all Americans. When the welfare of my American brother is at stake I must heed the call for justice. When the moral fabric of America is being attacked, I must defend her. When the selfish inclination of man corrupts America, I must rise up to protect her.

Whatever my actions, they should have those qualities Thomas Paine found essential to Americans of the Revolution. I must then, show faith in my works; smile in trouble; gather strength from distress; grow brave by reflection.

All of my actions must be worthy of my American heritage. As my forefathers have sacrified for my freedom, I, too, must sacrifice for American posterity.

Although the tree of life, liberty, and the pursuit of happness may in some seasons fail to bear perfect fruit it is my duty to see that its roots grow deeper and never perish.●

THE 20TH-YEAR ANNIVERSARY OF THE ESTABLISHMENT OF THE HOUSE SELECT COMMITTEE ON ASTRONAUTICS AND SPACE EXPLORATION

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. TEAGUE. Mr. Speaker, I wish to call attention to the Members of this body that 20 years ago, on March 5, 1958, the House of Representatives established the House Select Committee on Astronautics and Space Exploration.

That select committee, one of the two predecessor committees of the present House Committee on Science and Technology, was given an urgent task by this body. It was formed to respond to a national emergency that demanded attention from both the legislative and executive branches of our Government.

Its directive charged the select committee with responsibility for study of the needs of the national space program and the preparation of such recommendations and legislation as might be required to meet those needs.

The committee was given until June 1, 1958, or earlier, but not later than January 3, 1959, to file a final report of its activities and recommendations before going out of existence.

Mr. Speaker, the new space age had been ushered in by the Russians on October 4, 1957, with their launching of Sputnick I, the world's first artificial satellite. Our Nation was caught by surprise by this remarkable achievement and the national emergency resulted from the fact the United States was not capable of orbiting a satellite at that time. Russia's leadership in this area was, therefore, considered a major threat to the security of the United States and to other nations of the free world.

Of utmost importance in the events that led to the creation of this select committee was the world's political picture at that time. It was a period of adverse political relations between the United States and the Soviet Union. This rivalry between the two countries involved differing political ideologies and was known as the cold war. Political tensions and mistrust prevailed between the two nations and little cooperation could be expected in the exploration of space. The American public, therefore, strongly supported the establishment and implementation of a vigorous national space program. The new select committee would assume the responsibility to develop the legislative guidelines for the creation and organization of a new agency to manage all nonmilitary space efforts of the United States.

By authority of House Resolution 496, the Speaker of the House, Sam Rayburn, in an unprecendented move chose the House majority leader, Representative John McCormack, as chairman of the select committee. Eleven additional Representatives from key standing committees, including the minority leader and the minority whip, were chosen to serve on this committee.

The committee's membership included Democrats Overton Brooks, Louisiana; Brooks Hays, Arkansas; Leo W. O'Brien, New York; Lee Metcalf, Montana; WILLIAM H. NATCHER, Kentucky; and B. F. SISK, California. Its Republican members were Joseph H. Martin, Jr., Massachusetts, vice chairman; Leslie C. Arends, Illinois, Gordon L. McDonough; California; James G. Fulton, Pennsylvania; Kenneth B. Keating, New York; and Gerald R. Ford, Jr., Michigan.

Thus, serving on the committee were top leaders from both political parties, as well as from the important Committees on Appropriations, Armed Services, Judiciary, Foreign Affairs, Government Operations, Interstate and Foreign Commerce, Banking and Currency, Education and Labor, and Interior and Insular Affairs. With their experience in legislative procedure and their knowledge of matters falling within the jurisdiction of their various committees, the Members brought to the select committee wide-ranging expertise with which to meet the urgent task of developing the legislation necessary for the Nation's space program.

Mr. Speaker, the select committee quickly and effectively discharged its responsibility. After extensive hearings, it reported a bill from committee on May 24. Known as the National Aeronautics and Space Act of 1958, it was signed into Public Law 85–568 on July 29 and its provisions established our National Aeronautics and Space Agency.

The Select Committee on Astronautics and Space Exploration remained in existence until January 3, 1959. The House Committee on Science and Astronautics was established as the successor to the select committee.

A determination to establish a permanent committee was made by the House leadership well in advance of the adjournment of the second session of the 85th Congress. On May 27, 1958, the

House majority whip, Representative Carl Albert, introduced House Resolution 580 to establish a standing Committee on Science and Astronautics, and to consist of 25 members.

In speaking in support of this resolution, on June 2, 1958, House Majority Leader John W. McCormack, said on the House floor:

In the light of present conditions we need committees on science and technology. The establishment of this committee with a broad base is a recognition on the part of the House of the necessities and the obligations of the present time and of tomorrow. It includes not only outer space legislation but it takes over other activities, and it is going to be, in my opinion, one of the most important committees of both branches of the Congress.

House Resolution 580 was passed by the House on July 21, 1958 and the standing committee on Science and Astronautics commenced operation on January 3, 1959, the opening day of the 86th Congress.

The authority of Congress to concern itself with science goes back to section 8, paragraph 8 of the Constitution. It states that—

Congress shall have the power to promote the progress of science and useful arts . . .

In the intervening years since the ratification of the Constitution, and particularly in response to the effect upon our society of the industrial revolution, Congress has played a critical and ever increasing role in fostering the progress of science, especially in the areas of research and development.

The Committee on Science and Astronautics was a direct outgrowth of the intense escalation of scientific and technological endeavors in the United States after World War II. Science and technology began to play an increasingly important and demanding role in every facet of our lives.

It was recognized that certain functions and jurisdictions related to science and technology that heretofore had been dispersed among several House committees, should be continued under the province of one standing committee.

In addition to bringing these functions together under the new Committee on Science and Astronautics, the House of Representatives also charged this committee with new functions incident to the development of outer space.

The committee was given formal legislative jurisdiction over the National Aeronautics and Space Administration, the National Aeronautics and Space Council, the National Science Foundation, and the Bureau of Standards. In addition, it was given jurisdiction over astronautical research and development, including resources, personnel, equipment, and facilities; standardization of weights and measures, and the metric system; outer space, including exploration and control thereof; science scholarships; and scientific research and development.

Mr. Speaker, beginning in 1973, the House Select Committee on Committees made an extensive study of committee jurisdiction. Its recommended changes, the Committee Reform Amendments of 1974, were adopted by the House of Representatives with the passage of House Resolution 998 on October 8, 1974.

A number of that resolution's key provisions affected the House Science and Astronautics Committee, including a provision to change its name to the Committee on Science and Technology and to make certain adjustments in its jurisdiction.

In the report it issued on its study, the select committee concluded that the jurisdiction of the Science and Astronautics Committee was diverse.

It stated that the jurisdiction included not only astronautical but a large part of aeronautical research and development. And, that in addition, it included many aspects of science other than science scholarships and scientific research and development, and many aspects of technology, such as measurement systems and satellite applications. However, that all of those elements of jurisdiction share a common focus in science or technology.

The select committee further stated that historically, since the Science and Astronautics Committee was established, the exercise of its jurisdiction had expanded from an almost exclusive concentration on astronautics to comprehend scientific research and development in general, which in 1977 accounted for most of the committee workload. Further, that in recent years, it had also reported on several areas of high technology in the civil sector.

Accordingly, the Select Committee on Committees suggested that the name of the Science and Astronautics Committee be changed to the Science and Technology Committee. It held that this would, in fact, be more accurately descriptive, and was likely to become increasingly appropriate as the exercise of committee jurisdiction continued to evolve.

The Science and Technology Committee's formal jurisdiction, as adopted by the Reform Amendments of 1974, included scientific research and development; astronautical research and development, including resources, personnel, equipment and facilities; civil aviation research and development; all energy research and development (except nuclear energy); environmental research and development; science; scientific research and development; science fellowships, and grants; science programs and policy; scientific centers; scientific resources, including manpower; outer space, including exploration and control thereof; standardization of weights and measures, metric system, measurement; technology; technological transfer; technology assessment; and weather. Special oversight jurisdiction included all nonmilitary research and development.

And, beginning with the 95th Congress, the committee's jurisdiction was increased to include all energy research and development.

Mr. Speaker, from the beginning of the space age, we have seen many spectacular and amazing accomplishments, not only in the history of space development but in all areas of science and technology.

We have gained much basic knowledge in those years and that knowledge, in keeping with the peaceful purpose and the encouragement of international cooperation of our space program, has been freely shared with the other countries of the world.

The knowledge gained from the vast investment our country made in our space program is one of our greatest assets today. It is being used in a number of ways and is contributing to the economic well-being of our Nation.

Mr. Speaker, I believe it is only fitting that this body pause and reflect on the Nation's great advancements in the field of science and technology since the establishment of the House Select Committee on Astronautics and Space Exploration just 20 years ago.

We have made great strides forward in this important area and we have witnessed many achievements. I believe those achievements are proof that the United States is a nation capable of meeting its future challenges.●

WHY CONGRESS DOES NOT WORK

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. FORSYTHE. Mr. Speaker, I would like to bring to the attention of my colleagues and of the readers of this journal an article which appeared in the January 9, 1978, issue of Newsweek magazine.

As the 2d session of the 95th Congress has gotten well underway, the premise behind Mr. King's analysis of, "Why Congress doesn't work" seems increasingly valid.

In the first session, the House considered the National Energy Act, the Agricultural Act, the Clean Air Act, and the minimum wage bill—all major pieces of legislation with major floor amendments by members outside the respective committees. During the second session this trend seems to have continued as we considered the OCS amendments and the Consumer Protection Agency legislation.

And as we considered these bills we increasingly have heard from a wider range of interested constituents as well as from the traditional issue-oriented lobbies.

The metamorphosis of both Congress and constituents which the article discusses, therefore, seems to be very real.

I enthusiastically applaud this new public awareness and increased participation. On the other hand, I must deplore what King terms the inevitable "thinness" on issues which must result if such participation leads to the in-

creasing polarization and inability to compromise which he foresees.

Perhaps our hope for the future does lie in Mr. King's call for tolerant voters. However, to those who find this call appealing—and I am of that number—let me caution that they should look carefully at his entire "package." Note that such a solution must include three factors: not only the tolerant voter and the restrained Congressman, but also a Representative who "is doing an excellent job on something."

[From Newsweek, Jan. 9, 1978]

WHY CONGRESS DOESN'T WORK

(By Angus S. King Jr.)

One of the things that has puzzled me about the Congress of the United States is how so many able, intelligent and (usually) well-motivated men and women can do such a lousy job of making public decisions, large and small. After some years of Congress-watching from a distance and three years from the inside, I have finally decided that one of the major problems with the present Congress is the high quality of its individual members. And, I suggest, the more the members improve—in intelligence, understanding of the issues, concern about the nation's problems and the rest—the worse will be the performance of Congress as a whole.

The reason for this apparent paradox is simple: it is next to impossible for a committee of 535 to agree on anything when all of the 535 are involved and interested in what is being considered. Anybody who has ever served on a local school committee, church board or garden-club executive committee knows this; things only get done when the majority tacitly cedes the debating of policy to a small group, while retaining a kind of veto if the "debaters" stray too far from the general consensus. And the reason it works this way is that most people on such a committee—at least on most of the issues to be decided—either don't understand what's going on, or don't care, or both. And to a large extent, this used to be the case in Congress.

BETTER IS WORSE

It used to be that some legislators just weren't too bright, but knew enough to avoid really sensational mistakes and retain their seats. Other serious, intelligent and often even brilliant legislators had the capacity to understand all the issues but only chose to pay attention to a limited few. The result was probably what the founders of our republic had in mind: decisions were made by small groups within the Congress comprised of informed and dedicated members, with the rest "going along" until one of *their* issues came up.

The problem now is that no one is silent on any issue and very little gets done. As more and more lazy and/or not-too-bright legislators are followed by intelligent and ambitious replacements, the general participation level goes up and the chances of reaching workable consensus go down: as Congress gets better, it gets worse. These newer bright and able members care about *everything*. They seem congenitally incapable of specializing in the old sense; they might still get especially involved in particular issues, but they also reserve the right to study, debate, submit amendments to and make independent judgments on every bill that comes across their desks. In short, too many dedicated public servants gum up the works.

But they are only part of the problem. We, the constituents who worked for and elected these individuals and who communicate with them in ever increasing numbers, are part of the problem too, because we have gone through much the same metamorphosis as they. We are better informed and certainly more concerned about issues, all kinds of issues, than ever before. And because of this, we demand more from our public figures—particularly Federal legislators. In other words, we wouldn't let them specialize and forget the rest of the issues even if they had sense enough to.

A PLACE TO RETIRE

When I was a boy, my father (whose political awareness was shaped in a gentler time) used to describe the United States Senate as a fitting place to which a person could retire *after* an active career in the public service. Few people knew who their senators were and practically no one cared. What could be a better situation in which to quietly pursue an interest in New England agriculture or Latin American relations, while tending to the duties of constituent service?

A present-day senator is allowed no such luxury. His constituents know how he voted on every major bill and amendment; we communicate with him freely. (A large-state senator may receive a thousand letters a day.) Many constituents are highly organized into interest groups covering the gamut of questions before Congress. And even though each group of us pay attention to only one issue, by pressing our interest on the hapless representative (while our neighbors do the same) we force him to deal with all the issues in an articulate and informed way. Once he falls into this trap—which inevitably leads to a "thinness" on all the issues—the quality of the Congressional product just as inevitably must suffer.

A related aspect of this problem is the "one issue" nature of these organized constituencies. Whether it is the elderly, an ethnic lobby, organized labor, environmentalists or any of the hundreds of other groups represented in Washington, all expect total loyalty on every vote involving their issue. A generally favorable record in the area or a good, solid over-all record is not enough. And these lobbies are effective. The net results is that representatives are pushed into polar positions on issues, making compromise and the resolution of the question at hand much more difficult.

NEEDED: TOLERANT VOTERS

So what is the solution? Certainly not a return to electing dull or lazy congressmen or maintaining a system with little or no public input. And, more important, because this is the more likely potential path, the solution is not to give up on Congress and grant more and more policymaking powers to a remote and increasingly bureaucratized executive branch. On the contrary, it seems to me that what is needed is for the public to reach a higher level of sophistication about what to expect from its elected representatives—to go beyond the realization that Congress is there and has the power to do important things to an understanding of the limitations of any one member and the growing necessity for Congressional specialization. Assuming our representative is doing an excellent job on *something* (other than press releases and other re-election-related business), we should be tolerant if he has only a passing familiarity with many of the questions we feel will determine the fate of the republic.

The congressman, for his part, must be prepared to use—and help educate his constituents to develop—this new-found tolerance, and thereby restrain his natural impulse to contribute his two cents to every controversy that comes by.

I look forward to the day when politicians will be smart enough to say "I don't know" occasionally, and, recognizing the wisdom shown by such admissions, we'll be smart enough to elect them.●

NEW HAMPSHIRE'S KATHY JACKSON ON DEMOCRACY

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. D'AMOURS. Mr. Speaker, I would like to share with my colleagues the thoughts of Kathy Jackson of Epsom, N.H., the winner of the State's 1978 Voice of Democracy Contest, sponsored each year by the Veterans of Foreign Wars. In her winning essay on the responsibilities of citizenship, Kathy demonstrates a mature understanding of the town meeting, the prevailing form of local government in New Hampshire, and the importance of active citizen participation in making this form of government so successful.

The essay follows:

MY RESPONSIBILITY TO AMERICA

(By Kathy Jackson)

As a young American citizen, I have responsibilities to my country. In the United States there are many privileges, such as the freedom of speech, freedom of the press, and freedom to worship in my own way. In order to be eligible for these privileges, I have to be willing to assume my responsibilities. Why should I enjoy my rights as a citizen if I don't give the country something in return?

Our country is a free and independent nation. I have a responsibility to keep it that way. I can not allow my country to be turned into a dictatorship, as in the communist countries. I want the United States to continue to be run by a government of the people so that my children and generations to come can experience the freedom I have enjoyed.

One way to accomplish this is through voting. A single vote may turn the tide one way or the other in an election. Through voting, I have a voice in the federal government and can help make the choice of people who represent my country. Through voting, we, the people, can choose our leaders and the power won't be seized by one person or group.

Voting may also be scaled down to choosing local authorities. It is my responsibility to help elect town officials who will do a good job honestly and fairly. I should also take an active part in town meetings. If no one takes any interest in town meetings a few individuals only will have control and make all the decisions. Our nation is run by the people themselves through chosen representatives. If everyone decides not to vote, democracy in America will vanish.

Right now, while I am still young, I should strive to do the best I can in school and learn the most I can. If our society is to remain an educated one, the younger generation have to grow up to be informed adults.

For a start, I am planning to go to college and major in Early Childhood Education. Eventually I hope to teach nursery school. I feel it is my responsibility to help young children distinguish between right and wrong, and help the children to recognize who they are and what lies ahead of them in the future. The children of today are the adults of tomorrow and need teachers to guide then as they grow physically, mentally, and spiritually.

What children learn in their early years determines the type of people they grow up to be. If they are taught that education is fun and exciting, they will grow up to be intelligent adults who will make good leaders. However, if children are not given a chance to learn and become bored with life, they will

start getting into trouble just to get attention and will not grow up as good citizens. My duty is to show children that learning is a wonderful experience and to stimulate them to Read and grow in knowledge. These children will grow up to be good responsible citizens.

Essentially, the citizen a child grows up to be, depends on his family life. If a child is shown love and given security he will feel comfortable with himself and his world. When I become a parent, it will be my responsibility to encourage and love my children and provide a good home life for them.

Voting, therefore, plays a most important role in the lives of our children. Who we elect as leaders of our country are the people that the children idolize. It is our duty to get someone in office who will deserve the respect of our children.

My responsibility to America is to be the best citizen I can. To be a good citizen I will have to obey the set rules and govern myself in a manner that will set a good example to observant children. For I believe that my responsibility extends beyond myself to my children. As in a continuous cycle, I, as a child was taught by my parents and teachers about life, and I, as an adult, will in turn teach the next generation. The process then begins again. These children who will grow up to be the leaders of tomorrow, will need guidance and teaching in their early years. My responsibility is, and will always be, to see that the opportunities, rights, and the privileges, which my parents and teachers showed to me will still be here for America's newest generation of citizens.●

ONE TAXPAYER'S VIEWS ON THE RIGHT TO LIFE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. WHITEHURST. Mr. Speaker, today I received a letter from Mrs. Suzanne de Sanctis, R.N., and at her request I insert it at this point in the RECORD. The letter follows:

PORTSMOUTH, VA.,
February 28, 1978.

SIR: I feel the January 22, 1973 Supreme Court ruling legalizing abortion of (the unborn) on demand was only one step in the growing unconcern for the right to life of the unborn and for all human life; therefore: I protest the use of my tax money in government funded projects that show a complete lack of concern for the sanctity of human life and a disregard for the rights of the unborn including:

Federal, state or local funding of research into medication to produce spontaneous abortion, regardless of the stage of pregnancy.

Public funding of community projects that promote and encourage abortion among the poor.

Lastly, federal matching of funds to such community projects. As a mother myself, I resent Congress sanctioning the "right to kill" as a constitutional right of women! I request this letter be put on Congressional record, one tax payers views on the right to life.

Yours,

SUZANNE DE SANCTIS, R.N.
Wife, Mother, Nurse.●

MORE INFORMATION ON THE OPPRESSION OF SCIENTISTS IN ARGENTINA

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. McCORMACK. Mr. Speaker, on February 22, the Christian Science Monitor published a column written by Mr. Robert C. Cowes on the plight of scientists in Argentina. Mr. Cowes comments on the report presented by former Congressman Emilio Daddario on this subject. This is a matter of great importance to all those who are interested in freedom of information, freedom of thought, and freedom of speech. I am including a copy of Mr. Cowes' column in the RECORD so that Members may be more informed of this subject. The report is as follows:

ARGENTINA MAY SOFTEN OPPRESSION OF SCIENTISTS

(By Robert C. Cowes)

Arbitrary arrest, torture, imprisonment, and execution of Latin American engineers and scientists has alarmed the world scientific community. Concern centers on three countries—Argentina, Chile, and Uruguay—but the worst record by far has been set by Argentina.

That is why, following a stream of protests by individual scientists, Emilio Q. Daddario, president of the American Association for the Advancement of Science (AAAS), paid an official visit to Argentina last December. He returned deeply concerned about what he called "a bad scene." But he also is tentatively encouraged by what he considers signs for hope that the military government is ready to begin relaxing its harsh measures.

Without playing down the badness of that scene, Daddario tries to put the plight of Argentine scientists into perspective, in his official report in the February 3 issue of AAAS journal Science.

To begin with, he notes that the harsh treatment of scientists is typical of what has happened to some 8,000 Argentine citizens from all levels of society since the military regime took over in March 1976. The military seized power at the height of a terrorist campaign that threatened to destroy the country. The regime now is deeply entrenched and seems to enjoy wide support among the people who apparently consider it a lesser evil.

Thus he sees the oppression of Argentine scientists more as part of the troubles of a disruptive society trying to find normality through authoritarian means than as the result of an anti-science climate as such. However, professional people do dominate the list of the oppressed.

Daddario bases his hope for Argentine scientists on his perception that the country is struggling toward normality and that the government is sensitive to outside criticism.

Last year, this criticism included a petition signed by over 160 leading physicists at an international meeting in Hamburg, Germany; a petition from leading scientists at Cornell University; and Daddario's visit, made at the request of the AAAS Committee on Scientific Freedom and Responsibility. A visit scheduled for March by the Human Rights Committee of the U.S. National Academy of Scientists will maintain the pressure.

All told, he takes seriously assurances by Argentine officials that they intend to relax the oppression. He says officials cooperated fully with his investigation. But be believes the international pressure must be maintained. Also, he says, Argentine scientists who have opted to stay and tough it out, need contact with the international scientific community.

This being the case, it would be counterproductive to boycott the 12th International Cancer Congress scheduled to be held this October in Buenos Aires, as many prominent biologists have urged. Instead, this looks to be a time when reasoned but persistent support of Argentine scientists could substantially ease their plight.●

MATTOX PROPOSES SOCIAL SECURITY BILL

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. MATTOX. Mr. Speaker, I am introducing a bill that will reduce social security taxes by 1 percent for each employee and for each employer.

This means that: First, a person earning $9,000 per year will receive a $90 tax reduction, and his employer a like amount; second, each person working in a family who receives $13,000 would receive a $130 reduction, and his employer an equal amount; and third, each employee receiving $17,700 or more would receive a $177 reduction, and his employer would also receive a $177 tax reduction.

My bill would transfer to the general fund, all health insurance (HI) costs, because they are nonwage-related. My bill would also subject HI to annual authorization and appropriation procedures to improve administrative efficiency and eliminate waste and fraud through more vigorous congressional review.

The social security tax reduction is imperative both politically and economically. The American people are fed up with tax increases that do not make any sense, and last year's emergency stopgap increase must be taken off the books now.

A social security tax reduction would accomplish three goals:

First. Relieve overburdened taxpayers, both employees and businessmen;

Second. Increase consumer buying power which promotes jobs; and

Third. Reduce employer costs and hold down prices.

Thus, we attack the horrendous problem of inflation and unemployment with one stroke.

Social security taxes under my bill would be reduced by $22.4 billion and this would be a substitute for the more inflationary $25 billion tax reduction proposed by the President. My bill would save $2½ billion, which could be applied against the deficit.

I hope my colleagues will give my bill careful consideration. It is simple, feasible, and workable, and returns our social security system to a truly insurance base, and leaves welfare to the general funds. The American people want this.●

TUITION TAX CREDITS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. EILBERG. Mr. Speaker, in recent weeks we have experienced a flurry of activity relating to the question of how to provide assistance to middle-income tuition-paying families.

In the House and Senate competing committees have been racing to get their bill to the floor first. Major newspapers have printed a barrage of articles and editorials on the tuition tax credit proposals. And we have heard the trading of verbal volleys, from the President's strong attack on tuition tax credits to Senator MOYNIHAN'S eloquent testimony in favor of such credits for middle-income tuition-paying families.

In the course of a heated legislative battle such as the one over tuition tax relief, much is written and said that is not carefully thought out. Articles and remarks of this nature add nothing to the debate, and, more importantly, are not helpful to those Members who are still uncertain about the merits of the various assistance plans.

For this reason, I offer for inclusion in the RECORD a recent column by the distinguished Senator from Oregon, BOB PACKWOOD. This article, which appeared in the Christian Science Monitor March 2, 1978, clearly, concisely, and intelligently sets forth the argument in favor of tuition tax credits.

The precise and thoughtful analysis provided by Senator PACKWOOD is welcome in the midst of a debate that has been fraught with exaggerations and misrepresentations.

TAKE TUITION OFF YOUR TAXES

(By Bob Packwood)

America's educational system is, today, a supermarket with a wide variety of educational choices at all levels in both the public and private sectors. Unfortunately, this supermarket is in danger of being reduced to a company store by the cost squeeze of inflation pricing educational alternatives to free public education beyond the reach of many lower- and middle-income Americans. This is happening when economic pressures, a fluid labor market, and changing job requirements require us to provide increased alternatives.

The national concern for the plight of middle-income Americans facing rapidly rising tuition costs is demonstrated by the fact that 50 senators co-sponsored the Packwood-Moynihan Tuition Tax Credit Bill of 1977.

Last week this bill was merged with a bill introduced by Senators Roth and Ribicoff. The new approach proposes a $250 tax credit for full-time students at public or private junior colleges, community colleges, universities, business, trade, vocational, or night schools. In 1980, the credit increases to $500 and would also apply to elementary and secondary school students in public or private schools. In 1981, the credit would be extended to tuition paid for graduate and part-time study.

The Carter administration's concern to "seize the initiative on this very hot issue" (revealed in a memorandum from the Secretary of the Department of Health, Education, and Welfare to President Carter) is understandable; the issue is hot and the administration's proposal is tardy. What is not understandable to those who have taken more time to study this problem (Senator Roth's bill has passed the Senate three times in the past 19 months) is the timeworn approach and the "take it or leave it" attitude of the Carter plan. Helping middle-class taxpayers pay their tuition bills is important, but even more important is how and why they are helped.

The proposed legislation offers a practical method for restoring buying and decision-making powers to American educational consumers while preserving a pluralistic educational system.

Since most people are aware of and concerned for the plight of low- and middle-income Americans in financing college and university education, it was particularly distressing to hear the administration describe this plight as a "temporary liquidity problem" in hearings not long ago. To millions of Americans, this is not a "temporary liquidity problem," it is a permanent payments crisis. During the past five years, average tuition and fees at private four-year institutions rose by 54 percent, at public two-year institutions by 130 percent. Result: a 20 percent drop in the number of lower- and middle-income students in higher education. These figures speak for the urgency of the situation. We cannot allow the universities and colleges of this country to become the preserve of the poor, the rich, and the brilliant.

Moreover, private colleges are hard pressed to compete for the diminishing supply of tuition dollars which has resulted from declining birth rates, inflation, and other economic pressures. By providing tax relief we increase the range of choice and sustain the market for private colleges.

The encouragement of diverse educational choice requires an overall approach to the financing of nonpublic education at the elementary and secondary level, a sphere the Carter plan ignores. Private education has made significant contributions to the quality of education in the United States as well as providing substantial financial relief for taxpayers by carrying a crucial portion of the educational burden.

Private schools educate approximately one-fourth of all students in New York, Boston, Chicago, New Orleans, and San Francisco. In Cleveland and Philadelphia that figure climbs to over 30 percent. These schools depend upon individuals willing and able to pay both taxes for public schools and tuition for private schools.

Moreover, contrary to popular myth, private education is not the province of the rich; in fact, the Bureau of the Census reports that 64.2 percent of the families with children in private elementary and secondary schools have incomes of less than $20,000. Unless we help those laboring under this double burden, we face the prospect of having this vehicle for encouraging diversity virtually disappear.

President Carter has characterized the tax credit approach as expensive, complaining the bill would mean a revenue loss to the Treasury of $4.7 billion. We again see the perverse notion that cutting taxes is seen in Washington as a government expenditure rather than a taxpayers' saving. This so-called revenue loss must be viewed in light of the $17 billion additional annual cost to taxpayers if private educational alternatives disappeared and these 7.7 million students were to suddenly enroll in the public schools.

Private elementary and secondary education brings relief to upward pressures on the property tax, a result which property owners will cheer.

There are those who see this bill as a threat to the public schools. Strengthening private schools need not be seen as weakening public schools. The competition private alternatives provide cannot help but strengthen the public schools.

Finally, those in the educational establishment who are, not surprisingly, opposed to this measure fear the fragmenting of educational policy. The real objection: the tax credit approach takes power from the so-called experts and places it with the educational consumer, leaving his money in his pocket and therefore, increasing his options. Isn't it time that our national policy reflected the need to return more power and control to individuals?

The most telling argument for the tax credit approach, however, relates to the function of education in society. Education is the key, shaping the society for the present and the future, carrying the values, as well as providing the marketplace for ideas. If multiplicity of choice is the hallmark of the pluralistic society, it is crucial that the institution which carries the values be itself a proving ground for pluralism.

All of the economic and social changes of recent years affect the future of our nation's educational system and require the widest possible choice for America's educational consumer. Tuition tax credit is a consumer bill which gives direct, effective, and efficient tax relief and with this relief increased freedom of choice. Rising costs and inflation must not be allowed to provide the rationale for a government monopoly of our educational system.●

MR. ERIC JOHN FUHRMANN—VOICE OF DEMOCRACY WINNER

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. MURTHA. Mr. Speaker, I am very proud of the remarks composed by Mr. Eric John Fuhrmann in response to this year's Voice of Democracy contest by the Veterans of Foreign Wars. Eric is a resident of Ebensburg in the area I represent, and for the information of the Members I would like to insert his winning entry into the CONGRESSIONAL RECORD:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM
PENNSYLVANIA WINNER

I have always taken freedom for granted because it is all that I have ever lived with. I'll never know what it's like to be without the rights and freedoms I enjoy today. I'll never have to suffer through years of war to gain freedom. I'll always enjoy these things, unless I let them slip by, unless I forget my responsibility to America.

I feel that I owe America, it's given me so many things. It's given me free education, protection, it has even looked after my welfare, and it's given me a chance, a chance to improve myself in an open society, to better myself, if and only if I choose to do so.

It asks little in return—love, trust, allegiance—because without these, America cannot and will not exist.

If I love America, I can stand up for it in a time of crisis. I must volunteer anything I can because America needs me as much as I need America.

At times, it might do things that I don't wholly agree with, so I'll stand up and let my opinion be known. In America I can do this through open discussion, petition, or

my most powerful weapon, the vote. This isn't my option, it is my responsibility, and overall I must trust the final decision and pledge my allegiance to it.

I realize now that as I get older my responsibilities increase. I now must take an active part in the community and its affairs. No longer can I let people make decisions for me, decisions I can make myself.

I know that I must set an example in citizenship that younger children can follow because America depends on its youth and survives only with their support. And I must give my support in everything America stands for. I realize that America is not perfect. It has faults. But America is the best thing going today and I must strive to keep it that way.

I read in the paper recently about a ninth grade English teacher telling his students to simply write the Pledge of Allegiance. Out of 157 students, none got it perfect. Phrases like under God were interpreted as "under guard" and you can imagine what happened to words like indivisible.

In a modern world such as ours it becomes too easy to forget the past and dream about the future. I have to realize that America has learned much from its proud past. We've become the greatest nation in the world by people fulfilling responsibilities. America only set the stage for freedom. It was people, initiating ideas, taking action, and working to their fullest that have acted it out.

And it's my greatest responsibility to see this through. I must do everything in my power to keep America as great, not as it was, but as it always will be. America's youth must take the initiative to keep its proud heritage. Because America's youth is its future; and the future is now! ●

SAVE YOUR VISION WEEK

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. ROGERS. Mr. Speaker, March 5 through March 11 is Save Your Vision Week, sponsored by the American Optometric Association, and created by a joint congressional resolution introduced in 1963 by the late Senator Hubert H. Humphrey and by Congressman CLAUDE PEPPER, to focus attention on the value of good vision and the need for everyone to take care of their eyes.

Save Your Vision Week was launched in 1927 by a group of optometrists and this marks the 51st observance of the Presidentially proclaimed celebration.

Today, one out of every two Americans wears eyeglasses or contact lenses. Each year 140,000 workers suffer eye injuries. In addition, many of the 2.3 million disabling injuries that workers suffer on the job could be the result of vision problems that caused workers to miss seeing something that they should have seen.

This year's theme for Save Your Vision Week is "Life is Worth Seeing." In today's consumer-oriented society, it emphasizes, in a positive way, the ultimate goal of optometric care—seeing life.

Despite all the scientific advances made in the last 116 years, many Americans are still relying on the familiar eye chart that was developed during the Civil War to check their ability to see. But this chart is about as adequate for examining vision today as the horse drawn buggy is for interstate travel. And, despite 50 years of health education by the American Optometric Association and its affiliates, some consumers still do not know enough about vision care.

This is why we observe Save Your Vision Week every year: To remind all Americans to take advantage of the vision care health opportunities available to us in the United States today, and to preserve precious eyesight.

I am inserting a proclamation, signed by our President, setting aside this special week:

SAVE YOUR VISION WEEK, 1978

A proclamation by the President of the United States of America

Good vision is too important to be left to chance. Most of what we learn and do depends upon how well we can see. As one of our most valuable possessions, sight deserves our care and protection.

By learning the early warning signs of eye disease, practicing eye safety, and having regular eye examinations, we can prevent some of the most common forms of visual impairment and blindness. Many eye disorders can be corrected or alleviated with prompt professional care. By wearing protective eyeglasses or safety goggles in potentially hazardous situations on the job or at home, we can prevent many eye injuries. Regular eye examinations may also detect early signs of other serious health problems, such as diabetes or high blood pressure, long before symptoms appear.

To increase awareness of the importance of good vision and of ways to protect it, the Congress, by joint resolution approved December 30, 1963 (77 Stat. 629, 36 U.S.C. 169a), has requested the President to proclaim the first week of March of each year as Save Your Vision Week.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the week beginning March 5, 1978, as Save Your Vision Week. I urge all Americans to observe this period by learning what they can do to take care of their eyes and by practicing a few simple precautions to protect their sight. I invite the vision care professionals, the communications media, educators, and all public and private organizations which support sight conservation to participate in activities which will inform all Americans about the importance of eye care and encourage them to take steps to protect their vision.

In witness whereof, I have hereunto set my hand this first day of February, in the year of our Lord nineteen hundred seventy-eight, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER.●

VERMONT SOLAR LEGISLATION SHINES

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. JEFFORDS. Mr. Speaker, Sun Day is set for May 3, a Wednesday this year, and I am happy to announce the first bright rays of enthusiasm for this national celebration have touched Vermont.

Last week the State legislature unanimously approved a joint resolution proclaiming May 3 as Sun Day in Vermont. Not only does that date coincide with the planned national Sun Day, it also ushers in Vermont's first Sun Week. This legislative action represents the enthusiasm and support in Vermont for solar energy and all its potential forms.

As a member of the Sun Day national board of directors, I am proud of Vermont for taking the first legislative action in assuring concerted support for these festivities aimed at shifting our national energy policies. There is no limit to Sun Day involvement—it is human energy waiting, like the Sun, to be tapped.

The Vermont resolution authorizes the Governor to direct all appropriate State agencies to cooperate and participate in Sun Day activities. By granting such assistance to the local programs, I am confident the solar devotion will shine as brightly and faithfully as the sun itself.

Vermonters have also formed a coordinating committee to direct the State's Sun Week activities. The committee has divided the State into five regions to facilitate the implementation of the varied programs. Activities planned in Vermont include technology demonstrations, solar energy fairs, and speakers, lectures, and workshops aimed at stimulating solar interest. Vermont educational TV is planning several 30-minute solar documentaries for view by the public and in the Vermont schools.

I reproduce here for the RECORD a copy of the Vermont legislation in hope that it will be useful to other States drafting Sun Day legislation. The support for solar energy exists in this country and the national celebration is the best opportunity to focus attention on this creative and flexible energy source.

Joint resolution relating to Sun Day

Whereas, the realization and the promise of solar energy will be observed and celebrated throughout the nation on the 3rd of May, 1978; and

Whereas, the development of solar technologies and solar related renewable energy technologies will provide an abundant, economical, safe, and environmentally compatible energy supply; and

Whereas, a day devoted to a celebration of all solar technologies should help inform the general public, industry and labor, and demonstrate the potential of the sun in meeting the nation's energy needs; and

Whereas, federal, state and local governments should foster and encourage the further development, refinement, and utilization of solar and solar related energy technologies; *now therefore be it*

Resolved by the Senate and House of Representatives:

That May 3, 1978, is proclaimed "Sun Day," and the Governor is authorized and requested:

(a) to issue a proclamation calling upon the general public, industry and labor of the State of Vermont to observe such day with appropriate activities and ceremonies, and

(b) to direct all appropriate state agencies to cooperate with, and participate in, the celebration of "Sun Day," *and be it further*

Resolved: That the week from May 3, 1978 through May 9, 1978 is proclaimed "Sun Week," *and be it further*

Resolved: That the Clerk of the House shall forward a copy of this resolution to the director of the state energy office.●

TUITION TAX CUT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. DORNAN. Mr. Speaker, I have spoken out before on the pressing need for a tuition tax cut: for adoption of H.R. 9492 by this body and adoption of S. 2142, the Packwood/Moynihan bill, by our colleagues in the Senate. I speak out again because the President has now proposed a seductively wrapped package of Federal aid which strikes out against the very purpose of the tuition tax legislation—parental/individual control over education.

America's greatest strength has been in her toleration and diversity of races, of creeds, and of thoughts. This diversity has manifestly produced the single most advanced nation in the history of the world. To unduly restrict or curtail this virtuous quality would, in my view, certainly impair this Nation's ability and vigor.

Yet, we are doing just that. A society that only tolerates one educational system, a State-supported system, is indeed tyrannical and it is this that our forefathers sought to avoid. I do not believe that we must necessarily support a public school system per se, rather, we are obliged to secure for our children the best possible education available, public or private. While there are many who would have us believe that we now have a free choice in education, in fact, there is no choice when the burden of taxation becomes so great as to restrict the means with which to carry out that choice.

If I believed that a tuition tax credit sought to countenance Federal recognition of a particular religion I would be one of its strongest opponents. But the plain fact is that it does not. The proposed tuition tax credit, which I have cosponsored, along with 92 of my colleagues and 49 Senators, would provide for the choice of a deduction or a credit for tuition paid from first grade to graduate school, period. This includes all tuition-paid schools: Catholic parochial schools, Hebrew academies, Protestant schools, Morman universities, Islamic centers of learning, and so forth. It also includes nonsectarian State universities, city universities, community colleges, and vocational schools where tuition is paid. This proposed legislation is indiscriminate in application and it promotes nosecular or nonsecular school over another. What it does do is recognize that if education is to advance, if our children are to have the opportunity for the best education, there must be a free flow of thought which is not dominated or controlled from one source. It also recognizes that parents have overriding inherent rights and responsibilities for the education of their children that ought not be restricted by the State.

The proposal offered by Secretary of HEW Joseph A. Califano, and adopted by the President is nothing more than continued Federal domination over education. Mr. Carter believes that the Federal Government, not parents and individual students, should decide who will and who will not get aid. The income limits set by Mr. Carter will mean that a great many middle income Americans will not receive relief from exorbitant tuition costs. Those who will, must genuflect before the monolith HEW and with outstretched hands "pray" that they will be granted relief from the reckless spending of generations of the Federal Government. This nonsense must end! This Congress has got to stop taxing away middle America's income! It has got to stop making Americans wards of the State! Adoption of H.R. 9492 and S. 2142 is an essential step in this direction.

Mr. Speaker, the Western Association of Christian Schools and the Valley Christian Schools of Santa Clara, Calif., recently presented testimony to the Senate Finance Committee in support of the tuition tax credit. The association represents 767 Protestant schools and colleges with a combined student population of 93,682. I believe the association and Valley Christian Schools were right on target when they said:

There is widespread feeling among parents of all faiths and all walks of life for the need of more freedom of choice so that the consumer might pick the educational package and program that best meets the needs of the student.

Moreover, the Valley Christian Schools accurately expressed the dangers and inadequacies of the administration-type proposal:

The approach suggested in some quarters to equalize and reduce the educational tuition by offering a grant, an extended grant, or loan program in place of a tax credit program is something which we find absolutely abhorrent. An educational grant program can only mean an enlarged middle bureaucracy, a horrendous amount of paperwork and bureaucratic red tape for students, parents, and schools, as well as set the stage for a massive take-over by Washington bureaucrats of the educational programs and philosophies in local schools across America. In solving the problem, a grant program is assuredly the wrong way to go.

Mr. Speaker, I commend to my colleagues attention the excellent testimony presented by the Western Association of Christian Schools and the Valley Christian Schools and made part of the RECORD at this point:

WESTERN ASSOCIATION OF CHRISTIAN SCHOOLS & VALLEY CHRISTIAN SCHOOLS

(Prepared Statement for the Congressional Record on S. 2142 Tax Credit Tuition Relief Bill)

Knowing that I would be appearing at this hearing today, the members of the Executive Board of the Western Association of Christian Schools authorized me to make the following statement on behalf of the Association:

"The Western Association of Christian Schools, headquartered in Whittier, California, operates in the states west of the Mississippi River. It is composed of 767 member schools and colleges with a combined student population of 93,682. The Association has formally approved S. 2142 and is supporting its adoption. At a regional meeting of over 500 member school administrators held at Asilomar, California, last Thursday through Saturday (February 9–11) there was virtually unanimous enthusiastic support for passage of this tax credit bill."

EARL R. SCHAMEHORN,
Parliamentarian, Western Association of Christian Schools.

VALLEY CHRISTIAN SCHOOLS OF SANTA CLARA COUNTY—A PREPARED STATEMENT

Gentlemen, I'm here today to speak to the issue of consumer advocacy and a return to capitalism in the educational marketplace. Be assured that there is widespread support in the Protestant Christian community for the concept embodied in S. 2142. The concept of a tax credit whereby the school is not involved in any direct grant or subsidy from the federal government is one which we can wholeheartedly support without reservation. I have in my possession hundreds of letters from parents in our school systems, which I will deliver this afternoon to Senator Hayakawa.

Recently at our Western Association of Christian Schools Administrators' Conference, when the bill was presented and all the ramifications discussed, there was no doubt in anyone's mind that this is the best bill that has ever come along for alternative education below the college level. The administrators present unanimously endorsed the bill and the concept of tax credit rather than any kind of a grant program. Our legal counselors are of the opinion that this tax credit approach does not violate this country's historic support for the legitimate separation of church and state.

The approach suggested in some quarters to equalize and reduce the educational tuition by offering a grant, an extended grant, or loan program in place of a tax credit program is something which we find absolutely abhorrent. An educational grant program can only mean an enlarged middle bureaucracy, a horrendous amount of paperwork and bureaucratic red tape for students, parents, and schools, as well as set the stage for a massive take-over by Washington bureaucrats of the educational programs and philosophies in local schools across America. In solving the problem, a grant program is assuredly the wrong way to go.

We want to commend you gentlemen for aggressively attempting to put the brakes on the rapidly escalating cost of education for middle class and working class people through introducing a competitive educational marketplace embodied in S. 2142. We want to commend you further for recognizing the obvious inequities of requiring a large number of American families to pay twice for their child's education . . . once in taxes for a local government run education program and once for a nongovernment academic program which better meets the needs and abilities of the student. All scholastic evidence now indicates, on the long-term, that the present funding system of public schools is not attaining the academic standards needed for a sound progressive and successful America in the coming decade. Frankly, the present system is monopolistic, unresponsive and lethargic.

There is wide-spread feeling among parents of all faiths and all walks of life for the need of more freedom of choice so that the consumer might pick the educational pack-

age and program that best meets the needs of the student. We have found, gentlemen, in our school systems that there are thousands of parents who are frustrated in the public school system because they cannot afford to "break out" into a non-government or alternative school, be it religious oriented like ours or non-religious. Simply put, the consumers want a choice if it will give them a better product. Do you gentlemen really believe that quality education or anything of quality can come when you have a system where the consumer cannot take his dollar and purchase the product he desires? We have a great country and it was built on Capitalism.

As the middle and working class are able to afford freedom of choice in education, it will require the government funded school systems to evaluate the quality of education across this country. We cannot be very proud of the situation we find ourselves in today. The Packwood/Moynihan Bill will give schools like ours, be they religious schools or not, the ability to grow stronger and to even improve further on the quality of what we do. The tax credit concept will lend impetus to a new age of accountability. It will put pressure on the public schools for raising their standards of ethics, morals, and academics of the lives of our young people entrusted to them. Teachers will think twice before they go on strike against helpless children who can't fight back. The extremist element which has been using the public schools as a far-out testing lab for educational social fadism and wasting millions and millions of dollars of hard-earned taxpayers' money will have to face consumerism first. You gentlemen, in effect, are giving back to parents the leverage they need to insure that such even basic skills as reading, writing, and arithmetic are taught with great care. Is there any reason why, when looking at the test scores attached which speak loudly to the average American, that we can risk continuing going on as we have in the past? I close with this thought. It's no surprise that there are more public school administrators and teachers' children in private schools like ours than any other single profession. The Capitalistic concepts embodied in the Packwood/Moynihan Tax Credit Tuition Relief Bill are not only good for the private schools, but they are good for the public schools too. We commend your foresight and we urge you to support S. 2142.

THOMAS G. PATERSON, Jr.,
Business Administrator for the Board of Directors of Valley Christian Schools.●

SOCIAL SECURITY FINANCING AMENDMENTS OF 1978

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. KETCHUM. Mr. Speaker, today, as an expression of my ongoing concern with the financial and equity status of our social security system, I have introduced legislation which may be cited as the "Social Security Financing Amendments of 1978."

The American people who benefit from our social security system, those who support it, and the following generations of participants, demand a sound and far-reaching solution to social security's problems. We in the minority have tried, and thus far have failed to achieve that result. What we have witnessed during the 1977 deliberations in Congress is one more step in the liberal social reformers campaign to increase the taxation on the American people. The liberal approach has been to escalate the tax rate and to ultimately raise the taxable wage base to 94 percent of income. While the multitude of studies conducted on social security's financing problems have done much to identify the causes and extent of the problems, the solutions our liberal reformers have provided us are limited and unimaginative.

It is my firm belief that the temporary solution enacted into law last December will not only not solve the problem, but will occasion serious, very serious consideration on behalf of the Congress to fund social security out of the general fund. The decision to use general revenues for financing social security rather than relying solely on the payroll tax method will have a significant effect on the future of the system. When that occurs, social security becomes another welfare program.

Would social security remain as popular if its insurance features were converted to a welfare approach? We have only to look at the highly inefficient and poorly regarded welfare system of today to know the folly of that route.

Is there a rational alternative other than to impose outlandish tax increases on the American public? There is indeed. However, it will require enormous political courage to make the difficult political decisions unswayed by well organized pressure groups.

I resubmit to my colleagues in the House the alternative plan to restore financial stability to our faltering social security system.

This bill is designed to improve the equity of the social security system and to place it on a sound financial basis at least through the year 2058.

It does so without resorting to the large tax increases imposed in Public Law 95–216, signed into law in December 1977.

This bill would restore the taxable wage base to "old law" levels; that is, those prevailing prior to enactment of Public Law 95–216. The base would be adjusted annually according to increases in average wage levels, as it was formerly. Thus, the base would be $18,900 in 1979 instead of $22,900 as under present law.

The tax rate also would be reduced generally, over current law levels. The bill would increase the tax rate over "old law" levels by 0.6 percent in 1981 and by 0.65 percent in 1990 for a total advance over the 75-year period of 1.25 percent.

Under present law, the total payroll rate would rise to 6.13 percent next year. Under the bill, it would not be increased until 1981. Under present law, the rate would rise to 7.15 percent starting in 1986. Under the bill, the rate would go to 7.05 percent in 1986.

The bill calls for an ultimate payroll tax rate slightly higher than present law, but present law leaves an actuarial deficit in the social security trust funds of 1.46 percent of taxable payroll over the 75-year period. The bill leaves an actuarial deficit of less than 0.50 percent of taxable payroll—a level considered to be within acceptable limits. I respectfully request my colleagues support for the "Social Security Financing Amendments of 1978." ●

SCHOOL AID BRINGS FEDERAL DICTATION

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. WHITEHURST. Mr. Speaker, this past Saturday, March 4, Mr. George Hebert, editor of the Norfolk, Va., Ledger-Star, wrote an exceptionally poignant column on school aid and attendant Federal controls.

We, in Virginia, who are now experiencing the heavy hand of HEW on our institutions of higher learning, can testify personally to the interference of this agency in tampering with the admissions standards of our colleges and universities.

Mr. Hebert's editorial is well titled "School Aid Brings Federal Dictation." I insert his comments in the RECORD at this point:

SCHOOL AID BRINGS FEDERAL DICTATION

Jimmy Carter wants to do lots of good things for American school children.

He wants a better education for the poor.

He wants to help children who lag behind in class through a new incentive program which would provide one federal dollar for every two dollars spent by a state in its own compensatory program.

He wants to put more stress on the classroom basics—reading, writing and arithmetic—and surely that emphasis is badly needed.

To achieve all these ends, he is proposing that $6.9 billion be spent next year, instead of this year's $6 billion, on federal aid for elementary and secondary education.

But as lofty as his goals sound, that last figure is one clue to the harm in this latest round of do-good prattle from the White House, the kind of talk we've been hearing since long before Lyndon Johnson finally rammed the first big school funding program through Congress in 1965.

As one measure of what is happening, we can compare this year's $6 billion, and the proposed $6.9 billion, in school aid to the figure which was attached to the first year of the Johnson program—$1.175 billion, a huge enough sum at the time.

And not only do we see the ballooning effect, so characteristic of federal spending programs, but Mr. Carter's proposal confronts us with an enlarged hazard of federally dictated school policies.

The danger shouts out from within the Carter bill itself in several places. Take the proposal for the advancement of bilingual schooling. Well, the case for bilingualism in certain communities may be quite per-

suasive, and in others the device may be a copout to avoid the proper full emphasis on English. At any rate, this is a matter of local school policy which the communities themselves ought to be deciding, without any persuasion, pressure or directives from Washington.

And even that part of the new assistance aimed at more instruction in the three Rs is a piece of meddling by Washington in curriculum content, which is none of Washington's business, however much you or I or others may agree with a return to basics.

As to more brutal uses of Washington's power-of-the-dollar against receivers of educational aid, the country has before it right now a most repugnant example. The example is provided by the Department of Health, Education and Welfare in its treatment of states which have refused to go along with racial quotas in their colleges. HEW's threat: to cut off the millions of federal dollars which the offending states have imbedded in their college budgets and which, if lost, could hurt mightily at this late date.

Anyone who believes that the Washington handouts to elementary and secondary schools won't be used similarly, and in more and more ways, to create a federal monopoly in public-school policy is living in a dream world.●

ENCOURAGING SMALL AND MODERATE-SIZED FAMILY FARMS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. BROWN of California. Mr. Speaker, on February 2, 1978, RICHARD NOLAN and I introduced the Family Farm Development Act. The act redirects U.S. farm policy to encourage small- and moderate-sized family farms, through a variety of provisions affecting farm prices, conservation, taxes, land values, loans, marketing, research, and education.

Over the past 40 years we have lost 3.884 million farms. Land was consolidated as technology was developed and an individual became capable of managing more farmland. Since 1950 average farm size has increased 81.7 percent. The claim has been made by many that trends are due to an inherent efficiency in large-scale, high technology production. It is important to consider what is meant by efficiency. Due to the increase in these so-called efficient large farms, farm numbers have decreased, the quality of rural life in many small communities has declined, unemployment levels have increased, natural resources have been depleted, and there has been increased environmental degradation. Is this efficient? As Wendell Berry wrote—

The standard of efficiency displaces and destroys the standards of quality because, by definition, it cannot even consider them. Instead of asking what a man can do well, it asks him what he can do fast and cheap. Instead of asking the farmers to practice the best husbandry, to be a good steward and trustee of his land and his art, it puts irresistable pressures on him to produce more and more food and fiber, more and more cheaply, thereby destroying the health of the land, the best traditions of husbandry and the farm population itself. And so when we examine the principle of efficiency as we now practice it, we see that it is not really efficient at all. As we use the word, efficiency means no such thing, or it means short term or temporary efficiency, which is a contradiction in terms. It means cheapness at any price . . . Real efficiency . . . is neither cheap (in terms of skills and labor) nor fast. Real efficiency is long-term efficiency. It is to be found in means that are in keeping with and preserving of their ends, in means of production that preserve the sources of production, in workmanship that is durable and high quality.

Agricultural policy decisions must consider the total picture from production goals, to condition of the land, to the quality of food and well being of both the producers and consumers. In considering the total picture, small- and moderate-sized family farms have an important place in the agricultural system and society as a whole.

By increasing the numbers of energy-efficient small and moderate sized family farms, farms that conserve our precious natural resource—our soil—while producing high quality food and providing good environments for raising children, the rural communities dependent on them will begin to flourish as the tax base is increased along with the demand for secondary services. In my opinion a new agricultural system based on farms with a family operation structure which are energy conserving and environmentally protective represents the efficiency we should strive to obtain. The Family Farm Development Act was drafted to take us a step in this direction of changing our agricultural policy to support such a farming system.

Following are two articles which address the issues of agricultural structure and farm efficiency. The first is from the Washington Post, May 31, 1977, and describes the report "Status and Prospects of Small Farmers in the South" by Ray Marshall and Allen Thompson. The report put out by Southern Regional Council, Inc., looks at problems of small farmers and the implications of agricultural policy for them. The second is an edited version of a paper by Michael Perelman, economist at Chico State College, entitled "Efficiency and Agriculture." This article further discusses the issue of small-scale versus large-scale efficiency. Both articles raise important issues for consideration by the Members of Congress as well as the Nation at large, and I recommend them as reading material to my colleagues:

[From the Washington Post, May 31, 1977]

BIG-FARM BIAS OF U.S. POLICY FAULTED

(By Bill Curry)

U.S. agriculture policy, in the pursuit of possibly mythical efficiency, has driven thousands of small farmers off the land and stranded them in urban misery or rural poverty, according to a major study conducted in part by Labor Secretary Ray Marshall before he joined the Cabinet.

This decades-old policy, practiced in Republican and Democratic administrations alike, has exacted a disproportionately harsh toll on small farms in the South, particularly black-owned ones, the study says, as farm, tax, credit and research programs advanced large and corporate farms.

"The present agricultural system is dominated by certain actors who attempt to maintain control primarily for their benefit," conclude Marshall and Allen Thompson, an economics professor at the University of New Hampshire.

"The controlling figures in this system (large farmers and their organizations, the U.S. Department of Agriculture, the land-grant college system, food processors, agricultural equipment dealers, key congressional representatives and senators) share certain values about how the system should operate and for whose benefit."

The basic premise that large-scale farming is more efficient in that it produces more low-cost goods is challenged by the two. They say the traditional view had avoided the costs of research, lost taxes, energy consumption and enviromental damage in determining efficiency, and has overlooked the costs of welfare, unemployment, crime and the urban decay resulting from a displaced population.

"One of the greatest tragedies in the past several decades," Marshall and Thompson say, "was the large-scale displacement from agriculture of people ill-prepared by education, training or experience for nonfarm jobs. Clearly this has resulted in increased urban congestion, with all its associated problems and costs, as well as widespread poverty and unemployment in rural areas."

Their report, "Status and Prospects of Small Farmers in the South," was prepared for the Southern Regional Council, a private organization seeking to eliminate racism and poverty.

The study was completed late last year while Marshall was director of the Center for the Study of Human Resources and professor of economics at the University of Texas in Austin. It was released last week.

Small farms are considered to be those selling $5,000 or less in farm goods a year. Nationally, 966,631 such farms accounted for 26 per cent of the 3,704,912 farms in 1959. By 1969 they accounted for about 21 per cent (587,668) of the nation's 2,728,139 farms. More than one-half of the small farms are in the South.

"Small farmers have borne the major brunt of the changes in the farming sector," Marshall and Thompson write, and thus "the South has experienced a major displacement from farms and can be expected to experience future changes if past trends continue . . . Without significant changes, few nonwhite farmers are likely to survive in Southern agriculture."

They recommend a series of major changes in U.S. farm policy, but so severe is their view, they say, that "since the U.S. Department of Agriculture shows so little interest in small farmers, all federal programs designed to improve the conditions of small farmers should be removed from the department and placed in a separate agency. . . ."

Specifically, they criticize:

Farm research, much of it carried on at land-grant schools with public money, that has focused on crops, livestock and machinery not geared to small farms, but which instead increased the acreage required for optimal operation.

Credit practices, even among such federal agencies as the Farmers Home Administration and the Bank for Cooperatives as well as private banks that have been reluctant to make loans to small-scale, more marginal farms.

Technical services that have been provided to larger farmers by county agents but not to smaller ones, who have, Marshall and Thompson say, met with hostility at worst and lack of concern at best. (They note that Mississippi got its first black county agent in 1975 and only as the result of a court suit.)

Tax policies that have, in effect, provided land and equipment subsidies to well-heeled nonfarmers seeking tax write-offs and to large farms able to carry expenses or buy land at inflated values.

Marketing trends that have seen the emergence of fewer but bigger purchasers of farm goods, thus leaving small, independent farmers at a "severe competitive disadvantage when dealing with the large agribusiness concerns."

Marshall and Thompson claim that the federal programs since the New Deal that were intended to help small farmers with limited resources have been twisted to enhance bigness. "The banks for cooperatives," they write, "established in 1933 because established cooperatives were having difficulty obtaining credit from traditional sources, continued to benefit wealthier co-ops by providing both credit and technical services, but have not proved to be a ready source of credit to low-income co-ops."

EFFICIENCY AND AGRICULTURE

(By Michael Perelman)

"A cynic might even assert that the family farm is an institution which functions to entice farm families to supply batches of labor and capital at substandard rates of return in order to supply the general economy with agricultural products at bargain prices."—GLENN L. JOHNSON.

Americans are much more willing to praise the small farmer than to help him; but small scale farming is not even praised; the farms we really admire are the large, capital intensive operations. Clifford Hardin reflects this basic attitude when he writes:

"Using a modern feeding system for broilers, one man can take care of 60,000 to 75,000 chickens. One man in a modern feedlot can now take care of 5,000 head of cattle. One man, with a mechanized system, can operate a dairy enterprise of 50 to 60 milk cows.

"Agriculture, in short, does an amazingly efficient job of producing food."

Yes, if we measure efficiency by output per farm worker, then we must agree with Secretary Hardin's analysis; and in that case, we should get on with the job of clearing the land of the inefficient small farmer to make way for the large modern farms which are capable of using the newest technology.

On the other hand, we could ask ourselves why we should measure efficiency by output per manhour. After all, no man alive can really feed 75,000 chickens by himself. In reality he is aided by many other men who have made the cages and grown the feed. But we don't see these other men at the broiler factory; in fact, some of them might have never set foot on a farm. Yet they are farmers nonetheless, for without these men producing the capital and other inputs, the modern farm would wither away.

Since we cannot measure the physical contribution of these men, we use a different measure of efficiency; namely, profitability. Here again, the large, modern farms come out on top because they are very profitable; otherwise major corporations would not be investing in these farms. However this efficiency owes a great deal to their tax accountants and attorneys: Moreover, "high leverage and capital gains on the scale experienced over the past decade can convert a nominal rate of return on total investment into an effective rate of return on equity of eight to ten percent or higher." These advantages give the corporate farmer an edge over the small farmer. Furthermore, the profits of the large farmer are due in large part to government subsidies. According to a study by the Legislative Reference Service, large farms with over $40,000 sales per farm would face greater financial difficulties if price supports were discontinued. In fact, had price supports been absent, expenses on the average would have exceeded receipts for those farms with over $40,000 sales. So profit cannot be considered an accurate guide to efficiency in the farm sector.

Larger farmers have other advantages, over and above government policy. In the first place their buying power gives them leverage in the marketplace. They get cheaper inputs and lower interest; however these advantages could be neutralized if small farmers pooled their buying power so that their weight would also be felt. A second advantage of the large farm stems from a sometimes difference between the goals of larger and small farmers. To see this you must understand that some large farming operations are very interested in land speculation. As Simon Askin, Tenneco's Executive Vice President for Agriculture and Land Development, says, "We consider land as an inventory, but we are all for growing things on it while we wait for a price appreciation for development. Agriculture pays the taxes plus a little."

As more and more of these well off farm interests go into farming the price of land is bid up and the market for farm products becomes glutted: Thus the price of farm products falls or fails to keep up with the prices of other goods. But the land speculator doesn't mind. In fact, it is to his benefit at tax time to be in an industry with a low rate of current earnings while his equity rises with rising land values.

On the other hand, the small farmer needs his income today to meet his current expenses. He can benefit from the rising land values only when he sells out and ceases to be a farmer.

Now we come to the heart of the paper in which we go into some economic, ecological and social reasons for the superiority of the small farm. Our argument is grounded on one historical fact: that until the age of industrialization, all societies had to work harder to feed themselves as their population grew; that is, a one percent increase in population meant a larger than one percent increase in the effort required to feed everyone. You can find a very nice documentation of this fact in Ester Boserup's "The Conditions of Agricultural Growth." We have reversed this trend with industrialization only be means of harnessing the energy of fossil fuels. This stored up energy made it possible for the farmer to cut the soil with steel plows, to harvest with sophisticated machinery and then to take his produce to cities hundreds or even thousands of miles away.

The most dramatic form of mechanization was the tractor. As late as 1920, more than 20 million horsepower was provided by horses and mules. These animals had to be fed from the land. With the adoption of the tractor, this land was freed to produce food for humans instead of horses and mules. A tractor feeds on oil. Not only was land freed by the tractor; labor was also freed because one man plowing with a tractor could do the work of several men plowing with a mule. The net effect of mechanization is shown in Table I.

TABLE I.—HOW MECHANICAL POWER REPLACES HUMAN POWER

Year	Tractor horsepower (millions)	Man-hours of farmwork (millions)	Cost of operating and maintaining farm capital (millions)
1920	5	13,406	----------
1950	93	6,922	$5,640
1960	154	4,590	8,310
1969	203	3,431	11,500

Source: Changes in Farm Production and Efficiency, a summary report, 1970, U.S. Department of Agriculture, Statistical Bulletin No. 233, Washington, June 1970.

The displaced workers left the farms to go to the cities where they produced inputs for agriculture as well as the goods and services which constituted our GNP. But as we produced more goods, we consumed more and more of our stored up energy. For instance, farmers use the average tractor 400 hours per year. Since the average tractor is about 40 horsepower, we can estimate that each tractor represents about 16,000 horsepower hours of use. Assuming that the average tractor consumes about .01 gallons of fuel per horsepower hour, then its use represents 160 gallons of fuel per annum. Since we have about 5 million tractors in the U.S., we can estimate that tractors alone consume about .8 billion gallons of fuel. But tractors are only a portion of agriculture's drain in our energy supplies.

To show what high levels of energy consumption mean for agriculture Fred Cottrell tried to compare the energy budgets of Japanese and American farming. He found comparable statistics for two rice farms, one in Japan and the other in Arkansas. In Japan, an acre could be cultivated and harvested with about 90 man-days which is equivalent to 90 horsepower days. On the Arkansas farm, more than 1,000 horsepower hours of energy were used just to power the tractor and truck. Moreover, the consumption of electrical energy exceeded 600 hp-hours. Cottrell did not even include the energy required to produce the tractors and equipment. In fact, some authors believe that the efficient" American grain farm consumes more than one calorie of fossil fuel energy for each calories of food it produces. If we are facing an energy crisis then this type of farming is absolutely irrational.

Of course we did not feel any pinch; energy was still cheap and abundant. Still we could count upon reservoirs of energy from Arabia, Venezuela and the other corners of the world. Moreover, the prices of other raw materials fell making mechanization still cheaper, at the same time that a rising standard of living made men expect more for an hours worth of work. Mechanization became economically irresistible, but what was irresistible in the past might be unfeasible in the future.

We are also facing a population explosion which means that we do not have to worry about economizing on labor; we will have a labor surplus economy. In fact, our Nation already has a labor surplus economy so long as millions of men cannot find work. Yet we call our farm sector efficient while it brags about how few men it employs. We need to think about labor absorbing agriculture.

Of course, we could use much more labor to care for our natural resources. But care is unnatural to large scale farms; it is expensive and uneconomical. It is cheaper to pollute our water with pesticides and nitrates; it is cheaper to dessicate our topsoil. As a result our natural resources are wasted, and the quality of our food suffers. Moreover, our yields are not very high even though we have some of the finest agricultural soils in the world. For instance, Japanese peasants are able to harvest 1,100 more kilograms per hectare than an American farmer. Yet the Japanese have a considerably worse climate and much poorer soil. Moreover, five percent of the Japanese rice land is not irrigated.

In the Orient, however, care of the land is a fine art. Although much of their land is marginal, they have been able to farm it with yields comparable or higher than our own. Yet this land has been farmed for forty centuries.

Because we do not care for our natural resources, neither our yields nor the quality of our food is very high. The history of our corn crop is instructive here:

"American soils have been almost legendary for their fertility. One commenator was only slightly exaggerating when he said, that our soils are so rich that "if you tickle them with a hoe, they laugh with a harvest". We were so mindless about protecting this fertility that we have spent much more effort worrying about farm soils themselves. Part of our carelessness was understandable; we seemed to have a boundless supply of land so long as there was new land to put under cultivation, the effects of soil depletion would be less striking. For instance, between 1870 and 1902 corn yields remained constant, but about two-thirds of the increased acreage was located in eight cornbelt states where the mean yield was twenty percent higher than the United States average. Then between 1902 and 1925, yields were able to increase slightly, but this increase in yield was made possible because less fertile land, like that found in Texas and Oklahoma, was taken out of production. Soon after the beginning of the 1920's yields began to fall and although acreage remained constant until the early 1930's, production began a downward trend. Then from the 1937 low, yields rose to 74% above the ninety year mean for the period 1870 to 1960. One part of the explanation is that production was discontinued on more than 17% of the 1937 acreage in the relatively low yielding southern states. This land was probably taken out of production because the soil was too depleted to continue further cultivation of the corn. Another reason for the rising yields of the late 1930's was the introduction of high yielding hybrid corn. The more extensive roots system and aggressive feeding characteristics of the hybrids, enabled them when first introduced, to extract fertility which was inaccessible to open pollenated varities. That is, hybrid corn sped up the rate of soil depletion. But there was another reason why the hybrid corn produced more. The increased yields were bought at a cost of lower protein content. The agronomists refer to what they call the inverse nitrogen law which says that the more nitrogen we find in a crop the less we can expect its yield to be. And similarly the higher the yield the less percentage of nitrogen we can expect to find. Nitrogen is found in all proteins and may be taken a rough proxy for the protein level of the corn. For example, low yielding Indian corn has shown a protein content of from 12 to 15%; over the years we selected those seeds which produced more until the protein content fell substantially. But even before the advent of hybrid corn it was still possible to raise hogs on an exclusive diet of corn. Then in between 1937 and 1947 the average protein content of corn fell by more than 10%. At first livestockmen complained about the value of hybrid corn as a feed, but we don't hear much about that anymore, because feed today is supplemented with heavy doses of fish protein. Most of this comes from fish caught off the shore of Peru where the people suffer from protein deprevation. The United States imports enough fish protein to wipe out one-half of the protein deficiency in the entire continent of South America. That is, our corn crop required foreign protein subsidies to make it into a sufficiently nutritious animal feed."

Perhaps the most important property of hybrid corn is its regularity; because all the hybrid corn plants are just about the same height on the stalk, mechanical harvesting becomes a simple matter. Thus hybrid corn helped to speed up the mechanization of agriculture. And perhaps most of all, hybrid corn demonstrated the productivity of "efficient" agriculture.

However our technology weakens our crops and makes them more susceptable to disease; witness the recent Southern Corn Leaf Blight Epidemic. The chemicals we use to aid in farming are dangerous to many different life forms; birds, pets and even humans. Yet all this is considered efficient.

Many people grant that the small farm has ecological as well as social advantages over the factory farm, but then they ask if the small farm could feed America. The answer is that it could and would. In fact, small farms have higher yields than larger farms. The yields reflect in part, the more intensive care which the small farmer gives his land. Moreover, it is logical that we would produce more food by putting more people to work on the land.

But then would people want to return to the land? Young people today are giving us the answer to that question when they do go back to the lands and farm communally. They are fed up with the city; with its pace and with its tensions and with its intolerance.

But what about our standard of living? The true measure of our standard of living is the happiness of the people and judged by this standard America appears to be a poor nation. A return to the land might mean a return to sanity.

I am not saying that everybody or everyone must take up a hoe at once. Not at all. But access to the land is imperative. A first step would be to end the government policies which encourage large scale farming. End the tax and subsidy advantages to large scale farms. Next we must shift our support to those farmers whose technology is more in harmony with nature. End the wasteful consumption of our natural wealth, raw materials and people. Guarantee that men who actually work the land get a decent living.●

EVEN HUMPHREY CRITICIZED CARTER ADMINISTRATION FARM POLICY

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. MOORE. Mr. Speaker, the more research the House Republican task force on the agriculture emergency performs, the more it becomes apparent the Carter administration does not have a satisfactory farm policy and has badly mismanaged what precious little it does have. We have also discovered that dissatisfaction with the administration's performance is not just by farmers, consumers, or even just Republicans, but noteworthy Democrats as well.

One of the hardest pressed farm groups suffering the most from the administration's errors of commission and omission are beet and cane sugar producers. The late Deputy President pro tempore of the U.S. Senate, Senator Hubert H. Humphrey, submitted testimony to the U.S. International Trade Commission hearings in Minneapolis, Minn., on January 17, 1978, shortly before his unfortunate death which very accurately points out the numerous shortcomings of the administration in this area of agriculture establishing that there is a valid bipartisan criticism. The text of the Senator's excellent statement is as follows:

STATEMENT OF U.S. SENATOR HUBERT H. HUMPHREY FOR MINNEAPOLIS HEARINGS OF UNITED STATES INTERNATIONAL TRADE COMMISSION

Mr. Chairman and your fellow Commissioners: I deeply appreciate your scheduling a field hearing in your investigation in the matter of cane and beet sugars, syrups, and molasses in Minnesota, because of the vital importance of the sweetener industry to farmers in this and neighboring states producing the raw materials from which beet sugar and corn sweeteners are produced.

While I regret the inability to testify personally, I am submitting this statement and asking it be made part of your record because of my deep concern over the serious economic consequences to Minnesota that have been caused by the inept handling of sugar policy by the current Administration throughout the past year. The situation has deteriorated into a virtual shambles since your last hearings into the impact of foreign imports on domestic production, and the threat of ruination to the domestic sweetener industry has been worsened rather than relieved by actions of the executive branch since then.

This is not just a life-or-death issue for a relatively few economically important processing plants, cooperatively or privately owned; it is a matter of economic justice for thousands of farm families whose livelihoods depend upon market prices for sugar beets and corn.

The depressed farm income situation in Minnesota and elsewhere in the farm belt is fully recognized by economists of the U.S. Department of Agriculture; what is not as fully recognized by top officials in the White House, apparently, is the far-reaching effect this farm price depression is having on rural communities, rural banking, and business generally in farm states. Farm purchasing power is being wiped out, and farm credit is over-extended. We simply are not going to be able to get the entire U.S. economy moving upward with such depressed conditions in such a major segment of the economy as agriculture.

Perhaps I can give you at least some idea of the income-depressing impact the flood of sugar imports alone has had on farm crops in this state.

While later crop reports are being issued by USDA this week, the November estimates of the Department of Agriculture placed the 1977 production of sugar beets for Minnesota at 4,680,000 million tons—about one-sixth of the national crop estimate of 25,559,000 tons. This crop represents the production from 260,000 acres of Minnesota's productive farm lands. For corn, Minnesota, according to that same November USDA estimate, produced around 602 million bushels in 1977—approximately 10 percent of the national crop.

The market and prices for both these major Minnesota crops have been drastically depressed by the flood of sugar imports.

Leaders of Minnesota's sugar beet industry tell me, and my independent checking with respected agricultural economists confirm, that the flood of sugar imports have caused our beet growers a loss of some $5 per ton in the prices they received, or nearly $25,000,000 on the 1977 crop.

For corn, with prices already depressed by other factors, collapse of sugar and sweetener prices because of foreign imports has cost our growers at least seven cents a bushel on all corn sold as a cash crop, which means about 60 percent of our corn crop or 360 million bushels. That means another $25,000,000 in farm income loss, for a total of over $50,000,000.

Because every dollar of farm income to Minnesota's producers turns over several times in purchases of goods and services and creation of jobs, the total economic loss to Minnesota is even far greater, as businessmen and bankers will confirm.

That's a tragic price Minnesota alone is having to pay for the Administration's bungling, inept handling of sugar policy. It's tragic, because it could have been avoided.

It wouldn't have happened, if the Executive Branch had accepted your Commission's recommendations early last year to place a limit on foreign imports selling below the cost of domestic production.

It wouldn't have happened, if the Executive Branch had lived up to it's promises to the agricultural committees of the Senate and the House of Representatives to invoke immediate implementation of new legislation on which we reached conference agreement last August to protect domestic producers by an import management program that wouldn't have cost our government a penny.

It wouldn't have happened, at least as seriously, if the Administration hadn't included so many loopholes in its tariff proclamation finally and belatedly issued in November—three months after Congress had called for such action, and ample time in which to develop an effective program.

Latest estimates indicate last year's sugar imports amounted to at least two million tons higher than the level at which your Commission had proposed restrictions to protect domestic producers, and latest reports indicate about one million tons of that excess was rushed into this country in December, after the tariff proclamation but escaping tariff payments because of the many loopholes permitted.

Farmers, and members of Congress representing them, have been persistently asking for months why this is being permitted to happen. The kindest answer is bungling and ineptitude on the part of Administration officials responsible; the suspicion lurks, however, that there has been deliberate efforts to sabotage the mandate of Congress to get sugar prices raised in the market place to reflect at least a minimum of protection to domestic producers and lessen our dependence upon foreign imports. Every action of the Executive branch has appeared just contrary to the expressed intent of the Congress.

Your Commission is fully familiar with the direct implications for sugar beet producers of these imports of raw sugar.

You are perhaps not as familiar with its impact on corn prices.

In recent years corn sweeteners have become a significant part of the total sweetener market, and their development and encouragement has and could further lessen our dependence upon sugar imports with their drain on our foreign exchange.

About 10% of corn sales now go to corn refiners, and the biggest increase in corn refinery demand has been for processing into corn sweeteners. At present levels of utilization by refiners this domestic market for corn is credited by economists with accounting for a price impact of from 25 to 30 cents per bushel of corn.

Of course, no one can be sure just how much of the added domestic sweetner market would have gone to corn if the Administration had prevented that extra 200 million tons of imports coming into the United States. But based on present corn sweetener capacity and the present trends in market sharing between domestic sweeteners, reputable economists assure me these imports in 1977 above the levels your Commission had previously recommended meant a loss of at least $.07 a bushel to the Nation's corn growers last year.

For that reason corn growers are becoming increasingly concerned that their stake in national sweetener policies and decisions no longer be ignored. Corn growers worked hand in hand with beet growers and cane growers in seeking better remedies from the Congress than the Administration had designed, and they are just as upset as the cane and beet growers over the failure of the Administration to fully accept and make effective the mandate they obtained from the Congress.

This situation has been personally embarrassing to me. I do not enjoy criticizing a new Administration which I supported and in which I have many close friends.

In the Senate Committee on Agriculture, and in the Conference between the Senate and House committees on the Agricultural Act of 1977, I was responsible for working out acceptance of the de la Garza amendment on sugar price supports. In a gesture of cooperation with the Administration, I went along with the Department of Agriculture's insistence on slightly lowering the price support level that had been approved by the House of Representatives—from a floor of 55% of parity to a floor of 52½% of parity. My colleagues accepted that compromise on my recommendation based on assurances from the Secretary of Agriculture that they would implement the action immediately, and invoke Section 22 actions to use existing import management authority and get the sugar prices raised high enough in the market place not to require any costs to the government in administering the price support program.

All the pledges given us have been broken. All the warnings we in Congress provided about the flood of imports jeopardizing the price support program unless the Administration acted quickly went unheeded. To the contrary, the Administration appeared determined to try and find ways of preventing the market prices from being bolstered, and still seem determined to regard our compromised 52½ percent level as a ceiling rather than a floor.

Unfortunately, your authority is limited to investigating the facts and making recommendations. However, in view of the disastrous handling of this sugar situation to date I just urge you to protect your own integrity by including in your findings the strongest possible language calling attention to the heavy losses imposed upon American agriculture as a consequence of the Administration's ineffectiveness to date, and not hesitating to once again add your own recommendations and conclusions about more effective remedies for the future.●

HEARINGS ON RADIATION

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. PREYER. Mr. Speaker, an article appeared in the March 6 edition of the Village Voice about the work of one of our esteemed colleagues on this side of the aisle.

TIM LEE CARTER, or "Doc" as he is better known to some of us, is ranking Republican on the Health and Environment Subcommittee. That subcommittee, under PAUL ROGERS' able leadership, has been taking a hard look at our radiation health and safety standards and some controversies involving radiation and health effects.

I offer this article by Anna Mayo so that the other Members of this body might have a better idea of that work and our good friend from Kentucky:

DR. TIM LEE CARTER FIGHTS FOR OUR LIVES

(By Anna Mayo)

I knew it. I knew it all along. I knew that when the Messiah came it wouldn't be some flitty Socialist. I knew it would be a rock-ribbed, flag-waving, law-and-order 33rd degree Mason, an American Legionnaire Baptist Republican Congressman, who would save us all.

Tim Lee Carter, a Republican from Kentucky, sat on the platform of the hearing room used by the House Subcommittee on Health and the Environment, of which he's ranking minority member. Last month the subcommittee began sensational hearings on the effects of low-level radiation from nuclear reactors, atomic-bomb fallout, and diagnostic X-rays. Testimony at the hearings—which are still going on—is providing the first incontrovertible evidence that such radiation causes genetic defects and cancer.

Carter sat and listened—first to distinguished epidemiologist Thomas Mancuso and his colleagues Dr. Alice Stewart and Dr. George Kneale, who have discovered startling incidences of cancer among the 30,000 workers at a nuclear plant in Hanford, Washington. The federal government funded Mancuso for years, but as soon as the Hanford study began to show a positive relationship between cancer and the lower-level radiation to which the workers had been exposed, the funding was terminated.

Carter listened to Mancuso, Stewart & Kneale. Then he listened to Dr. Irwin Bross, director of biostatistics at New York state's famed Roswell Park Memorial Institute for cancer research. Bross testified, with some bitterness, about the government's long history of suppressing studies that reveal the dangers of low-level radiation. Bross should know. For nine years, he had National Cancer Institute funding for his studies. In 1976 he attacked the NCI mammography project on the grounds that it was causing more cancer than it was helping to cure and that the women who had been X-rayed had not been informed of the risks. Last fall he presented compelling statistical evidence that the children of parents who have received repeated X-rays have a higher than normal chance of getting leukemia. This was apparently too much for NCI; it refused to continue Bross's funding.

Carter also listened to veterans. Those who appeared represented the 300,000 servicemen who were irradiated during the United States' atmospheric A-bomb tests in the South Pacific and Nevada. Several of the veterans testified about the Navy's first test, in 1946. (Near the end of World War II the Navy announced that it wanted to know what atomic bombs would do to ships. So it sailed a small fleet of American and captive Japanese boats out to the Marshall Islands and dropped a multi-megaton bomb on them. Thus it was determined that atomic bombs sink ships.)

The Navy wanted to know what effect radiation would have on its personnel. So did the Army, which tested its bombs in Nevada. Now, decades later, we're beginning to find out. At the subcommittee hearings Hubert Smith explained that he was out in a rowboat taking seismographic measurements during one of the tests. Smith also said that he has cancer. In the late '50s, Sergeant Eugene Kelly was in the Marshall Islands during an A-bomb test. He, too, has cancer. Retired Colonel Thomas Steadman, who participated in maneuvers near the site of one of the Nevada tests, has cancer. So apparently do hundreds of others—a rate of incidence far higher than that for the rest of the population. In one week the National Disease Control Center hot line (set up under pressure from the subcommittee) took 10,000 calls

from veterans who claimed exposure and subsequent illness.

Tim Lee Carter questioned the veterans with his head bent and slightly cocked, a doctor taking case histories. Until he came to Congress in 1964, Carter was a country GP of a vanishing sort, rattling over back roads in a battered Jeep. And he didn't like what he was hearing. When it came his turn to question spokesmen for the Defense Department, which is responsible for exposing the 300,000 men to radiation, and the government scientists who squelched the offending reports, Carter came out of his crouch. "You people," he thundered. "I don't trust you people with the national security. Nuclear war is not a practical instrument for our defense. Do you want to kill us all?" Later, Dr. Carter told a government scientist, "This is a nightmare! What I'm hearing from you is a nightmare!"

Still later, in his office, I learned that Dr. Carter has been right before: He was the first congressman to publicly declare his opposition to the Vietnam war. I asked him how he feels about nuclear power. "I'll tell you," he said, "I've always voted to give them everything they want. But no more. I wouldn't want to live anywhere near a nuclear power plant. No, ma'am."

Tim Lee Carter is one-third of a very effective team. Subcommittee chairman Paul Rogers, Democrat from Florida, has an excellent environmental record; he is a cool and skillful trial lawyer who provides precisely the right counterpoint for Carter's oratory. And freshman Doug Walgren, Democrat from Pennsylvania, brings to the hearings both passion and idealism.

With this inquiry, the Subcommittee on Health and the Environment has assumed and transformed the pivotal environmental role of the old Joint Committee on Atomic Energy, which ruled the field for 30 years, with disastrous results. In the bad old days, dissident scientists could count on being ridiculed by congressmen Chet Holifield and Craig Hosmer; they could also count on being investigated by the FBI. Holifield and Hosmer have since left Congress to become lobbyists for the nuclear industry.

The industry is in a dreadful flap about the subcommittee's intrusion. Industry lobbyists attended the hearings in great numbers, looking, as always, like candidates for the title role in *Death of a Salesman*. Sad-sack people with no sensible arguments. By the end of last week they were calling up the subcommittee offices and huffing that Rogers didn't have jurisdiction. They will undoubtedly appeal to their most powerful friend in Congress, Mike McCormack of Washington, to exert *his* jurisdictional prerogatives. They may even bring suit against the subcommittee. Certainly they are lobbying Harley Staggers, Democrat of West Virginia and chairman of the House Committee on Interstate and Foreign Commerce, of which this subcommittee is a part. Staggers is a cryogenic congressman who is one of Exxon's many friends in the House.

Whatever the nuclear industry tries, it won't be able to hold back the astonishing flood of new information on low-level radiation. Perhaps industry leaders should fall back on the grotesque argument advanced by Edward Teller, father of the H-bomb. Radiation is part of the evolutionary process, Teller says, and will in the long run weed out the weak and strengthen the race. (Maybe this is what Zbigniew Brzezinski meant when he said that people in a transitional world must suffer?)

But now, with these hearings, a corner has been turned. Dr. Tim Lee Carter has become convinced that nuclear energy is medically unacceptable. From now on he is going to be thinking like a doctor as well as a politician. From now on he'll see the anti-nuclear movement not as the nuclear industry pictures it (a Communist plot or a mass psychosis), but as a struggle against the Twin Horsemen of sickness and death, the doctor's traditional enemies.

Carter's position is important. He has often forged conservative-liberal coalitions. And since cancer on the Right is indistinguishable from cancer on the Left, Tim Lee Carter may well be onto a dynamite common cause.●

A TRIBUTE TO PHILIP AHN

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. CHARLES H. WILSON of California. Mr. Speaker, since the first showing of "Birth of a Nation" in 1917, the American public has been fascinated by the movies. Those who achieved stardom were idolized by the fans, but it was also the character actors—whose names you might not remember right away—but whose faces brought back many memories.

One such character actor was Philip Ahn, a native of Korea, who died March 2 of complications following surgery. He is perhaps best known for his portrayal of the hated Japanese officer in World War II movies and most recently for his performance as the wise old patriach in the TV series "Kung Fu."

In spite of the fact he played "enemy" roles, his father, Chang Ho Ah, was a Korean patriot who distinguished himself during the Japanese occupation of Korea. Most of his father's life was spent resisting their domination of his country and he died in a Japanese prison camp in 1939.

As in the case of many actors, Ahn's first brush with the movies came more from happenstance. As a young man, he would take his teenage sweetheart, who later became the well known actress Anna-May Wong, to the movie studio where she worked. It was Douglas Fairbanks who first saw Ahn and felt he had a chance to make it in the movie business, but Ahn's mother refused to let him take the screen test.

Later, he was asked by the director Lewis Milestone while a student at the University of Southern California to try for a part but was turned down when Milestone found out he spoke with perfect diction.

It was tribute to his sense of humor that Ahn responded—

Oh, so sollie honorable sir. Me no talkie light lay. So goodbye, chop, chop.

In later years, Ahn remarked that his response got him the part and started his career in movies.

During that career he played some 270 parts. His first film, "Anything Goes" was followed by other performances in "Macao," "Fair Wind to Java," "The General Died at Dawn," and "Love is a Many Splendored Thing."

I had the privilege of knowing Ahn and spending some time with him in California. His warm spirit and friendly manner will be missed but he will always be remembered on the screen.●

REPRESENTATIVE QUAYLE ON FAMILY NEWSPAPERS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. UDALL. Mr. Speaker, for the better part of a year I have been carrying on a dialog with the newspaper publishing industry about what I consider to be an alarming trend toward concentration of ownership of newspapers—especially daily newspapers.

It seems that hardly a week goes by without a major acquisition of an independently owned local newspaper by a chain.

I have had considerable success in starting that dialog and I have been gratified by the positive response by publishers throughout the Nation.

I have also been gratified by the responsiveness of my colleagues. Some 44 have either joined me on my bill, introduced companion measures, or indicated a desire to be included when we put the bill, H.R. 9484, in again.

One supporter of this legislation is Rep. DAN QUAYLE of Indiana. A member of a distinguished newspaper family, Congressman QUAYLE wrote an eloquent and perceptive article in the February 18 edition of the Washington Star.

In order to share those views with my colleagues, Mr. Speaker, I would like to include this article in the CONGRESSIONAL RECORD.

The article follows:

FAMILY-OWNED NEWSPAPERS

(By DAN QUAYLE)

During the past decade, there has been an alarming trend toward conglomeration within the newspaper industry. Family-owned newspapers and independent newspapers are becoming a dying breed. Recent purchases and retirements of newspapers underscore the concentration of power that exists within this profession.

For example, in recent weeks, The Washington Star was sold to Time, Inc., for $20 million. Both daily newspapers in Wilmington, Del., have been sold to the burgeoning Gannett chain for $60 million. Chicago's only evening newspaper, The Daily News, has announced it will soon end publication. Unfortunately, the newspaper business is fast becoming big business and very concerned about the bottom line.

In respect to the acquisition by Time of The Washington Star, a small consolation will be that our Nation's Capital will continue to be served by two newspapers—The Washington Post, which also owns Newsweek, and The Washington Star owned by Time.

Our greatest amendment in the Constitution is the First Amendment, which includes freedom of the press. Unlike the electronic media, which have their coverage of national news consolidated into only three major networks, the print media do not have to be licensed by the government in order to exercise the right of freedom of the press. However, with the newspaper industry becoming more and more concentrated, the availability of freedom of the press and the exercise of it is being placed in fewer and fewer hands.

The late Supreme Court Justice Oliver Wendell Homes said "the best test of truth is the power of thought to get itself accepted in the competition of the market." The strength of America's free press rests upon truth and competition.

Yet, the competition among newspapers and major publications is decreasing rather than increasing. Without having a free exchange of different ideas, the competition for the truth is greatly diminished.

It has been estimated that within two decades virtually all daily newspapers in America will be owned by perhaps fewer than two dozen major conglomerates. Independent dailies today are being picked up at a rate of 50 a year by the conglomerates.

We are confronted with the prospect that the American newspaper reader will be spoonfed the news and editorial opinions from a narrow funnel of newspaper ownership in this country. The divergent editorial voices which have contributed so much to journalistic excellence and public benefits in this country are gradually being reduced.

The four largest newspaper chains in this country—Newhouse, Knight-Ridder, the Chicago Tribune and Gannett—account for more than 20 percent of all U.S. daily newspaper circulation. Gannett, which now owns 75 newspapers, and Newhouse, which controls 29 dailies, account for more than 6 million daily newspaper sales.

As a congressman, I know Congress cannot and should not legislate in any manner which would infringe on the First Amendment rights of freedom of the press. As a newspaperman, I would certainly fight any such action.

Unfortunately, we live in times in which a climate has been fostered where bigness is expected. We have big business, big labor, and big government itself. Our laws provide numerous incentives to the conglomerates and our antitrust laws are not always applicable or fully enforced.

The only legislative remedy to the continued demise of family-owned independent newspapers may be through tax devices. Congressman Morris Udall of Arizona has sponsored one such approach in his bill, H.R. 9497, the Independent Local Newspaper Act of 1977. It provides certain estate tax benefits which make it easier for newspaper owners to pass along their papers to their heirs.

The trend toward newspaper conglomeration may be irreversible. If that is the case, then fewer citizens will have access to our most cherished First Amendment right—freedom of the press. There is great concern over the trend to corporate conglomerates such as big oil and gas, corporate farming, and other giant enterprises. We witness small business, the family farm, and now the independent community newspaper struggling to survive.

If the newspaper profession loses its independent newspapers, America has lost one of its greatest citizens and strongest voices.●

HAWAII'S VOICE OF DEMOCRACY WINNER

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. HEFTEL. Mr. Speaker, the Voice of Democracy contest, sponsored by the Veterans of Foreign Wars, has consistently produced some of the clearest thinking about what it means to be an American. This is noteworthy because it has been America's youth who have reminded us, through the contest, of what is sometimes forgotten by their elders.

The winner of the Hawaii State contest ths year was Patricia Ann Hires, a student at Moanalua High School in Honolulu. Patricia plans to pursue a career as a writer, and her talent has come through in her winning Voice of Democracy speech.

It is a pleasure to include Patricia's award-winning speech in the RECORD and to wish her good luck in the national contest:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM
HAWAII WINNER

As a young adult of America, I have many responsibilities to my country. One of the many responsibilities I have is to vote. I don't have to vote, but I will. It is one of the many freedoms I have in this country; it's a chance for me to speak out and have my say. I'm responsible to stand up for rights guaranteed to me by the Constitution of the United States. When these rights are suppressed, it is my responsibility to resist and oppose anything that endangers these freedoms.

I fully realize that as a young citizen of America, America's future is in my hands. It is my responsibility to stand up and help out, not to sit back and call down. To fulfill these responsibilities now, I must do everything in my power to, first of all, get a good and solid education—to ready myself for the long, hard fight to keep America's standards high and to support and to improve my country.

Presently, I am taking a Newswriting class and a Political Process class. I plan to improve my newswriting abilities in the future because the newspaper, if used the right way, can be our most powerful weapon against suppression of our freedoms. I also plan to use my Political Process abilities in the future because it is teaching me how the government works and why it works this way. I intend to use this knowledge to the fullest extent possible in the future.

Secondly, an important responsibility to my country is to take pride in America, the government, and the people. Pride is an easy word to say, but it is a difficult word to show. How does one show pride? I show pride in my country by having respect for the most important things, like our flag, national anthem and our constitution. These three things may seem simple and unimportant to some people, but when you get right down to it, they are exactly what America was, and is, and will always be.

In short, my role in America can be anything I want it to be. If I want to, I can sit back and accuse the American people of being apathetic, but I won't. If I want to, I can point my finger at the American Government and accuse it of cheating us, the American people, but I won't. Instead, I prefer to take action. I will do whatever I can to help, to support, and to be proud of America because this is my home, this is where I live. America gives me happiness, security, and above all, it gives me freedom.

In essence, I have attempted to say three things as a concerned youth of America:

(1) that one should acquire a good and solid education in order to responsibly contribute to one's country;

(2) that one should take pride and exhibit that pride in one's country, and;

(3) that above all, one should take action, utilizing one's intelligence and sense of pride, in positive ways to insure that America remains number one.

I pledged allegiance to America; I promise to keep that pledge. America has given me so much. In return, I give America my support and my promise of allegiance.●

SPEAKING OUT FOR AMERICA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. GILMAN. Mr. Speaker, on February 12, the Ninth District of the American Legion of New York State held the finals of the annual Legion Oratorical Contest.

The American Legion program, under the chairmanship of Dave Ossman of Rockland County, N.Y., not only provides participants with the opportunity to expound on the goodness of our heritage, but also gives them a taste of public speaking.

First prize in this year's contest went to Jeffrey Laite of 111 Farrington Avenue, North Tarrytown, a student at the Sleepy Hollow High School. The second prize winner is one of my constituents, Beryl Matshiqi, 81 Regina Road, Monsey, a student at Spring Valley High School. The third prize went to Karen Hamm of Shirley Avenue, Fishkill, a student at Mount Saint Mary High School in Newburgh.

At this point in the RECORD, Mr. Speaker, I request permission to reprint the three award-winning essays, in order to afford the opportunity for my colleagues to share the thoughts of these bright young people:

HISTORY OF THE AMERICAN CONSTITUTION

(By Jeff Laite)

On the seventeenth day of September in the year 1787, 39 men signed their names to a document called the "Constitution of the United States of America." On March fourth, 1789, having been ratified by more than the necessary nine of thirteen states, it was declared to be in effect by the U.S. government. In the 188 years since, this document (along with the 26 amendments which have since been added) has become the foundation of the single largest and most successful democratic endeavor in the history of mankind. How did it get there?

It was 1777. But one year ago, we had sought to dissolve the political bands which had connected us to England for so long, and were therefore at war. In the search for something to hold the thirteen states together, the Constitutional Congress proposed the Articles of Confederation, which took effect in 1781. The articles bound the states together, but at the same time left each free to govern itself. Before the decade had run out, we needed something more.

So on May fourteenth, 1787, 55 delegates from 12 of the 13 states met in Philadelphia to revise the articles or, if possible to draw up a constitution. George Washington, who presided over the convention; James Madison, who is known as the father of our constitution, having done a staggering amount of paperwork; Alexander Hamilton, who represented the financial and landowning communities; and Ben Franklin, who showered his infinite wisdom over the entire proceeding all played key roles in the formation of this document.

Included in the original constitution were seven articles. The first three set down the distribution of governmental power according to Montisquieu's philosophy: three

branches of government—executive, legislative, and judiciary; each with its own function. The fourth set down states' rights, and the last three dealt with the constitution itself—procedures for revision, ratification, and the like. It was a start. It was an excellent start, but it was not enough.

The first congress met in New York six months after the Constitution had gone into effect. 12 amendments were proposed, of which 10 were ratified. These first ten amendments became known as the Bill of Rights, and it is in this bill of rights that, for my part, the real beauty of our constitution lies.

For it is here that we are granted those things that set us apart from the citizens of the rest of the world. Here are we given the right to believe what we want; to say and write what we want, and to get together and let our government know what we want—what we think is wrong . . . and what we think is right. Here, too are our properties and persons protected, and here are we guaranteed those rights we have when accused of a crime.

The next major expansion of the Constitution took place just after the civil war. Amendments thirteen, fourteen, and fifteen set forth the ideal of equality. Under these amendments, slavery was abolished, equal protection under the law for all United States citizens was guaranteed, and the right to vote was extended to all men—regardless of race, color, or past servitude. We were on our way to an excellent recovery.

America entered the twentieth century. The industrial revolution was booming. We were young. We were strong. We could do anything. We were determined that the U.S. should be the model state it was billed as in Europe. In 1913, the sixteenth amendment gave Congress the power to levy an income tax on the American people. We were taking stock in our country. Also in that year, the seventeenth amendment declared that senators should be elected by direct popular vote. We were involved with our government.

In the following year, the great war, better known now as world war one, was begun. In the end, it became for us a great moral crusade. The world had to be made safe for democracy, and we were just the ones to do it. We not only made the world safe for it, but sought to improve it here at home, too. In 1920, we took the largest step towards equality since the days of the reconstruction. The women's suffrage movement gained the right to vote for all women with the addition of the nineteenth amendment. Earlier in that year, prohibition had gone into effect. Although it didn't last, it demonstrates the fantastic amount of healthy spirit in the country at that time.

As the 1900's progressed, America took on a more conservative assessment of itself. In 1933, the 21st amendment repealed prohibition. After the Roosevelt administration, the presidency was limited to two terms. Since then, Washington, D.C. has been given full voting rights, poll taxes in federal elections have been barred, procedures for presidential succession have been set, and the voting age has been lowered to eighteen. That was in 1971.

In the 186 years since the Bill of Rights, only sixteen amendments have been added to our constitution. Of those sixteen, only a few have been modifications on the ideas in the Constitution. The rest have been adaptations to the changing times. There is a good reason why there are so few amendments. We, the people, are choosey about what goes into our supreme document.

For example, in 1810, Congress passed an amendment which stated that anyone holding a title of nobility would be barred from United States citizenship. It never got the necessary ratification. Neither did the Corwin amendment, an 1861 proposal dealing with the powers of an amendment over state laws.

Most amendments have simply clarified matters that were not dealt with in the original constitution. We obviously needed some set way of selecting a president and vice-president. When Washington, D.C. came into being, it needed voting rights, and inauguration dates had to be set for senators, representatives, and, of course, presidents. These things did not contradict the principles of the Constitution; they simply were never mentioned.

The original constitution, along with the Declaration of Independence, now stands in the National Archives Building in Washington, D.C. I've seen it; it's quite something. The ancient ink on the sun-faded parchment is barely visible through the thick glass, but even though you can't read it, you can get an idea of what it's all about. And as the great altar of glass and brass looms over you, it seems like an inordinate amount of protection for a bit of old paper. Then you suddenly realize that your every freedom rests on that paper, and you begin to wonder why it doesn't have a building all its own.

It has been said that life is a game. Well, games are played by rules, and I've yet to be shown a better set than ours. Now we may not know exactly when freedom of speech becomes slander, or just what it is that makes a given search and seizure unreasonable, and maybe the ERA just repeats amendment fourteen, and maybe it doesn't. But I still haven't seen a better set of rules.

Have you?

THE CONSTITUTION: A SPIRIT OF DEMOCRACY

(By Beryl Matshiqi)

Like an eagle gently gliding through the air, so is man's spirit uplifted by the winds of expression. Man is an expressive creature who must give vent to his views or wither as the autumn leaves. It is for this reason that the First Amendment of the American Constitution is a humanistic accomplishment. Without expression, be it vocal or otherwise, the progression of mankind is impeded.

This belief in the individual's right to freedom of expression is not a new one. The concept, as we know it, is essentially the result of the development of the liberal constitutional state which begins with the Renaissance and gradually transforms the Western world. This transformation is from an authoritarian, feudalistic society to one in which man's dignity, as in ancient Athens, rested in the reason and freedom of the individual. Thus, the modern theory, which has evolved over more than three centuries, has been applied to various situations while seeking to deal with different problems. According to Thomas Emerson, this theory can be placed into four general categories. He feels that the maintenance of a system of free expression is necessary as an assurance of individual self-fulfillment; a means of attaining truth; a method of insuring participatory government and a continual force maintaining the equilibrium between stability and change in the society.

This is not to say, however, that the American system is flawless. There is no such thing as an ideal in this respect but, it can be safely said that the United States most clearly embodies three principles. The members of the First Congress, who later drafted what became the First Amendment, were incisive in their understanding of the utility and durability of limiting the power of government to interfere with freedom of thought and expression. Thus, essentially, this government amendment, with its many restrictions on government, protects the individual's freedom to think, to believe, and to communicate. As Judge Brandeis wrote in his opinion in Whitney vs. California: "Those who won independence believed that the final end of the state was to make men free to develop their faculties . . . They believed that freedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth; that without free speech and assembly discussion would be futile; that with them, discussion affords ordinarily adequate protection against noxious doctrine; that the greatest menace to freedom is an inert people; that public discussion is a political duty; and that this should be a fundamental principle of the American government . . . They knew that order cannot be secured merely through punishment for its infraction; that fear breeds repression; that repression breeds hate; that hate menaces stable government; that the path of safety lies in the opportunity to discuss freely supposed grievances and proposed remedies . . .

There are, however, many people and, more specifically, countries who would vehemently object to and disagree with this doctrine. A case in point is South Africa, where the Government has, as a rule, silenced any opposition to its policies. The recent death of Stephen Biko, the young black leader, is an example of this repression. An inquest was held to determine the cause of death, which was allegedly caused by police brutality. The verdict—the police were exonerated.

Contrary to South African practices, the government claims to be a free and democratic nation in which criticism is not punished. Mr. Kentridge, the Biko family lawyer involved in this case, is not allowed to criticize the court's ruling. Any such attempts on his part could lead to his disbarment. These policies are clearly not those of a free and democratic state they are a contradiction and a debasement of democracy.

However, in the United States it clearly states in the First Amendment that the government may make no laws " . . abridging the freedom of speech, or of the press . . ." This is one of the many factors that make the Constitution a testament to the belief in men's capacity and need a reason a view that is shared by few countries in our world today.

In regards to freedom of the press, which undoubtedly, is a form of expression, the South African government has placed unreasonable restraints on local newspapers as well. In the final clause of the Press Code of the South African Newspaper Press Union, it is stated: "While the press retains its traditional right of criticism, comment should take cognisance of the complex racial problems of South Africa, the general good, and the safety of the country and its principles."

My immediate reaction to this is adverse. This statement is a clear example of well-planned but shallow governmental double-talk. If I were to voice this opinion in South Africa I would, undoubtedly, be arrested, imprisoned, and silenced. But, in America, the governmental structure is such that it is flexible so as to absorb criticism and, thereby, through that criticism effect change within the system. The pen is stronger than the sword, therefore, freedom to express oneself is a safety valve to avoid open conflict.

Suppression of expression conceals the true problems confronting a society and diverts public attention from the critical issues. It is likely to result in the neglect of those grievances upon which the basis for unrest are based and, consequently, prevent their correction. This factor hides the extent of opposition and hardens positions on all sides, thus making a rational compromise difficult or impossible. Furthermore, suppression forces opposition underground leaving the suppressed either apathetic or desperate. Simply stated, suppression of opposition may well mean that when change is finally forced on the community it will come in more violent and radical form.

In the traditional theory, freedom of ex-

pression is, not only, an individual and social good, it is initially, the best process for advancing knowledge and discovering truth. As the fountainhead of all expression relating to individual personality, to cut off the flow at the source is to evaporate the entire stream. Freedom at this point is essential to all other freedoms—a basic premise that is best exemplified in the Constitution of the United States.

Our minds are a vast expanse where, like the shifting desert sands, the winds of expression blow and constantly change his viewpoints. The First Amendment, therefore, is one of these winds that continuously blows in an effort to reshape men's minds end, consequently, produce a group of individuals who are truly free and, in the final analysis, functioning . . . human . . . beings.

THE CONSTITUTION AND THE PRESIDENCY

(By Karen Hamm)

The date: April 30, 1789.

The place: New York City.

The order of business: To swear in the first President of the United States.

Enter: the Chief Justice, whose duty it is to administer the Presidential oath.

The crowd, gathered outdoors, listens attentively as their newly elected leader, George Washington, makes the following promise:

"I do solemnly swear that I will faithfully execute the office of President of the United States and will, to the best of my ability, preserve, protect and defend the Constitution of the United States."

These words are contained in section one of article two of the very Constitution Washington promised to stand by. They would be repeated by the 38 men who would succeed him in this highest office of the Nation he helped to found.

The Constitution of the United States is now the oldest written national constitution in the world. A flexible document, it has stretched to meet the needs of a growing Nation for almost two hundred years. Only 25 amendments have been required to keep this charter effective in a Nation undergoing constant change.

How has this Constitution affected the presidency in particular? How has it guided the men leading our Nation in times of crisis? How has it helped to insure smooth transition from one president to another? The answers to these questions help us to understand and appreciate why this document has enabled our country not only to survive but also to prosper.

The Constitution gives a clear outline of the duties and powers of the President. The four sections of article two are devoted entirely to this office. The first section provides that the Executive power be vested in the President who will hold office for the term of four years. He will be elected in the following manner: Each State is permitted a number of electors equal to the total number of Senators and Representatives to which the State is entitled. The person having the greatest number of votes cast by these electors shall be President. To qualify for this office, a person must be at least 35 years of age, a resident of the country for a minimum of 14 years, and a natural born citizen of the United States.

Provision is made in the Constitution for those who prefer the term "affirm" to the term "swear" when taking the oath of office. The only President who took advantage of this choice was Herbert Hoover, whose Quaker faith did not permit him to swear in any circumstances. Although the Chief Justice usually administers the oath of office, an exception was made in this procedure as well. Vice President Calvin Coolidge was sworn in by his father, a justice of the peace, by the light of a kerosene lamp at the family farmhouse in Northampton, Massachusetts.

According to the second section of article two, the President holds the title of Commander in Chief of the Army and Navy. He has the power to grant reprieves and pardons for offenses against the United States and to make treaties with the advice and consent of the Senate. He also needs the Senate's approval to appoint Ambassadors, Supreme Court Justices and certain other officers.

The President is required to keep Congress informed on the current State of the Union the third section of article two. The fact that he must give at least one formal address a year telling his plans to the entire Nation keeps the voters informed as well. This section also gives the President the right to convene and adjourn both Houses of Congress and to receive Ambassadors and other public ministers.

Reasons for impeachment outlined in the fourth and final section of article two are convictions of treason, bribery, or other high crimes and misdemeanors. Only one President, Andrew Johnson, was ever impeached. When he was tried in 1868, however, he was found not guilty.

The extent to which this article specifies details about the Presidency has proved helpful throughout our Nation's history. In times of crisis such as war, Presidents have assumed broad powers over civilians under article two, section two. During World War II, for example, President Franklin D. Roosevelt imposed food rationing and travel restrictions on the people. Although these regulations often caused serious hardship, they were accepted by Americans for patriotic reasons and because they understood that the action was constitutional.

Smooth transition under unusual circumstances from one president to another has also been assured by the Constitution of the United States. When John F. Kennedy was assassinated in 1963, the country was in a state of shock. Fortunately, the framers of the constitution had anticipated emergencies of this kind and Lyndon B. Johnson moved smoothly from the office of vice president to that of president.

Had Kennedy suffered an injury rendering him unable to perform presidential duties, however, no one knows what vice president Johnson's role would have been. Amendment 25 was therefore passed in February 1967. Under section 3 of this amendment, the vice president becomes acting president when the president notifies him and Congress in writing that he is too ill to perform the duties of the presidency. The vice president continues in this role until the chief executive recovers his health. In cases of mental illness, a majority of the cabinet officers and the vice president can declare that the president is too ill to act. The vice president then immediately becomes acting president.

Abrupt changes in our nation's leadership also took place during the Nixon administration. After vice president Spiro Agnew resigned, President Nixon appointed Gerald Ford to take his place. Then, when Nixon himself resigned, it was Ford who automatically became our country's leader with Nelson Rockefeller as his appointed vice president. This was the first time in our nation's history that neither the president nor the vice president had been elected by the people. Rockefeller's appointment required approval of both houses of congress, however, since only before an election may a president appoint a vice president on his own. This additional approval is stipulated in section 2 of amendment 25. Pressure to pick a vice president who appeals to a majority of the voters, it was felt, may not be so great after as before one takes office. The 25th amendment is certainly an example of profiting from the lessons of the past. Smooth transitions in national leadership in the future are now virtually assured.

An oath of office which has lasted almost 200 years . . . 39 presidents benefiting from the guidance of one document amended only 25 times in 2 centuries . . . future generations promised self-government and political stability provided that they respect the values which motivated the framers of the constitution of the United States. We must all respect those values, resolving to accept the advice of Abraham Lincoln given in his first inaugural address: "Continue to execute all the provisions of our national constitution and the union will endure forever." ●

U.S. REPRESENTATIVE CHARLES WILSON: "SALT DEFICIENCIES"

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. DORNAN. Mr. Speaker, in this morning's Washington Post, Evans and Novak reported the growing anti-Soviet feeling that is becoming evident in the United States. More specifically, they plotted the increasing anti-SALT attitude which was quantified in the recent Opinion Research Corp. poll. The poll reveals a sharp rise in the public's concern about Soviet military power and its belief that, if a new SALT agreement were reached, the Russians would not "live up to their part of the agreement."

This theme of public wariness and mistrust of Soviet intentions is an echo of that voiced by our colleague, the Honorable CHARLES H. WILSON of California, in his recent article in Aviation Week & Space Technology of January 30.

While the poll is impressive because of the size of the public opinion shift it reflects, it does not, of necessity, detail the reasons for the concern Americans feel about the Soviet goals at SALT II. Representative WILSON's piece articulates the probable reasons for the public disillusionment with détente and preemptive concessions. His is no pollster's guessing game. It is based on fact and face-to-face contact with the Soviet and American negotiators at SALT II. As a delegate of the House of Representatives, he recently participated in talks with the Soviet SALT team during its meeting with U.S. counterparts in Geneva.

While an observer/delegate, Representative WILSON was particularly concerned that while only two members of the U.S. team had prior SALT experience and other negotiations with the Soviets, the Russians had been experienced with SALT since 1969 and most spoke fluent English and had held diplomatic posts in the United States. Moreover, Ambassador Paul Warnke, the chief U.S. SALT negotiator, was also simultaneously handling Indian Ocean negotiations and the Comprehensive Test Ban Treaty talks, while playing a leading role in mutual and balanced force reduction negotiations.

These and other concerns which he details, led him to write a report he calls "The High Stakes Game We Are Losing." Because of its insight and balanced evaluation of these vital negotiations, I include it as part of my remarks and urge my colleagues to read it carefully.

While it may not convince many of the more détente-minded of them to alter their opinions of SALT II, it should give them an idea of why their constituents are less and less enamored with negotiated inferiority.

WILSON WARNS OF SALT DEFICIENCIES

The Strategic Arms Limitation Talks (SALT 2) which are taking place in Geneva, Switzerland, between the United States and the Soviet Union are of vital importance to the American people. Having recently attended the SALT 2 proceedings as a congressional delegate, I want to take this opportunity to share my observations and concerns about the possible results of a SALT 2 agreement as it is now structured.

As a member of the House Armed Services Committee for the last 15 years, no one is more aware of the need to control strategic nuclear armaments. As an observer of a great deal of the world's history over several decades, I am also aware of the dangers inherent in unilateral disarmament. Unilateral disarmament and military weakness led directly to World War 2 and to the war in Korea in spite of the peaceful assurances and treaties involved.

In our desire to control strategic weapons, we should always be aware that our own weakness is a source of strength for a potential enemy. We must take every precaution to assure that our strategic forces will be sufficient to meet our possible future needs. SALT 2 gives me no such assurance.

During the past 30 years, the national security of the United States and the security of our allies have rested upon the power of our strategic nuclear weapons to deter potential aggressors. While treaties with our NATO allies and Japan have served as excellent statements of principles and helped to facilitate diplomatic matters, the real basis of peace in these areas has not been the treaties but the existence of U.S. deterrent power and the perception of potential aggressors that this power would be used if necessary.

There have been several changes in the United States strategy of deterrence over the years. During the 1950s, when nuclear weapons and their delivery systems were relatively unsophisticated, we followed a policy of "massive retaliation" against any potential nuclear aggressor. During that time we enjoyed an unchallenged superiority in strategic nuclear weapons. As the Soviets increased the number of weapons and delivery systems in their arsenal, we responded with a policy of "mutual assured destruction." This policy recognized a Soviet ability to strike first, but gave notice that the United States would maintain the power to destroy any aggressor country even after absorbing a first strike. For this purpose the nuclear deterrent "triad" of manned bombers, intercontinental ballistic missiles (ICBMs) and submarine-based sea-launched ballistic missiles (SLBMs) was developed. The triad, based upon the idea that any single leg can inflict unacceptable destruction on an attacker after the absorption of a first strike, has served us well for more than 20 years.

There have been other more recent innovations in United States strategic planning, notably the so-called "counterforce" doctrine which holds that the President should have the flexibility to make limited strikes at Soviet military and industrial targets, short of a full nuclear exchange. Most recently we have heard terms such as "minimum deterrent" and "rough equivalence" used to describe our strategic requirements. These latter terms, like the "counterforce" idea, were apparently adopted in order to rationalize the fact that the Soviets have pulled even and are pulling ahead of the United States in nuclear strategic forces. Unfortunately, these terms are used to furnish a measure of false reassurance to the American people and as a basis to defer or terminate sorely needed defense programs.

Whether the Soviets were able to pull even and move ahead in strategic power because of the very liberal (to them) terms of the 1972 SALT 1 agreement, or through a combination of those liberal terms and Soviet cheating as alleged by former Secretary of Defense Melvin R. Laird, is not the most important question to be debated today. The fact is that SALT 1 did not constrain any Soviet strategic weapon program and that the Soviets used SALT 1 to catch up and pull ahead. The question is, will SALT 2 legalize and perpetuate an imbalance of strategic nuclear power in the favor of the Soviet Union? Everything I have learned about SALT 2 indicates that the answer to that question is yes.

SALT 2 negotiations with the Soviets are taking place in somewhat of a vacuum. Most members of the U.S. delegation in Geneva do not tend to consider the implications of SALT 2 in terms of deterrence or in connection with recent changes in our national security policy. Neither do they appear to consider SALT 2 in connection with national security decisions which have not yet been made and which the civilian side of our defense establishment tends to push further into the future. If the objective of SALT 2 is to maintain a balance in strategic forces and a credible future U.S. nuclear deterrent, then that objective has already been bargained away. This has occurred simply because we have failed to negotiate on the basis of total strategic power in terms of throw weight, numbers of warheads, explosive power (yield) and weapon accuracy, and because the Soviet [Tupolev] Backfire bomber is not even under discussion. For these reasons, and contrary to the orchestrated publicity of the Carter Administration, SALT 2 constrains the United States very much and the Soviet Union very little.

I am distressed by the fact that the concessions on behalf of the United States in the SALT 2 discussions have been predicated on our future possession of deterrent weapons systems about which the Administration and some segments of the Congress have no firm direction. Ironically, we are told that these weapons will constitute our nuclear deterrent after 1985. For example, the Administration has presented no firm plans to proceed with production or deployment of the MX or the cruise missile. We have no plan for a follow-on bomber. Cruise missile carriers are only in a preliminary study stage. According to recent press accounts which could only have originated in the office of the Secretary of Defense or Office of Management and Budget, the Trident [submarine-launched missile] program is in doubt.

STOCKPILE FUTURE

In view of the Administration's zeal toward the goal of a comprehensive test ban, the future of our strategic weapons stockpile is also in doubt. The combined effect of SALT 2 and a comprehensive test ban can, by 1985, easily leave us in a position where we are not only inferior in numbers of weapons but also where even the weapons which we will have will be unreliable.

Philosophy of Soviet negotiations. The Soviet negotiators in Geneva are tough and experienced pragmatists. They recognize that the U.S. manned bomber force is on the decline as a result of the President's unilateral decision to kill the B-1 bomber. They realize that the U.S. Minuteman ICBM force is becoming highly vulnerable while an increasing percentage of their own land-based strategic missile force is becoming more secure against a first strike or counterblow. The Soviets now have about 35% of their missiles capable of hitting the United States in submarines, while our Trident missile is only in the testing stage. They have already deployed a 700 km. air- and sea-launched cruise missile—the U.S. has not. They have tested a 5,700 naut. mi. SLBM—the U.S. has not.

The Soviet negotiators do not speak in terms of deterrence. Deterrence has never been a part of their doctrine. While the Soviets offer no apologies for their growing strategic and conventional forces, they also offer no clues to the intended use of these forces. This uncertainty is the crucial ingredient in both SALT 2 and a nuclear test ban.

Lest we forget the traditional pragmatism of the Soviets with respect to military matters and become naively overconfident and trusting, we should consider other possible Soviet motivations toward this particular SALT treaty. First, neither the treaty nor the protocol would enhance the survivability of the U.S. Minuteman force, while the more survivable MX system will be stalled in research and development for at least three years. United States cruise missile technology and deployment will be limited. Limitations on testing and deployment of "new systems" will freeze U.S. ICBM and SLBM range, accuracy and explosive power at present levels. The Backfire bomber is not even under discussion in SALT, nor are the hundreds of medium range land- and sea-launched missiles targeted upon NATO and the continental U.S. respectively.

SPECULATIVE ADVANTAGES

Given the statements of the President, and the selection of policy makers and negotiators with a disarmament (at times unilateral) mind-set, the Soviets may well perceive that a treaty as now shaped is to their great advantage. It would seem to have several advantages to them:

It would freeze the U.S. technology while permitting the Soviets to move ahead. (SALT 1 permitted them to pull even.)

It would undercut congressional support for defense programs, including research and development on strategic systems. (Systems delayed by the treaty or protocol will probably be delayed in the appropriations process.)

It would result in world propaganda favorable to the Soviets, while raising serious questions about our national will.

The treatment of cruise missile technology transfer could possibly drive a wedge between the U.S. and NATO allies.

Verification. Perhaps one of the most troubling features of the SALT 2 accord, as now structured, is an almost total lack of any means to verify Soviet compliance. The Soviet Union is a closed society with a controlled press where the movements of persons are carefully controlled. There are no congressional committees to review military programs, and harsh punishments are meted out for the unauthorized disclosure of security information. The fact that the opposite is true in the United States is enough to assure our 100% compliance with a treaty or protocol, while the Soviets, under their secrecy system, would be relatively free to cheat. The same serious flaw would exist in the case of a comprehensive test ban treaty.

VERIFICATION PROBLEMS

The U.S. national means of verification will not permit us to verify total numbers of ICBMs or SLBMs, which missiles are "heavy" missiles, which are MIRVed or how many warheads (MIRVs) are carried per missile. Neither will national means of verification [that will] disclose which systems have been upgraded with new guidance systems or other components, the range or type of warhead of a cruise missile, of the adaptability of a particular Backfire bomber to deliver short-range or long-range cruise missiles.

Without this information, there can be no reliable verification of the series of interlocking ceilings contained in SALT 2 which are designed to control the active Soviet inventory of strategic weapons.

"Numbers game" and semantics. Those

who may wish to view the current state of the SALT treaty as an enhancement of U.S. security through a more credible deterrent force should be disappointed. Those who may wish to view it as stabilizing the arms race or as any real constraint upon the raw strategic power of the Soviets should also be disappointed. The treaty merely deals with gross numbers of launchers and delivery systems (missiles, aircraft and, as it now stands, the balance will be less stable since the Soviets are assured of a degree of nuclear superiority. For example, the Soviets are assured of at least twice the number of warheads (RVs) that the U.S. will possess. And the total number of RVs cannot be verified. Modern Soviet RVs are believed to be as accurate as those of the U.S., while possessing yields several times higher.

The Soviets are permitted more than 300 "heavy" (very high throw weight) ICBMs, while the U.S. would have none.

Aside from the treaty, the SALT negotiators are considering a protocol and a "statement of principles." The protocol, in the nature of an Executive agreement, restricts "new" systems, "heavy" ICBMs and the deployment of cruise missiles beyond a 600 km. range capability. While Backfire bombers would not count under the treaty or under the protocol, the [USAF/General Dynamics] FB-111, [Boeing] B-52, wide-bodied jet or any other aircraft equipped to carry long-range missiles would count against the total systems permitted, probably as a MIRVed system.

NATO/cruise missile issue. The Soviets have been adamant in their position that the agreement must provide against the transfer of cruise missile technology to U.S. NATO allies. Since the land- and sea-launched cruise missile is considered by several NATO allies as a means of stabilizing the situation in Western Europe, they are seriously afraid that the U.S. will foreclose any land- or sea-based options which they may have. I share their concern.

The cruise missile is a stabilizing strategic deterrent weapon since it can be deployed in large numbers and cannot be targeted in a first strike by the Soviets as missile silos and strategic aircraft may be. It represents a ready and secure retaliatory force.

Treaty and U.S. policy. The policy of the United States with respect to the limitation of strategic offensive arms is expressed in Public Law 92-448, approved by the President in connection with the SALT 1 treaty on Sept. 20, 1972. As stated in Section 3 of Public Law 92-448, our national policy calls for:

A stable international strategic balance, which does not threaten the survivability of U.S. strategic deterrent forces

A future treaty that would not limit the U.S. to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union.

Maintenance of a vigorous research and development and modernization program.

The SALT agreement under discussion in Geneva does not, in my opinion, measure up to our existing policy for the following reasons:

With the deployment of Soviet MIRVed and more accurate missiles, and the deployment of additional Backfire bombers, the asymmetry in total strategic power is continued and will grow more favorable to the Soviets during the life of the treaty.

The survivability of the U.S. Minuteman ICBMs is already threatened by heavy Soviet ICBMs. So is at least a part of SAC and those units of our SLBM force which would not be at sea. Nothing in the proposed treaty will make our ICBM force more secure. Instead, the threat will grown in proportion to the increasing number and accuracy of Soviet weapons. Under current Administration policies, the manned bomber leg of the traid will deteriorate. The Administration is not committed to the production or deployment of any new systems.

With the exception of "heavy" ICBMs which are not even under discussion, the U.S. and Soviet sides will be permitted a rough equivalence in numbers of strategic delivery systems. Numbers alone, however, are no measure of the inferiority or superiority of intercontinental strategic force levels. Even without the Backfire, the Soviets will be guaranteed superiority in the numbers of RVs and yield, and the opportunity to modernize and improve the accuracy of existing systems.

U.S. concessions have dealt with Soviet systems which are in being or under advanced development such as the SS-9, SS-16, SS-17, SS-18, SS-19 and SS-NX-18 sea-launched ballistic missile.

PRESIDENTIAL COMMITMENT

Soviet concessions, and even some U.S. concessions, have dealt with systems which we do not have, such as the cruise missile, cruise missile carriers, FB-111H and the MX. In the absence of an early presidential commitment, we may never have these systems.

The status of the U.S. cruise missile, cruise missile carriers, MX missile and the Trident 2 missile are to be left by the treaty and protocol in a state of limbo. The fate of each of these systems depends upon decisions of the office of the Secretary of Defense, the Office of Management and Budget, the President and the Congress, creating multiple uncertainties. Each of these projects, for political or fiscal reasons, may suffer the same fate as the B-1 bomber. I fear that a hastily signed treaty, which has no real advantages to the U.S., may well have the effect of drying up research and development funds for our deterrent forces of the future. There are many forces at work to see that this occurs even before a SALT 2 treaty has been proposed. This, coupled with a comprehensive test ban treaty and the stockpile problems such a treaty would cause, would result in woefully weak U.S. deterrent forces, as compared with Soviet forces, by 1985.

The SALT 2 treaty in its present form is not in the best interest of the United States at this time. In view of a withering bomber force which will decline in capability while the treaty would be in force, a highly vulnerable ICBM force, and with the Trident, MX and cruise missile programs in doubt even within our own government, no treaty would be preferable to an instrument which would guarantee Soviet strategic superiority for the remainder of the century.

MUNICH RECALLED

To those who would argue that any SALT treaty, regardless of content, would be better than no SALT treaty, I would recommend a review of British/German negotiations prior to World War 2. History shows that a demonstration of national will and the maintenance of deterrent forces would [have] served the world better than the pacifist treaty of Munich. Certainly, no treaty at all would have been a better course than the legalization of Hitler's actions and the encouragement of bolder moves. SALT 2, like Munich, may prove to be a very tenuous shield against Soviet adventures.

I cannot recommend support for a SALT 2 treaty, or a protocol thereto which, among other things, would not halt the trend toward Soviet strategic superiority. Nothing in the proposed treaty or protocol would halt this trend, they would only legalize it until 1985. This trend cannot be halted alone by a SALT 2 treaty even more favorable to the United States than the draft now under consideration in Geneva. Any treaty must be bolstered by firm defense programs proposed by the President and supported by the Congress. Without a fair and equitable treaty and a sense of direction on the part of our own government, SALT 2 would be a travesty and may have tragic consequences in the future.

SALT 2 is of vital importance to every American and to others in the world whose peaceful existence depends upon the deterrent power of our "nuclear umbrella." It is a matter which should be widely understood and debated. Our purposes for seeking a SALT 2 agreement should be made clear. Americans deserve to know the full risks and ramifications to our national security even if the Soviets live up to the terms of the treaty and protocol, and where we will stand as a nation if the United States continues to push vital decisions on strategic systems farther into the future.

If the American people perceive SALT 2 as unfair and one-sided, where the U.S. is forced to play the game with all cards exposed while the Soviets' cards are hidden, the treaty has perhaps already failed. While the American people have on occasion been caught with their defenses down, they have never knowingly let their vital national security interests be bargained away no matter what the cost. They will not gamble their national security against the uncertain hope that the Soviets have good intentions.●

STATE AND LOCAL INITIATIVE IN SCHOOL DESEGREGATION

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. PREYER. Mr. Speaker, today I testified before the Subcommittee on Elementary, Secondary, and Vocational Education in support of the administration's approach to school desegregation as outlined in the Elementary and Secondary Education Act. I have long supported voluntary efforts that incorporate State and local initiative in the decision-making process.

As I indicate in my testimony, I am hopeful that the Congress will support the administration's position, thereby strengthening our hopes for a bond between quality of education and equality of education for all of our schoolchildren.

The testimony follows:

Mr. Chairman, it is a pleasure to be here today. It is doubly so, because we are discussing an Administration's proposal which re-emphasizes the search for quality education for our school children. My particular comments will be limited to part of the Administration's proposal on the Emergency School Aid Act (ESAA) and how it can aid in our quest for equal educational opportunity, an essential element of quality education.

Eight years ago, Professor Alexander Bickel perceived the need for Congress to define a national policy with respect to equal educational opportunity. School districts were reeling under court orders, resistance was in vogue, and co-operation suffered at the expense of racially-spurred tension.

Professor Bickel and I were deeply troubled by the lack of harmony in school districts across the South, and it was easy to see that it was only a matter of time before the same problems would move their way to the rest of the nation. So, with Professor Bickel's advice, I introduced the National Educational Opportunities Act, whose purpose was to affirmatively establish the bond between equality of education and quality of education.

This bill as it relates to the Administration's proposal also attempted:

1. To alleviate racial tension by getting diverse community representation in the decision-making process.

2. To create a formal mechanism for long-range planning so that school district initiatives would not be in response to violations, but instead, would be good faith efforts to avoid future problems.

3. To design a voluntary approach under State and local auspices that would emphasize community and regional co-operation. Such an approach would have left it to the States and localities to implement a long-term desegregation plan and forestall the spectre of re-segregation which unfortunately is now occurring in many communities.

Secretary Califano's testimony last week supported many of the tenets of the National Educational Opportunities Act. He stressed voluntarism and the multi-year planning mechanism, wherein States and localities will have the opportunity to plan what is best for their own particular needs. The Secretary's testimony also served to emphasize the nation's commitment to the 1954 Brown v. Board of Education decision.

I am pleased today that the Administration, through its ESAA proposal, will be encouraging State and local agencies to become involved in this process. If the State will make use of the funds available to them under ESAA (and there is both a moral and financial incentive to do so), I believe a new day will dawn on equal educational opportunity across the nation.

Some jurisdictions have already seen fit to implement this type of planning mechanism. For instance, Cleveland's School Superintendent Paul Briggs has testified before this Subcommittee, saying that "a school system that wants to bring students together can do so."

In my home town of Greensboro, North Carolina, the School Board sponsored a study which resulted in a magnet school proposal designed with broad-based input from black and white citizens. In that proposal, it is emphasized that educational alternatives should be made available to all students without regard to district lines. Without compelling anyone to act, Greensboro has sought voluntary co-operation both inside and outside of its boundaries, and the plan well may succeed.

I believe, however, for the planning mechanism outlined in Section 708 to work effectively nationwide, the Administration will have to provide as much leadership in the implementation stage as it has done through the planning phase. Many States simply do not have the resources either in manpower or funds to adequately follow through on this extraordinary opportunity available to them.

ESAA grantees are habitually concerned about money. Therefore, I would also suggest that this Subcommittee develop language saying that the States which come up with acceptable voluntary plans be given priority for Special Project and other implementation funds, which may have to be increased.

This is a critical incentive-builder to States, because there is little reason to anticipate State involvement in planning if the impelmentation of the plans has no guarantee of financial assistance. Such priority support will also encourage the sort of innovative inter-district co-operation that is not inherent with most Local Educational Agencies.

How we run our schools and how good they are mean a great deal to the average American. I think there is a direct correlation between support for public education and how much we involve parents in the development of policy. The approach that this bill takes must not only appear to be voluntary; it must genuinely be that. And the initiative it develops at the local and the State level must be just that.

All of us—and I believe this includes most of those in all three branches of the federal government—know that neither the Congress nor the courts nor the Department of HEW can run local schools very well. The people who are really there and who will benefit most or suffer most as a result of the decisions that are made are the people who ought to provide leadership. Let's give them a real chance to do that.

Enactment of this bill may not solve all of the problems associated with school desegregation, but we will be able to make real progress. The stakes for all are high—peace in the community and a quality education for each student.●

PANAMA CANAL—WRITEOFF? RIPOFF?

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1978

● Mr. STUMP. Mr. Speaker, in support of the resolution for House of Representatives participation in the Panama Canal vote, I would like to draw attention to the largely unseen, yet tremendous burden which these treaties will eventually mean to the American taxpayer. As the custodian of public financing, it is incumbent upon the House to fully understand, and act upon, these treaties when the final vote comes up. The House has a legitimate, indeed obligatory, function to perform in this connection, and that function has to do with the disposition of U.S. moneys to a foreign country, in this case, Panama.

Mr. Speaker, I want to insert into the RECORD a statement prepared by the Foundation of Law and Society, an educational, tax-exempt organization located in Washington, D.C. This statement deals with the hidden costs which passage of the canal treaties will mean to the United States over the long-term future. These costs, of necessity, will involve the House of Representatives and ultimately the taxpayer/citizen. Since it seems inevitable that the House will have to bail out Panama under the terms of the present treaties, it seems to me equally inevitable, and equally legitimate, that the House should vote on the issue as well. Not only is this a constitutional prerogative of the full Congress—as many of my colleagues have already shown, it is likewise a vital economic issue which the House must eventually approve. The United States, as this statement indicates, may have to cede as much as $8 billion to Panama before the terms of the treaties expire. Under these considerations, Mr. Speaker, I urge all of my colleagues to support the measure to insure full House participation in the treaty vote.

The statement by the FLS is as follows:

[From the FLS Legal Review, Feb. 9, 1978]

PANAMA CANAL—WRITEOFF? RIPOFF?

The staggering burden on the American taxpayer of gratuitous payments to the Republic of Panama was revealed to the U.S. Senate for the first time in testimony by Canal Zone Governor, Major General H. R. Parfit, and U.S. Comptroller General Elmer Staats. Their comments before the Senate Armed Services Committee on Wednesday, February 1, 1978, stirred demands for Administration clarification of the U.S. obligation under the proposed Panama Canal Treaty.

Among the less known, until the Parfitt/Staats appearance, and still among the least understood provisions of the Treaty are those in Article III and Article XIII establishing "payments" to be made to Panama between the "entry into force" date of the Treaty and its expiration on December 31, 1999. The more than four billion dollars asked of American taxpayers raises three basic questions.

First, what is the total obligation of the "payments"?

Second, from what source are the "payments" to be made?

Third, why are the"'payments" to be made?

This paper limits its focus to the heretofore obscured question of the tax impact on Americans of the proposed Treaty and suggests an alternative manner of disposing of the Canal without the tax burden.

HOW MUCH WILL WE PAY?

Article III. The Republic of Panama would be paid $10,000,000 annually for such services as police, fire and garbage collection. Every three years the figure would be reviewed to determine adjustments necessary "because of inflation and other relevant factors affecting the cost of such services." Upward adjustment would appear inevitable.

The Treaty would commit the Panama Canal Commission to make the "payments", instead of the U.S. but that may be a distinction without a difference. The PCC, despite its bilateral composition, would be, under the terms of the Treaty, an agency of the U.S.

"The United States of America shall . . . carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission . . ."

(Panama Canal Treaty, Article III)

Without regard to canal tolls (earned income), the American taxpayer would underwrite the payout of $10,000,000 whether or not the services actually cost that much or whether or not the services were actually provided.[1]

Article XIII. The housekeeping fee (above) is just the beginning. In this article the American taxpayer is burdened with three more items.

(1) A fixed annuity of $10,000,000 to be paid out of Canal operating revenues. The payout "shall constitute a fixed expense" of the Panama Canal Commission, i.e., it is to be paid out of first dollars received.

(2) $0.30 per commercial net ton transiting the Panama Canal. This amount is to be adjusted to reflect changes in the wholesale price index at the end of the first five years and biennially thereafter during the life of the Treaty. The source of these payments is strangely different from the $10 million annuity. Although the payment is to be from "Canal operating revenues", the provisions do not say that it shall be paid by the PCC.

Apparently reference to the "tolls" was thought to be sufficient identification of the source. Now why are the payments to be made? The treaty states that the payments are as "a just and equitable return on the natural resources which (Panama) has dedicated to the efficient management, operation, maintenance, protection and defense of the Canal." As Panama pays nothing, under the terms of the Treaty, for management, operation, maintenance, protection and defense of the Canal, the 30¢ per ton appears to be U.S. tribute for its privilege of providing defense and other services. In recent years the Canal has operated at a deficit which has thus far

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Footnotes at end of article.

been absorbed in its reserve capital fund; when that is exhausted, it will be up to Congress to pick up the tab with tax dollars, of course. At that time, these payments will become an additional burden on the American taxpayer.[2]

(3) An annual sum up to $10,000,000 to be paid out of canal operating revenues to the extent that such revenues exceed expenditures. These "payments" would accumulate and be payable from later revenues to the extent that they could not be paid annually. This clause, which could be called the "Never give a Sammie an even break" clause, could well become a source of later grief.

Both General Parfitt and Comptroller General Staats testified that without clarification this clause could permit Panama to claim that any portion not paid accumulates throughout the life of the Treaty constituting a lien on the Canal. Another provision requires the U.S. to turn over the Canal to Panama free of all liens and debts. If the deficit operations continue, the United States would owe Panama $230,000,000 in 1999. Failure to honor this debt would be a breach of the Treaty.

In this instance "clarification" is a euphemism for "repudiation" of the view already voiced among Panamanian officials that this payment which appears to be "contingent" upon an operating surplus is not contingent at all and would become a debt which the U.S. taxpayer would have ultimately to discharge. The Treaty is silent on the question of "why" this amount is to be paid.[3]

A summary of the annual "payments" to be made by the U.S. in exchange for our ceding the Canal to Panama is as follows:

(1) $10,000,000 per year for police, fire, garbage, et cetera;*

(2) 10,000,000 per year annuity;

(3) 40,000,000 per year on tonnage (approximation);*

(4) 10,000,000 per year override on revenues.

A minimum of $70,000,000* per year is the commitment of American wages for the right to give Panama our Canal. The Canal now operates at a deficit. Toll increases can cover only a marginal amount of such payments. It has been estimated that increases of 40% would be necessary to cover the current deficit (excluding the tribute obligated in the Treaty)[4] and a study is underway to determine if a 50% increase would approach the point of diminishing returns with respect to tonnage.[5] In other words, the tribute is unquestionably a burden on individual Americans. Should inflation, moreover, raise the cost of operating the Canal, U.S. taxpayers can expect an additional burden.

An implicit, but undiscussed, burden on the United States taxpayers is the cost of paying the Panamanian members of the Panama Canal Commission who would be employees of the United States, and the costs of the bureaucracy to be established under the Commission: the Coordinating Committee, the Ports and Railroad Committee and the Joint Commission on the Environment.

In view of the State Department's position that the Treaty is self-executing, it is plain why it negotiated reference to the "payments" deriving from "tolls" under the control of the Panama Canal Commission. There would be no need for the House of Representatives to appropriate money to pay the committed amounts; so it would seem. Instead, the obvious source of the payments would be toll revenues, and Congress would be approached only IF it became necessary to make up operating deficits (including the tribute).

Governor Parfitt made the point that should the Canal cease operating for any reason, the payments of tribute would still be due and payable. If operating revenues should cease, then Congress would have to be approached to make up the deficit. At that point, the assertion of "self-execution" may return, at least in the House, to haunt its proponents.

* Subject to upward adjustment.

UNSEEN COSTS OF THE TREATY

Although many witnesses, before the Senate, made the point that only 7% of the shipping through the Canal is in American ships (made perhaps to diminish the importance of the Canal), the more important, and forceful, statistic is that about 70% of the cargo transiting the Canal originates or terminates in American ports.[6] As already pointed out, even with toll increases the American taxpayer will inevitably pay the cost of the "payments" to Panama and he will receive nothing in return.

If the $10,000,000 override "payment" is truly contingent on operating surplus, then the pressure is on the new owners of the Canal to push for an upward spiral of tolls. Under that circumstance, U.S. taxpayers will pay another real, but unseen, price for giving up the Canal. Toll increases will translate into increased costs for every commodity which transits the Canal from a few pennies for wheat, and therefore bread, to several dollars for oil, steel and wood. Parfitt said that increased traffic in Alaskan oil will sufficiently increase volume to keep down short term toll increases. The wary Northeast oil consumer might well wonder how much of a toll increase will be required to make Oriental markets too attractive to ignore for the Alaskan oil consortium.

General price increases caused by escalating tolls could be more costly to Americans than the tax consequences of the tribute itself. There could also be an adverse impact on American jobs dependent upon exports due to increased tolls. Finally, upward toll pressures do not bode well for the year 2000 and thereafter when not even Congress can balance the distortion of converting our Canal into a money machine for one despot at the expense of the entire Western Hemisphere.

Of course, there is another view of Panama's self interest up to the turn of the Century. If the $10,000,000 override is not contingent and is cumulative, and in view of the 30¢ per ton transit fee payable to Panama, then the new owners will find it advantageous to reduce tolls to increase tonnage and let Uncle Sam worry about the override. The reader will recall that all the other "payments" are direct costs and not contingent upon an operating surplus. In other words, however Panama views the economics of toll rates, the American consumer/taxpayer will pay the freight.

Tolls will be set by the Panama Canal Commission on which the U.S. would have a majority of one. Under such circumstance, the importance of Senate advice and consent to the nominations to the PCC should be viewd as crucial. There is strong evidence to suggest that DOT and State intend to annex the status quo (no confirmation of Panama Canal Company directors) on the new Commission.

The terms of the Treaty as they relate to these "payments" must be viewed as significant in determining how the new owners will manage the Canal. Without the taint of jingoism, it may fairly be said that the Canal has been operated for seventy years on a non-profit service to the world basis. The principal reason put forth for transferring the Canal is third world opinion, principally in Central and South America. How will those nations view us when money hunger in Panama finally (perhaps only after the year 2000) translates into disrupted economies in those poor third world countries. Will Panama run the Canal at a deficit: The question answers itself.

It is beyond the purview of this paper to examine the related, and more crucial, question of whether the Canal in the hands of interests less altruistic than those of the United States might not become a potent political weapon to achieve revolutionary goals precisely through such economic disruption.

TAX PAYER RELIEF—AN ALTERNATIVE PROPOSAL

Given the immense cost to the American taxpayer, a serious question arises over the purpose of the proposed Treaty. Assuming the validity of all the arguments for giving the Canal to Panama, what is the purpose of the ornate financial arrangements to pay Panama two, or more, billion dollars? From the view of costs to the United States, it would appear simpler and considerably less expensive to cede the Canal directly to Panama by legislative act reserving our right to defend the Canal to assure its availability to all nations.

The same act could reserve a six month turn over period to allow for the withdrawal of American presence. Thereafter, Panama would run the Canal directly without all the cumbersome commissions, committees and complex bureaucracy. Such direct cession would lift the burden of extended and expensive payments from the shoulders of American taxpayers. It would, moreover, demonstrate to the third world that America is altogether trusting of their intentions and competence.

Such a cession would also free the United States to negotiate elsewhere for rights to build a sea level canal without the limitation of Article XII forbidding such negotiation without the consent of Panama.

This approach would preserve the Constitutional prerogative of the House of Representatives under Article IV, Clause 3, Section 2 of the Constitution. It would reduce the necessary vote, in the Senate, to a mere majority, and would achieve everything proponents of the Treaty have publicly deemed essential without the concomitant burden on the American taxpayers. The tax saving might then be used to underwrite the cost of a sea level canal.

The Neutrality Treaty could be allowed to take effect on its own terms without reference to the "Panama Canal Treaty" and with due regard of the right of the United States to defend the Canal, not in the year 2000, but immediately upon legislative action to transfer the Canal to Panama. For those who view the transfer as necessary, this approach provides simplicity and economy without additional hazard with respect to defense.

FOOTNOTES

[1] Major General H. R. Parfitt, background material prepared for testimony before the Committee on Merchant Marine and Fisheries, U.S. House of Representatives. The Governor has taken the position that if the Commission revenues are insufficient to meet these payments, as well as other obligations, the only practical alternative would be to borrow from the U.S. Treasury or seek appropriated funds from Congress.

[2] Loc cit. Parfitt has stated that to insure the financial viability of the Commission during periods of decreased traffic, the Commission should be able to borrow on the faith and credit of the U.S. and should have authority to directly seek Congressional appropriations.

[3] Loc cit. Again, the Governor has made it clear that an argument could be made to the effect that Panama would be due a settlement in 1999 based on the cumulative "payments" of $10 million due each year "if earned". In view of the other terms of the Treaty, one need not be clairvoyant to see the kind of settlement which the State Department would negotiate on such a claim. We would simply pay it.

[4] Parfitt, Prepared Statement before Merchant Marine and Fisheries.

[5] Parfitt, background material prepared for testimony before House Committee on Merchant Marine and Fisheries. Reference to

IRA study to traffic sensitivity to toll increases and Parfitt's flat denial that tolls can be raised to reflect inflation without a negative effect on traffic.

[6] Gaynor, *The Canal Zone—Panama and the U.S.*, August 31, 1977, p 3 Baldwin, *The Panama Canal: Sovereignty and Security*, AEI Defense Review, No 4, 1977, pp 14–15.

PROJECTED COSTS TO AMERICAN TAXPAYERS IN GIVING CANAL TO PANAMA

30 cents per ton/$40 million—1st thru 5th years equal 200,000,000.

(11 percent/yr. or 55 percent increase)—6th thru 7th years equal 124,000,000.

(11 percent/yr. or 22 percent increase)—8th thru 9th years equal 151,280,000.

(11 percent/yr. or 22 percent increase)—10th and 11th years equal 184,570,000.

(11 percent/yr. or 22 percent increase)—12th and 13th years equal 225,175,400.

(11 percent/yr. or 22 percent increase)—14th and 15th years equal 274,713,988.

(11 percent/yr. or 22 percent increase)—16th and 17th years equal 335,151,083.

(11 percent/yr. or 22 percent increase)—18th and 19th years equal 408,884,318.

Tonnage, total "payments" during 19 years $1,903,774,789.

NOTE: 11 percent represents the 1973–76 average "Wholesale Price Index for Industrial Goods" which is considered the most volatile of all indices.

SERVICES "PAYMENT"

(3 percent/year or 9 percent increase)—1st thru 5th years equal 30,000,000.

(3 percent/year or 9 percent increase)—4th thru 6th years equal 32,700,000.

(3 percent/year or 9 percent increase)—7th thru 9th years equal 33,681,000.

(3 percent/year or 9 percent increase)—10th thru 12th years equal 36,821,290.

(3 percent/year or 9 percent increase)—13th thru 15th years equal 40,225,198.

(3 percent/year or 9 percent increase)—16th thru 18 years equal 43,845,457.

(3 percent/year or 9 percent increase)—19th year equal 15,053,605.

Services, total "payment" during 19 years $232,326,550.

NOTE: 3 percent represents a conservative annual inflation, rate.

Annuity/$10 million for each of 19 years equal 190,000,000.

Toll override/$10 million for each of 19 years equal 190,000,000.

Total direct "payments" during 19 years equal $2,516,101,339.

NOTE: Were the upper limit toll base of $50 million used to calculate the "tonnage" payments, $1,020,498,149 would be added, or the total direct payments would become $3,536,599,488.

OTHER COSTS KNOWN WITH SOME PRECISION

Replacement cost of the Canal itself: equals $3,000,000,000.

Loss of interest paid by Panama Canal Co. to U.S.A., $18 million x 19 years: equals $342,000,000.

Transfer of CZ improvements without compensation: equals $200,000,000.

Waiver of principal cost of investment: equals $368,000,000.

Current cost of pending capital improvements: equals $128,000,000.

Total additional treaty costs (losses) to U.S.A., $4,038,000,000.

AS YET UNKNOWN COSTS

Termination of employment of U.S. nationals displaced by Treaties.

Overhead of new Commission, committees, et cetera, to December 31, 1999.

COSTS RELATED BUT OUTSIDE TREATY

Side agreements for loans and other economic assistance, $500,000,000.

Total cost of arrangements with Panama during 19 years, $8,074,599,488.

One item has been omitted intentionally because it is both contingent and uncertain. Should the Canal be closed to the United States, for any reason, it would require the U.S. to construct a two ocean navy. The cost might be estimated by calculating the gross expense of a second ocean navy (e.g. $50 billion) and dividing by the probability of a hostile, or other, closing (perhaps 15%). The resulting cost estimate would be $750,000,000. This must be seen as an additional cost of transferring control of the Panama Canal. While such an item does not squarely fit into the outline of this paper, the mere existence of such a possibility is not comforting.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 7, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 8

8:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold hearings on S. 1728, proposed Domestic Violence Prevention and Treatment Act, and related bills.

Until 11:30 a.m. 457 Russell Building

9:00 a.m.

Agriculture, Nutrition, and Forestry

To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.

322 Russell Building

Armed Services

Military Construction and Stockpiles Subcommittee

To consider all pending legislation to establish criteria and methods for determining the quantity of materials to be stockpiled.

1318 Dirksen Building

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of William M. Isaac, of Kentucky, to be a member of the Board of Directors of the F.D.I.C.

5302 Dirksen Building

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To continue hearings on S. 2527, FY 79 authorizations for NASA.

235 Russell Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To continue hearings on S. 50, the Full Employment and Balanced Growth Act.

Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To hold hearings on budget estimates for FY 79 for the National Endowment for the Arts.

1114 Dirksen Building

Armed Services

Tactical Aircraft Subcommittee

To resume hearings on S. 2571, proposed FY 79 authorizations for military procurement.

224 Russell Building

Joint Economic

Energy Subcommittee

To hold hearings to discuss international energy supplies, governmental policy toward OPEC, and strategies to hold down future oil prices.

5110 Dirksen Building

Judiciary

To hold a business meeting.

2300 Dirksen Building

10:00 a.m.

Appropriations

Legislative Subcommittee

To resume hearings on budget estimates for FY 79 for the Legislative Branch.

S–146, Capitol

Armed Services

Manpower and Personnel Subcommittee

To hold hearings on S. 2571, proposed FY 79 authorization for military procurement.

212 Russell Building

Banking, Housing, and Urban Affairs

To continue hearings on S. 72, to restrict the activities in which registered bank holding companies may engage, and to control the acquisition of banks by bank holding companies and other banks.

5302 Dirksen Building

Budget

To resume hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.

6202 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To resume hearings on S. 2386, to permit ocean carriers to limit tonnage so as to ensure competitive and economic stability.

154 Russell Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on FY 79 authorizations for the Department of Energy.

3110 Dirksen Building

Finance

Private Pension Plans and Employee Fringe Benefits Subcommittee

To continue oversight hearings on the investments of the New York City pension funds.

2221 Dirksen Building

Foreign Relations

Foreign Assistance Subcommittee

To resume hearings on S. 2420, proposed International Development Cooperation Act.

4221 Dirksen Building

Governmental Affairs

To resume hearings on the President's proposed Reorganization Plan No. 1, making the EEOC the principal Federal agency in fair employment practices.

3302 Dirksen Building

Human Resources

Education, Arts, and the Humanities Subcommittee

To resume hearings on S. 1753, to extend and amend the Elementary and Secondary Education Act.
6226 Dirksen Building

Select Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1979 authorizations for government intelligence activities.
S-407, Capitol

2:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the defense establishment.
S-146, Capitol

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 79 for the Social Security Administration.
S-128, Capitol

*Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs, and funds for NATO.
S-146, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for FY 79 for public works projects.
S-126, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Coast Guard and St. Lawrence Seaway Development Corporation.
1318 Dirksen Building

Select Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed fiscal year 1979 authorizations for government intelligence activities.
S-407, Capitol

MARCH 9

8:00 a.m.
Energy and Natural Resources
Energy Producion and Supply Subcommittee
To hold hearings on S. 437, to prohibit rate discrimination among customers of the Southwest Power Administration.
3110 Dirksen Building

8:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Fish and Wildlife Service.
1114 Dirksen Building

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

9:30 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol

Armed Services
Tactical Aircraft Subcommittee
To continue hearings on S. 2571, proposed FY 79 authorizations for military procurement.
224 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume oversight hearings on U.S. export policy.
4232 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on the FY 79 authorizations for the Office of Rail Public Counsel.
235 Russell Building

Environment and Public Works
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submiting its views and budgetary recommendations to the Budget Committee by March 15.
4200 Dirksen Building

Defense Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the defense establishment.
S-128, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for FY 79 for public works projects.
S-126, Capitol

Joint Economic
Energy Subcommittee
To continue hearings to discuss international energy supplies, governmental policy toward OPEC, and strategies to hold down future oil prices.
5110 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol

Armed Services
Research and Development Subcommittee
To hold hearings on S. 2571, proposed FY 79 authorizations for military procurement.
212 Russell Building

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearings on FY 79 authorizations for rural housing programs.
5302 Dirksen Building

Budget
To receive testimony from HEW Secretary Califano and Labor Secretary Marshall in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Energy and Natural Resources
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
3110 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on the Administration's request for the economic support fund.
4221 Dirksen Building

Governmental Affairs
To continue hearings on the President's proposed Reorganization Plan No. 1, making the EEOC the principal Federal agency in fair employment practices.
3302 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2502, to authorize the States and the Indian tribes to enter into mutual agreements respecting jurisdiction and governmental operations in Indian country.
457 Russell Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on Budget estimates for FY 79 for the U.S. Tax Court and certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 10

9:00 a.m.
Agriculture, Nutrition, and Forestry
To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.
322 Russell Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 2478, FY 79 authorizations for the National Rail Passenger Corporation (Amtrak).
318 Russell Building

Government Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 990, the Federal Physicians Comparability Allowance Act.
357 Russell Building

Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 2570, to extend the Comprehensive Employment Training Act (CETA).
424 Russell Building

9:30 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of the Interior and related activities.
1114 Dirksen Building

Human Resources
Handicapped Subcommittee
To hold hearings on S. 2600, vocational rehabilitation and developmental disabilities.
Until noon 4232 Dirksen Building

Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for the Environmental Protection Agency and Council on Environmental Quality.
1318 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To continue hearings on FY 79 authorizations for rural housing programs.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2553, FY 79 authorizations for the Maritime Administration.
235 Russell Building
Energy and Natural Resources
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
3110 Dirksen Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on contributions to U.S. international organizations.
4221 Dirksen Building
Joint Economic
To hold hearings on the employment-unemployment situation for February.
5110 Dirksen Building
Select Indian Affairs
To continue hearings on S. 2502, to authorize the States and the Indian tribes to enter into mutual agreements respecting jurisdiction and governmental operations in Indian country.
457 Russell Building

2:00 p.m.
Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S-128, Capitol

MARCH 13

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2354, to provide for equal access to courts.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of James B. King, to be Chairman, and Elwood T. Driver, to be a member, both of the National Transportation Safety Board.
235 Russell Building
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
1224 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 2637, FY 79 authorizations to HUD.
5302 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 2478, FY 79 authorizations for the National Railroad Passenger Corporation (AMTRAK).
1202 Dirksen Building

MARCH 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
6226 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1794, authorizing funds for FY 79 for the U.S. Fire Administration.
235 Russell Building
Human Resources
Handicapped Subcommittee
To resume hearings on S. 2600, vocational rehabilitation and developmental disabilities.
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
5110 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-126, Capitol
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Forest Service, Department of Agriculture.
1114 Dirksen Building
Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S-146, Capitol
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 2637, FY 79 authorizations for HUD.
5302 Russell Building
Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on the needs and uses of water for energy development in the Western States.
3110 Dirksen Building
Select Indian Affairs
To hold hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
357 Russell Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To hold hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Postal Service, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 15

9:30 a.m.
*Environment and Public Works
Transportation Subcommittee
To hold hearings on proposed funding for roads on Indian lands.
4200 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 2065, 2470, and 2546, to protect consumer rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building
Budget
To receive testimony from Federal Reserve Board Chairman-designate Miller in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2552, FY 79 authorizations for the U.S. Travel Service.
235 Russell Building
Judiciary
Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building
Rules and Administration
To hold hearings on FY 79 authorizations for the Federal Elections Commission, to be followed by a business meeting on legislative and administrative business.
301 Russell Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 16

8:00 a.m.
Veterans' Affairs
To resume hearings on H.R. 5029, authorizing funds for hospital care and medical services for certain Filipino combat veterans of W.W. II, and S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government.
Until 11:00 a.m. 357 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorization for NASA.
235 Russell Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
6226 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee

To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Smithsonian Institution.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold oversight hearings on FDIC report on preferential bank lending policies.
5302 Dirksen Building

Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
Room to be announced

Select Small Business
To resume hearings on the SBA minority contracting program.
424 Russell Building

10:30 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for National Highway Traffic Safety Administration.
1223 Dirksen Building

Judiciary
Immigration Subcommittee
To resume hearings on on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for certain functions of the Executive Office of the President and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 17

9:00 a.m.
Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 408, to extend certain benefits to ASCS coontry employees.
357 Russell Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2094 and S. 2389. to provide access to the Federal courts for the redress of citizens' grievances.
5302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on numerous pending nominations to the Metric Board.
318 Russell Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, the Conprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Budget
To receive testimony from Secretary of HUD Harris in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2444 and S. 2437, relating to a national program of dam inspection.
4200 Dirksen Building

MARCH 20

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens grievances.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on FY 79 authorization for the National Transportation Safety Board.
235 Russell Building

Environment and Public Works
Resources Protection Subcommittee
To hold oversight hearings on the implementation of the Solid Waste Disposal Act.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings to review medical practices of obstetricians.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Mines.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Budget
To receive testimony from Representative Bolling in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Marine Protection, Research, and Sanctuaries Act (Titles 1 and 2).
318 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings in FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

*Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Select Small Business
To resume hearings on the SBA minority contracting program.
424 Russell Building

MARCH 21

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 258, the Children and Youth Camp Safety Act.
Until 10:00 p.m. 4232 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

Finance
Health Subcommittee
To hold hearings on proposed legislation concerning confidentiality of medical records relating to the Medicare and Medicaid programs.
2221 Dirksen Building

*Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
318 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-128 Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Land Management.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

*Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2552, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the Defense Civil Preparedness Agency, CSC, Federal Labor Relations Council, and the FEC, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 22

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2604, authorizing funds through fiscal year 1980 for for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
318 Russell Building

Human Resources
To hold hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
5420 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2158, to permit the storing of foreign-caught shark fins at U.S. foreign trade zones for eventual exportation to foreign countries.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Government Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

MARCH 23

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2603, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the Office of Science Technology Policy.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed construction of a Federal interstate highway near Memphis, Tennessee.
1224 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on FY 79 authorizations for EPA research and development.
4200 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for fiscal year 1979 for foreign aid programs.
5–126, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 1010 and H.R. 2777, to establish a National Consumer Cooperative Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Production and Suppy Subcommittee
To hold hearings on the price differential between leaded and unleaded gasoline.
3110 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain Independent Agencies, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the impact of building codes on housing rehabilitation.
5302 Dirksen Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building

Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General General Government items, and on mental appropriations for FY 78.
S–126, Capitol

Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and Government items, and on supplesupplemental appropriations for FY 78.
S–126, Capitol

APRIL 5

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building

Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
318 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AM–VETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6225 Dirksen Building

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building

APRIL 7

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Judiciary
Juvenile Delinquency Subcommittee
To hold hearings on S. 797, to provide that the first court to issue a child custody decree shall be binding on other courts in other States.
2228 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

APRIL 10

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 50, the Full Employment and Balanced Growth Act.
1202 Dirksen Building
9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2549, FY 79 authorizations for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2253, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building
9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed federal aid highway legislation.
4200 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building
10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building
Select Indian Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

APRIL 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume mark up of S. 50, the Full Employment and Balanced Growth Act.
4232 Dirksen Building
10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 17

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2090 and S. 2081 proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building
9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume mark up of proposed Federal aid highway legislation.
4200 Dirksen Building

APRIL 18

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue mark up of S. 2090 and S. 2081, proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building
Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building
Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgement of a Federal relationship.
318 Russell Building

APRIL 21

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

APRIL 24

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 25

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 26

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building
10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings in budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute of Building Sciences.
1318 Dirksen Building
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 National Transportation Safety Board and the ICC.
1224 Dirksen Building

MAY 1

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
4200 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

CANCELLATIONS

MARCH 7

10:00 a.m.
Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2404, proposed Federal Highway Improvement Act.
Room to be announced

MARCH 8

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To consider pending legislation.
4200 Dirksen Building

MARCH 9

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To consider pending legislation.
4200 Dirksen Building

MARCH 13

10:00 a.m.
Foreign Relations
To hold hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building

MARCH 14

10:00 a.m.
Foreign Relations
To continue hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building

MARCH 15

9:00 a.m.
Judiciary
Citizens Shareholders Rights and Remedies Subcommittee
To hold hearings on S. 2390, the Citizens' Access to the Courts Act.
6226 Dirksen Building

10:00 a.m.
Foreign Relations
To continue hearings on U.S.-U.S.S.R. relations.
4221 Dirksen Building

MARCH 21

9:30 a.m.
Environment and Public Works
Nuclear Regulations Subcommittee
To hold hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced
Veterans' Affairs
To mark up S. 364, to provide for judicial review of administrative decisions promulgated by the VA, and to allow veterans full acces to legal counsel in proceedings before the VA, and S. 2384, the Veterans and Survivors Income Security Act.
412 Russell Building

10:00 a.m.
Foreign Relations
Foreign Assistance Subcommittee
To resume hearings on S. 2420, proposed International Development Cooperation Act, and FY 79 authorizations for foreign assistance programs.
4221 Dirksen Building

MARCH 23

10:00 a.m.
Foreign Relations
To hold hearings to receive testimony from Secretary of State Vance on the Administration's proposed arms transfer policy.
4221 Dirksen Building

SENATE—*Tuesday, March 7, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 11:30 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. ROBERT MORGAN, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O worship the Lord in the beauty of holiness: fear before Him all the earth.—Psalms 96: 9.

Let us pray.

God of all grace and love, in the midst of these troubled times and demanding days, we are grateful for the quiet cloisters of the spirit and moments of reverential calm when we regain our perspective and restore our souls in the light of Thy holiness. Forgive us all the subtle sins and hidden evils which lay waste life—the unfounded suspicion, the inward rejoicing at the failure of others, the readiness to believe the worst about others, the harboring of grudges, the hasty condemnation. If in any human relationship we have been untrue, unfair, unbrotherly, O Thou who takest away the sin of the world, forgive us, cleanse us, renew our souls, and lead us in paths of righteousness for Thy name's sake. With Thy benediction upon us may we face the toil of this day in the knowledge that Thou art within us to guide us, above us to lift us up, and around us to protect us.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 7, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MORGAN, a Senator from the State of North Carolina, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. MORGAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia (Mr. ROBERT C. BYRD).

LEAVE OF ABSENCE

Mr. ROBERT C. BYRD. Mr. President, in accordance with rule V of the Standing Rules of the Senate, I ask unanimous consent that Mr. BURDICK be granted a leave of absence from the Senate today because of a death in the family.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Under the order that was entered on yesterday, the Senator from North Carolina (Mr. MORGAN) is now recognized for not to exceed 15 minutes.

Mr. MORGAN. I thank the Chair.

IMPLEMENTATION OF THE UNITED STATES-TURKISH DEFENSE COOPERATION AGREEMENT

Mr. MORGAN. Mr. President and Members of the Senate, this morning, I should like to draw the attention of my colleagues to a problem which has been of serious concern to me for quite some time. I am speaking of the deteriorating security situation in the eastern Mediterranean and our inability to assist Turkey in her attempt to upgrade her forces in order to fulfill her vital defensive function within the framework of NATO. The value of Turkey's military contribution to NATO has been declining, and thus also her support for our national security, because we have been unable or unwilling to implement the Defense Cooperation Agreement of March 1976. As you may recall, Joint Resolution 204 was never reported out of the Foreign Relations Committee because we linked Turkish intervention in Cyprus to our willingness to provide military assistance for Turkey. For the sake of NATO and our national security, we must finally separate these two issues. Our military preparedness in the Mediterranean must receive the high priority which it deserves. There is an immediate danger that allied military forces can no longer adequately protect our strategic interests.

The geopolitical situation in the eastern Mediterranean is critical. The uncertainty surrounding the Arab-Israeli conflict aggravates the problem. Greece has already withdrawn her military forces from NATO. Italy is a longstanding member of NATO, but we must face the possibility that the Italian Government may soon contain Communist ministers. Spain and Portugal control the western approaches to the Mediterranean, and each country is still struggling with its attempt to restore democratic government. Libya, on the northern shores of Africa, has become a military bastion for Soviet intentions. Thus, when considering the southern flank of NATO, Turkey's role within the alliance is vital and irreplaceable.

My overwhelming concern right now is that by further delaying any action on the Defense Cooperation Agreement, we may force Turkey to reconsider their commitment to the West and to NATO. If this would come to pass, the present power equilibrium could be seriously imbalanced. The NATO Defense Planning Committee has repeatedly underscored this danger and calls aid to Turkey an urgent priority. They realize, as should we, that Turkey controls Soviet naval access to the Mediterranean; it faces 12 Soviet divisions along her northern borders and is the only country preventing direct Soviet ingress to the Near East.

This embargo is being upheld for the apparent reason that Turkey has not offered concessions acceptable to Greek Cypriots. We know that discussions are progressing satisfactorily, and it is now time that we end the almost 3-year impasse by separating the Cyprus issue from the need for a strong defense posture in the Mediterranean.

I am sure that Congress does not intend today, nor wanted in 1975, to seriously impede the military capability of NATO and disrupt relations with a major ally. This is, however, exactly the present effect. Turkey has already substantially increased its diplomatic contact with the Soviet Union and has become a major recipient of Soviet economic aid and credits.

The events in the Middle East and the developments in Italy and Libya should dictate that the southeastern flank of NATO once again rely upon stable and reliable alliance partners. Our security is directly linked to a favorable solution of the current stalemate. We must insure that Turkey's 480,000 troops committed to NATO (which, by the way, makes Turkey proportionately the largest alliance contributor) will have the up-to-date equipment to fulfill their NATO obligation. For this reason, I am urging my colleagues to take the immediate steps necessary to implement the Defense Cooperation Agreement.

PRIVILEGE OF THE FLOOR

Mr. MORGAN. Mr. President, I ask unanimous consent that Mr. John Stirk and Mr. Alfred Pollard, of my staff, have the privilege of the floor during the debate on the Panama Canal treaties and votes thereon.

The PRESIDING OFFICER. Without objection, as in legislative session, it is so ordered.

Mr. HAYAKAWA. Mr. President, will the Senator yield?

Mr. MORGAN. I yield.

IN DEFENSE OF CHILD LABOR

Mr. HAYAKAWA. Mr. President, in the Washington Post this past Saturday, a New York City high school teacher, Mr. Herman Arthur, brilliantly describes the situation of teenage unemployment in this country.

As I have said time and time again, boys and girls cannot possibly grow up to be responsible and contributing citizens unless they are allowed to work. Work is essential to the maturing process. We simply cannot continue to deny our young people the opportunity to work because of outmoded, and tremendously destructive, child labor laws and an ever-rising minimum wage which keeps them from getting a job. I would like my colleagues to read Mr. Arthur's very thoughtful article, "In Defense of Child Labor," and I ask unanimous consent that it be printed in the RECORD.

There being no objection, as in legislative session, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, March 4, 1978]

IN DEFENSE OF CHILD LABOR

(By Herman Arthur)

"Child labor" is a dirty phrase. It conjures up visions of weeping 5-year-olds struggling to stay awake at their machines; of boys breaking lumps of coal in the dust and gloom of the mines; or even contemporary images of lice-ridden, malnourished migrant children picking peas under a broiling July sun.

Child labor of that nature prompted laws to protect young people from abuse. Those laws have excluded most children from any paid work until age 16, and from a vast range of occupations until 18. Work per se, under any conditions, was defined as exploitative of children.

However, the central issue is not child labor, but abused labor. It is equally criminal to mistreat an adult miner by making him cut coal on his knees in a 4-foot-high mine shaft laden with dust and methane gas, or to house adult farm laborers 20 to a room with one filthy latrine. The abuses visited upon working children were by-products of an era in which human beings were treated as commodities to be used up and dumped on the scrap heap, an attitude that hasn't completely vanished.

What to do with teenagers once they were sheltered from the rigors of work? The alternative was the expansion of public education with extension of compulsory attendance into the teen years. Originally, public schools taught the Christian-American ethic, patriotism and the three Rs, all that was deemed necessary to prepare for responsible adulthood. Those tasks were completed by the eighth grade at the latest. It was well into the 20th century before compulsory education was extended to include older teenagers. The Great Depression added urgency to the exclusion of young people from a shrunken job market. Acting on the Puritan precept that idle hands were the devil's playmates, the government compelled teenagers to attend school and also to refrain from work. In school, presumably, they would be prepared for life by being excluded from life. The manufacture of adolescents, an artificial class created by legislative fiat, became a major American industry.

Without denying the potential of education at any age, it's appropriate to question the use of school as an excuse to deny work experience and minimal financial self-sufficiency to adolescents. Education and work can exist side by side and reinforce each other, as they already do for millions of college students and fully employed adults.

Actually, it's inaccurate to say that children are not allowed to work or are legally protected from strenuous and dangerous occupations. It is perfectly legal for a 12-year-old to muck out his father's barn, or to run a hay mower from sunup to sundown. Thanks to the political muscle of newspaper publishers, they have maintained the authority to hire children as news deliverers, working at all hours and subject to all weather. Children as young as 9 can spend up to six hours daily in the exhausting training grind of competition swimming or figure skating. Boys 14 and 15, too young to work for pay, put their bodies on the line on high school football teams, or run five miles daily practicing for track.

Steve Cauthen was handling thoroughbred stallions, those powerful and dangerous animals, long before he was licensed to ride. Tracy Austin at 14 engaged in grueling competition that would exhaust most of her adult audience in 15 minutes.

Most of those strenuous and demanding activities are legal and are socially acceptable for children *as long as they are unpaid*. (Interestingly enough, many children enjoy them.) But any employer who hires a 15-year-old football player fresh from a workout on the blocking sled, to sweep out his storeroom, is inviting trouble.

This contradiction between paid and unpaid work arises out of the "either-or" syndrome that produced such phenomena as Prohibition. (Either we ban every drop of alcohol or most of us will become broken-down drunkards.) Either children are walled off from work or they will become helpless victims of brutal exploiters, and grow up to be ignorant adults as well. Instead of "either-or" we have "neither-nor"—masses of young people who are neither students nor workers.

"Either-or" happens to be a myth. School and work can be complementary and reinforcing factors in adolescent life. Adult status and self-image in America derive from two factors: money and occupation. Those who have neither remain children indefinitely. The school day and school year are flexible enough to permit students to combine school with part-time or seasonal paid work. It would give them their first taste of earning their own money and undertaking adult responsibilities. It might even motivate some of them to perform better in school and focus on more realistic goals. Some positive results are guaranteed—greater self-esteem and growth in maturity.

Any suggestion that children might work for pay arouses violent animosity from the education industry and organized labor. Educators fear that work will lure children away from schools and encourage legislators to slash school budgets. They issue familiar warnings about the stunting of intellectual growth and physical development. Underlying these altruistic arguments is concern for self-preservation. Labor unions have always seen children as potential threats to adult workers, capable of robbing them of jobs and eroding wage scales.

The same arguments have been used against immigrants and the aged. They account for the restrictions on wage-earning by the retired elderly, who are penalized for working by losing their Social Security benefits.

The unhappy results of these attitudes can be seen in the schools and on the streets. Teenagers as a group are regarded by adults with fear and uneasiness. They are seen as potential menaces to be segregated from the adult world for as long as possible. On their 18th birthday, by some miracle, they will spring full-grown from the chrysalis and become responsible adults.

Judging from the New York experience, neither compulsory-education laws nor laws against child labor have prevented abuse and exploitation. Nor have they succeeded in educating children or even physically confining them inside schools. A staggering number of children in New York are involved in illicit occupations: peddling drugs, stealing and stripping cars, shoplifting, prostitution, selling stolen merchandise, setting fires for hire. Others work illegally "off the books" in the manner of unregistered aliens.

There are many alternative and socially valuable tasks teenagers can perform for pay, which would not disintegrate the schools or threaten the jobs of adults. Most of those tasks are being skimped or left undone because it is too costly to hire adults for them. Some of them, in fact, are inside school walls.

Children can recycle bottles and cans, shop for the elderly and housebound, walk dogs, wash windows, sweep sidewalks, paint park benches, plant shrubs and flowers, shelve library books, gather beach litter, read to the blind, bag groceries, assist in day-care centers, collect fares, stamp mail, deliver prescriptions, tutor pre-teens, help out behind store counters, clear crosswalks after snowstorms. The list is endless.

For children to do that and other work calls for more than lifting prohibitions. In all probability, separate federal and state youth wage minimums would be required, a point that raises the hackles of the AFL–CIO. With present wage laws, even 18-year-olds have difficulty finding jobs. Each quantum jump in the minimum wage produces a corresponding upward blip in youth unemployment, with the familiar depressing consequences.

Regulations could restrict youth work to 10 or 15 hours a week, exempt earnings from taxation, and require consent from *both* home and school.

Current demographic trends will only reinforce the need for youth labor. As our population ages and birth rates slide, the need will grow for workers at both ends of the age spectrum. Barring economic catastrophe, the future holds forth the prospect of labor *shortages* in place of the present surfeit. But before teenagers can undertake the tasks waiting to be done, the wall separating them from paid work will have to be breached.

ORDER OF BUSINESS

Mr. MORGAN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized, as in legislative session, for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Will the Senator ask that the time remaining under Mr. MORGAN's order be under his control?

Mr. GRIFFIN. And that the quorum call be charged against that time.

The PRESIDING OFFICER. Without objection, the time remaining for the order of Mr. MORGAN will be allotted to the Senator from Michigan and will be charged against the quorum call, and without prejudice to the Senator from Oklahoma.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore (Mr. MORGAN). Without objection, it is so ordered.

Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized, as in legislative session, for not to exceed 15 minutes.

HUMPHREY-HAWKINS FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1977

Mr. BARTLETT. Mr. President, the brave new revision of the Full Employment and Balanced Growth Act of Senator Humphrey and Representative HAWKINS declares itself to be a bill "to translate into practical reality the right for all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; [and] to require the President each year to set forth explicit short-term and medium-term goals." As such, it is a bill that flirts with wishful thinking.

It is naive to imply that the Federal Government is the wise, loving father, capable of guaranteeing that all of his children shall forever be happy, well-fed, secure, and productively employed. Yet this bill carries that implication.

History alone should convince us of the foolhardiness of believing that any national government can manage, plan, or decree matters in such a way as to insure that each of its citizens is in his own economic heaven-on-Earth. When such a belief has been acted upon, even with strictly benevolent methods and motives, it has inevitably reduced the economic well-being and potential of the country that tried it. Look at Great Britain, at what is happening to Japan, and at what has begun to happen to us.

For years, we have been diverting money needed for job formation into public spending. Since 1950, Government employment has grown four times as fast as private employment. Government spending, much of it on unsuccessful attempts to relieve unemployment or the effects of unemployment, has increased eightfold, while private spending for job formation has increased only fivefold. Since 1960, America's rate of productivity growth has been the lowest of all the industrialized countries. And yet we are seriously asked to consider this bill which would be the crowning touch to ideas about how to handle unemployment that were originally mined in the thirties and which are largely irrelevant and counterproductive in today's situation.

Just as the Humphrey-Hawkins bill's implied faith in the powers of the Federal Government to achieve universal economic prosperity and stability cannot be justified by historical experience, neither can it be justified by our most deeply-rooted economic traditions. It is obvious and true that the American economic system is, and always has been, a mixed economy. That is, it is a system in which both public and private institutions exercise economic influence. This can be all for the best.

An unrestrained market system might dictate that some people starve from lack of income while others get adequate incomes, so we have established programs to maintain minimum standards of living. In addition, the Government provides services without which community life would be untenable, and which by their nature would not be provided by the market system, such things as the maintenance of national defense and of internal law and order, for example.

But that is not to say that the Government has been, or should be, considered the most important actor in our economy. Our mixed economy has always relied on, and believed in the primacy of the private market system to solve our economic problems. What our society produces, how it produces it, and for whom it is produced has been worked out, in most cases, by the interaction of the forces of competition, profit seeking, scarcity, and consumer demand for goods and services. While this bill pays lipservice to the virtues of free competitive enterprise, it attempts to shift completely the emphasis and responsibility to the Federal Government for achieving economic growth and efficiency in our society.

The bill repeatedly calls for the Government to establish programs, policies, and legislation to "achieve full employment, production and real income, balanced growth, adequate productivity

growth, proper attention to national priority needs, and reasonably stable prices." The bill asserts that the policies, programs, and budget of the United States shall be arranged in such a way as to achieve a 4-percent unemployment rate among the entire civilian labor force, ages 16 years and over, within 5 years.

The bill provides a mechanism for insuring that monetary policy is in close "conformity to the purposes" of the act. The bill also authorizes the President to "establish reservoirs of public employment and private nonprofit employment projects" that are supposed to provide "useful and productive" jobs. And it is supposed to accomplish all this without harming the private sector. I find it hard to believe that anyone would be so blind to the lessons of our recent history as to not realize that giving the Government such a mandate would bring about anything other than the slow, or perhaps not so slow, strangulation of our economy and our prosperity.

I believe it is unreasonable to expect that the Government could accomplish any of these grand goals, let alone that it should be given explicit instructions to try to do so in the first place. The attempt would very likely cause terminal overload to the bureaucracy, massive inflation in the economy, and severe disruption of what would be left of the private marketplace.

The Full Employment and Balanced Growth Act of 1977 establishes unobtainable goals. As economist John Kenneth Galbraith has said before the Senate Banking Committee,

> At a four percent unemployment rate, there is no question, the American economy can be disastrously inflationary . . . I must specifically and deliberately warn my liberal friends not to engage in the wishful economics that causes them to hope that there is still undiscovered fiscal or monetary magic which will combine low unemployment with a low level of inflation.

This bill promises things to the American people that the Government cannot, and does not know how to, deliver. The bill itself reveals this by its lack of specifics on how to accomplish the goals it establishes. At most of the crucial places where it establishes a goal, for example, a 4-percent rate of unemployment by 1983 with reasonable price stability, it then says it is to be accomplished by programs and policies "which the President deems necessary," or "the President may, in his or her judgment, recommend," or which the President "deems appropriate," or as he or she "deems it desirable." The bill reads more like a laundry list of campaign promises than a piece of Federal legislation.

The bill gives the impression that somewhere, someone has a Federal program that will solve all our economic problems, and that all we have to do is pass a law that says "this, this and this are our goals; somebody do something." It embraces the philosophy that says if the Government tinkers long enough, some expert must surely be able to find the one perfect arrangement of programs which will guarantee our future happiness.

The Humphrey-Hawkins bill is neither reasonable nor realistic, and is based upon misleading assumptions. If the history of Federal economic programs is any guide, what we need is less Government tinkering and more reliance on the initiative and drive of American entrepreneurs. We need to alter minimum wage laws and labor laws that cause unemployment and inflation, that kill initiative, and that are a deadweight to the economy. We need to foster competition by enforcement of the antitrust laws. We need to reduce the tax burdens placed on savings and investing in order to foster capital formation. We need to encourage work rather than laziness by reforming our unemployment compensation laws so that unemployment is not the relatively attractive alternative to work that it now is for so many people. In short, what we need is a little creative absence of Government. We certainly do not need any version of the Humphrey-Hawkins bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The second assistant legislative clerk read as follows:

> Executive N, 95th Congress, 1st session, Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

The ACTING PRESIDENT pro tempore. Under a previous order, the Chair now recognizes the Senator from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. President, I ask unanimous consent that Jim Roberts, of my staff, be accorded the privileges of the floor during the remainder of the consideration of these measures.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

Mr. SCOTT. Mr. President, before determining the action to be taken on the treaty proposals, it seems reasonable to consider what is in the Canal Zone, how much the land and improvements are worth, and other factors, including military installations, their use and their value to the United States. We, as Senators, need this information and the American people have a right to know what is involved in this transfer of title of the Canal Zone to Panama.

Some may consider the Canal Zone only from the viewpoint of a canal, a "path between the seas," or a big ditch. Actually, there are many military and civilian facilities located within the approximately 650-square-mile Canal Zone area and I ask unanimous consent, Mr. President, to have presented in the RECORD, a miscellaneous tabulation of values of the Canal Zone at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

MISCELLANEOUS VALUES OF THE PANAMA CANAL

(Source: Panama Canal Company)

	Million
1. Original Cost of Building the Canal*	$387
2. Original Cost Value of the Panama Canal Enterprise:	
Lands, titles and treaty rights	$14.7
Interest during original construction	50.9
Canal excavation, fills and embankments, dry dock excavation	324.9
Canal structures and equipment	203.5
Other Marine facilities	29.6
Supporting and general facilities	176.7
Plant additions in progress	25.1
Schools, hospitals and other facilities	111.9
Other	55.8
Total	993.1
3. Book Value of the Panama Canal Enterprise (Plant and Equipment (6/30/75)):	
Panama Canal Company	$501.8
Canal Zone Government	59.6
Total	561.4
4. Replacement Value of Canal Operations (including armed forces):	
	Billion
Property, Plant and Equipment	$3.573
The Panama Canal	5.000
Military, naval and air plant	1.245
Total	9.818
	Million
5. Value of Unused Canal Zone Land	$115
6. Annuity Payments to Panama since 1903	70.5
7. Canal Zone Gross Payments and Income Flow to Panama**	
1975 $253.2 million	
1976 243.1 million	
Since 1963, 1.8 billion	

* Includes $10 million paid to Panama under the 1903 Treaty.

** Includes the annuity, wages and salaries to Panamanians, direct purchases, retirement payments and resident expenditure.

Mr. SCOTT. This one-page tabulation was made available by the Department of State and is entitled, "Miscellaneous Values of the Panama Canal." It was prepared in September 1977 by the Panama Canal Company and shows a replacement value of canal operations of $9,818 million. This does not include the value of unused Canal Zone land of $115 million, nor does it include the annuity payments made to Panama since 1903 of $70.5 million.

It is interesting to note from the tabulation that the country of Panama has received gross payment and income flow from the Canal Zone since 1963 alone of $1.8 billion. That is for a period of 17 to 18 years and includes the annuity, wages, and salaries to Panamanians, direct purchases, retirement payments, and

resident expenditures. It does not include the foreign aid rendered by the United States to Panama, which I understand is the greatest per capita of aid by this country to any country in the world.

It would also be well for us to remember that there is no privately owned real estate within the Canal Zone, although some buildings have been constructed under lease arrangements with the United States and except for personal property of civilian and military personnel, as well as those holding leases from our Government. All property, both real and personal, is owned by the United States.

Senators will note, Mr. President, that we have obtained from the Panama Canal Company a computer printout in four volumes, which I am using here today as a podium. It weighs 47 pounds, it is more than a foot high, and it makes a very nice podium. These volumes will be left on my desk for a period of time, so that Senators who may care to thumb through them may do so. The volumes do not reflect the current replacement value but they do indicate the original cost and the current book value.

The first item is the cost of $10 million paid to Panama under the 1903 treaty. The second item, $3,965,000 paid for depopulation of the Canal Zone. Depopulation, of course, is the compensation as determined by a commission of Panamanians and Americans of the market value of claims of the Panamanians, those who owned in fee or were squatters, upon Canal Zone property.

The next item is $326,000 paid for the land rights acquired from the French Company; then the Madden area land rights, $437,000, making a total payment for the private rights of $4,728,888.61.

Now, Mr. President, this is the fair market value of the private or proprietary rights, paid to individuals or organizations, and does not include the $40 million we paid to the French Company for its rights in the Canal Zone due to its efforts to construct a canal before the United States obtained treaty rights in 1903. The $40 million payment included whatever the French Company owned, which, of course, eliminated its rights to construct a canal across the Isthmus of Panama. It included the equipment the French Company had located on the property, the housing and other improvements, as well as payment for the excavations it had made, part of which were able to be utilized by the United States. It did not include the $10 million we paid to Panama or the $25 million we later paid to Colombia for any interest it might have or claim to have in the Canal Zone.

The next item is interest during construction, simple interest at 3 percent per annum on net treasury withdrawals for the period from 1903 through August 14, 1914, for the purpose of financing the construction of the canal and appurtenances. This amounts to $50,892,000.

Then, skipping down further, I note the cost of constructing a canal channel through Gaillard Cut, $194,076,000; the canal channel through Gatun Lake section, $13,716,000; the Cristobal Inner Harbor, $7,197,000; the Balboa Inner Harbor, $8,774,000; the Cristobal Outer Harbor, $4,450,000; the relocation of the Panama Railroad, $9,800,000; and, Mr. President, we could go on through this book and find various items; such as, truck forklifts, compressors, milling machines, bandsaws, planer machines, lathes, boring machines, shaping machines, sanding machines, derricks, pumps, base radio consoles, hammer piledriver, front-end loaders, pipes and fittings, floating booms, fencing, pipes, and tanks, telemeters, and that is just thumbing through the first of four volumes of computer printouts of the money that we have paid, in the Canal Zone, for the property that we have there.

What I would like to do today is to dispel any doubts regarding the rights the United States has in the Canal Zone.

There might be no Panama without the United States. The country enjoys the highest standard of living in Central America, because of the United States constructed canal. It enjoys the fourth highest standard of living in all of Latin America for the same reason. It has sanitary water and sewage, has lost the dread of yellow fever and can control malaria, because the United States constructed this canal.

In addition to the computer printout, Mr. President, we have been able to obtain various maps and pictures of the Canal Zone which I would like to exhibit on the floor and ask unanimous consent that they might remain on display in the Senate Chamber for the remainder of today and through tomorrow to afford Senators an opportunity to examine them.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. These exhibits provide a chance for Senators who have not previously examined our facilities in detail to see pictures and maps of the various installations, not only for the canal itself but those for civilian employees of the Canal Company, the Canal Government, and the various military installations we have within the Canal Zone. First, let us look at the civilian facilities.

Our office was recently furnished with a recent copy of an inventory of assets of the Canal Zone Government and the Panama Canal Company, both of which are administrative agencies of the United States. The General Service Administration in its annual report of real property owned by the United States included separate one-page reports listing the real property owned by our Government and utilized by these civilian agencies as of September 30, 1977. I ask unanimous consent, Mr. President, that these tabulations be included at this point in the RECORD.

There being no objection, the tabulations were ordered to be printed in the in the RECORD.

GENERAL SERVICES ADMINISTRATION

ANNUAL REPORT OF REAL PROPERTY OWNED BY THE UNITED STATES

CANAL ZONE GOVERNMENT, CANAL ZONE

LAND (HOUSING)

Methods of acquisition	3
Dates acquired	1917–67
Area: Urban (acres)	8,365
Cost (thousands)	$7,349

BUILDINGS

Usage	Number of buildings	Dates acquired	Gross floor area (outer dimensions) Total (square feet)	Gross floor area (outer dimensions) Percent occupied	Cost (thousands)
Office	10	1918–67	125,862	100	$1,620
Hospital	32	1916–70	509,301	100	16,611
Prison	3	1932–71	15,818	100	418
Schools	110	1916–72	1,464,659	100	26,026
Other institutional uses	22	1907–71	139,605	100	2,323
Housing	6	1941–43	18,705	100	403
Storage	6	1919–71	18,587	100	250
Service	2	1909–62	569	100	209
Research and development	5	1915–67	38,014	100	351
All other [1]	70	1905–73	150,917	100	1,875
Total buildings	266	.....	2,482,037	.....	50,086

[1] The cost of this property is offset by economic and defense valuation allowances in the amount of $1,845,000. EVA and DVA are special valuation allowances established to reduce the recorded value of plant assets to the amount that is recognized as the estimated usable value of the assets. Necessity of establishing EVA and DVA is due to overbuilding and incorporation of national defense features.

OTHER STRUCTURES AND FACILITIES

Usage:	Cost (thousands)
Airfield pavements	$1,799
Harbor and port facilities	1
Storage (other than buildings)	34
Service (other than buildings)	40
Utility systems	11,537
Communications systems	14
Navigation and traffic aids	83
Roads and bridges	21,366
Railroads	373
Monuments and memorials	56
All other	5,410
Total cost other structures and facilities	40,707
Total cost: Land, buildings, and other structures and facilities	98,142

LAND (FLOOD CONTROL AND NAVIGATION)

Method of acquisition	3
Date acquired	1903
Areas (acres):	
Urban	74,278
Rural	283,200
Cost (thousands)	$15,776

BUILDINGS

Usage	Number of buildings	Dates acquired	Gross floor area (outer dimensions) Total (square feet)	Gross floor area (outer dimensions) Percent occupied	Cost (thousands)
Office	34	1914–72	352,504	100	$5,005
School	2	1921–41	34,251	100	262
Other institutional uses	1	1918	7,485	100	57
Housing	2,005	1906–77	6,360,319	100	54,850
Storage	161	1900–74	1,358,339	100	7,672
Industrial	29	1914–77	145,584	100	5,112
Service	151	1900–77	1,393,489	100	14,888
All others [1]	264	1900–77	804,518	100	9,382
Total buildings	2,647	.....	10,456,489	.....	97,228

[1] The cost of this property is offset by economic and defense valuation allowance in the amount of $78,984,000. EVA and DVA are special valuation allowances established to reduce the recorded value of plant assets to the amount that is recognized as the estimated usable value of the assets. Necessity of establishing EVA and DVA is due to overbuilding and incorporation of national defense features.

OTHER STRUCTURES AND FACILITIES

Usage:	Cost (thousands)
Harbor and port facilities	$319,593
Power development and distribution	6,946

OTHER STRUCTURES AND FACILITIES—Continued

Usage:	Cost (thousands)
Flood control and navigation	$96,421
Storage (other than buildings)	6,812
Industrial (other than buildings)	5,509
Service (other than buildings)	12,024
Utility systems	39,315
Communications systems	5,343
Navigation and traffic aids	909
Roads and bridges	20,272
Railroads	8,431
All other	67,711
Total cost other structures and facilities	589,286
Total cost: Land, buildings, and other structures and facilities	702,290

Mr. SCOTT. For the Canal Zone Government, a total of 266 buildings having a gross floor space area of 2,482,037 square feet, is listed. This includes buildings of various types, 10 of which are used for offices, 32 for hospitals, 3 prisons, 110 schools, 22 for other institutional uses, 6 for housing, 6 for storage, 2 for services, 5 for research and development, and 70 for all other purposes.

A similar report of U.S.-owned real estate in the Canal Zone under the jurisdiction of the Panama Canal Company includes 2,647 buildings of various kinds having a total gross square foot area of 10,456,489; thirty-four of which are used for offices, 2 for schools, 1 for other institutional purposes, 2,005 for housing, 161 for storage, 29 for industrial purposes, 151 for services, and 264 for all other purposes.

Mr. President, let me now turn to a breakdown, first of the facilities utilized primarily by civilians and later on to facilities primarily by civilians and later on to facilities primarily utilized by our miltary forces.

CIVILIAN FACILITIES

Mr. President, civilian facilities within the Canal Zone constitute by far the most costly of the improvements and acquisitions there. These facilities are under the jurisdiction of two U.S. agencies, the Panama Canal Company and the Panama Canal Government. According to our Government manual, the U.S. Government manual, the Canal Zone Company was incorporated as an agency of the United States in 1948 and the charter was later amended. The Chief Executive Officer, Harold R. Parfitt, is the president who also serves as Governor of the Canal Zone. He is also an active duty major general in the Army Corps of Engineers.

These civilian facilities, some of which will be described individually and illustrated by pictures, have an estimated replacement value of approximately $8.6 billion. The descriptions, however, do not include such other costly items as libraries, fire stations, Panama Railroad facilities, office buildings, and retail stores of various kinds, theaters, bowling alleys, post offices, tank farms, police stations, gasoline service stations, and other facilities much the same as we have in continental American towns and cities.

The first picture, Mr. President, is a pier complex at Cristobal.

Mr. President, in the rear of the Chamber we have Mr. Roberts who will point out these items on the maps that we have on display.

This is the pier complex, along with the city of Colon, Panama, in the background. The Panama Canal Company has estimated the replacement cost of these industrial and port facilities to be $122 million. Numerous buildings housing dredging, maintenance, and related operations are located here, in addition to piers and docking facilities.

The second picture is the Panama Canal Industrial Division at Mount Hope. This complex includes extensive railroad connecting lines to major industrial facilities relating to the canal. They include a supply division warehouse area, storehouses, drydock, lumber shed, numerous shop buildings and offices, and a powerplant and infiltration plant.

The third picture is Rainbow City. This is a community owned by the United States. It has schools for Rainbow City in center of picture. Homes primarily occupied by Panamanian workers and their families.

Then the next picture of Coco Solo. This has primarily housing and school facilities. Naval installations are also in background. Fort Randolph Army installation at top.

This next picture is Margarita. It has homes for civilian Canal Zone employees. It looks somewhat like one of our subdivisions in the suburban area.

Then we come to Gatun locks on the Atlantic side. We also have a larger view of Gatun locks showing the Gatun dam and lake at top of picture. Now this view shows the locks in the opposite direction, from the first picture looking toward the lake rather than Atlantic. At Gatun locks a ship is raised 85 feet in three series to the level of the lake and each Panama Canal lock complex has two sets of chambers or lanes which permits two ships to be locked through at the same time. Each lane operates in both directions permitting large-scale movement of naval vessels in times of emergency.

We have a third picture that shows the massive gates at Gatun. The size can be realized by comparison with workman in the foreground.

And next we have the Panama Canal Dredging Division at Gamboa, located at the mouth of Chagres River. Now this is headquarters for the dredging division showing barges for deposit of dredged material. Houses and office buildings shown in lower right corner.

I might state, Mr. President, there are two dredging boats which operate continuously within the canal.

Next is a picture of the Madden Dam, which provides additional water reserve on the Charges River hydroelectric plant. The zone has other generating plants—both water and oil generated.

Gaillard cut is the next picture—located between Gamboa and Piedro Miguel locks, it was the major excavation necessary at this point within the zone. It was named for the Army engineer who supervised the greatest earth-moving job ever attempted. Over 200 million cubic yards of dirt and rock were dug, blasted and hauled away. Originally dug to a minimum 300-foot-wide channel, the cut has, over the years, been widened to a minimum 500 feet between banks over its 9-mile length.

The next picture is of Piedro Miguel locks, one-third of the locks on the Pacific side of the zone. The railroad from east to west coast is on the right side of the picture. Two of the tugs used in assisting ships through the canal are at the lower part of the picture. Maintenance shops are between the railroad and locks. Openness adds to security measures for protection of locks.

Now we come to the Miraflores locks, remaining two-thirds of the locks on the Pacific side. The water filtration plant is at the lower right. The power-generating plant is at the left side.

Next is a closeup view of an electric locomotive known as a Panama Canal "mule" weighing 55 tons and with its two towing wires it can pull up to 70,000 pounds. Ships up to 600 feet require only four mules to help the pilot position his ship in the lock chambers. Larger ships, however, may need six to eight mules to assist them through a given lock.

The next picture is another view through an opening in a ship transiting the canal showing the locomotive in its entirety. The original cost of a fleet of these engines was roughly $112,000 to $115,000 per locomotive but they are presently being replaced at a unit cost of $720,000 to $725,000 apiece. An increase of roughly 600 percent in cost.

They are being replaced even though the United States, if the treaties are ratified, will only remain there for 22 years.

Next is a picture of Balboa Harbor and pier complex at the Pacific entrance to the canal. This industrial area includes, in the center of the photograph, a drydock large enough to accommodate any ship which can transit the canal. Facilities also provide shops to repair ships, lock gates, and other canal equipment. The port captain's office is at the lower right. Upon ratification, virtually the entire complex which is now owned by the United States and has a present replacement value—according to the Canal Company—of more than $115 million, becomes the property of Panama.

The next picture shows the townsite of Balboa. All American property including Fort Amador, the fortified island protecting entrance to canal at the Pacific side, is shown at the top of the picture. The Canal Company headquarters building is on the hill at center. Balboa High School is at the lower center. Inhabitants of Balboa are families of canal employees.

The next picture shows the Thatcher Ferry Bridge above the channel near the Pacific side of the canal. This bridge is a part of the Inter-American Highway, and was constructed in the early 1960's at a then cost of $20 million. Below the bridge is a portion of the Canal Zone Junior College.

The next picture shows the Gorgas Hospital, one of two American hospitals within the Canal Zone used for the treatment of both military and civilian employees and their families. This is a large, modern, general hospital. I understand that an addition was recently added at a cost of several million dollars.

In addition to the civilian facilities we have referred to, Mr. President, there are numerous defense-related installations. According to testimony by Lt. Gen. Dennis P. McAuliffe, Commander in Chief of our Southern Command, before the Committee on Foreign Relations, we have at present roughly 3,300 American citizens residing in the Canal Zone who are employees of the Canal Government, with approximately 6,200 dependents of these employees. However, the American military forces roughly consist of 8,500 members with somewhat over 11,000 dependents, plus an additional 1,200 civilian employees assisting our military forces, for a combined total of 30,186 Americans presently in the Canal Zone.

The military installations in the Canal Zone are said to have a replacement value of $1.2 billion, but their value to our Government cannot really be expressed in terms of money. They are the most southern of our military bases in Latin America, and this fact alone would appear to give them strategic importance in addition to the protection they provide for the American Canal Zone.

Let me mention some of the principal bases individually:

On the Pacific side of the canal, we first have Fort Amador. This is on the large map at the rear of the chamber, and interested Senators can, of course, view the location of this fort and other military facilities if they desire to do so, either now or at their convenience. Fort Amador is the tactical headquarters of a U.S. Army brigade charged with the responsibility of providing security for the canal to insure its continued uninterrupted operation. Should the security forces required to maintain order within the Canal Zone surpass that of the police forces, the military personnel stationed there could be called upon to supplement the local police forces in maintaining order and security.

The military installations on the Pacific side contain not simply buildings but, in fact, an entire military complex, with facilities to insure prompt response when necessary to any threat and to provide assistance when required.

A number of Army, Navy, and Air Force installations are located somewhat near to one another on each side of the canal zone strip. On the Pacific side, at Balboa, is the U.S. Naval headquarters and communications station. There are a number of family living quarters and community facilities complementing the complex.

Quarry heights contains the headquarters of the U.S. Southern Command, commanded by General McAuliffe, and is the control headquarters for all U.S. military forces in Panama—Army, Navy, and Air Force. It is also charged with contingency planning, military or tactical operations within Central and South America. Of course, Quarry Heights contains the headquarters building, an underground bunker complex, houses the command post and communications facilities, and many other buildings necessary to support a command and control headquaters of this magnitude.

The map indicates an east and west Albrook Airforce station. It indicates that the U.S. Airforce Southern Command Headquarters is in the west and depot facilities are in the east. I am told, however, that at the present time, Albrook is not divided and that the combined facilities contain the headquarters of the U.S. Army 210th Aviaiton Battalion. That is a helicopter unit with necessary facilities to conduct tactical air operations required to maintain control over the extensive and rugged terrain within the zone. Military personnel have advised that these helicopter assets are critical to the success of any counter-insurgency operations. There are many support facilities, such as an operations building, hangars, maintenance facilities, as well as community facilities. It has operational and maintenance facilities and the international air force academy, family housing and various community facilities.

The map also designates a Navy pipeline. It is understood that there are several pipelines of differing dimensions going across the isthmus from one ocean to the other. While they are not generally used to transfer oil from one side of the isthmus to the other, they would be available if necessary to do so.

The map indicates that Curundu Heights is also located in this same Pacific area, and I understand it provides housing for both military and civilians working for the military, and headquarters for the inter-American Geodetic Survey. Adjoining the housing facilities is an antenna farm which provides high frequency transmitting and receiving capabilities to the Air Force.

Fort Clayton is a training area for infantry and mechanized forces. It also has family housing, service-support facilities and headquarters for the tropical test center. This center tests military equipment to determine its suitability for combat in any tropical area of the world. One of the three infantry battalions within the Canal Zone is also located at Fort Clayton.

Nearby Corozal is a separate industrial area containing engineering, communications, and industrial facilities as well as troop housng.

Rodman Naval Station is listed first on the west bank of the canal. This station has pier and support facilities, U.S. Navy receiving facilities, family housing, marine barracks, and small craft instruction and training team facilities.

Fort Kobbe is next on the map, located next to Howard Air Force Base, where another infantry battalion of the infantry brigade is located. I understand it also includes training areas, troop housing, and family housing.

Howard Air Force Base houses the tactical air squadron. This Air Force base is headquarters of the 24th Composite Wing, the only jet-capable air strip in the Canal Zone, with fuel storage and ammunition storage. The base will become the headquarters for the commander of Air Forces South. It is also illustrated on a color photograph in the rear of the Chamber, which shows the air field, the hangars, the support facilities and the housing. Perhaps it should be added that all the facilities previously referred to, as well as those elsewhere in the zone, have schools, churches, and medical facilities.

Directly below on the map is Fort Davis where one of the three infantry battalions of the brigade is stationed. I understand this is the main Army infantry force on the Atlantic side of the zone. Among other facilities on the Atlantic side are the terminal for the ITT cable and tranisthmian microwave. The Armed Forces also operate a radio and television station from this fort which can be heard by military and civilians throughout the zone and in portions of Panama on the Atlantic side. I understand there is a companion broadcasting system on the Pacific side of the zone.

Returning to the top of the map on the Atlantic side we come to Fort Sherman which has the notation "jungle operations." It is my understanding that U.S. Army troops are brought here from many bases within the States and divisions throughout the Army. It is the only U.S. jungle training area in existence. As a matter of fact, I understand this is one of the few jungle areas in the world with a triple canopy of vegetation, making it a very dense irreplaceable training area. The training center contains a small air strip, troop housing, barracks and training area. This is a very large jungle area and as indicated by an additional designation of the training area some distance below on the map. Let me add the understanding that the Air Force also has a jungle survival school located somewhere near the center of the canal which was utilized extensively during the Vietnam era primarily to train pilots for survival within a jungle area.

The only remaining military facility listed on the map is the Pina Range for light weapons and artillery fire.

Having reviewed all of the designations on the map, I should add that according to military personnel, the Army, Navy and Air Force all have bases within the Canal Zone, as well as the headquarters for the Southern Command.

Empire Range.—On the Pacific side of the canal, we come to the Empire Range, designated on the map as "infantry weapon Ranges." These firing ranges are used by the Army. Further toward the center portion of the Canal Zone is the Air Force bombing range.

Semaphore Hill and Summit Navy Communication Station.—Directly across the canal from these two facilities is first, the semaphore hill radar, which is a long-range radar facility and, below it, is the Summit Navy Communication Station transmitting facility.

That generally concludes the military facilities on the Pacific side of the Canal Zone and now going to the Atlantic side.

Galeta Island.—At the top of the map is Galeta Island designated as a "naval communication facility" about which you may have read something in the newspapers recently. Without touching any classified material, it might be said that this facility supports a high frequency direction-finding system and provides communications and related support, including communications relay, commu-

nications security, and communications manpower assistance to Navy and other defense elements within the area.

Coco Solo.—Reading down the map, we come to "Coco Solo Housing." This complex houses military families and civilian employees within the zone.

Fort Gulick.—Directly below is Fort Gulick which houses a special forces battalion and the U.S. Army School of the Americas. This school of the Americas provides training for Latin American military officers and men and is said to have a very favorable influence upon inter-American relations. Included within this complex are troop facilities, family housing, ammunition storage depots, a dispensary and dental facilities, and community service areas.

I am told that this school provides military personnel from various Latin American areas an opportunity to meet with each other and U.S. military personnel which broadens their military perspectives and gives them an appreciation of hemispheric defense issues and promotes standardization of military doctrine among nations of the hemisphere. Even the Panamanian military forces utilize the facilities of this school. Every U.S. military officer I have discussed this school with has spoken very highly of it.

Let us turn now to some of the financial aspects of the canal treaties.

On February 1, 1978, President Carter in a nationally televised address to the American people stated:

> Are we paying Panama to take the canal? We are not. Under the new treaties payments to Panama will come from tolls paid by ships which use the canal.

On September 26, 1977, Secretary of State Vance in testimony before the Senate Foreign Relations Committee stated concerning the cost of the treaties:

> . . . the treaties require no new appropriations, nor do they add to the burdens of the American taxpayer.

Later in his testimony before the Senate Foreign Relations Committee, Chairman SPARKMAN asked Secretary Vance concerning the so-called implementing legislation:

Will there be a necessity for the usual appropriations action?

Secretary Vance answered: "No."

Then Chairman SPARKMAN asked: "What, if any, budgetary impact would this have?"

Secretary Vance answered: "No appropriations will be required." And Chairman SPARKMAN replied "no appropriations will be required. I think those are two questions that have concerned people."

I believe these quotes from administration officials are representative of many statements made by many treaty supporters concerning the cost of the treaties. Even if these statements are technically correct they are still misleading, intentionally or not, concerning the cost of these treaties to the American taxpayer.

Let me mention some of the various direct costs to the American taxpayer.

FOREGONE INTEREST FOR THE U.S. TREASURY

The Panama Canal Company has the statutory obligation to pay interest to the U.S. Treasury on the interest-bearing portion of the U.S. investment there. Currently this amounts to about $20 million per year. The State Department has indicated that implementing legislation will relieve the new Panama Canal Commission (to be established if the treaties are ratified) of the obligation to pay interest.

This will be a loss of income to the Government or indirect cost to the American taxpayer of at least $440 million within the next 22 years. That is, this is money that will not accrue to the U.S. Treasury if the treaties before us are ratified.

In this regard, the Comptroller General of the United States, Elmer B. Staats, stated that the $20 million estimated annual interest payment, "could be substantially more" per year over the next 22 years. He said:

> We, I do not believe, are familiar with the rationale of avoiding the interest payment, except that it would mean that the toll rates could be kept lower. We do not see the basis for forgiving the interest payment.

EARLY RETIREMENT BENEFITS

Additional early retirement benefits to present Panama Canal Company employees, both American and Panamanians are being negotiated. These benefits would be paid through the Civil Service Commission and would not be charged to the new Panama Canal Commission accounts. As I understand it, whenever an additional charge is made upon the civil service retirement fund, Congress is obligated to appropriate additional money so that the fund will remain actuarially sound. The Civil Service Commission and the Congressional Budget Office estimate the annual costs of the various proposals being negotiated range from $6.5 to $8.5 million a year. If we take the midpoint of this range—that is, $7.5 million per year—it would mean that the total cost to the taxpayer of the early retirement provisions would be $165 million.

This early retirement provision is in title 5 of the United States Code, and it is so referred to in one of the annexes to the treaty. That is the provision which provides that, if someone is separated from the service through no fault of his own, involuntarily, he can retire, regardless of his age, if he has 25 years of service; or he can retire after 20 years of service, if he has reached age 55.

DEPARTMENT OF DEFENSE SUPPORT COSTS

Certain support functions under the new treaties, now paid from toll funds, such as hospitals and schools, will be transferred to the Department of Defense. This would mean an additional estimated cost to our Government of $5 million per year, or $110 million over the next 22 years.

BASE RELOCATION COSTS

The Department of Defense estimates that there will be a one-time cost of $43 million for the relocation of certain U.S. military bases in the Canal Zone.

TOTAL DIRECT COSTS

Let us add up these direct costs to U.S. taxpayers:

Loss to the U.S. Treasury, $440 million.

Early retirement costs, $165 million.

Certain Department of Defense costs, $110 million.

One-time base relocations, $43 million.

This is a sum total of $758 million minimum cost to our taxpayers for the privilege of giving Panama a $10 billion Canal Zone.

COSTS OF U.S. BASES ELSEWHERE IN THE WORLD

Mr. President, there are those who argue that, since we pay billions of dollars for our base rights in Spain, the Philippines, and other places around the world, that we should not quibble over several hundred million dollars that it will cost the United States to give its $10 billion canal to Panama. A million dollars or a billion dollars here and a million dollars or a billion dollars there could add up to real money. That is the reason why we have a national debt of more than $700 billion at the present time.

The situation is greatly different between Panama and our bases elsewhere. We built the canal in Panama—a country that would probably still be a province of Colombia with French locomotives and equipment rotting in its jungles. And we hear about the Frenchman Bunau-Varilla, and what a scoundrel he was in the history of the canal. If it were not for him, the canal might never have been built in Panama but in Nicaragua, where Senator John Tyler Morgan of Alabama and others wanted it. To say that because Bunau-Varilla may have profited from his efforts is to miss the point. France aided the United States in our Revolutionary War, not because of any great love for the United States, but primarily because they wanted to get at their arch enemy, England, through its colonies. So it is in human history.

The United States built the canal and developed Panama's only natural resource which Panama could never have developed itself. Under the treaties, we would be giving up a canal and related properties in the zone with a replacement value of about $10 billion. In addition, Panama has benfited tremendously from the presence of the canal in their country. Panama has the fourth largest per capita income in Latin America. Just suppose for a moment the situation in Panama and Nicaragua if we had constructed the original canal in Nicaragua and not in Panama, as could well have happened. Nicaragua would now have the higher standard of living, not Panama. According to the table prepared in September 1977 and made available by the Panama Canal Company, and inserted in the RECORD earlier today, gross payments and income flow to Panama by the Canal Company from 1963 to 1977 was $1.8 billion. This, of course, does not include the foreign aid our country gave to Panama, reported to be more, per capita, than we have given to any nation in the world. So, any suggestion that we have mistreated Panama is nonsense.

POTENTIAL PANAMA CANAL OPERATING LOSSES

The costs to the taxpayers previously mentioned in no way involve potential Panama Canal operating losses under the treaties. There is serious question whether or not revenues will be sufficient to meet expenditures, including the payments to be made under the treaty.

Let me quote from testimony of Comptroller General Staats, the head of our General Accounting Office, in his testimony before the Armed Services Committee:

If the canal transits fall short of what is currently estimated, it is possible that toll revenues will be insufficient to cover the costs of the Commission, including the scheduled payments to Panama. In this eventuality, the U.S. Government is likely to be required to provide financial assistance either through the congressional appropriations or by allowing the Commission to borrow from the U.S. Treasury.

Looking at the possibilities of increased costs over the company's initial estimates, Mr. Staats concluded:

It seems to me there are some very real concerns as to whether we can adjust tolls upward, assuming you do all these things that I have just listed, and still make it possible to operate the canal without serious deficits.

While one can make different assumptions on factors affecting future canal revenues and arrive at different conclusions as to whether the canal operation will be financially sound, there is a substantial possibility that the canal will suffer operating deficits during the life of the treaty, and if so, it will be our taxpayers who will make up the deficits. I might add that these payments from our Treasury would, in effect, amount to a payment from the U.S. taxpayers to Panama.

On page 92 of the Foreign Relations Committee report, there is this statement:

The treaty provides that the new Panama Canal Commission will make three different annual payments to Panama. The revenue for these payments will come exclusively from canal tolls and not from the American Treasury.

This contrasts with Mr. Staats' testimony before the Armed Services Committee, which I will repeat because I believe it is important, since he is the chief accountant for our Government:

If the canal transits fall short of what is currently estimated, it is possible that toll revenues will be insufficient to cover the costs of the Commission, including the scheduled payments to Panama. In this eventuality, the U.S. Government is likely to be required to provide financial assistance either through congressional appropriations or by allowing the Commission to borrow from the U.S. Treasury.

PAYMENTS TO PANAMA UNDER TREATIES

As Senators know, payments to Panama from tolls under the treaties are:

First. Per canal ton $.30—estimated at $40 million per year—for a total of $880 million for 22 years.

Second. Per year $10 million—fixed expense—$220 million for 22 years.

Third. Per year $10 million for certain services such as police, fire protection—$220 million for 22 years.

Fourth. Per year $10 million if revenues exceed expenditures, should economic conditions permit—$220 million for 22 years.

This is a potential total of about $1.5 billion for the next 22 years, at a minimum, since some of those payments will be adjusted for inflation. This sizable sum will be made to a country of 1.7 million people, or a total of $880 for every man, woman, and child in Panama.

IMPLEMENTING LEGISLATION

Concerning the importance of the implementing legislation, the Comptroller General stated that—

The treaty implementing legislation is the key determinant of the financial viability of the proposed Panama Canal Commission. We did make an effort to obtain the implementing legislation, even in draft form, because we thought it would be helpful to us, but we are unable to obtain it.

Mr. Staats further noted, "If I were a Senator, I would want to see the legislation before I voted."

When Mr. Staats was before the Armed Services Committee, he outlined some of the issues to be addressed in the implementing legislation:

What form of U.S. Government Organization should the proposed Panama Canal Commission take?

Who will audit the new organization?

What should be done to assure an orderly transfer of property and continued efficient operation of transferred functions?

How to resolve Panama's $8.4 million debt for past services?

What should be done to relate payments to Panama for public services to the actual costs incurred?

How can the quality of these services be assured?

How should the annual contingent payment to Panama of up to $10 million be treated in financial and toll setting plans?

Should the canal organization be relieved of its obligation to pay interest on U.S. investment?

Should the United States attempt to recoup its investment through accelerated depreciation charges?

What is the magnitude of other treaty-related costs for personnel terminations and relocation costs to be borne by the U.S. Government?

Will toll revenues be sufficient to cover costs?

Who will bear the burden of increased toll rates?

In addition, Mr. Hansell, legal adviser, to the Department of State, indicated in his testimony before the Foreign Relations Committee on September 29, 1977, that the implementing legislation will "be an essential component of the overall program of implementation of the treaties." Later Mr. Hansell responded to a question from Chairman SPARKMAN as to when this proposed implementing legislation would be submitted to the Congress:

We hope to have a complete draft available for submission to both Houses within several weeks. We have been at work on it for some period of time. Certainly well before the end of October we expect to have it to you.

Here it is March, over 4 months later.

Only today did our office receive a letter accompanied by a 60-page bill to implement the treaties from Mr. Hansell on this matter. My staff tells me that someone in the Chamber indicated yesterday they had received theirs yesterday. I have not had an opportunity to study the proposed bill but the letter does state that it is still under study and review by other agencies and clearance by the Office of Management and Budget is being sought. Changes may result by virtue of that process.

So the executive branch still has not completely made up its mind as to what implementing legislation is necessary. But each Senator will, of course, want to review the tentative suggestions in detail.

Yet, there seems to be little disagreement that these treaties will cost the American taxpayer at least $750 million over the next 22 years and that fact has been, to say the least, downplayed by treaty proponents until the work of the Senate Armed Services Committee and others brought it out. Without knowing the administration proposals we are considering the financial aspects of the treaties in a vacuum. However, Mr. Staats pointed out in his testimony before the Senate Armed Services Committee that there will be other treaty related costs that will be borne by other agencies of our Government but that "only sketchy details are available at this time."

Mr. President, during this presentation, I have attempted to outline and to illustrate what it is that the American people have in the Canal Zone: The civilian and military improvements, the uses made of the zone in addition to the commercial and military value of the canal itself so that the Senate and the American people will be in a better position to determine whether or not we should give away this property valued at $10,000,000,000 and to be obligated to pay hundreds of millions of dollars within the next 22 years only to lose all rights in the canal on December 31, 1999, less than 22 years from now.

In my own judgment, these treaties should be rejected. They are vague. They are uncertain. There are numerous supplemental agreements, annexes, exchanges of notes and letters of which we are aware that are not subject to ratification or change as a part of the advice and consent proceedings. Should the treaties be ratified by the Senate, the agreements can be changed by executive action alone.

In the practice of law, we learn that a simple will, or a simple contract oftentimes is more easily understood and is subject to less litigation in the future. These complex treaties before us about which the legal adviser of the Department of State has only recently sent us a 59-page letter making tentative suggestions, even though they are still under review within the executive departments and agencies, illustrates that even the executive branch that has studied these proposals for 13 years still does not know what to recommend by way of implemented legislation.

When a contract or a treaty is so vague and uncertain, it seems foolhardy for us to give up all of our interests in the canal, remove our civilian and military employees with only the promise, vague though it be, that we can return and assist Panama in the defense of the canal. I would submit quite candidly that if we do not at this time have the fortitude to keep what is ours, what we

constructed and made a great artery of commerce, we will not have the necessary determination and fortitude to return to defend it in the future, barring some catastrophic war.

Mr. President, that concludes my statement. I am glad to yield to the distinguished Senator from Nevada.

Mr. CANNON. Mr. President, on February 22, Senator BROOKE presented a perceptive statement to this body expressing some of his concerns regarding the Panama Canal Treaties. He emphasized his particular concern over the uncertainties in the financial provisions of the treaties, pointing out that it is the responsibility of the Senate to have full understanding of any potential obligations that the United States could be assuming as a consequence of the treaties.

Mr. President, I would like to compliment my colleague, Senator BROOKE, for his sincere expression of concern, concern based not on a position for or against the treaties but concern based on a conviction that it is the duty of each and every Senator to be fully aware of all the implications for the American people before casting a single "aye" or "nay" vote.

Mr. President, this Senator and many of my other colleagues share the concerns expressed by Senator BROOKE. In fact, in my statement on the Panama Canal treaties which appeared in the February 6, 1978, issue of the CONGRESSIONAL RECORD, I voice similar reservations over the lack of clarity in the treaties regarding financial operations. I noted in that statement that the Armed Services Committee had recently held hearings dealing to a large degree with the economic and financial aspects of the treaties. I reviewed the four principal economic issues addressed by the committee and highlighted some of the testimony of our witnesses. I will not repeat that summary here but rather I refer my colleagues to the record and to the report of the Armed Services Committee on the hearings (Rept. No. 95–633).

Subsequent to the hearings, the committee completed a staff study of the financial aspects of the treaties, and has submitted this study to the Secretary of State for his review and comment. Our committee chairman, Senator STENNIS, entered into the record the complete staff study, the Secretary of State's comments on this study, and brief additional remarks on the State Department's reply. I commend to my colleagues those brief submissions to the record as necessary and important reading.

Mr. President, even after the diligent and conscientious efforts, as outlined above, on the part of the committee members and staff to unravel the economic and financial aspects of the treaties, I regret to report that the full financial obligations of the United States are not known. What is known is that the potential liability of the U.S. Government to Panama is substantial, perhaps as much as $2 billion to be passed on to the American taxpayer. The point here is that the magnitude of the commitment is unknown, and even the bounds are not well defined. I assert again that it is vitally important that the Senate understand before it votes on these treaties the full financial implications.

To achieve this the changes in the operation of the canal with their associated cost must be clarified. The toll structure required must be estimated based on a clear delineation of what costs or payments are to be passed on to the customer and based on realistic traffic projections, including the impact of toll increases. These considerations are especially important for the period beyond 1984 when the canal may not be self-sustaining according to expert witnesses. In the Secretary of State's recent reply to the Armed Services Committee staff study, the question of anticipated revenues being sufficient to avoid operating loss was not addressed beyond 1984.

Mr. President, I have repeatedly urged, along with many of my colleagues, that the administration forward to us the implementing legislation so that the Senate could make an adequate assessment of the costs involved and the financial obligations to be incurred by the United States as a result of these treaties. Finally, after much delay the implementing legislation has now been provided. Unfortunately, Mr. President, our first examination of this document shows it to be inadequate. It does not sufficiently clarify many of those financial issues which concern us. We need more, Mr. President. We need more than an expression of intentions. We need more than a contention by the President that the American taxpayer will not incur any cost. We need more and our constituents will settle for no less.

Mr. President, I will not summarize the outstanding financial issues at this time but refer my colleagues again to the previously mentioned insertions in the record, especially the succinct summary of the staff study. I do plan to offer amendments which will address some of these issues and I look forward to that debate. It is instructive, however, to itemize some of the potential costs to be incurred by the United States in the form of payments to Panama, lost revenue to the U.S. Treasury, and required appropriations resulting from the treaties as we now understand them. Tables I and II contain these costs.

Mr. President, the direct costs listed in table II, totaling $766 million, will unequivocally be borne by the U.S. taxpayer. The degree to which the guaranteed payments to Panama, totaling more than $1 billion, will be borne by the taxpayer is yet to be determined. This will depend on the extent to which the canal is self-sustaining. As previously mentioned, there is considerable doubt that the canal can be self-sustaining, especially beyond 1984.

I wish at this point to remind my colleagues of the profound recent statement of our distinguished majority leader who advised us of his view that we owe our constituents not a blind response to an opinion poll but our weighed judgment based on facts.

I concur with the distinguished majority leader's view, as I quite often do, that we owe our constituents our judgment—a judgment deduced from facts. I exhort my colleagues now to accept the challenge and insist that we be fully informed by the administration of the facts concerning the financial implications of these treaties—only then can we venture a reasonable judgment that we owe not only our constituents but ourselves.

Mr. President, I ask unanimous consent that the table to which I have referred be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Millions
I. Payments to Panama from toll revenues (over 22-year life of treaties):	
$40 million per year (estimated) based on guaranteed payment of $0.30 per ton transiting canal (without adjustment required to reflect change in wholesale price index)	$880
$10 million per year guaranteed annuity	220
$10 million per year for services provided (re-negotiable after three years)	220
$10 million per year from surplus revenues (unpaid balance is carried over)	220
I. Total	1,540
	($1.54 B)
II. Resultant direct costs to U.S. (over 22-year life of treaties):	
A. Lost Revenue from Panama:	
$20 million per year interest payment to U.S. to be forgone (assumes no rise in interest rate)	$440
$8 million debt to U.S. if forgone	8
Subtotal	448
B. Required appropriations:	
$7.5 million per year cost for early employee retirement allowed by treaty	$165
$5 million per year for dependent benefits (principally schooling) formerly provided by Panama Canal Company	110
$43 million for base relocation	43
Subtotal	318
II. Total	766
I and II grand total	2,306
	($2.306 B)

Mr. CANNON. I would point out that these tables do not take into consideration the value of the assets which the Senator from Virginia was talking about in his remarks, which we make no recovery from here, but these tables refer to the guaranteed payments based on the tonnage through the canal, that $10 million per year guaranteed annuity, and the services which start at $10 million a year and are negotiable after 3 years.

I would point out that in our hearings before the Armed Services Committee, General Parfitt, the Governor of the Canal Zone, pointed out that the cost of those services to Panama was, I believe, if I remember correctly, $4.8 million at

this time, based on Panamanian costs. So we are giving them a windfall of about $5 million at the taxpayers' expense, right at the start of the agreement, and then that would be negotiated, supposedly upward, after a 3-year period.

I hope we will have an amendment that will make it clear that that would be negotiated downward as well if the costs do not amount to that much.

Then there is the question of the $10 million a year from the surplus revenues, over which there is some dispute, because the State Department and others have stated that there is no obligation on the U.S. Government for a rollover of that $10 million cost.

I have talked with several of my colleagues who have visited Panama, and who stated to me that they were told that the Panamanians understand that to be an accumulation. We agreed to turn over the canal free and clear of any liens or obligations at the end of the 1999 period; so if there are no profits, and that $10 million a year is not paid and mounts up for a period of 22 years, that would total $220 million.

I was not at Panama myself. I thought that they had enough problems with most of my colleagues having gone down there to find out not much more than they could read in the newspapers; but, in any event, I was told by several of our colleagues that the Panamanians told them that they believe that to be a rollover provision and accumulation which the United States would owe.

Now, there is one way that can be clarified. That would be spelled out in the implementing legislation. If it is not put in this legislation in the treaty by an amendment, the implementing legislation could make it absoluely clear and then find out what the intent of Congress is and what the reaction of the Panamanians are for that particular provision.

And then, of course, the second chart refers to the lost revenue from Panama, which is the interest payment which is now approximately $20 million a year and would go up, according to the formula, the cost escalation, as the interest rate rises. Then, the unsettled issue of the $8 million debt to the United States, if that is to be forgone. Then, of course, the required appropriations for the early employee retirement, which is allowed by the treaty, and which is again referred to in the implementing legislation that is up here now, and the $5 million a year for dependent benefits for the schooling formerly provided by the Panama Canal military, and then the $43 million for defense reallocation.

(Mr. CLARK assumed the chair.)

Mr. SARBANES. Will the Senator yield?

Mr. CANNON. Yes; I am happy to yield.

Mr. SARBANES. I would like to address the treaty provision for a contingent payment of a $10 million annuity to Panama, if the tolls should produce sufficient revenues to make that payment to Panama. I know the Senator chaired meetings where this matter came up and he was repeating, as I understood it, reports from other Senators that the Panamanians felt that the annuity accumulated and would be a debt which we will have to discharge at the end of the century.

Mr. CANNON. I may say that both General Parfitt and the Comptroller General Staats agreed with that proposition that it was not clear and that that point ought to be covered by implementing legislation to make it so that there is no dispute with respect to this country and Panama, if the treaty is approved.

Mr. SARBANES. Well, let me just read from a recent question and answer session where this issue was addressed.

One does not know what somebody or other in Panama may be asserting, but let me read a question and answer with Dr. Nicolas A. Barletta, Minister of Planning and Economic Development of Panama, who is their chief economic official, at a recent question and answer session in San Francisco at a public forum hosted by the World Affairs Council, the trade association of the Chamber of Commerce, and Latin American Section of the Commonwealth Club.

Quoting the moderator of that forum who posed the question:

If there is an accumulated unpaid balance under article XIII (4) (C) of the contingency payment stipulated in the Panama Canal Treaties? Would the U.S. be liable for payment of the accumulated unpaid balance?

And the response from Dr. Barletta:

Actually this question refers to the fact that in the treaties Panama should be getting $10 million a year from the revenues of the Canal operation and an additional $10 million if the revenues permit. If revenues do not permit, the deficit will be accumulated to be paid by revenues from later years. If there is an accumulated deficit by the time the treaty ends, in 1999, that's it, the U.S. is not committed to make it up if such amount has not been able to be collected from the revenues of the canal operation. We do not hope in our interpretation of this clause of the treaty, that the U.S. is committed to pay any such deficit that might have accumulated. However, I would like to say, that in our estimation, the revenues of the canal and all the projections and studies that have been made should be able to cover this second $10 million that should come to Panama if revenues permit, so I don't foresee much of a problem in respect to deficit. But if such a deficit is accumulated and is pending when the treaty ends, then the U.S. is not committed to make it back from the U.S. Treasury.

Now, of course, that is the view which our negotiators and officials have set out as the proper interpretation of this clause, and I think that is the proper interpretation of the clause and it is being agreed to by the Minister of Planning and Economic Development of Panama.

As the Senator points out, we will have implementing legislation before us and we can deal with the implementing legislation any way we choose.

I did not point this out earlier to the Senator from Virginia, but I think it is important to underscore that any implementing legislation the administration submits is but their proposal. Congress is free to do as it wishes with the implementing legislation; and by the Congress, in this instance, we mean both the Senate and the House, and you are talking about legislation which would have to pass both Houses.

The treaty provision for that extra $10 million annuity, if the revenues make it possible, is clear that it does not carry over beyond the termination date of the Panama Canal Treaty in 1999.

Mr. CANNON. I thank the Senator for his views and, of course, he believes one way and I happen to believe another way. Mine is reinforced somewhat.

I chaired the hearings of the Armed Services Committee on this particular point and if the present Governor of the Canal Zone, General Parfitt, and if our Comptroller General Staats do not think it is clear it ought to be at least clarified. Then, I would not think that the press conferences held by the planning minister of Panama would necessarily be binding on the Congress, either on Panama or the United States.

So, I would say that if we are in fact in agreement on it, if it is clear that it is not to be paid, then either an amendment to the treaty to that effect or a provision in the implementing legislation to that effect should be of no harm, if everybody is in accord, and the thing we want to do is to be sure that there are no loose ends that are going to cause disagreement between the parties at a later period.

Now, as I said, the planning minister's statement at a press conference is not binding on Panama any more than our President's statement at a press conference, when he said that these treaties would not cost the taxpayers a dime, and the record is clear that they will cost the taxpayers a dime. They will cost them an awful lot of dimes, any way you look at it.

If you take the best possible case for the United States, it is going to cost the taxpayers a very substantial amount of money.

Now, the treaty itself says:

In the event the canal operating revenues in any year do not produce a surplus sufficient to cover this payment, the unpaid balance shall be paid from operating surpluses in future years in a manner to be mutually agreed.

Now that manner to be mutually agreed is one that we can clarify and thus avoid a lot of disputes at a later period, if we have the will to do it.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. CANNON. Yes; I yield to the Senator from Virginia.

Mr. SCOTT. I appreciate the Senator yielding.

A thought occurs to me that an amendment to the treaty would be the proper way to clarify what the distinguished Senator from Nevada is discussing rather than implementing legislation.

I wonder if implementing legislation unilaterally made by the United States, whether Panama would be in agreement with it or whether we would have some further argument between the two countries, unless they passed corresponding legislation to complement what we should enact.

Mr. CANNON. Well, I say to my col-

league, that obviously the implementing legislation would not have the same effect as the treaty itself. I, therefore, have an amendment proposed to the treaty on this precise point and I shall be offering it to make it absolutely clear on this point.

If Panama agrees with us, then I see no harm in making it clear that there is no rollover effect and that at the year 2000 we do not owe Panama, if they have never received anything out of the profits under this provision, $220 million at that time that we would have to pay under the treaty before we could turn the canal and the properties over free and clear.

I have not addressed in my remarks here, as I said, the value of the capital assets that I think the Senator may have in view with respect to a turnover free and clear.

Mr. President, just on one further point.

Yesterday, I heard the debate between two of my colleagues with respect to what was Admiral Holloway's position, and that was, did he firmly believe in the present, the real world today, that this was the best we could do and that he therefore supported it. He was quoted by one of the other Senators as saying that if he could have it the way he liked it he would prefer we maintain a presence there, and that that would be the best possible situation.

I would also like to point out to my colleagues that I asked Admiral Holloway what his feeling was with respect to whether or not this treaty was in the best interests of the United States. If my colleagues will check the record, they will find out he said, "Yes; I think it probably is."

I raised the question with Admiral Holloway that I was shocked at that statement because I had never heard him come before the Armed Services Committee and say, "I think we probably need another carrier," or "We probably need some other addition to our Defense Establishment."

He has always been very firm and very forthright. But he did answer my question that he thought that these treaties probably were in the best interests of the United States.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Are there further amendments to article II?

Mr. SCOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SARBANES). If the Senator will withhold that request, the Chair will recognize the Senator from Iowa.

Mr. SCOTT. I will be glad to withhold it.

Mr. CLARK. Mr. President, I appreciate the Chair's recognizing me for an opportunity to speak about a particularly important aspect of the Panama Canal Treaty.

Mr. President, early in the floor debate over the Panama Canal treaties, I reviewed in detail the considerations that went into my decision to support the treaties, at least to support them as improved by the so-called leadership amendments. At that time I discussed my position on what I believed to be the significant features of the two documents.

I touched rather briefly on the economic impact of the treaties on Iowans whom I represent. I have been very alert to toll increases and their impacts on shipping costs for grain. The question of whether there will be toll increases and whether these can be expected to significantly increase shipping costs comes up frequently in my discussions with farmers and others in Iowa. Therefore, I would like to address myself today particularly to the question of toll increases, and whether they will have any noticeable impact on transportation costs of the grain Iowans sell abroad, although what I have to say has implications for others.

There is just no doubt that the Panama Canal is important to this Nation's grain exporters. According to the Department of Agriculture, of our approximately $23 billion in agricultural exports, roughly $8.5 billion goes to the Far East, and some 70 percent of that passes through the canal.

Iowa, as a major grain producer, is one of the leaders in the use of the canal. We produce between one-fifth and one-sixth of the Nation's corn and about one-sixth of our soybeans; 28 percent of that corn, and 40 percent of those soybeans, are exported.

The canal is an important, even crucial part of our transportation system to the Far East—primarily Japan, Taiwan, and South Korea—all major grain markets. It is the cheapest route—via the Mississippi River system to the gulf ports, and then through the canal.

(Mr. MELCHER assumed the chair.)

Mr. CLARK. Now before probing more completely the figures on what the current costs are and how they might be affected by toll changes, let me emphasize one point which is sometimes forgotten, and it is a critical point. The cost of transiting the Panama Canal is a very small fraction of the total transportation costs of shipping grain from Des Moines to Tokyo.

I suppose that is obvious, but it has to be kept in mind: The toll charge is a very small portion of the overall cost of transporting grain from the Midwest of America to the Orient.

It is important to emphasize that an increase in tolls for the Panama Canal may not actually increase shipping costs significantly, because the canal toll is such a small share of the total. I want to be more specific. I want to cite some statistics to make that point.

First of all, though, let me emphasize that I am using the projected 30-percent toll increase which Department of State witnesses have suggested would be probable. It is worth noting, however, that Gov. H. R. Parfitt suggests that 19.5-percent increase might be sufficient, and Arthur Anderson & Co., also suggested that the initial increase would not have to exceed 27 percent. But for my purposes here I will use the Department of State's projection of 30 percent, because even that figure does not significantly harm the interests of Iowa grain shippers.

Now let me turn to the figures on the impact on transportation costs. According to the Foreign Agricultural Service of the U.S. Department of Agriculture, it currently costs approximately $26.40 per long ton to ship grains from Des Moines to Tokyo. The per ton cost for that grain to transit the canal, according to the Canal Company, is under 84 cents. In other words, currently only 84 cents of the $26.40 it costs to ship a ton of corn between these two cities represents the cost of the canal transit.

Now, as is obvious, the expected 30-percent toll increase for that transit applies just to the 84 cents. Thirty percent of 84 cents is 25 cents, which makes a new total of $1.09 per long ton. Thus that 30-percent toll increase would raise the total cost of shipping a ton of grain from $26.40 to $26.65—an increase of less than 1 percent.

Put another way, it currently costs approximately 66 cents a bushel to transport grain from Des Moines to Tokyo. A 30-percent hike in the Panama Canal tolls would result in an increase of slightly more than one-half cent per bushel on that 66 cents.

But according to all the testimony we have heard, it is unlikely that even that half cent would be paid by the Iowa grain shippers. In most instances, the experts tell us, the purchaser would pick up the tab.

Let me talk about that for a moment.

During the course of these hearings I made a point of asking this basic question: What would be the impact on shipping costs, and who would pay it? Responding to my question to Undersecretary for Economic Affairs Richard N. Cooper, the Department of State supplied for the record the following statement:

> Midwestern farmers who grow corn, wheat, soybean and sorghum will be little affected one way or another by a 30-percent increase in Panama Canal rates. This is because the United States is by far the major supplier of grains and soybeans to the Far East; and the competitive position of U.S. suppliers will not be affected by such a toll increase. It will therefore be the importer in the Far East who would bear any additional cost.

Mr. Cooper is observing that toll increases that affect U.S. producers would affect our competitors just as much, and would not alter the competitive balance.

This statement was corroborated fully by the testimony of Mr. Ely Brandes, president of the International Research Association. Now, Mr. Brandes probably has more carefully examined the Panama Canal toll structure than any other person. Since 1964 he has authored or coauthored some 20 studies of this problem. Asked about the impact of a toll increase of 30–50 percent, Mr. Brandes agreed with administration witnesses who estimated that the impact on overall U.S. grain exports would be extremely small. I quote Mr. Brandes:

> We found that toll increases of 50 percent and more would reduce U.S. grain shipments through the Panama Canal, but they would not affect the level of U.S. grain exports as such.

He went on to say:

> We believe that the principal alternative

with respect to grain shipments would be the use of large bulk carriers of perhaps 100,000 tons or so and to ship the grain primarily from the Gulf via the Cape of Good Hope to the Far East. This is being done with respect to coal right now, which is bypassing the canal in substantial amounts. A substantial toll increase might lead to a similar diversion with respect to some grain shipments. But it would not affect the level of U.S. exports. It would affect, perhaps, the route by which those exports are shipped to the Far East.

After a lengthy discussion on the sensitivity of bulk shipments—that is, grain—to toll increases, Mr. Brandes further concludes:

With respect to grain, again, what we foresee is a rearrangement of shipping routes with no reduction in the amount of grain shipped from the United States and purchased by the principal buyers in the Far East.

Mr. Brandes is forthright in his conviction that, as he put it:

As a general principle, it was our finding that it is the buyer, the consumer, who pays for the transportation costs. This means, in effect, that for automobiles shipped to the United States through the canal, the consumer would be the ultimate payer of the transportation costs and toll increases. On the other hand, with respect to the major exports, such as grain, from the United States, the importers or buyers would be the payers of the toll increase.

Incidentally, Mr. Brandes had one further observation of considerable interest to Iowa shippers:

I would like to also add here that the Japanese were the principal buyers of grain shipped through the Panama Canal. They always purchase their grain FOB U.S. ports. They make all arrangements with respect to transportation. So, they are not only the ultimate payer; they are also the actual payer.

Mr. President, I have quoted Mr. Brandes at length because he has testified so specifically that: First, the increase in total transportation cost caused by the projected toll increase will be extremely small; second, that it is the purchaser at the other end who picks up the tab for whatever increase there is in transportation costs; and third, increases in tolls of less than 50 percent would not be expected to alter the U.S. competitive position in any significant way.

Now, I know, too, that there are those who say that, well, we can perhaps absorb this 30-percent increase in Panama Canal toll rates—this half cent additional on 66 cents that it costs to ship to the Far East—but that is only the start, there will be further increases after this 30-percent increase.

A number of witnesses testified on this point, and most do expect later toll increases. The projected toll increases will be largely to reflect the impact of inflation on operating costs. The cost of running the canal, like everything else, rises with world inflation. The important question is whether or not tolls will go up faster and higher as a result of the treaties.

Toll increases are inevitable with the treaties or without them. H. R. Parfitt, current Governor of the canal, testified that, assuming a 5-percent annual inflation rate:

. . . periodic increase in tolls will be required even without taking into account the impact of the (new) treaties.

Indeed, Governor Parfitt submitted tables showing that from 1979 to 1999, the cumulative toll increase without the new treaties would be 94.8 percent. With the new treaties, it would be 115.7 percent. That's a difference of only slightly more than 20 points in the cumulative toll increase over a 20-year period. And that calculated on a base which is now only $1.29 per canal ton. Thus the higher cumulative figure would yield a toll per canal ton of $2.78, while the lower would yield $2.51—a difference of only 27 cents per canal ton. Such a difference, expected only after 20 years, is hardly significant.

There is another charge worth examining in this regard. Some people say, well, that is all well and good, and so long as the United States manages the canal—and determines toll rates—as it will until the year 2000, we will establish tolls at a rational level. But, they caution, wait until the Panamanians take over the toll-setting responsibility and see how they skyrocket the rates.

Well, Mr. President, if there is one basic economic fact of life I learned from sitting through these hearings, it is that transportation rates are very, very sensitive to price changes. The competition is brutal. In a word, a lot more goes into determining the rates than just whether the Panamanians might like to raise these rates later. As a matter of fact, we have a lot of economic indicators which project pretty well what increases can reasonably be expected to increase revenues, and where an increase, because it diverts traffic away from the canal, actually results in less revenue.

It is not true that the more you raise rates, the more revenue you get. The world's shippers simply will not continue to use the canal if it is economically unfeasible.

Economic studies show that Panama could probably increase the rates somewhat, and still increase revenues. But the tables show that any really steep increases push down revenues, and the Panamanians, of course, know that. Over the years they have come to know the rules governing toll rates as well as we do.

As a matter of fact, the projections show that an increase in tolls of 150 percent would result in less revenue than an increase of 50 percent. So anybody who thinks that the Panamanians will boost the rates indiscriminately once they take over just overlooks that fact that the Panamanians do know the economics of the transportation business. If the Panamanians raise the rates beyond tolerable levels, there will not be any traffic going through the canal. We will all be going around Cape Horn or sending the grain by train to the west coast. The Panamanians know this full well.

As a matter of fact, those cost differences even now are narrowing. As I mentioned, it costs $26.40 right now to ship grain from Des Moines to Tokyo via the canal. But, even now, we can go around Cape Horn at $32.40, and by rail to the west coast and thence by ship for $32. This is still a tremendous difference. But using some of the supercarriers would gradually close the gap. So would more competitive prices the railroads could offer if the traffic really grew. Representatives of the railroads have already testified they could handle the traffic.

This Nation's coal exporters on the east coast serve as a good example of what we could anticipate for grains if tolls become unreasonable. The share of coal from Hampton Roads, which bypasses the canal, as contrasted with that which uses it, has increased sharply since 1975. This, of course, depends to some extent on the availability of large bulk carriers. But there can be no question that the increasing availability of alternative routes respresents a real constraint on increasing the Panama Canal tolls.

In a word, the pressures to keep rates at reasonable levels are enormous.

It is my view that, in very real terms, the concerns of Iowa grain shippers are identical with those of the U.S. Navy and military: What counts is keeping the canal open. The one thing which would have a really tremendous economic impact on Iowa shippers would be a shutdown of the canal, a closing of traffic completely. That could happen in one of two ways:

Either a mammoth natural disaster, such as the draining of Gatun Lake, or an economic one resulting from the refusal by international insurance firms to insure vessels using the canal because of a war-risk situation. In either case, the costs to shippers of alternate routes could increase transportation costs by as much as $5 to $6 per ton in the short run for corn and soybeans. The long run increase would be less, as we have shown, but still considerable.

This emphasizes, it seems to me, the absolute necessity of keeping the canal open. That is the critical point. And all of our current military chiefs argue that the best way to guarantee continued use of the canal is to approve these treaties.

Without exception, as they appeared before our committee, the heads of each of the services recommended the new treaties on that ground.

While I am addressing myself specifically to the concerns that this Nation's farmers may have regarding the treaties, let me discuss very briefly another point which has come to my attention. That is the contention that the Panama Canal serves as a barrier to the movement toward North America of aftosa, hoof and mouth disease and that somehow this barrier will be lifted by the treaties. Implicit in this concern was the thought that somehow the United States is doing something now to prevent spread of the disease, and that the Panamanians might not be as capable or as effective or, for that matter, as concerned, about controlling this disease.

Well, Mr. President, I looked into this matter very carefully. I contacted the Department of Agriculture and the Department of State, and it turns out that not only is the fear unfounded, but that the situation is much different.

Let me explain, for one thing, the barrier to hoof and mouth disease into North America is not the canal, but the Darien

Gap, an impenetrable marsh and jungle area located at the southeast extremity of the isthmus. That, in fact, is why construction of the Pan American highway through the gap was halted last year. Before cutting through the Darien Gap we wanted to insure that adequate safeguards exist against the northward spread of the disease.

Panama north of the gap—and that includes the zone—is free of hoof and mouth disease.

As a matter of fact, cattle presently are transported across the canal bridges without being inspected. This has not caused the spread of hoof and mouth disease. For that matter, the United States at present maintains no facility in the Canal Zone for the control of hoof and mouth disease.

Panama and the United States are parties to an agreement to cooperate in preventing hoof and mouth disease (23 USt. 3108 TIAS 7482). That agreement is independent of the canal treaties and would continue in force after the canal were transferred to Panama.

In other words, it is in no way dependent upon either the old or the new treaties.

Furthermore, Panama has a large cattle industry and hence has a strong interest in controlling hoof and mouth disease.

So, Mr. President, it seems that upon inquiry some of these concerns expressed turn out to be much less alarming than they appear at first. We all have a great and justified concern in preventing the spread of this disease. But the current United States-Panamanian cooperation will in no way be undermined by these two treaties.

In fact, Mr. President, I hope all those persons who have been so dubious about the ability of Panama to cooperate with the United States will take note of this fact.

Mr. President, to conclude let me summarize what I have said, particularly about the toll rate controversy: The impact of the projected 30-percent toll increase will be marginal on the cost of shipping grain from Des Moines to Toyko—roughly a half cent on the current 66 cents per bushel.

Rates would be expected to go from 66 cents a bushel to 66½ cents per bushel.

Economists are generally agreed that the transportation cost increase will be picked up by the purchaser. Japan, the major purchaser, already buys f.o.b. at U.S. ports, and therefore already pays the transportation itself. And, finally, there will in any case—treaties or not—be regular toll increases to the year 2000 because of inflation. But the difference, even over these 20 some years, will be only between an increase of 94 percent without the treaties and of 115 percent with them. That is only about a quarter of a dollar per ton, and surely of no great importance, particularly over that long a period.

I submit on the basis of this that Iowa farmers and shippers, and, for that matter, Midwest grain shippers in general, have nothing to fear from these treaties, and a very great deal to lose from not supporting them.

Mr. President, I ask unanimous consent that further elaboration of the grain transport problem excerpted from the most recent report by Mr. Brandes' International Research Associates, dated January 1978, be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

2. COARSE GRAINS

BACKGROUND

The classification of coarse grains, as used by the Panama Canal Company, includes primarily feed grains such as corn, sorghum, barley, and oats. Of these four feed grains, corn is by far the most important, sorghum and barley rank second and third, and oat shipments are so small as to be insignificant.

World trade in coarse or feed grain has expanded much more rapidly in recent years than wheat trade, partly because of the very rapid increase in meat consumption in the developed areas, but mainly because most developed countries, other than the United States, do not have the agriculture potential for large scale feed grain production. Furthermore, only the United States has the production capacity for large scale feed grain exports on an assured basis. As a result, the United States has become the principal exporter of feed grains, by a wide margin; and in recent years such exports have totalled more than 50 million tons. Corn exports account for about 80 percent of the total, sorghum for about 12 percent, and barley and oats for the remainder. The principal importers of feed grains are Europe, and particularly the EEC countries, Japan, and the U.S.S.R.

THE ROLE OF THE PANAMA CANAL

More than 90 percent of coarse grain shipments through the Panama Canal are from the United States to the Far East, principally Japan. It is very significant that this movement, which in 1977 amounted to more than 12 million tons, did not start in any amount until 1950. Since then, the growth has been both rapid and consistent.

In addition to this large movement, there are smaller movements from the U.S. east coast to the west coasts of South America and Central America, and from the west coast of Canada to Europe, the latter consists primarily of barley.

Coarse grain shipments through the Canal, particularly of corn and sorghum, are generally made in large bulk carriers of 25,000 to 55,000 tons.

RECENT EVENTS AND PROJECTIONS

The future outlook for shipment of coarse grains via the Panama Canal is reflected in a projected rise in the total volume of movements from 15 million tons to 27.5 million tons by the year 2000. The basis for this optimistic outlook stems from an analysis of the current consumption pattern of feed grain in Japan and the growing importance of poultry and pork in the daily diet of the Japanese. It also reflects an analysis of the relative consumption levels of meat in Japan and the United States. Finally, the projections take into account the effect of competition and of the alternatives available to shipping via the Canal.

Recent events have indicated that the growing demand for meat in Japan is so well established that the rate of increase in consumption is hardly affected by temporary declines in the economy. (There was a drop in feed grain imports during 1975 and 1976 as a result of the inventory buildup during 1974. But in 1977 imports recovered sharply even though the recession continued.)

It is expected that this shift will continue in the long run since the per capita consumption of meat in Japan is far below that of the United States. In 1976, the Ministry of Agriculture and Forestry in Japan compared the annual per capita consumption of selected food items in Japan and the U.S., for 1960, 1971 and 1975. In 1975 the Japanese consumed about 35 pounds of meat per person as compared to 7 pounds per capita in 1960 and 29 pounds in 1971. In comparison, the consumption pattern in the U.S. went from 168 per capita in 1960 to 194 pounds in 1975 (Table 3.) It should be noted that even when fish is included in the comparison, there is still considerable room for increased meat consumption. Finally, the recent actions by many countries to impose a 200 mile fishing limit on foreign fishing may have the long run effect of reducing the growth in fish consumption in Japan. This will undoubtedly result in additional demand for meat and feed grain.

The Gulf ports will likely continue to be the major grain export region because of the large and efficient grain export terminals located there as well as the relatively low barge rates available for movements down the Mississippi River.

Most of the grain exported from the Gulf to Japan will be routed via the Canal. Although the freight rates on large bulk carriers, which are routed via the Cape of Good Hope, may be cheaper, there are at present certain economic and institutional barriers which thus far have prevented grain shipments of 100,000 tons or more to Japan. (There have been such large shipments to Europe.) However, there are indications that in the next few years, attempts will be made to ship a portion of the coarse grain exports to Japan via the Cape of Good Hope, and these bypass shipments are likely to grow with time and with increases in tolls.

D. Sensitivity estimates: Cargo tonnage and revenues

The sensitivity estimates for Panama Canal traffic were made separately for the 23 commodity categories for which traffic estimates had been made. Also, the estimates are expressed both in terms of cargo tonnage as well as the associated toll revenue.

As previously stated, it was assumed for the purpose of these estimates that increases in toll rates amounting to 15, 25, 30, 40, 50, 75, 100 and 150 percent would be announced April 1, 1978, and put into effect on October 1, 1978. The effect of these assumed tool increases was measured against the traffic projections made for the fiscal years 1979, 1980, 1985 and 1990.

The actual estimates are contained in 8 summary tables, showing both tonnage and the associated revenues for the four specified years. Eight tables follow the discussion concerning the individual commodity categories.

Below is a brief discussion of the sensitivity estimates for the individual commodity categories.

WHEAT

In the aggregate, wheat traffic via the Panama Canal does not appear to be very sensitive to toll increases of 100 percent or less; but it felt that toll increases greater than 100 percent will result in a substantial loss in traffic volume. This loss in traffic will probably be due to consumers buying wheat from other sources, such as Canada, Australia, and the West Coast of the United States, as well as shifting of some wheat shipments to alternative routes.

Canadian exports which are sometimes cross-hauled via the Canal are likely to be affected by any substantial toll increases. As indicated earlier, this cross-hauling occurs by accident and is not predetermined. However, the raising of tolls will result in a greater degree of planning by the Canadian Wheat Board to avoid cross shipments.

Most of the U.S. East Coast exports to Asia via the Canal are not sensitive to smaller toll increases largely because individual wheat shipments are generally small in size. However, sharply higher toll increases will cer-

tainly cause importers to evaluate the economics of using larger ships (not only for by-pass opportunities, but also for ships from Pacific Basin port areas—Vancouver, Australia and West Coast United States).

It is also believed that the imposition of a substantial toll increase—50 percent or better—will lead, in a few years, to such a substantial by-pass movement of coarse grain from the Gulf Coast to the Far East that some wheat shipments might become part of it. (See discussion under Coarse Grain below.)

COARSE GRAIN

The imposition of higher Canal tolls will result in a substantial decline in coarse grain traffic via the Panama Canal. While a small part of the loss in traffic may be due to a shift to other markets, it is expected that the toll increase will provide an incentive to buyers and sellers to reroute a substantial volume of grain via the Cape of Good Hope.

As indicated previously, the principal route of coarse grain shipments via the Canal consists of grain from the East Coast U.S. (Gulf and Atlantic ports) to Asia (Japan and South Korea), and it is expected that this movement will continue to grow at a substantial rate. This increased volume of export will begin to tax the capacity of existing delivery systems causing added congestion at both loading and discharge port areas.

One obvious method for dealing with port congestion caused by the growing volume of shipments is to increase the size of individual shipments. It is apparent that in spite of the many current objections to the use of 70,000 to 100,000 DWT ton vessels in movements around the Cape, the growing volume of feed grain shipments will exert strong pressure toward increasing the size of the average shipment. As a result, there is a strong probability that in the near future some trial shipments of feed grain will be made in large bulk carriers around the Cape.

As was the case with coal shipments, the charter rate for these early shipments will undoubtedly be much less than the rates then current for shipments via the Panama Canal. Given the volatility of charter rates even during quiet times, it is difficult to project specific rates with any degree of probability. At present, for instance, charter rates for grain from the Gulf to Japan range from $10 to $12.50 per ton. Rates for larger vessels going around the Cape would, at first, have to be about $1.50–$2.50 per ton less to attract interest. These early shipments would serve to pave the way for the handling of larger ships. In time, there will undoubtedly be a substantial volume of by-pass traffic between the United States and the Far East; and given the growing number of large bulk carriers in use, other commodities shipped in lesser volume will be attracted to it.

A substantial toll increase would serve to encourage or speed up the shift toward a by-pass route. Once such larger shipments have become established at a few ports, competitive forces will tend to narrow the difference in charter rates between the two types of ships. At that time, a toll increase of 50 percent or more will have a significant effect on deciding whether individual shipments are routed via the Canal or via the Cape.

It is expected that substantial toll increases will also result in a shift of a small amount of coarse grain to be exported via the West Coast ports instead of the Gulf ports. Because of the nature of transport economics, grain which is exported generally comes from the areas closest to the Mississippi River, its tributaries and to some extent the Atlantic Coast ports. However, increased foreign demand is requiring now that grain from areas less accessible to the inland waterways be routed into export channels.

In summary, it is estimated that a toll increase of 50 percent would reduce feed grain shipments by about 10 percent in 1985. Beyond that traffic losses would mount sharply, reaching 30 percent in response to 100 percent increase and more than 40 percent in response to a 150 percent increase.

Most of the losses will occur as a result of by-pass shipments via the Cape of Good Hope. Diversions to the West Coast would amount to no more than 2-3 percent of the total.

SOYBEANS

Soybean traffic via the Panama Canal appears to be sensitive to toll increases at levels beyond 75 percent. Sensitivity of soybean shipments will increase during the Eighties particularly if a large volume of by-pass grain traffic develops between the U.S. Gulf and the Far East.

As discussed in a previous section on Coarse Grain, the increased volume of grain shipments to the Far East will result in attempts by traders to initiate such by-pass shipments regardless of a toll increase. Once this traffic exists, some soybean shipments may be directed to it.

Soybean traffic is less sensitive to toll increases than coarse grain because they are exported in smaller shipment sizes and there are also substantial grade differences. But some shipments could be large enough to justify rerouting via the Cape in 70,000-100,000 DWT ton bulk carriers.

Mr. CLARK. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. CLARK). Are there amendments to article II?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. If not—are there amendments to article II?

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

SECURITY ACTIVITY AT GALETA ISLAND

Mr. HELMS. Mr. President, as Senators may be aware, the Chief of Naval Operations, Adm. James L. Holloway III, in his prepared statement before the Senate Armed Services Committee, spoke of the U.S. Naval Communications support stations in the Canal Zone as follows:

The U.S. Naval Communications station at Balboa on the Pacific side which provides communications support to U.S. Navy Units in the South Atlantic and South Pacific as well as for U.S. Navy activities stations in Panama. The communications station also functions at the International Secretariat for the Inter-American Naval Telecommunications Net which provides a multinational communications link with most Latin American navies. The U.S. Navy also has a security group activity at Galeta Island located on the Atlantic side.

Mr. President, the Chief of Naval Operations thus called attention to an activity which has not received much attention in the thousands of pages of hearings and statements concerning the Panama Canal treaties. This is not surprising in view of the fact that the security group activity is highly classified. For this reason, the Armed Services Committee went into executive session for the questioning of Admiral Holloway on this delicate subject. Naturally, the published transcript of that session had to be heavily sanitized so that the important defense secrets would not be revealed.

Mr. President, in addition to my questioning of Admiral Holloway in executive session, I submitted a number of prepared questions, which the admiral then responded to in a full and candid fashion. These responses, obviously, are also classified. I will be pleased to show them to any Senator who so desires. I wish that the American people could also read them. The American people have a right to know how important Galeta Island is to our defense effort, why as part of a worldwide system it has important bearing on the defense of the Panama Canal, and why its geographical location is unique.

In short, Mr. President, I think that any fair reader of this classified document would conclude that the Galeta Island facility is irreplaceable.

Now I do not intend to enter a rhetorical sweepstakes and attempt to split hairs over whether Galeta is "vital," "essential," "indispensable," and so forth. There is scarcely any element of our national defense that can be placed in those categories when taken in isolation. Even our strategic system is based upon a triad of strategic weapons, developed according to the theory that each one has its peculiar vulnerabilities and weaknesses—that all three together are greater in the whole than in the sum total of their parts.

All that I intend to show is that Galeta is irreplaceable in its mission, that the loss of Galeta, should it occur, will result in a degradation of that capability, and that therefore Galeta requires special protection of a sort not afforded by the present treaties.

Indeed, the Galeta Island situation presents us with a very difficult problem inherent in the contradictory aspects of these treaties. According to the Panama Canal Treaty, we are supposed to have "primary responsibility" for the defense of the canal until the year 2000. But at the same time, we are supposed to maintain the regime of neutrality throughout the period and continue maintaining the regime of neutrality even after the year 2000 after we withdraw U.S. militarv forces.

Now the fact is that we cannot perform the mission of Galeta Island from any other location. Yet the mission of Galeta Island is a very important ingredient in our capabilitv to maintain the regime of neutrality. We are being asked to undertake a certain responsibility after the year 2000, but at the same time we are not allowed to maintain military forces, defense sites, and military installations in Panama after that time.

Is this not a strange contradiction, Mr. President? We undertake a heavy responsibility, but we are denied the means to fulfill that responsibility. Galeta, as we shall see, is not a large installation; but it is a military installation, and military installations are forbidden to the U.S. in Panama after the year 2000. We cannot even make an agreement with Panama, short of a new treaty, which would allow us to maintain that facility or any similar facility.

Mr. President, Galeta is technically a military facility, but it is not an offensive facility or a fortified facility. It merely collects information.

However, the fact that it is not forti-

fied brings up a very important problem. If you look at the treaty maps, you will see that Galeta Island is a small area, really a peninsula, on the shores of the Atlantic outside the Limon Bay breakwater. The area is not contiguous with any of the defense sites or any of the canal operating or housing areas. It is in fact isolated on a point of land surrounded by mangrove swamps.

Now, Mr. President, if we are going to defend that installation, our troops will have to cross Panamanian territory. If it had been possible to take up the treaties in the logical order—that is, the order in which the President sent them to the Senate—I would be able to demonstrate that the right of U.S. troops to move in Panamanian territory is not definitively spelled out in that treaty. That right may be implied, but it is not stated. However, we cannot properly address that question at this time, since the Senate has decided in its wisdom to take up the wrong treaty first.

The fact remains that, even if there is a doubt—even if there is a doubt, Mr. President—over whether or not we will be able to defend Galeta properly, we should take steps to make Galeta a viable installation, rather than one isolated in Panamanian territory. The effect of these two treaties is to make Galeta indefensible before the year 2000, and to eliminate Galeta after the year 2000.

Now let us take up the question of what Galeta really is. As I already pointed out, the mission of Galeta is highly classified. It was originally the intention of the Senator from North Carolina to ask for a closed session of the Senate to discuss these matters thoroughly. And of course, that would be the only way to go into all the matters pertaining to Galeta. Yet the more the Senator from North Carolina studied the matter, he realized that its importance was not so much in the classified aspects, as it was in demonstrating to the American people that the Senate of the United States was ready to give serious consideration to improving these treaties.

The classified data is available to every one of the Members of this body. No Senator can say that he is not aware of the importance of the installation. Only the American people will be kept in the dark. In fact, if we go into closed session, the American people will have no idea whatsoever what we are debating. The closed session could be used as an excuse to cover up the importance of the data involved. Based upon our experience with the last closed session, there undoubtedly would be some participants afterward who would say, "Oh, that was just a waste of time. Nothing new was presented. The proponents of the Helms amendment are just trying to cloak trivialities with an aura of importance through secrecy."

If that were to happen, then the American people would be cheated. There is a declared effort to stonewall all amendments to these treaties. The cloak of secrecy would be used not to protect U.S. security, but to protect Senators from the wrath of their constituents.

Let the record show that the Senator from North Carolina was opposed to holding the last closed session. He said so at the time and he says so again. I personally saw little or nothing in those sessions that would compromise American security. However, I did see much of great importance. I also saw much that would be politically embarrassing to the supporters of the treaties. So the Senator from North Carolina was opposed to the closed session, and he thinks that a closed session is equally unnecessary today.

There is sufficient information in the unclassified record so that the American people, as well as the U.S. Senate—can make up their own minds. Let us take, for example, a newspaper column by Evans and Novak that recently discussed Galeta Island. There may be some errors of fact in the column, as might be expected when working from unclassified data. Nevertheless the general thrust of the column is interesting—and quite correct when compared with better unclassified sources, which I shall do in a moment.

Nor do I agree with the unfounded and erroneous characterization of the Galeta issue as a "last card" to play to kill the treaties. There are issues yet to be presented which, in the judgment of the Senator from North Carolina, are of far more importance to the central issue of the canal. The Galeta issue is not going to kill the treaties. The Senator from North Carolina is opposed to the treaties; but certainly a legitimate function of the advise and consent process is the improvement of the treaties. I would hope that many Senators who favor the treaties will want to vote for my amendment.

(Mr. METZENBAUM assumed the chair.)

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. HELMS. I am delighted to yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the pending amendment which would provide for U.S. retention of the Galeta Peninsula and some surrounding territory for access and defense purposes.

The importance of this station is not in dispute. It is our southernmost communications station in the Atlantic network and plays a key role in aiding our Navy both in the southern Atlantic and Pacific.

The defense of Panama, for which the United States is charged under the treaties, would be greatly enhanced by U.S. retention of the Galeta communications and security facilities.

This station provides a valuable, high frequency, direction-finding facility. It also provides tactical information, serves as a relay facility and offers aid not only to our own Navy, but also to other Defense Department deployments in that part of the world. It also aids some of the navies of South American nations. In testimony before the Senate Armed Services Committee, Adm. James Holloway stated that there were no relocation plans for this facility and that if it passes over to Panama, the U.S. Navy would have to accept a degradation in its capabilities in that area.

Mr. President, this amendment offers a happy solution to several problems connected with the treaties. First, it would provide a small, accessible geographical area which could serve as a landing place for the introduction of defense forces, if needed in the future. It has docking facilities and an airfield. It would be ideal if we had to introduce a small contingent of military forces after the year 2000 to defend the Panama Canal.

Second, it would permit us to maintain this valuable security and communications facility on the Galeta Peninsula which would also contribute to our capability to defend Panama. This is a vital station and located in such a position that could not be easily duplicated as to effectiveness.

Mr. President, this amendment offers a very sensible solution to two problems with these treaties: The need for a military base, if needed in the future, and the need for the continuation for this valuable station in Panama. I urge all the Senators to consider it carefully and in so doing, I feel they would be compelled to support it to protect our national security interests.

Mr. President, I am highly pleased that the able and distinguished Senator from North Carolina has made the point that if an amendment is offered here which will improve the treaties, it should be adopted. Another point he made was that it would not necessarily kill the treaties; but if the amendment should be adopted and it kills the treaties, it should be adopted anyway.

Is it not a matter of fact that the head of the government in Panama, Mr. Torrijos, is a dictator; that he took over by force and violence? He put out the man elected by the people, and he took charge. He is a dictator, and he would not have to submit any plebiscite to the people unless he wanted to, would he?

Mr. HELMS. That is correct.

Mr. THURMOND. Is it not a matter of record that in countries that have dictators, the dictators issue decrees and orders of their own liking; that if they do submit anything to the people, they do it because they know they can get the people to go along or they can even rig the elections, if they want to? Is it not done as a matter of form rather than a matter of necessity?

Mr. HELMS. The able Senator is absolutely correct, of course.

I would say further to the Senator that it is interesting that the Dictator Torrijos signed these treaties with the President of the United States. The Panamanian constitution does not authorize him to sign the treaties; under the Panamanian Constitution the President of Panama is specified as the official to sign treaties. The President of Panama is Mr. Lakas, not Mr. Torrijos.

So even the signing of the treaties by Mr. Torrijos was unconstitutional. It shows the extent of the dictatorship in Panama, a complete disregard for constitutional law.

Mr. THURMOND. Is it not true that under his dictatorship two highly signif-

icant things have happened: One is that he has run the country further into debt. When General Torrijos went in I believe the debt was around $167 million. That debt has now increased to between $1.5 billion and $2 billion; is that not correct?

Mr. HELMS. That is correct.

Mr. THURMOND. Is it not further a fact that he has destroyed the rights of the people, the freedom of the people? They do not now have freedom of the press; they do not have freedom of speech; they do not have freedom of assembly; they do not have trial by jury; they do not have a right to petition the government; they do not have many of the rights which we have in this country or which civilized nations that have democratic forms of government allow their people.

Mr. HELMS. The Senator is absolutely correct.

In that connection, this past Sunday evening I spoke at the Capitol Hill Metropolitan Baptist Church, and following the services, a charming lady came up to me, a lady from Panama, and she said precisely what the able Senator from South Carolina has just said. Her concluding remark was, "Senator, don't give the canal to Torrijos."

So the Senator is certainly speaking the sentiments of that lady, and many other residents of Panama, as well.

Mr. THURMOND. Is it not true that on the trip the distinguished Senator and the Senator from South Carolina took together, back in August of 1977 to Panama, that we talked to Panamanians there who worked with the canal. They were, I thought, the strongest of all, the most vehement of all, in opposition to the canal coming under the control of Torrijos because they knew they would lose their rights, not have security, and that they would probably be in trouble eventually from the Communists?

Mr. HELMS. The able Senator is indeed correct.

The Senator will also remember that we met in closed session with those Panamanians because they did not dare to speak their minds with the controlled Panamanian press present for fear of retaliation by the Torrijos dictatorship. The Senator remembers that.

Mr. THURMOND. That is correct. They are as afraid of Torrijos as they would be of a snake.

As I related on the Senate floor last week, a lady from Panama, who was married to a man from one of the States, and I will not call the State because of security reasons, came down to see me. They came to Washington, and must have spent several hundred dollars to do so, begging and pleading with us to do everything we could to prevent the ratification of these treaties. Her father had told her that right now in Panama the people are suffering tyranny, and she further said if we lose control of this canal it would probably not be too many years until that country would go Communist. They said if the Senate approves these treaties it will mean General Torrijos will remain as dictator and oppress the people for many years to come.

Mr. HELMS. The Senator is correct, of course.

Yesterday on this floor, a distinguished colleague paid a glowing tribute to Dictator Torrijos. I listened to the Senator with great interest. As I told the Senator, Mr. President, I felt sure he was indeed beguiled by Mr. Torrijos when he and other protreaty Senators made a very highly publicized visit to Panama late last year. No doubt, Mr. Torrijos was a charming host to his friends from the United States.

But that, Mr. President, is irrelevant. It is irrelevant that Mr. Torrijos on that occasion was a charming and personable host. The fact remains that he is a dictator, he is an oppressive dictator, and his regime, as assessed by the human rights organization, rates seven on a scale of seven.

Mr. THURMOND. In other words, they rate at the bottom.

Mr. HELMS. Exactly.

Mr. THURMOND. Rate at the bottom as to the freedom his people enjoy.

Mr. HELMS. Exactly.

Mr. THURMOND. As a matter of fact, does he not rate right along with Communist Cuba and the Communist Soviet Union?

Mr. HELMS. Exactly. The point is this: We are not proposing to give this canal to the Panamanian people. The proposal before the Senate is to give it to a dictatorship and to go into partnership with a dictatorship, and at enormous expense to the taxpayers of the United States.

I might say the Senator from South Carolina and I have just been greatly heartened by a rally a little while ago outside the Capitol, conducted by the Veterans of Foreign Wars. I was greatly heartened by display of the patriotism of that group.

Mr. THURMOND. The Veterans of Foreign Wars have done a fine job of trying to bring this matter to the attention of the American people, along with the reasons for not ratifying these treaties.

I might say, too, the American Legion, the Amvets, and the Disabled American Veterans, the Retired Officers Association, the Non-Commissioned Officers Association, the Veterans of World War I, in fact, all of the veterans' organizations in this country are against turning this canal over to Torrijos.

Mr. HELMS. Indeed, they are.

Mr. THURMOND. It is noteworthy that every veterans' organization in the United States takes a position strongly against turning over this canal to Torrijos. That ought to mean something. Who are the veterans? They are the ones who fought and saved this country. Who are the veterans? They are the ones who have preserved our freedom, and are now cautioning and warning the Senate, and the President of the United States, as well as the American people of the dangers of giving away the Panama Canal.

Every veterans' organization in this country is against turning the canal over to Torrijos. Of course, there are other groups, too. We brought out yesterday information on a poll taken by the Reserve Officers Association, and I thought it was significant.

They polled all their general officer members, 775, to find out if they were willing for their names to be used as to whether they were for or against the pending treaties. A number of them were evidently not willing for their names to be used.

But of the ones who did answer, 357, 7 said they were for the treaties, 8 said they were muzzled and were reluctant to speak or had been directed by higher authority not to speak. Who is the higher authority? That is the word going from the White House down the line.

Mr. HELMS. They know who the Commander in Chief is.

Mr. THURMOND. It is significant that 342 said they were against ratifying the treaties, while only 7 said they favored approving it.

Mr. HELMS. The Senator is correct.

Mr. THURMOND. The American people are opposed to those treaties. From the mail coming to my office, it is still running about 90 percent in opposition. I understood there was another reliable poll taken several days ago by some other organization and it showed 73 percent of the people were against the treaties. That is almost three-fourths of the people.

If anyone would just get out on the street today and ask people how they stand, I believe three out of four would say they were against turning this canal over to Panama. Why do they feel that way? Because of the risk of war down there? Do we not know that the ambitions of the Soviet Union to take over the world, to spread communism throughout the globe, to dominate the whole world, have not changed? If the Soviet Union orders Castro to move in, he would do so. He may move in on his own initiative. If he does move in, we would have a confrontation when we go back to defend it, and that could result in war.

Some people will say, "You are going to have riots." Certainly, we would have riots if Torrijos wants riots. We have had riots in the past and will undoubtedly have them in the future, but have been able to control the riots. Better a few riots than a war. We want to protect the people of this country without a war. That is the main objective. But if we move out from down there and create a vacuum, and the Communists move in, then we are in trouble, and that is what the veterans are so concerned about.

Mr. HELMS. And justifiably so.

Mr. THURMOND. That is the point the American people are deeply concerned about. Why should we take the chance? We are down there, we have the title to the Panama Canal and the zone, we can stay there and do so in perpetuity. That means as long as we desire. So why do we want to move out and run a risk by creating a vacuum, and then maybe have to fight a war?

Mr. HELMS. The Senator is absolutely correct. I do not know where all the polls are taken by the news media showing that various majorities favor the treaties.

I have in my hand an Opinion Re-

search Corp. poll which was taken just last week. This is a very distinguished and reliable polling organization, with headquarters in Princeton, N.J.

The results of that poll show that 72 percent of the Americans want the United States to keep the canal; 68 percent of the American people want the clearcut guarantee of U.S. protective rights over the canal, not just the weak guarantee of the so-called leadership amendments. Three-fourths of the American public believe that the United States should continue to own the military facility on Galeta Island. Even 62 percent of the people who are willing to give the canal away—now, get this—62 percent of the people who say they favor the treaties—want the United States to keep Galeta Island. Sixty-five percent of the people who favor the treaties want U.S. concessions to Panama removed from the treaties.

In other words, the American people are fed up with the proposition that the United States be forced to give up a vital facility, and then pay a dictatorship to take it. Seventy percent of the American people, according to the Opinion Research Group, feel that the House of Representatives should also vote on these treaties, as the U.S. Constitution requires, and so forth.

Mr. THURMOND. What was that percentage, that feel that the House should vote?

Mr. HELMS. The House of Representatives has a constitutional responsibility——

Mr. THURMOND. I know, but what percentage did the Senator give?

Mr. HELMS. Seventy percent.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. HELMS. I certainly will yield to my friend from Utah.

Mr. HATCH. I thank the Senator from North Carolina.

I think the point is pretty important that 75 percent of the people want the United States to keep Galeta Island. As the Senator from North Carolina has pointed out, the latest national public opinion survey dealing with many of the complex issues surrounding the Panama Canal treaties questioned the public concerning the matter of Galeta Island.

The survey was conducted by the well-known national polling organization, Opinion Research Corp. of Princeton, N.J., for the Institute of American Relations, a leading Washington-based public policy research organization.

When informed about the pros and cons of the Galeta Island issue, the public was asked how the future of that military facility should be handled.

Three-fourths of the public, that is, 75 percent of the survey, stated that they believe that the military facility on Galeta Island should continue under U.S. ownership and control, even if the Panama Canal Zone is turned over to the Republic of Panama.

At this point, Mr. President, for the edification of my colleagues, let me quote directly from the results of the Opinion Research Corp. survey:

Three-fourths of the public believe that the military facility on Galeta Island should continue under U.S. ownership, even if the rest of the Canal Zone is turned over to Panama.

Only about one person in eight thinks the U.S. should rely on the defense rights as currently provided in the treaty to protect our intelligence monitoring base located on Galeta Island. Large majorities throughout all segments of the public believe that the U.S. should require this facility to continue under our ownership even if Panama is given ownership of the Canal Zone surrounding it.

Among those who favor Panamanian ownership and control of the Canal, over six in ten support our continued ownership of the Galeta Island base.

As the Senator from North Carolina makes clear, even of those who favor Panamanian ownership of the canal, about 62 percent support our continued ownership of the Galeta Island base.

What it really comes down to, as my friend and colleague points out, is that 62 percent of those Americans who favor turning over ownership of the canal to the Republic of Panama feel that we have to keep Galeta under our control, not to mention those of us in the Senate who share this view. Therefore, we are not dealing with an issue that divides the proponents from the opponents of this canal in this country; rather, a significant number of both the proponents and the opponents agree on the issue of Galeta Island.

I might add, as the distinguished Senator from North Carolina (Mr. HELMS) has just said, the people have spoken on this issue in unequivocal terms. There is no uncertainty about this.

Many of us in this body will be facing the people in November of this year, Mr. President. Many others will face the people in November, 2 years from now.

Who among us can afford the luxury of ignoring so clearly stated an expression of the will of the people? This is especially so here, where both treaty proponents and opponents are in agreement.

The people, it seems to me, are watching us, Mr. President, not only to see how we represent them—as they rightfully demand; but also to see how well we lead them.

The leadership we must provide on this matter is clearcut. Who among us can help but do as the people demand regarding Galeta Island?

It seems to me the answer is clear. We must retain Galeta Island under the ownership and control of the United States.

Mr. President, for the benefit of my colleagues and the public, I ask unanimous consent that the supporting data supplied by Opinion Research Corp., regarding the results of this survey question—including an explanation of sampling methods, reliability of survey percentages, sample tolerances, and sample distribution—be printed in the RECORD at the conclusion of my remarks.

There being no objection, the supporting data were ordered to be printed in the RECORD, as follows:

SUPPORTING DATA

SAMPLING

Opinion Research Corporation's master sample is based on a new probability sample design, prepared in consultation with J. Stevens Stock of Marketmath, Inc., and modified and updated by ORC.

The essential characteristic of probability sampling is that, for each person in the population under study, the probability that he will be included in the sample can be specified. This means that the degree of reliability of any finding from a study based on a probability sample can be estimated mathematically.

This new sample design is a major improvement over standard areal probability designs now in common use. These areal methods depend upon the use of maps showing geographic segments for which rough population estimates can be made. These maps are often out-of-date and otherwise inaccurate; and population estimates are frequently unreliable for small geographic areas, particularly as time passes from one census to another. The new sampling method eliminates these important problems of traditional probability sampling by using current address directories as the basis for a system of defining interviewing starting points—a system which, of course, includes in the sample households not in the directory as well. The new method is both statistically and administratively as efficient as possible, providing the most reliable data for any given expenditure.

The ORC master sample consists of 360 counties in the contiguous United States. This master sample of 360 counties comprises, in fact, six subsamples of 60 counties each. Each of these subsamples is itself a national probability sample. Depending on the needs of any particular study, the master sample can be used as a whole, or any combination of the six subsamples can be used.

To construct the sample, the counties within each state were arranged in order of descending population size; and all the states were grouped in geographical order from Maine to California. Sixty counties were then chosen by statistical procedures that ensure representative geographical distribution. This process was repeated to obtain the six subsamples that make up the master sample of 360 counties.

The next step in the sampling design was to select an area from each of the 360 counties in the master sample. Again, a probability sampling method was used to select, within each county, a minor civil division as defined by the Bureau of the Census. A minor civil division may be a town, township, city, or part of a city. The probability that any particular minor civil division was selected in a county was proportional to the population of that minor civil division. Thus, the larger a minor civil division, the greater the likelihood that it be selected.

In sampling for the WATS line usage, we employ the basic ORC sampling plan to determine the telephone books that cover the minor civil divisions. These telephone books constitute the primary sampling units.

From each primary sampling unit, we draw an equal number of telephone numbers that appear to be residential. In order to obtain both listed and unlisted numbers, we add a fixed quantity (from one to ten) to each telephone number for purposes of providing a list of numbers for actual dialing. For example, if the number that comes up is 672-2424, adding one, we would dial 672-2425. The result is an equal probability random selection of all residential telephone households in the United States.

Within sample households, probability procedures are used to predesignate the specific person to be interviewed. All members of the household, 18 years of age or over, are first listed in a prescribed manner on a form provided for this purpose. Random numbers, in a mathematical sense, are used to designate one specific person in the sample household to be interviewed. The interviewer is not permitted to make any substitutions.

To attain control of nonresponse, inter-

viewers make one callback at each household where the designated respondent was not at home at the interviewer's first call.

At the data processing stage, household weighting procedures are employed and then the sample is balanced against census data to ensure that it properly represents the population from which it was drawn. This sampling procedure is rigorous in concept and practice and allows for the exact determination of the statistical precision of any finding.

RELIABILITY OF SURVEY PERCENTAGES (SAMPLING TOLERANCES)

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

The table below shows the possible sample variation that applies to percentage results reported in this study. The chances are 95 in 100 (the 95% confidence level) that a study result does not vary, plus or minus, by more than the indicated number of percentage points from the result that would be obtained if interviews had been conducted with all members of the universe represented by the sample.

Size of sample on which survey result is based	Approximate sampling tolerances applicable to percentages at or near these levels				
	10 or 90	20 or 80	30 or 70	40 or 60	50
1,015	2	3	4	4	4
600	3	4	5	5	5
500	3	4	5	5	5
400	4	5	6	6	6
350	4	5	6	6	7
300	4	6	6	7	7
250	5	6	7	8	8
200	5	7	8	8	9
100	7	10	11	12	12
50	10	14	16	17	17

SAMPLING TOLERANCES WHEN COMPARING TWO SURVEY RESULTS

Tolerances (or sampling variation) are also involved in the comparison of results from different parts of any sample (subgroup analysis). A difference, in other words, between two subgroups must be of at least a certain size to be considered statistically significant. The table below is a guide to the sampling tolerances applicable to such comparisons in this survey. These figures, too, represent the 95 percent confidence level.

Size of samples compared	Differences required for significance at or near these percentage levels				
	10 or 90	20 or 80	30 or 70	40 or 60	50
1,000 and—					
1,000	3	4	5	5	5
750	4	5	5	6	6
500	4	5	6	7	7
250	5	7	8	8	9
100	8	10	12	13	13
750 and—					
750	4	5	6	6	6
500	4	6	6	7	7
250	5	7	8	9	9
100	8	10	12	13	13
500 and—					
500	5	6	7	8	8
250	5	8	8	9	9
100	8	11	13	13	13
250 and—					
250	7	9	10	11	11
100	9	12	13	14	14
100 and 100	10	11	16	17	17

Distribution of the sample

Following are shown the number of respondents in key subgroups of the sample:

	Number of respondents *
East	256
Midwest	298
South	309
West	152
Male	500
Female	515
18–29 years of age	307
18–20 years	63
21–24 years	102
25–29 years	142
30–49 years	400
50 years and over	304
8th grade or less	73
High school incomplete	105
High school graduate	379
Some college or graduate	451
Democrat	541
Republican	291
Independent	153
Liberal	341
Conservative	495
In Between	125
White	905
Black	82
Total public	1,015

* Where subgroups do not add to the total of 1,015 it is because of no response.

In accordance with the Code of Ethics of the American Association for Public Opinion Research, we are bound to maintain the anonymity of respondents and cannot release any information that would tend to identify the views of anyone taking part in this research. Furthermore, our authorization is required for any publication of the research findings or their implications in order to ensure the accuracy of the release.

Three-fourths of the public believe that the military facility on Galeta Island should continue under U.S. ownership, even if the rest of the Canal Zone is turned over to Panama.

Only about one person in eight thinks the U.S. should rely on the defense rights as currently provided in the treaty to protect our intelligence monitoring base located on Galeta Island. Large majorities throughout all segments of the public believe that the U.S. should require this facility to continue under our ownership even if Panama is given ownership of the Canal Zone surrounding it.

Among those who favor Panamanian ownership and control of the Canal, over six in ten support our continued ownership of the Galeta Island base.

U.S. Continued Ownership of Galeta Island Military Facility

The United States has a top secret military facility in the Panama Canal Zone. This facility is reported to be used to track Russian and Cuban aircraft, surface ships and submarines, among other things. The military has said that this facility would be extremely difficult to replace.

Some Senators who support the treaty say that it provides a sufficient guarantee of the rights of the United States to defend this military facility.

Critics say that this military facility cannot be protected under the existing provisions of the treaty and that the United States should continue to own the facility even if the Panama Canal Zone surrounding it is turned over to Panama.

Do you think the United States should rely on the defense rights as now provided in the treaty to protect this installation, or should the United States require that this facility continue under U.S. ownership even if the rest of the Canal Zone is turned over to Panama?

	Total public	Those who favor Panamanian ownership of canal
Rely on current treaty defense rights (percent)	13	29
Require continued U.S. ownership of Galeta base (percent)	75	62
No opinion (percent)	12	9
Number of interviews	1,015	230

QUESTION 20.—DO YOU THINK THE UNITED STATES SHOULD RELY ON THE DEFENSE RIGHTS AS NOW PROVIDED IN THE TREATY TO PROTECT THIS INSTALLATION, OR SHOULD THE UNITED STATES REQUIRE THAT THIS FACILITY CONTINUE UNDER U.S. OWNERSHIP EVEN IF THE REST OF THE CANAL ZONE IS TURNED OVER TO PANAMA

	Percentage base		Rely on treaty	Require U.S. continued ownership	No opinion
	UNWTD	WTD			
Total	1,015	1,887	13	75	12
East	256	413	9	81	10
Midwest	298	505	17	73	10
South	309	607	10	76	14
West	152	362	17	67	16
Male	500	901	13	79	8
Female	515	986	13	71	16
18 to 29 yr of age	307	578	14	77	9
18 to 20 yr	63	131	16	78	6
21 to 24 yr	102	193	16	73	11
25 to 29 yr	142	254	11	79	10
30 to 49 yr	400	573	14	75	11
50 yr and over	304	727	12	72	16
8th grade or less education	73	273	10	66	24
High school incomplete	105	383	13	76	11
High school graduate	379	707	11	77	12
Some college or graduate	451	513	18	75	7
Democrat	541	1,067	15	73	12
Republican	291	475	10	82	8
Independent	153	275	11	75	14
Liberal	341	619	17	73	10
Conservative	495	898	12	78	10
In between	125	237	11	70	19
White	905	1,655	13	76	11
Black	82	179	18	57	25
Aware of SALT talks	420	703	14	76	10
Not aware	595	1,184	12	74	14
U.S. ownership of canal	698	1,350	9	82	9
Turn over to Panama	230	358	29	62	9
Aware of canal treaties	752	1,296	12	80	8
Not aware	263	591	14	63	23

Mr. HATCH. I thank the distinguished Senator from North Carolina for pointing out to the American people the results of this very important poll.

Mr. HELMS. I thank the Senator from Utah for his gracious comments.

He mentioned the majority as shown by this poll. I would be willing, if I were a betting man, which I am not, to wager the Senator from Utah that not one syllable of this poll will be reported by the major news media of this country.

who favor these treaties. I certainly hope that the major news media of this country will let the people have the results of this poll.

I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, as I understand, the Senator's amendment merely preserves this Galeta peninsula facility for the purposes he has set out here in his address today?

Mr. HELMS. That is right.

Mr. THURMOND. It provides that even if the treaties should be ratified, we could maintain control of this area, which is so important to the security of this country?

Mr. HELMS. Unquestionably, the Senator is correct.

Mr. THURMOND. Mr. President, I commend the able Senator from North Carolina for offering this amendment. I am certainly pleased to support it, and I hope the Senate will see fit to adopt it.

Mr. HELMS. I thank the Senator.

Mr. THURMOND. I thank the Senator for the fight he has made against ratifying these treaties. There is no one in the Senate who has worked harder or done more against giving away this canal than the able Senator from North Carolina (Mr. HELMS).

Mr. HELMS. I thank the Senator.

Mr. THURMOND. I also thank the able Senator from Utah (Mr. HATCH) for the work he has done in this matter—he has done a magnificent job; and the able Senator from Alabama, who has offered amendment after amendment, and fought day after day against ratifying these treaties; and the able Senator from Nevada (Mr. LAXALT), who initiated the move to let the American people hear of the dangers of these treaties, and who has been active here on the floor opposing them; and the able Senator from Virginia (Mr. BYRD), who has been a stalwart in opposing the treaties. Many other Senators have made significant contributions to the fight in opposition to these treaties. These include Senator GRIFFIN of Michigan, Senator STEVENS of Alaska, Senator DOLE of Kansas, Senator STENNIS of Mississippi, to mention just a few of many.

These Senators, Mr. President, are some of those who have gone over and above the call of duty. The American people owe them a great debt of gratitude, and I want to express my appreciation.

Mr. HELMS. The Senator from South Carolina has been in the forefront of this fight and I have been honored to be on the same team with him, and with the distinguished Senators from Alabama, Utah, New Mexico, both Senators from Virginia, and others.

If I count correctly, I have been in something like 41 or 42 States since the idea of these treaties was first broached. Everywhere I have gone, I have found unanimous opposition to these treaties—and this goes from cab drivers to Governors, the people are almost unanimously opposed to them.

Sometime back, I was in a tobacco warehouse in North Carolina. A farmer came up to me and said:

Jesse, why are the politicians so obsessed with giving away our Panama Canal?

And I said:

I don't know. I can't explain it.

And he said:

Well, I have a solution for you.

Then he indicated how he feels about Washington, D.C. He said:

When you get back up to Washington, put in a bill to change the name of "Washington, D.C.", to the "Panama Canal", and change the name of the "Panama Canal" to "Washington, D.C.," and then give them the cotton-picking Panama Canal.

[Laughter.]

Mr. HELMS. He was jesting, but he was also sincere. He is fed up to here with Washington, D.C.

Mr. HATCH. Will the Senator yield?

Mr. HELMS. I will be delighted to yield.

Mr. HATCH. I appreciate, really, the remarks the distinguished Senator from North Carolina has made. I, likewise, have been all over this country this past year and everywhere I go I have asked everybody, regardless of his occupation, and regardless of his political ideology, "What do you feel about Panama" because I have wanted to get the feelings of the people in this country. The responses against these treaties have been overwhelming.

I might also add that the mail in Congress, as is freely admitted by both sides, is running about 95 percent against these treaties.

With regard to the Senator's important comments about news reports that have been made, I share his concern, I do not want to find fault with our media, because I believe the media is basically decent and basically tries to cover the news; but there are a few deficiencies in reporting that have really likewise bothered me.

We have very little understanding about Galeta Island. Perhaps, part of the reason is that its activities are classified. On the other hand, if you look at the consttiutional issues involving these treaties—and they are some of the greatest and most important issues in the history of this country—there was nothing said in most of the major media markets in this country about them.

And I can tell you, Mr. President, when article IV, section 3, clause 2 of the Constitution says, in effect, that both Houses of Congress must agree to the cession of American property under a treaty, by implication the President is overreaching in his authority, in violation of the Separation of Powers Doctrine of the Constitution—by seeking to transfer this property by treaty alone. Prof. Raoul Berger, the eminent constitutional authority, who was lauded when his works were useful in connection with the Presidency of Richard Nixon, is now ignored by the media when he comes out against this latest usurpation of power by the Chief Executive.

There is no question he is a brilliant man, a man who has performed a valuable public service to America, but when he comes out against the transfer of the zone without the consent of the House, and we have about 229 Members of the House of Representatives who have demanded that they be given the right to vote on this issue, hardly a word was said.

Mr. CULVER. Will the Senator yield?

Mr. HATCH. May I finish?

In spite of the fact that Dr. Berger without question, would personally favor the treaties, were it not for this constitutional violation by the President.

Now, back to Galeta Island.

Mr. CULVER. Will the Senator yield?

I wish to make a parliamentary request, Mr. President.

Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is article II of the Neutrality Treaty.

Mr. CULVER. Is there an amendment pending?

The PRESIDING OFFICER. No; there is not.

Mr. HELMS. I will say to the distinguished Senator that there will be an amendment pending after we have concluded our discussion, but I did not want to run the risk of the amendment's being tabled prior to a full discussion of it.

Mr. HATCH. I agree with the distinguished Senator from North Carolina. He has every right to proceed as he desires.

I want to thank the distinguished Senator from North Carolina for yielding to me and having the courtesy to listen to some of the comments that I have made.

I likewise would like to thank my friend and colleague from South Carolina. He has been one of the great leaders in America for years and years, who has never let America down.

He is a very dear friend. I am very pleased to be on the same floor with both of these men from the Carolinas.

Mr. HELMS. I thank the Senator. I certainly share his comments about our distinguished colleague (Mr. THURMOND).

Mr. THURMOND. I thank the Senator for those kind remarks.

Mr. HELMS. Mr. President, earlier I referred to a column written by the distinguished columnists Evans and Novak, and I wish to read at this time.

On February 24, Evans and Novak published the following column:

After all the thousands of words about the Panama Canal treaties, there remains one largely unmentioned issue of potential importance both substantively and politically: a top-secret U.S. communications intelligence facility in the Canal Zone.

This is Galeta Island, a station at the Atlantic end of the canal manned by 50 Navy personnel and officially called a "naval group security facility." It is actually a high-frequency direction-finding station that is part of the "secret code word" SOSUS network for tracking Soviet submarines.

There can be no argument that it is a high-priority, essentially irreplaceable U.S. security operation requiring renegotiation when the canal reverts to Panamanian ownership in the year 2000 under the treaties. What is not clear is the immediate fate of Galeta Island: will there be sufficient security for the station's continued operation when Panama takes over the Canal Zone once the treaties are ratified?

Because of its sensitivity, this question has not been addressed in public debate.

But senior military officers who have endorsed the treaties are privately worried about the fate of the installation.

Consequently, Galeta Island may well be the last card played by enemies of the treaties now that the Senate's secret session on the largely irrelevant drug issue has fizzled. They may try to amend the treaties to keep Galeta Island under effective U.S. sovereignty. Since Gen. Omar Torrijos would never accept that, the amendment beomes a final attempt to kill the treaties. For that reason, facts about the importance and post-treaty vulnerability of Galeta Island take on political significance.

Actually, only two or three senators today know about the station. Even White House aides handling the treaties are unaware of it. Galeta Island is definitely not on the Canal Zone tour given visiting senators. But Adm. James Holloway, chief of naval operations, revealed the existence of the station in his prepared testimony for the Senate Armed Services Committee. Holloway was pressed for details by Sen. Jesse Helms (R-N.C.), a foe of the treaties, in closed session. The admiral's replies have been kept secret.

However, senior Pentagon officials privately reveal Galeta Island is the southernmost station in an Atlantic radio direction-finding network. Besides its hush-hush mission of tracking submarines, it takes positional bearings on surface ships and planes. It also has collected communications intelligence (most recently in the Peruvian-Ecuadorean border incident a year ago) and may expand such future activity.

Its mission is of the highest priority, with the station participating in about two-thirds of all Atlantic Ocean fixes. Its unique position also makes the station important for Pacific operations, particularly in case Soviet submarines are operating in U.S. West Coast waters.

Sanitized hearing transcripts reflect this reply by Holloway to a censored question from Helms: "My impression is we don't have any relocation plans; we would simply take a degradation in capability." When Helms asked whether relocation would be "enormously expensive," the admiral replied: "It certainly would, and it could be very politically expensive because . . . we have a political quid pro quo to pay in moving one of these stations [to] foreign soil."

Assuming they mean Galeta Island, this fits information supplied by senior Pentagon officials. While it would cost only $10 million to relocate the station, where would it go? Placing it in another Latin American country is doubtful politically and might not provide the correct angles for a geometric fix. Nor do warships or reconnaissance planes provide an adequate technological alternative.

Direction-finding stations have recently been kicked out of Karamursel, Turkey, and Udorn, Thailand, thinning out the network. U.S. intelligence recently talked Canada out of closing its station on Bermuda. Consequently, closure of the Galeta station might reflect decreased U.S. interest, which could trigger a Bermuda shutdown—a severe double blow to the network

Nobody knows whether Galeta Island will still be needed 22 years from now when a new arrangement with Panama would have to be negotiated. The more pertinent question is whether it can safely function in post-treaty Panama, with the Canal Zone under Panamanian control (and Soviet "agricultural" technicians reported at Old France Field 10 miles away). Top Pentagon officials say the station must have additional guards and be fenced off at the very least. Will this be enough? They do not say.

At this late hour, it seems improbable that ratification will be blocked by this exotic issue. Yet, Galeta Island does have far more relevance to the treaties than the peripheral drug question or human rights. It is also the last conceivable card available against the treaties. And for that reason it surely will be played.

Mr. President, in a moment I shall call up my amendment which is at the desk. The Senator from North Carolina has no illusions about the possibility of it being approved. The proponents of the treaties have made it clear that they will accept no amendment, regardless of its merits. I heard the distinguished Senator from New York say that very thing the other day.

It may be an exercise in futility to call up an amendment which has to do with the very security of this Nation, but the Senator from North Carolina feels obliged to do it. He feels obliged to get a rollcall vote on it, which he will, because the American people are entitled to know where their Senators stand.

UP AMENDMENT NO. 4

Mr. HELMS. Mr. President, I call up the amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment No. 4 executive.

At the end of article II, add the following:

"Notwithstanding the provisions of article I of the Panama Canal Treaty and article V of this Treaty, the United States of America may maintain, under the provisions of the Isthmian Canal Convention between the United States of America and the Republic of Panama, signed at Washington on November 18, 1903, and of the Treaty of Friendship and Cooperation, signed at Washington on March 2, 1936, and of the Treaty of Mutual Understanding and Cooperation and the related Memorandum of Understandings Reached, signed at Panama on January 25, 1955, between the United States of America and the Republic of Panama, the Galeta Island Base, the exact boundaries of which shall be determined by the Joint Committee established in Article III of the Agreement in Implementation of Article IV of the Panama Canal Treaty, excluding the area known as Old France Field as incorporated into the Colon Free Zone, but which shall include such waters as are necessary for naval access and the area bounded on the south by the former Colon Corridor; on the east, by the former Canal Zone boundary; on the north, by the littoral and waters of the Atlantic Ocean; and on the west, by the littoral and waters of Margarita Bay and Manzanillo Bay, and by the Folk River.".

Mr. HELMS. Mr. President, if I may return to the Evans-Novak column, I do not agree with every statement made in the column. I do not have proof as to whether Galeta is presently or has been in the past an SOSUS station. I will only say that Evans and Novak have a reputation——

Mr. CULVER. Will the Senator yield on that point?

Mr. HELMS. I will yield for a question.

Mr. CULVER. I appreciate the Senator's yielding. I might tell the Senator I have had an opportunity to receive a briefing from the Navy with regard to the exact nature of this facility. We have been assured that this particular operation in no way is connected to our SOSUS program. I thought I would clarify that. It is purely for surface ship and directional finding and not tied in with SOSUS.

Mr. HELMS. I thank the Senator.

As I say, Mr. President, Evans and Novak have a reputation for good sources. They have been proven right time and time again in exposing information which many administrations, representing both political parties, for political reasons have attempted to keep from the American people. So I am not going to comment on that part of the Evans-Novak column.

This Senator can, however, comment upon the high-frequency direction finding aspect of the Galeta installation, because that has been unclassified by the Navy. I have with me an unclassified briefing paper on Galeta that is of considerable interest.

Mr. President, I ask unanimous consent that the Navy briefing paper on Galeta Island, with the covering letter from Capt. J. E. Kneale, under date of Febraury 27, 1978, be printed at this point in the RECORD.

There being no objection, the letter and factsheet was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
Washington, D.C., February 27, 1978.

Hon. JESSE HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: In response to your request for an unclassified fact sheet regarding Galeta Island, Panama Canal Zone, the attached material is forwarded.

Sincerely,

J. E. KNEALE,
Captain, U.S. Navy, Director, Congressional Committee Liaison Division.

US NAVSECGRUACT GALETA ISLAND CANAL ZONE

1. Status and Command Relationships: The US NAVSECGRUACT (NSGA) Galeta Island is a shore activity in an active operating status under a Commanding Officer and under the command of COMNAVSECGRU (Commander, Naval Security Group Command). Operational control of tactical cryptologic functions, as a specific element of command, has been delegated to Commander in Chief U.S. Atlantic Fleet. NSGA Galeta Island is subject to the area coordination authority of the Commanding Officer, U.S. Naval Station, Panama Canal Zone.

2. Major Function: The mission of the Naval Security Group Activity Galeta Island is to operate a high frequency direction finding facility and to provide communications and related support, including communications relay, communications security, and communications manpower assistance to Navy and other DOD elements within the area. As such, NAVSECGRUACT Galeta Island provides valuable support to search and rescuo operations.

3. Personnel Manning: Officer—2; Enlisted—45; Civilian—4.

4. Locale Description: NSGA Galeta Island, Canal Zone is located near the Atlantic entrance of the Panama Canal, approximately 55 miles northwest of the City of Panama, Republic of Panama and Balboa, Canal Zone. The area surrounding this activity consists of dense mangrove swamp and heavy tropical lowland jungle unsuitable for farming or commercial purposes.

5. Base Support: The following activities provide support as indicated to NSGA Galeta Island:

a. U.S. Army 193rd Infantry Brigade, housing, messing, berthing and recreational facilities.

b. U.S. Naval Station Panama Canal Zone; Administrative, general Public Works support.

c. Panama Canal Zone Company; road maintennace and repairs, water and power services.

d. Security is and will continue to be provided by the U.S. Marine Barracks Canal Zonc.

6. Under the terms of the proposed Panama Canal Treaty, the U.S. Navy would not be required to relinquish Galeta until the year 2000. The installation will be classified as a U.S. Defense Site for the duration of the new Panama Canal Treaty. As a Defense Site, the facility will be under complete U.S. control throughout the life of the Treaty.

Mr. HELMS. According to this paper, we see that Galeta Island is a shore activity in an active operating status under a commanding officer and under the command of the commander, naval security group command. Operations control of tactical cryptologic functions, as a specific element of command, has been delegated to Commander in Chief, U.S. Atlantic Fleet. Galeta Island is subject to the area coordination authority of the commanding officer, U.S. Naval Station, Panama Canal Zone.

I have quoted from this paper because I want to point out the reference to the delegation of tactical cryptologic functions to the Commander in Chief, U.S. Atlantic Fleet. This indicates that the station has functions which go beyond the high-frequency direction finding mission which I will discuss in a moment.

We turn to its "major function" as described in the briefing paper to which I have just alluded.

The mission of the Naval Security Group Activity Galeta Island is to operate a high frequency direction finding facility and to provide communications and related support, including communications relay, communications security, and communications manpower assistance to Navy and other DOD elements within the area. As such . . . Galeta Island provides valuable support to search and rescue operations.

The "high-frequency" in high-frequency direction finding (or HFDF, as it is sometimes called) is of course a reference to the short-wave band commonly used for radio transmissions by most maritime vessels in the world. The interception of such transmission provides what Evans and Novak refer to as "positional bearings on surface ships and planes." Presumably, this is why, according to the Navy briefing paper, "Galeta Island provides valuable support to search and rescue operations."

Mr. President, we cannot go much further in discussing this matter in open session because of the secret classification on the information that the Senator from North Carolina has sealed in this envelope which he holds in his hand.

We already know that Galeta provides HFDF. We know that it provides tactical cryptological functions to the Atlantic fleet. We know that it provides communications relay and communications security. But whether it is associated, or has been associated with SOSUS or other submarine traffic facilities, we do not know.

Furthermore, a close reading of the Evans and Novak column——

Mr. CULVER. Will the Senator yield on that point?

Mr. HELMS. If the Senator will allow me, I shall not be very long, then he can get the floor in his own right.

Mr. CULVER. Will the Senator yield for just a few moments while I try to clarify the records? He says we do not know whether it is or has been associated with SOSUS.

Mr. HELMS. The Senator from Iowa may know; I do not know.

Mr. CULVER. When the Senator says "We," I do not think that would be an accurate reflection on this institution at the present time.

I attended a briefing with other members of the minority, including Senators from the Senator's own side. I just said that the official naval testimony is that it is not a part of SOSUS. So when the Senator says we do not know, really, the inference there is that my word on that point, based on that briefing, in which there was bipartisan attendance, is somehow not valid or accurate.

Mr. HELMS. I say to the Senator from Iowa that the Senator from North Caroline has run into contradiction after contradiction; Navy officers telling me one thing in private and saying another thing in public. So the Senator may well have information to contradict the statement. If he knows, he knows. But the Senator from North Carolina does not know and I do not think many other Senators know.

I do not want to yield further, Mr. President, because I want to finish this statement, if the Senator from Iowa will forbear.

The PRESIDING OFFICER. Will the Senator from North Carolina yield for a moment to receive a message from the House?

Mr. HELMS. Yes, I yield.

The PRESIDING OFFICER. Without objection, as in legislative session, the Senate will receive a message from the House.

(The Senate received a message from the House of Representatives which is included in routine morning business today.)

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, I ask unanimous consent that the interruption not show at this point in the RECORD and that it be placed at another place in the RECORD.

The PRESIDING OFFICER. Without objection——

Mr. CULVER. I object.

Mr. President, that was not an interruption. The intervention was made at that point so this RECORD, for a change, would accurately reflect what actually happens in the debate.

Mr. HELMS. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. CULVER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Iowa will state it.

Mr. CULVER. My parliamentary inquiry is, What is the ruling of the Chair with regard to the position of the intervention just made on the SOSUS issue?

The PRESIDING OFFICER. Objection having been made—it is the understanding of the Chair that the Senator from North Carolina did not want the interruption with reference to the message from the House to show in the RECORD at this point. Was that the interruption referred to?

Mr. HELMS. Mr. President, the Senator from North Carolina was referring to the message from the House. I have no objection, if it means that much to the distinguished Senator from Iowa.

Mr. CULVER. No, no, Mr. President. A parliamentary inquiry.

If that is the nature of the request of the Senator from North Carolina, the Senator from Iowa has no objection. If, however, that request goes to the colloquy that he and I just engaged in, I do object.

The PRESIDING OFFICER. The Chair understands that the objection had to do with the interruption relative to the matter of the message from the House.

Mr. CULVER. I withdraw my objection.

The PRESIDING OFFICER. Without objection, the interruption relative to the message from the House will show at a point after the statement of the Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Furthermore, Mr. President, the inference in the Novak column is that the mission is of the highest priority, that it participates in about two-thirds of all Atlantic Ocean fixes, that it is the southernmost station in an Atlantic network of such stations, giving it a unique geographical geometry that cannot be duplicated elsewhere. The Senator from North Carolina is not at liberty to verify any of these statements, and he does not wish to signify either approval or disapproval of their accuracy. However, any Senator is at liberty to read the classified material and form his own judgment before voting on my amendment.

(Senator MOYNIHAN assumed the chair.)

Mr. HELMS. However, Mr. President, if any Senator should conclude that there is even a probability that these statements are true, then such a Senator should vote for my amendment in order to preserve our options.

For the fact is that we have no other opportunity to have such a station in any other country, if it should become necessary to close Galeta. In the sanitized transcript of the executive session of the Armed Services Committee, one may read the following:

Admiral HOLLOWAY. My impression is we don't have any relocation plans: we would simply take a degradation in capability.

Senator HELMS. It would be enormously expensive to relocate?

Admiral HOLLOWAY. It certainly would, and it could be very politically expensive because there is a good chance that in each of these we have a political quid pro quo to pay in moving one of these stations in on foreign soil.

Finally, there is the question of improvements in technology. Such improvements could be either in the technology of ship transmissions, or in the technology of detection. It may very well be that within 22 years new technology would make HFDF outmoded. Some military vessels already use other kinds of communications not susceptible to

HFDF. But it would be remarkable indeed if the broad spectrum of maritime traffic moved to more sophisticated and more expensive technologies.

We must not assume that the most likely threat to the canal—or even to the neutrality of the canal—is going to come from a frontal challenge by Soviet naval vessels. The Soviets have been very successful at getting other nations to front for them in their war of attrition against the Western World. The Galeta station occupies a strategic position at the Atlantic entrance to the canal; and while it presumably functions as part of a network, it is indispensable and irreplaceable in relation to the canal.

Therefore, the amendment which I have offered sets up a special situation to preserve our options at Galeta. If the Senators will look at the map, they will see that Galeta is not a viable installation by itself. Even as a designated defense site under the proposed treaties, it would be very difficult to protect in its isolated circumstances, since it has no special defenses.

My amendment therefore enlarges the Galeta area so that it becomes a viable entity. It would occupy roughly the whole peninsula above the Boyd-Roosevelt highway that traverses the present Colon Corridor. The Canal Zone boundary on the east makes a convenient demarcation and would be retained. On the west, the waters of Manzanillo Bay and Margarita Bay—that is, really part of Limon Bay inside the breakwater—make another convenient demarcation. It also includes the Coco Solo Naval Station, which, with its piers, allows access by sea within the breakwater. Of course, we already have military housing at Coco Solo, along with appropriate schools, recreation areas, and Coco Solo hospital. There are existing storage tanks for gasoline and for residual petroleum, with pipelines to the piers at Coco Solo. Moreover, the area encompasses the so-called New France Field, a deactivated airport now used only for recreational planes. This is not to be confused with the so-called Old France Field across the road, which is presently under lease to Panama as part of the Colon Free Zone. Old France Field would be excluded from my amendment. Most of the rest of the area is mangrove swamp.

As long as relations remained friendly with Panama, there would be no need to upgrade or change the usage of any of these facilities. But should a hostile or uncooperative situation develop, the area would have the capability to be upgraded to provide a small base, both for the operation of the Galeta facility, and to provide a foothold, after the year 2000, for landing our troops in order to protect the neutrality of the canal. The only other location suitable for such a landing operation would be on the other side of Limon Bay, which of course would require an assault from the water.

The jurisdiction provided over the base would be the same as we have at the present time. For this one small area, there would be no change from the present Canal Zone. We would have full authority to take whatever actions were necessary without reference to the combined defense arrangements of the treaty. Thus, even for the next 22 years we could take whatever defense steps were necessary without affronting Panamanian sensibilities.

Needless to say, if the Galeta facility proved to be outmoded by the year 2000, we could easily withdraw if we so desired along with our withdrawal from the rest of the isthmus.

But the amendment which is now pending would specifically exempt our presence in Galeta from the regime of neutrality. We could stay if we thought it necessary. Nobody knows what the situation will be in the year 2000, so it behooves us to keep our options open, particularly since we are assuming responsibility for the canal's neutrality in perpetuity. Were it not for the fact that we are assuming that responsibility under the treaty, this amendment might be unnecessary. But the very fact that we are assuming a perpetual responsibility under the treaty makes it absolutely essential; in the judgment of this Senator.

Mr. President, I yield the floor.

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

U.S. MILITARY LEADERS FIND PROBLEMS WITH NEW TREATIES

Mr. CURTIS. Mr. President, I rise in support of the pending amendment. It is an integral part of the defense of our country and, in that connection, I think it is important that we consider the fact that our U.S. military leaders find problems with the new treaties.

Mr. President, as everyone knows, the Panama Canal treaties were considered in hearings by the Foreign Relations Committee. Although the Armed Services Committee recently held hearings on matters related to the treaties, it was the Foreign Relations Committee which voted to report out the treaties and to recommend that only the so-called "leadership amendments" be incorporated into the treaties. Now, the gentlemen on that committee are all loyal, patriotic Americans who are acting in what they see as the best interests of this Nation, but it is a fact that they tend to view things such as this treaty more in terms of how they affect our image overseas, and they do not tend to place as much weight upon military views concerning issues they are reviewing.

Mr. President, I think it is essential that the view of our military personnel concerning the security requirements for the canal be more carefully weighed during our deliberations here in the Senate. In this regard, it needs to be pointed out that many, many of our distinguished former military leaders have expressed doubts about these treaties. On June 8, 1977, four former Chiefs of Naval Operations wrote to the President expressing their grave concerns about any new arrangements which would not adequately protect our security interests in the Panama Canal. They wrote in part:

> The Canal . . . offers inestimable strategic advantages to the U.S., giving us maximum strength at minimum cost . . . Under the control of a potential adversary, the Canal would become an immediate crucial problem and prove a serious weakness in the overall U.S. defense capability, with enormous potential consequences for evil.

Mr. President, this has a bearing on the pending amendment which deals with a very strategic establishment of the United States in the Canal Zone.

The concerns of these men, these four chiefs of naval operation, should be carefully considered, especially when it is recalled that it is the U.S. Navy which is most dependent upon the availability of the canal.

Mr. President, with respect to the strategic importance of the canal, I wish every Senator would take the time to review a recent study prepared by Mr. Ed Gannon of the Library of Congress staff. This excellent work demonstrates with facts and figures exactly why the availability of the canal would be of such great importance in an emergency situation. It literally could mean the difference between war and peace, or between a short war and a long war, with many more casualties.

I would also hope, Mr. President, that Members of the Senate will take the time to carefully review the testimony of two outstanding military men, both of whom have an intimate knowledge of the canal situation. I refer to retired Maj. Gen. George L. Mabry and Lt. Gen. Gordon Sumner, Jr.

General Mabry, who incidentally has been awarded the Congressional Medal of Honor, was stationed in the Canal Zone on three separate occasions. During his last tour of duty, General Mabry was Commander of all Army forces in the zone and responsible for its defense from any internal threat. General Mabry is strongly opposed to the treaties in their present form based upon his assessment of the military situation that would result from their implementation. In particular, General Mabry stated that:

> I do not understand, and therefore, am puzzled as to why Panama insists that after the year 2000 no U.S. military forces can be stationed anywhere on Panamanian soil, even under a status of forces agreement.

General Mabry then asked a question which, Mr. President, goes to the heart of the question of U.S. bases in Panama:

> Why are the Panamanians, who claim they will be everlasting friends of the U.S., reluctant to accept the stationing of any U.S. forces on Panamanian soil . . .?

Mabry added that the United States has bases today in nations with which we were once at war, so why should Panama, for whom we have done so much, refuse to allow the presence of U.S. forces to provide protection for the canal?

Lieutenant General Sumner provided an additional insight into the military aspects of the treaties. In his testimony, Sumner stated that it is not true that Latin American governments are enthusiastically behind the treaties as they stand. In fact, he stated that high-level officials, both civilian and military, "all express grave concern about the treaties. They see the possibility here for conflict."

From a strategic angle, Sumner noted that:

> The members of the Inter-American Defense Board are terribly concerned about this

situation . . . they all have expressed reservations about the fact that the U.S. will no longer be in Panama. And if you look at a map, Panama sits right in the middle of this continent, and North-South communications are just lousy. Once we do not have the bases there, then the entire area becomes destabilized.

Mr. President, these remarks and concerns of two experts in this matter should be given considerable weight by Senators in evaluating the merits of these treaties.

They should have special weight in reference to the pending amendment that deals with a specific installation that we have there.

Further, I want to point out the overwhelming sentiment of retired military officers' groups, and veterans' groups in general, is against the treaties. In a recent Reserve Officers Association poll, 98 percent of over 300 former flag rank officers expressed their opposition to the present treaties.

Mr. SARBANES. Will the Senator yield?

Mr. CURTIS. No. I did the other day, and I decline to yield until I finish my speech.

The American Legion, the Veterans of Foreign Wars, and other similar groups have all expressed the opposition of their memberships to the approval of these treaties. Retired military writers agree. For example, former General V. H. Krulak, writing in the summer 1975 issue of Strategic Review, has stated that:

In truth the Panama Canal is an essential link between the naval forces of the United States deployed in the Atlantic and the Pacific. It is only because of the waterway that we are able to risk having what amounts to a bare-bones one ocean navy.

One of our Nation's most distinguished military writers, retired Col. Robert D. Heinl, Jr., of the Detroit News, has written extensively on problems with the new canal treaties that cannot be easily resolved. He has elaborated upon the extraordinary value of the canal from a military point of view, noting that:

During the 1962 Cuban missile crisis, 115 naval vessels and one Marine division were moved rapidly via the Canal from the Pacific to the West Indies.

He questions whether such a movement would be possible without continued U.S. control over the canal. We must ask ourselves: With Panamanians controlling the locks, would they be willing to let U.S. vessels through the canal if another crisis develops involving Cuba? Any alleged right on paper to move through the canal, either expeditiously or with priority, would become meaningless if we do not have control over the facilities that the ships must pass through.

Finally, Mr. President, I think it is very interesting to note that even the members of the Joint Chiefs of Staff, who are on record in favor of the treaties, have all acknowledged that, from a military point of view, it would be much easier and less costly to protect the canal if the United States retained bases in Panama than otherwise. The Chairman of the Joint Chiefs of Staff, Gen. George Brown, stated during the Foreign Relations Committee hearings that:

In purely military terms, it would be far simpler and less costly to . . . retain a base of operations in Panama; and, without such bases, protection of the Canal would be more costly and difficult.

Admiral Holloway made it clear that, with regard to naval operations, and sea lane surveillance, "a base in Panama would improve our efficiency markedly." He also added that:

Without bases, the introduction of U.S. forces would take longer and be more costly.

Gen. Louis Wilson stated that:

It would be easier and less costly to meet threats after 1999 if the U.S. were to maintain forces in Panama beyond that time.

The Joint Chiefs also made it clear that their support of the treaties was influenced by the assessment of political factors made by the State Department. From a purely military standpoint, they conceded that it would be better to preserve a U.S. presence than to give it up. While I respect the judgment of the Joint Chiefs about military matters, I do not think that the Senate should necessarily agree to their judgment, based upon State Department persuasion, concerning the political aspects of the canal situation. Here, I think, that each Senator is perfectly capable of arriving at his own conclusions.

Mr. President, I also would like to call the attention of the Senate to the testimony of two canal experts, who were involved in previous negotiations for a new treaty. Former Deputy Secretary of Defense William Clements stated at the Armed Services Committee hearings that Panama was willing several years ago to accept treaty language that provided a stronger basis for the U.S. rights to protect the canal.

Mr. SARBANES. Mr. President, will the Senator yield on that point, on the Clements assertion?

Mr. CURTIS. I would prefer to yield a little later, if the Senator does not mind.

Also, ex-Army Col. John Sheffey, who was also involved in earlier negotiations, said that in earlier bargaining, Panama had agreed to military arrangements giving the United States better protection for the canal. Finally, I think that the opinion of ex-General Mabry is worth repeating here. General Mabry's conclusions, as stated in his testimony at the Armed Services Committee hearings, was that Panama would definitely be willing to accept stronger provisions than those in the present treaty if the choice was between those provisions and no treaty at all.

I can only conclude, therefore, Mr. President, that our negotiators did not obtain the maximum protection of U.S. interests in the canal that it was possible to get from Panama. I ask unanimous consent that the article by Robert Heinl of the Detroit News, from which I have quoted, be included at this point in the RECORD, and I urge all Members to carefully study the testimony of the military personnel, active and retired, who testified at the various hearings. I also ask unanimous consent to have printed in the RECORD a letter from former Chiefs of Naval Operations.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Detroit News, Aug. 21, 1977]

PANAMA CANAL TREATY SEEN AS VITAL ISSUE FOR U.S.

(By Col. R. D. Heinl, Jr.)

In 1898, before the Panama Canal existed, it took 71 days for the battleship USS Oregon to get to Cuba from San Francisco, and from that moment on, Americans knew we would have to build the Canal.

What the Oregon's dramatic dash around Cape Horn underscored was the fact that, while the United States had important strategic interests in two oceans, it had only one Navy.

Today, seven decades late, with strategic interests in every ocean, but still only one Navy, it already seems clear that the major, if not preeminent issues in the forthcoming Canal debate will center on military and strategic factors:

Is the Canal as important as ever for the security of the United States?

If it still is, how can the United States be assured of defending our strategic equity in a Panamanian Canal after 2000?

One main argument advanced by those who favor transferring both the Canal Zone and Canal to Panama is that the military value of the canal has declined sharply and will be almost nil by the 21st century.

A companion argument is that we now have, or supposedly have, "a two-ocean Navy" which obviates any requirement to transfer forces-via the Canal from one ocean to the other.

However, naval officers point out that the U.S. Navy, with only 461 ships, is less than half its size of a decade ago, and the fleet today is down to what it was in 1938.

Both the Atlantic and Pacific fleets are seriously reduced in size and the resources of each would be immediately required to support the other, even in a one-ocean crisis.

For example, present contingency plans call for the Pacific fleet to send some 60 ships to the Atlantic as a first increment of reinforcements for a NATO crisis. On the other hand, without major reinforcement from the Atlantic, the Pacific fleet as now constituted could only sustain about eight weeks of intensive operations.

It is true that the Navy's largest aircraft carriers (and some of the world's supertankers) are too wide to transit the Canal, but the rest of the Navy can.

Every antisubmarine-warfare ship in the Navy, every missile-firing ship and every logistic ship in the fleet train can easily go through the Canal. The amphibious assault shipping for our Marine divisions can transit the Canal. Even our four large battleships, mothballed for the time being, are built for the Canal.

In other words, more than 95 percent of the U.S. Navy is and will remain able to use the Canal. When tensions build, the largest aircraft carriers, mostly nuclear-powered, can be expeditiously redeployed and repositioned well before emergency transits of the rest of the fleet commence.

In any case, the era of the mammoth aircraft carrier is apparently waning. Congress has cut off funds for further supercarriers, and design studies are progressing on medium-sized aircraft carriers, which will, of course, be canal-capable, even without modernization of the "Big Ditch," which would eliminate the problem for the carriers.

All three of the new Russian aircraft carriers, incidentally, are built so as to fit the Panama and Suez Canals.

The Panama Canal's military record since 1940 has been an impressive one.

In World War II, it facilitated prompt deployment of what was still largely a one-ocean Navy so as to reinforce the Atlantic fleet after the fall of France when it was feared that Germany's feisty surface fleet

would break loose. Then, after Pearl Harbor—and during the tense weeks beforehand—the Canal conveyed ships and Marine units from the Atlantic back to Pacific.

Rapid naval buildup and support for the Korean and Vietnam wars would not have been possible without the Canal.

During the 1962 Cuban missile crisis, 115 naval vessels and one Marine division were moved rapidly via the Canal from the Pacific to the West Indies.

It is a striking strategic contrast that the Panama Canal, as an American canal, which we would be free to use and deny to enemies in wartime, gives the United States what Russia can never have.

Because of geography, Russia must divide its mighty navy into four separate fleets incapable of mutual support or reinforcement. Only between the Indian Ocean and the Mediterranean—via the Suez Canal—can the Soviet shift warships, as they frequently do.

By contrast, the United States has relied centrally on the Panama Canal in every serious military crisis of the century, as a means of concentrating our fleet in the areas of greatest danger.

Given the strategic importance to the United States of the Canal, one main concern being expressed by opponents of the treaty is how we can safeguard our national-security interests in the Canal after American withdrawal from Panama.

One proposal widely circulated on Capitol Hill comes from Rep. Samuel S. Stratton, D-N.Y., a senior member of the House Armed Services Committee. Stratton says:

"The real key to the treaty debate is whether it gives the United States any realistic right to defend the Canal after the year 2000 . . . The blunt fact is that, once all American forces are removed from Panama, our ability to defend the Canal will be highly problematical."

Thus Stratton says Congress must insist that any new Panama treaty provide for at least one continuing defensible U.S. military base on the isthmus as a symbol of our determination and a practical means to facilitate rights of intervention that the new treaties are expected to spell out.

Such a proviso would obviously suit the Pentagon, and especially the Joint Chiefs of Staff, whose private views on the Canal issue diverge appreciably from the neutral stance publicly expressed by Air Force Gen. George S. Brown.

A sharply differing and outspoken view on the strategic importance of the Canal recently reached President Carter from an august foursome of senior officers who, because they are retired, can no longer be muzzled.

The four most senior chiefs of naval operations—Adms. Robert B. Carney, Arleigh A. Burke, George W. Anderson and Thomas Moorer (also former Joint Chiefs chairman)—last month collectively warned the President against yielding the Canal.

"Loss of control over the Panama Canal," they wrote "would be a serious setback in war, would lead to the encirclement of the United States by hostile naval forces and would threaten our survival."

LETTER FROM FORMER CHIEFS OF NAVAL OPERATIONS

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As former Chiefs of Naval Operations, fleet commanders and Naval Advisers to previous Presidents, we believe we have an obligation to you and the nation to offer our combined judgment on the strategic value of the Panama Canal to the United States.

Contrary to what we read about the declining strategic and economic value of the Canal, the truth is that this inter-oceanic waterway is as important, if not more so, to the United States than ever. The Panama Canal enables the United States to transfer its naval forces and commercial units from ocean to ocean as the need arises. This capability is increasingly important now in view of the reduced size of the U.S. Atlantic and Pacific fleets.

We recognize that the Navy's largest aircraft carriers and some of the world's supertankers are too wide to transit the Canal as it exists today. The super-tankers represent but a small percentage of the world's commercial fleets. From a strategic viewpoint, the Navy's largest carriers can be wisely positioned as pressures and tensions build in any kind of a short-range, limited situation. Meanwhile, the hundreds of combatants, from submarines to cruisers, can be funneled through the transit as can the vital fleet train needed to sustain the combatants. In the years ahead, as carriers become smaller or as the Canal is modernized, this problem will no longer exist.

Our experience has been that as each crisis developed during our active service—World War II, Korea, Vietnam and the Cuban missile crisis—the value of the Canal was forcefully emphasized by emergency transits of our naval units and massive logistics support for the Armed Forces. The Canal provided operational flexibility and rapid mobility. In addition, there are the psychological advantages of this power potential. As Commander-in-Chief, you will find the ownership and sovereign control of the Canal indispensable during periods of tension and conflict.

As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the United States, giving us maximum strength at minimum cost. Moreover, sovereignty and jurisdiction over the Canal Zone and Canal offer the opportunity to use the waterway or to deny its use to others in wartime. This authority was especially helpful during World War II and also Vietnam. Under the control of a potential adversary, the Panama Canal would become an immediate crucial problem and prove a serious weakness in the over-all U.S. defense capability, with enormous potential consequences for evil.

Mr. President, you have become our leader at a time when the adequacy of our naval capabilities is being seriously challenged. The existing maritime threat to us is compounded by the possibility that the Canal under Panamanian sovereignty could be neutralized or lost, depending on that government's relationship with other nations. We note that the present Panamanian government has close ties with the present Cuban government which in turn is closely tied to the Soviet Union. Loss of the Panama Canal, which would be a serious set-back in war, would contribute to the encirclement of the U.S. by hostile naval forces, and threaten our ability to survive.

For meeting the current situation, you have the well-known precedent of former distinguished Secretary of State (later Chief Justice) Charles Evans Hughes, who, when faced with a comparable situation in 1923, declared to the Panamanian government that it was an "absolute futility" for it "to expect an American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of (the) rights which the United States had acquired under the Treaty of 1903," (Ho, Doc. No. 474, 89th Congress, p. 154).

We recognize that a certain amount of social unrest is generated by the contrast in living standards between Zonians and Panamanians living nearby. Bilateral programs are recommended to upgrade Panamanian boundary areas. Canal modernization, once U.S. sovereignty is guaranteed, might benefit the entire Panamanian economy, and especially those areas near the U.S. Zone.

The Panama Canal represents a vital portion of our U.S. naval and maritime assets, all of which are absolutely essential for free world security. It is our considered individual and combined judgement that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty.

Very respectfully,

ARLEIGH A. BURKE,
THOMAS H. MOORER,
ROBERT B. CARNEY,
GEORGE ANDERSON,
Former Chiefs of Naval Operations.

Mr. CURTIS. Mr. President, I am now happy to yield to the distinguished Senator from Maryland.

Mr. SARBANES. Mr. President, I will forbear requesting the Senator to yield. I know that the Senator from Iowa wishes to speak, and perhaps he will yield me some time when he gains recognition.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CULVER. Has the Senator from Nebraska yielded the floor? Do I have the floor now?

Mr. CURTIS. Yes, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CULVER. I yield to the Senator from Maryland.

Mr. SARBANES. I appreciate the Senator from Iowa yielding.

Mr. President, I want to note that it is difficult, the way the debate has been conducted today, to respond to points at the time they are made, when it is strongly felt that the assertion is contrary to fact or is not altogether consistent with the facts. I think it is important to be able to do that, but I understand, as appears to be the case, that Senators who are reading a prepared text do not want to have their reading of that text interrupted by either questions or yielding for the purpose of challenging some factual assertion.

In some respects, I think that is regrettable in terms of how the debate is conducted, because an assertion is made and then the speaker passes on from that point, and the assertion recedes into the background and may, in fact, be forgotten. However, Senators who have been recognized by the Chair and have the floor are in the position to refuse to yield to anyone and simply to read through their statement, if that is the choice they seek to make.

Given that has been taking place, I do want to make an observation and I appreciate the Senator yielding, because I think it is important to challenge those assertions as soon as possible, even though it was not permitted at the time the assertions were made.

One has to deal with the constant assertion that the Reserve Officers Association of the United States conducted a poll of a portion of their membership in arriving at those who would be in opposition to the treaties. In fact, it was asserted earlier, in the course of the delivery of some of these prepared texts, that a poll was conducted to see who was for or against the treaties.

Mr. President, I submit that what was done by the Reserve Officers Association was a direct solicitation of its members for those who are against the treaties. There was no poll conducted to see who was for or against. There was a solicitation made to enlist as part of the effort to defeat the treaties those who were against it.

In this regard, let me simply quote from the letter that was sent by the executive director of the Reserve Officers Association, retired Maj. Gen. Milnor Roberts to, I take it, senior members of that organization, and I am now quoting from the letter:

As you may recall, the National Convention of ROA has adopted strongly worded resolutions on two recent occasions which call for no substantive change in the present administration of the Canal Zone and the Panama Canal. Obviously the Treaty just signed which now awaits action by the U.S. Senate is in virtually total opposition to the ROA mandates.

ROA is proud to include you and several hundred other senior and long-experienced military leaders in its membership. I believe the time has come for those of us who share the official ROA opinion to personally endorse this position and to make our views known publicly. Senators Thurmond, Hatch, Helms, Scott, and many others, would be delighted to know of your action, and several of them have asked me to seek your assistance.

We propose to issue a national press release outlining our opposition and mentioning the names of all ROA leaders who support us on this matter. We would also send a similar news release to the media in your community where your influence is a major factor.

I hope you will join us in this concerted effort to block a proposal which probably is bad for Panama in the long-run, much less the United States and other countries in the Americas.

I am enclosing a return envelope for your convenience and a copy of Senator Thurmond's remarks from the CONGRESSIONAL RECORD. I hope we will hear from you by return mail since the Senators feel that prompt action is required.

Now, that is the letter that was sent. By the wildest stretch of one's imagination that does not constitute a poll of the membership for or against the treaties. It is a solicitation to join in the effort against and, in fact, the card appended to that letter to be returned, as said in the closing paragraph of the letter:

I am enclosing a return envelope for your convenience and a copy of Senator Thurmond's remarks from the Congressional Record. I hope we will hear from you by return mail since the Senators feel that prompt action is required.

The first sentence of the card to be returned back to the Reserve Officers Association is:

I concur with your opposition to the Treaty concerning the Canal Zone, to be brought before the U.S. Senate for ratification at an early date.

I take this time just to make this very clear in the RECORD.

Mr. President, so there can be no argument about it, I ask unanimous consent that the entire letter from which I quoted, and the card attached thereto to be responded to by those who were prepared to enlist in this opposition effort, be included in the RECORD at this point.

Mr. CURTIS. Reserving the right to object, and I shall not object, but I am a little bit puzzled by the distinguished Senator from Maryland. A few days ago we were chastised because our view was challenged as a misrepresentation, when it was in reality an honest interpretation of what the treaty called for in the way of financial obligations on the part of the United States.

Then at a later time we were accused of political tirades because we rose in protest to the interference by another branch of Government with the legislative branch.

Today we are chastised because we would prefer to yield after we finished a line of thought.

This may be all right but I would just point out that again it is time for the proponents of these treaties to tell why the treaties are good for the United States. How will it improve the commerce of the world? How will it improve the defense of our country? How will it make this country safer? Those are questions that should be answered instead of these harassing tactics and interruption of the arguments, based upon the issues, go on.

I shall not object. I freely admit the Reserve Officers Association leaders felt so emphatic about this issue that, of course, in their asking people to respond they expressed their own views, but they were not writing to children.

They were not writing to people who have had no opportunity to become aware of the military problems of this country and the defense of this country. They were writing to some of the ablest men in our country. To suggest that there is something wrong with the replies just does not stand up. I have no objection.

Mr. SARBANES. Mr. President, I renew my unanimous-consent request.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESERVE OFFICERS ASSOCIATION
OF THE UNITED STATES,
Washington, D.C., September 23, 1977.

As you may recall, the National Convention of ROA has adopted strongly worded resolutions on two recent occasions which call for no substantive change in the present administration of the Canal Zone and the Panama Canal. Obviously the Treaty just signed which now awaits action by the U.S. Senate is in virtually total opposition to the ROA mandates.

Under these circumstances, I have submitted an appropriate statement to the Senate Judiciary Committee and expect to testify before other House and Senate Committees in the near future. (The House is involved because the Treaty proposes to give away United States property valued in excess of seven billion dollars. Disposal of government property should not be done without the concurrence of both the House and the Senate.)

You are certainly aware that the Administration has mounted one of the most massive public relations campaigns ever directed from the White House in an effort to convince the American people that the Treaty will be good for them. A significant part of the Pro-Treaty Propaganda is designed to show that the military security of the United States would not be damaged. The present active duty Joint Chiefs have been persuaded to give their blessing to the Treaty, and their Chairman, General George Brown, has attempted to line up some flag rank retirees on his side. However, Admiral Moorer, Admiral Burke, and other distinguished senior officers who are no longer subject to disciplinary action because they oppose Administration policy, are on record in opposition to the Treaty for very cogent reasons.

It is my personal belief that the overwhelming majority of American military leaders are opposed to the "Pay-away" of the American Canal in Panama. Those of us who are not "muzzled" should speak up so that our fellow citizens are not misled into the conviction that military leaders think the Treaty is the greatest thing since we landed on the Moon.

ROA is proud to include you and several hundred other senior and long-experienced military leaders in its membership. I believe the time has come for those of us who share the official ROA opinion to personally endorse this position and to make our views known publicly. Senators Thurmond, Hatch, Helms, Scott, and many others, would be delighted to know of your action, and several of them have asked me to seek your assistance.

We propose to issue a national press release outlining our opposition and mentioning the names of all ROA leaders who support us on this matter. We would also send a similar news release to the media in your community where your influence is a major factor.

I hope you will join us in this concerted effort to block a proposal which probably is bad for Panama in the long-run, much less the United States and other countries in the Americas.

I am enclosing a return envelope for your convenience and a copy of Senator Thurmond's remarks from the Congressional Record. I hope we will hear from you by return mail since the Senators feel that prompt action is required.

Cordially yours,

J. MILNOR ROBERTS,
Major General, USAR, Executive Director.

RESERVE OFFICERS ASSOCIATION OF THE U.S.
Washington, D.C.

GENTLEMEN: I concur with your opposition to the Treaty concerning the Canal Zone, to be brought before the U.S. Senate for ratification at an early date. I am willing to join Admirals Moorer, Burke, and a great many other senior members of ROA, in publicly expressing my disapproval of the Treaty in the belief it is not in the best interest of the people of the United States.

(Signature)
(Typed or printed signature)
(Date)

Mr. SARBANES. Mr. President, I simply make the observation that the inclusion of this material in the RECORD and my comments prior thereto were directed to the assertion which has been made a number of times on the floor of the Senate that this organization conducted a poll of certain of its members as to whether they were for or against.

The fact of the matter is that they conducted a solicitation to enlist opponents, and I have placed this material in the RECORD simply to make that point clear.

Now, the Senator from Nebraska may regard efforts to clarify the record and at least have some agreement on what the facts are as chastisement. I regret that should be the case. All of us know better than to attempt to chastise the distinguished and able Senator from Nebraska, who has served so well and so long in this body, but I do think there is a need to reach some understanding of what the underlying facts are. Then we can argue about our interpretations.

Mr. CHURCH. Mr. President, will the Senator yield at that point?

Mr. SARBANES. I do yield to the Senator from Idaho.

Mr. CHURCH. First of all, I think the actual letter and the card enclosed speak for themselves. The Senator from Maryland has correctly labeled this a solicitation by mail for opposition to the treaties. It was not a poll at all.

But the interesting thing to me, Mr. President, is that this solicitation was sent out to 800 generals and admirals, flag officers who could be assumed to have an intense interest in the matter of the canal treaties. They were urged simply to sign their names in opposition and drop the return envelope in the mail. Of the 800 solicited fewer than a majority, only 347, responded at all. Of those 347, 340 signed their names, while 7 found some way of asserting their support for the treaties, perhaps by enclosing a handwritten letter in the envelope.

But 453 failed to respond—a clear majority. I suggest that if one were interpreting the results of such a solicitation, knowing the keen interest that retired admirals and generals would have in such a subject, the fact that a majority refused to put their names on that card, refused to endorse the position of the Reserve Officers Association in opposition to the treaties, is very significant. In fact, it could be argued with considerable force that most of our retired generals and admirals, by refusing to sign on opposing the treaties, indicated that they were in disagreement with the Reserve Officers Association. I take heart from that, because the most prominent and celebrated of our generals and admirals, our former Chiefs of Staffs, our commanding generals in Korea and Vietnam, have all endorsed the treaties.

I commend the Senator from Maryland for trying to set the record straight about this much touted poll, which neither was a poll nor resulted in a clear indication that anywhere approaching a majority of our retired admirals and generals actually opposed these treaties.

Mr. SARBANES. I thank the Senator from Idaho.

Mr. President, I do think that at least now, for the record, by actually placing the text in, it is very clear what the nature of the request that was sent out was. There has not been, I do not think, any disagreement on the numbers involved, the number to whom it was sent and the number who expressed assent with the position, which was less than a majority of those solicited. I regret that we were unable to get this on the record at the time the assertions were made, but I can understand how certain Members, once they are on the floor and in the middle of a prepared text, do not choose to yield; of course, that is their right under the procedures of the Senate.

I thank the Senator from Iowa for yielding this time.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CULVER. I thank the Chair.

Mr. President, I rise in opposition to the Helms amendment.

At the outset, I would direct the attention of the Senate, and I hope also the proponents of the amendment, to what I observe to be a rather fundamental and fatal defect in the drafting of the amendment itself, which perhaps makes mere opposition to this amendment in fact unnecessary.

Mr. President, the amendment reads that—

> Notwithstanding the provisions of article I of the Panama Canal Treaty and article V of this Treaty, the United States of America may maintain, under the provisions of the Isthmian Canal Convention between the United States of America and the Republic of Panama, signed at Washington on November 18, 1903, and of the Treaty of Friendship and Cooperation, signed at Washington on March 2, 1936, and of the Treaty of Mutual Understanding and Cooperation and the related Memorandum of Understandings Reached, signed at Panama on January 25, 1955, between the United States of America and the Republic of Panama—

And then goes on to mention the Galeta Island Base, gives some geographic description, and then declares that it should be exempted from the treaties' effect and thus permitted to remain as an American base during the life of these treaties.

Mr. President, the fact of the matter is that the reference back to these earlier agreements and conventions between the United States on the one hand and Panama on the other predates the establishment of the Galeta Island facility itself, so that, for any references to Galeta Island, you will look in vain in the documents of 1903, 1936, and 1955, because the Galeta Island facility was not even put in position in its present configuration until 1958.

Frankly, under the way this amendment is drafted, even if it were to pass, the Panamanians could come forward and say, "There is no reference to the Galeta Island facility in any of these earlier understandings, agreements, treaties, and conventions, and in view of that fact, there of course is no protection, and you should get that facility out of Panama."

Mr. President, where we provide for the continuation and the protection of this defense site is in annex A to implement article IV of this treaty. Under annex A, we speak of defense sites, military areas of coordination and other installations, and it is within the context of the currently pending treaties that, for the first time, the United States specifically takes the necessary steps to protect and provide for the security of the Galeta Island facility. It says specifically, under annex A(2):

> The defense sites are described generally as follows: 2(e) Galeta Island.

And so on. Mr. President, I would submit that this amendment as currently drafted, rather than carrying out the intention of the authors to protect and provide for continued U.S. base presence and utilization of Galeta Island under the terms of the pending treaty, on its very face is defective and would not bring about the objective desired by the authors of the amendment.

Mr. President, we have been discussing these treaties for many weeks, and in the course of this experience we have all been subject to a considerable number of red herrings. But, Mr. President, I think it is rather suggestive of the consequences of protracted debate that we, in the current desperation on the part of the opponents of this treaty, are seizing now upon this spooky suggestion that there is some magic, miraculous military capability so critically essential to our national security interests that the terms and provisions under this treaty which have been established for the proper protection of those interests are, rather, deemed to be inadequate.

Mr. President, the real issue before us in this instance, as in so many with regard to altering the basic contours of the present treaty before us, is whether we want continued, secure use for the plannable future, with admitted uncertainties—with admitted uncertainties about the long-term need, as well as availability, or whether we are going to see immediate uncertainty—immediate uncertainty with regard to the continued viability, availability, and use of this facility and its potential vulnerability, if these treaties are rejected.

These treaties, Mr. President, clearly protect us.

GALETA ISLAND

I think it should be emphasized that Galeta Island will remain under complete U.S. control, as it presently is, under the terms of this treaty, until when? The year 2000.

Mr. President, in addition to Galeta, the fact is that under this treaty the Panamanians agree and we insist that the United States of America's Marine barracks and every other available military capability we have in the area can continue there under our total control and supervision secure until the year 2000.

In addition, Mr. President, I think an indication of the degree to which the people in Panama and their Government have acknowledged and respected the importance of this particular capability, is evident in the fact that Panama has also agreed in this treaty to restrict all other operating antennas and electrical emissions, so as not to interfere with the operations at Galeta Island. That is what the Panamanians and their Government have voluntarily agreed to.

So we have here a facility—a facility whose mission is to operate a high-frequency direction-finding equipment and to provide communications and related support, communications relay, communications security, and communications assistance to the Navy and other Department of Defense elements within the area.

Now, the Galeta facility is classified as a U.S. Armed Forces defense site for the duration of this treaty, and Panama has agreed, in addition to leaving it under our total control until the year 2000, to restrict any activity within a 6,000-foot radius of the operating antenna, which, in the determination of U.S. Forces, might interfere technically with the communications at Galeta, and to restrict construction of installations with high voltage electrical emissions within a radius of 2 miles without the expressed agreement of the U.S. Government.

Mr. President, it is hard to imagine a more totally cooperative agreement and understanding, that, in a responsible, mutually supportive way, provides for the continuation of that facility in its present configuration until the year 2000, and with the full cooperation and support of the Panamanian Government.

Now, Mr. President, as we approach the year 2000, 22 years from now, this facility will have been operating, protected under this mutual agreement. It will be totally under U.S. control and, in addition, the Panamanians will be respecting their pledge not to interfere. As we approach the year 2000, we can reconsider whether technology will make Galeta obsolete or replaceable by a facility elsewhere. If we want in fact to maintain it—if we deem it to be useful after the year 2000—good relations and equitable treaty arrangements will make that much easier to renegotiate.

We might, therefore, desire or try to negotiate an agreement to stay, if, in the year 2000, in fact, that alternative would be deemed to be desirable, as far as U.S. interests are concerned.

But the important point, Mr. President—I shall yield in a minute—is that it is not necessary to decide that question now, since we do not know the true value of that facility in the 21st century. We do not even know.

Now, a reference has been made here earlier about this envelope, this packet of secret information. I have had full briefings on this as a member of the Senate Armed Services Committee, and I want to say that in the absence of a secret session, which I am sure would confirm that this facility is important and useful, but hardly vital and essential, I would like to put this matter in a more proper perspective, just speaking on the basis of the unclassified information that we have and without raising a lot of false fears, expectations, and concern.

Mr. President, in the short-run, rejection of the treaties by the United States or by the Panamanians, or the addition of a crippling or arrogant amendment, would, in my judgment, clearly create an atmosphere of distrust and potential violence which could jeopardize the current use of this facility.

The issue, again, is what is the best arrangement to provide for continued secure use of this facility.

Remember, Mr. President, that our facility in Asmara, Ethiopia, was rendered unusable when civil conflict broke out in that country.

Galeta, too, is only located 3 kilometers from the Panamanian border at the present time. That is about 1.8 miles.

If we were to reject what I think is an eminently sensible, reasonable, fair accommodation by the Panamanian Government to recognize, support, and observe total U.S. control of this facility until the year 2000, as well as noninterference in adjacent areas which would in any way compromise its military capabilities, if we were to reject that sensible arrangement and say in the alternative that we wanted to throw out the baby with the bath water, if we wanted to insist right now that we may continue there indefinitely, and let this be a source of friction, of discontent, and a trigger for the unrest and violence that this kind of exception is likely to give rise to, then I think that nothing could be more shortsighted, in terms of the advancement of the true national security interest, properly defined and understood, of this country.

It would create an atmosphere which I think we have to keep in mind, when we are talking about a facility that is 3 kilometers from a potential area of terrorist activity. What is the range of a 4.2-inch mortar, one round? For one round of a mortar 4.2 inches the range is about 3.3 miles. That is all you need: One mortar round from one terrorist camp to blow this facility right off the face of the map. And if you think it is a little hard to get one 4.2-inch mortar in there, how about an 81-millimeter mortar? That weapon is man portable, a mortar team can carry it into the jungle and fire it at that facility—a piece of cake—and knock it out.

The range of that weapon is something like 2.8 miles. And this facility, again, is only 1.8 miles from the Panamanian border.

Mr. CHURCH. Will the Senator yield?

Mr. CULVER. The Senator from Colorado has been asking me to yield.

Mr. CHURCH. I will withhold.

Mr. CULVER. I yield to the Senator from Colorado.

Mr. HART. I thank the Senator. Like the Senator from Iowa, I have been a member of the Armed Services Committee for the last 3 years, and I have also served on the Intelligence Committee, which the distinguished Senator from Idaho chaired. I have served on the Senate Intelligence Oversight Committee since its inception. So I think I have a little bit of access of both military and intelligence data, particularly as it pertains to matters of this sort.

The Senator from Iowa may find it interesting to know that in that dual capacity of serving on both of those committees where a facility of this sort would have some merit, this Senator has yet to be contacted by any member of the intelligence community or any member of the armed services in this country regarding their concern about this facility.

It seems to me that if the military and intelligence officials of our Government are concerned about perpetuating this facility they would contact those in the Senate who have responsibility for matters of this kind.

I do not know about the distinguished sponsors of this amendment, but I have yet to have any member of the Defense Department or the Central Intelligence Agency, or any other intelligence agency of this Government, contact me expressing their concerns about perpetuating this facility. I find that odd, if, in fact, this is of concern to them.

Second, as the Senator from Iowa has very adequately stated, we are talking about a situation 22 years in the future. I happen to know, in the position of serving on the Intelligence Committee, what some of our long-range intelligence acquisition plans are, perhaps not 22 years from now but certainly several years from now. It is very clear to me that with the capabilities of our intelligence community, with the substantial amounts of money we are spending in the area of collection, very sophisticated electronic signal collection, the likelihood of our needing to retain our position in this geographical area and maintain this facility more than two decades in the future are extremely small.

Third, as the Senator from Iowa has indicated, we are talking about a situation where this amendment could well backfire if it blocks these treaties. Our access and use of this facility, which is considered important by the sponsors of this amendment, could well be denied, if this amendment is adopted and the treaties, therefore, rejected.

So I think it is incumbent on all Senators, if they genuinely care about intelligence collection, if they genuinely care about protecting our intelligence capabilities in this part of the world, if they genuinely care about this facility, to not offer this amendment. If this amendment is adopted it would be my understanding that the treaties would probably fail and, in all likelihood, this would be one of the most vulnerable facilities we would have in this whole area. The net upshot or effect of adopting this amendment would be, in fact, bring about events which the sponsors of this amendment want to avoid.

I just wanted the RECORD to reflect that I, as one of four Members of this body who serve on both the Armed Services Committee and Senate Intelligence Oversight Committee, have absolutely no reason to believe that it is necessary to adopt this amendment to protect our interests in that area. In fact, I think adoption of this amendment might accomplish the very result the sponsors claim they want to prevent. I thank the Senator for yielding.

Mr. CULVER. I thank the distinguished Senator from Colorado for his extremely valuable observations. It is certainly to be emphasized that we cannot confidently predict for a moment the future course of technology 22 years from now.

Putting aside the terrorist threat, remember that 22 years ago, for example, no nation in the world had even launched an Earth satellite. Twenty-two years ago, for example, no nation on Earth had a deployed nuclear submarine program, which is really one of the most challenging aspects of our present security situation in the world today. And 22 years ago no nation had developed high-speed computers, which now have been, of course, so well adapted to intelligence analysis efforts.

Who knows what advances may occur in the next 22 years in electronics, in satellites, in lasers, and in naval warfare. Yet any major breakthrough, given the acceleration and the revolution of technology, can make Galeta obsolete, make it unnecessary, as a facility. Like a frontier fort in Indian territory or the B–47 bomber bases we once had all over Europe and the Middle East, or World

War II coastal watchtowers—all are monuments to the accelerated advance of modern technology.

Mr. President, I would like to share with the Senate a letter which was provided me, sent by Vice Adm. R. Y. Kaufman, of the U.S. Navy. Admiral Kaufman is the Director of Command, Control and Communications Programs for the U.S. Navy.

Mr. President, this letter is dated March 1, 1978. It is addressed to the distinguished chairman of the Senate Foreign Relations Committee (Mr. SPARKMAN).

Paragraph 2 of that letter reads as follows:

> The Galeta Island installation, currently consisting only of radio direction finding functions, contributes to tactical and general intelligence capabilities of the United States.

In another part of that same paragraph it states:

> The Director, National Security Agency, has advised Admiral Holloway that the station has been and remains a candidate for closure if fiscal constraints become a governing concern.

Mr. President, that is quite an incredible revelation. We have all been tantalized here by the spooky suggestion that we are talking about something that rivals in secrecy and importance the development of the hydrogen bomb. Here we have this admiral, who is directly responsible for U.S. Navy command control and communications, writing a letter to the Senate Foreign Relations Committee chairman and saying in that correspondence that, "The Director of the National Security Agency"——

We ought to tear open that envelope and stick this information in with that secret stuff. We ought to quickly get this into that secret envelope.

The director of the National Security Agency has advised Admiral Holloway, the Chief of Naval Operations and a member of the Joint Chiefs of Staff, that the station has been and remains a candidate for closure, right now a candidate for closure, if fiscal constraints become a governing concern.

Mr. President, he goes on to say in the third paragraph:

> Testimony to the Congress has indicated the contribution made by the Galeta function in providing locational data, however, the Navy does not consider the Galeta installation vital to the overall defensive effort of the United States.

The Navy, the U.S. Navy, does not consider the Galeta installation vital to the overall defensive effort of the United States.

And he goes on to say:

> It is the Navy's view that it is highly probable that technology would be developed which would lessen our dependence on sites such as Galeta. This could occur before the year 2000. In final summary, one might say that Galeta's efforts are important to us at this time in ocean surveillance but the Navy does not consider those efforts to be essential.

What I think we really have here, Mr. President, is a desperate effort by the opponents to this Panama Canal Treaty to raise irresponsible and false fears in suggesting that there is a specialized defense facility in this area which is so crucially vital to our national security interests that, somehow, the arrangements that are worked out and embodied in the treaty itself are insufficient, inadequate to protect and properly defend America's national security interests.

Mr. President, what we really have here is, essentially, no different than the general pattern of arrangements that have been worked out and are incorporated in this treaty to provide for those defense interests. What are they? In brief, Mr. President, they are that, for the next 22 years, the Government of Panama and the people of Panama have agreed that the United States can protect and defend and maintain the necessary military presence, and to do it at every one of those defense installations expressly cited and noted in this treaty, including Galeta—whose particular defense is a mission responsibility of, among others, the Marine barracks in Panama City. So, for the next 22 years, if we were to enter into this treaty arrangement, the people of Panama and their government say, "We understand and we will cooperate in a mutual effort to observe these treaties and their implementation."

Now, it is clear that we have all the force and authority necessary to protect this facility. What is this facility? It is a high-frequency, direction-finding naval communication tower. That is what it is, with a handful of people who send out signals and find out where ships are in the water and report back to the United States which ships are coming, whose they are. We want to know that. It has been suggested that this somehow is tied into our antisubmarine SOSUS program. It is not. It is not that important. It is not even that sensitive in terms of its role. But it is important, and it is useful, and we have these kinds of facilities all over.

We were kicked out of Ethiopia because of unrest and revolution. We had to leave there. But we have a number of facilities all over the world. And, frankly, I think it can be said, as a matter of priority, this particular facility is way down in the pecking order in terms of its value and importance. Nevertheless, it is useful, it is nice to have, and that is why we provided in this treaty that we can maintain it and operate it for the next 22 years.

But I just said that Admiral Kaufman, who is in charge of this program, has been advised by the National Security Agency that this is not essential and if it were a period of budget constraint, it would be a candidate for closure.

Think of it. It would be a candidate for closure. If you listen to the proponents of this amendment you would think that World War III was teetering on the brink over Galeta Island. Hogwash. Ridiculous.

So now we have this arrangement for 22 years, and we have the Marines there to defend it. At the end of 22 years—it is mind-boggling, in this era of research and development, what can happen in the area of military capabilities. I mentioned earlier that we did not even have nuclear subs, we had no Earth satellites 22 years ago, we did not have laser beams, we did not have high speed computers. So we have the Marines standing there, doing their duty, to the year 2000, with the Panamanians and their government saying, "Right on, that is OK with us; that is the deal, and we are agreed to it."

The proponents of this amendment now come in and say, "That ain't good enough for us." They say, "That is not good enough; that does not adequately provide for the security of America, and we have a better idea." Like Ford Motor Co., "We have a better idea."

What is that nifty idea? They say, "We will tell you. Our idea is to throw out the window the agreement which you have patiently negotiated for 14 years, with the military including the joint chiefs all signed on to the wisdom of that approach in our national security; to repudiate four Presidents; to repudiate four former Secretaries of Defense; to repudiate four former Secretaries of State; we have a better idea."

OK, what is it?

"Well, our idea is that we should, right now, write into this treaty that we exempt Galeta from our having to give it up in the year 2000; that we should wave that flag, that red flag, in their face and challenge them arrogantly, rub their nose in it, and say, 'We are going to keep this supersensitive place, with our troops there, not just for the next 22 years, but ad infinitum.' "

Mr. President, do you know what the results of that will be? Unrest, distrust, mistrust, terrorist activities. It will jeopardize the operation of that facility. It will not enhance its security, it will threaten it.

It will suddenly become a ripe target, even if it does not result in the complete repudiation of the treaties by the Panamanians, because this is an arrogant amendment that they find unacceptable and too fundamental an alteration of the whole treaty itself. It is going to be a target of opportunity, and all you need to do is have a couple of terrorists with an 81-millimeter mortar and you can knock it out the first day. And we would not have that facility available to us for 22 years.

(Mr. GRAVEL assumed the chair.)

Mr. CULVER. I think it is far wiser, Mr. President, that we should take this arrangement now, it more than adequately provides for the protection of this facility and its capability. In 22 years, the odds are that it will already be obsolete and unnecessary. In the short term, we have already had official testimony that it is not essential or vital. In the short term, we have had testimony that it may well be on the list of endangered species already, if it were a time of budgetary constraint.

For all those reasons, how foolish it would be, in our national security interest, to go on a "macho kick" by singling out this facility for this special sort of treatment, with all those risks and potential short-term consequences and vulnerabilities.

So, Mr. President, I think this amend-

ment would be most unwise, most reckless and irresponsible in its potential consequence and implication to the security of this country, properly understood and respected.

I am glad to yield to the Senator from New York.

Mr. MOYNIHAN. I thank the Senator.

Mr. President, I rise to make a point that is parallel to and intended to confirm the remarks of the Senator from Colorado who asked the Senator's patience a little earlier.

I say that the Senator from New York is also a member of the Intelligence Committee. We have maintained the closest contact with the Department of Defense and particularly with the head of Signal Intelligence for the U.S. Navy, an admiral of the most accomplished professional capacity.

At no time has anybody ever suggested to any member of the Intelligence Committee of which I am aware that there is any reason not to go forward with the arrangements that this treaty contemplates for Galeta Island.

I would like to make a point because somehow or other a certain amount of theatricals have entered into our deliberations. I regret those who can only listen to this debate, and only read about it, that they could not have seen the envelope of secrets, the suggestion that there is something that the Senate does not know or that there is something that the people certainly will not know.

The junior Senator from New York, it happens, was a communications officer in the U.S. Navy and served in the Caribbean and was in this particular region 32 years ago. I would like to speak to what naval communications was 32 years ago.

We primarily communicated by virtue of signal flags. We ran them up. We ran them down. The exact same flags, and substantially the same one that John Paul Jones or Nelson would have used.

The vocabulary was limited. But many years at sea, and we picked it up.

A recent development, really, was the semaphore. We had semaphores, two flags. We could learn A, B, C, D, like that. I think one could get very fast and very good at it. It was amazing, some of the fellows moving so fast we could not see the flags, but they could receive it.

At night we had signal lamps. We flashed Morse code. Very clever men could flash off a cloud and we could get another 15 miles that way.

We had key-operated radio, and, truly, we did have the beginnings of early computers.

We had a coding machine which, if the Japanese showed up, I was to jump overboard with these codes.

Mr. CULVER. Will the Senator yield?

Mr. MOYNIHAN. Yes.

Mr. CULVER. Did the Senator have an opportunity to utilize smoke?

Mr. MOYNIHAN. Well, we could do that.

Mr. CULVER. I do not know the years of his service, but——

Mr. MOYNIHAN. Well, this was a standby operation, if a ship was on fire, we could take the blanket off and it would go in Morse code.

That is only 32 years ago. Imagine what 22 years will bring to Galeta Island.

The Senator knows, he is on Armed Services. In 22 years our biggest problem will be Soviet technology, satellites in outer space, and the opportunity to get to our underwater platforms below the polar icecaps, and the days of a transmission tower will look like the days of signal flags.

I just hope those who might be reading the CONGRESSIONAL RECORD, or in the press, and those who might be listening, would know that the U.S. Senate has available to it every secret the U.S. Government has, and they are somewhat more than those that could be stuffed in a small brown envelope.

I would say our secrets probably would take up a bushel basket. We would probably need a bushel basket to put all our secrets in.

But among those secrets that there is nothing to do with Galeta Island and its indispensable role in the protection of the democracy against its enemies.

The simple fact is that the Senate has been told what it needs to know here. There is no Senator on this floor at any time who cannot learn everything the Navy knows about this subject. Those of us who have done so by virtue of our committee assignments know that the Senator from Iowa is absolutely right. He is to be congratulated.

Yet, at the same time, one does ask how long this will go on. Little by little, the secrets. The Senator knows, there are no secrets.

It is not yet quite antiquated, and we are going to have it for 22 years, and we shall have scrapped it well before the year 2000 to change for something else. If need be, fine, because we have the place to do so.

Mr. BIDEN assumed the Chair.

Mr. CULVER. Will the distinguished Senator yield?

Mr. MOYNIHAN. I thank the Senator from Iowa.

Mr. CULVER. We also, of course, would have a climate that at least would be congenial and cooperative for renegotiation.

After all, we have facilities like this in other parts of the world and all of them exist under mutual agreement. If we found it desirable after the year 2000, to have this facility or a modernized version, or something in its place, certainly the prospects and possibilities for that being worked out are going to be enhanced if we continue under the present arrangement, which is agreeable to Panamanians, to have our military presence there.

Then in the year 2000, we can take another look at it and, as the Senator says so properly, if it is then viewed to be obsolete—and it is well on the way already, it has got a running start in that direction—then we do not have to cross that bridge if technology has outstripped its utilization and its value. We have that route to go.

But this way, we keep our options open, rationally, sensibly, soberly. Rather than take some precipitate action which, in the short term, would imply to some, perhaps, that this is somehow going to protect better our national security interests, I think clearly the course outlined in the pending treaty is the approach that is most likely to bring about that desired result. Frankly, if we were to adopt the amendment that is offered, I think, in the short term, it inevitably would usher in instability that would greatly threaten the short term value of this facility which, again, even in that context, is not vital, essential, but nice to have.

Let us work out something that is most likely to bring about that continued use under those circumstances.

I thank the Senator.

Mr. CHURCH. Will the Senator yield?

Mr. CULVER. I yield to the distinguished Senator from Idaho.

Mr. CHURCH. Mr. President, I congratulate the two Senators. They have said all that needs to be said on this subject.

When I first heard about the Galeta facility, the descriptions of it were so lurid that I thought we must have installed on this island the most secret and advanced of all possible devices, on which the very life of the Republic might hinge.

Now, thanks to the distinguished Senator from Iowa, we learn what this is all about. We have it straight from the admiral in charge, Admiral Kaufman, portions of whose letter the Senator from Iowa has read.

Mr. President, with the permission of the Senator, I think the entire text of the letter should be printed in the RECORD, and I ask unanimous consent that it so appear at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 1, 1978.

Hon. JOHN SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPARKMAN: This letter is in response to your request for an assessment of the essentiality of Galeta Island, particularly in light of technological advances. I think that while one might conjecture in light of the exploding technology we see in our electronics and communications fields, nevertheless it would be inaccurate to predict with any finality just what might occur in the next two decades. I think that the Navy's expression of the essential nature or nonessential nature of Galeta Island are reflected in the following paragraphs.

The Galeta Island installation, currently consisting only of radio direction finding functions, contributes to tactical and general intelligence capabilities of the United States. If we were to close Galeta it would have some impact on the effectiveness of the overall system and therefore we would prefer not to close the station in the near term. The Director, National Security Agency, has advised Admiral Holloway that the station has been and remains a candidate for closure if fiscal constraints become a governing concern.

Testimony to the Congress has indicated the contribution made by the Galeta function in providing locational data, however, the Navy does not consider the Galeta installation vital to the overall defensive effort of the United States. While there are difficulties in using a warship, for example, to compensate for the loss of Galeta over some protracted period the Navy certainly could bring to bear such capabilities in time of crisis or open hostility. It is the Navy's view

that it is highly probable that technology would be developed which would lessen our dependence on sites such as Galeta. This could occur before the year 2000. In final summary, one might say that Galeta's efforts are important to us at this time in ocean surveillance but the Navy does not consider those efforts to be essential.

Sincerely,

R. Y. KAUFMAN,
Vice Admiral, U.S. Navy, Director, Navy Command Control and Communications Program.

Mr. CHURCH. The Senator from Iowa was quite right in underscoring in his remarks the telling points made by the admiral, who wrote:

The Galeta Island installation, currently consisting only of radio direction finding functions, contributes to tactical and general intelligence capabilities of the United States . . .

Now, the officer in charge of this intelligence gathering capability, the Director of the National Security Agency, has advised the Chief of Naval Operations, Admiral Holloway, that this station has been and remains a candidate for closure if fiscal constraints become a governing concern.

That statement, in itself, puts this matter in its proper context. The facility in question is way, way down on the ladder, insofar as its importance is concerned.

As the admiral writes:

. . . the Navy does not consider the Galeta installation vital to the overall defensive effort of the United States . . . It is the Navy's view that it is highly probable that technology would be developed which would lessen our dependence on sites such as Galeta. This could occur before the year 2000. In final summary, one might say that Galeta's efforts are important to us at this time in ocean surveillance but the Navy does not consider those efforts to be essential.

In my time in the Senate, I cannot recall a naval officer making it any plainer that an existing facility did not matter very much.

Respecting the pending amendment, I say the elephant has labored and brought forth a mouse, and the Senate should give it a decent burial by supporting a motion—which I intend to make within a few minutes, as soon as other Senators who wish to speak have an opportunity to do so—to lay this amendment on the table

Mr. HELMS. Mr. President, if this amendment has accomplished nothing else, it has succeeded in bringing more Senators to the floor for the debate than I have seen on many of the previous amendments.

I do not think I have heard quite as many misconceptions as I have heard in the past hour and 15 minutes. I shall undertake to refute some of them. We would be here until midnight if I attempted to refute all of them.

Let us get a few things straight. The distinguished Senator from Iowa has asserted that the drafting of my amendment is defective because Galeta is not mentioned in the present treaties. Galeta Island Base was established pursuant to the general grant of jurisdiction in the 1903 treaties and its successor treaties.

All this amendment does is to propose that we maintain the same grant of jurisdiction over Galeta. That is all.

The Senator from North Carolina is puzzled by the vehemence of the opposition to the amendment. The fact that Galeta is not mentioned in the three present treaties is no more a defect in my amendment than it is a defect that we built Galeta without a specific agreement with Panama in the first place.

In other words, Mr. President, it is no defect at all, with all due respect to my distinguished colleagues and my friends. We did not need a specific agreement to establish Galeta in 1958. Senators surely know that. We have a general grant of jurisdiction, and that jurisdiction would continue under the proposed amendment.

We have heard a very lengthy discourse on the subject of a letter received from Admiral Holloway——

Mr. CULVER. Mr. President, will the Senator yield at that point?

Mr. HELMS. If the Senator will forbear, I did not interrupt him once.

Mr. CULVER. The letter was from Admiral Kaufman.

Mr. HELMS. I am sorry. I have a similar one from Admiral Holloway, that apparently uses the same phraseology.

Mr. CULVER. I understand the Senator say the one I referred to.

Mr. HELMS. I thank the Senator.

Mr. President, as I said earlier in my remarks, I have experienced intriguing contradictions between what has been told me privately and certain formal positions. I must reiterate that these gentlemen know who the Commander in Chief is, and I reiterate that we are talking about a political decision on the one hand and about our defense capability of this country on the other.

I received an unclassified letter from Admiral Holloway, discussing the Galeta Island facility, which I feel constrained to share with the Senate now. I would prefer to read to the Senate and to the people of the United States who may be listening by radio the classified response which Admiral Holloway sent to me as a result of several questions I propounded to him during the hearings before the Armed Services Committee. If I were permitted to do so, I think it would be obvious that many of the things which the admiral says on a classified basis appear to contradict the unclassified version—or at least the unclassified statement attempts to make inferences, in this case, which are not supported by the classified version. The distinctions run beyond mere semantics. That is the difficulty of it, Mr. President. Those of us who have been accused of presenting "killer" amendments are not able to use the classified material. But let us examine Admiral Holloway's letter; let us go through it, sentence by sentence. The admiral wrote:

The Galeta Island operation, which currently consists only of High Frequency Direction Finding functions.

I draw the attention of the Senate to these qualifiers: "Currently" and "only." Is the admiral suggesting that Galeta has performed some other functions in the past, or that it has standby capabilities for the future?

It would be interesting to know why he says "currently." As a matter of fact, the unclassified briefing paper, which I quoted under date of only one day previous to the admiral's letter, openly specifies other missions, such as cryptological functions for the Atlantic Fleet. Nevertheless, the admiral does tell us that it "contributes to the tactical and general intelligence capabilities of the United States." That is a positive comment.

The admiral then continues:

Closure of the Galeta operation would have some impact on the effectiveness of the overall system and therefore we would prefer not to close the station in the near term.

Thus, he notes that closure would have "some impact." He does not say how much. The word "some" is a word that can range from a little bit to a whole lot. If any Senator wants to know how much "some" is in this context, he can read the classified response.

It is important to note, however, that the admiral is pointing out that Galeta is a part of a system, and I did my best to make that clear in my opening remarks.

Somehow the significance of that floated over my distinguished colleagues who now seek to rebut what I said and, I hope, very clearly.

It is important to note, however, that the admiral is pointing out, as I said, that Galeta is a part of a system. Now, it may be possible to close this component or that component of a system, as has already happened in other parts of the world. But at what point, Mr. President, is the whole system rendered ineffective by the gradual closing down of station after station? What about the capabilities that relate specifically to the canal area? Perhaps that is why the admiral adds, and I quote:

We would prefer not to close this station in the near term.

But let us continue:

The Director, National Security Agency, has advised me that the station has been and remains a candidate for closure if substantial reductions in the overall intelligence programs are dictated by fiscal concerns.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. HELMS. I would prefer not to, Senator. I know my friend will understand. But if I could ask you to be very brief, I would like to finish my statement.

Mr. BAYH. As the Senator knows, I have more than a passing interest in the whole intelligence area, and that is the part of our system which the Senator is addressing himself to which has been the subject of concern of our committee, and I just wondered if the Senator would tell us what he supposes the admiral was talking about when he said "near term." We are talking about a treaty the effect of which will not be felt until the year 2000.

Mr. HELMS. I would suggest the Senator consult the admiral himself.

Mr. BAYH. Well, the Senator has consulted that admiral, and Admiral Kauf-

man, and I must say what they told me was entirely different from what the Senator is telling the Senate.

Mr. HELMS. Yes, and the admiral knows the Senator's position as a proponent of the treaty.

Mr. BAYH. Is the Senator suggesting——

Mr. HELMS. To ratify the treaties, come what may.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. HELMS. No, I do not yield. I know the Senator will understand. I did not interupt him.

Mr. SARBANES. I am tired of this denigration of our leading military officials for the purpose of making arguments on the floor of the Senate. They are men of quality and integrity.

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I thank the Chair.

I am denigrating nobody. I am stating facts, I will say to the Senator.

Mr. President, much has been made over the phrase "that the station has been and remains a candidate for closure," then the voice lowers among the proponents of the treaty when they read the rest of the sentence, "if substantial reductions in the overall intelligence programs are dictated by fiscal concerns."

Mr. President, that sentence tells us absolutely nothing.

Any program in the whole executive branch is a candidate for closure if we do not have the money to pay for it. As a matter of fact, there are many in North Carolina who would be willing to see the Department of Health, Education, and Welfare closed in the wake of what is perceived as harassment of our university by HEW.

It may be that even the office of the Director of the National Security Agency would be a candidate for closure if the need for substantial reductions is great enough, and if there were no funds to pay for its operation.

Mr. BAYH. Mr. President, will the Senator yield? Is he absolutely serious in making that kind of ridiculous assessment or is he just trying to——

Mr. HELMS. Mr. President, who has the floor? I doubt the Senator's wish to use the word "ridiculous."

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. HELMS. I thank the Chair.

Mr. BAYH. I apologize to my colleague.

Mr. HELMS. In the next paragraph, the admiral refers to his testimony before the Armed Services Committee:

> As I have testified, Galeta's mission contributes to the provision of locational data, but I do not consider the Galeta installation vital to the overall defense effort of the United States.

Mr. President, I tried to make clear in my opening statement that I am not hung up on the word "vital," especially when it is put in the context of "the overall defense effort of the United States."

However, I will give a definition of "vital" that was given by a JCS representative at the House Panama Canal Subcommittee hearings of July 25, 1977. Brig. Gen. Erwin P. Graham, Deputy Director of Political-Military Affairs for the JCS, testified:

> I use the word "vital" as necessary to the survival of this country. . . ." When I describe a defense-related asset as being "vital," its loss would mean the loss of this country. No military base is "vital." The President is not "vital." Pittsburgh is not "vital." Cleveland is not "vital." New York City and Los Angeles are not "vital." Indeed, whole states are not "vital."

I think it is quite clear that Galeta is not "vital." I said as much in my opening statement in terms of the definition of the word. What we are asking here is whether it is important or significant, and the context we are talking about is not "the overall defense effort of the United States." We are talking about the defense of the canal and our intelligence monitoring capabilities in the Caribbean. We are not talking about the North Sea or the Indian Ocean or the Western Pacific. We are talking about the Caribbean, Mr. President. We are talking about an area where the Soviet fleet has enormously increased its presence in recent years, as Admiral Holloway himself pointed out.

I asked the admiral to provide the Armed Services Committee with statistics on the increase of Soviet naval shipdays in the Caribbean, and that response is also classified, but it is available to any Senator who wants to know.

We also know that the Soviets have increased their military presence in the Caribbean in recent weeks. We know that the Soviets are now operating the air defense system of Cuba, and we know why—so that Cuban pilots can fly missions in Ethiopia.

But that also gives the Soviets an increased air capability in this very region of the world.

Mr. CULVER. Mr. President, will the Senator yield?

Mr. HELMS. Let me say to the Senator I did not interrupt him once, and I sat quietly while the Senator was extremely critical——

Mr. CULVER. The Senator never asked me if I would yield.

The PRESIDING OFFICER. Does the Senator from North Carolina yield?

Mr. HELMS. I do not yield, Mr. President.

Mr. CULVER. I just thought we wanted to debate here.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, it is only commonsense that the Panama Canal is the next pressure point for Soviet activities.

What will happen to the Cuban troops who are now battle hardened in jungle warfare by their African experience? Where will they next be introduced—into Panama, with Panama's tacit consent?

There is nothing in these treaties, Mr. President, that forbids Panama to allow or even to invite Cuban troops into Panama. Is it likely? The Senator from North Carolina is no prophet, and he does not pretend to be. But I will say that our experts were not very good about predicting that Cuban troops would go to Africa or that Soviet pilots would be flying missions in Cuba. So nothing can be excluded.

That makes the next sentence of Admiral Holloway's letter even more interesting. The admiral says:

> With present technology there is nothing immediately available which could fully substitute for Galeta in providing this contribution.

Now, ponder those words from Admiral Holloway, Mr. President. He said, "There is nothing" — nothing — "which could fully substitute for Galeta." Nothing which can fully substitute. That is why, Mr. President, I have said that Galeta is irreplaceable.

Now, we have been seeing the U.S. presence around the world shrink and shrink and shrink. We have seen our ability to influence the decisions of world leaders grow smaller and smaller and smaller. I am not talking merely about what small countries think or what the so-called Third World thinks about us. I am talking about our inability to contribute to practical settlements in the Middle East, in South Africa, in Rhodesia, and China. These nations, and rightfully so, completely ignore U.S. policy.

The Latin American nations, Brazil, Chile, and Guatemala, have told us they are, in effect no longer interested in our view of world affairs. We have to go to Japan and beg and plead for minor trade concessions.

We cannot even get a meaningful SALT agreement that protects our interests. Instead our negotiators make concession after concession that undermines our national security and our future survival.

Why is this happening, Mr. President? Why? It is happening because they see that we do not have the ability to stand up for the true interests of our own Nation and for the true interests of our allies. Instead, we redefine our national interest as withdrawal from world affairs, as giving up any interest abroad.

You know what that means, Mr. President. It means that our sphere of influence grows smaller and smaller. Our area of decisionmaking becomes less and less. We have more and more constraints upon our ability to defend ourselves, and to gather intelligence about potential hostile attacks. Of course, we can attempt to substitute one thing for another. We can "make do," and hope that we would not ever need full capability, hope that things will work out somehow, even though the Soviets are flying missions in our hemisphere, and their ships are coming right up to our ports. We can pretend that that we can get by, somehow.

And I am afraid that Admiral Holloway is attempting to do just that in this letter. Let me say that I respect the admiral and I admire his capabilities. I want to thank him for being completely candid in his classified—I repeat, classified—responses. But unfortunately, we must also recognize that the exercise of military judgment in secret is one thing, but the exercise of miltary judgment in public, in the middle of a national debate could have a profound effect on the decisions of this body is another. And

so there is pressure upon all of our active duty military men to shade their public responses, to make implications unjustified by their military expertise, and to adopt political solutions that conflict with professional judgment.

I will give you just one example of this. When Admiral Holloway testified before the open session of the Armed Services Committee he gave as his rationale for supporting the treaties his judgment that the cooperation of the Panamanians and the Latin Americans was the overriding consideration. I asked the admiral the following question:

Senator HELMS. I would be interested in your evidence that the treaties will indeed result in a more cooperative attitude on the part of Panama, given Panama's political volatility?

Admiral HOLLOWAY. Senator, I would say that my evidence is built on about 3 years of discussions among the Chiefs, briefings by the joint staff, briefings by the Navy staff and discussions with General Dolvin who was our representative to the negotiations, and discussions with the negotiators themselves.

Thus we see, Mr. President, that Admiral Holloway himself quite candidly pointed up the impact which negotiating considerations had upon his final support of the treaty. Let me quote further:

Senator HELMS. Another point that you made—and of course the proponents of the treaties are repeatedly making this point, or trying to make it, I don't think they make it successfully—but they contend that in order to maintain and encourage a friendly and cooperative attitude among South Americans toward the United States, we must give away the Panama Canal. I believe you alluded to that this morning?

Admiral HOLLOWAY. Yes, sir.

Senator HELMS. I am not trying to press you sir; I merely want to ascertain your frame of reference. I myself have talked to a number of heads of state in South America, and I would be interested in learning which of these Latin American leaders, in your judgment, would be more favorably inclined toward the United States as a result of ratification of the treaties.

Let's go down the list one by one: Would you say that President Geisel of Brazil would be more favorably inclined?

Admiral HOLLOWAY. I don't know, Senator.

Senator HELMS. I see. How about President Videla of Argentina?

Admiral HOLLOWAY. No sir, I don't know, and I think that is going to be my answer to every name you ask me . . . I don't know for a certainty. My impression is that they would all be strongly supportive of the Panama Canal Treaty and the Neutrality Treaty, but I cannot say—

And this is Admiral Holloway talking, I will say to the distinguished occupant of the chair (Mr. BIDEN)—

That I have discussed it with them or their staffs. I have talked only to members of my staffs and people at the State Department who have given me this advice.

That was the admiral's reply, Mr. President. He had not discussed it with the leaders of Latin America themselves, or their staffs. He was relying upon the State Department. In other words, his support was based not upon the military expertise which he demonstrates so capably, but upon a political judgment which is taken from the State Department—and that is hardly an impartial and balanced source.

Of course, not all active flag officers depend upon the judgments of the State Department to override their military expertise. The Armed Services Committee heard testimony from Maj. Gen. Gordon Sumner, Jr., Chairman of the Inter-American Defense Board. General Sumner, whose expertise is both in military and in foreign affairs, testified to just the opposite of the Chief of Naval Operations. General Sumner travels frequently throughout Latin America, and confers frequently with heads of state and military leaders. He reported—Mr. President, I say this with all the emphasis at my command—that not one of them approved turning the canal over to Panama.

I might just say that my own experience was identical. The most important Latin American nations are definitely opposed; yet we are supposed to be currying their favor by doing the opposite of what they want. Yet Admiral Holloway based his support of the treaties upon erroneous State Department advice that he allowed to override his military expertise.

Now, of course, I have disgressed somewhat from my reading of the present letter from Admiral Holloway with reference to Galeta Island. But we must put the admiral's remarks in perspective. The present letter, by its very nature of being intended to be read in open session—and I was made aware of that by a representative of Admiral Holloway who called upon me at my office. He said very candidly that they would have to supply a letter—a letter which the proponents of the treaty would use, and of course that has happened here today.

It is a fair assumption, therefore, that the letter is a political letter. And so we can fairly ask the questions: Are the admiral's hedgings and qualifications based upon his military expertise, or are they based upon more erroneous information from the State Department?

Let us continue. That last sentence I read was this:

With present technology there is nothing immediately available which could fully substitute for Galeta in providing this contribution.

The admiral then goes on to say:

However, other sensors could provide a partial substitution and, although I have pointed to the problems attendant to using a warship to compensate for the loss of Galeta over a protracted period, we certainly could bring such a capability to bear in anticipation of crisis or open hostility.

Note that the admiral admits that other sensors could only partially substitute for Galeta. In other words, it is an attempt to use a makeshift. When we take capability from some other sensors to substitute for Galeta, we are degrading the whole system. We could not have the accuracy, because it is only a partial substitute. We can see the problems in the admiral's own admissions:

I have pointed to the problems attendant to using a warship to compensate for the loss of Galeta over a protracted period.

Why could we not use a warship to compensate for the loss of Galeta for a protracted period? There is no secret in that, Mr. President; the fact is that our Navy is so reduced in size, and plans for new construction are so scaled down, that we could not possibly take one of our scarce warships and dedicate it to a single mission, no matter how important.

The day of the U.S.S. *Pueblo* and the U.S.S. *Liberty* is over. Both of them were intelligence vessels. Of course, for a brief period, for a particular crisis, we can bring efforts to bear in a particular area. But in order to do that, some other area will have to suffer. As the admiral says, "We certainly could bring such a capability to bear in anticipation of crisis or open hostility." We certainly could—but not for long.

The admiral continues:

For the future, I believe that it is highly probable that technology will be developed which would lessen our dependence on sites such as Galeta.

The Senator from North Carolina agrees with Admiral Holloway; we may very well develop such technology; and then again we may not. And even if we do develop it, will it eliminate the need for sites such as Galeta? Not even the Admiral contends that. He says "lessen." In other words, maybe yes and maybe no. The amendment of the Senator from North Carolina does not commit us to keep Galeta forever. This amendment merely preserves the status of Galeta in its present code, so that we can make the decision to withdraw at the appropriate time when and if the future technology develops.

We do not know when that technology will develop. There are many wise men on this Senate floor but none wise enough or clairvoyant enough to forecast that.

In any case the next sentence of the admiral says:

This could occur before the year 2000.

Well, that could very well be the case. The Senator from North Carolina hopes that will be the case, but I repeat, no Senator on this floor, and not even Admiral Holloway can assure us that it is the case; 22 years remain before the year 2000, and we are supposed under these treaties to bear "primary responsibility" for the defense of the canal. Yet Galeta remains an isolated outpost under the treaties, not contiguous with any other of our defense sites. With the emphasis on "not contiguous" there is much that could happen even before the year 2000.

Then, the concluding sentence in the admiral's letter is as follows:

In summary, Galeta's efforts are important in their own right to our ocean surveillance program but I do not consider them to be essential.

Well, of course Galeta is important in its own right and I think that our discussion today has established that. But what does the admiral mean when he says that they are "essential." "Essential" is one of those words like "vital." Such words are a semantic roadblock thrown up to stop rational discussion. We have many elements of our defense that are significant, but not "essential." What does "essential" mean anyhow? A careful reading of the admiral's letter, does not seem to lead to that anomalous conclusion. Now, no one has claimed and least of all the Senator from North Car-

olina, no one has claimed that our national defense would collapse without Galeta. No one even claims that the defense of the canal would collapse without Galeta. The point is that Galeta performs a specific function that cannot be replaced by any other facility. It is certainly significant; it is certainly important. So why give it up? Why cut ourselves off from something that is valuable to us? Why endanger it by giving it the isolated status which these treaties give it?

If this body should be unwise enough to give up the Panama Canal, then some may say that we might as well give up Galeta Island as well. But even if we do give up the canal, the Neutrality Treaty gives us important responsibilities in perpetuity. We need to have the option to maintain the facilities to help us fulfill those responsibilities.

And I acknowledge, Mr. President, that Galeta Island is a symbol. It is a symbol of our readiness to commit ourselves to defend our own interests and responsibilities. It signifies whether we have the will to assert ourselves in a particular matter of importance to this country. Is there anything that the Senate is not ready to give up? Is there any amendment at all which the Senate is willing to accept? Is the Senate so beholden to the dictatorship in Panama that we cannot assert ourselves even on a single practical point? Now this amendment makes no sweeping general exceptions that could become precedents or points of confrontation; it merely relates to a single small area for a single purpose. And it is difficult to believe that even Panama could object to that.

So I ask my colleagues to think about this issue, to stand up on this issue—an issue small enough that it could not possibly jeopardize these treaties, but it is important enough for the Senate to give assent to this change.

Mr. President, I ask unanimous consent that the entire letter from Adm. J. L. Holloway, III, be printed in the RECORD at the conclusion of my remarks, and I yield the floor.

There being no objection, the letter is ordered to be printed in the RECORD, as follows:

CHIEF OF NAVAL OPERATIONS,
February 28, 1978.

Hon. JESSE A. HELMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HELMS: This letter is in response to your verbal request during the information briefing provided by Vice Admiral Kaufman yesterday during which you requested that I comment upon the importance of the Galeta Island installation.

The Galeta Island operation, which currently consists only of high Frequency Direction Finding functions, contributes to the tactical and general intelligence capabilities of the United States. Closure of the Galeta operation would have some impact on the effectiveness of the overall system and we would prefer not to close this station in the near term. The Director, National Security Agency, has advised me that the station has been and remains a candidate for closure if substantial reductions in the overall intelligence programs are dictated by fiscal concerns.

As I have testified, Galeta's mission contributes to the provision of locational data, but I do not consider the Galeta installation vital to the overall defense effort of the United States. With present technology there is nothing immediately available which could fully substitute for Galeta in providing this contribution. However, other sensors could provide a partial substitution and, although I have pointed to the problems attendant to using a warship to compensate for the loss of Galeta over a protracted period, we certainly could bring such a capability to bear in anticipation of crisis or open hostility.

For the future, I believe that it is highly probable that technology will be developed which would lessen our dependence on sites such as Galeta. This could occur before the year 2000. In summary, Galeta's efforts are important in their own right to our ocean surveillance program but I do not consider them to be essential.

Sincerely,

J. L. HOLLOWAY III,
Admiral, U.S. Navy.

Mr. CHAFEE. Mr. President.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would like to address myself to a theme that seems to have run through the remarks of the opponents of the treaty rather consistently here, and that theme seems to be that those generals who are members of the Joint Chiefs somehow have been bought and that the testimony that they have given before the Armed Services Committee and other places, in fact, is not their true views; that somehow they are just kowtowed and stepping into line, following along because of pressure from the administration or some other activity such as that.

And now it seems to me this line that has been followed by the opponents of the treaty is really a rather extraordinary one and a terrific indictment, if accepted, of the character of these men who are heads of our Armed Forces.

Now, Mr. President, as you know I had the privilege of being associated rather closely with the Navy Department for a little over 3 years, and to suggest that the Commandant of the Marine Corps or Chief of Naval Operations just mouth what the administration wants him to hear, I believe it is an insult to the character of these men.

Mr. President, I want to say that I resent that slur on their character. These are gentlemen of great honor, and if they did not approve of these treaties they would say so and they would stand up and have their voices heard, but such has not been true.

So the opponents of the treaty are suggesting on the sly they are against them.

They do not have quotes from these men that say they are against these treaties. Every quote we have from these men say they are for the treaties.

Now, I had the opportunity to talk with one of the members of the Joint Chiefs the other day and I pointed out to him this technique that is being used here on the floor and said, "What about that? They quote all these past members of the Chiefs, Admiral Moorer, Chairman of the Joint Chiefs."

The Senator from North Carolina was pointing out some other admiral of the past or some general, and I said, "These people are cited as being against the treaties and you are cited as being in favor of the treaties. How do you explain the difference?"

And first of all, this gentleman pointed out to me that "Are not all the admirals or generals from the past opposed to the treaties by a long shot," and, of course, Gen. Maxwell Taylor and Admiral Zumwalt and others are in favor of the treaties, but more important than that, what he said to me was, "Those men do not have the responsibility and we do, and that makes the difference."

So it is easy to quote somebody who served 5, 10, 15 years ago, stating what his views are, but here are men who now have responsibility.

The Chairman of our Joint Chiefs and the members of the Joint Chiefs now do have the responsibility. They have come out in favor of these treaties.

I do not think we ought to make slighting slurs around here, "They are not really for it; they are not really telling you the truth."

Mr. MATHIAS. Will the Senator yield?

Mr. SARBANES. Will the Senator yield?

Mr. CHAFEE. I want to make one final point. I had the experience of being associated with these men over many years, every one of them. I know when they come before a committee if they disagree, they say so, whether it is a type of aircraft or nuclear powered carriers, whatever it is. Let us end this hogwash around here. I do not like it.

I yield to the Senator from Maryland (Mr. SARBANES).

Mr. SARBANES. I commend the very able Senator, formerly the very able Secretary of the Navy, for the comments which he just made. I asked the Senator from North Carolina at the time he was speaking to yield on this very point and he refused to do so because he was reading his text and I take it he had to finish reading his text. Therefore his assertions were made without an opportunity to respond at the time they were made.

Look at the experience of the Senator from Iowa and the Senator from Indiana in trying to respond to other assertions made by the Senator.

I agree with the Senator from Rhode Island. I am tired of the denigration of the leading members of our military which is taking place on the part of opponents of this treaty simply to try to advance some argument. I do not question the integrity or the motives of military experts they are citing to support their position. I may disagree with their judgment. I may not think they are reflecting proper wisdom. But I do not question their motives or their integrity.

It has been suggested by the opponents of the treaties that these leading military men are simply, kowtowing to higher orders. When General Brown was before the Foreign Relations Committee, Senator CLARK asked him this specific question, and I just want to take a moment to read this exchange:

Senator CLARK. Gentlemen, some of the most bitter critics of the treaty say that those of you in the Joint Chiefs of Staff and the higher ranks of the military command are supporting this treaty in fear of maintaining or enhancing your position. They say you are being intimidated. What is your response to these accusations?

General BROWN. Senator, I just turned to Secretary Brown to ask if he would mind if I made an unsolicited statement at some point to get this on the record. I thank you for your question. The rules are quite clear and I think understood by all of us.

General Brown then went on to say that you do not simply speak out but that when you come before a congressional committee in response to interrogation you give your honest opinion, fully and factually. He then indicated instances in which the Joint Chiefs had taken positions in opposition to the stated position of the President. He referred to the B–1 bomber and he referred to the Korean troop drawdown.

He then went on to say the following:

So it is wrong—

And I am now quoting General Brown, Chairman of the Joint Chiefs of Staff—

to say that in the case of the Panama Canal we are doing this only because a decision has been made.

General Brown goes on:

I have personally worked very diligently for four years to achieve these treaties with Ambassador Bunker and subsequently with Ambassador Linowitz also, and, as we have testified, the key point that finally found its expression in a treaty of neutrality was conceived within the Defense Department. We have worked hard for this treaty because we feel it is right.

The testimony from the other members of the panel, the heads of other military services, was to the same effect.

At the conclusion of all of this, Defense Secretary Harold Brown, who was sitting next to General Brown, then said, and I will close with this quotation from Secretary Brown:

I would like to say something about this because I think perhaps my uniformed colleagues cannot say it. It is this: The kind of charge to which you are referring is an insult to our senior military officials. I believe it is not helpful to the debate any more than it would be helpful to the debate if the proponents of the treaty were to question the motives, the integrity, or the honesty of those who oppose it.

We have not questioned the integrity, the honesty, or the motives of those who oppose the treaty, and, in particular, the former high military officials of this country who have been cited by the opponents. I do not think the integrity, the motives, or the honesty of very distinguished men who are serving this Nation in very high ranking positions in the military ought to be denigrated on the floor of the Senate. They are men of quality and integrity and we ought to recognize that. I thank the Senator for yielding.

Mr. CHAFEE. I certainly thank the Senator for those comments and particularly for the quotes provided from the RECORD. Any of us who know Gen. George Brown know he is the last man in the world anybody would suggest is a "go along fellow." As a matter of fact, he is known for his outspoken tactics.

As everybody knows, General Brown cannot be reappointed Chairman of the Joint Chiefs. He is finished this year, no matter what happens. There are no further military positions for him to hold in this country. There is every reason in the world for him to speak out and say what he believes is right. I yield to the Senator from Maryland for a question.

Mr. MATHIAS. Mr. President, I just want to express my thanks to the distinguished Senator from Rhode Island for speaking as he has today in defense of the Joint Chiefs of Staff. However, one may feel about positions they have taken, I certainly believe their position as honorable men is unchallenged. Their judgment may be challenged and their views may be challenged, but not their reputations as honorable men.

It has disturbed me. In fact, about a month ago on a television news show this question was raised. I said then that I thought it was preposterous to be challenging the motives of the members of the Joint Chiefs of Staff.

I think the Senator's point of view is particularly valuable because, as he said, he has dealt with members of the Joint Chiefs on a personal basis. I have every confidence in the judgments they have given in open testimony and in private conversations with Senators, that they are their honest judgments, just as I have the same faith in Admiral Moorer, whose opinions I value, being his honest opinions. Had he had those same views while he was a member of the Joint Chiefs I am sure he would have expressed them as he has expressed them now. Or if that was uncomfortable for any reason, he would have resigned, because that is the kind of honorable man he is.

I think we should ascribe the same quality of honor to the Joint Chiefs. The Senator from Rhode Island has stated the case very well and I want to associate myself with his views on that subject.

Mr. CHAFEE. I thank the Senator very much.

I would like to say that certainly we respect the views of Admiral Moorer, past members of the Joint Chiefs, and the chairmen. They are entitled to their views and deserve respect. But that does not mean we should run down the views of the present members.

Mr. DANFORTH. Will the Senator yield?

Mr. CHAFEE. I yield.

Mr. DANFORTH. I think what has been questioned is whether or not the public comments, particularly before the Foreign Relations Committee and the Armed Services Committee, of the military leadership of our country have been expressions of their candid opinions or whether, when they have appeared before senatorial committees, they have just taken the administration line.

It is my understanding that the Senator from Rhode Island served for about 3 years as Secretary of the Navy, is that correct?

Mr. CHAFEE. That is correct.

Mr. DANFORTH. During that time, did the Senator get to know any of the present members of the Joint Chiefs of Staff on a personal, day-to-day basis?

Mr. CHAFEE. Of course, I knew Admiral Holloway extremely well. He was a rear admiral then. I have known him since 1969. Gen. George Brown I knew when originally he headed the forces in Vietnam. I think he was then a lieutenant general. The others I did not know. Those two I have known particularly.

(Mr. HATHAWAY assumed the chair.)

Mr. DANFORTH. In addition to the statements which have been made before committees of the Senate, has the Senator—without asking him to disclose with whom he spoke or exactly what was said to him—had occasion to discuss the Panama Canal treaties on a personal basis with any of the military leaders of our country?

Mr. CHAFEE. I might say the other member I knew well was Gen. Lou Wilson. But the ones I have talked to about it are Admiral Holloway and, to some degree, I think, General Wilson, but really, Admiral Holloway.

Mr. DANFORTH. On a personal, face-to-face basis——

Mr. CHAFEE. Yes, Admiral Holloway.

Mr. DANFORTH. Does the Senator have any doubt, on the basis of personal discussions with Admiral Holloway, that the position that he took before the relevant committees of the Senate was, in fact, his personal and professional view of these treaties?

Mr. CHAFEE. No question about it. These gentlemen do not go before committees and say one thing in open testimony when their honest views are sought, and then turn around and, on the sly, say something else. That is completely contrary not only to the character of these men, but also to the duty they are sworn to uphold.

Mr. DANFORTH. Did he personally assure the Senator, during his private conversation with him, of his position on the Panama Canal?

Mr. CHAFEE. No question about it. Just as he set forth in his testimony, certainly, he wishes we could keep the Panama Canal the way it is. But he recognizes, as he said in his statement, what the facts are. That is why he is in support of this treaty, as are the other members of the Joint Chiefs.

I have another point I would like to touch on briefly, if I may, Mr. President.

Mr. DOLE. Will the Senator from Rhode Island yield?

Mr. CHAFEE. Yes, if it is not too long, because there is another point I would like to get onto.

Mr. DOLE. I do not quarrel with what the Senator from Rhode Island said, but I would not like the record to indicate that there has never been any disagreement among the Joint Chiefs of Staff. I remember standing on this floor during the Vietnam war debates. I do not remember anybody standing up and saying, "We have to uphold the Joint Chiefs of Staff."

In the Presidential campaign, somebody said, with regard to General Brown, that he was not fit to be a sewer commissioner. I did not say that, but it was said during the campaign.

This is not this Senator's views. I did not raise that point. I do not question their motives. We have some amendments that we think have some merit, and we hope they will be considered on that basis.

I was arguing——

Mr. GRIFFIN. I wonder who that was?

It seems to me that was a candidate for Vice President, was it not?

Mr. DOLE. There were only two of us, and it was not I.

Mr. GRIFFIN. Oh, I see.

Mr. CHAFEE. Mr. President, there is another point I would like to touch on. That is, as I understood the remarks of the distinguished Senator from North Carolina, who was speaking before—and I regret he is not on the floor now—he made the point that we have to be careful about these Cubans, who are getting this fine military training and exercising their tactics all over Africa in a disgraceful manner—which I could not agree with more, whether it is Angola or the Horn of Africa—and that these battle-trained soldiers are going to come back and have an opportunity to go and set up in Panama.

I refer him to article V of the Neutrality Treaty, which is the very treaty we are debating here today. It very clearly says that after termination of the canal treaty—in other words, from the year 2000 on—only the Republic of Panama shall operate the canal and maintain military forces, defense sites, and military installations within its national territory. So the opportunity for the Panamanians to welcome in the Cubans under that is just against the treaty.

One can say, oh, well, it is against the treaty; so what? But there the facts are: it is against the treaty.

Of course, if it presents a threat to the neutrality of the canal, we are all familiar with what the rights are of the United States under this treaty. So I think it is important for the Senator to bear that in mind and for the Senate to bear it in mind, because, under the present situation as it now exists, there is nothing to keep Cuban troops from coming into Panama.

Under the 1903 treaties, Cuban troops could come in there—not in the zone, but they could come into Panama. So this treaty accomplishes just the things that the Senator from North Carolina is concerned about. It keeps the Cubans out.

I thank the Chair.

Mr. MELCHER. Mr. President, Nero was said to have played the violin while Rome burned. That may be fact or myth, but in the spring of 1978 the U.S. Senate debates the Panama Canal Treaties while the U.S. economy sags and falters because our energy policy is incomplete and we depend too much on imported oil, because our agricultural policies fail in reaching fair and decent prices for farm and ranch producers and because we are plagued with huge Federal deficits, high interest rates, a flood of imports of a variety of commodities and products—and that is only a partial list, nowhere near complete.

We are attempting to slip into a posture of using more coal to replace oil and gas; we have exported jobs which often come back to haunt us, such as dumped imports of steel or imported copper; and we have a surplus of Alaskan oil on the west coast and no pipeline to bring it inland to Northern tier and Midwest refineries that must have it. These are only a few of the problems that are of great urgency for the United States, in my judgment, demanding immediate attention. Yet our time here in the Senate is bogged down by debate on the Panama Canal treaties.

Last Thursday, I stressed to the Senate that a timetable for disposal of the treaties was absolutely necessary. Yesterday's agreement, consented to by all the Senate, to reach a vote on the Neutrality Treaty by 4 p.m. on March 16 is a welcome and hopeful sign that the Senate will soon return to legislative business to address the more important domestic problems which have caught up and, in some cases, engulfed basic industries of the United States.

The vote on March 16 on the Neutrality Treaty will be a showdown for President Carter's and General Torrijos' best efforts to produce mutually satisfactory treaties concerning the canal. Henry Kissinger, who, as the former Secretary of State, played a strong role in moving the treaty negotiations along, states the treaties are the results of efforts of three previous Presidents and President Carter. Kissinger chides the Senate to accept these treaties as not only satisfactory but also highly meritorious. President Johnson died too soon to have reviewed the terms of the final draft of the treaties. Former Presidents Nixon and Ford, I assume, have carefully reviewed the language and approve it. But it is President Carter who has signed the treaties, along with General Torrijos, and President Carter now asks the Senate to advise and consent with an endorsement of two-thirds or more of the Senate. I am sure that President Carter, while requesting that acceptance by the Senate, has not anticipated nor does he wish to see other more important legislative business go unattended in the Senate for too long a time.

After an investigative trip to Panama in January to consult with General Torrijos, other leaders in Panama, the Canal Company officials and our military, I expressed to the President, my deep concerns over several aspects of the treaties. I conferred with Ambassador Sol Linowitz, met at the White House with President Carter, and candidly stated by reluctance to vote for the treaties unless significant restructuring was agreed to incorporate what, in my judgment, would be substantial strengthening amendments to the bodies of the treaties. Ambassador Linowitz informed me this would require a new plebiscite in Panama and that the position of President Carter and the State Department is to resist any such amendments.

While I understand and respect their position, I do not agree. The Senate must advise and consent by a constitutional requirement of two-thirds or more and that means, regardless of another plebiscite in Panama, that 67 individual Senators must reach the conclusion that the treaties are in the best interests of the United States as well as other countries that use the canal in world commerce.

During the past 6 months following the ceremonial signing of the treaties by President Carter and General Torrijos at the Pan American Union Building, I have concluded that the treaties do provide good settlements for the people of Panama. If I were a citizen of that country, I would want to be able to use the land within the Canal Zone without its being an artificial barrier operated as a restricted area. If I were a citizen of Panama I would want more job opportunities in the operation of the canal and I would want more economic returns and benefits from the canal's operations. These, I believe, are legitimate complaints by the people of Panama which could well be addressed and corrected with or without a new treaty.

They are understandable complaints and complaints that are of long standing that could have been resolved decades ago but, because they went unresolved, these and other complaints have fed the passions and the aspirations of the Panamanians' developing a nationalistic fervor for a "grand understanding" of monumental proportions, and from thence came these two treaties which Henry Kissinger claims are the products of the best efforts of four Presidents of the United States. From the standpoint of the Panamanians they get what they want in stages spaced out over 22 years until the year 2000 and the ultimate happens—Americans completely out of the canal's operation.

Under the most reasonably projected set of circumstances, the treaties, signed by General Torrijos and endorsed by over 60 percent of Panama's people in last October's plebiscite, in reality bite off more than Panama can chew.

Like saddlesores, the constant pressure of their basic disagreement over the Canal Zone and past arbitrary actions within the Canal Zone as affects them as citizens within their own country have festered, become raw and spread because of the constant pressure of the saddle which is, in this case, American dominance and action within the Canal Zone which they found to be oppressive. So the nationalistic fervor that has propped up General Torrijos, his national guard, and his government for 10 years brought about negotiated new treaties that will eventually remove that saddle of American presence in the operation of the canal. For that same period of time American Presidents, the U.S. State Department, the U.S. military, and the CIA have backed General Torrijos, his national guard, and his government. The treaties are drafted to their satisfaction.

The treaties provide that the United States spend $700 million between now and the year 2000 for the transfer of the canal and its properties, for services within the Canal Zone, for termination, transfer, and retirement of American employees, for withdrawal of American military and for assured continued efficient operation of the canal for the next 22 years. I have not as yet been able to review the enabling legislation for all of this, but it is my understanding that it has finally been drafted under the auspices of the State Department and other agencies and is now available for review. But at a time when our national economy is staggering and many needs in the United States are not being met, it is obvious that the American peo-

ple will want the Senate to carefully ascertain whether these costs are in the public interest.

The treaties require that for during the next 22 years the American presence in operating the canal precipitously decline. In the year 2000 no U.S. military bases would be allowed in Panama. The treaties assume that Panama will be capable of all necessary defense measures. The treaties do not provide or permit any arrangement for a lease for an airfield, naval, marine, or army base such as we have in Guantanamo, Cuba; Rota Naval Complex, Torrejon Air Base and Zaragoza Air Base in Spain; Incirlik Air Base and Ankara Air Station in Turkey; Keflavik Naval Station in Iceland; Sidi Yahai Naval Communications Station and Kenitra Naval Air Station in Morocco, North Africa; and scores of others around the world.

This is one of the instances in the treaties where Panama has bitten off more than it can chew. The only military they have is the 10,000-member national guard, which is more like a combination police force and secret service for General Torrijos and his government than they are a national guard. They appear adequate to control riots, direct traffic, and other routine police work, and participate as ward heelers carrying out General Torrijos' government functions. But they are completely inadequate to defend the important and strategic Panama Canal for world commerce from significant hostile acts from any outside source.

I believe General Torrijos, the Panamanian people, as well as their Government, would anticipate that any major hostile action from outside Panama would immediately require our help and assistance, but the treaties prevent us from having any arrangement for a base of operations within Panama after the year 2000. It is apparent that this restriction imposes clumsy and awkward conditions for any necessary military assistance from the United States. In the case of overt hostile action by any outside enemy that gains military objectives within the country of Panama and either controls or threatens to control the Panama Canal that would require our military intervention the increased casualties that would result in our establishing a military base of operations within Panama is one of the tragic requirements within the proposed treaties. That proposal, generated by nationalistic fervor of the Panamanians to get us out—lock, stock, and barrel—defies all commonsense. If we can have arrangements to be in Cuba, Spain, Turkey, Iceland, North Africa, and other areas for mutual defense reasons, these treaties just are not good enough for the best interests of the United States, our neighbors in Central and South America and the entire Western Hemisphere.

When the canal is completely controlled by Panama in the year 2000, we will have to trust that Panama can keep up its efficient operation. The treaties assume that the economy and the Government of Panama will be stable and solid. That is not now the case nor has it ever been the case since the time the canal was built.

Panama in 70 years has had 49 different heads of government. Gen. Omar Torrijos, called the "Maximum Leader," is backed by the national guard and runs the government as a dictator. His brother, Moise, the Panamanian Ambassador to Spain, is under indictment for assisting in a shipment of 150 pounds of heroin into New York City. A warrant for his arrest awaits him anytime he enters the United States.

The economy of Panama is stagnant, not the least reason being that 28 percent of the Panamanian taxes go to pay the interest on a billion dollars in notes owed to banks in various world centers. The per capita income of the 1.8 million Panamanians is around $600. Separate from the bulk of the population, which has a very low income and supports Torrijos, there is a growing middle class which is dependent on U.S. business ties and, for the most part, opposes Torrijos and the national guard. Panama is a more stable country now than it has been in the past, but it is questionable whether its economy can afford the money and that their government will do all that is necessary to maintain and keep up the efficient operation of the canal. Again the treaty is not good enough.

Each Senator on March 16 must vote for or against the Neutrality Treaty. Many of the proponents stumble on classifying opposition votes as "right wing." That is a cliche that I believe is inaccurate in the case of my opposition and that of many others. In particular I believe it is a cliche that is inappropriate and unwarranted for the broad crosssection of Americans who believe with reasonable justification that the treaties fail to carry out the best interests of the United States and the best interests of world commerce. They sense, and I agree, that there is little assurance that the Panamanians could successfully operate the canal with the same degree of efficiency without our help and without some comanagement by us. That is neither insulting to the Panamanian people nor condescending to their national economy. It is simply a fact that it requires considerable amounts of money to maintain that efficiency and stability that we have maintained, in operating the canal. That goal is not just peculiar to or a narrow self-interest of the United States. That is a common goal most deeply appreciated by our country and others in Central America and South America that rely heavily on traffic through the canal, but it is also a common goal of all countries that use the canal.

Without apologies I say these treaties are not good enough. Without apologies I recommend a rejection of the Neutrality Treaty on March 16 and immediately following that rejection I recommend returning to legislative business now pending before the Senate which is most urgent to solve our own domestic problems here in the United States.

If the Neutrality Treaty is rejected there is no need then to consider the other treaty. However, discussions between our country and Panama need not remain in limbo, because many of the legitimate complaints of the Panamanian people regarding the Canal Zone and its economic benefits to the people of Panama can be immediately addressed and corrected.

If the vote on March 16 rejects the Neutrality Treaty future discussions with Panama can be carried out based on a common approach to the common goal of assuring the continued stable operation of the canal for the benefit of all of us in this hemisphere, including Panama, and for the continued benefit of world commerce.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MELCHER. I am delighted to yield to the Senator from Alabama.

Mr. ALLEN. I commend the distinguished Senator from Montana (Mr. MELCHER) for his devastating analysis of these treaties, for his conclusion that they are not good enough, for his statement that he plans to vote against the Neutrality Treaty on March 16, and for his desire that we return to legislative business.

I was intrigued, I say to the distinguished Senator from Montana, with his suggestion that even though the Neutrality Treaty is defeated—and I assume that if it is defeated, that, in effect, will carry with it the Panama Canal Treaty—that would not be the end of the road for Panama; that many of their complaints could be handled even without the treaty; further, that additional negotiations could take place between the two governments.

I gather that the distinguished Senator from Montana feels that that would be the proper course, to return to the negotiating table to see if an acceptable arrangement, whether by treaty or by negotiation or executive agreement—some change in the present setup—could be arranged. Is that correct?

Mr. MELCHER. The Senator is absolutely correct.

If I were a Panamanian and living in Panama City, I would resent the fact that the city is prevented from growing in its normal direction, which would be directly in the Canal Zone. I would resent the fact, if I were a Panamanian, that the Canal Zone is run like a military base and that I, as a citizen in my country, had restrictions on the use of that land which is not needed for the operation of the canal. If I were a Panamanian, I, too, would want more economic return from the operation of the canal, because it is one of the basic ingredients of that country.

I view those points, those sore spots in the Panamanian scene, felt by the Panamanian people, as an opportunity for this country to correct them immediately.

I see no need for new treaties, but I think that whatever is essential in that regard could be accomplished forthwith.

As for the long-range goal of a formal, new treaty, our country is open for the continuation of that discussion, and I believe could do so in a much better way and a much more enlightened way after this debate in the Senate and the expression of Senators who have some problems with the treaties as drafted.

Mr. ROBERT C. BYRD. Mr. President,

will the Senator yield for a unanimous-consent request, with the understanding that he will not lose his right to the floor?

Mr. MELCHER. I yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, this has been cleared all around, it is my understanding.

I ask unanimous consent that a vote occur on the pending Helms amendment, or a motion to table that amendment, no later than 6 p.m. today; that the Senate then proceed to the consideration of article III; that Mr. STEVENS then be recognized to call up his amendment No. 64 to article III; provided, further, that when the Senate returns to the consideration of the Neutrality Treaty on tomorrow, Mr. STENNIS be recognized; that upon the conclusion of the remarks by Mr. STENNIS, Mr. STEVENS be recognized; that upon the recognition of Mr. STEVENS, there then be a 3-hour limitation for debate on the Stevens amendment, with the 3 hours equally divided between and under the control of Mr. STEVENS and Mr. CHURCH or their designees.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators. I thank the Senator from Montana and the Senator from Alabama.

Mr. ALLEN. As I understand the position of the Senator from Montana, defeat of the treaties would not be the end of the road, necessarily. The two governments could negotiate a new agreement, whether it be by treaty or by executive agreement, which could take care of what the Senator has called sore spots that need correction. Is that the Senator's position?

Mr. MELCHER. The Senator from Alabama is absolutely correct.

I would welcome the opportunity for the Senate to get back to legislative business, to solve some of the very pertinent and very harsh economic problems we face in this country.

Mr. ALLEN. One final word: The best way I know of to assure getting back on legislative business is to defeat the Neutrality Treaty on March 16. I do not believe that the Panama Canal Treaty then would be brought up.

I thank the distinguished Senator for his suggestion and for his statesmanlike position with regard to the treaty.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. MELCHER. I yield.

Mr. GRIFFIN. Mr. President, I join the Senator from Alabama in commending the Senator from Montana for a very excellent statement, indicating a great deal of study and a good deal of compassion for the problems and aspirations of the Panamanian people.

I do not ask the Senator to comment upon this suggestion, but I call attention again to that fact that when this Senator, as the only member of the Foreign Relations Committee to do so, filed his minority views, I stated—and I believe it very strongly—that it makes a difference how we say "No" in this situation.

I am developing a substitute for the resolution of ratification, which will be offered, and it will give the Senate an opportunity, rather than outright rejection of the Neutrality Treaty, to advise the President that he should send the negotiators back to the drawing boards and to continue the negotiations until a more acceptable treaty can be fashioned. There are various ways the Senate could handle this situation.

Of course, as the Senator from Alabama has pointed out, there have been other treaties which were not acceptable to two-thirds of the Senate and which never reached the floor of the Senate. They just stayed in the Committee on Foreign Relations.

This matter could go back to the Committee on Foreign Relations, I suppose. It would be another way of dealing with it. But I am going to give the Senate an opportunity to vote on a modification of the resolution of ratification, which I think will do, in effect, what the Senator from Montana has indicated would be the appropriate thing.

Again, I commend the Senator for his contribution to this discussion.

Mr. MELCHER. I thank the Senator.

I again stress that I think it is absolutely essential that the Senate return to legislative business, because we have many crushing economic problems in the United States that need to be resolved.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I would just take a minute or two to point out several things with reference to the distinguished Senator from North Carolina's amendment.

As I indicated to the Senator from North Carolina, it probably would make no difference if the amendment were gold-plated. If it were a perfect amendment satisfying everybody in the Senate we are not going to take it. That is the strategy. The Torrijos strategy is no amendment. That now seems to be the Senate strategy, no amendment. Regardless of merit there will be no amendment.

It is unfortunate, because some of us worked rather hard to produce good amendments. We think they had merit.

As I understand, the only amendment that will be offered and attempted will be the so-called Torrijos-Carter amendment which has been agreed on by some 70 Senators. After the disposal of the Torrijos-Carter amendment then we go back to the old strategy, adopt no amendment regardless of merit. There will be no amendment adopted.

So I do not know whether it does a great deal of good to argue the merits of meritorious amendments or not, because General Torrijos does not want any amendment, and he seems to be in charge, make no mistake about it—General Torrijos seems to be in charge here. He is calling the shots.

It is said that he has several votes in this Senate, ranging from 55 to 60, and they have been very effective; because we are so concerned about General Torrijos, we do not want another plebicite. We have been told that that would upset the general, he might even quit; if we adopted some amendment that might cause him some distress.

It seems to some of us, who would like to improve the treaties and vote for the treaties, we are going to be foreclosed from this option. We have not given up; we almost have given up.

Now the Senator from Kansas introduced the Carter-Torrijos amendment long before Carter-Torrijos thought of it, and now it is going to be adopted. It strengthens the treaties. But it is not enough. It would seem to this Senator we are really probably wasting a lot of time here because we know there is a stone wall on the other side.

I would hope as we look at the amendments, and there is indication that some Senators are studying the amendments carefully, that they are not rejected out of hand. It seems to me they ought to be rejected on the basis of whether or not they have merit, not on the general thesis that we cannot have any amendment because that might require another plebiscite.

There is this feeling out in the countryside, which is anywhere 50 miles from here, that the majority of the people have some reason to oppose the treaties in their present form. They find it difficult to understand how those of us who came to the Congress feel their judgments are good when they vote for us, but that their judgment is not so good when they have a different view on the treaties.

It is a very difficult and delicate question, as has been discussed earlier. It is fine to see my colleagues standing up and defending the Joint Chiefs of Staff. I certainly have every confidence in the Joint Chiefs of Staff. But it is not unprecedented to question their judgment. It has been done before.

The Senator from Kansas understands that, having been here during the Vietnam war debate, when the judgment of the Chiefs of Staff were questioned almost daily by some of the very Senators now who say, "You cannot look at the judgment of the Joint Chiefs of Staff. Their word is the gospel."

So I think we have a right to raise questions and discuss whether or not the amendments have merit.

I would hope that there will be some relaxation of this stonewalling of any amendment. I still am waiting to hear from General Torrijos, and I think if he would write back and OK some of my amendments I might get them adopted.

I talked to General Torrijos when I was in Panama in December. We talked about some of my amendments. I have since written to General Torrijos, thinking I might get some response from him before we end the debate, because I am convinced now that I will need his support before I can have any success.

The Senator from Kansas has not offered a flock of amendments. The Senator from Kansas offered very few amendments starting last September, and then again in October an amendment based on a lot of thought and a lot of consideration. It does not satisfy me or those who support the amendments to just have them rejected out of hand.

I would hope my colleagues would study very carefully the amendments. I was pleased to see the 40 votes the dis-

tinguished Senator from Alabama's amendment received yesterday because that is an indication that there is more attention being focused on the amendments themselves in trying to improve the treaties; not trying to kill the treaties.

I think if we go back and look at the record in the Versailles Treaty debate, we will find what happens when efforts are made to stonewall. So, we should look at the merits of the amendments and forget about the feelings of General Torrijos—he is the leader of Panama, and no one quarrels with that. He does have a responsibility, and no one quarrels with that. But the Senator from Kansas is not so certain he represents the views of all the Panamanian people.

The amendments are offered in a spirit of friendship for the Panamanian people, not in a spirit of hostility.

Certainly the Senator from Kansas has no notion to offer any amendment that somehow would upset the Panamanian people.

But make no mistake about it, General Torrijos is a factor in this debate. I recall President Carter did not even mention his name in the last fireside chat. It was always "the leader of Panama," "the Panamanian leader." As we learned earlier, there was evidence of some involvement of the Torrijos family in drug trafficking. Maybe that is not important, but in a poll just released by Public Opinion Research, 49 percent of the American people think it is. It is not quite half, but that is a rather significant number.

Seventy-two percent of the people do not think we ought to surrender ownership; that is as of February, not very long ago.

So, Mr. President, I would hope that as we become more active in discussing meritorious amendments we would consider each one on that basis, not on the basis of whether it might upset Torrijos, and not with some preoccupation that there might be another plebiscite.

The miners rejected the coal agreement. But I guess they are still trying to work that out. They have not given up. They are still trying to figure out some way out of that impasse, and I suggest the same thing would happen if we adopted some good amendment to these treaties. It would not be the end of the road, as the distinguished Senator from Montana has suggested. That is our responsibility. We have to advise and consent, and I suggest that General Torrijos might understand the problem we have.

If those who think we can amend the treaties without killing the treaties feel that way, maybe they have the same feeling about the coal strike and the rejection by the miners. But I understand every effort is being made by the administration to reach some agreement, even though Taft-Hartley will be invoked.

So I again plead with my colleagues who have the majority votes, no question about it, I plead with the leadership to let the sunshine in. Let us let a little air in on this debate—a lot of air—but let the Senate work its will on meritorious amendments instead of using the same old tired arguments that "this would mean another plebiscite," "this is a killer amendment." What is a killer amendment? If an amendment improves the treaty, is that a killer amendment? I would hope not.

I would conclude this phase of my remarks by reminding my colleagues that the leadership amendment at one time was called "obstructionist," it was "not needed," it was "not necessary." But suddenly there was a change of heart, and that amendment was adopted by the leadership.

So I suggest if those amendments have merit, maybe other amendments have merit. They do not necessarily have to be leadership amendments.

SENATE CLOSED SESSION WAS WORTHWHILE

Mr. President, last Friday the Senate released a "sanitized" transcript of the closed session conducted on February 21 and 22 of this year. The purpose of that session, initiated at the request of the Senator from Kansas and others, was to obtain answers to a number of sensitive questions regarding the Panamanian Government, and to allow for discussion of those matters. On the basis of the transcript released last week, I think it will be clear to the American people that the closed session was instructive, constructive, and altogether worthwhile.

When I called for a closed session last month, I stated that my purpose in doing so was to examine and discuss information that is in possession of the Senate Intelligence Committee, regarding allegations which were circulating about the Torrijos regime in Panama. The allegations that concern me most regard possible involvement in drug trafficking by high ranking officials of the Torrijos government. Others had expressed similar concern about wiretapping and other matters of a sensitive nature. For myself, I suggested that the drug allegations could relate to the Panama Canal Treaty issue in two ways.

First, I suggested that direct or indirect involvement in drug trafficking by Gen. Omar Torrijos or other top-level Panamanian officials could raise questions about their integrity and credibility with regard to treaty guarantees. Second, I suggested that we should learn as much as possible about the nature of the Torrijos regime, given the political and economic support which these treaties will provide to that government.

USEFUL INFORMATION

Mr. President, the Senate spent an unprecedented amount of time in closed session, examining and discussing relevant information on the drug and wiretapping allegations. Except for relatively few deletions of particularly sensitive information on sources and methods involved, the "sanitized" transcript reflects the substance of the discussion. It is clear that the Federal agencies cooperated, to a large extent, with the Senate Intelligence Committee during their investigation of these matters. It is clear that the Senate Intelligence Committee was very forthcoming with myself and those of my colleagues who had questions.

LOOKING FOR ANSWERS

Not all of the questions raised by the Senator from Kansas could be completely and definitely answered by the Senate Intelligence Committee, in some cases due to incomplete or conflicting information. However, information which was made available was sufficient, in my opinion, to raise some concern. There certainly was no attempt at a "whitewash" of the issues. As a matter of fact, it was impossible in some cases to determine without a doubt that illegal or unethical actions did not take place.

With respect to the drug issue, the transcript of the debate makes several points clear. Based on sources that the Senate Intelligence Committee considered reliable, it was suggested that General Torrijos knew about narcotics trafficking by government officials and did not take sufficient action to stop his brother's activities. Other allegations were mentioned asserting that "General Torrijos assisted his brother," although the committee stated that it had turned up no "conclusive evidence" that could be used in a court of law. This, of course, was part of the problem encountered by committee members when they investigated the matter. When you have access to allegations of questionable validity, and when allegations sometimes contradict each other, it is difficult to determine "beyond the shadow of a doubt" that an allegation is a fact. This Senator does not quarrel with that, but does believe that the preponderance of information in a certain direction may lend some credence to such allegations.

It was also revealed that "General Torrijos, acting on the information provided by the American official," contacted his brother Moises in late 1972 to warn him of an impending arrest in the Canal Zone. The warning permitted his brother to escape.

The brother who is mentioned in the foregoing accounts was, of course, Moises Torrijos. The closed session revealed that Moises Torrijos was in fact the subject of a sealed indictment in New York in 1972 stemming from drug charges. The distinguished chairman of the Senate Intelligence Committee responded to questions during the closed session that: "From what I know right now I would have to say to my colleague I think Moises Torrijos has been involved in drug traffic." That information may or may not have made much of an impact as far as the Members of the U.S. Senate are concerned. But it must have contained a message for Gen. Omar Torrijos. One week following the closed session, General Torrijos announced he was recalling his brother Moises from his post as Ambassador to Spain.

Unfortunately, General Torrijos has designated his other brother, Hugo, to replace Moises. Information brought forth during the closed session indicated that Hugo is in charge of gambling casinos in Panama. And, just this week, I received unclassified information from the Federal Bureau of Investigation indicating that Hugo Torrijos may well be involved in drug trafficking himself.

In response to my "freedom of information" request, the FBI sent me a sanitized document from its files, dated September 18, 1972, and based on a re-

port provided by a Panamanian whose name is withheld by the Bureau. The report carries the following observation:

He advised that there is no doubt that Panama has become the drug warehouse for Central and North America. Hugo Torrijos, brother of the provisional president, is in direct control of most if not all the drugs that come into the country . . . it is a well known fact that many of the leaders of Torrijos are drug addicts.

This is yet another of the many reports coming from many sources that the Torrijos family is involved in drug trafficking. And now Hugo is being appointed by his brother, Gen. Omar Torrijos, as Ambassador to Spain.

It was also interesting to this Senator, at least, to learn that "in the early 1970's, U.S. narcotics enforcement and intelligence activities may have affected the timing and the atmosphere of the canal negotiations * * * by occasionally impairing relations between Panama and the United States, and by generating Panamanian distrust of U.S. policy and objectives."

Certainly, it was reassuring to learn that "the select committee has found no evidence that U.S. narcotics intelligence activities affected the terms of the Panama Canal agreements or the negotiating process" currently under review.

LET EACH DECIDE FOR HIMSELF

Mr. President, any time the Senate investigates and discusses questions that concern a large number of the American people, it is no waste of time. It was clear that there was a great deal of interest among many of my colleagues as well. Some of my concerns were put to rest. There were other allegations which simply could not be either proved or disproved. There were also some loose ends left hanging, but the important thing is that this relevant issue was explored and discussed.

Now that the declassified transcript is available to the public, each individual can decide for himself whether the evidence of drug trafficking, and of toleration and protection of those operations, disqualifies the Panamanian Government as a guarantor of the Canal Treaty commitments. For myself, I continue to have reservations on this point.

Mr. President, I ask unanimous consent that a letter dated March 1, 1978, from the FBI be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
FEDERAL BUREAU OF INVESTIGATION,
Washington, D.C., March 1, 1978.

Hon. ROBERT J. DOLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOLE: This is in reference to Mr. Kelley's letter of January 19, 1978.

Enclosed are copies of the documents that were located in the files of the Drug Enforcement Administration in connection with that agency's processing of your Freedom of Information-Privacy Acts request. These documents were referred to the FBI for processing since they originated with this Bureau. Excisions were made from these documents and two documents were withheld in their entirety in order to protect materials which are exempted from disclosure by the following subsections of Title 5, United States Code, Section 552:

(b)(1) information which is currently and properly classified pursuant to Executive Order 11652 in the interest of the national defense or foreign policy;

(b)(7) investigatory records compiled for law enforcement purposes, the disclosure of which would:

(C) constitute an unwarranted invasion of the personal privacy of another person;

(D) reveal the identity of an individual who has furnished information to the FBI under confidential circumstances or reveal information furnished only by such a person and not apparently known to the public or otherwise accessible to the FBI by overt means.

You have thirty days from receipt of this letter to appeal to the Attorney General from any denial contained herein. Appeals should be directed in writing to the Attorney General (Attention: Freedom of Information Appeals Unit), Washington, D.C. 20530. The envelope and the letter should be clearly marked "Freedom of Information Appeal" or "Information Appeal."

Sincerely yours,

WILLIAM H. WEBSTER,
Director.

Enclosure.

PANAMANIAN REVOLUTIONARY ACTIVITIES

He furnished the following information to representatives of the Federal Bureau of Investigation on September 15, 1972:

There is a large segment of the young and student population that is discontent with the present government. This same feeling is strong among those exiles such as himself. However, he does not feel that any one group is strong enough at this time to overthrow Torrijos. Until such time as there is a United Front, he sees no change in Panama.

* * * feels that the only real way that Torrijos can be overthrown is by a force supported by the United States Government. He cannot understand why Torrijos, a dedicated leftist, is allowed to remain in power. If he is allowed to remain, he will be another Fidel Castro, whom he has visited in Cuba already.

He is not currently in contact with any of his associates in an attempt to organize a force to go to Panama. However, he has had help offered him from a group of Cubans in Miami. He is not going to do anything until he is able to determine who he can trust and who is on which side. He has no plans at the present time to meet with any of his fellow Panamanians in Miami or Houston. He is encouraging his associates in Panama to do all they can to work against the Torrijos regime.

He advised that there is no doubt that Panama has become the Drug Warehouse for Central and North America. Hugo Torrijos, brother of the provisional president, is in direct control of most if not all the drugs that come into the country. The free zone at Colon is currently being used as the focal point for drug movement. There are plans currently being made by the government to make Tocumen Airport a free zone to further facilitate drug movement. It is a well known fact that many of the leaders of Torrijos are drug addicts.

* * * concluded that he would not be able to make any moves in helping his country until three elements were worked out, (1) a consolidation of true Nationalists and Patriots, (2) a plan of action, and (3) a substantial improvement in his financial situation.

He further advised that Torrijos had been invited to attend a meeting with Fidel Castro in the near future. He did not specify time or place of this meeting.

Established sources were contacted in the area on September 9 and September 15, 1972, with negative results.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, in all likelihood we will have the so-called leadership amendments before the Senate, probably on Thursday. I wish Senators would take the time to read the leadership amendments, covering some three or four pages double spaced.

It is the intention of the Senator from Alabama, when the first amendment is called up, to raise the point of order that the amendment is in fact not an amendment, even though it states on the face of the amendment the word "amendment."

Why is that important? In Senate Procedure—and I mention this point at this time so that Senators will have an opportunity to study the question, and not have it brought to them for the first time when the point of order is raised—on page 826 of Senate Procedure, the middle of the page:

Reservations and understandings are treated as amendments to the resolution of ratification and are not in order until the resolution of ratification has been presented to the Senate.

This is a very important question, and if Senators will read the leadership amendments, they will find that the leadership amendments do not add one single phrase to the treaties, even though they say in the documents that what is inserted is an integral part of the treaties.

If you will read the leadership amendments, you will find, as they say in one of the amendments, it is a statement of understanding. They incorporate the statement of understanding in the treaty. It is—in fact both of them are—statements of understanding.

I do not know why the statements of understanding are offered under the guise of being amendments, because they are not. They merely say how we construe provisions that are already in the treaties. They add no new provisions to the treaties. They are in fact statements of understanding.

Furthermore, Mr. President, statements of understanding do not require the express approval of the other party to the treaty. It would seem to me that if we accept these so-called amendments or statements of understanding, we would give Mr. Torrijos the full license to say that no further action is required with respect to the treaties, because they are mere statements of understanding, adding not one single new word to the treaties, but merely saying what the interpretation of the treaties is.

So these documents are not amendments. I am going to raise that point, and I hope that Senators will study it. Just a simple reading of the amendments will show quite clearly that this is a fact. These are no amendments; they add no new language to the treaties, other than to have this statement of understanding sandwiched into articles IV and VI. That point is going to be raised. I mention it at this time as a courtesy

to the Parliamentarian and for the information of Senators, so that they can study the point. I raise that point and I leave ample opportunity here, if the proponents of the leadership amendments care to answer the point. The Senator from Alabama will raise this parliamentary point of order, and he would hope for a favorable ruling from the Chair, when the leadership amendments are offered.

Mr. CULVER. Mr. President, what is the pending business?

The PRESIDING OFICER. The pending question is on agreeing to an amendment by the Senator from North Carolina (Mr. HELMS).

Mr. CULVER. Mr. President, there has been an earlier reference here to "letting the sunshine in" and debating these amendments on their merits; and I think there has been a sincere good faith effort to do that this afternoon.

Now, in all candor, as the distinguished junior Senator from Maryland said earlier this afternoon, that prospect is somewhat inhibited when the exercise of debate, in the so-called greatest deliberative body in the world, is limited to running in, reading prepared speeches, and running out before we can even ask questions, and never yielding to anybody.

Frankly, Mr. President, I think that does constitute a perversion of the suggestion that what we are engaged in here is a debate. And I think the extent to which we have had a debate on the so-called Helms amendment has been very revealing. It has frankly, in my judgment, been revealing for what has not been said.

The matters under debate were evidently and I think clearly not so sensitive or secret that we had to go into a closed session. Since the counter-arguments were advanced, there has been no germane discussion, no germane discussion whatsoever. There was a letter that essentially supported and substantiated the position on the merits of the opponents of the amendment, and the only rebuttal that was offered in that context was to make some references with regard, essentially, to the integrity of the author of that correspondence. I think that that suggestion was very sufficiently and commendably repudiated by the appropriate observations and remarks of the distinguished junior Senator from Rhode Island.

Where I come from, if you say, "This fellow talks out of both sides of his mouth," and then turn around and say, "But I have the greatest respect for him," that really does not carry a lot of water. I think that the implication of that suggestion is very damaging indeed to the integrity, the quality, and the character of the people upon whom, in the greatest sense imaginable, our security properly rests.

If you do not have any more confidence in those aspects of their character, how on earth, in a time of crisis, can you confidently look to them for leadership and for courage, sacrifice, and integrity?

Finally, Mr. President, I think this amendment has provided an occasion for discussion of apparently a wide range of opposition, but genuine debate and genuine responses to the statements that have been offered by the opponents of this amendment have really gone totally unrebutted—totally unrebutted. I think there has been more than adequate sunshine, more than enough intense analysis on the merits of this amendment, and that people in good faith who have listened to these exchanges can make a more informed judgment today on the facts and on the merits than certainly was the case when all we had to go on was some sensational journalism.

I think this amendment is a red herring pickled in misinformation and seasoned with scare tactics, and that the Senate, in its wisdom, ought to reject it.

Mr. BAYH. Will the Senator yield to me for 1 minute?

Mr. CULVER. I will be glad to yield to the distinguished Senator from Indiana.

Mr. BAYH. I had hoped to be able to ask a question of the Senator from North Carolina, but he has every right to continue his speech I do not fault him for that. I will say, I have tried, as the chairman of the Intelligence Committee, to maintain a low profile so that my opinion—I am going to vote on the canal—will in no way go to the credibility of the information.

I would suggest to anybody who is concerned about the confidential information that has been held out, as the Senator from North Carolina tried to prove that there is something special about Galeta Island that is going to damage the national interests of this country, take advantage of the opportunity, go to the files. They are there. Anybody can read them. The fact of the matter is, the Navy has made an assessment that Galeta is not essential, it is not vital and they can operate without it. And I would like any of my colleagues who has any doubt about that assessment, regardless of what was said of the canal issue thereon, to go and look at these facts and not accept at face value some of the tactics that attempt to get our vision away from the important facts on which we ought to make our final judgment.

I want to make commendation to another member of the Intelligence Committee, the Senator from Rhode Island, for standing up and suggesting that perhaps our naval and military leaders have the kind of courage and character that does not need to be described by some Members of the Senate who happen to differ with their assessment on the Panama Canal Treaty.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I now move to lay the pending amendment on the table

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table Mr. HELM's amendment

Mr. CHURCH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI), the Senator from Montana (Mr. HATFIELD), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. BURDICK) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "nay."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

The result was announced—yeas 58, nays 36, as follows:

[Rollcall Vote No. 43 Ex.]

YEAS—58

Abourezk	Haskell	Metzenbaum
Anderson	Hatfield,	Morgan
Baker	Mark O.	Moynihan
Bayh	Hathaway	Muskie
Bentsen	Hayakawa	Nelson
Biden	Heinz	Packwood
Bumpers	Hodges	Pearson
Byrd, Robert C.	Hollings	Pell
Case	Huddleston	Percy
Chafee	Humphrey	Proxmire
Church	Inouye	Randolph
Clark	Jackson	Ribicoff
Cranston	Javits	Riegle
Culver	Kennedy	Sarbanes
Danforth	Leahy	Sasser
Durkin	Magnuson	Sparkman
Eagleton	Mathias	Stafford
Glenn	Matsunaga	Stevenson
Gravel	McGovern	Weicker
Hart	McIntyre	

NAYS—36

Allen	Garn	Schmitt
Bartlett	Griffin	Schweiker
Bellmon	Hansen	Scott
Brooke	Hatch	Stennis
Byrd,	Helms	Stevens
Harry F., Jr.	Johnston	Stone
Cannon	Laxalt	Talmadge
Chiles	Long	Thurmond
Curtis	Lugar	Tower
Dole	McClure	Wallop
Domenici	Melcher	Zorinsky
Eastland	Nunn	
Ford	Roth	

NOT VOTING—6

Burdick	Hatfield,	Young
DeConcini	Paul G.	
Goldwater	Williams	

So the motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHURCH. I move to lay that motion on the table, Mr. President.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. GRAVEL). Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized.

Mr. ROBERT C. BYRD. Mr. President, have we gone to article III?

The PRESIDING OFFICER. If there are no further amendments to article II, the Senate will proceed to consider article III, which the clerk will state.

The legislative clerk proceeded to article III.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate so that the Senators may hear the reading of the article?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that further reading of the article be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of article III is as follows:

ARTICLE III

1. For purposes of the security, efficiency and proper maintenance of the Canal the following rules shall apply:

(a) The Canal shall be operated efficiently in accordance with conditions of transit through the Canal, and rules and regulations that shall be just, equitable and reasonable, and limited to those necessary for safe navigation and efficient, sanitary operation of the Canal;

(b) Ancillary services necessary for transit through the Canal shall be provided;

(c) Tolls and other charges for transit and ancillary services shall be just, reasonable, equitable and consistent with the principles of international law;

(d) As a pre-condition of transit, vessels may be required to establish clearly the financial responsibility and guarantees for payment of reasonable and adequate indemnification, consistent with international practice and standards, for damages resulting from acts or omissions of such vessels when passing through the Canal. In the case of vessel owned or operated by a State or for which it has acknowledged responsibility, a certification by that State that it shall observe its obligations under international law to pay for damages resulting from the act or omission of such vessels when passing through the Canal shall be deemed sufficient to establish such financial responsibility.

(e) Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected, as a condition of transit, to inspection, search or surveillance. However, such vessels may be required to certify that they have complied with all applicable health, sanitation and quarantine regulations. In addition, such vessels shall be entitled to refuse to disclose their internal operation, origin, armament, cargo or destination. However, auxiliary vessels may be required to present written assurances, certified by an official at a high level of the government of the State requesting the exemption, that they are owned or operated by that government and in this case are being used only on government noncommercial service.

2. For the purposes of this Treaty, the terms "Canal," "vessel of war," "auxiliary vessel," "internal operation," "armament" and "inspection" shall have the meanings assigned them in Annex A to this Treaty.

AMENDMENT NO. 64

Mr. STEVENS. Mr. President, I call up my amendment No. 64 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an amendment numbered 64.

In line 2 of article III(e) of the Treaty Concerning the Permanent Neutrality And Operation of the Panama Canal insert after the word "times" and before the word "be", the words ", except during periods of belligerency between such nations and the Republic of Panama or the United States of America,".

Mr. ROBERT C. BYRD. Will the distinguished Senator from Alaska yield?

Mr. STEVENS. I am happy to yield.

Mr. ROBERT C. BYRD. Under the unanimous-consent agreement entered into today, Mr. President, there will be no further rollcall votes today. A vote will occur tomorrow following the previous orders.

Mr. STEVENS. Concerning the amendment I have offered, let me state to the Senate that it is an improved and, I think, substantially different document from the amendment offered by the distinguished Senator from Alabama (Mr. ALLEN).

The amendments are similar in that they both would prohibit the transit of the vessels of war of nations engaged in armed conflict with the United States. The Stevens amendment goes beyond that single objective.

The biggest difference between the Stevens and the Allen amendments is the reciprocity provisions of the Stevens document. Reciprocity is the cornerstone of international law. Under the Allen amendment, the vessels of war of nations at war with the United States would be prohibited from transiting the canal. Since the Allen amendment was silent about the vessels of war of nations at war with Panama, they would have to be allowed to transit the canal. The Stevens amendment treats Panama as a coequal and applies to the vessels of war of nations in a state of belligerence with either the United States or Panama.

The Allen amendment and the Stevens amendment also differ in that the Allen amendment applies only to vessels of war and the Stevens amendment applies to vessels of war and auxiliary vessels. The Stevens amendment prohibits the transit of auxiliary vessels needed to resupply warships.

Both of these amendments differ in that the Allen amendment would be in force only when a particular nation was in a state of war as far as the United States is concerned. Under my amendment, for it to be in force, there need only be a state of belligerency in existance between the nation which owns the warship or auxiliary vessel and Panama or the United States.

Let me state that I have given each Member of the Senate a statement today concerning this amendment. I hope that it will be studied. I shall discuss it at length tomorrow.

We have been in a state of belligerency, as far as this Nation is concerned, on many occasions. When the Chinese came south of the Yalu River, we were in a state of belligerency, although we were not at war, with China.

When President Kennedy announced the blockade of Cuba, we were in a state of belligerency with both Cuba and Russia, although we were not in a declared war. I think that, at that time, the record shows that the Navy of the United States did move through the Panama Canal in order to be in place had the Russians not acceded to the request of President Kennedy. Under this amendment, in similar kinds of crises it would not be possible for Russian ships either to follow our Navy through the canal or transit the canal in order to confront our naval forces.

I see no reason why Panama or the United States should be compelled to permit vessels of war or military supply ships of nations which are in a state of belligerency with either of us to use the canal, particularly when this waterway can play such a great tactical military role, not only for Panama but for this country. It is essential to our future global military tactics and security.

Again, Mr. President, I intend to make a statement tomorrow at length about this and the history of this operation. I hope that we shall have serious consideration of the amendment, as I think it is a very, very central issue in this debate. I yield the floor.

● Mr. McGOVERN. Mr. President, the courageous and inspiring address delivered last week by the senior Senator from New Hampshire, Mr. MCINTYRE, underscored an important point not only about the debate on the Panama Canal treaties but about the nature of the Senate. Far more often than people might like to think in this time of cynicism, statesmanship still does prevail over political opportunism.

I agree fully with Senator MCINTYRE that Senators on both sides of this issue are motivated by honest conviction. But we should always keep in mind that this is the sort of emotional issue which can create a strong temptation to go along with the pressure as opposed to voting on principled grounds. And the prospect for ratification of these treaties has always depended upon the willingness of Senators to resist that temptation—indeed, to accept the serious political risk of voting the way they genuinely believe is right for the country.

In this connection I was interested in Clayton Fritchey's column in last Saturday's Washington Post. Mr. Fritchey suggests that the situation with respect to the treaties could have been much different. He attributes the improved outlook to a shift in public opinion since the treaties were first announced last year.

He might also have noted that public opinion has shifted—and the opposition to the treaties has become increasingly isolated—in substantial part because there was some leadership exerted in the Senate on this issue by moderates of both parties.

In any event, I think this analysis will be of interest to my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 4, 1978]

OVERKILL ON THE TREATIES

(By Clayton Fritchey)

In the near future, when, in all probability, the Panama Canal treaties are ratified by the Senate, there will be understandable cheering in the White House, but there could well be even more jubilation among moderate Republicans at seeing the supposedly dominant right-wingers of their party finally get their comeuppance.

The growing consensus here is that the GOP conservative bloc, which has staked so much on derailing the treaties, is on the brink of a major setback that could not only shake its longtime minority control in Congress, but also thwart its goal of taking over the party and dictating the choice of its 1980 presidential candidate.

There wasn't anything accidental about

the hard-liners' picking a primitive issue like the canal as a means of challenging the Carter administration, while simultaneously putting the GOP moderates on the spot. They thought they had a sure thing; and it must be conceded that at the outset of the fight many, if not most, of the moderates appeared to be intimidated.

The treaty opponents calculated, not unreasonably, that the moderates in an election year like 1978 would shrink from offending the conservative wing of a generally conservative party for fear of defections in November or, worse, exposing themselves to a primary fight.

Those calculations would have proved sound if the treaties had been rushed to a vote last fall. Delaying the debate until now, though, allowed the moderates to lie low and hope that public opinion would swing their way, which it has.

Sensing that, the hard-liners have been driven to overkill. In recent weeks, their attacks have been so demagogic, and their tactics so personal and wounding, that they have alienated fence-sitting senators they might once have counted on.

It takes a two-thirds majority of 67 Senate votes to ratify a treaty, but only 34 votes to reject. Not long ago the anti-treaty forces were boasting that they would produce 50 or more votes when the showdown came, yet on a test tally involving a procedural question, the pro-canal vote was 67 to 30. Later, a "killer" amendment was beaten by 55 to 34.

The way things are going, the opposition in the end may not be able to rally more than 25 or 26 votes. In fact, one of the leaders of the anti-treaty forces, Howard Phillips, who is director of the "New Right" organization, now thinks only 22 senators are likely to vote against the treaties.

Of that group 18 are Republicans—fewer than half of the 38 Senate GOP members. If Phillips is right, it would be the first time in years that the Republican conservatives failed to roll up a majority in their own party.

One early premise of the right-wingers that went awry was that prominent GOP officials who had national ambitions for 1980 would have to play ball or invite the kind of opposition that almost defeated Ford for nomination in 1976.

However, such figures as Howard Baker, the Senate minority leader, and former senator Bill Brock, chairman of the Republican National Committee, found ways of resisting the pressure, as did other presidential hopefuls like Sen. Lowell Weicker (R-Conn.).

The ensuing fury of the anti-treaty bloc has boomeranged. After Sen. Baker joined Sen. Robert Byrd (D-W.Va.) in a bipartisan blessing of the treaties, 14 House Republicans demanded that he resign as minority leader. They accused him of "betraying" the country.

They suggested that Sen. Robert Griffin (R-Mich.), the only member of the Foreign Relations Committee to vote against the treaties be the new leader. Griffin was "shocked" and "outraged" at the idea. He said Baker had been "scrupulously fair" during the debate.

If the Senate were less circumspect, it would have been reduced to laughter when Sen. Jake Garn (R-Utah) interrupted the Panamana debate to announce that the American people did not want treaties made "with a corrupt military dictatorship."

Later, a fellow senator privately remarked, "What's Jake talking about? Under Nixon and Ford, all we Republicans did was support military dictatorships from Vietnam to Greece, from Chile to South Korea. So did the Democrats. And we're still doing it all over the world under Carter."

When Congress returned to Washington after the holiday recess, many members compared notes on how their constituents felt about the treaty argument. There was surprising agreement that former secretary of state Henry Kissinger had struck the most telling blow for the treaties when he said:

"A defeat for the treaties would suggest to friends and foes around the world that the United States could not deliver on an agreement negotiated by four presidents of both political parties over a period of 13 years, that it could not perceive its own interests in Western Hemisphere cooperation, and that shifting emotions and institutional statements produced erratic behavior in the most powerful country in the world."

The unanimity of recent presidents, plus united support by the present Joint Chiefs of Staff apparently has greatly deflated wild charges that the treaties are a "giveaway," a "sellout to Marxism" and a "betrayal." The public seems to sense that such talk verges on the idiom of cranks.●

● Mr. MARK O. HATFIELD. Mr. President, during the course of Senate consideration of the proposed Panama Canal treaties I have had contact with a number of individuals and groups in Oregon who have expressed opposition to all, or specific provisions of, the treaties as proposed by the Carter administration. I have had a valuable give-and-take with opponents of the treaties. I have tried always to be responsive to their concerns. While we have not always agreed on this issue, I continue to appreciate the thoughtful and constructive suggestions made by those Oregonians who continue to oppose the treaties that we debate today.

One individual who has devoted a great deal of time and effort to both opposing these treaties and offering constructive suggestions on how they might be changed is Mr. Henry Kane, a lawyer from Beaverton, Oreg. Mr. Kane has spoken and written widely on this subject in Oregon. He has helped form the Oregon Nonpartisan Committee To Save the Panama Canal, Inc., in the best Democratic tradition, Mr. Kane has sacrificed his personal and professional time to raise the questions and concerns he has relative to the substance of the Carter treaties. I will say that I have found his suggestions and questions on the Panama Canal issue to be among the most perceptive received by my office in opposition to the treaties.

Mr. President, Mr. Kane and I have differing views on certain aspects of the proposed treaties. Despite this fact, however, I feel that my colleagues, no matter on which side of this difficult issue, should be made aware of Mr. Kane's extensive personal involvement in the debate on the proposed treaties. He is to be commended, as are the other thoughtful Oregonians who have contacted me on this issue, for their dedication to their own beliefs. In an effort to insure that the suggestions of Mr. Kane, as well as those other Oregonians who comprise the Oregon Nonpartisan Committee To Save the Panama Canal, are given review by the Senate, I ask unanimous consent that amendments proposed by the committee to the treaties be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROPOSED AMENDMENTS TO "PANAMA CANAL TREATY"

Amendment No. 1:

Delete the paragraph of the Preamble reading *"Acknowledging* the Republic of Panama's sovereignty over its territory," and inserting in lieu thereof: *"Acknowledging* that the United States is transferring its territorial and certain of its other rights in the Panama Canal Zone to the Republic of Panama,"

Amendment No. 2:

Amend Article I, Section 1, by inserting after the word "supersedes" the words "except as to provisions providing for the defense of the Panama Canal and the Panama Canal Zone:".

Amendment No. 3:

Amend Article II, Section 1, by inserting after the word "Parties" the words "including but not limited to Art. IV, Section 3, of the Constitution of the United States, relating to the power of both Houses of the Congress of the United States to dispose of territory and other property of the United States."

Amendment No. 4:

Amend Article III, Section 2(a) by inserting after the word "date," the words "constructed, owned and/or operated by the United States or the Panama Canal Company on the effective date of this treaty or installations and areas constructed by the United States or the Panama Canal Company for the operation of the Canal or the defense of the Canal after the date of this treaty,".

Amendment No. 5:

Amend Article III, Section 3, by deleting the words "Commission, which shall be constituted by and in conformity with the laws of the United States of America," and insert the words "Company, the present instrumentality of the United States of America, and in conformity with the laws of the United States of America."

Amendment No. 6:

Delete subsections (a), (b), (c), and (d) of Section 3, Article III, and insert in lieu thereof:

"(a) The Panama Canal Company shall employ a Panamanian national as Deputy Administrator no later than January 1, 1990 proposed by the Republic of Panama. Should the United States of America remove the Panamanian national from his position as Deputy Administrator, the Republic of Panama shall propose another Panamanian national for appointment to such position by the United States of America.

Amendment No. 7:

Delete Section 4, Article III.

Amendment No. 8:

Delete Section 5, Article III.

Amendment No. 9:

Delete Section 8, Article III, and insert in lieu:

"8. The Panama Canal Company shall provide for the steady and growing participation of competent Panamanian nationals at all levels and areas of employment up to and including Deputy Administrator, with the objective of preparing, in an orderly and efficient fashion, for the assumption by the Republic of Panama of full responsibility for the management, operation and maintenance of the Canal upon the termination of this Treaty."

Amendment No. 10:

Delete Section 10, Article III.

Amendment No. 11:

Amend Article V by deleting the words "Commission" and "Commission" and insert in lieu the words "Company and the Canal Zone Government."

Amendment No. 12:

Delete Section 3, Article VIII and insert in lieu:

"All employees of the Canal Zone Government, the Panama Canal Company, and their

dependents shall enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law. The United States of America shall furnish to the Republic of Panama a list of said employees and their dependents, identifying the positions they occupy in said Government and Company, and shall keep such list current at all times."

Amendment No. 13:

Delete Section 2, Article IX and insert in lieu thereof:

"2. Natural or juridical persons who, on the date of entry into force of this Treaty, are engaged in business or non-profit activities at locations in the former Canal Zone may continue such business or activities at those locations, subject to the laws of the United States applicable to the Canal Zone until the termination of this Treaty and shall remain subject to said laws."

Amendment No. 14:

Amend Section 4, Article IX, by deleting the words "in conformity with its laws."

Amendment No. 15:

Delete Section 4, Section 5, Section 6, and Section 7 of Article IX.

Amendment No. 16:

Amend Section 10, Article IX the words "Commission" and inserting the words "Company."

Amendment No. 17:

Amend Section 1, Article X, by deleting "Commission" and inserting "Company."

Amendment No. 18:

Amend Section 2(a), Article X, by inserting after the words "Republic of Panama" the words: "provided that no citizen of the United States employed by the Panama Canal Company shall have his employment terminated to comply with this subsection."

Amendment No. 19:

Amend Section 3(a), Article X, by deleting the word "Commission" and inserting "Company."

Amendment No. 20:

Amend Section 3(b), Article X, by deleting the word "Commission" and inserting "Company."

Amendment No. 21:

Amend Section 3(b), Article X, by deleting the word "Commission" and inserting "Company."

Amendment No. 22:

Delete Section 3(c), Article X.

Amendment No. 23:

Amend Section 3(d), Article X, by deleting the word "Commission" and inserting "Company."

Amendment No. 24:

Amend Section 4, Article X, by deleting "Commission" and inserting "Company."

Amendment No. 25:

Delete Section 5, Article X.

Amendment No. 26:

Amend Section 6, Article X, by deleting "Commission" and inserting "Company."

Amendment No. 27:

Amend Section 6, Article X, by inserting after the word "sex" the word "religion,".

Amendment No. 28:

Delete Section 7, Article X, and insert in lieu:

"7. Persons employed by the Panama Canal Company or Canal Zone Government during the life of this Treaty, who are displaced from their employment as a result of the discontinuance by the United States of certain activities pursuant to this Treaty, will be placed by the United States of America, to the maximum extent feasible, in other appropriate jobs with the Government of the United States, or shall receive suitable pensions, which shall be a lien upon the revenues of the Panama Canal Company in the operation of the Canal. Prior to the termination of this Treaty the Panama Canal Company shall fund the retirement obligation set forth in this section.

Amendment No. 29:

Amend Section 8, Article X, by deleting "Commission" and inserting "Company."

Amendment No. 30:

Amend Section 9(a), Article X, by deleting "Commission" and inserting "Company."

Amendment No. 31:

Amend Section 10, Article X, by deleting the words "prior to the entry into force of this Treaty".

Amendment No. 32:

Amend Section 2(a), Article XI, by deleting the word "Commission" and inserting "Company."

Amendment No. 33:

Amend Section 7, Article XI, by deleting the words "only during the transition period" and inserting in lieu: "during this Treaty".

Amendment No. 34:

Delete Section 2(b), Article XII.

Amendment No. 35:

Amend Section 1, Article XII by inserting after the word "debts" the words "other than debts due the United States and retirement benefits".

Amendment No. 36:

Delete Section 2, Article XIII.

Amendment No. 37:

Amend Section 4(c), Article XIII, by adding:

"The United States of America shall not be responsible in the event Canal revenue is insufficient to pay this payment in whole or in part."

Amendment No. 38:

Amend Article XIV by adding:

"If the parties cannot agree, a particular matter shall be submitted to the World Court, the decision of which shall be final."

Amendment No. 39:

Add an Article XV:

"1. No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States of America, affect any right of the United States under this Treaty or any agreement or protocol thereof between the two countries that now exists or may hereafter exist touching the subject matter of this Treaty.

"2. If the Republic of Panama shall hereafter enter as a constituent into any other Government or into any union or confederation of states, so as to merge her sovereignty or independence in such Government, union or confederation, the rights of the United States under this Treaty shall not be in any respect lessened or impaired.

"3. This Treaty shall become null and void and the Isthmian Canal Convention, signed at Washington, D.C., November 18, 1903, and other treaties and agreements listed in Section 1, Article I of this Treaty, shall be reinstated in full force and effect if the Republic of Panama abrogates, violates or refuses to comply with this Treaty or any provision thereof or agreement or protocol in implementation of this Treaty.

"4. This Treaty shall not be abrogated or amended in whole or in part without the prior consent by treaty of the United States of America."

Amendment No. 40:

Repeal the Annex titled " Procedures for the Cessation or Transfer of Activities Carried Out by the Panama Canal Company and the Canal Zone Government and Illustrative List of the Functions That May Be Performed by the Panama Canal Commission."

PROPOSED AMENDMENTS CONCERNING "NEUTRALITY TREATY"

Amendment No. 1:

Amend Article I by adding after the word "permanently" the words "open and".

Amendment No. 2:

Amend Article II by inserting the word "permanent" before the word "neutrality".

Amendment No. 3:

Amend Article II by deleting the words "so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit," and insert in lieu:

"and that the Republic of Panama will not discriminate against any nation, or its citizens or subjects, or vessels or cargo concerning the conditions or charges of transit".

Amendment No. 4:

Amend Section 1(c), Article III by adding:

"Said tolls and other charges shall be limited to levels necessary to operate and maintain the Canal on a nonprofit basis."

Amendment No. 5:

Delete Article IV and insert in lieu:

"1. The Republic of Panama and the United States of America commit themselves in perpetuity to protect and defend and to keep open and neutral the Panama Canal. Each party shall act, in accordance with its constitutional processes to meet the danger of hostile action or the threat of hostile or other actions which threaten the security of the Panama Canal or ships transiting it.

"2. In order to facilitate the participation and cooperation of the armed forces of both Parties in the protection and defense of the Canal, the United States of America and the Republic of Panama shall continue the Combined Board created pursuant to Article IV of the Panama Canal Treaty, comprised of an equal number of senior military representatives of each Party. These representatives shall be charged by their respective governments with consulting and cooperating on all matters pertaining to the protection and defense of the Canal, and with planning for actions to be taken in concert for that purpose. Such combined protection and defense arrangements shall not inhibit the identity or lines of authority of the armed forces of the Republic of Panama or the United States of America. The Combined Board shall provide for coordination and cooperation concerning such matters as:

(a) The preparation of contingency plans for the protection and defense of the Canal based upon the cooperative efforts of the armed forces of both Parties;

(b) The planning and conduct of combined military exercises; and

(c) The conduct of United States and Panamanian military operations with respect to the protection and defense of the Canal.

"3. The Combined Board shall, at five-year intervals review the resources being made available by the two Parties for the protection and defense of the Canal. Also, the Combined Board shall make appropriate recommendations to the two Governments respecting projected requirements, the efficient utilization of available resources of the two Parties, and other matters of mutual interest with respect to the protection and defense of the Canal.

"4. The Republic of Panama grants the United States of America permission to retain and maintain on a caretaker basis, with personnel sufficient to perform the caretaker function, military installations and bases in the former Panama Canal Zone built and maintained by the United States prior to the entry into force of this Treaty and so designated to the Republic of Panama by the United States of America.

"5. The Republic of Panama grants the United States permission to retain and maintain defense intelligence and surveillance facilities, maintained and operated by personnel of the United States of America, in the former Panama Canal Zone constructed prior to the entry into force of this Treaty and so designated to the Republic of Panama by the United States of America."

Amendment No. 6:

Amend Article VIII by inserting after the word "Parties" the words "including but not limited to Art. IV, Section 3, of the Constitution of the United States, relating to the

power of both Houses of the Congress of the United States to dispose of territory and other property of the United States."

Amendment No. 7:

Delete Article V.

Amendment No. 8:

Add a new Article:

"Upon the entry into force and effect of this Treaty on 12:00 noon, Panama City time, December 31, 1999, the United States of America transfers, without charge, to the Republic of Panama all right, title and interest the United States of America may have with respect to the Panama Canal and all other real property and improvements in the former Panama Canal Zone, provided that the United States may remove military equipment before and after said date."

Amendment No. 9:

Add a new article:

"1. No change either in the Government or in the laws and treaties of the Republic of Panama shall, without the consent of the United States of America, affect any right of the United States under this Treaty or any agreement or protocol thereof between the two countries that now exists or may hereafter exist touching the subject matter of this Treaty.

"2. If the Republic of Panama shall hereafter enter as a constituent into any other Government or into any union or confederation of states, so as to merge her sovereignty or independence in such Government, union or confederation, the rights of the United States under this Treaty shall not be in any respect lessened or impaired.

"3. The Panama Canal Treaty shall become null and void and the Isthmian Canal Convention, signed at Washington, D.C., November 18, 1903, and other treaties and agreements listed in Section 1, Article I of said Treaty shall be reinstated in full force and effect if the Republic of Panama abrogates, violates or refuses to comply with said Treaty or this Treaty or any provision thereof or agreement or protocol in implementation of said Treaties.

"4. This Treaty shall not be abrogated or amended in whole or in part without the prior consent by treaty of the United States of America." ●

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, as in legislative session, not to continue beyond 7 p.m. today, and that Senators' statements be limited therein to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOME NEIGHBORLY IDEAS

Mr. SPARKMAN. Mr. President, within the last few days, we had exhaustive hearings on housing legislation. The Secretary of HUD gave us, I thought, a wonderful report of the progress that is being made in the field of decent houses, for all of our people, in decent surroundings. An editorial appeared in the Washington Post of yesterday, entitled "Some Neighborly Ideas." I think it is a very fine editorial, dealing with cities, urban improvement, and housing programs generally. I am sure that my chairman (Mr. PROXMIRE) would join me in recommending this editorial to be read by all. I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

Mr. PROXMIRE. Mr. President, if the Senator will yield to me for just a minute, I certainly do join the Senator from Alabama. These hearings were excellent. The Secretary of HUD made a fine report to us and that editorial is an excellent editorial, one that I think should be called to the attention of our colleagues.

I thank my friend from Alabama.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SOME NEIGHBORLY IDEAS

Last year, the D.C. Department of Housing and Community Development took a new approach to helping local residents figure out how to improve their neighborhoods. It invited several community groups from across the country to meet with District residents and explain the kinds of things they were doing to improve their own communities. The visitors discussed a variety of successful activities that had not required large amounts of money—mini-bus service for handicapped persons, training in housing renovation for school drop-outs, and the like. Moreover, they gave invaluable advice about the mistakes they had made and the lessons they had learned. Afterwards, local groups from almost every part of town sat down with their neighbors and came up with some specific things they wanted to do. And just the other day, city officials selected 19 groups to receive funds to manage some innovative activities in the city.

By early summer, a great deal of activity should begin throughout the city as a result. For instance, teenage residents of public housing who are interested in attending college will be tutored, tested and counseled by College Here We Come, Inc. The H Street Business Association will begin to renovate small shops in the northeast section of the city. A "how-to" guidebook on neighborhood research and historic preservation will be published by Don't Tear It Down, and their workshops will explain how city laws effect neighborhood preservation. The 14th Street Project Area Committee (PAC) will provide tenant-counseling for families moving into newly constructed apartments in the 14th Street NW area. City officials intend to give these neighborhoods a special boost, too: paving over some vacant city-owned lots to use for parking, for example, and increasing street-light repairs. What's more, according to the Department of Housing and Community Development, several city agencies will work right along with the groups, so that there are as few mishaps as possible.

These programs still must be approved by the Advisory Neighborhood Councils and the Department of Housing and Urban Development, though that should only take a short while. In the meantime, the groups will be meeting with community residents to discuss their ideas, and with local officials to iron out any bureaucratic snarls. Although it may be sometime before anything much can be said about the activities themselves, we think that both the city's Housing and Community Development office and the selected groups deserve some support. This public-private effort is exactly the type of neighborliness that residents have been asking for. We hope it works.

GOOD WORK BY THE FOREST SERVICE

Mr. STEVENS. Mr. President, also as in legislative session during the 95th Congress we have been, and will continue to be, called on to make decisions affecting the use and management of millions of acres of public lands. Already we have addressed endangered wilderness legislation, the expansion of the Redwood National Park, and many others. In doing this, we consider many different methods of protecting and managing public lands. These are decisions that will not be easily reversed.

The U.S. Forest Service has, in the past, done an admirable job managing our natural resources. These include providing leadership in development of Federal, State, and local forest lands, enhancing fish and wildlife habitats, harvesting timber for badly needed timber products, extracting minerals and oil, and protecting wilderness values. The Forest Service has carried out congressional directives by designing multiple use policies to protect massive areas of public lands.

All too often, this is a thankless task. Far too few people realize the efforts that the U.S. Forest Service engages in to provide the public with a well rounded natural resource management plan. There are 290,000 acres of national forest in Alaska, soon there may be much more.

The Forest Service in region X has done an excellent job in the Tongass and Chugach National Forests. Mr. John A. Sandor, regional forester for region X, has maintained a strong leadership role in this time of decisionmaking in the State of Alaska. Mr. Sandor has helped the Forest Service in Alaska respond to the many facets of public and private uses and needs in our national forests.

At this time, I should like to share with my colleagues an article that was authored by Mr. Sandor, which appeared in the January 1978 issue of the Alaska Construction & Oil Journal. The information that is contained in the article should help my colleagues when they are asked to evaluate legislation affecting Alaskan public lands.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FOREST SERVICE'S CHALLENGE IN ALASKA

(By John A. Sandor)

Managing forest resources on public and private lands continues as a major challenge in Alaska. The challenge has many facets: Providing leadership in the development of state and private forest lands, enhancing fish and wildlife habitats, harvesting timber for much needed forest products, extracting minerals and oil, and protecting wilderness values.

Improving the quality of life is also a major challenge. Employment programs for young people are being expanded, and improvements of local as well as federal public lands and facilities will soon be seen. Other quality-of-life improvements include increasing the recreational opportunities near population centers, offering environmental education and interpretive programs, and preserving the many historic and archeological sites on national forest lands.

DEVELOPING STATE AND PRIVATE FOREST LANDS

More than 90 percent of Alaska's 365-million-acre land base was once under federal ownership. By 1984, as result of the Alaska Statehood Act and the Alaska Native Claims Settlement Act, 104 million acres will be transferred to state ownership. And, 40 million acres will be conveyed in fee title to Native Corporations.

The state is gradually assuming fire prevention and protection responsibilities for

areas formerly administered by the Bureau of Land Management. Federal assistance to the state for developing adequate forest fire protection capabilities is made available through the Forest Service's Cooperative Forest Fire Control Program for non-Federal lands.

Regional and village Native corporations that were authorized by Congress are struggling with many social, economic and cultural decisions. Often, these decisions directly relate to management of the high-value resources on or under their newly acquired lands.

These new Native corporaitons, as well as other private owners of forest lands, may receive technical assistance from the State and Private Forestry Program. This program is a cooperative effort of the Alaska Department of Natural Resources' state forester and the forest service. At present, more than 50 Native corporations are involved in such activities as training in basic forestry and engineering techniques, using state tree nursery services, planning for the use of resources, learning fire management procedures and forest insect and disease management techniques.

Much of the most valuable timber land to be acquired by Native corporations lies within the Tongass National Forest. A cooperative timber management venture among the southeast Alaska Native villages may, in time, involve the management of nearly 500,000 acres of timber land. The potential annual timber harvest from these lands could be an estimated 100 million board feet or more. This will offer an economic development opportunity to help overcome the critical unemployment problems now prevalent in many rural communities through the management of renewable forest resources.

ENHANCING FISH AND WILDLIFE

The fish habitat improvement program was started in 1962. Since then, more than 200 habitat improvement projects have been completed on the Chugach and Tongass National Forests through cost-sharing efforts with the Alaska Department of Fish and Game. The Cooperative Fish and Wildlife Management Plan (Sikes Act proposal), approved by the state and USFS in December 1976, is a comprehensive plan for habitat management projects on the Chugach and Tongass National Forests. The proposed projects are now being incorporated into budget requests with projects to be accomplished as financing is provided.

Stream improvement and rehabilitation projects include beaver dam removal, fishway construction, fish planting, pothole blasting, log jam clearance and removal of blowdown and debris. Most of the projects are intended to protect and enhance habitat for the five kinds of salmon which provide significant economic and social benefits to the state. They also reflect a growing demand for quality sport fishing. Such projects as fishways often are quite expensive—as much as $300,000 for each installation. But, the return on these investments is as high as $20 for each $1 expended.

Wildlife habitat improvement is receiving more emphasis. Pilot programs using small clearcuts in critical winter deer range may help create openings which increase forage production. Planned burning on the Kenai Peninsula will increase forage for moose. Potholes made in the Stikine and Copper River deltas have improved conditions for migrating waterfowl and shorebirds.

The number of fisheries and wildlife biologists and other forest service specialists have been increased to help with the expanded land management planning programs and related field administrative work. They work closely with other agencies in conducting surveys, inventories and research and in guiding the designs of construction and other human activities that affect habitats.

Although the potential for serious adverse effects from logging exists for fisheries, wildlife and watershed values, little evidence of actual significant damage has been found. In the few instances of apparent damage, the probable causes appear to be violations of timber sale contract requirements.

In the last few years, small streams have been recognized as important fish-rearing areas. Removing vegetative canopy from some streams, especially small ones, can increase stream temperatures during the summer. Forest Service guidelines prescribe cutting patterns around such streams and require removing excess limbs, bark and needles from the channels.

Proper size, shape, and installation of culverts in road construction are essential to the passage of fish. A strong program has been developed to correct existing installations where necessary and to assure proper installations in the future. By going to actual sites where these new protective measures are being used, Forest Service personnel have been able to demonstrate that protecting the fish and wildlife habitat and harvesting timber are compatible if properly planned.

PROVIDING TIMBER PRODUCTS

Coordinating a timber management program with management of other equally important resource values is certainly one of the most challenging forest service responsibilities in Alaska. Balancing timber's importance to the general economy with the need to enhance other resource values presents several complex and important problems.

About 50 timber harvesting operations take place on the Chugach and Tongass National Forests each year under the very strict requirements contained in timber sale contracts. To administer more adequately these timber sales, additional funding has been provided for such specialists as resource management assistants, sale administrators, engineers, soil scientists, fisheries biologists and others.

Allowable timber harvests depend on several variables. These include forest productivity, current logging technology, fertilization and thinning practices, and the interrelationship with other forest resources and the environment. The amount of timber harvested in the future will depend on the results of the land management planing currently underway.

About 290,000 acres, or about 15 percent of national forests in Alaska, have been harvested in this century. Most of this area has been harvested since the first major pulpmill was built in the fifties.

At present, the timber industry in Southeast has the capacity to handle about 660 million board feet a year. During the poor markets of the past two years, only about 450 to 470 mmbf has been processed by the mills each year. No definite estimates are available for south-central Alaska because of a lesser demand.

During fiscal year 1976, total federal funding for the USFS Alaska Region was $21 million, not including trust funds and manpower programs. During that period, harvesting from Alaska's national forests and receipts from various special use permits returned $18 million to the federal treasury, including $11.6 million in new roads constructed by timber purchasers in connection with their timber sale activities.

Each year, the federal government sends "Payments In Lieu Of Taxes" to qualified local governments. The National Forest Management Act of 1976 revised the method of computing these special payments. Payments to Alaska communities for fiscal year 1977 were not available at press time. But, we are expecting a final total of about $2 to $3 million for Alaska.

EXTRACTING MINERALS AND OIL

The only mine operating at present in Southeast is a barite mine near Petersburg. Present prospecting indicates that a large deposit of nickel-copper ore is on Yakobi Island and that an extremely large deposit of molybdenite ore is on the mainland east of Ketchikan. A consortium of mining interests believes there is a commercially valuable find of several basic minerals on Admiralty Island.

Elsewhere in the region, we know of smaller deposits of these minerals as well as uranium, nickel, tungsten, lead and zinc. Radioactive minerals are being actively searched for on northern Kuiu Island with three companies involved. Four companies are searching in the Bokan Mountain area of Prince of Wales Island.

The copper deposits of Gravina Island are being drilled to determine the extent of mineralization. Copper and iron deposits are being explored at Mt. Jumbo.

In the Groundhog Lake area and Bradfield Canal east of Wrangell, exploration covering several large groups of claims is being pursued. At least three companies are involved.

The iron deposits of Union Bay and at Snettisham are being held by location. At least two major companies are prospecting the Sumdum area for copper. Limestone deposits on Heceta, Dall, and Long Islands are being developed.

All national forest lands, unless withdrawn, are subject to entry and mining under the General Mining Law of 1872, as amended. The Secretary of Agriculture's regulations protecting surface values in mining activities on national forest lands are also administered by the USFS.

Japan and the U.S. West Coast appear to be the logical volume markets for Alaskan ores and concentrates. The ability of Alaska minerals to compete in these markets is affected by the high costs of mining operations, particularly high labor costs.

Developing mineral resources in this region will have an increasingly important effect on the economies of communities as well as on other resources. Many secondary effects that are social and economic in nature will affect National Forest management. In some places, offshore oil development cannot be accomplished without onshore support facilities which may occur on national forest lands.

Certainly, the USFS recognizes the importance of oil, gas and mineral resource development to the well-being of Alaska and the nation. It also faces the challenge of integrating such development into the management and protection of all other resource values.

PROTECTING WILDERNESS VALUES

The forest service's roadless area review and land management planning processes are nearing completion. These processes are useful tools in identifying areas which will be recommended for classification as wilderness, wilderness study, or as areas in which resources will be managed for many uses.

In wilderness areas, a key issue is what existing manmade features and uses will be allowed. Airplane access, motorboat use, and cabins are the most important types of uses on which decisions must be made.

Protection measures for designated wilderness areas will, in some cases, conflict with the demands for other resource uses, especially along expanding transportation corridors. But, the effects on wilderness will be avoided with a responsible planning process that involves government agencies, local communities, private industry and others.

TAPPING HUMAN RESOURCES

Unemployment has been a chronic problem in Alaska, especially for young people. As a resource, the productiveness of working people can hardly be matched.

In 1977, Congress amended the Compre-

hensive Employment and Training Act of 1973 to create the Young Adult Conservation Corps (YACC). The Alaska Region of the forest service, with assistance from State Employment Services, Native village corporations, community leaders and others, has embarked on a YACC program which ultimately will employ more than 588 young Alaskans between the ages of 16 and 23.

Through this program, and others such as the Youth Conservation Corps, many benefits will soon be seen. Although designed as an employment program, YACC's other goals are to incorporate meaningful sociability training, environmental awareness, and on-the-job training with an overall improvement in the quality of life in the communities of Alaska. Young people will be constructing bridges and recreation cabins; improving salmon stream habitats; maintaining campgrounds, wildlife enclosures, landing strips, and cabins; and working on other projects on public lands and facilities that are planned in cooperation with community leaders.

PRESERVING CULTURAL RESOURCES

About 500 archeological and historic sites have been noted in Alaska's national forests. They range in age from 10,000 B.C. to the World War II era. These Native villages, camps and cemeteries; historic sites of Caucasoid remains, such as Russian-period settlements; canneries and salteries; mines and prospects, and many homesteads and fox farms are, at present, mostly on Tongass National Forest land.

As timber harvesting and other ground-disturbing activities increase, the chances for discovering new sites will increase. But, special care will also be needed to avoid their possible destruction or disturbance. As a matter of practice, archeological surveys are conducted in advance of all planned activity on National Forest lands so that sites may be identified and measures taken to avoid or otherwise protect them from destruction by the planned activity.

The value of these cultural resources, the danger of their destruction, and Forest Service legal obligations to enforce Federal laws prompted the Alaska Region to hire its first archeologist in 1974. Since then, the needs for archeological surveys have increased, and additional archeologists have been hired.

MEETING THE CHALLENGES

The forest service in Alaska is charged with providing many services to the people. To meet this goal, we need the help and criticism of the people we serve, especially during this period of planning for the best uses of natural resources on public land. The phrase "North To The Future" aptly conveys the Alaska sense of optimism. We are optimistic, too, because Alaska has not only vast resources but constructive people as well.

EXPANDING RECREATIONAL OPPORTUNITIES

Outdoor recreational and aesthetic values on national forest lands blend many resource uses with experiences unmatched elsewhere. To meet increasing demands, especially near major urban areas, the forest service is expanding the opportunities for dispersed recreation in Alaska. And, this expansion will require carefully planned construction of some roads and facilities.

Hunting, fishing, camping, boating and beachcombing account for 75 percent of all recreational uses of Alaska's National Forests. The region is unique for its system of cabins which are rented to the public on a reservation basis for nominal fees. These 187 cabins also serve as emergency shelters during poor flying or boating conditions or for protection from bears.

PROVIDING ENVIRONMENTAL EDUCATION AND INTERPRETIVE PROGRAMS

We are increasing efforts to help teachers promote environmental awareness among the state's students. Teacher workshops are scheduled during the next year in bush communities as well as in the urban areas. And, we hope to participate in the state's telecommunications system for providing useful television programming in remote areas.

A Visitor Information Service, staffed mainly by forest naturalists, provides visitors as well as residents with lectures, slide shows and reference materials that point to the unique features of Alaska. Most of these take place at special centers near Anchorage, Juneau and Ketchikan. In a unique cooperative program with the Alaska Division of Marine Transportation, the forest service naturalists also present the program on the state ferries during summer months.

S. 2684—INVESTMENT IN URBAN HOUSING AND DEVELOPMENT

Mr. PROXMIRE. Mr. President, I am introducing today with Senator BROOKE, Senator CRANSTON, Senator GARN, Senator HEINZ, Senator LUGAR, Senator MCINTYRE, Senator RIEGLE, Senator SPARKMAN, and Senator TOWER, a bill to expand the powers of Federal savings and loan associations to invest in urban housing and development.

As governments face ever tightening constraints on their spending powers, I believe we must turn more and more to the private sector for meeting our Nation's needs. Many public goals can be achieved by private business, consistently with the need to make a profit. In these cases, I believe the appropriate role of government is not to duplicate or substitute for private effort, but rather to assure that the private involvement takes place.

In some cases, encouraging private sector activity requires the provision of government incentives, such as tax breaks or spending subsidies. In other cases, it may require the establishment of direct requirements or restrictions on what businesses may do.

In other cases, however, we can encourage private sector contributions to public goals merely by removing obstacles which were created in the first place, by the Government itself.

The bill which my colleagues and I are introducing today provides an incentive of this last kind. It was drafted by the Federal Home Loan Bank Board, as a means of increasing the opportunity for Federal savings and loan associations to invest in urban development. It is aimed at relaxing restrictions which currently limit this opportunity.

The bill's major provisions are as follows:

First, it would permit savings and loans to make expanded investments, including commercial real estate loans, in areas which are undergoing intensive local use of the Federal community development block grant program. This provision recognizes that viable urban neighborhoods need, in addition to housing, commercial activity to provide shopping and jobs for the residents.

Second, the bill would remove the current law's limitations on savings and loans' ability to make home improvement and rehabilitation loans. Conserving our existing housing stock through repair and rehabilitation has become a major priority of urban housing policy, and is, in fact, absorbing a sizable share of Federal housing assistance. It makes sense that, to the extent possible, this rehabilitation work be financed through private, rather than public, funds.

Third, the bill would broaden the power of savings and loans to invest in State and local government bonds to raise revenue for housing and development, within their own States. Such investment would be permitted up to the amount of the institution's net worth.

The bill would also amend the authority of savings and loans to finance housing cooperatives. This will be an extremely useful new power as cooperatives are an increasingly important means for providing low- and moderate-income housing, and can be an invaluable tool in conserving and stabilizing urban neighborhoods.

Finally, the bill provides for these three substantive changes in the context of a streamlining and reorganization of the statute controlling savings and loans general lending and investment powers. This rewriting of the statute has long been recognized as necessary.

Mr. President, I am pleased to sponsor this bill with many of my distinguished colleagues from the Committee on Banking, Housing and Urban Affairs. We believe that its enactment will provide a major new source of funding for revitalizing the Nation's cities.

I ask unanimous consent that the bill, along with a section-by-section summary by the FHLBB, be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2684

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LENDING AND INVESTMENT POWERS

SEC. 101. (a) With the exception of unnumbered paragraphs 15, 17, and 23, section 5(c) of the Home Owners' Loan Act of 1933, as amended (12 U.S.C. 1464(c)), is amended to read as follows:

"(c) An association may, to such extent, and subject to such rules, regulations, definitions, and orders, as the Board may prescribe from time to time invest in, sell or otherwise deal with the following loans, or other investments:

"(1) Loans or investments with percentage of assets limitation.—Without limitation as a percentage of assets, the following are permitted:

"(A) Savings Account Loans: loans on the security of its savings accounts;

"(B) Single Family and Multifamily Mortpage Loans: loans on the security of first liens upon residential real property within one hundred miles of its home office or within the State in which such home office is located; loans so secured shall not exceed $60,000 in principal amount (except that with respect to residential real estate in Alaska, Guam, and Hawaii the foregoing limitation may be increased by not to exceed 50 per centum) for each single family dwelling nor exceed such amount per room within the limits allowable (at the time of the loan) in section 207(c)(3) of the National Housing Act for any other dwelling unit covered by such lien;

"(C) United States Government Securities: investments in obligations of, or fully

guaranteed as to principal and interest by, the United States;

"(D) Federal Home Loan Bank and Federal National Mortgage Association Securities; investments in the stock or bonds of a Federal Home Loan Bank or in the stock of the Federal National Mortgage Association;

"(E) Federal Home Loan Mortgage Corporation Instruments: investments in mortgages, obligations or other securities which are or ever have been sold by the Federal Home Loan Mortgage Corporation pursuant to section 305 or 306 of the Federal Home Loan Mortgage Corporation Act;

"(F) Other Government Securities: investments in obligations, participations, securities, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association, the Student Loan Marketing Association or the Government National Mortgage Association, or any other agency of the United States and an association may issue and sell securities which are guaranteed pursuant to section 306(g) of the National Housing Act;

"(G) Bank Deposits: investments in the time deposits, certificates, or accounts of any bank the deposits of which are insured by the Federal Deposit Insurance Corporation;

"(H) State Securities: investments in general obligations of any State or any political subdivision thereof;

"(I) Purchase of Insured Loans: purchase subject to all the provisions of paragraph (1)(B), except the area restriction, loans secured by first liens on improved real estate which are insured under provisions of the National Housing Act, or insured as provided in the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38 of the United States Code;

"(J) Home Improvement and Mobile Home Loans: loans made for the repair, equipping, alteration or improvement of any real property, and loans made for the purpose of mobile home financing;

"(K) Insured Loans to Finance the Purchase of Fee Simple: loans as to which the association has the benefit of insurance under section 240 of the National Housing Act, or of a commitment or agreement therefor;

"(L) Loans to Financial Institutions, Brokers, and Dealers: loans to financial institutions with respect to which the United States or an agency or instrumentality thereof has any function of examination or supervision, or to any broker or dealer registered with the Securities and Exchange Commission, secured by loans, obligations, or investments in which the association has the statutory authority to invest directly;

"(M) Liquidity Investments: investments which, at the time of making, are assets eligible for inclusion toward the satisfaction of any liquidity requirement imposed by the Board pursuant to section 5A of the Federal Home Loan Bank Act, but only to the extent that the investment is permitted to be so included under regulations of the Board or is otherwise authorized;

"(N) Investment in the National Housing Partnership Corporation, Partnerships, and Joint Ventures: investments in shares of stock issued by a corporation authorized to be created pursuant to title IX of the Housing and Urban Development Act of 1968, and investments in any partnership, limited partnership or joint venture formed pursuant to section 907(a) or 907(c) of that Act;

"(O) HUD Guaranteed Investments: loans as to which the association has the benefit of any guaranty under title IV of the Housing and Urban Development Act of 1968 or under part B of the Urban Growth and New Community Development Act of 1970 or under section 802 of the Housing and Community Development Act of 1974 as now or hereafter in effect, or of a commitment or agreement therefor.

"(2) Loans or investments limited to 20 per centum of assets.—The following loans or investments are permitted, but authority conferred in the following subparagraphs is limited to not in excess of 20 per centum of the assets of the association for each subparagraph:

"(A) Other Real Estate Loans: loans on security of first liens upon improved real estate; but the amount deemed to be loaned in transactions which, except for excess in amount, would be eligible for such association under subparagraphs (1)(B) or (1)(I) shall be only the outstanding amount of such excess.

"(B) Participation Loans: without regard to the area restriction contained in subparagraph (1)(B), investments for the making or purchase of participation interests in first liens on residential real property;

"(3) Loans or investments limited to 5 per centum of assets.—The following loans or investments are permitted, but the authority conferred in the following subparagraphs is limited to not in excess of 5 per centum of assets of the association for each subparagraph:

"(A) Education Loans: loans made for the payment of expenses of college, university, or vocational education;

"(B) Land Acquisition: an association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, subject to the area restriction contained in subparagraph (1)(B), loans to finance the acquisition and development of land for primarily residential usage;

"(C) Housing Facilities for the Aging: subject to the area restriction contained in subparagraph (1)(B), amortized loans which are secured by first liens upon improved real estate used to provide housing facilities for the aging.

"(D) Community Development Investments: investments in real property located within a geographic area or neighborhood receiving concentrated development assistance by a local government under Title I of the Housing and Community Development Act of 1974, as amended and obligations secured by liens on real property so located, but no investment in real property may exceed an aggregate investment of 2 per centum of the assets of the association.

"(E) Nonconforming Loans: loans upon the security of or respecting real property or interests therein used for primarily residential or farm purposes that do not comply with the limitations of this section.

"(F) Construction Loans, With or Without Security: subject to the area restriction of subparagraph (1)(B), investments not exceeding the greater of (A) the sum of its surplus, undivided profits, and reserves or (B) 5 per centum of the assets of the association, in loans the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate where (i) the association relies substantially for repayment on the borrower's general credit standing and forecast of income, with or without other security, or (ii) the association relies on other assurances for repayment, including but not limited to a guaranty or similar obligation of a third party, and, in either case described in clause (i) or (ii), regardless of whether or not the association takes security; and investments under this subsection shall not be included in any percentage of assets or other percentage referred to in this subsection.

"(4) Other loans and investments.—The following additional loans and other investments to the extent authorized below:

"(A) Business Development Credit Corporations: an association whose general reserves, surplus and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, lend to, or to commit itself to lend to, any business development credit corporation incorporated in the State in which the home office of the association is located in the same manner and to the same extent as savings and loan associations chartered by such State are authorized, but the aggregate amount of such investments, loans, and commitments of any such association shall not exceed one-half of 1 per centum of the total outstanding loans of the association or $250,000, whichever is less;

"(B) Service Corporations: investments in the capital stock, obligations, or other securities of any corporation organized under the laws of the State in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State and by Federal asociations having their home offices therein, but no association may make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed 1 per centum of the assets of the association;

"(C) Foreign Assistance, Certain Guaranteed Loans: (i) loans secured by mortgages as to which the association has the benefit of insurance under title X of the National Housing Act or of a commitment or agreement for such insurance, or (ii) acquire and hold investments in housing project loans having the benefit of any guaranty under section 221 of the Foreign Assistance Act of 1961 or loans having the benefit of any guaranty under section 224 of such Act, or any commitment or agreement with respect to such loans made pursuant to either of such sections and in the share capital and capital reserve of the Inter-American Savings and Loan Bank. This authority extends to the acquisition, holding, and disposition of loans having the benefit of any guaranty under section 221 or 222 of such Act as hereafter amended or extended, or of any commitment or agreement for any such guaranty. Investments under clause (i) of this subparagraph shall not be included in any percentage of assets or other percentage referred to in this section. Investments under clause (ii) of this subparagraph shall not exceed, in the case of any association, 1 per centum of the assets of such association;

"(D) State and Local Government Obligations: an association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in obligations which constitute prudent investments, as defined by the Board, of its home state and political subdivisions thereof (including any agency, corporation or instrumentality) provided that the proceeds of such obligations are to be used for rehabilitation, financing or the construction of residential real estate, and provided further that the aggregate amount of all investments under this subparagraph shall not exceed the amount of the association's general reserves, surplus and undivided profits.

"(5) Converted State-chartered associations.—Any association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter.

"(6) Definitions.—As used in this section—

"(A) the terms 'residential real property' or 'residential real estate' include leaseholds and mean homes (including condominiums and cooperatives), combinations of homes and business property, other dwelling units, or combinations of dwelling units including homes and business property involving only minor or incidental business use;

"(B) the term 'loans' includes obligations and extensions or advances of credit; and

any reference to a loan or investment includes an interest in such a loan or investment; and

"(C) the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and any territory or possession of the United States."

(b) Unnumbered paragraph 15 of such section 5(c) is transferred to the end of section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) and redesignated as subsection (m) of that section, unnumbered paragraph 17 of such section 5(c) is transferred to the end of section 5 of the Home Owners' Loan Act of 1933 and redesignated as subsection (l) of that section, and unnumbered paragraph 23 of such section 5(c) is transferred to the end of subsection 5(b) of the Home Owners' Loan Act of 1933 and redesignated as subsection 5(b)(3).".

SECTION-BY-SECTION ANALYSIS

The bill is a restatement and simplification of the existing investment authority of Federal associations found in section 5(c) of the Home Owners' Loan Act of 1933. In addition to promoting comprehension of the investment authority of Federal associations, the bill would amend their lending authority in three areas to further urban lending.

Section 5(c) would be reorganized so that it would list the investment powers of Federal associations according to categories. The first such category would be unlimited investments, followed by 20% of asset investments, then 5% of asset investments, concluding with all other investment authorities. Section headings would be included for each of the general authorities. Because three paragraphs in the existing 5(c) do not strictly deal with investment powers, they would be relocated to other parts of section 5. The three paragraphs referred to concern the trustee power, the authority to borrow from State agencies and the establishment of offices in the District of Columbia.

The opening sentence of the restructured section 5(c) would contain the sole statement of the Bank Board's regulatory authority with regard to the investments authorized thereunder. Accordingly, all other references to the Board's rulemaking authority currently referred to in various paragraphs of section 5(c) would be eliminated.

Proposed section (c)(1). Loans on Investments Without Percentage of Assets Limitation. All authorities are identical to existing law except as follows:

Proposed section (c)(1)(B). Single Family and Multifamily Mortgage Loans. The proposal uses the term "residential real property" which is defined in proposed section (c)(6) "Definitions" as, "homes (including condominiums and cooperatives), combinations of homes and business property, other dwelling units, or combinations of dwelling units, including homes and business property involving only incidental business use." With the exception of the phrase "including condominiums and cooperatives", this definition is identical to the description of housing investments found in the first sentence of existing section 5(c). By using this phrase "residential real estate" in the high cost exception for Alaska, Guam, and Hawaii, the exception is broadened to include all permissible investments, not just dwelling units.

Proposed section (c)(1)(D). Federal Home Loan Bank and Federal National Mortgage Association Securities. This section brings together into one place the existing authority for stock investment in government corporations.

Proposed section (c)(1)(F). Other Government Securities. This section has added the word "securities" in the first line and combines the authority to "issue and sell" Government National Mortgage Association securities found in a later provision of existing section 5(c) and the authority to invest in Student Loan Marketing Association securities.

Proposed section (c)(1)(J). Home Improvement and Mobile Home Loans. This is the first of the three amendments referred to above related to urban lending. The existing statute contains conflicting paragraphs granting authority to invest in home improvement loans. Unnumbered existing paragraph 3 contains unlimited authority to invest in home improvement loans up to $15,000. Unnumbered paragraph 2 limits the investment authority to 20 percent of assets and contains an area and $15,000 dollar amount limitation. The proposal would establish one investment authority for home improvement loans, removing the dollar limitation, area limitation and percentage of assets limitation.

Proposed section (c)(1)(K). Insured Loan to Finance the Purchase of Fee Simple. This section is identical to existing section 5(c), except that the words "or interests therein" have been deleted because "loans" and "investments" have been defined to include interests therein. (See proposed section (c)(6)).

Proposed section (c)(2). Loans or Investments Limited to 20 percent of Assets. All authorities are identical to existing law.

Proposed section (c)(3). Loans or Investments Limited to 5 percent of Assets. All authorities are identical to existing law except as follows:

Proposed section (c)(3)(B). Land Acquisition. The section now authorizes investments of up to 5 percent of withdrawable accounts, not 5 percent of assets as the restatement would provide.

Proposed section (c)(3)(C). Housing Facilities for the Aging. The language in the existing provision establishes loan terms with regard to housing for the aging. These terms would be eliminated because the Board can handle such requirements administratively as it does in connection with all other permissible mortage loans.

Proposed section (c)(3)(D). Community Development Investments. This is the second of the proposed urban lending amendments. The bill would contemporize the existing urban renewal authority to permit investment in areas receiving concentrated development assistance by local governments under title I of the Housing and Community Development Act of 1974, as amended.

The sixth undesignated paragraph in 5(c) dealing with "Short Term Nonamortized Loans" would be eliminated in the proposed bill because it sets forth an authority which is unnecesary in light of Federals' general investment authority.

Proposed section (c)(4)(D). State and Investments. The provisions under this heading are identical to existing law except as follows:

Proposed section (c)(4)(D). State and Local Government Obligations. This is the third substantive change proposed. The amendment would establish a limited investment authority for Federals to invest in State and local government revenue bonds issued for the rehabilitation, financing or the construction of residential real estate. This authority would be limited to investments in the obligations of the State (or political subdivisions thereof) in which these association's principal office is located. The aggregate of a Federal's investment under this authority could not exceed the amount of its general reserves, surplus and undivided profits.

Proposed section (c)(5). Converted State-Chartered Associations. This section is identical to existing law.

Proposed section (c)(6). Definitions. All the significant definitions in existing section 5(c) would be brought together in one new proposed section. Nevertheless the definition of "first liens" appearing in unnumbered paragraph 6 of existing section 5(c) would be deleted because it may be handled administratively with the Board adopting in its regulation the statutory definition. The definitions in this new section are identical to existing law except as indicated above. (See comments for section (c)(1)(B) and section (c)(1)(K).)

"URBAN LENDING AMENDMENTS TO EXISTING SECTION 5(c)"

Section 1—

Section 5(c) of the Home Owners' Loan Act of 1933, (12 U.S.C. 1464(c)), is amended—

(1) by deleting the second unnumbered paragraph thereof and

(2) by deleting from subparagraph (A) of the third unnumbered paragraph the phrase "not exceeding $15,000".

Section 2—

Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by deleting from the eighth unnumbered paragraph thereof the phrase "urban renewal areas as defined in subsection (a) of Section 1460 of Title 42" and substituting therefor the phrase "a geographic area or neighborhood receiving concentrated development assistance by a local government under Title I of the Housing and Community Development Act of 1974, as amended".

Section 3—

Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by deleting the twentieth unnumbered paragraph and inserting in lieu thereof the following: "Subject to regulation by the Board but without regard to any other provisions of this subsection, an association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in obligations which constitute prudent investments, as defined by the Board, of its home state and political subdivisions thereof (including any agency, corporation or instrumentality) provided that the proceeds of such obligations are to be used for rehabilitation, financing or the construction of residential real estate, and provided further that the aggregate amount of all investments under this subparagraph shall not exceed the amount of the association's general reserves, surplus and undivided profits."

PAST HORRORS PROVE NEED FOR GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, on March 5, the 25th anniversary of the death of Josef V. Stalin took place. It is hard to believe that a quarter of a century has passed since Stalin's rule of terror, for the memories are still all too clear.

Stalin was certainly no stranger to genocide. In the course of his purges, he ordered the murder of thousands of people, and those orders were carried out. Some were killed for their political tendencies, others for their religious beliefs. Russians who had been revolutionaries for Lenin were systematically executed. From the 1920's to the 1940's, countless Bolsheviks died terrible deaths in Lubyanka prison or in Siberian concentration camps.

Stalin was also violently anti-Semitic. Jews were placed under widespread arrest, and many thousands were killed.

Last Sunday, March 5, the New York Times printed an excellent article recounting the horrors of Stalin's reign. I

ask unanimous consent that the editorial, entitled "Memory of Moscow and Stalin's Death," be printed in full immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. I bring this all up to remind Senators of the importance of the ratification of the Genocide Convention, which was written in the United Nations even as Stalin's reign of terror was continuing. Since then, over 80 countries have seen fit to ratify the Genocide Convention, which condemns genocide as an international crime.

Unfortunately, the United States has yet to add its name to the signatories of this convention. The delay has not been caused by any of our Presidents. President Truman signed the treaty in 1948, and President Carter has also added his endorsement.

In fact, this should be the cornerstone of our human rights endeavors.

President Eisenhower, President Kennedy, President Johnson, President Nixon, President Ford, all urged the Senate to ratify it. It is the Senate which has failed to act affirmatively on this most important matter.

We are talking about both that have to act. It is not the House. The President overwhelmingly approved it. We have learned from the lessons of this century that genocide is continuing. Let us this year not hesitate any longer to act on this treaty. I call upon the Senate to ratify the Genocide Convention as soon as possible.

EXHIBIT 1

A MEMORY OF MOSCOW AND STALIN'S DEATH

(By Harrison E. Salisbury)

At 9:50 on the blustery night of March 5, 1953—or so the official communiqué stated—Josef V. Stalin died of a massive brain hemorrhage.

Twenty-five years have passed since then, but no one who lived through the winter of 1953 in Moscow will ever forget the terror that slowly rose during the weeks before the great dictator's death. It was a time of shadowy fear that became more and more palpable.

Moscow under Stalin was never a comfortable city, haunted as it was by thoughts of purges past and purges future. The ghosts of a generation of revolutionaries put to death by Stalin walked the wide streets of the Russian capital, particularly in the hours after midnight when a scudding wind clutched at the fur-lined coat of a correspondent hurrying back to the Metropole Hotel after hours of waiting for the censor to pass his dispatches.

By the winter of 1953 Stalin had ruled Russia for 25 years. On Dec. 21 he had celebrated (without public notice) his 73d birthday. By all outward signs his health was good, his reign unchallenged. But something was going on. Few doubted that a new act in the succession of horrors over which he had presided was in preparation.

The inward side of Stalin's rule had the character of the grand guignol. In the 1920's he had driven the old Bolsheviks from power and exiled Leon Trotsky. In the 1930's he conducted trial after trial, sending generations of Bolsheviks, first the old and then the young, to the death cellars of Lubyanka prison and the concentration camps of Siberia. During World War II the executions quietly went on and after the war came a new series: the "Leningrad Affair," which wiped out that city's party leadership; an anti-Semitic drive against so-called cosmopolitans; the execution of the Jewish anti-Fascist committee. The details were kept secret but the rumors spread.

Nor were the effects confined to Moscow. The paranoid personality of Stalin permeated the international atmosphere, turning the Big Three alliance of World War II into the poisonous confrontation of the Cold War, casting the shadow of nuclear holocaust over the world.

Then came the winter of 1953. Already Moscow's nerves were raw. In October 1952, after a lapse of 13 years, Stalin convened a Communist Party congress. A vast shuffling occurred. Old comrades-in-arms dropped down in the pecking order. A cry for vigilance was sounded by Aleksandr N. Poskrebyshev, Stalin's sinister chef de cabinet. Cryptic items appeared in the press, sometimes headlined "Chronicle." They told of "criminals" being shot by military tribunals.

On the morning of Jan. 13, the most sinister item Moscow correspondents had ever seen appeared on the back page of Pravda. It was only 10 brief paragraphs. The headline again was "Chronicle." Nine doctors, six of them Jews, had been arrested on charges of plotting against the lives of high government and military leaders. All were said to have had "Zionist-British-American" intelligence links.

In the days that followed came new arrests, new charges. The outline of the targets began to emerge. They were Stalin's oldest and closest associates: Molotov, Voroshilov, Mikoyan, Kosygin and Beria, the chief of the secret police. Rumors raced around: Molotov's wife had been arrested; Jews were being arrested; Beria's henchmen had been purged in Georgia.

On Feb. 17 the Indian Ambassador met with Stalin and reported that all through the talk, the Soviet leader had doodled on a pad of paper with a red pencil. Again and again, Stalin drew sketches of wolves and he talked, too, about wolves. Russian peasants knew how to deal with wolves, he said. They exterminated them. And wolves knew this and behaved accordingly.

Then a high police official, a Jew named Mekhlis, suddenly died. Marshal Vasily D. Sokolovsky—without public notice—took over the post of chief of staff. An important general named Purkayev died in an unexplained accident. Were these events part of a secret Kremlin drama? To this day no one knows.

On the morning of March 4 came the announcement that Stalin had suffered a brain hemorrhage. Finally at 4 A.M. March 6 the droning voice of the Tass dictation service read out the communiqué: Stalin had died the night before.

Stalin was gone. He has been gone now for 25 years. But the mark that his sinister era gouged into his own country and the world has not yet been entirely erased.

U.S. PREPAREDNESS MEASURES

Mr. PROXMIRE. Mr. President, a review of Federal preparedness programs by the Joint Committee on Defense Production last year revealed that the U.S. preparedness measures were inadequate, duplicative, and wasteful. In April, Senator PERCY and I introduced S. 1209, the Federal Emergency Assistance and Preparedness Act of 1977, a bill to consolidate the three major Federal agencies responsible for emergency preparedness and disaster assistance.

The National Governors' Association during its recent winter meeting in Washington passed unanimously a resolution urging such a consolidation.

Mr. President, I ask unanimous consent to have the resolution passed by the National Governors' Conference printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL GOVERNORS' ASSOCIATION, POLICY POSITION A.—17: EMERGENCY PREPAREDNESS AND RESPONSE

State government is responsible initially and primarily for the prevention, mitigation and control of the effects of natural and man-made disasters.

The federal government now assists the states to prepare for nuclear disasters and to deal with the effects of natural disasters, but has no continuing, comprehensive policy that calls for a federal role in aiding the states to prepare for natural and man-made disasters.

The federal bureaucratic structure currently distributes responsibilities for civil and nuclear preparedness and disaster relief assistance among more than twenty federal agencies, with principal responsibility resting with the Defense Civil Preparedness Agency (DCPA), the Federal Disaster Assistance Administration (FDAA) and the Federal Preparedness Agency (FPA).

This lack of national policy concerning natural and man-made emergency preparedness, coupled with a dispersion of federal responsibility among numerous federal agencies, work a great hardship on the states and hampers their ability to handle disaster situations with maximum effectiveness.

The consolidation of federal emergency preparedness and disaster relief responsibilities into one office would make the management and operation of the federal effort more effective and efficient.

The President is urged to:

1. Declare as national policy that it is proper and appropriate for the federal government to aid the states to prepare for natural and man-made disasters, as well as nuclear defense.

2. Reorganize existing federal emergency preparedness and disaster relief responsibilities of DCPA, FDAA and FPA into one agency. The federal reorganization effort should evaluate the effectiveness of existing aid programs in helping states meet the needs created by natural and man-made disasters, with a special emphasis on the ability of these programs to deliver aid and assistance expeditiously with a minimum of bureaucratic delay.

3. Establish the new agency in the Executive Office of the President, or as an independent agency. The new agency should be headed by a presidentially appointed director who is charged with the responsibility to direct all federal preparedness and response activities and to work closely with the states to meet those responsibilities.

4. Immediately charge the new combined agency director to report directly to the President in times of major emergencies and to work with top-level presidential aides and the National Security Council at all times, and to designate that person as the single point of contact for a Governor confronted with an attack, man-made or natural disaster, who may call upon any agency of the federal government for aid and assistance as determined appropriate.

5. Charge the new combined agency director with the additional responsibility for coordinating the efforts of all federal agencies that deal with emergency prevention, mitigation, any special preparedness and disaster response activities in other federal agencies, and short and long-term recovery assistance.

6. Charge the new director with the immediate responsibility of consolidating planning, reporting, staffing and funding arrangements, as well as emergency related nomen-

clature into a cohesive, accountable organization which can readily work with existing state structures, and to make known clear procedures to state and local government as well as the general public.

It is essential that the new agency include a continuing strong regional operation so that state-federal and intra-federal coordination be maintained on a regular basis.

Further, the President is urged to declare a comprehensive emergency program in which discrete and coordinative roles of federal, federal-regional and state government are defined.

The Congress is urged to hold hearings on, and give prompt consideration, as soon as the federal emergency preparedness and response study of the President's Reorganization Project recommendations are submitted, to reorganizing, consolidating and coordinating federal emergency preparedness and disaster relief agencies and programs of other agencies with emergency-related activities toward a viable system of comprehensive emergency mitigation, preparedness, response and recovery.

The administration and the Congress should also review existing legislation to update and revise laws to be consistent with new comprehensive emergency policy and reorganization.

ADDITIONAL COSPONSOR—S. 1209

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Senator from Ohio (Mr. METZENBAUM) be added as a cosponsor of S. 1209, the Federal Emergency Assistance and Preparedness Administration Act of 1977, a bill to consolidate functions and to increase efficiency and coordination in the area of disaster assistance, emergency preparedness, and mobilization readiness.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR BROOKE URGES MORE BLACK PARTICIPATION IN THE REPUBLICAN PARTY

Mr. PERCY. Mr. President, I accompanied Senator ED BROOKE when he delivered on February 25 a brilliant speech before Operation PUSH (People United to Save Humanity) in Chicago. Senator BROOKE spoke of the need for more black participation in the Republican Party. Senator BROOKE stated that—

I think that the Grand Old Party, with its historic emphasis on the rights of individuals, particularly the right to enjoy the fruits of free enterprise, can appeal to millions of Black Americans who are tired of living on an economic reservation.

Noting that "there are twice as many black people out of work today as 10 years ago" and that "the national median black family income stands at 59 percent of whites," he said that blacks need to be "freed from the welfare line (and become) able to feel the joy of independence, of a good job and the ability to feed, clothe, educate, and house our families." Senator BROOKE stated that these dreams could only be achieved if blacks maximize their political effectiveness. "It is the political power that is ultimately going to set you free—economic power follows political power."

Senator BROOKE quoted the Reverend Jesse Jackson, president of Operation PUSH, who, in speaking last month to the Republican National Committee, commented that—

Mutual need is the basis of an alliance. Black people need the Republican Party to compete for us so that we have real alternatives for meeting our needs.

I agree wholeheartedly with Rev. Jackson's statement. The Republican Party needs to actively encourage black participation in order to broaden its base and effectiveness, and blacks need the Republican Party in order to have a greater impact on our political processes.

I ask unanimous consent that Senator BROOKE's speech before Operation PUSH be printed into the RECORD. I am sure that my colleagues will find Senator BROOKE's remarks informative and stimulating.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR EDWARD W. BROOKE

I am pleased to be here in Chicago this morning and to have this opportunity to talk with the men and women who make Operation PUSH one of the most hopeful signs on a national landscape marked by indifference to the aspiration of black people.

A month ago, my friend and your esteemed leader, Reverend Jesse Jackson, stepped before the National Committee of my party and told a receptive audience that black people might just pull a Republican lever if Republicans would just take the time to care.

"Mutual need", he said, "is the basis of an alliance. Black people need the Republican Party to compete for us so that we have real alternatives for meeting our needs."

I have never heard the essence of politics so concisely and so neatly stated.

For too many years, Republicans thought it was enough to quote Abraham Lincoln, and the black vote was sure to follow. Now the shoe is on the other foot. For over 40 years, Democrats have quoted Franklin Roosevelt, convinced that what worked in the 1930's will still work in the 1980's.

For too many years, it was an article of faith with some Republicans that opposition to big federal government was the same as creative problem solving. Well, it wasn't. And Jesse Jackson has afforded our Republican Party a golden opportunity to demonstrate what Republicans really mean when they talk about individual rights and free enterprise.

Though I have been a member of the Republican Party for many years, and intend to remain a Republican for the rest of my life, I cannot say what the Republican Party precisely means. However, I can say what its members should and must mean, if they are to attract black votes into their ranks.

They must mean a total rejection of second class citizenship for all Americans. They must mean a total rejection of federal paternalism based on the belief that blacks require special treatment when the only treatment blacks seek is justice and equality of opportunity. But when Black people talk about justice and equality of opportunity in America, we are talking about much more than voting rights or open accommodations. We are talking about economics, and the digity and the power that flow directly from financial independence.

Paternalistic government is the exact opposite of that independence. It demeans the black voter by taking him or her for granted, and it fails to acknowledge that black people in business are capable of winning the confidence—and the patronage—of American consumers.

And there is another side to paternalistic government. It is shown in disturbing detail in a recently issued report from the National Urban League. According to league statistics, there are twice as many black people out of work today as there were ten years ago. The national median black family income stands at 59 percent that of whites, a gain of exactly one percent in ten years. And, among black teenagers, joblessness has climbed to an unconscionable 40 percent.

And so, the first initiative, the absolute rock bottom starting point for any Republican courtship of the black vote must be economic. And, that means adequate income levels, and, most of all, that means jobs!

Now, I grew up believing in work and the rewards of a job well done. I believe that productive labor gives a man and a woman pride and a sense of hard-earned self-esteem. I believe that to deprive an individual of such an opportunity at self-realization is nothing short of criminal.

But how do we accomplish that self-realization? It is not a question of big government or small government. It is the question of a government that cares enough about its disadvantaged people to try new solutions to old problems. Let me outline two seemingly different, but in my opinion complementary, approaches to the problems of chronic unemployment affecting so many of America's minorities and youth.

The first is the direct involvement of the government in creating jobs. I am proud of my co-sponsorship of the Humphrey/Hawkins Full Employment Bill. It is no eulogy to Hubert Humphrey. Hubert Humphrey requires none. His accomplishments for America's underprivileged speak for themselves. I support Humphrey/Hawkins because we need to have written into law the commitment of the federal government to full employment for all.

This is not, as some have claimed, government jobs for all who want them. This is not, as some have claimed, top heavy or socialized central palnning. This is a thoughtful, coherent way in which to coordinate monetary, fiscal and anti-inflationary policies to promote jobs in the private sector.

Under Humphrey/Hawkins, the major responsibility for economic planning would be the President's, aided by an advisory committee on full employment and balanced growth. No sprawling new bureaucratic structure would be created. No massive infusions of federal dollars would be required. Humphrey/Hawkins would provide grants during periods of high unemployment and low production, and would also provide community and youth jobs programs. as well as efforts to combat discrimination against groups historically overlooked when it comes to job hunting.

Humphrey/Hawkins is not a radical bill, as some have charged. It is a conservative bill, in the classic sense of the word. It seeks to preserve private enterprise by correcting those deficiencies and abuses which have placed more than five million people on the national unemployment roll.

And, Washington can do other things to assist the economically disadvantaged, of whom a disproportionate number are black or Hispanic. Last year, we in the Congress passed a new minimum wage bill, which, by 1981, will raise the base wage to $3.35 an hour. It should have been higher, but the House of Representatives refused to accept our higher Senate figure.

Fortunately, however, the Congress did pass and the President signed into law my amendment, a Republican amendment, to the wage legislation to correct long-standing injustices to the more than 2.4 million Americans who earn their living in the restaurant, hotel, and motel industries. Until now, unlike other workers, it was necessary for waiters, waitresses, cooks, and dishwashers to

work 46 hours a week before receiving any compensation for overtime. The Brooke amendment cuts the hours to 44 this year and the standard 40 hours in 1979 where it should have been all along. Those waiters and waitresses, cooks and dishwashers have it hard enough without any longer suffering economic discrimination at the hands of their Federal Government.

Of course, there is much that the Federal Government can and should do. But the Federal Government—any government—can do only so much to stimulate the economy. It can provide CETA jobs for up to a year. It can admit a small number of young men and women to Job Corps Training programs, and it can try to educate Americans for whom English is not their native tongue, so that they stand a better chance in the job market. It can pay benefits to people who are unable to work or who can't find work, and it can and should reach out to assist those unable to find meaningful employment.

But, make no mistake about it, the federal government cannot create millions of essential permanent jobs. And, it cannot train millions of young people to fill those jobs. It is the private sector, and only the private sector, that can create permanent jobs and adequately train employees. It is the private sector than can permanently cut the rate of unemployment among blacks and Hispanics. This is a simple fact of economic life.

Of all the Republican principles, the most trumpeted is the commitment to American free enterprise. Tragically, this has had the least relevance to most black Americans. For we really need more black-owned businesses. We need to translate the historic Republican concern for free enterprise into action, building the black business community, instead of the black unemployment line.

Too often, Republican orators latch on to the glories of private enterprise, extolling its virtues before starry-eyed audiences. And for some of them, private enterprise seems almost like a religion, with an emphasis on ritual instead of service. Blacks, too, believe in private enterprise, but they also believe in economic parity. But there will never be economic parity for black and white Americans until the free enterprise system embraces blacks as more than a potentially useful fringe benefit.

Most would agree that the federal government has an obligation to assist those who cannot themselves make it in a capitalist society. It also has an obligation to create an economic environment favorable to minority business. And the fact is that we have just not done a very good job of this.

Historically, minority-owned businesses have been confined to the small retail market, small service industries, minor construction, and light manufacturing. Our aspirations to succeed as capitalists were undermined by a pre-conception that a black person's greatest value was as a laborer or deliverer of goods and services. Even for the most dedicated, the ability to own a business remained a dream.

You will recall that all the way back to the 1930's you would always find at least eight of America's largest black firms in either the insurance or the funeral parlor business. It seemed to some that the only way to succeed as a black in business was to hope either that your neighbors did not die or that they did, depending on the nature of your establishment.

Thankfully, that is beginning to change now as more enter a rapidly expanding market. Black people in America now consume more goods and services than the population of all the nations in the world save ten. In the four years before the recession of 1974–75, sales of the nation's 100 top black firms increased by 25 percent. Automobile dealers has replaced funeral directors as the top minority business leader. Close behind are manufacturers, publishers, and entertainers.

Oh yes, some progress has been made. But let's not delude ourselves about that progress. We still have a long way to go. All of America's black-owned banks together do not equal the assets and deposits of the nation's fiftieth largest bank and trust company.

The largest black industrial firm, Motown Industries, reported $43.5 million in sales in 1975. That sounds impressive. But it is less than 15 percent of the sales recorded by the smallest company on Fortune's survey of 500 white industrial firms.

Even worse, the decade past saw nearly 20 percent of small black businesses liquidated within two years or less.

The genius of private enterprise knows no color. But unless we get more capital into the hands of minority businesses, then we are doomed to an even higher rate of failure.

We are at least beginning to attack the problem. Last year, again as a Republican, I introduced a bill which was passed by the Congress and signed into law by the President, and which set aside at least ten percent of all federal public works monies for minority firms. This means that $400 million or more will go directly to the minority firms that show the greatest potential to provide jobs for minorities.

But that's only a start. We must remove the barriers to credit which often cripple a business before it can ever get off the ground.

Undercapitalized businesses often result from the reluctance of banks or other financial institutions to lend financial assistance and lines of credit. And we all know that credit ratings are especially hard to come by if you are a minority businessperson with serious hardships in obtaining credit from suppliers and wholesalers.

To try and circumvent this chronic difficulty, we in the Congress have undertaken a number of initiatives aimed at providing greater access to capital to those who have been denied such access in the past. We have amended the Small Business Act to double the $100,000 economic opportunity loans. We have also increased to $500,000 the maximum size of a regular Small Business Administration loan. We have passed my amendment, the so-called Brooke amendment, to the Equal Credit Opportunity Act which prohibits discrimination in the extension of credit.

Last March, the Congress voted to raise by more than a billion dollars the ceiling on SBA's business loan and investment fund. This is critical because the SBA can be an important conduit for minority businesses seeking guidance, but not dictation, from the Federal Government. More directly, black businesspersons should take advantage of the $60 billion of goods and services purchased each year by the Federal Government.

In 1977, less than two percent of the Federal Government's procurement contracts were awarded to black-owned business firms. That is nowhere near a fair approximation of our needs or capabilities. That is nowhere near a fair share or slice of the federal pie.

The painful fact is that minority businesses are new to the contract game. To succeed in business, minorities must seek opportunities wherever they might exist. They must compete, they must ask for, apply for, qualify for, government procurement contracts. Sixty billion dollars is a lot of money and two percent of it is unacceptably low.

Many new fields are now open. For example, the field of energy, where millions and millions of dollars in energy-related contracts are available. It is a brand new industry, like oil drilling a century ago, or television in the 1940's.

We must prepare for these new challenges. And there are some things that can be done immediately to help prepare our young people for the demands of the working world. We can tailor our educational agenda to teach basics like punctuality and personal neatness. We can remove artificial barriers around such jobs as construction work, taxi hacking, barbering, plumbing, and others. We can make training in these fields more open and licensing procedures less burdensome.

For some people, a college degree is useful. For others, vocational training is preferable. Neither is the solution for everyone. Here, as elsewhere, individuality should be encouraged.

The first thing you learn, at home, in school, or on the streets, is pride. Pride in your families, pride in your neighborhoods, and most important, pride in yourself.

Your Operation PUSH is all about pride, individual and corporate pride. Jesse Jackson preaches the kind of pride and self-respect that sustains an individual or family through hard times.

I want to reiterate that message. But, I also want you to take pride in your participation in your country's political life. I want you to remember that in 60 of America's Congressional districts, black people comprise 25 percent or more of the electorate.

I want you to remember that black voters elected Jimmy Carter President of these United States. I also want you to remember that, while there are more black elected officials now than ever before, that number is still a mockery of our competence to govern.

Personally, I would like to see more of my fellow blacks vote Republican. Along with my national chairman, Bill Brock, I would like to see more blacks seek office under the Republican banner. To do less would be like putting all of the proverbial eggs in one basket, and losing the political eggs in one basket, and losing the political leverage that is ours.

Most of all, I think that the Grand Old Party, with its historic emphasis upon the rights of individuals, particularly the right to enjoy the fruits of free enterprise, can appeal to millions of black Americans who are tired of living on an economic reservation.

I want us to get off the reservation—I reject any system that perpetuates the myth of black people as perpetual consumers. I want our children and grandchildren to be producers, out from under the stigma of dependency, freed from the welfare line, able to feel the joy of independence, of a good job, and the ability to feed, clothe, educate and house our families.

And for those who, because of disability, must seek welfare, I want a welfare system that is humanitarian in its concern for the poor, instead of insensitive and degrading.

These goals can be achieved. But, they can only be achieved by maximizing our political effectiveness. This morning there are seven million unregistered black voters in this country. Can you imagine that potential? Can you conceive of the influence, the power, and the impact that seven million unregistered black voters, all literally up for grabs, could have upon this Nation? Can't you see that we won't be talking about one percent or two percent of anything, or even potentials, but that we would at long last have realized true equality of opportunity in the American free enterprise system.

Ten years ago, I served as a member of the Kerner Commission, which President Lyndon Baines Johnson appointed to investigate the roots of racial violence in the wake of the riots of 1967. After our work was concluded, we issued a report. In that report, we concluded that America was moving toward "two societies, one black, one white—separate and unequal". We made powerful recommendations for change.

I wish it were different, but I see little evidence of change since then. Precious few of those recommendations have been adopted. In many parts of this land, segregation in

education, housing and jobs is worse than it was in 1968.

And the problem is further complicated by the fragmentation of the old civil rights coalition, as many of our old allies lost heart or lost interest.

That coalition must be recreated, and broadened, or we will go on hearing platitudes from the people in power, while the people in the streets of Chicago and elsewhere across this country fall victim to hopelessness or become perpetual wards of an uncaring state.

This morning I have tried to discuss just some of the problems that face us black people in this society to which my party—the Republican Party—must address itself if it is serious about attracting black voters.

And by the Authority of the Chairman and National Committee of the Republican Party—which I do not have—I invite you to join our ranks. If on occasion you find, as I have, that it does not live up to your hopes and aspirations, then I say do as I have done and try to change it to more accurately reflect those hopes and aspirations. But one thing is certain, you'll never change it from the outside.

THE ENCYCLOPEDIA BRITANNICA HIGHLIGHTS ENERGY WASTE

Mr. PERCY. Mr. President, I have just completed a review of the 1978 Encyclopedia Britannica Book of the Year. I have found this publication to be a superb compendium of articles on some of the major news trends of 1977. I commend the Britannica publishers for their consistent quality.

In particular, I was intrigued by a brief article on the energy we waste by our failure to use falling water at existing dams around the country. Small-scale hydroelectricity potential received a good deal of attention in 1977, thanks to the efforts of Dr. David Lilienthal. The Britannica article describes the unused electrical potential of navigational dams on the Mississippi. Engineers from Chicago's Commonwealth Edison say that lock 11 at Dubuque, Iowa, has an unused capacity of 30 megawatts, or half of Dubuque's needs. The famous locks and dam 26 at Alton, Ill., has a potential capacity of 167 megawatts.

Congress took significant action on small-scale hydroelectricity last year. The national energy plan contains a grant program for engineering work, as well as protections for small power producers who want to sell surplus power. Once these provisions finally become law, I hope that private capital will move ahead and invest in our 49,000 unused dams, equivalent to about 24 new large nuclear or coal powerplants.

Mr. President, I ask unanimous consent that the Encyclopedia Britannica yearbook article "Wasted Energy" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASTED ENERGY

Examples of usable energy sources close to home are many. Some of these sources, like the following, are potentially large.

Lock and Dam No. 11 are located on the Mississippi River at Dubuque, Iowa. That far upriver the volume of water is not nearly so high as it is downstream, but even so, an average of 40,000 cubic feet of water comes churning, rolling, and roaring through the sluice gates over a fall of 11 feet at Dam No. 11 every second. No generating turbines harvest this tremendous free-flowing power. No power lines are strung from the dam into Dubuque, which sits right on the riverbank by the dam.

Electrical engineers at Commonwealth Edison, the largest electrical utility in the Midwest, calculate that the volume of water at the Dubuque dam would be sufficient to generate 30,000 kilowatts of electricity, or enough to meet about half the total electricity needs of the city of Dubuque.

Dam No. 11 is but one of 27 such dams between the headwaters of the Mississippi and the city of St. Louis, yet electrical power is generated at only four of these dams, and at these by private power companies.

Electrical engineers estimate that if all of these dams were turned into power-producing stations they would do much to light up the entire Mississippi Valley with continuously available, nonpolluting energy. At Dam No. 26 at Alton, Ill., for example, the water volume averages 98,570 cubic feet per second and the lift is 24 feet, giving a potential power yield of 167,000 kilowatts.

A July 1977 report by the U.S. Army Corps of Engineers states, "The development of all of the hydropower potential at existing hydropower and non-hydropower dams could generate almost 160 billion kilowatt hours of electricity and save 727,000 barrels of oil per day."

SUN DAY RESOLUTION PASSES HOUSE

Mr. PERCY. Mr. President, our colleagues in the House of Representatives yesterday passed, by a vote of 348 to 7, House Joint Resolution 715, establishing May 3 as Sun Day. Sun Day will celebrate the present-day capacity and the future potential of solar energy to meet our energy needs. Educational and expositional activities will take place on May 3 in every State of the Union and in at least 11 foreign countries.

I congratulate Congressmen RYAN, OTTINGER, and JEFFORDS, the sponsors of House Joint Resolution 715, on its overwhelming success. I look forward to similar results with Senate Joint Resolution 110, the identical resolution. At present, Senate Joint Resolution 110 awaits Judiciary Committee action.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:52 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 8903) to amend the National Trails System Act, and for other purposes.

The message also announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 578. A joint resolution authorizing the President to proclaim the third week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week," and

H.J. Res. 715. A joint resolution proclaiming May 3, 1978, "Sun Day."

HOUSE JOINT RESOLUTIONS REFERRED

The following joint resolutions were read twice by their titles and referred as indicated:

H.J. Res. 578. A joint resolution authorizing the President to proclaim the third week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week"; to the Committee on the Judiciary.

H.J. Res. 715. A joint resolution proclaiming May 3, 1978, "Sun Day"; to the Committee on the Judiciary.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–3005. A communication from the Secretary of State, reporting, pursuant to law, payment by the Panamanian Government on October 26, 1977, to Dr. Halla Brown for loss or injury which has arisen from the accident of April 20, 1974; to the Committee on Appropriations.

EC–3006. A communication from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of an REA insured loan in the amount of $8,144,000 and a commitment to guarantee a non-REA loan in the amount of $9,056,000 to M&A Electric Power Cooperative of Poplar Bluff, Missouri; to the Committee on Appropriations.

EC–3007. A communication from the Administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of a commitment to guarantee a non-REA loan in the amount of $167,280,000 to Dairyland Power Cooperative, of LaCrosse, Wisconsin, to finance certain generation and transmission facilities; to the Committee on Appropriations.

EC–3008. A communication from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations and for other purposes; to the Committee on Armed Services.

EC–3009. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation

to further the rationalization, standardization, interoperability, and effectiveness of the land, air, and naval forces of the North Atlantic Treaty Organization countries; to the Committee on Armed Services.

EC–3010. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to extend the authorizations for rural housing programs; to the Committee on Banking, Housing, and Urban Affairs.

EC–3011. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend Title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

EC–3012. A communication from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, the proposed use of $806,000 of "Construction of Facilities" (CoF) funds appropriated to NASA for Fiscal Year 1976, to construct a Water Immersion Facility (WIF) capable of supporting underwater extravehicular activity (EVA) training of Shuttle flight crews at the Lyndon B. Johnson Space Center (JSC), Houston, Texas; to the Committee on Commerce, Science, and Transportation.

EC–3014. A communication from the Asretary of the Treasury, transmitting, pursuant to law, a report on the activities of the Office of Revenue Sharing, U.S. Department of the Treasury, for fiscal year 1977; to the Committee on Finance.

EC–3014. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, a report on excess defense articles delivered to foreign governments in the first quarter of fiscal year 1978; to the Committee on Foreign Relations.

EC–3015. A communication from the Administrator, Agency for International Development, Department of State, transmitting, pursuant to law, a report on studies to identify the energy needs, uses and resources which exist in developing countries; to the Committee on Foreign Relations.

EC–3016. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the Third Annual Report on the Activities of the Health Maintenance (HMO) Program; to the Committee on Human Resources.

EC–3017. A communication from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, on authority utilized through the Contract Readjustment Board during calendar year 1977; to the Committee on the Judiciary.

EC–3018. A communication from the Secretary, The American Battle Monuments Commission, reporting, pursuant to law, with respect to administration of the Freedom of Information Act during fiscal year 1977; to the Committee on the Judiciary.

EC–3019. A communication from the Director, Federal Mediation and Conciliation Service, reporting, pursuant to law, with respect to administration of the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–3020. A communication from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report on administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–3021. A communication from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, a report on administration of the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–3022. A communication from the Chairman, Federal Maritime Commission, transmitting, pursuant to law, a report on administration of the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–3023. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on identical bidding in advertised public procurement during calendar year 1976; to the Committee on the Judiciary.

EC–3024. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report on administration of the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–3025. A communication from the General Counsel, Legal Services Corporation, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for the period from January 1, 1977 through December 31, 1977; to the Committee on the Judiciary.

EC–3026. A communication from the Acting Director, Selective Service System, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EC–3027. A communication from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EC–3028. A communication from the Information Officer, Postal Rate Commission, transmitting, pursuant to law, a report on administration of the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EAGLETON, from the Committee on Governmental Affairs, without amendment:

H. Con. Res. 464. A concurrent resolution approving an amendment to the District of Columbia Charter relating to initiative and referendum (Rept. No. 95–673).

H. Con. Res. 471. A concurrent resolution approving an amendment to the District of Columbia Charter relating to recall of elected officials (Rept. No. 95–672).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HAYAKAWA:

S. 2677. A bill for the relief of Ching Wu Wang; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. PEARSON) (by request):

S. 2678. A bill to authorize appropriations for the fiscal years 1979 and 1980 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CURTIS:

S. 2679. A bill to amend the Clean Air Act in order to remove a prohibition against the use of alcohol as a fuel additive; to the Committee on Environment and Public Works.

By Mr. MATHIAS:

S. 2680. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to Title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Finance.

By Mrs. HUMPHREY:

S. 2681. A bill for the relief of Mrs. Bertha Alicia Ceballos; to the Committee on the Judiciary.

By Mr. McGOVERN:

S. 2682. A bill to authorize construction of the Gregory County pumped-storage facility; to the Committee on Environment and Public Works.

By Mr. WALLOP:

S. 2683. A bill for the relief of Theodore H. Gies; to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself, Mr. BROOKE, Mr. CRANSTON, Mr. GARN, Mr. HEINZ, Mr. LUGAR, Mr. MCINTYRE, Mr. RIEGLE, Mr. SPARKMAN, and Mr. TOWER):

S. 2684. A bill to expand and facilitate urban lending investment by Federal savings and loan associations; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GARN (for himself and Mr. HATCH):

S.J. Res. 117. A joint resolution designating the fourth Wednesday of October of each year as "Seventy-Plus in High School Day;" to the Committee on the Judiciary.

By Mr. JOHNSTON:

S.J. Res. 118. A joint resolution to declare November 6 through 12, 1978, to be "Emergency Medical Services Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CANNON (for himself and Mr. PEARSON) (by request):

S. 2678. A bill to authorize appropriations for the fiscal years 1979 and 1980 for certain maritime programs of the Department of Commerce, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MARITIME APPROPRIATION AUTHORIZATION ACT, 1979 AND 1980

● Mr. CANNON. Mr. President, I introduce today, at the request of the Department of Commerce, and on behalf of myself and my colleague, Mr. PEARSON, a bill to authorize appropriations for fiscal years 1979 and 1980 for certain maritime programs of the Department of Commerce, and for other purposes.

I ask unanimous consent that the text of the bill, the letter of transmittal, and the statement of purpose and needs, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2678

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act for Fiscal years 1979 and 1980".

SEC. 2. Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Commerce, for the fiscal years 1979 and 1980, as follows:

(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships not to exceed $157,000,000 for fiscal year 1979, and such sums as may be necessary for fiscal year 1980;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $262,800,000 for fiscal year 1979, and such sums as may be necessary for fiscal year 1980;

(3) For expenses necessary for research and development activities, not to exceed $17,500,000 for fiscal year 1979, and such sums as may be necessary for fiscal year 1980;

(4) For maritime education and training expenses, not to exceed $22,483,000 for fiscal year 1979, including not to exceed $15,359,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $5,220,000 for financial assistance to State marine schools, and $1,904,000 for supplementary training courses authorized under section 216(c) of the Merchant Marine Act, 1936, and such sums as may be necessary for fiscal year 1980; and

(5) For operating expenses, not to exceed $34,845,000 for fiscal year 1979, including not to exceed $5,516,000 for reserve fleet expenses, and $29,329,000 for other operating expenses, and such sums as may be necessary for fiscal year 1980.

SEC. 3. There are authorized to be appropriated for the fiscal years 1979 and 1980, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

FEBRUARY 24, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "To authorize appropriations for the fiscal years 1979 and 1980 for certain maritime programs of the Department of Commerce, and for other purposes," together with a statement of purpose and need in support thereof.

The Department has determined that this proposed legislation does not constitute a major proposal requiring preparation of an Economic Impact Statement under Executive Orders 11821 and 11949, and OMB Circular A-107.

We have been advised that there is no objection from the standpoint of the Administration's program to the submission of this legislation to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

JUANITA M. KREPS.

Enclosures.

STATEMENT OF PURPOSE AND NEED OF THE DRAFT BILL, "TO AUTHORIZE APPROPRIATIONS FOR THE FISCAL YEAR 1979 AND 1980 FOR CERTAIN MARITIME PROGRAMS OF THE DEPARTMENT OF COMMERCE, AND FOR OTHER PURPOSES."

Section 209 of the Merchant Marine Act, 1936, provides that after December 31, 1967, there are authorized to be appropriated for certain maritime activities of the Department of Commerce only such sums as the Congress may specifically authorize by law. This draft bill authorizes appropriations for those activities listed in section 209 for which the Department of Commerce proposes to seek appropriations for fiscal years 1979 and 1980.

"(1) For acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships not to exceed $157,000,000 for fiscal year 1979 and such sums as may be necessary for fiscal year 1980."

Construction subsidies are based on the difference between United States and foreign shipbuilding prices. These sums are paid to shipyards so that U.S. operators can purchase American-built vessels at prices equivalent to prices for similar foreign-built vessels.

The request for construction subsidies for fiscal 1979 is $157,000,000. This, together with $122,000,000 of carryover funds, totaling $279,000,000 will fund six ships: two Roll-on/Roll-off ships, two Liquefied Natural Gas carriers, and two containerships.

"(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $262,800,000 for fiscal year 1979, and such sums as may be necessary for fiscal year 1980."

Operating subsidies are based upon the difference between United States and foreign vessel operating costs and are paid to promote the maintenance of a U.S.-flag merchant fleet capable of providing essential shipping services. Essential services are defined as those ocean services, routes and lines, and bulk carrying services essential for the promotion, development, expansion, and maintenance of the foreign commerce of the United States. Operators receiving subsidies for the provision of such services must operate American-built vessels manned by American crews. The fiscal year 1979 and 1980 authorization request will finance operating subsidies to qualified U.S.-flag operators in order to support the continuation of essential American merchant marine services.

An estimated $336,526,000 in subsidy will be paid to U.S.-flag operators in 1979. Approximately $73,726,000 of this amount is projected to become available from 1978 balances brought forward to 1979. Estimated payments during 1979 include $259,718,000 for 160.4 ship years of liner ship operations, $27,964,000 for 21.5 ship years of bulk carrier ship operations, and $48,844,000 for balances of subsidy estimated to be due for ship operations through 1978. Funds requested for fiscal year 1979 include $3,750,000 for U.S.-flag carriage of grain purchased under the long-term U.S./U.S.S.R. grain purchase agreement for shipment during the year. The requested funding for the 1979 program reflects escalation of U.S. and foreign costs over 1978 costs, full year costs of ships delivered in 1978, and reductions in subsidy resulting primarily from the projected termination during 1978 of subsidy for two passenger ships.

"(3) For expenses necessary for research and development activities, not to exceed $17,500,000 for fiscal year 1979, and such sums as may be necessary for fiscal year 1980."

The purpose of the research and development program is to advance technological development to enable U.S. shipyards and ship operators to become more competitive.

The program level for 1979 includes projects for the development of improved and more efficient shipboard machinery, improved ship design and construction methods, and the improvement of shipboard operations and shipping systems for greater productivity and safer operations. These activities will assist U.S. shipping and shipbuilding companies in competing in world trade. Cost-sharing and participation by industry in research and development projects assure that projects have practical and meaningful objectives, increase potential for industry implementation, and enhance the research effort by obtaining a larger return for the Federal investment.

"(4) For maritime education and training expenses, not to exceed $22,483,000 for fiscal year 1979, including not to exceed $15,359,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $5,220,000 for financial assistance to State marine schools, and $1,904,000 for supplementary training courses authorized under Section 216(c) of the Merchant Marine Act, 1936, and such sums as may be necessary for fiscal year 1980."

The 1979 maritime education and training program includes operation of the Merchant Marine Academy, continuing assistance to the six State marine schools, and supplementary training for eligible merchant marine personnel. Funding requested for the Merchant Marine Academy will provide for increased operating costs and for development and implementation of a specialized automated information system in support of the registrar and admissions functions. The State marine school program, established by the Maritime Academy Act of 1958, assists States in the operation and maintenance of maritime academies for the training of merchant marine officers. Assistance is provided to participating States (California, Michigan, New York, Maine, Massachusetts, and Texas) in the form of annual grants, allowances to cadets, and maintenance and repair of ships on loan for use as training ships. No funding increases have been requested for 1979. Supplementary training provided under Section 216(c) of the Merchant Marine Act, 1936, as amended, provides training courses in the use of shipboard collision avoidance radar, gyro compass operation and maintenance, use of Loran C, field exercise training in shipboard firefighting, and operation and maintenance of medium and slow speed marine main propulsion diesel engines. The 1979 budget request includes funding for one firefighting field exercise facility on the West Coast to complete the current facilities development program and also provides for expansion of collision avoidance radar training.

"(5) For operating expenses, not to exceed $34,845,000 for fiscal year 1979, including not to exceed $5,516,000 for reserve fleet expenses, and $29,329,000 for other operating expenses, and such sums as may be necessary for fiscal year 1980."

The reserve fleet program provides for preservation maintenance and security of ships in the National Defense Reserve Fleet and for administration of the ship transfer and scrap ship sales programs. The National Defense Reserve Fleet provides a viable inventory of ships preserved in such manner as to facilitate activation to meet requirements for additional shipping capacity in times of national emergency. The 1979 budget requests additional funding for Maritime Administration expenses in the joint Navy-Maritime Administration Ready Reserve Fleet program. This program, initiated in 1977, is designed to make available a sealift capacity of 340,000 measurement tons (about 30 ships) that can be activated within 5–10 days of notification.

Funding authorized under the category "other operating expenses" provides for the direction and administration of all Agency programs other than the Merchant Marine Academy, supplementary training and reserve fleet programs and for all program costs not separately authorized above. In 1979 additional resources are requested to obtain better information on costs of building ships in foreign shipbuilding centers, design and improved automated information system that will provide data and analysis of the U.S. maritime labor force, and provide additional staff for administration of the cargo preference program and the Agency's accounting systems.

Section 3 of the draft bill would authorize to be appropriated for 1979 and 1980, additional supplemental amounts for the activities for which appropriations are authorized under section 2 of the bill to the extent necessary for increases in salary, pay, retirement, or other employee benefits authorized by law. The purpose of this section is to provide authorization for supplemental appropriations for these purposes.

Also requested is necessary authority for supplemental appropriations, should they be needed, for uncontrollable cost increases in public utilities, food services and other expenses at the Merchant Marine Academy at Kings Point, New York.●

By Mr. MATHIAS:

S. 2680. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain

Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Finance.

AMENDMENT OF SOCIAL SECURITY ACT

● Mr. MATHIAS. Mr. President, we are all aware of the need to revitalize the social security system. Congress last year passed and President Carter signed into law the Social Security Amendments of 1977. The President and the majority of Congress thought at the time that tax increases and elimination of certain benefits were a solution. I did not share their view.

Under the new law, people who retire on a civil service pension will not be able to collect any social security dependent or survivor benefits to which they would otherwise be entitled, unless the social security benefit is larger than the civil service pension payment. In that case, the dependent or survivor will only be able to collect from social security the difference in amount between the social security benefit and the civil service pension payment.

The present law strikes me as blatantly discriminatory. I see no reason why benefits should be denied dependents who happen to have worked for the Federal Government. Granted, they have not paid into the social security system, but neither have many other dependents who remain entitled to social security auxiliary benefits.

These people have planned their retirement based on these benefits. They are entitled to them.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2680

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 334 of the Social Security Amendments of 1977 is amended—

(1) by striking out subsections (a), (b)(3), (c), (d)(3), (e), and (g); and

(2) by striking out "is amended to read" and all that follows in subsections (b)(2) and (d)(2) and inserting in lieu thereof in each instance "is repealed.".

(b) Subsections (a)(1) and (b)(1) of section 336 of such Amendments are each amended by striking out all that follows "Act" where it first appears and inserting in lieu thereof "is amended by striking out all that follows 'subsection (q)' and precedes 'and subparagraph (B)'.".

SEC. 2. Subsection (a) of the first section of this Act shall be effective with respect to benefits payable for months beginning with the month in which the Social Security Amendments of 1977 were enacted in accordance with section 334(f) thereof (as though the amendments made by such subsection (a) had been incorporated in section 334 of such Amendments upon its enactment); and the amendments made by subsections (a), (b)(2), (b)(3), (c), (d)(2), (d)(3), and (e) of such section 334 as in effect without regard to this Act shall be deemed never to have become effective. The amendments made by subsection (b) of the first section of this Act shall become effective (as though they had been included upon the enactment of such Amendments) as provided in section 336(c)(1) thereof.●

By Mr. McGOVERN:

S. 2682. A bill to authorize construction of the Gregory County pumped-storage facility; to the Committee on Environment and Public Works.

GREGORY COUNTY PUMPED-STORAGE FACILITY

● Mr. McGOVERN. Mr. President, the U.S. Army Corps of Engineers has in the last year completed a review report for water resource development along the Missouri River in South Dakota, Nebraska, North Dakota, and Montana. In the introductory material to this "umbrella study" the Corps reminds us once again of the staggering nature of demand for water resource development which is taking place in that region.

As my colleagues will recall, six large dams have already been constructed on the mainstem of the Missouri River in this region and are currently providing hydroelectric power as a base of supply for electric consumers in several States. This has certainly been a beneficial development. Yet, as grand as this development has been in terms of providing electricity, in the next 20 years peak loads are projected to increase to the point that 37,500 megawatts of additional capacity will have to be added to regional power supplies. In graphic terms, this means another 18 projects of the scale already in place in the Missouri mainstem for hydroelectric power generation will be needed to meet the peak demand for electricity in 1995. The implications of this are awesome to contemplate and yet it only represents a relatively small part of the national energy picture.

One of the purposes of the corps' umbrella study was to determine what additional hydroelectric power generation capability the Missouri River might still provide. The prospect is not overly promising.

After preliminary screening early in the study, the corps found potential for hydropower additions at four of the mainstem dams and four locations suitable for pumped-storage. After further analysis only two of the original four hydropower additions seemed at all feasible, and in the final analysis, a decision on these has been deferred. Of the four pumped-storage sites only one survived the final cut. To quote from the corps report:

> At Fort Randall a differential of 700 feet or more between the right bank plateau and the elevation of Lake Francis Case proved to be a feasible location for a pumped-storage hydro-plant which has been designated as "Gregory County."

Mr. President, I am, therefore, today submitting a bill authorizing the Gregory pumped-storage facility.

In the recent past, there has been some concern relating to South Dakota's resolve in providing local support for water development projects. In that vein, let me point out at the outset, a coequal concern of mine in submitting this bill for consideration is the extent of local support which has already been demonstrated for this development, not only the project's ability to provide some improvement in the regional power picture.

Here is how the Corps of Engineers describe the project in their report:

> A 1180 megawatt pumped-storage powerplant adjacent to Lake Francis Case, located about three miles south of the Platte-Winner bridge in Gregory County, South Dakota. The pumped-storage facility would consist of a leveed-forebay with an active storage capacity of 46,800 acre-feet; a 1.6 mile long, 30-foot diameter, underground power conduit; a powerhouse with three 394-megawatt reversible pump-turbine units; and a 3,000 foot long trapezoidal-shaped tailrace section. The project would develop an average gross head of 711 feet for peaking capacity. Utilization of the reversible turbines to lift water for municipal and agricultural use to the forebay for ultimate distribution to towns and farms in and near Gregory County could be included as an ancillary function of the project. Perhaps one-half percent of the active forebay storage could be required to meet potentially daily irrigation and municipal needs. . . . The water surface area of the forebay would be 1155 acres. About 1630 acres of private land would be required for the project including seven sets of farm buildings.

I will be candid with you. This development, like just about any other which is undertaken, will have its adverse environmental effects. The flora and the fauna on the 1650 acres (less than three sections of land) would in large be destroyed. During operation of the power plant in the pumping mode, fish will be killed unless corrective measures are taken. Operation of the powerplant in the generating mode will increase turbidity in the river, disturbing river sediments thereby degrading water quality to the detriment of the aquatic community, unless corrective measures are taken.

I raise the idea of corrective measures because they have already been suggested by the U.S. Fish and Wildlife Service in their review of this study. To quote FWS Regional Director Harvey Willoughby's letter to the Corps Division Engineer:

> The Gregory County pumped-storage project appears to be acceptable from a fish and wildlife standpoint, provided fish screening devices and proper energy dissipators are used in the afterbay intake area.

In other words, fish screens can reduce the adverse impact on fish which otherwise might be pulled into the pumps and energy dissipators can reduce the turbidity which would otherwise disturb river sediments harmful to the aquatic community.

I should also note that the South Dakota Department of Game, Fish and Parks concurs in this conclusion, providing adequate mitigation measures are adopted to reduce the overall impact of inundating less than three sections worth of flora and fauna. These do not seem like insurmountable obstacles in the way of development of this project.

On the economic feasibility side of the picture, the Gregory County pumped storage facility has a benefit-cost ratio of 1.5: 1, which does not include benefits to agriculture and municipal water users. The benefits and costs of the project were evaluated on 1976 price levels and an interest rate of 6⅜ percent with a project economic life of 50 years. In evaluation of all the plans embodied in the "umbrella study" the Corps of Engineers utilized a "comparability test" which means that hydropower costs had to be

less than the costs of the most likely alternative evaluated on the basis of fully comparable financial factors, thereby eliminating the advantage which accrues to Federal projects solely because of a lower interest rate.

Having provided this cursory analysis of the project on environmental, engineering, and economic grounds, what then is the extent of local support for the project? Let me quote a few examples:

I have already told you of the U.S. Fish and Wildlife Service and State Department of Game, Fish and Parks reactions. What about the Environmental Protection Agency? To quote:

EPA feels that the Gregory County pumped storage unit can be made environmentally acceptable with controls on intake facilities and a monitoring program to observe sedimentation effects in the afterbay. (Lake Sharpe).

The National Wildlife Federation says:

We accept the Corps proposal for a pumped storage unit in Gregory County as the alternaive producing the least adverse environmental impacts.

The secretary of the South Dakota Department of Natural Resource Development says:

I am pleased to know the Corps of Engineers is seriously considering local multiple purpose uses of water from the Gregory County pumped storage unit. This will greatly enhance the project facility which will apparently be needed to provide greatest hydropower benefits from the Missouri River System. The State and local interests in Gregory County are moving forward with arrangements to plan and implement this multiple use of water.

As for onsite support, a nonprofit corporation has been organized in Gregory County to pursue the matter of requesting beneficial use of water from this facility in Gregory and Tripp Counties in South Dakota and possibly parts of Boyd and Keya Paha Counties in Nebraska. This local organization is called the Gregory County Pumped Storage Site Water Corporation, and their interest has not only been sustained over time, but has increased.

A subentity of South Dakota government, the West River Conservancy Sub-District, has requested the Corps to include 1200 acre feet of water supply storage daily for its water supply needs, in behalf of the Gregory County group, and has provided assurance that if the pumped storage site is authorized it will, prior to the initiation of construction, contract for repayment of project costs associated with providing a water supply for local uses.

The Tripp County Water User District endorses and supports the development. The Basin Electric Power Cooperative supports the facility.

This strong showing of local interest with only limited objection to the project should provide adequate justification for our authorizing this project. As my colleagues will note, there is language in this bill to allow for multiple purpose development under this project, specifically provision of water for agricultural and municipal use in the vicinity of the reservoir.

Under the conditions of design for the project multiple purpose beneficial use provides distinct advantages with only minimal impact on operation of the facility for hydropower generation. The amount of water required to irrigate 10,000 acres could be raised from Lake Francis Case to the Gregory County forebay by operating the pumps for a maximum additional duration of 1½ hours per week. The municipal requirements of a community of 1,000 people could be met by running the pump one additional second per day.

It is understood, however, that the costs of distributing the water from the reservoir to points of beneficial use in the surrounding area are outside the authority of the Corps of Engineers. These costs would have to be borne by local interests and as I have already indicated, that interest already exists locally.

For these reasons, it seems to me there is every reason why this development should go forward. I hope my colleagues will concur in that judgment. The House of Representatives are already considering such a possibility due to the efforts of Congressman JAMES ABDNOR of South Dakota who submitted similar legislation earlier this week.

At this time, then, I ask unanimous consent that the bill authorizing the Gregory pumped storage facility be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Pick-Sloan Missouri Basin Program, authorized by the Flood Control Act of 1944 (58 Stat. 887) as amended, is hereby further amended to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct and to hydraulically, electrically, and financially integrate with the existing Missouri River Basin Federal power system for operation and marketing of power, an adjacent-type pumped-storage hydroelectric facility with an estimated total capacity of 1,180 megawatts as part of the Fort Randall Dam—Lake Francis Case Project, South Dakota, with multiple-purpose use of forebay waters under conditions which the Secretary of the Army may subsequently determine, at an estimated cost of $250,000,000.●

By MR. PROXMIRE (for himself, Mr. BROOKE, Mr. CRANSTON, Mr. GARN, Mr. HEINZ, Mr. LUGAR, Mr. MCINTYRE, Mr. RIEGLE, Mr. SPARKMAN, and Mr. TOWER):

S. 2684. A bill to expand and facilitate urban lending investment by Federal savings and loan associations; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. PROXMIRE when he introduced the bill appear earlier in today's proceedings.)

By Mr. GARN (for himself and Mr. HATCH):

S.J. Res. 117. A joint resolution designating the fourth Wednesday of October of each year as "Seventy-Plus in High School Day"; to the Committee on the Judiciary.

SEVENTY-PLUS IN HIGH SCHOOL DAY

● Mr. GARN. Mr. President, during the 2d session of the 94th Congress I introduced Senate Joint Resolution 194 which was identical to the resolution I am introducing today. I am reintroducing this resolution to proclaim an annual "Seventy-Plus in High School Day" because it has value in today's society that is often divided by what has come to be known as the "generation gap."

A few years ago, Mr. Weldon Matthews, formerly of the Salt Lake County Division for the Aging, initiated and successfully administered a program of Seventy-Plus in High School. The program was so successful in Utah that the former Governor designated the fourth Wednesday in October as "Seventy-Plus in High School Day" throughout the State. Subsequently, the Utah State Legislature provided for the annual observance of the day.

This is an exceptional program: Instead of seniors volunteering to help with the instructional or management tasks in a high school, the students personally invite senior citizens to share the school day with them, and provide transportation where necessary. Each senior is invited to share a typical high school day with a student—to attend classes, eat in the cafeteria, and attend other activities. The mutual respect and understanding which can develop in such situations benefits both the students, who learn to appreciate the experience and wisdom of years, and the seniors, who learn to appreciate the enthusiasm and idealism of youth. This program can help establish a cooperative relationship between young and old, and it deserves the consideration and support of the United States Senate.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 117

Whereas, a program has been initiated in the Utah schools known as "Seventy-Plus in High School Day" wherein senior citizens of the State are invited to become involved in school activities with students;

Whereas, this program allows schools to participate in a voluntary program of inviting citizens over the age of seventy to attend and participate in regular high school activities for one day each year;

Whereas, the "Seventy-Plus in High School Day" provides tremendous potential for accomplishing the objectives of establishing better understanding between high school students and senior citizens and combining the energy of youth with the wisdom of years;

Whereas, the Legislature of the State of Utah has declared the fourth Wednesday in October to be "Seventy-Plus in High School Day" in the State of Utah; and

Whereas, "Seventy-Plus in High School Day" has received the enthusiastic support of the Honorable T. H. Bell, former U.S. Commissioner of Education, and Honorable Walter D. Talbot, Utah State Superintendent of Public Instruction: Now therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth Wednesday in October of each year be and is hereby designated as "Seventy-Plus in High

School Day" and that the President is authorized and requested to issue an annual proclamation calling upon interested groups of educators, senior citizens, and students to participate in the program.●

ADDITIONAL COSPONSORS

S. 28

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 28, a bil to provide for financial assistance to improve the capabilities of units of local government to deal with career criminals, to establish the Office of Repeat Offenders Prosecution Projects within the Law Enforcement Assistance Administration.

S. 991

At the request of Mr. RIBICOFF, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of S. 991, a bill to establish a separate, Cabinet-level Department of Education in the Federal Government.

S. 1209

At the request of Mr. PROXMIRE, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1209, the Federal Emergency Assistance and Preparedness Administration Act of 1977.

S. 1559

At the request of Mr. HATFIELD, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 1559, a bill to provide for the reinstatement of civil service retirement survivor annuities for certain widows and widowers whose remarriages occurred before July 18, 1966, and for other purposes.

S. 2297

At the request of Mr. CANNON, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 2297, a bill to impose a moratorium on grazing fees for the 1978 grazing season.

S. 2354

At the request of Mr. DOMENICI, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 2354, the equal access to the courts bill.

S. 2462

At the request of Mr. DOLE, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 2462, a bill to permit a limited individual retirement deduction to individuals who are participants in retirement plans.

S. 2493

At the request of Mr. CANNON, the Senator from Illinois (Mr. STEVENSON), the Senator from Kentucky (Mr. FORD), the Senator from Michigan (Mr. RIEGLE), the Senator from Alaska (Mr. STEVENS), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 2493, the Air Transportation Regulatory Reform Act of 1977.

S. 2580

At the request of Mr. MCGOVERN, the Senator from Iowa (Mr. CLARK) and the Senator from Minnesota (Mr. ANDERSON) were added as cosponsors of S. 2580, the National Home-Delivered Meals Act of 1978.

S. 2583

At the request of Mr. DOLE, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 2583, a bill to provide for the temporary transfer of the hospital ship U.S.S. *Sanctuary* to Life International.

S. 2627

At the request of Mr. GRAVEL, the Senator from Idaho (Mr. CHURCH), the Senator from Oregon (Mr. MARK O. HATFIELD), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2627, the Nonqualified deferred compensation bill.

S. 2648

At the request of Mr. MCGOVERN, the Senator from Minnesota (Mr. ANDERSON) was added as a cosponsor of S. 2648, the Hubert Humphrey Commemorative Stamp Act.

SENATE JOINT RESOLUTION 101

At the request of Mr. DOMENICI, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Joint Resolution 101, to authorize the President to issue a proclamation designating a memorial Sunday for firefighters who have been disabled or killed in the line of duty during the preceding year.

SENATE RESOLUTION 402

At the request of Mr. ALLEN, the Senator from Georgia (Mr. TALMADGE) was added as a cosponsor of Senate Resolution 402, relating to the ban by the FDA on antibiotics in animal feeds.

SENATE CONCURRENT RESOLUTION 69—SUBMISSION OF A CONCURRENT RESOLUTION ENDORSING RHODESIAN SETTLEMENT

Mr. DOLE (for himself, Mr. LUGAR, Mr. HAYAKAWA, Mr. HATCH, Mr. TOWER, Mr. ALLEN, Mr. HARRY F. BYRD, JR., Mr. GARN, Mr. GRIFFIN, Mr. WALLOP, Mr. LAXALT, and Mr. BARTLETT) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 69

Whereas, the present constitutional situation in Rhodesia has led to armed conflict within Rhodesia and from neighboring territories;

Whereas, the United States, in concert with its allies, has lent its efforts during the past several years towards a resolution of conflict in Rhodesia through transition arrangements for Majority Rule;

Wheras, on March 3, 1978, delegates of the Rhodesian Government, African National Council, United African National Council, and the Zimbabwe United People's Organization reached agreement on fundamental principles to be embodied in a new constitution for Rhodesia, and designated December 31, 1978, as independence day: Now, therefore, be it

Resolved by the Senate (House of Representatives concurring), that it is the sense of the Congress of the United States that—

(1) the agreement reached in Salisbury, Rhodesia, on March 3, 1978, relating to transition to Majority Rule for Rhodesia, is a positive step towards settlement of internal differences and towards peace within the region; and

(2) the agreement is a vindication of the principle and peaceful settlement of local disputes by local parties, and a repudiation of the path of violence encouraged by certain external Communist powers; and

(3) the agreement merits the strong endorsement and the support of the American People and the United States Government; and

(4) the President of the United States should instruct the United States Ambassador to the United Nations to lend his dedicated efforts towards gaining international support for the internal agreement.

● Mr. DOLE. Mr. President, on behalf of myself and the Senator from Indiana (Mr. LUGAR), the Senator from California (Mr. HAYAKAWA), the Senator from Utah (Mr. HATCH), the Senator from Texas (Mr. TOWER), the Senator from Alabama (Mr. ALLEN), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from Wyoming (Mr. WALLOP), the Senator from Nevada (Mr. LAXALT), and the Senator from Oklahoma (Mr. BARTLETT), I am submitting today a concurrent resolution to support the move toward peace in Rhodesia.

Many Americans were pleased, as I was, to learn that an internal settlement had been reached last week among political factions in Rhodesia on the matter of majority rule for that nation. After years of difficult bargaining, black and white Rhodesian leaders have reached an historic agreement that will protect rights and interests of all citizens of that nation. It is a momentous accomplishment, and this historic opportunity must not be allowed to deteriorate.

The Western Powers, who have long encouraged just such a peaceful resolution of the Rhodesian problem, should now do their part to insure that radical, Communist-supported factions do not disrupt this unique chance for peace. For that reason, I believe the United States should now take the initiative to fully endorse the multifaction agreement and to encourage the support of other nations as well.

DOLE RESOLUTION

My resolution calls attention to the significance of the accord signed on March 3, 1978, laying the foundation for transition to majority-rule government by the end of this year. The resolution recognizes the positive implications of this internal settlement to what is essentially an internal problem, and expresses Senate support for the agreement. Perhaps most importantly, it calls upon our Ambassador to the United Nations to actively encourage international support for the settlement.

There are some who will actively oppose this settlement, whose interests are served only by continuing discord and bloodshed within Rhodesia. We can well expect that the Soviet Union, which already encourages and finances warfare on the horn of the African continent, will chastise this agreement. We know of the opposition of the so-called Patriotic Front of Communist-supported guerrilla units, whose leader threatens to make voting booths "military targets" if settlement provisions are carried out.

It is precisely because of criticism from these elements that we have a special

responsibility to endorse and encourage the peaceful transition of governments in Rhodesia. The resolution I am introducing today will give the U.S. Senate the oportunity to act early and responsibly in this manner.●

● Mr. GARN. Mr. President, I am pleased to join with my colleague from Kansas today in this resolution of support for the Rhodesian negotiations now taking place between all parties of good will involved in Rhodesia. I would like to take just a moment to comment on that statement, "parties of good will."

In the last week or two, I have read repeatedly in the press accounts of how the guerrilla, or terrorist, groups have been "excluded" from the negotiations and, therefore, cannot be expected to abide by the agreement. These were not statements by the terrorists themselves. Both the Washington Star and the Washington Post carried news accounts calling the Nkomo and Mugabe excluded, as a matter of news. They did not say that the terrorists claimed to be excluded, but that they were, in fact, excluded.

Now Mr. President, that is simply not the case. The Joshua Nkomo and Robert Mugabe were repeatedly invited to participate in the talks in Salisbury, and they refused. Even that is perhaps not the whole story. There was at one point an indication that Joshua Nkomo might come to the negotiations, since it was apparent that he was getting nowhere off where he was. And then our Ambassador to the United Nations came out with his statement that what was happening in Salisbury was irrelevant, and that he—and by implication the United States—would not be satisfied until Prime Minister Ian Smith of Rhodesia "surrendered." That was Andrew Young's word, "surrendered." At that point, Mr. Nkomo decided that perhaps he would hold out a bit longer, and maybe the United States would hand him what he would never be able to win at the ballot box, and what would be very difficult to win on the field.

Mr. President, I greatly resent the implication in Mr. Young's statement. I do not care if he would not be satisfied with the negotiated settlement. He can go on, as a private citizen, inciting violence and bloodshed in southern Africa as long as he likes. But I feel strongly that the United States should not be party to that incitement. Our commitment should be to a negotiated process, one that is acceptable to the parties who will have to live under it. And there is no indication that either Mr. Nkomo or Mr. Mugabe have anything to say about that.

For in fact, neither represents anyone in Rhodesia. The total strength of the terrorist forces is very small, and it is quite likely that a significant share of what strength Mugabe and Nkomo do have will lay down their arms when the agreement goes into effect, choosing to participate in the political process opened to them. In the meantime, the fighting is not what one would call a real revolution anyway. It consists mainly of border skirmishes, raids on unprotected civilians, its aim being more to get food and subsist than to win territory, influence, or respect.

And the terrorist movement deserves no respect. Certainly the United States should take its stand alongside those who are working peaceably to work out a negotiated settlement. We should reject those who prefer to shun the peace table, and who prefer armed terrorism.

That, Mr. President, is what this resolution does. It places us firmly on the side of peaceful negotiations, self-determination, and orderly political processes. It should come as no surprise that Marxist terrorists are not satisfied with the results, but it is certainly surprising that our own Ambassador to the United Nations lines up with the terrorists, and against those who are working for peace and stability.

I urge my colleagues to join with us and to pass this resolution as a signal to those forces of peace and stability, and to the rest of the world of our true intentions.●

AMENDMENTS SUBMITTED FOR PRINTING

PANAMA CANAL TREATIES—EX. N, 95–1

AMENDMENT NO. 65

(Ordered to be printed and to lie on the table.)

Mr. LAXALT submitted an amendment intended to be proposed by him to the Panama Canal Treaty Ex. N, 95–1.

● Mr. LAXALT. Mr. President, article V of the treaty concerning the permanent neutrality and operation of the Panama Canal has a laudable purpose: It seeks to preclude Panama from inviting other countries to establish military bases in Panama when U.S. forces depart by the year 2000. I certainly do not want to see the Soviet Union, Cuba, or any other potentially hostile power in a position to control a waterway as vital as the Panama Canal. But, if these treaties are ratified, what happens between now and the year 2000?

Panama is not supposed to be allowed to invite in foreign troops after the year 2000, but nothing in either treaty would prevent her from granting basing privileges to the Soviet Union or anyone else right up until December 31, 1999. I think if we are to leave we should be certain that no third power is allowed to take our place. For this reason, I intend to offer an amendment to the Panama Canal Treaty to insure that such an unfortunate eventuality would be effectively precluded before, as well as after, 2000.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 65

At the end of Article IV, Section 1, add the following:

"2. No nation or entity not a party to the Treaty shall, for any reason, have military forces stationed in Panama.".

Renumber subsequent paragraphs accordingly.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON SEPARATION OF POWERS

● Mr. ALLEN. Mr. President, I wish to notify the Senate that on Saturday, March 11, 1978, the Subcommittee on Separation of Powers, of the Committee on the Judiciary, will meet to receive testimony concerning the congressional power to dispose of public property in the Isthmus of Panama and for consideration of and action on the staff draft of the subcommittee report on the same subject.●

SENATE ETHICS COMMITTEE

● Mr. STEVENSON. Mr. President, the Select Committee on Ethics will hold hearings in executive session concerning alleged attempts by representatives of the Republic of Korea improperly to influence Members and employees of the U.S. Senate. The hearings are scheduled in S–407, the Capitol, as follows:

March 13-March 18, 9:30 am-12:30 pm, 2 pm-5 pm.

March 22, 10 am-12:30 pm, 1:30 pm-5 pm.

April 10-April 11, 10 am-12:30 pm, 1:30 pm-5 pm.●

PENSION SUBCOMMITTEE

● Mr. BENTSEN. Mr. President, on March 15, 1978, the Pension Subcommittee of the Senate Finance Committee will hold hearings on S. 1587 dealing with the reporting requirements and tax treatment of State and local pension plans. In addition, on March 15 the subcommittee will receive testimony on the proposed tax regulations dealing with nonqualified deferred compensation plans.

I ask unanimous request that the Senate Finance Committee press release announcing these hearings be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

FINANCE SUBCOMMITTEE ON PRIVATE PENSION PLANS AND EMPLOYEE FRINGE BENEFITS SETS HEARINGS ON S. 1587 AND ON THE DEFERRAL FROM INCOME OF CERTAIN AMOUNTS DEFERRED UNDER NON-QUALIFIED DEFERRED COMPENSATION PLANS

Senator Lloyd Bentsen (D.-Tex.), Chairman of the Subcommittee on Private Pension Plans and Employee Fringe Benefits of the Senate Committee on Finance, announced today that the Subcommittee will hold hearings on March 15 on S. 1587, a bill to exempt State and local government pension plans from Federal income tax liability and from reporting requirements required by the Employee Retirement Income Security Act of 1974 (ERISA), and on the deferral from income of certain amounts deferred under non-qualified deferred compensation plans.

The hearings will be held in room 2221 Dirksen Senate Office Building and will begin at 10 a.m.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on March 8, 1978.

Legislative Reorganization Act.—Senator Bentsen stated that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Witnesses scheduled to testify should comply with the following rules:

(1) A copy of the statement must be filed by noon the day before the day the witness is scheduled to testify.

(2) All witnesses must include with their written statement a summary of the principal points included in the statement.

(3) The written statements must be typed on letter-size paper (not legal size) and at least 75 copies must be submitted by the close of business the day before the witness is scheduled to testify.

(4) Witnesses are not to read their written statements to the Committee, but are to confine their fifteen minute oral presentations to a summary of the points included in the statement.

(5) Not more than 15 minutes will be allowed for oral presentation.

Written Testimony.—Senator Bentsen stated that the Subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies by April 10, 1978, to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Senate Office Building, Washington, D.C. 20510.●

ANNOUNCEMENT OF CHANGES OF TIMES FOR HEARINGS BY SUBCOMMITTEE ON THE HANDICAPPED

● Mr. RANDOLPH. Mr. President, as chairman of the Subcommittee on the Handicapped, I wish to announce that our subcommittee has changed the time of the hearings scheduled for March 10 and March 14, 1978 from 9:30 a.m. to 9 a.m. The hearing for March 10 will be held in 4232 Dirksen Senate Office Building, and the hearing for March 14 will be in 4200 Dirksen Senate Office Building. The subject of these hearings will be S. 2600, Rehabilitation Amendments of 1978.●

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

● Mr. KENNEDY. Mr. President, the Subcommittee on Antitrust and Monopoly will be conducting hearings on the issue of rate competition among motor common carriers of freight. The hearings will focus on the process of collective ratemaking in the trucking industry, and on the overall effectiveness of ICC regulation in keeping rates just and reasonable.

Witnesses for Friday, March 10, 1977 are:

(1) Panel of Motor Common Carriers of General Freight:

James T. Hite, III, Interstate Motor Freight System, Grand Rapids, Mich.

Gene T. West, Consolidated Freightways Corporation, Menlo Park, Calif.

Timothy L. Shay, Shay's Service, Inc., Danville, N.Y.

Gerald Cole, Sr., Cole's Express, Bangor, Maine

William J. Jones, Wilson Trucking Corporation, Fisherville, Va.

(2) International Brotherhood of Teamsters.

(3) Panel of Independent Owner-Operators:

Independent Truckers Association, Mike Parkhurst, William Scheffer.

National Independent Truckers Unity Council (NITUC): John Mullen (President, Independent Truckers of Northeast Pennsylvania). Jack Bailey (Executive Vice President, Owner-Operators Independent Drivers Association of America).

The hearing will be held in room 2228 of the Dirksen Building, beginning at 9:30 a.m.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance, has scheduled a hearing on extension of the temporary limit on the public debt. The Honorable W. Michael Blumenthal, Secretary of the Treasury, and Mr. James T. McIntyre, Director of the Office of Management and Budget, will testify on the public debt at 10 a.m., Tuesday, March 14, 1978, in room 2221, Dirksen Senate Office Building.

The permanent debt limitation under present law is set at $400 billion, with a temporary additional limit of $352 billion. This temporary debt limit of $752 billion is due to expire March 31, 1978.

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

● Mr. LEAHY. Mr. President, I wish to announce that the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture, Nutrition, and Forestry has scheduled 5 days of hearings on reauthorization of the Commodity Futures Trading Commission.

On March 14 and March 16, 1978, the members of the Commission will testify.

On March 20, 21, and 23, 1978, public witnesses will have the opportunity to present their views.

As I have previously announced, I am including in this notice of hearings questions that Chairman TALMADGE and I have sent to the Commissioners of the CFTC, and the responses received to date, dealing with some of the major areas in the field of futures regulation, so that the industry and the public may have an opportunity to address these same questions.

These hearings will be held in room 324 of the Russell Senate Office Building beginning at 8 a.m. and ending at 11 a.m. each day.

Anyone wishing to testify or wishing additional information with regard to the hearings should contact Ms. Denise Love at (202)224-0014.

Mr. President, I ask unanimous consent that the correspondence to which I have referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
January 26, 1978.

HON. WILLIAM BAGLEY,
Chairman, Commodity Futures Trading Commission, Washington, D.C.

DEAR MR. CHAIRMAN: The Commission's significant allocation of time and resources to the options trading question will be a major consideration in the Commodity Futures Trading Commission's reauthorization process. We believe it would be helpful if you would provide us with answers to the following questions:

1. Are commodity options simply another form of futures market instrument, serving substantially the same purposes as commodity futures contracts? If not, what are the unique features of commodity options that differentiate them from commodity futures contracts?

2. Has the Commission conducted studies of the economic utility of options trading, its impact on the futures markets, or who probable option customers will be? If so, what were the conclusions of the studies?

3. What is the Commission's best estimate of the time and manpower necessary to complete and resolve the 26 investigations and litigation resulting therefrom of options companies and clear reparations dockets emanating from options transactions?

4. How does the Commission proposed to protect customers of option merchants who would be put out of business when your proposed suspension of option trading goes into effect?

5. Will the Commission publish its final regulations for the Part B options pilot program prior to congressional approval of your request for supplemental appropriations?

6. What evidence does the Commission possess to substantiate a conclusion that exchange traded options will serve the economic purposes of valid commodity price discovery, commercial risk transferrance, and fairly-priced opportunities for speculators' gain?

7. If the supplemental appropriation request is approved would these new personnel be deployed among the various functions of the Commission? How long would it take to hire and train the sixty additional people contemplated in the request?

8. What evidence does the Commission possess to substantiate the position that the exchanges will, in fact, be able to regulate both futures and options trading?

9. It has been reported that the SEC has misgivings about the uses to which securities options may be put by those who have opposite positions in the underlying securities, and vice versa. Is a commodity option writer faced with a strong temptation to manipulate the price of the underlying commodity futures contract?

Will the Commission view the taking of opposite positions in commodity options and futures as hedging or as manipulation, and why?

We would appreciate having your response to these questions within two weeks. Thank you for your assistance in this matter.

Sincerely,

HERMAN E. TALMADGE,
Chairman.

WASHINGTON, D.C.,
February 17, 1978.

HON. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of January 26 in which you seek our replies to a series of important questions about commodity option trading.

At the outset it should be noted that the Commission will vote shortly whether to suspend all London and dealer options, except commercial transactions, and whether to approve in principal a limited pilot program for commodity option trading on domestic exchanges.

The pilot program has been designed to permit the Commission to meet the mandate of Section 4c(b) of the Commodity Exchange Act to determine whether option trading in the previously unregulated commodities should be allowed and, if so, under what terms and conditions.

Its purpose is to determine (a) the economic utility of option trading, (b) the nature and extent of the impact of option trading on underlying futures and cash markets, and (c) whether option trading can be accomplished with adequate customer protection.

Details of the proposed pilot program and its evaluation are contained in this report as part of the response to question 5.

Certainly, we will not only seek but appreciate the advice of the Senate Committee on Agriculture, Nutrition and Forestry in these complex matters. I am obviously aware that various legislation on commodity option trading has been introduced, and we look forward to discussing these matters with the Committee at the appropriate time.

As to the particular questions asked in your letter of January 26, 1978, our responses follow:

1. Question—Are commodity options simply another form of futures market instrument, serving substantially the same purposes as commodity futures contracts? If not, what are the unique features of commodity options that differentiate them from commodity futures contracts?

Response—A futures contract is a legally binding obligation to deliver or take delivery during a specified delivery month of a given quantity and quality of a commodity at a price agreed on when the contract is made. A commodity option is a unilateral contract giving the purchaser of the option the right, but not the obligation, to buy (in the case of a call) or sell (in the case of a put) an underlying futures contract or physical commodity at a specified price (the strike price) for a specified period of time. Unlike a futures contract, the buyer and the seller of the option do not have an equivalent obligation to perform. The purchaser of an option has the right but not the obligation to perform under the option contract, and the seller is obligated to do so only if the buyer exercises the right. The option purchaser pays the seller a premium for this right. If the option purchaser exercises his option the seller is obligated to sell (in the case of a call) or buy (in the case of a put) the underlying futures contract or physical commodity at the strike price. The seller of an option cannot require the purchaser to exercise the option. Only the buyer has the right to require fulfillment of the contract terms.

As distinguished from a futures contract, a commodity option is a lower risk, lower return financial instrument. The potential loss to an option purchaser is limited to the "premium". If the price of a futures contract or commodity underlying an option moves against the purchaser of the option, he is not liable for payments in excess of the premium. This special characteristic of commodity options protects the cash flow position of the option purchaser and keeps him from being whip-sawed out of the market when price movements are volatile. In contrast, the holder of either a long or short futures position remains liable for markin calls as long as his position remains open.

A purchaser's potential for gain when buying a futures contract is limited only by the extent of the price movement on the underlying commodity. Theoretically, an option purchaser's potential gain also is limited only by the extent of the price movement on the underlying commodity or futures contract, reduced, however, by the cost of the option premium.

The grantor of a commodity option assumes higher risks than the buyer and, in return, the grantor receives the option premium. Although the option grantor's potential net return is limited to his premium, his ultimate liability on the option contract is virtually unlimited, as is the case for holders of futures positions. However, since the option grantor, unlike the futures trader, is assured of receiving a payment for his risk assumption, the grantor's net liability is moderated by the premium, which offsets (partially or completely) adverse price movements in the underlying futures contract.

Commodity options thus present the potential to fill a gap in the risk-return spectrum available to commodity producers, processors, dealers and speculators. In particular, purchasers of options can hedge against adverse price movement in one direction in the underlying futures contract or commodity without also locking in a price so that they cannot benefit from favorable price movement in the other direction as they do in futures. The option premium is the cost to an option purchaser of protecting himself against one way price movements. The seller of an option receives the premium for assuming the risks of such movements.

2. Question—Has the Commission conducted studies of the eccnomic utility of options trading, its impact on the futures markets, or who probable option customers will be? If so, what were the conclusions of the studies?

In developing its proposed pilot program for commodity option trading on domestic boards of trade, the Commission has studied all forms of option trading with particular emphasis on three forms of exchange-traded options. These forms, each of which differs in important institutional respects from the form of trading contemplated under the proposed pilot program, are: commodity options currently traded on the London Metal Exchange and the terminal market associations of the London Commodity Exchange; securities options currently traded on the Chicago Board Options Exchange, the American Stock Exchange and several regional stock exchanges; and, "privileges" on grain futures traded on the Chicago Board of Trade before 1936. A principal area of Commission analysis in all three cases has been the effect of option trading on underlying markets. In its analyses of commodity option markets, the Commission has also been interested in learning the degree of commercial participation in the option markets and the likely reasons for that level of commercial use.

The Commission also considered the report of the Advisory Committee on Definition and Regulation of Market Instruments on commodity options which contain several members' views on the economic uses and effects of commodity option trading.

A. PRIVILEGE TRADING ON THE CHICAGO BOARD OF TRADE BEFORE 1936

The Commission has reviewed option trading on United States exchanges in the decade before it was outlawed in regulated commodities by the Commodity Exchange Act of 1936. In particular, the Commission has studied the 1934 Department of Agriculture report by Paul Mehl, then Senior Agricultural Economist of the Grain Futures Administration. Mehl's report, entitled "Trading in Privileges on the Chicago Board of Trade," concluded that there was limited commercial use of these option-type instruments and that there had been significant abuses in their trading. Mehl's conclusions appear to be correct. Privileges were very short-term instruments, often expiring the day after they were written or at most a week later. As a result there was no secondary market for these instruments and every day was expiration day for a large number of them—a situation which created the potential for congestion during the last few minutes of each day's trading. Moreover, the commercial usefulness of very short-term options is quite limited. (Domestic exchanges have indicated that commodity options which they intend to trade under the Commission's pilot program will have maturities of at least six to nine months.) Finally, the regulatory environment of the 1930's, in which alleged abuses in both futures and option markets abounded, was considerably more lax than the regulatory environment in which futures are currently traded and in which options are proposed to be traded.

B. LONDON COMMODITY OPTIONS

In the spring of 1976, the Commission contracted with Dr. Geoffrey Bean of Bean, Bower & Co., London, England, to study "London" options.[1] Bean was asked to address, among other issues, the questions of commercial use of the London option markets and the impact of trading in "London" options on prices and volume in the underlying futures markets. His report, submitted to the Commission in the summer of 1976, concluded that there was limited commercial use of the London option markets, but that these markets did not appear to affect prices or volume in the underlying futures markets.

To investigate the commercial use of London options, Bean contacted commercial interests in the metals, cocoa, sugar and coffee trades. Many of those interviewed indicated a reluctance to use the London option markets for several interrelated reasons: the markets were considered thin, volume was relatively low (normally less than two or three percent of London futures volume in the soft commodities), and the lack of a mechanism to close out existing option positions by offset programs, particularly for option grantors. (Under the proposed pilot program domestic exchanges plan to make markets primarily, if not exclusively, in options which may be liquidated by offset, i.e., "transferable options".)

Bean undertook statistical analyses to answer the second question—the effect of option markets on prices and volume in the underlying futures markets. He concluded that option trading did not have a statistically significant effect on prices or volumes in the underlying futures markets for coffee, sugar and cocoa (the markets for which data was available). In the short time allocated to his study, Bean was not able to develop sophisticated econometric techniques, but his conclusions are consistent with the more sophisticated analyses discussed below for stock options.

C. SECURITIES OPTIONS

Studies of the effects of stock option trading on the volume and price patterns of underlying stocks have been made by Robert R. Nathan Associates, Inc., the Chicago Board Options Exchange (two studies), and the Securities and Exchange Commission. This last report has not been made public, pending the development of a general policy on releasing professional staff studies. However, press reports indicate that the SEC's analysis, as well as the three studies sponsored by the industry, concluded that stock option trading did not produce, in the aggregate, statistically significant effects on the volume or price patterns in the underlying stocks. (Some issues raised by the SEC's discovery of trading abuse in stock options are discussed below in response to question 9.)

In summary, the Commission has reviewed the relevant experience in option trading—current and past, domestic and foreign, commodities and securities. On the basis of these analyses the Commission has endeavored to design a pilot program in exchange-traded commodity options which avoids the pitfalls of past and present option markets and which will provide a valid test of such options commercial utility.

It must be reiterated that there is not at present, nor has there been in the past, a commodity option program comparable in most essential respects to the one presently proposed for domestic exchange-traded op-

[1] London options are options on futures contracts for certain commodities that are traded in London, England on or subject to the rules of either the London Metal Exchange or several other exchanges whose transactions are cleared through the International Commodities Clearing House, Ltd. in London. These options may be exercised, abandoned or allowed to lapse bv an option purchaser. They are "nontransferable" options in that they may not be liquidated by an offsetting transaction.

tions. The intrinsic differences in stocks and futures contracts and the manner in which they are traded make options on these two financial instruments not comparable in many respects. (This issue is discussed in more detail in response to question 9.)

3. Question—What is the Commission's best estimate of the time and manpower necessary to complete and resolve the 26 investigations and litigation resulting therefrom of options companies and clear reparations dockets emanating from options transactions?

Response—We now have 32 "London" commodity option firms either under investigation or in the initial phases of litigation. It is our best estimate that approximately 16 of the investigations can be completed within the next three months; the remaining investigations will take approximately six months to complete. Based on past experience, it is our best estimate that injunctive actions will take approximately six months at the appellate level. In those cases in which we proceed by way of administrative process, it will take approximately 10 to 12 months for final decision by the Commission. The appellate process thereafter should take an additional six months. The manpower estimate to accomplish this will require the full time activity of 40 percent (12 staff years) of our Washington Enforcement staff and 50 to 60 percent (25 to 28 staff years) of our Regional Office staff.

It is much more difficult to estimate the time necessary to clear the reparations dockets of pending options-related cases since the parties involved are private litigants and the time necessary to resolve these actions is dependent upon the facts and circumstances of each particular case.

4. Question—How does the Commission propose to protect customers of option merchants who would be put out of business when your proposed suspension of option trading goes into effect?

Response—If the Commission elects to suspend the offer and sale of dealer and foreign commodity options in the United States until the Commission is satisfied that adequate customer protection can reasonably be assured, affected firms presently dealing in commodity options will not be relieved of their duty to fulfill all obligations (including the obligation to segregate option customer funds until expiration or exercise of the options) that they have to customers arising out of options sold prior to the effective date of the suspension.

The Commission would consider the failure to discharge those obligations a violation of law. The Commission intends to use all of the tools at its command, including investigation, intensive auditing and enforcement, in appropriate cases, to insure that all commitments to existing customers are met. In this connection, the Commission in formulating several approaches to treat possible violations and may coordinate its efforts with the Department of Justice and other governmental entities and may endeavor to enlist the cooperation of banks and banking authorities to safeguard customer funds on deposit.

Of particular concern to the Commission is the possibility that option customer funds segregated in accordance with Rule 32.6 of the Commission's interim commodity option regulations may be endangered by adoption of the proposed suspension, should unscrupulous firms attempt to misappropriate those funds. Rule 32.6 basically requires firms selling commodity options to segregate 90 percent of the purchase price paid by a customer for an option in a separate account until all obligations owed to that customer under that option have been performed. This requirement was designed to put an option customer in a position to recoup 90 percent of the money paid for an option in the event that the person from whom the option was purchased proved unable or unwilling to exercise the option when directed to do so. See 41 Fed. Reg. 51809, 51812–51813 (November 24, 1976).

The Commission realizes, of course, that it may not anticipate all of the adverse consequences that adoption of the proposed suspension could visit upon existing option customers, and has therefore specifically requested public comment upon this issue. See 43 Fed. Reg. 4870 (February 6, 1978). In addition, the Commission recognizes that notwithstanding its efforts to protect the interests of existing customers, some of those customers may suffer losses which may not be recoverable even through private court action. Even if this should occur, however, the Commission presently believes it more important to insure against the greater adverse public consequences that would result in having additional customers fall victim to fraudulent and unsound business practices.

5. Question—Will the Commission publish its final regulations for the Part B options pilot program prior to congressional approval of your request for supplemental appropriations.

Response—The Commission has made a determination on nearly all of the issues for the initiation of trading domestic commodity options under a pilot program. The Commission has before it a staff draft of a resolution containing the major elements to be included in the final regulations for the pilot program for option trading on domestic boards of trade. If adopted by the Commission, the resolution will instruct the Commission's staff to finalize the drafting of these regulations for Commission approval. On February 17, 1978 the Commission determined to delay temporarily consideration of the resolution. It is uncertain at this time exactly when the final regulations for the pilot program will be published. Of course, among the factors the Commission will consider in connection with the adoption and implementation of its proposed pilot program will be the availability of additional funds and staff positions and its ability to monitor and supervise adequately exchange option markets. No program will be approved which is not deemed to be in the public interest.

However, the evolution of the program is important for consideration. The Commission first outlined the scope of the test program in a resolution dated September 13, 1976 following analysis of a report and recommendations on commodity options of its Advisory Committee on the Definition of Regulation of Market Instruments. The Commission adopted interim regulations governing the sale of so-called dealer options on physical commodities and options originating on or through the facilities of foreign boards of trade and prescribed registration, disclosure, book and recordkeeping, financial and other customer protection requirements.

Despite implementation and enforcement of these interim regulations, fraudulent activities continue to pervade current forms of commodity option sales activity—including evasion of lawful requirements and high pressure sales techniques. The Commission has encountered difficulty in verifying the details of option transactions for U.S. citizens by members of the London commodity exchange.

Options traded on domestic exchanges and utilizing exchange clearing mechanisms, should provide an inherent guarantee of performance, allow control and supervision of trading and facilitate the gathering and dissemination of market data. Current surveillance and monitoring functions could be adopted to the pilot program.

6. Question—What evidence does the Commission possess to substantiate a conclusion that exchange-trade options will serve the economic purposes of valid commodity price discovery, commercial risk transferrance, and fairly-priced opportunities for speculators' gain?

Response—As stated in our response to Question 2, one of the purposes of the Commission's proposed pilot program is to determine the economic utility of commodity option transactions.

The three potential economic purposes of options you mention are discussed separately below:

(a) Valid commodity price discovery

The Commission has not asserted that price discovery would be a valid economic function of commodity option markets. There have, however, been suggestions that option markets may generate information on the level of expected price volatility in underlying futures markets. This hypothesis has intuitive appeal, but at present lacks both a means for empirical verification and a satisfactory theoretical model for statistical testing.

(b) Commercial risk transferrance

In addition to the Bean and Wehl studies (mentioned above in response to question 2), many interested parties provided the Commission with examples of commercials' actual use of London and dealer options and hypothetical uses for U.S. exchange-traded options. In particular, several submissions were made to the Advisory Committee on the Definition and Regulation of Market Instruments, and in response to the April 5, 1977 Federal Register notice on the Commission's proposed pilot program (42 Fed. Reg. 18246, *et seq.*). During the spring of 1976 the Commission staff also interviewed several New York commercials in the metals and sugar industries to obtain information on their actual and potential use of commodity options. Two examples of possible commercial uses of options, which were mentioned were (a) protecting buyers against default by suppliers, and (b) hedging offers to buy or to sell when the acceptance of the offer, or the quantity to be exchanged, is uncertain.

An actual example of an option-type instrument currently used by commercials is the GNMA "standby commitment"—an agreement to purchase a specified face amount of GNMA securities at a given price (similar to an option strike price) within a specified period of time. These standbys are, in effect, put options sold over-the-counter by GNMA dealers and thrift constitutions to mortgage bankers. The mortgage bankers use them to hedge themselves against losses on their mortgage inventories. The Chicago Board of Trade has proposed developing a put and call option market in the GNMA futures contracts traded thereon. This market would provide for auction trading of standardized contracts, with wide dissemination of option prices and a mechanism for offsetting trades. If developed, such a market could well provide the mortgage finance industry with a hedging instrument that is more useful and more liquid than the present standby commitment.

(c) Fairly-priced opportunities for speculators' gain

The proposed pilot program in option trading on domestic exchanges is designed to foster a competitive environment, including the wide and rapid dissemination of price data, and to inhibit market and customer abuses. To this end the Commission, in conjunction with the exchanges, will monitor option trading to encourage competitive conditions and to ferret out and prosecute abuses which may nevertheless be perpetrated.

Transaction costs, such as commissions and mark-ups, should be relatively low in highly competitive financial markets in which information is effectively disseminated. Under such conditions the fees paid to middlemen, such as brokers or futures

commission merchants, should not create a large wedge between the amount an option buyer pays and the sum an option grantor receives. If a competitive option market is also relatively free from trading abuses (such as price manipulation and brokers' trading before their customers) then the circumstances are set for speculators to have fairly-priced opportunities for gain.

7. Question—If the supplemental appropriation request is approved how would new personnel be deployed among the various functions of the Commission? How long would it take to hire and train the sixty additional people contemplated in the request?

Response—If the supplemental appropriation for the Commission's pilot program is approved, it is planned to allocate the new personnel as follows:

To the Division of Trading and Markets	18
To the Division of Enforcement	19
To the Office of Surveillance and Analysis	8
To the Office of the General Counsel	3
To the Office of the Chief Economist	6
To the Office of the Executive Director	6
Total	60

Geographically, 16 of these positions are now planned to be assigned to the Commission's home office in Washington, D.C., 13 to its regional office in Chicago, Illinois, and 31 to its regional office in New York City.

The hiring of these persons will commence immediately upon approval by the Congress and the President. We anticipate 30 of the 60 could be hired within 8 weeks. The other 30 people will be hired over a two to three month period. This amount of time will be required to allow us to expand our physical facilities to accommodate them, to permit us to identify and recruit highly qualified persons with the necessary experience required to do the job, and to appoint candidates in accordance with Civil Service Commission regulations.

All new employees receive two weeks of formal classroom training conducted by the Commission within their first 17 weeks of employment. This is a new program which has been developed and used extensively during the last nine months.

We estimate a minimum of 2 to 4 months of on-the-job training will be needed to bring new employees to productive performance levels in their grade levels.

8. Question—What evidence does the Commission possess to substantiate the position that the exchanges will, in fact, be able to regulate both futures and option trading?

Response—Since options on futures contracts are expected to be traded much like futures contracts, a judgment on the ability of exchanges to regulate options on futures (together or with futures) is based on how well exchanges now regulate futures trading. Section 32.5 of the proposed option regulations requires each exchange seeking a license to trade options to demonstrate that it has an appropriate rule enforcement program. As the Commission pointed out in its Federal Register release of October 17, 1977 (42 Fed. Reg. 55544) reproposing its regulations for the pilot program for public comment, it will not recommend that an exchange be licensed for domestic commodity option trading unless it is satisfied that the exchanges' surveillance and enforcement programs for both options and futures are adequate to assure compliance with the exchange's rules.

The Commission is in the process of conducting reviews of exchange rule enforcement programs. We have current information on the rule enforcement programs of the three Chicago exchanges.[2] We expect that rule enforcement reviews of the four New York exchanges eligible for option trading[3] will be completed by the time petitions for licensing are submitted. Our initial reviews of exchange rule enforcement programs, and other investigations, indicate that some exchanges may not now have the ability to regulate trading in both options and futures. Should this be the case, such exchanges could not obtain a license to trade options under the proposed pilot program until adequate enforcement and surveillance capability is demonstrated.

9. *Question*—It has been reported that the SEC has misgivings about the uses to which securities options may be put by those who have opposite positions in the underlying securities, and vice versa. Is a commodity option writer faced with a strong temptation to manipulate the price of the underlying commodity futures contract?

Will the Commission view the taking of opposite positions in commodity options and futures as hedging or as manipulation, and why?

Response—As you mention, the SEC has recently uncovered alleged instances of manipulation of securities' prices to affect prices of options written on these stocks. One variant of this alleged practice is known as capping, whereby the grantor of a call option attempts to place an upper limit or cap on the price of the underlying stock so that it will not be called away from him.

The Commission recognizes that option grantors (like any commodity trader) may be tempted to try to manipulate prices of underlying futures contracts. As a result, the proposed option regulations, along with the Commission's regulations on futures trading contain provisions which make such manipulation difficult and likely to be detected, thereby reducing the temptation faced by option grantors.

Manipulation of liquid commodity futures or cash markets is relatively difficult when, among other factors, the terms and conditions of futures contracts conform to commercial practices. Under such circumstances, attempts at manipulation are discouraged by the threat that traders would have to make or take large numbers of deliveries. In addition, attempts at manipulation are detectable, and therefore to a large extent deterred, through Commission and exchange surveillance systems. The proposed option regulations require a futures market to meet these standards for contract terms and conditions and to provide an adequate market surveillance system as a precondition to be licensed to trade options on a futures contract.

To increase the likelihood that manipulative activity will be detected in futures trading, the Commission and the exchanges have developed and implemented trade practice rules, reporting requirements, and monitoring devices. The option regulations propose similar, and in some instances more comprehensive and stringent, trading and reporting requirements for option markets. The thrust of these regulations is to enhance the Commission's ability to monitor traders whose positions are large enough to impact on the market and to reconstruct trading activity by means of accurate audit trails. Among the provisions in the proposed option regulations which are directed toward these ends are: identifying executing and opposite brokers, matching trades of opposite brokers and opposite clearing members, time sequencing of option trades, and daily reporting of open positions by large (over 25 contracts) option traders.

Moreover, various types of manipulative activities which can occur in stocks because of their limited supply should be considerably less effective in most futures markets where deliverable supplies of underlying commodities are generally greater. Of course, there is not an unlimited supply of any commodity available for delivery. However, the exchanges and the Commission at present have monitoring devices in place to assist in assuring that orderly liquidations of futures contracts take place. In addition, the proposed option regulations recognize the impact that exercising options could have on orderly liquidations. The Commission accordingly plans to examine, as part of its licensing process for option markets, the relationship of action expiration dates and the delivery period of underlying futures contracts.

The Commission does not anticipate categorizing the taking of opposite positions in commodity options and futures as hedging or manipulation per se. The principal reason is that there may be valid commercial and portfolio management reasons for maintaining opposite positions in commodity options and futures. However, as your example from stock options trading indicates, such positions may involve price manipulation. The purpose of the trade practice and reporting provisions of the proposed option regulations is to reconstruct trading activities so that manipulative opposite position taking can be detected.

Should you have any questons concerning our responses or require any further information please contact me.

Sincerely,

WILLIAM T. BAGLEY,
Chairman.

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., February, 9, 1978.

HON. WILLIAM T. BAGLEY,
Chairman, Commodity Futures Trading Commission, Washington. D.C.

DEAR MR. CHAIRMAN: It has been brought to my attention that "limited risk forward contracts" trading has the potential for the same fraudulent practices that are currently being disclosed in options trading. It has further been suggested that the present dealers of options will shift to "limited risk forward contracts" as soon as options trading is suspended.

I have three major concerns with these possible develcpments. First, we may continue to witness a parade of fraudulent activities in commodities trading. Second, these practices could do irreparable harm to traditional forward contracts that are important to the Nation's farmers and ranchers. Third, it is plausible that the Commission might not be able to establish a claim of regulatory authority over forward contracting.

While specific jurisdiction is given to the Commission, by section 217 of the Commodity Futures Trading Commission Act of 1974, to regulate leverage contracts for gold and silver, which represent a form of forward contract, the Commission's jurisdiction over other unspecified forward contracting would surely be disputed by financially interested forward contract merchandisers. In addition, the SEC and the various States' securities administrators might well claim jurisdiction, unfettered in any way by the exclusive jurisdiction provision of section 2(a)(1) of the Commodity Exchange Act. Merchandisers of "limited risk forward contracts" might, in the absence of Commission action to the contrary, assert license to write option-like instruments with respect to domestic agricultural commodities, undeterred by section 4c(a)(B) of the Commodity Exchange Act.

I fear that a forward contract scandal following closely on the heels of the London options scandal has the potential to damage

[2] The Chicago Board of Trade, the Chicago Merchantile Exchange and the MidAmerica Commodity Exchange.

[3] Commodity Exchange, Inc., the New York Merchantile Exchange, the New York Cocoa Exchange and the New York Coffee and Sugar Exchange. The commodities currently traded on the New York Cotton Exchange (cotton and orange juice) are prohibited from having options traded thereon by Sections 2a(1) and 4c(b) of the Commodity Exchange Act.

irreparably the public's image of the entire futures industry, which involves a related contract process.

In a similar vein, concerns have been expressed regarding the Commission going ahead with regulation of leverage contracts. Clearly anticipatory and preventive measures would be appropriate at this time.

To facilitate our role of over sight, it would be helpful if you would provide me with answers to the following questions:

(1) What steps is the Commission currently taking to determine and avert the potential for fraud in the area of limited risk forward contracts?

(2) Does the Commission believe that the Commodity Futures Trading Commission Act of 1974 requires amendment to clarify the Commission's jurisdiction over limited risk forward contract trading?

(3) Has the Commission conducted studies to determine (a) economic utility of leverage trading, (b) its impact on the futures markets, (c) who leverage customers probably will be, (d) whether leverage contracts will serve the economic purposes of commodity price discovery and commercial risk transference, accompanied by fairly-priced opportunities for speculators' gain, and (e) what positive economic role is served by speculators' purchase of leverage contract?

(4) How many firms are now actively writing any leverage contracts and what is the volume of such contracts?

(5) Is it possible that promulgation of leverage contract regulations will give birth to a new industry?

(6) What effect will regulation of leverage contracts have on deployment of Commission personnel and resources if options trading is suspended, as proposed?

The question of the Commission's exclusive jurisdiction has been raised most recently in regard to the purported initial inability of the States to take action against unscrupulous options dealers. Does the Commission believe that it would have exclusive jurisdiction over "limited risk forward contracts" under these circumstances, or does it have any recommendations for modification of its grant of exclusive jurisdiction in section 2(a)(1) of the Commodity Exchange Act to facilitate State prosecutions in specified instances?

Thank you for your assistance in these matters. I will be looking forward to receiving your response in advance of the commencement of reauthorization hearings for CFTC.

Sincerely,

PATRICK J. LEAHY,
U.S. Senator.

COMMITTEE ON APPROPRIATIONS,
Washington, D.C., February 9, 1978.

Hon. WILLIAM T. BAGLEY,
Chairman, Commodity Futures Trading Commission, Washington, D.C.

DEAR MR. CHAIRMAN: Title III of the Commodity Futures Trading Commission Act of 1974 authorizes the Commission to register and regulate one or more futures associations of firms and professionals. The Commission in its recently adopted motion to suspend options trading lists among the four criteria for the lifting of the suspension, the registration and operation of such an association.

The regulatory ability of the Commission and the exchanges has been questioned in light of the growing trend within the futures industry for non-member futures commission merchants to trade for their clients through member FCMs.

Because of the significance of Title III issue to the lifting of the options trading suspension and to this Committee's consideration of the Commission's reauthorization, it would be helpful if you would provide me with answers to the following questions:

(1) What steps must the Commission take prior to consideration of an application for registration as a futures association? Is the Commission currently working on the necessary regulations?

(2) Has the Commission formulated any criteria for a determination as to whether registration of a futures association would be in the public interest?

(3) Does the Commission have any indication that there is an industry group which could effectively assume the responsibilities accompanying registration as a futures association?

(4) Have any analyses been performed by the Commission regarding the effect a futures association would have on Commission manpower requirements?

Does the Commission contemplate that a futures association, when formed, would perform regulatory functions which would otherwise demand deployment of Commission manpower and resources? If so, would existing exchanges and FCMs resist or resent being saddled with added duties and expense?

Do existing exchanges and FCMs have any reason to fear that promulgation and enforcement of rules and regulations by a futures association would expose them to greater potential anti-trust litigation or liability than would their enforcement of Commission-promulgated rules and regulations? If so, could, or would, the Commission resist pressures to make the Commission both the rulemaker and enforcer, to the virtual exclusion of futures association from meaningful responsibility?

(5) Is it advisable to develop and publish criteria for registering a futures association prior to the time the Commission makes a finding that the exchanges are engaged in effective self-regulation under Commission established criteria?

(6) What role does the Commission envision itself playing when and if the exchanges are engaged in effective self-regulation and a futures association is engaged in effective self-regulation of futures commission merchants?

(7) What has the Commission done in response to the Department of Justice's objections to the registration of a futures association?

Is the predictable posture of the Anti-Trust Division of the Department of Justice such that a futures association's regulatory initiatives would be consistently impeded?

We would appreciate having your response to these questions as soon as possible before our hearings commence. Thank you for your assistance in this matter.

Sincerely,

PATRICK J. LEAHY,
U.S. Senator.

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C., February 28, 1978.

Hon. WILLIAM T. BAGLEY,
Chairman, Commodity Futures Trading Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I am, in preparation for the appearance of the members of the Commission before this Committee in mid-March, requesting that you supply me with answers to the enclosed questions.

As I have stated, the prior submission of these questions will enable the Commission to provide in-depth answers. This process will promote enlightened discourse on the many issues raised in this letter and the previous letters Senator Talmadge and I have sent to you.

You and your staff are undoubtedly under pressure to respond to the authorizing and appropriations committees of Congress. However, in order for your responses to the enclosed questions to be of maximum utility, it will be necessary for us to receive them prior to your appearance.

I

1. What was the sequence of the Commission's actions regarding the regulation of commodity options trading?

2. What was the volume of options trading public action of the Commission's final Part in the non-regulated commodities, prior to A regulations?

3. How many firms were engaged in writing commodity option contracts in the United States prior to publication of the Commission's final Part A regulations?

4. Did the volume of trading and number of firms writing commodity option contracts in the United States increase after publication of the final Part A regulations? If there was an increase, do you believe that this increase is attributable, in part, to Commission action "legitimatizing" these transactions?

5. In retrospect, would it have been more advisable to simply prohibit all commodity option trading in this country until an exchange-traded commodity option program could be implemented?

6. What were the Commission's original estimates of the number of Commission staff man-years necessary to implement the Part A regulations? Were these estimates subsequently revised, and if so, when?

7. Options transactions with respect to defined commodities were banned by the Commodity Exchange Act of 1936. It has been asserted by some that a total ban on sales commodity options in the United States would have had international consequences? What are these consequences? Are they still present?

8. The National Journal in its December 3, 1977 issue ("The SEC's Risky Rat Race of Regulating the Options Market") attributed the following to critics of exchange-traded security options:

"They say that individuals never can benefit from options trading the way professionals can because to assume sophisticated investment postures (such as 'naked straddles' and 'horizontal spreads') involves costly commissions. They say that some brokers are promoting options for investors whose resources or understanding of the market are inadequate. And they point to several examples of fictitious sales by traders in some exchanges to enhance their own tax positions or to create the phony impression that options trading is more volatile than it really is."

Are these criticisms equally applicable to exchange-traded commodity options?

That same National Journal article contained the following regarding the SEC's release of October 17, 1977:

"The commission noted general concern over the five exchanges' 'surveillance systems to detect and prevent fraudulent, deceptive and manipulative activity, both in options and in underlying securities . . .' And it followed these vague doubts with a formidable list of problems. Among those cited:

"widespread fictitious trading by options specialists on an exchange, which has occurred over a period of several months;

"patterns of trading on options exchanges . . . solely for the purpose of attracting [orders] from major brokerage firms doing business with the public". (This, the SEC warned, 'may operate as a fraud upon public customers as well as upon other markets');

"prearranged trades on the floor of an options exchange, for tax or other purposes, which result in the reporting of trades on the transaction tape although the parties have agreed that, after the tax year, the transactions will be reversed;

"matched orders, or other forms or prearranged trades entered into in order to, among other things, give the appearance of increased trading volume;

"manipulation of the price of an under-

lying security for the purpose of pegging or depressing the value of its related option;

"options transactions made on the basis of undisclosed market information that a block of the underlying stock has been or is about to be traded;

"transmission of deceptive sales literature;

"churning of customers options accounts, which involves making multiple transactions to boost income from commissions;

"effecting of options transactions unsuited to customers' financial means and investment objectives;

"extensions of credit to customers in violation of applicable federal regulation;

"disturbing discrepancies between reported and cleared trading volume;

"use of joint accounts by options market makers [dealers who trade only for their own accounts] and others [who] may escape adequate monitoring by present exchange surveillance systems,"

"Most telling of all, the SEC admitted publicly its own 'present inability' to determine whether further options trading would be consistent with its congressional mandate."

Does the CFTC anticipate any or all of these same problems to be present in your exchange-traded commodity options pilot program? If so, what precautions will be built into the pilot program to avoid their occurrence?

9. Does the Commission believe it is realistic, if the Part B pilot program is implemented, to think that the Commission would thereafter move to ban exchange-traded commodity options after the expiration of the three-year pilot program?

10. Is it possible that the pilot program may result in the creation of a monopoly or quasi-monopoly for the participating exchanges with respect to the options contracts that the Commission authorizes a particular exchange to trade?

II

1. The Securities and Exchange Commission, on page 8 of its February 7, 1978 memorandum to the Comptroller General, on the question whether the SEC should assume the functions of the CFTC, stated:

"We believe that the CFTC has focused on expanding its area of exclusive jurisdiction and narrowing the authority of state agencies and of this Commission, without regard for the need to assure adequate protection of the public. Moreover, the amount of time devoted by the CFTC to the preservation and expansion of its exclusive jurisdiction may well be a misallocation of resources affecting the overall ability of the CFTC to carry out its statutory responsibilities.

"In contrast, this Commission has developed a strong and effective working partnership with state securities administrators, who bring competence, integrity and needed resources to the fight against securities law violation."

What is the CFTC's response to this statement?

2. What evidence is currently available that investors in securities are or are not the same people who purchase (A) commodity options, (B) securities options, (C) GNMA futures, and (D) treasury bill futures?

3. The SEC has suggested that the CFTC's grant of exclusive jurisdiction be repealed and in its place a grant of authority to the SEC to exempt from the Federal securities laws, in appropriate circumstances, matters which are within the concurrent jurisdiction of the two agencies. What is the CFTC's response to this suggestion?

The SEC further advocates an amendment to the CFTC enabling legislation requiring prior consultation and cordination between the Commission and the banking agencies in certain circumstances. What is the Commission's response to this proposal?

4. Has the Commission made, or is it considering making, any recommendation respecting interpretation of the Commodity Exchange Act or for amendments to the Commodity Exchange Act, to allow for flexibility in the grant of exclusive jurisdiction that would allow appropriate State agencies and the SEC to (1) institute proceedings under the authority of the Commodity Exchange Act and (2) under their statutory authorities in specified circumstances?

5. What is the Commission's response to the following Securities and Exchange Commission assertion:

"With respect to futures contracts written on fiancial instruments and other securities, and options on such futures contracts, we believe, in view of the interrelation between markets in those futures and the markets in the underlying securities, that the jurisdiction of the CFTC in those areas should be repealed, so that this Commission would have the entire authority over those futures markets and the underlying securities markets."?

III

1. Is the Commission considering modifying its market surveillance so that surveillance will be exercised throughout the contract period while concentrating surveillance efforts on the expiration month?

2. What is the rationale behind the establishment of speculative trading limits? Why have speculative limits not been issued for all commodities? Is the Commission considering alternatives to speculative limits and, if so, what are those alternatives?

3. What does the Commission foresee as the benefits of final promulgation of "Charlies Rule"? Would adoption of this rule potentially remove the possibility of a recurrence of situations such as the Hunt family involvement in soybeans and the May 1976 Maine potato default?

4. Is the Commission confident that its surveillance force on the exchange floors are both adequately trained and of sufficient size to be capable of effective market monitoring?

IV

On June 21, 1976, the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, of this Committee, chaired by Senator Huddleston, held a hearing on the May, 1976 Maine potato default. Certain information regarding the default was unavailable at that time and the Commission, subsequent to the default, took actions that are of interest to this Committee.

1. The Commission concluded that as of May 7, 1976, the last day of trading on the contract, there were adequate supplies of Maine protatoes to satisfy the open short positions. What happened to these supplies between May 7 and May 25, 1976, the last delivery day of the contract?

2. One possible criticism of the Maine potato contract is that delivery can first take place after the last day of trading. Are there other futures contracts on seasonal crops with this feature, and if so, on what commodities? Have any of these other contracts experienced attempted corners or squeezes as May Maine potatoes may have?

3. Did the Commission study the availability of railroad cars, the only acceptable mode of transportation under the contract, to carry the May 1976 potatoes from Maine to New York? If so, did the Commission conclude that there were adequate railroad cars to carry the potatoes and thereby satisfy the contract?

4. Subsequent to the default, the President of the New York Mercantile Exchange, Mr. Richard B. Levine, went to Maine to purchase potatoes to satisfy open long contracts on the May contract. He has testified that he was unable to purchase the potatoes because they were unavailable.

In the Commission's view, why was Mr. Levine unable to purchase the potatoes? Did the New York Mercantile Exchange or Mr. Levine place any conditions or restrictions on the purchases of potatoes by Mr. Levine that may have compounded Mr. Levine's difficulty in his attempted purchases?

5. Subsequent to the default, the Commission worked with the New York Mercantile Exchange to revise the Maine potato contract. What are the major differences between the new and old contracts? What were the possibilities for liquidation of open positions after the last day of trading on the May 1976 potato contract? Has this been changed under the new contract or revision of the Exchange's rules? Are these liquidation possibilities and procedures either identical to or consistent with those utilized for potato contract or other Exchanges?

6. Is trading on the Maine May potato contract atypical of trading on other end of crop year commodity contracts? Would you please provide us with a comparison of past experience with the Maine May potato contract as compared with other end of crop year commodity contracts?

7. What actions has the Commission taken against the New York Mercantile Exchange? Against longs on the May 1976 contract? Against shorts? When will the Commission's follow-up compliance review of that exchange be released? Are you at liberty to release preliminary findings of your review? If so, what are these preliminary findings?

V

Section 2(a)(8) of the Commodity Exchange Act requires the establishment of liaison offices at the Department of Agriculture to be staffed by Commission employees and a liaison office at the Commission to be staffed by USDA employees. Have these offices been established? If not, why not?

If the Commission believes that designating the appropriate liaison personnel and allowing the USDA liaison to attend and observe all deliberations and proceedings of the Commission is sufficient to accomplish the congressional intent of section 2(a)(8), will the Commission be recommending an amendment to that section?

VI

1. Is the Commission considering any further amendments to its dual trading regulations. What is the Commission's response to the allegation that there is no technology available to facilitate implementation of a one-minute time stamp requirement? Would implementation of a one-minute time stamp disrupt trading in active pits or rings?

2. Would the potential for abuse in dual trading be potentially magnified if the floor broker or futures commission merchant was engaged in such trades for his client and himself in both futures and options?

VII

1. The Commission's exchange rule enforcement reviews to date have found discrepancies and inadequacies in exchange practices. In light of these findings, is it realistic to assume that by 1980 these same exchanges will be engaged in effective self-regulation?

2. What are the considerations that the Commission takes into account prior to recommending remedial actions to exchanges?

3. Does the Commission believe that it has the authority to regulate the composition of the exchange's governing bodies? If so, does the Commission intend to issue regulations in the area?

4. Why were copies of the Commission's complete exchange rule enforcement review not forwarded to the exchange being reviewed? How were the results of the reviews communicated to the affected exchange?

5. Has the Commission analyzed the advisability of granting civil immunity to the exchanges from actions brought by customers of futures commission merchants or floor brokers?

6. Has the Commission considered reallocating its resources so that more of its surveillance and enforcement responsibilities could be directed to those exchanges that

first came under Federal regulation after 1974? If not, is such a proposal reasonable?

7. It has been suggested that it is unrealistic to assume that all ten of the futures exchanges will operate identically in all areas, and, therefore, the Commission, absent evidence of public damage, should provide, through regulations, the broad guidelines or skeleton for regulation and the exchanges be allowed to deal with the specifics. What is the Commission's reaction to this suggestion?

VIII

1. What are the Commission's current efforts at discovering the extent of trading by foreign nationals or governments? Do you feel that these efforts are providing you with the necessary information?

2. Is there the potential for foreign nations to enter our futures markets and manipulate these markets? Is the potential for such activity greater in the metal and foreign agricultural futures than in the domestic crop and livestock futures?

IX

1. American consumers have experienced considerable price fluctuations in the cost of coffee. There have been various explanations presented to explain, this phenomena. Do you have any evidence that the inflation in the cash coffee market was spurred or increased by trading in the coffee futures market?

2. When did the Commission first become aware of a potential problem in the December 1977 "C" coffee market? Did the Commission take any action at that time?

3. What facts lead you to believe that there was a potential problem in the December 1977 "C" coffee market?

4. In retrospect, were there any actions that the New York Coffee and Sugar Exchange or the Commission could have taken, short of the issuance of an emergency order, prior to the close of trading on the contract?

5. To what extent were foreign traders in the December 1977 "C" coffee market? Is this unusual for coffee futures? Would this extent of foreign traders be typical for any other futures, and if so, which ones?

6. Could you briefly describe the situation in the coffee market that prompted the Commission to issue an emergency order? What was the New York Coffee and Sugar Exchange's reaction to the developing situation on the December contract?

7. What happened after the promulgation of the emergency order?

X

1. Was the large trader reporting requirement the means by which the Commission became aware of the Hunt family's concentration in the May and June 1977 soybean futures market?

2. What was the magnitude of concentration that the Hunt family had in the market?

3. What actions did the Commission take both administratively and through the courts to modify this situation?

4. Should the futures commission merchants who were handling the various accounts involved in this case have known about the situation that was developing? Was there any requirement for them to bring this situation to the Commission's attention?

5. Is it not true that if the members of the Hunt family had been characterized as hedgers there would not have been a question raised about their trading volume?

6. What is the current status of Commission actions against the Hunt family?

7. What was the difference in approach by the CFTC to the Hunt family's and Cook Industries' positions in the soybean futures market? Why was there a difference in approach?

XI

The participants in futures trading are generally broadly classified as either hedgers or speculators. The hedger has received the greater reverence under the law and is exempted from speculative limits.

1. Is it not true that significant market manipulations that have been successful in the past were accomplished by hedgers?

2. By simply having an interest in the underlying commodity, can all traders in futures of that commodity be properly classified as hedging, e.g., a soybean farmer who produces 15,000 bushels of soybeans and enters into soybean futures contracts for 150,000 bushels of soybeans?

3. If a commercial has already insured his profit margin, as originally calculated in his dealings in the cash market, through his futures transactions, are any further futures trades designed to increase the original profit properly classified as hedging or speculating?

4. What is the rationale for different treatment of hedgers and speculators?

XII

On February 2, 1978, you appeared before Congressman Whitten's Subcommittee on Agriculture, Rural Development and Related Agencies. At that time, Congressman Whitten released an Investigative Study on the Commodity Futures Trading Commission and requested that you review it and respond in writing to the points raised in the study. In addition, you have been requested to submit answers in writing to several questions raised by members of the House Committee on Agriculture and the House Appropriations Committee. In the interest of avoiding duplication of effort, would you please forward copies of your responses to Mr. Whitten and to the questions submitted to you by Congressmen to this Committee?

Thank you for your kind cooperation in this matter. I am looking forward to receiving your responses.

Sincerely,

PATRICK J. LEAHY,
U.S. Senator.●

ADDITIONAL STATEMENTS

THE MINERS HAVE A POINT

● Mr. RIEGLE. Mr. President, the coal miners of America have been on strike for more than 3 months and now the President, in the wake of the most recent failure of the miners and the coal operators to reach an accord, has begun the process of obtaining an injunction against the strike under the Taft-Hartley law.

The work stoppage affects us all, but is, of course, most severe in the coalfields. Not simply miners, but the Nation and particularly the region in which the miners and their families live are suffering continued economic hardship. It is time that a contract is reached, that the men return to work, and that the suffering end. But we should understand why the miners are striking and we should not ask a single miner to return to work under anything but honorable conditions.

This morning an editorial appeared in the Wall Street Journal which deals with one aspect of the controversy surrounding the contract negotiations: The proposed wage and benefits settlement. This editorial demonstrates the devastating effect inflation and Federal tax policy have on the earnings of American workers. Coal miners deserve a fair deal; they have not been getting one.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MINERS HAVE A POINT

Everyone is wondering what's bugging the coal miners, who just voted down a 37% wage and benefit increase. But the more we look at it, the more we think that if we were a coal miner we'd have voted against the proposed contract too.

Now that President Carter has moved for an 80-day cooling off period, everyone wonders how to get the miners to comply. If we were a miner, what we'd want wouldn't be the contract raise immediately, as Mr. Carter suggested. We'd much prefer some assurance that the supposedly smart guys would make constructive use of the 80 days, burning up the last agreement and starting from scratch.

UMW President Arnold Miller, the mine owners and the federal mediators can begin by apologizing for not following instructions in the first place. Before the negotiations began last year the miners were surveyed on their demands, and cited health benefits first, pension benefits second and wages third. Yet their union boss went the other way. The 37% package breaks down to 31% in wages and only 6% in fringe benefits. And Mr. Miller negotiated away the all-expenses health plan the miners have had for 30 years.

The point of all this, and the reason we'd have voted against the pact if we were coal miners, is that health benefits are not subject to federal income tax and pension benefits are deferred and taxed at lower rates, while wage increases are gobbled up at the miners' marginal tax rates. The deductibles that Mr. Miller negotiated into the health plan, for instance, now must be paid in after-tax dollars, rather than tax-free ones. Similarly, the miners wanted to have pensions increased for those who retired prior to 1975—often their fathers and grandfathers. This is another way for a household to keep a pre-tax dollar from being clawed by Uncle Sam. The negotiators threw this idea out too.

Instead, these private sector management and labor people seemed determined to maximize the government's cut of this new contract. And what thanks do they get; the government economists fret that the 31% increase in wages may be "inflationary." If those economists looked at what the miners face they might be able to understand what is happening to all of us.

We asked Steve Entin, of the Joint Economic Committee of Congress, to figure out how much real income the coal miner is going to have in 1980 out of that 31% increase. He took a miner filing jointly, with two children and taking the standard deduction. He assumed a 6% per year inflation rate, that the Social Security tax increases would be retained, and that President Carter's "tax cut" would be enacted as proposed. The results:

By 1980, the miner working an average 1,800 hours would earn a gross income of $18,360, up from $14,040 last year. Assuming he has the advantage of the proposed Carter "tax cut," his combined federal income and Social Security tax would rise to $2,867 in 1980 from $2,171 in 1977. In 1980 dollars, he would have after-tax income of $15,493, which at an inflation rate of 6% would be worth $13,008 in 1977 dollars. Comparing this with his after-tax net of $11,869, he would have a raise of $1,139, or 9.6% over the three years.

If the inflation rate is 8% instead of 6%, however, half of that gain would be wiped out. And out of whatever is left, the miners have to pay health fees that had been free, and must also help support fathers and grandfathers. There is no small chance that they will end up going backward.

Inflation and taxation have similar effects, of course, on the mine operators' ability to

pay wage increases. But surely the owners can afford to be indifferent as to how a settlement is distributed, and in 80 days Mr. Miller ought to be able to figure out some way other than the one that maximizes the government's cut.

It is not the workers but the negotiators who need a "cooling off" period. The idea that this breakdown has occurred because of an excess of union democracy is absurd. The miners have a point. But nobody seems to listen to them.●

AIDING VICTIMS OF CHEMICAL DISASTERS

● Mr. GRIFFIN. Mr. President, last October the Senate passed a bill, S. 1531, which I authored, to provide interim relief for the innocent victims of chemical disasters.

This morning a subcommittee of the House Committee on Interstate and Foreign Commerce held hearings on the Senate-passed bill and a companion House bill, as well as other related measures.

I was pleased to have had the opportunity to testify in support of the Senate-passed bill, and I ask that a copy of my statement be printed in the RECORD.

The statement is as follows:

STATEMENT BY U.S. SENATOR ROBERT P. GRIFFIN

Mr. Chairman, as the author of Title I of the Senate bill (S. 1531) which provides important interim relief to innocent victims of chemical disasters, I am here to convey to the Subcommittee in the strongest possible terms the urgent need for prompt action by the House.

The pressing need to aid farmers and others injured by dangerous chemical substances is vividly illustrated by the tragic situation in my own state of Michigan, which has experienced the most pervasive chemical catastrophe ever to affect our food chain.

In 1973, polybrominated biphenyl (PBB), a fire retardant chemical, was accidentally mixed with cattle feed. The disastrous effects of the resulting contamination of Michigan's food and livestock are still being felt. Not only has the accident had a devastating economic and health impact on a great number of Michigan's farmers—many of whom have lost entire herds of cattle—but scientific studies indicate that many of Michigan's residents carry traces of PBB in their bodies.

Sadly, the PBB problem is not Michigan's alone. Traces of this chemical have recently been found in such geographically diverse states as Ohio, New Jersey, New York, Illinois, Pennsylvania, Tennessee, California, and Mississippi.

Of course, the need for assistance is not limited to Michigan's painful experience with PBB. Recent history has made us all too well aware that chemical disasters can strike in any state at any time with no advance warning. Within the past decade, Missouri, Mississippi, North Carolina, and Georgia have had to confront Dieldrin contamination; Virginia and Maryland have had Kepone poisoning; the Ohio River has been contaminated by several dangerous chemicals; Utah has lost a large number of sheep to a chemical warfare agent; and vast parts of the United States have been hit by polychlorinated biphenyl (PCB) contamination. The list, unfortunately, could go on and on.

So, while legislation is particularly important to Michigan now, it may be equally vital to the citizens of other states tomorrow. In fact, with the rapidly expanding use of chemical substances—more than 30,000 now in the stream of commerce and another 1,000 new substances likely to be introduced during the next year—it is probable that there will be more, not fewer, PBB-type incidents in the future.

In view of this alarming spectre, I introduced the Toxic Substances Injury Assistance Act (S. 899) in the Senate more than a year ago. This legislation—which was adopted as Title I of S. 1531 passed by the Senate on October 31, 1977—is designed to provide interim assistance to victims of a chemical disaster involving the contamination of food, livestock and poultry.

The approach of this legislation is threefold.

First, since one of the most difficult obstacles to containing a potential chemical disaster often is a lack of state funds, the Senate bill provides a mechanism by which a State can apply to the Environmental Protection Agency for Federal grants of up to 75 per cent of the amount a State pays victims injured by the chemical substance.

This kind of prompt, responsive action is vital because, in most instances, people who are suffering—those who are sick or whose livestock is wiped out—just cannot wait years for relief while their litigation claims drag through the courts. To qualify for grants under this bill, the State would have to assure the EPA Administrator that it will take over the litigation rights of chemical victims and return to the Federal government a proportionate share of any recoveries.

I believe it is important to emphasize here that the Senate bill contemplates assistance that is interim in nature. The intent is to allow people who suffer economic and physical injury to be "made whole" financially as quickly as possible, while litigation claims are pending. Since—as I have indicated—the State would be required to furnish assurances to the EPA Administrator that it would take over the legal rights of those victims who receive assistance and return a proportionate share of the recoveries, the Federal government's financial liability under this part of the program would be limited only to 75 per cent of those amounts that were not recovered by the State through legal action. This mechanism will insure that actual federal expenditures are relatively moderate in most cases of chemical accidents.

Second, the Senate bill provides for Federal grants to States for detection and monitoring of the effects of the chemical substances on the environment—particularly on humans and animals—and for the treatment of injured individuals and livestock.

Finally, authority is provided for grants to individuals—applied for through State governments—to reimburse actual medical expenses (not covered by insurance) of persons who have been injured by chemical contamination.

The Senate bill authorizes $50 million in this and each of the two succeeding fiscal years to cover the costs of this legislation.

In its deliberations, I think it is important for the Subcommittee to recognize that financial relief for victims of chemical accidents is not unprecedented. Let me cite a few examples:

The Department of Agriculture, pursuant to Congressional action, has established a dairy indemnity program that compensates dairy farmers and manufacturers whose milk or milk products are directed to be removed from the market because they are found to contain chemicals that present hazards to human health.

The recently enacted farm bill (P.L. 95–113) includes provisions to expand indemnity payments for dairy products contaminated by nuclear radiation or fallout and residues of chemicals or toxic substances in cases in which no other legal recourse is available.

The Bee Keeper indemnity program paid $3.7 million in 1976 to farmers who lost bees due to chemical pesticides. Incidentally, the farm bill extended this program too.

And, in 1944, Congress gave the Secretary of Agriculture specific authority to make indemnity payments for animals destroyed for disease control. (However, this law is inapplicable in cases of chemical contamination as it applies only to organic diseases.)

Unfortunately, these laws—while they are instructive as precedents—do little to help those who suffer from pervasive chemical catastrophies of the magnitude of the PBB tragedy.

I believe the bill passed by the Senate represents a fair, responsible, and responsive approach to a most serious and growing problem—how our government can best protect our citizens from the hazardous chemical accidents which are increasingly inevitable in a society increasingly reliant upon chemical substances.

Accordingly, Mr. Chairman, I strongly urge the members of this Subcommittee, the members of the full Interstate and Foreign Commerce Committee, and the House of Representatives to act quickly and favorably to approve effective legislation along the lines of S. 1531.●

THE RIGHT KIND OF TAX REFORM

● Mr. BIDEN. Mr. President, everyone is talking these days about the need for tax reform and tax simplification. No one who looks at my record will ever accuse me of being opposed to either. I am concerned recently, however, that more of the talk about reform centers around those tax provisions that many low- and middle-income families rely upon to help them meet some of the basic costs of living and bringing up a family. These reforms become tax increases for wide numbers of our taxpayers who are already shouldering a heavy burden.

It is these same people who pay heavy Federal income and payroll taxes; who pay heavy State income taxes; and pay ever-increasing local and school district property taxes. In fact, the property tax burden is getting to be one of the heaviest. We do not directly control State or local taxes here in Washington. However, when we propose tax reductions or tax reforms, we should consider the load imposed by other taxing authorities.

It is for this reason that I am disturbed by the recent talk about eliminating deductions of substantial importance to the average taxpayers, thus increasing his overall tax burden. This is not my idea of tax reform. I believe a primary goal of tax reform is to assure that every citizen pays a fair share of the cost of government. The people I am worried about already do. The first goal of tax reform should be to reach the person or company that deliberately shelters income from taxation in order to avoid paying an equitable share.

For this reason, my attention was captured by a headline in the New York Times on Sunday, February 8, 1978, that read: "The Art World Turns to Original Prints as Tax Shelters." This article, by Grace Glueck, told about an ingenious new tax shelter being put together recently in an effort to overcome the obstacles to sheltering money from

taxes included in the Tax Reform Act of 1976.

While some apparently felt that this will be of benefit to artists and promote new creative efforts, the Art Dealers Association of America is quoted as calling them schemes that involve the use of "art work solely as a device to avoid paying taxes." This is the kind of effort that tax reformers must guard against. Even if some side benefits accrue to the art world from a scheme like this, they are seldom large enough to be worth the tax money lost, that must be made up by other taxpayers. I believe this article well describes the kind of tax avoidance that should be the prime target of tax reforms. It is these schemes that should be attacked first, not the provisions of tax law providing tax relief to millions of American taxpayers.

Mr. President, I believe this article is most instructive. I therefore ask unanimous consent that it be printed in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

THE ART WORLD TURNS TO ORIGINAL PRINTS AS TAX SHELTERS

(By Grace Glueck)

The flower etching by the well-known artist Lowell Nesbitt was beautiful, the affluent investor thought. And the plate from which it has been made, plus the rights to everything produced from the plate, was for sale for $234,000, with only $44,000 cash on the line.

The investor was told he could profit from the sale of prints, posters and other items made from the plate. But even more attractive was the income-tax write-off. Because the plate was a "depreciable property" with a "useful life" of seven years or more, he'd get an investment tax credit for the first year of his ownership, and could deduct for the plate's depreciation over a long period. The write-off in the first two years alone would be $64,400. He plunked down the initial payment and signed a 10-year note for the rest. And so he was in the business of producing artists' prints.

The transaction is typical of a trendy but controversial new development in the art world—the use of original-print editions as tax shelters. With changes in the 1976 tax law discouraging shelters in such fields as motion pictures, agriculture, oil wells and equipment leasing, a number—200 to 300 as a "guesstimate"—have already turned to the lucrative field of art.

OTHER USES INVOLVED

Beginning with a year-end rush that started last fall, promoters have been busy packaging deals in which the "master" matrix—metal plate, stone, woodblock, transparency, screen or other material from which the artist makes his print or photograph—is exploited for maximum production.

After a run of limited-edition graphics, the matrix, or plate, may be used to make posters, post cards, greeting cards, wallpaper, table mats, ceramic plates, T-shirts and other ancillary products, depending on the tastes of the participants. More than a dozen "names" are involved in the deals including, besides Mr. Nesbitt, James Rosenquist, Richard Lindner, Arman, Allan D'Arcangelo, Pierre Alechinsky, Karel Appel and the German movie actress Elke Sommer, who is also a painter and printmaker.

But many established print publishers and dealers look askance at the shelter proposals. In fact, the Art Dealers Association of America, a trade group of leading gallery owners, has recently issued a statement condemning them. Referring to the shelters as "schemes," the statement maintains that they are not "genuine and realistic" business ventures but involve the use of artworks "solely as a device to avoid paying taxes."

"FORM OF DEFERRAL"

Nevertheless, promoters of the shelters hold that besides their profit-making potential (a required feature if the Internal Revenue Service is to regard them as genuine business investments), they attract new money and marketing expertise to the art world. "If done right, it's a very good idea," says Rubin Gorewitz, an accountant who specializes in art-world clients, and is serving as consultant on a package that includes some big-name artists as well as lesser-knowns. "It stimulates the art market."

Mr. Gorewitz goes on to assert: "The Government doesn't lose anyway, since the shelters are a form of tax deferral. The investor eventually pays taxes on the income he earns from the venture. If it isn't profitable, then he has to eventually pay back the taxes deferred on the stated original value of the plate. It's a cheap way for the Government to subsidize art."

At present, there may be between 10 and 20 shelter packages—lawyers, accountants and businessmen who are reluctant to publicize their projects lest they be construed by the Securities and Exchange Commission, which has broad oversight in the investing field, as subject to its regulatory provisions.

LITTLE CASH DOWN

While details of the deals differ, depending on the promoter, the standard plan is for an affluent taxpayer to buy a plate, along with its reproduction rights, at a price determined by appraisal. (The deals do not pay unless a taxpayer is in at least the 50 percent bracket, because under that level the tax savings do not warrant the risk of the investment.)

The taxpayer gives the promoter a relatively small cash payment, and the balance of the purchase price, up to 80 percent or more, is paid with a "nonrecourse" note—that is, one for which the taxpayer cannot be held personally liable unless sales are made. The note is paid off through sales of the plate's products as they occur.

In the case of the Lowell Nesbitt flower etching, a breakdown of the $44,000 cash-on-the-line payment made by the investor would go this way: The promoter would take approximately 25 percent, or $11,000 for printing and advertising; another $11,000 for payment to accountants, lawyers, salesmen and "finders" who recruit investors. Approximately 60 percent or $13,200 of the remaining $22,000, would go to the artist, with the other 40 percent, or $8,800, as profit for the promoter.

The investor would make his profits, theoretically, in the sale of a large poster edition and then from other works produced with the plate, reinvesting a certain percentage, as in any business, for production costs. He would also take tax deferrals each year on the depreciation of the plate, even though he had only "paid" its full price with a nonrecourse promissory note.

Many artists and print dealers, however, are concerned about the possible uses to which the plate may be put over a nine-year life, which gives maximum tax deductibility.

Most of the shelter plans call for an initial run of, say, 175 to 300 limited-edition prints, each signed by the artists. But the "ancillary products," it is feared, may cheapen the artist's image.

FLOOD CALLED POSSIBLE

Some promoters, however, say that the artists they are working with retain "esthetic discretion." "If something is in bad taste, they can complain," Ron English, an investment consultant now promoting shelters, said. "After all, when Alexander Calder painted the sides of a Braniff plane, did it cheapen his image?"

As ancillary products of one Lowell Nesbitt plate, Mr. English intends to produce 10,000 posters and "limited edition" ceramic plates—in runs of, say, 12,500—which he says sell well in the Middle West for $65 to $70 apiece.

But for Mr. Nesbitt, as for some other artists, the benefits of the shelter plans outweigh concern about what is produced from them. Asserting that the deals in which he is involved have allowed him to do print series "that I never would have done otherwise, with complete artistic freedom," the artist adds: "I don't care if they eventually use the plate to make paper napkins. At that stage, no one will know who really did it, anyway. Listen, eat off Mona Lisa plates that I bought somewhere."

Another concern of those who dislike the shelter plans is that the market may be flooded with prints. Sylvan Cole Jr., a member of the dealers' association and head of Associated American Artists, one of the country's largest print galleries, says that the tax shelters will "create huge print editions, sold at inflated prices." They may glut the market and drive prices down drastically," he added.

Though some artists spurn the shelter proposals that would involve them in the market because of the plans' blatant commerciality, others have turned to a different kind of shelter arrangement that will, they hope, end up placing their work in museums. As detailed by at least one entrepreneur, the plan involves the commissioning of top-drawer artists with established market prices to do print editions.

The prints are sold, at "wholesale" prices, to taxpayers who hold them for several years, then donate them to museums at an "appreciated" value, which amounts to the price the print would bring on the retail market value, the donated print because institutions are allowed deductions at full market value, the donated print becomes a tax write-off.

OPINIONS VARY

Will the shelters really work, in terms of profits, for the artist and the investor? Jerald Ordover, a lawyer for many art-world clients, replies with a cautious "yes," adding "If the deal is legitimate, with fair valuations on the plate and the prints, the artists not abused and the prints well handled."

But another accountant, who preferred to remain anonymous, took a dim view of the returns for the investor. "You buy a plate for, say, $200,000, and in no way are you going to make that money back by the time the artist and promoters get theirs."

Another key question raised by the dealers' association and others is whether the new shelters will pass muster by the Internal Revenue Service. The association thinks they will not. It cites appraisals it has examined as "highly problematic" and "grossly inflated," and urges artists and the public not to participate in the projects.

A spokesman for the I.R.S. in Washington, said that the tax examiners, in assessing all the shelter deals, would be interested in such questions as "the proximate value of the nonrecourse notes to the property purchased, whether there is genuine profit motive, and the relationship of the taxpayer's actual income to the deductions he claims."

He added: "When claimed tax benefits are based on exaggerated appraisals or misallocations of costs or what we believe to be doubtful legal theories, then we'll raise the issues on audit and carry them to litigation if necessary."●

UNITED NATIONS RESOLUTION 242 AND ISRAELI WITHDRAWAL

● Mr. CHURCH. Mr. President, an article in yesterday's Washington Post points out that there are significant differences within Israel over the interpretation of U.N. Resolution 242 and Israeli withdrawal from the West Bank. Two former Prime Ministers, Golda Meir and Yitzhak Rabin, have expressed their disagreement with Prime Minister Begin over his statements concerning withdrawal from territory captured in the 1967 war.

Anthony Lewis also commented on the latest domestic developments within Israel in his column of Monday, March 6, 1978. Both the Star article and the Lewis column are deserving of our attention and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 6, 1978]

BEGIN WEST BANK VIEWS CHALLENGED

TEL AVIV.—Former Prime Ministers Golda Meir and Yitzhak Rabin testified last night that Israel was committed to withdraw from the West Bank of Jordan under a key United Nations Security Council resolution.

They thus backed the United States government against Prime Minister Menachem Begin in a dispute over the interpretation of Security Council Resolution 242.

The resolution adopted Nov. 22, 1967, and accepted the following year by the Israeli government headed by Levi Eshkol calls for "withdrawal of Israeli armed forces from territories of the recent conflict," as one of the principles for a just and lasting peace.

Begin has maintained that the resolution does not specify the withdrawal must be on all fronts and that Israel would honor its commitment by giving up territory in Sinai alone.

The Israeli leader has not refused to negotiate a withdrawal from the West Bank, but has insisted he is not bound in advance to one.

This is one of the obstacles to attempts by Under Secretary of State Alfred Atherton, to bring the Jordanians into the peace-making process and to secure an agreement between Israel and Egypt on a declaration of principles for a Middle East peace settlement.

At a meeting of political leaders of the Labor Party, which ran the government until last May's parliamentary elections, Meir and Rabin said all Labor governments had agreed that Resolution 242 covered the West Bank.

THE TACTICS OF PEACE?

(By Anthony Lewis)

WASHINGTON.—American officials concerned with reviving the peace talks between Israel and Egypt are in a discouraged state. The reason is a position taken by Prime Minister Begin in private and now starting to emerge in public. Mr. Begin is arguing that the basic United Nations resolution on the Middle East, calling for Israeli withdrawal from occupied land, need not apply at all to the West Bank.

Resolution 242, approved unanimously by the Security Council on Nov. 22, 1967, states two "principles." One is 'withdrawal of Israeli armed forces from territories occcupied" in the six-day war of 1967. The other is an end to belligerency and a recognition that every state in the area has a "right to live in peace within secure and recognized boundaries."

Because the resolution coupled those two ideas instead of just demanding withdrawal, it was regarded at the time as a big gain for Israel. And its acceptance has generally been considered since then as a fundamental premise of negotiation by any party.

Of course there has always been argument about the extent of "withdrawal" required. The Arabs have said it must be total, to the borders of June 1967. American Governments have said there could be minor adjustments here and there. Israeli has called for territorial compromises. But until now no one has suggested, as Mr. Begin now has, that 242 would be satisfied by withdrawal on only one front: the Sinai, for instance.

It is a startling argument for several reasons. One is that it has no support in the legislative history of resolution 242. The principal spokesmen when it was adopted—including Arthur Goldberg, then the American delegate—never suggested such a partial meaning.

Another reason for surprise is that Mr. Begin himself has previously viewed 242 as requiring at least some withdrawal on the West Bank. He objected on that very ground when Israel formally accepted 242 as a "framework" for negotiation, in response to a Nixon Administration initiative in 1970. Mr. Begin was a member of a coalition cabinet then, and he quit because—he said—Israel had undertaken to negotiate withdrawal from "Judea and Samaria."

If the Begin Government persists in this new contention, the chances of reviving the hopes of peace in the Middle East must be rated as bleak. For in effect Israel will have limited the possibilities to a separate peace with Egypt, excluding all other issues, and there is no sign that President Sadat will—or for that matter can—agree to such a purely bilateral settlement.

Since his visit to Jersusalem Sadat has said that any Egyptian agreement with Israel must at least set a pattern or principle for all of Israel's neighbors to make peace. He plainly regards that as a minimum protection against the criticism he has had from other Arabs for negotiating at all. And his particular concern is to set principles for the West Bank.

Israel has indicated that it cannot negotiate West bank issues with Sadat—that King Hussein of Jordan and perhaps some representatives of the West Bank Palestinians must join the talks. But neither Hussein nor, certainly, the Palestinians will negotiate except within the framework of Resolution 242.

All this explains why Alfred Atherton, Jr., the Assistant Secretary of State, has been unsuccessful so far in his shuttle efforts to get agreement between Israel and Egypt on a Statement of Principles that would let their direct talks resume. The crucial obstacle is Israel's refusal so far to accept the principle of 242 for the West Bank.

Apparently Mr. Begin argues that he is being asked to accept a "precondition" for negotiations. But 242 is the only imaginable framework for agreement among the parties and for broad international support. To abandon that framework, as President Carter said the other day, would be to abandon the hope of peace for "many months or years."

Mr. Begin's new position on 242 is unhappily reminiscent of his Government's performance in establishing and expanding Israeli settlements in the occupied territories during the peace negotiations. It is a slippery argument, less than straightforward. Can anyone really believe that such tactics are likely to produce the confidence needed for peace?

And there is a broader concern. Israel has a great moral claim on the world. She earns and gets sympathy especially from this country. We could understand when she held territory to bargain for security. But understanding will diminish if Israel is offered genuine security and insists on retaining territory for its own sake.

Sadat has offered what for 30 years was a dream: full diplomatic relations, trade-security arrangements. More importantly, he now offers a chance for Israel to form an entente with the moderates in the Arab world—with Jordan and Saudi Arabia as well as Egypt. That is an end desired not only by Israel but by all the West. Is Mr. Begin really going to throw the opportunity away? ●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senthat such a notification was received on March 3, 1978.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., March 3, 1978.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency indicates that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.●

THE OUTER CONTINENTAL SHELF OIL AND NATURAL GAS REVENUE SHARING

● Mr. TALMADGE. Mr. President, the Georgia State Senate, now in session in Atlanta, has adopted a resolution which,

for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, Outer Continental Shelf oil and natural gas resources both discovered and undiscovered are expected to be an important means of satisfying future national energy needs; and

Whereas, it is the policy of the federal government to develop such resources in the national interest; and

Whereas, it is expected that in excess of 109 billion dollars may accrue to the federal government from lease purchase payments and royalties on undeveloped Outer Continental Shelf oil and natural gas resources; and

Whereas, adjacent coastal states are likely to incur large economic and environmental costs as a consequence of Outer Continental Shelf oil and natural gas production; and

Whereas, the major existing federal coastal state Outer Continental Shelf impact assistance program is inadequate for meeting coastal state responsibilities associated with such Outer Continental Shelf development; and

Whereas, the continued preemption of financial resources by the federal government has dramatically shifted the balance of power in the federal system of the United States to the impairment of the ability of state governments to meet emerging needs.

Now, therefore, be it resolved by the Senate that the members of this body endorse the concept of equitable coastal state government sharing of revenues derived by the federal government from Outer Continental Shelf oil and natural gas development and urge the President and Congress to enact a program establishing a fund for dispersing fifty percent of federal Outer Continental Shelf revenues to coastal state governments and to incorporate an equitable formula for the allocation of such revenues which entitles any coastal state within a given federal fiscal year to a minimum of two percent and a maximum of ten percent of such revenues and which is based upon the percentage of adjacent Outer Continental Shelf oil and natural gas acreage leased, the percentage of the volume of adjacent Outer Continental Shelf oil and natural gas production and the percentage of oil and natural gas first landed in such coastal state in a given federal fiscal year.●

HEALTH PLANNING FOR RURAL AREAS

● Mr. CLARK. Mr. President, Congress is currently deliberating on health planning legislation that would amend the National Health Planning and Resources Development Act of 1975 (Public Law 93–641).

Because of my deep concern for the needs of small town and rural Americans, I have introduced a bill, S. 2487—the Rural Health Needs Planning Act of 1978, that specifically addresses the health care problems facing these people. The bill would make health planning more relevant to the interests of rural people by increasing their input into the planning process.

In developing the provisions of S. 2487, we have worked with many groups seeking to protect the interests of rural people. We are pleased that at a recent conference of one of these groups, the National Rural Electric Cooperative Association (NRECA), the concepts embodied in S. 2487 were endorsed.

In a resolution on health legislation adopted at their meeting, NRECA states that—

The results of the law indicate that Health System Agencies . . . have been insensitive to the needs of rural areas which are often quite different from urban.

We agree. It is this insensitivity to the distinctions between rural and urban concerns that we seek to redress through the pasage of S. 2487.

Specifically, the NRECA resolution urges the following changes in existing law: Strengthening the voice of rural areas in developing State and local health plans; providing more flexibility in planning guidelines so as not to handicap or reduce health services in rural areas; providing resources to medically underserved areas for construction of needed facilities; and requiring the establishment and funding of subarea councils in health service areas to insure more effective input by rural communities. S. 2487 is designed to promote exactly these changes.

The bill contains six provisions that focus on the national health planning guidelines, adequate representation of rural interests within the health planning process, and financial support for health planning in medically underserved areas.

S. 2487 calls for the following modifications in the present law. First, special attention to the needs and concerns of rural people would be incorporated into the national health planning guidelines. The Secretary of HEW would be mandated to include special guidelines for rural communities when he deemed it appropriate to do so.

Second, representation of rural people on the National Council on Health Planning, the body that consults with the Secretary of HEW, would be required.

Third, representation of rural people on statewide health coordinating councils, which advise State health planning agencies would be required.

Fourth, the development of subarea councils would be encouraged by authorizing the Secretary of HEW to make grants to health system agencies (HSA's) for this purpose.

Fifth, the existing mechanism for HSA grants would be modified to include extra assistance for planning in medically underserved areas.

Finally, centers for health planning would be required to develop consumer education materials that emphasize the needs of the medically underserved.

The passage of this bill is critical if we are to insure that the health planning system serves all Americans—rural and urban alike—equitably. I urge my colleages to support this bill, and I encourage their cosponsorship.

I ask unanimous consent that the NRECA resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED AT NRECA'S 36TH ANNUAL MEETING—FEBRUARY, 1978

RURAL HEALTH LEGISLATION

In the National Health Planning and Resources Development Act of 1975 (P.L. 93–641), the Congress stated as the first priority for consideration in the formulation of national health planning goals and in the development and operation of Federal, State, and area health planning and resources development programs:

"The provision of primary card services for medically underserved populations, especially those which are located in rural or economically depressed areas."

Unfortunately, the results of the law indicate that Health System Agencies, empowered with the task of developing health plans for their areas ranging in population from 500,000 to 3-million—as well as the Department of Health, Education and Welfare, responsible for administering the Act and developing the guidelines and regulations, have been insensitive to the needs of rural areas which are often quite different from urban.

For example, under the original HEW-proposed national health planning guidelines, many small rural hospitals would have been forced to close, thus adding to the shortage of health practitioners and decreasing the accessibility to primary health care by rural people.

Congress is now considering renewal of P.L. 93–641. We would urge that this law be amended: to strengthen the voice of rural areas in developing state and local health plans; to provide for more flexibility in planning guidelines so as not to handicap or reduce health services in rural areas; to provide resources to medically underserved areas for construction of needed facilities; and to require the establishment and funding of subarea councils in Health Service Areas to insure more effective input by rural communities.

We urge these amendments and others which will achieve the statutory priority in P.L. 93–641: "The provision of primary care services for medically underserved populations, especially those which are located in rural or economically depressed areas."●

ILLEGAL ALIENS

● Mr. TALMADGE. Mr. President, the Georgia General Assembly, now in session in Atlanta, has adopted a resolution which, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Urging the Congress of the United States to enact legislation to reduce the flow of illegal aliens into this country; and for other purposes.

Whereas, there are approximately eight and one-half million illegal aliens presently residing in the United States; and

Whereas, an estimated twenty-five thousand illegal aliens reside in the State of Georgia; and

Whereas, illegal aliens annually cost the national economy an estimated thirteen billion dollars, evade paying an estimated one hundred fifteen million dollars in taxes and send an estimated three billion dollars out of the United States each year to the detriment of our balance of payments; and

Whereas, it appears that the best solution to reduce the number of aliens attempting to enter the United States in violation of law is to restrict employment opportunities and improve border operations.

Now, therefore, be it resolved by the General Assembly of Georgia that the members

of this body do hereby urge the Congress of the United States to enact legislation (1) to remove the incentive for aliens to illegally enter and remain in the United States by prohibiting the employment of illegal aliens by American employers and imposing substantial civil and criminal penalties upon violators and (2) imposing more stringent safeguards against the unlawful migration of aliens into this country.

Be it further resolved that the Clerk of the House of Representatives is hereby authorized and directed to transmit suitable copies of this Resolution to the President of the United States, the Attorney General of the United States, the Immigration and Naturalization Service and each Senator and Representative from Georgia in the Congress of the United States.●

AIR TRANSPORTATION REGULATORY REFORM ACT OF 1977

● Mr. CANNON. Mr. President, in February of 1977 Senator KENNEDY and I introduced S. 689, the Air Transportation Regulatory Reform Act of 1977. Earlier in January of 1977, Senator PEARSON introduced a similar piece of legislation, S. 292, the Commercial Aviation Regulatory Reform Act of 1977. During the months of March, April, and May of 1977, 14 days of hearings were held on these two bills, and over 186 witnesses appeared before the committee. Then beginning on June 21, the full Commerce Committee began its consideration of these bills in executive markup sessions. After an exhaustive 20 full committee meetings and 4 staff working drafts of the bill, on October 27 the committee ordered the bill reported.

On Monday, February 6, of this year S. 2493, the Air Transportation Regulatory Reform Act of 1978, and the report accompanying it were introduced on the floor of the Senate. S. 2493 represents the diligent and dedicated efforts of the members of the committee and the staffs to produce a comprehensive and well-seasoned program for reducing the regulatory constraints in the air transportation industry. The purpose of this legislation is to attain a more competitive market-oriented environment for the benefit of carriers and stimulate innovative service options and lower fares for the benefit of the public. The bill reported by the committee achieves these goals by phasing in provisions for pricing and entry flexibility, and by mandating the CAB to streamline its administrative procedures.

While some air carriers and labor groups remain opposed to reform, the list of supporters includes the following: President Jimmy Carter, former President Gerald Ford, Department of Transportation Secretary Brock Adams, former DOT Secretary William Coleman, Civil Aeronautics Board Chairman Alfred Kahn, former CAB Chairman John Robson, Treasury Secretary Michael Blumenthal and former Secretary William Simon, Council of Economic Advisers Chairman Charles Schultze and others at the Federal level. Among the groups in support of the bill are: The National Association of Counties, the National Association of State Aviation Officials, the Airport Operators Council International, United Airlines, Pan American Airlines, Alaska Airlines, Hughes Airwest, and Frontier Airlines among the certificated Federal carriers; the American Conservative Union, Common Cause, the National Taxpayers Union, Congress Watch, the American Association of Retired Persons, the National Association of Manufacturers, and the Aviation Consumer Action Project and others as members of the ad hoc Committee for Airline Regulatory Reform and the list goes on.

While not a member of the Commerce Committee and therefore not a participant in the committee's executive session to markup this legislation, Senator KENNEDY has been instrumental in his efforts to bring about reform in the air transportation industry beginning with his CAB oversight hearings before the Administrative Practice and Procedure Subcommittee in 1975. Senator KENNEDY continues to lend his strong support to reform and has asked to be listed as a cosponsor of this legislation, S. 2493. In addition and also a strong supporter of reform, my distinguished colleague, Senator PERCY also wishes to be listed as a consponsor. I would also like, at this time, to list as cosponsors of the bill the following members of the Commerce Committee all of whom worked diligently during the committee markups to report this legislation to the Senate floor: Senators STEVENSON, FORD, RIEGLE, PEARSON, STEVENS, and SCHMITT.

I hope all my colleagues in the Senate will study the committee report and support this important legislation.●

CONGREGATE HOUSING FOR THE ELDERLY

● Mr. BIDEN. Mr. President, in 1970 Congress enacted the Housing and Urban Development Act. A vital part of this legislation was the congregate public housing program. Unfortunately, insufficient Federal financial help has prevented our meeting the challenge of this innovative idea. The congregate housing program encourages the development of residential settings for older people, as well as handicapped and displaced persons who need some supportive social services to allow independent living, but not enough to require institution supervision and care.

Mr. President, I rise today in support of my colleague's Senator WILLIAMS' proposal, the Congregate Services Act of 1978. Too many older Americans are unnecessarily being forced into institutions, because they are in need of simple supportive services which are not available to them in their present residence. The Congregate Housing Services Act would authorize HUD to enter into 3- to 5-year contracts with local public housing agencies to provide funds for social services, either directly or through arrangements which local service provides, to elderly and nonelderly residents who need a congregate living environment.

Mr. President, I ask unanimous consent to have printed in the RECORD part of an article, "An Assessment of the Availability and Application of Federal Resources," by George Thomas Beall, that first appeared in an HEW Administration on Aging publication. I believe Mr. Beall's analysis of the problem clearly demonstrates the need for this legislation and perhaps even a more comprehensive commitment as he suggests in his conclusion.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

LIMITS OF SOCIAL SERVICE PROGRAMS IN PUBLIC HOUSING TODAY

The need to improve upon the current situation if Federal program resources are to be applied to the provision of services in the manner required in congregate housing is substantiated in the experiences of public housing for the independent elderly. As elderly occupants of such housing have grown older, many have undergone changes in health and social circumstances that have dictated a need for one or more of a variety of services to enable them to continue to maintain independence and autonomy. Local housing authorities and managers in many communities have responded by trying to arrange for the provision of services in behalf of tenants able to benefit from them. For the most part, reliance has been placed on service programs administered by the Department of Health, Education, and Welfare and operated by existing public and private community service agencies. Principal sources of funds have been Titles III and VII of the Older Americans Act and various social services Titles of the Social Security Act. In general, local experiences in utilizing these Federally-supported programs have been of limited success because of the restrictions and complexities previously examined in this paper.

The coverage of these HEW service programs in public housing projects is spotty. The Administration on Aging reports that over 400 housing authorities have provided 708 sites for nutrition projects under the Title VII National Nutrition Program. Yet there are approximately 1,704 public housing projects which are exclusively for the elderly. By the same token, recent HUD data reveal that 298 public housing authorities with 200 or more units under management (both elderly and family units) utilize social service funds under Title III of the Older Americans Act, and 77 such authorities have executed contracts for social services under appropriate Titles of the Social Security Act. Yet there are approximately 2,700 local housing authorities in place across the nation, over 750 of which have 200 or more units under management. HEW programs are present in some places and not in others, in spite of expressed Federal policy to improve the quality and quantity of social and other services necessary to maintain the well-being of tenants in all HUD-assisted housing, primarily through HEW-administered programs.

M. Powell Lawton's examination of 104 public housing sites provides additional evidence indicative of the limited success experienced in coordinating shelter and services under existing authorities. In spite of the need for services expressed by housing administrators and tenants alike, Lawton's findings revealed the presence of a limited meals program (typically a hot lunch, five days a week) in only 16 of the sites studied. Social services, mainly tenant relations, were delivered by a staff worker in 24 percent of the sites. Staff-provided homemaker services were offered in only 10 percent of the sites, although 81 percent of the tenants interviewed expressed need for personal care services (e.g., defined in his study to include assistance in such tasks as cooking and housekeeping) not now available. Periodic transportation to various types of facilities, including doctors, banks, and stores, was available through 23 percent of the study sites, although the latter tended to be isolated from the facilities of everyday living.

Are services adequate where they exist? Wilma Donahue's survey of 182 public hous-

ing authorities strongly suggests they are not. Although nearly all housing authorities in the survey reported that they provided or arranged for some services to tenants, most reported that the services available were not adequate to meet tenant needs. From her findings, Dr. Donahue concluded:

"Although on the surface the reported service package may appear to provide the tenants with the assistance needed to maintain independent living, in reality the extent and availability of services provided in each site is limited. For example, although 80 percent of the projects reported having a transportation service, most pointed out that the service is generally no more than occasionally available and is not provided by the project itself. The meal service is generally limited to one meal, 3 to 5 days a week, provided on and off the housing site through a Title VII Older Americans Act Nutrition program. The housekeeping service is often only available to tenants receiving SSI benefits while other tenants, equally in need but whose incomes are derived from a different source, are not eligible for the service and few projects provide the service themselves.

"However, it is not enough since most still have tenants who need more services than can be provided in this rather hit-and-miss manner. In fact, 68 percent of the housing projects studied reported that, in their judgment, additional services are necessary to meet the existing needs of their tenant population. . . ."

The fact is that a way has not been found to ensure the availability of services in the amount, frequency, and duration required in existing housing programs. This is so in spite of acknowledged need, in spite of the willingness of housing authorities to respond, and in spite of the expectation in public policy that such need be met. Why is it so? A primary reason has been that competition for limited social service funds makes it impossible to guarantee their availability in the amounts necessary to support comprehensive service programs. Furthermore, even where financial support has been made available, the provisions of existing social service programs have fostered the development of a minimal range of services, delivered irregularly, with no long-term guarantees of their continuation. The expressed purposes of congregate housing make unacceptable such a hit-and-miss approach to services provision and financing.

IMPROVING THE CURRENT SITUATION

Are there ways to more effectively ensure the availability of Federal assistance in financing services in the manner required in congregate housing? The current situation, as has been shown, provides some hope, but no certainty, that Federal resources can be effectively brought to bear. This paper concludes with a discussion of four options to consider in improving the current situation. The merits of each option and of the feasibility and appropriateness of combining several options, however, are largely left to future resolution.

OPTION A: CREATE A CATEGORICAL PROGRAM OF SUPPORT FOR CONGREGATE HOUSING, INCLUDING THE SERVICE PACKAGE

Congress might be encouraged to enact a congregate housing program which would include authorization and appropriations for the service elements. Under such an option, housing sponsors might contract for the services or develop service capabilities through an in-house management plan.

In such a categorical program, the necessary service subsidy might be designed to assist tenants on the basis of a sliding scale of fees. That is, the amount of service subsidy required would vary among tenants, according to their need and ability to pay. The service subsidy might also be further controlled by requiring that, to the degree possible, those services which exist in the community, and for which tenants are eligible, should first be utilized on their behalf.

A critical factor to be considered, however, relates to the strong, separate identity attached to HEW service programs and HUD shelter programs. Although the availability of community development block grant funds for the operation of service programs under certain conditions, as well as Model Cities program experiences, establish precedents for service funds in housing and community development programs, the question remains: Should a program of congregate housing, including the shelter and service elements, be a HUD program? Or should it be an HEW program? Can it be both?

OPTION B: IMPROVE THE INCOME OF OLDER PERSONS

The clear suggestion here is that the benefit levels of Federal income security and assistance programs be increased to the extent that elderly tenants of congregate housing, even those with the lowest income, have the ability to pay for the services they require. This would mean either that direct income benefits be raised or that a program of subsidy be instituted. It has been suggested that the structure of such a subsidy program might require:

1) Establishment of a Federally-supported voucher system which would enable older persons to purchase those services necessary to enable them to avoid hospitalization or institutionalization and to remain in their own homes, congregate housing, or other places of independent residence.

2) Liberalization and extension of the home-health care provisions of Medicare to support, outside health care institutions, those services needed to prevent unnecessary institutionalization.

The first proposal calls for a completely new national program available to all older persons in need, without regard to the State or community in which they reside. The second proposal, recognizing the almost universal applicability of Medicare provisions to the older population, suggests that the institutional care bias present in Medicare can be overcome and that a national program of home services can be secured by building upon existing legislative and financial structures. Of course, both alternatives presuppose the availability of services to which new or expanded financing mechanisms can be applied. In the current situation, the availability of such services throughout the nation is not guaranteed.

OPTION C: INCREASE THE FUNDS AVAILABLE IN EXISTING SOCIAL SERVICE PROGRAMS

Implicit in this option is acceptance of the current split responsibility between HUD and HEW, a split that originates in the heart of the legislative process wherein separate Congressional committees independently consider housing and welfare-related programs and funding levels. Can HUD and HEW ensure the availability of shelter and service funds in the mix necessary to foster the development of congregate housing, when both agencies work through separate program objectives and structures and through separate State, regional, and local counterparts? Even with administrative agreements to coordinate HUD and HEW resources in this regard, will increased funds alone overcome the legislative, regulative, and administrative provisions that restrict the application of existing categorical programs to congregate housing?

OPTION D: EARMARK A PROPORTION OF HEW SERVICE FUNDS FOR SUPPORT OF SERVICES OF CONGREGATE HOUSING

In considering this option, Marie McGuire Thompson emphasizes the problem of scheduling in the light of annual appropriations. In her analysis, she recognizes that "it requires about 18 months to acquire land, design and construct housing. While service agencies may make a moral commitment for the services component, they would not be able to guarantee either the availability of funds in a second year of appropriations, nor could they guarantee their continuation."

This limitation applies equally well to existing Federal program dependence on administrative agreements to coordinate shelter and service resources, executed without specific dollar commitments and funding schedules, have not been effective in assuring the availability of service funds in subsidized housing. As a case in point, consider the initial Federal efforts in congregate housing, undertaken in the mid-1960's. These efforts were preceded by a formal cooperative agreement between the HEW Commissioner of Welfare and the Commissioner of the Public Housing Administration. However, in the absence of earmarked funds and specific statutory authority, these early efforts resulted only in the initiation of pilot projects at four sites where State and local support for such housing was already present.●

CRITICAL PLIGHT OF FARMERS

● Mr. TALMADGE. Mr. President, the Georgia Senate on February 21 adopted a resolution that, for myself and my colleague, Senator NUNN, I bring to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, the problems besetting Georgia farmers are already at a crisis level; and low marketing prices, rising production costs, the winter freeze and the summer drought, the alfatoxin mold, and the army worm have combined to place Georgia agriculture in a perilous position which affects all Georgia citizens; and

Whereas, while federal assistance is necessary to save agriculture, the Food and Agriculture Act of 1977 as presently implemented is not adequate; and

Whereas, the five-point supplemental agricultural program proposed in January by Senator Herman E. Talmadge is the best solution currently available; and

Whereas, the members of the Agriculture and Consumer Affairs Committee of the Georgia House of Representatives and the members of the Agriculture Committee of the Georgia Senate met in a joint session on January 26, 1978, together with farmers, agricultural leaders, and other concerned citizens, to discuss the plight of Georgia agriculture; and

Whereas, that group sent a letter to President Carter requesting implementation of the Talmadge plan.

Now, therefore, be it resolved by the Senate that President Carter and Secretary Bergland are urged to immediately approve the Talmadge plan and implement its provisions in the 1978 crop year.

Be it further resolved that the Secretary of the Senate is hereby authorized and directed to transmit appropriate copies of this resolution to President Jimmy Carter, Secretary of Agriculture Bob Bergland, Senator Herman E. Talmadge, Congressman Thomas S. Foley, Honorable James T. McIntyre, Jr., and the members of the Georgia Congressional Delegation.

The resolution deals with the critical economic plight that farmers in Georgia and throughout the Nation find themselves in today.

I am pleased that the Georgia Senate has endorsed the five-point emergency plan that I have proposed to President Carter and Agriculture Secretary Bergland. The resolution is an eloquent ex-

pression of the urgent need for swift and decisive action to aid American agriculture.

I hope this aid will be forthcoming in the immediate future from the administration and from the Congress.●

DANGEROUSLY PASSIONATE CERTAINTIES

● Mr. BAYH. Mr. President, last Wednesday my good friend and colleague, Senator THOMAS MCINTYRE from New Hampshire, made a speech here in the Senate announcing his decision to support the Panama Canal treaties. His statement was immediately acclaimed by Senators on both sides of the aisle and the issue for its clarity, character, and courage. At the same time, he denounced an ominous trend fostered by what one commentator has described as "dangerously passionate certainties" which mark the growing attitude of certain political groups. I would like to associate myself not only with the praise which his remarks prompted but also the purpose of his message.

The Panama Canal treaties have stirred feelings of deep patriotism in all of us. Unfortunately, many have attempted to equate a Senator's position on these agreements with patriotism itself. Regrettably, a few who oppose these treaties tend to be so absolutely certain of the correctness of their own position that they appear to feel their vote should be counted "more equal" than the votes of those who support the treaties or of the many Americans who do not feel quite so passionately about this issue.

This attitude is not at all in keeping with the spirit of compromise for the common good which continues to characterize the conservative tradition in the United States. Instead, the spokesmen of this radical new right seem to be uttering phrases which are remarkably similar to the core philosophy of Marxism-Leninism which extends only to those who "truly understand the course of history" the right to rule. This new "vanguard" lives by the same code as its counterpart on the left who, as Senator Hubert Humphrey once said:

> Live by the strict rule that whatever they think is right is necessarily right. They will compromise on nothing. They insist that everyone follow their thinking.

Mr. President, the people of New Hampshire have insisted upon moral fortitude on the part of their representatives here in the Senate and a determination to do what is right for this country. Those requirements have been more than met by their senior Senator. His March 1 statement on the Panama Canal treaties and the danger of extremism in contemporary political life demonstrated beyond a shadow of a doubt the magnificant energy and competence he brings to this commitment.

The task of decision with regard to the Panama Canal treaties has not been easy for any Senator. Some are still not finally resolved whether to vote in favor or against these proposed agreements. In view of the 1978 Senate race in New Hampshire, conventional political wisdom would argue that a vote against the treaties would be the most expedient course for Senator MCINTYRE. However, conventional political wisdom in this case would be wrong. It would require THOMAS MCINTYRE to sacrifice his own good judgment to the opinions of those who claim theirs is the only true path to political salvation, and this is something TOM MCINTYRE will never do.

Mr. President, despite the fact that some of the most distinguished conservative spokesmen in this country, including William F. Buckley, have made impeccably logical cases for the canal treaties, the radical right continues to cast aspersions on everything from the economic motives of treaty proponents to their religious beliefs. It is encouraging to know that we have men in the U.S. Senate like TOM MCINTYRE who possess the fortitude to speak out forcefully and effectively against those so cruelly possessed by their own illusion of self-righteousness.

Mr. President, at this time I ask unanimous consent that a copy of excerpts from Senator MCINTYRE's speech as they appeared in the Washington Post of March 3 be placed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE CANAL TREATIES AND THE NEW RIGHT

(By THOMAS J. MCINTYRE)

I believe the techniques used to exploit the issue of the Panama canal treaties are the most compelling evidence to date that an ominous change is taking place in the very character and direction of American politics.

In his farewell broadcast several months ago, Eric Sevareid warned of the paradoxical rise of "dangerously passionate certainties" in a time of no easy answers. One could speculate endlessly about the root cause of this development; a generation of disillusion and disenchantment with the lack of integrity and the misuse of power of leaders and institutions; the humbling experience in Vietnam; the unrelenting pressure of unfocused anxieties about national direction and purpose; and the all-too-human inclination to turn in frustration to the slogans and nostrums of a simpler time. But whatever the cause, I see abundant evidence that these "dangerously passionate certainties" are being cynically fomented, manipulated and targeted in ways that threaten amity, unity and the purposeful course of government in order to advance a radical ideology that is alien to mainstream political thought.

Already we have seen the vigor of the two-party system sapped by this phenomenon. More and more Americans appear unwilling to abide by the essential ethic of the party system—that willingness to tolerate differing views within the party, and to accept the party platform, however unpalatable some of its provisions, in order to advance a general political philosophy. As a result, the traditional role of the parties is slowly being usurped by a thousand and one passionately committed special-interest, splinter-faction and single-issue constituencies. . . .

I believe in firm and outspoken commitment to principles and convictions. I would readily agree, as someone once said, that there are times when compromise offers little more than an "easy refuge for the irresolute spirit." But I would make a distinction between commitment that is rooted in reality—commitment, for example, that recognizes the linkage between problems and the consequences of ignoring that linkage when applying solutions—and commitment that denies reality and is, in truth, but the blind and obsessive pursuit of illusion.

Extremists who deny reality in the pursuit of illusion deny something else, something of fundamental importance in our republic of free men and women. They deny the differences that distinguish one human being from another. They deny the indisputable fact that each of us is the result of a unique combination of genes and chromosomes, of influence and impressions, of training and of faith. and of the milieu from which we sprang. In short, they deny everything that science and simple observation tell us about human nature and individual capacities and limitations.

By proceeding from the flawed premise that all of us are alike, it is easy for ideologues to conclude that we must see every issue as they see it—unless there is something sinister in our motivation. And they proceed from that premise with an arrogance born of the conviction that they and they alone have a corner on patriotism, mortality and God's own truths, that their values and standards and viewpoints are so unassailable they justify any means, however coarse and brutish, of imposing them on others.

I want to be fair about this. In the particular instance of the canal treaties, I'm talking about the kind of politics practiced by what has come to be known as the New Right. But I want to note that the record of extremists on the ideological left bears a remarkable, and regrettable, similarity. . . .

There have been times when some of us have felt the wrath of the purist left. And now—today—many of us are feeling the wrath of the New Right because we will not bow to their threats and vote against ratification of the canal treaties.

Indeed, one element of the New Right—the Conservative Caucus—did not wait for me to announce how I would vote on the treaties. They launched their attack months ago.

Last summer the national director of the Conservative Caucus, Howard Phillips, said conservatives should make "a political sitting duck" of Tom McIntyre over the canal treaties, and the Conservative Caucus could "make it a political impossibility for McIntyre to vote for that treaty."

On Dec. 4, 1977, the Conservative Caucus of New Hampshire passed a resolution of censure and served it on me like a subpoena. I was "censured" for a speech I made last September, a speech in which I took neither side on the treaty issue . . . but merely spelled out the pro and con arguments I would have to consider when I made my decision on how to vote. . . . Not only did the resolution censure me, it "required" me to appear before the Caucus in Wolfeboro, N.H., on Feb. 12, to justify why I should not vote against ratification and/or refute said censure. . . . Well, I did not go before the Caucus, so I have to assume I was tried in absentia and found guilty of a decision I had not yet made. . . .

Hear the revealing words of Howard Phillips on other occasions: "We organize discontent . . ." he said. "We must prove our ability to get revenge on people who go against us. . . . We'll be after them, if they vote the wrong way. We're not going to stop after the vote's past."

And hear the words of another spokesman for the New Right, Paul Weyrich, director of the Committee for the Survival of a Free Congress: "We are different from previous generations of conservatives. We are no longer working to preserve the status quo. We are radicals, working to overturn the present power structure of this country."

These people are different from traditional conservatives. I know the traditional conservatives of my own state. I have competed with them in the political arena. I have worked with them in behalf of our state. They are people of honor, civility and decency.

The New Right cannot comprehend how people of opposing view-points can find common ground and work together. For them, there is no common ground. And this, in my judgment, is the best indication of what they truly are—radicals whose aim is not to compete with honor and decency, not to compromise when necessary to advance the common good, but to annihilate those they see as "enemies."

And if "conservative" in the title "Conservative Caucus" is an ironic misuse of the word, it is doubly ironic that destiny would link the national chairman of the Conservative Caucus—the governor of New Hampshire—with William Loeb, the publisher of New Hampshire's largest newspaper and the master practitioner of the politics of threat and vengeance. . . . In all of this nation, there may not be two more recklessly belligerent public figures than Meldrim Thomson and William Loeb. . . . I am certainly not sanguine about such powerful and ruthless opposition, but after 16 years of weathering the sustained attacks of Mr. Loeb and his ilk neither am I anguishing over the outcome. . .

[But] my political fate is not my concern here today. My concern is the desperate need for people of conscience and good will to stand up and face down the bully boys of the radical New Right before the politics of intimidation does to America what it has tried to do to New Hampshire.

So I say to my colleagues:

If you want to see the reputations of decent people sullied, stand aside and be silent.

If you want to see people of dignity, integrity and self-respect refuse to seek public office for fear of what might be conjured or dredged up to attack them or their families, stand aside and be silent.

If you want to see confidential files rifled informants solicited, universities harassed, "enemy hit lists" drawn up, stand aside and be silent.

. . . On two occasions in the past several years, we witness dramatic evidence that the American people desperately want to put acrimony and division aside, to heal the wounds, and to come together again as a people.

The first was the brief and shining moment on Independence Day of our Bicentennial celebration, a moment when all at once we were again united in the pride of our heritage, our esteem and affection for one another, our confidence in the future.

The second occurred but a few short weeks ago when the entire nation paused to pay its final respects to that most beloved of Americans, Hubert Humphrey. . . .

In the long run I am confident that the forces of decency and civility will prevail over the politics of threat and intimidation, just as I am confident that reason and commitment rooted in reality will prevail over extremism in the pursuit of illusion.

But if that does not occur in time to save the treaties—or those of us who support them—then I, for one, will go home to Laconia, N.H., sad to leave this office, but content in heart that I voted in what I truly believed were the best interests of my country.●

DEFINING FOREIGN AGENTS

● Mr. McGOVERN. Mr. President, in the International Operations Subcommittee of the Foreign Relations Committee we are presently working on legislation to refine and update the Foreign Agents Registration Act. Therefore, I thought it was most timely that the Brookings Daily Register of Brookings, S. Dak., published an editorial on March 1, highlighting a very serious problem which has emerged because of the lack of consistent and satisfactory definition of the term, "foreign agent."

Because of its relevance to legislation we hope to report to the Senate floor in the near future, I ask unanimous consent that this editorial, entitled "Define That 'Foreign Agent,' " be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEFINE THAT "FOREIGN AGENT"

Can the Central Intelligence Agency conduct surreptitious searches of the homes and offices of artists, writers and account executives working for New York advertising agencies?

Can the National Security Agency use its sophisticated electronic surveillance equipment to secretly intercept and monitor the telephone conversations of Washington lawyers, Los Angeles film producers and Chicago public relations agents?

According to White House officials, an executive order signed earlier this year by President Carter will terminate the discredited practice of intelligence agencies violating—in the name of "national security"—the constitutionally protected rights of the nation's citizens.

David L. Aaron, Carter's second-ranking advisor on national security affairs, speaks lyrically of the executive order's role in "safeguarding the system of government which provides the kind of constitutional rights that we all admire and support and love."

But the White House order drafted by Aaron and signed by Carter has a gaping loophole large enough to cause thousands of law-abiding Americans to fear that the protection they purportedly are guaranteed by the Bill of Rights still can be unilaterally suspended.

The widely ballyhooed presidential order requires that intelligence agents secure a federal judge's approval of a warrant before engaging in many of the activities that led to blatant abuses of the law in past decades.

Included in that category are telephone taps, "bugging" and other forms of electronic surveillance; mail opening and mail "covers;" television monitoring; and physical searches of individuals, property, homes and offices.

But the order contains an exemption; no warrant is required in cases where the attorney general "has both approved the particular activity and determined that there is probable cause to believe that (the subject) is an agent of a foreign power."

That last phrase, used throughout the executive order to justify numerous exceptions to the newly framed guidelines, holds the potential for massive abuses of the intelligence agencies' authority in the future.

Although more than a dozen other terms used in the executive order are specifically defined at the end of the document, there is no explanation of who or what might be "an agent of a foreign power."

The U.S. Code does, however, contain a definition of an "agent of a foreign principal." It includes anyone who engages in political activities, public relations or publicity work, fund-raising or representation before a federal agency on behalf of a foreign government, organization or citizen.

Almost all major New York advertising agencies (and scores of their employees) are included because their clients include foreign tourist agencies seeking to attract American visitors.

Others performing legitimate work for foreign clients including Clark Clifford, a senior policy advisor to several past presidents who now practices law in Washington; William P. Rogers, a former secretary of state now practicing law in New York; and Patrick Caddell, Carter's political pollster.

There are thousands of others covered by the Foreign Agents Registration Act who easily could be construed to be "agents of a foreign power" for purposes of warrantless wiretaps, searches and surveillance.

What if this country should again become involved in an unpopular war, and a group of young protestors begins organizing peaceful anti-war demonstrations? Will an antagonistic attorney general find "probable cause to believe" they are "agents of a foreign power"?

When Carter signed the executive order in late January he admitted that he earlier had "sent it back three or four times to be redrafted so I could understand it." He should have rejected it one more time, insisting upon a definition of an "agent of a foreign power."●

THE DEDICATION OF ANTIOCH BAPTIST CHURCH, COLUMBIA, S.C.

● Mr. THURMOND. Mr. President, on Sunday, February 19, I had the pleasure of attending dedication of a beautiful new church building in Columbia, S.C. I say a beautiful new building, for the church itself is quite old—old, well known, and highly respected. The Antioch Baptist Church, founded in 1914, has rendered three generations of exemplary service to God and man in the Columbia area. The splendid facilities dedicated 10 days ago will enable the church to play an even larger role in the community in the years ahead.

I wish to commend all who participated in the planning, funding, design, and construction of the new church building. That includes the whole congregation, but particular credit must go to the present pastor, Dr. James G. Neal, a humane and eloquent man who has headed the church for 34 years. Under his leadership, the church has experienced its greatest growth, an ongoing process of which the new building is only the latest and most visible sign.

A brief history of Antioch Baptist Church was prepared for the dedication ceremonies. A story of faith, sacrifice, and achievement, it makes interesting and instructive reading which I commend to my colleagues. In order that they may have it readily available to them, I ask unanimous consent that it be printed in the RECORD, along with the program for the day, and a brief biographical sketch of Dr. Neal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OUR PASTOR

Our pastor, the Reverend Doctor James P. Neal, the illustrious son of Rev. Jesse W. and Mrs. Minnie Holley Neal, was born at Hopkins, South Carolina, in Richland County. At present, he resides at 2311 Laurel Street, Columbia, South Carolina.

Our pastor, Doctor Neal, a dedicated religious, civic, and educational worker, is also a person of high ideals and outstanding business accomplishments. He is respected by the public, and is held in exalted esteem by his members, friends and acquaintances.

It is with distinction that he has served the Antioch Baptist Church as its pastor for more than thirty-three (33) years. Under his leadership, our church has made tremendous progress. His academic and religious training were obtained at Morris College, Fisk Uni-

versity, and South Carolina State College. He did advance study in the field of Theology at the College of Divine Metaphysics, Indianapolis, Indiana, where he was awarded Bachelor, and also the Doctor of Divinity (D.D.) Degrees.

He is past moderator of the Mt. Moriah Baptist Association, past president of the Lancaster County Teachers Association, also past president of the Wateree Baptist Sunday School Convention (U.D.).

Our pastor has devoted 37 years to the educational field, where he served as teacher and principal in the public schools of South Carolina until his retirement from teaching in June, 1968. He is also a 32nd Degree Mason.

Our pastor preaches a True Gospel, simple and plain, but full of power, and with the spirit of Jesus Christ.

In addition to his pastoral duties at Antioch Baptist Church, he also serves as a member of the Trustee Board of Directors of Morris College, Pastor of the City-Wide Usher Board Union of Columbia, and Moderator of the Wateree Baptist Association (Upper Division).

Before his coming to us at Antioch in 1944, our pastor served as minister of First Kershaw Baptist and 2nd Calvary Baptist Church in Kershaw, S.C. for ten years. He also served as pastor of Sutton Branch Baptist Church, Lugoff, S.C. for 16 years where, under his leadership a new edifice was built.

He is married to Mrs. Geneva Outten Neal, and they are the parents of three (3) sons, namely: James P. Neal, Jr., Albert Aiken Neal, and J'von (deceased).

THE HISTORY OF ANTIOCH BAPTIST CHURCH

The Antioch Baptist Church was founded by the late Rev. Howard Robinson in the year of 1914. The establishment of the church began in a room of a house located in the rear of the address known as 1722 Rice Street. Shortly afterwards, the Sunday School was started by Sister Eveline Fogle and Brother Dallas Robinson.

Some of the first members of the establishment were: Mrs. Affie Brown, Mrs. Jeanette White, Mrs. Sylvia Cannon Dawkins, Mrs. Hannah Kinsler, Mrs. Estelle Powell, Mrs. Ethel Dennis, Mrs. Rosa Pickens, and Mrs. Laura Richardson.

Some of the first pupils in our Sunday School were: Mrs. Early West, Mrs. Annie Pickens Darby, Mrs. Rosa Epps Washington, Mrs. Annie Weston Morgan, Mrs. Earnestine Powell Guess, Mrs. Amy Richardson Youngblood and M. Charles Etheride. It is also said that Mrs. Fannie Cole was one of the first teachers of our Sunday School. Her two sons, Albert and Charles Cole were the first to be baptized in the outdoor pool of the church.

Some of the first Deacons of the church were: Deacon McFadden (also known as the oldest deacon of the church), Charlie and Samuel Brown, Marcellus Etheridge, Robert Weston, West Alston and Deacon Simuel.

Four years later, in the year 1918, the late Rev. James Chandler became pastor of Antioch, moving and building the church at its present location. Under the administration of Reverend Chandler, his wife, Sister Clara Chandler, organized the first auxiliary of the church, known today as the Senior Missionary Society, recording its first president as Mrs. Mamie Scott.

In 1919, the first Jubilee Choir was organized by the late Deacon Charlie Brown, who was also recorded as being the first president.

The Deacon Board, remaining active, increased its membership with three additions: Deacons Turner Trezevant, Wilson Smith and Willie Brice.

The late Deacon Robert Haynes was appointed as the first clerk of the church under the pastorialship of Rev. Chandler.

As the years went by, Antioch continued to move on, bringing about her change in pastorialship. The late Rev. T. C. Crumpton became successor to the Rev. Chandler. During his pastorialship days, Rev. Crumpton was known to have worked faithfully in all phases of the church and its auxiliaries, advocating along the way that "Olde Time Religion." In 1920, the first Senior Usher Board was organized by Brother Morris and Nathan Martin. The first Superintendent of the Sunday School also came into existence, known as the late Deacon Marcellus Etheridge.

The Deacon Board is again increased in membership with two more additional Deacons Elliott and Jake Taylor.

In 1930 for the first time, Antioch truly received her blessings when she neatly tucked under her wings the fourth (4th) pastor of Antioch, respectfully known as the late Rev. J. W. Neal; it was then that Antioch began to experience her leading years ever in history. Under the dynamic administration of Rev. J. W. Neal, the church cultivated in tremendous growth and progress. The church was remodeled and the old mortgage paid off and burned. Still under the pastorialship of the Rev. J. W. Neal, and in the year 1935, the first Senior Musical Choir was organized by Mrs. Lena LaBrew, recording the late Deacon Fred Scott as its first president.

The first Trustee Board came into existence, recording its first members to be Brother Joe Douglas, Brother Will Ryan, and the late Brothers Fletcher Tucker and Elliott Lowman.

Deacons known to have served with the Rev. J. W. Neal were: James Singley, Henry Reese, the late Deacons Johnnie McKnight, Robert Haynes, Henry Lyles, Fred Scott, Marcellus Etheridge, Willie Edmunds, West Alston, and Tom Davis. The Rev. J. W. Neal's association with Antioch came to an end when he departed this life in July, 1943, leaving behind him "Footprints on the sands of time."

Today, we look upon Antioch as she still stands, still reaping in blessings, while she is fortunate to have as her present pastor, the Rev. J. P. Neal, Sr., the son of the late Rev. J. W. Neal, who came to us in the year of 1944. Rev. Neal came to us in the image of his father, following in his footsteps, he continues the leading years of Antioch, experiencing even a greater growth and progress.

In 1949, the Junior Missionary Society was organized by the late Sister Hattie Edwards, recording Sister Edwards, Sister Kizzie Haynes, and Sister Fannie Roof as the first advisors, and Miss Frankie Jones as the first president. The first Junior Musical Choir was organized by the late Sister Minnie Sharper, who also was its first president.

In 1951, the church was remodeled and again the mortgage was paid off. The furnace and pews were installed also. During those times Antioch was really growing with Rev. Neal's leadership paying off in all ways.

In 1957, through the combined interest of Sister J. P. Neal and Sister Laura Singley, the Pulpit Aid Club was organized. Charter officers were: Sister J. P. Neal, President; Sister Laura Singley, Vice President; Sister Elmer Davis, Secretary; and Sister Dorneatha Johnson, Treasurer.

In 1958, with the foresight and advice of our pastor's wife, Mrs. J. P. Neal, the Young Women Auxiliary was organized by the late Sister Hattie Edwards, recording Mrs. Neal as its first advisor and Sister Edwards as its first president.

In 1962, the first Junior Usher Board was organized, recording as its first president to be Sister Josephine Anderson.

In 1963, with the foresight of Deacon Eddie Guess, Boy Scout Troop No. 197 was conceived and chartered with Antioch as its representing institution. Brother Wilbur Tucker was appointed Scoutmaster. The troop has grown steadily, giving the community's boys a new means of enjoyment and learning.

In 1964, with the advice of our pastor, Rev. J. P. Neal, Deacon Eddie Guess and Brother J. P. Neal, Jr., the Antioch Brotherhood Club was organized. This organization was installed in January, 1965.

The Brotherhood Club was re-organized in 1970, recording Brother Harold Lewis as president. The Club took on a project of air conditioners for the church as its first major endeavor.

On Sunday, August 25, 1968, Brother Aiken Neal, son of our pastor, delivered his trial sermon. The church's impression is that this Brother will be successful in his desire to further God's kingdom among men.

The Program Committee was appointed by the pastor in 1964, with Brother Fred Miller as Chairman. This committee spearheaded all programs with making a better Antioch as its unending goal. Through the foresight of Brother Miller, the church purchased two (2) acres of land near the Greenview section of Columbia.

A Planning Committee was approved in 1972 by the church for the purpose of formulating concrete plans for the design of the new edifice.

Deacons now serving under the administration of Rev. J. P. Neal, Sr., are as follows: Deacons Alvin Oree, William Miller, Dorsey Floyd, Eddie Guess, Richard Hunter, Jerry Wilson, and Wilbur Tucker. Deacon James Singley has been on the sick list for some time.

Since our last anniversary, fifteen members have joined us by way of Baptism, Restoration, and Christian Experience.

The church honored the following graduates in June of this year:

Audrey Augustus, Leroy Floyd, Frances Foster, Alvin Oree, Geraland Oree, Samuel Oree, Wilbur Tucker, Jr., Nelson Wilson, Jr., and Janice Reese.

Presently serving as Superintendent of the Sunday School is Deacon Alvin Oree. Presently serving as Treasurer and Clerk of the church are Deacons Alvin Oree and Eddie Guess, respectively.

Ground breaking services were held April of this year; construction began in June.

Our prayer for this year is that the membership continue to maintain the FAITH that is needed in these trying times. The road has been rough and the avenues to our dreams seem to be closed, but Jesus has promised that we would reap if we faint not.

The Deaconess Board of this church presented a Woman's Day Program in July of this year, which was highly successful. Mrs. Rosa O. Jakcsaon was outstanding as the main speaker for the occasion.

And I heard a great voice out of heaven, saying behold, the tabernacle of God is with men, and He will dwell with them, and they shall be His people, and God Himself shall be with them, and be their God.—Revelations: 21: 3.

DEDICATION SERVICES OF THE ANTIOCH BAPTIST CHURCH

SUNDAY AFTERNOON, FEBRUARY 19, 2 P.M.

Prelude, Miss Rhodessa Smith, Organist.

Call to Worship: "O come, let us worship and bow down; let us kneel before the Lord our maker. For He is our God; and we are the people of His pasture, and the sheep of His hand." (Ps. 95: 6-7), Rev. L. M. Bellamy, Pastor, St. Mark & Fort Clark Baptist Churches.

Processional Hymn No. 308, "We're Marching to Zion, the beautiful city of God."

Invocation (the Chant-Choirs and Congregation), Rev. John R. Wilson, Pastor Union Baptist Church No. 2.

Welcome, Mrs. Rosa O. Jackson.

Music (Choir), "Onward, Christian Soldiers" or "We've Come This Far by Faith."

Brief Memorial for Saints of the Past Years, A moment of silence and prayer, "Sweet Hour of Prayer," Organist.

Selections (the Choirs), "In the Sweet By and By" or "God Be With You 'til We Meet Again."

Old Testament, I Kings 8: 22-30, Rev. J. P. Harris, Pastor, Trinity Baptist Church.

New Testament, St. Matthew 16: 13-20, Rev. Blakeley Scott, Pastor, Mill Creek Baptist Church.

Musical Selection, Metropolitan Gospel Music Workshop Choir, Mayor John T. Campbell.

Greetings, Mrs. Nann Robinson, President, Women Auxiliary, Gethsemane Association; the Honorable Strom Thurmond, U.S. Senator from S.C.; Mr. B. A. Hall, Security Federal Savings & Loan; the Honorable Fritz Hollings, U.S. Senator from S.C.; the Honorable Hyman Rubin, State Senator from Richland County; the Honorable W. Brantley Harvey, Jr., Lieutenant Governor, State of South Carolina; Dr. James B. Holderman, President, University of South Carolina; Dr. John R. Stevenson, Richland School District No. 1; Dr. Earnest A. Mehaffey, South Carolina Baptist State Convention.

Presenting of Key, Mr. James Langley, General Contractor.

Acceptance of Key, the Pastor, accompanied by the Building Committee and Trustees.

Dedication Offering.

Selection (Musical Choir), "Praise Ye the Lord."

Presenting the Guest Minister, Pastor J. P. Neal.

Hymn 520, "I Love Thy Kingdom Lord."

Dedication Sermon, Dr. W. H. Neal, Pastor, First Nazareth (Columbia), St. John, Beulah, and Mt. Moriah Baptist Churches (Hopkins, S.C.).

Hymn of Consecration, "Amazing Grace," Choirs and Congregation.

Litany of Dedication, Dr. M. D. Bogan, retired pastor and teacher or Rev. L. H. Robinson.

Prayer of Dedication, Rev. John C. Williams, Pastor, Mt. Nebo and Beauty Hill Baptist Churches.

Closing and Benediction.●

A THANKLESS JOB

● Mr. McGOVERN. Mr. President, few of us in Washington are unaware of the present unrest in the agricultural community. Few of us also are unaware of the presence in the congressional buildings of members of the American Agricultural Movement.

Probably an unwarranted share of the heat resulting from this activity has come down on the shoulders of Secretary of Agriculture Bob Bergland. Bob Bergland inherited an impossible situation of boom and bust agriculture philosophy generated by his predecessor, Earl Butz. Though Earl Butz had the good fortune of being around for some of the "boom" years, it was left for Bob Bergland to take on the "bust" cycle as well as the wrath of American farmers.

Though I am one of those who has been critical of many policies of the Department of Agriculture and though I reserve the right to further speak out on issues where I think the Department is wrong, I do want to point out the seemingly impossible job Bob Bergland has and the boundless energy he has displayed in getting out among farmers to defend the administration's position in circumstances that were often hostile.

Recently Secretary Bergland and his staff visited Sioux Falls, S. Dak. The visit was not without incident and out of respect to the Secretary, I ask unanimous consent that a well-reasoned editorial from the February 24, 1978, edition of the Sioux Falls Argus Leader complimenting the Secretary and entitled "A Thankless Job" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A THANKLESS JOB

Secretary of Agriculture Bob Bergland, a former member of Congress from Minnesota, probably has the most thankless job in the federal government.

He was heckled by a few South Dakota striking farmers during his Sioux Falls arrival Wednesday, and rejected in his efforts to shake hands with several of them. Sprinkling nails under his car and jamming the door locks with wood were unfriendly acts and juvenile behavior by the strikers. The same comment applies to the egg tossing and snowballing to which Bergland was subjected in Amarillo, Tex.

This is shabby treatment of a cabinet officer who is trying to help agriculture. It hurts the strikers' cause. The American Agriculture Movement should cool it.

Bergland has been in office slightly more than a year. The new farm bill, which he helped to write, has been in effect about seven weeks. Like other secretaries before him, he's dealing with problems caused by an accumulation of record or near record grain crops and depressed livestock prices. He has expressed sympathy for the American Agriculture Movement strikers in their quest for parity. We think Bergland is sincere in wanting to do more to help the farmer. He's a farmer himself. His qualifications for doing something about the problem are topnotch.

The higher prices envisioned in the new farm act call for corresponding acreage cuts by farmers who participate. The grain and livestock markets are subject to wide fluctuation. Demand and good prices for U.S. grain depend to a great extent on overseas requirements, which are boosted when someone else has a drought. Grain prices also depend on farmer participation in acreage allotments; this participation has not been very effective. Livestock prices have started to come back—and for the first time in several years the outlook is better for cattle producers.

We believe Bergland will do what he can to assist the nation's farmers. But barring a miracle, neither he nor any other secretary could guarantee 100 percent parity prices without drastic curbs on production. The American farmer's ingenuity and productivity would bankrupt the government. There is room, however, to effect some improvements by better handling of imports and exports and by getting President Jimmy Carter's attention. We think Bergland has helped in that respect.

A recent Harris poll showed Americans would accept higher farm prices to give farmers better and fair prices. The problem is how to get that return to the farmers. We think Carter, Bergland & Co. should work on it, so that the farmer is not subsidizing the public with cheap food.

If the former Minnesota representative longs for simpler days when he was in the House, don't blame him. He's going through some of the travail encountered by other secretaries before him: Earl Butz, Orville Freeman and Ezra Taft Benson, to name only three.

Bergland will get a lot of brickbats and very few bouquets in this thankless job. We salute him for coming to South Dakota—and suggest that the striking farmers mark him down as a friend whose hand is worth shaking.●

EFREN HERRERA AND TEXAS YOUTH

● Mr. TOWER. Mr. President, Efren Herrera is being honored in Dallas, Tex., for his dedicated efforts and personal contributions on behalf of Texas youth, particularly youth of the Mexican-American community.

Efren Herrera perhaps is better known as the premier kicking specialist in the NFL with the recent world champion Dallas Cowboys, winners of Super Bowl XII this past January.

Efren attended public schools in California after moving there at age 15 from Guadalajara, Mexico. He was awarded a football scholarship to UCLA, where he played both football and soccer with distinction and success.

In 1974, Efren was signed as a free agent by the Dallas Cowboys after graduation from UCLA. Selected to the NFL all-pro rookie team in his first year, he missed the next year due to injuries. In 1976, he was selected second team all-pro, and in 1977 was NFL all-pro.

Efren Herrera, like many of his teammates and fellow professional athletes, works directly with youth groups and other organizations involved in worthwhile and beneficial youth activities. To the youth of Texas, Efren represents a very select group of athletes who as professionals have won the highest honor their profession and peers can accord them—the Super Bowl.

It is this special standing with the youth of our State that Efren Herrera has put to the best use possible. He has traveled from one end of Texas to the other to appear before youth gatherings and in support of various youth activities. Successful in his own personal life and successful in his professional world, Efren is providing new inspiration and dreams of new goals for countless numbers of Texas youth—many of whom may someday look back and remember that this particular professional athlete cared enough about their futures to take time to work with them.

The Spanish-Speaking Program Coordinators Council has sponsored an appreciation banquet for Efren Herrera, who wears football jersey No. 1, because he is truly No. 1 for his work on behalf of Texas youth. I know all Texans join with me in commending him for a job well done.●

AVIATION FINANCING

● Mr. McGOVERN. Mr. President, on February 24, Mr. Frederick W. Bradley, Jr., vice president of Citibank of New York addressed the National Aviation Club here in Washington on some of the problems he saw ahead in the area of aviation financing.

As Mr. Bradley correctly points out—the long-term economic stability of the Nation's airlines is a vital, if not critical ingredient to their ability to secure the necessary capital for new equipment.

This is a matter that will be part of the upcoming debate on the Air Transportation Regulatory Reform Act of 1973 (S. 2493).

I ask unanimous consent that Mr.

Bradley's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF MR. BRADLEY

It is certainly a great pleasure for me to be here at the National Aviation Club. I am impressed by your courage in inviting a New York Banker to address you at a time when both Bankers and New York City appear to be under a cloud here in Washington. I have been asked to discuss with you a lenders view of the airline industry at present and our thoughts about the future.

In a departure from usual practice I would like to look first at the long term outlook for the airline industy and then discuss in some detail, from a financial point of view, where we have been, where we are today, and the pitfalls we see in the way of the industry's ability to prosper in the environment anticipated for tomorrow.

At the outset let me emphasize that we, in the financial community feel it is vital for the long run future of the airline industry, and in the interest of the traveling public, that the air carriers have sufficient capital available to them to modernize and expand their fleets. As we look into the future we see no relief from continuing increases in fuel costs which, as you all know represent the major portion of total operating costs. Although we are confident that air carrier managements will be doing all in their power to reduce costs, increase productivity, and maximize the efficiency of airline operations in those areas they can impact, the continued steep increase in the cost curves seems to us a forgone conclusion.

The large increases in fuel and labor costs have already made some of the earlier versions of the Caravelle, BAC–111, and Trident obsolete and every day are eating away at the profit margins of the earlier Boeing 707's, DC–8's and even some of the first deliveries of Boing 727's and DC–9's.

This unsettling outlook for costs is coming at a time when there is considerable governmental and consumer pressure for lower fares. In order to attract the capital required to acquire new aircraft and realize the productivity gains of a modern fleet in the 1980's and beyond, the airlines must be able to earn a realistic return on their investment during the next few years. This means that the price of tickets must keep pace with anticipated cost increases within the confines of traffic growth.

Should the capital not be available for fleet modernization then the airline industry will have to change its concept of service as inflation erodes the economies of existing fleets, with no new, substantially more efficient aircraft available. They will be forced to move towards denser seating and higher load factors, which is already happening, to offset cost increases not matched by fare increases or productivity improvement. After these avenues have been exhausted and the cost increases continue to march forward the end result will then be a very sharp increase in fares or substantial airline losses either of which would limit industry growth and lead to eventual stagnation. Clearly we do not feel that this eventuality would be in the public interest. Cheap tickets today may mean terribly expensive tickets or higher taxes tomorrow.

If we are to have a viable industry and if the traveling public are going to be able to travel in the future at a reasonable cost, the airlines must have the financial strength to acquire modern aircraft incorporating sufficient technological breakthroughs to realize a new round of productivity gains. If this modernization is not accomplished then the industry could face a period of no growth or even declining growth as the productivity of the existing generation of aircraft is eroded by increasing fuel and labor costs and traffic falls off as the cost of air travel becomes prohibitive. Clearly we must not let this happen.

To avoid such a situation presents a challenge to the aircraft manufacturers as well as the airlines. Although we all recognize that productivity gains of the magnitude experienced during the transition from piston and turbo prop aircraft to jet aircraft are not in the cards, future technological improvements and resultant productivity gains must be sufficient to overcome, by a significant margin, the capital cost of acquiring the new types of aircraft. Clearly, if these productivity gains are not possible our ultimate aims cannot be achieved.

On the other side of the coin if the manufacturer is not confident that the airlines can pay for the new generation of aircraft at delivery he will not be willing to make the huge investment in development and production of a new vehicle.

There have been various estimates of the amount required by the industry to modernize and expand its fleet in the 1980's. IATA recently came up with $100 billion for the next 10 years and U.S. requirements range from $38 to $44 billion. My own feeling is that the amount required will be somewhat less and extend over a longer period. The significant thing is that, during the past 20 years, 75 percent of the industry's requirements has been financed from internally generated sources. It is apparent, based upon recent airline performance, that a much larger percent of future airline requirements will have to be raised externally than in the past. In consequence the availability of such outside capital for the airline industry, against competing requirements of other industries, becomes vital.

As a background to this discussion, I would like to review briefly the history of airline equipment financings. In the fourteen years from 1960 through 1973 the airline industry experienced an unprecedented growth which included huge expenditures associated with the purchase of the first and second generations of commercial jet aircraft. This huge asset growth was based on three factors: (1) real economic growth, (2) moderate inflation and (3) a constantly improving air transportation product. The dynamics of this growth were as follows: the favorable economic growth, particularly the growth in real personal income, generated a high demand for air travel.

Concurrently, the advent of commercial jet aircraft with its improved speed, comfort, and operating economics made air travel more comfortable, convenient and less expensive. The operating efficiencies of jet aircraft were particularly important as these efficiencies, coupled with the generally moderate rates of inflation, allowed the carriers to absorb cost increases without raising fares. The effective reduction in air fares further stimulated the demand for air traffic services. As the carriers moved to meet this new demand, flight schedules were expanded and new markets tapped which promoted further increases in traffic growth. As a result, world air traffic grew at a rate in excess of 16 percent a year throughout the 1960's and the U.S. about 13.6 percent.

With regard to international aviation, a favorable result of the strong economic environment was the ability of governments to follow basically dissimilar policies without seriously confronting each other or fatally harming the airlines involved. More specifically, the U.S. Government was able to pursue a policy of promoting an international air transportation system based on low fares and mass travel which included the expansion of the number of carriers serving various world routes, particularly the North Atlantic, and the promotion of charter services. Due to the persuasive efficiencies of the new generation of jet aircraft and the high levels of traffic growth the carriers were generally able to absorb the major yield erosion implicit in these actions and still maintain their profitability.

In those markets shared with U.S. carriers foreign governments did not actively resist the U.S. policy as their carriers remained healthy and the incremental traffic promoted by the low fares aided their domestic tourist industries. However, in the other world markets the foreign governments tended to follow a more restrictive policy of capacity control and Pooling Agreements.

For the airlines the large traffic growth produced an unprecedented prosperity and enormous equipment needs. As indicated, 75 percent of the requirements were financed internally and the carriers were able to tap commercial banks, institutional lenders, and the equity market for the balance.

Loans from commercial banks were usually in the form of Revolving Credits which were available for 2 or 3 years, during the aircraft delivery period, and then funded over 4 or 5 years for a total term of 7 or 8 years. Because the life of jet aircraft are considerably longer than the normal bank term, the support of the insurance companies, who were willing to lend for 15 to 20 years, was a key ingredient in raising the funds required in order to match debt repayment to Cash Flow.

To limit leverage, i.e. the ratio of debt to equity the carriers raised equity and subordinated debt in the public market. During the latter part of the period, when it became apparent that many airlines could not use all of the tax benefits available to them, the tax credit lease became an important part of the capital structure of many carriers. These were usually 15 to 16 years in length with banks taking the equity and passing on a portion of the tax benefits to the airline in the form of a lower equivalent interest cost. The long term debt portion of the lease was held largely by insurance companies. In short the carriers had little difficulty raising the capital to modernize and expand their fleet during this period.

Starting in 1969 the favorable economic environment under which the industry had been operating began to deteriorate producing lower traffic growth rates and increased operating costs. In addition, the full dilutionary effects of the U.S. Government's expansionary policies were beginning to be felt as the carrier's average yields fell. Economic growth began to falter and inflation rates increased. As a result, the full extent of the traffic growth anticipated when the carriers placed their orders for wide bodied equipment failed to materialize leaving the airlines with a high level of overcapacity. This overcapacity in conjunction with the increased inflation rates and the high interest costs associated with the carriers' equipment financings eroded profit margins. In November 1973 the world entered the "oil crisis" and the plight of the air carriers became critical. The effects of the "oil crisis" need not be discussed here. Suffice it to say that the sharp rise in the price of fuel not only sharply increased the carrier's fuel costs but also engendered a sharp acceleration in the inflation rate, greatly increasing the carriers' non-fuel related costs. Finally, the world recession and inflation which accompanied the "oil crisis" seriously impacted both the public's desire and ability to travel. The combination of poor traffic growth and sharp cost increases seriously eroded the airlines' profitability.

In this environment capital became more difficult to obtain and was more expensive. Because of the overcapacity situation which developed the aircraft requirements were reduced and in many cases future aircraft orders were cancelled or stretched out and aircraft options were not exercised which to some extent eased the capital problem. During this period the equity and long term institutional markets were closed to the industry except for a few isolated cases. How-

ever, the commercial banks were able to meet most of the necessary borrowing requirements during the period.

Nevertheless, a number of large banks withdrew their support from the industry. Some leasing was done due to the secured nature of such transactions but even on this basis the interest in taking a lessor's equity participation or lending long term senior funds was severely limited.

Fortunately that is all behind us now. Even with the less than dramatic recovery of the world economy, traffic growth has returned although far more modest than in the past. Yields have improved due to fuel related fare increases and most of the benefits of the cost cutting efforts of the difficult years have stayed with us. As a result 1976 was a much better year than 1975 and 1977 was a reasonably good year for most carriers.

With the improvement in 1976 some gains, although limited, were made in attracting the long term lenders back to the industry. Except for a few recent examples involving some of the strongest carriers all of these financings have been on a secured basis, i.e. either in the form of a lease or equipment trust. Actually the initial "post oil crises" 15 year institutional loan to the industry was made not against the credit of the airline involved but against a bank Letter of Credit. As airline earnings improved insurance companies were willing to lend 15 year money against the security of selected aircraft types with equity ranging from 20 to 40 percent in the lease or equipment trust. The key to this type of financing is the direct access to the aircraft in event of default or bankruptcy under present and contemplated legislation. The recent examples of a small amount of unsecured long term lending to the more profitable airlines is encouraging.

In order to raise the capital required for the modernization and expansion we feel is so vital for the future, the availability of long term funds provided by this segment of the financial community will be essential. Most carriers cannot finance flight equipment with a useful life in excess of 15 years over a bank term of 7 or 8 years.

Another encouraging sign has been a few offerings of equipment trust certificates, subordinated debt, and Preferred Stock in the public market. However, the amounts have been small and the cost quite high. Again it is vital for the future that the airlines industry be able to compete in the public market on an equal footing with other industries. Carriers with top heavy debt are very susceptible to the ups and downs of the economic cycle so a solid base of equity or equity type capital is an important ingredient if fleet modernization and expansion is to be assured.

However, the experience of the past will have an impact on the attitude of the financial community toward the industry, and therefore, could have a marked impact on the ability of the airlines to attract the large amounts of capital required to acquire more modern aircraft and realize the productivity gains that we see so vital for the future. More specifically the future is not what it used to be. The generally favorable economic and political environment that characterized the "Pre Oil Crisis" era is gone forever. As indicated previously we feel that fuel prices will continue to increase and that nonfuel related costs such as labor rates will also continue to increase. At the same time we will be living with a lower rate of economic growth which translates into far more modest traffic growth than we experienced during previous periods of large scale equipment replacements. In order to retain the confidence of the financial community and have access to the capital markets the airlines must avoid a repetition of the losses of the early 1970's and realize some years of stable earnings. They must be able to operate in a political and economic environment that permits them to earn a realistic and consistent return on their investment.

As we see it the key to accomplishing this, in light of the scenario of moderate traffic growth and escalating costs, is the maintenance of realistic yields and adequate load factors. And it is here that what appears to be a changing political environment is very disconcerting. There appears to be a prevailing philosophy in government that more competition and lower fares on scheduled service leads to increased profitability. I am sorry to say that the leading proponent of this philosophy appears to be the present administration here in Washington. We in the financial community do not pretend to have the expertise of airline management as to how to achieve a proper balance of capacity and yield to achieve profitability in light of traffic estimates, but we do know that our experience with excess competition resulting in excess capacity and sharp deterioration in yields has been bad. In our view this concept of encouraging excess competition and sharply lower fares on scheduled routes while politically appealing in the short run, will ultimately spell economic disaster for the airlines in the long run.

We don't mean to imply that low fares do not stimulate new traffic because they clearly do, as witness the dramatic growth of charter business in recent years. Nor do we find fault with the various APEX and Budget fares on scheduled routes as long as they are structured in such a way that they fill seats that would otherwise go empty or that the advantage of new revenues stimulated are not more than offset by a shift of higher paying passengers to the lower fare.

However, we are concerned that the political pressures may result in a carrier being forced to provide additional capacity for low fare passengers which could lead to a substantial deterioration in yields and result in substantial losses for some carriers.

Indeed the CAB has offered the plum of route awards to carriers willing to cut fares to the most ridiculous extreme. If an airline President stood up today and made the point that further discount fares were bad for the industry, he could be sure that the next route award would go to a competitor.

Likewise we are concerned that in the rush to provide competitive capacity to stimulate lower fares we could again have an overcapacity situation on some routes resulting in lower load factors and losses for all concerned.

In our view, political pressures for more competition and lower fares coupled with the economic environment relative to costs and traffic that we foresee, and its negative impact upon earnings, is the most serious obstacle standing in the way of the industry's ability to raise the capital for fleet modernization and expansion in the 1980's.

I am sometimes asked by government officials why profits are necessary which is somewhat disconcerting to a Banker. Clearly, the greater the earnings of the industry over the next few years the greater the percentage of capital requirements that can be financed from internal sources. In addition steady earnings assure a lender of adequate cash flow to service debt. From the point of view of the balance sheet, earnings impact leverage, i.e. the ratio of debt to equity, in several ways. First, of course, leverage is reduced by increasing equity. Secondly, a record of earnings enhances the ability of a carrier to raise additional equity and thereby minimizes the amount of senior debt required and reduces leverage. The relationship of Debt to Equity is of keen interest to the lender because a company with a lower debt equity ratio and a lesser amount of fixed financing charges, as was pointed out earlier, is a lot less vulnerable to the ups and downs of the economic cycle.

If the present philosophy of more competition and low fares continues unabated we are concerned that the recent gains in bringing the long term institutional lenders and equity investors back into the fold will falter.

In particular we are concerned that the weaker carriers that are highly leveraged will have increasing difficulties in accessing the capital markets even on a secured basis. Clearly they are more vulnerable to the uncertain economic and regulatory environment.

In the past because of the protected nature of the airline industry in terms of fares and routes the financial community permitted a higher degree of leverage. For example, in most industries we like to see a debt equity relationship below 1:1 while in the airline industry a ratio of 1.25 to 1.50:1 was not considered unusual. Some of the carriers have been well in excess of 2:1. Clearly in the regulatory environment that would prevail after passage of the current legislation before the Congress or even if it isn't and the present philosophy on routes and yields is carried to the extreme by the CAB only carriers with a leverage ratio under 1:1 will have access to the capital markets. Even the funds available to the stronger carriers could be limited in such an environment. Long term lenders and equity investors do not thrive on uncertainty, particularly when they have places other than the airline industry to put their funds.

As is usually the case the more highly leveraged carriers have the more difficult equipment replacement problem facing them. But these carriers have made great progress the last two years and given a realistic regulatory environment and stable earnings over the next few years they should be able to fix their balance sheets and posture themselves for ready access to the capital markets in the 1980's.

However, should we have a situation where only the strong carriers have access to capital for fleet modernization and expansion and the weaker carriers do not, the imbalance in financial strength will accelerate as cost increases continue to erode the productivity of the aging fleet of the financially weaker airlines. The end result of course would be bankruptcy or mergers for some carriers. People will differ on the impact of such an eventuality but I am concerned that the traveling public would end up with less and more expensive service. In addition such an occurrence would not have much of a stimulative effect on the attitude of long term lenders and equity investors toward the industry.

Another item to keep in mind here is the effect of inflation on the capital needs of airlines. A new aircraft ordered today may cost twice as much as the same aircraft in the fleet purchased 8 or 10 years ago. What was an adequate return on the aircraft investment made 8 or 10 years ago must now be doubled in order to attract capital for today's investment.

A steady level of profits can mean disaster in an inflationary environment. If earnings do not grow with inflation, capital will not be available. Unfortunately, the CAB does not take this into account when considering fare increases.

On the international side the present change in attitude here in Washington comes at a time when most governments, in a departure from past practice in many cases, are insisting that their carriers become self-sufficient and not rely as much upon government support. We expect this trend to continue as the foreign carriers move toward raising the large amounts of capital for fleet replacement. The governments recognize that large subsidies and guarantees for their airlines will be at the expense of other governmental requirements and programs. As a result the attitude of most governments on competition and fares has become more realistic than our own. However, if we in the U.S. continue to pursue our present policy the governments will come to the support of their airlines and cover the re-

sultant loss and provide the capital needed for fleet modernization. As you are all aware, the U.S. international carriers have no such recourse. In consequence, U.S. international carriers without access to the private capital markets would be placed at a distinct competitive disadvantage and could disappear all together. We do not feel that such an eventuality would be in the long term interest of the U.S. or its traveling citizens.

In summary, the prospect of the adverse impact on earnings of the present political climate as it affects fares and capacity could be a serious obstacle in the way of raising the capital required to finance the acquisition of more productive aircraft and thereby restrain air transport growth.

We in the financial community have been accused of arguing against changes in airline regulation to protect our existing loans. Nothing could be further from the facts. It is a matter of record that outstanding bank loans to the industry are at an all time low and long term loans to institutions are reducing rapidly. It appears very unlikely that lenders would not be repaid those funds that were advanced during the last equipment cycle, even under the most difficult circumstances.

Our concern is that if the airlines are not able to operate in a regulatory environment that permits adequate and consistent profits then the institutional lenders and equity investors that must play such a vital role in future financing will not be there. They will put their funds where the long term prospects are more certain and stable rather than in the airline industry where short term political considerations may impact long term viability.

In conclusion, unlike many bankers, we are optimists and are convinced that in the end logic and good judgment will prevail. We are convinced that the airline industry must be placed in a financial posture to modernize and expand their aircraft fleets in order to realize the productivity gains that are vital if the traveling public is to be well served in light of the economic environment we anticipate. We hope that short term political considerations relative to competition and fare policy are discarded in favor of the long term financial health of the air carriers and the long term best interests of the traveling public.●

ENVIRONMENTAL BALANCE

● Mr. GARN. Mr. President, the current coal strike has made the American people more sensitive than usual to the need for a balance between environmental protection and resource development. Clearly the Nation is in a more vulnerable position today than it would have been if backup systems of energy provision had been brought on line before the crisis. Those areas of the country where energy is provided by a balance between coal, oil, gas, and nuclear, are better able to weather the storms of winter and union politics.

With that in mind, let me call to the attention of Members of the Senate to an up-coming conference on energy, environmental, and economic matters, being held by the National Environmental Development Association. In fact, this will be the fifth annual conference of the association, and will include presentations by many of those who have been involved in making decisions about the balancing of resource development and conservation. For instance. Mr. John Quarles, former Deputy Administrator of the Environmental Protection Agency, will speak on the impact of the 1977 Clean Air Act Amendments. As one who was involved in the development of that legislation, I await with interest Mr. Quarles' presentation. I note that he has already been quoted as saying that the 1977 act is "like a loose cannon on a pitching deck," and that "it probably will prevent any expansion after 1979 of the petroleum and petrochemical industries in southern California, and it may have similar effects along the gulf coast in Texas and the east coast from Virginia to Maine * * *."

In addition to Mr. Quarles, there will be representatives of the Government participating in the conference. I do not know that the Department of Energy will be represented, but I hope so, because I can easily foresee some real conflicts between the Clean Air Act and the need for increased energy production in the United States. Mr. James Speyer, formerly with EPA but now at the Department of Energy, apparently agrees with me.

He was recently quoted as saying that while the act has enough flexibility in it to permit attainment of energy goals, EPA will have to interpret the act flexibly. In fact, he said flatly that "There are going to have to be compromises in implementing the law."

I do not mean to give the impression that the conference will deal only with the Clean Air Act. In fact, virtually all critical issues will be addressed. There will be sessions on the effect of the Federal Water Pollution Control Act, water policy reform, the impact of energy and economic policy on minorities, endangered species, and others. The luncheon speaker the first day will be Mr. Lou Harris, the pollster, who will no doubt enlighten us on public attitudes. That should be a most interesting session itself.

Mr. President, it is essential that all Senators and their staffs inform themselves on these important issues. I hope there will be participation from congressional offices as well as the industry, executive, private organizations which can be expected to be involved. For that reason, I ask unanimous consent that a press release issued by NEDA and a copy of the agenda for the 2-day conference be printed in the RECORD.

There being no objection, the press release and agenda were ordered to be printed in the RECORD, as follows:

PRESS RELEASE

WASHINGTON, D.C.—Balancing the environmental, economic and energy needs of all Americans will be the focus of the fifth "National Conference on EEE Issues" to be held at the National Press Club here, March 14–15.

Spokespersons for minorities, women, and the elderly will join with representatives of industry, labor, agriculture, and government to discuss costs and benefits in environmental decisions, impact of government regulations on jobs and prices, and energy versus environmental laws and regulations.

Featured speaker will be Lou Harris, whose Harris Poll measures public opinion and awareness on a wide variety of concerns. He will examine current attitudes in America towards environmental and energy issues, based upon his most recent samplings from across the nation.

Other congressional and administration speakers will present their views on the future of environmentalism, amendments to the Clean Air Act, results of the recent Water Resources Policy Study, and the effects of 1977 amendments to the Federal Water Pollution Control Act on industry, construction, energy facilities, jobs and agriculture.

The purpose of the Conference is "to examine the effect of current environmental and energy policies on not only business and labor interests, but all segments of the population, including minorities, women, and senior citizens," said Chairman Riley S. Miles. "Very often we overlook the special problems and needs of these groups. It's time we learned more about their concerns," he said.

CONFERENCE AGENDA

TUESDAY, MARCH 14

9:00 am to 12 noon:

Opening the Door on Troubling Issues—remarks by Riley S. Miles, NEDA Chairman; Executive Director, Florida Water Users Association.

Where Is Environmentalism Taking Us Now?—Fred Smith, Associate of Laurance S. Rockefeller.

The Loose Cannon: Clean Air Act Amendments—John R. Quarles, Jr., Attorney; Former Acting Administrator, Environmental Protection Agency.

Clean Air Regulations: A Look Ahead—A panel from business, labor, EPA, and Capitol Hill discuss effects of new law on energy, construction, production, jobs, agriculture.

Carter Administration Water Policy—Dr. Leo M. Eisel, Director, U.S. Water Resources Council.

Reacting to Water Policy Reform—A panel discussion featuring Pat O'Meara, National Water Resources Association; Jack Odgaard, assistant to Sen. Carl T. Curtis; and Dr. Leo M. Eisel, Water Resources Council.

Noon to evening:

Luncheon in Grand Ballroom, National Press Club. Introduction of Featured Speaker, Neal O. Wade, Jr., Group Vice President, Pennzoil Company.

Featured Speaker—Louis Harris.

A Fresh Look at the Energy Issue—Jayne Baker Spain, Senior Vice President, Gulf Oil Company.[1]

Afternoon Activities—Time made available for workshops, committee meetings, visits to Capitol Hill.

Congressional Reception—From 6 to 8 p.m., cocktails for NEDA members and Conference registrants, with invited Senators and Representatives, on Capitol Hill; details are furnished to paid registrants, who may then invite Congressional guests.

WEDNESDAY, MARCH 15

9 am to noon:

Legislative Prospects in EEE Issues—Members of Congress and others give NEDA Conference members a current, inside look at legislative issues during this important program segment.

Water Pollution: Regs & Congressional Intent—A panel from business, labor, EPA and Capitol Hill examine effects of '77 amendments on industry, construction, energy facilities, jobs, agriculture.

Older Americans: New Challenges in EEE Issues—William R. Hutton, Executive Director, National Council of Senior Citizens, an organization of three million members.

Minorities in the Mainstream—An evaluation of EEE issues by a noted spokesperson representing minority group interests, to be introduced by Herschel C. Loveless, Former Governor of Iowa.

Endangered Species: What You Can Expect—Donald Simpson, Pacific Legal Foundation.

Noon:

Luncheon.

Introduction of Speaker: J. C. Turner, General President, International Union of Operating Engineers.

[1] Other speakers to be announced.

Featured Speaker to be announced.

Afternoon Activity: NEDA Meeting—Conference adjourns after lunch, to be followed at 2 PM by 5th Annual Meeting of NEDA. Registrants and press invited.

Special Guest Speaker.

A Congressional view of a current EEE topic will be provided by a special guest speaker, to be announced.●

SENATOR CULVER TESTIFIES ON RSVP PROGRAMS

● Mr. EAGLETON. Mr. President, as chairman of the Senate Subcommittee on Aging, and as a member of the Senate Appropriations Subcommittee on Labor-HEW, I am troubled by the administration's proposed 25-percent budget reduction for the retired senior volunteer program.

In my own State of Missouri, RSVP volunteers work with over 400 nonprofit community agencies, organizations, clubs, and departments, including 49 nutrition sites, 36 hospitals, and 97 libraries, day-care centers, and Head Start centers.

The Federal cost associated with this program is almost entirely administrative. RSVP volunteers do not receive stipends, but it is estimated that the services the volunteers provide represent over $118 million, based on the cost of their services at minimum wage.

My colleague, Senator CULVER of Iowa, recently presented persuasive testimony before the Labor-HEW Appropriations Subcommittee regarding the administration's proposed $4.7 million funding reduction for RSVP.

Senator CULVER has a particular interest in this program, and others affecting the elderly, in that he represents a State with the third highest proportion of senior citizens among the 50 States. The RSVP program is also quite active in Iowa, and Senator CULVER has received quite a bit of correspondence expressing deep concern about this proposed funding cut. In his statement Senator CULVER outlines some of the many benefits the RSVP program has to offer, from the perspective of both the senior volunteers and the recipients of their many services. He also submitted a sampling of his mail on this issue of concern and asked that they be made part of the subcommittee's official record.

I ask unanimous consent that Senator CULVER's statement along with the correspondence be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN C. CULVER

Mr. Chairman, I understand that many others have communicated to the Committee the concern I wish to raise—the proposed reduction in funding for the ACTION agency's Retired Senior Volunteer Program (RSVP). As you are well aware, the fiscal year 1979 budget recently submitted to Congress proposes a 24-percent reduction in funding for RVSP, from a level of $20.1 million this year to $15.4 million next year.

Reportedly, this budget cut was made by the Office of Management and Budget, because the Washington ACTION headquarters did not have adequate information on how these RSVP funds were being used in all cases. Apparently some local RSVP programs have not focused their services in areas of "critical human needs" and there have been isolated reports of little construction activities in a few RSVP centers. But above all, this cut seems to have been based on inadequate information and a lack of sufficiently clear-cut federal guidelines.

Mr. Chairman, rather than being a justification for a reduction in funds, that would appear to be a reason for enhancing the ACTION headquarter's information resources and guidelines for channeling the local services to areas of basic human needs. The lack of a data base or a basis for evaluation is no reason for penalizing the tens of thousands of RSVP volunteers who stand to be displaced by any such action.

If anything, Mr. Chairman, RSVP is a program whose funding should be increased. This truly unique program requires a comparatively small amount of federal funds, encourages senior citizens to lend a helping hand in community affairs, and gets more in services for the dollar than nearly any other federal program. This is because of the unique nature of the RSVP program which relies entirely on senior volunteers, reimbursing them only for meals and transportation. RSVP also involves a significant 30 percent local match which assures local commitment and grassroots support.

Not spending this $4.7 million would reduce the number of RSVP centers, displace tens of thousands of senior volunteers, and jeopardize the good will and valuable services realized through the RSVP program. Mr. Chairman, I believe in close scrutiny of federal budgets, and the elimination of waste, but saving $4.7 million at such a cost in lost good will and volunteered services is false economy.

The value of RSVP to the senior volunteer participants cannot be overstated. For many senior citizens it is a chance to become reinvolved in community affairs, a chance to contribute their talents and time, and a chance to help where it is most needed.

Among the beneficiaries of these volunteered services are low-income and disadvantaged youth, orphans, the mentally and physically handicapped, homebound elderly who receive lunches from the Meals-on-Wheels program, and many other elderly and disabled persons residing in nursing homes.

Mr. Chairman, I have received many letters recently expressing dismay over this proposed budget cut. These letters were very helpful to me in assessing the role of RSVP in my state of Iowa, a state with the third highest proportion of elderly in the nation. I ask that some of these letters be made part of the record, and I urge the Committee to restore the funds cut by OMB.

VOLUNTARY ACTION CENTER OF ROCK ISLAND AND SCOTT COUNTIES,
Rock Island, Ill., February 2, 1978.

Senator JOHN CULVER,
Federal Building,
Davenport, Iowa.

DEAR JOHN: I don't know if you are aware of Sam Brown's list of priorities for ACTION'S fiscal year of 78–79. He has proposed a cut of 23.3 percent for ACTION'S Retired Senior Volunteer Program (RSVP). I have been told that his focus is to community oriented programs for the needy and the minorities. Needless to say John, I am confused with the RSVP cut and the large proposed addition to Peace Corps funding. For what community focus does the Peace Corps have?

Our RSVP Program focuses on the needs of the elderly—bringing them back to the mainstream of community through voluntarism. It has been and continues to be a viable and important program for the elderly in our bi-state area. The seniors are active and an important giving mechanism to the community.

John, refer to House bill 843 and Senate bill 1327 for further information. Senator Alan Cranston will be chairing the ACTION budget hearing on February 9, 1978. Your interest and the interest of your colleagues would be greatly appreciated.

Thank you John, the representation you are giving our state is commendable.

Sincerely,

BARBARA HAMMERMAN BRODY,
Executive Director.

DAVENPORT GOOD SAMARITAN NURSING CENTER,
Davenport, Iowa, January 25, 1978.

Senator JOHN CULVER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CULVER: This letter is in opposition to the budget cut of 4.7 million dollars to RSVP Volunteer Services, House Bill 843 and Senate Bill 1327. Your reason being that RSVP has not focused its services sufficiently toward those of the "lower income segment."

We are a Nursing Home of 211 Residents. Of these 211, 104 are on the Title 19 Program, which is known as Medicaid. The RSVP Volunteers in January gave us 182 hours of needed help. The Medicaid re-imbursement rate is such that if we had to hire people to fill these added hours of help we could not begin to pay them. It is unfair for us to have to raise the rates of our private pay residents again. We already increased Private Residents $3.00 a day beginning December 1, 1977.

We are asking to please reconsider your budget. The RSVP carries on a vital service to our Center.

Sincerely,

KAREN K. GRIGGS,
Administrator.

RETIRED SENIOR VOLUNTEER PROGRAM,
Story City, Iowa, January 24, 1978.

JOHN CULVER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CULVER: I am writing this letter as a result of recent correspondence from the National and State Directors Association for the Retired Senior Volunteer Program. It seems that President Carter is cutting the National RSVP budget for the FY 1979 by $4.7 million. If this cutback goes through it would mean eliminating 138 programs nationwide and cutback other programs. In addition, it has been suggested to Congress by the Action Director that there be a considerable RSVP budgetary reduction in succeeding years with the hope that RSVP will eventually phase out. The reason for this action has been given as "lack of focus." I do not know what they mean by lack of focus. We have focused upon the needs of people over 60 years of age and the needs of their communities. We feel that many problems that exist within our own communities can be tackled right at home, human and social problems like education, mental illness, delinquency and family deterioration through the organization of voluntary effort. Nothing can melt such human and social problems faster than the willingness of one individual to involve himself voluntarily in helping another individual overcome his problems.

Needs for human services are increasing at an alarming rate and resources to meet those needs are decreasing as cities, states and the federal government tighten their fiscal belts.

Previously in our society when a person retired any knowledge or ability that was once worthwhile was no longer worth contributing. Only recently has any effort been made to change this attitude or provide out-

lets for our Senior Citizens to prove their skills, abilities and continued capacity for productivity. One such effort has been the development of the Retired Senior Volunteer Program. The sole purpose of this program is to develop a recognized role in the community and a meaningful life in retirement through volunteer service. As you are aware, often time retirement deprives an individual of their identity and selfworth, which results in depression, isolation, and lonliness, which leads to physical and mental illness. RSVP feels this is a very negative part of retirement and we are trying to do something about it by helping senior volunteers identifying with the community, keep his self-esteem and personal growth and at the same time render their valuable talents and skills.

RSVP assists Story County agencies in the development and co-ordination of programs for the elderly so they might be more effective. We give information and referral of all elderly services and agencies. We try to inform the elderly of all the alternative services available to keep them in their homes as long as possible. RSVP initiates new programs throughout the county. RSVP started the Community Representative Program for Story County so that each area of the county would have a representative to go to if they are in need of assistance. We started the first luncheon programs and applied for grants to get the new program kitchen equipment. RSVP helped write the By-laws for the Council on Aging appointed by the Story County Board of Supervisors. RSVP publishes a monthly newsletter county-wide to keep Senior Citizens aware of activities and programs for the elderly.

In the last 9 months our 347 RSVP Volunteers gave 34,000 hours of service to Story County. If we were to multiply these voluntary hours of service by the minimum wage of $2.75 per hour we would have a tax savings of $77,875.00 to Story County. Our present cost per hour is $.86. There is a real side benefit to each community that has RSVP volunteers, tax savings. Our RSVP volunteers give their time to non-profit agencies, these non-profit agencies are usually tax supported. So when an RSVP volunteer is placed with one of these agencies, they are saving money by not having to hire the work done and the money they save is tax money.

We were very pleased with our last Sponsor's Quarterly Report covering Oct. 1, 1977 to December 31, 1977. You might be interested in these Statistics:

OBJECTIVE

Recruit 25 new volunteers.
Maintain 330 volunteers.
Generate 7,400 hours of Vol. Service.
Maintain 20 active stations.

ACTUAL ACCOMPLISHMENT

Recruited 31 new volunteers.
Maintained 347 volunteers.
Generated 9,687 hours of volunteer service.
Maintained 30 active stations.

Under Action guidelines, RSVP has a 70–30 percent match with the Federal government. We will receive $23,000.00 this fiscal year (April 1, 1978–March 30, 1979). This year we have to raise $10,157.00 locally for volunteer support costs. We have requested $6,500.00 from the Story County Board of Supervisors in revenue sharing money this year. The rest of the local match will come from fund raisers, city governments, service clubs, businesses, United funds and private donors. Every year it becomes more and more difficult to raise our local match. I feel locally that we could not come up with anymore than 30 percent of the match. Even this is difficult to raise. So often the government sets up programs, starts them out and then when they really become effective and meet the needs of the people the government pulls the rug out from under them. I feel this is the case with RSVP now.

In December our Advisory Committee did a program evaluation for the Story County RSVP. I am enclosing it for your examination. We were pleased with our findings. We feel that we have an excellent program in Story County and that we are meeting the needs of our people over 60 years of age and the communities that they live in. I am also enclosing our budget for your review.

I hope in some way you will be able to help us reverse the action of Congress and restore the $4.7 million cutback in our budget. We also hope that you can stop any action to reduce our budget in succeeding years or to phase out the RSVP. If you have any further question do not hesitate to notify me. Your may reach me at 733–4917.

Sincerely yours,

CONNIE CLARK,
Program Director,
Story County RSVP.

FEBRUARY 2, 1978.

Re ACTION budget proposal FY 78–79, House bill 843, Senate bill 1327.

To: Senator John Culver.

From: Sue Sieben, Director, Retired Senior Volunteer Program of Rock Island and Scott Counties.

The six hundred Retired Senior Volunteers of Rock Island and Scott Counties are confused and concerned at ACTION National Director Sam Brown's proposed budget cut to Retired Senior Volunteer Programs nationwide. The 4.7 million dollar cut constitutes 23.3% of the federal budget and will severely restrict our program's scope and effectiveness.

This is an unexpected and disappointing response to RSVP's shining success in offering senior citizens a positive alternative to the often debilitating effects of retirement. RSVP contributes to the psychological well-being of our senior community by allowing them to select meaningful volunteer jobs based on their individual skills and preferences. Self-determination and independent action is a crucial factor for this fast-growing segment of our population who are constantly battling old stereotypes that question their usefulness and impact in today's community. RSVP has been extremely valuable in demonstrating how older Quad-Citians contribute to those around them. The enclosed fact sheet is a synopsis of this contribution and how it's accomplished.

Above all, RSVP enables all persons 60 and over to actively serve the community, regardless of their financial condition. RSVP provides all registered volunteers accident, personal liability and, for those who drive to their volunteer jobs, excess auto insurance. Based upon the expressed need of the volunteer RSVP offers them the following:

Transportation to and from their volunteer jobs via the RSVP taxi;

Reimbursement for meals eaten while volunteering at the agencies they serve;

Reimbursement for transportation expenses when the RSVP taxi is not used.

Our close ties with these local human service agencies and programs is beneficial in many ways. One, we can provide quick response to their need for help; two, we avoid duplication of services; and three, we are aware of what's happening in the community and can keep our seniors informed through our enclosed newsletter, in addition to serving as a senior advocate. Enclosed also is the proposed memorandum of agreement between Rock Island's Community Action Program, Project NOW and RSVP. It defines the areas of cooperation, some of which are in operation, and some that are planned.

The non-profit agencies whom our seniors serve are diversified and far-reaching. Through these agencies our senior volunteers provide sensitive care to:

The elderly and the lonely in many nursing homes in both counties;

The low-income youth in Headstart, and at Martin Luther King Center in Rock Island and Friendly House in Davenport;

Children in the public and non-profit schools and day-care centers throughout the Quad-Cities;

Youngsters who are without families at Bethany Home in Moline or whose family environments require the support of volunteers working with Youth Services Bureau of Rock Island County, Illinois Department of Children and Family Services, or the Davenport Youth Commission;

Homebound elderly who receive the hot lunches and companionship of Meals on Wheels through Community Nursing services in Rock Island County and Meals Service of Scott County, Inc.;

Families who need emergency food or housing from the Illowa National American Red Cross, FISH of Moline or Starfish of Rock Island County.

The mentally ill at Rock Island Counties Activities Recreation Program, the Community Mental Health Center of Scott County, and East Moline Mental Health Center.

The mentally and physically handicapped at the Opportunity Center.

The sick at St. Anthony's, Lutheran, Illini, Franciscan and St. Luke's Hospitals;

The physically disabled at Rock Island County's Foundation for Crippled Children and Adults.

There are numerous libraries, museums, cultural centers, recreation programs, adult learning centers, senior centers and charitable organizations that are also served by senior volunteers.

The absence of "senior power" in the Quad-Cities would be a significant loss to people throughout the area. Their 75,000 hours of yearly service, computed at the modest denomination of $2.65 per hour, would mean a loss of $198,750 worth of quality service if this local program were eliminated from ACTION's budget entirely. Your endorsement of and your support for the Retired Senior Volunteer Program of Rock Island and Scott Counties would be instrumental in keeping this excellent program alive. Thank you for your interest and concern.

IOWA LAKES
AREA AGENCY ON AGING,
Spencer, Iowa, January 20, 1978.

Senator JOHN CULVER,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR CULVER: I have just been informed by the Director of the Retired Senior Volunteer Program (R.S.V.P.) in Spencer, Iowa, that President Carter is proposing a 25 percent cutback, or a 4.7 million dollar reduction, to the R.S.V.P budget for FY '79. The letter I received from the R.S.V.P. Director stated that this cutback would amount to the elimination of 138 R.S.V.P. programs nationwide.

Since the Spencer R.S.V.P. program is one of the newest in the State of Iowa, I can only assume that, if such a cutback occurred, our project would be one of the first to be eliminated. Although a relatively young project, the R.S.V.P. program in this area has made substantial strides in involving retired persons in community activities. If the senior citizens of this country are truly to achieve independence, we must do everything possible to insure that these individuals are not isolated from day to day community activities. Their continued involvement in activities, such as the R.S.V.P. program, will

facilitate a continued understanding of governmental operations and community activities.

If any efforts will be made to restore this cutback, I would encourage you to support such a restoration. Your continued support of aging programs throughout the United States is greatly appreciated.

Very truly yours,

G. RICHARD AMBROSIUS,
Executive Director.

BIPT RETIRED SENIOR VOLUNTEER PROGRAM,
Belle Plaine, Iowa, January 17, 1978.

Senator JOHN C. CULVER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CULVER: There is a rumor President Carter is going to propose in his State of the Union message a 25 percent cutback or $4.7 million in the RSVP budget. If this cutback becomes a reality it would mean eliminating 138 RSVP Programs nationwide and substantial cutbacks for existing RSVP's.

Governor Ray in his State of the State message proposes additional funding for RSVP.

I would urge you to support Governor Ray's proposal and do everything you can to eliminate a cutback. The hours of donated service to organizations by senior volunteers is almost unbelievable.

My particular program covers a very rural four county area. 275 enrolled volunteers are giving over 2,000 hours a month to Congregate and Mobile Meal programs, Community and Senior Centers, Head Start and public schools, County Care Facilities, nursing homes, hospitals, needy individuals and many more places. At minimum wage scale their services amount to more than $5,000 each month. That is a very good return on the $1,400 a month our program costs the Federal Government.

Hoping for your support.

Sincerely,

DONNA FORD,
RSVP Director.●

UPGRADING RAILWAYS

● Mr. McGOVERN. Mr. President, between February 23 and February 26 our Nation experienced three separate major rail derailments. Two of these derailments resulted in death and destruction of property. Eleven persons were killed in the first disaster in Waverly, Tenn., when a train derailed and a tank containing 20,000 gallons of volatile propane exploded. Within the next 48 hours a freight train derailed near Youngstown, Fla., rupturing a tank car containing chlorine gas. In this tragedy the death toll has reached 8 persons with 67 others hospitalized. Again on the same day, in Cades, Tenn., a tank car carrying noxious sodium hydroxide derailed and sprang a leak. It is most fortunate that no one was killed or seriously injured in this accident, however, 150 persons were evacuated from their homes.

While the cause of the derailment in Waverly has not yet been determined, the accident in Youngstown already has been attributed to the poor condition of the track bed.

Derailments are not an unusual occurrence in today's rail industry. Since the implementation of the Federal Rail Safety Act, derailments have increased. In parts of my State it is not unusual to note growing numbers of rail cars lying destroyed next to a given rail bed. The majority of all derailments we experience in South Dakota are due to the poor condition of the rail bed. As indicated by these recent disasters other States share our problem. The real problem, however, concerns the fact that many of our rail beds were constructed 100 or more years ago and many have not seen substantial improvements or repairs since that time.

In recent years, the Federal Government has enacted a series of major legislative proposals to upgrade rail transportation. It is now obvious to many that this legislation has not provided the most needed assistance. The deteriorating quality of the rail beds is a significant contributor to the major problems currently facing the railroads and the Nation. The derailments in and of themselves are not the problem; the dilemma lies in the resulting inefficient service, damaged goods, unreliability and shipper distrust.

In light of the recent derailments in the Southeast, Secretary Adams has called for an increase in rail safety inspectors. While I understand the good intent of the Secretary's statement, I would like to know what will be accomplished by simply inspecting the rail beds and perhaps certifying many of them as unsafe. Perhaps those lines will be closed down. The cost of repairing many of those lines may well bankrupt some rail carriers.

It is essential that we achieve an efficient, effective means of assistance to railroads to upgrade their lines. Mere inspection is not going to create better rail beds on most lines. A significant portion of railway legislation to date, while developed with the admirable intentions of increasing service and safety, has proven ineffective. We must begin to look against the rail dilemma and tailor future legislation to these specific needs and problems in order to maintain and improve what should be our most efficient means of surface transportation.

It is unfortunate that tragedies such as those in the past several days must occur before we give much notice to these very real problems. It is a tragedy in itself that we have allowed our potentially most efficient transportation mode to deteriorate in this manner.

I ask unanimous consent that the transcript from an excellent NBC network news editorial regarding rail safety, aired on February 26, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DERAIL REACT

BAIN. Last year, there were between 6 and 7 thousand train derailments in this country. According to the National Transportation Safety Board, the problem is not in the trains but in the tracks they ride on. Many railroad tracks and beds were constructed nearly a hundred years ago. They were designed for much lighter loads and now they are deteriorating. Government officials are also worried about the increased traffic of explosive and toxic materials on those rails . . . traffic which has doubled in the last ten years. One member of the National Transportation Safety Board says the government has waited too long to correct the problem. Now, he says, it is a national disgrace.

Captain PHILLIP HOGUE, Transportation Safety Board Member. The problem is not only that these terrible accidents occur in isolated areas . . . the big problem is going to be ultimately that we are going to have a major accident in a highly populated area. It's just a question of what day it's going to take place.

BAIN. The National Transportation Safety Board is expected to announce this week that it will begin hearings on derailments of hazardous materials as a national major problem . . . instead of taking these accidents on a case by case basis. The move could lead to new and stronger regulatory action. Jackson Bain, NBC News, Washington.●

MINORITY RIGHTS ON COMMITTEES

● Mr. MARK O. HATFIELD. Mr. President, the strength of the Senate as a representative legislature depends upon the effective development and presentation of minority positions. Nowhere is this need greater than in committees where much of the substantive work of the Senate is done.

On February 4, 1977, the Senate approved Senate Resolution 4, the Committee System Reorganization Amendments of 1977. Under title VII, section 703(E) of this resolution, reference is made to the minority position on Senate committees. I feel Senate Resolution 4 takes a significant move toward meeting this need of equity in the allocation of committee staff resources.

The minority staff of the Rules Committee has surveyed the minority staffing situation on all Senate committees which offered budget resolutions for the Rules Committee's authorization. The following data table reflects the findings currently gathered through this survey.

These statistics include the partisan staff ratios for the 1977 and 1978 budgets, as well as the minority staffing percentages in the 1977 budget submission, in an actual operational setting in September 1977 and in the 1978 budget request. The 1978 percentage figures are based on the dollar ratio of funds available to the minority and those allocated to the majority for staffing purposes.

Mr. President, the Senate has now acted upon the 1978 committee budget authorization resolutions. At issue now is what impact the cuts in these budgets, effected by the Rules Committee and the Senate, will have on the various minority staff allocations. I plan to monitor carefully how these budget cuts affect the minority staff of each committee to insure that the minority does not suffer disproportionately from these reductions.

A number of committees are approaching or have already achieved the one-third minority staff allocation. I am encouraged by this progress. However, I would identify for my colleagues an emerging problem which is the excessive designation of staff on certain committees as "nonpartisan."

According to Senate Resolution 4, nonpartisan and administrative costs are excluded from the amount against which the minority staffing allocation is cal-

culated. The minority, instead, is entitled to one-third of those funds available for partisan-designated staff. An overloading of the nonpartisan category has the effect of diluting minority staff representation because it reduces the base against which the minority percentage shall be measured. In my judgment, Mr. President, the definition of what constitutes a nonpartisan staffer must be carefully circumscribed.

Under Senate Resolution 4, the chairman and ranking minority member of a committee shall agree on which staff slots shall be deemed nonpartisan. On many committees, however, the minority's right to participate in designating positions as nonpartisan amounts to acquiescing to a prepared budget which is put before the ranking minority member for signature. In other cases, the minority is allowed reasonable preconsultation before a final budget is worked up. In no case, except for the intelligence committee, does the minority have any say in who fills the nonpartisan vacancies.

Mr. President, I believe that the minority must be permitted a right of refusal (veto power) over nonpartisan appointments. The principle is this: Within the framework of the budget, the committees' majority should have the untrammeled right to appoint majority staff free from interference by the minority. Similarly, the minority should have an identical right to make its own appointments free from any questioning by the majority. In fairness and in the spirit of nonpartisanship, both the minority and the majority should have a role in the appointment of nondesignated staff.

Theoretically, it would seem acceptable for such personnel to work under the basic direction of the majority's staff director and also for the majority to take the lead in proposing appointments to fill nonpartisan vacancies. However, I firmly believe that if those slots are truly to be considered nonpartisan, the minority must have a right of consultation and refusal before such vacancies are filled.

Section 703(E) of Senate Resolution 4 also asserts that the minority staff shall be allocated proportional room space within the committees. On several committees, the minority has complained that it is unfairly cramped in space. Of course, it is understood that when the entire committee is overcrowded the minority will have to suffer its proportional share of the burden. There is a need to insure, however, that the minority staff is not being disproportionately disadvantaged. At my request, Chairman PELL of the Rules Committee, has authorized a space survey to ascertain whether or not the minority is being treated fairly in this regard.

Yet another provision of Senate Resolution 4 states that one-third of the committees' personnel funds shall be allocated to committees for compensation of minority staff as the minority members may decide. It has been learned that in some committees the chairman and the majority staff director actively determine salary levels for the minority staff. This active role violates the letter and the spirit of Senate Resolution 4. Where such a policy exists, it must be changed.

Mr. President, section 706 of Senate Resolution 4 mandates the Rules Committee to take an active role in effectuating the rights granted to the minority under section 703(E). Due to that mandate and to my genuine concern that these minority rights be given strength, I shall actively follow these issues so long as I am a member of that committee. A failure to pursue such matters could well lead to a dilution of minority rights. I am fully determined that will not be the case, and I will address the Senate on this topic from time to time as the need and circumstances so warrant.

Mr. President, I ask unanimous consent that the budget survey to which I refer above be printed in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

SURVEY OF MINORITY STAFFING ON SENATE COMMITTEES, 1978

Political designation of staff	Committee on— Agriculture		Armed Services		Banking		Budget		Commerce		Energy		Environment and Public Works		Finance	
	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978
INVESTIGATIVE																
Professional:																
Majority			9	9	13		29	30	30	14	15	16	18			
Minority	2	3	3	3	7		12	16	17	4	5	8	7	3	3	
Nondesignated	6	8	0	0	1		5	1	1			1	1	6	6	
Clerical:																
Majority			0	0	9		14	26	28	16	17	10	10	5	5	
Minority	1	3 (2)	0	0	6		7	6	5	2	4	3	3	2	2	
Nondesignated	8	7 (8)	9	9			12	7	10			1	1	2	1	
PERMANENT																
Professional:																
Majority			3	3	4	4	3	5	4	5	5	4	6			
Minority	3	3	2	2	2	2	2	1	0	1	1	2	2	1	1	
Nondesignated	5	5	1	1	1		1						1	11	11	
Clerical:																
Majority			0	0	2	2	4	4	4	5	5	4	2			
Minority	1		1	1	1		1	2	2	1	1	1	1	1	1	
Nondesignated	3	4	6	6	2	4	1					1		11	11	
PERCENTAGE OF PARTISAN-DESIGNATED FUNDS ALLOCABLE TO MINORITY																
April 1977 budget	30.0		29		31		31.0		29		28		33.0		(1)	
September 1977 staffing percentage	26.7		29		31		31.1		32		25		31.7			
1978 budget	36.0		36		33		31.0		29		25		33.0		25	

Political designation of staff	Committee on— Foreign Relations		Governmental Affairs		Judiciary [2]		Human Resources		Veterans' Affairs		Small Business		Intelligence		Aging		Indian Affairs	
	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978
INVESTIGATIVE																		
Professional:																		
Majority			(3)	53			21	31	2	3		3		11	7	7		10
Minority				24			10	11	1	1		1		10				4
Nondesignated	16	16		19			2	2				1		9				6
Clerical:																		
Majority				48			34	39	5	5		3		1	7	6		2
Minority				21			12	21	2	2		1		2		1		2
Nondesignated	29	29		22			3	2				1		20				2

Footnotes at end of table.

SURVEY OF MINORITY STAFFING ON SENATE COMMITTEES, 1978—Continued

	Committee on—																	
	Foreign Relations		Governmental Affairs		Judiciary [2]		Human Resources		Veterans' Affairs		Small Business		Intelligence		Aging		Indian Affairs	
	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978	April 1977	January 1978
PERMANENT																		
Professional:																		
Majority			4				12	9	2	2	4½				4			
Minority	2	2	3				3	6	2	2	1				2			
Nondesignated	8	8	4				2	2	3	3	½							
Clerical:																		
Majority			2				10	9	4	4	2				5			
Minority			1				3	4	1	1	1				1			
Nondesignated	8	8									3							
PERCENTAGE OF PARTISAN-DESIGNATED FUNDS ALLOCABLE TO MINORITY																		
April 1977 budget	(1)		34				31.0		25		(1)		48		26.0			
September 1977 staffing percentage			33				27.6		27		32		48		32.2		23.7	
1978 budget	(4)		32				32.1		36		[5]23		45		33.2		32.0	

[1] No response.
[2] Judiciary Committee did not provide to Rules Committee data which could be used within the framework of this table. Provided instead are estimate minority staffing percentages for the Judiciary Committee subcommittee structure:

	Total salaries of minority staff in 1978 budget
Administrative Practices and Procedures Subcommttee	25 percent.
Antitrust and Monopoly Subcommittee	28 percent.
Citizens and Shareholders Rights Subcommittee	25 percent.
Constitution Subcommittee	26 percent.
Criminal Laws Subcommittee	19 percent.
Immigration	All staff are deemed to be nonpartisian, so no minority percentage available.
Improvements of Judicial Machinery	Data unavailable.
Juvenile Delinquency	30 percent.
Penitentiaries and Corrections Subcommittee	Data unavailable.
Separation of Powers	31 percent.

[3] Comparable information not available.
[4] See attached.
[5] Pending hiring of additional staff personnel. ●

FINANCIAL FIGURES ON NATO DEFENSE SPENDING

● Mr. CANNON. Mr. President, on February 28, 1978, the Senate Armed Services Committee received testimony from Gen. Alexander Haig and other Defense Department witnesses on the NATO aspects of the proposed fiscal year 1978 defense budget. At that hearing I pointed out that the United States devotes a higher percentage of its national income to its defense spending than do any of the other of our NATO allies, with the possible exception of Greece and Turkey. The countries with a sizable gross domestic product, which is roughly the equivalent income factor to our more familiar GNP, countries such as Great Britain, Germany, and France, spend a much lower percentage on national defense than we do here in the United States.

These countries are right up there on the borderline with the Soviet's Warsaw Pact, up where the immediate threat of the pact's military buildup is greatest. Yet the question I raised with General Haig was why do not these allies of ours seem to take this threat as seriously as we do—at least in the sense that they are willing to divert an equal percentage of their national productivity toward their national defense budgets.

Let me point out that the figures I was referring to were not my own; they were taken directly from data supplied by a delegation representing the "Eurogroup" NATO countries which visited Washington, D.C., in October 1977.

This delegation distributed a document which showed the economic figures that the NATO countries allocate to national defense. It also showed representative examples of the defense production output of the combined Eurogroup countries for some of the more significant categories of weaponry for the calendar year 1977.

Mr. President, I ask unanimous consent that two tables that show these factors be printed in the RECORD at the conclusion of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD.

Mr. CANNON. Mr. President, it is my opinion that these data would show that the United States is making a considerably larger total effort toward defense spending than are our NATO allies which are located right at the edge of the area of potential hostilities. We put a higher percentage of our GNP into defense spending, and we also greatly outproduce those allies collectively in numbers of combat aircraft, tanks, ships, and other types of military hardware. The tables supplied by the Eurogroup delegation bear out these statements.

Mr. President, I offer these data purely for the information of my colleagues. But I do think we should consider question of why these allies located in the place where the military threat would seem to be the most immediate, do not seem to take it as seriously as we do here in this country.

ANNEX B

GROSS DOMESTIC PRODUCT (PURCHASERS' VALUES) AND DEFENSE BUDGETS, 1976 [1]

Country	Gross domestic product		Defense budgets		Defense budgets as percentage of GDP
	Total (million U.S. dollars)	Per head (U.S. dollars)	Total (million U.S. dollars)	Per head (U.S. dollars)	
Belgium	65,804	6,694	2,024	206	3.1
Denmark	38,329	7,530	977	192	2.6
Germany	447,128	7,295	[2]15,129	[2]247	[2]3.4
Greece	21,856	2,407	(3)	(3)	(3)
Italy	169,289	3,009	4,335	77	2.6
Luxembourg	2,415	6,653	23	23	1.0
Netherlands	86,209	6,251	2,863	208	3.3
Norway	31,042	7,693	944	34	3.0
Turkey	40,374	1,005	(3)	(3)	(3)
United Kingdom	232,999	4,149	11,780	210	5.1
Eurogroup	1,135,445	4,434	38,075	184	3.5
France	367,928	6,914	13,897	261	3.8
Portugal [4]	15,147	1,605	636	67	4.2
Iceland	1,398	6,326			
NATO Europe	1,519,918	4,766	52,609	195	3.6
Canada	184,432	7,974	3,641	157	2.0
United States	1,693,253	7,855	99,083	460	5.9
NATO North America	1,877,685	7,867	102,725	430	5.5

NOTES

[1] Because of changes in exchange rates, caution is needed in interpreting figures for 1 particular year in isolation.
[2] In addition to military expenses proper, the German authorities are obliged to incur large expenditure for Berlin, owing to the exceptional situation of this city and the need, in the interest of the defense of the free world, to insure its viability. These Berlin expenditures are not included in "defense budgets," but if they were taken into account, the figures would be 18,618,000,000 U.S. dollars, 304 U.S. dollars, and 4.2 percent, respectively.
[3] For Turkey, figures for 1975 and 1976 are not available. For 1974, the figures (at 1974 prices and exchange rates) were 1,140,000,000 U.S. dollars, 28 U.S. dollars, and 3.2 percent, respectively. For Greece, 1976 figures are not available. For 1975, the figures (at 1975 prices and exchange rates) were 1,363,000,000 U.S. dollars, 151 U.S. dollars, and 6.5 percent, respectively.
[4] Portugal joined the Eurogroup in December 1976.

NEW EQUIPMENT FOR 1977

Looking ahead, Eurogroup countries plan to introduce, inter alia, the following major new equipment in 1977:

Naval capability:		Armour/antiarmour capability:	
Destroyers/escorts	6	Main battle tanks	288
Minelayers/minesweepers	8	Other armoured vehicles	1,371
Fast patrol boats	11	Antiarmour missile systems	439
Support ships	3	Hand-held rocket launchers	5,900
Maritime helicopters	8	Air capability:	
Submarines	3	Combat aircraft	63
		Transport and supply aircraft	20
		Land-based helicopters	40
		Antiaircraft guns	334
		Antiaircraft guided-missile systems	360

RENEWABLE ENERGY

● Mr. McGOVERN. Mr. President, the United States and the world are on the precipice of a major energy transition. Such transitions always bring about fundamental social change. Consequently, any national energy policy, in addition to establishing mechanisms to conserve conventional energy resources and requiring industry adjustments, should also provide the Nation with a vision for the future. Unfortunately, I believe the National Energy Act which may become law within the next few months does not contain this essential vision. An effective, successful National Energy Act must prepare and guide the Nation through this major energy transition and look beyond 1985, look beyond our conventional finite resources to the alternative renewable resources upon which we must depend in a postpetroleum world.

It is unfortunate that the National Energy Act does not provide us with this vision, but it is a serious mistake to allow less than 5 percent of all expenditures for the development of renewable resources as is proposed in the current Department of Energy budget. The budget for solar energy, after adjustments for inflation, is $40 million less than it was last year. Obviously, our policies of energy education and awareness are sorely lacking.

Mr. President, I ask unanimous consent that an excellent article by Dennis Hayes, of the Worldwatch Institute, which appeared on February 26, 1978 in the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE CAN USE SOLAR ENERGY NOW—THE TECHNOLOGY IS HERE; WHAT IS NEEDED IS GOVERNMENT SUPPORT

(By Denis Hayes)

(NOTE.—Hayes, a senior researcher at Washington's nonprofit Worldwatch Institute, is the author of "Rays of Hope: The Transition to a Post-Petroleum World." He was national coordinator of Earth Day in 1970 and is board chairman of the organizers of Sun Day.)

We all live in solar homes. We think we heat our houses with oil, natural gas or electricity, but 95 percent of their warmth comes from sun-beams. In a sunless world, our dwellings would be 400 degrees Fahrenheit below zero when we turned on our furnaces. The houses of solar pioneers simply squeeze a few more degrees from the sun than do the conventional homes of their neighbors.

Twenty years ago, virtually all Americans hung up their weekly wash on "solar clothes driers." Today, few do. If I hang my wash on a line and you put yours into an electric drier, the solar energy I use will be ignored by statisticians while the electricity you use will be tabulated in next year's almanacs.

We ignore the sun for the same reasons that fish ignore water: It is abundant, free and dependable.

The solar influx is so large that it defies easy comprehension by students of conventional energy sources. Every day, the world receives 10,000 times more energy from the sun than humankind derives from all conventional fuels combined. But the official 825-page United Nations Survey of World Energy Supplies does not even mention the sun.

We know how to harness this solar influx directly as sunlight and indirectly through wind, green plants and running streams. Every essential technological ingredient for a commercial solar energy system has existed for more than a decade, although most of these devices have not yet benefited from mass production. The issue today is whether we will make the necessary policy decisions to develop these resources, or whether vested interests will coerce our continued reliance on sources that are dangerous, vulnerable to disruption and ultimately unsustainable.

Unlike fossil and fissile fuels, sunlight is a flow and not a stock. Once a gallon of oil is burned, it is gone forever, but the sun will cast its rays earthward billions of years from now, whether sunshine is harnessed for human needs or not. Technical improvements in the use of sunlight could lower prices permanently; similar improvements in the extraction of finite fuels could hasten their exhaustion.

SOLAR HEATING AND COOLING

Heating water with sunlight is simple. The collector is, in essence, a box with a black bottom and a glass top. Glass is transparent to sunlight but not to the radiation of longer wavelengths given off by the hot collector itself. Hence, heat is trapped inside. When water is pumped through the hot collector, its temperature rises. The hot water is then piped to a very well insulated storage tank where it is kept until needed.

Other countries heat their water with sunlight. In tiny Israel, 200,000 homes have solar water heaters, and in Japan the figure is over 2 million. In remote northern Australia, where fuels are expensive, the law requires solar water heaters on all new buildings.

There is some controversy over how rapidly we will catch up. The original goal of the Carter administration's energy plan was 2.5 million solar heaters by 1985. In subsequent congressional testimony, Energy Secretary James Schlesinger trimmed this target to 1.3 million.

Wilson Clark, energy adviser to Gov. Jerry Brown of California, finds the federal figures amusing. "We will, beyond a doubt, have more solar collectors installed in California by 1985 than those guys are forecasting for the whole country," says Clark. The Solar Energy Industries Association, which represents most major solar manufacturers, considers 11 million installations a reasonable 1985 goal.

Sunshine can also be used to heat buildings. "Passive" systems store energy right where sunlight strikes the building's walls and floor. Such systems are designed to shield the structure from unwanted summer heat while capturing and retaining the sun's warmth during the colder months. Passive solar architecture is, beyond doubt, the most efficient and cost-effective way to heat and cool new buildings. Modest investments will often provide 80 to 100 percent of a building's space conditioning requirements. But passive features cannot easily be added to existing structures.

"Active" solar heating systems are more expensive but they can be bolted onto the roofs or southern walls of existing buildings as a substitute for—or supplement to—conventional furnaces. In active systems, fans or pumps move supplement to—conventional furnaces. In active systems, fans or pumps move solar-heated air or liquid from collectors to storage areas, from which heat is withdrawn as needed. Solar self-sufficiently will usually dictate a combination of active and passive features in all but the southern rim of the United States.

Buildings can be cooled as well as heated by sunlight. Again, passive solar design is the most important first step, but active solar air conditioners are also now being marketed. Absorption solar air conditioners, which operate on the same principle as gas refrigerators, reach peak cooling capacity when the sun burns brightest, which is when they are most needed. They therefore could reduce peak demands on many electrical power grids. As solar air conditioners penetrate the housing market, the overall economics of active solar heating systems will improve, because solar collectors will begin providing a year-round benefit.

Solar technologies have industrial applications as well. A study of the Australian food processing industry, for example, found that heat comprised 90 per cent of the industry's energy needs. Almost all this heat was at under 150 degrees Centigrade and 80 per cent was below the boiling point of water. Such low-temperature heat can be easily produced and stored using simple solar devices. In the United States, solar heating is now being applied to a soup-canning plant in California, a fabric-drying facility in Alabama and a concerte block factory in Pennsylvania. Solar-powered laundries and car washes are now operating in California, and a St. Louis brewery has turned to solar pasteurization.

SOLAR CELLS

The most exciting solar electric prospect is the photovoltaic cell—now the principal power source of space satellites and the main element in photographic light meters. Such cells generate electricity directly when sunlight falls on them. They have no moving parts, consume no fuel, produce no pollution, operate at environmental temperatures, have long lifetimes, require little maintenance and can be fashioned from silicon, the second most abundant element in the earth's crust.

Photovoltaic cells are modular by nature, and little is to be gained by grouping large masses of cells at a single collection site. On the contrary, the technology is most sensibly applied in a decentralized fashion—perhaps incorporated in the roofs of buildings—to

minimize transmission and storage problems. With decentralized use, solar cells can be combined with compatible technologies to use waste heat for space heating and cooling, water heating, and refrigeration. Last summer a photovoltaic array in Mead, Neb., irraged 80 acres of corn at a thousand gallons per minute.

The manufacture of photovoltaic cells is currently a low-volume business—only 750 kilowatts of photovoltaic capacity were produced in 1977—and the products are consequently rather expensive. But a recent U.N. report concluded that solar cells would become cheaper than nuclear power if they received a total investment of $1 billion—less than the cost of just one large nuclear power plant.

STORING SUNLIGHT

Solar energy is too diffuse, intermittent and seasonally variable to harness directly to serve some human needs. Interruptions plague all energy systems, however. Electrical power lines snap, gas and oil pipelines crack, dams run low during droughts and nuclear power plants frequently need repairs, refueling and maintenance.

Sometimes the intermittent nature of an energy source causes no problems. For example, solar electric facilities with no storage capacity can be used to meet peak demands, since virtually all areas have their highest electrical demands during daylight hours.

Low-temperature heat can be temporarily stored in such substances as water or gravel; in fact, substantial short-term heat storage capacity can be economically designed into the structural mass of new buildings. The larger the storage container, the less surface area (through which heat can leak) it has per unit of volume. Large storage tanks serving clusters of houses can be designed to have such low leakage rates that seasonal storage becomes economically possible. Princeton physicist Theodore Taylor advocates solar "ponds serving as many as 100 houses—collecting heat in July for use in February, and producing ice in February for air conditioning in July.

Eutectic salts, which melt at about 90 degrees Fahrenheit, provide a much more compact storage medium than water. These cheap, plentiful salts can hold prodigious amounts of heat. In the past, salt caked on the interior walls of the storage container, interfering with efficient heat transfer. General Electric has overcome this problem by rotating the storage cylinder at 3 revolutions per minute.

Electricity can be stored directly in batteries. Existing batteries are expensive, but new types may soon enter the market. For example, the "iron redox" batteries that will store 2,200 kilowatt hours of photovoltaic-generated electricity for an Arkansas community college are expected to cost less than one-fifth as much as standard lead-acid batteries when mass produced.

But nuclear reactors and large coal plants also require energy storage. These facilities cannot be geared up and down to follow the peaks and valleys of electrical demand; they produce power at a steady rate, and surplus power from non-peak hours must be stored for the periods of heaviest demand. Because more energy is used during the day than at night, the overall storage requirements for a society based on renewable energy sources may prove no greater than those of an all-nuclear society.

SOLAR COSTS

Conventional wisdom holds that while solar energy has many attractive characteristics, it is too expensive today to see widespread application. As is so often the case with conventional wisdom, yesterday's truth has become today's misapprehension.

Five years ago, solar energy could not compete economically with low-priced fuels. Most solar homes used materials that were handcrafted in small workshops. But since 1973, the cost of solar equipment has dropped steadily while the costs of all competing energy sources have skyrocketed. Today, with factory production, a typical solar collector costs about $25 a square foot; by 1981, mass production could bring average costs under $10. Solar technologies already can provide energy for many purposes at no higher cost than conventional energy sources.

Take, for example, solar heating. Throughout the lower 48 United States, solar house heating now makes economic sense at the margin. That is to say, if the energy is to come from a new solar unit or a new nuclear power plant, the solar investment will be cheapest. The homeowner, of course, will not be buying electricity just from the expensive new power plant; the utility will average the expensive new energy in with cheap energy from existing sources, so that the true cost of new power is hidden from the individual consumer (and borne, through rising utility bills, by all consumers). But for society as a whole, the new energy could be most cheaply harnessed with solar equipment.

Even where the homeowner must compare the marginal costs of new solar equipment with the average cost of competing energy sources, solar investments will generally make sense over the lifetime of the building. The most important first step is to incorporate passive solar design into the building's blueprints. Often this costs little or nothing. For example, it costs no more to place most windows in the southern wall than to place them facing north, but southern windows capture the sun's warmth while northern windows merely leak the building's internal heat. Roof overhangs, masonry floors and working shutters are not expensive. Yet, combined with tight construction and good insulation, they can lower the heating load of the building by 75 per cent and more. In Arkansas, 200 well-designed houses constructed under a grant from HUD cost no more than neighboring houses built using conventional construction standards, but their fuel bills are only one-fourth as high.

More elaborate designs can lead to greater savings. In the relatively mild climate of Atascadero, Calif., Harold Hay's passive solar house was constructed with bags of water incorporated in its roof. These act like "thermal flywheels," capturing energy on winter days and storing it to meet nighttime heating requirements. In the summer, the system collects heat from the interior during the day and radiates it outward at night. The cost of the solar features was about $5,000. The solar system has provided 100 per cent of the home's heating and cooling needs for several years.

In climates where passive solar design will not provide 100 per cent of heating requirements, back-up fuels or active solar systems are needed. In Princeton, N.J., architect Douglas Kelbaugh's passive solar home captures energy through a huge southern window wall during the day and stores it in a concrete interior wall to meet nighttime heating requirements. Like other passive solar homes, the Kelbaugh residence employs no pumps or fans—just careful design. The solar features cost around $9,000, and they provide virtually all of the home's requirements. In the unusually cold winter of 1976–77, the year's heating bill was just $75. Financed with a conventional home mortgage, Kelbaugh's solar energy system would require $1,800 cash at construction with monthly payments of $60—far less than his neighbors' fuel bills.

Many different solar collectors, pumps, fans and storage systems are now on the market. Prices frequently fluctuate several-fold. For example, solar collectors can be built and installed for a materials cost of about $2 per square foot. Prices of professionally installed solar collectors can range from under $10 per square foot to more than $70. The prices of thermal storage containers range from about $10 per cubic meter for hand-built systems to as much as $35 per cubic meter for commercial products. Hand-built solar systems can hold marked advantages over all competing energy sources. At the lower end of the price range, commercial solar systems also make economic sense.

Skeptics often point to the high-cost solar equipment used in some federal solar demonstration projects and claim that the buildings could have been heated with oil for a fraction of the cost. But such buildings incorporate no cheap passive solar features and they generally employ the most expensive solar hardware on the market. Moreover, the price of oil is an average price—not the price of new oil—and even this average price is kept artificially low through oil depletion allowances, intangible drilling cost write-offs, foreign tax credits, unsafe tankers built for accelerated depreciation, polluting refineries in the Caribbean and direct governmental price controls. Even in this loaded contest, solar energy compares fairly well.

THE COST OF SOLAR CELLS

Even photovoltaic cells—the most expensive technology now being used to harness solar energy—are much less expensive than is commonly believed. For example, a panel of distinguished scientists assembled by the Ford Foundation incorrectly reported in 1977 that "current [photovoltaic] collector costs are about $200,000 per kilowatt of peak electrical capacity."

The most charitable thing to be said for this figure is that it is 20 years out of date. Solar cells did cost about $200,000 a peak kilowatt in the late 1950s, but by early 1975, the costs had dropped to $31,000. By September, 1976—eight months before the Ford report was issued—the costs had dropped to $15,500.

Within months of the Ford report's release, the cost of solar cells fell to $11,750 a peak watt. And last December, the Department of Energy awarded a grant for a solar cell array that "tracks" the sun across the sky and concentrates its rays into comparatively small photovoltaic cells. This system, which will be installed at the Arkansas community college, will generate 362 kilowatts at a total installed cost of $6,000 per peak kilowatt.

Making allowances for the average availability of sunshine versus the average capacity factors of large nuclear power plants and considering demand patterns, transmission and storage, solar cells are now probably about 10 times as expensive as nuclear power in the most favorable regions of the United States. Solar cells now cost about one-tenth what they cost 5 years ago; nuclear power now costs about twice as much as it cost 5 years ago.

The United States now has about 48,000 megawatts of nuclear capacity and less than 1 megawatt of terrestial photovoltaic capacity. With mass production, solar cell costs are expected to continue falling dramatically. A 1977 report by the Federal Energy Administration contends that a $240 million purchase of 150 megawatts of solar cells, staggered over three years, would lead to a cost of just $500 per kilowatt for the 70 megawatts produced the third year.

Both solar-electric and wind-electric devices produce direct current—not the alternating current we are used to. Hence, one occasionally hears the comment that the cost of a solar society should include the cost of replacing all our appliances with devices that run on direct current (as do appliances in many motor homes today). Ignoring the possible merits of converting to direct current, the issue is trifling. Many things—from incandescent light bulbs to stoves—can perform well on direct current. Devices to convert direct current into alternating current are on the market for $180 per kilowatt for home-size units. For large orders, the price can fall to $50 per kilowatt.

WHAT NEXT?

After four years of fumbling, the federal government appears to be on the verge of passing a National Energy Act. This legislative "cornerstone" of the Carter administration is—in essence—an attempt to squeak through 1985 without having to grant Saudi Arabia the mineral rights to Ft. Knox. What it lacks is what America most desperately wants: a vision of where we are going.

The transition to a sustainable, post-petroleum world will require some decades to complete. The National Energy Act—almost totally dependent on the expansion of conventional, centralized energy sources—is not even a step in the right direction. If solar energy is to play an important role in the future, several actions must be taken immediately.

First, there is no substitute for money. While competing energy sources have financially benefited from the diligent efforts of scores of high-paid lobbyists, solar energy has not. Since 1952, when the Paley Commission recommended to President Truman that solar energy be aggressively developed, solar technology has received less than 1 five-hundredth of federal energy funding. Although solar funding increased rapidly after the Arab oil embargo of 1973, it has now remained stalled for two years with less than 4 per cent of the federal energy budget.

For solar enthusiasts, the new Carter budget is a great disappointment. Solar, wind and biological energy sources combined will receive less than one-fifth as much as is directly spent on nuclear fission. Renewable energy resources will receive $200 million less than breeeder reactors alone. In fact after adjusting for inflation, the federal solar budget is $40 million lower this year than it was last year.

The current state of solar technology would justify a budget in the $1 billion range. There would be little public opposition to this $5 per capita investment in our most promising energy source. If our current energy crisis requires "the moral equivalent of war," surely the solar, wind and biological answers to that crisis deserve at least the financial equivalent of one small weapons system.

Of course, no one wants to see tax dollars shoveled out stupidly. A good solar program will require clear-eyed managers and sufficent staff to handle the load. The current solar effort is deficient in both respects. Consequently, research has emphasized small numbers of huge projects. It is far easier for an understaffed office to manage a few big projects than many small ones.

In addition to performing research and development, the federal government should actively encourage the commercialization of solar technologies. Such proposals always stick in the craw of people who would prefer to see commercialization handled in the free marketplace. Alas, the free marketplace for energy disappeared long ago, when mineral depletion allowances, investment tax credits, accelerated depreciation schedules, federal assumption of nuclear liability, federal ownership and subsidization of uranium enrichment facilities, federal underwirting of synthetic fuel development, oil and gas price controls, the rural electrification program, and dozens of other financial and regulatory actions were instituted. Without exception, these discriminnated against decentralized technologies. Today's need is for policies that will put solar energy on an even footing with its competitors.

HELPING THE BUYER

Because the initial investment is the principal cost for solar technology, prospective consumers must have access to up-front money. Different residential solar tax credits have now passed both houses of Congress; the likeliest compromise will provide a credit of 30 per cent on the first $2,500 investment and 20 per cent on the next $7,500. Businesses that install solar equipment will receive a 10 per cent credit above the existing investment tax credit.

Unfortunately, this will not begin to counterbalance the higher tax credit allowed for investments in nuclear and synthetic fuels facilities in the Senate version of the National Energy Act. Moreover, tax credits are of limited usefulness for millions on fixed incomes who are being ravaged by rising fuel prices. Poor people will require somethink like a Treasury rebate as a down payment before they will be able to afford solar investments.

A financing authority should be established to give the homeowner and small businessman access to investment capital on terms at least as attractive as those available to utilities to invest in centralized energy sources. This might take the form of the national Solar Development Bank proposed by Rep. Stephen Neal (D-N.C.), making 30-year loans at very low interest. States could supplement such a federal effort with state institutions funded with revenues from tax-free bonds; several such proposals are now before the California legislature.

Many homeowners are reluctant to purchase solar equipment because such merchandise often carries an inadequate warranty. Warranties are considered important because the initial cost of solar technologies is generally high. Solar investments make economic sense only because they have no fuel costs and low maintenance costs in future years. But if the performance of the equipment is not guaranteed for several years, the economics of solar technologies become more questionable.

However, a warranty systen can discriminate against small manufacturers. In a nascent industry, warranties are meaningful only if they are backed by performance bonds. Otherwise, businesses can simply disappear, leaving the consumer holding the bag. But setting aside scarce capital to guarantee the performance of equipment for a decade can pose an unbearable burden on small entrepreneurs.

California Energy Commissioner Ronald Doctor has suggested a solar warranty fund, analogous to the oil spill liability fund. All solar manufacturers meeting certain standards would be allowed to contribute to the fund; if anyone's equipment proved faulty, the fund would guarantee remuneration. The state would be the warrantor of last resort.

The construction of a house or other building involves a 30-to-50-year commitment to energy usage levels. By 1981, it would be reasonable to require at least passive solar design features in all new buildings. At the very least, new buildings should be required to meet vigorous regional weatherization standards, and to be built and oriented in ways that facilitate eventual retrofitting with solar equipment.

A more direct role can be played by the federal government—the largest single purchaser of almost everything in the American economy—through its procurement policies. If, for example, the Defense Department were to make a concerted effort to provide solar heat where possible to its existing residences, a market in excess of 50 million square feet would open up. The total U.S. market for solar collectors in 1977 was about 5 million square feet.

If Defense were to purchase 150 megawatts of photovoltaic capacity for $450 million (incuding storage batteries and power conditioning equipment), it would save $1.5 billion net over the next 25 years in fuel and maintenance costs for displaced gasoline generators. A 1977 FEA report found that such a Pentagon purchase would reduce the cost of commercial photovoltaics to $500 a kilowatt—a price that is competitive for many purposes with conventionally generated electricity.

HELPING THE THIRD WORLD

One of the most dramatic solar efforts the federal government could undertake would be in the realm of foreign assistance. Solar energy makes even more sense today in the Third World than it does domestically. Developing countries tend to be richly endowed with sunlight. Their population patterns lend themselves to decentralized energy sources: half the people in Latin America, 70 percent in South Asia and 85 percent in Africa still live in rural areas. And in remote Third World villages, the current high cost of conventional energy, especially electricity, makes virtually all solar options economically competitive today.

Last May, President Carter eloquently proclaimed our national interest in improving the prospects of the world's poor. Energy is vital to economic development. Since Carter if understandably cautious about the proliferation of nuclear power around the world, solar energy poses an obvious answer.

What would it cost to provide a minimum decent supply of energy to each of the world's 1 million rural villages before the end of the century? Quite a bit. If the United States were to shoulder the entire burden, it might amount to one-half of 1 percent of our gross national product annually.

That would be a very substantial pledge, but it must be placed in perspective. American aid to Europe under the post-World War II Marshall Plan amounted to 2.8 percent of GNP. By comparison, 0.5 percent for solar assistance is a pittance. Next year, it would amount to over $5 billion—a large figure, but not too intimidating when compared to annual Third World arms receipts of nearly $28 billion.

Much of this foreign assistance would be spent here at home. As American manufacturers begin to mass produce photovoltaic arrays, small wind turbines, etc., the domestic prices of these items should plummet. This would be a boon to U.S. consumers, and it would help America solar companies in the world solar market. As a way to incorporate his concern for poverty, human rights and nuclear proliferation in one package, a "Carter Plan" to bring solar technology to the poor villages of the world may represent the President's most attractive opportunity.

A final area where federal assistance should aggressively harness renewable energy sources is on the farm. U.S. farmers are upset with the low prices their crops are now bringing. U.S. consumers are unwilling to see their food bills rise. One answer would be a major national effort to make America's firms independent of high-priced fuels—thus separating food prices from fuel-induced inflation. Solar, wind and biological sources can be easily tapped to meet the energy demands of American agriculture. A solar equivalent of President Roosevelt's rural electrification program, which provided subsidized loans at 2 percent interest to extend the nation's electrical lines to the farm, could lead to energy self-sufficiency for the nation's farms by 1990.

THE SOLAR SOCIETY

Energy transitions always bring fundamental social change. In the 18th century, the substitution of coal for wood and for draft animals made possible the Industrial Revolution. The later shift to petroleum made possible the jet plane and the automobile, shrinking the world and reshaping its cities. The coming energy transition, whatever direction we take, will bring similarly far-reaching changes.

Tapping some energy sources demands ever-increasing centralization; solar resources are best used at dispersed locations. Some dangerous sources can be permitted widespread growth only under authoritarian regimes; solar energy can lead to nothing more

dangerous than a leaky roof. Some energy sources invite profiteering cartels; solar sources would tend to narrow the gap between rich and poor—both within and among countries. Some energy sources will tend to reduce the size of the workforce; solar sources promise large numbers of new jobs. Some energy sources involve technologies that baffle all but a few specialists; solar energy can be harnessed by individual homeowners with simple devices built of local materials.

Of the possible futures we might choose, a solar-powered one appears most inviting. But the transition will not be smooth and painless. Competing energy sources will be vigorously championed by powerful vested interests. Bureaucratic inertia, political timidity, conflicting corporate designs and the simple, understandable reluctance of people to face up to far-reaching change will all discourage a solar tansition from occurring spontaneously.

If the solar transition is to be speedily undertaken, the federal government will have to play a strongly promotional role. But thus far the influence of national policy makers has probably been negative. For two years they have caused homeowners to delay solar purchases by promising eventual tax credits—and then failed to press the necessary legislation. They have invested the lion's share of federal solar research in elephantine technologies to the detriment of small-scale, decentralized options best suited to solar equipment. They have spared no pains to involve electric and gas utilities in solar applications, ignoring the fact that solar energy is a textbook case of an anti-monopolistic resource.

While still hoping for leadership from Washington, many Americans are no longer waiting for it. With the sure instincts displayed by innumerable inventors, tinkerers and entrepreneurs throughout our history, these citizens are in the vanguard of a nation that, in the years ahead, must increasingly turn toward the sun.

SECONDHAND SOLAR ENERGY—WIND, WATER AND PLANTS TRANSMIT SUN'S POWER

(By Denis Hayes)

Solar energy drives the earth's wind currents and water cycle and is stored in vegetation. Progress is being made in harnessing each of these indirect sources of solar energy.

WIND POWER

The air that envelopes the earth functions as a vast storage battery for solar energy. Winds are generated by the uneven heating of our spinning planet's land and water, plains and mountains, equatorial regions and poles.

The windmill played an important role in American history, especially in the Great Plains where it was used to pump water. More than 6 million windmills were built in the United States over the last century, and about 150,000 still spin productively. Prior to the large-scale federal commitment to rural electrification in the 1930s and 1940s, windmills supplied much of rural America with its only source of electricity.

Judging from the experience of the federal wind energy effort, one might be misled into thinking that harnessing the wind is an outrageously expensive proposition. A 100-kilowatt wind turbine at Plumbrook, Ohio, cost $4 million—$40,000 per kilowatt of capacity. A 2,000-kilowatt turbine being built by General Electric in Boone, N.C., on a cost-plus contract is currently expected to cost $16 million—or $8,000 per kilowatt. But these early efforts were highly instrumented, and their construction was riddled with errors. "We're getting smarter as we get older, I hope," says Lou Divone, head of the federal wind research effort.

Some parts of the private sector are already fairly smart. A privately funded, 200-kilowatt wind turbine on Cuttyhunk Island off the Massachusetts coast was built for just $280,000—or $1,400 per kilowatt of capacity. It produced 400,000 kilowatt hours of electricity last year at an average cost of 5.3 cents per kilowatt hour. A Northwest firm sells 275-kilowatt and 600-kilowatt wind turbines for $400 to $480 per kilowatt (uninstalled). And Tvind, a college community in Denmark, has designed and built a massive 2,000-kilowatt wind turbine for $660,000—just $330 per kilowatt including installation. (Local laborers worked for living expenses rather than salaries, while specialized outside laborers were paid regular rates.) This is roughly 2 per cent of the cost per kilowatt of the 2,000-kilowatt GE wind turbine in North Carolina. At the Tvind price, wind-generated electricity is cheaper than just the cost of fuel for an oil-fired power plant.

FALLING WATER

In the United States, hydroelectric development has for four decades focused upon huge projects. We now have 12 dams with capacities of a million kilowatts or more. Small facilities of the sort employed extensively by Japan, Switzerland, Sweden and China have remained largely undeveloped in America. Of the nearly 50,000 existing dams over 25 feet in this country (built mostly for recreational, agricultural and flood control purposes), only 800 are licensed to produce power. An Army Corps of Engineers report last year estimated that 54 million kilowatts—more power than we now get from nuclear power—could be harnessed simply by installing turbines at dams that already exist. This may be the cheapest undeveloped source of electricity in America today.

PLANT POWER

All fossil fuels were once green plants. Existing technology can harvest "energy crops" directly, without waiting hundreds of millions of years for nature to convert them into oil, gas and coal. Dry cellulose contains about 60 per cent as much energy as coal—and the hydrocarbons produced by some plants actually contain more.

In addition to being burned directly, biomass can be transformed into useful fuels in many ways. Some of these were developed by the Germans to cope with the petroleum shortages of World War II. Today, several of these technologies are being pursued much more vigorously abroad than in the United States.

Last December, President Carter examined a biogas plant in India. Observing that this simple, cheap technology converted sewage, animal dung and agricultural wastes into methane, the President joked that it might not be too late to include such devices in the energy bill now deadlocked in Congress. It's no joke. In the last three years, China has built 4.3 million biogas plants. The United States, by comparison, has fewer than 100.

Biomass can also be converted into alcohol. Brazil recently embarked upon a $400 million program to produce ethanol from such "energy crops" as sugar cane and cassava—a starchy South American staple. The Brazilians hope to substitute home-grown ethanol for all imported gasoline before the year 2000. Brazil is thus the only country in the world that is consciously building a transportation system for the post-petroleum era.

In the United States, alcohol produced from agricultural wastes is now comparable in price to gasoline, and "gasahol" (gasoline mixed with alcohol) is now being sold commercially in several Midwestern states.

Biological energy sources are of many kinds, and their prices vary accordingly. The wastes of the forest products industries are their cheapest potential energy sources. Many other industrial processes also have large waste streams that could be tapped. An Ohio factory that makes truck axles has installed a pyrolitic incinerator to burn paper and other organic wastes. Enough energy is recaptured to meet the total heating and cooling needs of the 290,000-square-foot facility.

Converted to such liquid or gaseous forms, organic fuels can be readily substituted for those fossil fuels—oil and natural gas—that are in shortest supply. The potential biomass harvest in this country could yield more energy than is now derived from imported oil.●

CRONYISM IN JUDICIAL SELECTION

● Mr. WALLOP. Mr. President, because of the recent Benjamin Civiletti hearings held before the Senate Judiciary Committee and their direct relationship to the system of merit selection of political appointees, I would like to submit for the RECORD a copy of an article recently published in the Chicago Tribune, authored by Senator RICHARD LUGAR of Indiana. The distinguished Senator from Indiana is the sponsor of Senate Resolution 353, a bill now before the Senate Judiciary Committee dealing with merit selection of Federal judges and U.S. marshals and attorneys.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRONYISM IN JUDICIAL SELECTION

By now, most Americans are familiar with David Marston's name, and with his firing as United States Attorney in Philadelphia under circumstances which have seriously embarrassed the Carter Administration and caught the President himself in some public untruths. The dismissal of this successful corruption-fighter in the midst of a sensitive probe—at the insistence of Democratic Congressmen who were known to be under investigation by Marston—has aroused public opinion and sparked demands for appointment of a special prosecutor and a Watergate-styled investigation.

Fewer citizens are aware of the archaic process through which U.S. attorneys, along with federal judges and marshals, are selected in this country. Although the Constitution specifically grants to the President the power to appoint federal judicial officials, the practice of permitting Senators and Congressmen of the President's party to control these selections politically has prevailed for decades.

Past reforms have assured merit selection virtually throughout the federal government, but the most sensitive positions of the judiciary, in which impartiality and non-partisanship are of maximum importance, are still being filled by backroom maneuvering.

In one of the most exhilarating and oftenmade promises of the 1976 campaign, President Carter proclaimed:

"All federal judges and prosecutors should be appointed strictly on the basis of merit without any consideration of poitical aspects or influence."

Rhetoric and performance soon parted company. In March, Attorney General Bell defined the real Administration policy: "We had an election last November, and the Democrats won." Accordingly the appointment process regularly centered on closed-door discussions with a state's Democratic Senators, or, if both were Republicans—as in Pennsylvania—with Democratic Congressmen and state officials. By late 1977, President Carter had nominated 87 federal judges and U.S. attorneys—86 were avowed Democrats.

The patronage distribution of these vitally important jobs, and the President's straight-

faced violation of an explicit campaign pledge, constitute a continuing national scandal which demands attention and reform. Given the threat to habit and to entrenched authority posed by reform, change in the system may be impossible. Nevertheless, it is critically important to try, and to try in 1978.

The Congress is likely to approve later this year the creation of more than 140 new federal judgeships, 30% of the current total and the largest expansion of the federal judiciary in history. If 140 new judges are suddenly appointed to lifetime tenures on the basis of political partisanship, any hopes for an independent, merit judiciary will be eliminated in effect for the balance of the century.

Despite the President's professed commitment to merit selection, despite the outspoken advocacy of Common Cause, the American Bar Association, the American Judicature Society, and a host of editorial commentators, in only four states have Senators created commissions and initiated selection plans which meet what I would term minimum standards for merit selection.

What are these minimum standards? In my judgment, they are:

First, no Senator should be permitted to originate the names of candidates, thus limiting the commission's options.

Second, no Senator should be able to control, through appointment, the commission decision. For example, no Senator should name more than half the commission members.

Third, no Senator should have the authority to decide the name or names to be presented to the President. Commission judgment should be final.

While Senators have a Constitutional role to play in advising the President on judicial nominations, and consenting to his choices, they ought not control the process. Americans who share a commitment to reform should not be misled by so-called "merit systems" which fail to meet these minimum standards and involve committees which merely rubber-stamp Senatorial choices.

When it became clear that President Carter did not intend to carry out his campaign pledge, I drafted legislation, which I have introduced as Senate Resolution 353, to require each state's Senators to implement a merit selection process which meets the minimum standards above.

Any hopes that the Senate will take this issue seriously depend entirely on the strength of public sentiment against political cronyism in judicial appointments. Ironically, President Carter, in his dismissal of an effective Republican public servant, may have precipitated enough public pressure to bring about the reform he promised but failed to deliver.●

S. 2164 AND UNIT COAL TRAINS

● Mr. ZORINSKY. Mr. President, on March 16, 1978, I will be testifying before the Subcommittee on Transportation of the Senate Committee on Public Works and Environment. I will be testifying on behalf of myself and my fellow cosponsors, Senators ANDERSON, HART, and HASKELL. With the advent of the Nation's coal strike, more coal trains than ever are rolling. No end is in sight to the growth of coal train traffic. To attempt to reduce as much as possible the destruction of community cohesiveness and human life itself I have introduced S. 2164. The legislation and "Dear Colleague" letter follow, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
March 3, 1978.

DEAR COLLEAGUE: We seek your co-sponsorship of S. 2164. This legislation is designed to help ensure that coal can play an essential role in our efforts to strive for energy independence while still providing for the public health and safety.

Unit coal trains have become a primary delivery mechanism to provide this source of energy from mine to consuming public. However, wherever these unit coal trains run there will be certain problems which arise at the junctures of unseparated rail and highway crossings. Because of these unit coal trains, communities not only become segregrated, and lose cohesiveness, but emergency vehicles of all types are prevented from providing their public services. Additionally, waiting vehicles consume petroleum.

Presently money is provided from the Highway Trust Fund for highway and rail crossings but these funds are predominately spent for signaling devices. S. 2164 will provide funds to separate/relocate energy impacted grade crossings by prioritizing these crossings within the fund.

S. 2164 will authorize three hundred million dollars a year from the Highway Trust Fund for three years from the date of enactment. This money will be spent to separate these energy impacted highway and rail crossings. In situations where it is economically and socially more desirable to relocate small portions of track, S. 2164 is also intended to provide such relief.

We view this legislation as a means to initiate dialogue on this issue. We are cognizant of the responsibility of the railroads to share financial responsibility.

We therefore ask your support and cosponsorship for initiating this dialogue by calling Chip Terrill at 4–6551, Sam Stern at 4–5641, Mike Huffaker at 4–5852, or Marty Zeller at 4–5941.

Sincerely,

EDWARD ZORINSKY,
WENDELL ANDERSON,
GARY HART,
FLOYD K. HASKELL.

S. 2164

A bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail and highway crossings in certain impacted cases

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter I of title 23 of the United States Code is amended by inserting at the end thereof a new section as follows:

"§ 157. Energy impacted rail highway crossings

"(a) The Secretary is authorized to apportion funds made available for the purpose of this section for necessary construction to separate rail highway crossings where the rail facilities have incurred a substantial increase in use as a result of coal transportation activities to meet national energy requirements and will continue to incur such use for such purpose resulting in substantial delays in highway travel. Such apportionment shall be without regard to allocations under apportionment formulas otherwise established under this title.

"(b) The Federal share on account of any construction under this section shall be 90 per centum of the cost thereof.

"(c) There is authorized to be appropriated out of the Highway Trust Fund for the purpose of this section not to exceed $300,000,000 for the fiscal year beginning October 1, 1978 and for each of the two succeeding fiscal years."

(b) The analysis of chapter I of title 23 of the United States Code is amended by adding at the end thereof the following:

"157. Energy impacted rail highway crossings.".●

MEETING THE NEEDS OF AMERICA'S CITIES

● Mrs. HUMPHREY. Mr. President, while I am generally pleased with the national economic recovery to date—particularly the reduction in the unemployment rate to 6.3 percent, I am concerned about the areas where recovery has been slow. There are areas in this Nation which have chronic economic problems—net reductions in employment, high rates of unemployment, and outmigrations of middle-class taxpayers. These problems are generally associated with the older central cities of the Northeast; however, every region is confronted by localities which exhibit some or all of these characteristics.

Between 1947 and 1972 in San Francisco, for example, the population decreased by 12.5 percent and total manufacturing employment was down 28.1 percent. In New Orleans, during the same period, the population increased by 3.6 percent, but total manufacturing employment dropped by 17.8 percent. In Minnesota, my own State, Minneapolis suffered terrific losses; a population decrease of 28.4 percent and a 6.5-percent reduction of manufacturing employment. While it is apparent that some regions are worse off than others, it seems clear to me that all regions have reason for concern, even strong growth regions.

The high rate of structural unemployment is another example of the weaknesses of our national recovery. Structural unemployment is largely a minority and youth phenomenon. In 1977, unemployment averaged 38.3 percent for black and other (nonwhite) teenagers, and for black teenagers alone it averaged 41.1 percent. This was an increase over the 1976 unemployment rate of 37.1 percent for nonwhite youth. In 1977, 63 percent of the black civilian labor force resided in central cities.

As many of our cities are plagued by diminishing tax bases and high rates of unemployment, they are also confronted by increasingly deteriorated infrastructures. During 1960–65, capital expenditures by State and local governments averaged about 29 percent of their budgets. That proportion fell to 15 percent in 1976 and was even lower in 1977.

When given the difficult choice of cutting back on operating expenditures for public services or deferring maintenance of public facilities, local officials have often chosen the latter course. Frequently, reductions in capital expenditures have also been accompanied by cuts in public services due to mounting fiscal pressure.

In the short run, deferring capital expenditures is logical and relatively harmless. The severity and longevity of the economic recession, however, has forced a continued reduction in capital expenditures and thus an increas-

ingly severe rate of facility deterioration. What we are witnessing, in fact, is the deterioration of the cities' greatest assets—their inherited stock of public facilities. The deferral of road resurfacing and bridge repainting may seem inconsequential in the short run, but the cumulative effect is of paramount importance to our cities and our Nation.

The financing of capital expenditures very often results from local bond sales. High interest rates drive up the cost of the facility encouraging delays on the sales of bonds and further exacerbating the deterioration of the capital stock. I am aware and indeed pleased that in the aggregate, municipal interest rates are down from their high levels of a few years ago. The average interest rate for the fisrt three quarters of 1977 was 5.62 percent. One must look beyond the deception of averages, however.

Because it is an average, many cities are paying much higher interest rates. Although interest rates are relatively low at the present time, we have no guarantee that they will not take off again—that the interest for Baa rated cities will not soar to the 1975 average of 7.62 percent.

Unfortunately, the fate of our cities is largely determined by speculators who rely upon a rating system of questionable validity. The tax exempt municipal bond system will, in fact, cost the Federal Government about $8.5 billion in lost taxes next year. Surely there must be a more effective way to finance our cities' needs.

Despite the national income account (NIA) estimates of a $30 billion State and local government surplus, I remain convinced that the fiscal problems of our cities are not behind us. We must have NIA data disaggregated on a State-by-State basis if we are to accurately determine the extent of our economy's recovery. Until such information is available, I can only rely on the reports of city officials.

Our Nation's mayors, through the National Conference of Mayors, have made it clear that the President's proposed budget is largely inadequate in meeting their needs. In particular, they note that the proposal appears to weaken the critical role of local government as indicated below:

Comprehensive Employment and Training Act (CETA) programs are reauthorized, but the program level, as expressed in budget authority, remains unchanged.

The Department of Commerce (DDC) proposed a sharp increase in the regular Economic Development Administration (EDA) program, but the request for budget authority of $627.4 million falls far short of the $1.9 million EDA authorization. Moreover, a new program of direct funding of neighborhood groups is proposed, while funds for the Community Services Administration's community economic development programs are reduced.

The important, but fledgling, federal support of mayors playing an effective role in social services planning is sharply curtailed.

The new transportation legislation contains many sound proposals, but the funding level is at least $1 billion below the need.

I feel we in Congress should give careful attention to the conference recommendations. Who should know better than the mayors, the extent of the Nation's urban needs?

Mr. President, there are three additional areas in which congressional attention should be directed in the near future. These are important proposals for improving the economic viability of urban America.

First, the extension of the countercyclical revenue-sharing program. This program can be an effective antirecession device and should be in place to be used whenever economic conditions indicate it is needed. Without such a permanent program, the economic drag of State and local fiscal and spending policies can deepen the impact of recessions on our economy. It is also important that we seriously consider reducing the national unemployment rate trigger for this essential program to 5.5 percent.

Second, economic growth in areas of high unemployment and low levels of economic activity can be substantially improved through creation of a National Domestic Development Bank. As I see it, such a bank must extend long-term low-interest loans to municipal governments for development of public facilities and also to private businesses for economic development purposes.

Third, I believe we must also consider using the investment tax credit to encourage business to invest or expand investment in urban and rural areas with serious economic development problems. I believe Congress should seriously consider a supplemental economic development differential to the existing investment tax credit.

Mr. President, Congress should come to grips with the severe set of social and economic problems that confront America's cities. The Administration will soon unveil its urban development policy. It is vital that Congress give this issue careful, prompt, and comprehensive consideration. In doing so, I believe it is very important that we listen carefully to the proposals of those with the heavy responsibility of leading our cities—the Nation's mayors.

Therefore, Mr. President, I ask unanimous consent that the U.S. Conference of Mayors policy recommendations to President Carter for fiscal year 1979 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONFERENCE OF MAYORS POLICY RECOMMENDATIONS TO PRESIDENT CARTER FOR FISCAL YEAR 1979 NATIONAL URBAN POLICY BUDGET AMENDMENT

[In millions of dollars]

	Conference of Mayors recommendations	Fiscal year 1979 request	Difference
HUMAN SERVICES			
Employment:			
Title 1	3,000.0	2,027.0	973.0
Youth (YEDPA)	1,500.0	931.0	569.0
Summer youth	1,140.0	740.0	400.0
Struct. unemployment and PSE	10,000.0	5,955.0	4,045.0
Subtotal	15,640.0	9,653.0	5,987.0
Social services:			
Title XX	2,700.0	2,500.0	200.0
Human services planning	75.0		75.0
Subtotal	2,775.0	2,500.0	275.0
Management assistance	150.0		150.0
Crime:			
LEAA	721.0	641.0	80.0
ATF	150.0	135.0	15.0
Concen. urban enforce	15.0	8.5	6.5
Sutotal	886.0	784.5	101.5
Alcohol and drug abuse:			
NIDA	275.0	275.0	
Alcohol abuse	275.0	174.3	100.7
Subtotal	550.0	449.3	100.7
Aging:			
AOA	190.5	187.0	3.5
Title IX	378.5	190.4	188.1
Subtotal	569.0	377.4	191.6
PHYSICAL DEVELOPMENT			
Economic Development:			
EDA	1,900.0	627.4	1,272.6
Soft public works	1,000.0		1,000.0
Subtotal	2,900.0	627.4	2,272.6
Housing and community development: [1]			
Assisted units	[2] 2,002.4	[2] 1,335.0	[2] 667.4
Additional subsidies	1,000.0	800.0	200.0
Targeted tandem	2,000.0	2,000.0	
Full CD funding	3,750.0	3,750.0	
Policy development/research	150.0	62.5	87.5
Subtotal	8,902.4	7,947.5	954.9
Transportation: Program level	3,856.0	2,856.0	1,000.0
Environment:			
Waste treatment	4,500.0	4,500.0	
Sec. 208	150.0	50.0	100.0
Air pollution control	100.0	75.0	25.0
Traffic control	75.0		75.0
Solid waste management	55.0	12.0	43.0
Subtotal	4,880.0	4,637.0	243.0
Total	41,117.4	29,841.1	11,276.3
Other priority needs:			
Countercyclical fiscal assistance [3]			
Revolving loan fund (Economic Development Administration)			130.0
Revolving loan fund (Department of Housing and Urban Development)			60.0

[1] $1,500,000,000 of community development and urban action grants over currently authorized levels was recommended. In view of the absence of support beyond current levels and an administration request for full funding, this category was deleted from the total.

[2] Figures cited are contract authority; budget authority recommended by the Conference of Mayors is $46,000,000,000 and the amount requested for fiscal year 1979 is $31,000,000,000.

[3] U.S. Conference of Mayors policy calls for a permanent expanded program triggering on and off at Federal as well as local rates of unemployment with amounts of authorizations dependent on the rates of unemployment. The budget contains $1,040,000,000 for the fiscal year 1979 funding.●

SENATE RESOLUTION 411—RESOLUTION RELATING TO DEPOSITS TO MINORITY-OWNED COMMERCIAL BANKS

● Mr. TOWER. Mr. President, I am delighted to join Senator LUGAR in sponsoring this resolution calling on the administration to make every effort to channel Federal funds into minority-owned and operated financial institutions.

Due to a recent change in policy, many minority institutions have experienced

great difficulty in obtaining or retaining deposits from the Federal Government. This policy is a change from that in effect since 1970 under the minority bank deposit program.

Minority owned and operated depository institutions have made a valuable contribution to our Nation's financial system and the communities they serve. But, for many of them, it has been an uphill struggle. They are, of course, subject to the same market pressures as all other financial institutions. But, most of them are quite small, many of them had difficulty in attracting deposits and a relatively large share of their funds have traditionally been accounted for by public deposits. They often operate in an economic environment that is less than ideal, and the problem of maintaining adequate capital and experienced management is acute.

The special condition of minority owned and operated depository institutions was recognized by Congress last year in Public Law 95–147, which changed the Treasury's tax and loan account system. That act was designed to allow the Treasury to earn interest on such accounts. But, great care was taken to prevent the change in the program from adversely affecting minority banks. The report of the Senate Committee on Banking, Housing, and Urban Affairs stated the following:

Implementation of the tax and loan balance authority contained in H.R. 5675 is likely to have an adverse impact on minority banks. To soften the impact on minority banks, the committees intend for the Treasury to phase in the investment authority with respect to tax and loan account funds in such banks over a 5-year period. "Special demand deposit" balances would be opened in such banks, and funds in these special accounts would not be interest bearing. The initial amount deposited in such accounts would be related to the average tax and loan account balance in the banks in a selected base year, presumably the most recent full year. All special demand deposit accounts would be phased out over a 5-year period by reducing them by 20 percent of the initial deposit each year. The committees agree that the Treasury should institute "special demand deposit" accounts to soften the impact of the investment authority contained in H.R. 5675 on minority banks. The phrase "special demand deposit" in regard to minority banks is significant to the Treasury because it signifies that Treasury can withdraw funds from such accounts in 7 days instead of 30 days, as under the time deposit plan.

This resolution that is being introduced today is designed to assure that the cash management programs of the Federal Government are conducted with a similar objective. There is nothing in the resolution requiring the Federal Government to engage in anything less than good cash management techniques. But, it is designed to encourage the administration to recognize the need of minority owned and operated institutions in carrying out the Federal Government's cash management programs.●

S. 270, THE PUBLIC PARTICIPATION IN FEDERAL AGENCY PROCEEDINGS ACT

● Mr. KENNEDY. Mr. President, with the defeat in the House of the proposed Office of Consumer Representation, there is renewed interest in legislation now pending in both Senate and House Judiciary Committees to authorize Federal agencies to provide financial assistance to citizens or citizen groups for their participation in agency proceedings.

S. 270 and H.R. 8798 represent Congress last opportunity to enact at least one component of the President's consumer program—which also included the Consumer Protection Agency, class actions, and broadened standing to sue legislation—before the close of the current session. Simply put; we now have one last chance to fulfill the expressed desire of the American public to become more directly involved in their Government through increased participation in agency hearings and deliberations.

In an effort to facilitate discussion and consideration of these bills, I would like to place in the RECORD several items which bear on the overall issue of citizen participation in the Federal administrative process:

First. The text of S. 270 itself, as reported by the Subcommittee on Administrative Practice and Procedure;

Second. Two chapters from volume III of the Committee on Governmental Affairs' comprehensive study on Federal regulation; entitled "Public Participation in Regulatory Agency Proceedings." Chapters 2 and 7 deal with the extent and cost of participation as well as specific issues in the debate over S.270;

Third. An article on S. 270 I wrote for the June, 1977 issue of Trial magazine; and

Fourth. A short compendium of responses to commonly asked questions about the public participation bill.

I sincerely hope, Mr. President, that Congress will give serious consideration to this legislation during the coming months. I commend these materials to the reading of Members and their staffs and to all others who are interested in this issue, and ask unanimous consent that they be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 270

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Public Participation in Federal Agency Proceedings Act of 1978."

SEC. 2. (a) Subchapter II of chapter 5 of title 5, United States Code (relating to administrative procedure), is amended by inserting after section 558 of such title the following new section:

"§ 558a. Attorney's fees; fees and costs of experts; participation expenses

"(a)(1) The Congress finds that effective functioning of the administrative process of Government requires Federal agencies to seek the views of all affected citizens. In practice, access to the administrative process is frequently an exclusive function of a person's ability to meet the high costs of participation in Government proceedings.

"(2) The purpose of this section is to promote increased public participation in agency proceedings, thereby insuring more effective functioning of the administrative process by enabling all affected persons to secure the representation in agency proceedings to which such persons are entitled. The Congress intends that each Federal agency shall utilize to the fullest extent the authority and funds provided pursuant to this section.

"(b) For the purpose of this section the term—

"(1) 'person' means any person as defined in section 551(2) of this title and includes a group of individuals with similar interests;

"(2) 'proceeding' means any agency process including rulemaking, ratemaking, licensing, adjudication, or any other agency process in which there may be public participation pursuant to statute, regulation, or agency practice, whether or not such process is subject to the provisions of this subchapter.

"(c)(1) Each agency is authorized, in accordance with the provisions of this section, to award reasonable attorneys' fees, fees and costs of experts, and other costs of participation incurred by eligible persons in all rulemaking, ratemaking, and licensing proceedings, and, in addition, to such other proceedings involving issues which relate directly to health, safety, civil rights, the environment, or the economic well-being of consumers in the marketplace.

"(2)(A) This secion does not authorize funds for merely attending, as opposed to participating in, agency proceedings, nor for proceedings where the cost of participation is minimal.

"(B) This section does not create any new right to participate in any Federal agency proceeding of—

"(d) Any person is eligible to receive an award under this section for participation (whether or not as a party) in an agency proceeding if—

"(1) the person is an effective representative of an interest the representation of which contributes or can reasonably be expected to contribute substantially to a fair determination of the proceeding, taking into account—

"(A) whether the interest is adequately represented by a participant other than the agency itself,

"(B) the number and complexity of the issues presented,

"(C) the importance of public participation, in consideration of the need to encourage participation by representatives of segments of the public who, as individuals, may have little economic incentive to participate, and

"(D) the need for representation of a fair balance of interests; and

"(2)(A) the economic interest of the person in the outcome of the proceeding is small in comparison to the costs of effective participation in the proceeding by that person, or whenever the person is a group or organization, the economic interest of a substantial majority of the individual members of such group or organization is small in comparison to the costs of effective participation in the proceeding, or

"(B) the person does not have sufficient resources available to participate effectively in the proceeding in the absence of an award under this section.

"(e)(1) Any person seeking an award under this section shall submit to the appropriate agency an application which states the basis of such person's eligibility for the

award and the amount sought. Upon receipt of such application, the agency shall make a written determination of the eligibility of the person for an award and the amount and computation of such award, if any, and shall state the reasons therefor. Such determination shall be made promptly, and prior to timely participation in the proceeding by that person unless the agency finds that prior determination cannot practicably be made, and states in writing its reasons for a temporary deferral. The agency shall make determinations required by this paragraph after consideration of the funds available for awards under this section for the proceding and the requests or possible requests for such awards by other eligible participants in the proceeding. For the purpose of this section a determination under this paragraph is a final agency action in accordance with chapter 7 of this title.

"(2) Whenever multiple applications are submitted for participation in a proceeding, the agency may—

"(A) require consolidation of duplicative presentations;

"(B) select one or more effective representatives to participate;

"(C) offer compensation only for certain categories of expenses, or

"(D) jointly compensate persons representing identical or closely related viewpoints.

"(3) Payment of fees and costs under this section shall be made—

"(A) within ninety days after the date on which a final decision or order disposing of the matters involved in the proceeding or phase of the proceeding is made by the agency; or,

"(B) within ninety days after an eligible person submits to the agency a statement of its fees and costs if the agency has deferred making a determination under subsection (e)(1) of this section by the date of such final decision.

"(4) Notwithstanding any other provision of law, an agency shall make advance payments to permit any eligible person to participate or to continue to participate in a proceeding if the person establishes that the ability of such person to participate in the proceeding will be impaired by failure to receive funds prior to the conclusion of such proceeding.

"(5) The amount of reasonable attorneys' fees, fees, and costs of experts, and other costs of participation awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished or to be furnished, except that (A) no expert or consultant shall be compensated at a rate in excess of the highest rate of compensation for experts and consultants paid by the agency involved; and (B) attorneys' fees shall not be awarded in excess of $50 per hour for any such participation unless the agency determines that special factors, such as an increase in the cost of living or limited availability of qualified attorneys for the proceedings involved justify a higher fee.

"(6) No determination under this subsection shall be made by any office, bureau, or other division of an agency having responsibility for the presentation of the case or the initial decision or recommendation in any proceeding to which this section applies, except that agency personnel and hearing examiners in any such proceeding may provide relevant information with respect to such determinations.

"(7) Each agency shall take appropriate action to assure that information concerning the availability of compensation for public participation pursuant to this section is contained in the notices of proceedings to which this section applies and to otherwise publicize the availability of such funds to the general public.

"(f)(1) A person who receives advance payments pursuant to this section or who the agency determines to be eligible to receive a specified award pursuant to this section shall be liable for repayment of part or all of such payments actually received, or for forfeiture of part or all of the specified award for which such person is determined to be eligible, whenever the agency determines that the person clearly has not provided the representation for which the payments or specified award was made.

"(2) In any agency proceeding—

"(A) in which an eligible person acts in a manner demonstrating bad faith toward any other participant, and upon application by such other participant, the agency may rescind part or all of an award under this section to such eligible person, or

"(B) in which any participant (other than an eligible person) acts in a manner demonstrating bad faith toward an eligible person, and upon application by such eligible person, the agency may require such participant to pay to the agency an amount equal to part or all of an award made to such eligible person under this section.

"(g) A person who has applied for an award under this section may bring an action in accordance with chapter 7 of this title for review of a final agency action under this section—

"(1) denying an award, failing to make a determination, or failing to pay an award of fees or costs or both to such persons, or

"(2) granting an amount of fees or costs, or both, which is insufficient to enable such person to participate or to continue to participate effectively in a proceeding, or

"(3) reimbursing an amount of fees or costs, or both, which is insufficient to compensate such person for its participation in such proceeding

in the appropriate court of the United States having jurisdiction of an appeal from the proceeding in which such person participated or sought to participate, except that such appeal shall not be the basis for the court to enter an order to stay such proceeding. No person shall be entitled to intervene in any action brought under this section involving an application for an award by another person.

"(h)(1) Each agency shall, within ninety days after the date of enactment of this section, propose regulations to carry out the provisions of this section. Such regulations shall be adopted by the agency and take effect no later than one hundred and eighty days after the date of enactment of this section.

"(2)(A) The head of each agency to which this section applies shall prepare and transmit to the Congress and to the Office of Management and Budget by such date as the Director of the Office of Management and Budget designates an annual report with respect to the nature and disposition of all proceedings in which awards of fees and costs pursuant to this section were sought. Each report shall include the amounts sought and awarded in each such proceeding, the computation of such amounts, and the identity of each applicant and recipient.

"(B) The Director of the Office of Management and Budget shall allocate the funds appropriated pursuant to section 5(a) of the Public Participation in Federal Agency Proceedings Act of 1977 among agencies to which this section applies. In making such allocations. the Director shall be guided by the indicia of need for funds to promote public participation in each agency's proceedings based on a survey of agency estimates for the initial year and thereafter based upon the report of each agency submitted pursuant to paragraph (A) of this subsection. The Director shall insure that the funds appropriated pursuant to such section 5(a) for each fiscal year are utilized to the fullest extent.

"(C) The Director of the Office of Management and Budget shall submit to Congress on the date of submission of the President's budget a report showing the funds allocated to each agency pursuant to this subsection.".

(b) The analysis of chapter 5 of title 5, United States Code, is amended by inserting immediately after the item relating to section 558 of such title the following new item:

"588a. Attorneys' fees; fees and costs of experts; participation expenses.".

SEC. 3. (a) Chapter 7 of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 707. Attorneys' fees; fees and costs of experts; litigation expenses

"(a) For the purpose of this section, the term 'person' means any person defined by section 551(2) of this title and includes a class of individuals and any individual member of such class.

"(b) Notwithstanding any other provision of law, any party or party intervenor in a civil action or other proceeding for judicial review of agency action under this chapter shall be entitled to recover reasonable attorneys' fees, fees and costs of experts, and other reasonable costs of litigation, including taxable costs, from the United States if—

"(1) the court affords such person the relief sought in substantial measure or, after the filing of such action, the agency affords such person the relief sought in substantial measure;

"(2) such action served an important public policy; and

"(3)(A) the economic interest of the person in the outcome of the action is small in comparison to the costs of effective participation in the action by that person, or whenever the person is a group or organization, the economic interest of a substantial majority of the individual members of such group or organization is small in comparison to the costs of effective participation in the action, or

"(B) the person does not have sufficient resources available to participate effectively in the action in the absence of an award under this section.

"(c) Reasonable attorneys' fees, fees and cost of experts, and other costs of litigation awarded under this section shall be based upon prevailing market rates for the kind and quality of the services furnished.".

(b) The analysis of chapter 7 of title 5, United States Code, is amended by adding immediately after the item relating to section 706 of such title the following new item:

"707. Attorneys' fees; fees and costs of experts; litigation expenses.".

SEC. 4. The Administrative Office of the United States Courts shall, in accordance with such rules as the Judicial Conference of the United States may prescribe, prepare, and transmit to Congress an annual report on awards of attorney's fees and litigation expenses against the United States under section 707 of title 5, United States Code. Such report shall contain a list of all civil actions in which such awards were sought, and shall include the amounts awarded in each such action and the identity of each recipient.

SEC. 5. (a) In addition to the sums authorized under subsection (b), and in addition to any funds otherwise available for supporting public participation in agency proceedings, there are authorized to be appropriated for the purposes of carrying out the provisions of the amendment made by section 2 of this Act the sums of $10,000,000

for the fiscal year 1979, $10,000,000 for the fiscal year 1980, and $10,000,000 for the fiscal year 1981. All funds for any fiscal year which are not expended during such year shall remain available for expenditure in succeeding fiscal years for awards of fees and costs in proceedings commenced during such fiscal year.

(b) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of the amendments made by section 3 of this Act for each fiscal year prior to October 1, 1980, and there are authorized to be appropriated, for the fiscal year 1981 and succeeding fiscal years, such sums as may be necessary to satisfy court awards of fees pursuant to the amendments made by section 3 where the action was brought prior to the end of fiscal year 1980.

SEC. 6. The provisions of this Act shall take effect on the date of its enactment, except that—

(1) the amendment made by section 2 shall take effect one hundred and eighty days after such date, but the provisions of the amendment made by such section shall apply to the proceedings in which regulations are required to be issued under section 558a(h)(1); and

(2) the amendments made by section 3 shall apply to any civil action brought after such date of enactment.

PUBLIC PARTICIPATION IN REGULATORY AGENCY PROCEEDINGS

EXTENT AND COST OF PARTICIPATION

At the outset of this study on public participation, we sought to determine the extent to which the public is currently participating in the regulatory process.

It is not possible, of course, to precisely calculate the extent of such participation. Even to estimate such a figure involves a large number of imponderables. What, for example, constitutes effective or meaningful participation? Can a simple letter from a nonregulated participant constitute effective public participation? Does the number of pages of formal submission make a difference? Does it matter if the presentation is written or oral? Is there a significant difference between participation by an organized public interest group, and participation by individuals that are not organized? Is there a significant difference if the participant is guided by professional counsel?

The answer to these questions is yes, to a degree. Generally, participation by an organized group tends to be more effective. It tends to be more effective when guided by professional counsel. It tends to be more effective when submissions are knowledgeable, relevant, and directed to the issue pending before the agency. And it is certainly more effective when there are adequate funds available.

We surveyed eight of the Federal regulatory agencies in an effort to estimate the extent of public participation in agency proceedings. We also sought to approximate the comparative resources that public participants and regulated industries commit to their participation efforts. Unfortunately, little data of a comprehensive nature is available. Each agency compiles its data differently, and in the case of several agencies, few figures were available at all. With respect to cost data, there are no across-the-board figures at all, and we were compelled to proceed on case-by-case basis.

Nevertheless, while any single set of data which we discuss in the following sections is less comprehensive than we would wish, we believe the sum total of this data provides a clear picture of the current extent of public participation in the regulatory proces, and of the comparative resources which participants are able to commit to participation. On the whole, the data clearly shows that participation by public or nonregulated interests before Federal regulatory agencies is consistently exceeded by the participation of regulated industries, and often constitutes only a tiny fraction of such industry participation. This pattern holds for both rulemaking and adjudication, although the margin is not as great for rulemaking as it is for adjudication. The data also suggests that in all types of proceedings, regulated interests commit far greater resources to participate before regulatory agencies than their public interest counterparts.

EXTENT OF PARTICIPATION

We asked eight regulatory agencies—FCC, FPC, FTC, ICC, CAB, FDA, NRC, and SEC—to identify for us which 10 of the last 30 rulemakings and which 10 of the last 30 adjudicatory proceedings they considered the most significant. We examined the dockets in these cases to determine the extent of participation by regulated and nonregulated interests.

Participating in rulemaking proceedings

At the FPC, the agency cited eight dockets as their most significant rulemaking proceedings. These proceedings involved the enforcement of deliverability of natural gas under certificated arrangements; establishment of criteria for site selection and facility operation criteria for LNG importation and storage terminals; accounting changes for research and development of activities of regulated firms; corporate and financial reports for natural gas companies and electric utilities; establishment of just and reasonable rate of return for natural gas; and new rates for small producers.

We examined the dockets in these eight cases, and found that despite the clear consumer and public impact which these cases involved, there was no organized public participation of any kind in six of the eight proceedings. There was substantial participation, however, by the regulated industry: in one proceeding there were 47 industry participants; in another, there were 35; there were 30 in a third case, and 23 in the fourth.

In the two dockets were public interest participation did take place, the ratio of regulated industry to public participation was large; 12 to 1 in one of the cases, 4 to 1 in the other.*

At the FDA, the rulemaking proceedings cited as most significant by the agency involved: public access to agency information (freedom of information); approval of food for certain dietary uses; establishments of effectiveness standards for certain classes of drugs (bioequivalence); establishment of conduct and conflict of interest standards; and modifications of certain administrative procedures. Again, although these proceedings involved considerable public impact, there was no public interest group participation in more than half of these proceedings. In those instances where we did find such participation, the ratio of industry to public interest representation was overwhelming: 122 participants to 4 in one matter, 29 to 1 in a second, 12 to 5 in a third, and 60 to 12 in a fourth.

At the ICC, we found no evidence of any organized public participation in more than 60 percent of the proceedings. In one rulemaking dealing with charges on lost or destroyed shipments of household goods there was no public interest group participation at all. Nor was there any in a rulemaking that proposed to require motor carriers to furnish performance reports to consumers on transportation of household goods. In those cases where public interest group participation did occur, the ratio of industry to public participants was 23 to 4 in one proceeding, 13 to 5 in another, and 3 to 1 in a third.

At the CAB, we found a somewhat better percentage of public interest group participation. CAB rulemaking proceedings addressed one-stop inclusive tour charter rules; environmental policy act regulations; protection of charter passengers from cancellations; requirements for carriers to publish summaries of various fares for consumers; establishment of new advance booking charters; regulations to implement the Sunshine Act; and restrictions on overbooking and oversales practices. We found public interest groups represented in 70 percent of these dockets. Still, even in these proceedings, participation by the regulated industry heavily predominated. In one proceeding, there were 130 industry participants and 26 public interest group participants; the ratio was 24 and 1 in a second proceeding; 11 and 2 in a third; 8 and 3 in a fourth; 33 and 5 in a fifth; 56 and 3 in a sixth. (In several of these CAB proceedings, however, there was a split within the airline industry, with the scheduled carriers on one side and the supplemental carriers on the other. The views of the supplemental carriers in these cases often correspond to the views of the public interest groups.)

At the FCC, only three rulemakings were cited by the agency as significant. They concerned the need for adequate television service in New Jersey; approval of certain entertainment formats; and approval of emergency hand language messages for the deaf on television. Public interest group participation occurred in all three proceedings, with ratios of industry to public interest groups of 64 to 14, 33 to 4 and 3 to 4.

At the FTC, the recently enacted Magnuson-Moss Warranty–FTC Improvement Act appears to have helped in eliciting consumer comments in rulemaking proceedings, particularly from individuals. We found participation by consumers and consumer groups in all the FTC dockets that we studied. For example, in a trade regulation rule proceeding on the hearing aid industry, there were 843 submissions from industry and 130 submissions from consumer groups.[1] In a proceeding on warranty terms, there were 346 industry submissions, 77 trade association submissions, and 21 consumer group submissions. In a proceeding involving care labeling of textile products, the FTC received 172 industry submissions and 60 public interest group submissions. The Commission also received 545 individual submissions in the hearing aid proceeding, 242 individual submissions in the warranty proceeding, and 1,500 individual submissions in the care labeling proceeding. However, as we noted earlier, FTC staff familiar with these proceedings indicated that the impact of com-

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* It should be noted that in many of the proceedings at the FPC and elsewhere, a number of comments by individuals were received. (At the FPC, for example, individual comments were noted on six of the eight dockets we examined.) For our purposes, however, we did not treat these comments as falling into either the category of regulated or nonregulated interest submissions, since there was simply no way to determine what point of view they represented. Moreover, we were advised by many of the agencies that such individual comments are not usually accorded much weight because they frequently lack specific or technical knowledge. Accordingly, these comments were excluded from the ratios.

We should also note that at the FPC and other agencies, occasional comments or submissions were received from accounting firms, from banks, from other nonregulated businesses, and from State and local governments. These comments are equally difficult to categorize or pigeonhole, and in light of their occasional nature they have also been excluded from our ratios.

[1] In these cases, the data provided by the FTC to the committee was somewhat different from that provided by other agencies. We were supplied with the number of submissions rather than the number of participants.

ments by individuals is often diminished because of their imprecise nature.

There is one category of agency activity in which the pattern outlined in this section does not consistently hold true—petitions for rulemaking. We found that at several of the agencies—the FTC, NRC, and CPSC—petitions for rulemaking submitted by the public approached or actually even exceeded those submitted by the regulated industry (see table 2.1). At the NRC, for example, 55 percent of petitions for rulemaking originated with consumer groups; only 25 percent came from regulated industry. At the FTC, it was a dead heat; 48.5 percent from consumer groups, 48.5 percent from industry. At the CPSC, 62 percent came from regulated industry, but a very sizable 34 percent were submitted by consumer groups.

The explanation may be in the mission of these agencies: The FTC, NRC and CPSC all have basic health and safety missions and a proposed rule by an agency with such a mission is more likely to tighten health and safety requirements rather than loosen them. In contrast, at the classic public utility regulatory agencies, rules are usually proposed in order to confer or expand a benefit for the regulated industry.

This is borne out by a quick check of several of the public utility regulated agencies—ICC, CAB, and FEA. Industry-sponsored rulemaking petitions accounted for 74 percent of all rulemaking petitions at the CAB, 75 percent at the ICC, and 90 percent at the FEA. By contrast, consumer-sponsored rulemaking petitions accounted for only 13 percent of all rulemaking petitions at the CAB, 8 percent at the ICC, and a mere 3 percent at the FEA. Thus, at these public utility regulatory agencies, the usual pattern prevails.

TABLE 2.1.—PETITIONS FOR RULEMAKING RECEIVED

	Total number	Petitioners (percent)			
		Regulated industry [1]	Governments	Consumer groups	Other
CAB	62	74.0	11	13.0	0.2
CPSC	242	62.0	3	34.0	.1
FCC [2]	117	59.0	5	[7] 35.0	1.0
FMC [3]	(4)	(4)	(4)	(4)	(4)
FPC [5]	(4)	(4)	(4)	(4)	(4)
FTC	33	48.5	3	48.5	0
ICC	24	75.0	13	8.0	4.0
NRC	20	25.0	15	55.0	5.0
SEC [6]	(4)	(4)	(4)	(4)	(4)
EPA [4]	(4)	(4)	(4)	(4)	(4)
FDA	68	77.0	3	21.0	0
FEA	29	90.0	3	3.0	3.0
OSHA	92	[8] 79.0	5	15.0	0

[1] Includes trade associations.
[2] Includes amateur radio operators.
[3] No action because of pending case (the only case).
[4] Agency reports it is unable to supply this information.
[5] Gives examples of a few petitions. Explains it is difficult to identify among the volumes of hearing records because there is a substantial number of petitions to amend the rules of the Commission which are filed during the course of adjudicatory proceedings.
[6] Volume of rulemaking petitions received by this Commission has not been large. Just gives examples.
[7] Cannot identify precisely the number of petitions received in the past 2 yr. Estimates less than 15 total.
[8] Includes labor unions.

Participation in adjudicatory proceedings

In general, we found that participation in adjudicatory proceedings by nonregulated interests is even more limited than in rulemaking. This may reflect the fact that nonregulated interests commit their scarce resources more often to across-the-board proceedings where problems can be dealt with on a generic basis. It may also reflect the fact that public participation in adjudicatory proceedings has often been limited by questions of standing (see chapter 3), and by other procedural requirements imposed by the agencies themselves (see chapter 4).

At the FPC, the dockets we examined included several area rate and pipeline rate proceedings and one rate proceeding on the wholesale sale of electricity. Despite the economic impact involved in these cases, there was no intervention by public interest groups in more than half of them. In those cases where such intervention did occur, the ratio of industry to public interest representation was 66 to 1 in one case, 38 to 1 in a second case, and 4 to 1 in a third. It should be noted, however, that there was intervention by State or local governments in these proceedings, and often the positions taken by such intervenors corresponded with those taken by public interest groups. Still, even with these intervenors included, industry participants accounted for more than 80 percent of the total.

Similar patterns prevailed elsewhere. For example—

At the FCC, the Commission indicated to us that public interest parties participated in only 3 of the 30 most recent adjudicatory proceedings (broadcast application proceedings).

At the CAB, public group participation occurred in two-thirds of the cases—cases that dealt with domestic common fares, an airline certification, interstate and intrastate fares for California and Texas, domestic air freight rates, transportation of live animals, and awarding a transatlantic route. However, in the cases where public participation occurred, the ratios of industry to public interest submissions were again very substantial: 122 to 1 in one case, 82 to 6 in a second case, 43 to 13 in a third, and 57 to 9 in a fourth.

At the NRC, public interest group participation took place in approximately 40 percent of the proceedings examined. State and local governments, often through Assistant or Deputy Attorneys General, participated in over 60 percent of the proceedings. The overall number of participants was generally small, and ratios between industry and public interest groups were generally low.

At the FDA, we found public interest group participation in less than 45 percent of the adjudicatory proceedings. These dockets included setting tolerance levels for certain chemicals, approval of a new drug application, permitting the use of certain growth promotants in animal feed, and sanctioning the use of methadone for particular drug treatment programs. The ratios of industry participation to public interest participation, where it did occur, were relatively low: for example, 6 to 5, 8 to 2, and 1 to 1.

In sum, we found that in agency after agency, participation by the regulated industry predominates—often overwhelmingly. Organized public interest representation accounts for a very small percentage of participation before Federal regulatory agencies. In more than half of the proceedings, there is no such participation whatsoever. In those proceedings where participation by public groups does take place, typically, it is a small fraction of the participation by the regulated industry. One-tenth is not uncommon; sometimes it is even less than that. This pattern prevails in both rulemaking proceedings and adjudicatory proceedings, with an even greater imbalance occurring in adjudications than in rulemaking.

EXPENDITURES ON PARTICIPATION

Generally, the same imbalance which we found with respect to the extent of participation holds true for expenditures. If anything, the imbalance is even greater on the expenditure side.

Clearly, several factors are responsible for this imbalance. Problems of standing, covered in chapter 3, account for part of it. Agency procedures are occasionally responsible, particularly if they discriminate against public interest groups; these procedures are discussed in chapter 4. But, the factor which is cited time and again as the chief obstacle to participation is the lack of funds, and the tremendous cost of participation. Repeatedly we heard stories of interventions begun and abandoned. We were told of funds running out. We were told of public interest lawyers billing half of what a private attorney would bill and then being unable to collect their fees. It should be noted here and throughout this volume that small businesses often have the same financial constraints as public interest groups.

An effort was made to determine how much the regulated industry spends to participate in regulatory proceedings, and to compare this with what public interest groups are spending. The problem of collecting cost data was similar to the problem of collecting the data on the extent of public participation. While precise data was not available for all the agencies, it was possible to compile a number of representative samples of the costs of participation. These clearly show that industry spends considerably more than public interest groups. In some cases, the comparisons were dramatic, with ratios of 50 to 1 or more. In all cases, industry spending on participation was many times more than what public interest groups spent on participation.

A number of major public interest groups were contacted and asked to provide specific cost figures for their participation in both rulemaking and adjudicatory proceedings. These provided a number of examples from a diverse group of proceedings. In all, cost data was obtained from 15 public interest groups.

Industry representatives were asked for the same information. Cost data from 14 trade associations and corporations was obtained, and this provided a good cross-section of their expenses for regulatory proceedings.

In addition, a number of agencies maintain records of the costs of industry's participation in agency proceedings. The FCC, ICC and FPC require regulated companies to submit annual reports which contain schedules itemizing regulatory expenses over the subject year. The CAB annual report is compiled somewhat differently, since it lists expenses paid to outside sources but does not require regulatory expenses to be broken out. Therefore, in the case of the CAB, we also contacted the top legal officer at each airline to determine what portion of the airline's outside legal expenses were attributable to CAB proceedings.

We believe the cost figures obtained from these three sources—agencies, industry, and public interest groups—provide a sound basis for estimating comparative costs of participation.

The lion's share of these costs is the cost of legal counsel. Particularly in an adjudicatory proceeding, it is virtually impossible to participate effectively without conusel. For industry, legal expenses result from either in-house counsel or outside law firm billings. For public interest groups, representation is generally by public interest law firms. One Chicago lawyer we spoke to spends 40 percent of his time on public interest law and 60 percent on corporation law. After having spent many years devoting his practice exclusively to public interest law, he had lost so much money through unreimbursed legal fees and out-of-pocket expenses that he was forced to devise the current system, with the corporate law practice effectively paying for his public interest law practice.

The second largest expense of participating in a regulatory proceeding is the cost of technical assistance. This can be substantial. In one FCC proceeding, for example, A.T. & T.

spent over $1,000,000 in 1 year to submit studies to the agency to support its position in an inquiry. Although that figure is certainly at the high end of the spectrum, it is not totally unrepresentative of the resources which industry is willing and able to commit to participate effectively in regulatory proceedings.

Finally, clerical costs imposed by the agencies can occasionally represent a substantial obstacle to effective participation. Costs such as transcript fees and reproduction of required materials, that are easily absorbed by private parties, often pose a real burden on public intervenors.

It is useful to compare these various types of expenditures on an agency-by-agency basis.

At the CAB, we found a tremendous disparity between industry and public interest group spending. CAB Form 41 requires all regulated airlines to file an annual report listing all outside expenses above $20,000, and to identify the name of the person or corporation paid, the amount paid, and the nature of the service rendered ("legal," "accounting," "advertising," or "investment management"). The top legal officer at each of the 11 trunk airlines advised us what portion of the airline's outside legal expenses were attributable to CAB proceedings. The figures that follow are the expenditures by the trunk airlines on outside legal expenses for the calendar year 1976 for proceedings before the Civil Aeronautics Board.

Airline	Amount billed for CAB work	Law firm
American	$200,000	Prather, Seeger & Doolittle.
Braniff	440,000	Arnold & Porter.
Continental	232,000	Hydeman, Mason & Goodell.
Delta	250,000	Hale, Russell & Stentzel.
Eastern	375,000	Wade & Associates.
National	50,000	Kirkland, Ellis & Rowe.
Northwest	240,000	Verner, Liipfert, Bernhard, McPherson & Alexander.
Pan American	650,000	Jones, Day, Reavis & Pogue.
TWA	400,000	Chadbourne, Park, Whiteside & Wolf.
United	14,000	Mayer, Brown & Platt.
Western	0	

The total for the 11 trunk airlines for 1976: $2,851,000. And this figure does not describe the complete story. Many of these airlines also maintain in-house counsel who do CAB work, and such costs are not included in the figure. When these are added in, the figure for legal costs for the major airlines for CAB proceedings last year clearly exceeds $3 million. And this does not include an additional $100,000 which the Air Transport Association incurred in CAB legal expenses in 1976.

Only one of the public interest groups surveyed engages in a substantial amount of CAB work. That organization is the Aviation Consumer Action Group, a firm which is loosely affiliated with Ralph Nader. The group's total budget for calendar year 1976 was $40,000, and only half of that, or $20,000, was spent on CAB matters. Even if this group receives pro bono litigation assistance from allied groups, its budget outlays represent less than 1 percent of the outlay for participation in CAB proceedings by the major trunk airlines.

ACAP was also able to provide an example of the burdens imposed by clerical costs. The example given was how much it costs to file an answer to a petition for reconsideration in what they term a "simple" rulemaking at the CAB. The costs broke down as follows:

Copying charges to reproduce 140 copies for the service list plus copies for the Board	$300
Postage	300
Envelopes	82
Clerical help to stuff evelopes, type labels and take to post office	20
Professional time—26 hours at $15 an hour	390
Senior professional time to review and edit, 2 hours at $75 an hour	150
Total	1,242

Thus, the clerical costs alone, on this one "simple" CAB rulemaking, consumed more than 6 percent of ACAP's total annual budget for all its CAB work.

At the NRC, a comparison of the costs of industry versus public interest groups also revealed a wide disparity. NRC costs of effective participation are particularly high, since Commission proceedings require not only adequate legal counsel, but also substantial reliance upon expert witnesses.

For example, the New England Coalition on Nuclear Pollution, a group based in Vermont, has intervened in the Vermont Yankee and Seabrook licensing proceedings. The Coalition depends entirely on contributions. The Vermont Yankee application for a license to build a nuclear powerplant, begun in 1971, has not yet been completed. To date, the coalition has spent $60,000 in legal fees on the Vermont Yankee proceeding.

Intervention by the coalition in the Seabrook proceeding dates back to 1973, although hearings were not begun until June 1975. To date on the Seabrook proceeding they have spent $58,000 in legal fees and out of pocket expenses. In addition, they have been able to spend only $2,500 on expert witnesses in the Vermont Yankee proceeding and $2,100 in the Seabrook proceedings. In the Seabrook case, the chairman of the economics department at Amherst College offered his services at no cost. But a Chicago economist whom they felt was essential to present a cost benefit analysis could not assist them for less than $4,000 and they could not afford to pay that.

A public interest lawyer described his role in the 1970 Palisades case before the AEC, a case he termed "landmark" since for the first time thermal pollution was recognized as an environmental element in nuclear powerplants. The attorney represented the Sierra Club, a group of fishermen and certain business and professional people. Legal expenses for 1 year of intervention ran $90,000—at an hourly billing rate of $60. None of the $90,000 was recovered.

The Union of Concerned Scientists, a public interest group in Cambridge, Mass., provided cost figures for participation in NRC rulemakings. They estimated for us that their legal fees in the emergency core cooling systems (ECCS) rulemaking ran $50,000 over 2 years. Out-of-pocket expenses for the same period were also $50,000. The Union was part of a coalition of 60 public interest groups organized under the name of the Consolidated National Intervenors. It was, however, the Union that led the effort. The coalition was primarily funded by small contributions, although it did receive some foundation support.

Although concise data for industry spending before the NRC was not available. Testimony presented to the Committee during its consideration of the Energy Reorganization Act provides a gauge of industry expenditures in nuclear licensing proceedings. George Freeman, an attorney who represents utilities in nuclear licensing cases, * * *.

His answer:

"I would imagine the overall cost to the utility in terms of legal fees, in terms of technical staff review, staff backup, fees to consultants, plus the built-in price in the nuclear steam supply system of experts and fees to the architect engineer would run between $500,000 on the low side to $1 million on the high side."

Mr. Freeman's $500,000 to $1 million estimate represents a tenfold to twentyfold increase over the resources an average public interest group can commit if it wishes to contest a nuclear license

It was also the Union of Concerned Scientists that provided the committee with the only example of studies commissioned by a public interest group. One, on energy alternatives, cost them $50,000, and a second came in at $80,000. It is not difficult to understand why public interest groups must put such activities on the back burner. With funds so limited and with legal counsel so crucial for effective participation, there is simply no way to afford the luxury of commissioning a study to support a position.

At the FCC, the two functions of the FCC with which the public is most familiar are the regulation of television broadcasting and the regulation of telephone systems (common carriers). Although we were not able to secure industry cost figures for the broadcast division, we were told by a leading public interest group, Media Access Project, of their expenses in FCC rulemaking proceedings. Media Access Project estimated that their participation in the FCC rulemaking on the fairness doctrine cost $15,000 in attorney's fees and $1,000 for out-of-pocket expenses. On the Commission's Sunshine Act rulemaking, they spent $500 in legal fees and $50 in out-of-pocket expenses. Furthermore, they have never been able to hire technical experts because of lack of funds.

Industry spending data was available for the common carrier division. Most illustrative are the expenditures of A.T. & T., the industry giant. A.T. & T.'s regulatory expenses are reported by the company on an annual basis in the FCC's schedule 39 of its form M.

For the year ending December 31, 1975, A.T. & T. reported over $2,225,000 in FCC expenses. Of this total, $1,800,000 was incurred in just three dockets.

One of these was FCC docket 20003, an inquiry into the "economic implications and interrelationships arising from policies and practices relating to customer interconnection, jurisdictional separations and rate structures." Thus, in docket 20003, the FCC was investigating the effects of competition in the telecommunications industry. A.T. & T. opposed the proposed increase in competition, arguing that if the FCC increased competition in the specialized common carrier and interconnect companies, A.T. & T. would be forced to raise the interstate telephone rates. A.T. & T. spent more than $1,000,000 trying to convince the FCC not to take further action.

The remaining $800,000 was spent on two related dockets, one started in 1970 and the other in 1975 that dealt with A.T. & T.'s request for an increase in its rate of return. As a result of the requests, the FCC began an investigation of the relationship of A.T. & T. with its associated companies: Bell Labs and Western Electric. Rate of return increases were granted—8½ to 9 percent for the first request (9½ percent was requested) and 9½ to 10 percent for the second request (10½ percent was requested). There was a total absence of any public interest representation in these proceedings. Henry Geller, a formal General Counsel of the FCC and presently Chairman of the Board of the Citizens Communication Center, told the Committee that public interest intervention was "stymied totally". He mentioned "gigantic legal costs" and notably prolonged proceedings.

At the FPC, a similar pattern prevailed. The committee was told by a public interest law firm whose clients include municipalities and public interest groups, that for an FPC proceeding expenditures typically run between $50,000 and $60,000, with half of that sum directed toward legal fees and the other half to expert testimony. The American Public Gas Association, in a proceeding that challenged the FPC's manner of setting rates, spent slightly more than $48,000. Their effort ended in the courts in June 1977 with a ruling against them.

Compare this with information reported by the pipeline companies on FPC Schedules 353 and 353A. Schedules 353 and 353A require a listing of "particulars of regulatory commission expenses, relating to formal cases before a regulatory body or cases in which such a body was a party." The statistics contained in these schedules reflect not only the total cost of a proceeding, which typically spans 2 or 3 years, but also the amounts spent on a proceeding for the subject year. The committee obtained copies of the reports for the year ending December 31, 1975, for the 34 major pipeline companies. These reports show that for a single rate proceeding begun in 1971, Northern Natural Gas has spent nearly $600,000 to date. On another proceeding, started in 1974, they have spent $350,000.

The Cities Service Gas Co. has spent almost $220,000 on a single rate proceeding begun in 1974 and over $220,000 on a certificate proceeding begun in 1967.

The United Gas Pipe Line Co., another of the major gas companies spent over $1,300,000 in 1975 alone, although this figure encompasses 16 rate proceedings and 19 certificate proceedings.

Scheduled 353 and 353A are also required of companies selling wholesale electricity. The FPC was asked to identify the 10 largest electric companies filing Schedules 353 and 353A. We found that a very substantial portion of regulatory expenses for these companies was incurred because of State public service commissions and the charges attributable to FPC proceedings were somewhat less than they were for the pipeline companies. For example, the Pacific Gas & Electric Co. spent $75,000, almost entirely on filing fees.

The Duke Power Co. spent over $120,000 and all of it was on two rate proceedings. The Public Service Electric & Gas Co. also spent over $120,000, Detroit Edison over $190,000, and Southern California Edison over $130,000.

In all of the preceding examples, comparing public interest group costs to industry costs is like comparing David to Goliath. Effective participation in a regulatory proceeding does indeed depend on the quality and extent of ones' legal counsel. It also depends upon the quality and extent of expert testimony and technical submissions. It requires ample administrative and clerical resources, costs which are frequently taken for granted. Yet time after time, industry is able to spend 10, or 50, or 100 times as much money on participation as public interest groups. The persistence and ingenuity of the public interest groups in their efforts to participate effectively is laudable, but their lack of resources to insure adequate representation is lamentable.

When these figures are considered alongside the data on extent of participation presented earlier in this chapter, we believe they make a convincing case that corrective steps—both legislative and administrative—are necessary to remedy this imbalance. These remedial steps are considered in the remaining chapter of this volume.

Financial Assistance for Participation

A proposal to facilitate public participation that has been increasingly urged is the direct compensation by the Government for persons participating in regulatory agency proceedings. As noted throughout this report, the proper functioning of regulatory agencies requires that all affected interests have an opportunity to be heard, and the courts and the agencies themselves have expanded the rights of citizens to participate in regulatory proceedings. In practice, however, the actual ability of groups to participate has not kept pace due largely to the great costs of participating formally, and the benefits of greater participation have not been fully realized.

All the public interest groups and consumer groups contacted for this report have cited cost as one of the primary barriers to their participation in the regulatory process. The programs and proposals discussed in this section specifically address that obstacle to participation. These proposals generally provide authority and funding for Federal agencies to award attorneys' fees, experts' fees, and other participation costs to eligible participants in agency proceedings and, in certain instances, in Federal courts proceedings as well. This approach can either be followed on an agency-by-agency basis or under the auspices of a single Federal law.

Because the reimbursement of participants has been demonstrated to be a necessary and useful approach to facilitating public participation, we recommend the enactment of legislation to authorize such a program for Federal regulatory agencies.

The Status of Direct Funding

Status within the agencies

Within the past few years, some regulatory agencies have either considered or experimented with compensating certain intervenors for participation costs. The Federal Trade Commission has been a central focus of activity in this area. In the *American Chinchilla* proceeding[1] it ruled that, upon an adequate showing of financial inability, an indigent respondent in a proceeding before the Commission is entitled to have legal counsel furnished by the Government. In 1972, in response to an inquiry from the FTC, the Comptroller General issued an opinion stating that it was within the Commission's inherent authority to reimburse indigent parties and intervenors for their attorneys' fees and other costs incurred in adjudicatory proceedings.[2]

In the succeeding years, however, the FTC had provided such funding to only one intervenor prior to the enactment of the Magnuson-Moss FTC Improvement Act. Any question about the authority of the FTC to provide compensation for participants in rulemaking proceedings was resolved by enactment of the FTC Improvement Act, which provides compensation for reasonable costs of attorneys' and expert witnesses' fees and other costs of participation in FTC rulemaking proceedings.

The same question of authority to fund intervenors has also been raised before the Nuclear Regulatory Commission. In response to a number of requests from intervenors for financial assistance, the NRC issued a memorandum and order in Consumers Power Co.,[3] announcing an external study and future rulemaking on the question. A contract was let to the law firm of Boasberg, Hewes, Klores and Kass, and their report on the issues relevant to the funding of intervention was released on July 18, 1975.[4]

Following that study, the Commission commenced an informal rulemaking in August 1975 on possible financial assistance to participants, and it requested a formal opinion from the Comptroller General concerning the Commission's statutory authority to award compensation for fees and costs of participation. On February 19, 1976, the Comptroller General reaffirmed for the NRC the conclusions of his earlier ruling in regard to the FTC. He ruled that the NRC has inherent statutory power—

"to facilitate public participation in its proceedings by using its own funds to reimburse intervenors when (1) it believes that such participation is required by statute or necessary to represent adequately opposing points of view on a matter, and (2) when it finds that the intervenor is indigent or otherwise unable to bear the financial costs of participation in the proceedings."[5]

In late 1976, however, the NRC terminated the rulemaking and decided not to initiate a program to provide funding for participants in nearly all of its proceedings, with the limited exception of some rulemaking proceedings. The Commission generally based its decision on the grounds that it could not conclude that such funding was "essential" to its determination of relevant issues or that it "cannot make" the required licensing or rulemaking determinations unless financial assistance is provided to needy participants. The terms "essential" and "cannot make the required determination" in the NRC's decision come directly from the language in the Comptroller General's opinion. Also, the NRC held that, in view of current congressional consideration of various compensation proposals, it would be inappropriate for the Commission to go ahead on its own—despite its own acknowledgement that it had the authority to do so.

Following his February 1976 decision, the Comptroller General had occasion to issue additional decisions reiterating and clarifying the basic ruling that agencies have inherent authority to use funds for the compensation of certain participants in agency proceedings. The first of these additional rulings came in response to a request in April 1976, from Chairman John Moss of the House Oversight and Investigations Subcommittee for an opinion on compensation with respect to the nine agencies subject to the subcommittee's jurisdiction.

The Comptroller General ruled on May 10 that the situation with those agencies was the same as that of the NRC and, accordingly, "the rationale of our February 19 [1976] decision to NRC is equally applicable to each agency named." Specifically, in that part of the May 1976 decision dealing with provision of funds directly to participants, the Comptroller General stated:

"Appropriated funds of each agency may be used to finance the costs of participants in agency hearings whenever the agency finds that it cannot make the required determination unless it extends financial assistance to certain interested parties who require it, and whose representation is necessary to dispose of the matter before it; and (2) the party is indigent or otherwise unable to finance its participation."

Furthermore, the decision noted that the NRC decision would also be applicable to other Federal agencies as long as there was no specific statutory prohibition.

In response to a request from the Congressional Black Caucus regarding the Federal Communications Commission, the Comptroller General elaborated on the criteria to be used by agencies in making compensation decisions:

"FCC appropriations are available to make payments to persons (and organizations) representing an interest in a matter before it where the Commission determines that such payments are necessary to achieve a fair solution of the matter."[7]

Finally, in response to a request from the Food and Drug Administration, which issued an advance notice of proposed rulemaking on the question of financial assistance for participants,[8] the Comptroller General issued another decision in December 1976.[9]

As before, the Comptroller General ruled that the agency has the authority to reimburse costs of otherwise eligible persons who participate in agency proceedings. The one

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Footnotes at end of article.

limitation, however, is that the agency may not make advance payments to participants without specific statutory authority. It reiterated that compensation is only available to indigent persons or groups.

This most recent decision also contained an important modification of the criteria of eligibility set forth in earlier decisions. Noting that the decision to NRC did refer to participation being "essential," the December 1976 decision stated:

"We did not intend to imply that participation must be absolutely indispensable. We would agree with Consumers Union [which had petitioned FDA for a compensation program] that it would be sufficient if an agency determines that a particular expenditure for participation "can reasonably be expected to contribute substantially to a full and fair determination of" the issues before it, even though the expenditure may not be "essential" in the sense that the issues cannot be decided at all without participation." [10]

Thus, the criterion of participation being indispensable that was utilized by the NRC had been modified significantly.

By February 1977, several other regulatory agencies were in various stages of considering proposals for direct compensation for participants in agency proceedings. The Federal Communications Commission, in December 1976, began an experimental program to waive fees for transcripts and FCC documents and to relax copy requirements and other procedural rules for participants who qualify to proceed in forma pauperis. The FCC action, however, specifically excludes compensation of expenses incurred by participating in agency proceedings. Despite some fanfare in announcing this rather limited relief, it should be noted that several other agencies also provide in forma pauperis relief of procedural costs.

More substantial programs were begun in two other regulatory agencies. In January 1977, the Consumer Product Safety Commission announced that it would provide financial compensation to participants in Commission rulemaking proceedings in which public comments are solicited. The CPSC decided to create an Office of Public Participation whose primary function will be to process applications for such compensation. Also in January 1977, the Department of Transportation announced a 1-year demonstration program of financial assistance to participants in certain proceedings of the National Highway Traffic Safety Administration. At the same time, the Department issued an advance notice of proposed rulemaking to determine whether and in what circumstances such a program should be established on a departmentwide and permanent basis.[11]

As noted above, the Food and Drug Administration has issued an advance notice of proposed rulemaking in response to a petition from Consumers Union. The Environmental Protection Agency has issued a similar ANPR. Among other agencies currently considering such proposals are the Civil Aeronautics Board, the National Highway Traffic Safety Administration, and the Consumer Product Safety Administration.

However, on June 30, 1977, the U.S. Court of Appeals for the Second Circuit, in the case of *Green County Planning Board* v. *Federal Power Commission*, issued a decision which is widely expected to restrict the far-reaching implications of the Comptroller General's decisions of 1976.[12] The Court had previously held that the Federal Power Act did not authorize the award of attorneys' fees to intervenors opposed to construction of electrical transmission lines through the New York county.[13] The Power Commission then held hearings and subsequently denied the petitioners' requests for fees and expenses. Upon appeal in December, 1976, a three judge panel of the Court reversed its previous order denying expenses and remanded the case to the Commission for further consideration. This most recent decision, by the full Court, now holds that it is the responsibility of the courts and not the General Accounting Office to determine the legislative intent of Congress. The Court further holds that the Federal Power Commission has no statutory authority to make such awards. Although this decision applies to the FPC alone, the impact of the Comptroller General's opinion on other regulatory agencies has clearly been weakened.

Even before this decision, some agencies, most notably the Nuclear Regulatory Commission, had declined to proceed under their own authority in this area. It stated that it prefers to act under the mantle of congressional authority. Moreover, the FCC and the ICC have stated that while they may approve compensation of participants in principle, they are unable to provide such assistance in the absence of a special appropriation for that purpose,[14] funding which could be provided only through congressional action.

The need, then, for specific congressional mandate, and the accompanying congressional authorization is that much more apparent. Even before this recent Court decision, the Comptroller General had cautioned:

"It would be advisable for the parameters of such financial assistance, and the scope and limitations on the use of appropriated funds for this purpose to be fully set forth by Congress in legislation, as was done in the case of the Federal Trade Commission by the provisions of section 202(a) of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act." [15]

Congressional action on direct funding

The only specific congressional enactment of authority for direct funding of participants in Federal agency proceedings is section 202 of the Magnuson-Moss Warranty—Federal Trade Commission Improvement Act [16] which provides compensation for reasonable attorneys' fees, expert witnesses' fees, and other costs of participating in an FTC rulemaking proceeding. The FTC compensation program is examined on pages 98–113 below.

Prior to that time, the Senate did consider and pass one funding proposal. As originally reported out by the Government Operations Committee, the Energy Reorganization Act of 1974, which established the Nuclear Regulatory Commission and the Energy Research and Development Administration, contained an amendment, introduced by Senator Kennedy, which would have provided financial assistance to intervenors in NRC proceedings.

The amendment was adopted by the Senate, but later deleted by the conference committee. However, the conference report explicitly stated that the deletion of the funding provision "is in no way intended to express an opinion that parties are or are not now entitled to some reimbursement for any or all costs incurred in licensing proceedings. . . . [It] appears that there is nothing in the Atomic Energy Act, as amended, which would preclude the Commission from reimbursing parties where it deems it necessary." [17]

In 1975, Senator Kennedy introduced S. 2715, the Public Participation in Government Proceedings Act which would have (1) provided broad, basic authority for all Federal agencies to award attorneys' fees, experts' fees, and other participation costs to eligible persons in agency proceedings; and (2) permitted Federal courts to reimburse citizens who successfully sue Federal agencies when the lawsuit vindicates important public interests. S. 2715 was reported out of the Judiciary Committee [18] and was discharged from the Committee on Government Operations to which it had also been referred.

The bill, however, did not receive floor consideration during the 94th Congress and Senator Kennedy reintroduced it, with some changes, as S. 270 in January 1977. Because this legislation was the focal point for much of the recent debate over reimbursement for participants, and because it serves as a prototype for several petitions to the agencies for compensation rulemakings, it is useful to summarize the provisions of S. 270.

S. 270 requires agencies to determine the eligibility of persons for the award of reasonable costs of participation in all rulemaking, ratemaking, or licensing proceedings, and in certain other proceedings involving issues which relate directly to health, safety, civil rights, the environment, and the economic well-being of consumers. The bill does not fund attendance, as opposed to participation; nor does it fund participants whose costs are minimal. In order to receive an award, a participant:

(1) Must reasonably be expected to make a substantial contribution to a fair determination of the proceeding, taking into account whether the person represents an interest which is not adequately represented by a participant other than the agency itself; the number and complexity of issues presented; the importance of participation; and the need for representation of a fair balance of interests; and,

(2) The economic interest of the person is small in comparison to the cost of effective participation or the participant does not have sufficient resources to participate effectively.

Agencies may require consolidation of duplicate presentations, and may select one or more representations, compensate only certain categories of expenses, or compensate identical or related representations jointly.

Awards will normally be decided prior to the proceeding and payment will be made after the proceeding but advance payments may be made on a showing of need. Awards may be rescinded (and advance payments called back) if the agency judges the representation by award recipients to be inadequate or in bad faith. Additionally, the agency may require that an award to an eligible participant be paid by any participant in the agency proceeding when that participant acts in bad faith toward the eligible person. There is provision for judicial review of an agency's denial of reimbursement.

The bill provides that in judicial proceedings, any person who successfully challenges an agency action may receive reimbursement for the cost of such challenge if the court finds that he meets the eligibility tests. Awards of such costs are not limited to those who participated at the agency level, but rather to any party to whom the court gives the right of review. The bill does not alter present agency rules on standing. Persons are eligible for reimbursement if the court or agency has, after initiation of judicial action, awarded them a substantial measure of the relief sought, if the court determines that the action served an important public purpose, and for reasons following the agency eligibility test.

Finally, the bill requires that awards of fees and costs be based on prevailing market rates for the kind of services rendered. But, the legislation also sets monetary limitations on the rates of compensation for experts and attorneys appearing before agencies.

Judiciary and statutory fee shifting

Another means of providing financial compensation to public interest intervenors might be to assess the costs of their participation against other parties. While the general rule in American courts has always been that litigating parties pay their own attorneys' fees, whether they win or lose, the courts have long used their equity powers

to carve out exceptions to that rule. Over time it was established that costs may be shifted in cases of bad faith, common fund cases (the substantial benefit exception), willful violation of a Federal court writ of mandamus, or contempt of court. In recent years, some lower Federal courts allowed the private attorney general exception to the American rule, under which courts awarded attorneys' fees to litigants who by their action effectuated a strong congressional policy, benefited a large class of people, and brought an action to protect legal rights which might not otherwise have been protected.[19]

When the private attorney general rationale was finally tested in the Supreme Court, however, it was circumscribed significantly. In the landmark decision *Alyeska Pipeline Service Co.* v. *Wilderness Society*, the Court reaffirmed the primacy of the American rule and declared the judiciary could not award fees under the private attorney general rationale in the absence of statutory authorization. The Court held that the very fact that some statutes provided for fee shifting showed that Congress accepted the American rule, inasmuch as it provided specific statutory exemptions to it. The Court then reasoned that the judiciary was in no position to decide which litigation furthered important public policies in the absence of such specific statutory provision.

For a time it was also argued that administrative agencies, as quasi-judicial bodies, had authority to order fee shifting in the same kind of situation as did the courts themselves—a sort of administrative private attorney general rationale. In 1972, in the third *Church of Christ* case the D.C. Circuit Court overturned an FCC decision in which the FCC denied attorneys' fees to an intervenor, since the fees were payable as part of a written settlement between the intervenor and the broadcaster. However, the courts have held that agencies cannot go beyond ratifying voluntary agreements.[20] In *Turner* v. *FCC*[21] the Court upheld an FCC ruling and held that an agency cannot order a litigant to bear his adversary's expenses in the absence of a clear grant of statutory authority by Congress. This followed an earlier decision in *Greene County Planning Board* v. *Federal Power Commission* which was the first case to consider the issue directly. The circuit court held in *Greene County* that:

"Without a clear congressional mandate we should not order the Commission or PASNY [Power Authority of the State of New York] to pay the expenses and fees of petitioners."[22]

The second circuit, however, recently shifted its opinion in *Greene* in light of the Comptroller General's opinion to the NRC on fee reimbursement (see pp. 92–93, *supra*). Because these intervenors might meet the standards approved by the Comptroller General, the court remanded the case to the FPC for reconsideration in light of the Comptroller General's NRC opinion. The court's decision, however, confirmed the prohibition against fee shifting against losing private parties.[23]

In the wake of *Greene*, *Alyeska*, and *Turner*, it is now settled that courts may not order involuntary fee shifting against losing private parties in the absence of statutory authorization. Therefore, as the Senate Judiciary Committee stated in asserting the need for government compensation to participants:

"Fee shifting . . . is not a viable mechanism for providing citizens with the financial means to participate in agency proceedings. Until or unless Congress creates a comprehensive statutory response to the *Alyeska* decision, other means must be found to enable persons to participate effectively in agency proceedings and to seek judicial review of agency decisions."[24]

Footnotes at end of article.

At present, approximately 100 statutes provide for award of attorneys fees, including, for example, much of the recent environmental legislation, such as the Clean Air Act Amendments of 1970 and the Federal Water Pollution Control Act (1972). A complete list is attached in appendix A, pp. 119–127.

COMPENSATION UNDER THE MAGNUSON-MOSS FTC IMPROVEMENT ACT

The Federal Trade Commission is the only Federal regulatory agency now specifically authorized by statute to provide public funding for participants in all its rulemaking proceedings.[25] The authority was granted by the Magnuson-Moss warranty—Federal Trade Commission Improvement Act (1974) (Public Law 93–637). Section 202 of the Act authorizes the Commission to provide compensation to eligible persons for reasonable attorneys' fees, expert witnesses' fees, and other costs of participating in a rulemaking proceeding.

Eligibility in the act is met by fulfilling two criteria. Compensation may be provided to any person:

"(A) Who has, or represents an interest (i) which would not otherwise be adequately represented in such proceeding, and (ii) representation of which is necessary for a fair determination of the rulemaking proceeding taken as a whole, and (B) who is unable effectively to participate in such proceeding because such person cannot afford to pay costs of making oral presentations, conducting cross-examination, and making rebuttal submissions in such proceeding."

The Commission determines whether the criteria are met in particular cases.

It should be noted that this program is limited to rulemaking proceedings.

An additional limitation, relative to similar proposals for compensation of participants, is that the Act does not provide compensation for persons bringing court challenges to FTC decisions. The Act specifically authorized $1 million as a maximum annual limit for compensation and Congress appropriated $500,000 for the first year of the program.

In August 1975, the Commission issued Rules of Practice which contained the new rulemaking procedures mandated by the FTC Improvement Act. The rules delegated authority over compensation to the Director of the Bureau of Consumer Protection. In August 1976, the Bureau issued detailed guidelines explaining the qualifications for rulemaking compensation and the procedures for processing applications. Additional Guidelines, "Rulemaking and Public Participation Under the FTC Improvements Act" and "Applying for Reimbursement for FTC Rulemaking Participation" were issued in May 1977.

Although the compensation program has been in existence for a relatively short time, we can make a tentative evaluation for the purpose of highlighting the opportunities and problems inherent in this approach. On the whole, the early returns on the program are positive. While admitting that the returns on the program are still fragmentary, the FTC official immediately in charge of the program recently testified in Congress that the program is working well, and relayed the favorable reaction of FTC staff attorneys and presiding officers:

"Both these groups endorse the program strongly. While obviously some participants have been more valuable than others, the program has produced evidence and information relevant and perhaps crucial to various proceedings. It has allowed the infusion of points of view which are necessary for a fair determination which would not otherwise have been represented in the proceedings. Participation by attorneys for interested groups has improved the quality of the oral hearings, in terms of both production and examination of knowledgeable witnesses and cross-examination of representatives of other parties."[26]

While we would normally expect agency evaluations of their own programs to be favorable, the situation here is somewhat different. The compensation program was enacted because Congress believed that consumer and other broad public interests could not be adequately represented by agency staff alone. To the extent that agency staff reacted positively to the compensation program they acknowledged that they are, indeed, benefiting from the additional intervention that the program makes possible.

Moreover, we have additional evidence from participants that the program has enhanced their ability to make a useful contribution to regulatory policymaking. One of the major recipients of compensation has been the National Council of Senior Citizens. David Marlin, counsel for the group, testified that without compensation it would have been impossible for the senior citizens to have participated in three FTC rulemaking proceedings.

A review of one of their submissions is instructive about the potential contribution of citizens groups when they have adequate funding.

In 1975, the Commission commenced a trade regulation rulemaking proceeding on the hearing-aid industry. The hearing aid industry claimed that abuses are rare and that less than ½ of 1 percent of all buyers complain about their purchase. Based on their own experience and surveys, the National Council of Senior Citizens disputed the industry's contentions and supported the proposed rules. The Council had previously conducted studies in Washington and Baltimore, analyzed State laws regulating the hearing aid business, and analyzed the enforcement capacity of State agencies.

Based on that experience 1 year earlier, they had prepared a model State statute. Based on their substantial record in the field, the Council requested and was granted slightly more than $44,000 for their participation in the proceeding. That participation included the direct presentation of consumer views in affidavits of 80 persons from Boston and Miami and the presentation of nine consumer witnesses. They provided several expert witnesses, including a lawyer describing consumer studies in the District of Columbia and Maryland, and an analysis and evaluation of the adequacy of State laws and regulations covering hearing aid distribution, an otolaryngologist, an audiologist, an economist, a gerontologist and a State hearing aid legislative reform advocate.[27]

While it might be expected that the FTC staff would marshal a good deal of the expertise and information on hearing aids that was eventually presented, the actual participation by the senior citizens had several important advantages. First, the compensation program allowed the representative of the primary purchasers of hearing aids to have a direct input into the proceedings. Inasmuch as the industry was ably represented by counsel, equity would seem to require the presentation of consumer views by the consumers themselves. Second, given the national council's deep involvement with this issue, it is in fact unlikely that the FTC staff could match the council's depth of understanding of the problems faced by senior citizens in this matter.

Even when a group does not bring to bear the benefits of experience of a specialized constituency, the compensation program enables participants to compile expert submissions of data which most likely would not otherwise be presented. In the FTC's rulemaking on food advertising, Consumers Union, which received $7,300 from the FTC, submitted detailed comments supporting greater nutritional information.

The CU submission was a highly detailed

argument concerning such matters as food serving size, the form, content and method of presenting nutritional claims, and natural and organic food claims. The comments were prepared by employees and consultants for Consumers Union who have had extensive experience in the fields of nutrition, advertising, and Federal trade regulations.[28] Again, a considerable body of relevant expertise was brought to bear on a rulemaking proceeding. Equally important, that expertise was independent of the Commission, which should give the public greater confidence in its integrity and the ultimate fairness of the proceeding.

The complete list of compensation applications and their disposition is presented below:

FTC PUBLIC RULEMAKING/COMPENSATION

Rule and applicant	Amount requested	Action taken
Vocational schools (proposed Aug. 15, 1974), presiding officer, William Dixon:		
Len Vincent	$135.00	(1)
Consumer Action	19,176.00	[2] $20,020.00
Consumer Action (supplemental)	4,995.00	[2] 4,995.00
Witness compensation	789.47	(1)
Joe Platt, Esq	7,017.00	[2] 5,460.00
John C. Hendrickson, Esq	3,099.00	(1)
Mary Anne Vance, Esq	[3]	[4]
Unfair credit practices (proposed Apr. 11, 1975), presiding officer, Jack Kahn:		
National Consumer Law Center	120,000.00	[2] 91,020.00
National Consumer Law Center (supplemental)	2,000.00	[2] 2,000.00
Do	1,332.00	[2] 1,332.00
Do	4,005.24	[2] 4,005.24
Mobile homes (proposed May 19, 1975), presiding officer, Ray Rhine:		
Center for Auto Safety	27,749.00	[2] 9,133.00
Center for Auto Safety (supplemental)	10,460.00	[2] 9,915.00
Do	7,134.00	[2] 7,134.00
Golden State Mobil Home Owners League, Inc	35,000.00	Pending
Food advertising (proposed May 28, 1975), presiding officer, William Dixon:		
Consumers Union	8,793.00	[2] 7,360.00
Spanish-Speaking/Surnamed Political Association, Inc	2,550.00	(1)
National Health Federation	50,000.00	(1)
National Consumers Congress	7,334.00	[2] 9,295.00
Council on Children, Media, and Merchandising	52,400.00	[2] 51,267.00
Mary Ruth Nelson	270.00	[2] 270.00
Wendy Gardner	295.00	[2] 295.00
Society For Nutrition Education	21,228.00	[2] 18,904.00
Consumer Action (Washington)	46,990.00	[2] 38,158.00
Iowa Consumers League	173.00	[2] 200.00
Indiana Home Economics Association	39.70	[2] 39.70
Connecticut Citizen Research Group	8,242.60	[2] 6,777.00
Utah State University	28,940.00	(1)
Consumer Action, Washington (supplemental)	20,524.00	[2] 5,940.00
Sidney Margolius	1,043.00	(1)
Society for Nutrition Education (supplemental)	1,956.00	[2] 1,956.00
Consumer Action, Washington (supplemental)	14,915.00	[2] 2,746.00
Kurt A. Oster, M.D	[3]	(1)
Council on Children, Media, and Merchandising (supplemental)	9,895.28	[2] 7,709.78
Prescription drugs (proposed June 4, 1975), presiding officer, Henry Cabell:		
Consumer Union	944.30	(1)
Consumer Action	16,100.00	(1)
Consumer Affairs Committee, Greater Washington Chapter, Americans for Democratic Action	14,558.00	(1)
Consumer Newsletter	100.00	(1)
National Council of Senior Citizens	9,227.00	[2] 2,270.00
Craig W. Sandahl	90.23	(1)
Hearing aids (proposed June 24, 1975), presiding officer, G. Martin Shepherd:		
National Council of Senior Citizens	34,926.00	[2] 36,006.00
Consumer Association of Kentucky	[3]	(1)
National Council of Senior Citizens (supplemental)	8,100.00	[2] 8,100.00
National Hearing Aid Society	68,249.00	[2] 34,314.00
California Citizens Action Group	3,665.00	(4)
New York League for the Hard of Hearing	5,500.00	(1)
Health spas (proposed Aug. 15, 1975), presiding officer, Roger Fitzpatrick:		
Consumers Union	15,420	[3]
California Citizen Action Group	23,890	[3]
Funeral industry (proposed Aug. 29, 1975), presiding officer, Jack Kahn:		
Consumers Union	3,830.70	[2] 3,980.00
New York Public Interest Research Group	8,557.00	[2] 8,377.00
Continental Association of Funeral & Memorial Societies, Inc	12,080.00	[2] 12,670.00
Consumer Affairs Committee, Americans for Democratic National Council of Senior Citizens	13,138.00	[2] 8,315.00
Michael Hirsh	[3]	(1)
Minnesota Memorial Society	112.00	(1)
Consumer Federation of America	26,024.00	[5]
California Citizens Action Group	13,441.00	[2] 12,568.00
Central Area Motivation Program	9,792.00	[2] 7,410.00
Arkansas Consumer Research	7,676.00	[2] 6,653.00
National Council of Senior Citizens (supplemental)	528.00	[2] 528.00
New York Public Interest Research Group (supplemental)	3,240.00	[2] 3,363.00
Continental Association of Funeral & Memorial Societies (supplemental)	4,500.00	[2] 4,500.00
Arkansas Consumer Research (supplemental)	666.00	[2] 666.00
Do	375.00	[2]
Consumer Affairs Committee, Americans for Democratic Action, National Council of Senior Citizens (supplemental)	9,824.17	[2]
California Citizens Action Group (supplemental)	3,017.41	[2] 2,657.41
Continental Association of Funeral & Memorial Societies (supplemental)	1,000.00	[2] 1,000.00
California Citizens Action Group (supplemental)	360.00	[2] 360.00
Continental Association of Funeral & Memorial Societies (supplemental)	19,040.00	(1)
Consumer Affairs Committee, Americans for Democratic Action, National Council of Senior Citizens (supplemental)	11,298.81	(1)
Pre-Arrangement Interment Association of America	23,540.00	[5]
Cremation Association of North America	12,900.00	[5]
Protein supplements (proposed Sept. 4, 1975), presiding officer, Christopher Keller:		
Consumer Action Now	15,200.00	[2] 12,710.00
Consumer Action	15,128.00	[2] 15,507.00
Consumer Cooperative of Berkeley, Inc	5,014.00	[2] 3,967.70
Chester W. Sutton, Jr	300.00	(1)
Over-the-counter drugs (proposed Nov. 11, 1975), presiding officer, Roger Fitzpatrick:		
California Citizens Action Group	32,350.00	[2] 26,620.00
Consumer Affairs Committee—Americans for Democratic Action	18,765.00	[2] 7,545.00
Consumer Affairs Committee—Americans for Democratic Action (supplemental)	1,411.00	[2] 1,411.00
Council on Children, Media, and Merchandising	43,966.00	(1)
Do	19,175.00	[2] 19,175.00
California Citizen Action Group (supplemental)	6,992.00	[2] 6,492.00
Preservation of consumers' claims and defenses (proposed Nov. 19, 1975), presiding officer, Christopher Keller:		
David A. Scholo	28.00	[7]
Richard S. Kay	125.00	[6]
Richard A. Victor	250.00	[6]
Richard A. Hesse	150.00	[6]
National Consumer Faw Center	3,193.65	[2] 3,093.25
Used motor vehicles (proposed Dec. 23, 1975), presiding officer, James Greenan:		
Automobile Owners Action Council	31,000.00	[2] 7,300.00
Used Motor Vehicle Study Team	63,246.00	(1)
Center for Public Representation	33,188.00	[2] 33,146.00
Center for Auto Safety/Consumer Affairs Committee, Americans for Democratic Action	63,205.00	[2] 4,500.00
California Public Interest Research Group (CAFPIRG)	28,925.00	[2] 37,988.68
Supplemental	14,649.00	[5]
Automobile Owners Action Council (supplemental)	22,790.00	[2] 16,960.00
CALPIRG (supplemental)	1,370.00	1,370.00
Consumer Action—San Francisco	21,434.00	[1] 10,976.52
Consumer Action—San Francisco (supplemental)	775.00	[2] 775.00
Opthalmic goods and services (proposed Jan. 16, 1975), presiding officer, Henry Cabell:		
Consumer Action (San Francisco)	38,630.00	[2] 37,766.00
California Citizens Action Group	31,992.00	[2] 33,372.00
Arkansas Community Organizations for Reform Now	1,962.00	[2] 1,828.00
New York Public Interest Research Group	12,665.00	[2] 12,575.00
Americans for Democratic Action	11,322.00	[2] 6,652.00
Consumer Action (supplemental)	216.00	[2] 216.00
Americans for Democratic Action (supplemental)	6,280.00	(1)
Consumer Action (San Francisco) (supplemental)	1,604.00	[2] 1,604.00
United Consumers of the Alleghenies	253.00	(1)
California Citizens Action Group (supplemental)	850.00	[2] 850.00
Do	3,582.00	(1)
Do	545.00	[2] 545.00
Arkansas Community Organizations for Reform Now (supplemental)	840.00	840.00
Do	770.00	(1)
Americans for Democratic Action (supplemental)	2,885.00	[2] 2,855.00
Consumer Action (San Francisco) (supplemental)	3,958.60	3,958.00
Revised care labeling (proposed Jan. 26, 1976), presiding officer, John Gray:		
Seymore Goldwasser	[3]	(1)
National Consumers Congress	[9] 56,048.00	[2] 47,352.67

[1] Denied.
[2] Granted.
[3] Not specified.
[4] Withdrawn.
[5] Pending.
[6] Granted, $11,328; grant later refused by CFA.
[7] Withdrawn. These staff witnesses mistakenly applied to the compensation program for witness compensation. They were reimbursed instead with Bureau operating funds.
[8] Granted, stated within above total.
[9] Revised to $48,008.67.

Source: Testimony of Calvin J. Collier, Chairman, Federal Trade Commission, before the Subcommittee on Administrative Practice and Procedure, U.S. Senate Committee on the Judiciary, Feb. 3, 1977.

FTC Improvement Act rulemaking: Total obligated compensation per rule (as of May 1, 1977)

Rule	*Amount*
1. Vocational schools (proposed Aug. 15, 1974)	$30,475.00
2. Unfair credit practices (proposed Apr. 11, 1975)	98,357.24
3. Mobile homes (proposed May 19, 1975)	26,182.00
4. Food advertising (proposed June 4, 1975)	150,917.48
5. Prescription drugs (proposed June 4, 1975)	2,070.00
6. Hearing aids (proposed June 24, 1975)	44,106.00
7. Health spas (proposed Aug. 15, 1975)	8,850.00
8. Funeral industry (proposed Aug. 29, 1975)	83,336.58
9. Protein supplemental (proposed Aug. 29, 1975)	33,430.30
10. Over-the-counter drugs (proposed Nov. 11, 1975)	67,847.00
11. Preservations of consumer's claims and defenses (proposed Dec. 19, 1975)	3,093.25
12. Used motor vehicles (proposed Dec. 23, 1975)	113,016.20
13. Ophthalmic goods and services (proposed Dec. 23, 1975)	112,827.00
14. Revised care labeling (proposed Jan. 26, 1976)	47,352.67
Total	821,860.72

CHART A: ATTORNEY FEES AND COSTS COMPARED TO TOTAL BUDGET AS OF MAY 1, 1977

Participant	Rule	Attorney's fees	Attorney-related costs including travel and per diem	Total for: Attorney's fees and other attorney costs	Total approved maximum budget
San Francisco Consumer Action	Proposed Aug. 15, 1974: Vocational schools	$11,850.00	$4,975.00	$16,825.00	$25,015.00
Joel Platt	do	4,560.00	900.00	5,460.00	5,460.00
National Consumer Law Center	Proposed Apr. 11, 1975: Credit practices	28,120.00	8,500.00	36,620.00	98,357.24
Center for Auto Safety	Proposed May 19, 1975: Mobile homes	15,669.00	7,621.00	23,290.00	26,182.00
Council on Children, Media, and Merchandising	Proposed May 28, 1975: Food advertising	9,720.00	7,146.00	16,866.00	58,976.78
Consumers Union	do	4,580.00	740.00	5,320.00	7,360.00
Iowa Consumers League	do	(1)	(1)	(1)	200.00
Indiana Home Economics Association	do	(1)	(1)	(1)	39.70
Connecticut Citizen Research Group	do	160.00	150.00	310.00	6,777.00
National Consumers Congress	do	(1)	(1)	(1)	9,295.00
Consumer Action (Washington, D.C.)	do	30,900.00	9,308.00	40,208.00	46,844.00
Mary Ruth Nelson	do	(1)	(1)	(1)	270.00
Wendy Gardner	do	(1)	(1)	(1)	295.00
Society for Nutrition Education	do	(1)	(1)	(1)	20,860.00
National Council of Senior Citizens	Proposed June 4, 1975: Prescription drugs	630.00	280.00	910.00	2,070.00
Do	Proposed June 24, 1975: Hearing aids	37,005.00	2,170.00	39,175.00	44,106.00
Consumers Union	Proposed Aug. 29, 1975: Funeral industry	1,620.00	120.00	1,740.00	3,980.00
Arkansas Consumer Research	do	2,660.00		2,660.00	7,694.00
Continental Association of Funeral & Memorial Societies	do	6,156.00	2,000.00	8,156.00	18,170.00
Americans for Democratic Action and National Council of Senior Citizens.	do	9,755.50	720.00	10,475.50	18,667.17
California Citizens Action Group	do	5,556.00	2,265.00	7,821.00	15,675.41
Central Area Motivation Program	do	4,981.00	1,829.00	6,810.00	7,410.00
New York Public Interest Research Group	do	9,273.00	1,912.00	11,185.00	11,740.00
San Francisco Consumer Action	Proposed Sept. 4, 1975: Protein supplements	4,050.00	1,405.00	5,455.00	15,507.00
Consumers Cooperative of Berkeley	do	(1)	(1)	(1)	3,967.70
Consumer Action Now	do	(1)	(1)	(1)	13,955.60
California Citizens Action Group	Proposed Nov. 11. 1975: Over-the-counter drugs	8,832.00	700.00	9,532.00	33,112.00
Americans for Democratic Action	do	13,884.00		13,884.00	15,560.00
Council for Children, Media, and Merchandising	do	7,560.00		7,560.00	19,175.00
National Consumer Law Center	Proposed Nov. 19, 1975: Claims and defenses	1,248.10	1,455.50	2,703.60	3,093.25
Automobile Owners Action Council	Proposed Dec. 23, 1975: Used motor vehicles	11,680.00	2,030.00	13,710.00	24,260.00
California Public Interest Research Group	do	3,240.00	3,074.68	6,314.68	29,358.68
Center for Public Representation	do	4,420.00	1,866.00	6,286.00	33,146.00
San Francisco Consumer Action	do	5,420.00	4,512.52	9,932.52	11,751.52
Center for Auto Safety	do	780.00	720.00	1,500.00	4,500.00
California Citizens Action Group	Proposed Jan. 16, 1976 Ophthalmic goods	7,347.00	446.00	7,793.00	34,767.00
San Francisco Consumer Action	do	3,270.00	6,227.00	9,497.00	43,544.00
Arkansas Community Organizations For Reform Now	do	1,080.00	210.00	1,290.00	2,668.00
New York Public Interest Research Group	do	10,202.00	1,405.00	11,607.00	12,575.00
Americans for Democratic Action	do	11,024.00	4,478.00	15,502.00	19,273.00
National Consumers Congress	Proposed Jan. 26, 1976: Care labeling	11,040.00	1,826.00	12,866.00	47,352.67
Consumer Union/California Citizen Action Group	Health spas	3,150.00		3,150.00	8,850.00
Total		291,422.00	80,991.70	372,414.30	821,860.72

[1] No legal fees involved.

CHART B.—*Summary of attorney fees and costs compared to total budgets (May 1 ,1977)*

Total obligated in maximum approved budgets of participants	$821,860.72	Total obligated in attorney-related costs including travel and per diem	$80,991.70	Percent of maximum approved budgets obligated for attorneys' fees and attorney-related costs including travel and per diem (percent)	45
Total obligated in attorney's fees for participants	291,422.60	Total obligated in both attorneys' fees and attorney-related costs including travel and per diem	372,414.30		

CHART C: COMPENSATED PARTICIPANTS' CONTRIBUTIONS TO RULEMAKING AS OF MAY 1, 1977

Participant	Rule	Nature of participation	Total for attorneys' fees and other attorney costs	Total approved maximum budget
Continental Association of Funeral & Memorial Societies	Funeral industry	Studies, oral testimony, cross-examination, witnesses, rebuttal	$8,156.00	$18,170.00
Americans for Democratic Action and National Council of Senior Citizens.	do	Oral testimony, witness, cross-examination, rebuttal	10,475.50	18,667.17
California Citizens Action Group	do	Study, oral testimony, cross-examination, rebuttal	7,821.00	15,675.41
Central Area Motivation Program	do	Study, oral testimony, witnesses, cross-examination	6,810.00	7,410.00
New York Public Interest Research Group	do	Oral testimony, cross-examination, post-hearing comments	11,185.00	11,740.00
San Francisco Consumer Action	Proposed Sept. 4, 1975: Protein supplements.	Study, oral testimony, witness	5,455.00	15,507.00
Consumers Cooperative of Berkeley	Protein supplements	Study, oral testimony		3,967.70
Consumer Action Now	do	do		13,955.60
California Citizens Action Group	Proposed Nov. 11, 1975: Over-the-counter drugs.	Study, oral testimony, witnesses, cross-examination	9,532.00	33,112.00
Americans for Democratic Action	Over-the-counter drugs	Oral testimony, witnesses, cross-examination	13,884.00	15,560.00
Council for Children, Media, and Merchandising	do	Proposed participation: Oral testimony	7,560.00	19,175.00
National Consumer Law Center	Proposed Nov. 19, 1975: Claims and defenses.	Witnesses, oral testimony, cross-examination, rebuttal	2,703.60	3,093.25
Automobile Owners Action Council	Proposed Dec. 23, 1975: Used motor vehicles.	Proposed participation: Oral testimony, witnesses, cross-examination.	13,710.00	24,260.00
California Public Interest Research Group	Used motor vehicles	Proposed participation: Study, witnesses, oral testimony, cross-examination.	8,794.36	39,358.68
San Francisco Consumer Action	Proposed Aug. 15, 1974: Vocational Schools.	Study, oral testimony, witnesses, cross-examination	16,825.00	25,015.00
Joel Platt	Vocational schools	Oral testimony, cross-examination	5,460.00	5,460.00
National Consumer Law Center	Proposed Apr. 11, 1975: Credit practices.	No final notice yet. Proposed participation: Study, oral testimony, cross-examination.	36,620.00	98,357.24
Center for Auto Safety	Proposed May 19, 1975: Mobile homes.	No final notice yet. Proposed participation examination: Study, oral testimony, cross-examination.	23,290.00	26,182.00
Council on Children and Merchandising	Proposed May 28, 1975: Food advertising.	Study, oral testimony, witnesses, cross-examination	16,866.00	58,976.78

CHART C: COMPENSATED PARTICIPANTS' CONTRIBUTIONS TO RULEMAKING AS OF MAY 1, 1977.—Continued

Participant	Rule	Nature of participation	Total for attorneys' fees and other attorney costs	Total approved maximum budget
Consumers Union	Food advertising	Comments submitted to the record		$7,360.00
Iowa Consumers League	do	Oral testimony		200.00
Indiana Home Economics Association	do	No legal fees involved		37.70
Connecticut Citizen Research Group	do	Study, witness, oral testimony	$310.00	6,777.00
National Consumers Congress	do	Study, oral testimony		9,295.00
Consumer Action (Washington, D.C.)	do	Oral testimony, witnesses, cross-examination	40,208.00	46,844.00
Mary Ruth Nelson	do	Oral testimony		270.00
Wendy Gardner	do	do		295.00
Society for Nutrition Education	do	Study, oral testimony		20,860.00
National Council of Senior Citizens	Proposed June 4, 1975: Prescription Drugs.	Oral testimony, witnesses	910.00	2,070.00
Do	Proposed June 24, 1975: Hearing aids	Oral testimony, witnesses, cross-examination	39,175.00	44,106.00
Consumers Union Funeral Industry	Proposed Aug. 29, 1975	Comments submitted to the record	1,740.00	3,980.00
Arkansas Consumer Research	Funeral industry	Witnesses cross-examination, post hearing comments	2,660.00	7,694.79
Center for Public Representation	Used motor vehicles	Proposed participation: Study, oral testimony	6,286.00	33,146.00
San Francisco Consumer Action	do	Proposed participation: Witnesses, cross-examination	9,932.52	11,751.52
Center for Auto Safety	do	Proposed participation: Study, oral testimony	1,500.00	4,500.00
California Citizens Action Group	Proposed Jan. 16, 1976: Opthalmic goods.	Study, oral testimony, witnesses, cross-examination, rebuttal	7,793.00	34,767.00
San Francisco Consumer Action	Opthalmic goods	Study, oral testimony, cross-examination	9,497.00	43,544.00
Arkansas Community Organizations for Reform Now	do	Oral testimony, witness, cross-examination	1,290.00	2,668.00
New York Public Interest Research Group	do	Oral testimony, cross-examination	11,425.00	12,575.00
Americans for Democratic Action	do	Cross-examination	6,570.00	9,507.00
National Consumers Congress	Proposed Jan. 26, 1976: Care labeling	Study, oral testimony, cross-examination	13,586.00	47,352.67
Consumers Union/California Citizen Action Group	Proposed Aug. 15, 1975: Health spas	Study, oral testimony	3,150.00	8,850.00

ISSUES OF IMPLEMENTATION

Because they may have considerable bearing on future implementation of compensation plans for other agencies and because they bear directly on many of the basic issues involved in such proposals, it is instructive to review the guidelines for participation that the FTC issued in August 1976.

Financial issues

One fundamental problem, which is more than merely an administrative consideration, concerns the mechanics of compensation. When are determinations of compensation made and when are funds dispersed? What activities are covered by compensation? What are the monetary limits of compensation? Federal Trade Commission rules (but not statute) provide that compensation is not available to reimburse costs incurred in preparing the application for compensation. The Commission's rationale is that to reimburse all applicants would multiply frivolous applications, while reimbursing only successful applicants would create a "lottery effect that would encourage hard-pressed organizations to gamble funds in the hope of ultimate compensation." Inasmuch as the application form is rather detailed and requires the presentation of a detailed budget, some potential participants have objected that the application procedure itself should be compensated. Most public interest groups have objected to the denial of compensation for their application preparation costs.

A closely related issue is the timing of the compensation decision. The FTC makes the awards, based upon application, before actual participation occurs. This tends to necessitate a detailed application procedure, which in turn gives rise to the issue of compensation for the application itself. Moreover, this process, although admittedly in the infant stages of the program, has also occasioned delay and an uncertainty which hampers the ability of applicant groups to participate. While there would no doubt be budgetary complications, a way around this dilemma is to allow the program to make compensation awards after participation, if that participation is judged to have met those criteria already used to judge applications. Groups could thereby skip the initial application stage and avoid the delay occasioned by that process. This posthoc process should not replace the prior award but should be an alternative opportunity for groups willing to take their chances.

The total amount of compensation is also an issue. Critics have labeled programs of this type, "lawyer's relief acts," envisioning a specter of huge awards to suddenly enriched public interest lawyers. The statute provides for "reasonable" attorney's fees. The FTC has operationalized the term "reasonable" by using Federal Government salaries as a basis for a maximum hourly rate, graduated by legal experience after law school graduation. The range in the current guidelines runs from $23 to $45 an hour. Fees for consultants and experts are limited to the rates the Commission can pay its own consultants—a maximum of $147 per day. Similarly, travel expenses are limited by Government standards. There have been complaints that these guidelines amounts are too low and that actual awards have been insufficient. While we believe the guideline amounts should be raised to better account for overhead and other real expenses, there should be some limits. There is a further limitation applicable to persons who would be regulated by the proposed rule or would represent such persons. Compensation to such persons may not exceed 25 percent of the aggregate amount paid as compensation in a given year.

The statute prescribes as the financial criterion of eligibility that the participant would be unable to participate effectively because he "cannot afford to pay costs" of such participation. The Commission's guidelines do not interpret this as an indigency requirement, although applicants with substantial financial resources or those whose economic interest is directly affected are clearly excluded. As the Commission notes, "In between are several gray areas. In particular, the statute raises questions about the Commission's authority to compensate an applicant with substantial resources which are being devoted to other causes." [29] The Commission's rules of practice prescribe certain criteria when the issue at stake is economic. A presumption toward compensation favors the applicant when the economic stake of the applicant is small in comparison to the cost of participation.

However, even when the cost of participation is small compared to the economic stakes involved, compensation may be allowed when a large total stake is divided among a large number of people (for example all consumers of automobiles) so that each individual has no practical incentive to participate. For example, if an industry practice costs 50 million consumers $10 each, the total economic stake is huge and eclipses any cost of participation. However, given the small individual stake and the organizational difficulty of getting consumers to pool their resources and make contributions to the participant organization, the interest at stake would normally go unrepresented.[30] In such circumstances, the FTC judges that compensation should be allowed. The FTC has also allowed compensation to groups with substantial resources, such as Consumers Union, if they would be unable to participate because their resources were already committed to other areas or their obligations otherwise were such that they could not participate without compensation.

Substantive criteria of eligibility

In addition to the financial criteria, the Bureau of Consumer Protection must make decisions among applicants based on the interest they purport to represent, the necessity that it be represented, and the prospective adequacy of that representation. In the past, applicants have claimed to represent the interests of consumers as a whole or large subgroups of consumers. While the Commission has accepted such broad representational claims, the Bureau of Consumer Protection notes that the consumer interest is not usually homogenous and much of the issue in a rulemaking is to determine how to weigh various competing components of the consumer interest. Therefore, the Bureau has stated in its guidelines that it will give preference to applicants who define their interest or viewpoint with greater specificity.

Specifically, the criteria which count toward a favorable disposition by the Bureau are the following:

(1) Expertise in the substantive area.

(2) Experience in FTC or trade regulation matters generally.

(3) General performance and competence.

(4) Constituency—a membership organization or one that is supported by contributions from the public.

(5) Contributions—the willingness of a group to spend some of its own money on the proceeding. However, this factor is not determinative.

(6) Point of view—evidence that an applicant has an economic, legal, or philosophical point of view that would help illuminate complex questions about consumer interests.

(7) Relation between the applicant and the interest.

(8) Specifity regarding issues to be addressed, the interest to be represented, and other considerations.

GENERAL ISSUES

Many of the issues that have been raised over the whole issue of Government fund-

Footnotes at end of article

ing of participants also apply to the entire question of broadened participation in regulatory proceedings. Since these wider issues are addressed more fully in other sections of this report, the discussion that follows will more narrowly focus on the participation issues directly related to the question of compensation.

DELAY

The problem of delay is occasionally raised in opposition to any proposal for broadening public participation in administrative procedures. Thus, former Chairman of the Federal Power Commission Joseph Swidler stated:

"It seems to me to be an anomaly that the Federal Government should on the one hand issue instructions to its servants to carry out regulatory programs in important areas of public policy, and on the other hand support the private intervenors whose purpose is frequently to thwart those programs in accordance with the specific interests of the private groups which are involved. Clearly, it is not the intention of Congress to precipitate deadlocks, but the bill—S. 2715—could have that effect." [31]

Similarly, a spokesman for the Northeast Utilities System, an electric utilities holding company, argued that, "Implementation of S. 2715 would be very likely, in our view, to lead to substantial delays in proceedings, without any real benefit except that of fully airing the views of certain people who may become interested in the proceeding." [32]

In our view, the fact that an additional party participates in an administrative agency proceeding does not mean that the proceeding will be delayed. With appropriate management practices and with wide discretionary latitude accorded to presiding officers, administrative proceedings should not be lengthened by the inclusion of an additional participant. Not lengthened, that is, unless the additional participant raises new issues which are relevant and material to the proceeding—issues which cannot be summarily discussed and must be considered. When that occurs, the initial proceeding may indeed take longer—as it should—in order to explore the additional relevant considerations which have been raised. Ultimately, however, the overall time elapsed may in fact be lessened, since if all relevant issues are resolved in the initial proceeding, the likelihood of a subsequent court reversal to consider relevant issues is substantially reduced, and along with it the risk that the agency will simply have to go through its paces all over again.

There is another sense in which compensation for participation might actually speed up the administrative process. Federal Communications Commissioner Benjamin Hooks asserted that compensation could speed up the administrative process by enabling public participants to present more professional, better drafted, more fully substantiated petitions to an agency, thereby lessening the burden on the agency's staff to undertake investigations to ascertain the merit of their contentions.[33]

Finally, rules or legislation providing for compensation can be drafted so that persons who do engage in delaying or disruptive tactics would not be compensated. There is a substantial body of judicial precedent to guide such a "bad faith" test.

PROPRIETY AND NEED FOR COMPENSATION

Probably the most fundamental objection to this approach is the contention that it is not a necessary or even appropriate adjunct to the administrative process. Former FPC Chairman Joseph Swidler argued:

"Typically, the intervenors represent the interests of only a small segment of the population. The assumption of the bill is that the general public will not feel protected unless the Government supports the special interests as against the agency which is required to balance the competing interest in the proceeding. The general public is represented only by the agency, acting under the congressional mandate.

"* * * Hiring a private force for policing the public agencies created by Congress to serve the national interest and subsidizing interventions and appeals, all of this justified on the ground that the public agencies are incompetent and ill intentioned, will not, in my opinion contribute to the credibility of government." [34]

While few deny the right and even the necessity for public participation, the issue here comes down to whether the Government should support certain interests—which critics charge are really private—against other interests. Thus, beyond whether or not the agencies alone represent the "public interest" there are certain equity considerations. These equity considerations, however, cut both ways. Joseph Onek, director of the Center for Law and Social Policy, stressed:

"Government subsidy of participation in agency proceedings already exists in another form. Under our tax system legal expenses are deductible as a business expense. Thus, whenever a business participates in an agency proceeding, the Federal Government in effect pays half the bill.

"Moreover, there are no restrictions to this subsidy. The Government pays half the bill no matter how unnecessary the business participation and no matter how frivolous the business position. And the Government pays no matter how high the legal expenses of the business are. If the business pays its lawyers $200 an hour, the Government will pay half.[35]

Moreover, in regulatory proceedings involving regulated public utilities, the costs of the utilities' participation is directly passed on to customers so that the public at large is directly assessed the costs of presenting one point of view anyway—and a point of view which is often inimical to the public's interest as consumers.

There is another equity consideration that relates directly to the necessity of public participation. If, as we believe, the presentation of a variety of views is essential to the proper functioning of the regulatory process, it is the proper responsibility of Government to facilitate that overall process, including compensation of participants when that is necessary.

CRITERIA OF ELIGIBILITY

While some critics object to the concept of Government funding of participation as a whole, they and others have also focused on the narrower issues of implementation should such proposals be enacted. One such issue concerns the criteria of eligibility for participation. Specifically, one such objection concerns the value or necessity of the substantive contribution to be made by the public participant. As reported by the Judiciary Committee in the 94th Congress, S. 2715 would have awarded compensation if a participant represented an interest "representation of which contributes or can reasonably be expected to contribute *substantially* to a fair determination of the proceeding" (emphasis supplied). S. 270, the currently pending bill, has the same criterion.

The language of the statute authorizing the FTC compensation program on the other hand, states that compensation may go to any person who has or represents an interest "representation of which is *necessary* for a fair determination of the rulemaking proceeding taken as a whole" (emphasis supplied). Critics of S. 2715 argued that, at the very least, the standard should be necessary rather than substantial. This issue, however, may involve a distinction without a difference. In practice, the FTC has interpreted the term "necessary" very liberally. The Bureau of Consumer Protection has chosen to emphasize the notion of necessity for a fair determination and has held that this requirement is met "if the proposed rule would affect the interest in some significant way." [36]

It may well be that there is no practical difference between the application of the "necessary" standard as opposed to "contribute substantially" standard. Agencies that welcome participation may well find that public participation is "necessary" in every case. But what if an agency finds an applicant could contribute substantially but is not necessary? Since the standard will always be discretionary, the result will depend on whether the agency is enthusiastic or negative in terms of public participation. Thus a "necessary" standard could allow agencies most in need of public participation to forestall that participation.

Another question of eligibility relates to financial standards. How much in need should a group be before it becomes eligible? Must a group be indigent? The issue was laid out in the following exchange between Joseph Onek and Senator Allen during this committee's hearing on S. 2715: [37]

Senator ALLEN. Does not the Federal Trade Commission provide also that the public interest group must need financial assistance before any is given for their representation?

Mr. ONEK. I am not fully familiar with that.

Senator ALLEN. I will state to you that that is correct, they do require that they make a showing, that they need this help, or they should be furnished it, but under this bill a well-funded, rich, public interest group could apply for funding of attorneys' fees; is not this correct?

Mr. ONEK. I believe it could, but again the question is the proper definition of need.

You take a group that has some resources. It might wish to participate in several proceedings.

It may indeed have the funds to participate in one of them, but then it could not participate in the others. Under these circumstances, the bill contemplates, I think correctly, that if they can show that their membership does not have such an economic stake in the proceeding that the members should have to pay, they should be eligible. I think that is fair.

Senator ALLEN. Do you feel an organization, with say $1 million in bank accounts, would be able to afford their own counsel?

Mr. ONEK. I would imagine. I doubt that very many of the organizations contemplated in this bill have $1 million in their bank account.

Senator ALLEN. Well, there are some. They have that and more.

This is a difficult, but not insoluble problem. There should be no objection to requiring groups to submit financial statements to insure that they have a need for funding—if a needs test is used. The more complex issue concerns what is meant by "need." The problem is that most citizen groups or small businesses may have the ability to participate in one administrative proceeding over a period of several years. Should we require such parties to completely deplete their resources on a given proceeding, before they are eligible for funding in any other proceeding? In our own view, we should not require such complete indigency. The problem becomes easier if the issue is shifted toward the utility of the participation itself. If a person can present important and otherwise unrepresented interests, the presumption should be toward compensation as long as lesser standards of financial eligibility, short of indigency, are met. Groups with considerable expertise in certain areas should not be foreclosed from participation because they are

Footnotes at end of article.

already contributing, gratis, to other administrative proceedings.

SCOPE OF PROCEEDINGS

A major issue is the range of administrative proceedings in which compensation is to be available. Compensation at the FTC is limited to rulemaking proceedings while the compensation program proposed by S. 270 would cover not only rulemaking, but ratemaking, and licensing proceedings plus all other proceedings relating directly to health, safety, civil rights, the environment and the economic well-being of consumers in the marketplace. Opponents of the legislation object specifically to this broad scope of applicability and some suggest that, as with the FTC, future compensation also be limited to rulemakings. Presumably the rationale for limiting funding to rulemaking is that such proceedings result in rules of general applicability and thus have greater general policy importance. Also, adjudications, being quasi-judicial in nature, present considerations of due process and fairness which might be compromised by the funding of intervenors. If there were currently a clear line between rulemaking as a quasi-legislative function and adjudication as a quasi-judicial function, a limitation of compensation to rulemaking would be particularly well-founded. Such is not the case, however. Some proceedings which are technically rulemaking proceedings are very narrow and deal with the assignment of particular franchises or other matters of concern only to a single company and its competitors, as in the case with many ICC rulemakings. Conversely, many adjudicatory proceedings, such as NRC licensing proceedings, have the broadest public impact. Indeed, it was a licensing decision and not a rulemaking that led to the landmark Church of Christ decision, which proclaimed the necessity of public participation had expanded the rights of intervention.

In general, under the Administrative Procedure Act, agencies have discretion to employ rulemakings of particular applicability or can hand down adjudicative decisions of general application. In our opinion it would be inappropriate and unwise to make the possibility of compensation (and thus enhanced participation) contingent on whether an agency designates its activity as one or the other. It would be particularly inappropriate to do so in a statute which is applicable to a variety of agencies.

A second issue of scope is whether compensation should be awarded for appeals of agency decisions to the courts. Many of the same arguments against compensation at the agency level are also directed against compensation at the judicial level: it will encourage frivolous appeals, it will delay proceedings, and there will be excess cost. Again, the considerations are much the same. Judge Harold Leventhal of the Court of Appeals for the District of Columbia emphasized to the Senate Judiciary Committee:

"It helps the court to have some group, which not only has something to say and some interest—not a financial interest but a nonfinancial, publicly oriented interest—to give us the benefit of a great deal of research in legal and historical matters and an array of scientific and evidentiary materials."

Ultimately, the issue boils down to a consideration of the nature of the administrative process—an issue on which there is considerable room for disagreement. While supporting the concept of compensation of participants at the agency level, Assistant Attorney General Rex E. Lee urged caution about extending the program to the judicial level:

[W]e feel . . . that there is a distinction which Congress may well wish to consider between participation at the administrative level and participation at the judicial level. And the distinction is this. The administrative level is that point at which policymaking is being carried out. It is the point at which all points of view need to be taken into account because it is a mixture of both policymaking and to a lesser extent, dispute resolution. There is, therefore, a distinction between the attorneys' fees issue at that level, and the judicial level because by its nature, litigation typically results when parties have a specific disagreement on a specific legal issue. Now there is no question that there is some relationship between the two. But the issue, as we see it, is essentially a question of how far we should go." [38]

In the same hearings, Judge Leventhal squarely took issue with the position of the Justice Department:

"Historically, it stands the process on its head. The whole concept of private attorneys general appeared first in the court cases and then in the agency cases. . . . And my feeling is that the judicial review really has to be looked at as part of the total administrative process. . . .[T]he court, although it is separate and independent, I think it has to understand the administrative process and should be regarded as the last stage of the administrative process." [39]

It seems to us anomalous to have broad rights of participation, to recognize the usefulness of providing the financial wherewithal to make that participation opportunity meaningful and then to cut off funding at the decisionmaking arena; which may be the final decision stage of the proceeding taken as a whole. Indeed, the courts have had even more experience in the award of fees than have the agencies.

ASSESSMENT

The compensation of participants in agency proceedings is a solution that responds directly and specifically to what is now a fundamental obstacle to public participation—its cost. In addition to having the benefit of vindicating legal rights, the funding of participants may well aid the regulatory process by providing a more reliable information base on which to reach decisions. Indeed, this has been the experience at the Federal Trade Commission.

There are two general categories of objections to this concept. There is first of all an objection which stems from a fundamental objection to broadened participation generally on the grounds of delay, false claims of representing the public and so on. However, that issue appears to be well settled by Congress and the courts—and increasingly by the agencies themselves. Secondly, there are technical objections—the program is too broad, costs too much, and so on. While there is ample room for disagreement over such matters, it is clear that once the first issue is resolved, the second class of problems is readily solvable as the Federal Trade Commission has demonstrated in a relatively short time.

RECOMMENDATIONS

(1) Congress should enact legislation authorizing agencies to provide compensation to eligible persons for costs incurred in participating in agency rulemaking, ratemaking, licensing, and certain other proceedings. Eligibility for compensation of reasonable costs should be conditioned on whether (a) the participant can reasonably be expected to make a substantial contribution to a fair determination of the issues; and (b) the economic interest of the person is small in comparison to the cost of effective participation or the participant does not have sufficient resources to participate effectively. Such legislation should also provide compensation to eligible persons for costs incurred in seeking judicial review of agency actions.

(2) Until such time as general legislation for compensation of public participation costs is enacted, regulatory agencies should implement their own programs to compensate eligible participants in agency proceedings as appropriate.

(3) The APA should be amended to empower agencies to order "fee shifting" in cases of bad faith, willful violation of an agency order or other egregious conduct. Agencies should have the power, as do the courts, to allow exceptions to the general American rule that litigating parties pay their own attorneys fees, whether they win or lose.

FOOTNOTES

[1] 26 Trade Reg. Rep. par. 19059. 26 Ad. L. 2d 474 (1970).
[2] Opinion of the Comptroller General, B–139703; 31 Ad.L. 2d 474 (1972).
[3] CLI–74–42, RAI–74–820.
[4] Boasberg, Hewes, Klores, and Kass, report to the NRC, "Policy Issues Raised by Intervenor Requests for Financial Assistance in NRC Proceedings," Washington, July 18, 1975.
[5] Opinion of the Comptroller General, B–92288, costs of intervention: Nuclear Regulatory Commission, Feb. 19, 1976.
[6] Decision of the Comptroller General, B–180224, May 10, 1976.
[7] B–139703 (Sept. 22, 1976).
[8] 41 F.R. 35855 (Aug. 25, 1976).
[9] B–139703 (Dec. 3, 1976).
[10] Ibid.
[11] 42 F.R. 2864 (Jan. 13, 1977).
[12] 2 Cir., No. 1516 (Slip op. June 30, 1977).
[13] 455 F. 2d 412 (2 Cir. 1972).
[14] U.S. Senate Commerce Committee. "Agency Comments on the Payment of Reasonable Fees for Public Participation in Agency Proceedings," 95th Cong., 1st sess. (1977).
[15] 42 F.R. 2864 (Jan. 13, 1977).
[16] Stat. 2197: 15 U.S.C. 57A.
[17] H. Rept. 93–1445, p. 37 (1974).
[18] S. Rept. 94–863.
[19] *La Raza Unida* v. *Volpe*, 57 F.R.D. 91 (N.D. Cal. 1972); *Wilderness Society* v. *Morton*, 495 F.2d 1026 (D.C. Cir. 1974).
[20] *Office of Communications of United Church of Christ* v. *FCC*, 465 F. 2d 519 (D.C. Cir. 1972).
[21] 514 F. 2d 1354 (D.C. Cir. 1975.)
[22] 455 F. 2d 412, 426 (2d Cir. 1972).
[23] 45 U.S. Law Week, 2320; CA2, Dec. 3, 1976.
[24] S. Rept. 94–863, p. 41.
[25] The Environmental Protection Agency has similar authority in proceedings that are under the Toxic Substances Act.
[26] U.S. Senate Committee on Government Operations, "Public Participation in Government Proceedings Act of 1976," hearings on S. 2715, 94th Cong., 2d sess. (1976). Testimony of James DeLong, p. 40. Hereafter referred to as Government Operations hearing on S. 2715.
[27] Ibid.
[28] Consumers Union letter to Mr. William D. Dixon, Federal Trade Commission, Apr. 28, 1976, re proposed trade regulation rule on food advertising.
[29] FTC Bureau of Consumer Protection. "Guidelines on Compensation for Participation in Rulemaking Proceedings," Aug. 25, 1976, p. 30.
[30] Mancur Olson, "The Logic of Collective Action" (Cambridge: Harvard University Press, 1965).
[31] Government Operations hearings on S. 2715, p. 18.
[32] Ibid., p. 46.
[33] Ibid., p. 96.
[34] Government Operations hearings on S. 2715, p. 21.
[35] Ibid., pp. 5–6.
[36] Government Operations hearings on S. 2715, pp. 6–7.
[37] Government Operations Committee hearings on S. 2715, p. 80.
[38] Judiciary Committee hearings on S. 2715, p. 110.
[39] Ibid., p. 83.

[From Trial magazine, June 1977]

BEYOND "SUNSHINE": PROMOTING EFFECTIVE CITIZEN PARTICIPATION IN THE FEDERAL ADMINISTRATIVE PROCESS

(By Senator EDWARD M. KENNEDY)

The Wall Street Journal carried a recent article on a controversy now raging in Michigan over whether a major utility in that state, Consumers' Power, should be permitted to construct a nuclear power plant at the company's Midland location. The chief customer of the proposed facility will be the Dow Chemical Company, which is to use the process steam generated by the plant in its nearby industrial facility. Dow's increased power needs were put forth by Consumers' Power as the chief reason it needed the substantially increased generating capacity which the new plant would provide.

The article noted the myriad unanticipated delays the utility has encountered in attempting to secure a license for the plant from the Nuclear Regulatory Commission, and the subsequent problems that have developed between Dow and Consumers' Power as a result. It now appears, for instance, that Dow can no longer wait for the power to be generated by the new facility, and must fill its needs from other sources. Thus, the continuing justification for construction of the nuclear plant is in doubt.

What the article did not mention, however, was that much of this information concerning the current need for the facility was not brought to light by Dow Chemical, nor by Consumers' Power, nor by the staff of the NRC itself. It was revealed, instead, by a consortium of local citizens' groups who were concerned about safety issues and who questioned the need for the utility to increase so substantially its generating capacity. This citizens' group, "Consolidated Intervenors," had raised considerable amounts of money from local opponents of the plant, and, during a four-year period, had mounted a successful legal challenge to its construction. It convinced a federal appellate court that the NRC, in granting preliminary authority to construct the facility, had not given adequate consideration to cost-benefit or resource conservation issues. Their victory, which is expected to have an impact on nucear plant licensing proceedings throughout the country, has now forced the NRC to reconsider its decision to issue a preliminary construction permit.

It does not now appear, however, that Consumers' Power will be facing any more opposition from Consolidated Intervenors. The reason is simple: the citizens' group has run out of money. Despite the fact that the NRC's own Atomic Safety and Licensing Board—which has been conducting the licensing proceeding for the Midland facility—stated that the attorneys and experts retained by Consolidated Intervenors had provided invaluable assistance in resolving the issues involved in this lengthy and costly proceeding, the NRC has repeatedly denied the group's pleas for financial assistance to permit continued participation.

COMMON EXPERIENCE

The experience of this one citizens' group is hardly unique:

In West Virginia, an environmental action group tried to be heard when a power company proposed to locate what the group felt was an unnecessary electrical plant in their area. They were able to scrape together some funds to put their views before the Federal Power Commission, after an environmental impact statement had been filed. But, even though they were going to be affected by the NRC's decision as directly as the power company itself, the group ran out of money before the FPC even began hearings.

In Washington, D.C., there is a group of experts on food and nutrition issues which has organized consumers, published materials, and become well-equipped to provide the Food and Drug Administration with enlightened, scientific views on food issues. But over a year ago this group had to give up initiating administrative petitions before the FDA because it could no longer afford the costs.

An environmental action group in Michigan had to abandon its efforts to force the Atomic Energy Commission to adopt stricter procedures for the use of highly radioactive plutonium by private industry. In particular, the group was concerned about the lack of adequate safeguards in the transfer procedures for this substance and the possibility that plutonium could be acquired by terrorists. The agency kept the group tied up in litigation for almost seven years, bouncing the issue back and forth between the courts and the agency, until finally the group ran out of money and had to give up. In seven years of fighting, they never even forced the agency to reach the substantive issues in the proceeding. Now, ironically, the Carter Administration is stopping commercial use of plutonium fuel because of the potential dangers involved.

Consumers' Congress of Virginia tried to fight the siting of a power plant which they felt would have disastrous environmental consequences. They raised all of the $55,000 it cost to convince their state public utility commission that they were right, but they had no money left when the utility brought the matter to the Federal Power Commission.

Only one citizens' group was able to raise enough money to participate in hearings on liquor labeling—in opposition to over 100 industry participants—which the Bureau of Alcohol, Tobacco, and Firearms announced a couple of years ago. The bureau later dropped its proposal to require informational labeling of liquor because it found "insufficient consumer interest" in the subject.

Even some of the success stories give little reason for encouragement. A year ago the FDA finally banned the use of Red Dye Number 2 in food products. The agency's action was due in large measure to the efforts of the Health Research Group, which had been involved in the FDA proceedings from the beginning. Even though it did participate, the group did not have the funds to present testimony from its own experts. It was forced instead to limit its participation to cross-examination of industry expert witnesses. Had the research group been able to build its own case—the public's case—in that proceeding, one more cancer-causing substance might have been removed from the market three years earlier.

AGENCIES AND THE "PUBLIC INTEREST"

To my mind, the kinds of issues and information which groups like these have tried to inject—with varying degrees of success—in numerous federal proceedings reflect broad public concerns. The viewpoints enunciated must be considered before agencies can even begin to formulate decisions which can legitimately be said to be in the best interests of the American people.

Federal agencies themselves are thought to embody—and to provide advocacy for—the broadest interests of the general public. At the same time, however, they are supposed to provide impartial forums in which competing claims can be fairly heard, weighed, and judged. Through these adversary processes the elusive goal of administrative justice is supposed to emerge clearly.

Although this nation has never determined with any finality whether the primary role agencies are to play in the administrative process is that of advocate for, or adjudicator of, the public's interests, it is clear that they can play neither effectively if they are unable to determine precisely where the "public interest" lies in any given issue. The time has long since passed when agencies could be thought to protect or even discern interests which are not brought forcefully to their attention. As Judge—now Chief Justice—Warren Burger wrote 11 years ago in the first of the now-famous *United Church of Christ* cases:

"The theory that the [FCC] can always effectively represent the listener interests . . . without the aid and participation of legitimate listener representatives fulfilling the role of private attorneys general is one of those assumptions we collectively try to work with so long as they are reasonably adequate. When it becomes clear, as it does to us now, that it is no longer a valid assumption which stands up under the realities of actual experience, neither we nor the Commission can continue to rely on it." [1]

Over the course of the last decade, the federal courts have done much to open agency proceedings to fuller public participation. In particular, they have relaxed the stringent requirements for standing to intervene in proceedings to a point where many practitioners and commentators feel that standing no longer presents a serious barrier.

But these efforts by the courts have not solved the underlying problem. Today the real barrier is cost. It is an unfortunate fact that relatively few citizens can take advantage of the inroads into the doctrine of standing which the courts have made, as the expense of participating in agency proceedings far exceeds the abilities of most citizens to meet it. We have learned that merely increasing access to the agencies is not enough. Citizens have to be given more direct kinds of support if they are to be able to participate effectively in the administrative process.

While the cost of participation is high, the value of public involvement in agency proceedings is unquestionable. In the last eight years there have been over 25 hearings in Congress focusing upon the need to foster greater public participation in federal proceedings. The extensive record of these hearings leads to one inescapable conclusion: without increased citizen participation, our regulatory system cannot function properly. Agency lethargy, unresponsiveness, conflicts-of-interest, cooption by some of the very interests they are supposed to regulate, and outright hostility to the "public interests" agencies are charged with protecting—indeed, all the negative consequences of closed governmental processes—have been documented at length.

My own exposure to the need to bring the public more fully into the federal decision-making process spans this same eight-year period, during which I chaired the Senate Subcommittee on Administrative Practice and Procedure. My first act as chairman in 1969 was to send a questionnaire to government officials and to persons who deal with the agencies. I wanted to find out how responsive agencies were to public concerns and needs. I also wanted to know which agencies were actively trying to encourage public participation in their proceedings.

The results of that survey, and the hearings which followed over the next few years, were very disheartening. In one agency after another, we saw how little attention was being paid to promoting and responding to direct public involvement in administrative decisionmaking. The agencies all seemed to regard public participation as an annoyance to be tolerated, rather than as a resource to be cultivated. The public likewise voiced frustrations and even anger at the cavalier attitude federal bureaucrats often displayed toward the concerns they expressed.

RECENT IMPROVEMENTS

Recently, however, the situation has begun to improve. In 1975 Congress enacted the Magnuson-Moss FTC Improvement Act,

[1] Office of Communication of United Church of Christ v. F.C.C., 359 F. 2d 994, 1003 (D.C. Cir. 1966)

which provided the Federal Trade Commission with authority and funds to make direct grants of financial assistance to individuals and groups who seek to participate in rulemaking proceedings. Last fall it authorized the Environmental Protection Agency to make these kinds of awards in proceedings conducted under the Toxic Substances Control Act. This authority covers adjudications as well as rulemakings. In addition, Congress authorized federal courts to make discretionary awards of attorneys' fees to successful litigants in actions brought under that Act for review of EPA decisions.

Even more significant are the actions several agencies have themselves taken during the last year to establish their own citizen participation programs. In response to requests for rulings by certain agencies and by members of Congress, the Comptroller General has issued several decisions affirming that many agencies already have inherent statutory authority to implement such programs.[2] Although this inherent authority is, necessarily, more limited than the affirmative authority granted under the Magnuson-Moss and Toxic Substances Acts, a number of agencies have seized upon it to begin providing direct financial assistance to representatives of interests agencies feel can make important contributions.

Among the agencies which are presently in various stages of establishing compensation programs are the Food and Drug Administration, the Civil Aeronautics Board, the Consumer Product Safety Commission, the National Highway Traffic Safety Administration, the Federal Energy Administration, and the Environmental Protection Agency (for all its proceedings—not merely those involving Toxic Substances).

The reasons cited by these agencies for utilizing this authority underscore the continuing imbalances which exist in the administrative process:

According to the Nation's Highway Traffic Safety Administration, it is "difficult for some consumer, environmental, and other groups of citizens that are either widely dispersed or poorly financed to bear the cost of participating in Federal regulatory proceedings. By contrast, better financed and organized groups, frequently representative of the regulated industry, are often able to participate vigorously and effectively."

The Consumer Product Safety Commission went even further: "In order for public participation to be meaningful, it must be of sufficient technical competence and presented in such a way that the Commission can rely on it to properly balance the input of the regulated industry. Although the Commission has throughout its existence consistently encouraged public participation in all of its activities, the high cost of meaningful participation in regulatory proceedings often excludes such participation."

And the Environmental Protection Agency stressed why agencies find public participation to be of such great value. It noted a general consensus that citizen representatives in its proceedings do have a significant technical ability and that they have made substantial contributions to better agency decisions. According to the EPA: "They have often provided facts and arguments relevant to the statutory purpose that would not otherwise have been urged on the agency and which the agency might not have uncovered or fully appreciated on its own."

The comments of these agencies on the value of public participation in their proceedings underscores the critical importance of ensuring that these trends are supported and encouraged. Undeniably, citizens have demonstrated that they can contribute significantly to agency proceedings. But it is hardly fair to continue to require, in effect, that a few individuals or groups should have to bear the full costs of prompting agency actions from which all of us benefit.

The program at the Federal Trade Commission, now 18 months old, has worked better than anyone had imagined it would, according to former Chairman Calvin Collier. Indeed, agency staff members, as well as citizen representatives who have participated in FTC proceedings with Magnuson-Moss funds, agree that the program is a success. There is no reason why this basic authority should not be extended to other proceedings and other agencies.

SENATE BILL 270

I have long been convinced of the need to provide uniform authority to all federal agencies to enable them to institute genuinely effective public participation programs. The inherent statutory authority which the Comptroller General has found to exist does not provide agencies with the kind of focused and detailed guidance which ought to characterize any new federal program. Moreover, the public must not be required to wait while each agency of the federal government undertakes lengthy rulemaking to determine whether their own individual generic statutes permit them to provide compensation, and how broadly this authority can be exercised. There is also a real danger that the "agency-by-agency" approach will produce a confusing morass of conflicting regulations which may actually discourage public participation. Indeed, many agencies, citizens' groups, and the Comptroller General himself have urged that Congress act quickly to establish a uniform framework for public participation programs throughout the government.

Senator Charles McC. Mathias and I, along with 18 of our colleagues in the Senate, introduced legislation (S. 270 The Public Participation in Federal Agency Proceedings Act of 1977) last January to meet these needs. Similar legislation (H.R. 3361) is being sponsored in the House of Representatives by Congressmen Peter Rodino and Edward Koch, along with nearly 100 other representatives. The bill has two principal objectives:

First: It would authorize federal agencies to encourage and support increased public involvement in government decisionmaking by providing compensation for the expenses of attorneys' and expert witnesses' fees, and other costs of citizen participation in agency proceedings.

Second: It would promote greater agency accountability by allowing federal courts to award fees and costs to successful plaintiffs in actions for judicial review of agency decisions, where the litigation serves to vindicate important public policies.

The authority provided by the bill extends to all agencies for their discretionary use in all rulemaking, ratemaking and licensing proceedings. In addition, it covers certain adjudicatory proceedings which involve issues relating to health, safety, civil rights, the environment, and consumer economics.

Under our bill, an agency must determine that public participation will promote a full and fair determination of the issues involved in a proceeding. Eligibility to receive an award depends upon, first, an applicants' ability to contribute substantially to the proceeding—i.e. whether his presence may affect the outcome—and secondly, whether he has either a small direct economic interest in the outcome or insufficient resources to participate in the proceeding if funds are not made available.

Fee awards in court actions are subject to more stringent standards. Not only must a party meet the same financial tests as in the agencies, but it must also prevail in the action and must convince the court that the litigation served an important public policy.

The bill contains a three-year authorization, with $10 million to be divided among the agencies each year.

This legislation embodies neither a radical nor a novel approach to promoting greater citizen participation in agency proceedings. The experience at the FTC and the other agencies which have initiated programs of their own proves that there are substantial benefits to be gained. The bill reflects the concerns of numerous interests which have been involved in this issue for many years. It is the product of two years of Senate hearings and the suggestions we have received from business and citizen groups, and from judges and agency officials themselves.

I do not agree with those who say that only the agencies themselves can be the sole guardians of the public interest, or that public funds should not be spent to subsidize non-profit groups who seek to advance their own points of view and who have little accountability to the "public" they claim to represent. Those who make such charges seriously misperceive the purposes to which this legislation is directed.

There can be no dispute that Congress itself must be the ultimate guardian of the public interest, or that it has legitimately delegated certain of its responsibilities to agency officials who have the requisite expertise to make decisions on complex technical issues. The problem is that the "public interest" is not a unitary concept. It involves competing interests which often embody aspects both beneficial and harmful to the "public good." One of the tasks of agencies is to weigh these competing interests, to strike a balance, and find what will provide the greatest possible benefit to the widest number of people. To be able to do so, however, it is imperative that all interests—public as well as private, general as well as specific—be articulately represented in those forums where the overall public interest is ultimately judged.

This, I believe is the real public interest: that the best possible decisions be reached. The expense of participation in proceedings must not be allowed to remain a barrier to achieving full representation of the myriad competing interests of all segments of the American public. If it does, it will continue to be impossible for agencies to serve the purposes for which they were created.

Moreover, I disagree strongly with those who say that this bill will cause additional delays in agency proceedings. This is one of the greatest myths surrounding the legislation, and it should be laid firmly to rest. Studies have shown that citizen participation in agency proceedings is almost never a cause of delay. In fact, several witnesses at both the Senate and House hearings testified that the bill will actually speed up the regulatory process. It will ensure that better administrative records are made at the agency level, thereby making it far less likely that a court will overturn an agency decision for procedural unfairness. Also, the public is more likely to accept agency decisions when it knows citizens have played a role in formulating policy. This, according to several federal judges who testified before our subcommittee, will reduce the like-

[2] Decision of the Comptroller General, 19 February 1976; No. B-92288: "Cost of Intervention—Nuclear Regulatory Commission";

Letter from the Deputy Comptroller General to Congressman John E. Moss, 10 May 1976; B-180224;

Letter from the Deputy Comptroller General to the Congressional Black Caucus, 22 September 1976; No. B-139703;

Decision of the Comptroller General, 3 December 1976; B-139703: Costs of Intervention—Food and Drug Administration.

lihood of appeals to the courts to reverse unfavorable agency decisions. Thus, enactment of S. 270 may have the additional effect of actually decreasing judicial workloads.

Furthermore, agencies have always had at their disposal a range of remedies to deal with participants in their proceedings who use delaying or obstructionist tactics. S. 270 does not change this. In addition, the bill makes clear that persons receiving compensation under this program who cause delay or who otherwise obstruct proceedings may have their awards rescinded or may be compelled to repay funds they have already received.

FURTHER POINTS

Finally, and perhaps most significantly, the citizen participation program in FTC rulemakings established by the Magnuson-Moss Act has not caused any delays in that agency's proceedings. According to former FTC Chairman Collier: "None of the delays in our rulemaking proceedings are in any way attributable to this program." The following points concerning S. 270 should also be stressed:

First, the authority the bill provides is largely discretionary with the agencies, according to the criteria which are set forth in the legislation as guides to the exercise of that discretion. It does not require agencies to provide funds for all those who may wish to participate.

Second, the reimbursement program established by the legislation is experimental. The authorization will expire after three years, and Congress will have a chance at that time to evaluate the program's effectiveness and to make needed changes. In addition, the bill requires agencies and the courts to make detailed annual reports to Congress on the number and amounts of awards that are sought and made, so that we will have a solid record on which to base any decisions as to refunding.

Third, the bill has only limited application to adjudicatory proceedings. The Senate Judiciary Committee last year took the position that since most adjudications involve disputes solely among private parties which have no significant public impact, no purpose would be served by promoting greater public participation in these proceedings.

The types of adjudications which are included—health, safety, civil rights, environmental concerns, and consumers pocketbook issues—have traditionally been the focus of broad public interest. Agencies should be permitted to fund participation in such adjudications, where they conclude it is appropriate.

And Fourth, citizen participation programs are both consistent with and complementary to the proposed Agency for Consumer Advocacy. The new agency, when established, will only be able to address "consumer" concerns. It will not reach the wider range of citizen interests in the environment, public safety, minority rights, and other issues in which diverse segments of the public also need to be represented. Furthermore, the new agency will not always be able to protect the interests of consumers in all situations. This is especially true in proceedings which may affect only small numbers of consumers; for example, in communities located far from Washington, or where there are differing views on what the consumer position in a given proceeding should be.

I believe that enactment of legislation of this sort is long overdue. Congress has given the agencies authority to hire their own legal and technical experts to assist them in resolving the complex problems which confront them on a daily basis. But Congress has not given the agencies adequate authority to reach out for the kind of information which would enable them better to understand the impact of their actions on those people whose interests must be their primary concern. If agencies are truly to be capable of acting in the public's interests, we can no longer deny the public an effective voice in agency proceedings.

President Carter has announced Administration support for this legislation in his recent Consumer Message, and Congress should act on it during the current session. I firmly believe that enactment of S. 270 will enable Congress and the president to realize fully our common objective of securing open and responsive government. Acting together, the president and Congress can forge an alliance to restore meaning to the words "equal access to justice," and can rededicate the federal administrative process to the ideals of fundamental fairness which form the bedrock of our democratic tradition.

QUESTIONS AND ANSWERS ON THE PUBLIC PARTICIPATION IN FEDERAL AGENCY PROCEEDINGS ACT

Have These Types of Awards Ever Been Authorized Previously?

(1) Fees for Participation in Agency Proceedings. Yes, the FTC currently provides for compensation for such participation pursuant to the Magnuson-Moss Warranty Improvements Act of 1975. The FTC has consistently testified that their program, using standards similar to those in this bill, is working quite well; as of November of 1977 a total of $1,138,536 had been awarded in fifty-one applications for participation in fifteen different rulemaking proceedings. During 1976 Congress specifically authorized the EPA to award fees in proceedings conducted under the Toxic Substances Control Act and State Department to reimburse public participants in its proceedings. In addition, the Consumer Product Safety Commission and the National Highway Traffic Safety Administration are operating successful compensation programs, and the Civil Aeronautics Board recently proposed such a program. The Interstate Commerce Commission, the Internal Revenue Service, the National Oceanic and Atmospheric Administration, the Mine Safety Administration, and the Department of Transportation are currently considering whether to implement similar programs of their own.

(2) Fees to Challenge Illegal Agency Action In Court. Currently, over 50 federal statutes allow the courts to award attorneys' fees for members of the general public who move to enforce various laws. The Voting Rights Extension Act, the Freedom of Information Act amendments, the Privacy Act, the Toxic Substances Control Act, and Government in the Sunshine Act, and the Civil Rights Attorneys' Fees Awards Act are among the newest of these statutes. A few, such as the act improving the CPSC, allow such awards specifically for judicial review of these agency actions. Additionally, before the 1975 Supreme Court decision in Alyeska Pipeline v. Wilderness Society which prohibited the practice, courts awarded "private attorneys general" their fees and expenses for bringing such suits.

Why fund public participation? Don't agencies represent the public interest?

The law requires that all agency decisions affecting the public conform to procedural requirements of public notice, opportunity for comment, and the like. Every order or action has to be subject to an adversary process proceeding. "Adversary process" implies that various sides are represented; yet, as several agency officials have testified, they cannot be both judge and advocate of the public interest at the same time. Often, due to the cost of participation, the public interest is not represented, and agency decisions are made without the benefit of public input. This need for the information and diversity of opinion supplied by outside parties who do not have a specific economic interest in the outcome as well as the ability of public representatives to advocate their own position, has led several agency officials to endorse the concept of this bill as necessary to help agencies protect the public interest.

Won't S. 270 encourage frivolous suits or superfluous contributions?

(1) At Agency Proceedings. The bill gives almost total discretion to the agency in the making of awards. Only an agency interested in subverting its own proceedings would make awards where the contribution was minimal. The bill also authorizes fees only where a substantial contribution is made to the proceedings, and money must be returned if such a contribution isn't made.

(2) In Court Proceedings. Frivolous suits will not be encouraged because fees are only awarded if a party substantially prevails. If he loses, he has to pay from his own pocket the enormous costs of bringing suit—the same barrier which for the most part prevents frivolous suits in other areas of the law. Additionally, the court may award fees to the defendant where the suit is frivolous or brought in bad faith or for vexatious reasons. Finally, fee awards are based on reasonable hourly rates, not the contingency basis which may have encouraged high fee awards in some areas of the law. Leaving the award of fees to the courts assures defendants that they will not have to pay when suits without merit are brought against them.

Will S. 270 delay agency proceedings and impose unnecessary burdens on the courts?

No. This bill not only makes every attempt to eliminate delay, but may in fact decrease total time spent on the regulation process:

(1) Consumers Want Speedy Action. Most consumer organizations and individual consumers have no interest in slowing down or holding back the creation of agency regulations that would increase safety and health in the marketplace. Their involvement is aimed at spurring the agencies to move faster.

(2) Citizen Participation Often Results in Faster Agency Action. By enabling citizens to present better-drafted, fully-substantiated petitions to an agency, the bill would diminish the burden on the agency's staff to undertake investigations to ascertain the merits of citizens' petitions. More complete, balanced records would come out of proceedings where all interests are represented, as well as the increased public satisfaction that will flow from the more equitable procedures used in agency determinations. These better hearing records will avoid the serious problem mentioned by one agency witness who said often an entire hearing will be completed, then reviewed, only to find out the record is not complete on the consumer side because most consumer input is necessarily limited by the amount of time and money they can spend. This witness noted that when this occurs the entire hearing has to be reopened to acquire the additional necessary information. This problem is avoided if all sides can afford to participate in the first place.

(3) Consumer Participation Results in Fewer Courts Challenges of Agency Action. As several witnesses noted, increased public participation in agency proceedings usually means the public is more satisfied with an agency's decision because citizens have had an opportunity to participate in the proceedings and there is more likelihood the agency has considered their views. Consequently,

there are fewer court challenges of the agency actions.

(4) Participants Can Be Penalized for Undue Delay. The bill specifically provides that the cost of participation may be assessed against any party causing undue delay or acting in an obdurate or mendacious fashion.

Will S. 270 Increase The Cost Of Complying With Governmental Regulations?

There is no inherent reason why public participation would increase compliance costs. In fact, in many cases, the presence of consumer advocates will help to reduce compliance costs because consumers are not anxious to pay higher prices. Thus, regulations which require trucks to travel empty to accommodate the trucking monopoly, or railroad cars to remain idle, would be opposed. As to health and safety standards, public participants could press for performance standards, allowing the manufacturer to meet the standards with any design he wishes, including the most cost-effective design.

Regulated industries have blamed the government agencies for increased prices in situations where only a small portion of the increase is in fact attributable to regulation. Automobile manufacturers are a case in point. With consumer participation in regulatory proceedings, the cost claims of regulated industries can be closely examined, providing the agency with the accurate information needed to strike a balance between protection of the public and the costs of achieving it.

Won't S. 270 Be Too Expensive?

Yearly authorizations for participation in agency proceedings are limited to $10 million (only one hour of the Pentagon's budget!) and the bill only proposes a 3 year experimental program. And, this bill makes available to the agencies a wide variety of flexible approaches allowing them to maximize public involvement while keeping costs at a minimum. For example, there is no requirement that the agencies must permit all eligible persons to participate in a proceeding or to compensate those which are allowed to participate. The agency may also require consolidation of duplicate presentations or select a single representative capable of providing the most effective advocacy, and can offer compensation only for certain categories of expenses or split funds among several persons representing closely related issues.

Most importantly, if Congress considers public participation important enough to permit it, which current law does, then it is important enough to fund that participation to encourage these contributions and make the right a reality. In some cases, where participants successfully argue against regulation which causes monopoly, such as that in the trucking and airline industries, this participation can actually more than repay the initial cost to the government.

With regard to court awards of fees, a Library of Congress report estimates that only 91 cases, out of the 16,000–18,000 reported cases in a recent 18-month period, would come within the ambit of S. 270. Based on estimates of the average time spent per case (240 hours) and the absolutely highest average hourly rate currently permitted (but never yet awarded) by the FTC ($50/hour), the Senate Judiciary Committee estimates the cost to taxpayers would have been less than $1.2 million for that 1½ year period.

Why not limit the applicability of S. 270 to rulemaking proceedings?

(1) S. 270 is Already Limited. Besides rulemaking (including ratemaking and licensing proceedings), these bills have been limited to cover only those additional proceedings, such as adjudications, which involve issues directly relating to health, safety, civil rights, the environment, and the economic interests of consumers. Where an agency permits participation in such consumer proceedings, the bill should authorize reimbursement. Proceedings involving a single individual's claims before the agency where no broad public interest is involved—such as those at the Veteran's Administration and the Social Security Administration—are not covered by this bill.

(2) Standards To Participate Are Already Limited. The bill provides only for reimbursement where the agency permits participation. The bill in no way affects or grants participatory rights. Standards for public participation in adjudicatory proceedings at most agencies are already very strict and exclude most parties not clearly necessary for a fair determination of the proceedings. S. 270 will aid only those citizen contributors who can meet these high standards.

(3) The Comptroller General has ruled that ten federal agencies have inherent power to make fee awards in adjudicatory proceedings, and has requested Congress to provide standards and criteria for those awards. Not including such proceedings in this bill would mean the agencies, rather than Congress, would be setting those standards.

(4) Adjudications Are Policy Decisions. Frequently, greater public impact is found in adjudications than in rulemaking, because adjudications result in the formulation of agency policy and administrative law that has stare decisis effect in future cases (the agency must follow that rule in future cases).

(5) Public Participation Assists In Adjudications. Some agencies have proceedings other than rulemaking where they have a knowledge that public participation has been of assistance. Examples include the FTC Firestone case, a recent CAB enforcement action, and a State Department import proceeding.

Does S. 270 empower anyone to participate in agency proceedings or file court suits who is not currently authorized to do so?

Absolutely not. This bill is only a funding measure. It merely provides reimbursement for the costs of intervention and judicial review already authorized under existing statutes.

Why shouldn't a citizen be required to participate at the agency level in order to qualify for fees in a court challenge of the agency action?

(1) It Will Create Needless Paperwork. Such a requirement would needlessly flood the agencies with parties filing papers to protect their right to receive attorneys' fees if a future court action becomes necessary. Hundreds of potential litigants, whether they have a small or large interest in the agency proceedings, would file form papers in thousands of agency proceedings. Nothing could stall and delay agency business more than this provision. Ask the Paperwork Commission for comment.

(2) It Will Not Allow For Unforeseen Contingencies. A citizen who initially thought that there was no reason to participate at the agency level will be harshly disadvantaged if the actual proceedings take an unforeseen turn into new substantive areas. Such a party should not be prohibited from receiving reimbursement for challenging in court any agency determination that resulted from such unpredictable developments. Additionally, most agency statutes permit court review without prior agency participation.

(3) It Discourages Consolidation. Current agency practices encourage consolidation of parties to save time and energy result by assigning a single party to represent several groups with similar viewpoints. If that single representative bungles the job, all of the other parties holding the same point of view would be precluded from filing a court action, and would be punished for having helped to streamline agency proceedings by deferring to a single representative at the agency level.

(4) It Prevents Poorer Groups From Bringing Court Challenges. Under S. 2715, an agency will usually make an award to only one public interest representative, in an effort to stretch its resources to cover the maximum number of proceedings. But the many groups precluded from participating at the agency proceedings by the unavailability of government reimbursement should still have a chance to have their claims heard in a court of law.

Why not limit fees to "actual expenses incurred"?

(1) It Creates An Enormous Administrative Burden. It is very difficult to prove the actual expenses including overhead of Public interest attorneys. For example, is fundraising, overhead, compensation of new employees to take the place of the attorney participating in the proceeding, etc., an "actual expense"? Someone at the agency also must review all these computations. Many citizen groups will be discouraged by such unnecessary bookkeeping and decide it is not worth the red-tape to participate.

(2) Court Decisions Don't Require Such Limits. Several court cases clearly hold that the government should not expect attorneys to work for charity. The fact that an attorney partially donates services to a public interest organization should not govern his rate of reimbursement for appearances before an agency.

(3) It Encourages "Farming Out" Work To High-Priced Private Firms. Public interest groups will not use their own salaried attorneys to do this sort of work if the reimbursement rate for them is required to be far below the market price. They will instead give the work to profit-making law firms, charging a higher rate and encouraging inflation of fees paid, or will create adjunct organizations to charge higher rates.

(4) No Criteria Can Be Developed That Cannot Be Evaded. An organization could set up a special section to participate in agency proceedings, paying these attorneys a higher rate, merely to evade this amendment.

(5) It Doesn't Allow For The Contingency Of Losing Some Court Cases. In the area of court awards of fees, there is no advance award of fees, but fees are only awarded if the suit is substantially successful. Since some legitimate cases will be lost and no fees awarded, the proposal for award of actual fees for cases that are won will result in a net loss to the attorney.

(6) It Discriminates Against Local, Small Groups. Local, small groups without staff attorneys will have to hire more expensive outside attorneys to do this work. That may result in discrimination against them in making awards simply because they must pay slightly more for attorneys to represent them, an increased cost the agency may not want to pay.

Why Shouldn't Large Business Interests Be Awarded Attorneys' Fees?

The purpose of this legislation is to encourage participation by members of the public who could substantially contribute to the agency's deliberations, but who could not normally afford to participate without government reimbursement. While business participation provides an important contribution to agency deliberations, the economic

interest of business in agency regulations is usually more than enough to encourage their participation. Because the financial stake of businesses in the outcome of an agency's determinations is sufficient to insure that they will make their views known, it makes sense to reserve the government's limited funds to members of the public who lack a strong enough economic incentive to participate.

Businesses also have alternative methods, which are not available to private citizens or non-profit organizations, by which they can recover a large portion of their expenditures. The tax code permits businesses to deduct the cost of attorneys' and expert witnesses' fees are business expenses, thus shifting a large percentage of these costs to federal taxpayers. In addition, businesses can often pass on the expenses of participation to consumers in the form of higher prices.

Why not use the criteria for the award of fees currently used by the FTC under the Magnuson-Moss Warranty FTC Improvements Act?

The eligibility standards of the Magnuson-Moss Act were the first attempt to define appropriate eligibility criteria for citizen reimbursement. Senator Kennedy's Subcommittee, after hearings to seek out more precise language and assure a fairer allocation of the citizen reimbursement funds, decided upon the language currently in S. 270. The differences between the two are:

(1) S. 270 Specifies Factors An Agency Should Consider In Making Awards. To determine whether a participant is "necessary" for a proceeding, as the FTC eligibility criteria require, the FTC considers the following factors: the number and complexity of the issues presented, the importance of public participation, and the need for a representation of a fair balance of interests. Rather than relying on the nebulous phrase "necessary for the proceedings," which each federal agency might interpret differently and in ways unintended by Congress, the Judiciary Committee bill enumerates the specific factors actually being used to determine whether a party is necessary.

(2) S. 270 Prevents Narrow Award Criteria Being Used By Agencies Hostile To Public Participation. The FTC statute requires that intervenors "represent an interest not otherwise represented in the proceedings." Under this criteria, an agency could, as FTC Commissioner Collier has said, "be tempted to conclude too readily that their own staffs will adequately represent certain interests," and thus make no awards. Therefore, S. 270 requires there be a "fair balance" of interests before the agency, i.e., a fair balance of advocates for the various positions to be represented.

(3) S. 270 Assures All Viewpoint Representatives An Opportunity To Apply For Funds. The FTC has further determined that to qualify for funds under the criteria of the Magnuson-Moss language, the participant must present both "facts" and a "point of view" otherwise unrepresented at the proceedings. The Judiciary Committee determined the primary purpose of S. 270 is to provide funds for diverse and unrepresented viewpoints, and not merely to get outside participants to do unique factual research for an agency. To avoid this narrow and inappropriate interpretation, different language was developed.

(4) S. 270 Encourages Rather Than Discourages Awards. By using "necessary" instead of "substantially contribute" to the proceedings, the bill (which gives agencies enormous discretion in making awards) may result in having awards depend on whether the agency is enthusiastic or negative toward public participation. Since the stated purpose of the bill is to encourage and bring more citizen views into administrative decisionmaking, the bill's present language is most consistent with this objective.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of, with a time limit of not to exceed 1 minute, the nomination of James Patrick Walsh, to be Deputy Administrator of the National Oceanic and Atmospheric Administration.

The PRESIDING OFFICER. Without objection, it is so ordered. The nomination will be stated.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The second assistant legislative clerk read the nomination of James Patrick Walsh, of the District of Columbia, to be Deputy Administrator of the National Oceanic and Atmospheric Administration.

Mr. STEVENS. There is no objection to the nomination.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed

Mr. STEVENS. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominee

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF THE TREATY

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that tomorrow, after the prayer, the Senate resume consideration of the treaty.

The PRESIDING OFFICER. Without objection, it is so ordered, as in legislative session.

Mr. ROBERT C. BYRD. Mr. President, I suppose that should be done in executive session. That would not require its being done in legislative session.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate, after the prayer, will resume its consideration of the Neutrality Treaty. At that time, the question will be on the adoption of the amendment by Mr. STEVENS.

Under the order previously entered, Mr. STENNIS will be recognized, after which Mr. STEVENS will be recognized on his amendment. When Mr. STEVENS is recognized there will be a time limitation for debate on the amendment. That time will begin running when Mr. STEVENS is recognized, the time to be equally divided between Mr. STEVENS and Mr. CHURCH.

At the expiration of the 3 hours, or if the time is yielded back prior to the expiration thereof, I would assume that a rollcall vote would occur, and probably will occur on a motion to table.

In any event, I think Members can be assured of at least one rollcall vote tomorrow and, hopefully, we can press on, if there are other amendments, to article III, and dispose of them; if not, we can press on, in any event, to article IV.

RECESS

Mr. ROBERT C. BYRD. Mr. President, with that expression of optimism, I move now in accordance with the order previously entered that the Senate, in executive session, stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 6:30 p.m., the Senate, in executive session, recessed until tomorrow, Wednesday, March 8, 1978, at 12 noon.

NOMINATION

Executive nomination received by the Senate March 7, 1978:

IN THE MARINE CORPS

The following-named officer under the provision of title 10, United States Code, section 5202, to be assigned to a position of importance and responsibility designated by the President, in grade as follows:

To be general

Lieut. Gen. Robert H. Barrow, [redacted], U.S. Marine Corps.

CONFIRMATION

Executive nomination confirmed by the Senate March 7, 1978:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

James Patrick Walsh, of the District of Columbia, to be Deputy Administrator of the National Oceanic and Atmospheric Administration.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, March 7, 1978*

The House met at 12 o'clock noon.

Rabbi Norman Geller, Congregation Beth Abraham, Auburn, Maine, offered the following prayer:

L-rd, I offer prayer to You, with and for this great country. Instill in its designated leaders a zeal for justice, a passion for truth, and an ultimate goal of peace. With Your blessings and their guidance, may these attributes occur in the world, in our Republic, and in every human being.

May the great sounds of power, wisdom, and righteousness be heard throughout this land; but let them not muffle the sounds of conscience and decency.

With trust in G-d and compassion for mankind, may the work of Your hands be continually prospered for good so that through Your efforts, the United States of America will be more than a title but a grand and glorious way of life. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8358. An act to amend title 44, United States Code, to provide for the designation of libraries of accredited law schools as depository libraries of Government publications; and

H.R. 9179. An act to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 9179) entitled "An act to amend the Foreign Assistance Act of 1961 with respect to activities of the Overseas Private Investment Corporation," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. CHURCH, Mr. CLARK, Mr. BIDEN, Mr. CASE, Mr. JAVITS, and Mr. PERCY to be the conferees on the part of the Senate.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 106. Joint resolution to provide for the reappointment of A. Leon Higginbotham, Jr., as a citizen regent of the Board of Regents of the Smithsonian Institution;

S.J. Res. 107. Joint resolution to provide for the reappointment of John Paul Austin as a citizen regent of the Board of Regents of the Smithsonian Institution; and

S.J. Res. 108. Joint resolution to provide for the appointment of Anne Legendre Armstrong as citizen regent of the Board of Regents of the Smithsonian Institution.

The message also announced that the Vice President, pursuant to section 6968(a) of title 10, United States Code, appointed Mr. HATFIELD (Committee on Armed Services), Mr. SASSER (Committee on Appropriations), Mr. MATHIAS (Committee on Appropriations), and Mr. HELMS (At-Large) to be members, on the part of the Senate, of the Board of Visitors of the U.S. Naval Academy.

And that the Vice President, pursuant to section 9355(a) of title 10, United States Code, appointed Mr. HART (Committee on Armed Services), Mr. HOLLINGS (Committee on Appropriations), Mr. STEVENS (Committee on Appropriations), and Mr. MCCLURE (At-Large) to be members, on the part of the Senate, of the Board of Visitors of the U.S. Air Force Academy.

And that the Vice President, pursuant to sections 42 and 43, title XX of the United States Code, appointed Mr. MORGAN to be a member, on the part of the Senate, of the Board of Regents of the Smithsonian Institution, vice Mr. PELL, resigned.

RABBI NORMAN GELLER

(Mr. COHEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COHEN. Mr. Speaker, it is with great pride that I rise to welcome to the House Rabbi Norman Geller, spiritual leader of Congregation Beth Abraham of Auburn, Maine.

Rabbi Geller is a distinguished religious and civic leader in the Lewiston-Auburn area, and I am very grateful to the House Chaplain, Rev. Edward G. Latch, for making it possible for this outstanding Maine resident to represent our State today in giving the opening prayer.

Rabbi Geller's activities in behalf of others are legion. He has not confined himself to religious affairs alone, but has also put his many skills to work in the community through his activities in numerous civic groups and as a member of the staff of St. Mary's General Hospital in Lewiston.

Rabbi Geller holds both a bachelor's and master's degree from Boston University in speech pathology and public speaking. A licensed speech pathologist in Maine, Rabbi Geller serves as the director of speech pathology services at St. Mary's Hospital.

He is a member of the American Speech and Hearing Association, and serves on the board of directors of the Maine division of the American Cancer Society. Rabbi Geller has served on the Lewiston-Auburn Children's Home Board and has been involved in trying to bring a boys' club to the Lewiston-Auburn area.

In addition to his other duties, he holds the rank of captain in the Civil Air Patrol and serves as chaplain for both the Lewiston and South Portland CAP Squadrons.

Rabbi Geller received his religious education from the Boston Lubavitz Yeshiva, the Hebrew Teacher's College in Brookline, Mass., and the Talmudical Academy Beis Aharon. He received his rabbinic ordination from Yeshiva Chune David.

Rabbi Geller is a civic minded citizen of the first rank, and he honors this House and its membership by leading us in prayer today.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, MARCH 8, 1978

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with tomorrow, March 8, 1978.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

KWONG LAM YUEN

The Clerk called the bill (H.R. 1798) for the relief of Kwong Lam Yuen.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MORRIS AND LENKE GELB

The Clerk called the bill (H.R. 3084) for the relief of Morris and Lenke Gelb.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

NATION'S ECONOMIC HEALTH MUST BE GIVEN A HIGHER PRIORITY THAN INTERESTS OF MINERS OR MINEOWNERS

(Mr. SISK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SISK. Mr. Speaker, the continuing impasse over the settlement of the coal mining dispute has reached the point where the larger issues of the Nation's economic health must be given a higher priority than the interests of the miners or the mineowners.

The President has taken steps to invoke the Taft-Hartley Act to get the miners back to work and I applaud him for this action. I know that this was not an easy decision for him to make. None of us who have a long history of supporting the collective bargaining process like to see the might of the Federal Government brought to bear to resolve disputes that reasonable men ought to be able to settle at the bargaining table.

However, millions and millions of people beyond those employed in the coal mines are going to begin to suffer if coal production is not resumed. The coal mining industry is but one cog in our economic machine, and as a nation we cannot afford to let it bring the entire economy to a halt.

I will support the President in any steps he decides to take to bring this emergency to an end, including cutting off all forms of assistance to miners who disobey the law and refuse to work even in the face of a Taft-Hartley injunction. Furthermore, if it becomes necessary to do so for the welfare of the country, I am prepared to support legislation to take whatever other action might be necessary, including seizure of the mines.

IMPORTANT DEMOCRATIC VICTORY

(Mr. PREYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PREYER. Mr. Speaker, I take this time to announce an important Democratic victory, one viewed by astute political observers as having wide political implications; namely, the victory of the Democrats over the Republicans last night in the First Annual Congressional Tennis Tournament, by the score of 6 matches to 3.

This athletic feat mirrored the party's numerous recent legislative triumphs, being based upon teamwork, a strong bench, superb leadership and some weak Republican backhands.

Pundits see the win as indicating the growing inroads the party of the people is making even into those hotbeds of political rest—the country clubs of the Nation and the white flannel set that dwell therein.

Democrats will want to congratulate their stalwart colleagues who made this great victory possible: The gentleman from Mississippi, Mr. BOWEN; the gentleman from Louisiana, Mr. BREAUX; the gentleman from Michigan, Mr. CONYERS; the gentleman from Washington, Mr. DICKS; the gentleman from Wisconsin, Mr. KASTENMEIER; the gentleman from New Jersey, Mr. MAGUIRE; the gentleman from Mississippi, Mr. MONTGOMERY; the gentleman from New York, Mr. PATTISON; the gentleman from North Carolina, Mr. PREYER; the gentleman from New York, Mr. SOLARZ; and the gentleman from Colorado, Mr. WIRTH; as well as Senators CHILES, GRAVEL, HASKELL, HART, METZENBAUM, NUNN, and ZORINSKY.

MINERS SHOULD OBEY TAFT-HARTLEY LAW

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, one of the great privileges we have of serving in this body is the fact that we can get things off our chest for the record.

For the record, Mr. Speaker, let me say that I was appalled and really got worked up this morning when I saw and heard miners on television stating openly and publicly that they would not return to work even if ordered to do so by a court order; that they would violate the law; and that they were going to participate in acts of force and violence to keep others from working.

I, too, applaud the President's use of Taft-Hartley, although I believe it should have been done sooner.

As a matter of fact, I am sure that the same miners would expect us to obey the law and would ask protection if bodily harm was threatened to members of their families, yet they advocate disobedience to the law.

Not long ago I noticed a CBS–TV report about a "goon squad" that had entered a nonunion operator's mine. The owner was not there so they destroyed some of his property and roughed up his wife while law enforcement officials looked on claiming the acts of violence were performed on private property and they could not do anything about it.

One of the miners who spoke on television this morning said, "We are Americans, too." Well, they should act like Americans. Most of us do not agree with all the laws that are passed, but we do not go around beating in somebody's head as a protest. Promised acts of violence or actual acts of violence cannot be tolerated; otherwise, we will become an anarchy and not a nation of laws.

CALL OF THE HOUSE

Mr. ROUSSELOT. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

The SPEAKER. Without objection, a call of the House is ordered.

There was no objection.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 106]

Anderson, Ill.	Bonior	Burke, Calif.
Andrews, N.C.	Bowen	Burton, Phillip
Archer	Brown, Calif.	Butler
Armstrong	Buchanan	Cederberg
Chappell	Heckler	Rudd
Collins, Ill.	Kastenmeier	Scheuer
Conyers	Krueger	Shuster
Diggs	Leggett	Slack
Dingell	McDonald	Spellman
Dodd	McKay	St Germain
Dornan	McKinney	Stump
Drinan	Mahon	Teague
Early	Mikva	Thornton
Edwards, Calif.	Mitchell, Md.	Tucker
Edwards, Okla.	Moorhead, Pa.	Udall
Evans, Colo.	Nix	Ullman
Fisher	Oakar	Watkins
Gephardt	Pritchard	Wilson, Tex.
Harrington	Risenhoover	Young, Tex.
Harsha	Roncalio	

The SPEAKER pro tempore (Mr. PATTEN). On this rollcall 375 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REQUEST FOR PERMISSION FOR SUBCOMMITTEES ON ECONOMIC DEVELOPMENT AND INVESTIGATIONS AND REVIEW OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND THROUGH BALANCE OF WEEK DURING 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Subcommittees on Economic Development and Investigations and Review of the Committee on Public Works and Transportation may be permitted to sit today and through the balance of the week while the House is operating under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is the gentleman planning to mark up legislation or just take testimony?

Mr. ROE. If the gentleman will yield, we are having the oversight and review of the entire LPW program this week.

Mr. ROUSSELOT. Further reserving the right to object, what about the Humphrey-Hawkins bill? I thought this was the most critical legislation of our time.

Mr. ROE. If the gentleman will yield further, I am sure there are people who are there. We just need the chance to complete this.

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Under the rules, 10 objectors are required.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Speaker, I was under the impression that the Chair had ruled that a request for sitting on multiple days was subject to an objection by one Member.

The SPEAKER. The Chair will state that within the same week for which the program has been announced, 10 objections are required.

Mr. BAUMAN. Live and learn every day around here, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. BAUMAN. I object.

The SPEAKER. Objection is heard. The Chair will state that it takes 10 Members to object. The objectors will have to remain standing.

(Messrs. BAUMAN, ROUSSELOT, BADHAM, MOORE, KINDNESS, PRESSLER, HAGEDORN, FRENZEL, LOTT, and STANGELAND objected.)

The SPEAKER. A sufficient number have objected.

Objection is heard.

WAIVER AUTHORITY UNDER TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10551) to extend for 1 year the authority of the Commissioner of Education to waive provisions of title I of the Elementary and Secondary Education Act for certain local educational agencies.

The Clerk read the bill, as follows:

H.R. 10551

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 150 of title I of the Elementary and Secondary Education Act of 1965 is amended by adding the following new subsection:

"(c) Notwithstanding any other provision of this title, the Commissioner is authorized to approve for fiscal year 1979 the use of grants provided under this title under the same terms and conditions as such uses were permitted during the preceding fiscal years in those local educational agencies which had participated in the study conducted under section 821(a)(5) of the Education Amendments of 1974 when such agencies request such approval.".

The SPEAKER pro tempore (Mr. CHARLES H. WILSON of California). Is a second demanded?

Mr. QUIE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. PERKINS) and the gentleman from Minnesota (Mr. QUIE) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the principal purpose of H.R. 10551 is to give 13 school districts in the country the opportunity to operate for an additional year their compensatory education programs funded under title I of the Elementary and Secondary Education Act in ways different from those authorized by the law.

In the Education Amendments of 1974, Congress authorized the National Institute of Education to conduct demonstration programs in a limited number of school districts. For the purposes of this study, these districts were permitted to waive some of the provisions governing use of title I funds, in order that we might try to find better ways to operate the title I programs.

Thirteen districts have participated in these demonstrations for the past 2 years. Their experiences which were presented to Congress last year in reports by the National Institute of Education, have proven and will continue to prove to be very valuable to us as we seek to improve title I.

However, the Education and Labor Committee will not be able to complete its work and have a final bill enacted by Congress until late summer. If during this process we make any changes at all in the legislation, they would come about too late for school districts to implement in the upcoming fall semester.

Therefore, these 13 demonstration districts could be placed in a position whereby they would have to revert to the current title I law and regulations for the upcoming year, even though it is possible that some of the practices they used during their demonstrations may be permitted in the future under new legislation.

I believe this would be an injustice to these school districts. They should not have to abandon their experiments entirely, confuse their administrative practices, and disrupt their programs for 1 year, when there is a chance that some changes based upon their innovations may be incorporated into the law.

I would, however, like to emphasize that this bill in no way should be taken as an indication that the committee or the Congress is going to adopt any or all of the practices used by these demonstration districts. In fact, it seems that some of the methods which these districts are using could have been adopted under current law. Unfortunately, many States and local districts are unaware of the degree of latitude afforded by current law because the Office of Education has not sufficiently publicized this flexibility.

In any event, I do not believe that the amount of time we need to clarify these issues and to legislate accordingly should work to the disadvantage of these 13 districts. For that reason, I urge adoption of H.R. 10551.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I want to compliment the gentleman. I hope everyone supports this legislation. I know of the experiment going on in Colorado, even though it is not in my district. It has been an excellent one, and many other school districts are learning a lot from it. My district has had many concerns about title I and is very interested in the results from the experiment in the neighboring county. I hope they will be able to use those methods to improve the whole title I program. I compliment the gentleman again.

Mr. PERKINS. I thank the gentlewoman from Colorado.

Mr. QUIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the motion by the gentleman from Kentucky (Mr. PERKINS) to suspend the rules and pass H.R. 10551.

H.R. 10551 is legislation which I introduced on January 25, 1978, to avert a major problem which several school districts across the Nation would face this summer because of their willingness to participate in an important and informative study of title I of the Elementary and Secondary Education Act.

In 1974, the Congress authorized up to 20 school districts across the Nation to experiment with alternative methods of allocating title I funds within school districts. This was done so that the Congress would have adequate information in time for the next reauthorization of title I.

After a selection process, carried out by the National Institute of Education, 13 school districts in 11 States were selected for participation. The districts are: Mesa, Ariz.; Alum Rock, Calif.; Adams County, Colo.; Boston, Mass.; Sante Fe, N. Mex.; Yonkers, N.Y.; Charlotte-Mecklenburg, N.C.; Winston-Salem/Forsyth County, N.C.; Houston, Tex.; Newport, R.I.; Berkeley County, W. Va.; Harrison County, W. Va.; and Racine, Wis.

At the time the 1974 Act (Public Law 93–380) was passed it was expected that title I would have been amended and reenacted by this time. Since those 13 school districts were given a waiver of certain regulations through June 30, 1978, in order for them to participate in the NIE Demonstration program, enactment of a new law by this time would have permitted those 13 districts to have had an adequate opportunity to take any new amendments into account in planning for the 1978–79 school year.

Regretfully, the Congress has not been able to move as rapidly as expected, largely because of the failure of the administration to submit their own recommendations at an early date. It now appears as though it could well be midsummer before the process is completed.

Without this legislation these 13 districts would have to revert to the "old" rules for title I for next year and then may well find that for the following year the law has been changed permanently to permit them to continue as they have been during the NIE demonstration period. That "whipsawing" effect would be patently unfair to the 13 affected school districts. The bill before us would grant these 13 districts 1 additional year's waiver of certain provisions in the current law.

There is no cost involved with the enactment of this legislation since the districts will continue to receive dollars on the same basis as they have for the past 12 years, and no new or enlarged appropriation or authorization is provided by this bill.

It is also my understanding that the administration has no objection to the enactment of this bill.

I urge my colleagues to support the unanimous-consent request.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and pass the bill H.R. 10551.

The question was taken.

Mr. FLOWERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 404, nays 0, answered "present" 1, not voting 29, as follows:

[Roll No. 107]

YEAS—404

Abdnor	Corcoran	Hannaford
Addabbo	Corman	Hansen
Akaka	Cornell	Harkin
Alexander	Cornwell	Harris
Allen	Cotter	Harsha
Ambro	Coughlin	Hawkins
Ammerman	Crane	Heckler
Anderson, Calif.	Cunningham	Hefner
	D'Amours	Heftel
Andrews, N.C.	Daniel, Dan	Hightower
Andrews, N. Dak.	Daniel, R. W.	Hillis
	Danielson	Holland
Annunzio	Davis	Hollenbeck
Applegate	de la Garza	Holt
Archer	Delaney	Holtzman
Armstrong	Dellums	Horton
Ashbrook	Dent	Howard
Ashley	Derrick	Hubbard
Aspin	Derwinski	Huckaby
AuCoin	Devine	Hughes
Badham	Dickinson	Hyde
Bafalis	Dicks	Ichord
Baldus	Dodd	Ireland
Barnard	Downey	Jacobs
Baucus	Drinan	Jeffords
Bauman	Duncan, Tenn.	Jenkins
Beard, R.I.	Eckhardt	Jenrette
Beard, Tenn.	Edgar	Johnson, Calif.
Bedell	Edwards, Ala.	Johnson, Colo.
Beilenson	Edwards, Calif.	Jones, N.C.
Benjamin	Edwards, Okla.	Jones, Okla.
Bennett	Eilberg	Jones, Tenn.
Bevill	Emery	Jordan
Biaggi	English	Kasten
Bingham	Erlenborn	Kastenmeier
Blanchard	Ertel	Kazen
Blouin	Evans, Del.	Kelly
Boggs	Evans, Ga.	Kemp
Boland	Evans, Ind.	Ketchum
Bolling	Fary	Keys
Bonior	Fascell	Kildee
Bowen	Fenwick	Kindness
Brademas	Findley	Kostmayer
Breaux	Fish	Krebs
Breckinridge	Fithian	LaFalce
Brinkley	Flippo	Lagomarsino
Brodhead	Flood	Latta
Brooks	Florio	Le Fante
Broomfield	Flowers	Leach
Brown, Calif.	Flynt	Lederer
Brown, Mich.	Foley	Leggett
Brown, Ohio	Ford, Mich.	Lehman
Broyhill	Ford, Tenn.	Lent
Burgener	Forsythe	Levitas
Burke, Fla.	Fountain	Lloyd, Calif.
Burke, Mass.	Fowler	Lloyd, Tenn.
Burleson, Tex.	Fraser	Long, La.
Burlison, Mo.	Frenzel	Long, Md.
Burton, John	Frey	Lott
Burton, Phillip	Fuqua	Lujan
Butler	Gammage	Luken
Byron	Garcia	Lundine
Caputo	Gaydos	McClory
Carney	Giaimo	McCloskey
Carr	Gibbons	McCormack
Carter	Gilman	McDade
Cavanaugh	Ginn	McDonald
Cederberg	Glickman	McEwen
Chappell	Goldwater	McFall
Chisholm	Goodling	McHugh
Clausen, Don H.	Gore	McKay
	Gradison	Madigan
Clawson, Del	Grassley	Maguire
Clay	Green	Mann
Cleveland	Gudger	Markey
Cochran	Guyer	Marks
Cohen	Hagedorn	Marlenee
Coleman	Hall	Marriott
Collins, Tex.	Hamilton	Martin
Conable	Hammer-schmidt	Mathis
Conte		Mattox
Conyers	Hanley	Mazzoli
Meeds	Pursell	Stark
Metcalfe	Quayle	Steed
Meyner	Quie	Steiger
Michel	Quillen	Stockman
Mikulski	Rahall	Stokes
Mikva	Railsback	Stratton
Milford	Rangel	Studds
Miller, Calif.	Regula	Symms
Miller, Ohio	Reuss	Taylor
Mineta	Rhodes	Thompson
Minish	Richmond	Thone
Mitchell, Md.	Rinaldo	Traxler
Mitchell, N.Y.	Risenhoover	Treen
Moakley	Roberts	Trible
Moffett	Robinson	Tsongas
Mollohan	Rodino	Ullman
Montgomery	Roe	Van Deerlin
Moore	Rogers	Vander Jagt
Moorhead, Calif.	Roncalio	Vanik
	Rooney	Vento
Moorhead, Pa.	Rose	Volkmer
Moss	Rosenthal	Waggonner
Mottl	Rostenkowski	Walgren
Murphy, Ill.	Rousselot	Walker
Murphy, N.Y.	Roybal	Walsh
Murphy, Pa.	Runnels	Wampler
Murtha	Ruppe	Watkins
Myers, Gary	Russo	Waxman
Myers, John	Ryan	Weaver
Myers, Michael	Santini	Weiss
Natcher	Sarasin	Whalen
Neal	Satterfield	White
Nedzi	Sawyer	Whitehurst
Nichols	Scheuer	Whitley
Nolan	Schroeder	Whitten
Nowak	Schulze	Wiggins
O'Brien	Sebelius	Wilson, Bob
Oakar	Seiberling	Wilson, C. H.
Oberstar	Sharp	Wilson, Tex.
Obey	Shipley	Winn
Ottinger	Shuster	Wirth
Panetta	Sikes	Wolff
Patten	Simon	Wright
Patterson	Sisk	Wydler
Pattison	Skelton	Wylie
Pease	Skubitz	Yates
Pepper	Smith, Iowa	Yatron
Perkins	Smith, Nebr.	Young, Alaska
Pettis	Snyder	Young, Fla
Pickle	Solarz	Young, Mo.
Pike	Spellman	Zeferetti
Poage	Spence	
Pressler	St Germain	
Preyer	Staggers	
Price	Stangeland	
Pritchard	Stanton	

NAYS—0

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—29

Anderson, Ill.	Evans, Colo.	Slack
Bonker	Fisher	Steers
Buchanan	Gephardt	Stump
Burke, Calif.	Harrington	Teague
Collins, Ill.	Krueger	Thornton
Diggs	Livingston	Tucker
Dingell	McKinney	Udall
Dornan	Mahon	Young, Tex.
Duncan, Oreg.	Nix	Zablocki
Early	Rudd	

The Clerk announced the following pairs:

Mr. Zablocki with Mr. Anderson of Illinois.
Mr. Krueger with Mr. Buchanan.
Mr. Harrington with Mr. Dornan.
Mrs. Burke of California with Mr. McKinney.
Mr. Diggs with Mr. Rudd.
Mr. Early with Mr. Steers.
Mr. Teague with Mr. Gephardt.
Mr. Slack with Mr. Stump.
Mr. Nix with Mr. Tucker.
Mr. Bonker with Mr. Livingston.
Mr. Dingell with Mrs. Collins of Illinois.
Mr. Duncan of Oregon with Mr. Udall.
Mr. Thornton with Mr. Mahon.
Mr. Fisher with Mr. Evans of Colorado.

Mr. McDONALD changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING THE NATIONAL TRAILS SYSTEM ACT

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8803) to amend the National Trails System Act, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241), as amended (90 Stat. 2481; 16 U.S.C. 1244), is further amended as follows:

(1) Amend section 5(a)(3) to read as follows:

"(3) The Secretary of the Interior shall establish within sixty days of the enactment of this subsection an Advisory Council for the Appalachian National Scenic Trail which shall terminate one hundred and twenty months from the date of enactment of this subsection. The Secretary of the Interior shall consult with such Council from time to time with respect to matters relating to the Trail, including the selection of rights-of-way, standards for the erection and maintenance of markers along the Trail, and the administration of the Trail. The members of the Advisory Council, which shall not exceed thirty-five in number, shall serve for a term of two years without compensation as such, but the Secretary may pay, upon vouchers signed by the Chairman of the Council, the expenses reasonably incurred by the Council and its members in carrying out their responsibilities under this section. Members of the Council shall be appointed by the Secretary of the Interior as follows:

"(i) a member appointed to represent each Federal department or independent agency administering lands through which the Trail route passes and each appointee shall be the person designated by the head of such department or agency;

"(ii) a member appointed to represent each State through which the Trail passes and such appointments shall be made from the recommendations of the Governors of such States;

"(iii) one or more members appointed to represent private organizations, including corporate and individual landowners and land users, that, in the opinion of the Secretary, have an established and recognized interest in the Trail and such appointments shall be made from recommendations of the heads of such organizations: *Provided*, That the Appalachian Trail Conference shall be represened by a sufficient number of persons to represent the various sections of the country through which the Appalachian Trail passes; and

"(iv) the Secretary shall designate one member to be chairman and shall fill vacancies in the same manner as the original appointment.".

(2) Amend section 5 by adding the following new subsection (d):

"(d) Within two years of the date of enactment of this subsection, the Secretary of the Interior, after full consultation with the Governors of the affected States, the Advisory Council, and the Appalachian Trail Conference, submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, a comprehensive plan for the management, acquisition,

development, and use of the Appalachian Trail, including but not limited to, the following items:

"(1) specific objectives and practices to be observed in the management of the Trail, including the identification of all significant natural, historical, and cultural resources to be preserved; details of anticipated cooperative agreements to be consummated with other entities; and identification of carrying capacity and use patterns of the Trail;

"(2) an acquisition or protection plan, by fiscal year, for all lands to be acquired by fee title or lesser interest, along with detailed explanation of anticipated necessary cooperative agreements for any lands not to be acquired; and

"(3) general and site-specific development plans, including anticipated costs."

(3) Amend section 7(d) by changing the colon to a period and by deleting the proviso.

(4) Amend section 7(g) by deleting the first proviso and inserting in lieu thereof "Provided, That condemnation proceedings may not be utilized to acquire fee title or lesser interests to more than an average of one hundred and twenty-five acres per mile:".

(5) Amend section 10, by adding at the end thereof the following: "From the appropriation authorized for fiscal year 1979 and succeeding fiscal years pursuant to the Land and Water Conservation Fund Act (78 Stat. 897), as amended, not more than the following amounts may be expended for the acquisition of lands and interests in lands authorized to be acquired pursuant to the provisions of this Act:

"(a)(1) The Appalachian National Scenic Trail, not to exceed $30,000,000 for fiscal year 1979, $30,000,000 for fiscal year 1980, and $30,000,000 for fiscal year 1981 except that the difference between the foregoing amounts and the actual appropriations in any one fiscal year shall be available for appropriation in the subsequent fiscal year. It is the express intent of the Congress that the Secretary should substantially complete the land acquisition program necessary to insure the protection of the Trail within three complete fiscal years following the date of enactment of this sentence. Until the entire acquisition program is completed, he shall transmit in writing at the close of each fiscal year the following information to the Committee on Energy and Natural Resources of the Senate and to the Committee on Interior and Insular Affairs of the House of Representatives;

"(A) the amount of land acquired during the fiscal year and the amount expended therefor;

"(B) the estimated amount of land remaining to be acquired; and

"(C) the amount of land planned for acquisition in the ensuing fiscal year and the estimated cost thereof.

"(2) Until the entire acquisition program is completed, the Appalachian Trail Conference shall transmit a report at the close of each fiscal year to the Committee on Energy and Natural Resources of the Senate and to the Committee on Interior and Insular Affairs of the House of Representatives which shall include but not be limited to comments on—

"(A) the manner in which negotiations for the acquisition program are being conducted for every section of the Trail;

"(B) the attitudes of the landowners with whom negotiations have been undertaken; and

"(C) whether in any case larger interests in land are being acquired than are necessary to carry out the purposes of this Act.

"(b) For the purposes of Public Law 95-42 (91 Stat. 211), the lands and interests therein acquired pursuant to this section shall be deemed to qualify for funding under the provisions of section 1, clause 2, of said Act.".

Mr. PHILLIP BURTON (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, H.R. 8803, authored by the gentleman from Maryland (Mr. BYRON), was passed by the House of Representatives on October 25, 1977, by the nearly unanimous vote of 409 ayes, 12 nays. The Senate has now taken action on this measure, returning it to the House with a substitute text which is identical in most respects to that acted upon by the House. I wish to commend the Senator from New Hampshire, Mr. DURKIN, for his efforts in advancing the legislation.

I urge my colleagues to accept the measure as amended by the Senate, although there are certain features which the House-passed measure included that I am hopeful the Senate will see fit to take action on this year. Our measure included language to permit the United States Forest Service to more effectively protect and manage the Pacific Crest National Scenic Trail. There are several other changes, primarily technical in nature, which could be made to improve the Senate text. The Committee on Interior and Insular Affairs currently has under consideration additional legislation to amend the National Trails System Act. I am confident that these additional amendments can be included in this forthcoming legislation.

Mr. Speaker, H.R. 8803 represents another step in fulfilling the half century of promise which the Appalachian Trail has held as a superlative wilderness walkway accessible to our eastern centers of population. With the continuing unselfish work of the thousands of volunteers that have made the trail a reality, the interest and commitment of the Congress as demonstrated by our colleague, Mr. BYRON, in his efforts to advance this legislation, and the determination to carry forward the administration as expressed by Assistant Secretary of the Interior, Robert Herbst, the Appalachian Trail will achieve its potential as a superlative recreation opportunity for generations now and in the future. I urge my colleagues to concur in the Senate amendment and thus clear the measure for the White House.

● Mr. BYRON. Mr. Speaker, I rise in support of the passage of H.R. 8803, a bill to preserve the Appalachian Trail. As you may recall, the House originally passed this bill on October 25, 1977 by a vote of 409–12. The Senate made a few revisions in the bill and passed it February 22, 1978. It is my hope that the House today will accept the revisions made by the Senate and pass the final version of the bill, thereby clearing it for signature by the President.

The need for passage of this legislation to protect the trail is clear and convincing. Although the section of the trail in Maryland has been adequately protected by the State Department of Natural Resources, there are many sections of the trail in other States which are threatened by plans for private development which are incompatible with the use and enjoyment of the trail for hiking and recreation.

Mr. Speaker, the Appalachian Trail is the longest and most famous hiking trail in the world, traveling 2,050 miles from Maine to Georgia. The legislation we will enact today will prevent the trail from being severed by development, thereby deteriorating into a series of segmented local or regional trails. It is important to preserve the trail and the unique experience it offers millions of Americans. As the sponsor of this bill, I have received many letters from citizens from all across the country in support of the protection of the trail. The deep personal feelings the trail evokes from those of us who use it offer a moving testimonial of the wisdom of passing H.R. 8803, which I feel will be one of the proudest accomplishments of the 95th Congress.●

The SPEAKER pro tempore. Is there objection to the first request of the gentleman from California?

There was no objection.

A motion to reconsider was laid on the table.

DEBT LIMITATION INCREASE

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1056 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1056

Resolved, That upon adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11180) to increase the public debt limit through March 1, 1979, to provide that thereafter the public debt limit shall be established pursuant to the congressional budget procedures and to improve debt management, and all points of order against said bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, two hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the bill shall be considered as having been read for amendment. No amendment to said bill shall be in order except amendments offered by direction of the Committee on Ways and Means and the amendment to the text of the bill printed in the Congressional Record of March 3, 1978 by Representative Long, of Louisiana, and said amendments shall not be subject to amendment but shall be debatable by the offering of pro forma amend-

ments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), and pending that I yield myself such time as I may consume.

Mr. Speaker, this is an unusual rule. The normal rule to consider an increase in the debt limit is a closed rule because to open up the matters would be really very complicated.

When the Committee on Ways and Means reported an increase in the debt limit for a year, it also reported a second title which proposed to change the way in which the Congress would set the limit on the debt limit from a law to a provision that would add the matter to the budget resolution. This came at the Committee on Rules rather suddenly because the temporary debt limit expires on March 31, and there was real pressure to get the bill to the floor today.

It came before us last week, and the original hearing was held by a subcommittee of the Committee on Rules which deals with original jurisdiction matters. That subcommittee had only a day or two to look at the provision.

Mr. Speaker, the subcommittee came to the conclusion, after listening to a number of experts informally and formally, that there were both procedural problems and, perhaps, unresolved constitutional problems. It recommended to the full Committee on Rules that we provide a rule, like the one we just heard, which would allow a motion to strike, title II, in addition to the normal provisions that the Committee on Ways and Means could offer its amendments. This in no sense indicates an opinion of the members of the Committee on Rules. I think most of them are sympathetic to the notion that it would be nice to be able to deal with the debt limit in the budget resolution. But we thought there were procedural and constitutional problems, and we sought more time to deal with the problem more thoroughly. My understanding is that the subcommittee will go into the matter, the subcommittee of the Committee on Rules will go into the matter promptly, and hopes to resolve it in a manner satisfactory both to the Committee on Ways and Means and the Committee on Rules, and to the House, in a relatively short time. But for the time being, at least, we felt it important to deal with the debt limit increase alone and not to deal with the procedural matter of how you in the future raise the debt limit.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Under the provisions of the rule before us, it waives clause 2(1)(6) of rule XI. That is the rule which embodies the so-called Burton rule providing Members prior notice and copies of the reports of the committees.

Although this bill was sequentially referred to the Committee on Ways and Means and to the Committee on Rules, I understand there are no copies of the Committee on Rules report available.

What is the reason for waiving that rule, and why should the House not have available printed copies of the reports so that we would know the committee's position?

Mr. BOLLING. The Committee on Rules report is available.

Mr. BAUMAN. It is available?

Mr. BOLLING. Yes, sir.

Mr. BAUMAN. Not the committee's report on the resolution making the bill in order, but the report on the bill itself.

Mr. BOLLING. It is, on the report, and it explains the problem in relation to the bill.

Mr. BAUMAN. Was there no Committee on Rules report on the bill itself?

Mr. BOLLING. There is not, no. It does not seem needed or even parliamentarily indicated to this Member. I think we cover the full subject in this.

Mr. BAUMAN. It is a fine point.

Mr. Speaker, I thank the gentleman.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

Mr. Speaker, let me say that we support the rule. We asked for a rule which did allow to strike title II. We do recognize that we are under a very tight time constraint. I think, though, that the gentleman from Missouri, who has been very active in developing the budget system, has been aware of the problem; and, as he indicated, he has some sympathy for incorporating the debt ceiling with the budget procedures.

The Committee on Ways and Means, of course, is going to continue to support title I and title II.

In the event title II should be stricken, can we be assured by the gentleman from Missouri that the Committee on Rules will aggressively pursue this matter and, hopefully, if we can carry title I, which will bring us through until next March, that certainly before that time we can have this procedure somehow incorporated in budgetary actions so that we can avoid what I might call a charade which we have to go through once every year and lots of times several times every year?

Mr. BOLLING. Mr. Speaker, the gentleman knows that I am entirely in sympathy with his purpose. I cannot make a flat commitment that we will be able to come up with a solution which would be satisfactory to the House, but we will certainly seek to and we will seek to do so promptly.

Mr. ULLMAN. If the gentleman will yield further, Mr. Speaker, I know that he has been very responsive on this issue. We certainly would hope that within the time frame I have suggested we can arrive at some conclusion on this matter, if title II fails.

Mr. BOLLING. I concur with the gentleman absolutely.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me provide some legislative background on this bill. H.R. 11180 was jointly referred to the Committee on Ways and Means and the Committee on Rules.

Title I which increases the public debt limit and deals with related issues is totally within the jurisdiction of the Committee on Ways and Means.

Title II, which provides that after March 2, 1979, the public debt limit will be the limit established in the budget resolution, affects the jurisdiction of the Rules Committee.

The Committee on Ways and Means filed its report on this bill last Friday, March 3.

The Rules Committee met yesterday, and agreed to report a modified closed rule providing for the consideration of H.R. 11180, but making in order a Rules Committee amendment to strike title II of the bill. In addition, the rule provides a total of 3 hours of general debate, 2 hours to be controlled by the Committee on Ways and Means and 1 hour to be controlled by the Committee on Rules. There are two waivers of points of order in the rule. First the 3-day rule is waived because the report of the Ways and Means Committee has not been available for the required amount of time. Second the prohibition against appropriations on a legislative bill is waived. This is necesary because increasing the debt limit has the effect of increasing the appropriation to pay interest on the national debt.

Mr. Speaker, I support the Rules Committee amendment to strike title II of this bill. There are good reasons why title II should be enacted.

I will go into greater detail on this during the time allotted for general debate. Briefly, however, questions have been raised about the constitutionality of title II, and there are some drafting problems that still need to be corrected. In addition a separate vote on the debt limit tends to focus attention on that issue more directly, than would be the case if the debt limit were set as part of the budget resolution. For these reasons, among others, I will support the Rules Committee motion to strike title II at the appropriate time.

After the House has worked its will on title II, Mr. Speaker, there will be another issue before us, and that is the question of raising the debt limit itself. This bill proposes to increase the overall

public debt limit to $824 billion through March 1, 1979.

Mr. Speaker, this is an increase of $72 billion in just 1 year. If you divide that amount by the total population of this country, it figures out that each man, woman, and child will have his or her pro rata share of the national debt increased by approximately $330 this next year. That $330 of extra debt is on top of his share of the existing national debt, and on top of any other debts for which he or she is responsible.

I do not intend to support this increase in the national debt, Mr. Speaker, because I did not vote for the huge spending increases which make it necessary. I leave the dubious honor of passing this increase to my colleagues who vote for the massive spending programs which make it necessary.

Mr. Speaker, I have no requests for time and reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THONE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 285, nays 115, not voting 34, as follows:

[Roll No. 108]

YEAS—285

Addabbo	Carter	Foley
Akaka	Cavanaugh	Ford, Mich.
Alexander	Cederberg	Ford, Tenn.
Allen	Chisholm	Forsythe
Ambro	Clay	Fountain
Ammerman	Cleveland	Fowler
Anderson, Calif.	Cohen	Fraser
	Conable	Frenzel
Andrews, N.C.	Conte	Fuqua
Annunzio	Conyers	Gephardt
Applegate	Corman	Giaimo
Ashley	Cornell	Gibbons
Aspin	Cornwell	Gilman
AuCoin	Cotter	Ginn
Baldus	D'Amours	Gonzalez
Barnard	Daniel, Dan	Gore
Baucus	Danielson	Green
Beard, R.I.	de la Garza	Gudger
Beard, Tenn.	Delaney	Hagedorn
Bedell	Dellums	Hamilton
Beilenson	Derrick	Hanley
Bennett	Dickinson	Hannaford
Bevill	Dicks	Harkin
Biaggi	Dingell	Harrington
Bingham	Dodd	Harris
Blanchard	Downey	Hawkins
Blouin	Drinan	Heckler
Boggs	Duncan, Oreg.	Hefner
Boland	Eckhardt	Heftel
Bolling	Edgar	Hightower
Bonker	Edwards, Ala.	Holland
Bowen	Edwards, Calif.	Holtzman
Brademas	Eilberg	Howard
Breaux	English	Hubbard
Breckinridge	Erlenborn	Huckaby
Brooks	Ertel	Hyde
Broyhill	Evans, Ga.	Jacobs
Burke, Fla.	Evans, Ind.	Jenkins
Burke, Mass.	Fascell	Jenrette
Burleson, Tex.	Findley	Johnson, Calif.
Burlison, Mo.	Fish	Johnson, Colo.
Burton, John	Fithian	Jones, N.C.
Burton, Phillip	Flippo	Jones, Okla.
Butler	Flood	Jones, Tenn.
Carney	Florio	Jordan
Carr	Flowers	Kastenmeier
Kazen	Nichols	Sisk
Kemp	Nolan	Skelton
Keys	Nowak	Skubitz
Krebs	O'Brien	Smith, Iowa
LaFalce	Oakar	Solarz
Le Fante	Oberstar	Spellman
Lederer	Obey	St Germain
Lehman	Ottinger	Staggers
Levitas	Panetta	Stangeland
Livingston	Patten	Stanton
Lloyd, Calif.	Patterson	Stark
Lloyd, Tenn.	Pease	Steed
Long, La.	Pepper	Steers
Long, Md.	Perkins	Stokes
Lundine	Pettis	Stratton
McCormack	Pickle	Studds
McDade	Pike	Traxler
McEwen	Preyer	Treen
McFall	Price	Tsongas
McHugh	Pritchard	Ullman
McKay	Quie	Van Deerlin
Madigan	Rahall	Vander Jagt
Maguire	Railsback	Vanik
Mann	Rangel	Vento
Markey	Reuss	Volkmer
Mathis	Rhodes	Waggonner
Mattox	Richmond	Walgren
Mazzoli	Risenhoover	Walsh
Meeds	Roberts	Wampler
Metcalfe	Rodino	Watkins
Meyner	Roe	Waxman
Mikulski	Roncalio	Weaver
Mikva	Rooney	Weiss
Miller, Calif.	Rose	Whalen
Mineta	Rosenthal	White
Minish	Rostenkowski	Whitley
Mitchell, Md.	Roybal	Whitten
Mitchell, N.Y.	Ruppe	Wiggins
Moakley	Russo	Wilson, Bob
Moffett	Ryan	Wilson, C. H.
Mollohan	Santini	Wilson, Tex.
Montgomery	Sarasin	Winn
Moorhead, Pa.	Sawyer	Wirth
Moss	Scheuer	Wolff
Murphy, Ill.	Schroeder	Wright
Murphy, N.Y.	Seiberling	Yates
Murphy, Pa.	Sharp	Young, Mo.
Murtha	Shipley	Zablocki
Myers, Michael	Sikes	
Natcher	Simon	

NAYS—115

Abdnor	Gaydos	Miller, Ohio
Andrews, N. Dak.	Glickman	Moore
	Goldwater	Moorhead, Calif.
Archer	Goodling	
Armstrong	Gradison	Mottl
Ashbrook	Grassley	Myers, Gary
Badham	Guyer	Myers, John
Bafalis	Hall	Neal
Bauman	Hammer-schmidt	Poage
Benjamin		Pressler
Brinkley	Hansen	Quayle
Broomfield	Harsha	Quillen
Brown, Mich.	Hillis	Regula
Brown, Ohio	Hollenbeck	Rinaldo
Burgener	Holt	Robinson
Byron	Horton	Rogers
Caputo	Hughes	Rousselot
Clausen, Don H.	Ichord	Runnels
	Ireland	Satterfield
Clawson, Del	Jeffords	Schulze
Cochran	Kasten	Sebelius
Coleman	Kelly	Shuster
Collins, Tex.	Ketchum	Smith, Nebr.
Corcoran	Kindness	Snyder
Coughlin	Kostmayer	Spence
Crane	Lagomarsino	Steiger
Cunningham	Latta	Stockman
Daniel, R. W.	Leach	Symms
Davis	Lent	Taylor
Dent	Lott	Thone
Derwinski	Lujan	Trible
Devine	Luken	Walker
Duncan, Tenn.	McClory	Whitehurst
Edwards, Okla.	McDonald	Wydler
Emery	Marks	Wylie
Evans, Del.	Marlenee	Yatron
Fenwick	Marriott	Young, Alaska
Flynt	Martin	Young, Fla.
Frey	Michel	Zeferetti
Gammage	Milford	

NOT VOTING—34

Anderson, Ill.	Dornan	McCloskey
Bonior	Early	McKinney
Brodhead	Evans, Colo.	Mahon
Brown, Calif.	Fary	Nedzi
Buchanan	Fisher	Nix
Burke, Calif.	Garcia	Pattison
Chappell	Kildee	Pursell
Collins, Ill.	Krueger	Rudd
Diggs	Leggett	Slack
Stump	Thornton	Young, Tex.
Teague	Tucker	
Thompson	Udall	

The Clerk announced the following pairs:

On this vote:

Mr. Anderson of Illinois for, with Mr. Dornan against.

Mr. McCloskey for, with Mr. Rudd against.

Until further notice:

Mr. Nix with Mr. Buchanan.
Mr. Slack with Mr. McKinney.
Mr. Fary with Mr. Pursell.
Mrs. Burke of California with Mr. Chappell.
Mr. Garcia with Mr. Leggett.
Mr. Brodhead with Mr. Brown of California.
Mr. Early with Mr. Evans of Colorado.
Mr. Kildee with Mr. Krueger.
Mr. Thornton with Mr. Teague.
Mr. Thompson with Mr. Tucker.
Mr. Udall with Mr. Stump.
Mr. Diggs with Mr. Pattison of New York.
Mr. Nedzi with Mrs. Collins of Illinois.
Mr. Fisher with Mr. Bonior.

Mr. GLICKMAN changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11180) to increase the public debt limit through March 1, 1979, to provide that thereafter the public debt limit shall be established pursuant to the congressional budget procedures and to improve debt management.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11180, with Mr. ALEXANDER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 1 hour, the gentleman from New York (Mr. CONABLE) will be recognized for 1 hour, the gentleman from Missouri (Mr. BOLLING) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. LATTA) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in H.R. 11180, the Ways and Means Committee brings to the House floor a bill dealing with public debt provisions. The bill makes two kinds of changes: A change in the limit on the outstanding public debt and two changes in debt management provisions makeup title I of the bill, and title II provides a new procedure for periodically setting the public debt limit.

CHANGE IN DEBT LIMIT

Section 1 increases the temporary limitation on outstanding public debt from

$352 billion to $424 billion. When the temporary limit is added to the permanent limit of $400 billion, the increase raises the total debt limit from $752 billion to $824 billion. The present limitation expires on March 31, 1978, and the increased limit will be in effect from April 1, 1978, through March 1, 1979.

The new limit was selected after examining the administration's month-by-month projection of its borrowing requirements, as shown in table 6 on page 6 of the committee's report. These projections extended over the 18-month period from April 1, 1978, through September 30, 1979; in other words, the second half of fiscal year 1978 and all of fiscal year 1979 were covered.

The projections were based on the President's budget proposals for fiscal year 1979, as well as those for the remainder of 1978. For next fiscal year, the proposals would be reflected in outlays of $500.2 billion, receipts of $439.6 billion and a deficit of $60.6 billion. The deficit for 1979 was estimated to be $1.2 billion less than in 1978.

Allowing the revised public debt limit to be available through March 1, 1979, serves two purposes. It allows time for the Congress to set in place the revised procedure for setting the limit. March 1 also is at the right time next year for the new Congress to get itself organized and have time to act on the debt limit requirements, if the new procedure in title II is not put into effect.

While I am on the subject of timing, I would like to point out that Congress cannot wait until March 31, 1978, to revise the public debt limit. For all practical purposes, the expiration date is March 22, 1978, because the House begins its Easter district work period on March 23 and the Senate on March 24.

DEBT MANAGEMENT PROVISIONS

The first of the debt management provisions in section 2 of the bill increases the limit on outstanding bonds issued with interest rates above 4½ percent by $6 billion that may be in the hands of the public.

In the past several years, Congress has increased this limit by just enough to allow the administration to meet its estimated requirements, which consist primarily of newly developed clientele in a part of the long-term market. The ability of the Treasury Department to issue long-term bonds tends to lengthen the average maturity of the debt in the hands of the public. Excessive issues of long-term Federal debt would tend to increase the long-term interest rates, but the committee has sought to preclude that development by refusing to grant the Treasury unlimited authority for these issues.

At the same time, the committee has agreed to remove the statutory ceiling on the interest rate paid on savings bonds. This amendment gives the Secretary of the Treasury discretionary authority to raise this interest rate—with the consent of the President—in response to changes in the interest rate that may be offered on comparable forms for investment of the saving by low- and moderate-income persons.

When the rate on comparable forms of savings rises, there is a tendency for people to redeem their outstanding savings bonds or to put their money into other forms of savings than savings bonds. Then, the Treasury must approach Congress for authority to raise the rate on savings bonds, a time-consuming process that delays the response to changing market conditions.

The Treasury Department has no present intention to raise the rate on savings bonds, and the Ways and Means Committee has the same understanding in mind. The committee believes that the present is a neutral time to make this change because there is no pressure on these interest rates at the moment. The decision can be made on its merits because this is not a controversial issue now.

PROCEDURE TO CHANGE DEBT LIMIT

In present law, the debt limit is set periodically by amending the statutory limit in the Second Liberty Bond Act. When the Ways and Means Committee originates such legislation, it takes into consideration the public debt limit specified in the most recent budget resolution.

As a result, the process of setting a public debt limit involves an unnecessary duplication of the legislative activity and crowding of the House calendar.

This is the fourth year of the budget control process. Budget resolutions have been agreed to according to the schedule established in the act, even though the debates have been vigorous and the votes close. The procedure has been taken seriously, and Congress has had time to gain experience with the procedure and develop confidence in it.

The members of the Ways and Means Committee believe that with a well-developed budget procedure in operation Congress no longer needs to duplicate its efforts, especially because the committee acts within the amounts specified in the budget resolution.

The committee has discussed this amendment since the start of the budget procedure. It has delayed bringing this amendment to the House until a viable alternative was available. This appears to be the right time to make this change.

Mr. MILFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. ULLMAN. I yield to the gentleman from Texas.

Mr. MILFORD. Mr. Chairman, I thank the gentleman for yielding.

I agree with the gentleman, part of the way, but I have this question: Why do we need to establish a debt ceiling at all?

Under our budget process, the Committee on the Budget determines what our income is going to be and what our outgo is going to be. It would then declare any differences, one way or the other. So, why have a debt ceiling at all?

Mr. ULLMAN. Mr. Chairman, as the gentleman well knows, traditionally for many decades we have been operating under a procedure whereby the Congress does set a limitation on the amount of debt that can be incurred by the Government.

In the context of the way the Government has worked up to this point and prior to the time we had a budget process, separate bills changing the limit made eminent sense. I agree with the gentleman that now since we have a budget procedure, it becomes less and less necessary for us to maintain that procedure for setting the debt limit separately. I think some time in the future it probably will be removed.

However, we think this is a good interim step, and that when the House is in the process of setting, in the budget resolution, the levels of spending and revenues would be the time to set this debt limit.

Mr. MILFORD. Mr. Chairman, if the committee chairman will yield further, he is in a sense saying to me that "there is really no reason for it; it is simply the way we have been doing it."

I submit to the chairman of the committee that we do modernize our laws from time to time, and I think the time is long overdue that we modernize this law.

I would plead with the committee chairman to come back with a provision repealing this particular act. My constituents misunderstand what the debt ceiling really is. Every time I cast a vote for the debt ceiling, which is really a responsible vote, my constituents think that I have voted to increase deficit spending. Yet, I have done no such thing. Deficit spending comes from votes that are cast in the consideration of appropriation measures, as the gentleman well knows.

I submit to the gentleman that we are going through an asinine procedure, one that our constituents do not understand. Every demagogic opponent who comes along is able to grab this misunderstood issue and run with it.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. ULLMAN) has expired.

Mr. ULLMAN. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, I merely want to say in reply that I think what we are doing accomplishes the same purpose described by the gentleman from Texas (Mr. MILFORD). We have a budget procedure, a budget resolution, a target resolution, and then a final resolution; in that final resolution in September we finalize the level of spending and the level of revenue for targeting.

Therefore, this is a very appropriate time to adjust the debt ceiling to correspond with the budget resolution or with the budget figures as we have laid them out in law. I think what the gentleman is suggesting is accomplished here in effect.

Mr. Chairman, I believe this is a proper procedure and one that should be adopted.

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not know how many times we have taken the well on this issue. There is a certain sense of what the French call déjà vu

or déjà étendu about it. We have marched up this hill many times.

Some people think the "hill" is a mirage; some people pant a lot as they go up it; some people never venture into the stratosphere. This certainly is a tired old exercise.

But the Ways and Means Committee has departed from its normal course by simply raising the public debt limit to accommodate the latest heights of public indebtedness. We have added a new twist, one which is designed to consolidate consideration of the public debt in the congressional budget process. The budget process determines the outlays, the revenues and the debt they yield each year. This is where determination of the debt limit belongs.

I intend to support title II because I believe it would be a more responsible, effective and efficient means of dealing with the public debt than the farce we act out several times a year under present law.

Present law is not responsible because it allows and even encourages those who have voted repeatedly for higher spending to then feign fiscal conservatism by voting against the debt limit.

Present law is not effective. The so-called limit has done nothing to impede the continual upward march of the national debt to unprecedented levels. When the limit begins to bind, the House simply raises it. Then in the other body, where the word "germane" is not part of the legislative vocabulary, costly spending bills have frequently added to this veto-proof measure. Over the years, the debt limit bills have probably cost us far more than they have ever saved.

And present law is certainly not efficient. Because debt levels are so high, we tend to swallow them in ever smaller bites. With each gulp, however, already pressured committee and floor time is consumed with reenacting the ridiculous charade of limiting the debt. To add insult to injury, we then turn to the congressional budget process and duplicate the entire feat. The public debt dealt with in both forums is one and the same, and Congress should not squander precious time on replaying what is so obviously an ineffective procedure to begin with.

A number of questions pertaining to title II have been raised, chief among them doubts about its constitutionality. The Ways and Means Committee reviewed this issue and was satisfied that there is at least a good chance it will be held constitutional. But this is a matter the courts, and not Congress, will have to decide if and when title II is challenged. But in the event title II is found unconstitutional, I do not believe that Treasury offerings issued after its enactment would be jeopardized as some have suggested. Under section 4 of the 14th amendment to the Constitution, "the validity of the public debt of the United States, authorized by law, * * * shall not be questioned." This was intended to preserve the full faith and credit of our Federal Government and to protect holders of that credit. Regardless of the courts' decision on title II of the bill, it is highly unlikely that holders of Treasury bonds, bills, and notes will be harmed. Tying the debt limit to the budget process is sound public policy, and Congress would be remiss to spurn the chance to do the responsible thing by hiding behind a constitutional argument that is far from resolved and which I think bears a considerable parallel to the one-House veto issue.

When Congress enacted the Congressional Budget Act, it intended to give the legislative branch control over flagrant. undisciplined Federal Government spending. We have found this to be even more difficult to achieve than we had imagined. The future of the budget process hangs in delicate balance, surviving only by our continued willingness to conform to its requirements. If the congressional budget process fails as a tool of fiscal management, we will also have to admit defeat on the effort to hold the public debt in check.

Much as we might like to "bite the bullet" on the public debt several times a year, repeatedly enacting debt limit bills is more like gnawing on empty cartridge cases. The congressional budget process is the only real bullet we have. That is where any meaningful limit on the amount of debt increase and total indebtedness will have to be enacted.

I intend to support title II as the only realistic means we are likely to have before us in the House any time in the future to bring rationality to our method of confronting a public debt that often appears to be out of control.

If the House votes not to include title II in this legislation, I see no reason to support the rest of the bill. It is the repeated votes to spend more than we get in revenues that cause the debt to rise. Those who vote for the excessive spending ought to be the ones to shoulder the burden of voting for the debt they have rung up.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Chairman, I thank the chairman of the committee for yielding to me.

I agree with almost everything that the previous speakers have said. It has actually been a charade that we have gone through over the years as we are confronted with the problem of raising the debt ceiling.

I come to the point, however, which the gentleman from New York (Mr. CONABLE) made about the House squandering its precious time in considering this matter; and I move back less than 24 hours when we were here with nothing to do but debate National "Sun Day" and National Architectural Barrier Week.

Mr. Chairman, it does seem to me that being confronted from time to time with, or at least having to think about the national debt and the deficit is a more valuable usage of our time than most of the things that we do around here.

Mr. Chairman, I am not in favor of title II of this bill, not for any philosophical reasons or even for any procedural reasons. It is very difficult to oppose anything which the gentleman from Illinois (Mr. MIKVA) and the gentleman from Texas (Mr. BURLESON) have gotten together on. Anytime we get that alliance, obviously there is a tremendous appeal to it. However, the Burleson-Mikva proposal, it seems to me, removes a burden from the Committee on Ways and Means, puts it on the Committee on the Budget; and very frankly, I do not think that the Committee on the Budget can handle it.

Mr. Chairman, that is one of my objections to it. I think that we are going to wind up defeating the budget resolution if we go this route; but more importantly than that, I think we ought to confront this deficit issue every time we can. I think we ought to have our nose rubbed in what we are doing to our deficit and to the national debt every chance we get, just have our nose rubbed in what we are doing to the deficit and the national debt.

Accordingly, with all due respect for my chairman and with appreciation for the expertise of the gentleman from New York, I think we are going the wrong route.

We are not, in this particular bill, paying the bills that we have already accrued. The national debt or the debt ceiling increases have been from time to time sold to this House as paying the bills that we have already accrued.

Mr. Chairman, we are looking forward to a year from now, March 1, 1979, and we are saying that by March 1, 1979, we will have accrued $92 billion more in deficit. I am not willing to say that by March 1, 1979, we will have accrued that much more in deficit. I am not going to vote for that much more in deficit. I know that most of the Members are not going to vote for that much more in deficit.

Again, Mr. Chairman, I think we are going the wrong route with title II of this bill. I also think we are going way too far in title I of this bill.

Accordingly, Mr. Chairman, although I do believe in paying bills once they have been accumulated and once they have been voted on and once the moneys have been appropriated, I do not believe in writing that large a blank check that far into the future.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Chairman, I will probably not use the 5 minutes, although I appreciate the opportunity again of having the opportunity to oppose an increase in the debt ceiling.

We are told on every occasion that the debt ceiling comes before us that it is the responsible thing to do to vote for the "temporary" debt ceiling increase. I submit that there is an aura of truth around responsibility for voting for the increase in the debt ceiling. I think that anyone who has helped lard up this budget over the past 10 or 15 or 20 years certainly has a responsibility to vote to increase the debt ceiling to "pay the bills."

However, those individuals who have not added to that deficit by voting against increases, budgetary increases, programs that are well over budget, have an equal responsibility to vote against raising the debt ceiling. It is not their responsibility. They are not the ones who made the mistake.

You know, it becomes sort of academic after a while. We debate this, and we have turned down the debt ceiling on a couple of occasions in my brief tenure in office, but Members all know what happens. We take it back to the Ways and Means Committee. They knock a couple of billion dollars off because they really did not need all that money to start with.

My colleague from New York is quite right. I agree 100 percent with him. I think that it is our responsibility to discuss this at least once a year, if only to bring to the attention of the American public where our fiscal policies are taking us, and to remind them that we are going deeper and deeper and deeper in debt, and that somebody, sometime, is going to have to pay the piper. It probably will not be us, because most of us in this Chamber would not live that long.

As far as title II of the bill is concerned, I again join my colleague from New York in opposing that title, perhaps for different reasons. There may be good reasons for doing this, and I would like to debate that at some length at a later time. The point is that the issue has been raised as to the constitutionality of what we are doing in title II. We all know that the President must sign the debt ceiling increase. The President, by the same token, does not sign the budget resolution, so there is a constitutional question.

Now, we have all criticized the courts from time to time for making legislative decisions that should be ours. If there is, indeed, even this much of a constitutional question, let us keep it out of the courts, and let us make the decision here. If there is another way of going about it, fine, but let us keep it out of the courts and let us move forward the way we have been in the past.

Now, our distinguished chairman, Mr. ULLMAN, has indicated that this increase will take us to March 1. Now, I would submit to the body that there really is not the necessity to take it that far forward. Our President promised us that by 1980 he would have a balanced budget, and if he has that, who in heck is going to have to vote on an increase in the debt ceiling?

Now, he has kept his promises. He said he was going to knock out the B–1 bomber; he did. He said he was going to grant amnesty to draft dodgers; and he did. He also said he was going to balance the budget by 1980, and I am constrained to believe him.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield.

Mr. CONABLE. I do think the gentleman makes a good point about March 1, 1979, being the date on which this ceiling would come up again. There really are some pretty soft budget items. I think we have to keep in mind the fact that we have a new Congress to organize at the beginning of next year—hopefully a more fiscally responsible Congress—but one which will require some time to organize.

If in fact there are soft budget items, in fact if our congressional budget process does not correct the inaccuracies in the budget, we can find ourselves having to act on this in some sort of special session along toward the end of the year. I think that is something the Members should consider.

Mr. KETCHUM. I should certainly agree with the gentleman from New York. For example, we are sent down a budget for a given amount, perhaps a half trillion dollars, and yet we find an item like fiscal relief for the States, which we passed in the ill-fated, ill-advised social security bill of last year, which afforded some $450 or $480 million of fiscal relief to the States interestingly enough does not appear anywhere in this budget despite the fact that the administration approved it.

Mr. PIKE. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Chairman, title II of this proposed legislation is within the jurisdiction of the Committee on Ways and Means and of the Rules Subcommittee on the Rules and Organization of the House which I have the privilege of chairing. This title II provides that effective March 2, 1978, the debt limit would be the figure established by the concurrent resolution on the budget most recently agreed to. Since the bill does deal with the budget process which is within the original jurisdiction of the Committee on Rules, this matter was automatically referred over to the subcommittee for its consideration.

The provisions of title I of the bill which would temporarily establish the public debt limit make action on the bill an urgent matter since the temporary debt ceiling expires on March 31 of this year, and this body anticipates a recess for the Easter district work period effective March 23 of this year. Thus our subcommittee, in an effort to accommodate the Committee on Ways and Means which reported the bill on March 3, and trying to make it an orderly process, held hearings on title II the next day.

At our subcommittee hearings, many serious issues about this procedure were raised. It was the unanimous opinion of the subcommittee that action on title II should be deferred until very careful consideration and study can be given to the effects of setting the public debt limit by concurrent budget resolution. While the subcommittee might very well be sympathetic to the concept of setting the public debt limit through the mechanism of the budget process, there are serious implications to this change which we felt ought to be assessed in detail before any decision was made and any changes were made.

The subcommittee therefore recommended to the full Committee on Rules that a rule be granted which would make in order an amendment to strike title II. The full committee concurred and House Resolution 1056 embodies this recommendation. I therefore urge Members to vote in favor of the committee amendment to delete title II from this most important bill and one which might be classified as being an urgent bill.

Let me take a couple of moments to outline some of the concerns which were raised in our subcommittee hearings.

I think perhaps the most important is that constitutional scholars have questioned the constitutionality of a provision which would permit a statute to be amended annually by concurrent resolution which is not submitted to the President for approval or veto. The public debt limit established in this manner might very well not have the force of law, and such a situation would automatically invite litigation. Title II might not survive a court test. In any case, whether it survived the court's test or not, the Nation's borrowing authority would be in limbo during any protracted litigation testing the constitutionality of this method of establishing the public debt ceiling. Should the provision be declared unconstitutional, the effect on holders of our national debt would obviously be most devastating. To open our budget process to so many unknown factors would in my judgment be very unwise at a time when our national economic outlook is at best considered uncertain and confidence in our U.S. currency on the world market should be bolstered.

Consequently my feeling is that the potential for chaos is great and not worth the risk here suggested.

The possibilities for uncertainty can be extended beyond the constitutionality of changing the debt limit through the budget process. This would open the question as to whether Congress might further delegate authority to itself through concurrent resolution. Even with approval of the President, such additional delegation of authority could be construed as an unauthorized delegation of authority. Perhaps other statutes might be voided by concurrent resolution: For example, appropriations might be made by this legislative mechanism, which does not involve the approval or disapproval of the executive branch. The question then arises: Can the President in fact give away or waive his participation in the legislative process?

In addition to the constitutional issues, which I have just briefly outlined here, that are automatic, and we are faced with concerning this piece of legislation—I think we ought to be most reluctant to amend the Budget Act without careful and exact analysis. This is basically one of the points the distinguished gentleman from New York made, to some degree.

The subcommittee of the Committee on Rules agreed that we must assure that amendments to the act would in fact improve congressional control of the Federal budget process. Thus any

and all ramifications of the proposed changes brought about by title II must be fully reviewed. Such changes will inevitably subject the fragile young—and it is fragile and it is young—congressional budget process to greatly increased pressures that it has not been subject to in the past. Furthermore, numerous conforming amendments may be required—and from our cursory look at it in the 1 day's hearing we were able to have, it does appear to us that conforming amendments would be required and, consequently, such legislation should be carefully considered and written with consistency. So, Mr. Chairman, additional time and study are required before this step is taken.

I would therefore suggest that the adoption of title II of H.R. 11180 could be disruptive to the congressional budget process at this time—and that it would be disruptive to our national economy because of the likelihood of lengthy litigation. I urge my colleagues to support the amendment offered by the Committee on Rules to strike title II.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, the Record should reflect my firm opposition to the bill H.R. 11180 which would increase the temporary national debt by $72 to $424 billion through March 1, 1979. This $424 billion figure must then be added to the permanent statutory debt limit of $400 billion which gives us a grand total of $824 billion.

Now this $824 billion figure may not seem like much to some of my colleagues. But it does bother me and would cause some consternation among the people of the Third Congressional District of Iowa who sent me here to Washington. This morning I telephoned the Commerce Department and was advised that, as of 11 a.m., the population of the United States was 218,522,343. Out of curiosity I divided the total debt, should H.R. 11180 pass the Congress and be signed into law by the President, by the number of citizens. This works out to approximately $3,771 for every man, woman and child. Frankly, I am afraid of what the figure would be if we only included individual taxpayers.

It seems likely that the debt ceiling will be increased. Perhaps this particular measure might be defeated. There is ample precedent for that. Most Members like to have at least one fiscally conservative vote to point to when they are back home in the district and most confront justifiably angry taxpayers.

On September 19, 1977, a debt bill (H.R. 8655) which would have increased the public debt ceiling to $775 billion, was defeated by a vote of 180 yeas to 201 nays. Nine days later, the House passed H.R. 9290 which set the debt ceiling at $773 billion. Here the vote was 213 yeas to 202 nays.

I will vote against H.R. 11180 and hope that a majority of my colleagues will do likewise. But I would make this further request. Do not vote against increasing the national debt ceiling unless you are also willing to vote against the authorization and appropriation bills which cause budget deficits. The only solution to the fiscal problems facing our Nation is to exercise restraint when called upon to spend the taxpayers' dollars. It may cost you a few votes when you must advise this or that special interest group, or private individual for that matter, that we, as a people, cannot afford to fund a certain program. But the Congress must learn to say "No."

To vote against H.R. 11180 and then turn around and support programs and policies which bring about deficit spending is the height of hypocrisy. I respectfully urge the defeat of this and similar measures.

Last, we had better change our spending habits or by fiscal 1982 we will for the first time be approving a debt limitation of $1 trillion.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, it seems to me that it is time that we review some of the problems that we have had with our mounting national debt. Also, I feel it is somewhat fitting for me to speak on this because many of the Members will remember that 2 years ago on the 13 appropriation bills I offered the 5-percent reduction amendments. Well, all that did not really accomplish much because we had too many votes that said, "We will go ahead and spend."

I would like to throw out just a few facts and figures. We have now a national debt of such magnitude that it will require for fiscal year 1979 an interest payment of $55.4 billion. That amounts to $151 million a day in interest alone that we pay on the national debt—$151 million. To whom? It is quite interesting, because we had before our Subcommittee on Appropriations just the other day the Bureau of Public Debt. We know it costs quite a few dollars just to service the debt. But during these hearings I asked, if foreign nations own a part of our debt? We do know that foreign nations do own a part, but my purpose was to find out whether they are increasing or decreasing as far as ownership is concerned.

I should like to give the Members a few facts and figures on that because foreign nations now own $108 billion of our national debt. Japan owns $18.6 billion of our national debt. The Middle East oil exporting countries own $13.5 billion of our national debt. The African oil exporting countries own over $1 billion; West Germany, $26 billion; Switzerland, $7.3 billion; the United Kingdom, $12 billion.

To go back a little further, I do not have the interest paid as of this year, but I do have it for 1976 and 1975. In 1976 we paid Japan interest of $800 million on the $12 billion holdings that Japan had in 1976, up from $600 million in 1975. We sent to the Asian oil-producing nations $500 million in interest alone in 1976, up from $200 million in 1975. And we can assume the trend continues today.

I think it is time that we take a look at what direction we are going. Great Britain had the same problem that we are facing. New York City has the problem. but this House bailed out New York City. Our Federal Government is going the same direction as Great Britain went and New York City is going. Who is going to bail us out?

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, this could be a red-letter day. I doubt that it will be, but it could be. It could be the end of these annual rites of spring. We start out each spring, and several other times during the year, and sit here and pretend we are doing something about the debt and doing something about our spending capacities, and doing something about fiscal discipline.

I heard the distinguished gentleman from New York (Mr. PIKE), point out that sometimes we waste time in this House—and we do. I do not suggest that we do not have time to handle a debt ceiling or fiscal discipline, but some things we do better than others. We do not handle coal strikes very well in this Congress. We do not make peace in the Middle East very well in this Congress. And we do not make economic policy very well in this Congress. This debt ceiling from the beginning has been kind of a dull tool with which we pretend we were doing something that we are incapable of doing.

The debt ceiling does not limit our spending; only we limit our spending; and to pretend that this has something to do with our spending capacities is ridiculous.

There is in the report a most marvelous history of how many times we have gone through this little exercise, starting in 1977 when we put on a limit of $4 billion, and how it has gone up over the years. Finally, a few years ago we devised this marvelous technique of putting on a temporary debt ceiling. So we have a permanent debt ceiling of $400 billion and a temporary debt ceiling, which is now almost as large as the permanent debt ceiling. Each time we bring out an increase in the debt ceiling, we pretend to something we are not doing. What happens is that we get the kind of demagoguery and the kind of oratory that really has nothing to do with the congressional task what we have before us is the need for a discipline which would force us to decide how much we should spend, how much we should raise and how much of a deficit we are prepared to take to the American people.

The debt ceiling really is a part of the Liberty Loan Act and has nothing to do with the above. That is why the gentleman from Texas (Mr. BURLESON) suggested this is a good time to get rid of this and put it in the budget process.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I am always delighted to yield to the distinguished chairman.

Mr. ULLMAN. Mr. Chairman, it used to be that we had arguments as to wheth-

er the debt limit should be $5 billion less or $5 billion more. We do not even have that kind of interest any more. Witness the number of Members on the floor. People just automatically make a judgment as to whether they are going to vote for or against the debt ceiling.

Now, that brings the whole concept of government to the point of responsibility, because when people say, "We are going to vote against it," the question is, what happens? What happens on March 31 if we vote down the debt ceiling today? In other words, if that sentiment prevails, are we going to solve any problems? Of course, we are not. We are just going to create problems on end that may reverberate around the world. When our funding stops and we stop paying our bills and Members of Congress do not get their paychecks, that is not the answer. I think what the gentleman is saying is that we need to get back into a responsible stance: When we develop the budget for a fiscal year through the budget resolution, we decide how much to spend and how much revenue we will raise. In the process of doing that, we should be setting the debt limit to correspond with the budget resolution.

Mr. MIKVA. Mr. Chairman, the distinguished chairman of the committee has been through many more of these than I have. I have been through four, or I guess eight or nine of these rituals; but when we sit there in the committee, we are not doing anything useful about the fiscal responsibility Congress ought to have.

We are talking about daily debt management. I pride myself on a lot of things, but I cannot begin to understand what the Treasury needs to manage the debt and that is what we end up doing on the debt ceiling.

I have heard all the reasons that some of my colleagues give for holding on to the debt ceiling.

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from New York.

Mr. PIKE. Mr. Chairman, I would like to ask this question. Does the gentleman think we would be better off having defeated an increase in the debt ceiling coming out of the Committee on Ways and Means than we will be if we defeat the budget resolution having come out of the Budget Committee?

Mr. MIKVA. Well, let me be painfully frank. We are going to be in very bad shape if we defeat the budget resolution, but that is a possibility we have to face.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes from the gentleman from Illinois.

Mr. MIKVA. Mr. Chairman, I intend to vote for the budget resolution because I am impressed with the way the Budget Committee has taken on this task; but the time to make decisions on fiscal problems, on fiscal responsibility, is in the budget resolution. We need to say this is how much we, the Congress, will spend. This is how much we will raise. This is the deficit.

Mr. PIKE. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from New York.

Mr. PIKE. But if the debt ceiling increase is in the budget resolution, you get everything you ask for and that budget resolution is defeated, then do not all these horrors that the chairman of the Committee on Ways and Means has conjured up for us come to pass?

Mr. MIKVA. No. Mr. Chairman, let me explain one other thing.

Mr. ULLMAN. Mr. Chairman, first will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, the time when the budget resolution is agreed to is when the change in the debt limit ought to come to pass, not at some moment when we decide to bring out a debt ceiling.

Mr. MIKVA. Yes.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, if we defeat the budget resolution, then we know that we have to go back and make adjustments. At this point, if we defeat the debt ceiling bill, we just have a period of pregnant silence and great embarrassment, and then we come back with a modest adjustment of figures and really accomplish nothing.

Mr. MIKVA. Mr. Chairman, the point is that the adjustment process will take place. We will probably go through that this time; I hope I am wrong, but probably a majority of our colleagues will not vote for this debt ceiling and we will go back to the Committee on Ways and Means. But the adjustments we make have nothing to do with fiscal discipline; they have to do with tinkering with the debt ceiling and conjuring up the votes that are necessary to pass a bill. It has nothing to do with limiting our spending or designating all the programs we are prepared to cut.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the chairman of the Committee on the Budget.

Mr. GIAIMO. Mr. Chairman, there are a lot of "if" games being played, but is it not true that regardless of whether a decision is made on the budget or in the Committee on Ways and Means, the fact is that ultimately we must pass a debt ceiling limitation in order to allow the Treasury to borrow money? Is it not true that ultimately we must pass a budget resolution to adopt the budget or else scrap the whole process?

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MIKVA) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 4 additional minutes to the gentleman from Illinois (Mr. MIKVA).

Mr. MIKVA. Mr. Chairman, let me say in answer to the distinguished chairman of the Committee on the Budget—and I have no desire to make his hairs any grayer or fewer than they are—that I think that responsibility belongs in his committee. As I read the Budget Act, that is what we have said we want that committee to do.

We want the committee to bring forth the fiscal instrument by which we can make decisions on spending and raising revenue.

Mr. GIAIMO. Mr. Chairman, if I had my druthers, I would say that I do not need any more add-ons to the Budget Act in order to make it any more palatable. But the fact is that if we do put the debt limit in here at the time of the consideration of the budget resolution, we will be considering not only the borrowing authority of the Government but the expenditures of the Government and the revenues of the Government, and, most significantly of all, the "surplus" or deficit of the Government. I think that at that time they would all be considered at one time.

Having said that, however—and I so testified recently before the Committee on Ways and Means—there are some questions, as the gentleman knows, that are of a constitutional nature, and I do not know the answer to those questions. I am not sure that any Member of this body knows the answers until it gets to a court, and I think these matters should be studied.

Mr. MIKVA. Mr. Chairman, if I may address myself to those problems for a moment, first of all, let me point out that this is not a new idea. This idea has been around since the Committee on the Budget first came into existence. Indeed there were proposals made to get rid of the debt ceiling or providing for change in the way we handle the ceiling some time before the Committee on the Budget came into being.

With all due deference to my colleague, the gentleman from Louisiana (Mr. LONG), I do not believe the constitutional objections that are being raised here are sound. The basic reason for a debt ceiling is twofold: First, the number of bonds that the Federal Government can issue; and second, this kind of fiscal note which says how much are we in hock.

Both of those matters can be handled as easily by a joint resolution, as long as the President would sign it, I would point out, and assuming that the President would sign this bill.

This is somewhat similar to the one-House veto and to several other instances where we have come up with an essential agreement on a procedure by which ongoing decisions will be made, and that is exactly what we will be doing here.

Let me also reassure my colleagues—and I know the gentleman from Louisiana (Mr. LONG) would not want to oversell his concern—of this: Assuming that there is a problem, there is no way of finding out about that problem, as the gentleman from Connecticut (Mr. GIAIMO) says, until there is a court test. In any event, nobody is suggesting that if this title II is passed, we are somehow casting in doubt the full faith and credit of our bonds or the borrowing capacity of the U.S. Government or any of the other things that I think the gentleman

may be tentatively alluding to. What happens is that we may have to go back and do it again, if the gentleman is right, and I do not think he is right.

Mr. LONG of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from Louisiana.

Mr. LONG of Louisiana. Mr. Chairman, as a distinguished lawyer, the gentleman from Illinois (Mr. MIKVA) may very well be right with respect to the constitutionality or the lack of constitutionality of the particular process that is set forth here in title II.

Our concern on the subcommittee of the Committee on Rules was the very fact that there is a very serious doubt among distinguished legal scholars as to whether or not the procedure outlined herein is constitutional. That a lengthy court case could arise because of this doubt that exists among reputable legal scholars.

Doubt as to its constitutionality would add to the very, very high degree of instability that exists with respect to the American currency abroad today and the economic circumstances in the United States. It was our feeling that in the absence of a fairly detailed study, in order to be sure or more sure than we were on the subcommittee and more sure than the Committee on Rules in its entirety was when it took the matter up in full committee, we ought not to undertake this process.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. MIKVA) has expired.

(By unanimous consent, Mr. MIKVA was allowed to proceed for 1 additional minute.)

Mr. MIKVA. Mr. Chairman, let me say, in conclusion, that Treasury studied this carefully. They were of the opinion it was constitutional. We looked at it. We thought it was constitutional.

I do not think the instability the gentleman suggested would come about by our trying to get a more meaningful, realistic mechanism for managing public spending which is involved here. If we were to come out with a budget resolution which said, "This is the amount we are prepared to spend, this is the amount we are prepared to raise, this is the deficit we are prepared to accept, and this is the size of our total debt which will be outstanding," that is the most honest and honorable mechanism by which we can control our spending.

I have heard all of the reasons that people give for this debt ceiling. Some people say it is a great way to get a veto-proof bill. If you send something over to the President and if you can attach something else on it that he does not like, he still has to sign the bill. This is not a good way to run a railroad. That is not the way to run the Congress. I have heard the kind of rhetoric. I think, altogether, if we pass title II today we will have relieved ourselves of an impossible process to which we have pretended.

Mr. CONABLE. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 109]

Anderson, Ill.	Fascell	Preyer
Andrews, N.C.	Fisher	Quayle
Archer	Florio	Rangel
Blanchard	Forsythe	Rogers
Blouin	Fraser	Rudd
Breaux	Fuqua	Runnels
Broyhill	Goldwater	Satterfield
Buchanan	Goodling	Scheuer
Burke, Calif.	Guyer	Seiberling
Burke, Fla.	Harsha	Sisk
Carter	Heckler	Skubitz
Cederberg	Krueger	Slack
Chappell	Leggett	Solarz
Clay	Lloyd, Calif.	St Germain
Collins, Ill.	Lujan	Steed
Conyers	McCormack	Stump
Cornwell	McDade	Teague
Dellums	McKinney	Thornton
Dent	Maguire	Tucker
Derwinski	Mahon	Udall
Diggs	Markey	Waxman
Dingell	Mathis	Wiggins
Dornan	Mattox	Wilson, C. H.
Drinan	Mazzoli	Wilson, Tex.
Early	Meyner	Wolff
Edwards, Calif.	Mitchell, Md.	Young, Alaska
Evans, Ga.	Moss	Young, Tex.
Fary	Nix	Zablocki

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NATCHER) having assumed the chair, Mr. ALEXANDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11180, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 350 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, tomorrow and the day after this House will engage in extensive and very passionate debate over one of the proposals to deal with one of the major problems of the day—the problem of unemployment.

In the other body, Mr. Chairman, there is prolonged debate even today over the future of the Panama Canal and the direction of our foreign policy.

Yet what is the single most important issue that is facing the American people today? Every poll and every survey confirms that the single most important issue is not unemployment, not the Panama Canal, but inflation.

Inflation is the single national problem that affects equally virtually every American man and woman, whether young or old, black or white, living in the Snow Belt or the Sun Belt. It is the price of bread and eggs and meat, the price of clothing, housing, and heating.

It is the single biggest destroyer of hope, hope for a tomorrow that is better than today.

Inflation, Mr. Chairman, is the one problem that this Congress refuses to come to grips with.

I facetiously suggested at one time, Mr. Chairman, that the salaries of the Members of Congress be tied to the cost of living—in reverse. For every 1 percent increase in the cost of living, our salaries would be reduced by 1 percent, because it is the refusal of this Congress to limit spending that is the single greatest cause of inflation.

We talk, Mr. Chairman, about a national debt of $700 to $800 billion. One leading financial authority has suggested that an accurate assessment of our accrued liabilities and obligations would place our real national debt at over $7 trillion; but whether it is $7 trillion or $1 trillion or $700 billion, the point remains that the debt continues to grow and as it grows every American finds it harder and harder to provide either the luxuries or the necessities of life.

Mr. Chairman, at such a time as this, legislation to increase the debt ceiling, legislation to avoid even facing the problem in the future, is irresponsible. It is not only a failure to address the single greatest problem facing our constituents, it is a deliberate evasion of our very real responsibilities as Members of Congress.

Mr. Chairman, a previous speaker suggested that this may be a red letter day for the House. Well, how appropriate a term. It is a red letter day, a day in which if we accept this legislation we accept as a permanent premise that the budget shall be and shall remain in the red.

If the budget process really works, Mr. Chairman, we will recognize a limit to our debt and we will adjust and limit our spending beforehand, before we reach the debt limit. That is what a budget is all about—not merely warning that we will run into trouble because we will have spent without planning and we will have run into a ceiling before we have taken care of our obligations. That is not budgeting.

Mr. Chairman, this legislation is bad law and bad precedent. Let us not ignore the very real problem of inflation. We must draw the line somewhere, and mean it. This is a good time to start.

Mr. CONABLE. Mr. Chairman, I yield 39 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I yield to the distinguished minority leader.

● Mr. RHODES. Mr. Chairman, many years ago the philosopher Artemus Ward wrote:

Let us all be happy and live within our means, even if we have to borrow money to do it with.

Certainly, the Federal Government has followed that formula with a vengeance over the past four decades.

Today we are here to perform the periodic ritual of raising the debt ceiling. At the time of its inception in 1917, as part of the Liberty Bond Act, this limitation served to curb Federal extravagance. It became a charade with the advent of spendorama during the 1930's, and we now are asked to approve a borrowing ceiling of $824 billion.

The ceiling was designed to put a brake on administrations that show no talent or desire to limit expenditures. In contradiction of solemn promises made during the 1976 campaign, the present administration has broken the half trillion dollar barrier with its 1979 budget. Aided and abetted by spendthrift congressional actions, the Federal Government will fall deeper in the hole, and the ceiling we consider today will be as flimsy and ineffective a device for fiscal discipline as a coverlet of tissue paper.

It is little wonder that foreign governments are bailing out of the dollar. They witness the charade, they know that the new ceiling is fragile, and that the intentions of the administration and Congress majority are to spend and spend, inflate and inflate, and collect and collect from the taxpayers.

Interest on our huge raft of debt now means a billion dollars a week. Under the present administration and leadership in Congress, nothing in this land is certain but debt and taxes.

We will hear the timeworn plea that it is necessary to raise the debt ceiling once more so that there will not be payless paydays for government. Of course, what we will not hear is that irresponsible spending by Congress puts the pressure on the ceiling because expenditures surpass the limits.

I know that this exercise in illusion permits some Members of the majority to speak favorably of economy, and to appear to support restraint on profligate outlays. Some will even vote against raising the ceiling as proof of their desire for fiscal prudence. Meanwhile back at the committees, the spending machine is in high gear. That is where deficits must be stopped—in the committee deliberation of authorizations.

I intend to vote against this ceiling. It is one of the few ways we in the minority can express our protest over the reckless course of fiscal mismanagement being pursued by the majority. If this were a real ceiling, we gladly would support it. As it is, increases have become routine, and the debt ceiling serves chiefly as a reminder that it is time to repeat the process.

This unending increase in the Government's borrowing authority is little more than a thermometer for inflationary fever. The raise that will be voted today is, in the long run, another coffin nail for the dying Democrat dollar.●

Mr. BAUMAN. Mr. Chairman, as they say in the House of Representatives, I shall not use all the time that I have been allotted, but I did want to comment briefly before this historic occasion passes to my good colleague from Illinois, a gentleman who knows much about economics and about many other things. The gentleman from Illinois (Mr. MIKVA), opened his remarks by saying this may well be a red letter day from the gentleman's viewpoint.

I would suggest perhaps a red ink day might better be a description for the taxpayers.

The gentleman also referred to raising the debt limit periodically as one of the rites of spring.

Apparently the gentleman has not been here on the floor, because it has now become a "rite" of spring, winter, fall, summer, and intermediate seasons as well, at least during the 4 years I have been here.

I have been perusing this magnificent report, most of which is boilerplate language from several other reports dealing with similar debt increase legislation considered last year.

I notice the origin of the controversy on the floor today is the Liberty Bond Act of 1917 and its subsequent amended versions. Those were great days, when the Congress thought in terms of issuing bonds in behalf of liberty, if you will. That has a certain ring to it. Over the years we have gotten away from the concept of liberty as a larger and larger portion of individual income has been devoured by Government and liberty has been consequently diminished.

I can understand why our liberal friends would like to do away with that original Liberty Bond Act and get to the more elastic budget process.

My good "friend," John Stuart Mill, once wrote that—

The proper office of a representative assembly is to watch and control the government.

I would say to the Members that that also applies to ourselves, our function should be to watch and control ourselves.

This legislation pending before us is really consistent with two present and unfortunate trends, the first of which I will address myself to, not using all the time allotted to me, Mr. Chairman. That trend is what might be called the "parliamentary obfuscation" trend that is now well established in Congress.

That includes such ploys as referring one's own congressional pay raise to a Federal commission to report back and then not having to vote on it, so that it takes effect without any recorded vote to show the folks back home or, as one of our colleagues suggested earlier in debate, without any record that some demagogue could latch onto during a campaign.

The second example of this kind of parliamentary obfuscation is the suggestion in a current bill which would give the postal system an automatic 15 percent appropriation increase every year, thus obviating the necessity to worry about stamp price increases and such bothersome things as that.

This trend was also embodied in the social security system which provided for a cost-of-living increase, and that nearly bankrupted the system or at least was one of the contributing factors.

It is also embodied in the very Act into which those who support this bill seek to enfold the Federal debt process and that is the Budget Act. As I have sat here day after day after day listening to rules presented by distinguished members of the Committee on Rules, many of these rules waive the Budget Act. I expect that if this bill passes into law, it will require waivers so that the usual periodic debt increases, other than in the budget resolution, will also be in order.

The second trend to which I would address myself is that this legislation is perfectly consistent with the position that this Congress and other recent Congresses have taken on all matters involving debt. This attitude does not relate just to the Federal debt or the national debt but to all sorts of debts.

If we think back, we may remember that you have just passed legislation that makes it very difficult to collect personal debts. It is now a Federal crime to phone somebody in the middle of the night and suggest that he pay his bills. I assume we would be very uncomfortable if some irate citizen called anyone of us up and asked us to pay of the national debt, although we in this chamber have a particular responsibility in that regard.

This bill is also consistent with the suggestion that we forget the international debts of Third World countries, even though they owe billions of dollars to the United States and to the "bloated bondholders" of Wall Street who used to—or so I am told—support my party in the days before I got here, since I have not noticed much of that kind of help. But they also are talking about forgiving that enormous international debt.

Now we come to the point where the Federal public debt will be swallowed in this magnificant budget process and we will not have to vote on it separately at any time, thus avoiding direct responsibility.

I listened with interest to remarks in which it was said that there is no relationship between what the government spends the deficits it creates, and the ceiling on the national debt. I almost expected to hear someone say, "We owe it to ourselves." Mercifully, we were spared that repetition of economic ignorance. I suggest that we might return to that yesteryear of liberty and strike a blow for freedom by cutting title II from the bill and then rejecting the bill.

Mr. Chairman, I hope that is the case, and at the appropriate time all of us should certainly go on record in that behalf, for liberty.

Mr. Chairman, I yield to the gentleman from Idaho (Mr. SYMMS), who knows the essence and meaning of the word, "liberty," better than most.

Mr. SYMMS. Mr. Chairman, I was disappointed in the debate today, that we have not heard from the distinguished gentleman from Ohio (Mr. DEVINE) to make his annual trek to the well to speak on the national debt. For the benefit of all of the new Members of Congress who have not heard the wisdom about this

subject from the gentleman from Ohio (Mr. DEVINE) I would like to encourage him to explain, from his years of experience here, how this works back home, how at first you vote against a debt ceiling, and then put out press releases, and then come back a week later and vote for a debt increase scaled down a few million dollars. Meanwhile the country continues to go further and further into red ink.

But I am reminded of a story of a friend of mine.

Mr. BAUMAN. How long a story is this to be?

Mr. SYMMS. It is a very short story. I thought the gentleman had 39 minutes.

Mr. BAUMAN. But I made a commitment to the House.

Mr. SYMMS. I am reminded of a story about another friend of John Stuart Mills, Ludwig von Mises.

Mr. BAUMAN. I remember him well. A great free market economist.

Mr. SYMMS. And he made the comment that it is only the politicians and Members of Congress who are able to take ink, a perfectly good commodity, and paper, a perfectly good commodity, and set the ink on the paper and make them both worthless.

And I might say to the Members of this body that that is what we are doing here today by continuing to increase this debt, because they only print this money down the street, and one only has to go to 14th and Independence Avenue and watch them.

Mr. Chairman, at this point I yield back to the gentleman from Maryland so that he can yield to our distinguished colleague, the gentleman from Ohio (Mr. DEVINE).

Mr. BAUMAN. Mr. Chairman, I would be glad to yield to our senior Republican Member, the gentleman from Ohio (Mr. DEVINE), but first I would like to commend the gentleman on his story about paper and ink. I have a little paper processing plant in the southern part of my district where they produce toilet tissue. I was told by the owner of the plant that one of the best bulk commodities he uses and which converts best into his product is used CONGRESSIONAL RECORDS which he buys at the Government Printing Office. So there may be some just relationship between the words said in this Chamber and their ultimate destination.

Mr. SYMMS. Mr. Chairman, will the gentleman yield on that point?

Only yesterday I received a letter from a constituent of mine, which was typed on toilet tissue, and he suggested that we start printing money on this so that at least it would have some value.

Mr. BAUMAN. Undoubtedly it was from one of those wiped out taxpayers we hear about.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, may I ask the chairman how much time is left?

The CHAIRMAN. The Chair observes there is far too much time remaining. There are 30 minutes remaining.

Mr. BAUMAN. Mr. Chairman, I yield to the gentleman from Ohio for his annual speech on the debt limit.

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Idaho has I think shamed me into making some remarks on this bill again. I am kind of ashamed to have to do it again, because in 20 years here I think we have increased the temporary debt ceiling probably 30 times. It is interesting to hear the same big spenders from both sides of the aisle, but mostly from the other side of the aisle, who consistently vote for all of these wild, radical spending programs and go back home and tell their constituents, "Look what I have done for you." Then they come back here and say, "You guys who vote against the spending programs, you lack humanity, you lack compassion for the common man, but you must be responsible so you vote for all of these excesses in the program."

I would agree that the responsible vote would be to vote "aye" to increase the temporary debt ceiling in order to pay for the things the big spenders have authorized in this Congress, but I will not be a party to it this year, nor have I ever been in the past, because those of you who vote for all of these things and go home and claim credit for it, you should also claim credit for increasing the debt ceiling and increasing inflation.

Mr. BAUMAN. I thank the gentleman for his remarks. He is a worthy compatriot of John Stuart Mill, Ludwig von Mises, and STEVEN SYMMS.

Mr. Chairman, I yield back to the gentleman from New York, if he should care to respond.

Mr. CONABLE. Mr. Chairman, I reserve the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, it is with some regret that I rise to speak in support of this bill. As a fiscal conservative, I am not pleased that budgetary trends of recent years have forced the permanent and temporary public debt ceiling to be raised upon the expiration of every temporary period. The inflation which the Nation experiences today at too high and constant rates is related to this liberal philosophy that government can and should attempt to solve comprehensively all social problems and assure every philosophical goal. Hopefully, the realities of experience in this post-World War II era have taught us otherwise. The Federal Government is not the great panacea for all mankind's problems. Perhaps we shall heed the lesson of history and be more sanguine in our approach to government, ascertaining more reasonably what goals are desirable and truly achievable and restraining our proclivities to dole out millions and billions of dollars for programs and ideas about which few, if any, of us ever know or see or really understand.

To vote for this bill is an act of fiscal conservatism as much as a vote against a wild spending proposal. I have heard some true conservatives in this chamber say that their vote against raising the public debt ceiling is a protest of the spending which makes it necessary and that this bill acts as a fiscal restraint. I am here only my second year, but I must say to my friends in all respect that past experience has proven the protest to be meaningless and the issue of raising the public debt has yet to restrain anything. All the bill really provides is that the Treasury Department to be able to raise the money through the financial markets to pay the bills that this Congress has already voted to incur. It further provides that the public debt will be set by the Budget Act in the future, implementing real meaning and responsibility into the budget process and adding that measure of fiscal restraint when it really matters.

I watched last year as many of my colleagues here voted against a necessary extension of the public debt ceiling to pay the bills of this country. It was an act of total inconsistency for some who had been in the forefront of the authorizations and appropriations and who had run the Nation headlong into spending and more debt to turn tail and then vote against providing a higher debt ceiling to pay bills which they had created. It is a political theft by deception. My people are not fooled by it and I doubt seriously that anyone else's should be. I was dismayed to see Members who vote to spend us blind playing games with the debt ceiling.

H.R. 11180 as reported by the Ways and Means Committee provides for an increase in the temporary debt limit to $824 billion through March 1, 1979. If we are able to balance the budget by fiscal 1981, there is the first real opportunity to end the necessity for yearly Treasury debt financing and annual votes on extending the public debt ceiling. I urge the administration and Congress to move in the direction of a balanced budget as the economy strengthens this year and next year. I challenge those who vote against this bill to be consistent and join me in seeking to hold down spending when appropriation and authorization measures are before us.

Title II of the bill is a desirable provision. I have yet to ascertain where there is any real usefulness to the budget process. I believe that it has great potential, but only if it has built into it the meaningful fiscal restraint that when the Congress sets that budget it is simultaneously setting the public debt. I support this measure as a conservative measure and one designed to curtail a padded budget. It will make the budget process more meaningful.

It is not a part of this bill and I shall support the bill, but I would like to see the budget process taken one step further to provide that any measure which exceeds budget must carry a provision to extend the public debt limit. This type of fiscal restraint would cut against both conservatives and liberals pushing their special programs.

In conclusion, I believe that this body would be held in higher respect by our people if we would just be honest with ourselves. This bill, titles I and II, should be adopted.

Mr. ULLMAN. Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say that I support the Committee on Rules' position to strike title II from this bill.

I think that we have adequately gone over most of the reasons that were presented to the Committee on Rules for striking title II, with the possible exception of the political aspects of it. I mean here on the floor where, when we try to pass budget resolutions, we have had extreme difficulty in passing some of those resolutions.

We have had some fail; and if we add the burden of the debt ceiling limitation to that resolution, I think it will have too many burdens to carry.

Let me say that I will submit for the RECORD several other reasons why I feel that this particular title should be stricken. Without taking any more time of the House, I would like to emphasize the fact that the budget process is not perfect, that it is in a trial-and-error stage. We have a lot of work to do to perfect it.

We have heard some statements here this afternoon to the effect that we ought to stick by the process, and perhaps we should, and make it work. But, I have said many times on this floor that if we are going to make this budget process work, we have got to do more cutting instead of more adding in the Budget Committee.

We are going to have to become more realistic so that when the budget comes down from downtown, that it does not look good from Pennsylvania Avenue's standpoint and bad from the Hill's standpoint when the Hill is forced to put funds which necessarily go into a budget. For example, leaving out certain benefits for veterans, knowing full well that this House is going to put them back; or leaving out disaster aid for agriculture, knowing full well that the House is going to have to put that money back.

I think spending has to be realistic, and certainly when we look at this side of the matter, we have to consider testimony given before the committee the other day by Secretary Califano. We learned that since 1973—the budget for this one particular department of government has increased $100 billion—$100 billion. They have to think about some limitation downtown and realize there is a limit beyond which we can not go. I hope that the budget process can succeed, but I think that we have to be more realistic with its figures.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield.

Mr. CONABLE. I do not disagree with anything the gentleman has said about the budget process. I think it should reflect greater restraint than it has so far during the short life of the Budget Committee. It seems to me that it would make it more meaningful to tie the debt ceiling to it.

Quite frankly, what happens in the budget determines the size of the debt ceiling increase. To separate the two functions, to me, is not only a meaningless act, but permits manipulation of the public understanding of the process. It would be far preferable to have the two of them taken care of at one time.

If it results in the budget process being made more difficult for the House, so be it, because the consequences of the budget process are the debt ceiling increase that we are here considering. To permit Members of the House to vote one way on one part of the process and the other way on the other is to permit not only obfuscation, but downright deceit.

Mr. LATTA. Let me tell my good friend that we very seldom differ, but we differ on this. I know the Ways and Means Committee would like to get rid of this debt limitation function.

Mr. Chairman, title II of this bill provides that, effective March 2, 1979, the debt limit would be the figure established by the budget resolution just agreed to.

Mr. Chairman, I support the Rules Committee amendment to strike title II from this bill. There are a number of good reasons why title II should not be enacted.

First, there is a real question about whether the proposed procedure is constitutional. Many have questioned the constitutionality of a provision which would permit a law, such as the debt limit, to be amended annually by a concurrent resolution. A concurrent resolution is never submitted to the President for approval or veto, and does not have the force of law.

Second, there are drafting problems in title II. Testimony before the Subcommittee on Rules and Organization of the House indicated that the conforming amendments to the Congressional Budget Act will have to be modified and that other conforming amendments are required.

Third, there is a political problem in title II. At least some Members have expressed concern over the impact on the fragile budget process of making the vote on the adoption of the budget resolution, in effect, the only vote on the debt ceiling.

Fourth, elimination of a separate vote on the debt ceiling would eliminate one of the few vehicles by which Congress may consider the activities of both on-budget and off-budget agencies. The budget resolution does not include off-budget agencies, such as the Federal Financing Bank, in the budget totals. A separate vote on a debt limit allows consideration of both on-budget and off-budget agencies.

Finally, Mr. Chairman, there is a fifth reason for retaining a separate vote on the debt ceiling. The vote makes Members and the public conscious of the issue. It is true that some Members abuse the process. That is they will vote for new, massive Federal spending programs all year, and yet those very same individuals will vote against an increase in the debt ceiling. However, Mr. Chairman, because some abuse the procedure does not justify doing away with the procedure. A separate vote on increasing the debt does alert everyone as to the staggering size of this debt and certainly should have some sobering effect on the more conscientious Members of this body as they consider additional spending programs.

For all of the above reasons, Mr. Chairman, I support the Rules Committee amendment to strike title II of this bill but oppose the bill to increase the debt ceiling.

The CHAIRMAN. The gentleman from Ohio (Mr. LATTA) has consumed 6 minutes.

Mr. BOLLING. Mr. Chairman, I have no request for time. I am prepared to yield back the balance of my time if the other managers are.

Mr. LATTA. Mr. Chairman, I yield back the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield back the balance of my time.

Mr. ULLMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment. No amendment to the bill shall be in order except amendments offered by direction of the Committee on Ways and Means and the amendment to the text of the bill printed in the CONGRESSIONAL RECORD of March 3, 1978, by Representative LONG, of Louisiana, and said amendments shall not be subject to amendment, but shall be debatable by the offering of pro forma amendments.

Are there any Ways and Means Committee amendments?

Mr. ULLMAN. Mr. Chairman, we have no amendments.

AMENDMENT OFFERED BY MR. BOLLING

Mr. BOLLING. Mr. Chairman, I wish to offer the amendment printed in the RECORD as described by the chairman.

The Clerk read as follows:

Amendment offered by Mr. BOLLING: Strike out title II and strike out the following:

TITLE I—INCREASE IN PUBLIC DEBT LIMIT THROUGH MARCH 1, 1979; IMPROVEMENT OF DEBT MANAGEMENT

Mr. BOLLING. Mr. Chairman, this amendment has already been discussed and described.

The Ways and Means Committee came to the Rules Committee with a two-title bill. The first title was the usual increase in the debt limit, the temporary debt limit. The second title was a provision that on the surface makes a lot of sense, and that was to take the process of fixing the debt limit in this fashion, the fashion we are going through today and have gone through for a very long time, passing a law, and shifting it to the budget concurrent resolution.

The Rules Committee did not have much time to consider the matter although the matter was automatically referred to the subcommittee of original jurisdiction of the Rules Committee, and we had a hearing both informal and formal—informal in order that we might

discuss the matter with the experts in the Congressional Research Service, who have to have a special permission to appear in formal hearings, and formal with the chairman and ranking minority member of the Committee on Ways and Means. We came reluctantly to the conclusion that there were some very real constitutional difficulties. The business of changing a law, enacting a law governing the debt ceiling through a concurrent resolution in Congress delegating to itself a power we are not sure it has.

We felt we had to have more time to explore the possible constitutional difficulties. We were not the least bit unsympathetic to considering the bill but we were very much disturbed by that constitutional problem.

In addition to that there were some very small matters, but still matters that had to be considered with some care, that were procedural in nature with regard to the drafting of the particular amendment. Again I am not the least bit sure that they are not matters that could be resolved. But the unanimous conclusion of the subcommittee, and, as I remember it of the full committee, was that we would do what we are doing: Offer a motion to strike with the guarantee given that we will consider the matter promptly and hopefully be able to resolve the difficulties that I have indicated so that the desire of the Committee on Ways and Means to achieve this shift from the making of a law to the budget process can at least be very carefully considered.

I noted what my friend, the gentleman from Ohio said, so obviously there will be controversy over the actual question of changing from one method to another.

Mr. BURLESON of Texas. Mr. Chairman, will the gentleman yield?

Mr. BOLLING. I am happy to yield to the gentleman from Texas.

Mr. BURLESON of Texas. Mr. Chairman, one way to get rid of the constitutional imponderable is to simply repeal the debt ceiling. I believe it was 4 years ago that I introduced a resolution to do just that and it was referred to the Committee on Rules. There would be no prohibition; as a matter of fact it would be appropriate, and I am sure the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO), would agree. The repeal of the debt ceiling would make the debt ceiling visible in the records. The resolution coming to this floor from the Committee on the Budget, relating the debt ceiling to total expenditures and the deficit, would furnish a total picture and not just a blurred portion. I have heard no one argue that the debt ceiling means anything. Really it may be that at one time in its original concept—and I remember it very well—it had a salutory effect. It looked as if we had a concern as to what the Government owes, and that it would limit spending. It has not had that effect. It is not doing that at the present time. Why not repeal it and let it show in the budget to be considered with expenditures.

I hope the study to which the gentleman from Missouri (Mr. BOLLING) has referred in connection with this amendment to strike title II, in the event it is adopted, you will just look at the repeal of the debt ceiling and not go through the formality of making it a part of the jurisdiction of the Committee on the Budget but simply let the Committee on the Budget handle it as one of its functional categories.

Mr. MIKVA. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri (Mr. BOLLING) to strike title II.

Mr. Chairman, I would first like to pay my respects to the gentleman from Texas (Mr. BURLESON) who has been struggling with this for some time. I think the debate has been wholesome. I think it reflects that there is really not some sort of widespread division on this question whether it be southern, northern, or what have you, but we seemingly all want to do the same thing. The question is whether this is the way we want to do it, whether to continue it in the way it has been done or whether to provide a device of some kind which we all can be assured is not riding on a false premise.

Let me say to my colleague, the gentleman from Missouri (Mr. BOLLING) that I am relieved to know that there is a time limit within which the Committee on Rules will come up with a solution if this motion to strike proves to be successful.

However, Mr. Chairman, with all due deference to the subcommittee I think that this question of constitutional doubt can best be resolved through a court test. I do not think that we are throwing any doubt on the rest of the matters and therefore I hope that the proposed motion to strike is defeated. If it should prove to be successful, I hope the Committee on Rules will be able to come up with a solution that will take care of this problem. It is something that we ought to be doing differently than we have done since 1917.

Mr. LONG of Louisiana. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to speak with reference to the constitutional question. First, let me say that because of the urgency of the situation when the matter was referred to the Committee on Rules, as the gentleman has fully explained, we were, and still, are not quite sure of the ground upon which we stand. There was a very substantial doubt raised, as the gentleman from Missouri (Mr. BOLLING) has stated, unofficially, by the scholars of the Library of Congress in the American law section. They told us, in this unofficial session, that there was real doubt in their minds as to its constitutionality. This caused us to come up unanimously with the recommendation that the subcommittee made, and then that the full committee made.

We think that their views, as well as other places where there may be an inconsistency between the action taken here and the Budget Act itself, that good judgment would dictate that we delay any action on this part until the matter has had an opportunity for further study.

Mr. BOLLING. Mr. Chairman, will the gentleman yield?

Mr. LONG of Louisiana. I would be happy to yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Chairman, one of the problems we are confronted with is that there is a very fundamental question as to whether the President, even if he chooses, could forgo the responsibility of participating in the establishment of the debt limit. There are a variety of articles and clauses in the Constitution that have some bearing on this, and the fact of the matter is that we simply have not been able to establish the material and be sure where we are. What we are asking for is time to see to it that we understand all the different ramifications, and that is all. We hope that we will be able to come up with a result. We think it would be a very bad idea to pass this in its present form because it would assure a court test that could lend itself, regardless of the final outcome, to all kinds of irresponsible statements being made in the press and in other places about the validity of the debt and the functions of Government. We have seen things of that sort happen over and over again in this country. If we are going to have a court test, it should not put in jeopardy the faith and credit of the United States.

I thank the gentleman for yielding.

Mr. LONG of Louisiana. I thank the gentleman.

Mr. MOAKLEY. Mr. Chairman, will the gentleman yield?

Mr. LONG of Louisiana. I yield to the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. MOAKLEY. Mr. Chairman, I rise in support of the amendment to be offered by direction of the Committee on Rules to strike title II.

Mr. Chairman, as a member of the Subcommittee on Rules and Organization of the House, I would like to explain the history of this legislation and the basis of the subcommittee recommendation that we take this action.

SUMMARY

Title I of the bill increases the temporary debt limit and contains debt management provisions. The title is within the exclusive jurisdiction of the Committee on Ways and Means and is, therefore, beyond the scope of this report.

Title II of the bill would provide that the debt limit would hereafter be established in the concurrent resolution on the budget. The title makes other technical amendments to the Congressional Budget Act of 1974 to conform to this new procedure. The title is jointly within the jurisdiction of the Committees on Rules and Ways and Means.

HISTORY AND HEARINGS

The bill was introduced on February 28, 1978, and was jointly referred to the Committee on Ways and Means* and the Committee on Rules.

Since the bill deals with the budget process, which is within our original ju-

*H.R. 11180 was introduced as a clean bill which had already been ordered reported by the Committee on Ways and Means.

risdiction, it was automatically referred to the subcommittee.

The bill was first available to us in written form on March 1 and we met the following day. An informal meeting was held with specialists in law and government from the Library of Congress and hearings were held at which testimony was received from the chairman and ranking minority member of the Committee on Ways and Means.

ISSUES RAISED IN SUBCOMMITTEE

The subcommittee's preliminary study raised numerous concerns:

Constitutional issues. Constitutional scholars expressed considerable concern over the provisions which, in effect, would permit a statute to be amended annually by a concurrent resolution (which is not submitted to the President for approval or veto). Doubt centered on the ability of the legislation to survive a court test. Even experts who anticipated that the Supreme Court would uphold the proposal expressed doubt over the status of the national debt during protracted litigation.

The subcommittee feels it should obtain testimony from outside experts and especially official departmental views from the Attorney General. The subcommittee did not have adequate opportunity to seek such opinions and notes that no such investigation was undertaken by the Committee on Ways and Means in the course of its review.

Political issues. Some Members expressed doubt whether adequate study had been given to practical considerations involved in the budget process. The subcommittee notes that the concurrent resolutions on the budget are the keystone to most other legislative activities. We feel that adjustments to the budget process must be undertaken only after the most thorough and cautious possible study.

Legislative history. In proposing the enactment of permanent law, all potential ramifications need to be explored. Although some questions are of a largely hypothetical nature, we feel the answers should be known in advance. To cite one example, it is unclear what would happen at the beginning of a fiscal year if no budget resolution for that year had yet been adopted. Does the Government lose all borrowing authority; does the authority continue but without lawful limitation; or does the limit established in resolutions for the prior year remain in force? In discussing the period covered, the report of the Committee on Ways and Means (H. Rept. 95–921) only states:

> The adjustment probably will apply to the duration of a concurrent budget resolution's applicability to a given fiscal year, [emphasis added].

Drafting problems. Title II included two conforming amendments to the Congressional Budget Act of 1974. One makes an amendment to the second sentence of section 310(a) to provide that one of the figures set under authority of that provision will be the debt limit. However, this sentence gives the Committees on Budget authority they have never used. The debt limit is now recommended under authority contained in the first sentence. The subcommittee considers this a drafting error. We are aware of two additional conforming amendments which would be desirable.

SUBCOMMITTEE ACTION

The subcommittee felt that it was presented with more questions than answers. While none of the questions raised necessarily present insurmountable obstacles, the subcommittee is persuaded that a detailed study is needed. Nevertheless, the subcommittee was anxious to accommodate the legitimate need of the Committee on Ways and Means to seek prompt action on provisions of title I which raise the temporary debt limit. The current limit expires on March 31.

By unanimous vote, a quorum being present, the subcommittee adopted a motion by the gentleman from Missouri (Mr. BOLLING), to order further study of title II but to make recommendations to the full committee which would enable title I to be presented to the House.

FULL COMMITTEE ACTION

On Monday, March 6, Committee on Rules heard testimony from the chairman of the Committee on Ways and Means and the gentleman from California (Mr. KETCHUM) on behalf of the minority on the committee.

On behalf of the chairman of the Subcommittee on Rules and Organization of the House, Mr. LONG of Louisiana, I presented the subcommitte report on title II of H.R. 11180 as an original jurisdiction measure and the subcommittee's recommendation on a rule.

By voice vote the committee adopted a motion to report a rule identical to the request of the Committee on Ways and Means modified to reflect two recommendations by the subcommittee:

First. That, in addition to the 2 hours of general debate requested by the Committee on Ways and Means, 1 hour be provided to the Comittee on Rules.

Second. That the rule identify the motion to strike title II (and conforming amendments to the text and title of the bill) as committee amendments.

CONCLUSION

It must be noted that the subcommittee is sympathetic to the concept of setting the debt limit in the concurrent resolutions on the budget. The subcommittee is committed to a continuing review of the concept embodied in title II and intends to cooperate with the Committee on Ways and Means to develop an appropriate and adequately documented legislative vehicle to provide for setting the debt limit through the budget process.

Mr. LONG of Louisiana. Mr. Chairman, one additional point that might be made is that another area of uncertainty exists here. This course of action, even with the approval of the President, such additional delegation of authority could be construed possibly as an unauthorized delegation of this authority. Perhaps other statutes might be at a subsequent date voided by concurrent resolution. For example, appropriations might be made by this legislative mechanism which does not involve the approval or disapproval of the executive branch. The ramifications of it are endless. We strongly recommend that it be given further consideration before it is enacted into law.

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

First, I want to extend my appreciation to the chairman of the subcommittee, the gentleman from Louisiana (Mr. LONG), and to the gentleman from Missouri (Mr. BOLLING), a member of the Committee on Rules, for their consideration of this matter.

I want to say, however, that the administration itself in its testimony to the committee recommended this procedure. The President had his people study the matter, and the administration recommendation was that we adopt this procedure and delegate this authority to the Budget Committee.

Second, with respect to the constitutional issue, certainly this specific issue was not raised in the court. However, the Supreme Court has already decided the one-House veto issue which closely parallels this procedure, and we think that that would be an ample precedent for a ruling to uphold the constitutionality of this procedure. It is wrong procedure that we should come here separately from the budget resolution and bring a debt ceiling simply to conform the debt limitation to the budget situation that already exists. People who say that the present procedure is any realistic method of controlling spending, or sending any message for economy, or that it will save any money simply obviously are confusing the issue. As a matter of fact, if we do not pass the debt ceiling before the end of the month, we are going to have a disastrous situation that will probably cost many millions of dollars and create all kinds of problems around the world with a dollar that is already in trouble.

I think it would be the height of irresponsibility for this Congress to fail to pass this debt ceiling. It should be done at the time when we pass the budget resolution. At that time in September each year we have a binding concurrent resolution that sets the level of spending and sets the target for revenues. That is the time we ought to have a debt ceiling determination that would conform to our budget enactments and that is all we are asking here in title II.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I am delighted to yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to associate myself with the remarks of the distinguished chairman of the Committee on Ways and Means; at least with respect to the procedural aspects of the issue. I believe it would be a mistake to strike title II and I hope the House will not do so.

Mr. ULLMAN. So, Mr. Chairman, I hope that we can uphold this bill, vote no on the motion and keep in the bill the best method we can have to set the debt limit in title II. I hope the Members will do themselves a favor and vote for title I and the bill, so they will not have to face up to this meaningless gesture again before the end of the year, before elections; and we can set another limit if necessary in an orderly and re-

sponsible fashion by February. If title II stays in, then in the concurrent resolution in September the debt ceiling issue will be incorporated in that resolution and from then on we will be able to resolve the problem in a responsible orderly way.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just cannot sit here and hear my colleagues, both liberal and conservative, say that the debt ceiling is a nothing, it is just a gesture, it is meaningless, et cetera, et cetera.

I think it does mean something. I think it calls the consciousness of this House into being at least once or twice a year. We have to take stock of what we have done and what lies ahead.

I have even heard the Speaker of the House when the gentleman was a Member of the Committee on Rules say that he was in favor of doing away with the debt limitation. I think this would be the height of ridiculousness. I think in the eyes of the public we are a bunch of spendthrifts the way it is, but if we do not have a debt ceiling staring us in the face, we would become more ridiculous and more spendthrift.

I think we have to keep this vote on the debt limit and recognize the fact that once or twice a year we are going to have to face up to what we have done. I predict that by 1982 the Nation will be over $1 trillion in debt. I think this is a horrendous figure that everybody seems to be concerned about but Members of Congress.

I think we ought to recognize that this debt limit question is something that once or twice a year we are going to have on the floor of this House and not just something we are going to do away with so we do not have to face up to it.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am delighted to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, would not the gentleman agree that at the time we made the final decision on the budget that that is the time to pass judgment on the debt ceiling because then we can do something about it. Now we cannot do anything about it, but if we have the budget resolution before us and it goes down, we come back and change our spending. That is when we can really have some discipline on this issue.

Mr. LATTA. Mr. Chairman, I could not agree less with the statement just made that we ought to set the debt limit in the budget resolution. I think we ought to do it before we have that budget resolution. It would be some restraint on the Budget Committee. I think the Budget Committee needs a little restraint, so if we put the debt limit in the budget resolution, we do not have that restraint.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, it occurs to me that if we are going to invest the Budget Committee with the ability to set the ceiling on the Federal debt, we might want to consider saving a little money on Capitol Hill and do away with the Committee on Ways and Means and the Committee on Appropriations.

They both have very large staffs and great expenditures every year amounting to millions of dollars. If the Budget Committee is the proper facility, perhaps we should invest in one committee the overall economic control and give it the right to set all these figures. We might even accidentally save a few million dollars.

Mr. CONABLE. Mr. Chairman, will the gentleman yield to me for a comment on that last suggestion?

Mr. LATTA. I will be happy to yield to the gentleman from New York. Apparently the gentleman from Maryland (Mr. BAUMAN) touched a nerve.

Mr. CONABLE. Mr. Chairman, it is apparently of some historical interest that we had one committee handling all money bills in the House of Representatives until about 1866. That was the Committee on Ways and Means. Then the functions were split between the Committee on Ways and Means and the Committee on Appropriations, separating the taxing and the spending powers.

That was done because of the burden of work that the one committee was having to expend. It could not handle all the work it had. Therefore, the Congress split the functions at that time.

We have now come back to bringing these functions together in the Committee on the Budget. They really ought to be brought back together at some point so that those who are making the decisions to spend and to borrow would also have to make the decisions to tax, and vice versa.

That is the effect of title II in this bill. We are having to make the decision at the time we decide how much we are going to spend, how much we are going to tax, and how much we are going to borrow. It is a pretty sensible thing.

Mr. Chairman, it means we have come full circle in the process of accountability here in the Congress, and I think it is about time we got a more accountable procedure again.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LATTA. Mr. Chairman, I would just like to say to my friend, the gentleman from New York (Mr. CONABLE), that I could not agree more with most of his comments, especially the latter part of his comments.

If we really want to tie this thing up—and I think we probably should—we ought to be specific, and in every one of these spending bills that come along we should put in a taxing provision to pay for it. If we did that, I do think we would have as many debts to tally up at the end of the year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. BOLLING).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. GIBBONS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN pro tempore (Mr. BEVILL). One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN pro tempore. The pending business is the demand of the gentleman from Florida (Mr. GIBBONS) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 277, noes 132, not voting 25, as follows:

[Roll No. 110]

AYES—277

Abdnor	Corcoran	Hanley
Addabbo	Cornell	Hannaford
Akaka	Cornwell	Hansen
Allen	Coughlin	Harkin
Ambro	Crane	Harris
Ammerman	Cunningham	Harsha
Anderson, Calif.	D'Amours	Hawkins
	Daniel, Dan	Hillis
Andrews, N.C.	Daniel, R. W.	Holland
Annunzio	Danielson	Hollenbeck
Applegate	Davis	Holt
Archer	Delaney	Holtzman
Armstrong	Dent	Horton
Ashbrook	Devine	Howard
Aspin	Dickinson	Hughes
AuCoin	Diggs	Hyde
Badham	Dingell	Ichord
Bafalis	Dodd	Ireland
Baldus	Downey	Jacobs
Baucus	Drinan	Jeffords
Bauman	Eckhardt	Jenrette
Beard, Tenn.	Edwards, Ala.	Johnson, Calif.
Bedell	Edwards, Okla.	Johnson, Colo.
Beilenson	Eilberg	Jones, Tenn.
Benjamin	Emery	Kasten
Biaggi	English	Kazen
Bingham	Erlenborn	Kelly
Blanchard	Ertel	Kemp
Boggs	Evans, Colo.	Ketchum
Boland	Evans, Del.	Kildee
Bolling	Evans, Ind.	Kindness
Bowen	Fascell	Kostmayer
Brademas	Fenwick	Krebs
Breaux	Findley	Lagomarsino
Breckinridge	Fithian	Latta
Brooks	Flood	Le Fante
Broomfield	Floric	Leach
Brown, Calif.	Flynt	Leggett
Burgener	Foley	Levitas
Burke, Fla.	Ford, Mich.	Livingston
Burke, Mass.	Ford, Tenn.	Lloyd, Calif.
Burlison, Mo.	Fountain	Lloyd, Tenn.
Byron	Fraser	Long, La.
Caputo	Frey	Long, Md.
Carney	Gammage	Lott
Carter	Garcia	Lujan
Cavanaugh	Gaydos	Lundine
Cederberg	Gilman	McClory
Chisholm	Glickman	McDade
Clausen, Don H.	Goldwater	McDonald
	Gonzalez	McKay
Clawson, Del	Goodling	Markey
Clay	Grassley	Marlenee
Cleveland	Green	Marriott
Cochran	Gudger	Martin
Cohen	Guyer	Mazzoli
Coleman	Hagedorn	Meeds
Collins, Tex.	Hammer-schmidt	Metcalfe
Conyers		Meyner

Michel	Pursell	Stangeland
Mikulski	Quayle	Stanton
Miller, Calif.	Quillen	Steed
Miller, Ohio	Rahall	Stockman
Mineta	Railsback	Stratton
Minish	Regula	Studds
Mitchell, Md.	Reuss	Symms
Moakley	Richmond	Taylor
Moffett	Rinaldo	Thompson
Mollohan	Risenhoover	Trible
Montgomery	Robinson	Tsongas
Moore	Rodino	Vento
Moorhead, Calif.	Roe	Volkmer
	Rose	Walgren
Moorhead, Pa.	Rousselot	Walker
Murphy, Ill.	Runnels	Walsh
Murphy, N.Y.	Ruppe	Watkins
Murtha	Russo	Whalen
Myers, John	Ryan	Whitehurst
Natcher	Santini	Whitten
Nedzi	Satterfield	Wilson, Bob
Nolan	Sawyer	Wilson, C. H.
Nowak	Scheuer	Winn
O'Brien	Schulze	Wirth
Obey	Shipley	Wolff
Panetta	Shuster	Wright
Patterson	Sikes	Wydler
Pease	Sisk	Wylie
Pepper	Skelton	Yates
Perkins	Skubitz	Yatron
Pike	Smith, Iowa	Young, Alaska
Poage	Snyder	Young, Fla.
Pressler	Solarz	Zablocki
Preyer	Spence	Zeferetti
Price	Staggers	

NOES—132

Alexander	Gore	Patten
Andrews, N. Dak.	Gradison	Pattison
	Hall	Pettis
Ashley	Hamilton	Pickle
Barnard	Harrington	Pritchard
Beard, R.I.	Heckler	Quie
Bennett	Hefner	Rangel
Bevill	Heftel	Rhodes
Blouin	Hightower	Roberts
Bonior	Hubbard	Rogers
Brinkley	Huckaby	Roncalio
Brodhead	Jenkins	Rooney
Brown, Mich.	Jones, N.C.	Rosenthal
Brown, Ohio	Jones, Okla.	Rostenkowski
Broyhill	Jordan	Roybal
Burleson, Tex.	Kastenmeier	Sarasin
Burton, John	Keys	Schroeder
Burton, Phillip	LaFalce	Sebelius
Butler	Lederer	Seiberling
Carr	Lehman	Sharp
Chappell	Lent	Simon
Conable	Luken	Smith, Nebr.
Conte	McCloskey	Spellman
Corman	McCormack	St Germain
Cotter	McEwen	Stark
de la Garza	McFall	Steers
Derrick	McHugh	Steiger
Derwinski	Madigan	Stokes
Dicks	Maguire	Thone
Duncan, Oreg.	Mann	Traxler
Duncan, Tenn.	Marks	Ullman
Edgar	Mathis	Van Deerlin
Edwards, Calif.	Mattox	Vander Jagt
Evans, Ga.	Mikva	Vanik
Fish	Milford	Waggonner
Flippo	Mitchell, N.Y.	Wampler
Flowers	Moss	Waxman
Forsythe	Mottl	Weaver
Fowler	Murphy, Pa.	Weiss
Frenzel	Myers, Gary	White
Fuqua	Myers, Michael	Whitley
Gephardt	Neal	Wiggins
Giaimo	Nichols	Young, Mo.
Gibbons	Oberstar	
Ginn	Ottinger	

NOT VOTING—25

Anderson, Ill.	Fisher	Teague
Bonker	Krueger	Thornton
Buchanan	McKinney	Treen
Burke, Calif.	Mahon	Tucker
Collins, Ill.	Nix	Udall
Dellums	Oakar	Wilson, Tex.
Dornan	Rudd	Young, Tex.
Early	Slack	
Fary	Stump	

The Clerk announced the following pairs:

On this vote:

Mr. Fary for, with Mr. Teague against.

Mr. Krueger for, with Mr. Dellums against.

Mr. Nix for, with Mr. Burke of California against.

Messrs. RANGEL, LAFALCE, GIAIMO, GORE, SIMON, OTTINGER, OBERSTAR, STEERS, FLOWERS, and CHAPPELL changed their vote from "aye" to "no."

Messrs. STRATTON, CARNEY, PEPPER, QUAYLE, MARLENEE, and KEMP changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ALEXANDER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11180) to increase the public debt limit through March 1, 1979, to provide that thereafter the public debt limit shall be established pursuant to the congressional budget procedures and to improve debt management, pursuant to House Resolution 1056, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CONABLE. I am opposed to the bill in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CONABLE moves to recommit the bill H.R. 11180, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 165, nays 248, not voting 21, as follows:

[Roll No. 111]

YEAS—165

Addabbo	Baldus	Blouin
Akaka	Beard, R.I.	Boggs
Alexander	Bedell	Boland
Ammerman	Beilenson	Bolling
Annunzio	Biaggi	Bonior
Ashley	Bingham	Bonker
Aspin	Blanchard	Brademas
Breckinridge	Holtzman	Pickle
Brodhead	Howard	Preyer
Brown, Calif.	Jenkins	Price
Burke, Mass.	Jenrette	Rangel
Burleson, Tex.	Johnson, Calif.	Reuss
Burlison, Mo.	Jordan	Richmond
Burton, Phillip	Kastenmeier	Rodino
Carney	Keys	Roncalio
Chisholm	Kildee	Rooney
Clay	Krebs	Rose
Conte	Lederer	Rosenthal
Conyers	Leggett	Rostenkowski
Corman	Lehman	Roybal
Cornell	Long, La.	Ryan
Cornwell	Long, Md.	Scheuer
Cotter	Lundine	Seiberling
Danielson	McCloskey	Sharp
Delaney	McCormack	Shipley
Dellums	McFall	Simon
Derrick	McHugh	Sisk
Derwinski	McKay	Smith, Iowa
Dicks	Markey	Solarz
Diggs	Meeds	Spellman
Dingell	Metcalfe	St Germain
Dodd	Meyner	Staggers
Drinan	Mikva	Stark
Duncan, Oreg.	Mineta	Steed
Eckhardt	Mitchell, Md.	Steers
Edgar	Moakley	Stokes
Edwards, Calif.	Mollohan	Stratton
Eilberg	Moorhead, Pa.	Studds
Evans, Colo.	Moss	Thompson
Fascell	Murphy, Ill.	Traxler
Findley	Murphy, N.Y.	Tsongas
Flood	Myers, Michael	Ullman
Foley	Nedzi	Van Deerlin
Ford, Mich.	Nolan	Vanik
Ford, Tenn.	Nowak	Vento
Fraser	Oakar	Waggonner
Garcia	Oberstar	Waxman
Gephardt	Obey	Weaver
Giaimo	Ottinger	Weiss
Gonzalez	Patten	Whalen
Green	Patterson	Wiggins
Hamilton	Pattison	Wilson, C. H.
Hannaford	Pease	Wright
Harrington	Pepper	Yates
Hawkins	Perkins	Zablocki

NAYS—248

Abdnor	Cunningham	Harris
Allen	D'Amours	Harsha
Ambro	Daniel, Dan	Heckler
Anderson, Calif.	Daniel, R. W.	Hefner
	Davis	Heftel
Andrews, N.C.	de la Garza	Hightower
Andrews, N. Dak.	Dent	Hillis
	Devine	Holland
Applegate	Dickinson	Hollenbeck
Archer	Downey	Holt
Armstrong	Duncan, Tenn.	Horton
Ashbrook	Edwards, Ala.	Hubbard
AuCoin	Edwards, Okla.	Huckaby
Badham	Emery	Hughes
Bafalis	English	Hyde
Barnard	Erlenborn	Ichord
Baucus	Ertel	Ireland
Bauman	Evans, Del.	Jacobs
Beard, Tenn.	Evans, Ga.	Jeffords
Benjamin	Evans, Ind.	Johnson, Colo.
Bennett	Fenwick	Jones, N.C.
Bevill	Fish	Jones, Okla.
Bowen	Fithian	Jones, Tenn.
Breaux	Flippo	Kasten
Brinkley	Florio	Kazen
Brooks	Flowers	Kelly
Broomfield	Flynt	Kemp
Brown, Mich.	Forsythe	Ketchum
Brown, Ohio	Fountain	Kindness
Broyhill	Fowler	Kostmayer
Burgener	Frenzel	LaFalce
Burke, Fla.	Frey	Lagomarsino
Burton, John	Fuqua	Latta
Butler	Gammage	Le Fante
Byron	Gaydos	Leach
Caputo	Gibbons	Lent
Carr	Gilman	Levitas
Carter	Ginn	Livingston
Cavanaugh	Glickman	Lloyd, Calif.
Cederberg	Goldwater	Lloyd, Tenn.
Chappell	Goodling	Lott
Clausen, Don H.	Gore	Lujan
	Gradison	Luken
Clawson, Del	Grassley	McClory
Cleveland	Gudger	McDade
Cochran	Guyer	McDonald
Cohen	Hagedorn	McEwen
Coleman	Hall	Madigan
Collins, Tex.	Hammer-schmidt	Maguire
Conable		Mann
Corcoran	Hanley	Marks
Coughlin	Hansen	Marlenee
Crane	Harkin	Marriott

Martin	Quayle	Stanton
Mathis	Quie	Steiger
Mattox	Quillen	Stockman
Mazzoli	Rahall	Symms
Michel	Railsback	Taylor
Mikulski	Regula	Thone
Milford	Rhodes	Trible
Miller, Calif.	Rinaldo	Vander Jagt
Miller, Ohio	Risenhoover	Volkmer
Minish	Roberts	Walgren
Mitchell, N.Y.	Robinson	Walker
Moffett	Roe	Walsh
Montgomery	Rogers	Wampler
Moore	Rousselot	Watkins
Moorhead, Calif.	Runnels	White
	Ruppe	Whitehurst
Mottl	Russo	Whitley
Murphy, Pa.	Santini	Whitten
Murtha	Sarasin	Wilson, Bob
Myers, Gary	Satterfield	Wilson, Tex.
Myers, John	Sawyer	Winn
Natcher	Schroeder	Wirth
Neal	Schulze	Wolff
Nichols	Sebelius	Wydler
O'Brien	Shuster	Wylie
Panetta	Sikes	Yatron
Pettis	Skelton	Young, Alaska
Pike	Skubitz	Young, Fla.
Poage	Smith, Nebr.	Young, Mo.
Pressler	Snyder	Zeferetti
Pritchard	Spence	
Pursell	Stangeland	

NOT VOTING—21

Anderson, Ill.	Fisher	Stump
Buchanan	Krueger	Teague
Burke, Calif.	McKinney	Thornton
Collins, Ill.	Mahon	Treen
Dornan	Nix	Tucker
Early	Rudd	Udall
Fary	Slack	Young, Tex.

The Clerk announced the following pairs:

On this vote:

Mr. Fary for, with Mr. Anderson of Illinois against.

Mr. Krueger for, with Mr. Rudd against.

Mrs. Collins of Illinois for, with Mr. Dornan against.

Mr. Teague for, with Mr. Buchanan against.

Until further notice:

Mrs. Burke of California with Mr. McKinney.

Mr. Early with Mr. Treen.

Mr. Fisher with Mr. Mahon.

Mr. Udall with Mr. Tucker.

Mr. Thornton with Mr. Stump.

Mr. Nix with Mr. Slack.

Mr. STEERS changed his vote from "nay" to "yea."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR CONFERENCE COMMITTEE ON H.R. 3813 TO FILE REPORT

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that the conference committee on the bill H.R. 3813 may have until midnight tonight to file its report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

URGENT POWER SUPPLEMENTAL APPROPRIATIONS

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House of Tuesday, February 28, 1978, I call up for consideration in the House as in the Committee of the Whole the joint resolution (H.J. Res. 746) making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

The Clerk read the joint resolution, as follows:

H.J. RES. 746

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1978, namely:

DEPARTMENT OF ENERGY

SOUTHWESTERN POWER ADMINISTRATION

For an additional amount for "Operation and maintenance", $13,114,000.

Mr. BEVILL. Mr. Speaker, I move to strike the last word.

Mr. Speaker, on February 14, we received from the President an urgent 1978 power supplemental appropriation request for $13,114,000 for the Department of Energy's Southwestern Power Administration. Today we bring you House Joint Resolution 746 to provide for this urgent request.

The Southwestern Power Administration (SPA) markets the power and energy generated at U.S. Army Corps of Engineers hydroelectric plants in the six State area of Kansas, Oklahoma, Texas, Missouri, Arkansas, and Louisiana. Nearly 2 million kilowatts of power and energy is sold annually to the municipalities, rural electric cooperatives, defense installations, and private utilities located in the six State area through the transmission system of SPA and through the transmission systems of other power entities. The revenues are deposited to the U.S. Treasury and are accounted for as miscellaneous receipts. The Southwestern Power Administration is not authorized to use these funds. Over $51 million was deposited in fiscal year 1977 as compared to outlays of $18,703,000.

SPA provides power to its customers on a contractual basis. The quantity of power to be provided is based on the amount of power SPA expects to be generated at its 21 hydroelectric powerplants which, in turn, is dependent upon the water flow through the powerplants. The rainfall in the six State region that SPA serves has been unusually low. The amount of water in the reservoir plus the less than normal water inflows have significantly reduced the amount of hydroelectric power which can be generated. However, SPA must meet its contractual obligations to provide the programed quantities of power to its customers. This situation requires that SPA purchase electric power from neighboring power companies. Although $3,286,000 was provided in the regular appropriation bill for outside power purchases, this amount will not be adequate, given the reduced amounts of water available for hydroelectric power generation. The Office of Management and Budget has allowed SPA to temporarily reprogram funds appropriated for other operating expenses to meet the costs of purchased power.

Mr. Speaker, the Subcommittee on Public Works held a hearing on this urgent request on February 21. It is the collective judgment of the subcommittee and the full Appropriations Committee that these funds be provided on an expeditious basis. I urge my colleagues to favorably consider the pending resolution.

Mr. GARY A. MYERS. Mr. Speaker, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Speaker, did the gentleman consider overall a provision in which the money would be loaned to them and that they would recover from the consumer at a later date? The problem I had was last year we had a similar proposal for a couple of million dollars, I do not recall exactly, but it was my recollection the money the Congress appropriated last year for essentially the same situation was not recaptured from the consumer.

With the present difficulties, with the difficulty of the coal situation, in the Northeast a number of areas are having to wheel in electricity at higher cost substantially than what the consumers would normally be charged and it is anticipated the Public Utilities Commissions will permit the companies to recover this additional charge through the fuel adjustment charges on the bills. In other words, the final consumer is going to pay it.

I find it rather difficult to cast a positive vote for my part, when my consumers are going to have to pay for power wheeled in for an essentially similar situation.

Did the committee consider a loan type which would be recovered later from the consumer through the fuel adjustment charge?

Mr. BEVILL. The legislation does not permit a loan arrangement. But every penny is going to be recovered. The law providing for this agency requires that all costs, principal, and interest must be repaid. This will be done over a 50-year period. All of this money, every bit of it will be paid back. Steps are being taken now to insure recovery of all costs.

The unfortunate thing is that long-term contracts were entered in the 1950's. These contracts are beginning to expire and are being renegotiated. Right now, Southwestern Power is running some $18 million per year below what they need to meet repayment schedules. About 25 percent of the contracts have been renegotiated. All of the money will be recovered, and it is not going to cost the taxpayers one dime.

Mr. GARY A. MYERS. Will interest charges be recovered as well?

Mr. BEVILL. All of the costs, the cost of maintenance and operation, investment, plus interest, will be recovered, yes.

Mr. ASHBROOK. Mr. Speaker, I move to strike the requisite number of words.

Can the gentleman tell me what consumers in the SPA area are paying for a kilowatt-hour?

Mr. BEVILL. If the gentleman will yield, the power is costing 15 to 30 mills per kilowatt-hour. Southwestern is selling it under standard rate schedules which average 8 to 14 mills per kilowatt-hour. That is the arrangement under the

old contracts I mentioned. They started to renew the contracts last December.

Mr. ASHBROOK. The gentleman did say 18 mills?

Mr. BEVILL. The power is being sold for less than what it costs to buy it. This is because of contractual obligations. This situation is being corrected. It is an unfortunate thing. These are wholesale prices we are talking about.

Mr. ASHBROOK. I would tell my friend, the gentleman from Alabama, that most of the people in our area are not paying in the mills. They are paying in the cents. Did the gentleman say mills per kilowatt-hour?

Mr. BEVILL. It is mills. The gentleman is correct.

Mr. ASHBROOK. I would say 5 or 6 cents per kilowatt-hour is not unusual in my area.

Mr. BEVILL. I am sure it is not. As I say, those are wholesale rates. Steps are being taken to renegotiate the contracts and revise the rates so that they will recover not only the costs of operation and maintenance, but also the debt and interest. Every penny will be repaid to the Treasury.

By law, Southwestern Power must deposit every dollar they receive into the Treasury. Each year we appropriate the money that they need to operate for the next year. Unfortunately they have had a drought for the last 2 years and they had unusually cold weather. This meant they had to go out and purchase more power than was provided for in the regular bill.

Mr. ASHBROOK. Mr. Speaker, I would ask the gentleman whether the consumers in this area are paying a fuel adjustment cost, or a flat rate, or a pass-through charge that virtually every one of the consumers in my area of the country has to pay? On every bill that they receive there is a pass-through rate or a fuel adjustment charge. Each customer that I know of is paying a fuel adjustment cost. What about these consumers?

Mr. BEVILL. The gentleman is correct. There is no question about it, these power bills are too low. But that is changing. As the contracts expire and are renegotiated, the new rates will recover the costs and interest.

Mr. ASHBROOK. It does not sound like it is going to expire if it is going to take 50 years.

Mr. BEVILL. It will take 50 years to recover the total investment because that is the way Congress wrote the legislation. But the money is going to be paid back. Steps are being taken now. The new rates are being reviewed by the Department of Energy. Dr. Schlesinger told our subcommittee last week that they would expedite the rates for the new contracts. The new rates will be sufficient to return all the money back within the 50-year period.

Mr. ASHBROOK. One other question, how much interest will be paid on this money that they will have for 50 years?

Mr. BEVILL. I understand that it varies from 2½ to 7 percent.

Mr. ASHBROOK. It varies from 2½ to 7 percent?

Mr. BEVILL. That is correct, depending on when the investment was made, because the interest is tied to the investment.

Mr. ASHBROOK. I thank my colleague the gentleman from Alabama (Mr. BEVILL) for those answers. The gentleman is certainly candid and honest. I will say to the gentleman that it is a very incredible situation. I think it does raise a question where consumers who were biting the bullet last year in other parts of the country and were paying higher rates are becoming highly incensed at the extremely high electric charges they are forced to pay and then they look at this Southwestern Power Administration as an example of what our Government does. I really do not think it makes much sense; however, I realize the gentleman from Alabama (Mr. BEVILL) is not at fault for that.

Mr. JONES of Oklahoma. Mr. Speaker, if the gentleman will yield, I might point out one factor and that is that the State of Oklahoma has already renegotiated its contracts. Also, the moneys we are paying oout here pertain to the ooriginal investment and to the operation and maintenance.

Mr. BEVILL. That is correct. As a matter of fact, 25 percent of the contracts have been renewed.

Mr. HAMMERSCHMIDT. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I want to take this opportunity to thank the members of the Committee on Appropriations for such fast action on this supplemental legislation and for recognizing the immediate and vital needs of the Southwestern Power Administration. I believe that the chairman of the subcommittee has expressed very candidly what the situation is.

Mr. Speaker, I rise to voice my strong support for the immediate passage of House Joint Resolution 746, which will provide for a supplemental appropriation of $13.1 million for the Department of Energy's Southwestern Power Administration (SPA) through fiscal year 1978. The hydroelectric power generating capability of the SPA has been reduced significantly due to low rainfall, depleting SPA reservoirs. Stream inflows to the reservoirs are expected to be 38 percent below normal for the remainder of the fiscal year. To meet contractual commitments to its customers SPA has had to buy increasing amounts of thermal energy, thereby exhausting the regular appropriation used to operate and maintain its power generating facilities. In fiscal year 1977 a supplemental of $6.4 million was approved for the same purpose.

As a Member privileged to represent the Third Congressional District in the State of Arkansas, I am very well aware of the vital importance of House Joint Resolution 746 to the citizens throughout the affected six-State region. The legislation before us today is by no means a subsidy to the six States served by the Southwestern Power Administration; it merely provides that SPA can carry out its contractual commitments to furnish power in their marketing area. SPA has already faced several critical periods where demands on electrical power outran the normal generating capacity of the project. This supplemental appropriation of $13.1 million will enable the Southwestern Power Administration to purchase thermal power in the open market to serve its customers.

The problem this measure seeks to address centers around the fact that SPA relies upon rainfall to fill the lakes and ultimately to generate the power needed for its customers. Two years ago, operating demands coupled with severe drought conditions caused a critical drawdown of the lake levels and resulted in severe financial hardship on the billion dollar recreation industry of Arkansas and particularly the people living on the White River lakes. In the past, the public boat dock owners have been especially hard hit by this rapid drawdown of the lakes and have actually seen the water drawn out from under their facilities, leaving them totally landlocked in some instances. This past winter compounded this problem when the lakes froze during severe ice storms. When the water was drawn out from under the ice layer it caused extensive damage to structures on the lake shore as ice break up occurred.

On February 1 the SPA ran out of money to purchase thermal power, and warned that it might become necessary to draw down the lake levels, in the case of one lake at a rate of a foot a week. Clearly the consequences of such action would have been disastrous, and, with the combined efforts of the representatives of three States and the Department of Energy a reprograming action of $1.9 million was effected to permit the Administrator of the SPA to purchase the additional power needed. This money will not last indefinitely, however, and the effects of the winter are far from over. While no amount of money can bring the much needed rains to replenish the waters already lost from the lakes, these funds will permit the SPA to obtain the energy needed to fulfill their contracts from other sources than the lakes.

I want to take this opportunity to thank the members of the Appropriations Committee for such fast action on this supplemental and for recognizing the immediate and vital needs of the Southwestern Power Administration.

If the Congress does not appropriate these extremely necessary funds, the consumers in six States will lose a substantial portion of the power they require and which Southwestern Power is legally responsible to provide to them. I, therefore, strongly urge my distinguished colleagues to support this crucial legislation.

Mr. JOHN T. MYERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Speaker, I rise in reluctant support of this resolution for this supplemental appropriation.

This is the third time in the past 13 months that the Southwest Power Administration has made a request for supplemental funds, as our chairman has said. There have been emergency circumstances. Because of the lack of rain to fill the reservoirs in the six States that the Southwestern Power Administration has contractual responsibilities, they have had to buy power. It is true that the intention is—and I repeat, the intention is—to repay the money that has been required through these supplementals. However, to date with this third supplemental, assuming it will be passed today, it means that the Southwestern Power Administration is going to be in debt an additional $24 million for this 13-month period, and there is no assurance that it may not have to come in even later this year for a further supplemental. In any event, I think it should be shown here that the Southwestern Power Administration has not done everything it might have done to adjust its rates. Just about every one of our constituents in the United States has had to pay more for electricity. In the six States that the Southwestern Power Administration serves, one State, Oklahoma, has had its rates adjusted upward, and there is no evidence that Southwestern Power Administration has tried to adjust all of their rates upward. They now have a petition that they are going to file to increase the rates by May 31. The ERA—that is Economic Regulatory Administration—in the Department of Energy must approve the new rates. But there again, how long is it going to take for ERA to act upon this request? So I think there should be some urgency and some encouragement given to Southwestern Power Administration to pass on these additional costs to its own customers. I am afraid the consumers in the Southwestern Power Administration area are going to be shocked when they see the necessary rate increase.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. JOHN T. MYERS. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. I thank the gentleman for yielding.

One of the reasons the contracts have not been renegotiated is the fact that the Southwest Power Administration for well over a year has been operating with an acting administrator who had very limited responsibilities and authority, and he did not have much authority to renegotiate these contracts. That administrator has now been appointed. He is permanent, and I expect him to move very rapidly in renegotiation of the rest of the contracts, as Oklahoma has done.

Mr. JOHN T. MYERS. Of course, who are we going to blame for an administrator not being appointed?

Second, why could not the acting administrator have made the request? I do not think there was any limitation on his authority. There just is not any evidence that they really made any serious attempt to adjust rates. I know there was a court order that they had to supply the power. That was meeting their contractual responsibility, but I think they well could have taken more timely action to get a rate increase. How can we really justify having our constituents, the taxpayers of the rest of the country, through taxes now having to supplement the consumers in the Southwestern Power area?

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. JOHN T. MYERS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

I would think that the contract certainly should cover the exigencies of future increases. I cannot imagine any contract that would bind a party, unless it was the U.S. Government, to deliver power substantially below cost. If the reservoirs are down, that is certainly an act of God. I cannot see any reason why there cannot be a passthrough, other than the chuckling some people must have knowing that we are going to have to pay today for the passthrough.

Mr. JOHN T. MYERS. They are still paying the 1956 rates. However, there are utility contracts throughout the country where the contracts did not provide explicitly for increased rates, and the courts have set them aside realizing we are living in different times now. If the utility is going to be able to supply energy, consumers will have to pay for it. I think they could have had set aside the contracts and obtained a rate increase.

Mr. ASHBROOK. If the gentleman will yield further, there certainly is something rotten in Denmark.

Mr. JOHN T. MYERS. I think we are going to have to put some pressure on the Southwestern Power Administration, and I assure the Members that we are going to do that. But how soon will the ERA act on this request of Southwestern Power Administration? That is something this committee will have to follow up, and I can assure the Members, as one member of the committee, we are going to do that. But I think we are going to have to pass this resolution today, with the understanding that this cannot be tolerated in the future.

Mr. BURGENER. Mr. Speaker, I move to strike the requisite number of words. I rise in support of the bill.

Mr. Speaker, I am a Member of the Public Works Subcommittee. I rise in support of the bill; however, I think the discussion and debate ought to serve notice, and I am personally serving notice, that next year I would not vote for this, should it come up again.

I think the alternatives available to us now are extremely limited. Should this resolution fail, I would guess the litigation against Southwestern Power Administrator would just be terribly expensive to all of us. However next year I, for one Member of the subcommittee, will not vote to approve something like this. The Southwestern Power Administrator has got to ask for increases in rates. I intend to vote for this, because I think the alternative is less attractive to all of us; but next year, I shall not.

Mr. WHITTEN. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I think this has been described fully and adequately. Unquestionably, the contracts negotiated in the 1950's called for rates which were too low under the contracts. Those rates have been just unsatisfactory as far as meeting the cost of furnishing electricity. There is nothing that I can see that we can do, except pass this resolution.

I do want to say to the Members of the House that in the record before the Public Works Subcommittee Secretary Schlesinger has agreed to expedite the revised rates and is in the process of asking for these new rates which will contain an escalator clause so that in the future the rates will reflect repayment of all obligations, including any increase in costs. That is the advice that has been given to me, so that is in the offing, with a commitment from Secretary Schlesinger to that effect.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Joint Resolution 746.

The SPEAKER pro tempore (Mr. BOLLING). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 353, nays 50, not voting 31, as follows:

[Roll No. 112]

YEAS—353

Abdnor	Benjamin	Burleson, Tex.
Addabbo	Bennett	Burlison, Mo.
Akaka	Bevill	Burton, John
Alexander	Biaggi	Burton, Phillip
Allen	Bingham	Butler
Ambro	Blanchard	Byron
Ammerman	Blouin	Caputo
Anderson, Calif.	Boggs	Carney
	Boland	Carr
Andrews, N.C.	Bolling	Carter
Andrews, N. Dak.	Bonker	Cavanaugh
	Bowen	Cederberg
Applegate	Brademas	Chisholm
Archer	Breaux	Clausen, Don H.
Ashley	Breckinridge	
Aspin	Brinkley	Clay
AuCoin	Brodhead	Cleveland
Badham	Brooks	Cochran
Baldus	Brown, Calif.	Cohen
Barnard	Brown, Mich.	Coleman
Baucus	Brown, Ohio	Conable
Beard, R.I.	Burgener	Conyers
Bedell	Burke, Fla.	Corcoran
Beilenson	Burke, Mass.	Corman

Cornell	Jones, N.C.	Pursell
Cornwell	Jones, Okla.	Quie
Cotter	Jones, Tenn.	Quillen
D'Amours	Jordan	Railsback
Danielson	Kasten	Rangel
Davis	Kastenmeier	Reuss
de la Garza	Kazen	Rhodes
Delaney	Kelly	Richmond
Dellums	Kemp	Rinaldo
Derrick	Ketchum	Risenhoover
Dickinson	Keys	Roberts
Dicks	Kildee	Robinson
Dingell	Kostmayer	Rodino
Dodd	Krebs	Roe
Downey	LaFalce	Rogers
Drinan	Le Fante	Roncalio
Duncan, Oreg.	Leach	Rooney
Duncan, Tenn.	Lederer	Rose
Eckhardt	Leggett	Rosenthal
Edgar	Lehman	Rostenkowski
Edwards, Ala.	Lent	Roybal
Edwards, Calif.	Levitas	Runnels
Edwards, Okla.	Lloyd, Calif.	Russo
Eilberg	Lloyd, Tenn.	Santini
Emery	Long, La.	Sarasin
English	Long, Md.	Sawyer
Erlenborn	Lott	Scheuer
Ertel	Lujan	Schroeder
Evans, Colo.	Luken	Schulze
Evans, Del.	Lundine	Sebelius
Evans, Ga.	McCloskey	Seiberling
Fascell	McCormack	Sharp
Findley	McDade	Shipley
Fish	McEwen	Sikes
Fithian	McFall	Simon
Flippo	McHugh	Sisk
Flood	McKay	Skelton
Florio	Madigan	Skubitz
Flowers	Maguire	Smith, Iowa
Flynt	Mann	Smith, Nebr.
Foley	Markey	Snyder
Ford, Mich.	Marriott	Solarz
Ford, Tenn.	Mathis	Spellman
Fountain	Mattox	Spence
Fowler	Mazzoli	St Germain
Fuqua	Meeds	Staggers
Gammage	Metcalfe	Stangeland
Garcia	Meyner	Stanton
Gaydos	Michel	Stark
Gephardt	Mikulski	Steed
Giaimo	Mikva	Steers
Gibbons	Milford	Steiger
Gilman	Miller, Calif.	Stokes
Ginn	Mineta	Stratton
Glickman	Minish	Studds
Goldwater	Mitchell, Md.	Taylor
Gonzalez	Mitchell, N.Y.	Thompson
Gore	Moakley	Thone
Gradison	Moffett	Traxler
Grassley	Mollohan	Treen
Green	Montgomery	Tsongas
Gudger	Moore	Ullman
Guyer	Moorhead, Pa.	Van Deerlin
Hagedorn	Moss	Vander Jagt
Hall	Mottl	Vanik
Hamilton	Murphy, Ill.	Volkmer
Hammer-schmidt	Murphy, N.Y.	Waggonner
	Murtha	Walgren
Hanley	Myers, John	Walker
Hannaford	Myers, Michael	Walsh
Harkin	Natcher	Wampler
Harrington	Neal	Watkins
Harris	Nedzi	Waxman
Harsha	Nichols	Weaver
Hawkins	Nix	Weiss
Hefner	Nolan	Whalen
Heftel	Nowak	White
Hightower	O'Brien	Whitehurst
Hillis	Oakar	Whitley
Holland	Oberstar	Whitten
Hollenbeck	Obey	Wiggins
Holtzman	Panetta	Wilson, Bob
Horton	Patten	Wilson, C. H.
Howard	Patterson	Wilson, Tex.
Hubbard	Pattison	Winn
Hughes	Pease	Wirth
Hyde	Pepper	Wolff
Ichord	Perkins	Wright
Ireland	Pettis	Wylie
Jacobs	Pickle	Yates
Jeffords	Pike	Yatron
Jenkins	Poage	Young, Alaska
Jenrette	Pressler	Young, Mo.
Johnson, Calif.	Preyer	Zablocki
Johnson, Colo.	Price	Zeferetti

NAYS—50

Armstrong	Conte	Devine
Ashbrook	Coughlin	Evans, Ind.
Bafalis	Crane	Fenwick
Bauman	Cunningham	Forsythe
Broomfield	Daniel, Dan	Frenzel
Broyhill	Daniel, R. W.	Frey
Clawson, Del	Derwinski	Goodling
Hansen	Martin	Rousselot
Holt	Miller, Ohio	Ruppe
Kindness	Moorhead, Calif.	Ryan
Lagomarsino	Murphy, Pa.	Satterfield
Latta	Myers, Gary	Shuster
Livingston	Ottinger	Symms
McClory	Pritchard	Trible
McDonald	Quayle	Vento
Marks	Regula	Wydler
Marlenee		Young, Fla.

NOT VOTING—31

Anderson, Ill.	Dornan	Rudd
Annunzio	Early	Slack
Beard, Tenn.	Fary	Stockman
Bonior	Fisher	Stump
Buchanan	Fraser	Teague
Burke, Calif.	Heckler	Thornton
Chappell	Huckaby	Tucker
Collins, Ill.	Krueger	Udall
Collins, Tex.	McKinney	Young, Tex.
Dent	Mahon	
Diggs	Rahall	

The Clerk announced the following pairs:

On this vote:

Mr. Rahall with Mr. Teague.
Mr. Fary with Mr. Anderson of Illinois.
Mr. Krueger with Mr. Rudd.
Mrs. Collins of Illinois with Mr. Dornan.
Mrs. Burke of California with Mr. Buchanan.
Mr. Early with Mr. McKinney.
Mr. Fisher with Mr. Mahon.
Mr. Udall with Mr. Tucker.
Mr. Annunzio with Mr. Stump.
Mr. Slack with Mr. Thornton.
Mr. Bonior with Mr. Beard of Tennessee.
Mr. Chappell with Mr. Collins of Texas.
Mr. Dent with Mr. Diggs.
Mr. Fraser with Mrs. Heckler.
Mr. Huckaby with Mr. Stockman.

Mrs. FENWICK and Messrs. DEVINE, OTTINGER, and MARKS changed their vote from "yea" to "nay."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up a privilege resolution (H. Res. 1003) providing funds for the Committee on Public Works and Transportation, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1003

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Public Works and Transportation, acting as a whole or by subcommittee, not to exceed $2,000,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical stenographic and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of the committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration, and not to exceed $5,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a), of staff personnel of the committee performing professional and nonclerical functions; but this monetary limitation shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Public Works and Transportation shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, the resolution before us to fund the Committee on Public Works and Transportation is in the amount of $2 million, which is identical to that which it received in the first session. It was unanimously reported by the subcommittee, the full committee, and has the support of the distinguished chairman, the gentleman from California (Mr. JOHNSON) and the distinguished ranking minority member, the gentleman from Ohio (Mr. HARSHA).

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 399, nays 1, not voting 34, as follows:

[Roll No. 113]

YEAS—399

Abdnor	Bafalis	Bonker
Addabbo	Baldus	Bowen
Akaka	Barnard	Brademas
Alexander	Baucus	Breaux
Allen	Bauman	Breckinridge
Ambro	Beard, R.I.	Brinkley
Ammerman	Bedell	Brodhead
Anderson, Calif.	Beilenson	Brooks
	Benjamin	Broomfield
Andrews, N.C.	Bennett	Brown, Calif.
Andrews, N. Dak.	Bevill	Brown, Mich.
	Biaggi	Brown, Ohio
Applegate	Bingham	Broyhill
Archer	Blanchard	Burgener
Armstrong	Blouin	Burke, Fla.
Ashbrook	Boggs	Burke, Mass.
Aspin	Boland	Burleson, Tex.
AuCoin	Bolling	Burlison, Mo.
Badham	Bonior	Burton, John

Burton, Phillip	Hannaford	Murtha
Butler	Hansen	Myers, Gary
Byron	Harkin	Myers, John
Caputo	Harrington	Myers, Michael
Carney	Harsha	Natcher
Carr	Hawkins	Neal
Carter	Heckler	Nedzi
Cavanaugh	Hefner	Nichols
Cederberg	Heftel	Nix
Chappell	Hightower	Nolan
Chisholm	Hillis	Nowak
Clausen, Don H.	Holland	O'Brien
	Hollenbeck	Oakar
Clawson, Del	Holt	Oberstar
Clay	Holtzman	Obey
Cleveland	Horton	Ottinger
Cochran	Howard	Panetta
Cohen	Hubbard	Patten
Coleman	Huckaby	Patterson
Collins, Tex.	Hughes	Pattison
Conable	Hyde	Pease
Conte	Ichord	Pepper
Corcoran	Ireland	Perkins
Corman	Jacobs	Pettis
Cornell	Jeffords	Pickle
Cornwell	Jenkins	Pike
Cotter	Jenrette	Poage
Coughlin	Johnson, Calif.	Pressler
Crane	Johnson, Colo.	Preyer
Cunningham	Jones, N.C.	Price
D'Amours	Jones, Okla.	Pursell
Daniel, Dan	Jones, Tenn.	Quayle
Daniel, R. W.	Jordan	Quie
Danielson	Kasten	Quillen
Davis	Kastenmeier	Railsback
de la Garza	Kazen	Rangel
Delaney	Kelly	Regula
Dellums	Kemp	Reuss
Derrick	Ketchum	Rhodes
Derwinski	Keys	Richmond
Devine	Kildee	Rinaldo
Dickinson	Kindness	Risenhoover
Dicks	Kostmayer	Roberts
Diggs	Krebs	Robinson
Dingell	LaFalce	Rodino
Dodd	Latta	Roe
Downey	Le Fante	Rogers
Drinan	Leach	Roncalio
Duncan, Tenn.	Lederer	Rooney
Eckhardt	Lehman	Rose
Edgar	Lagomarsino	Rosenthal
Edwards, Ala.	Lent	Rostenkowski
Edwards, Okla.	Levitas	Rousselot
Eilberg	Livingston	Roybal
Emery	Lloyd, Calif.	Runnels
English	Lloyd, Tenn.	Ruppe
Erlenborn	Long, La.	Russo
Ertel	Lott	Ryan
Evans, Colo.	Lujan	Santini
Evans, Del.	Luken	Sarasin
Evans, Ga.	McClory	Satterfield
Evans, Ind.	McCloskey	Sawyer
Fascell	McCormack	Scheuer
Fenwick	McDade	Schroeder
Findley	McEwen	Schulze
Fish	McFall	Sebelius
Fithian	McHugh	Seiberling
Flippo	McKay	Sharp
Flood	Madigan	Shipley
Florio	Maguire	Shuster
Flowers	Mann	Sikes
Flynt	Markey	Simon
Foley	Marks	Sisk
Ford, Mich.	Marlenee	Skubitz
Ford, Tenn.	Marriott	Smith, Iowa
Forsythe	Martin	Smith, Nebr.
Fountain	Mathis	Snyder
Fowler	Mattox	Solarz
Frenzel	Mazzoli	Spellman
Frey	Meeds	Spence
Fuqua	Metcalfe	St Germain
Gammage	Meyner	Staggers
Garcia	Michel	Stangeland
Gaydos	Mikulski	Stanton
Gephardt	Mikva	Stark
Giaimo	Milford	Steed
Gibbons	Miller, Calif.	Steers
Gilman	Miller, Ohio	Steiger
Ginn	Mineta	Stockman
Glickman	Minish	Stokes
Goldwater	Mitchell, Md.	Stratton
Gonzalez	Mitchell, N.Y.	Studds
Goodling	Moakley	Symms
Gore	Moffett	Taylor
Gradison	Mollohan	Thompson
Grassley	Montgomery	Thone
Green	Moore	Traxler
Gudger	Moorhead, Calif.	Treen
Guyer		Trible
Hagedorn	Moorhead, Pa.	Tsongas
Hall	Moss	Ullman
Hamilton	Mottl	Van Deerlin
Hammer-schmidt	Murphy, Ill.	Vander Jagt
	Murphy, N.Y.	Vanik
Hanley	Murphy, Pa.	Vento
Volkmer	White	Wright
Waggonner	Whitehurst	Wydler
Walgren	Whitley	Wylie
Walker	Whitten	Yates
Walsh	Wiggins	Yatron
Wampler	Wilson, Bob	Young, Alaska
Watkins	Wilson, C. H.	Young, Fla.
Waxman	Wilson, Tex.	Young, Mo.
Weaver	Winn	Zablocki
Weiss	Wirth	Zeferetti
Whalen	Wolff	

NAYS—1

McDonald

NOT VOTING—34

Anderson, Ill.	Edwards, Calif.	Rahall
Annunzio	Fary	Rudd
Ashley	Fisher	Skelton
Beard, Tenn.	Fraser	Slack
Buchanan	Harris	Stump
Burke, Calif.	Krueger	Teague
Collins, Ill.	Leggett	Thornton
Conyers	Long, Md.	Tucker
Dent	Lundine	Udall
Dornan	McKinney	Young, Tex.
Duncan, Oreg.	Mahon	
Early	Pritchard	

The Clerk announced the following pairs:

Mr. Annunzio with Mr. Leggett.
Mrs. Burke of California with Mr. Teague.
Mr. Dent with Mr. Anderson of Illinois.
Mr. Early with Mr. Beard of Tennessee.
Mr. Fary with Mr. Rudd.
Mr. Harris with Mr. Pritchard.
Mr. Krueger with Mr. McKinney.
Mr. Udall with Mr. Dornan.
Mr. Slack with Mr. Buchanan.
Mr. Rahall with Mrs. Collins of Illinois.
Mr. Edwards of California with Mr. Fisher.
Mr. Stump with Mr. Fraser.
Mr. Thornton with Mr. Tucker.
Mr. Lundine with Mr. Skelton.
Mr. Ashley with Mr. Long of Maryland.
Mr. Conyers with Mr. Duncan of Oregon.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE BLOODY KILLING OF DOLPHINS

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONTE. Mr. Speaker, I rise today to express my disgust at the senseless slaughter of dolphins now taking place off the coast of Japan.

The Japanese fishing industry is currently engaged in one of the most inhumane activities pursued by man—the slaughter of over 1,000 of the most intelligent of sea mammals—the dolphin.

According to the press and wire service accounts, two of which I will submit for the RECORD, the dolphins are being driven into the beach at the Japanese island of Iki, where the fishermen are slitting their main artery, all for the reward or "bounty" of $12 per kill paid by the Japanese Government. Of the 1,010 that have thus far succumbed to this horrendous death, the Japanese are taking strides to preserve the meat of 200 of them, while the remaining 800 are being dragged out to sea, where according to the accounts, they are weighted down and dumped. They are being wasted in this fashion, because the Japanese Government fears the possible reduction in demand for other fish products, if the meat from all 1,000 were made available. Thus, they limit the number saved because of their protein content to 200. Why this needless, bloody destruction of an intelligent creature—a creature man is just beginning to understand? The Japanese officials state that the kill is necessary for the protection of their domestic fishing industry. But, the impact on the herd of dolphins in the area is uncertain since the last study was completed 10 years ago.

I would urge the Japanese Government to reconsider the consequences of such savage activity before they decide to approve a "hunt" next year. Hopefully, with the outcries of numerous representatives of various countries of the world, the upcoming International Whaling Commission will address this issue, and offer appropriate measures which will prohibit the needless and wasteful activity in the future. Until then, I urge the Japanese Government to note the growing criticism developing worldwide, which is demanding that this activity be terminated immediately. We will be awaiting a positive response from those responsible.

The articles I referred to are as follows:

JAPANESE SLAUGHTER 1,000 DOLPHINS

TOKYO, February 24.—Japanese fishermen clubbed and stabbed to death about 1,000 dolphins yesterday and today with the approval of a provincial government.

The dolphins, seagoing mammals of high intelligence who communicate with each other in an advanced pattern that is not fully understood by man, ranged from 12 to 15 feet long. Some of those killed weighed more than 1,000 pounds.

"It's a pity to do this, but our livelihood depends on it," one fisherman told Japanese reporters at the scene on Iki-shima, an island center in southern Japan. The fishermen call dolphins "gangsters of the sea" because they eat so many of the fish that might otherwise be caught.

The fishermen who planned the dolphin slaughter said that the value of their fish catch dropped last month to one third of the $536,000 they earned in the same month last year.

They earn their living catching and selling cuttlefish and hamachi, a local fish.

Officials said a school of dolphins appeared off Iki-shima near the end of last year. When the catch declined, the islanders appealed to the Nagasaki government for permission to hunt the mammals.

Their appeal was granted, and the fishermen either captured the dolphins in nets or frightened them to shore where they were killed.

A fishing company in another part of Japan announced today that it had caught 40 dolphins some 300 miles from Iki-shima and was shipping them to the Netherlands for $667 each. They are to be trained to perform in Europe.

[From the Washington Post, Feb. 25, 1978]

FISHERMEN IN JAPAN KILL 1,000 DOLPHINS

TOKYO.—Japanese fishermen, complaining that dolphins are eating their fish catch and profits clubbed and stabbed to death some 1,000 of the seagoing mammals in a two-day slaughter ending yesterday. The killing was approved by the provincial government.

The dolphins, known for their ability to communicate with each other, ranged from 12 to 15 feet in length and some weighed more than 1,000 pounds.

Japanese journalists who witnessed the killing said the dolphins were lured to the

surf on the beach by the fishermen and then bludgeoned and stabbed to death, in what has become an annual ritual.

The fishermen carried the carcasses back to sea and dumped them because the islanders eat dolphin meat and leaving the dead mammals on shore would also ruin the fishermen's sales.

"It's a pity to do this, but our livelihood depends on it," one fisherman told Japanese reporters on the scene on Iki Island, a Nagasaki Province fishing center off the coast of southern Japan where the fishermen call dolphins "gangsters of the sea."

The fishermen earn their living catching and selling cuttlefish and a fish known as hamachi.

A fishing company in another part of Japan announced yesterday that it had caught 40 dolphins off central Japan, some 300 miles from Iki, and was shipping them to the Netherlands for $667 each to be trained as performers for aquariums and playgrounds in Europe.

NITRITE IN MEAT CURING: RISKS AND BENEFITS—PART I

(Mr. WAMPLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, a serious debate is raging between farmers, ranchers, and meat processors, on the one hand, and the Assistant Secretary of Agriculture for Food and Consumer Services, on the other hand, over whether or not standards and methods can be established for the curing and processing of bacon and other meat products without the formation of nitrosamines that might prove injurious to human health.

Assistant Secretary of Agriculture for Food and Consumer Services, Ms. Carol Foreman, has taken the position that nitrites and nitrates used for centuries in the curing of bacon and other meat products are cancer causing and should be banned. A Department of Agriculture Expert Panel on Nitrites and Nitrosamines concluded last fall, after an in-depth study of the problem for 4 years, that safe standards and methods for the use of nitrites in meat curing can be established. The farmers and ranchers who produce these meat animals and the meat processing industry side with the expert panel.

At stake in the pork industry alone is a business involving 2 billion pounds of bacon annually, and a loss to farmers, ranchers, and the pork processors conservatively estimated at $770 million annually, or $10 per hog.

Since this controversy could have a serious impact on producers and consumers alike, I have solicited the prestigious "Council for Agricultural Science and Technology," (CAST), for a report on their views on this problem. The CAST report, dated March 1, 1978, and entitled "Nitrite in Meat Curing: Risk and Benefits," was prepared by a task force of eminent authorities representing the various scientific disciplines relevant to this matter and was received by me last week.

As the ranking minority member of the House Committee on Agriculture, I am very concerned about the outcome of this controversy. I am sure many of my colleagues are concerned also. For that reason, I request inclusion of part I, the CAST report Summary in the CONGRESSIONAL RECORD. I intend to enter the full CAST report in serialized form by chapter in the Extensions of Remarks during the next six meetings of the House.

The summary of the CAST report follows:

SUMMARY

For thousands of years, the human population has been eating meat cured with salts containing nitrate or nitrite. Nitrate was present originally as a natural impurity in the salts used in curing but, unknown to the users, was a key ingredient in determining the effectiveness of the process. Scientific studies have shown that some of the nitrate is changed to nitrite in the meat, and that nitrite reacts with the meat to produce the desired preservative and safety effects as well as the characteristic "cured" flavor and color. At present, almost all curing is done by adding the active substance in the form of sodium nitrite.

The possible cancer hazard that may result from ingestion of meat products cured by use of nitrate or nitrite salts is of current concern because of the discovery that nitrosamines may be trace components of meats cured with use of these salts. Nitrosamines are N-nitroso compounds, which are formed when a nitroso group (–N=O) is added, usually from nitrous acid (H–O–N=O), to a nitrogen atom in certain organic compounds. N-nitroso compounds as a class are highly potent carcinogens to experimental animals and are presumed similarly carcinogenic to humans although there is currently no evidence that any human cancer in the United States has resulted from exposure of the human population to such compounds in food and other environmental sources.

Nitrosamines may be produced in the parts-per-billion range when bacon cured with nitrite is cooked to the well-done or crisp state. Nitrosamines have been found sporadically (at lower concentrations than those in cooked bacon) in certain other nitrite-cured meat products that have not been heated to the high temperatures to which bacon is subjected in cooking. Relatively low concentrations have been reported in a variety of other foods to which nitrite has not been added in processing. Potential exposures from certain cosmetics, synthetic cutting fluids, tobacco smoke, herbicides, and industrial processes may exceed those from cured meats under certain circumstances.

In addition to preformed nitrosamines that are inhaled from the air, ingested in the food, and derived from other environmental sources, there is probably some synthesis of these compounds in the human stomach from nitrite produced in the mouth by microbial reduction of the nitrate found in the saliva. This salivary nitrate seems to be derived, at least in part, from the nitrate we ingest in foods, principally vegetables, and from the nitric oxide and nitrogen dioxide we inhale from the atmosphere. The stomach provides the acid conditions under which nitrite becomes nitrous acid, and foods as well as drugs contain a variety of nitrogenous substances that might produce nitrosamines if they were to react with nitrous acid.

Elimination of nitrite as a curing agent for processed meats would not eliminate the principal source of nitrite from the diet and hence would have little effect on any potential for the production of nitrosamines in the human stomach. Current information indicates that upwards of 80% of the nitrite entering the stomach is that contained in the saliva, and less then 20% is derived from the nitrite in cured meats.

Aside from the possible carcinogenic effect through nitrosamines, nitrite has several well-known beneficial effects in meat curing, the most important of which are preventing loss from spoilage and preventing development of botulinum toxin, a deadly microbial poison that can form in meat products if they are not properly handled. Processed, comminuted meats contain enough spores of *Clostridium botulinum*, the causative organism, to kill all of the U.S. population that eats such meat if conditions were favorable for germination of the spores and development of the toxin.

Methods have now been developed to reduce the formation of nitrosamines, while permitting the presence of nitrite to exert its beneficial effects. Several effective inhibitory agents have been reported, and a system that uses sodium ascorbate or sodium isoascorbate (ascorbic acid is vitamin C) has consistently reduced the concentration of nitroasmines in fried bacon to less than 5 to 10 parts per billion, the minimum concentration currently reproducible and confirmable. Although more than 700 chemical substances have been tested, none of them substitute for all the effects produced by nitrite. To substitute for nitrite could require a combination of several substances. For example, a recently patented substitute contains five chemicals.

If nitrite were eliminated from processed meats, there would be no kosher meat products such as salami, bologna, and hot dogs. There would be no regular frankfurters or wieners, no Vienna sausage, no corned beef, no deviled ham, no pastrami, no canned ham, no chopped luncheon meats, no cold cuts. These products would, in effect, disappear and would be replaced by a different group of food products resulting from altered processing and handling methods. In 1975, 33% of the beef, 74% of the pork, and 44% of other sources of federally inspected edible flesh were processed; 60% of the pork contained nitrite.

About $2.7 billion was spent for bacon by U.S. consumers in 1977 (bacon represents about one-sixth of the pork carcass). Conservative economic estimates indicate that, if bacon were to become unavailable, consumers would lose $2.25 billion in "surplus value," which is the amount they would be willing to pay for bacon in excess of the current price. Although the $2.7 billion consumers spent for bacon in 1977 could be spent for something else, the $2.25 billion reservoir of value would be permanently lost.

About 45% of the $2.7 billion income from the bacon industry goes to farmers. Since the parts of the hog carcass going into bacon would find their way into other products, farmers would not lose this entire amount but only about $700 million. This loss of demand would be permanent, however. The processing industry would lose its $1.5 billion market entirely. Some other higher-value consumer products might emerge in the future, but many firms currently specialized to processed meat products as we now know them would very likely go bankrupt in the interim.

The magnitudes of the losses to consumers, farmers, and the food industry from loss of bacon would be multiplied several times if use of nitrite were discontinued in all processed meats. The magnitudes would be several billion dollars in each sector. In addition, the economy would lose certain medical by-products from the hog industry, including heparin, insulin, ACTH, thyroxin, and others because, with the lower prices resulting from lesser demand, fewer hogs would be produced.

Economic values cannot easily be placed on the several consequences of withdrawing approval for use of nitrite, including loss of product variation, loss of medical by-products, and the impact on the structure of the food industry. Conservative estimates, however, put the total annual loss in billions. Those most affected would be consumers.

Unlike previous actions to withdraw substances used by the public, the effect of withdrawal of nitrite on product availability and quality would be directly and immediately observable by consumers. Withdrawal of approval for use of nitrite without a careful and publicly convincing weighing of consequences could injure regulatory credibility sufficiently to make adoption of future proposals of significance to food safety more difficult to achieve.

As is true of other substances that have been withdrawn, the magnitude of the hazard to health posed by use of nitrite in meat curing is not discernible by the general public, and the public would consequently have no way of evaluating the reduction in the hazard that might follow. On the other hand, since nitrite is used as a significant part of the current program for controlling food-borne disease, its withdrawal would increase certain health hazards, in particular the risk of botulism and other types of food poisoning. Botulism can usually be traced to the source, and the consequences of the decision that precipitated the additional illnesses and deaths would hence be publicly evident because there are so few deaths from this cause at present. In 1976, there were only five U.S. deaths due to botulism.

The alternative meat products that would emerge in the absence of nitrite or other means of preservation would have decreased shelf life. These products, as well as posing health hazards, would have a greater tendency toward unpleasant tastes and odors from rancidity.

Meat could be preserved by use of more salt. If the use of salt were increased to levels necessary for preservation, however, the resultant increased intake of salt would increase the risk of circulatory disorders that are aggravated by high-salt diets.

Continuous freezing, a valuable alternative means of preservation, is already used to some extent. Although industry is equipped to accommodate the additional burden of freezing products that are now cured and only refrigerated, freezing would increase the cost of our food supply in terms of both dollars and energy use.

Drying, another alternative, is appropriate for some types of products that are more or less dried, but drying would not be suitable in general because it would severely alter the characteristics of the products. Although radiation has not yet been approved by the Food and Drug Administration as a means of meat preservation, it appears to be a valuable potential supplement to curing but not a substitute for it because cured and radiation-sterilized products do not taste the same.

ENERGY INDEPENDENCE A DREAM?

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OBERSTAR. Mr. Speaker, last December, President Carter stated that he had instructed the Department of Energy to "work with appropriate governmental and private interests in expediting provisions of adequate pipeline capacity for transport of Alaskan and California oil east of the Rocky Mountains." I applaud his action.

At that time the President also stated that he had instructed DOE to expand production of Elk Hills Naval Petroleum Reserve in California, encourage an expansion of production at Prudhoe Bay, and maintain production of California crude at a high level—increased production, even though there is a 600,000 barrel-a-day surplus on the west coast. It seemed entirely appropriate that the President, at the same time, instructed DOE to undertake initiatives to move that oil east of the Rockies to relieve the shortfall in the Midwest and Northern Tier States.

Commendable efforts, but they have fallen short of their goal.

Unfortunately, neither the President nor DOE is moving at the pace necessary to meet the needs of the energy-starved Northern Tier States.

Their needs will not be met unless the administration makes it clear to the House/Senate Energy conferees that the language they have tentatively approved to expedite permit application and judicial review of pipeline transportation systems is counterproductive. The language in the Public Utility Regulatory Policies section of the Energy Act must be modified if the Northern Tier Pipeline is to be constructed in time to meet our energy needs.

The Senate amendment, as originally drafted, adequately provided for expedited consideration of applications. However, the agreement reached in conference substantially altered the amendment and in so doing built a 1 year delay, which might make the pipeline too costly to build.

Under the conference agreement, an environmental impact statement must be completed by December 1, 1978, after which the President has up to 45 days to make a decision as to whether or not a system shall be approved.

The President may also delay his decision for an additional 60 days if he determines that additional time is necessary. When and if a decision is finally made, the Federal agencies are required to issue the permits and rights-of-way as soon as practicable. The earliest such a decision can be made under this procedure is March 15, 1979.

The effect of this language. whether intentional or not, is that construction could not be initiated until the spring of 1980, which means that the energy-short Northern Tier States could not benefit from the west coast surplus until early 1982. Canada, the Midwest's leading supplier, has announced its intention to cut off all export of crude oil in 1981. in 1976, Canada exported to the United States 219,340,000 barrels of oil at a cost of approximately $3 billion.

Six of the Northern Tier States—Michigan, Wisconsin, Minnesota, North Dakota, Montana, and Washington—with 26 refineries, have a cumulative capacity of 986,000 barrels per day. They received, according to DOE, nearly half of their supply from Canada—478,000 barrels per day—during the November, 1974, October 31, 1975, crude allocation base period. Refineries in other States received an additional 255,000 barrels per day during that period.

DOE has stated,

In 1978, having exhausted all existing transportation alternatives and lacking Canadian exchanges, Montana will experience a shortfall of about 28,600 b/d of petroleum products. This may result in losses of up to $303 million in real income for the state.

Consequently, due to Montana's shortfall, DOE predicts eastern Washington will have shortages of 9,600 barrels per day in 1978, 11,300 barrels per day in 1979, and 13,000 barrels per day in 1980. Michigan will have sufficient supply but not spare capacity. Wisconsin's shipments will have to increase even though the State's refinery utilization will slip from 63 percent to 32.8 percent by 1980. Minnesota will need additional supplies from Iowa and points south to avoid shortfalls, while North Dakota will need additional products from other States to offset a refinery utilization drop to 66 percent by 1980.

Many assumptions went into the equation that came up with those figures which, to midwesterners, are not very attractive. Supply reduction to the Northern Tier States has come both directly through prohibitions, regulations, and cutoffs, and indirectly through the uncertainty and cost engendered by the slow, changing, complex, and somewhat unpredictable decision process. Expeditious construction of the pipeline and the guaranteed supply of Alaskan crude oil are essential to our region.

I believe that we can obtain this guarantee through two adjustments in the procedural timetable now being considered by House/Senate conferees.

The first should be a requirement that the President make a firm decision within 45 days after completion of the environmental impact statement which should be submitted no later than December 1, 1978.

The second should be to require all Federal agencies to issue the necessary permits within 30 days after the President has made his decision.

Unless those modifications are made, energy independence for the Midwestern and Northern Tier States will remain a dream.

The changes I have recommended would reform the expedited decision process and improve the procedures to minimize delay, assume, certainly in decisionmaking, and make that energy independence dream a reality

STATE TO RELY ON U.S. OIL LINK AFTER CANADA KILLS PIPELINE

(By Jack B. Coffman)

Canadian rejection of a pipeline linking Minnesota to Alaskan crude oil makes construction of a controversial southern pipeline even more crucial, officials of the Minnesota Energy Agency said Friday.

The agency's concern over the state's future oil supply was heightened when the Canadian government announced Thursday that it had killed a proposal for a pipeline from Kitimat, British Columbia, to lines serving Minnesota. The so-called Kitimat project had been a Minnesota favorite and the energy agency had pushed hard for its approval for nearly two years.

"Of course we are very disappointed," said Ron Visness, assistant director of the Minnesota Energy Agency. The rejection of the Kitimat project, he said, "makes even more critical" the completion of a pipeline project to the Twin Cities from near Wood River, Ill. The project has run into increasing opposition from farmers in Iowa and southern Minnesota.

Minnesota's problem stems from an earlier Canadian decision to end oil exports to this country by 1981. They have been the bulk of Minnesota's supply and must now be replaced. State energy officials had hoped to

obtain Alaskan oil from the Kitiman line. Little if any, of the oil from the new southern line would be Alaskan. Most would be from the Middle East.

Last week the Department of Natural Resources held hearings in southern Minnesota regarding permits for the new line, which already has been rerouted for environmental reasons. Hearings in Iowa were suspended last year following a similar rerouting. Energy officials said they are trying to avoid protests over the line similar to those involving a power line in west-central Minnesota. The pipeline would supply the two refineries now serving the Twin Cities.

In announcing their rejection of the Kitimat proposal, Canadian officials said the benefits of such a project would not outweigh the danger of an oil spill. Canadian Prime Minister Pierre Trudeau said that if the United States needs a port to meet its oil requirements it could be built on the U.S. west coast.

Backers of a so-called all-American pipeline project quickly stated that they feel their project is now the only viable Alaskan oil link to the Upper Midwest. This line, known as the Northern Tier, would involve construction of a 1,550-mile pipeline from Port Angeles, Wash., to Clearbrook, Minn. Minnesota generally has opposed this alternative as too costly and unlikely to attract sufficient financial support. Backers of the project, including the AFL–CIO, say it would be built entirely in this country and would not be subject to Canadian whim.

A third pipeline project, which would have involved tankers bringing oil into Puget Sound to Seattle, Wash., was eliminated last year when Congress passed special legislation preventing it.

At about the same time that Canada was rejecting the Kitimat proposal, the Canadian House of Commons voted 146 to 11 to approve construction of a 2,800-mile pipeline to move Alaskan natural gas through Canadian provinces to American markets.

[From the Minneapolis Tribune, No. 3, 1977]

MINNESOTA'S OIL-PIPELINE PROBLEMS

Minnesota could get short-changed on Alaskan oil if Congress and the Carter administration keep ducking a big pipeline question. The oil is needed: Canada is phasing out supplies of crude oil on which the Upper Midwest's refiners are heavily dependent. But neither Congress nor the administration seems much concerned. Only one House hearing has been held on competing pipeline proposals; the administration, reportedly, hasn't even begun its analysis.

Three pipeline proposals have been under consideration:

Kitimat—a new $500-million, 750-mile pipeline to transport oil from the northern British Columbia port of Kitimat to Edmonton, Alberta, for redistribution through existing pipelines to Minnesota, Wisconsin and Montana.

Trans Mountain—using an existing pipeline from a port on Washington's Puget Sound to Edmonton.

Northern Tier—a new $1.2-billion, 1,500-mile pipeline entirely within the United States from a port near Puget Sound to Minnesota.

The Koch Industries refinery at Pine Bend and Ashland's at St. Paul Park will be assured of oil through the early 1980's once extensions of existing pipelines from Oklahoma and Louisiana are completed. But refineries at Wrenshall, Minn., and Superior, Wis., will still face shortages. For these refineries and for others in nearby states, Minnesota Energy Agency officials say, the best long-term solution is a pipeline connection with the West Coast.

Of the three proposals, MEA says Kitimat is the most promising, environmentally and economically. Kitimat's major sponsor, Koch, however, has backed off now that its supplies seem assured for the time being. The remaining American sponsors, though, are still interested, and so are Canadian firms which look to the day Alberta's oil declines.

Trans Mountain and Northern Tier are in serious trouble. Both are opposed by American and Canadian environmentalists who warn of oil spills in the Puget Sound. "The plain truth," says a Washington state environmentalist, "is that nobody wants an oil port. It's a dirty facility with no benefit to the community where it's located."

Last month, in voice votes on a little-noticed amendment to a marine mammal protection law, Congress scuttled plans for Trans Mountain's port terminal. Proposing the amendment was Washington's Sen. Warren Magnuson. Northern Tier's port plans were vetoed by Washington Gov. Dixy Lee Ray, who favored Trans Mountain's plan.

The Northern Tier proposal is also in financial trouble: A major sponsor, Amoco, backed off because it could not find refiners or shippers to help finance the project. U.S. Steel will join the project, according to an announcement this week, but it, too, concedes serious environmental and financial hurdles.

Environmentalists raise fair questions. The Puget Sound is one of America's loveliest bodies of water. Congress, nevertheless, should not have foreclosed discussion of pipeline alternatives—as it did with a handful of votes and virtually without debate. The pipeline debate must be reopened, and Minnesota's congressional delegation should take the lead. The administration, too must put a higher priority on the Upper Midwest's pipeline needs than it has so far.

NORTHERN TIER PIPELINE NOW BEING RECOGNIZED AS VIABLE

(By Jim Drummond)

HOUSTON.—A $1 billion plus project long widely regarded as a sleeper finally has been recognized for what it always said it was—"the only viable proposal to take Alaskan oil to the midcontinent," one planner declared.

Thomas C. Kryzer repeated those words after Northern Tier Pipeline Co. elected him president and chief executive officer and he started converting its six-man permanent staff into a full-time management team of much larger size.

He said competing proposals like the Kitimat pipeline have been "falling by the wayside."

CANADIANS REJECT

The Canadian government last week rejected "for the foreseeable future" plans to spend $750 million for an oil port at the British Columbia fishing village of Kitimat and for a crude oil carrier which would link the coast with the Interprovincial Pipeline. According to Canadian Environment Minister Leonard Marchand, the Dominion fears the risk of a major oil spill at such a port would more than offset its benefits.

Kitimat's management committee was reported Tuesday to be selecting the time and place for a Canadian meeting next week to determine whether there are alternatives to the port proposal's rejected by the Canadian government.

A proposal to "yo-yo" the transmountain pipeline by repeatedly reversing the direction of its crude oil flow came to grief when Congress refused to allow tanker unloading at its Cherry Point, Wash., terminal in Puget Sound—also for environmental reasons.

The proposed 1,500 mile 42 and 40-inch Northern Tier carrier would extend from Port Angeles, Wash., just outside the entrance to Puget Sound, to Clearbrook, Minn., interrupting pipelines that feed some 4.5 million barrels daily of crude to "northern tier" refineries in states along the Canadian border and to other Rocky Mountain and mid-west areas.

Initial capacity of Northern Tier would be 790,000 b/d and would grow to about 1,000,000 b/d.

In a talk with The Oil Daily, Kryzer said he does not think it likely Port Angeles will fall under the same kind of cloud that has eclipsed Kitimat and Cherry Point.

"We still need a permit to use the port, of course," he remarked. "But we're confident."

Kryzer, a former official of Standard Oil Co. (Indiana), began his career as Northern Tier president by calling on local, state and federal authorities to expedite issuance of pipeline construction permits to his company.

SEE SPEEDY ACTION

He predicted that governmental agencies now reviewing Northern Tier's permit applications will act on them speedily and favorably "in view of the Canadian government's action last week to block the planned construction of a deep water port at Kitimat.

"(This) leaves our pipeline plan as the only remaining viable solution to the oil needs of the northern tier states."

He estimated that his company, if given an early go-ahead, can have its facilities operational by late 1980, soon enough to replace oil imports from Canada which the Dominion will cut off in 1981.

Kryzer estimated that construction of the facilities will create more than 10,000 "all-American" jobs. He expects to leave Northern Tier headquarters in Billings, Mont., for the time being, he told The Oil Daily, and to open offices in Seattle and Port Angeles, Wash., and in Washington, D.C.

Seven founders of the company originally owned equal shares. U.S. Steel Corp. bought in last year and now owns around 40 percent of the assets.

STATEMENT OF NATIONAL COUNCIL OF SENIOR CITIZENS FAVORING PENSIONS FOR VETERANS AND VETERANS' WIDOWS OF WORLD WAR I

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANDERSON of California. Mr. Speaker, the National Council of Senior Citizens recently submitted an outstanding statement in favor of a pension for veterans and widows of the First World War to the Veterans Subcommittee on Compensation, Pension, and Insurance. I believe that the council's eloquent testimony, representing over 3 million elderly Americans, should be shared with the entire House.

The statement follows:

FEBRUARY 24, 1978.

Hon. G. V. MONTGOMERY,
Chairman, Subcommittee on Compensation, Pension and Insurance, Cannon House Office Building, Washington, D.C.

DEAR CHAIRMAN MONTGOMERY: The National Council of Senior Citizens would like to submit comments for the record on H.R. 9000, the World War I Pension Act of 1978. NCSC is a membership organization of 3,800 senior citizens clubs around the country representing over three million elderly Americans. Among our members are many who served their country courageously in World War I. Today these older veterans, to whom the country owes so much, have been swept up in a tide that has engulfed millions who reach old age—poverty. Poverty is an epidemic in this country among the old;

those living on fixed incomes fight a daily battle to keep pace with ever increasing demands on their pocketbooks.

Although poverty among the elderly is a widespread phenomena affecting some 6,500,000 older Americans, the statistics concerning older veterans are truly frightening. Four hundred thousand of the 700,000 World War I veterans alive today have yearly incomes of $5,000 or less. Fifty-seven per cent of all World War I veterans are existing at or within 125 per cent of the official poverty level. This compares to a national near-poverty rate for all Americans over 65 of about 25 per cent.

The debt this country owes to all its veterans cannot easily be repaid. But legislation, such as that pending before this Committee, certainly moves in the right direction. The current eligibility limitations on veterans pensions are so restrictive that only 42 per cent of the 700,000 World War I veterans actually collect pensions. If a veteran has an annual income of $3,600—a figure only slightly above the poverty level for an aged couple—he is automatically disqualified from collecting his pension. We find that these restrictions are inequitable. These pensions are not the result of government largess, but are an earned right and should be made available to those who qualify. We do not object to some ceiling for income eligibility and the $15,000 ceiling included in H.R. 9000 is reasonable. But to cut off a pension from a veteran whose outside income exceeds the poverty level is simply unfair, because it ignores the actual basis of eligibility—service to one's country with the concurrent loss of personal opportunities.

In consideration of this legislation, one fact that must be brought out is that there remain only 700,000 World War I veterans, and on average, about 100,000 die each year. Each of these veterans, certain surviving spouses and dependents, would be eligible for a monthly pension of $150. However, by 1985 few, if any, World War I veterans will be alive, not very many widows will still be alive, and almost all dependents will be too old to qualify. Thus, if nothing at all is done, the problem could rectify itself in short order. However, few would suggest that we follow this cold, insensitive approach. To those who would argue against passage of this legislation on the basis of cost, we say the cost could be relatively low, the program would be of limited duration, and for each year of the program's operation the costs would diminish.

The World War I veteran did not have either veterans home mortgage insurance or G.I. Bill benefits; this presents a persuasive argument in support of this legislation, simply as a matter of equity. An American veteran should be held in the highest esteem and should be treated with dignity and respect. Providing an income supplement as proposed by H.R. 9000 is the least we can do.

We appreciate this opportunity to submit our comments for the record, and we sincerely hope that this legislation will be enacted promptly.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

FUTURE OF VETERANS' ADMINISTRATION RESEARCH PROGRAM

(Mr. ROBERTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROBERTS. Mr. Speaker, yesterday afternoon, March 6, Dr. Rosalyn S. Yalow called on me in my office to express her concerns regarding the future of the Veterans Administration's research program. For those Members who do not know, Dr. Yalow was the recipient of the Nobel Prize for research in medicine given in October 1977 and is a research investigator at the Veterans Administration Hospital in Bronx, N.Y. In order that all Members of the House can be familiar with her concerns regarding the future of the VA medical research program and its funding, I would like to share Dr. Yalow's remarks before the Senate Veterans Affairs Committee on the evening of March 6.

The remarks follow:

STATEMENT OF DR. ROSALYN S. YALOW

Mr. Chairman and Members of this Committee: At the end of World War II Generals Bradley and Hawley resolved to rebuild the Veterans Administration so that it could deliver "Medical Care Second to None". Dr. Paul Magnuson converted the slogan into reality by his recognition that rejuvenation of the hospital system depended on the simultaneous institution of programs for research and education.

Why does a health care delivery system need be concerned with research? A crucial reason is that at a time when VA physicians increasingly consist of foreign medical graduates, aging physicians and part-time staff, the existence of an academically oriented and intellectually stimulating atmosphere is the only way to recruit and retain bright young well-trained physicians—those who improve medical practice by their research and who simultaneously deliver good medical care to our VA patients. Another very important reason is the fact that better medicine is practiced in an atmosphere in which even those physicians who are not doing investigation continue to learn what is new and are challenged by their association with those who are constantly updating medical knowledge.

The VA, because of its cohesive, united system has been particularly innovative in developing new modalities important in the delivery of health care to veterans. In this way it serves as a model to improve medical care to the rest of our people. For instance when I joined the VA 30 years ago, it was for the initiation of a program in the application of radioactive substances in medicine—a field in which research and clinical care had to proceed pari passu since it was a completely new modality of diagnosis and therapy. From this program there grew what we now know as the medical specialty of Nuclear Medicine—and the VA remains a leader in this field.

The National Academy of Science report on research in the VA states also "The VA offers a unique opportunity to carry out a wide variety of clinical studies involving a distinct population in a large number of hospitals under a single management". Clinical testing in various areas has been undertaken under the egis of the VA cooperative study programs. These have included: the effectiveness of chemotherapy for tuberculosis; drug therapy for treatment of psychiatric disabilities; the use of appropriate antihypertensive drugs for treatment of high blood pressure; and the use of chemotherapeutic agents in the management of cancers of diverse origins. But there is another cooperative study in which the VA can make even a greater contribution—that is—it can serve not only the health care needs of our veterans, but, it can serve as a pilot program for testing new modalities of affordable, effective health care delivery to all our people.

If the VA is to function as a first class model system for health care delivery, research cannot be neglected. What has happened to research funding over the past 15 years? The Medical Research Program was 3.2% of the Medical Care budget in 1965 and 3.4% in 1970. In 1975 it was well on its way down—only 2.6% of the budget and 1979 it is projected to be even worse—research will have just under 2% of the medical care budget. Every year there appears to be a greater rate of decrease of investment in research.

If this trend is not reversed the day will come again when the VA hospital system might continue to exist, but it would have returned to the days of custodial care for an aging veteran population rather than being a system for delivering "Medical Care Second to None". May I remind you what VA hospitals were like just after World War II? To quote from "Ring the Night Bell", a book by Dr. Magnuson describing this period—"I took a trip to the Veterans Hospital at Palo Alto, I didn't expect much, but that place gave me a shock. They had five doctors there, taking care—questionmark in a large way—of the thousand patients". This can happen again.

In these few minutes I cannot review all aspects of what the continued cutback in research funding means to the VA. I feel that the greatest developing tragedy is the failure to support adequately the Career Development Program. What is the Career Development Program and what is its importance to the VA? Career Development Program is designed to select outstanding physicians at all levels in their career, permit them to spend about 75% of their time on research in a VA hospital with Central Office providing salary and research funds.

The highest such position is the Senior Medical Investigator (SMI). There is no need to emphasize the importance for the VA and for medical progress in general of this part of the program. The VA senior medical investigators are few in number—perhaps 6 or 7 at this time. Yet they include 2 Nobel Laureates, 4 Lasker Awardees, 3 elected to the National Academy of Sciences and a substantial number of other prestigious awards. This has been achieved with a cost-effectiveness greater than that of any other major medical establishment in our country. The VA did not attract these people after they were successful, as major Universities are prone to do. Rather these investigators developed within the VA system. Thus my greatest concern is for the entering level programs, the diminishing support for which is most critical to the future of the VA.

At present there is no funding for more than one-half of the bright young physicians who have been approved by a highly select committee, who are anxious to join the VA Career Development Program, and who are quite likely to contribute to the VA medical care program for the rest of their professional lives. It is false economy to fail to provide the money needed to fund these young physicians. I might add, in passing, that since the VA's two Nobel Laureates are Ph.D.'s and both are clearly identified with advances in clinical medicine, it is important to identify and fund also basic scientists whose fields of interest are relevant to any health care delivery system.

A committee hearing is not the place for me to document fully the research needs of the VA or more generally of American medicine. No one can guarantee that x dollars put into field y will cure cancer or diabetes or reverse blindness, spinal cord injury or grow new limbs. I can only guarantee that without an investment in research, and especially in young people willing and able to become productive investigators, there will be no breakthroughs in any area. These investigators must also be given assurances that there is a contining commitment to research, not a threatened crisis every funding year.

What should be the level of funding for VA research? In the 1960's it was about 3 percent of the VA Health Care budget. That is about an appropriate level—we are now

down to less than 2 percent. This would suggest that we need a 50 percent increase in research funding. But no system can absorb such an increase efficiently in one year—several years would be required. A positive step must be taken now—perhaps to 2.3 percent of the Medical Care Budget for next year and increasing percentages thereafter until the 3 percent figure is again reached. The first increment should be for the Career Development Program. We must invest in people—those who have the potential for carrying on and ever upgrading the tradition that has made us proud to be part of the VA.

DO WE WANT TO GO BACK TO THE FOREST?

(Mr. YOUNG of Alaska asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. YOUNG of Alaska. Mr. Speaker, March 5 Washington Post carried an editorial that should be of interest to all of us. The item under discussion was the proposed reconstruction of Rhodes Tavern, located here in Washington. The Post pointed out that the reconstruction would cost $1.5 million and would be of no use to the people of Washington. The last paragraph of the editorial read as follows:

> But you have to ask yourself where you would wind up if you carry the urge to preserve too far. Fine Arts Commission Chairman Carter Brown made the point quite nicely, we think. "Do we go back to the forest?" he asked.

Ladies and gentlemen, that is exactly the dilemma that we face with the current deliberation on H.R. 39, the "Alaska National Interest Lands Conservation Act," in the Interior and Insular Affairs Committee. Some of my colleagues are carrying the urge too far and forcing us to go back to the forest. It is one thing to protect certain scenic areas, certain wildlife values, for future generations. It is quite another thing to put nearly one-quarter of Alaska into wilderness, thereby locking up its resources for all time.

The Post expressed dismay that the $1.5 million would not provide any benefits to the people of Washington. Let me point out that preliminary estimates show the cost of simply enacting H.R. 39 are estimated to be $76 million in fiscal year 1979 alone. It does not include the cost of losing from 400 to 1,430 jobs in southeast Alaska, or of putting off limits up to 20 billion barrels of oil and 11 trillion cubic feet of natural gas in the Arctic wildlife range. One can hardly say that this is in the national interest.

Perhaps most important is the cost to the people of Alaska.

Some press accounts have painted Alaskans as tools of the mining industry and lackeys of big oil. Nothing could be further from the truth. Alaskans are concerned about their State and their environment. They are also concerned about keeping their jobs and maintaining a lifestyle which can only be found in Alaska. In spite of this, the State of Alaska has not been allowed to select land to which it is entitled under the Statehood Act. Conservation unit boundaries have been drawn to prevent the continuation of hunting and trapping. Indeed, even the State's ambitious plans for fisheries enhancement have been thwarted by this bill. It is no wonder that over 60 percent of Alaskans are opposed to H.R. 39.

Mr. Speaker, we have a rare opportunity in this Congress to produce legislation which will set certain areas aside for posterity without harming the people of Alaska or of the other 49 States.

Unfortunately, the supporters of H.R. 39 are carrying the urge to preserve too far. We must decide now whether we do indeed want to go back to the forest.

SELF-DETERMINATION A SPECIAL STUMBLING BLOCK IN MIDDLE EAST NEGOTIATIONS

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DERWINSKI. Mr. Speaker, the subjects of human rights and self-determination have achieved special prominence as a result of the criticism leveled by the administration at various governments. Yet, these are not new subjects.

The issue of self-determination has become a special stumbling block in the Middle East negotiations. In an article in the January 1978 issue of the Anti-Defamation League Bulletin of the B'nai B'rith, Dr. Harris Schoenberg draws special attention to the subject of self-determination. Dr. Schoenberg, deputy director of U.N. affairs of the B'nai B'rith International Council, refers to data produced by Freedom House, which dramatizes the fact that there are hundreds of millions of people who, in some fashion, are deprived of the "right" of self-determination. Therefore, he argues that while self-determination is needed by groups who have no representative government, it cannot be applied in an unrestricted application; whereby every ethnic group or village who wanted to separate from the country or state to which it belonged, could do so, thus, causing internal disruption to that country or state.

What we all want, Mr. Speaker, is a permanent end to the hostilities in the Middle East so that the State of Israel and its neighbors can live in peace and benefit from normal economic relations that would come with the end of these hostilities.

Mr. Speaker, some states continue to point fingers at Israel in an accusatory fashion, while failing to recognize self-determination for their own peoples. The complete list of these countries is very impressive, but as an example of this disparity in universal self-determination, I wish to note the following partial listing of these countries who ignore the self-determination principle:

PEOPLE, POPULATION, AND LOCATION

Armenians, 2 million, U.S.S.R.
Azerbaijani, 4 million, U.S.S.R.; 5 million, Iran.
Byelorussians, 7 million, U.S.S.R.
Eritreans, 1.5 million, Ethiopia.
Estonians, 1 million, U.S.S.R.
Georgians, 3 million, U.S.S.R.
Karens, 3 million, Burma.
Kazakh, 4.5 million, U.S.S.R.
Kurds, 2 million, Iraq; 2 million, Turkey; 1 million, Iran.
Latvians, 1.5 million, U.S.S.R.
Lithuanians, 2.5 million, U.S.S.R.
Montagnards, 1 million, Vietnam.
Tatars (various), 4 million, U.S.S.R.
Tibetans, 3 million, China (Mainland); 2 million, India, Pakistan, Nepal, Bhutan.
Ukrainian, 35 to 40 million, U.S.S.R.
Uzbek, 9 million, U.S.S.R.; 1 million, Afghanistan.

As Dr. Schoenberg points out, can the U.N. nations adopt sanctimonious resolutions, criticizing Israel on the subject of the Palestinian Arabs when dozens of nations of the world have their own domestic complications stemming from demands for nationalistic self-determination?

NUCLEAR POWER, NOT COAL, IS OUR SALVATION

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, with our Nation being all but strangled in the grip of a vicious strike in the coalfields and, at the same time, being held hostage to foreign oil imports it is time we as a Nation adopt those policies which will allow us to utilize the energy resources available to us. The nuclear power alternative has been recognized for years and has been examined from every possible angle and it remains our cleanest and most practical course toward energy self-sufficiency. With this in mind, I invite my colleagues' attention to the following article which sets forth the argument that "Nuclear Power, Not Coal, Is Our Salvation." I include the article by Joseph Kraft to be printed at this point in the RECORD:

[From the Los Angeles Times, Mar. 2, 1978]

NUCLEAR POWER, NOT COAL, IS OUR SALVATION

(By Joseph Kraft)

Coal is almost dead. Long live nuclear power—and safety. That is the underlying meaning of the marathon coal strike for the country's energy problems.

For several years now, coal has been at the center of the country's energy strategy. Thruston Morton, the top energy man in the last administration, called it "America's ace in the hole." President Carter's National Energy Plan prescribes a tripling in coal production by 1985.

But the coal strike has demonstrated that the extensive practice of underground coal mining is not truly consistent with the sensibilities of an advanced industrial—or, as Daniel Bell puts it, a "postindustrial" society. The work is dangerous, dirty and hard. Those who undertake it demand privileges that go beyond the usual reward of high wages.

The coal miners seek old-fashioned, individual freedom. They don't want to be pushed around by management or labor or government. That is why there is an anarchic union forced by its members to demand the right to have wildcat strikes without any serious penalty against wages, employment, or health and pension benefits.

The postindustrial society affords tolerance, if not universal support, for these demands. So the Taft-Hartley law couldn't be made to work and a seizure of the mines would have encountered—and still might encounter—strong congressional opposition. The President in these circumstances has had

as his chief weapon patience, and a prayer that, after the operators gave way, the miners would accept their surrender.

Theoretically, the problems of Eastern coal could have been solved by Western coal. For the seams in the Rocky Mountains lie close to the surface, and do not require underground mining.

But a feature of the postindustrial society is sensitivity to environmental problems. Another feature is high concern about unemployment.

These two concerns have combined to shape the latest clean-air regulation. The new rules require that 90% of the sulfur content be removed from the coal before the waste is emitted. That discriminates against Western coal, which is so low in sulfur that it would not ordinarily need any special treatment. As a result, Western coal will not be competitive east of the Mississippi. There will be no Western coal rush.

Nuclear power, by contrast, is free from all these social constraints. It is cleaner, cheaper, safer and more reliable than coal. The most progressive power producers in the country have long since gone over to nuclear reactors. A notable example is the TVA, which—having led in hydroelectric power during the 1930s and coal-fired plants in the 1950s—is now going nuclear in a big way.

Association with nuclear weapons, to be sure, has generated a good deal of public apprehension about nuclear power. Though polls and referendums show an overwhelming part of the population favorable to nuclear power, many citizens and political leaders of unquestionably high motivation oppose—and successfully oppose—locating nuclear power plants in major population centers. But that problem can be met by placing the plants on government reservations or in nuclear parks. Thus the Hanford Nuclear Reservation in central Washington state is being used for building three reactors that are due to provide power to the populous areas around Seattle and Portland.

A second worry is the disposal of nuclear wastes. There has been undoubted sloppiness in disposing of the nuclear wastes from military programs. Though no damage has been done, some radioactive material has leaked from containers stored at Hanford. But that can easily be remedied—and, indeed, is being remedied—in a crash program for stashing the stuff in new containers.

The problem becomes much smaller if this country begins moving toward reprocessing plants and breeder reactors that use spent fuel to generate more nuclear fuel. Carter had turned away from that path, because reprocessing generates weapon-grade material, and thus might promote the proliferation of nuclear bombs. His hope was that if the United States went slow, France, Britain, Germany and Japan would follow suit.

They have not, but the delay has yielded a dividend. Scientists in Britain and this country have developed, and announced this week, means for going through the whole reprocessing cycle without producing weapon-grade material.

That development is a special boon for Carter, whose past emphasis on nonproliferation was going nowhere. The President would be well advised now to seize the opportunity for proclaiming this country's full entry into the nuclear age.

COAL STRIKE NEGOTIATIONS SHOULD START FROM SCRATCH

(Mr. QUAYLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. QUAYLE. Mr. Speaker, there is little question that my State of Indiana and the Nation face economic disaster unless the coal mines are quickly reopened. I support President Carter's action in invoking the provisions of the Taft-Hartley Act yesterday, even though it was about 7 weeks late in coming.

During the 80-day cooling off period which will begin once a Federal court issues the back-to-work order, negotiations between the mine operators and the United Mine Workers will resume. The Wall Street Journal, in an editorial today, has wisely suggested that the negotiators start from scratch in the resumption of contract talks.

As every American wage earner knows, Uncle Sam is a major beneficiary of the weekly paycheck. The Journal editoral concisely outlines the reasons why the miners rejected the contract. They make sense. The miners, like most Americans, are concerned about the tax bite that will hit them along with their ability to cope with inflation.

Under leave to extend my remarks in the RECORD, I include the excellent editorial from the Wall Street Journal:

THE MINERS HAVE A POINT

Everyone is wondering what's bugging the coal miners, who just voted down a 37 percent wage and benefit increase. But the more we look at it, the more we think that if we were a coal miner we'd have voted against the proposed contract too.

Now that President Carter has moved for an 80-day cooling off period, everyone wonders how to get the miners to comply. If we were a miner, what we'd want wouldn't be the contract raise immediately, as Mr. Carter suggested. We'd much prefer some assurance that the supposedly smart guys would make constructive use of the 80 days, burning up the last agreement and starting from scratch.

UMW President Arnold Miller, the mine owners and the federal mediators can begin by apologizing for not following instructions in the first place. Before the negotiations began last year the miners were surveyed on their demands, and cited health benefits first, pension benefits second and wages third. Yet their union boss went the other way. The 37 percent package breaks down to 31 percent in wages and only six percent in fringe benefits. And Mr. Miller negotiated away the all-expenses health plan the miners have had for 30 years.

The point of all this, and the reason we'd have voted against the pact if we were coal miners, is that health benefits are not subject to federal income tax and pension benefits are deferred and taxed at lower rates, while wage increases are gobbled up at the miners' marginal tax rates. The deductibles that Mr. Miller negotiated into the health plan, for instance, now must be paid in after-tax dollars, rather than tax-free ones. Similarly, the miners wanted to have pensions increased for those who retired prior to 1975—often their fathers and grandfathers. This is another way for a household to keep a pre-tax dollar from being clawed by Uncle Sam. The negotiators threw this idea out too.

Instead, these private sector management and labor people seemed determined to maximize the government's cut of this new contract. And what thanks do they get; the government economists fret that the 31 percent increase in wages may be "inflationary." If those economists looked at what the miners face they might be able to understand what is happening to all of us.

We asked Steve Entin, of the Joint Economic Committee of Congress, to figure out how much real income the coal miner is going to have in 1980 out of that 31 percent increase. He took a miner filing jointly, with two children and taking the standard deduction. He assumed a 6 percent per year inflation rate, that the Social Security tax increases would be retained, and that President Carter's "tax cut' would be enacted as proposed. The results:

By 1980, the miner working an average 1,800 hours would earn a gross income of $18,360, up from $14,040 last year. Assuming he has the advantage of the proposed Carter "tax cut," his combined federal income and Social Security tax would rise to $2,867 in 1980 from $2,171 in 1977. In 1980 dollars, he would have after-tax income of, $15,493 which at an inflation rate of 6 percent would be worth $13,008 in 1977 dollars. Comparing this with his after-tax net of $11,869, he would have a raise of $1,139, or 9.6 percent over three years.

If the inflation rate is 8 percent instead of 6 percent, however, half of that gain would be wiped out. And out of whatever is left, the miners have to pay health fees that had been free, and must also help support fathers and grandfathers. There is no small chance that they will end up going backward.

Inflation and taxation have similar effects, of course, on the mine operators' ability to pay wage increases. But surely the owners can afford to be indifferent as to how a settlement is distributed, and in 80 days Mr. Miller ought to be able to figure out some way other than the one that maximizes the government's cut.

It is not the workers' but the negotiators who need a "cooling off" period. The idea that this breakdown has occurred because of an excess of union democracy is absurd. The miners have a point. But nobody seems to listen to them.

REPUBLICAN TASK FORCE ON THE AGRICULTURAL EMERGENCY

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from Louisiana (Mr. MOORE) is recognized for 60 minutes.

Mr. MOORE. Mr. Speaker, by now, I am sure each Member of this body has been made aware by the American agriculture movement that there is a crisis in rural America—that farmers are facing depression conditions not unlike the late 1920's and early 1930's.

According to the latest USDA figures, prices the farmer received for what he sells are 1½ percent under a year ago. Yet, his cost of production has risen at least 5 percent during this period. At the same time, the parity ratio—the difference between the farmer's purchasing power today and the 1910 to 1914 period—stands at 67, near the lowest point since the Great Depression.

In sum, Mr. Speaker, the farmer is caught in a severe economic squeeze. He is faced with a credit and cash flow crunch brought on largely by expanded farm or ranch indebtedness.

I believe it was Santayana who warned that those who refuse to learn from history will be forced to relive its mistakes. This warning is applicable to American agriculture today.

If there is one lesson we should have learned from the Great Depression, it is that a farm depression triggers a general depression—that prosperity in one segment of the economy can not be sustained for long if depression conditions exist in the farm economy. And the farm economy is in trouble, which means so is the national economy.

We are all aware of the problem. But we have not as yet come up with answers. The best the Carter administration can do is to close its eyes and hope the problem will go away. Agriculture Secretary Bergland suggests we relax and give the 1977 farm bill time to work. The President says he believes the farmer-survivors of the current crisis will eventually find the 1977 bill to their liking—that is, if there are survivors.

Although the House Agriculture Committee on which I serve held 8 days of hearings last month on the farm problem, the best that one of the subcommittees could do is come up with a limited stopgap approach in the form of emergency loans to farmers who cannot meet payments to banks or other lending institutions.

Although this is a step in the right direction, it is not enough. In my opinion, we must develop a comprehensive approach to the problem which will provide farmers not only with immediate relief but long-range help—help designed to head off future crises of this kind.

Specifically, Mr. Speaker, action to help the farmer must include not only ways of providing credit relief to farmers but must also include means of boosting U.S. farm export sales and methods of enhancing grain prices.

Since action of a significant nature is not forthcoming from either the Carter administration or this Democratic-controlled Congress, the House Republican leadership last month established a Task Force on the Agriculture Emergency—which is presently at work developing comprehensive farm legislation which will be introduced shortly.

Republicans have traditionally been the party of agriculture and we will not fail farmers now. We are committed to the preservation of the family farm and unalterably opposed to the administration's unfair food policy which robs taxpayers and farmers alike. Our answers must include means to lower the farmer's costs of production, increase his gross income, and give him greater assistance in a time of crisis.

As chairman of that task force, I can tell you now that we intend to develop answers to the problems facing agriculture—not seek out issues on which Republicans can campaign next fall. There are too many issues now—what we need are answers.

As I stated at a news conference on February 21, the membership of this task force consists of Congressmen WILLIAM F. GOODLING of Pennsylvania, WILLIS D. GRADISON of Ohio, JAMES P. JOHNSON of Colorado, ROBERT LAGOMARSINO of California, JAMES A. LEACH of Iowa, RON MARLENEE of Montana, J. KENNETH ROBINSON of Virginia, and ARLAN STANGELAND of Minnesota. Congressmen WILLIAM C. WAMPLER of Virginia, ranking Republican on the Agriculture Committee; and MARK ANDREWS of North Dakota, ranking Republican on the Agriculture Appropriations Subcommittee, also serve as ex-officio members.

As you can see, the task force consists of members from rural and urban and suburban areas of the country. It is a good cross section of this Nation's economic life. I have asked for this special order today to enable the task force as well as other concerned Members of this body to join in this discussion of the problems facing agriculture at this time. I am hopeful this dialog will be useful in the final formulation of legislation which we hope soon to present to this body.

Mr. ROBINSON. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Virginia.

Mr. ROBINSON. Mr. Speaker, as a member of the newly formed House Republican Task Force on the Agriculture Emergency, I am pleased to participate in this colloquy aimed at urging stronger action to help America's depressed agricultural economy back to sounder health without delay.

Only last Sunday, March 5, the Richmond, Va., Times-Dispatch carried two articles emphasizing the desperate plight of many farmers in Virginia whose survival in the farming business has been jeopardized by rising, inflationary costs for what they buy and rockbottom market prices for what they sell.

Dr. Berkwood M. Farmer, chief economist of the Virginia Agriculture Department, was quoted as warning that unless our Government develops better policies and programs to improve market prices for farmers, the whole country could suffer economically.

He was quoted as saying:

If you want to see a depression in this country, you let what has gone on in 1977 go on for 2 more years.

He pointed out that when a depression strikes agriculture, it quickly spreads out to depress the entire business community.

I share Dr. Farmer's view about the seriousness of the situation facing farmers today, and I believe it would be a tragic blunder for nonfarm interests here in the Congress to fail to heed the fact that our ruinous national depressions of the past have been farmed and farmfed.

The root problem for farm producers in Virginia is that while their production costs increased from $464 million to $1.3 billion since 1966, their net farm income actually decreased from $154.5 million to $138.7 million in the same period.

Of course, their lack of return on investment has dramatically worsened in recent times. In terms of current dollars, farm income nationally sank from $33 billion in 1973 to only about $20 billion last year. In October 1977 the parity ratio stood at 63, its lowest level since the depression year of 1934. Farm debt last year jumped to a frightening $119 billion. Last year, for the first time in our history, labor costs alone in marketing domestically produced foods exceeded the farm value of those foods.

Last summer's drought in Virginia, which drastically reduced production yields, including in the 21-county, largely rural district that I represent, accentuated the financial problems farmers are facing to such a degree that our State agricultural officials are now predicting all but the most efficient farmers in the Commonwealth could be wiped out.

The number of Virginia farm producers has been dropping ominously, particularly the number of our younger farmers who bought their land at highly inflated prices and who therefore face monumental mortgage payments to be paid, in addition to production expenses from nonexistent profits.

According to the Times-Dispatch:

State agriculture department figures show that between 1940 and 1974, the percentage of Virginia farmers under 35 years of age dropped from 16.9 to 9.6. Meanwhile, the percentage of farmers over 55 rose from 39.5 to 51.1.

Farmers are receiving only about 3 cents for the wheat in a 65-cent loaf of bread, 35 cents for the cotton in a shirt costing many dollars, and about a penny for the peanuts in a 15-cent package. Could anything reveal more clearly that farmers are being cruelly victimized by forces beyond their control?

Confronted by this fast-growing crisis on the farm, the Carter administration's policies to date have proved regrettably inadequate and inept. Last year, for example, the administration failed to use the Taft-Hartley Act to halt the costly dock strike that dropped the price of corn an estimated 6 to 8 cents a bushel, possibly more.

The reverberations from this costly strike continue to shake farm producers. Only last week, it was reported that a Russian delegation has been in the United States trying to find out why practically none of the 428 million bushels of wheat and corn purchased from us has been shipped. They have already canceled one new wheat purchase due, almost certainly, to the unreliability of American shipping occasioned, in part, by that dock strike.

The administration's farm export trade policies have also been an unmitigated disaster, with wheat and flour exports allowed to fall nearly 20 percent in the 1976–77 export year at the same time that Canada, Australia, and Argentina were increasing their exports in wheat and flour.

The administration jeopardized farm commodity shipments earmarked for 17 out of 28 countries under the Public Law 480 program last year, because Congress unwisely made the law more burdensome to administer, and the administration used such changes to haggle over human rights issues in the countries involved.

These Public Law 480 shipments have always represented an important pump-primer to American farm producers, since they frequently foster later commercial farm sales many times more valuable than the original concessional sale. For example, we shipped Poland $81 million in farm commodities under the program in the early 1950's, and in 1976 commercial sales to the same country were $447 million. Spain got around $60 million under the program in 1955, but in 1976 bought $644 million worth of farm goods commercially.

The foreign market development budget of the Department of Agriculture last year equaled only about eleven-one-hundredths of 1 percent of our gross agricultural exports. That figure is only about one-third what was being spent as recently as 1970.

Such policies have been extremely short-sighted, since about $1 in every $5 of gross farm income comes from exports, and every dollar earned by the farmer for exports generates another $1.33 in the rest of the economy. We ought to be bending every effort to increase the export opportunities for American farmers, not hemming them in.

Beyond all this, a whole nest of Federal regulations has been busy trying to ban more pesticides, change the content and labeling of ice cream, limit the preservatives in bacon and other cured meat, establish new regulations over meat and other foods, and even disposess farmers of part of their reclamation water in the West.

I must say, as a member of the House Agriculture Appropriations Subcommittee, that the President's proposed budget for the country's agricultural programs for the fiscal year starting in October represents still another disappointment.

The President has submitted a proposed budget to Congress which totals over $500 billion, yet the funds targeted for programs administered by the Department of Agriculture amount to only 3.5 percent of its entirety. Only $5.4 billion, or 30 percent of the USDA budget, is to benefit farmers directly, with the rest reserved for domestic food programs and the like, including the food stamp program. The budget would slash agricultural outlays by nearly $5 billion.

I am gravely concerned that the President has proposed to cut programs relating to natural resources and the environment by 43 percent, which would mean a virtual halt to new conservation and development projects, at a time they are particularly needed.

Certain agricultural programs would be sharply restricted in assuring funds are readily available for farmers and ranchers, including the emergency disaster loan program of the Farmers Home Administration, and other programs within the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, and the Forest Service.

These policies and budget proposals mentioned above are entirely unacceptable given the gravity of the present farm emergency in this country.

Goodness knows, Mr. Speaker, I would like to see us move away from heavy Federal involvement in the management of our agricultural economy, with all its attendant controls, regulations, and restrictions that inhibit the freedoms of our farmers. However, it is clear that more must be done now to assist the many farmers who find themselves in a desperate financial squeeze.

It is due to present conditions that I have joined in cosponsoring a bipartisan farm bill that would link Federal programs for economic assistance to agriculture to Government-mandated minimum wage and cost-of-living increases granted public and private employees and retirees.

As long as substantial segments of the population receive such boosts by law or collective bargaining agreements, thereby forcing up the prices for the equipment, supplies, and household needs of farmers, it seems reasonable to include a similar escalator clause in Federal target prices and loan limits on basic agricultural products, and in programs in which the Federal Government undertakes to support perishable farm commodity markets by purchases.

I am not committed irretrievably to this approach, but I think it is worth exploring by the Congress, because we cannot permit farmers to lag further and further behind those groups in the economy that have at least some cushion against inflation in the form of cost-of-living adjustments to their incomes.

Hearings on a wide range of proposals now pending might well establish another plan, or combination of plans, as more effective and fiscally acceptable. Proposals discussed here today may prove easier to implement on an expedited basis, including the provision of additional credit relief.

But the need to act swiftly and positively to bail out numerous farmers cannot and should not be dismissed. Bland expressions of sympathy from the White House are no substitute for action.

Mr. SEBELIUS. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Speaker, I appreciate the opportunity to take part in this special order and to discuss the current crisis in farm country today.

Approximately a year ago, when we were experiencing dust storms in the High Plains and our farm wives were in Washington, I warned my colleagues and the administration that we were in the midst of a severe price, credit, and cash-flow crisis. At that time, I said we had two problems: One, to write a good, long-term farm bill, and two, to quickly enact several emergency measures to provide immediate cash-flow assistance.

In our effort to provide this short-term assistance, I was joined by a number of my farsighted colleagues on both sides of the aisle. While we were successful within the Livestock and Grains Subcommittee in focusing attention on these proposals and the growing crisis in high plains wheat producing country, consideration of these emergency measures was refused. Nine long months later, a new farm bill still did not meet worsening cash-flow needs. As a result, current farm policy really left hard-pressed farmers little alternative but to consider drastic action.

That drastic action has resulted in the greatest outpouring of farm sentiment in recent history. Thousands of farmers from all over the Nation have converged on our Nation's Capital to plead their case to the administration and to the Congress. A record number of farmers testified in hearings on the farm crisis and offered constructive suggestions.

The testimony before both the Senate and House Agriculture Committees clearly showed our warnings of last spring to be correct. Net farm income has dropped from a high of almost $30 billion in 1973 to approximately $20 billion last year. A great part of this decline is due to sharply rising production costs and shows the farmer's vulnerability to inflation. When these same figures are adjusted for inflation, the picture becomes even more grim. The $20 billion earned by farmers last year amounts to only $11 billion when measured against the preinflation 1967 dollar. Our farmers are now receiving the lowest net return since the Great Depression.

In my home State of Kansas, net farm income back in 1970 was about one-third of what it was in 1973. The picture did not improve in 1977 and the outlook for 1978 shows little improvement, especially for the grain farmer. Now, I have no doubt that over the long term, the market situation will improve, perhaps even sooner than is being predicted. But, the problem is that we stand to lose a generation of young farmers in the process.

Without question, we have a farm crisis on our hands. The obvious question, now that hearings have been concluded, is what happens next? President Carter pretty well summed up the administration's position when he said a minority of farmers are in financial trouble and that the Carter farm policy offers definite advantages to those who survive the present crunch. I think the key phrase here is "those who survive." Secretary of Agriculture Bob Bergland, in a mailing to 300,000 grain producers, stated that the USDA has not explained the program well enough and that farmer participation in the set-aside and grain reserve program will bring about increased prices—but only if farmers use them.

Mr. Speaker, I have visited personally with thousands of farmers over the past few months. Our office here in Washington became the headquarters for the Kansas American agriculture movement. I would like to point out that this current farm strike action was due in part to the way the administration has implemented the set-aside program. Farmers tell me that without the summer fallow exemption that we have been advocating, it is little more than minimum loss blackmail.

I had hoped that the grain reserve path would not turn out to be the farm policy road this administration chose to travel. However, the Carter administration is committed to accumulating a grain reserve of 300 million bushels of wheat and 700 million bushels of feed grains this year. It is possible that putting this much grain into this program will create an artificial shortage and buoy the market.

However, there are strings attached. The grain will be in the hands of the farmer but in the arms of the Government. Farmers who enter the 3-year reserve or extended loan program will be penalized for selling below 140 percent of

the loan for wheat—$3.15—and 125 percent for feed grains—$2.15 for corn. The storage payments for 25 cents a bushel will also cease at those levels. The Commodity Credit Corporation will force farmers to redeem their loans if the wheat price reaches 175 percent of the current loan rate—$3.94—and the feed grain price hits 140 percent—$2.80 for corn. What this amounts to is a selective and sophisticated form of price controls for grain. As soon as the market hits the minimum release price—$3.15—the grain from the reserve will begin to trickle back into the market.

I can appreciate the policy intent to stop the farm price roller-coaster and eliminate the boom and bust cycle in agriculture. However, in the effort to stabilize prices, farm income has become stabilized on the downside. There are no stable high prices and the farmer is left to believe prices are being measured by a cheap food yardstick.

Mr. Speaker, just this past week, my office contacted courthouses throughout my 57 counties to determine the rate of farm foreclosures in western and central Kansas. To date, we have not witnessed a great number of farm foreclosures, but farmer indebtedness is at a record high and we are on the verge of a real agri-tragedy. Given the firm opposition by the administration to using existing authority within the current farm act to provide assistance, opposition to amending the current act and opposition to various other legislative proposals, the future looks very bleak.

In this regard, I am extremely concerned about the recent disclosure of a "confidential" USDA price projection for farm products. Conducted by the Financial Management Division of the ASCS, the study shows that the national average market price of wheat will not exceed $2.65, corn $2.35 and milo $2.25 over the next 5 years. These price estimates were based on a USDA planned surplus of at least one billion bushels of wheat and corn each and Government owned stocks of at least 650 million bushels of wheat and 585 million bushels of corn.

Upon learning of this price projection, I immediately asked Secretary Bergland to clarify its intent and use. While I have not received a reply, I am most gratified the Secretary publicly stated that the report did not represent official administration policy and even labeled it "meaningless." I hope this is the case. However, I am also concerned that the USDA is in the business of preparing "meaningless" reports for the Office of Management and Budget, the agency in charge of who gets how many dollars and when.

Mr. Speaker, I am also concerned over the recent decline in our grain exports so vital to our country's economic growth and our balance-of-payments problems. In 1975, we exported approximately 1.2 billion bushels of wheat. In 1977, our exports dropped to approximately 959 million bushels, the first time in 6 years that the United States exported less than a billion bushels. On June 1, the end of the current marketing year, we will have enough wheat on hand to bake 426 loaves of bread for every person in the Nation, triple the amount of wheat we had 3 years ago and the largest surplus since 1961.

I believe the world situation is very similar to that of 1971, prior to the Soviet grain sales, when the United States was the only country with sizable stocks available for sale. We are in a position to pick up substantial new business in the next few months which could certainly be of real help to our sagging economy. However, on the minus side, this position also means we have slipped seriously in our exporting during the past marketing year and should be doing much better than we are this year.

During these times of surplus, the United States should aggressively use every means at our command to expand exports. Such a policy would benefit farmers and consumers. It would minimize the taxpayer cost of farm program payments. We can utilize Commodity Credit Corporation credit, market development programs, the food-for-peace program, and some good old-fashioned enthusiasm and arm twisting.

For example, just this past week, the Soviet Union canceled sales of 305,000 tons of wheat due to contract shipping dates not being met and the orders were shifted to other exporters who are better able to move the grain.

It is a real tragedy that our Nation should have the asset of farm production that represents possible answers to such problems as world hunger, malnutrition, and even world peace; and yet this same asset now stands in jeopardy. It is a paradox of enormous irony that the farmer who can and will produce food and fiber to help feed the troubled and hungry world now finds himself in the midst of a financial crisis to the extent he may not be able to stay in business.

Mr. Speaker, the bottom line is that the United States cannot prosper if American agriculture does not prosper. Nor can any single segment of our society make lasting gains when they come at the expense of others. As the representative of the largest wheat and milo producing district in our Nation, I join with my Republican colleagues in making a commitment to a farm policy that will insure a prosperous American agriculture.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the present state of international agriculture.

There is a bright spot among our many economic problems today, and that bright spot is agricultural exports. Agricultural exports return some $24 billion each year, while imports amount to only about $13 billion. Thus our farm exports account for nearly $11 billion toward lowering America's trade deficit. Yet the dollar continues to drop to unprecedented levels on the world market, and I am concerned that the administration is not as active as it should be in promoting agricultural exports.

In order to perpetuate the currently healthy export market, the administration must take strong action in a number of areas. Worldwide markets must be opened to American exports through both bilateral and multilateral trade negotiations.

In bilateral negotiations, such as the present ones with Japan, progress must be made immediately. Japan now has barriers on imported beef and citrus which are partially responsible for an $8 billion American trade deficit with Japan.

Progress must also be made in the current multilateral trade negotiations under the capable leadership of Bob Strauss. However, I am concerned that the Ambassador has apparently been spending so much of his valuable time lately in the coal mines.

Before these negotiations are approved by Congress, the following must be agreed to: First, export subsidies used by foreign nations must be eliminated; second, a standards code must be drawn up to prevent technical nontariff barriers; third, the European Economic Community's variable levy, and its barriers which will put the United States at a substantial disadvantage when Spain joins the EEC, must both be eliminated; fourth, illegal taxes on tobacco by the EEC must stop; fifth Japan must drop its quotas on such items as beef and citrus; and sixth, the zero duty binding on soybeans in the EEC must be preserved. This last requirement represents over $2 billion worth of exports.

In addition, the negotiations should resolve all pending "section 301" cases. One of the most long-standing and important problems in this area, for example, is the illegal preferences granted by the EEC to Mediterranean countries on fresh and processed citrus. I cannot overemphasize the importance of obtaining equal treatment by the EEC. If the United States cannot obtain most-favored nation treatment for its citrus, it may not be able to obtain equal treatment for any of its products. There are a number of other cases; all should be resolved.

Leaving the area of trade negotiations, much can be done for American agricultural exports by strengthening the Foreign Agricultural Service. The market development program of the service should be strengthened, and funding in this area should be increased substantially.

Another area of concern is our agricultural attachés. I understand that under the administration's reorganization plan, agricultural attachés as we know them would be eliminated. Such a move would be disastrous to our agricultural marketing program overseas.

Finally, I seriously question the cost effectiveness of the generalized system of preference program as it now stands. This program was not originally intended to apply to agriculture. However, I note that the State Department now makes every effort to include as many agricultural items as possible in the program.

Let me conclude by saying to my colleagues that now is the time to take ac-

tion on these needs, for the time is long past for dealing effectively with the agriculture emergency as a whole.

Mr. JOHNSON of Colorado. Mr Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, by now, all of us are aware that near-record crop production this last couple of years has resulted in extremely low prices for farm commodities and drastically lowered net income for most farm families. Nationwide, the Department of Agriculture estimates that in 1978, net farm income, measured in real dollars, will fall to its lowest level in 20 years, as surpluses continue to depress prices and higher costs of production offset increases in gross farm income. In my home State of Colorado, for example, it is estimated gross farm income will increase by nearly 7 percent in 1978, but total net farm income for the State will drop 48 percent from $115 million in 1977 to a low of $59 million this year. In the last 4 years, since 1974, net farm income in Colorado has plummeted 91 percent, while overall costs of production have increased by approximately 31 percent for the same period.

As our farm families are forced to produce their way into heavier and heavier losses and, eventually, bankruptcy, it is clear the administration—specifically the White House—has decided not to respond to the untenable cost-price squeeze which grips American agriculture. The administration continues to assure farmers they will receive better prices for their crops if they participate in the voluntary acreage set-asides and farmer-held grain reserves which Secretary Bergland has established in an effort to reduce supplies and increase prices. Unfortunately, such assurances fly in the face of official but unpublished USDA projections of farm price expectations under the most likely weather conditions and participation in the administration's set-aside and grain reserve programs. These price and income factor data known broadly as CCC estimates suggest that while there would be some increases in farm prices under the administration's current farm programs, farmers still will not receive prices for their commodities which will allow them to even recoup their costs of production.

For example, USDA estimates the average price for wheat this year will be $2.45 per bushel, in contrast to USDA estimated production costs of $3 to $3.71 to grow that bushel of wheat. The Department projects farmers will receive an average price of $2 for a bushel of corn this year, while average costs of producing corn now range from $2.12 to $2.60 per bushel.

Given the uncertainty of weather conditions and other variables affecting crop production and demand, the "CCC estimates" of farm prices are open to question—ironically as USDA was quick to point out once the figures were leaked to the public. Nonetheless, the Office of Management and Budget apparently has insisted on using the data in arriving at important executive branch decisions on farm programs, decisions which—assuming OMB believes the CCC estimates—it knows are not in the best interests of American farmers.

There is no magic, single answer to the serious problems plaguing the farm economy. It is up to the Congress, and I stress Congress, to come up with some viable solutions. Fifty-five million Americans live in rural communities, and rural America depends largely on farming as the mainstay of its economic vitality. At this time, about 40 percent of the farms which comprise that mainstay are in serious economic trouble.

We are always going to have problems of one sort or another, but severe farm economic problems are especially virulent because farmers are our largest consumers, and the value of their agricultural marketings extend far beyond themselves to the entire economy. This year in Colorado, for example, farm cash receipts will generate an additional $2.7 billion worth of business elsewhere in the State's economy.

If untreated, critical income problems for the farmer soon spread through the rest of the nonfarm economy. As those of us from predominantly farm-oriented areas pursue possible ways to help the family farmer, I hope we can count on the support of our fellow colleagues.

Mr. STANGELAND. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Minnesota.

Mr. STANGELAND. Mr. Speaker, I rise today to speak in behalf of our Nation's farmers. It seems that since I have been in the Congress—a little more than a year now—it has been necessary to speak in their behalf more than I wish. Believe me, I make this statement not out of any lack of concern for the American farmer—much to the contrary since I myself am a lifelong farmer. It just seems that the dire economic situation of last year—with which we all became familiar during the debate on the Agricultural Act of 1977—has not changed. At that time many of us hoped to pass legislation which would provide the assistance the agricultural community needed to continue to operate. We got less than we wanted, but there was hope that the situation would improve. However, as we know, that is not the case.

Thousands of farmers have visited the Nation's Capital recently to impress upon their Government the severity of their economic situation. I have met with many of them and listened to their concerns. Not only are they in an economic crunch due to high costs and surplus stocks, but the Federal Government has managed to take actions which can only hurt the farmer more. The Vice President is discussing the exchange of petroleum for increased beef imports with Canada. The Assistant Secretary of Agriculture in charge of consumer affairs has issued a ban on the use of nitrites which effectively destroys a great portion of the pork industry. And now I learn that the World Bank—to which we contribute one-fourth of its funds—is lending Argentina over $100 million to assist in improving that country's grain marketing and stimulating its grain production and exports. If I did not know better, I would think that the administration had written the American farmer off.

Well, as a U.S. Congressman and as a farmer, I am calling for a reversal of this situation. If the administration will not take steps to solve the farm problem, then the Congress will be forced to take action. I am serving on the Republican Task Force on the Agricultural Emergency, and we intend to treat this situation as an emergency—and emergencies call for effective action. We are currently drafting a legislative program to provide the assistance needed, and I hope it will have the support of our colleagues, not only those with large farm constituencies, because the survival of the American farmer seriously affects us all.

Mr. LEACH. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Iowa.

Mr. LEACH. Mr. Speaker, probably the greatest group of entrepreneurs in America today are farm families. They have strong faith in the future or they would not plant a crop requiring a major investment on each acre with success dependent not only on a marketplace over which they have no control but the vicissitudes of weather conditions in this country and abroad. Farmers are a courageous, basically nondemanding minority. All they want is an opportunity to work the land and to produce a product for market at a reasonable profit. They do not want to rely for their income on Government checks delivered to their mailbox. They do not want to be told by Government how to plant their crops. They do want, and have every right to expect, the Government to stand back and let them produce with a minimum of regulation and a maximum of assistance in locating markets for their products. They also expect that Government involvement in agriculture should be aimed at longrun basic research and soil conservation and at substantive policies that protect individual farmers from the ravages of inflation and agricultural price depression.

With regard to the programs of this administration, the farmers I represent in Iowa have some fundamental questions about priorities.

Why, they ask, are there four times as many administration people abroad today selling bayonets and bullets than agricultural products.

Is it not inconsistent for their Government to talk so much about conservation and improved environmental conditions in America and yet propose a massive reduction in support for programs to preserve our most fundamental resource—our soil.

They know, better than most modern-day environmentalists, that each year we are losing nearly 3 billion tons of topsoil. They know that these excessive losses represent about 9 tons of soil per acre each year and altogether could cover the State of Rhode Island with a 2-inch thick layer of the best, most nutrient layer of soil found anywhere in the world.

Iowa farmers want to know why has the U.S. Department of Agriculture, the one Federal Department mandated to help develop and market agricultural products, been turned more into a department of consumption than production with more of its resources devoted to welfare than farm programs; and why has the USDA's long tradition of scholarly research been replaced by press-oriented consumer extremism. This transition has caused the president of one of the largest Midwestern State farm organizations to ask in frustration, "Who is the farmers' advocate in the U.S. Department of Agriculture?"

Iowa farmers also want to know how the family farm principle which has been the backbone of American agriculture can survive when estate taxes are punitive and when young men and women aspiring to a farming career are confronted with inflated land and equipment prices.

Clearly if this country intends to maintain its agricultural leadership in the world it is going to have to look to the family farm and to the young farmer and his problems. In my judgment the best way to assure that American agriculture stays free and competitive is to provide adequate incentive and a fair return on the towering investments and risks that farmers must take.

The farmers of this Nation, and the Congress are at a serious crossroads. In preparing to plant their 1978 crops, farmers are being forced to decide on whether to participate in the Federal Government's program of voluntarily retiring a portion of their cropland from production. Many also are trying to decide whether to plant any of their cropland in response to an organized movement among farmers who in frustration feel a total strike is the only way to gain the just profit farmers and ranchers deserve.

Congress is at a different type of crossroads. There can be no doubt in anyone's mind that the current plunge in net farm income cannot be permitted to continue if we are to avoid a collapse of both our farm and nonfarm economy. The question Congress faces is how best to turn around this economic disaster-in-the-making.

No simple answers exist. Any effective attack on the cost-price crunch farmers are in today must be a balanced approach.

If we are to improve farm prices and net income, the administration must implement an effective set-aside program to retire unneeded acres from production. Without some type of meaningful incentive to participate, the current set-aside program is worse than nothing. Less than one-fourth of the farmers in Iowa I hear from have indicated they will retire land in keeping with the announced USDA program requirements. If so few farmers participate, Iowa farmers will have virtually no income assurance or protection against disastrous prices this fall.

With such small participation, particularly by corn growers, very little of the 1978 crop production will be covered by Government support policies. In this event there will be nothing to prevent huge surpluses from pushing the market significantly below the loan level and most farmers will find themselves without any income protection. The program as it now stands will only guarantee cheap food and low grain prices.

The administration has all the authority it needs to provide meaningful incentives. It has learned in survey after survey that farmers are not planning to participate in its set-aside program, and yet it persists in stonewalling its position of not providing effective incentives to farmers for taking part in the acreage retirement program. Congress must demand action through passage of new legislation which removes the option of the administration if it will not act within the authorities it already has.

My feeling is that legislation should provide positive, staggered incentives for participation. Positive in the sense the farmers should not be penalized for holding high-priced acreage out of production; staggered in the sense that guarantees should increase in proportion to the amount of land a farmer sets aside. For example, a farmer who sets 20 percent of his acreage aside should be guaranteed a higher price for his corn than one who sets 10 percent aside.

Additional steps which must be taken to improve farm prices are the reduction of trade barriers which other countries establish against our farm products. The administration should take a far more aggressive lead in GATT and other international trade assemblies in standing up for American agriculture. In addition, the Congress should consider granting "most favored nation" status on the sale of agricultural commodities to certain Eastern European and Asian nations where it would be in our clear interest to do so.

We must strive to change the present situation where the United States ends up only as a residual agricultural supplier. This can be accomplished only through an aggressive export program including credits to meet competition from other exporting nations. Particularly, I believe the time is ripe for Congress to provide for new medium-term credit for sales financed by the Commodity Credit Corporation and to permit the nonmarket economies to participate in CCC credit programs. Clearly, also, we must approve new emergency credit programs for the many young farmers and others who, through no fault of their own, have found themselves in an overextended credit situation.

In addition, Government has a responsibility to balance risk and reason in its promulgation of rules and regulations affecting agriculture. Unfortunately, confrontation rather than cooperation appears to be the order of the day and a prudent consumer-producer balance has been lost. The end result, almost certainly, will be higher priced food commodities for American consumers and the poor and hungry throughout the world.

Of equal importance to development of a sound farm program is the establishment of prudent restraints on Federal spending. The greatest problem farmers face is uncontrolled inflation. Young farm families have seen the savings of their parents' eroded by inflation and already in their farming experience they are feeling the pinch of Federal spending running out of control. When the price of a tractor or combine doubles in 4 years while the prices of the goods those implements help a farmer produce go steadily downward, a firm stand against runaway inflation must be a major priority of the Congress.

The cost of production has gone up 5 percent in the past year while the prices of farm products have gone down 1.5 percent. During the years 1973–76, net income averaged $26 billion a year nationwide. This past year it fell to $20 billion and promises to go perhaps even lower in 1978. Farmers are in the worst cost-price squeeze experienced in many years. Secretary Bergland is forecasting a reduced income to American farmers from exports this year and if this becomes true, it will be the first year in the past nine that farm exports have decreased.

We cannot sit idly by and let the State Department give second rate attention to agriculture. This past year the U.S. share of world wheat exports declined while Canada was expanding its share of the market. This can be reversed only through aggressive sales efforts by our Department of Agriculture.

A number of us from the minority have been preparing legislation to offer as an alternative to the insensitive approach adopted by the administration and when it is introduced soon, I forecast it will provide a meaningful approach to alleviating the unacceptable net income pattern of American agriculture.

Mr. MARLENEE. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Speaker, I would like to supplement the statements made by my task force colleagues concerning the grave agricultural crisis that now faces our Nation's farmers and ranchers.

We know of the problems facing those who till the soil, and they are an overwhelming number in my district of eastern Montana. But our livestock producers are also facing a grave crisis.

The Meat Import Quota Act of 1964 does not go far enough in protecting the livestock industry. Loopholes are present which permit other countries to circumvent the quotas this act has imposed.

I questioned Secretary of Agriculture Bob Bergland as to the time frame on limiting imports, or at the very least including live cattle and/or processed meat under the trigger for meat import quotas. And just as was true 5 months ago when I testified before the International Trade Commission on imports, I did not receive a single solid recommendation or bit of help.

I am not only concerned for the livestock producer, Mr. Speaker. We must

make the consumer aware that the meat he or she has purchased may not have come from a country in which the cattle are thoroughly inspected at the time of slaughter.

I must urge the U.S. Department of Agriculture to force those countries importing meat of any form into the United States to abide by the same health and sanitary conditions we impose on our own producers. It is the right of every consumer to know where the meat he or she purchases has been produced. We must reserve the right to inspect foreign meat-processing plants more often, more thoroughly, and with no notice of our inspection dates.

With these objectives in mind, I have sponsored legislation which will alleviate the problems I have discussed. These problems could be solved by the administration, but the administration has so far chosen not to worry about it.

It is a sad time for American agriculture when Congress must mandate the obvious to the administration. Their lack of concern for the plight of the agricultural producer is now more than obvious.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Speaker, the plight of the American farmer is well known. Last year total net income from farming plummeted to around $20 billion, or about equal to what farmers earned 38 years ago. Last year exports dropped to less than $20 billion. Compared to 1973, net farm income has dropped by 33 percent at a time when the cost of living, and farming, has soared.

These figures are not merely dry economic data, but reality. Though my district in Oklahoma is almost entirely urban, it is also an agribusiness center. Wheat and beef are major commodities all across Oklahoma, and the economic health of our urban centers is intimately tied to our farm prosperity.

Though our purpose here is to focus on solutions, it is always helpful to define what is not a solution. So let me review briefly the Carter program.

President Carter and Secretary Bergland constantly point to two new "tools" provided by the 1977 Agriculture Act. They have placed all their marbles in commodity reserves and acreage set-asides. In order for their tools to work, however, unrealistic participation rates and constantly favorable weather patterns would have to occur.

Nevertheless, these "tools" have been used to justify massive budget cuts for Agriculture. In the midst of the worst farm problem since the Great Depression, Mr. Carter has proposed a 20-percent cut in total agriculture spending (from $22.6 billion in 1978 to $17.7 billion for 1979). Included in the figure is a cut of 47 percent in farm income stabilization programs and a cut in farm disaster assistance programs of 68 percent.

President Carter must know he can not realistically balance the budget with his policies, but to give the appearance of an effort he has made agriculture the whipping boy.

Fostering a policy of cheap grain through commodity reserves and then praying for rain is not a responsible national farm policy.

Those who have listened to protesting farmers realize that farmers are not looking for a handout; or a Government guarantee of profits. What they are asking for is to get the Government off their backs. They want the Government to stop artificially depressing prices, and to allow the market to rise to levels that will allow farmers to keep pace with the rest of the economy. Maintaining this equilibrium is what the issue of parity is all about.

Farmers' per capita disposable income for last year is expected to drop to an average of 75 percent of that of nonfarmers. This injustice must be corrected, and I support the goal of raising farm income to levels that are in line with the rest of the economy.

This goal is achievable through noninflationary, free market means. In December 1977, the retail price of a loaf of bread was 35 cents for a 1-pound loaf. The value of the wheat contained in that loaf was 2.8 cents. In December 1977 the retail price of a pound of beef was $1.45. The spread between this retail price and actual farm income was 59 cents. Obviously the price of selected farm commodities can be increased appreciably without unreasonably increasing inflation if labor, transportation, packaging, and marketing costs are not bumped up also.

The market must be freed to operate properly. In the last few days we have seen more than 1,000 farmers gather at Hidalgo, Tex., protesting (among other things) the flood of imported beef that depresses domestic prices. I share that concern over the effect of imported beef.

In addition to addressing the issue of imports, we must also address the problems of a sagging agricultural export trade. The aggressive expansion of agriculture exports is an important step in creating a prosperous future for American farmers.

I join my colleagues in urging the President to redesign his agricultural policies to provide for a healthy farm economy and a fair free market return for American farmers.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I am pleased to join the gentleman from Louisiana (Mr. MOORE) in discussing a matter of great concern to the citizens of my district and to all Americans. The simple fact is that many American farmers are in a desperate situation, and we in the Congress must take direct and immediate action to protect this vital element of our economy.

Some shortsighted individuals seem willing to overlook the plight of the American farmer in the misguided belief that the problem will solve itself. Some even seem to think they will benefit from the low prices the farmer receives for his crops. These people, who claim to represent the consumer, are dangerously ignoring the lessons of our own recent history. We have already seen in this country that a depressed economic situation in the farming community is a forerunner of a larger problem throughout the entire economy. The net income after costs of the American farmer today is less, when adjusted for inflation, than the farmers received in 1936 at the height of the Great Depression. In 1967 dollars, that net income amounts to an average of only $5,721 for each farmer.

The total debt owed by the American farmers has increased from $81.8 billion in 1974 to an estimated $102.1 billion currently. This means that many thousands of farmers are being forced to sell their lands and fixed assets, to borrow heavily against future income, and many are facing bankruptcy. From letters, conversations, and many meetings with people from my own district I know this is taking place, and reports from around the country indicate a common theme of distress.

Congress cannot ignore these clear signs that many in our agricultural economy are on the verge of financial collapse. There is not a man, woman, or child in this country who would not be seriously affected if such a collapse should occur sending shock waves throughout the rest of the economy. We in the Congress must provide some immediate and lasting relief for the farming community. It is not enough to wait and see if the provisions of the 1977 Agriculture Act will work in time to save our family farms.

Compare congressional reaction when other sections of our economy faced similar difficulties. When the aerospace industry was in trouble, there were those in Congress who rushed in to rescue it with Federal funds. When New York City spent itself into bankruptcy there was a deafening chorus by those who wanted the U.S. Treasury to finance the bail-out. Virtually any major group in this country would receive a generous helping hand from Uncle Sam if they were faced with this sort of crisis. No one group has done more for this country or its economy than the farmer.

It has been the farmer and his exports that have kept this country afloat in the international markets. We have heard recently that the dollar has slipped to its lowest level in history in the international money exchange. The international economic situation is serious and it deserves our attention. But it would be much much worse if it had not been for the farmer's exports that balanced our international payments. Their exports kept the value of the dollar stable and allowed others to buy foreign products cheaply and improve their standards of living. Other domestic industrial and manufacturing groups dropped from an effective international competition when their labor agreements and executive salaries priced their products out of the marketplace abroad. Their wages

and salaries increased and their dollar was secure because the farmer was productive and could export his product where they sometimes could not. I do not believe it would be an overstatement, in fact, to say that the rest of the country and the rest of our people have been riding high on the hog at the expense of the farmer and his family.

The time has come, though, when the farmer can no longer endure the burden he has been forced to carry. The price of his equipment has gone up, the price of his fertilizer has gone up, the price of everything he must use to grow the food we eat has gone up. He can no longer make a living. Other segments of our economy have not been as productive as he has been; others have been able to control the supply better than he has been. Still others have raised the price of what they produced and sold to him. Inflation has hurt everyone, but it is the American farmer who is now faced with bankruptcy. We must do everything we can to help.

In the short run, I propose that we enact a program of emergency loans to farmers to tide them over in the immediate crisis. This loan program might be coupled with a suspension—or moratorium—of repayments for outstanding loans or interest on those loans.

Furthermore, we should seriously consider the Dole-Sebelius bill that I have cosponsored that would serve to limit production without Government controls. This bill would establish a system of flexible parity that would provide higher parity price supports for those farmers who decide to plant a smaller portion of their acreage. Under the system a farmer who planted only 50 percent of his field would be guaranteed full parity for the crop he harvested from that field. Such a system would create the voluntary reduction of planting and would raise the market price of that crop without having the Government interfere with the free decisions made by the farmer for his own welfare.

In addition, we must act now to provide the American farmer with better information that he can and will use to make those decisions of when and what to plant, and when to sell his crop. There should be a full and complete auditing of the Department of Agriculture reporting system on grain reserves. These reports that spell out the amount of grain held by the Government and the methods they intend to use to dispose of those grain reserves are absolutely vital to the farmer who must then make his own decisions on planting and selling. These reports too often have been inaccurate in the past causing needless hardship. We must take whatever actions are necessary to correct these reporting errors. I will shortly submit a congressional resolution designed to take the necessary steps to correct this situation.

Furthermore, we must move immediately to insure the immediate reporting of all major grain deals with foreign governments. The family farmer, and not just the major grain companies, must be able to share in the dividends of these transactions. A bill that I have cosponsored will require that kind of full reporting and I urge the House to consider it favorably and send it on for passage.

Mr. Speaker, in addition, an analysis must be made of the impact upon the stability of commodity grain prices by the trading and activity of futures contracts by the Chicago, Kansas City, and Minneapolis Boards of Trade. While these trading bodies can provide some protection to the farmer by allowing him to "hedge" his crop at a certain market price reached during the year, there is some indication that the speculation in the futures market is having a destabilizing affect upon the cash grain market and creating greater hardship for many farmers. It appears in some instances that "the tail is wagging the dog" as it happens between these markets and that the speculators are gaining at the expense of the working farmer.

However, the most important task we must set about is to work for the immediate and lasting expansion of our agricultural export markets. In this area it is extremely disappointing to notice the moves taken recently by the Carter administration. So far from working toward the expansion of our export trade, the Carter administration, through the State Department, has ordered a cutback in the number of agricultural attachés in American embassies throughout the world. This action removes from the American farmer the opportunity to take advantage of export markets because it will mean that there will not be an American attaché searching for those opportunities in various countries. Furthermore the Carter administration has reduced our participation in agricultural trade shows throughout the world thus further removing the United States from an active competition with other foreign producers. They have snarled our Public Law 480 transactions with redtape when the Carter administration did not consider properly its human rights policy. This action cutting off food could not have possibly helped the people of those nations. And it certainly did nothing to help our farmers when others rushed to sell these nations what we had refused to sell. In order to correct this situation I have introduced House Joint Resolution 615, which orders the President, Secretary of Agriculture, and other officials to develop and implement a comprehensive program for farm sales of American agricultural commodities.

Finally, the Carter administration stood idly by as labor unions held up U.S. grain shipments last fall causing the permanent loss of some foreign grain markets who then found their grain elsewhere.

Mr. Speaker, no legislation, of course, can correct the failure to act by a President who is paying political debts; but I have sponsored one bill and have cosponsored another that would place the expansion of our agricultural export markets at the very top of the priorities for this Government. Mr. Chairman, I believe the slogan that says, "Never have so few done so much, for so many, for so long, for so little." If we were to truly realize our debt as a Nation to the family farmer, we would at this moment stand in wonder only that Congress hesitates to act. I believe these proposals are workable and I know they are desperately needed. I hope the House will consider them in that light and pass them for the benefit of all Americans.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman very much for yielding. I would like to compliment him as one of the bright supporters of agriculture here in the Congress and for his work on the agricultural task force.

I am reminded that last year, the 95th Congress, as the Congress started, it was Bert Lance, who was then the prestigious Director of the Budget, who said, "If it ain't broke, don't fix it."

That was said prior to the time that Bert Lance had been discovered to be a graduate of the Billie Sol Estes school of banking, and all of those problems fell upon the distinguished OMB Director, and he left town.

However, I think one should not hold to those other criticisms against what he said, and it should be taken to heed: "If it ain't broke, don't fix it."

But what did these trainees do? They came to town, and we have now an Assistant Secretary for Consumers, an Assistant Secretary for Agriculture, an Assistant Secretary for College Professors, and an Assistant Secretary for Minorities.

They have hired the hunger lobby. All those people who used to sue Secretary Butz when he tried to tighten up the food stamp program are now working at disseminating food stamps as rapidly as possible, to the point where we have an Assistant Secretary for nearly everyone in our society except for the farmers.

Mr. Speaker, it is sad, in my judgment, that we do not have one spokesman for the farmers.

The gentleman from Louisiana (Mr. MOORE) well knows that when Secretary Bergland came before the Committee on Agriculture of the House, he said he would not start a fight he knew he could not win. The gentleman from Idaho had told him that what we wanted was someone to go to the White House and to the Cabinet and stick up for the rights of farmers to receive farm income and equity for their work or labor, a return on capital investment. That is a very small measure.

Secretary Bergland, a former distinguished Member of this body, said that he would not start a fight that he could not win.

Mr. Speaker, I think that is very unfortunate for the American farmers because I think we are in a situation where our farmers need a spokesman in the administration.

The first thing this administration did when they came to town and took over was to say, "We are going to take the bust out of agriculture and put the boom in." The first thing they took out of it was the boom, and we now have Berg-

land and bust when we used to have Earl Butz and boom. I think it is really an unfortunate situation.

Mr. Speaker, we have refused to look at what happened in the past, and we have turned our back on the past.

In 1 short year, with all of these left-handed monkey wrenches tinkering and maneuvering with the farm policy that was working so well, we now have a situation where agricultural income is down by billions of dollars, $10 billion, I believe it is, over the average of the last 5 years.

We have a situation where the last bastion, one might say, of proprietorship of the American farmer, a person who owns his business, owns his farm, and has a real sense of proprietorship based on all of his ingenuity, is being bankrupted by Government policies based on a cheap food policy.

Therefore, Mr. Speaker, I commend the gentleman. I would encourage those Members of the Congress to heed what is happening in American agriculture because, as the gentleman has so well stated, all income in this country arises originally from the land. It comes from the forests of this country; it comes from the oil fields; it comes from the mines; and it comes from the farms. All of those things are what generate the basic new wealth in the country.

Mr. Speaker, it is so essential that we keep a viable market economy alive and well for American agriculture. I do hope that the administration will reappraise these policies that we have been witnessing, and I hope the gentleman and his task force will come up with some positive recommendations to the Congress to help correct a very bad situation.

I certainly believe that one of the things we need to do is to increase foreign markets. There are many others, but I am sure the gentleman and his task force will give them the careful consideration they deserve.

Mr. MOORE. Mr. Speaker, I thank the gentleman from Idaho (Mr. SYMMS) for his remarks.

His opening statement was something about the fact that if something isn't broke, don't fix it.

I think we can all agree that the farmers right now are broke and something needs fixing. We intend to come up with a bill that does just that.

All of the recent hearings we had on the 1979 fiscal year Agriculture Department budget, which is what the gentleman from Idaho was talking about, seem to indicate that the budget is leaning more and more toward social services and less and less toward agriculture. We saw tremendous cuts in agricultural research programs, and it appears that the trend in the Department is not toward being sympathetic and concerned about the plight of the farmers, but being sympathetic and concerned about the end users of food, the consumers. There is nothing wrong with that except for the fact that if we are not first concerned about the farmer, there will not be anything to consume.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am pleased to join my colleagues here today to discuss the current farm problems. During the last few weeks I have talked with farmers from all sections of our country as have my colleagues. There is no doubt that many farmers are facing a financial crisis.

The total net income of U.S. farmers dropped to about $20 billion in 1977, the lowest level since 1972 and 10 percent below 1976. If income data are adjusted for the annual rate of inflation however, the income for 1977 is roughly comparable to the $10.5 billion net income of 1964 in terms of purchasing power. Another economic indicator is the rate of return to farmers' equity. The return to equity for farmers reached a high of 10.7 percent in 1973, sagged to 3.3 percent in 1976 and fell to 2 percent in 1977.

Per capita income for the farm population has historically lagged behind per capita income for the nonfarm population. During the decade of the 1950's the farm population received an average of 54 percent of the nonfarm per capita disposable personal income. In the decade of the 1960's the farm population's status had risen to an average of 65 percent of the nonfarm level. In 1976 farmers earned 81 percent of the per capita income received by the nonfarm population. The relative improvement in farmers' incomes has in general not come through higher earning from the farm business. Farmers and their wives have increasingly turned to off-farm jobs to supplement their farm incomes. In 1976 the personal incomes of the farm population from nonfarm sources reached $24 billion. Farm families earn more than half their living off the farm.

If farmers were accorded a fair return of their capital investments, the return to their own labor and management would be negative. Farmers' equity in production assets totaled $409 billion in 1976. At an assumed return of 8 percent, this capital should have earned $32.8 billion. Gross farm receipts minus production expenses, except for interest and rent, were $31.4 billion in 1976, leaving a net return to the operator of minus $1.4 billion for labor and management.

Further, even though the number of farms has been declining, the drop in total net farm income has been even greater since 1973. In 1973 there were 2.844 million farms with net income per farm equal to $11,727. By 1976 the number of farms was down to 2.778 million but net income per farm was down to $7,203. These income problems have resulted from drastic declines in commodity prices.

To compound matters, during this time period the costs of farm inputs such as seeds, fertilizers, spare parts, fencing, labor have skyrocketed. Consequently, farmers have been caught in a classic cost-price squeeze resulting in the current financial crisis for some farmers.

Specifically, there are several points about our current agricultural policy which concerns me, and which is going to be a deterrant to correcting the critical income situation of farmers throughout our Nation. First, I have not seen signs of the needed aggressive export policy during the present period of abundant supplies of agricultural commodities in the United States. I share the concern of many that the agricultural sector and farmers are being taken advantage of by those who are representing the United States in trade negotiations. I fear too much of our present agricultural policy is being made in the State Department without needed consideration for the farming community. The farmers, who have shown both the ability and the willingness to supply the food and fiber needed for our citizens, must have a spokesman.

The attitude of many of the high level officials at the U.S. Department of Agriculture is that of a "cheap food" policy. Many of my fellow Iowa farmers share my concern as shown by the results of a survey late last year. The poll showed that 9 out of 10 farmers think USDA favors consumers over farmers when their interests conflict. Slightly more than half of the nonfarmers also believe that USDA generally supports the consumer's interest when it conflicts with that of the farmer. We are all consumers and we must take their interest into consideration. However, I strongly feel that there must be more balance than now exists. The U.S. Department of Agriculture must be the spokesman for American agriculture. As I have stated before, I am concerned that the rumored reorganization of USDA would be at the detriment of farmers. Again, I fear an effort to reduce the influence and impact of farmers on agricultural policy. I intend to monitor the reorganization plans for USDA, and will actively work to maintain a strong Agricultural Department with its goal that of representing the farmers of this Nation.

Another matter which has bothered me for some time now is the administration's unwillingness to face up to the probability that farmers will not willingly participate in the set-aside program without some type of inducement. Early last fall I wrote Secretary Bergland suggesting that he consider set-aside payments. I am sorry that, as you know, the Secretary chose not to make set-aside incentive payments. According to the poll I mentioned earlier, only one in four farmers said they were planning to participate in a set-aside program. In my opinion, the administration must face up to this issue.

Another matter of immediate concern is the President's budget for agriculture research, extension programs, conservation programs, and rural development programs. I understand fully the allocative decisions which must be made for Federal dollars among the various departments and agencies. Likewise, there are also allocative decisions within an agency or department. However, it escapes me how programs which have proven to work so well in the past and has the excellent return for the public dollars spent in them as agricultural research and extension programs could re-

ceive so little attention. Additionally, the conservation programs carried on in USDA apparently merit little concern and attention from the present administration. One must remember the Soil Conservation program was a leader in ad dressing the problem of the destruction of our natural resources. The leaders in the efforts to conserve our land were our first environmentalists and were way ahead of their time.

The present administration which in the past criticized efforts to address the needs of rural Americans again sends to Congress a budget which obviously does not adequately consider their needs. The family farm in this country is an institution which must be preserved.

I am pleased that the Subcommittee on Department Operations, Investigations, and Oversight of the House Agriculture Committee recently held hearings on the research and extensions programs of USDA. Hopefully, as a result, favorable consideration will be given to increasing the President's budget in these areas.

Mr. Speaker, these are some of the issues which concern me. I will be closely monitoring all developments in the comings days and weeks which affect the farmers and rural residents. The current plight of farmers must be addressed by Congress and the administration.

I thank my colleagues for allowing me the opportunity to present my concerns on this matter. I would also like to thank Congressman MOORE and the other members of the task force on the agriculture emergency for their fine work on behalf of the farmers.

Mr. MOORE. I thank the gentleman for his remarks. We came to Congress together and have served almost 4 years on the Committee on Agriculture. I think we have seen what really is not a conflict between the consumer and the farmer. Quite the contrary, if the farmer does not produce, the consumers of America will not enjoy the quantity of food and fiber, and at a quality that no one else has. It is when we stop trying to stimulate production that the consumer will really feel the trend.

If we are not concerned about the trend the Department of Agriculture is going toward in getting away from trying to help farmers, we are going to see the very things the gentleman from Iowa points out come into reality.

Mr. GRASSLEY. I thank the gentleman.

● Mr. THONE. Mr. Speaker, the American farmer is faced with crisis conditions. The farmer is probably the only class of U.S. citizen whose income has been drastically reduced over the past several years and yet has been faced with dramatically skyrocketing costs of production.

Congress gave the President the power to take much corrective action when it passed the Food and Agriculture Act of 1977. President Carter has taken hardly any of the steps that are already available to him under existing law to improve agricultural conditions. The failures are in many areas. Others taking part in this special order will point out many of them. Let me give one example that illustrates how the Carter administration has turned its back on the American farmer.

Gasohol is a product consisting of 90 percent gasoline mixed with 10 percent alcohol made from plants. The feasibility of making alcohol from all kinds of crops—from grain to trees—is undisputed. To make gasohol economic, we must take two steps. One is to conduct research that will develop profitable by-products to be made from the plants from which the alcohol has been removed. The second steps is to develop, through construction of some pilot plants, the economics of scale in producing this alcohol.

The gasohol amendment which I added to the Food and Agriculture Act of 1977 provides for both of these steps. It provides for $24 million of research by universities over a 5-year period. The bill authorized $3 million for fiscal 1978 and such sums as necessary over the other 4 years. The administration has not recommended appropriating a dime for this program for either fiscal 1978 or 1979.

The Department of Agriculture is saying that the research ought to be done, but that it should be done by the Department of Energy. The Department of Energy is saying that the way to get alcohol is to get it from coal. You are all aware that we cannot even get coal for coal today, much less coal for alcohol. The mine workers have rejected a proposed contract that over a 3-year period would have brought their hourly wages and fringe benefits to more than $17 per hour. New safety standards for deep coal mines and new environmental constraints on strip mining are going to drive the cost of coal up considerably.

The most important point to consider is that coal is a one-time resource. Every ton we use will never be available to us again. Alcohol from plants is a renewable source of energy that can be replenished every year.

The other portion of the gasohol amendment provided for Federal guarantees of a portion of commercial loans to build four pilot plants to produce alcohol. The Department of Agriculture asked for preliminary bids to be submitted by February 1 for those wishing to build such pilot plants. Then the deadline for preliminary applications was extended to April 15. Now a Department of Agriculture task force has outlined 27 reasons why it cannot carry out this program.

It has not been the practice to appropriate funds for a Federal guarantee of loans. The guarantee requires no funds. Yet at least some officials at the Department of Agriculture are saying that appropriations will be needed before the pilot plant loans can be guaranteed.

The Department of Agriculture recently gave a report, titled "Gasohol From Grain—the Economic Issues," to the House Budget Committee's Task Force on Physical Resources. In releasing the report, the task force chairman, the gentleman from Ohio (Mr. STOKES) noted that USDA based its conclusions on 1930 technology without taking into account research and development currently under way and that the study was based on total replacement of gasoline with gasohol.

Mr. Speaker, I urge Members of the House to urge the Budget and Appropriations Committee to provide funds now for gasohol research. On February 22, approximately 50 Members of the House from both sides of the aisle wrote President Carter urging him to push forward on development of gasohol.

I urge other Members of the House to join in asking the administration to take action on gasohol and on other steps to improve the sorry plight of the farmer. The administration is digging in its heels to fight against the will of Congress. We are going to have to exert greater effort to drag the administration, kicking and screaming, into doing what Congress has mandated.●

● Mr. GOODLING. Mr. Speaker, on January 16 the World Bank gave $40.5 million to Romania to improve irrigation to increase its wheat, corn, and soybean output.

February 23—the last announcement—is the Argentina loan of $105 million which is at 7.45 percent interest for 15 years and a 3-year grace period which brings the actual interest to about 6.5 percent. The loan is intended to increase their output with a low interest loan at a time when the United States is already in bad economic straits with their farmers and Argentina is the third largest exporter—this makes Argentina even more competitive to us and thus puts our farmers in an even worsening situation.

The United States has a voting right of 25 percent and for this vote abstained. It could have not only voted against such a disastrous loan but could have enlisted other supporters. This vote is given by the Department of Treasury, National Advisory Council on International Monetary and Financial Policies which is made up of the Assistant to the President for Economic Affairs, Secretaries of Treasury and State, Federal Reserve Chairman, Secretary of Commerce and Exim Bank. Agriculture has no say.

So at a point, where our farmers are going under, the United States misses an opportunity to curtail further competition from countries such as Argentina which contributes about 1 percent to the World Bank.●

● Mr. WINN. Mr. Speaker, It is impossible for any member of this body not to feel great admiration for the farmers of this Nation. They, more than any other workers, have a long tradition of independence, innovation, and hard work which has made them productive marvels who feed not only themselves, but each feeds 57 other Americans, as well.

At the same time, however, we must also feel great sympathy and sorrow because great numbers of farmers in recent weeks have told us that they have reached the end of their economic ropes. Several hundreds and even thousands may be forced to get completely out of farming at the end of the current crop year.

I do not believe we, in Congress, can

afford to sit idly by and let this happen. I do not believe we can let things go for much longer. The present situation is bleak, but the future is intolerable, if we fail to act soon.

Farming is a very risky business. Not the least of the risks is the weather which is virtually uncontrollable and unpredictable, especially on a worldwide scale. In addition, our farmers have also taken big risks to comply with policy fluctuations that have encouraged high production while maintaining low food costs for the consumer.

Isn't this a little unrealistic? What other major industry has so little control over its price? What shopkeeper or manufacturer could survive for long without setting prices on his product?

There is no doubt about it. The farmer is at the mercy of many, many other people. He needs equipment which he must buy at a manufacturer's retail price. He needs fuel and fertilizer which he buys at prices determined, at least to some extent, by the seller. Yet, when he harvests his grain, he must wait to see what the market will pay.

Sure, he could ask for $5 to cover the cost of producing his bushel of wheat, but in today's market, he will be lucky if someone pays him half that amount. What, then, does he say to his creditors?

Like many of the farmers who have come through my office recently, I am frustrated. Frustrated because I see the administration virtually ignoring the farmer. Frustrated because even our own Agriculture Committee has done so little. The President and Congress have been up in arms about the coal strike. Can we not also get up in arms about the farm strike?

Hearings are a start. But many farmers have trouble understanding a system that can pass a law lifting television blackouts on professional football games in record time, but then takes months and years to act on legislation vital to the survival of our economy. Quite frankly, they have a point. Why can we not act?

There are demands for 100 percent of parity. On a very simple level, what the farmers really want is a fair price for their products. Most of them recognize that they probably will not get 100 percent parity, but there is nothing wrong with asking for it. And there is nothing wrong with Congress taking some action to move in that direction.

I believe a reasonable compromise is the flexible parity bill which my colleague from Kansas, Congressman SEBELIUS, has introduced. This bill would adjust the target prices for wheat, feed grains, and cotton in accordance with each farmer's decision on how much to reduce production. Those who choose to set aside up to 50 percent of their planted acreage would qualify for higher target prices of up to 100 percent of parity.

While this bill does not guarantee everything that members of the striking American agriculture movement have asked for, many have indicated that it is acceptable to them. I believe it is a positive step which, at least in the short run, may save some farmers who might otherwise be forced to sell their land.

What the farmers want most of all is to see the Government adopt a determined agricultural policy that assures them a fair return for the products they produce. Due to the nature of their industry, they cannot survive rapid fluctuations in policy. And they cannot survive a "cheap food" policy under which the Government will accumulate, own, and control commodity stockpiles which may be dumped back into the economy if Washington determines agricultural prices are too high.

Farmers and ranchers are in a no win situation, and I do not foresee any changes in the near future. The recent edicts issued by the administration will have an adverse impact on agriculture. But the adverse impact will strike not only farmers. Ultimately, it will strike consumers, as well.

I believe it is time for the Congress and the administration to work together for the benefit of all Americans.●

● Mr. HANSEN. Mr. Speaker, I am pleased to associate myself with the gentleman's remarks. Overdue corrective measures to repair the situation causing farmers scandalously low returns for their crops in the face of skyrocketing inflation and costs of operation have resulted in serious unrest in rural areas which must be dealt with as a matter of high priority. Farmers are having to fight for their lives, but it is really the welfare of the consumers of the Nation and the world which is at stake.

The farmers need more than sympathy and lipservice, they need action. This segment of our Nation's economy has become a whipping boy. When food prices go up the farmers are blamed but when farm prices fall off while food prices continue to go up the farmers still seem to get most of the credit.

I commend the minority leadership for its initiative in seeking a solution to this problem and will certainly support the Task Force on the Agriculture Emergency as it works to achieve answers to these critical problems. This will require active pursuit of the grievances of the farmers in Congress, in the agencies of Government and in the agricultural communities and marketplaces themselves until real answers are found and the rural communities of the Nation can return to the traditional calmness and stability which provides the breadbasket of the American way of life.

The worst problem facing farmers as with all citizens is the overwhelming burden of big government. Taxes accumulated at State, Federal, and local levels amount to a major portion of the retail cost of farm products. There are Federal and State income taxes, employee taxes, social security taxes, sales taxes, personal property taxes, inventory taxes, licenses, regulations, and controls. These are all imposed on the producers, the processors (including food, plant, and equipment) the transporters at all levels and then a sales tax is again added at the end.

Most people blame the difference between farmer receipts and food prices on middleman profit without realizing that the big middleman is the Government as it taxes at every level and increases the cost of the end product by over 50 percent. Both consumer and producer are victims of the oppressive burden of big government.

Our domestic agricultural producers are the most efficient in the world and therefore produce much more than we consume domestically. It is therefore essential that we have an active export program for our farm commodities. This allows a hungry world to benefit from our agricultural efficiency and creates opportunity for reasonable profit to producers of farm products.

I am in the process of conducting a survey of the farmers of my district to learn firsthand what they think should be done to improve the present situation. There is disagreement on some of the presently proposed solutions and the best way for prompt constructive congressional action is for as many farmers as possible to agree on the approach. I will keep the appropriate individuals making the decisions aware of the results of my survey which will insure direct farmer impact in the formulation of new farm programs.

In the meantime I am working closely with Idaho and other farmers in Washington from across the Nation to utilize their efforts toward framing constructive legislative proposals to be aired by congressional hearings and forums at State and community levels. Hopefully this will speed the day of hoped for relief.●

GENERAL LEAVE

Mr. MOORE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PROPOSED ARMS SALE TO EGYPT, SAUDI ARABIA, AND ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FISH) is recognized for 60 minutes.

Mr. FISH. Mr. Speaker, Congressman GILMAN and myself, and others have requested this special order to afford our colleagues in the House of Representatives an opportunity to discuss the Carter administration's proposed arms sale to Egypt, Saudi Arabia, and Israel. When President Carter formally presents the arms package to the Congress sometime next month, this body will have to make what I feel will be the most important foreign policy decision of the House of Representatives in the 95th Congress.

On February 15, the administration notified the Congress and the American people of its intention to submit "letters of offer" for the sale of 60 F–15 fighter-bombers to Saudi Arabia; 50 F–5E fight-

ers to Egypt; and 75 F–16's and 15 F–15's to Israel. The administration at the same time indicated and subsequently has insisted these letters of offer would be a "package" deal—all planes to all countries, or no planes to any. On the contrary, Mr. Speaker, it is my considered judgment that this body should consider each sale on its merits.

It is my contention that this proposal by the administration is, at best, highly debatable. I believe the decision to sell F–5E's to Egypt is ill-timed, coming in midst of sensitive peace negotiations; the sale of F–15's to Saudi Arabia ill-advised, making Saudi Arabia a potential fourth confrontation state; and the linkage of continued military assistance to Israel with a military relationship with these two Arab nations marks a radical change in U.S. foreign policy.

Before I deal with the timeliness of the sale of F–5E's to Egypt, or the wisdom of the 60 F–15 fighter-bombers to Saudi Arabia—a 50 percent increase over the recommendation by the Defense Department—I would like to explain why this "package" arrangement is wrong, and why it marks a major shift in our U.S. foreign policy in the areas, and tends to undermine our credibility as mediator in the peace process.

Most Americans applaud our success in past years in gaining the confidence of the moderate Arab States. We have succeeded in undermining Soviet influence in the Mideast. We have played an instrumental role as mediator, fostering direct negotiations, while maintaining a special relationship with the democratic state of Israel.

Mr. Speaker, if you will recall the 1973 Yom Kippur war, it was the United States that negotiated the Israel pullback from the west bank of the Suez Canal—preventing the inevitable encirclement of the Egyptian first and third armies. It was the United States that successfully negotiated the Israel withdrawal from the strategic Giddi and Mitla Passes in the Sinai, in addition to the return of the Sinai oil fields to Egypt.

Each of these moves was taken at no cost to the Egyptian Government, but at increased security risks for Israel. These added security risks were compensated for by the previous administration, which handled these negotiations—by the promise of the sale of advanced military aircraft to Israel. Israel's original request, which was made over 2 years ago, called for the sale of 150 F–16's—which will not even be available until 1981—and 25 F–15's. The Carter administration has cut the request in half, while at the same time bolstering the armed forces of Israel's potential adversaries.

Yet, in addition to cutting Israel plane requests in half—a request which the U.S. Department of Defense said adequately reflected her defense needs—since taking office, the Carter administration has disapproved the sale of concussion bombs to Israel; denied the sale of Israel aircraft to Ecuador; called for the establishment of a homeland for the the PLO; and issued the disturbing joint communique of October 1977. In sum, Mr. Speaker, this spells a major shift in our Nation's historic Mideastern policy.

While a decision to sell Egypt American offensive weapons would be questionable at any time, a decision to sell these aircraft, when a state of war still exists, and when peace negotiations are at a crucial state, makes such a decision more troubling.

There are those who suggest that President Sadat needs to show the Egyptian people that America appreciates his efforts and supports his position. This, they say, is reason enough for the sale of F–5E fighter planes to Egypt.

Mr. Speaker, I submit that President Sadat has done quite well since his severance of ties with the Soviet Union and the warming of relations with the United States. For—in addition to saving his armies, negotiating an Israeli pullback and restoration of the Sinai oil fields since the 1973 October war—Egypt has received over $4 billion in U.S. economic aid and a supply of radar, jeeps, trucks, and cargo planes. So the issue, Mr. Speaker, is not that Egypt receives anything, but whether we should leap from nonlethal to lethal aid.

If the award of 50 F–5E fighters is viewed as a symbolic gesture of thanks from a grateful America—a reward for negotiations as yet uncompleted—it is carrying gestures too far. Such offensive weaponry clearly threatens the defense posture of Israel.

Is an additional justification the need for Egypt's defense against radical Arab forces?

Recent history has demonstrated Egypt's ability to defend herself against outside aggression. Last year's hostilities between Egypt and Libya clearly demonstrated Egypt's ability to deal effectively with its unpredictable Western neighbors.

It should also be remembered when considering a U.S. sale of F–5E's, Egypt received an extensive weapons supply from the Soviet Union following the October 1973 war. Since 1974, Egyptian defense expenditures have totaled over $20 billion. For example—Egypt has received 42 Mig–23 fighter-bombers, 1,000 tanks, assorted defensive and offensive missiles, as well as other weapons. In addition, Egypt has taken delivery of advanced military aircraft from other Western nations. In 1977, France and Egypt announced plans to establish a Mirage F–1 plant in Egypt—where Egypt's initial order is believed to be as high as 200 F–1's which is considered to be an excellent military aircraft.

The primary goal of the United States in the Middle East has been the attainment of a lasting peace in that area of the world—while not compromising the security of Israel. The administration's proposal to sell offensive weapons to Egypt may forestall our past efforts, and drive apart the parties involved in current peace negotiations. Egypt will have reason to feel more confident, while Israel will feel less secure. If past history is to guide us—and what other guide do we have—the Arab States are more likely to consider a military solution rather than a negotiated settlement of the issue.

Mr. Speaker, we come to the sale of 60 F–15 fighter-bombers to Saudi Arabia. Sixty of our most advanced fighter-bombers—more than the Saudis requested, and 50 percent over what our Department of Defense thought they might need. Such a sale can only be destabilizing—heightening tensions in that troubled area. This is particularly true when it is realized that Saudi Arabia is building a major airfield at Tabuq—only 125 miles from Israel's southern port of Eilat, which is vital for receiving shipment of oil from Iran.

Nor are the Saudis poor in armament. The past few years, the Saudis have purchased over $12 billion in military equipment. They are taking deliveries from the United States of 110 F–5E's, 550 French and American tanks, and other weaponry—including hawk anti-aircraft missiles. As a result, Saudi Arabia is fast becoming a fourth confrontation state of Israel's border, and the acquisition of the proposed 60 F–15's will materially enhance that position.

There is, perhaps, a misconception about Saudi Arabia. Some seem to believe they have never participated in past Mideast conflicts. Yet, during the 1973 October war, Saudi troops fought alongside the Syrian forces. Due to its great wealth from oil, the Saudis—through massive grants-in-aid to the confrontation states—are and have been the bankers—the ones advancing the money to Syria, Egypt, and other confrontation states.

I believe a continued military relationship with Saudi Arabia is in the best interests of the United States. But, such a relationship has parameters. Is it possible to justify this arms sale to Saudi Arabia as a reward for its moderate policies in oil pricing and as an inducement to continue moderation? I hardly think so—and if this is the administration's position, it is a strange reward for the country which led the oil embargo against the United States in 1973, and whose influence with the oil-exporting countries has resulted in the quadrupling of oil prices. Furthermore, Saudi investments in the United States and her own self-interest will determine oil prices and production volume.

Or does Saudi Arabia need these advanced planes for defense? I do not believe so. Due to our increasing dependence on foreign oil sources, I do not believe this Nation would stand idly by while our largest oil supplier was threatened by an outside force. The Saudis know this, as does the rest of the world community. Therefore, the conclusion is inevitable that the F–15's could be used in any future Arab-Israeli conflict. This is a possibility in which I, for one, wish to play no part.

The question arises, then—why not reject all the letters of offer? This, too, is prejudicial against Israel. All other countries in the Mideast can purchase arms from a number of countries. Israel, alone, is dependent upon the United States. The question of the United States being the only arms supplier in the Middle East is not before us.

What then about a postponement of 6 months? This, too, would work against

our traditional friend and ally in that area. The F–5E's, for Egypt, for example, are ready to ship today. The first F–16's slated for Israel will not even be deliverable under the best of circumstances until 1981.

A 6-month delay will mean, perhaps, a 12-to-18-month delay in delivery, as orders from other countries would move up and take the place of the Israeli request. A moratorium ignores the threat to Israel from Syria and Iraq, who are currently receiving vast shipments of arms from the Soviet Union.

I, therefore, urge President Carter not to consider these letters of offer as a package. We should honor our Nation's commitment as agreed to by a previous administration following the Sinai II negotiations. This body, Mr. Speaker, should accept or reject each letter of offer on its merits alone.

I would like to see the policy of our Government return to that of seeking peace in the Middle East. I submit that the proposed sales presented by President Carter militarily is destabilizing, and undermines the direct negotiations that for years we have so patiently nurtured.

As the administration moves toward arming Arab nations, I would like to bring to President Carter's attention a statement he made on April 1, 1976. President Carter said at that time:

> I do not believe arms sales buy lasting friends. I am concerned with the ways in which our country, as well as the Soviet Union, Britain and France, have poured arms into certain Arab countries far beyond their legitimate needs for defense—five or six times more than Israel receives. This heady rush for weapons increases the chance of war. It postpones peace negotiations. It defers development. It erodes security.

I believe the President's statement was true in 1976. I believe it is as true today.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I will be glad to yield to my colleague from New York.

Mr. GILMAN. I thank the gentleman from New York for yielding to me, and for joining with me in taking the time of the House to bring this important issue to the floor.

At a time when our Nation is trying to get the Middle East talks back on the tracks, it just does not make commonsense to create an atmosphere of apprehension resulting from a shift in a real or perceived military imbalance. The President's proposed sale of over 200 highly sophisticated aircraft to nations of the Middle East would do just that. [60 F–15's to Saudi Arabia; 50 F–5e's to Egypt; 15 F–15's and 75 F–16's to Israel.]

By this action, we are shifting the U.S. role from a catalyst for peace to an instigator of war. The President's decision could very well destroy the entire peace process by adding an imbalance to the whole military power structure in that part of the world. Our primary interest is in preserving the peace and in fostering further talks toward a final settlement.

This proposed sale of aircraft does not promote those interests.

Selling large quantities of highly sophisticated aircraft to all three parties in the Mideast dispute is like throwing gasoline on the embers of a fire. Arms sales do not enhance peace. Rather than directing our efforts toward more arms sales, we should be concentrating on genuine give-and-take talks. The present delicate state of the Middle East peace negotiations dictates caution, not the introduction of any new controversial issues. Prime Minister Begin has stated that the decision to sell planes poses "a serious threat to the negotiating process and to the security of Israel."

In order to more fully comprehend the true perspectives of this proposed arms sale to the Israeli Nation, we must bear in mind that this is a significant time for the State of Israel. In May of this year, Israel will be celebrating its 30th anniversary. The memories of those early days, both the bad and the good, are vivid in the minds of her citizens for the last three decades.

The world has watched as Israel changed a barren tract of land in the desert to a thriving progressive nation of well over 3 million people. In the world of nations, Israel remains young and vulnerable. Memories of the pain and suffering of her people as they have struggled to maintain her existence are still fresh in our minds.

During Israel's war for independence in 1947 and 1948, some 6,000 citizens, both military and civilian, gave their lives to that cause. Between 1949 and the Sinai campaign of 1956, which took 171 lives, more than 1,200 citizens gave their lives to the commitment of a permanent State of Israel. More recently the "6-Day War" of 1967 claimed 679 lives and 2,500 casualties. In addition, the "Yom Kippur War" of 1973 cost Israel the lives of over 2,500 and some 7,500 wounded. As Israel approaches her 30th year, it is these vivid memories of 21,387 casualties that help remind her of the necessity to keep strong.

It was exactly 30 years ago this month, on March 20, 1948, that David Ben Gurion, proclaiming to the world Israel's independence, stated,

> We are masters of our own fate. We have laid the foundations for the establishment of a Jewish state and we will establish it. We will not agree to a trusteeship, temporary or permanent. We will no longer accept foreign rule in whatever form, and we will devote ourselves even more intensely to defending ourselves. The Jewish State exists and will continue to exist if we are able to defend it. The Jewish State will find a way to achieve mutual understanding with the Arabs . . .

Mr. Ben Gurion spoke those historic words less than 2 months before the declaration of independence. That message has particular importance today. Almost immediately following that declaration, President Harry Truman recognized the State of Israel and established as United States policy a moral commitment to the survival of Israel—a commitment that has been continued and actively supported to this day by the American people and by every President including Jimmy Carter.

While the U.S. commitment to Israel's survival has not waivered, the closer we approach the 30th anniversary, the further apart Washington and Jerusalem seem to become. Our relations are at a new low. The peace negotiations are deadlocked. It is in this delicate atmosphere that the newest controversy over the sale of U.S. planes to Egypt, Saudi Arabia, and Israel has brought increased strains.

We should, in considering the effect of this proposal, try to understand Israel's continued concern for its security and for defensible borders. We must also appreciate the intense feeling of every one of her citizens, not just for secure borders, but for the very right to exist—for national sovereignty.

With these facts in mind, let us examine the issues in the current peace effort. I believe that one of the major issues, the occupied territories, can be readily settled to the satisfaction of both Egypt and Israel. Egypt has acknowledged and recognized the need for defensible borders for Israel. Likewise, the Israelis have indicated they would give up the occupied Sinai territories as long as there is a proper buffer zone along the Gaza Strip to provide defensible borders. It is obvious that this issue can be resolved at the negotiating table.

The remaining problem that is more complex and much more difficult has to do with the future of the Palestinians.

The Palestinian people are scattered throughout the Mid-East and the world. There are some 700,000 on the West Bank; 450,000 in the Gaza; 1,150,000 in Jordan; 500,000 in Israel; 400,000 in Lebanon; 250,000 in Syria; 250,000 in the Persian Gulf area (Kuwait); 50,000 in Saudi Arabia; and another 250,000 throughout the world (United States, Latin America, and Australia). Because of this scattering of Palestinian peoples, their leadership and representation has developed as a major obstacle.

Most of the moderate nations in the Middle East have long realized that the Palestine Liberation Organization (PLO) cannot serve as the representative of the Palestinian people because of that organization's principles of terrorism, and their announced goal of seeking Israel's destruction. Most Arab leaders feel that because of Jordan's historic ties to Palestine and the Palestinian people, that Jordan would be best suited to represent the Palestinians. Egypt cannot act in this role and in fact President Sadat has virtually given his veto powers on the Palestinian issue to Jordan's King Hussein.

A prevalent fear surrounding the Palestinian issue is the possible emergence of a weak independent Palestinian state that would invite radical groups and increase future security risks for all nations in the region. While all nations involved agree to Palestinian self-rule, the question remains as how best to achieve this goal and the limits it would contain. It is my belief that what is needed is some sort of linkage to the State of Jordan with opportunities for self-rule while at the same time providing security for Israel's borders.

In an effort to regain the momentum for peace, Assistant Secretary of State

Roy Atherton has resumed a role of shuttle diplomacy. On this long road to peace, we must be sensitive to the concerns of all parties and avoid introducing any new obstacles which could complicate the negotiating process. For this reason, I am criticizing the timing of the President's proposed weapons sales. I can see no rationale for any urgency to move rapidly ahead with these proposals. There have been some regional arguments of security threats to justify these sales. As was pointed out in an editorial in the Baltimore Sun on February 17, 1978:

Elaborate rationales can be presented to justify the first sales of U.S. lethal weaponry to Egypt and the furnishing of advanced supersonic F–15 fighters to Saudi Arabia. The 50 F–5E fighter-bombers earmarked for Egypt are variously described as replacements for aging Migs left over from the era when Cairo relied on Moscow; or, more imaginatively as planes Egypt might one day use against Libya or Marxist forces in the Horn of Africa. Similarly, the 60 F–15's destined for Saudi Arabia can be projected as a counter to Iran's burgeoning air force or as surety for the conservative Saudi monarchy against "radical" Iraq and Syria. Furthermore, the White House neatly packaged its new departures in Arab arms trafficking with a promise to supply Jerusalem with 90 F–16 and F–15 jets that should preserve Israel's ability to carry any future wars to the vaster territorial holdings of its Arab neighbors.

But, as that editorial continues:

While these factors may indeed have merit, they remain peripheral to the main issues—Israel's survival and the future of Middle East peace efforts. If either or both are materially damaged by this enhancement of Arab air power, then President Carter will have a major foreign policy failure for which to answer.

To many, even these additional regional justifications and incentive arguments leave much to be desired in the highly volatile Mideast. As was indicated in an editorial in the Boston Globe on February 16, 1978:

It simply makes things worse that Egypt may want the F–5E fighter-bomber in order to intervene on behalf of Somalia in the Horn of Africa, or that the Saudis really want the F–15 in order to threaten Iran or defend themselves against the influx of sophisticated Soviet weaponry in Iraq.

Whether because of Soviet arms in the hardline Arab states or because of Soviet activities in the Horn, things are far too volatile to risk further outside intervention and an escalation of arms anywhere in the region.

We have urged the Carter administration to increase pressures for negotiations in the Mideast, and we recognize the need for Sadat to have some proof of progress in this area. But that does not mean giving everyone arms.

Such a sale can only retard and not advance the real search for peace. If Saudi Arabia acquires these aircraft, then Israel will certainly be required to reevaluate its security needs. This reevaluation can only make negotiations much more difficult. The presence of large numbers of F–15's near Israel's border will only increase the possible involvement of Saudi Arabia in any future conflict.

The supply of such advanced aircraft is likely to have an opposite effect than that as an incentive for peace or as a reward for cooperation. Such a sale would more likely give increased confidence to a military solution and result in a less receptive approach to negotiation and compromise.

I recently returned from a visit to the Arab nations and Israel. Along with other members of the Committee on International Relations, I met with the leaders of Tunisia, Syria, Jordan, Saudi Arabia, Iran, Egypt, and Israel. Throughout our visit I had the opportunity to gather firsthand impressions of the complexities of the Mideast peace negotiations and to more intimately learn the differences of thinking among the leaders of those nations. As a result of my experiences, I am more convinced than ever that it is a mistake to use arms sales as an instrument of diplomacy in a region of the world where war is an ever-present danger.

The recent peace initiatives in the Middle East have finally opened the door to direct negotiations. We must recognize these important steps and use our powers to facilitate and encourage these talks. We must avoid endorsing the positions of either side to preserve our neutral influence. It would not be proper to pressure Israel into concessions, since any decision affecting the very existence of that nation can only be made by Israel itself. Instead, our efforts should be directed toward seeking mutual accommodation and concession to secure an enduring peace. Any action that would upset the current balance of power and pose new strains on Israel's security must be avoided, for it is this issue of the security of Israel that is at the heart of any settlement of the Middle East conflict.

The principal danger in the President's proposal is the unprecedented sale of such sophisticated weapons to Saudi Arabia and the possibility of their use against Israel. This danger is increased by the current expansion of Saudi air bases near the Israel borders.

We would be ill advised to support the establishment of this dangerous new precedent at a time when we have the first significant opportunity in decades for peace. The United States has never before sold firstline planes to any Arab nation. To do so now, even if most will not be delivered until 1981, can only increase the potential for conflict in the Middle East.

I am aware of the arguments of those who hope such sales will increase our influence in the Arab world and also help to sustain the current peace momentum. I do not believe, however, that the United States can accept the risks that such action demands. Certainly there are other options than providing sophisticated arms to those nations who more than once have attacked Israel. In the event of an outbreak of hostilities, the United States would find itself in the position of supplying both sides. Past experience in Greek-Turkish conflicts and the India-Pakistani hostilities have to this day crippled our relations with those nations as a result of our arming both sides.

The recent peace initiatives of President Sadat are to be commended. But to show U.S. support for these actions by rewarding Egypt with warplanes is dangerous and unnecessary. If the current peace talks succeed, the need for these weapons diminish; if the talks fail, it would be unwise for the United States to have fueled a dangerous arms race.

The Egyptian people suffer from severe poverty and deteriorating social services. President Sadat has taken a major step forward at great personal risk to help end hostilities and focus his nation on its development needs. The great efforts and resources of that nation should be joined with our own in improving their future and not in the prepartions for any future war.

Unlike the requests for Egypt and Saudi Arabia, the proposed aircraft sales to Israel were agreed upon under the Sinai II accords. To now link these previously committed sales to Israel with the unprecented step of supplying Arab States with sophisticated weaponry is a major departure from our former even-handed policies in the Middle East.

I am convinced that the President's proposed sale will not benefit any of the parties involved and could seriously damage the chances we now have for peace. I urge my colleagues to join with me in appealing to the President to reverse his decision and to withdraw his request before any more damage to the proven process is done by congressional action to prevent this sale.

Mr. LEHMAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am strongly opposed to the proposed aircraft sales to Saudi Arabia and Egypt. Nothing could be more injurious to the peace process than giving modern American military technology to the Arab world at this time. Once the Arab States are assured of an unprecedented military arsenal, they would be encouraged to seek military solutions rather than pursue the process of peace.

The F–15 is an extremely sophisticated aircraft which uses computers to target its bombs and missiles. It carries the most advanced electronic countermeasure equipment and is superior to any fighter aircraft in existence today. Because the Saudis do not have the expertise necessary to service this aircraft, we could expect the stationing of American technicians at Saudi bases to help maintain the planes. This raises the tragic prospect of military action involving American personnel in Saudi Arabia in the event of a new Mideast war.

The claim that these F–15's may be used against Israel is valid. Saudi Mirage 111 fighters were flown from Egypt against Israel in 1973. While Israel has never threatened Saudi Arabia in any conflict, the Saudis invaded Israel in 1948 and fought alongside the Syrian Army in the 1973 Yom Kippur War. There is clear evidence, therefore, that the Saudis have put their military equipment at the disposal of their Arab neighbors. The intention to do so again in any future

conflict was confirmed by Saudi Defense Minister Prince Sultan's statement that Saudi Arabia would not accept any conditions on the export of military aircraft outside of Saudi Arabia.

At a time when the Saudis are constructing three major air bases near Israel's borders, their possession of F–15's pose a direct threat to Israel's security. Not only would any future conflict be expanded to include Saudi Arabia, but the Saudi F–15's could be used to train Egyptian pilots. The State Department has confirmed reports that such training occurred with Saudi F–5E's and news reports now claim that Syrian and Jordanian pilots have also received training on Saudi F–5E's.

The sale of F–15's is especially threatening to Israeli air defense because the Israelis have always relied on the qualitative superiority of their pilots. Faced with electronically guided aircraft, and with bombs and missiles targeted by computer on the other side, the factor of Israeli pilot excellence will be seriously diminished, making Israel's air defenses more vulnerable than before.

Since 1973, Saudi military acquisition has increased dramatically. Having spent more than $12 billion on advanced weapons and military construction over the last 4 years, Saudi Arabia could become a fourth confrontation state close to Israel's borders. The sale of F–15's would be a prelude to future sales of advanced ground and airborne radar systems which would even further enhance the Saudis' offensive capacity.

While the Saudis and Egyptians can buy from other countries, Israel can only look to the United States for advanced military equipment. The Saudis are engaged in a major, systematic program of military development with the acquisition of our most advanced military technology. They are already receiving 110 F–5E fighters, 250 M–60 main battle tanks, and 6,000 antitank missiles from the United States as well as 300 AMX–30 tanks from France.

Exporting our military technology is a threat not only to Israel but also to the United States and other oil-dependent nations. The threat to Israel is more immediate and direct. It would take the F–15 10 minutes to fly from Turayf airfield to Jerusalem and a mere 6 minutes from Tubuq to Eilat.

I also oppose giving Egypt weapons of any type. By November 1977, they already had received at least 24 of the Soviet-made Mig 23's, a more modern plane than the F–5E. The F–5E is an offensive, not a defensive weapon, and it must not be sold to Egypt until real peace has been achieved. It flies at 1½ times the speed of sound and has a combat range of 585 miles. The F–5E carries two 20mm nose cannons with 560 rounds of ammunition, two Sidewinder air-to-air missiles, and a substantial quantity of air-to-surface missiles.

Egypt does not need the F–5E aircraft to protect itself from Libya or from the Soviet threat in Ethiopia. Egypt effectively defeated Libya in a short battle last year using its Soviet-supplied weapons. Furthermore, Egypt is reported to have the best ground-to-air defenses of any country outside the United States and Russia. There is no need on defensive grounds to have offensive weapons such as the F–5E. Rather than military assistance, the Egyptian people need food, housing, and the economic benefits that peace will bring.

If the administration insists on "all or nothing" congressional acceptance of its plane sales proposal, Congress may want to disapprove the entire package at this point until we are farther along the road toward peace in the Mideast. Such a linkage, however, which prevents the consideration of each of these sales on its own merit, should be resisted by Congress. The implication of this kind of policy is that the United States would now consider arms sales to Israel conditional upon arms sales to Arab nations. This is a dangerous precedent and ignores the sale of arms to Arab nations by the Soviets and Western Europe.

These aircraft sales to Saudi Arabia and Egypt represent a major shift in American foreign policy. It is totally inconsistent with the administration's plea that Congress trust its commitment to Israel's security. The proposed sales represent new commitments. By tying Israel's defense needs to the claims of the Saudis and Egytians, the administration breaks with the longstanding special defense relationship between Israel and the United States.

This sale of highly advanced weaponry is especially wrong at this time because the introduction of modern American weapons into the Arab world adds an integral element to the peace negotiations. This new development can only destabilize the peace process.

We are in a position to look at the long-term interests of the United States. In doing so, we should stop the executive branch from initiating an arms export agreement that can only lead to another escalation of tensions in the Mideast. We can do this by passing the resolutions of disapproval which I have already introduced to block these sales. We cannot allow these sales to go through, and I urge my colleagues to disapprove the sale to Saudi Arbia and Egypt. We cannot abandon our long-standing commitment to Israel and cannot afford to damage the best prospects for peace that have yet existed in the Middle East.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I too want to join the gentleman in the well.

Mr. Speaker, as many of you are aware, I am one of several Members of the House who requested this special order today to generate some discussion of a matter which threatens to become a very explosive issue—the President's proposed arms sale package for Saudi Arabia, Egypt, and Israel.

I want especially to call your attention to a letter which I recently circulated as chairman of the Middle East Peace Committee of Members of Congress for Peace Through Law, presenting a possible solution to the problems that this arms deal has raised.

For my colleagues who have not received a copy of this letter, let me explain. I am proposing an alternative to both approval of the entire arms package and to disapproval of one or more elements of the package, as has been suggested in resolutions of disapproval which have already been introduced to the House.

I think we should opt, instead, for a moratorium on the sale of advanced combat aircraft to all three countries—Israel, Egypt, and Saudi Arabia—for a period of 6 to 8 months, as a serious American initiative to improve the prospects for meaningful negotiation in the Middle East.

This moratorium option could be proposed in a letter from Members of Congress to the President, asking him to delay the offer for the sales for a certain period of time.

The main reason for considering a moratorium at this time is that the arms sales could jeopardize the delicate structure of negotiations now established in the Middle East. New military and political instabilities would be introduced at a very critical juncture in these negotiations and could seriously harm any prospects for a peace settlement that may be forthcoming from these negotiations.

Israel would perceive the sales as creating new offensive capabilities against her while the Arab States would receive the sales to Israel alone as consolidating Israel's recognized military superiority. These perceptions could stiffen negotiating postures and divert attention from the real task of bargaining to formulate the principles of a settlement.

Certainly Israel's commanding military position in the region suggests that a moratorium on these sales would be taking Israel's special security concerns into account. Of course, the moratorium approach should be withdrawn were unexpected threats to Israel to arise.

The issues being raised by the sales are very troublesome. It is clear that the administration needs to develop secure relations with all the parties in the Middle East. However, it is also clear that a negotiated settlement alone, can provide the military, political and economic security which Israel and her Arab neighbors require. Therefore, the overriding consideration at this time must be to take positive steps to encourage negotiations and to refrain from any measures which might hinder them.

A moratorium would not only contribute to this purpose, but would place the United States in its proper role as a facilitator of negotiations and mediator between the parties.

I ask my fellow colleagues to give this alternative their serious consideration and to inform me of their views and whether they will be able to support this alternative.

Mr. LUKEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Ohio (Mr. LUKEN).

Mr. LUKEN. Mr. Speaker, I congratulate the gentleman from New York for providing this opportunity to express my firm opposition to the proposed arms sales to Saudi Arabia, Egypt, and Israel. This includes the sale of 60 F–15 fighter-bombers to Saudi Arabia and 50 F–5E aircraft to Egypt, meeting their requests, and 75 F–16, and 15 F–15 aircraft to Israel, roughly half the number requested.

I object to these proposals because I believe this allocation of aircraft could present a serious threat to the balance of peace in the Middle East. These proposed sales during this delicate period of Middle East negotiations can not only hinder the prospects of a meaningful peace settlement, but also represent a major shift in American foreign policy.

The sale of 60 F–15 fighter-bombers to Saudi Arabia would destabilize the Arab-Israeli balance of power. Saudi Arabia is presently building an airbase at Tabuk, only minutes flying time from Israel's Red Sea port of Eilat. Saudi Arabia has repeatedly asserted that it will lend its arms to the Arab States in any future war with Israel, and in fact, Saudi units fought alongside the Syrian Army during the 1973 Yom Kippur War. Therefore, it appears that the presence of our 60 F–15's could permit a broader and more serious attack on Israel.

In addition, this proposed sale contains factors contrary to our own interests. I have serious doubts as to the security of this weapon withir. the current structure of Saudi Arabia. The F–15 is our most technologically advanced aircraft, yet there is no guarantee that the Soviet Union or another potentially hostile nation will not gain access to this craft. Considering the continuing cooperation between the air forces of Saudi Arabia, Syria, and Egypt, it seems likely that the Soviet Union would gain first-hand information on the strengths and weaknesses of this craft.

The F–5E in Egyptian hands could also present a serious challenge to Israel's security. Israel has no military objectives to gain in any attack against Egypt, and in the 30-year history of recent Middle Eastern hostilities has never initiated any conflict. Furthermore, in the event of such a conflict, it is to be expected that Libya's vast arms arsenal would be placed at Egypt's disposal, placing Israel in even greater danger.

I am seriously concerned that this expanded arms sale to Egypt and Saudi Arabia. combined with decreased arms sales to Israel could throw off the balance of power in the event of an armed conflict. These expanded roles could undermine the most basic American goal—to promote regional stability and peace in the Middle East. With the initiation of offensive arms sales to Saudi Arabia and Egypt, Arab nations can feel more confident about military solutions, and be less receptive to negotiation and compromise.

As for Israel, the proposed sales are almost certain to make for increased insecurities about their position. This seems especially plausible in light of the 1975 U.S. commitment to sell 50 F–15's to Israel, of which only 25 have been contracted.

With the uncertain status of Middle East peace negotiations, these proposed arms sales can seriously jeopardize the future of these negotiations. Currently, there is a movement afoot to block these arms sales. I will support the resolution of disapproval to block the sales to Egypt and Saudi Arabia, and I urge my colleagues to do likewise.

Thank you.

Mr. AMBRO. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to my colleague, the gentleman from New York (Mr. AMBRO).

Mr. AMBRO. Mr. Speaker, I commend the gentleman from New York and others, and I too rise to join with a number of my colleagues today to express my sorrow and indignation over the administration's proposal to sell a variety of sophisticated offensive weapons-type aircraft to Egypt and Saudi Arabia, and to inextricably couple this sale with the long-promised provision of advanced fighter aircraft to Israel. On February 14, the administration formally notified Congress of its intention to submit "letters of offer" for the sale of 60 F–15 aircraft to Saudi Arabia, 50 F–5E aircraft to Egypt, and 75 F–16 and 15 F–15 aircraft to Israel. This $4.8 billion package is as unfortunate in terms of being a major departure from previous U.S. policy as its timing is disastrous.

Clearly, we are in the middle of an historic and extremely delicate period in the history of the Middle East. It is a time for patience with our Israeli friends as they grapple with what appear to be new realities in their relationship with their major enemy, Egypt. It is a time to reassure them as to the continuing and enduring nature of our friendship and support so that they are confident that our desire for peace in that part of the world is not a peace at any price—the price being the survival and security of Israel. It is a time to speak softly and to act with great care and discretion. It definitely is not a time to issue veiled threats and to begin "agonizing reappraisals." It is especially not the time to start new sales of offensive weapons systems to two of the nations who spearheaded the four wars against Israel in the past 30 years. Yet, that is precisely what this administration is proposing to do; and for what reasons?

First of all, we are told that we must reward President Sadat's peacemaking mission to Jerusalem by providing him with new offensive weapons. That logic is so patently ridiculous on its face as to defy explanation. If President Sadat is sincere in his bid for a peaceful resolution of the Middle East situation after losing four wars to Israel, then why does he need a complement of airplanes whose prime mission is to wage war? Make no mistake about it; the F–5E is an offensive, and not a defensive weapon. Northrop Corp., the plane's manufacturer, describes it has having "excellent combat agility, accurate fire control system air-to-air and air-to-ground, [and] capable of carrying and delivering wide variety of stores."

Indeed, the F–5E is used by the U.S. armed services to simulate the Soviet-built Mig–21 in mock dogfights for training purposes. If Sadat wants peace, at long last, as he avers, then why does he want 50 of these planes? The situation becomes even more cloudy when it is noted that according to the authoritative International Institute for Strategic Studies, Egyptian defense expenditures totalled over $20 billion since 1974—30 percent more than Israel's for the same period—Egypt has received extensive resupply of weapons from the Soviet Union following the 1973 war which continued through 1977, some of them being routed through Syrian ports.

In addition, Egypt of late has been the recipient of a large number of French-built Mirage aircraft and is close to completing a deal with Great Britain for several hundred more fighter bombers. Finally, the United States itself has sold Egypt over $350 million worth of planes, trucks, jeeps, and other assorted defensive military equipment in the last 2 years. If the peace talks are successful, then it is obvious that the need for arms would greatly diminish. If they should fail, however, it would certainly be unwise for us to have thrown further fuel on the fire of an already dangerous arms race.

In terms of the well-being of the Egyptian people themselves, Egypt has become the largest annual recipient of U.S. economic assistance in the world, having received more than $4 billion in aid since the 1973 Yom Kippur War. It seems to me, that the continuation of this kind of aid and expanding American investments in the Egyptian economy are the proper "reward"—if such acknowledgment is needed—for any bona fide Egyptian peace initiatives.

We face a somewhat different situation with respect to the sale of the 60 F–15 fighters to Saudi Arabia. While seldom a direct participant in the military and terrorist activities against Israel, Saudi Arabia has been the acknowledged "banker" funding and supplying these disastrous attempts to "drive Israel into the sea." It seems incredible then that the administration should be seriously proposing to sell them the most advanced air-superiority fighter in the world, capable of long-range attacks and interceptions, enabling the Saudis—or any of their friends that they choose to lend them to—to strike deep into the heart of Israel. Sale of F–15's will mean a tripling of Saudi air strength compared with 1973. The presence of so advanced a weapons system on Israel's borders will not enhance Saudi Arabian security—as some would have us believe—but rather will serve to make Saudi participation in a future Arab-Israeli conflict more likely.

Perhaps, as some suggest, we are merely "rewarding" the Saudis for their so-called restraint with respect to oil prices and their assistance with other OPEC nations. Surely, we have not forgotten that it was the Saudis who began the

dizzying escalation of oil prices after the Yom Kippur war to undermine the West's traditional support for Israel. To my way of thinking the quadrupling of oil prices—which has nearly wrecked all of the world's economies including our own—is hardly deserving of a reward. However, if it were, I question whether the provision of such highly sophisticated offensive weapons is a fitting token of gratitude.

Again, we must ask, who threatens the Saudis that they are so desperately in need of this type of weaponry? I have yet to hear a satisfactory response to that question. It seems to me that it is the Israelis, our long-time friends and allies, who are the more threatened by this kind of action on the part of the United States. And yet, shockingly, it is only Israel's request for fighter planes that has been drastically reduced from the desired 25 to 15. Surely the administration is not serious in suggesting that we compare and link the Arab sales to those to Israel. In the case of Egypt and Saudi Arabia, we are being asked to make an entirely new commitment—one which will have an unsettling and possibly disastrous effect on the military balance of power in the Mideast. With respect to Israel, on the other hand, we made a solemn promise to provide Israel with F–15's and F–16's, the latter actually embodied in the United States-Israeli memorandum of agreement that accompanied the Sinai II accord.

Yet here the administration is, providing less than the number requested, and coupling the Israeli sale to an uncalled for sale to Egypt and Saudi Arabia. There was no mention in the agreement attendant to the Sinai Accord that the planes to Israel would be approved only if Egypt and Saudi Arabia received similar aircraft, a proposal as unwise as it is a threat to Israeli security. Supplying airplanes to Israel is an issue entirely separate and apart from providing arms to those who would wish to defeat her on the battlefield. That the administration is unwilling or unable to see this makes one wonder about its ability to put together a coherent, workable Middle Eastern policy that will provide protection for our own national interests in continuing our historic staunch support for Israel, and that will allow us to function as an honest broker in the negotiations begun by the two parties themselves.

Mr. Speaker, while I must admit to being disappointed at the behavior of Israeli Prime Minister Begin for his insistence on initiating new Israeli settlements on the West Bank and in the Sinai and for his incredible lack of candor on this subject during his visit to the United States with the President last August, no Member of this body is more ardent than I, nor have many Members been more vocal, in working to assure the permanent security of Israel within the context of a just and lasting peace settlement. As former Israeli Foreign Minister Abba Eban so eloquently stated it:

> Experience has taught [Israel's] people that the sheer business of staying alive has been the major Jewish proccupation for centuries past . . . [and that] committing national suicide is not an international obligation of the Jewish State.

I hope that this administration will reconsider what must be described as an ill-conceived and ill-timed proposal that can only be viewed by the Israelis and my many Americans as one calculated to increase her insecurity, and to threaten to place her survival on the line, once again. For us, Israel's right to exist is not a debatable question.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to my colleague, the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Speaker, I would like to commend the sponsors of this special order, the gentleman from New York (Mr. FISH) and others, for having time set aside to discuss the administration decision to sell fighter aircraft to Egypt and Saudi Arabia.

I welcome the opportunity to reiterate my opposition to the sale of 50 F–5E's to Egypt and 60 F–15's to Saudi Arabia.

Since the sales were announced on February 14, public and congressional reaction has been far from favorable. For example, a recent statement issued by the AFL–CIO said:

> We are not persuaded that in the long run the cause of peace will be advanced by supplying sophisticated arms to nations that have more than once launched attacks on Israel * * *

An editorial in the Washington Star criticized the effect of the sale on Israeli security that:

> The Carter administration has now put at risk by proposing to sell Egypt and Saudi Arabia planes that will vastly increase their military capability and, correspondingly, decrease the military security of Israel.

Correspondence from my constituents has expressed strong and overwhelming opposition to the proposed sale, emphasizing an urgent concern for the safety of Israel.

The administration decision, I believe, is inconsistent with both our current policy toward Israel and with the announced administration policy of reducing arms sales and transfers.

U.S. policy in the Middle East has always centered on support for Israel's effort to maintain its national security. We have been among Israel's closest and firmest friends, because our two nations share common ideals of democracy and freedom.

Militarily, Israel has relied primarily on its strong air force and a qualitative superiority in the skies over its enemies as the surest guarantee of its survival and a convincing deterrent against aggression.

The tentative agreement proposed by the administration, which does not meet Israel's full request to purchase U.S. fighter planes, is apparently intended to pressure Israel into making unilateral concessions at the Mideast bargaining table. The administration has approved only about one-half of Israel's arms request. But it has agreed to sell Egypt—never before a recipient of U.S. aircraft sales—and Saudi Arabia at least as much weaponry as they had anticipated receiving from the United States. This imbalance is bound to pose a serious threat to Israel.

The sales to Egypt and Saudi Arabia would destabilize the Middle East at this time and would stand in direct opposition to the President's own statements on arms sales limitations.

President Carter noted May 19, 1977, in a policy statement on arms sales that weapons transfers would henceforth be regarded as—

> An exceptional foreign policy instrument, to be used only in instances where it can be clearly demonstrated that the transfer contributes to our national security interests.

On February 1, President Carter also said:

> Last year, I promised to begin reducing U.S. arms sales as a necessary first step. I will continue that policy this year.

The President seems to be violating his own policy by proposing the sale of arms to two new consumers—Egypt and Saudi Arabia.

Weapons transactions that clearly strengthen Israel's enemies and stunt Israel military potential are not acceptable tactics for speeding up the negotiating process. The administration is playing with fire by shortchanging Israel and overstocking Egypt and Saudi Arabia with new weapons.

Congress must move to reenforce Israeli security by halting the sale to the Arab countries. The administration has indicated that it will not sell any aircraft if the total package is rejected. I believe that this would be a serious error of judgment, because Israeli defense needs dictate continued arms purchases from its sole source of supply—the United States. Indeed it would gravely endanger the security of Israel.

Mr. WEISS. Mr. Speaker, I thank the gentleman for yielding.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I am happy to yield to my colleague, the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I want to compliment the two gentlemen from New York (Mr. FISH and Mr. GILMAN) who have arranged this opportunity for expressions of concern for the prospects of peace in the Middle East, and to further express concern at the President's proposal and its impact on those prospects.

Mr. Speaker, I rise to give my first speech in the House of Representatives to express my deep concern about the direction of America's diplomacy in the Middle East. This is a moment of great risk and great challenge. It demands innovative policymaking and principled behavior. By virtue of this Nation's actions in the coming months, peace may emerge in the region, or the chance for peace may slip away. Thus, the United States must recognize that expedience and lack of forethought are the chief enemies of progress toward a settlement.

Mr. Speaker, I believe that certain administration policies reflect an absence of circumspection, and a willful refusal to consider long-term effects. The primary example is the administration's proposed sale of 60 F–15 fighter-bombers to Saudi Arabia. If not blocked by the Congress, this sale can only erode regional security, increase tensions, enhance the chances for a wider Arab-Israel confrontation, encourage the Arabs to seek military solutions and utlimately undercut the very national interests we are seeking to promote.

In view of the President's past statements about arms sales. I am shocked that he would undertake such a destabilizing arms sale. It seems to be contrary to the entire philosophy about arms exports that he enunciated to the voters in 1976, not just as that philosophy applies to the Mideast, but as it applies to the whole world. The sale of 60 F–15's to the Saudis is clearly unjustified. The Saudis are secure in their defensive needs. They confront no immediate or probable threat from their neighbors. In the real world—not the realm of farfetched scenarios—it is indeed possible that the F–15's might see their only combat use in a future Arab war against Israel. Our Nation has a stated aim of lowering tensions and of assuring the stability of the Saudi regime. Why then sell the one weapon system which by its very presence all but guarantees Saudi participation, willing or unwilling, in any future Arab-Israel war?

I believe that many of my colleagues are troubled, as am I, by the flimsy justifications for the sale offered so far by the administration. In point of fact, it appears that this sale is going forward not because of Saudi needs, but because of Saudi demands. It has been widely reported that the Saudi leadership sees the sale of America's most sophisticated fighter-bomber as an acid test of our friendship and intentions. It does not require much insight to appreciate that a sale made under such conditions will do nothing to cement a friendship. Rather, it can only be interpreted as evidence of this Nation's willingness to compromise its larger goals to curry favor with a major oil producer. Since the F–15's require airborne radars, such as the E–2C or E–3A, will the United States resist the inevitable Saudi demands for these systems? Or for the newest air-to-air missiles used on the F–15's? Or will the Congress hear again the litany of Saudi oil moderation and political moderation, as ever greater numbers of superfluous weapons are added to the Saudi forces. The cycle will have to stop somewhere. I believe it must be stopped now.

Mr. Speaker, I am deeply disturbed at the fundamental contradictions in this proposed sale. The administration has tied Israel's supply of essential F–15 and F–16 fighters to the sale of F–15's to Saudi Arabia and the sale of F–5E fighter bombers to Egypt. In this "package" approach there is an implicit devaluation of America's commitment to Israel's security needs. The United States has a commitment to Israel's security which has been affirmed by every U.S. President since Truman. It is not accidental or contrived, but founded upon the shared principles of democracy and the friendship between two peoples. Our arms supply relationship with Israel in general, and the sale of F–15's and F–16's to Israel in particular, exist separately from the proposed sales to Saudi Arabia and Egypt. Israel's requests are based on standing, written commitments entered into connection with the Sinai II agreement. This has been derived, in turn, from the continuing American belief that a strong and secure Israel is essential to achieve peace.

Since this is so, the administration's ill-conceived packaging of the three sales—and Secretary Vance's demand that the package be accepted in toto—can only be taken to mean that, in the pursuit of ephemeral "even-handedness," the United States would allow Israel's security to erode. This can only harm the peace process. It can only send the wrong signals, cause the wrong interpretations, spark the wrong actions, and ultimately elicit the harder Arab demands and expectations which spell trouble for our hopes for peace.

Mr. Speaker, the interests of the United States, foremost of which is the achievement of peace, suggest that the Congress now has a responsibility to act in a manner which reflects a concern for regional stability and greater reconciliation. For all these reasons, I would actively support a resolution of disapproval of the proposed sale of F–15's to Saudi Arabia.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I am happy to yield to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Speaker, I wish to thank the gentleman from New York (Mr. FISH) for yielding to me this time. I want to commend him and the other gentleman from New York (Mr. GILMAN), as well as other Members of the House, for their initiation of this special order.

Mr. Speaker, the administration's proposed "package sale" of warplanes to Saudi Arabia, Egypt, and Israel is deeply disturbing. It represents a marked change in U.S. policy on Middle East arms sales and weapons transfers generally, raises serious concerns about our commitment to Israel's security, and creates another obstacle to a lasting settlement of the Arab-Israeli conflict.

Once again the administration is attempting to force Israel into making unilateral concessions in the Middle East peace negotiations. As many of us in Congress have repeatedly emphasized, such a tactic runs directly counter to the policy of allowing the parties themselves to negotiate a settlement. And, even if one accepts the necessity of these sales—which I do not—there is no conceivable rationale for making them at this time, in the midst of the most delicate period in the Egyptian-Israeli negotiations.

Although for over 20 years, it has been U.S. policy not to provide Egypt with major offensive weapons, this administration has tentatively agreed to sell that country 50 F–5E aircraft, an effective short-range combat plane. This commitment comes in the face of overwhelming evidence that Egypt has received large supplies of military hardware from the French and the Soviets since 1973, including advanced warplanes. Additionally, the United States has already contracted to refurbish 200 Egyptian Mig–21 jets.

The sale of 60 F–15's to Saudi Arabia is potentially even more dangerous. The F–15, one of the world's most sophisticated planes, poses a direct threat to Israeli air superiority. This aircraft would allow the Saudis to participate directly in any future confrontation with Israel, since bases in the northwest area of the country are within easy range of Israel's borders. Even if the Saudis chose not to join directly in any conflict, these planes could be readily transferred to front line states for use against Israel.

Not only has the administration chosen to sell advanced warplanes to Egypt and Saudi Arabia, despite the fact it had no previous formal commitment to do so, it has also substantially reduced Israel's original request for 175 aircraft (150 F–16's and 25 F–15's). Only 75 F–16's and 15 F–15's will be provided.

The administration's proposal, in my judgment, will have an adverse effect on the current peace negotiations. Israel, already concerned about a seemingly new pro-Arab tilt in U.S. policy, may justifiably believe that its major ally is undermining its security. Egypt, on the other hand, may well feel that it can hold substantive talks hostage at any time by demanding more arms. Such attitudes will further erode the fragile basis for negotiations in the area.

It is particularly ironic that President Carter, who has said repeatedly that the United States cannot be "both the world's leading champion of peace and the world's leading supplier of weapons of war" would propose this arms sale. His rhetoric has a hollow ring.

This administration has been wrong in each initiative it has taken on the Middle East—it was wrong on the PLO; it was wrong in trying to involve the Soviet Union in the negotiations; it was wrong on the importance of Geneva. It is wrong again now.

I will join with others in Congress concerned about Israel's security and committed to peace in the Middle East to block the arms sales to Egypt and Saudi Arabia.

Mr. RINALDO. Mr. Speaker, I am pleased to join with my colleagues today in this special order to express my concern at the administration's arms package for the Middle East.

Under the Carter proposal, the United States would sell 60 F–15 fighters—the most advanced air superiority fighter in existence—to Saudi Arabia. The eventual Saudi goal, according to the State Department, is to have 167 combat aircraft consisting of 107 F–5's and 60 F–15's by the mid-1980's.

I am strongly opposed to this escalation of the arms race and I intend to work

with my colleagues over the next few months in overturning the Carter administration's decision.

No one who is familiar with the situation in the Middle East can be deluded into thinking that this sale will not tip the balance of power and put the security of Israel, our oldest ally in that area, in serious jeopardy.

Since 1973, Saudi Arabia has spent more than $12 billion on advanced weapons and military construction; if the sale of these F–15's is consummated, it will mean a tripling of Saudi air strength compared with 1973. Moreover, there will be a tenfold increase in the number of Saudi combat aircraft compared to 1967 and a threefold increase since 1973.

The increase in weapons payload will be even greater: an increase of 2,700 percent over 1967 and 500 percent over 1973.

Mr. Speaker, the Saudis have claimed that the F–15 will not be used aggressively against Israel. But let us take a look at this plane.

The F–15 is capable of speeds beyond mach 2.5; it has a 20 mm. cannon, a computer-guided gunsight, and four medium-range radar-guided AIM–75 Sparrow and short-range heat-seeking AIM–9L Sidewinder air-to-air missiles. It is capable of mission turn-around times of 12 minutes and can carry up to 12,000 pounds of external air-to-ground ordnance, reportedly without sacrificing its air-to-air capabilities. Its combat range is estimated at about 500 miles for an air superiority mission and from 300 to 900 miles for ground strike missions.

But even if Saudi Arabia lives up to its claim that it will not use these fighters against Israel, there is nothing to prevent them from lending them to hostile Arab nations. When asked whether there was any condition attached to the arms agreement that would have kept Saudi Arabia from lending them to another country, Defense Minister Prince Sultan answered:

> There were never such conditions and we do not accept any such conditions.

Right now, Saudi Arabia is building a major field and support facility at Tabuq, only 125 miles from Israel's major southern port of Eilat and 140 miles from Sharm el-Sheikh at the Straits of Tiran. Were another Arab-Israeli war to break out, Saudi Arabia, equipped with the most advanced fighter plane made, would be under increasing pressure from its Arabian allies to deploy this plane against Israel.

Mr. Speaker, the world was uplifted last November by the initiatives of President Sadat and Prime Minister Begin. Although the bilateral peace talks have since slowed down, leading to pessimism on the part of many, it is certainly not a time to disrupt the delicate military situation in the Middle East by supplying F–15's to one of Israel's closest neighbors.

This sale should not be approved. If the United States hopes to achieve a just and lasting peace in the Middle East, it cannot be bought by implicitly threatening Israel by supplying sophisticated arms to its enemies.

Mr. Speaker, I hope my colleagues will join with me in expressing our unequivocal hope of peace in the Middle East, and our determination not to undermine the security of Israel.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman from New York for yielding.

I was very much interested in some of the comments the gentleman made with regard to recognizing our Nation's commitment to Israel that arose out of the Sinai II agreement providing for sophisticated aircraft. In the event the administration is unwilling to separate a portion of the sale and still fulfill its commitment to Israel under Sinai II, what would be the gentleman's thinking with regard to withholding the entire sale at this time?

Mr. FISH. In response to the gentleman, as I indicated earlier, I think any delay of the sale to Israel would be prejudicial to Israel inasmuch as the confrontation states are in a position to get arms from other sources in Western Europe as well as, in some cases, the Soviet Union. So I think it is a bad alternative. I would hope that the will of the Congress would be expressed on the merits of each one of these proposals. As I indicated I think the proposal for the sale to Egypt is badly timed and the one for Saudi Arabia is ill advised. I think it is incumbent upon the Congress—and I hope that this special order is only the first step in this regard—to persuade the President of the error of his ways. The real blunder has been the insistence by the Secretary of State that they be considered as a package. If the will of the House is that two out of three of these proposals be disapproved and the sale to Israel go forward to the White House, I think the President will be making a serious mistake in vetoing that proposition. I would hope that in the meantime we could as individuals and collectively persuade the administration that they have made a serious mistake in insisting on a package. I fail to see any persuasive argument myself that this is in our interests, and I think that the case for Israel is so compelling that we should take the position that we think is right and stick with it, and when the time comes, if, indeed, the administration has not reconsidered, just use our best efforts to make it do so.

Mr. GILMAN. I am certainly in agreement with the gentleman's suggestion that we should maintain our commitment to Israel under Sinai II. However, in the event that the administration is unwilling to go forward with its promised sale and does employ its veto, I then think that it would be proper and in order for the administration to make a complete withdrawal of this proposal so that we could take up these requests at a more appropriate time, preferably following the return of the parties to the peace table.

Mr. FISH. I have the greatest respect for my colleague, the gentleman from New York, but there is another avenue and that is provided for in the Constitution. That is for us to override a veto by the President if he is in error.

Mr. GILMAN. I thank the gentleman for reminding us of our alternatives.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

I commend the two gentlemen from New York for their action here and for their leadership in this area. We can all take great hope, I think, from the mutual movements toward peace in the Middle East, but peace is not yet achieved, and it would be a serious mistake for this country to weaken its very important commitment to the security of Israel. I think that the step that these gentlemen are taking today is very important.

Mr. WOLFF. Mr. Speaker, the sale of 60 F–15 fighter-bombers to Saudi Arabia and the 50 F–5E aircraft to Egypt proposed by the Carter administration disturbs me greatly.

The F–15 is a most advanced fighter-bomber, capable of long-range attacks. It is the most maneuverable and versatile aircraft available in the world. Adding the F–15's to the Saudi air force would dramatically increase the degree of sophistication in armaments available to it. President Carter has often expressed his commitment to stopping the arms race, including regional arms races. To now provide the Saudis with a qualitative increase of this magnitude will surely add fuel to the already spiraling arms race in this volatile region.

This sale is also contrary to the administration's commitment to reducing U.S. arms sales abroad. The President has made known his conviction that the United States should not become the arms vendor to the world and should especially avoid supplying nations on opposite sides of a conflict. The proposed sale to the Saudis would contravene this policy.

In addition, I firmly believe that this sale is contrary to the concern of the United States for basic human rights. We have recently made many of our aid programs and arms sales contingent upon the observance of human rights in the receiving nations. Saudi Arabia does not seem to meet these criteria. The recent stoning and beheading of a young couple in love is only the most recent gruesome example of the lack of human rights in Saudi Arabia.

Clearly, the proposed sale of F–15 fighter-bombers to Saudi Arabia violates many major foreign policy principles laid down by the administration. It also threatens the precarious stability in the Middle East. The optimal solution would be for the President to reconsider his intention to request this sale. If, however, the President does not reconsider and sends the formal notification to Congress of his intention to sell the F–15's, I feel strongly that I must submit a resolution of disapproval of the sale.

I also question the wisdom of selling the 50 F–5E aircraft to Egypt at this time. The peace negotiations now un-

derway are at a very delicate stage. The issues to be negotiated are complex and charged with emotion. The recent breakdown in talks is illustrative of how easily the negotiations can be disrupted. It is imperative that the Egyptians and Israelis continue their quest for peace; another serious disruption could return them to confrontation and war.

The United States has again provided its good offices to help the two parties reach an agreement. It simply does not make sense to change our policy so dramatically at this point in the peace process. The addition of a new factor at this critical juncture further complicates an already dreadfully complex situation.

Therefore I call upon the President to reconsider his proposal to sell 60 F–15 fighter-bombers to Saudi Arabia, and 50 F–5E aircraft to Egypt.

● Mr. ZEFERETTI. Mr. Speaker, today I join my colleagues in expressing my strong objections to the recently proposed sale of warplanes to Egypt and Saudi Arabia.

This sale which, I believe will serve to upset the current military balance of power certainly goes against Secretary Vance's remarks in which he states that the sales are "directly supportive of our overall objectives in the Middle East" which will not "alter the basic military balance in the region." I could not disagree more. The United States should do all it can to promote peace in the Middle East, a successful endeavor up to this point. But selling Egypt 50 F–5E's and Saudi Arabia 60 F–15's. Certainly does not make the United States' role as peacemaker an understandable and feasible one.

The Saudi sale is being defended by the administration as necessary since the country has a "legitimate requirement to modernize its very limited air defenses." I can assure my colleagues that by giving the Saudis F–15's, the most advanced fighter aircraft in the world, you will certainly unbalance the precarious equilibrium that is now in that part of the world. In essence, you are giving Saudi Arabia a chance to build up an even stronger military hold which poses a potentially dangerous threat to Israel's existence. The chances of Saudi Arabia transferring the aircraft that we sell to them to other anti-Israel countries should be considered quite strong at this time. To quote one of my esteemed colleagues:

Saudi Arabia needs 60 F–15s like the Middle East needs another war.

The sale of 50 F–5E's to Egypt is not at the most opportune moment in history. While it is true that we should help that country in its pursuit of peace, selling warplanes to them is not the most advantageous proposal that we can come up with at this time. Egypt, a far less secure country than Israel, can, in an instance, create an extremely dangerous situation during peace negotiations. Because of her economic and political fluctuations, we would be responsible for fostering a highly explosive atmosphere gearing up to potential military aggression by all of Egypt's allies toward her neighbor—Israel.

Another important point, previously alluded to by Secretary Vance, is that the United States must consider the sales to these countries as a "package deal". Under the Sinia II disengagement agreement, we established a policy with Israel to provide her with the necessary aircraft and, in principle, we should live up to that accord. To renege on this agreement and to treat the sales as an "all-or-nothing" arrangement would be most unfortunate and highly disadvantageous to the cause of peace.

How can these sales "be used as a negotiating process"? The administration says that its commitment to Israel's security "has been and remains firm." I can only see Israel at the short end of the stick.

I hope that the administration seriously reconsiders its position in this regard. Our steadfast support for Israel is the only way to secure peace in this volatile part of the world—our support for its enemies is not.●

● Mr. WAXMAN. Mr. Speaker, I am pleased to join my colleagues—Representatives LEHMAN, HUGHES, FISH, CONTE, and GILMAN—in sponsoring this special order on the proposed sale of offensive weapons to Saudia Arabia and Egypt. I have the strongest reservations over this proposal by the administration, and believe it should be vetoed as provided by the Arms Export Control Act. If these sales are consummated, the military balance of power in the Middle East will be changed to Israel's disfavor. Coming at a time when Egypt and Israel are engaged in the first face-to-face peace negotiations, this proposal can only serve to make the process of agreeing on the necessary security arrangements more difficult if not impossible. The timing of this sale could not be worse. On this basis alone, it should be rejected.

The provision of F–15's to Saudia Arabia is a very disturbing prospect. The F–15 is the most sophisticated airplane in our possession. The Saudis are already experiencing severe difficulties in absorbing the vast quantities of American arms already sold. It will require an extensive commitment over the next several years of American personnel to train the Saudis and maintain the equipment and support services. But the greatest danger posed by this sale is the possibility that these planes may be used in any future war against Israel.

The Saudis actively participated in the Yom Kippur war by sending troops and equipment to Syria, where they engaged Israeli forces in the Golan Heights. Is there any doubt in anyone's mind that the Saudis would not hesitate to underscore their use of the oil weapon with the deployment of warplanes? For the past several months, the Saudis have been upgrading their military installation at Tabuk, very close to Israel's port of Eilat, and very far away from the oilfields these planes are supposed to protect. The strategic objection to this sale, therefore, is not only the transfer of these airplanes to Egypt and other confrontation states—although this is a very real possibility—but the enhancement of Saudi Arabia's role as a confrontation state.

The administration's proposal also raises grave questions over whether the United States will ever move away from using armaments to underwrite our diplomacy. Despite the President's pledge to reduce American trafficking in arms, this sale will raise current arms exports to $13 billion—a record. Approval of this transaction would therefore bring us closer to the point of no return—if we have not passed it already—in the frightening pattern of trading arms for our reliance on imports of Saudi Arabian oil. The Saudis are only at the beginning of modernizing their armed forces. After making available the most advanced aircraft we can build, there is nothing further we can offer—or which the Saudis can expect—than more of the same.

The proposed sale of F–5E's to Egypt raises many difficult issues as well. It represents a clear departure from longstanding American policy to withhold lethal weapons from Egypt's armies. President Sadat—with his dramatic repudiation of Soviet assistance, his closer diplomatic coordination with the United States, and his moderate and progressive posture toward Israel—clearly wants from the United States some tangible reward for his courageous actions. Because of the bitter opposition of the rejection front of Syria, Iraq, and the PLO, he is in a very precarious position, and needs our Government's encouragement and support. But the short-term benefits to our bilateral relations which would result in the sale of these weapons holds long-term dangers which are not in the interests of peace in the Middle East. If our alliance with Egypt is to be based not insignificantly on military assistance, a never-ending series of requests for offensive weapons will have been initiated with this sale. The ties between our two nations are better promoted by strong economic, scientific, and development cooperation and aid, which more surely meets the needs of the Egyptian people. It is this concern which demands a more creative and imaginative response on the part of the administration.

There is every likelihood that if these weapons were to be used, they would be turned against Israel. At the very moment when Israel is weighing the nature and extent of strategic concessions and withdrawals from the Sinai, the delivery of American warplanes to Egypt—which would begin in September—can only impede Israel's ability to meet Egypt's diplomatic expectations.

Moreover, at a time when there are the most serious disagreements between Washington and Jerusalem over these issues, this sale cannot help but be viewed as a form of indirect—though powerful—pressure on the Israeli Government. On its face it violates the pledge made by Vice President MONDALE last spring never to use material and assistance as a lever on Israel's judgment. Considering the fact that Israel's arms requests were cut in half by the President, the package as a whole carries ominous implications for the U.S. commitment to military stability in the area.

In sum, this proposal is utterly incom-

patible with the process of peace which has begun. By eroding Israel's military superiority, it revives the option of confrontation which Israel and Egypt had sought to remove forever as a legitimate means of resolving differences.

I very much hope my colleagues will join me in rejecting this sale.

I am pleased to insert in the RECORD an article on these issues which I wrote for the Los Angeles Times on February 24, and an analysis of the military implications of these sales written by Drew Middleton of the New York Times on February 15:

[From the Los Angeles Times, Feb. 23, 1978]

MAKING A MESS OF THE MIDDLE EAST STEW—ADMINISTRATION DECISION ON ARMS SALES TO ARABS, ISRAELIS IS FULL OF FLAWS

(By HENRY A. WAXMAN)

In defending last week's decision to sell 50 F–5E jet fighters to Egypt and 60 highly sophisticated F–15s to Saudi Arabia while supplying only half of Israel's current arms request, the Administration said its action would meet the legitimate defense needs of the three countries, maintain the military balance in the area and complement present peace efforts.

In making their case, the President and the secretary of state could not be more mistaken. In fact, their announcement could not have come at a worse time.

For months, members of Congress have urged the Administration to delay any arms sales to the Mideast, arguing that the introduction of new weapons could serve only to undermine the first face-to-face discussions between Israel and Egypt and to alter each side's incentive to see the talks through.

Yet Administration officials chose to announce their decision at a time when negotiations have bogged down, and when Washington and Jerusalem are having their most serious differences in years. With Israel deeply concerned about its security in Sinai—as shown by the agony over demands to give up settlements there—the prospect of Egypt receiving new warplanes can only make bridging this issue more difficult, if not flatly impossible. Circumstances demanded restraint, but the Administration has acted otherwise.

In a larger sense, the announcement also demonstrates that armaments still form the currency of U.S. diplomacy. This proposal makes a mockery of the President's commitment, so forcefully expressed in his campaign, to reduce American trafficking in arms. Indeed, if these weapons are actually delivered, total sales for the coming year will reach a record level of $13 billion. This incredible figure should be seen as symptomatic of the Carter Administration's failure to resolve a chronic foreign-policy problem, for Carter is clearly continuing the old pattern of resorting to arms sales to meet the demands of oil politics.

In addition to these diplomatic concerns, there are extensive strategic objections to this proposal. Like the sale of aircraft and Hawk missile systems to Jordan in 1976, the arming of Egypt with American weapons again poses the dread prospect of U.S. material being used by opposing sides in a future battle.

The sale of F–15s to Saudi Arabia also bodes ill. For months that country has been upgrading the air base at Tabuk, less than 10 minutes' flying time from Israel's Negev Desert. The Saudis participated in the Yom Kippur War by sending weapons as well as troops to Syria. Is there any doubt that in a future conflict the Saudis would hesitate to underscore the oil weapon with the use of F–15s?

While Egypt and Saudi Arabia argue that their needs are defensive, the tragic history of four wars in the Middle East—in which Israel had to defend itself against aggression—belies that claim. The fact is that the infusion of American weapons to the confrontation states would significantly reduce Israel's already marginal superiority in the area's military balance, and pave the way for even more Arab aggression. Worse yet, new Egyptian and Syrian warplanes (in conjunction with the Soviet Union's quiet but massive rearming of the Syrians to the point where they are stronger today than in 1973) would make the option of resorting to war an active one.

Beyond all this, the prospect of Saudi Arabia receiving F–15s raises a particularly troubling issue for Americans: the possible involvement of U.S. advisers in a Middle East war. Until now, the United States has been providing less-advanced—and therefore less-dangerous—weapons to the Persian Gulf states. But last week's proposal indicates that the policy has changed: It would grant the oil-rich countries easy access to our best weapons.

In the summer of 1976, a Senate subcommittee issued a report warning that the Saudis could not absorb the weapons already being delivered, and that American advisers—thousands of them—would be needed for years to train and maintain Saudi forces. With the delivery of F–15s, that need will grow even greater, conceivably putting the United States in the ludicrous position of not only providing weapons but also giving technical assistance to a country at war with our ally, Israel.

This April, Congress will review the Mideast arms package. But even if Congress vetoes it, as I believe we should, it can only be a flawed victory, for such a veto would upset the expectations of Egypt and Saudi Arabia, thus undermining the Administration's credibility. Nor would blocking the sale do much to repair the erosion of trust between the United States and Israel. On the other hand, if Congress does not veto the proposal, the Arabs will ultimately gain greater military power, and the Israelis, weighing the potential threat arrayed against them, will be further inhibited from making strategic concessions for intangible assurances.

All parties involved—the Administration, Congress and the three recipient countries—have thus been placed in the worst possible position by Carter's wrongheaded proposal, which he has handed down at the wrong time in Mideast peace maneuverings.

[From the New York Times, Feb. 15, 1978]

ISRAEL'S ERODING MIGHT

(By Drew Middleton)

Changes in the quality and quantity of Arab weaponry appear to be eroding Israeli's military dominance in the Middle East, but not destroying it, according to qualified sources in Washington and in Atlantic alliance capitals.

Israeli air power, expressed in the quality of planes and pilot training, was decisive in victories over the Arabs in the wars of 1967 and been reduced but not eliminated, the sources said, by the announcement of prospective United States aircraft deliveries to both sides in the Middle East.

Saudi Arabia will acquire 60 F–15's and Egypt will get 50F–5E's. Israel will get 15 F–15's and 75 F–16's. The F–16's are not yet deployed by the United States Air Force or the other four NATO air forces that are buying them.

Israel's weapons situation has worsened on balance in one important respect. Until now, Israel had been the sole recipient in the Middle East of advanced American weaponry.

The announcement yesterday was that 60 F–15 fighters had been added to the advanced weapons already scheduled for delivery to Saudi Arabia.

These include 400 Maverick air-to-surface missiles, six batteries of Hawk surface-to-air missiles and 2,000 Sidewinder air-to-air missiles.

In addition Syria, Iraq and Libya are receiving sophisticated Soviet equipment so that the balance at the end is tilting against Israel's dominance in the field of advanced weaponry.

One of Israel's continuing strategic concerns, which has not been dissipated by the groping toward Egyptian-Israeli peace negotiations, is the conviction among Israeli military leaders that Egypt could not stay out of another Arab-Israeli war.

In early January, an Israeli general remarked that he was convinced that the twin forces of Arab nationalism and religious unity would overcome any tendencies in Cairo toward neutrality in a new war, even though the two governments' might have concluded an agreement.

A combination of new Soviet arms shipments to Iraq, Syria and Libya and American sales to Egypt and Saudi Arabia are elements in the military change in the Middle East.

MIG-23'S FOR IRAQ AND SYRIA

Since President Sadat opened his "peace offensive" by visiting Israel in November, the Soviet Union has rewarded the countries that opposed his policy with shipments of modern arms including additional MIG–23 fighter-bombers to Iraq and Syria.

Mr. Sadat, during his visit to the United States, pressed the Administration for 120 Northrop F–5E's to bolster his air force, whose effectiveness has been severely reduced by Moscow's refusal to send spare parts for Soviet-built planes.

Egypt got 50 F–5E's instead of the 120 Mr. Sadat had requested. These planes and the 44 French Mirage F–1's Egypt has ordered—scheduled for delivery in 18 months—will create training and maintenance problems for the Egyptian Air Force. Its combat strength of 365 planes has been exclusively of Soviet manufacture.

Should Congress approve the sale of the F–5E's, which would be paid for by Saudi Arabia, military analysts believe that the Egyptian Air Force would be reinvigorated. The F–5E, however, is not comparable to Israel's F–15 as an interceptor, they emphasized.

SADAT STRESSED DEFENSE ROLE

Mr. Sadat, according to defense officials, stressed to President Carter that he needed the aircraft not for operations against Israel but rather for defense and possibly for intervention in Somalia if that country was invaded by Ethiopia.

In addition to being worried about the new arms shipments to the Arabs, Israeli military sources are concerned about any arrangement that would give Egypt military control of the so-called Rafah approaches commanding the major invasion route from Egypt to Israel.

The Rafah approaches are regarded by Israeli planners as a vital strategic area in which the Government has established a number of villages. The area is small, less than 2 percent of the Sinai Peninsula. It is bounded on the west by the town of El Arish and on the east by the town of Rafah. To the south are the sandy wastes of the northern Sinai, to the north the Mediterranean Sea.

ISRAELI STRESS MILITARY VALUE

The Israeli stress the military importance of the area. Control of the Rafah approaches, they say, means control of the Palestinian-inhabited Gaza Strip to the northeast on the coast and bars any drive into Israel's coastal plain.

The introduction of modern weaponry to

the Middle East appears to some military analysts to have undermined some of the military claims on both sides.

For example, Syria's demand that the Golan Heights be returned no longer has a substantial military basis, according to Western officials. The Syrians, they point out, have weapons—Soviet-supplied 180-millimeter guns and missiles—that would enable them to attack northern Israel or defend against invasion from positions well east of the Golan Heights, in some cases as far east as the Damascus area. The Golan Heights area is important to Syria for agricultural reasons and from the standpoint of nation esteem, but its military importance to Syria has been reduced.

Acquisition of F-15 fighters by Saudi Arabia has caused concern in Israeli military circles. The attitude among American officials is that this concern is exaggerated. The F-15, they insist, is an air to air fighter not a fighter-bomber. Its use by the Saudis would be defensive not offensive, they contend.

The military effectiveness of the 60 F-15's for Saudi Arabia depends, qualified sources said, on the training procedures to be followed and their eventual deployment in Saudi Arabia.

Should they be deployed at Tabuk in Saudi Arabia near the Gulf of Aqaba, they would constitute a threat to Israeli air patrols and attack missions over the gulf and the Red Sea.

However, if the American deal with Saudi Arabia includes the training of Saudi pilots on F-15's in the United States, analysts speculated that the planes might be ready by the end of 1979. Training in Saudi Arabia with American instructors would take longer, they said.

EASY TRANSFER IS DOUBTED

Nor are American and NATO analysts prepared to accept the Israeli view that the F-15 could swiftly be transferred to another Arab country in the event of a general Middle East war.

The Saudis, they say, would not be likely to give away their best defensive aircraft in a war situation. Moreover, the transfer of the aircraft to an Arab air extremely sophisticated plane would not be easy. Finally, the command and control procedures and machinery for air combat by the F-15 would not be easily transferable.

Possibly the most unbalanced element in the current situation has been the transfer of advanced Soviet weapons to Iraq and Syria, which oppose President Sadat's peace efforts.

The weapons include additional MIG-23's, T-62 tanks, armored personnel carriers and surface-to-surface and surface-to-air missiles. The conclusion among qualified analysts is that both the quality and the quantity of Syrian and Iraqi weaponry have been improved.

However, they insist, this does not seriously weaken Israeli's military position. The consensus among American and European analysts remains that Israel is strong enough to defeat any combination of Arab states even if the so-called "eastern front" of Syria and Iraq were reinforced by Saudi Arabian, Libyan and Algerian forces.

Yet there also is general agreement that military and political events in the Middle East have reduced Israel's advantage.●

● Mr. BURKE of Massachusetts. Mr. Speaker, this year marks the 30th anniversary of the founding of the State of Israel. Americans share in the great joy of this occasion, for Israel is our closest friend and ally. The goals of the Israeli people are close to our hearts; their desire for security and peace is our desire.

Despite repeated State Department assurances of America's lasting commitment to Israel's security, this administration proposes the sale of sophisticated weaponry to Egypt and Saudi Arabia, far beyond their legitimate defense needs. Despite the President's policy to curb the flow of military technology to less-developed nations, the State Department testifies of Saudi Arabia's need for 60 F-15 fighters. Despite our traditional and avowed special relationship with Israel, the three arms sales are lumped together in a take-it or leave-it package deal. The administration's efforts to bring the parties together for the first time toward an Arab-Israeli settlement have been commendable. Yet now we propose a sale that serves to potentially disrupt peace negotiations and escalate tension in the Middle East.

The Saudi air base at Tabuk is 125 miles from Israel's major port at Eilat. Within clear range of the F-15, this presents the threat of an aerial strike against Israel. The sales of lethal weapons to Egypt and Saudi Arabia endorse a balance of power theory in the Middle East. I cannot support this new policy.

I believe that this administration wants lasting peace in this volatile region of the world, and I firmly believe that both President Sadat and Prime Minister Begin deeply share in this same goal. It therefore makes little sense to enter into new agreements to provide weapons of war to a region searching for peace. We should not trade weapons for the promise of continued negotiations. To gamble that political benefit will outweigh military risks does not take into consideration the future safety and our long-time allegiance to the Israeli people.●

● Mr. MIKVA. Mr. Speaker, during the past several years the Congress has taken a much more active role in the conduct of American foreign policy. I do not claim that our ventures have been entirely successful, but I do know that we are now much more sensitive to the complexities of international relations than we ever were in the past.

A great deal of the new-found congressional interest in foreign policy has focused on the Mideast. And, I think the Congress has acted deliberately and responsibly in maintaining a balance between all Mideast countries by continuing our strong support for Israel and for the legitimate peace interests of Egypt, Jordan, and Saudi Arabia.

I feel strongly that it is very difficult to continue to maintain a balance by injecting major new factors into the Mideast. But, this is precisely what the administration's proposed sale of military aircraft represents. Selling military aircraft to countries which previously received only nonmilitary aid is raising the ante, not keeping a balance. The risks are even greater when, as here, the new beneficiaries of American weapons, Egypt and Saudi Arabia, are long time opponents of Israel.

Mr. Speaker, many Members of the House applauded President Sadat's visit to Israel. Many Members are also grateful to the Saudis for holding down oil prices in 1978. But, I do not think we are showing either nation any gratitude by increasing tensions in the Mideast. Increased military assistance to both sides of a dispute does not increase the chances of peace—if anything, the relationship corresponds inversely.

For the first time in a generation, there is a real possibility for peace in the Mideast. But America will only disrupt the current delicate stage of negotiations by suddenly assuming a new role of military supplier to the Midwest. We have earned our position of trust among the various Mideast nations by the continuity of our position. We have not attempted to play the Soviet Union's game picking winners and switching horses—first supporting Egypt than attacking her.

The administration's proposal is not in character with our role in that part of the world. It is like a quick-fix, and will have the same result—trading temporary relief for long-term troubles. There are better ways to show support for the legitimate peace aspirations of the Egyptians and the Saudis, and I think if the administration pursues those nonmilitary methods it will find staunch support in the Congress.

Mr. Speaker, peace is not served by expanding war making capabilities. The administration has done an admirable job so far in keeping the parties in the Mideast talking instead of fighting, I hope this Congress will keep the administration from abandoning that policy by rejecting the sale of weapons to Egypt and Saudi Arabia.●

● Mr. MURPHY of New York. Mr. Speaker, one of the most prominent issues raised in the continuing negotiations for peace among the Middle Eastern nations concerns the possible sale of advanced American fighter-bomber aircraft to Egypt. It is my own fixed opinion that any such sale of offensive weapons to Egypt would constitute a serious disruption to the delicate balance of arms situation between the Israelis and the Arab nations. That is the error of such a possible sale. There must not be a balance of power, but a community of power; not organized rivalries, but an organized common peace.

It is an unfortunate reality that power, the lack of it or the threat of it, seems to be the underlying principle behind the relationships of many countries of this world. But the only security of a people is to be found through the control of force, rather than the pursuit of force.

The President has stated he is "particularly concerned by our Nation's role as the world's leading arms salesman." If that is so, then we cannot simultaneously stimulate an aggressive image with an increase in weaponry transfers. I find it totally inconsistent to escalate our arms movements while at the same time discussing peace through deescalation. Perhaps that is one of the failings of modern politics, to offer yesterday's answers to today's problems.

But today's real world cannot be caught in the trap of responding to a crisis by creating an even more intense

crisis. And that is my reading of any attempt to bump the arms race up another step. It is perhaps, as an old saying goes, part of the problem rather than part of the solution.

The United States has firm commitments to many of the Arab nations. But our support of Israel is equally firm and strongly rooted throughout the history of that nation. I cannot conceive of this country allowing Israel's national integrity to be undermined. But neither can the U.S. Government use her position as a weapons supplier to pressure either Israel or Egypt into any concessions.

The conditions of any Middle East peace can only be accomplished by face-to-face negotiations by Israel and the Arab nations. America cannot maintain the dual role of mediator and antagonist. Progress has been slow, but it has been progress, nevertheless.

Beyond the conflicts of the Middle East, all of us have a desire for peace throughout the world. But such a desire cannot be realized in any nation until the instruments of war are put aside, and the resources which might have been expended are instead channeled toward the resolution of peace.

And yet we are treated to the ironic situation whereby the President and the Secretary of State are pushing increased arms sales to three countries who have been historically at odds with each other and who exist in what is currently the most volatile part of the world.

I cannot countenance that.

Since its birth, American support for the State of Israel has been deeply rooted in the leadership of this Nation. Since that historic year, the United States has had seven Presidents every one of which voiced his, and our, firm commitment to the Jewish nation.

Referring to the European Jews in 1946 President Harry Truman said:

> Neither the dictates of justice nor that love of our fellow man which we are bidden to practice will be satisfied until the needs of these sufferers are met.

President Eisenhower said:

> Our Country supports without reservation the full sovereignty and independence of each and every nation of the Middle East.

President John F. Kennedy said:

> The U.S. supports the security of both Israel and her neighbors. We seek to limit the Near East arms race, which takes resources from an already poor area and puts them into an increasing race which does not bring security.

President Johnson said:

> The United States is firmly committed to the support of the political independence and territorial integrity of all the nations of the Middle East. The United States strongly opposes aggression by anyone in the area in any form, overt or clandestine.

President Nixon said:

> The United States stands by its friends. Israel is one of its friends. The United States is prepared to supply military equipment necessary to support the efforts of friendly governments, like Israel, to defend the safety of their people.

President Ford said:

> The United States will remain the ultimate guarantor of Israel's freedom. If we falter, there is none to pick up the torch. We will remain steadfast in our dedication to peace and to the survival of Israel.

And, President Carter said, his proposed plane sale not withstanding:

> We will stand by Israel always.

Since Truman the survival of Israel has been the policy of Presidents.

It has been the policy of Congress.

And it has been the policy of the American people.

The peace negotiations and the balance of power in the Middle East obviously have a very basic effect on the safe existence of the State of Israel.

There has been a beginning. The journey of a thousand leagues begins with that single step. And so, we must not neglect any work of peace within our reach, however small. The United States has the power to destroy the world but not the power to save it alone. David Ben-Gurion told us that in Israel, in order to be a realist, you must believe in miracles. Perhaps, with the proper guidance for our world leaders, yesterday's miracle can become tomorrow's peace.●

● Mr. DRINAN. Mr. Speaker, I am pleased to join my colleagues today in voicing strong opposition to President Carter's proposal to sell 60 F–15 fighter aircraft to Saudi Arabia and 50 F–5E fighter aircraft to Egypt.

These proposed arms sales mark radical departures from traditional American policies in the Middle East. Never before have we armed Egypt with offensive weapons; never before have we permitted the introduction of the F–15, the most advanced fighter plane in the world, in such large numbers into the most volatile area of the world. These proposed transactions seriously jeopardize both the security of Israel and the prospects for peace in the Middle East.

In arming the Arab States, the Carter administration ignores a central fact: The Arab nations, backed by Saudi and Kuwaiti petrodollars, can shop for weapons throughout the world, while Israel can purchase arms only from the United States. The vast wealth of the Saudi's and the availability of other sources of arms renders ludicrous the administration's claim that the sales represented a "careful balance," and that the existing military relationships will not change. This belief is, at best, naive. While Israel sits helplessly by, its enemies can add to their military stockpile irrespective of American conceptions of "balance." This is more than possible; indeed, it has already commenced. On March 1, Egypt ordered 46 of the highly sophisticated Mirage F–1 jet fighter. This plane is far more advanced than the American F–5, which we agreed to sell Egypt, and considered on a par with the F–16, which we refused to provide to Egypt. What does this—and future purchases from European nations—do to the "balance" which the administration so carefully claims to have preserved?

The decision to sell 50 F–5's to Egypt is a regrettable departure from our policy, in effect since 1955, of not selling offensive weapons to Egypt. Contrary to some assertions, the F–5 is an offensive, not a defensive aircraft. The Northrop Corp., which manufactured the plane, credits it with possessing "excellent combat agility, accurate fire control system, air-to-air and air-to-ground." The F–5 can carry five times the ordnance load of the Mig-21, previously the staple of the Egyptian Air Force.

Some have said that the F–5 is not a threat to Israel, but in fact, senior U.S. military officials were quoted in the New York Times of April 3, as follows:

> Israel's air supremacy would probably be unattainable during a new war because modern aircraft like the F–5 would be able to get through the Israeli ground and air defenses and do considerable damage.

Does Egypt in fact need 50 F–5's? Since 1974, Egypt's defense expenditures have exceeded Israel's by 30 percent. Moreover, contrary to the impressions of many, Egypt received a very large resupply of arms of all types from the Soviet Union following the 1973 war, and this resupply continued through 1977.

Not only can Egypt purchase aircraft from a multitude of sources, it can also count on allies to augment its armed forces in times of conflict. The 1973 Yom Kippur war saw Egypt receive considerable numbers of fighter aircraft from Libya, Iraq, Kuwait, and Algeria. On whom can Israel rely for augmentation of a military force level abitrarily set by the United States and apparently based not only on military, but on economic and political considerations—considerations unfavorable to Israel?

The central fact remains the absence of a genuine, as opposed to an aggressive, need for these offensive fighter planes. Israel has no military objective which would justify an attack on Egypt. If the peace talks do not succeed, we will, by significantly increasing the offensive capability of the Egyptian forces, simply encourage military action on their part.

While Mr. Sadat has made many noble and courageous gestures and some very significant concessions, we must remember that more concessions must be forthcoming. To reward Mr. Sadat with this unprecedented provision of offensive weapons—which can realistically be intended only for use against Israel—is counterproductive to the search for peace. One does not reward one's new friends at the expense of one's old friends, and also at the expense of the peace negotiations.

Mr. Carter articulated these views several times. On April 1, 1976, Carter rejected any sale of offensive military equipment to Egypt:

> I do not believe arms sales buy lasting friends. I am concerned with the way our country, as well as the Soviet Union, Britain, and France, have poured arms into certain Arab countries far beyond their needs for defense—five or six times more than Israel receives.

Mr. Carter continued:

> This headlong rush for weapons increases the chances for war. . . . It would not be wise at this time to supply strike weapons to Egypt.

The considerations which prompted these remarks less than a year ago apply with equal force today and can serve as the logical foundation of our determined

efforts to disapprove the proposed sale of 50 F–5's to Egypt.

The decision to sell Saudi Arabia 60 F–15's, the most sophisticated fighter aircraft in the world, is untenable. Saudi Arabia faces absolutely no credible external threat. The only conceivable hostile neighbor, Iraq, so outnumbers Saudi Arabia in population and military equipment that Saudi defense is an impossibility. Moreover, Iraq has had this superiority since 1963 and has never even threatened the Saudis. Relations between the two countries have improved recently. Thus, no legitimate defensive need exists. State Department efforts to prop up Iran or the Soviet Union as a potential aggressor simply do not stand up.

The principal danger inherent in this unprecedented sale of highly sophisticated offensive weaponry to Saudi Arabia is its potential deployment against Israel should hostilities resume. The F–15's could be used against Israel either by the Saudis themselves or by their allies, via loan.

Neither direct nor indirect Saudi military participation in wars against Israel is unprecedented. In fact, the Saudi Government has taken an active role in every confrontation in the Middle East—and, of course, in the past the Saudis did not possess even a fraction of their present, growing arsenal of weapons. In 1948, Saudi Arabia provided a battalion of troops, under Egyptian command, to participate in the invasion of Israel. In the Six Day War of 1967, Saudi troops entered Jordan. During the 1973 war, 3,000 Saudi soldiers fought in Syria, several being taken prisoner by the Israeli Army. Saudi Arbia also sent eight helicopters and pilots to assist Egypt.

Nor is this military assistance limited to wartime. In November of 1975, five F–5E's which we had loaned to Saudi Arabia flew out of a Jordanian air base to participate in joint Syrian/Jordanian/Saudia training maneuvers. Top Saudi military officials continue to consult on a regular basis with their counterparts in Egypt, Syria, and Jordan and frequently visit those nations.

Saudi Arabian participation in the continuing effort against Israel should surprise no one. King Khalid told the New York Times in May 1976:

> When we build up our military strength we have no aims against anyone except those who took by force our land and our shrines in Jerusalem—and we know who that is. We also believe that the strength of Saudi Arabia is a strength for the whole Arab and Islamic world. We always intended to make use of all military equipment that might help build up our military strength.

Crown Prince Fahd told the New York Times in April of 1976:

> All of our nations' armed forces are a force in the defense of the Arab nations and the Arab cause.

The Christian Science Monitor quoted Defense Minister Sultan as follows:

> All our weapons are at the disposal of the Arab nations and will be used in the battle against the common enemy.

Finally, Foreign Minister Saud, in a recent Newsweek interview, said:

> In times of war when the interests of our brother Arab countries are involved, nothing is too expensive to use. . . . We will use whatever resources we have to hurt our enemy.

These statements by four of the highest officials of the Saudi Government, including King Khalid, refute the administration's contention that Saudi Arabia will honor those terms of the sales contract which prohibit transfer of the weapons purchased, and also the contention that the weapons are for defense against "threats" from Iraq, Iran, or the Soviet Union.

Saudi acquisition of the F–15's would be particularly disturbing in light of the ongoing expansion of their airbases, especially their principal airbase at Tabuk, which is only 200 miles from Israel. Moreover, possible purchase of the F–15 must be viewed as part of a continuing, massive Saudi military buildup across the board. This ominous expansion is indicated by the Saudi Government's defense expenditures since 1972:

[Figures in millions]

1972–73	$1,002
1973–74	1,528
1974–75	2,490
1975–76	6,419
1976–77	9,012

Saudi defense expenditures currently equal those of Great Britain, France, and Germany combined, and are more than double those of Israel. Providing a nation which, alone among all the Arab States which are hostile to Israel, spends more than twice as much as the Israelis on weapons with 60 of the most sophisticated and deadly fighter-bombers in the world is an example of "even-handedness" run rampant. There is simply no justification for the sale of F–15's to Saudi Arabia. The United States cannot trade away the security of Israel in an effort to hold down the price of petroleum.

This proposed sale can only retard, not advance, the search for peace. Should Saudi Arabia, with its history of involvement in hostilities against Israel, acquire these aircraft, then Israeli leaders will surely reevaluate their security needs. This reevaluation could make negotiations more difficult, in that the Israelis might rightfully be reluctant to make certain concessions based upon the dangerous introduction of F–15's into the Arab arsenal.

What could have prompted such a proposed arms sale? Reports indicate that the Saudis wanted this remarkably large number of sophisticated aircraft as a symbol of United States-Saudi friendship and of their own status as a budding world power. No wonder an Israeil official, upon learning of the President's decision, noted:

> Now the United States has joined Western Europe in basing its Middle East policy on oil.

We can once again turn to Mr. Carter's own words for a cogent summary of the argument's against this sale. Referring to the Ford administration's sale of Maverick ground-to-air missiles, hardly as significant as 60 F–15's, Mr. Carter said:

> There is no reason to believe these missiles will increase security and stability in the Middle East. There is no reason to think they can be used only for defense. There are only reasons to fear that we will increase the chance of conflict. No Administration which was sensitive to the cause of peace would let the sale go forward.

It is now up to the Congress, hopefully more sensitive to peace than the President, to disapprove these two sales which so threaten the security of Israel and the search for peace.●

● Mrs. BURKE of California. Mr. Speaker, the administration's announcement that it plans to sell fighter aircraft to Israel, Egypt, and Saudi Arabia has been a subject of controversy in recent weeks. The timing of this announcement is very disturbing to those of us throughout the Nation who are concerned about the prospects for peace in the Middle East.

Accordingly, I have written the following letter to Secretary of State Cyrus Vance. I am inviting Members of Congress and other interested community members to join me at this time in asking the administration to reconsider its present approach:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 7, 1978.

Hon. CYRUS R. VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: Please consider this a request to meet with you at the earliest opportunity to discuss the Administration's proposed sale of sixty F–15 fighter planes to Saudi Arabia and fifty F–5E's to Egypt.

The concurrent announcement of aircraft sales to Israel represents a continuation of established U.S. foreign policy. Israel's ability to defend itself must remain unquestioned. The sales to Egypt and Saudi Arabia, however, constitute an untimely policy shift of potentially devastating consequences. At this delicate stage of negotiations between Egypt and Israel, such a move can only serve to exacerbate tensions in the region.

Egypt already is getting advanced fighter aircraft from Britain and France. Consequently, her defense in no way hinges on this sale.

The F–15 is the most sophisticated jet fighter in the world, and its sale to Saudi Arabia threatens to change substantially the Middle East balance of power. It is inaccurate to suggest that the Saudis simply can turn elsewhere to obtain these weapons. No other nation produces the F–15 or an equivalent.

This does not appear to be the time to add new and untested variables to the delicately balanced Mideast equation. Beginning a military supply relationship with these two Arab nations is inconsistent with the goal of softening the parties' negotiating positions.

I look forward to the opportunity of discussing this matter with you in greater detail.

Very truly yours,
YVONNE BRATHWAITE BURKE,
Member of Congress.●

● Mr. LENT. Mr. Speaker it is an honor to join with so many of my colleagues in expressing to the President our determination to stop the proposed sale of highly sophisticated fighter planes to Egypt and Saudi Arabia. Seldom in my career in the Congress has a Presidential action caused such consternation as has this disastrous proposal. Coming as it does after the President's unbelievable action in joining the Soviet Union in

pressuring Israel with the joint United States-Soviet declaration last fall, this new policy blunder raises grave questions about the future.

What is most appalling about this proposal is that it comes in response to pressure from the Arab nations. In a perceptive article in the New York Times of February 28, 1978, Richard Burt traces the history of this ill-considered move. He shows clearly that the decision was made because President Carter bowed to pressure from Egypt and Saudi Arabia. The article carefully details how President Carter's new proposal reverses his own previous policy and "short-circuited the work underway" by the President's Arms Control Export Board in attempting a careful evaluation of various proposals for arms sales in the Middle East to carry out President Carter's commitment to reduce such sales.

Mr. Burt's article quotes a White House official as explaining:

> This was an entirely political decision that only the President could make.

Mr. Speaker, I find that admission by a White House official most revealing and most deplorable. It is an admission by a White House official that the President discounted—if he even considered—the grave military and diplomatic consequences his action might have, and submitted to the political pressure of Egypt and Saudi Arabia. President Carter seems to care little that his proposal would be giving the Arab world a tremendous new strike force capability in the Middle East. President Carter totally ignores some 30 years of history and U.S. policy in the Middle East. He ignores the wisdom and example of six previous Presidents—three Republican, three Democrats—who, over the past 30 years consistently supported and encouraged a policy of seeking a balance of power in the Middle East, and of discouraging attempts to escalate military power there.

Now, if we follow Mr. Carter's lead, that wise and consistent policy of the past 30 years will be carelessly tossed aside, and we will be plunged into a new era of danger with a greatly increased risk of war. To make the political nature of his decision even more distasteful, President Carter has instructed his Secretary of State, Cyrus Vance, to inform the Congress—and the world—that the fighter plane sales must be made as an all-or-nothing package. No fulfillment of our 3-year-old commitment to deliver fighter planes to Israel, unless Egypt and Saudi Arabia receive the fighter plane strike force that could help destroy Israel. I find that attempt to squeeze the Congress into accepting an unwise decision absolutely incredible.

Mr. Speaker, the Congress must take action to halt this drastic shift in U.S. policy. On February 21, I introduced House Concurrent Resolution 484 which would put the House and Senate on record as disapproving the sale of these highly sophisticated aircraft to Egypt and Saudi Arabia. Others have introduced similar resolutions. The faster the Congress takes such action, the sooner the United States will demonstrate to the world that it is reinstating the sane and sensible policy of moderation it has followed in the Middle East for 30 years.

Mr. Speaker, the United States should be encouraging peace in the Middle East—not war. The United States should be attempting to restrain arms escalation in the Middle East—not contributing to it. The United States should be seeking to maintain the balance of military power in the Middle East—not tilting it to the Arab Nations.

Let us move swiftly to prevent this political Frankenstein from coming to life and leading our Nation on a course that can only result in the gravest of consequences.●

● Mr. EILBERG. Mr. Speaker, I was dismayed and deeply disturbed at the President's announcement that he proposes the sale of 60 F–15 fighter-bombers to Saudi Arabia and 50 F–5E aircraft to Egypt. After the months of public discussion on this question, I had hoped that the danger of these sales of offensive weapons to the Arab States would be clear to the administration.

I am also outraged at the linkage which the administration has drawn between these sales and the proposed sale of weapons to Israel. The implication of this package policy would be that the sale of arms to Israel is conditional upon sales to the Arab States, and I find this a dangerous new development which ignores the sale by the Soviet Union and Western Europe of arms to Egypt, Saudi Arabia, Syria, Lybia, and Iraq.

Mr. Speaker, I believe that the proposed sale of the F–15's to Saudi Arabia and the F–5E's to Egypt are fully deserving of a resolution of disapproval by this House.

Because the proposed sales are contrary to the rational arms policy to which President Carter pledged himself. I wrote to him within hours of his announcement to urge that he reconsider his intentions. If he does not, I fear that he will bear the responsibility for encouraging the Arab States to seek military solutions in the Middle East, rather than pursuing negotiations.

The sale of the most sophisticated fighter-bomber in the world to Saudi Arabia will not promote stability in the Middle East. It will not promote the best interests of the United States, and very possibly will raise tensions and upset the delicate military balance in the region.

The sale of sophisticated offensive weapons such as the F–5E to Egypt represents a major departure from previous U.S. policy. I very much fear that its timing could have a negative impact on the current peace negotiations.

I would like to know, Mr. Speaker, to what extent the administration considered the following facts in reaching its decision to sell F–15's to Saudi Arabia:

The purchase of more than $12 billion in arms by Saudi Arabia during the past 4 years means that Israel now faces a fourth confrontation state on her borders. At this time, the Saudis are acquiring some 110 U.S. F–5E fighters, 550 American- and French-made tanks, 6,000 antitank missiles, and 3 mobile SAM systems. Clearly, the Saudis are building the military infrastructure to house, maintain, and operate a major offensive military force.

If the Saudis obtain the F–15's, they will triple their air strength compared to their 1973 levels. Obtaining this sophisticated aircraft will mean a dramatic increase in Saudi strength. In addition, it will require that the United States sell the Saudis advanced airborne radar systems. The presence of such an advanced weapons system will not enhance Saudi Arabia's security; it will only make Saudi participation in a future conflict with Israel more likely.

Saudi Arabia is now building a major airbase at Tabuq, only minutes' flying time from Israel, particularly the Red Sea port of Eilat. Other Saudi military construction is underway elsewhere. The effect is to significantly enhance the threat of Saudi strikes against Israeli military and civilian targets. At the same time, even our own State Department acknowledges that aircraft provided by the United States have been deployed by Saudi Arabia with Syrian, Jordanian, and Egyptian forces, in violation of U.S. law. What assurance do we have that the Saudis will not share the F–15's in a similar manner?

Saudi Arabia already possesses the strength to blunt an attack against her. For instance, it has been argued that the Saudis require the F–15's to stop an attack from Iraq. But the United States already has provided the Saudis with an F–5E force and mobile Hawk batteries specifically designed to defend against such an attack.

Although the United States has sold and is selling the F–15 to Israel, it must be remembered that Israel's need for the U.S. aircraft is far more acute. While the Arab States can buy from the Soviet Union, Britain, France, and the United States, Israel can look only to the United States for advanced military equipment. Israel's F–15's will have to be used to defend herself on many fronts. To position 60 F–15's in Saudi Arabia, on a front which up until now has been quiet, will only upset the balance of power between Israel and Saudi Arabia, and make it more enticing for Saudi Arabia to participate in a future conflict.

The proposed sale of the F–15 to Saudi Arabia has been the subject of considerable disagreement within both the Carter administration and the Ford administration. Defense Department officials have advised the Saudis that their air force is not ready to maintain and fly the aircraft. In fact, a major reason why the U.S. Air Force has encouraged the Saudis to seek the F–15 is to amortize cost overruns on the F–15 program. At the same time, the General Accounting Office has stated that the Saudi Arabian Air Force has had difficulty absorbing the less sophisticated F–5's, even 6 years after the delivery of the first planes.

I have similar concerns, Mr. Speaker, about the proposed sale of F–5E's to Egypt. Very clearly, this is an offensive—not defensive—aircraft. It would be a serious challenge to Israel's defenses, especially if combined with the huge amounts of Soviet and French arms which Egypt has purchased in recent years.

It has been argued that the sale of the F–5E to Egypt is necessary to show U.S. support for the peace initiatives undertaken by President Sadat.

But I question this on two counts. First, American consideration of this sale predates President Sadat's initiatives and his trip to Jerusalem. Secondly, it is highly debatable whether Egypt's search for peace requires a reward of arms. If the peace talks succeed, the need for arms would diminish; if the peace talks fail, it would be unwise for the United States to have added to an already dangerous arms race.

It bears noting that there have been no previous formal commitments by the United States to sell the F–15 to Saudi Arabia or the F–5E to Egypt. However, in conjunction with the Sinai II Agreement of September 1975, the United States pledged "to continue to maintain Israel's defensive strength through the supply of advanced types of equipment, such as the F–16 aircraft."

In addition, Israel has a commitment dating from 1975 for the purchase of 50 F–15's, only 25 of which have been contracted for. Israel now requires new aircraft to replace her aging F–4 Phantom, A–4 Skyhawk, and Mirage planes, and to offset the large number of Soviet, European, and American fighter planes already acquired or contracted for by the Arab States.

Israel had requested 175 aircraft and, therefore, the administration's proposal to sell 75 F–16's and 15 F–15's represents only about one-half of Israel's needs. On the other hand, Saudi Arabia in April of 1977 had requested only 50 F–15's, thus making President Carter's proposal 20 percent higher than the Saudi request.

In summary, Mr. Speaker, I feel very strongly that the proposed Saudi and Egyptian sales will contradict our stated goals of working toward a lasting peace in the Middle East. With these aircraft, the Arab States are likely to feel more confident of relying on military solutions, and less receptive to negotiation and compromise. The end result can only be greater tension, less regional stability, and a higher level of violence should a conflict take place.●

● Mr. LLOYD of California. Mr. Speaker, it has been suggested that the nature of the Mideast fighter sales package is to blackmail Congress into an all or nothing position. This may very well be true. We are faced with approving sales to Saudi Arabia, Egypt, and Israel. Failure to approve fighter sales to Arab nations, it is threatened, will result in a withdrawal of sales to Israel, a prospect we do not relish.

I have a strong record in support of Israel. Therefore, my comments may surprise some of my colleagues. Reluctantly, I stand in support of the package of fighter sales to all three countries.

I base this on two main reasons. The first I have mentioned. I believe a cutoff in sales to Israel to be a very real policy which may be pursued if we turn down portions of the Mideast package. Israel has by far the most to lose in terms of equipment if this sale is vetoed by Congress.

My second reason is a practical one. There is no doubt in my mind that Egypt and Saudi Arabia will find other advanced aircraft in a world where we have just part of the arms market. Already, it has been reported, Egypt has ordered 46 Mirage F–1's from France, and a European consortium of manufacturers of an all purpose aircraft will not be restrained by our voting down the sale of aircraft to the Mideast.

By disapproving the sale, we do no good. Perhaps we delay the entry of new aircraft into the Arab inventory, but the Mirage sale to Egypt suggests that even this is not so.

The reality of the Mideast is that there is an arms buildup. I regret this very deeply. But I do not think I, or this Congress, can do more than influence which nation does the selling. The buyer is there.●

● Mr. SANTINI. Mr. Speaker, the recently announced administration proposal to sell advanced U.S. fighter aircraft to Saudi Arabia and Egypt has me gravely concerned. Because of the continual conflict and turmoil which have plagued the Middle East for so many years, I am deeply worried about the possible ramifications of such sales. My major concern is the effect on the balance of powers in that area.

The people of Israel are a rare breed—dedicated to their country and determined to retain it and, if necessary, to fight for peace. The members of the Palestinian Liberation Organization, should they manage to get hold of any of these fighters, would not hesitate to use them against Israel. They have already stated in their covenant that they are determined to destroy the State of Israel.

A year ago, I had an opportunity to visit Israel and to meet personally with many of her remarkable citizens. From my firsthand observations, I am convinced that the Israelis are intent on their goal of establishing and maintaining peace in the Middle East—an achievement which may be more difficult to attain if the proposed sales are approved at this point.

Israel's survival has always depended upon her determination and skill in using quality pilots and equipment to overcome quantative disadvantages. To provide the Arab countries with a larger number of fighter aircraft than Israel would seriously upset the balance of powers in the Mideast. The United States has a long-standing commitment to sell F–15's to Israel. A promise to provide Israel with these aircraft was made when the Sinai II disengagement agreement was reached. Israel has now begun receiving the first shipment of previously purchased F–15's. The aircraft sales to Israel are a continuation of established policy, in contrast to the sales to Egypt and Saudi Arabia, which represent new policy directions. In my view, these new policy directions are unnecessary and unwise.

There is no reason that the sales to each of the countries cannot be treated separately, rather than the "package" approach used by the administration. I believe it is important that we honor our commitment to our longstanding ally and friend, Israel, and complete the sale of F–15's and F–16's to her.

I do, however, believe that the announcement of the sales to Egypt and Saudi Arabia was poorly timed and ill considered. I disagree with executive branch announcements that these sales could actually help achieve peace in that troubled region. I am sure that many of my colleagues would agree that these sales could severely impede the delicate peace negotiations which have begun in the Middle East and which have already experienced interruptions. These sales should be delayed until further progress has been made in these negotiations and there is greater reassurance of peace in the area.

I am hopeful that the administration will reassess its position on the sales. If not, I will support a resolution to block the sales to Egypt and Saudi Arabia.●

● Mr. HUGHES. Mr. Speaker, I welcome this opportunity to discuss with my colleagues in the House, the proposed arms sales to three Middle Eastern nations and the ensuing ramifications should these sales be consummated.

There is no question that all of us in Congress want to see a resolution of hostilities in the Middle East. Unfortunately, I am not convinced that offering sophisticated weaponry and aircraft to all parties involved is the best means of accomplishing our goal.

The timing of the President's announced decision to initiate arms sales of this magnitude is extremely disquieting to all of us who truly want to see a workable and fair peace settlement in the Middle East. With the peace negotiations at such an important and delicate stage, it hardly seems prudent to interject such tactics as massive arms sales. I agree with many of my colleagues in both the House and Senate that such intervention can easily lead to a hardening of positions on both sides of the conflict.

In addition to the poor timing of the administration's decision to sell arms to these three nations, we are also faced with another interesting development. Secretary of State Vance recently appeared before the Foreign Operations Subcommittee of the House Appropriations Committee and announced that all three of these arms sales proposals will be tied together in one package. This means that the entire proposal hinges on a straight up or down vote in Congress. Until the Secretary testified before the subcommittee, this was only an implied threat but now the administration has laid its cards squarely on the table in a manner which only exacerbates an already difficult situation.

Not only does this revelation cloud the already shaky conditions of the peace negotiations in the Middle East, it also raises serious questions about the role of Congress in formulating American foreign policy. The administration's package plan is clearly intended to restrict that role.

Israel has had a longstanding commitment from the United States for the purchase of F–15's. Last year, 25 F–15's were approved for sale to Israel. Israel is now exercising its option to buy the next 25 planes that it had been promised in the Memorandum of Agreement accompanying the Sinai II Accord. Israel has agreed to purchase one-half of what

it had been promised by that agreement and now the administration is trying to renege on that promise. It is interesting to note that even the State Department concedes that Israel will have to replace some of its frontline fighters by the 1980's. Just how this necessary replacement can be accomplished if we fail to honor our commitment to Israel is beyond comprehension.

Already we have seen a hardening of Israel's position on United Nations Resolution 242 which among other things deals with the withdrawal of Israeli forces from occupied territories. This apparent modification of policy on the part of the Israeli Government does not bode well for progress in the Middle East settlement. We do not know for certain whether we have seen a shift in position or whether this is a reaction to the proposed arms sales to Saudi Arabia and Egypt. In any event, the developments of recent weeks are far from encouraging and the actions of the United States must be carefully measured.

I am also troubled by the scope of the proposed arms transaction with Saudi Arabia. No one would dispute the importance of Saudi Arabia to the Western World. The State Department has assured us that the Saudis intend to base their new American F–15's in the eastern province of Dhahran and that they have no plans to base the F–15's at Tabuk, the military base in the northwest that is only 6 minutes flying time from Israel. On the surface, this seems most reassuring. However, we must remember that when Saudi Arabia purchased Hawk missiles some years back to ostensibly defend the oil fields in that land, some of these missiles found their way to Tabuk. There are no oil fields in or near Tabuk. So it is easy to understand Israel's uneasiness over this proposed sale

Finally, there is the question of Egyptian arms sales. All of us applaud the statesmanlike moves of President Sadat. We must strongly support his willingness to negotiate a settlement with Israel. However, I am not certain that such a massive infusion of arms to his nation will make these negotiations proceed any more smoothly. I feel that Egypt needs and deserves American economic assistance. It is also essential for Egypt to defend her borders from attack. But the F–5E Tiger II bomber is not a defensive aircraft—it is designed for offensive use.

Since 1974, Egyptian defense expenditures have totaled over $20 billion. In addition, Egypt received extensive resupplies of weapons from the Soviet Union following the 1973 war. As I understand it, this practice continued through 1977. Evidence of this resupply effort surfaced in 1975 and apparently fulfilled the existing contract that Egypt had with the Soviet Union. In 1977, the London Economist's confidential foreign report revealed that—

> Sadat has kept his army in a continuous series of maneuvers for months—at the price of revealing that, contrary to his public complaints, his armed forces are fully equipped with spare parts and . . . sufficient supplies to wage an all-out war for three to four weeks.

I feel that there are other more productive ways of showing U.S. support for Egypt. Egypt is the largest annual recipient of economic assistance in the world from the United States, having received more than $4 billion in aid since 1973. This figure does not include the millions of dollars that are now invested in Egypt by American companies. It is through this type of aid that we can show our friendship to Egypt and help chart a true course to peace in the Mideast.

I hope that today's discussion of the proposed arms sales to Israel, Egypt, and Saudi Arabia will enable us in Congress to rationally and cogently decide the best course of action to take with respect to this important foreign policy issue. It deserves our careful and undivided attention.●

● Mr. WIRTH. Mr. Speaker, I rise to urge my colleagues to oppose the sale of sophisticated military hardware to the Government of Saudi Arabia.

This has not been an easy decision to reach. I am anxious to support the administration where possible. But after close examination of the history of confrontation in the Middle East, and with a strong desire to see an end to the hostilities there, I am compelled to object to the sale of the F–15's.

Everyone was pleased to see President Sadat's historic mission to Israel last November. And no one wants to see the negotiations break down. From all reports, one of the most complicated issues concerns the Israeli settlements in the Sinai. We should recognize that these settlements have been used as a form of protection, as outposts of Israeli security. And, if we present other governments with weapons that increase their capabilities, we cannot then turn around and ask Israel to give up territory that is perceived as being necessary to counter the Arab threat. So I cannot conclude that the sale of the F–15's will accelerate negotiations and agreement in the Sinai.

The current military balance in the Middle East is not in favor of the Israelis. This country has sold Hawk Sam missiles to Jordan. It has sold Hawk Sam missiles to the Saudis. It has sold Sidewinder and Maverick missiles to the Saudis. And each of these governments has received similar contributions from governments other than our own. In fact, the Arabs not outnumber the Israelis by 3-to-1 in the vital area of tanks and aircraft.

While Israel enjoyed technical superiority during the 1973 war, it is clear that this edge has eroded. With all the talk of parity these days, it seems to me that we have seen a different form of parity evolving in the Middle East. And, quite frankly, this development is frightening.

Mr. Speaker, I include a chart, showing the relative strengths of the various governments concerned in the RECORD.

Comparison of the Armed Forces in the Middle East—1975

	Egypt	Syria	Iraq	Jordan	Total Arab	Israel
Army	276,000	130,000	95,000	62,000	563,000	135,000
Reserves	600,000	—	268,000	70,000	938,000	200,000
Tanks	1,795	1,835	1,000	490	5,120	1,850
Artillery	2,200	1,200	300	130	3,830	600
Combat aircraft	590	369	244	65	1,268	475
Destroyers	5	—	—	—	5	—
Submarines	12	—	—	—	12	2
Missile boats	15	8	5	—	28	15

SOURCE.—*The Almanac of World Military Power: 1975.*

Furthermore, it is becoming increasingly clear that any peace agreement will rely on the United States as a guarantor of the peace. How much faith in our commitment will have been lost if we go through with this deal? I suspect that there is no single other step that this Government could take that could do more damage to the prospects of peace in the Middle East.

In part, President Carter has justified his actions because of the Soviet advances in Africa. He is correct to be concerned about this development. But including the Horn of Africa in the argument is something of a smokescreen, designed to explain an action that is otherwise inexplicable. The Saudi air base at Tabuk is almost 1,000 miles from the Horn of Africa. It is almost 800 miles from the oilfields it is supposed to protect. It is only 100 miles from Israel.

President Carter campaigned for office on a platform that called for the United States to stop acting as the arms merchant of the world. This was a laudable goal, and this body has consistantly supported this position. But a sale of this dimension, together with the demands that are sure to follow, are in direct contradiction to that policy.

Finally, this issue unfortunately contains the seeds of the ugly choice: Oil or Israel. While I firmly believe that United States policy will never deviate from its guarantee of Israel, and while I am personally deeply committed to the right of the State of Israel to survive, exist, and thrive, the proposed F–15 sale raises all kinds of unnecessary questions, fears, and anger. The choice—oil or Israel—is not a choice; it is a specious issue. Our foreign policy can be careful and pragmatic, so that Israel survives and thrives, and so that oil continues to flow. These goals are shared by the Israelis, and by thoughtful members of the Arab community. But we cannot develop a sound and thorough policy to reach these goals when we allow issues like the F–15 sale to intervene, to raise the wrong questions and fears, and to deter us from our basic course, which is peace and stability in the Middle East—for all governments.

In summary, Mr. Speaker, the proposed sale of F–15's to Saudi Arabia will not serve American interests in the

Middle East. The peace initiative may well be scuttled. It raises questions about whether Israel can continue to rely on American guarantees. And the military balance of the region will be upset. Our role should be constructive. We should make efforts to bring both sides to the bargaining table. This action, by contrast, will only serve to alienate the Israelis, and make a peace settlement unlikely. I urge my colleagues to overturn the President's decision, and act to reduce the level of tension in the Middle East.●

GENERAL LEAVE

Mr. FISH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include therein extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

GOSPEL MUSIC ON CAPITOL HILL OFFERS A PARTICULAR ATTRACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SIKES) is recognized for 30 minutes.

● Mr. SIKES. Mr. Speaker, the Gospel Music Association is hosting its annual breakfast honoring Members of the Congress on Wednesday morning, March 15, at 8 a.m. in the Cannon Caucus Room. This will be a time of getting acquainted with constituents who are active in the growing gospel music industry. I am very happy to note that once again, the gospel music America loves will be presented by the Florida Boys Quartet, popularly known as "Pensacola's own"; talented Sharalee Lucas, and popular gospel song artists and award winners. These able singers are in great demand. The well known and distinguished Member of Congress from North Carolina, the Honorable WILLIAM G. "BILL" HEFNER, a noted gospel singer, will also be featured.

As you all know, gospel music, the music of the soul is both uplifting and inspiring. Music we will hear on Wednesday is a compound of elements found in the old tabernacle songs, the Negro spirituals, and the blues. It is becoming increasingly popular in churches of varied denominations, as well as in many fields of entertainment. Gospel has become big business; publishing, recording, concert artists, and so forth, and there has been much exchange between the blues and jazz field and the churches. The traditional blues came out of the slave church music. The influence of gospel today on popular music is very strong and the return to the church of many blues and rock-and-roll singers and the countermovement of gospel singers in the "pops" field have resulted in a blending of styles and techniques.

The energetic executive director of the Gospel Music Association is Mr. Don Butler of Nashville, Tenn., and Mr. J. G. Whitfield of Pensacola, Fla., is the vice president of the Gospel Music Association. I am particularly happy to call attention to the attendance of Mr. Whitfield. He is my very good friend, an able and outstanding businessman, and a sincere and dedicated lover of gospel music.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. SARASIN) is recognized for 10 minutes.

● Mr. SARASIN. Mr. Speaker, on February 23, 1978, I was absent for part of the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 78: H.R. 9179: OPIC. The House rejected an amendment that sought to prohibit OPIC loans or guarantees to the National Finance Corporation of Panama without the approval by resolution of the House of Representatives, "no";

Rollcall No. 79: H.R. 9179: OPIC. The House agreed to an amendment that prohibits OPIC involvement in any project to establish or expand production or processing of palm oil, sugar, or citrus crops, "no"; and

Rollcall No. 80: H.R. 9179: OPIC. The House passed the measure, the Overseas Private Investment Corporation Amendments Act of 1977, "yes."

Mr. Speaker, on February 24, 1978, I was absent for the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 81: H.R. 9757: Grazing fee moratorium. The House agreed to the rule (H. Res. 1024) under which the bill was considered, "yea";

Rollcall No. 82: H.R. 3377: Wichita Indian Tribe lands. The House agreed to the rule (H. Res. 1030) under which the bill was considered, "yea";

Rollcall No. 83: H.R. 9757: Grazing fee moratorium. The House passed the measure, grazing fee moratorium of 1977, "yea";

Rollcall No. 82: H.R. 3377: Wichita Indian Tribe lands. The House agreed to an amendment in the nature of a substitute that differs from the original bill by deleting the waiver of res judicata and collateral estoppel; further defines affiliated bands and groups; and provides that any claim will be subject to the act of October 8, 1976, concerning transfer of cases from the Commission to the Court of Claims, "yea"; and

Rollcall No. 85: H.R. 3377: Wichita Indian Tribe lands. The House passed the measure to authorize the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, "yea."

Mr. Speaker, on February 27, 1978, I was absent for the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 87: H. Con. Res. 464: Initiative and referendum. The House agreed to the concurrent resolution approving an amendment to the District of Columbia Charter relating to initiative and referendum, "yea"; and

Rollcall No. 88: H. Con. Res. 471: Recall of elected officials. The House agreed to the concurrent resolution approving an amendment to the District of Columbia Charter relating to recall of elected officials, "yea."

Mr. Speaker, on February 28, 1978, I was absent for the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 90: H.R. 9622: Abolition of diversity of citizenship jurisdiction. The House passed the measure, amended, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts and to abolish the amount in controversy requirement in Federal question cases, "yea";

Rollcall No. 91: FTC amendments. The House failed to agree to the conference report on the measure, Federal Trade Commission Amendments of 1977, "no"; and

Rollcall No. 92: American folklife (H.R. 5981). The House passed the measure to amend the American Folklife Preservation Act to extend the authorization of appropriations contained in such act, "yea."

Mr. Speaker, on March 1, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 94: H.J. Res. 554: District of Columbia voting representation. The House agreed to the rule (H. Res. 1048) under which the resolution was considered, "yea"; and

Rollcall No. 95: H.J. Res. 554: District of Columbia voting representation. The House agreed to a motion to resolve itself into the Committee of the Whole, "yea."

Mr. Speaker, on March 6, 1978, I was absent from the legislative session of the House of Representatives. Had I been present, I would have voted in the following fashion:

Rollcall No. 104: Journal. The House approved the Journal of Friday, March 3, 1978, "no"; and

Rollcall No. 105: H.J. Res. 715: Sun Day. The House passed the joint resolution proclaiming May 3, 1978, as "Sun Day", "yea." ●

YUGOSLAVIA'S "OLD" COMMUNISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

● Mr. DERWINSKI. Mr. Speaker, I respectfully direct the attention of the Members to an article in the spring 1977 Foreign Policy magazine by former U.S. Ambassador to Yugoslavia, Laurence Silberman. Ambassador Silberman bases his views on his diplomatic expertise and his profound knowledge of the situation in Yugoslavia.

His article is quite extensive, therefore, I must insert the first part of this com-

mentary in today's RECORD. The second part will follow. The article is an effective review of Yugoslav policy.

YUGOSLAVIA'S "OLD" COMMUNISM: EUROPE'S FIDDLER ON THE ROOF

(By Laurence Silberman)

American policy toward Yugoslavia is hostage to two false assumptions. The first is that our only important interest there is to sustain Yugoslavia's independence from the Soviet Union. The second is that we foster that independence by providing bilateral support to the Yugoslav government, without regard to notions of reciprocity. At least the first assumption was correct when our policy was formed in the 1950s in response to Marshal Tito's electrifying 1948 break with Stalin, and, although I doubt the second was ever sound, it was less vulnerable when our interest in Yugoslavia was confined to a single objective.

Throughout the 1950s, and into the next decade, we supplied Tito's regime with enormous amounts of military and economic aid, as well as intangible but significant political support. Although direct aid tailed off as the Yugoslav economy developed, our policy is still based on a psychology outmoded in light of the negative impact Yugoslavia has on various American interests. Moreover, there is no reason to believe that insisting on a reciprocal relationship with Yugoslavia will result in Yugoslavia's absorption into the Soviet bloc. Indeed, a continuation of an irresolute American policy toward Yugoslavia will likely have a more dangerous impact on Soviet-Yugoslav relations.

In 1948, world communism and the Soviet empire were exactly coextensive, and resistance to Soviet imperial expansionism was virtually our sole foreign policy objective. Our blanket support of Yugoslavia when it first sought liberation from the Russian yoke was, therefore, inevitable. But the continued rise of Western European Communist parties—which, like Yugoslavia, assert structural and at least a measure of ideological independence from Moscow—presents new and more subtle challenges to the industrial democracies. We initially saw Yugoslavia's independent communism weakening the Soviet hold on Eastern Europe, without realizing its other dimension in Western Europe.

Moreover, Yugoslavia has fashioned an active foreign policy of particular significance in the developing world which we have largely ignored. Although from the beginning of our post-break relationship with Yugoslavia, Tito did not always reciprocate our aid with consideration of our own world interests, we tended to overlook occasional conflicts because we did not take Yugoslavia seriously as a separate force. We always recognized Yugoslavia's importance as a strategic piece of territory, but we did not see how a nation of some 22 million people, threatened by the centrifugal force of diverse nationalities, with only a modest, if growing, economic base, could significantly affect world affairs. But it has.

In the middle of the 1950s, Tito achieved a rapprochement with the Russians (which led to a uneasy modus vivendi) and turned his attention to the fashioning of a "nonaligned" block of nations. He succeeded, with Nasser and Nehru, in creating a movement which today attracts some 86 nations. They range politically, from Saudi Arabia, Brazil, and Argentina on the right to such hard-line Communist states as Cuba, North Korea, and Vietnam. But the center of gravity is decidedly to the dictatorial left, and Yugoslavia has played a major leadership role in ensuring that orientation. In the last two decades, as our relationship with the developing, largely nonaligned world has become more and more important, Yugoslavia's leadership role in multilateral forums and nonaligned conclaves increasingly hostile to the United States has likewise assumed greater importance.

Since Yugoslavia is at the juncture of Eastern and Western Europe, and is a leader of the nonaligned world, our bilateral dealings with that Balkan Communist country have implications far beyond its borders. Indeed, Tito's enormous international prestige stems in no small part from his acknowledged deftness in handling the United States (as well as the Soviet Union). Handle us he does. We treat Yugoslavia as a friend, but the Yugoslavs see the United States as the most important impediment to the world changes they seek—and they act accordingly. At the same time, they cleverly encourage our illusions by focusing our attentions on Yugoslav-Soviet relations, with assurance that we will simplistically conclude that if Yugoslavia maintains a measure of independence from Moscow, our interests are fully served.

The truth is, we are at the same time both tacit allies and active adversaries: Allies in that we share the objective of diminishing Soviet dominance of Eastern Europe and, particularly, preserving the relative independence of Yugoslavia, but adversaries also, because a mainspring of Yugoslavia's "socialist nonaligned" policy is de facto opposition to Western ideals as well as to American political and economic power. Unfortunately, both in and outside of our government, among the cognoscenti who closely follow Yugoslav affairs, and who have a vested interest in an outmoded policy, there is a disposition to overemphasize, even exaggerate, common interests we share with Yugoslavia accompanied by a corollary effort to minimize the extent to which the Yugoslavs pursue a path calculated to injure other American interests.

GEOSTRATEGIC FACTORS

It has become a truism—but one reflecting continuing geostrategic realities—to say that a Soviet-free Yugoslavia is critical to the present balance of power in Europe. Whether one considers the resulting isolation of NATO's southern allies—Greece and Turkey—should Soviet power outflank them to the North, whether one worries about the balance of Mediterranean seapower if Soviet naval bases on the Adriatic were available to provide added sustenance to a Soviet fleet, or whether one focuses on the psychological threat to Western Europe should a proto-domino be seen to fall, it is clear that a Yugoslavia brought into the Eastern European Soviet empire would gravely injure NATO's positions.

Yet Soviet pursuit of military advantages in Yugoslavia is constant. Only a few years ago, in likely conjunction with a Soviet agreement to sell Yugoslavia certain armaments, the Yugoslavs passed a ship repair law designed to permit Soviet ships (particularly submarines) refitting and repair facilities in certain Yugoslav ports. Although the number of a foreign nation's naval ships in those ports is limited by the same law, the Soviets repeatedly seek expanded rights and, despite stories of dramatic Yugoslav rejections of Soviet requests, the firmness of Yugoslav resistance is questionable. Soviet ability to send ships that only ostensibly carry merchant designations into Yugoslav ports is a troubling indication of Yugoslav willingness to relax limits of Soviet military use of their territory. Thus, if a crisis in southern Europe or the Mediterranean involves a serious clash of U.S. and Soviet power, we cannot be sanguine as to the Yugoslav reaction to a likely Soviet request for cooperation. Nonetheless, for the moment, Yugoslavia's unwillingness to jeopardize its separate political development by permitting a complete Soviet military embrace is of great positive significance to the West.

Does this mean that any forceful Soviet effort to sharply change Yugoslavia's status compels an American-led military response? It is a close question. Helmut Sonnenfeldt, in a controversial and troubling speech in London last year on U.S. policy toward the rest of Eastern Europe, neatly foreshadowed the confusion of the presidential campaign by describing Yugoslavia's present status as "bordering on our vital interest." It is, indeed, in light of these considerations, that we have indicated readiness to sell the Yugoslav military certain weapons particularly suitable for defensive purposes.

IDEOLOGICAL INTERESTS

Tito's 1948 break with Stalin and the subsequent Yugoslav pursuit of a "different path to socialism" (in truth, adopted to provide an ideological post hoc rationale for a nationalistic course, despite Yugoslav protests to the contrary) raises the question: What are our ideological interests in the domestic Yugoslav political experiment? Here the answer is less clear. Concededly, Tito's courageous nationalistic step was of considerable importance in beginning the loosening of Communist unity—a loosening which subsequently saw the emergence of the Sino-Soviet split as well as the inevitable revolts in Germany (1953), Hungary (1956), and Czechoslovakia (1968). But no one fears real pluralism in Eastern Europe more than Tito and his colleagues, since its contagion would endanger their own dictatorial rule. Although the Yugoslavs publicly condemned the brutal Soviet crushing of the Czech leadership, Tito (as recently described in the Yugoslav magazine NIN) shared Khrushchev's horror of the democratic sympathies of the earlier Hungarian freedom fighters, and he supported Soviet strategy in 1956, even if he did not approve the timing and severity of the Soviet tactics. For the Yugoslavs, it is one thing to approve a relaxation of Communist dictatorships, but it is quite another to welcome pluralism—meaning competing political parties or any real challenge to Communist party control.

Although the Yugoslav leaders recoil from domestic pluralism in Eastern Europe, they are quite calm concerning its much-trumpeted embrace by Western European Communist parties. In part, this is because any Communist party's effort to achieve some autonomy from Moscow commands Belgrade's approval. More importantly, it is because most Yugoslav Communists believe that their Western colleagues are only following a necessary tactic similar to that employed by Communist parties in Eastern Europe during the 1940s. As one party intellectual recently said to me, if a Western European Communist party truly committed itself to pluralism, it would mark an entirely new phase of communism. Thus, it should be no surprise to those familiar with the immediate postwar history of Eastern Europe to hear that the Yugoslavs stand for cooperation between "workers' parties" in Europe. Most threatening to them is a sharp split, such as occurred in Portugal, between all democratic parties (including the socialists) and left-wing parties following nondemocratic ideology. Since that is precisely the split we seek—a divide between libertarian and totalitarian values—in this respect, our policies could not be more conflicting.

Yugoslavia's internal development has been marked by greater theoretical and actual economic and political freedom than that seen anywhere to the East. "Self-management," the Yugloslav term for worker control of individual economic units, while nowhere near as free of central control from either the government or the party as Yugoslav doctrine asserts, is nonetheless, from our point of view, a great advance over czarist communism. And political repression in Yugoslavia occurs at a later stage or, perhaps

more accurately, with greater selectivity than the Soviets or their satellites would tolerate.

Many Westerners have come to see the Yugoslav development as promising a gradual evolution to that acceptance of political pluralism which is a distinguishing characteristic of Western democracy. Even some thoughtful Yugoslavs believe that elements of an adversary or a competitive relationship introduced into the Yugoslav economy will be, over time, a compelling analogue to political competition. In the meantime, the League of Communists exercises a jealously guarded political monopoly, and its repression of competing political ideas, although selectively employed, is no less abhorrent to those concerned with human rights. [1]

In fact, since 1971, when a developing liberal spirit combined with some manifestations of nationalism in the separate Yugoslav republics frightened Tito into a tightening of political control—including a delegation of virtually unchecked power to the secret police—Yugoslavia has been tending toward more, rather than less, repression. This trend, put in post-1948 perspective, appears as one more swing of the cycle or zig in the Yugoslavs effort to chart their separate course. In Arthur Koestler's terms, they sail without coherent conceptual ballast. Although reams have been written about Yugoslav self-managing socialism, the proponents have never truly come to grips with the central question: How much individual liberty can be permitted in a dictatorial society? The pull of Western pluralism, accentuated by West European and American cultural and economic influence, is ineluctable; but the Communist party, fearful of the impact of these influences on its own monopoly of political power, is drawn to tighter and tighter control (even while ostensibly decentralizing). It is in this context that I see Yugoslavia as Europe's Fiddler on the Roof. One slope leads to pluralism and individual liberty, and the other returns to neo-Stalinism; the peak is conceptually narrow and the Fiddler clings to his perch buffeted by competing ideological winds. To the Communist leadership, the Western wind is more dreaded.

Perhaps the great French Socialist Revel is correct when he asserts that in reality there is no communism, only greater or lesser degrees of Stalinism—Yugoslavia representing the lesser. But no accusation is more provocative to the Yugoslavs, who continually fight in international Communist gatherings for recognition of their own path as a legitimate, separate Communist development, not to be subordinated to a Moscow center nor patronized by other seats of Marxist learning. And since the Yugoslav struggle for recognition as an independent Marxist theology buttresses their military independence from Moscow, we should applaud their resistance to Soviet efforts to blanket them within the Socialist camp. In so doing, however, we must not romantically describe Yugoslav "socialism" as communism with a human face. At a time when the Communist parties in Western Europe seek legitimacy in the context of Western democracy, it is particularly important that we not indulge the Yugoslav propensity to exaggerate the degree of freedom afforded their citizens.

This decidedly does not mean that U.S. policy has been or should be directed toward any destabilization of the existing government—a paranoid fear of the Yugoslavs; it does mean that we should lose no opportunity to respond positively to pluralistic developments in Yugoslavia. By the same token, we must hope that our press and other writers will continue to expose examples of repression inextricably associated with this, or any other, dictatorship.

THE CLASH OF YUGOSLAV AND U.S. FOREIGN POLICIES

Two common misconceptions of Yugoslav nonalignment burden even the most experienced Yugoslav hands in and out of the State Department. The first is that nonalignment, as practiced by skilled Yugoslav politicians/diplomats, is in reality a kind of neutrality. The Yugoslavs themselves openly disdain neutrality as a passive concept that insufficiently recognizes their vigorous pursuit of a new world order: the redistribution of political influence through reduction of the military, political, and economic power of the major countries (particularly the United States). The second misconception is that nonalignment—whatever the Yugoslavs actually say—is really designed to provide Yugoslavia with a kind of political collective security against a Soviet military threat. The Yugoslavs have always known that their security against Soviet military power rests almost entirely on their own demonstrated will and purported capacity to fight a messy, long-term, irregular war, aided equally by partisan traditions richly earned in World War II and their rugged Balkan terrain. The Yugoslavs have no illusions—to paraphrase Stalin—as to the number of nonaligned divisions, and although their prominent place in that "nonbloc bloc" raises the political cost to Moscow of a rash anti-Yugoslav act, it is only a marginal additional cost. No, Yugoslav nonalignment is not a defensive policy, but one that seeks maximum influence and leverage for a nation whose political ambition exceeds its limited population and economic weight.

The Yugoslavs are fond of saying that their nonaligned foreign policy grows naturally out of their domestic self-management socialism, and they are, in my view, absolutely correct. As an independent Communist nation, they seek to steer the nonaligned in accordance with a Marxist compass structurally independent of the Soviet bloc but in fundamental agreement with Lenin's assumptions and directions. Thus, the Yugoslavs see the North-South dialogue—the developing countries' demands of the industrial nations—as a corollary to Marxian domestic revolutions. In both cases, although the terminology is economic, it is a redistribution of political power that is sought.

Although Yugoslav diplomats eschew the role of most radical of the nonaligned states, and sometimes vigorously reject Soviet efforts to bracket them with other Communist nations—Cuba, Vietnam, Korea—that hypocritically claim nonaligned status, when push comes to shove, State Department studies show that the Yugoslavs are almost invariably found on the opposite side of every issue in world politics that matters to the United States. Often American diplomats are told, and indeed sometimes believe, Yugoslav fairy stories to the effect that the Yugoslavs are working mightily behind nonaligned closed doors to moderate resolutions or positions to make them less unfair to the United States and other Western countries. Moderate they occassionally do—not for our benefit, but to maintain nonaligned unity which, because of the power thereby afforded, is also a Yugoslav foreign policy imperative. Thus, if too many nonaligned states gag at Cuban, North Korean, or Iraqi resolutions, either at a nonaligned summit conference or at the U.N. General Assembly itself, the Yugoslavs will indefatigably seek a compromise solution that can be characterized as only grossly offensive rather than outrageous. Insofar as they appeal to the radical states to modify these positions, it is an appeal couched in pragmatic terms, and the Yugoslavs are to be relied on to help forge the worst possible consensus from our point of view. Their occasional tactical duplicity in pursuit of these objectives sends some of our multilateral specialists into paroxysms of frustrated rage. Although the Soviets, who are intolerant of any world movement they do not absolutely control and, therefore, bent on dividing the nonaligned between the "progressives" and the "moderates," are also frustrated at Yugoslav efforts to avoid such splits, the resulting "compromises" always ideologically favor the Communist world view.

The recent neuralgic multilateral issues for the United States are well known: The "decolonization" of Puerto Rico, Guam, and the Virgin Islands; the North Korean effort to marshal world pressure against the continuation of American troops in South Korea; the Middle East, including the infamous Zionism is racism resolution; and the Panama Canal (where, it must be admitted, we deserve criticism). On these issues—as well as the more overtly ideological questions involving the U.N. Human Rights Commission or transnational corporations—one finds the Yugoslavs playing an ambiguous, murky role, normally calculated to inflict maximum feasible damage to our position, because they regard the United States as the major obstacle to their desired world change.

Yugoslav flirtations with the Puerto Rican independence movement—incredible for a nation that constantly demands and rightfully gets from the United States complete political support for its territorial integrity and concomitant opposition to Croatian, Albanian, or Slovenian independence movements—were manifested last year at Colombo, where the Yugoslavs supported a nonaligned resolution calling for decolonization. Even the Indians, hardly our best friends drew the line there and openly expressed reservation. Although at the United Nations a few months later, the Yugoslavs helped persuade the Cubans to withdraw a similar resolution, they did so not out of recognition of our interests or the absurdity of the Cuban position, but because it likely would have been defeated in light of growing opposition among nonaligned moderates.

Regarding the Middle East, although the Yugoslavs have repeatedly opposed the ultimate step of expulsion of Israel from the United Nations, they have done so because of the danger to the United Nations itself, in light of congressional predictions as to the consequent withdrawal of American support. Most significantly, they subtly support the most radical states and the PLO in internal Arab struggles. (They have particularly close economic connections with Libya and Iraq; the latter provides oil at less than market prices.) Although careful to avoid open condemnation of any Arab countries, the Yugoslavs make particularly snide comments in private about Sadat, whom they view as too sympathetic to Western ideas and too willing to work closely with the United States. Not surprisingly then, they view with ill-disguised concern a developing moderate grouping of Saudi Arabia, Egypt, Syria, and Jordan. And when Libya sponsored the recent attempted coup in Sudan, the Yugoslav ambassador in Khartoum was sharply rebuked for expressing mild support for President Numayri.

North Korean arrogance and intransigence concerning their effort to gain support for

[1] In particularly egregious examples, a Slovenian judge (an ex-partisan Christian Socialist) was recently imprisoned, in part for thoughts revealed in a private diary, seized by the secret police, which the authorities believed suggested fealty to democracy for Slovenia, and a courageous Yugoslav lawyer ran afoul of the secret police when he defended a dissident by asserting, in court, that the dissident's criticism of the regime was truthful and thus protected by the constitution.

U.N. action ending the U.N. Command in Korea and opposing U.S. troops in South Korea is legendary and has even succeeded in offending the Yugoslavs, who appreciate giving rather than taking advice from nonaligned nations. However, the Yugoslav commitment to North Korea's basic goals remains unshakable, not withstanding the obvious impact on the world's balance of power. Although the Yugoslavs speak of a unified, nonaligned Korea as a desirable goal, let there be no mistake; they mean a Communist Korea, poised, to be sure, between the Soviet Union and China, but part of an unstructured worldwide Communists movement. When asked how they distinguish Korea from Germany, Yugoslav officials respond with historical non sequiturs, but the truth is that West Germany's relative strength and geographical position always precluded a union from the East, whereas South Korea is geostrategically more vulnerable.

Puzzled Americans often ask why the Yugoslavs are not concerned about the relative decline in worldwide U.S. power and influence, which would surely follow a Communist anschluss in Korea. The answer is that they do not manifest a clear concern for maintenance of power balances anywhere, even in Europe. In this respect, the Yugoslavs are to be sharply distinguished from the Chinese, who appear vaguely as the phantom members of NATO and in that guise lose no opportunity to urge upon the West the need for heightened defense and resistance against Soviet power everywhere. By contrast, the Yugoslavs, who usually have a view on every problem under the sun, are quite muted with respect to crucial European issues involved in the MBER and SALT negotiations that ostensibly affect their own security. Insofar as their press has dealt with these issues at all, it has seemed to accept the Soviet view. But officially, the government would prefer to devote its attention to nonaligned favorites like world disarmament sessions of the United Nations, where derivative technology advances of the arms race can be exposed as contributing to Western and to a lesser extent Soviet power.

Moreover, Soviet efforts to bring their military force to bear outside Europe have actually aided by the Yugoslavs, notwithstanding the obviously dangerous precedent for Yugoslavia and the rest of Europe. During the 1973 Middle East war, the Yugoslavs openly permitted Soviet military over-flights to supply Arab armies, and caused a chill in U.S.-Yugoslav relations in the process, notwithstanding the reluctance of the Eastern European section of the State Department to respond. Then, Yugoslav apologists could and did make the point that since the nonaligned world was united behind the Arabs, the Yugoslavs could not do otherwise in light of their long held Middle East policies. But in 1976, at the height of the Angolan civil war, the Yugoslavs again permitted Soviet military over-flights to supply the MLPA—at a time when Africa itself was badly split over the factional struggle. In response to American protests, the foreign ministry complained unconvincingly that the Yugoslavs couldn't tell the difference between Soviet military and civilian flights. God help Yugoslavia if that were true.

In Africa, Yugoslav efforts to gain influence with radical national liberation movements continues apace. Although the Soviets are content with their Cuban allies and do not look kindly at Yugoslav efforts to gain a piece of the action, we should not lose sight of the fact that it is, after all, the same action.

In hindsight, Yugoslavia's immediate recognition of the MPLA last November was not without significance. At that time, many in the nonaligned world saw a clear opportunity for a negotiated arrangement between the three competing Angolan groups, and were therefore holding back. It was a clear indication of the course the Yugoslavs will adopt when a Marxist revolutionary group is opposed anywhere in the world. However, their willingness to permit Soviet over-flights reveals a deeper and more ominous willingness to aid the application of Soviet military power at world flashpoints of U.S.-Soviet competition. We ignore such lessons at our peril.●

LIBERAL AND CONSERVATIVE ECONOMISTS AND THE "FULL EMPLOYMENT" DEBATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 5 minutes.

● Mr. KEMP. Mr. Speaker, I hope the debate on the Humphrey-Hawkins bill does not break down into just another liberal/conservative confrontation. This would be a pity, because this Nation does have a serious unemployment problem, and the means of achieving full employment is a subject worthy of debate. But each side has become single minded in either its support for full employment at any cost, or opposition to inflation at any cost. If the liberals would realize that you cannot have full employment without concern for how it is accomplished and if conservatives would realize that full employment does not necessarily mean inflation and budget deficits, we could develop an economic policy for this country which would give us full employment without inflation.

To their credit, the sponsors of the Humphrey-Hawkins bill have made significant changes for the better since the first version of the bill was introduced. Although it no longer calls for the Government to hire anyone who wants a job and includes some anti-inflation rhetoric, nevertheless it still reflects a view that the Government can achieve some numerical goal for unemployment just by stimulating aggregate demand and engaging in national economic planning. This is nothing more than neo-Keynesian economics which no one really believes very seriously can answer our problem of stagflation.

On the other hand, the conservatives argue, as Herb Stein, former Chairman of the Council of Economic Advisers, has done, that 7 percent unemployment is full employment, and that efforts to achieve full employment, regardless of what they are, will set off an inflationary spiral. Oddly enough, this is also Keynesianism of a "half-baked" variety. It depends on something called the Phillips Curve, which says there is an absolute tradeoff between inflation and employment—when one gets worse the other gets better, and vice versa.

Today, tax rates are in the confiscatory range, thereby reducing the incentive to work, produce, and invest. Conservatives do not like to remember that President Herbert Hoover's plan to end the depression was to balance the budget at any cost. Toward this end tax rates were roughly tripled in every bracket: The lowest rate went from 1½ to 4 percent in the lowest bracket, and from 25 to 63 percent in the highest bracket. At the same time Hoover instituted the Smoot-Hawley Tariff, the most protectionist tariff in American history. President Roosevelt, unfortunately, perpetuated many of these policies and raised taxes again in 1934, 1936, and 1938. Is it any wonder, therefore, that the depression lasted so long?

By contrast, the great boom periods of American history, in which unemployment was at its lowest peacetime levels, were triggered by massive tax rate reductions. In the 1920's tax rates were cut every year from 1921 to 1925. Following World War II taxes were reduced in 1945, 1948, and 1950, thereby fueling the postwar recovery. This recovery was brought to an end when taxes were raised to pay for the Korean war. It was President Eisenhower's greatest mistake that he refused to reduce these rates to their pre-World War II levels when he had the opportunity, because balancing the budget was temporarily more important. Thus it was President Kennedy who finally reduced the tax rates imposed during World War II and sparked a massive economic boom which cut the employment rate for all classes of workers roughly in half. Since then the tax rates have been unchanged, but inflation has accelerated such that all taxpayers have been pushed into higher tax brackets. The result has been a massive increase in marginal tax rates for most Americans. Thus we can see that in this century American prosperity has been associated with tax rate reduction, while economic stagnation and unemployment is associated with tax increases.

I think there is an important lesson here for both liberals and conservatives, and this is why I believe that a massive reduction in tax rates modeled after those of the 1920's and the 1960's is the best way to achieve full employment. This is because a reduction in tax rates reduces the wedge between gross wages and net wages and increases incentive for both workers and employers.

In conclusion, we can have full employment, but we cannot just legislate it. We have to do something to implement it. History shows that tax reduction is the means, and a bill that purports to help bring about full employment that does not contain provisions to reduce the tax rates is absolutely bankrupt intellectually and legislatively. Remember, as President Kennedy said:

> The main block to full employment is an unrealistically heavy burden of taxation.●

LEGISLATION GRANTING SMITHSONIAN INSTITUTION AUTHORITY TO ACQUIRE FREDERICK DOUGLASS MUSEUM OF AFRICAN ART SHOULD BE SUPPORTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 5 minutes.

● Mr. WHALEN. Mr. Speaker, on January 12, at the request of the late Senator Hubert Humphrey, Mrs. LINDY BOGGS introduced legislation which would grant the Regents of the Smithsonian Institution authority to proceed with the acquisition of the Frederick Douglass Museum

of African Art. I am pleased to join Mrs. Boggs and approximately 60 other distinguished colleagues in cosponsoring this worthy legislation.

Senator Humphrey was chairman of the board of trustees and a member of the national council of the Frederick Douglass Museum. While Hubert Humphrey served in these capacities, the Museum of African Art determined that the immense quality of its collection best could be preserved if the museum became a branch of the Smithsonian.

Only recently has the continent of Africa been generally recognized as a vast artistic and cultural reservoir. The Museum of African Art, over its 14 years of existence, has acquired a largess representing many cultures and hundreds of years of African art. In this endeavor, the museum has won international acclaim as the outstanding educational/cultural institution in the United States devoted to the fostering of public understanding of Africa's creative contribution to mankind.

Despite the formidable collection of art at the museum, several more private collections of African sculpture are bequeathed to the museum upon the condition that its financial stability is assured. With these additional collections, the Frederick Douglass Museum of African Art unquestionably would be the finest of its kind in the world.

It is only fitting that Congress enact legislation which would permit the Smithsonian to acquire the museum. Although an act of Congress is not absolutely necessary, I believe that the expressed approval of this acquisition by Congress is most appropriate. Such an acquisition could only enhance the already excellent world reputation of the Smithsonian, while filling a void in its own repertoire. I trust my colleagues will give this measure their full support when it reaches the floor.●

REPORT OF OFFICIAL TRAVEL TO STRATEGIC ARMS LIMITATION TALKS IN GENEVA, SWITZERLAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. HILLIS) is recognized for 5 minutes.

● Mr. HILLIS. Mr. Speaker, early this year, I traveled to Geneva, Switzerland, as a congressional delegate to the strategic arms limitations talks, commonly known as SALT II. Before leaving for Geneva, I was concerned by several aspects of the proposed SALT II agreement we are considering with the Soviet Union. Nothing I learned while attending the talks eased my concerns.

A recent news account by U.S. News & World Report illustrates the tremendous growth of military power achieved by the Soviets in the last 15 years. U.S. News & World Report stated that the Soviets have threatened to give their cruise missile to Cuba if we give the cruise missile to our NATO allies. (The Soviets are demanding that the United States agree not to share or transfer cruise missile technology with any NTAO country as part of the SALT II agreement.) In 1962, when the Soviets tried to locate nuclear missiles in Cuba, they were forced to withdraw because the United States demanded it. Today, we do not have the military strength to back such a demand should the Soviets once again attempt to give Cuba nuclear weapons. The situation reflects the growth of Soviet military power and potential world influence.

There is a substantial amount of evidence that the Soviets will have strategic and conventional military superiority by the early 1980's. Any potential SALT II agreement must be studied in light of the tremendous amount of resources the Soviets are dedicating to their military buildup coupled with unilateral cancellations by the United States of several modern weapons programs. These two trends have allowed the Soviets to achieve parity with the United States today and will allow them to achieve superiority within the next 5 to 10 years if gone unchecked.

In order that all my colleagues can benefit from my experiences in Geneva, I am including the unclassified report I filed with the House Armed Services Committee in the RECORD. My classified report can be reviewed at the committee:

REPRESENTATIVE ELWOOD HILLIS: REPORT OF OFFICIAL TRAVEL TO STRATEGIC ARMS LIMITATION TALKS (SALT II) IN GENEVA, SWITZERLAND

On January 26, 1978 I completed a four-day period of official travel in connection with matters within the legislative and oversight jurisdiction of the Committee on Armed Services and in the furtherance of my responsibilities as a Delegate of the House of Representatives to the Strategic Arms Limitation Talks (SALT) in Geneva, Switzerland.

REPORT ON SALT II NEGOTIATIONS

Progress of negotiations

The consensus of the U.S. negotiating team seems to be that more than ninety percent of the issues necessary for a SALT II treaty have been settled. While it has taken nearly a year to reach agreement on these issues, several hard-core issues remain. Additional weeks, or months, of negotiations will be necessary to bring about any final agreement. Nevertheless, I believe that at some point, the remaining issues will be grouped into a package to be disposed of through a series of tradeoffs at the summit.

It is impossible to speculate as to what further concessions the United States will be required to make, or demand of the Soviets, in order to arrive at an overall agreement. Some of the unresolved issues have been previously advertised as sine qua non by the parties. For example, President Carter has repeatedly stated that he will not sign a treaty which is ambiguous or which cannot be verified, while the Soviet side has been adamant in refusing to classify the BACKFIRE bomber as a strategic weapon. There are issues which, if settled by further U.S. concessions, could result in certain failure of ratification; and if not so settled would, without doubt, make any agreement impossible.

The Soviets are pressing hard for an early formal agreement. They take every opportunity to accuse the U.S. Government of responsibility for the delays experienced in reaching an agreement, and cite a remark by at least one visiting Member of Congress in agreement with this proposition. It is not clear whether the Soviet pressure for an early agreement has its roots in the belief that SALT II, as it now stands, will permit them to achieve an universal strategic advantage or for other reasons. In any event, the Soviets now appear to be unwilling to discuss a SALT III agreement until a SALT II treaty has been ratified.

The U.S. negotiating team

During my participation at SALT II—January 23–25, 1978—the U.S. Delegation was headed by Ambassador Ralph Earle II, as alternate to Ambassador Paul Warnke. (The U.S. negotiators are listed on Attachment No. 1.) I regret that I did not have an opportunity to discuss SALT II with Ambassador Warnke, who was necessarily absent.

I found all members of the U.S. team to be expert in the terms of the proposed treaty and in their special fields. While it appears that only Ambassador Warnke is at the policymaking level within the Administration, all members of the negotiating team were supportive of President Carter's arms control and disarmament policies and the instructions which have been passed to the Delegation by the President. While there are understandably differences of opinion as to some of the concessions and other matters which have been agreed to, and as to the net future effects of SALT II, the Delegation appears to be working together well. While I cannot agree with several of the negotiating positions imposed from Washington, the personal efforts of the U.S. team to carry out its mission are commendable.

Activities

I attended meetings of the U.S. Delegation on January 23, 24, and 25. On January 24 I attended a plenary session of the SALT talks at the Soviet Mission. Following the plenary session, I had very frank and informative sessions with two ranking members of the Soviet Delegation while accompanied by their counterparts of the U.S. Delegation. On the evening of January 24, Ambassador Earle hosted a reception at his residence which afforded an opportunity to discuss a broad range of matters (not specific SALT issues) with the members of the Soviet Delegation.

As I understand has been the case during the previous attendance of Members of Congress, there was great interest in the rapid conclusion of the talks and in the probability of the ratification of a treaty. With respect to the ratification question, I believe that the attendance of Members of Congress at SALT II has been helpful. As a result, the Soviets are now more aware that there will be a great debate on SALT II and that ratification will depend more on the contents of a treaty, its perceived fairness, and its effect upon the future of our national security, rather than its support by the President.

SALT II and strategic trends

Proponents of SALT II (and of a Comprehensive Test Ban Treaty, CTBT) base their support on the laudable objective of "ending the arms race." If such a "race" exists today, it is in the nature of the "Hare and the Tortoise." The U.S. "hare" has been lulled into an overconfident sleep since SALT I, while the presistent Soviet "tortoise" has not only pulled even but is quickly moving ahead. The "finish" line is obscured by unknown Soviet intentions.

Many of us in the Congress are painfully aware of the numbers involved in SALT II and the current balance, or imbalance, of U.S. and Soviet forces. We are also aware of the trends in those forces, nuclear and conventional, which are downward for the U.S., and upward for the Soviets. Strategic balance is a fast moving target.

As some SALT proponents correctly point out, the state of U.S. military power, vis a vis the Soviets, is not the direct results of any

arms control agreement. The decision to build small and low-yield missiles was made before SALT I, as were the decisions to abandon a full ABM and air defense system. And certainly SALT I has not been cited as being directly responsible for the scuttling of the B–1 bomber or an additional NIMITZ class carrier. Neither can we attribute the decline in our Navy by more than 50 percent since 1968 directly to any arms control agreement. The point is, however, that we must consider SALT II in the context of the total balance of power rather than in the context of strategic weapons only, and we must look ahead for a longer period than merely the years 1978–1985.

The United States, having exercised restraint in both its strategic and conventional weapons, even in the face of an unprecedented 15-year buildup by the Soviet Union, must carefully assess whether this is the appropriate time to enter into this particular treaty, and where we are prepared to go if it is abrogated or when it expires. Unless we are now willing to change our historic doctrine of deterrence based upon superior U.S. technology and a basic parity in strategic systems, SALT II will hold numerous disadvantages for us.

SALT II comes at a time when the U.S. has no improved strategic systems under advanced development, other than the TRIDENT missile, which could be displayed in significant numbers prior to 1985. On the other hand, the U.S.S.R has deployed a new aware of several potential problems which SLBM and four new ICBM systems since 1974. In addition, the U.S.S.R. has at least four additional ICBM systems under development. The U.S. has no land-mobile ICBMs, while the U.S.S.R. will have the capability to quickly deploy the already developed SS–16/SS–20 systems.

What is the purpose of SALT II?

The proposed treaty, and protocol thereto, do not further the goals stated by the President for SALT II, and constitute a departure from the policy established by the Congress in 1972.

The purpose of SALT II, as stated by President Carter in his 1978 State of the Union Message, is to:

"Maintain and enhance the stability of the world's strategic balance and the security of the United States," and to place

"Mutual limits on both the quality and quantity of nuclear weapons."

SALT II will neither "maintain" nor "'enhance" the U.S. and U.S.S.R. strategic balance, nor will it enhance the security of the United States. By setting aggregate limits only on launchers (delivery systems) the proposed treaty will only partially address the quantity, and scarcely touches on the quality, of strategic weapons. While the numbers of launch tubes, silos, and aircraft are pegged at set limits, the Soviets will merely exchange new and more accurate launchers (SS–17, 18 and SS–N–18) missiles for their older missiles. The balance in ICBMs, which Ambassador Warnke has described as the "most destabilizing" of strategic weapons, will not be enhanced. The Soviets will gain a clear superiority. While the U.S. MINUTEMAN force of 1,000 missiles will remain in place for the foreseeable future, the treaty will permit the Soviets to modernize their forces including more than 300 heavy hard-target killing MIRVed missiles. The U.S. will be permitted no "heavy" missiles. Unless the U.S. takes action to match this imbalance, a considerable asymmetry will result.

The security of the United States can only be enhanced during the period 1978–1985 through actions taken by the United States (such as TRIDENT I and II, MX, cruise missiles, follow-on bombers, etc.), or by self-imposed Soviet restraint or reductions in strategic arms. Neither action is dependent upon a SALT II agreement.

MIRVed systems

While the SALT II numerical limits might require the retirement of several obsolete Soviet ICBMs and submarines, it could also result in the requirement that as many as 200 of our B–52s be dismantled in order to remain within the SALT II MIRVed systems sublimits. There will also be constraints in the case of an eventual MX ICBM deployment and the air-launched cruise missile deployment on aircraft other than B–52s.

The U.S. has insisted that all heavy bombers be counted within the SALT II limit (except Backfire). This presumably includes bombers in storage and all those which are capable of being used as cruise missile carriers or strategic bombers. With 550 Minuteman III MIRVed ICBMs, 496 MIRVed SLBMs and 574 (only 254 are operational) in the current inventory, the U.S. will be 250 units in excess of the MIRV limit if SALT II contains such a proposed provision.

Under the MIRV limitations, any deployment of the MX, in any mode; the deployment of cruise missile carriers; or the deployment of Trident submarines, prior to 1985 and during the life of a SALT II treaty, will have to be at the expense of our dismantling B–52s, Poseidon submarines, or Minuteman III silos. The Soviets, with or without a SALT agreement will act in their own interest and fully replace older ICBM and SLBM unMIRVed systems with MIRVs, including "heavy" missiles.

Verification

Another facet of SALT II which causes me concern is the verification issue. Verification is, in reality, two problems. The first problem involves our ability to accurately assess what the Soviets now have in the way of strategic systems, as well as the capabilities of those systems. While our national means of verification have done a creditable job in some areas, other important areas must remain mere assessments. For example, we have found that our estimates of Soviet ICBM accuracy have consistently been on the conservative side.

The second verification problem is our ability, or inability, to discover or accurately assess new systems and improvements in known Soviet strategic systems. There is always a possibility of technological surprise, and I believe that such a surprise would have a much more serious effect upon our national security under the legal and political constraints of SALT II than without the agreement as it apparently will be structured. (The damaging effects of possible technological surprise would also apply in the case of a Comprehensive Test Ban Treaty.)

During the treaty period (eight years) and the protocol period (three years), we may be able to count and verify the numbers of Soviet submarines, missile silos, and heavy bombers in the absence of Soviet deception. Verification in the more important areas of accuracy improvement, MIRVs, numbers of warheads, range, and in some cases aircraft configuration, will depend in large measure on estimates and educated guesswork. Maintenance of a strategic balance will depend upon voluntary Soviet restraint and compliance with SALT II provisions where a high degree of verification is absent. I should add that although the Backfire bomber is not included in SALT II, verification problems with regard to that aircraft constituted a very important national security problem.

Cruise missiles

The sharing and/or transfer of U.S. cruise missile technology to NATO countries constitutes a major issue in SALT yet to be resolved. The Soviets realize that the cruise missile will enable NATO countries to largely offset major numerical advantages enjoyed by the Warsaw Pact countries in conventional weapons. It is therefore, the Soviets' hope to negotiate a treaty preventing NATO from receiving U.S. cruise missile technology. In this light, it has become incerasingly apparent that our NATO allies fear the U.S. might negotiate a SALT treaty which would endanger or weaken their security. The U.S. has already agreed not to include the Backfire bomber in SALT even though (using Soviet definitions of its capabilities) its primary targets are NATO installations.

President Carter has recently reiterated our commitment to the security of NATO. Nevertheless, the U.S. must back this commitment through actions which directly enhance NATO's military posture if the President's statements are to have any meaning. Should the U.S. agree not to share or transfer cruise missile technology, NATO countries will be forced to proceed with current plans to develop their own cruise missiles and more importantly, reevaluate their dependence on U.S. strategic forces. The U.S. must not place its desire to reduce the arms race above the security needs of our allies. It is impossible to divorce U.S. strategic strength from international politics. Since our strategic forces continue to be the backbone of NATO's deterrent capabilities, any concessions in SALT by the U.S. will necessarily affect NATO's security.

Other issues involving the cruise missile, such as how to define its range and what that range should be, are of equal importance. Since the President (by cancelling the B–1 program) has made the cruise missile a major element of our future strategic capabilities, any limitations on range or development must be carefully weighed. The proposed limits of 2,500 kilometers for ALCMs and 600 kilometers for GLCMs and SLCMs, should be reviewed to ensure that our strategic capabilities are not reduced.

Conclusions

As a proposed agreement for the purpose of controlling strategic arms, SALT II seriously misses its objective by setting limits above even current levels. Nor does the proposed agreement contribute to the stability or balance of the strategic nuclear forces of the U.S. and Soviet Union. On the contrary, the agreement seemingly will approve a modern counterforce capability on behalf of the Soviet Union which could prove much more devastating to U.S. deterrent forces if used in a first strike.

It is impossible to determine the exact effects of a SALT agreement on our national security until a final agreement is made between U.S. and U.S.S.R. negotiators. However, if the terms of the proposed agreement were more equitable in effect, there are verification problems and the Backfire bomber issue which are inadequately addressed.

SALT II, and the message which such an agreement would send to our allies and other countries, should transcend party politics and political self-interest. Any new treaty should serve as something more than a symbol. An arms control agreement which, in fact, does not control arms in an evenhanded and verifiable way can only continue, and perhaps heighten, the atmosphere of mutual distrust and suspicion which has existed between the U.S. and U.S.S.R. for many years. In such a case, the agreement would be an end within itself.

I strongly recommend that all Members of the Committee on Armed Services become familiar with the provisions of SALT II as it is now drafted, and in its final form if it should be signed by the President. SALT II may be a guiding, and in some cases a deciding factor in our national defense programs and policies for many years.●

SUBCOMMITTEE ON CRIME TO RECEIVE TESTIMONY ON UNEMPLOYMENT AND CRIME FROM SECRETARY OF LABOR RAY MARSHALL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, will resume its consideration of the relationship between unemployment and crime on March 15, 1978, in room 2141, Rayburn House Office Building, at 1 p.m. Secretary of Labor Ray Marshall, who recently appeared before the Senate Subcommittee on Employment, Poverty and Migratory Labor in support of measures to reduce unemployment, will be our leadoff witness.

Those wishing to testify or submit a statement for the record should address their requests to the House Committee on the Judiciary, Subcommittee on Crime, 207E Cannon House Office Building, Washington, D.C. 20515.●

REINTRODUCTION OF ELEPHANT PROTECTION ACT (H.R. 10083)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BEILENSON) is recognized for 5 minutes.

● Mr. BEILENSON. Mr. Speaker, today I am reintroducing with 70 cosponsors my bill to protect the African elephant by banning trade in ivory and other elephant products. The African elephant herds have undergone massive destruction in the last few years for the valuable ivory of their tusks; they are clearly threatened with extinction throughout most of their remaining habitat.

The United States is one of the major world importers of ivory jewelry, carvings, and curios. Thus, cessation of trade in these products will decrease the killing of elephants as poachers find their killing less profitable and markets for the tusks disappearing.

Other nations have already taken action to protect the elephant. The Netherlands passed an endangered species act last summer under which the import of ivory will be prohibited in May or June of this year. In December, the Kenyan Government announced a ban on the sale of all wildlife trophies, including ivory, after March 12.

Following the introduction of H.R. 10083 in November, the Department of the Interior began to seriously investigate the petition of the Fund for Animals asking them to add the African elephant to the "endangered species" list. Finally, on January 16, 1978, the Fish and Wildlife Service proposed to list the species as "threatened." They also proposed four options for regulating the importation and use of the species in the United States. Option I would achieve substantially the same objective as my bill, and I am hopeful it will be adopted.

Options II, III, and IV, on the other hand, would do little to curb the growing trade in ivory in this country. Under these options, imports would be allowed from Hong Kong and elsewhere as long as the African nation where the ivory originated had become a member of the Convention on International Trade in Endangered Species or had submitted evidence to the U.S. Fish and Wildlife Service showing an effective conservation program. While I strongly support all efforts to bring more members into the convention and to assist and encourage developing countries to conserve their wildlife, I do not believe these options would stop the flood of ivory into our country.

The great bulk of ivory articles are carried in and shipped from Hong Kong ($3.9 million of the $4.5 million in ivory articles imported by the United States last year and over one-fourth of the crude ivory tusks). The shipments must be accompanied by a "reexportation document" stating that the ivory was legally taken in the country of origin. Ostensibly, all the ivory imported to the United States comes from elephants killed legally.

The fact is that most of the elephants are killed illegally and the imports to this country are the result of vast worldwide trade in smuggled elephant products. The amount of ivory that the African nations say they export is only a fraction of the amount of raw ivory the importing nations report entering their markets. For example, in 1976, Kenya reported total world exports of 68.7 metric tons of raw ivory. The importing countries' figures showed more than 5 times that amount, a total of 388.9 metric tons. Tanzania reported 37 metric tons, while the importing nations calculated 62.6 metric tons from Tanzania. Uganda reported only 5.7 million tons, but the importing nations claimed 93.2 tons of their imports were from Uganda. While I view the accuracy of figures from both exporting and importing nations with skepticism, the obvious discrepancies lead me to conclude that most of the ivory traded today comes from elephants illegally slaughtered and is smuggled (with or without official sanction) from African nations. This trade, which is destroying the last of the world's largest mammals, must stop. The United States must adopt the strongest sanctions against trade in elephant products if there is to be any hope of saving the elephants.

The fact that 70 of my colleagues have joined me in cosponsoring H.R. 10083 attests to the strong sentiment in this country supporting a cessation of the ivory trade.●

CONGRATULATIONS TO THE JUNIOR SERVICE LEAGUE OF JERSEY CITY ON ITS 50TH ANNIVERSARY (1928–78)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 15 minutes.

● Mr. LE FANTE. Mr. Speaker, it is with great pleasure that I extend my best wishes and sincere congratulations to the Junior Service League of Jersey City on the occasion of its golden anniversary.

This volunteer organization has served the community of Jersey City exceedingly well for the last half century, promoting the social and economic well-being of its citizens, catering to the educational and cultural needs of the municipality.

Fifty years ago, under the direction of Miss Harriet Niese, the Junior Service League of Jersey City was organized. In 1971, Mrs. Richard F. Connors and Mrs. Thomas A. Smith expanded league membership to include all of Hudson County, thus becoming the Junior Service League of Hudson County. The purpose of the Junior Service League is to render volunteer service and to promote the social and economic welfare of Hudson County. Each new member is required to take a provisional training course to make her aware of her responsibilities as a citizen.

After this course is completed, the new active member serves in the community agency of her choice. During these years of service, while the league has been training and providing women to assist in the social services, the task of supporting the agencies has not been overlooked. The income from dues cover all operating expenses, thus all money raised through luncheons, dances, and the like is donated to charitable organizations within the county.

A brief review of some of the activities of the league during these 50 years shows that the league has consistently realized the purposes for which it was founded.

Originally the league distributed the money it raised among several social agencies. However, in 1932 the league sponsored an individual project, the Women's Exchange. In 1936 a survey of Jersey City was made and published in book form. This piece of research studied the city's social service needs and evaluated the facilities then in existence; this project resulted in the establishment of the Council of Social Agencies. During the war years they maintained clubrooms at the Fairmount Hotel for the use of the Armed Services. In 1944 a special interest centered on the family service child welfare program. The year 1946 saw the establishment of the Volunteer Bureau. In 1949 the league assisted in developing a recreational program for girls at the Whittier House Boys' Club. During the 1940's, other league projects included redecorating two dormitories and construction of a sun porch at the Salvation Army Door of Hope, and renovating the Whittier House Boys' Club.

In the early 1950's, the league's fundraising projects were directed toward the purchase of equipment for the Girl Scout and Boy Scout camps. In 1955 and 1957 they donated six hospital beds to the American Cancer Society, Hudson County Chapter. In 1957 the league purchased a hospitality cart for Greenville Hospital and participated in the formation of the Teen-Age Girls' Club at the A. Harry Moore housing project. The latter years of the decade were devoted to decorating and furnishing the teenage lounge at the YMCA.

In the sixties, the league branched out into many new service areas. Volunteer efforts and donations now extended to the Homemaker Service, Spanish-Amer-

ican Center, Clinic for Speech and Hearing Afflictions, Good Will Industries, Catholic Youth Organization, St. Joseph's Home for the Blind, Lutheran Welfare Association, and the Occupational Center in Hudson County. The Junior Service League staffed the Seton Hall Clinical Research Center with volunteers and purchased equipment for the entertainment and hobby interests of the patients. Summer scholarships to the Boy Scout and Girl Scout camps were donated throughout these years. Education was fostered by the league through the donation of nursing scholarships at St. Francis Hospital and Christ Hospital in 1968. Funds toward the construction of a new vestibule in the radiology department of Christ Hospital were given in 1969; the same year a cauterizing machine was presented to St. Francis Hospital.

Caught in the Bicentennial spirit of the 70's, members focused on the restoration of the Hudson County Courthouse. Volunteers have started sorting and cataloging historical documents and memorabilia found in its storerooms. Members served on city and county committees organized to celebrate the 200 years of our Nation.

At the request of the New Jersey State Council of the Arts, the league conducted a survey of the cultural organizations within the county. This study was published and distributed to the public.

The successful fundraising events of the seventies enabled the league to donate thousands of dollars to charitable organizations within the county. Major renovations were made at the newly purchased Academy House. In 1973 and 1974, the Hudson County Association for Brain-Injured Children received almost $10,000 as the beneficiary of the annual luncheon proceeds. In 1975, two M.A. I respirators were donated to Bayonne Hospital and Greenville Hospital. In 1976, equipment was donated to Bayonne Mental Health Center, Jersey City Salvation Army Community Center, and the Henrietta Benstead Senior Citizens Center in Kearny. A monetary contribution was made to North Hudson Hospital for the purchase of a fetal monitor. The following year, funds were donated to St. Joseph's Home for the Blind for a minibus.

Annually, the Junior Service League presents its volunteer award to the member who has devoted the most time and effort in community service. The league's volunteen awards honor the local high school girls who so unselfishly sacrifice time and personal interests for the betterment of the community.

A summary of past activities would not be complete without recording the board memberships within the county. The expenditure of time and thought by those who serve as members on boards of the various social agencies is representative of much of the valuable work done by the league's members. Over the years, league members have served on the following boards: Abercrombie Guild of Christ Hospital, Academy House, American Cancer Society, Council of Christ Hospital, Daughters of the American Revolution, Girl Scouts, Hudson County Association of Brain-Injured Children, Hudson County Mental Health Association, Jersey City Medical Center, Jersey City Women's Club, Lincoln Day Association, Odd Volumes, North Hudson Hospital, Public Health and Nursing Service, Red Cross, Salvation Army, Soroptomists, United Fund, Whittier House Boys' Club, YWCA, Youth Consultation Service.

While the league has contributed much to the community, it has given much to its members—the opportunity to make pleasant associations and new and lasting friendships—at the same time training leaders for larger responsibilities in community life.●

SERVICE FAMILIES—VICTIMS OF DOLLAR DECLINE

The SPEAKER pro tempore. (Mr. CARR). Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, for most Americans, even businessmen, the decline in the dollar's value has only a remote meaning. Its impact is seen most directly in the higher cost of imported goods; the general inflationary impact of a declining dollar is invisible. But there are Americans whose lives are immediately and drastically affected by the dollar's loss of value. These are the servicemen and women and their families who are stationed in countries like Germany. For these people, life is taking on an ever more desperate shape.

The American dollar has declined in value against the German mark by 90 percent since 1969. In the space of the last year, the decline has been close to 14 percent. The time has long since passed when an assignment to Germany meant good living. Today a service family must struggle just to survive, because their dollars are worth less and less in the German market. The situation is so bad that there is even talk of allowing service dependents the privilege of taking their meals in military mess facilities. Obviously, for more than a few families, the situation is desperate.

I am concerned about the condition of the dollar—naturally. And I have warned for many months of the consequences of letting the dollar continue to slide. Clearly something effective must be done to restore order and sanity in the monetary markets.

Something must be done for the victims, too. It is unthinkable to allow our service people and their families to live in a continuing state of desperation and a deepening degradation. We have an obligation to protect these people from the consequences of the dollar's fall in value. They, after all, are our defenders.

When we entered into international agreements with the IMF and the World Bank, a general condition was that the value of all contributions would be maintained. In short, whenever any contributor devalued his currency, that contributor had to pay more money into the kitty, to keep the value of his contribution up. These maintenance of value commitments are no longer carried in international agreements, but the precedent is well worth considering, when it comes to the question of our obligations to our own citizens. I think that we have an obligation to maintain the value of the pay of our military personnel stationed abroad.

After all, the United States created the world of fluctuating currency values when Nixon torpedoed the stable currency system mandated by the Bretton Woods agreement. From that day to this, anyone holding dollars has been subject to the impact of market fluctuations. Tourists get a fleeting glimpse of the problems this entails; international money managers and corporate accountants live with it as a constant problem; but Americans who must live abroad are its real victims. Some live abroad by choice, but military personnel live abroad because they must.

If we are going to order people to serve abroad, we have an obligation to see that their pay has a constant value, rather than a value that fluctuates with the daily fortunes of the money markets. Why should we allow a military family in Germany to suffer the greatest impacts of devaluation, while a comrade in another country enjoys a windfall from a currency appreciation—which can happen.

We ought to think seriously about the plight of the military family, caught up in a world of changing monetary values. Tourists, after all, suffer only a momentary problem, and even that by choice. People who work abroad may have greater problems, but they receive compensation for their pains, and further still have a choice about where to live and work. The big corporations can hedge their bets, and they also have a choice of where to place their bets. But military families get neither choice nor compensation; they must take whatever assignment they get, and whatever pay and compensation is given, plus or minus benefits that accrue to a given location and condition of assignment.

If we are going to have a world of floating currency values, we have an obligation to assure that the value of the pay of our military personnel is maintained, wherever they happen to be assigned.

I believe that the compensation of service personnel ought to be raised, if they happen to be in a place where the value of the dollar is dropping at a fast rate—as it has been in Germany. This could be done simply by indexing pay, so as to compensate for exchange rate changes. It might be argued that this would be costly. My answer is that it may be—but at least the cost would be borne by the right people, which would be the taxpayers of the whole country. Right now, the cost is borne solely by the military people and their families, and they are paying a most cruel tax. Why should they be the ones to suffer first and most? Why should they bear the burden alone? Clearly they should not.

If we are going to send people abroad on military assignment, they should be assured of some financial security and stability. This would be simple enough to do. All we need do is create an indexing system, so that pay is increased to compensate for local currency changes of

any major magnitude. This would be fair to the people involved and most directly affected, and it would distribute the burden fairly, unlike the present situation, which places the load completely on the military families—and most particularly on those families least able to bear it.

I am writing the Secretary of Defense today, to ask that military pay be indexed to compensate for currency changes, and I insert my letter in the RECORD at this point:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 7, 1978.

Hon. HAROLD T. BROWN,
Secretary of Defense, Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: Since the advent of floating currency rates, our military personnel and dependents abroad have encountered serious problems arising from local currency fluctuations. All too often the result has been severe personal hardship for military families.

Personnel stationed in Germany in the past year have seen the value of their pay dwindle by better than fourteen per cent—the result of the declining value of the dollar against the deutsche mark. Precious little has been done to alleviate the burden of these families, whose problems are growing more desperate by the day. In effect, those service families who have the bad fortune to be assigned to a country where the value of the dollar is declining, must bear the whole burden of that decline. This is more than a hardship on them; it is an unconscionable injustice.

I have seen reports that the Department of Defense is considering the possibility of allowing military dependents in Germany the privilege of taking their meals in mess facilities. I know that the Exchange Service attempts to help by keeping its own prices low. But it is clear that such measures as these are only palliatives and in no way do more than to make survival possible. They do not redress the injustice nor alleviate the basic hardships involved.

I believe that if the United States is going to continue to have a freely floating exchange rate, our military pay systems must be adjusted to compensate for the currency value changes that result. There is no reason why a family living in one country, where dollar values are going down, should suffer hardship, while another family with better luck in assignments may win a windfall, all because of currency fluctuations. Just as there is compensation for special hardship in a given assignment, there ought to be compensation for local currency changes. The value of military pay ought to be maintained regardless of local currency conditions.

This could be accomplished very easily, simply by indexing military pay to local currency changes. Should the value of the dollar change by a given amount, pay would be adjusted to reflect that change. If this were the case today, personnel living in Germany would have their hardships minimized. As it is, they are covering the whole burden of currency devaluation from their own pockets—an extraordinary "tax" to them, and one that creates a burden and hardship of which you are well aware. If the pay system were indexed, as I suggested, budget costs might indeed increase, but at least the burden would be fairly borne by the government whose policy created it, and by the taxpayers who are being served. Moreover, in the long run it is likely that currency depreciations on the German side might result in decreases in military costs, so that the government would eventually be compensated for any extra costs that might arise during times of dollar depreciation.

I believe effective action is needed to compensate our personnel for changes that take place because of local currency conditions. It is clear that this could be done, and in justice it must be done. I urge that you give this matter your serious attention.

With best wishes, I am

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

THE ENERGY DEADLOCK: MORE SYMBOLIC THAN REAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I wish to speak at some length today about the National Energy Act and the deadlock that has tied the bill up in conference for so long. The current coal strike is a chilling reminder of how fragile this country's energy situation is and how desperately we need a comprehensive energy policy. I have come to the conclusion that the continuing all-or-none approach to the energy bill by the administration and much of the Congress can no longer be justified. It is time, I believe, for the conferees to report out those elements of the bill on which agreement has been reached, leaving the remaining areas for further debate and discussion and, in some cases, for independent Executive action.

I am very concerned about the impression this months-long stalemate is giving the public—the impression that, once again, Congress is simply not moving on the important issues of the day. To those who follow the conferees closely, perhaps there is a sense that progress is being made, but that impression is not being picked up outside of Washington, nor should it be. Despite the swift and effective action by the House in finishing the bill some 3 or 4 months after it was introduced, the fact remains that today, 11 months after the American people were told this was the "moral equivalent of war," there is no bill. Indeed, the present tragic impasse is broadcast to the voters on the 1977 income tax forms, which note at the very beginning that Congress has not yet enacted the solar energy, conservation, and weatherization tax credits. These forms urge readers to follow the progress of the Congress, in case a resolution comes before April 15.

What disturbs me most about the energy deadlock is that it is not a question of substance, but of procedure. In each of the three or four major areas of contention in the conference, disputes center not on what to do, but how to do it and when.

As we are all aware, the unresolved issues are: Natural gas pricing, the crude oil equalization tax, the establishment of tax disincentives to encourage industry to switch from oil and gas to coal, and the smaller issue of refundability on solar, conservation, and weatherization credits. On none of these questions is there disagreement about the eventual goal: Everyone agrees that natural gas prices must rise of necessity at some point along the line; the need to raise oil prices to stimulate production, conservation and conversion is also acknowledged; some already-agreed-to sections of the law give the Federal Government a great deal of authority to push for coal conversion; and the basic need for tax credits for solar, conservation, and weatherization improvements is already accepted.

The controversy in each of these instances is on procedure. The Federal Power Commission, now the Federal Energy Regulatory Commission FERC is proceeding gradually under its statutory powers to raise the price of regulated, interstate natural gas. Recently, the power of the Commission to raise prices was reaffirmed by the Supreme Court. Clearly, the means to accomplish many of the goals set forth by the President in the National Energy Act already exist in law.

The Energy Policy and Conservation Act of 1975 provides for the total decontrol of crude oil prices in 1981, possibly by 1979. The steps leading to that end are being taken even as the conference committee debates the merits of higher oil prices and the crude oil equalization tax.

As I mentioned earlier, the agreed-upon sections of the National Energy Act will give the President a stronger hand in his efforts to have industry convert from oil and gas to coal. Admittedly, the present law, which requires the Government to show that conversion in an individual instance is necessary, is unworkable. However, accepted changes put the burden of proof on industry to establish that conversion is not feasible, rather than the other way around. Aside from appropriate exceptions for environmental, economic, or supply considerations, the proposed and accepted amendments are tough and will enable the Government to get its conversion program going, whether or not we add on a disincentive tax. Some may argue that a tax will make conversion a smoother, more voluntary, nonlitigative process; others will say that a punitive tax is going overboard. Either way, the fact remains that the essential tool for conversion is ready and waiting to be put in place.

Refunds for solar, conservation, and weatherization improvements made by those who pay little or no Federal income tax, are, of course, an important issue. We do want to maximize the use of these incentives, while not at the same time draining the Federal Treasury. But is it so essential that we will let it hold up credits for those who do pay Federal taxes and have installed or are ready to install this equipment? I am afraid that strikes me as a classic case of cutting off one's nose to spite one's face, in an instance where the stakes are very high indeed.

And I think that is the key point. There is an essential tradition in Congress of tolerating differences of opinion, of respecting them and striving to compromise disputes. Generally speaking, that is the best approach. But have we not reached a point in the energy debate where we are deadlocked over symbolism? Even if the natural gas issue is resolved, there are indications that the crude oil tax will be equally, if not more, troublesome, besides being also symbolic?

How long do we let the situation alone? Just this Saturday, the Washington Post

reported that the United States has had another monthly trade deficit, for the 20th straight month. The dollar falls daily. Our efforts to negotiate with Germany, Japan, and the OPEC countries are hindered by their knowledge that modest improvements in our import-export balance are not going to help the United States unless and until we adopt a sound energy policy. In this case, the very perception that we have an energy policy may do us as much good as the policy itself. In addition, of course, the vision of the House, the Senate, and the President seemingly irrevocably at odds over a fundamental security question cannot help us abroad.

Despite the fact that the executive branch has a great deal of standing authority to achieve the goals of the National Energy Act even without passage of the entire bill, and despite the fact that agreed-upon sections of the bill will provide substantial leverage to the administration to do more in the area of conservation and conversion, the administration has generally insisted that we must have the whole bill or nothing. Quite frankly, I am disturbed by this intransigence. Certainly, the administration is aware of what it can do both under existing law and under the parts of the bill which have already been worked out. Why then the insistence on the full bill?

I do not know the answer to that question, Mr. Speaker, but I think it might be time for the Congress to take the initiative, to push the conferees to report out what they have, let both Houses pass it and send it on to the President. At the same time, work can continue on the procedural issues around crude oil, natural gas, tax incentives on conversion, and refunds for home energy improvements.

I would urge my colleagues to give some serious thought to this approach. My feeling is that no matter how each of us voted on the National Energy Act back in August, no matter what position we took on crude oil taxes or natural gas, there is a sense of frustration and impatience about the pace of the bill's progress. This frustration and impatience are the same that the American people feel as they read each new installment of the energy bill story. We can end that feeling by acting, by reporting out all the sections of the bill which have been accepted—which is actually most of the bill.

For the benefit of my colleagues, I would like to insert the text of a summary of what we would have if we passed the accepted parts of the National Energy Act. It is an impressive list, for although the crude oil and natural gas issues are the most controversial parts of the bill, they are far from the whole of it.

Once again, Mr. Speaker, I would encourage my colleagues to discuss and debate the need to get the energy conference moving and the idea of salvaging most of the bill now and not holding it hostage to unending disagreements over procedural and symbolic issues. If we enact what has already been agreed upon, we will have an energy policy for the first time, we will have strong conservation and conversion programs, and we will be able to get on with consideration of the next steps we need to take on the road to energy independence.

I include the following:

AGREED UPON PROVISIONS OF THE NATIONAL ENERGY ACT

1. Coal conversion: Existing regulatory provisions authorizing DOE to order utilities and industries using oil and gas to convert to coal are extended and place the burden of proof for non-compliance on the industry.

2. Insulation: A consumer insulation program in which utilities play a limited, supporting role.

3. Conservation: Conservation loans for homeowners.

4. Weatherization: Weatherization loans for low-income persons.

5. Solar energy: Loans for solar heating, hot water, and cooling equipment.

6. Federal energy conservation: An expanded program of Federal facilities conservation, including purchase and installation of photovoltaic cells, solar heating and cooling, and other energy saving and fuel conservation equipment.

7. Appliance efficiency: Mandatory energy efficiency standards for major appliances, which will preempt existing state standards.

8. Schools, hospitals, and local public buildings.

9. Electric utility rate reform: Modified reforms in which states are required to develop proposals for such reform and consider the views of the Federal government on this issue.

10. Auto efficiency: Sanctions (but not taxes) on "gas guzzlers".

11. Energy conservation and fuel efficiency tax breaks: Incentive taxes and other investment credits for a wide variety of industrial and private consumer energy conservation and fuel conversion efforts.

THE ENERGY DEADLOCK CAN BE BROKEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. KREBS) is recognized for 5 minutes.

Mr. KREBS. Mr. Speaker, yesterday the House overwhelmingly approved a resolution setting aside the 3d day of May as "Sun Day." On the same day, President Carter moved to invoke provisions of the Taft-Hartley Act in order to end a 3-month-old coal strike that seriously threatens our Nation's economy. These diverse events underscore the consensus of opinion on the importance of this Nation possessing a cohesive energy policy.

Mr. Speaker, the House and Senate conferees on the National Energy Act have now spent almost 5 months in hammering out an agreement on an impressive list of measures designed to step up the rate of energy conservation and to speed industrial and utility conversion to fuels alternative to oil and natural gas.

These measures confirm and extend the broad range of energy initiatives launched in the past three Congresses. In several instances, they substantially strengthen and confirm program authorities available to the newly established Department of Energy (DOE) and other executive agencies concerned with energy. As of this moment, the conferees have agreed on programs which establish conservation loans for homeowners and renters, weatherization grants for low-income persons, and loans for solar heating, hot water, and cooling. Conferees have also agreed on a coal conversion program which expands existing regulatory provisions authorizing DOE to order utilities and industries using oil and natural gas to convert to coal. Agreement has been reached on a consumer insulation program in which utilities play a limited but supporting role. Mandatory energy efficiency standards for major appliances are also a part of the consensus to date. The conferees have approved expanding the Federal facilities conservation program, including the purchase and installation of photovoltaic cells, solar heating and cooling, and other energy-saving and fuel conservation and conversion equipment.

The portion of the energy proposal containing conservation grants for schools, hospitals, and local buildings has been the subject of much interest in my district and, I am pleased to say, is a part of the compromise reached at this point.

The conferees have also agreed on a limited program of electric utility rate reform and economic sanctions on gas guzzling cars, as well as a wide range of incentive tax concessions and other investment credits for a variety of industrial and private consumer energy conservation and fuel conversion efforts.

Enactment of these important initiatives has been delayed because the conferees have been unable to reach an agreement on three points which are claimed by many to be the heart and core of the National Energy Act. These are the natural gas pricing policy, the crude oil equalization tax (COET), and the proposed tax on industrial and utility use of oil and natural gas.

Mr. Speaker, upon close examination of the issues which still divide the conferees on these three measures, one finds that a great deal of authority already lies vested within the executive branch to accomplish similar goals. Upward adjustments in prices for both oil and natural gas and the mandatory conversion from the use of oil and gas to other fuels not only can be achieved but already are being accomplished through the exercise of authorities enacted by earlier Congresses and now lodged in the Department of Energy.

Let us examine the bases for my conclusions. The Department of Energy, and prior to that the Federal Energy Administration, has for the past 3 years had sufficient authority to require owners of oil and natural gas burning industrial plants and utilities to convert to coal or other fuels, under Public Law 93–419, the Energy Supply and Environmental Coordination Act of 1974. There is some question as to how much zeal was exercised by earlier FEA officials in pursuing this objective, but the new Department of Energy would presumably be more willing to exercise these very considerable powers which Congress has already granted. I would certainly agree that the additional authority which the House approved last August might stem needless litigation lodged by those utilities and industrial plants which do not wish to convert under a DOE order. However, it has been stated time and time again that the majority of litigation leveled against the Federal Energy Administration arose

from the inconsistent enforcement and uncertainty of purpose which prevailed at FEA during the Nixon and Ford administrations.

The crude oil equalization tax is a mechanism by which the administration seeks to impose a graduated wellhead tax as the method to raise the price of domestic crude oil to approximately the level of imported oil. However, the Congress already passed legislation entitled the "Energy Policy and Conservation Act" (Public Law 94–163), which gives the President the authority to adjust crude oil prices upward under prescribed criteria and subject to Congressional veto by as much as 10 percent a year. I submit to my colleagues that the resultant higher price from the implementation of the crude oil equalization tax would be about the same as that resulting from existing authority, but the crude oil equalization tax would transfer to the executive branch revenues which would otherwise remain in the control of the oil producers.

Similarly, the price levels sought for interstate gas by the administration under its proposed legislation can be attained by authority formerly exercised by the Federal Power Commission, now transferred to the Federal Energy Regulatory Commission (FERC) in the Department of Energy. The administration's proposal would also extend price controls into the intrastate market. Undeniably this is an important issue, but it is one primarily of additional Federal regulatory control. The energy conservation impact of higher prices can be produced through existing administrative powers and procedures, regardless of whether control is extended to intrastate transactions as well. However, recent events in the natural gas conference committee indicate that a compromise may be in the offing. However, I would submit that the price level embodying such a compromise may be unacceptable to my colleagues in the House who found its difficult to approve the price increases that were included in the House-passed bill.

Mr. Speaker, I have spoken at some length because it seems to me that this Congress is closer to an agreement on an effective National Energy Act than it now realizes. The issues on which we have already agreed are in fact the heart and core of a significant and substantial national energy conservation and fuel conversion program. The issues on which we are still divided, although important, are not entirely essential to the achievement of the important energy conversion and oil import savings goals this Nation needs urgently to reach. These goals can be pursued by means other than those over which the conferees are now deadlocked, through administrative mechanisms already authorized or under programs on which we are already agreed. I am under no illusion that the collective package of agreed upon measures will solve our oil import dependence problems, but it will continue the momentum set in motion under the significant energy initiatives already passed by this body.

Passage of these agreed upon sections snould not be held hostage to a debate over separate Federal energy management issues such as windfall profits, intrastate controls, and penalty taxes. These issues must eventually be resolved, but in a legislative forum other than one geared primarily to the objective of accelerating national energy conservation and fuel conversion efforts.

Let us therefore drop these three disputed measures from the National Energy Act and debate them separately on their merits. Let us remind the President of the strong powers and authorities he already has and let us quickly enact those measures on which we are now all agreed, clearing the way for action on a stronger second phase of energy legislation.

INVESTMENT TAX CREDIT NEEDED FOR STEEL PLANT MODERNIZATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, according to an AP dispatch printed in the Akron Beacon Journal for February 27, foreign steelmakers have taken advantage of modern techniques more quickly than U.S. producers because they have more money to spend. The president of Jones and Laughlin Steel Co., Thomas C. Graham, stated that "an acute lack of capital is * * * industry's biggest current problem." He went on to say that this was the reason why portions of the industry have declined into obsolescence.

Mr. Speaker, as the author of legislation which would provide an extra 10-percent investment tax credit for modernizing old industrial plants, I have been concerned with this problem for several years, not only as it relates to the steel industry, but as it relates to other industries and the communities in which they are located. Over 80 Members of the House have cosponsored this bill.

I have also authored legislation to provide for an additional investment tax credit to cover the cost of pollution control facilities in older industrial plants and also to provide for refunding the amount of the credit to industries that have no taxable income.

The article I have referred to simply emphasizes again the urgency of moving on this problem. The full text of the article follows these remarks:

STEELMAKERS "LACK MONEY" TO EXPAND

PITTSBURGH.—Foreign steelmakers have taken advantage of modern technology more quickly than U.S. producers because they have more money to spend, according to a steel executive.

"We Americans are not, by any means, technically inferior to our foreign competitors," said Thomas C. Graham, president of Jones & Laughlin Steel.

Foreign producers, he said, have generally built their new plants with "off-the-shelf technology, much of it developed in America."

But Graham said U.S. producers fall behind "in fully exploiting many new developments as they come along. This isn't because we lack the initiative or imagination. It's because we lack the money."

J&L Steel, the nation's seventh-largest producer, reported a net loss of $3 million in 1977, compared with a profit of $44.5 million in 1976. Other large producers also reported losses.

"An acute lack of capital is, as a matter of fact, the industry's biggest current problem," Graham said in a speech last week.

The industry has spent $30 billion for modernization and expansion since 1960, including more than $3 billion in both 1975 and 1976.

"But this has not been enough to keep portions of the industry from declining into obsolescence," he said. "Furthermore, the annual capital spending requirement is escalating rapidly."

Between now and 1985, the industry is expected to need $5 billion to $6 billion per year for equipment replacement, environmental controls and expansion, said Graham, adding, "At the moment, the chances for accumulating that kind of money appear slim."

Current tax write-offs for worn-out equipment are inadequate due to inflation, poor earnings make it difficult to sell stock, and the fact that the industry has borrowed almost to the limit adds up to "a capital shortfall of between $1 billion and $2 billion a year, depending on how you estimate the need for capacity expansion."

Graham said the "financial crunch" had been caused largely by external factors beyond industry control, including the government's traditional opposition to price increases, more imports and diversion of capital to costly pollution control projects.

But he said he remained optimistic about the industry's future in the world's strongest steel market, particularly in view of the government's decision to provide relief.

"The steel industry has just come through a very bad and discouraging year. We survived it.' 'he said. "We are beset with serious problems on all sides, but there is a little light at the end of the tunnel."●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. RISENHOOVER (at the request of Mr. WRIGHT), for March 3 and 4, on account of official business of the Select Committee on Aging.

Mr. RUDD (at the request of Mr. RHODES), today, on account of attending funeral of late Governor of Arizona.

Mr. STUMP, for Tuesday, March 7, 1978, on account of attending the funeral of Arizona Gov. Wesley Bolin.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma) to revise and extend their remarks and include extraneous matter:)

Mr. JEFFORDS, for 15 minutes, today.

Mr. YOUNG of Alaska, for 10 minutes, today.

Mr. SARASIN, for 10 minutes, today.

Mr. DERWINSKI, for 5 minutes, today.

Mr. KEMP, for 5 minutes, today.

Mr. WHALEN, for 5 minutes, today.

Mr. HILLIS, for 5 minutes, today.

Mr. EDWARDS of Oklahoma, for 60 minutes, on March 15.

Mr. CRANE, for 60 minutes, on March 15.

Mr. COHEN, for 30 minutes, on March 8.

(The following Members (at the request of Mr. IRELAND) to revise and ex-

tend their remarks and include extraneous material:)

Mr. CONYERS, for 5 minutes, today.
Mr. BEILENSON, for 5 minutes, today.
Mr. LE FANTE, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. KREBS, for 5 minutes, today.
Mr. CAVANAUGH, for 5 minutes, today.
Mr. BAUCUS, for 10 minutes, today.
Mr. ROGERS, for 5 minutes, March 8.
Mr. ROSTENKOWSKI, for 5 minutes, March 8.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. PHILLIP BURTON, to extend his remarks immediately prior to adoption of Senate amendment to H.R. 8803 in the House today.

Mr. BURLESON of Texas, to revise and extend his remarks on H.R. 11180 in the Committee of the Whole today.

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous matter:)

Mr. BROWN of Ohio in two instances.
Mr. JEFFORDS.
Mr. HYDE in three instances.
Mr. JOHN T. MYERS.
Mr. SARASIN.
Mr. QUAYLE.
Mr. FINDLEY.
Mr. DON H. CLAUSEN.
Mr. MCCLORY.
Mr. DORNAN.
Mr. LAGOMARSINO.
Mr. MICHEL.
Mr. COLLINS of Texas in three instances.
Mr. DERWINSKI in two instances.
Mr. THONE.
Mr. WALKER.
Mr. STOCKMAN in two instances.
Mr. ABDNOR.
Mr. SYMMS.
Mr. MCEWEN.
Mr. ROUSSELOT in two instances.

(The following Members (at the request of Mr. IRELAND), and to include extraneous matter:)

Mr. EILBERG in two instances.
Mr. EDWARDS of California in two instances.
Mr. ROE.
Mr. WALGREN.
Mr. MAZZOLI in two instances.
Mr. TEAGUE.
Mr. MONTGOMERY.
Mr. MINETA.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MCDONALD.
Mr. VANIK.
Mr. WOLFF.
Mr. DOWNEY.
Mr. WEAVER.
Mr. RODINO.
Mr. RANGEL in two instances.
Mr. DE LA GARZA in 10 instances.
Mr. FARY.
Mr. CARNEY.
Mr. ASHLEY.
Mr. DRINAN in two instances.
Mr. BYRON.
Mr. SIMON.
Mr. OTTINGER.
Mrs. SCHROEDER.
Mr. MILFORD.
Mr. HAWKINS.
Mr. DELANEY.
Mr. WAXMAN.
Mr. FISHER.
Mr. BRECKINRIDGE in five instances.
Mr. MITCHELL of Maryland in three instances.
Mr. BONKER.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 2, 1978, present to the President, for his approval, a bill of the House of the following title:

H.R. 9851. To amend the Federal Aviation Act of 1958 to improve cargo air service.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 18 minutes p.m.), the House adjourned until Wednesday, March 8, 1978, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3488. A letter from the Administrator of General Services, transmitting a draft of proposed legislation to authorize the disposal of antimony from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

3489. A letter from the Secretary of Health, Education, and Welfare, transmitting an annual report on activities under the Runaway Youth Act, pursuant to section 315 of Public Law 93-415; to the Committee on Education and Labor.

3490. A letter from the Secretary of the Treasury, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3491. A letter from the Secretary of Transportation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3492. A letter from the Director, Office of Administrative Services, Department of Energy, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3493. A letter from the Secretary, Federal Trade Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3494. A letter from the Postmaster General, transmitting a report on the Postal Service's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3495. A letter from the Administrator of Veterans' Affairs, transmitting a report on the Veterans' Administration's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3496. A letter from the Executive Secretary, Board of Regents, Uniformed Services University of the Health Sciences, Department of Defense, transmitting a report on the Board's activities under the Government in the Sunshine Act during the year ended March 11, 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3497. A letter from the Administrator, Agency for International Development, Department of State, transmitting a determination waiving the prohibition against use of Southern Africa Special Requirements Funds in Zambia, pursuant to section 533(c)(2) of the Foreign Assistance Act of 1961, as amended (91 Stat. 618); to the Committee on International Relations.

3498. A letter from the Acting General Counsel, Department of Energy, transmitting notice of a meeting relating to the International Energy Program held March 2 and 3, 1978, in San Francisco, Calif.; to the Committee on Interstate and Foreign Commerce.

3499. A letter from the Acting General Counsel, Department of Energy, transmitting notice of meetings relating to the International Energy Program to be held March 9 and 10, 1978, in New York, N.Y.; to the Committee on Interstate and Foreign Commerce.

3500. A letter from the acting chairman, U.S. Railway Association, transmitting an affirmative finding of the association's finance committee, concurred with by the board of directors, that it is not reasonably likely that the Consolidated Rail Corporation will be able to become financially self-sustaining without requiring Federal financial assistance substantially in excess of the amounts authorized in section 216 of the regional Rail Reorganization Act, as amended, pursuant to section 216(c)(2) of the act (90 Stat. 90); to the Committee on Interstate and Foreign Commerce.

3501. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977, to extend the authorization of appropriations; to the Committee on Merchant Marine and Fisheries.

3502. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1979 and 1980 to carry out the Marine Mammal Protection Act of 1972; to the Committee on Merchant Marine and Fisheries.

3503. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Merchant Marine and Fisheries.

3504. A letter from the Comptroller General of the United States, transmitting a report on the implications of the National Security Council study entitled "U.S. Maritime Strategy and Naval Force Requirement" on the future naval ship force (PSAD-78-6A, March 7, 1978); jointly, to the Committee on Government Operations, and Armed Services.

3505. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 810. A bill to amend section 4941(d)(2)(G) of the Internal Revenue Code of 1954 (Rept. No. 95-928). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 11055. A bill relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977; with amendment (Rept. No. 95-929). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO (for himself, Mr. McDADE, Mr. SMITH of Iowa, Mr. CONTE, Mr. STEED, Mr. CORMAN, Mrs. FENWICK, Mr. GONZALEZ, Mr. HANLEY, Mr. PRESSLER, Mr. BRECKINRIDGE, Mr. LAFALCE, Mr. RICHMOND, Mr. NOWAK, Mr. LE FANTE, Mr. KILDEE, and Mr. MITCHELL of Maryland):

H.R. 11318. A bill to amend the Small Business Act and the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. DON H. CLAUSEN (for himself, Mr. HANNAFORD, Mr. LIVINGSTON, Mr. HOLLENBECK, and Mr. BRODHEAD):

H.R. 11319. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and related purposes; jointly, to the Committees on International Relations, the Judiciary, and Public Works and Transportation.

By Mr. CORMAN (for himself and Mr. BLOUIN):

H.R. 11320. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. BEILENSON (for himself, Mr. BEDELL, Mr. BENNETT, Mr. BINGHAM, Mr. BONIOR, Mr. BROWN of California, Mr. BURGENER, Mr. CARR, Mr. COLEMAN, Mr. CONTE, Mr. DERWINSKI, Mr. DIGGS, Mr. DRINAN, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERY, Mr. ERTEL, Mr. EVANS of Georgia, Mr. EVANS of Delaware, Mr. FISH, Mr. FORSYTHE, Mr. GEPHARDT, Mr. HARRINGTON, Mr. HYDE, and Mr. JEFFORDS):

H.R. 11321. A bill to prohibit the importation or exportation and certain other transactions involving elephant products, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BEILENSON (for himself, Mr. JACOBS, Mr. KEMP, Mr. KETCHUM, Mr. KOSTMAYER, Mr. LEHMAN, Mr. MCCLOSKEY, Mr. MCCORMACK, Mrs. MEYNER, Mr. MILLER of California, Mr. MOFFETT, Mr. MOTTL, Mr. MOSS, Mr. NEAL, Mr. OTTINGER, Mr. PANETTA, Mr. PEASE, Mr. PURSELL, Mr. RODINO, Mr. RUPPE, Mr. RYAN, Mr. SARASIN, Mr. SEIBERLING, Mr. SIMON, and Mr. SOLARZ):

H.R. 11322. A bill to prohibit the importation or exportation and certain other transactions involving elephant products, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BEILENSON (for himself, Mr. AUCOIN, Mr. BAUCUS, Mr. BONKER, Mr. BRODHEAD, Mrs. BURKE of California, Mr. COUGHLIN, Mr. HANNAFORD, Mr. MCKINNEY, Ms. MIKULSKI, Mr. RICHMOND, Mrs. SCHROEDER, Mrs. SPELLMAN, Mr. STARK, Mr. STUDDS, Mr. THOMPSON, Mr. VENTO, Mr. WEISS, Mr. WHITEHURST, Mr. CHARLES WILSON of Texas, Mr. WIRTH, Mr. YATES, and Mr. STEERS):

H.R. 11323. A bill to prohibit the importation or exportation and certain other transactions involving elephant products, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COCHRAN of Mississippi (for himself, Ms. HOLTZMAN, Mr. CARR, and Mr. MANN):

H.R. 11324. A bill to amend the Internal Revenue Code to allow an additional exemption for taxpayer who is deaf, and for other purposes; to the Committee on Ways and Means.

By Mr. EDGAR (for himself and Mr. HORTON):

H.R. 11325. A bill to amend the Interstate Commerce Act and the Fair Labor Standards Act to provide for the removal of certain barriers to commuter vanpooling programs; jointly, to the Committees on Public Works and Transportation, and Education and Labor.

By Mr. FASCELL (for himself and Mr. FRASER):

H.R. 11326. A bill to establish an Institute for Human Rights and Freedom to promote respect for and observance of human rights and fundamental freedoms in foreign countries; to the Committee on International Relations.

By Mr. HAGEDORN (for himself, Mr. MATHIS, Mr. WAMPLER, Mr. VOLKMER, Mr. ABDNOR, Mr. AKAKA, Mr. AUCOIN, Mr. CORCORAN of Illinois, Mr. DAN DANIEL, Mr. DERWINSKI, Mr. EVANS of Georgia, Mr. GUYER, Mr. HARSHA, Mr. HILLIS, Mr. HUBBARD, Mr. ICHORD, Mr. JONES of Tennessee, Mr. KETCHUM, Mr. KINDNESS, Mr. MCDONALD, Mr. QUIE, Mr. PRESSLER, Mr. STANGELAND, Mr. WALKER, and Mr. WATKINS):

H.R. 11327. A bill to limit the authority of the Secretary of Agriculture to restrict or prohibit the use of nitrites or nitrates as preservatives in meat products for a period of 2 years, and for other purposes; to the Committee on Agriculture.

By Mr. HAMMERSCHMIDT:

H.R. 11328. A bill to amend title 38, United States Code, to exclude the value of all Veterans' Administration educational entitlements from consideration as income for the purpose of veterans' pension programs; to the Committee on Veterans' Affairs.

H.R. 11329. A bill to amend title 38, United States Code, to give veterans asserting discrimination in employment because of veterans' status the same procedural rights as persons covered under title VII of the Civil Rights Act of 1964; to the Committee on Veterans' Affairs.

H.R. 11330. A bill to amend title 38, United States Code, to allow each veteran with an updated discharge to receive full educational benefits without regard to the date of the veteran's initial discharge from service; to the Committee on Veterans' Affairs.

By Mr. HARRIS:

H.R. 11331. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide that disability insurance benefits and the medicare program shall be financed from general revenues rather than through the imposition of employment and self-employment taxes as at present, and to adjust the rates of such taxes (for purposes of financing the OASI program) accordingly; to the Committee on Ways and Means.

By Mr. HYDE (for himself, Mr. ABDNOR, Mr. BADHAM, Mr. BURGENER, Mr. BUTLER, Mr. DAN DANIEL, Mr. DORNAN, Mr. FARY, Mr. GOODLING, Mr. GRASSLEY, Mr. GUYER, Mr. KEMP, Mr. KETCHUM, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LOTT, Mr. MCCLOSKEY, Mr. MAZZOLI, Mr. MICHEL, Mr. O'BRIEN, Mr. SNYDER, Mr. STOCKMAN, and Mr. TREEN):

H.R. 11332. A bill to amend the Rehabilitation Act of 1973 with respect to the definition of a handicap; to the Committee on Education and Labor.

By Mr. JEFFORDS (for himself, Mr. BENJAMIN, Mr. COCHRAN of Mississippi, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. FITHIAN, Mr. GOODLING, Mr. HARRINGTON, Mr. HARSHA, Mr. LUKEN, Mr. LUNDINE, Mr. MCHUGH, Mr. MADIGAN, Ms. MIKULSKI, Mr. MOFFETT, Mr. NOLAN, Ms. OAKAR, Mr. OTTINGER, Mr. PANETTA, Mr. PRESSLER, Mr. QUIE, Mr. ROE, Ms. SPELLMAN, and Mr. STARK):

H.R. 11333. A bill to provide for a study of the cost of achieving accessibility to handicapped persons in certain programs, and for other purposes; to the Committee on Education and Labor.

By Mr. JONES of North Carolina:

H.R. 11334. A bill to permit trapping by residents of certain villages within the Cape Hatteras National Seashore Recreational Area; to the Committee on Interior and Insular Affairs.

By Ms. KEYS:

H.R. 11335. A bill to amend the Internal Revenue Code of 1954 to allow a tax credit for solar and wind energy property installed on an individual's principal residence; to the Committee on Ways and Means.

By Mr. MIKVA (for himself and Mr. BRODHEAD):

H.R. 11336. A bill to amend the Internal Revenue Code of 1954 to provide a deduction for certain amounts paid to a reserve for payment of product liability losses; to the Committee on Ways and Means.

By Mr. PICKLE (for himself, Mr. BURLESON of Texas, Mr. HALL, Mr. HUCKABY, Mr. KRUEGER, Mr. MAHON, Mr. ROBERTS, Mr. TEAGUE, and Mr. CHARLES WILSON of Texas):

H.R. 11337. A bill to impose quotas on the importation of beef, including processed beef and beef quantities in the form of live cattle, when the domestic market price of cattle is less than 110 percent of parity and to impose custom duties on such articles when the domestic market price of cattle is less than 80 percent of parity; to the Committee on Ways and Means.

By Mr. WHITEHURST (for himself and Mr. HARRIS):

H.R. 11338. A bill to designate certain lands within the national forest system as wilderness; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WYDLER (for himself and Mr. GREEN):

H.R. 11339. A bill to extend the authority of the Secretary of the Treasury to make loans under the New York City Seasonal Financing Act of 1975 for a period of 3 years; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DE LA GARZA:

H.R. 11340. A bill to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the Department of Agriculture or any of its programs; to the Committee on Agriculture.

By Mr. GILMAN (for himself, Mr. ADDABBO, Mr. BONIOR, Mr. BUCHANAN, Mr. CAPUTO, Mr. CARR, Mr. CONTE, Mr. DE LA GARZA, Mr. DOWNEY, Mr. FISH, Mr. GUYER, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. LAGOMARSINO, Mr. LLOYD of California, Mr. MOAKLEY, Mr. ROSENTHAL, and Mr. SIMON):

H.R. 11341. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, and hearing aids among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards against consumer abuse in the provision of these items and services; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. HANNAFORD:

H.R. 11342. A bill to amend the Communications Act of 1934 to prohibit unsolicited commercial telephone calls made entirely by automatic equipment; to the Committee on Interstate and Foreign Commerce.

H.R. 11343. A bill to amend the Congressional Budget Act of 1974 to require periodic review of new authorizations of budget authority, spending authority, and tax expenditures, to prevent the Federal Government from imposing additional fiscal burdens on State and local governments, and for other purposes; to the Committee on Rules.

By Mr. HANSEN (for himself, and Mr. LLOYD of California):

H.R. 11344. A bill to prohibit the transfer or other disposal of any military installation located in the Canal Zone without the specific authorization of Congress; to the Committee on Armed Services.

By Ms. HOLTZMAN:

H.R. 11345. A bill to extend the authority of the Secretary of the Treasury to make loans under the New York City Seasonal Financing Act of 1975 for a period of 3 years; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HORTON (for himself and Mr. EDGAR):

H.R. 11346. A bill to amend the Interstate Commerce Act and the Fair Labor Standards Act to provide for the removal of certain barriers to commuter vanpooling programs; jointly, to the Committees on Public Works and Transportation, and Education and Labor.

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. GOLDWATER, Mr. BROWN of California, Mr. WIRTH, Mr. THORNTON, Mr. HARKIN, Mr. BLANCHARD, Mr. GORE, Mr. GLICKMAN, Mrs. LLOYD of Tennessee, Mr. YOUNG of Missouri, Mr. AMBRO, Mr. FLOWERS, Mr. PURSELL, and Mr. ROE):

H.R. 11347. A bill to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carried out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies; to the Committee on Science and Technology

By Mr. McCORMACK (for himself, Mr. TEAGUE, Mr. GOLDWATER, Mr. FUQUA, Mr. MILFORD, Mr. NEAL, Mr. WALKER, Mr. LUJAN, Mr. DORNAN, Mr. OTTINGER, Mr. SCHEUER, Mr. FREY, Mr. FISH, and Mr. DON H. CLAUSEN):

H.R. 11348. A bill to provide for an accelerated program of research, development, and demonstration of solar photovoltaic energy technologies leading to early competitive commercial applicability of such technologies to be carred out by the Department of Energy, with the support of the National Aeronautics and Space Administration, the National Bureau of Standards, the General Services Administration, and other Federal agencies; to the Committee on Science and Technology.

By Mr. MATHIS (for himself and Mr. POAGE):

H.R. 11349. A bill to protect American producers of fruits, vegetables, and other crops from unfair competition relating to the use of pesticides; to the Committee on Agriculture.

By Mr. MILFORD (for himself, Mr. CUNNINGHAM, Mr. MOTTL, Mr. SCHEUER, Mr. MOAKLEY, Mr. AKAKA, Mr. HARRINGTON, Mr. HYDE, Mr. DORNAN, Mr. MURPHY of Pennsylvania, and Mr. SISK):

H.R. 11350. A bill to provide that Federal assistance under the Federal Housing Administration will not be denied for housing solely on the basis that such housing is located in an area identified by a Federal agency as an area subject to the highest noise level resulting from the air transportation conducted in connection with the operation of a nearby civilian or military airport, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MILFORD (for himself, Mr. CUNNINGHAM, Mr. MOTTL, Mr. SCHEUER, Mr. MOAKLEY, Mr. AKAKA, Mr. HARRINGTON, Mr. HYDE, Mr. DORNAN, Mr. MURPHY of Pennsylvania, and Mr. SISK):

H.R. 11351. A bill to amend title 38 of the United States Code to provide that the Veterans' Administration will not deny financing assistance for the purchase of residential property solely because the property is located in an area identified by a Federal agency as an area subject to the highest noise level resulting from the operation of aircraft at a nearby civilian or military airport; to the Committee on Veterans' Affairs.

By Mr. MURPHY of New York (for himself, Mr. BIAGGI, Mr. RUPPE, and Mr. TREEN):

H.R. 11352. A bill to authorize appropriations for the Coast Guard for fiscal year 1979, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PEPPER:

H.R. 11353. A bill to amend the Older Americans Act of 1965 to establish a program under which institutions of higher education may receive grants to defray 55 percent of the tuition costs of older persons attending such institutions on a tuition-free basis, and for other purposes; to the Committee on Education and Labor.

By Mrs. SCHROEDER:

H.R. 11354. A bill to amend chapter 73 of title 10, United States Code, to provide that a former spouse of a member of the uniformed services who is married to such member for 10 years or more shall be entitled to a portion of such member's retired pay and to a portion of the annuity of a surviving spouse of such member, and that such member may not elect not to provide such an annuity without the consent of the spouse and any former spouse of the member, and for other purposes; to the Committee on Armed Services.

By Mr. WHALEN:

H.R. 11355. A bill to authorize the Smithsonian Institution to acquire the Museum of African Art, and for other purposes; to the Committee on House Administration.

By Mr. WEAVER (for himself and Mr. BROWN of California):

H.R. 11356. A bill to establish a national forest salvage program for mortality timber for business firms having 25 or fewer employees, and for other purposes; to the Committee on Agriculture.

By Mr. MARRIOTT:

H.J. Res. 781. Joint Resolution to authorize the President to issue a proclamation designating the week beginning on November 19, 1978 as National Family Week; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.J. Res. 782. Joint resolution expressing the determination of the United States with respect to the situation in Cuba; to the Committee on International Relations.

By Mr. HANSEN (for himself, Mr. MURPHY of New York, Mr. RAILSBACK, Mr. HIGHTOWER, Mr. MAZZOLI, and Mr. RUPPE):

H. Con. Res. 502. Concurrent resolution expressing the sense of the Congress with regard to the disposition by the United States of any right to, title to, or interest in the property of Canal Zone agencies and any real property located in the Canal Zone; to the Committee on Merchant Marine and Fisheries.

Ms. OAKAR (for herself, Mr. NEDZI, Mr. LUKEN, Mr. PEASE, Mr. RAILSBACK, Mr. MURPHY of Illinois, and Mr. KINDNESS):

H. Con. Res. 503. Concurrent resolution to disapprove the determination of the President denying import relief under the Trade Act of 1974 to the U.S. industry manufacturing metal fasteners; to the Committee on Ways and Means.

By Mr. COHEN:

H. Res. 1062. Resolution expressing the sense of the House with respect to a reorganization of the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H. Res. 1063. Resolution to authorize the Committee on Banking, Finance and Urban Affairs to conduct an inquiry into the failure to notify insurance agents of limits on coverage under the national flood insurance program increased by the Housing and Community Development Act of 1977; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

313. By the SPEAKER: Memorial of the Legislature of the State of Idaho, relative to the National Wilderness Preservation System; to the Committee on Interior and Insular Affairs.

314. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the British presence in northern Ireland; to the Committee on International Relations.

315. Also, memorial of the Legislature of the State of South Carolina, relative to designating the pine tree as the National Tree of the United States; to the Committee on Post Office and Civil Service.

316. Also, memorial of the Legislature of Commonwealth of Virginia, relative to issuing a commemorative stamp in honor of Veterans Day; to the Committee on Post Office and Civil Service.

317. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to designating National Forgotten Victims Week; to the Committee on Post Office and Civil Service.

318. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to construction of a seawall at Tangier Island; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COHEN:

H.R. 11357. A bill for the relief of Douglas Jagdish Degenhardt (adoptive name); to the Committee on the Judiciary.

By Mr. DELLUMS:

H.R. 11358. A bill for the relief of Leticia Tongohan Pellerin; to the Committee on the Judiciary.

By Mr. EDGAR:

H.R. 11359. A bill for the relief of James A. Leek, Henrietta Leek, Carole Leek, John Leek, and Phillip Leek; to the Committee on the Judiciary.

H.R. 11360. A bill for the relief of Ioannis Maroulis; to the Committee on the Judiciary.

By Mrs. HOLT (by request):

H.R. 11361. A bill for the relief of Sara Padilla Guerrero; to the Committee on the Judiciary.

By Mr. JACOBS:

H.R. 11362. A bill for the relief of Charles H. DeBow, Jr.; to the Committee on the Judiciary.

By Mrs. PETTIS:

H.R. 11363. A bill for the relief of Chaivudt Buthdong Woody Murphy, Peter Chaiwat Wichianpreecha Murphy, and Leesa Siriwan Murphy; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

413. The SPEAKER presented a petition of Michael A. O'Toole, chief deputy sheriff, Alexandria, Va., relative to the recent General Accounting Office report on housing Federal prisoners in non-Federal facilities (GGD-77-92, February 23, 1978), which was referred jointly, to the Committees on Government Operations, and the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 50

By Mr. BAUCUS:

Page 72, line 18, insert immediately after "accordingly" the following: ", except that, for any fiscal year for which an unemployment rate of 4.0 per centum or less is projected, the relationship between such expenditure and revenue shall be such as to generate a net surplus".

By Mr. BRECKINRIDGE:

Immediately after page 86, line 25, insert this new section:

§ 208. Stimulation of Private Sector and Small Business Employment.

(a) To promote further the achievement of full employment under this Act, and in furtherance of the policies, programs, and priorities thereof, including particularly the establishment of the first priority on the creation of jobs in the private sector, the President, through the Secretaries of Agriculture, Commerce, Labor, the Administrator of the Small Business Administration, the Director of Community Services Administration, and other interested and responsible agencies and departments, shall develop and submit to the Congress, with the Economic Report required by section 3 of the Employment Act of 1946, proposals for the establishment and implementation of policies, procedures, and programs for the stimulation of private sector and small business employment through the improvement and extension of existing Federal guaranteed, insured, and direct loan and grant programs of such agencies and departments including those the subject of the Rural Development Act of 1972.

(b) Proposals developed pursuant to paragraph (a) shall include, but not be limited to, administrative, legislative, legislative oversight, and budgetary recommendations for action; the establishment of procedures and reporting of findings: (1), for projecting anticipated demands; (2), for determining jobs creation potential; and, (3) for enumerating jobs created and saved; the simplification of agency and department rules, regulations, forms, and procedures in the administration of applicable programs; and, inter-alia, the development of joint private-public training programs.

(c) Proposals for the implementation of programs pursuant to paragraph (a) shall ensure that agencies and departments responsible for providing financial and technical assistance will consider:

(1) the extent to which a loan or grant, or both, will directly or indirectly contribute to the creation of new jobs; and,

(2) the extent to which a loan or grant, or both, will directly or indirectly create or preserve jobs in communities, new entries and existing enterprises, especially family farms, small businesses, ethnic and minority-owned and operated firms, cooperatives, and other enterprises.

By Mr. COLLINS of Texas:

Page 104, immediately after line 23, insert the following new subsections:

(e) No affirmative action program authorized by this Act may require—

(1) provisions relating to quotas or ratios of individuals on the basis of their race, color, religion, national origin, or sex as a portion of the statistical composition of the business enterprise, labor organization, association, society, or other entity of that grantee or contractor; or

(2) provisions for goals or objectives for that grantee or contractor designed to establish quotas or ratios as described to establish quotas or ratios as described in clause (1) of this sentence.

(f) Affirmative action programs authorized by this Act shall be designed to expand, on the basis of individual or aptitude qualification and without regard to race, color, religion, national origin, or sex, the pool of applicants and participants in the program, membership, or enterprise which is subject to the provisions of such a plan. Any such affirmative action plan may include provisions for the expansion of normal advertising and promotional methods reasonably designed to assure that no special group of individuals classified on the basis of race, color, religion, national origin, or sex would encounter any unusual difficulty in obtaining information regarding the opportunity for employment or participation in the program, membership, or enterprise subject to such a plan, if the provisions relating to such advertising or methods are consistent with the financial ability of the employer, employment agency, labor organization, association, society, or other entity which is subject to the affirmative action plan.

By Mr. DODD:

In section 401 of the bill, insert at the end of subsection (a) the following new sentence: "Any prohibition against discrimination with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.".

By Mr. GILMAN:

Page 67, line 13, insert "handicapped individuals," after "minorities".

By Mr. GLICKMAN:

On page 80, to add a new paragraph (c) to section 204, which reads as follows:

"(c) In formulating the regional components of programs and policies under this Section, in no instance shall actions be taken which would have direct negative impacts on the economies of other regions of the Nation."

On page 83, line 17, immediately following the period, insert the following additional sentence: "Prior to implementing expanded public jobs programs, the Secretary shall consult with affected local and state units of government to determine what problems, if any, might exist within those states and localities, which may have impeded maximum effectiveness of programs authorized under the Comprehensive Employment and Training Act of 1973 and other relevant provisions of law.".

By Mr. HAWKINS:

At the end of the bill, add the following new section:

EFFECTIVE DATE

SEC. 405. The provisions of this Act, and the amendments made by this Act, shall take effect on October 1, 1978.

In the table of contents for the bill, insert the following new item after the item relating to section 404:

Sec. 405. Effective date.

By Mr. JEFFORDS:

Page 64, line 10, insert after "unemployment," the words "private sector employment,".

Page 64, line 15, insert after "unemployment," the words "private sector employment,".

Page 65, line 4, insert after "Act," the words "except as set forth in section 4,".

Page 65, beginning on line 16, strike out subsections (a) and (b) through line 8 on page 67 and insert the following:

"SEC. 4. (a)(1) In each Economic Report after enactment of the Full Employment and Balanced Growth Act of 1978, the President shall incorporate medium-term annual numerical goals (for the three calendar years subsequent to the two years referred to in section 3(a)(2)(B) with respect to unemployment to clearly differentiate between the goal of providing maximum employment in the private sector through the creation of a healthy economy, and the goal of providing a work opportunity for every American desiring employment, including employment in public service employment as defined herein.

"(2) These medium-term goals shall be set forth as follows:

"(A) In order to insure the success of the primary goal of this Act to provide maximum employment in the private sector, the Economic Report shall include the interim numerical unemployment goal, without resorting to public service employment as described herein, of reducing unemployment among Americans aged 20 and over in the civilian labor force to not more than 3 per centum and to reduce unemployment among the entire civilian labor force aged 16 and over to not more than 4 per centum within a period not extending beyond the fifth calendar year after the first such Economic Report, counting as the first calendar year the year in which such Economic Report is issued. For the purpose of measuring the success in attaining this goal, persons employed in public service employment jobs as described herein shall be considered as members of the work force seeking employment.

"(B) In addition to the goal of providing maximum employment in the private sector, the Economic Report shall include the goal of making a job opportunity available to every American seeking employment. Therefore, the Economic Report shall include a separate numerical goal for the purposes of section 3(a)(2) which shall set forth the further reduction in unemployment to be accomplished through public service employment as described herein.

"(3) In order to more clearly set forth the goals, and to more accurately measure the status of unemployment and the health of the economy, the Economic Report shall—

(A) specify the number of jobs that are intended to be generated in the private sector, and the number of jobs to be created through public service employment as described herein, and the effect each is expected to have on the unemployment goals set forth in subsection (a)(2) above; and

(B) set forth any changes in the Bureau of Labor Statistics method of reporting employment and unemployment figures after the date of enactment of the Full Employment and Balanced Growth Act of 1978, and the effect these changes have on the figures and goals set forth in the Economic Report, compared first to the Bureau of Labor Statis-

tics method of reporting at the time of passage, and, secondly, the Bureau of Labor Statistics methods utilized in the report for the previous year.

(b)(1) Upon achievement of the goals as specified in subsection (a)(2) (A) and (B), each succeeding Economic Report shall have the goals of achieving maximum employment in the private sector through a healthy economy, and overall full employment, as soon as practicable, and maintaining these two goals after they have been reached.

"(2) Each statement of the remaining medium-term economic goals of the Act (as part of the five-year numerical goals in each Economic Report) shall cover the same items and same purposes as the economic goals specified in paragraph (2) of section 3(a), and such other policies as the President deems necessary to achieve such medium-term goals and to achieve reasonable price stability as rapidly as feasible as provided for in section 5(b) of this Act.

"(3) In the third Economic Report after enactment of the Full Employment and Balanced Growth Act of 1978, the President shall review the numerical goals and timetables for the reduction of unemployment and the achievement of a healthy economy, report to the Congress on any obstacles to their achievement, and if necessary propose corrective economic measures toward achievement of such goals and timetables: *Provided*, That beginning with such third report and in any subsequent reports, if the President finds it necessary, the President may recommend modifications in the numerical goals or timetables, or both, for the reduction of unemployment and the achievement of a healthy economy, and the Congress may take such action as it sees fit by the method set forth in title III of the Full Employment and Balanced Growth Act of 1978.

"(4) The term public service employment as used in this section includes employment in any public service employment or training program authorized by an Act of Congress, such as the Comprehensive Employment and Training Act of 1976, or any other new program or training authorized by this or any other Act of Congress which provides employment or training in the public sector in excess of the permanent public work force.

Page 70, strike out lines 8 and 9 and insert in lieu thereof the following:

"(A) promotion of small business development, stimulation of alternative modes of transportation, aggressive development of alternative energy technologies and conservation, and heightened environmental quality through programs, such as a beverage container deposit system, all of which provide meaningful private sector employment;".

Page 71, line 10, strike out "and" and everything that follows through line 12, and insert in lieu thereof the following:

"(G) the implementation, through financial assistance, of programs already established by law as major national priorities, such as the removal of architectural barriers to the handicapped.

"(H) such other priority policies and programs as the President deems appropriate.".

By Mr. LONG of Maryland:

Insert at the end of the bill the following new section:

APPROPRIATE AND LIGHT CAPITAL TECHNOLOGIES

SEC. 405. (a) In the course of preparation of the Economic Report under the Employment Act of 1946, as amended by this Act, and in the course of preparing, proposing, and implementing structural economic policies and programs under title II of this Act (including countercyclical, regional, youth, job training and counseling, and capital formation programs) the President shall take such steps as may be necessary to assure consideration and utilization of the potential of appropriate and light capital technologies.

(b) As used in this section, the term "appropriate and light capital technologies" means technologies which—

(1) are small in scale, simple to install, and durable in operation;

(2) are labor rather than capital intensive;

(3) are not dependent on a highly centralized infrastructure for production, maintenance, or repair;

(4) make effective, efficient use of available and particularly of renewable resources;

(5) meet the needs of local communities and enhance the self-reliance of such communities; and

(6) enhance rather than degrade the environment.

In the table of contents of the bill, add after the item relating to section 404 the following:

Sec. 405. Appropriate and Light Capital Technologies

By Ms. MIKULSKI:

Page 71, line 2, insert immediately after "care" the following: "especially if it affects the availability of the single heads of households to participate in the workforce.".

Page 76, line 13, insert immediately before "Such advisory board" the following new sentence: "Such advisory board or boards shall include representation of women and racial and ethnic minorities commensurate with their representation in the overall workforce.".

By Mr. PRESSLER:

Page 79, line 2, immediately after the period insert the following new subsection:

"(c) In any countercyclical efforts undertaken pursuant to this Act, or in any triggering mechanism authorized under subsection (b) of this section, the President shall insure to the maximum extent possible that sufficient funds are allocated to address the special unemployment, underemployment and general economic concerns of non-urban areas."

By Mr. THOMPSON:

On page 65, after line 3, insert the following new subsection to read as follows:

"At the time of the submission of the Economic Report to the Congress, the President shall transmit copies of the Report to the Governor of each State and to other appropriate State and local officials. On or before March 1 of each year, the Governor of each State may submit to the House of Representatives and the Senate a report containing finds and recommendations with respect to the priority policies and programs proposed in the Economic Report. A Governor may, as deemed advisable, submit at any time to the House of Representatives and the Senate such additional reports or information with respect to matters placed by this Act within the responsibility of the Joint Economic Committee."

And redesignate the following subsection accordingly.

EXTENSIONS OF REMARKS

GEORGIA WINNER OF VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. FOWLER. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its ladies auxiliary conduct a Voice of Democracy Contest. This year, more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as the top prizes. The winning contestant from each State is brought to Washington, D.C., for the final judging as a guest of the Veterans of Foreign Wars.

I would like to commend the winning contestant from the State of Georgia, Miss Karen Erica Blumensaadt, of Atlanta.

Mr. Speaker, I would like to share with my colleagues the well-written, inspiring essay by a thoughtful and patriotic young woman.

The essay by Karen Erica Blumensaadt follows:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM
ESSAY, GEORGIA WINNER

As a young American citizen, I have many responsibilities to our country. First, I must be proud of the United States, proud of what it stands for, and be willing to speak out for it. I must learn about the problems that face this country and try to understand them. I need to follow major events that take place in Washington, D.C., such as meetings of the Senate and House of Representatives, decisions by and talks from the President, and also follow the major events that happen in the states. I have a responsibility to know and understand America's written foundations—The Declaration of Independence, The Constitution, and The Bill of Rights. Although written two centuries ago by strong leaders striving towards the perfection of a democratic society, they now stand for a free America. I need to support our government's leaders today at local, district, state, and national levels. I have a responsibility to make suggestions and express my opinions by writing my representative. This way I can become involved in our country and its work. I can also do this by joining projects that support America, like the Young Republicans and Democrats, and by participating on a committee, one not only concerned with governmental issues, but one that is perhaps concerned with preserving endangered species, the cleaning of a polluted lake or mountain stream, or caring for unfortunate children. I also must take pride in and support our military organizations, which do so much for our nation's defense.

Having these responsibilities, and also the rights of being an American citizen mean very much to me. I feel that because these rights were granted to me automatically, I must then earn them by following through with my responsibilities which will make me a better, more alert citizen, now, and in the future. Individually, these responsibilities, gratefully carried out, are what supports America. Every citizen has responsibilities that he must carry out to make the bonds between the people, and between the people and the nation, very strong. This is why fulfilling my responsibilities mean so much to me—because I know that I count as one small part of the whole America, and that I am a part of making the bonds strong.

In the future, my responsibilities to America increase. For instance, I become eligible to vote for the person that I think will be the

best leader, but I must support whoever wins, even if I did not cast my vote for him. I can also get a job in the government or another aspect of bettering America, for example in environmental studies. As our country changes, I need to be aware and follow these changes, and stay involved, because democracies depend on all the people to make them work.

To fulfill these responsibilities, now, and in the future, I need to be mindful of what's happening, give local issues my input—in the form of a letter expressing my ideas or volunteering my time to help, learn in school about America and its foundations, and be glad that I live in America and have these responsibilities and that I am free to do my best to fulfill them.●

JENNIFER COLBY NAMED INDIANA WINNER IN VFW VOICE OF DEMOCRACY CONTEST

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. JOHN T. MYERS. Mr. Speaker, I call to the attention of my colleagues the winning speech from Indiana in the Voice of Democracy Contest sponsored by the Veterans of Foreign Wars of the United States. It was written by Jennifer Colby, 129 Crestview Drive, Rossville, Ind., a junior at Rossville High School. Miss Colby, along with the winning contestants from each State, is in Washington for the national competition. I am proud to count this young lady among my constituents and commend to you her thoughts about the importance of education.

Remarks by Jennifer Colby, winner of the 1977–78 Indiana Voice of Democracy Contest:

VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM
INDIANA WINNER

The alarm clocks start ringing at 5:30 a.m. as a Midwestern pork producer rises to tend to his livestock. At 6:00 o'clock, Manhattan factory workers waken to start their day. At seven, rock music wakens the high school student to prepare himself for a day of learning, and businessmen and secretaries yawn as they head for the office. A typical work day—Americans awakening to their responsibilities.

Each one of us, as individuals, has personal responsibilities depending on our lifestyles and occupations. But we share a responsibility as citizens of the United States—the responsibility to educate. Educate not only ourselves, but those around us as well.

The first lesson should be one of the nation's history—not just what, who and where, but why. To know not just what the Declaration of Independence says, and the names of those who signed it, but to know of the long hours spent with quill in hand, the unending arguments over the content, the blood, sweat and tears each man poured into the manuscript. We need to recognize the feelings of pride, relief, and accomplishment experienced by the thirteen colonies as they became the United States of America—and the feelings of fear, anxiety and uncertainty of John Adams, George Washington, Ben Franklin and other leaders as they realized the difficulty of building a new nation. It's necessary to understand the deep emotions that led the United States to divide and fight North against South. It's not enough to know just who won what battles and how much ground was gained.

The second lesson should be one that, unfortunately, comes with difficulty to many citizens—an explanation of America's ideology, the very foundation of this nation. Each man needs to continually assess the inalienable rights of life, liberty and the pursuit of happiness to find the meaning of the words and to see how that meaning applies to him.

We need to realize that the flag isn't just a star-spangled red and white striped cloth, but a billboard of beliefs that has struggled to fly torn and tattered on battleships in the South Pacific, it's a memorial that flies at half mast as a last salute to those who have contributed to America's success, a warm welcome to immigrants coming to the U.S. to start a new life, it's an incentive to citizens everywhere when the chips are down.

Education. The key to sustaining a growing, thriving, America. Each American citizen needs to know and believe that he has the chance to become another Patrick Henry whose fiery words made the colonies fight to become a nation, another Franklin D. Roosevelt who, though crippled by polio, became one of America's most admired presidents. Another Neil Armstrong whose step on the moon made men everywhere believe that dreams do come true. Or perhaps another Martin Luther King, who encouraged millions of blacks all over America to stand up for their Constitutional rights. Education. A responsibility of mine, of yours, of everyone in America.

At around 11 o'clock tonight, the harried college student cramming for finals, the New York State senator, the weary homemaker, the butcher, the baker, the candlestick maker, will set their alarms to rise again to meet a new day with new challenges.●

CLARE BOOTHE LUCE WITHDRAWS FROM WOMEN'S LOBBY, INC.

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. HYDE. Mr. Speaker, last December 19, an organization called Women's Lobby, Inc., circularized a letter seeking donations to defeat certain prolife Congressmen in November's election. Among the Congressmen named are Representative SILVIO CONTE of Massachusetts, Representative CARL PURSELL of Michigan and, of course, myself.

Since this organization enjoys a tax exemption, its political efforts are of particular interest. Their solicitation letter follows:

WOMEN'S LOBBY, INC.,
Washington, D.C. December 19, 1977.

DEAR WOMEN'S LOBBY DONOR: During the past six months the Congress has voted more than a dozen times on how to limit Medicaid abortions. The House would impose a complete ban regardless of the effects of the pregnancy on mother or child, but this position was modified to accommodate the Senate. The Senate language allows for rape, incest, or danger to the life of the mother, where abortion may be necessary.

On December 7, a compromise was reached. It allows poor women to have abortions under Medicaid if two doctors certify that the mother will suffer serious physical health damage because of the pregnancy. It also allows for "medical procedures" in cases of rape or incest promptly reported to a law enforcement agency or public health service. This provision still leaves thousands of poor women scrounging, begging and borrowing money to gain the same rights guaranteed to any middle class woman. It is an appalling situation. Unfortunately, it will not be easily changed.

For the last year, the Lobby has had one full time staff person working solely on the abortion issue. During the crucial first Votes, we roamed the halls, spent hours in the Senate receiving room and the lobby of the House chamber, just calling Members off the floor to discuss the issue. It was a frustrating experience. We discovered that abortion has made our legislators silly and irrational.

One usually liberal Congressman explained that when his two year old daughter saw a photo of a xygote in Newsweek, she pointed and said, "Baby, baby." Her father voted against abortion. Another Congressman extolled his love for the little lambs and colts that romped through the fields during his childhood farm years as the reason he could not vote yes on abortion.

Our opposition is highly organized and well financed. They have a telephone network across the country to call in support at a moment's notice. When our Representatives come home, it is these right-to-lifers who greet them at the airport with signs saying "Abortion is Murder."

Women's Lobby has decided that it is time to combat this campaign with one of our own. We are targeting 6 to 10 anti-abortion leaders in Congress for their 1978 elections. Our abortion lobbyist, Carolyn Bode, will go to each district to organize women, talk to the press, and build support. We want to give them a fight they'll remember. So far, we've targeted Rep. Silvio Conte (R, Mass), Rep. Carl Pursell (R, Mich) and Henry Hyde himself.

To do this, we need your support. We have to expand our budget next year, so we need your regular contribution and a special one for this campaign. We also need your suggestions for people in your area who are vulnerable who should be targeted.

The Administration will not help, Secretary Califano will not help, only you can give hope to poor women—and to all women—so we can choose abortion.

Sincerely,

CAROL BURRIS,
President.

Among the board of sponsors listed on their letterhead are Barbara Walters, the ABC network's newsperson, and Hon. Clare Booth Luce, former Congresswoman, former Ambassador to Italy, and a playwright of international acclaim.

I do not know how Barbara Walters squares her professional responsibility to be objective with her public sponsorship of such a politically activist organization, but I am in receipt of a copy of a letter from Clare Boothe Luce to the president of Women's Lobby, Inc., which eloquently expresses her devotion to the feminist cause and her principled opposition to its proabortion activities.

In her letter of withdrawal from this organization, Mrs. Luce has made clear her rejection of abortion on historical as well as moral grounds. Her statement is of such compelling force as to rank with the finest literature ever written on this topic. I am privileged to share her letter with my colleagues:

HONOLULU, HAWAII,
February 21, 1978.

MS. CAROL BURRIS,
President, Women's Lobby, Inc.,
Washington, D.C.

DEAR CAROL: Your letter of December 19th, asking me for a contribution to the Women's Lobby campaign against anti-abortion Congressional candidates was buried under the Christmas and New Year's mail. It has now surfaced in my in-basket.

Having read it, I must ask you to drop my name from the Women's Lobby list of

sponsors, and to inform me at your earliest convenience that you have done so.

First, I do not care to be identified with a campaign that has already done so much to jeopardize the passage of ERA. If ERA fails to pass, as I now fear it will, a large part of the blame must fall on those misguided feminists who have tried to make the extraneous issue of unrestricted and federally-funded abortion the centerpiece of the Equal Rights struggle.

Secondly, I do not accept the extraordinary proposition that women cannot achieve equal rights before the law until all women are given the legal right to empty their wombs at will—and at the expense of the taxpayer.

I have been a supporter of ERA for 55 years. Indeed, I went to work in Washington for Alice Paul, the mother of ERA, the year the Amendment was sent up to the Hill.

ERA was conceived as a bill to wipe out, in one single stroke, all the laws on the books which denied equality before the law to women. In the past half-century, women have won many rights they did not have when ERA was dropped into the hopper. But even so, I believe that the passage of ERA would bring the evolutionary process of legal equality to completion.

If the Amendment fails to secure ratification, I very much doubt that Congress will vote to extend it 7 more years of grace.

As you are a sincere and dedicated feminist, I owe it to you and the Women's Lobby to explain why I am for ERA and, at the same time, against legalized unrestricted abortion.

As you so well know, all of the democratic liberties and civil rights Americans enjoy under our Constitution—and indeed, the Constitution itself—rest on the validity of a single proposition, which was first set forth in the Declaration of Independence: "We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness."

Now on what facts or circumstantial evidence did the Signers base this extraordinary—and politically revolutionary—assertion? In 1776, anybody with eyes in his head could see that some were masters, others slaves; some were rich, others poor; some fair of form and sound of limb, others ugly, blind or crippled; some wise, and others fools from the cradle. Nothing in 1776 seemed *less* "self-evident" in fact than that "all men are created equal." And nothing—*in fact*—is less self-evident today.

But "these truths we hold were not based on evident facts about the human condition. They were based on philosophical and religious *truths* which transcended what people call "the realities."

The American proposition that created the United States and the Constitution was based—the words of the Signers—on "The Laws of Nature and Nature's God."

The Founding Fathers reasoned thus: All men are born equal in one undeniable respect—they are all born equally human. (No man is any less human than any other.) All men have the same human nature. It is in the very nature of Man—it is his "human nature" to desire ("among other things") Life, Liberty and Happiness. (No man naturally desires to die before his time, to be the 'creature' or slave of another, or to live a life of suffering or misery.) Life, Liberty and the pursuit of Happiness were "unalienable" rights, because the desire and the need for them had been implanted by Nature, and Nature's God in the minds and hearts of all men. A government that denied these natural human rights to its subjects was an unjust, unnatural and ungodly government. Furthermore, our Founding Fathers reasoned, Nature and Nature's God had also endowed human nature with the capacity to reason. Man had the natural capacity to plan, guide and correct his own courses of action. Consequently, the Law of Nature and Nature's God entitled all men to self-government.

I mention all this simply to remind you that the Natural Law (and the Divine Law) is the rock on which the Constitution was founded.

At this point, let me say that the case for the equality of all human beings can be rationally adduced from the Laws of Nature alone. It is not necessary to call on Divine Law or religion, to defend equal rights for women—or to attack unrestricted abortion.

It is a self-evident truth that women are no less human beings than men, and that it is no less in their nature to desire Life, Liberty and Happiness. Women, being equally human, are equally endowed by Nature with the gift of reason. (A gift, by the way, that is best developed in them, as it is in men, by education in the intellectual disciplines.) All this being so, all women are equally entitled with all men to all the rights existing under the Constitution. The purpose of an Equal Rights Amendment to the Constitution is to guarantee that all women will enjoy these rights.

Now what does the Natural Law have to tell Americans about sexual equality and abortion?

Well, anybody who isn't altogether an idiot knows that what the Law of Nature has made unequal—or different—neither the laws of men, or the desires of women, can make equal, or the same.

Men and women, who have the same human nature, have the same instincts for self-preservation. They display the same human (and animal) emotions—fear, hate, love, etc. They have the same procreative urge. They equally desire to "make love" with a member of their opposite sex. It is the Law of Nature that they should 'pair-bond' or mate.

But now we come to the stubborn and quite unalterable fact. Men and women are biologically different, or not equal, in respect of their reproductive organs and sexual functions. Nature made man to be the inseminator, woman to be the child-bearer. And the Laws of Nature decreed that the natural—and normal—consequence of the love act, or coitus, is the conception in the womb of woman of a new human being, who is "flesh of the flesh and bone of the bone" of both parents. It is natural—and normal—for the woman who conceives to carry her child in her womb to term, to give birth to her, and her mate's baby. Involuntary abortions, or miscarriages, are also natural, in the sense that they are nature's way of expelling naturally unviable fetuses from the womb of the mother. But involuntary miscarriages are not the norm of nature.

It is not the nature of all women to abort their progeny. If it were, the human race would have long since disappeared from the planet. It is natural and normal for women to bring their unborn children to term, and woman has a natural desire to do what nature intended. It is unnatural for woman to interrupt the natural process of pregnancy, in the only way she can do so—by killing the child in her womb.

Induced abortions are against the nature of woman. They are also against the nature of the unborn child, who instinctively, like all living things, instinctively desires to go on living. (Even a cockroach instinctively tries to evade your lethal foot, and if you half-squash it, tries to crawl away for another second of life.)

There is no logical process of thought by which the unnatural act of induced abortion and the destruction of the unborn child in the womb can be deemed to be a natural right of all women.

Induced abortion is against the Law of Nature. There are, to be sure, a great many unnatural things which it is in human nature to desire and to do, even though they are against the Law of Nature. And Man, who was also endowed with the gift of free will, does many of them. Sodomy, homosexuality, (defined in the dictionary as "unnatural carnal copulation,") adult sexual intercourse with infants, sexual sadism, masochism, are some of the sexual ways in which people go against the Natural Law, which designed the sexes to copulate with their adult opposites.

But of all the human acts that "go against nature," the killing of a child by its own mother has—throughout human history—been viewed with the most revulsion.

The Supreme Court pointed out in its 1973 abortion decision that "the weight of history is on the side of abortion." And that is true enough. But the Court failed to point out that the weight of history is not only on the side of abortion, it is even more heavily on the side of infanticide. The killing of helpless infants has been practiced in many societies, especially in impoverished, or overpopulated societies. The "weight of history" is also on the side of theft, murder, torture, war, and above all, tyranny. We ourselves are living in one of those tragic eras in history when the "weight of history" seems to be very heavily on the side of a great many obscene, cruel, violent and criminal acts which we would not like to see the Supreme Court legalize simply on the grounds that the "weight of history" is on their side. (If the Founding Fathers, who lived at a time when the weight of history was heavily on the side of tyranny, had followed the reasoning of the Supreme Court, they would have acknowledged the right of King George to abort the birth of America.)

Is there no other way to determine the rightness or wrongness of a man-made law than to refer it back to the Laws of Nature? Well, there is what Emmanuel Kant called the test of the "categorical imperative." The philosopher wrote, "There is . . . but one categorical imperative, namely this: Act only on that maxim whereby you can at the same time will that it should become a universal law."

Consider, for example, the act of murder. Hate, fear, greed—the thirst for revenge, the desire for gain, as well as the desire for justice, are powerful human emotions that have again and again led people to commit murder. Indeed, the impulse to kill someone who is destroying one's liberty, or making one's pursuit of happiness impossible, is probably experienced sometime in life by everyone. One might argue that as these emotions and desires are natural, the law should recognize everyone's right to commit murder. Why, on the contrary, are laws against murder universal? Because anyone with a shred of common sense knows that to grant a legal right is to recognize it as a right course of action. But no one in his (or her) right mind has ever willed that everybody should be free to kill his neighbor.

Does the "right of abortion on demand for all women" pass the test of the categorical imperative? If abortion is a right to which all pregnant women are entitled, then it would be right (and not wrong) if all women aborted their fetuses. It would be the right course of action for all women to take. (There's this to be said for universal abortion. It would soon solve all the problems of mankind by ending the human species.)

Obviously, you do not believe—no one can believe—that abortion is a right course of action which all women should pursue. What you believe is that there is no danger whatever that all women will abort their children, because you instinctively know it is not only natural for women to conceive, but natural for them to want to bear the children they conceive. And you think (do you not?) that all women have the right—the natural right—to bring their unborn children to term. And you think (do you not?) that anyone who interfered with this

right by aborting a woman against her will would be guilty of a criminal action. What you really think, (if you stop to think) is that some women, in some circumstances should be given the right to abort their unborn children, and that for these women, in these circumstances, abortion would be a right course of action.

The great and historic case that men have made against women is that they are incapable of thinking logically. And logic now requires those feminists who believe that abortion is a natural and right course of action for some women, in some circumstances, to categorize the women, and describe the circumstances in which the right to abortion is justified.

At this particular moment of history, the American public, (and the Congress) are doing a much better job of thinking about abortion than the Women's Lobby.

A recent Gallup Poll shows that only 22 percent of Americans think that abortion on demand should be legal. The Gallup study shows that those who hold this view feel that a human fetus is not a "human being" until the split second of its birth.

Only 19 percent think that abortion should be illegal in all circumstances. These believe that the fetus is a human being from the moment of conception, and that abortion is, in all circumstances, "murder."

But 55 percent—the majority—think that abortion should be legal, but only in certain circumstances. Of this majority, 77 percent would allow abortion during the first three months, providing the woman's life is endangered by the pregnancy. And 65 percent would allow abortion if pregnancy is the result of rape or incest.

A majority of those who would legalize abortion during the first trimester of pregnancy would disallow it in the second and third trimester, except to save the life of the mother.

And only 16 percent think that the fact the parents cannot afford a child is grounds for abortion at any time.

The capacity to think, (as opposed to the capacity to "feel") involves the ability to make distinctions. The American people, God bless 'em, seem to have it, in the abortion question. Clearly, the Women's Lobby doesn't.

I repeat, I wish to disassociate myself from your campaign to purge Congressmen who do not agree with your misguided efforts to make induced abortion a legal, normal and moral course of action for all women in all circumstances.

I do not doubt that these efforts will be repudiated by the American people. What I regret is that they will succeed only in wrecking the chances of ERA.

With kind personal regards—and from Hawaii, the first state to ratify ERA,

Aloha,

CLARE BOOTHE LUCE.●

AFL–CIO CITES DANGERS OF PROPOSED ARMS SALE TO SAUDI ARABIA AND EGYPT

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. EILBERG. Mr. Speaker, the Executive Council of the AFL–CIO, at its recent meeting, adopted a statement which I believe precisely explains the appropriate role for the United States in the Middle East at this time.

The Executive Council correctly points out that only the parties to the peace process can negotiate a meaningful and lasting peace. The United States should not be putting pressure on Israel to secure concessions, and should not be taking the dangerous step of seeking concessions from the Arab nations through the sale of sophisticated fighter-bombers.

I offer for the RECORD the text of the Middle East statement issued by the Executive Council of the AFL–CIO, and commend it to the attention of my colleagues as a timely and thoughtful expression:

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON ISRAEL AND THE MIDDLE EAST

The AFL-CIO welcomes the recent peace initiatives in the Middle East precisely because they open the door to direct negotiations between Israel and the Arab states without absolute preconditions. Only such face-to-face negotiations offer the prospect of real and lasting peace in the region.

In our view, the proper role of the United States is to facilitate and encourage these direct exchanges, not to formulate the negotiating positions of either side or to take a stand on the substance of the issues to be negotiated. It is as a mediator, not as a disputant, that the United States has been accepted by the concerned parties and can be most effective.

It is not the proper role of the United States to pressure Israel, our long-time ally and still the only democratic state in the Middle East. Unreciprocated bargaining concessions may jeopardize its national security. Decisions affecting the very existence of the Israeli state can be made only by Israelis. And we do well to remember that Israel is the only state in the Middle East whose national existence has been threatened.

The AFL-CIO calls upon the Administration to reconsider the projected sale of sixty F–15 fighters to Saudi Arabia and of fifty-nine F–5E fighters to Egypt. We understand the arguments of those who hope that such sales will increase our government's influence on the Arabs and, hence, our ability to help sustain the present peace momentum. But we are not persuaded that in the long run the cause of peace will be advanced by supplying sophisticated arms to nations that have more than once launched attacks on Israel, seeking its destruction, except in the context of a settlement which effectively secures the peace. Neither are we persuaded that there is anything "even-handed" about withholding arms from Israel in an effort to force it into concessions.

Of course, good faith negotiations will require mutual accommodations and concessions to secure an enduring peace. But the history of past attacks and threats against the survival of Israel argue strongly against concessions that place Israel's security in jeopardy. That is, after all, the heart of the problem in the Middle East, and it ought not be approached by coercive pressure on Israel through manipulative arms deals.●

RHODESIAN REALITY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following article by William Randolph Hearst, Jr., on the current situation in Rhodesia.

The article follows:

TRAGEDY OR SANITY IN RHODESIA

(By William Randolph Hearst, Jr.)

SALISBURY.—To be in Rhodesia this week talking to Prime Minister Ian Smith and some of the moderate black African leaders gave me the feeling of being on the scene at the unfolding of a great event in history.

Rhodesia appears to be going through the labor pains of the birth of a new multi-racial society that could transform the relationship between the 268,000 whites and 6.4 million blacks from tragedy to a triumph of sanity.

The baby could be deadborn. Or its infancy could be short-lived. *But if the Carter administration and the British socialist government show the wisdom that so far has been sadly lacking, there is promise now that the white minority that built up this country* and the black majority whose cheap labor helped make it possible may live in peace and harmony and create a prosperous strong and stable multi-racial society in southern Africa.

Prime Minister Ian Smith told us—Joe Kingsbury Smith and me—that the basic agreement for turning the country over to black majority rule has been reached with the three black leaders who are said to have the overwhelming support of the black population.

Negotiations are now under way for the formation of an interim government that would rule in the transition period during which a new constitution would be drafted, submitted to the people in a referendum and, if approved, a new black majority government would be established. The black ruled government would be elected in a free election based on universal suffrage with the voting age starting at 18.

Both the prime minister and the black negotiators are confident an understanding will soon be reached on the interim government. In fact, Prime Minister Smith predicted to us that a complete and final agreement might be reached within "the next week or two."

Dr. Elliott Gabellah, vice president of the African National Council, one of the leading black parties participating in the negotiations, predicted confidently the remaining differences over the interim government would be settled. "We are now convinced that Mr. Smith genuinely wants to conclude an agreement that will give us majority rule. The agreement as to what we want has already been reached.

"The question now is the lineup of the interim government and I don't think a temporary thing will wreck what has been accomplished."

What does worry and dumbfound with incomprehensibility Ian Smith and the black leaders in Rhodesia is the attempt by the American and British governments to impose on the settlement the two leaders of the Marxist so-called Patriotic Front, Joshua Nkomo and Robert Mugabi, who are conducting from neighboring Zambia and Tanzania a terrorist-guerrilla campaign against both blacks and whites in Rhodesia.

Both Prime Minister Smith and the three black leaders in Rhodesia told us that Nkomo and Mugabi, who together would, it is estimated, get less than 15 percent of the vote in free elections, want the American and British governments to turn over control of the country to them. They have demanded that they be given dominant positions in a black government that would be formed before any elections are held, and they insist that their guerrilla forces assume responsibility for security.

Nkomo, who operates from Zambia, is now being armed by the Soviets. Mugabi, who from all accounts is an incompetent fanatic presiding over an unruly gang of brutal murderers and rapists, is considered by Smith, the black leaders in Rhodesia and western diplomats in general to be nothing more than a Soviet stooge. Both Smith and the black leaders here doubt he would poll one per cent in free elections.

Ambassador Andrew Young, who, as President Carter's envoy to the United Nations has played such a paramount role in

our policy towards Africa, seems so emotionally immature that he apparently thinks any black man is a good man and it doesn't matter if a Soviet slave establishes a dictatorship in strategically important Rhodesia as long as he is black.

It is really incredible to me that the president continues to allow Young to run our African policy. He is certainly not serving our country's interests in declaring that Russia's Cuban mercenaries are a "stabilizing force" in Africa. Nor in declaring that the settlement Ian Smith is reaching with the moderate black leaders will be "unacceptable" unless Nkomo and Mugabi participate in it.

Both have, in effect, been invited to join the negotiations and become part of the settlement if they will accept the principles of the basic agreement that has been reached, will agree to truly free elections and stop the slaughtering of black and white men, women and children in Rhodesia.

Prime Minister Smith recalled to us that he had stated publicly on a number of occasions that "anybody from the outside who has been associated with terrorism has a right to participate in the negotiations providing he is prepared to renounce terrorism and commit himself to work constitutionally for a peaceful settlement. Whether we like it or not, we believe those are the sort of things you've got to accept if you are going to get along with the rest of the world."

Dr. Gabellah, a bright, intelligent youthful man who appears capable of playing an effective role in black self-government, also said that Nkomo is "free to come" into the negotiations and would be "welcome" because he does represent some of the Rhodesian black people, even though a very small part. He added that if the United States and Britain stopped supporting the Patriotic Front "I wouldn't be surprised to see him with us the next week."

Dr. Gabellah indicated that Mugabi would be much less welcome, though not kept out if he agreed to abide by the settlement that is finally reached. "However, he is nothing but a Russian puppet," the black leader added. "He says what his Russian bosses tell him to say. He is not fighting for anything but the opportunity to take over on behalf of the Russians."

There recently have been some "mild indications" that the American and British governments may be changing their attitude about insisting on the inclusion of Nkomo and especially Mugabi in the settlement.

British Prime Minister Callaghan announced in London Thursday that Britain would welcome any settlement genuinely based on one man, one vote but he still insisted that those "nationalists" outside the country with their guerrilla forces should be brought into the settlement.

I noted, too, that our State Department finally conceded that the majority rule agreement Ian Smith has already reached with the internal black leaders was "a significant step towards ending white domination of the political process." This is a change from Andy Young's previous rejection of the agreement. It had us trailing along behind Britain's inexperienced foreign secretary, David Owen, who finally admitted a week ago the agreement was "a significant step towards majority rule."

Owen is thought to have an obsession about Ian Smith because the prime minister twisted the British lion's tail by declaring independence from Britain years ago, and later rejecting the Anglo-American plan that would have imposed Nkomo and Mugabi on the settlement.

When I asked the prime minister what he thought of Owen and Young, he replied:

"We believe the one fellow is vindictive. The other fellow just seems to be acting through ignorance."

Ian Smith, a graying blond, an unpretentious, concisely speaking gentleman, made a most favorable impression on me when he told Joe and me here in Salisbury more than a year ago that he was confident he would eventually get an agreement for black majority rule with the moderate black leaders. Having now achieved what is almost a miracle, I am more impressed than ever with him.

He has turned out to be one of the great statesmen of our time. With the patience of Job, a sense of reality and brilliant diplomacy, he has persuaded the whites to accept black rule and the blacks to be reasonable towards the whites. If he can complete the agreement and make it stick until a black ruled government is established, which he estimates would be within a year or two, he will certainly deserve the Nobel Peace Prize.

I just wish that Andy Young, who had a good reputation as a congressman and whose idealism no one doubts, would now swing around in support of the settlement Ian Smith is concluding with the moderate black leaders. Great men of history have changed their minds and conceded their mistakes. President Carter has said he himself made mistakes during his first year in the White House.

If Andy Young would show the courage now to shift to the side of the angels away from the devils, he would prove to be a bigger man than, because of his brashness and experience, he has seemed to most Americans.●

DEBT LIMIT INCREASE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. HYDE. Mr. Speaker, each year we "temporarily" increase the debt limit. Today we are asked to approve another increase in the "temporary" public debt limit by $72 billion, to $824 billion through March 1, 1979.

The American people have difficulty understanding what we are doing in Congress most of the time, but particularly when we go through this exercise of increasing, even temporarily, the debt limit.

What is the public debt? It is the cumulative result of Federal spending surpassing revenues, or budget deficits. Under present law, the public debt is limited to $400 billion (compared to $275 million in 1954). In plain, simple English, we are spending more than we are taking in. By steadily increasing the debt limit, even temporarily, we are ignoring the already established debt ceiling as a means for the Congress to restrain increasing Federal spending. Each time the budget goes up, the debt ceiling is temporarily increased. To those foolish enough to believe this is a debt we "owe to ourselves," it should be noted that the interest on this debt in fiscal 1979 will be $55.4 billion.

How do we make the American people aware of what we are doing? How do we explain it to them in terms they can understand? What can we do to dramatize the gross Federal debt which is estimated to reach around $873 billion by fiscal 1979?

Last year I introduced legislation to amend the Internal Revenue Code to allow individuals to designate on their tax return $1 of their income tax liability to be used to help reduce the national debt. The national debt now stands at nearly $752 billion; the interest payments alone for this year, projected for fiscal 1978, are anticipated to be $48.6 billion, or $133.2 million a day.

If the American people were given an "either-or" option when dealing with the checkoffs on their income tax returns—a contribution for matching funds to help subsidize political campaigns, or a choice of checking off a contribution to help reduce the national debt—I am confident many more people would choose the latter.

Obviously, the national debt will not be significantly diminished by this method. But such a procedure will give the American taxpayers the opportunity to participate in a concerted act that would serve the public interest by dramatizing the size and scope of the burden we are placing on our own and future generations.●

PROPOSED FUEL ECONOMY STANDARDS FOR LIGHT TRUCKS—THE OHIO RESPONSE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. BROWN of Ohio. Mr. Speaker, the National Highway Traffic Safety Administration's proposed fuel economy standards for 1980–81 model 4 x 4, nonpassenger automobiles were the subject of a resolution that unanimously passed both the House and Senate of the State of Ohio on February 28, 1973.

A text of the resolution follows:

OHIO HOUSE JOINT RESOLUTION NO. 68

Urging the National Highway Traffic Safety Administration to reevaluate the proposed average fuel economy standards for 1980–81 model 4x4 nonpassenger automobiles

Whereas, The members of the 112th General Assembly of Ohio join the Clark County Commissioners and the City of Shadyside city council in expressing our dissatisfaction with the National Highway Traffic Safety Administration's proposed fuel economy standards for 1980–81 model 4x4 nonpassenger automobiles with a gross vehicle weight rating less than 8500 pounds; and

Whereas, The National Highway Traffic Safety Administration (NHTSA) did not recognize the substantial differences between the function and use of nonpassenger automobiles of less than 6000 pounds gross vehicle weight and larger vehicles. The NHTSA equation for determining fuel economy standards for all nonpassenger automobiles, while accurate for smaller cars, is unrealistic in regard to the 6000 to 8500 pound range nonpassenger automobiles which are used for heavy hauling in commercial and particularly off-highway situations; and

Whereas, Useful not only as commercial vehicles but in emergency situations, the larger 4x4 nonpassenger automobiles are built for rugged use featuring a heavier chassis and engine. Implementing the proposed fuel economy standards would require the automotive industry to develop a lighter 4x4 nonpassenger vehicles which would, in effect, destroy the vehicles' usefulness, leaving the manufacturer with the option of either stop-

ping production or paying civil penalties for non-compliance; and

Whereas, The implementation of these proposed standards and the resulting decrease in production by manufacturers would eliminate many jobs in the Shadyside area and cost numerous residents of Clark County their livelihood plus producing additional unemployment in those other cities, counties, and states where suppliers and manufacturers of nonpassenger automobiles are located; therefore be it

Resolved, That we, the members of the 112th General Assembly, in adopting this Resolution, urge the immediate and careful review of the proposed average fuel economy standards for 4x4 nonpassenger automobiles in the 6000 to 8500 pound range with particular consideration of the differences in function and use between the heavier vehicles and passenger cars; and be it further

Resolved, That the Legislative Clerk of the House of Representatives transmit duly authenticated copies of this Resolution to the National Highway Traffic Safety Administration; to Senator John H. Glenn; to Senator Howard Metzenbaum; and to the Ohio Congressional delegation.●

FRANK AND JOSEPHINE DUVENECK DONATE PARKLAND TO MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. EDWARDS of California. Mr. Speaker, open space in and around our highly populated urban areas is increasingly hard to find, let alone preserve, for future generations. Especially in areas with a wide variety of ecosystems, the surrender of any remaining open space to human development usually results in the permanent elimination of a vital part of the natural heritage of the geographical area.

On the San Francisco Peninsula, Frank and Josephine Duveneck have lived in one of the largest privately held open space areas for more than 50 years, and today it is the largest piece of undeveloped land on the peninsula—approximately 2,000 acres

Frank and Josephine are extremely impressive people both for their private and personal warmth and generosity and for their positive participation in many aspects of society. I count them among my most cherished friends and I am proud to be able to share the notice of their very important gift with my colleagues in the House of Representatives.

The Duvenecks, always very public minded, recently donated 430 acres to the Midpeninsula Regional Open Space District. It is the largest parcel ever offered to the district.

The land consists of steep canyons, ridges and rolling meadows and, as part of the Duveneck's Hidden Villa Ranch, was once producing olives and grapes for the padres from Mission Santa Clara.

The Duvenecks moved to California from Massachusetts in 1918 and immediately began participating in civil and humanitarian affairs.

They founded the Peninsula School in Menlo Park in 1925, a well-respected educational institution, were active in helping Japanese-Americans during the terrible World War II relocation period, established one of the early youth hostels in 1936, and opened an interracial summer camp at the ranch since 1946. The Loma Prieta Chapter of the Sierra Club was founded at Hidden Valley in 1936.

In addition, they have been active in the Fair Employment Practices organization, the California Federation for Civic Unity, the American Friends Service Committee, the League for American Indians, and the Audobon Society.

Both Frank, 91, and Josephine, 87, have long histories of involvement with liberal causes and conservation, and of service to the community, particularly young people.

The Duvenecks and their four children, 11 grandchildren and 11 great-grandchildren have shared their lovely ranch home with the public on a hospitality basis for over 40 years. With their very generous gift to the park district, Josephine explained,

> We had always planned when we departed this world to leave a large piece of land to open space. We thought maybe it would be nice to do it now.

With such a fine spirit of community with the public, Frank and Josephine Duveneck have contributed much more than a parcel of land: they have contributed their confidence in the vitality of open space preservation for future generations.●

LEST WE FORGET THE SINS OF JOSEPH BROZ TITO

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. McDONALD. Mr. Speaker, on the occasion of the visit of Dictator Tito to the United States, it seems to me that this is the proper time to strip away some of the mythology surrounding this man who is supposedly a leader in the so-called "Third World" and claims to be independent of Moscow. Certainly the American people are entitled to know these facts since they have given him $2,649,200,000 worth of their tax dollars in military and economic aid from World War II through 1977.[1]

First and foremost, it is best to recall that Tito came to power behind the advancing tanks of the Red Army and secondarily due to the aid of Britain and the United States. While it is true he maintained a guerrilla movement and fought the Germans and Italians, he was defeated and his headquarters taken at one point, causing him to flee to the British-held Italian island of Bari for refuge in May 1944, after a German parachute unit landed and overran his headquarters.[2] However, with the continued aid of British and American supplies as well as that of the invading Red Army, Tito was able to overcome the armies of Mikhaylovich—the only armed anti-Communist force in the nation.

Much has always been made by Tito's supporters of the alleged noncooperation with the Germans and Italians while Mikhaylovich is supposed to have been at their door constantly arranging deals. However, now that more documents have become available, we find that Tito tried to arrange a truce with the Germans in 1943. This was revealed by Walter Roberts, who was formerly with USIA and based his research on hitherto unpublished U.S. diplomatic archival material. Roberts assembled his material into a book entitled. "Tito, Mihalovic and the Allies, 1941–45." This book was vicously attacked by the Yugoslav Communist Party.[3] Further evidence of the lack of Tito's purity is contained in the memoris of Milovan Djilas who has revealed a prisoner swap conducted with the Germans during the fighting. (See my remarks on page 29333 in the CONGRESSIONAL RECORD of September 14, 1977.)

Naturally, the question arises as to why we backed Tito over Mikhaylovich and is partly due to the myths of Tito's purity which were perpetuated by British intelligence officers to whom the Americans paid deference in the Mediterranean theater of war. Many of the British intelligence officers involved were of Socialist and Communist sympathies and this certainly colored their reports to Churchhill and others.

At the end of World War II, Tito behaved no differently than Stalin in that he insisted that the Allies hand over all the people from pre-World War II Yugoslavia in their possession. Naturally, as in the case of the Russians and the East Europeans many did not want to go. They were forced to go at bayonet point by Allied soldiers. This atrocity became generally known as the "Blieberg" massacres.[4] The total executed on the spot ran into the thousands.[5] There was not even an attempt to sort out those who had collaborated with the Germans and Italians and those who had not.

A further myth we have always entertained with is that Tito was expelled from the Cominform by Stalin in 1948, when in actual fact, he parted company with Stalin, fearful that Stalin might replace him as leader of Communist Yugoslavia with someone of his own choosing as he was doing in the other East European satellites. This one move, Tito parlayed into millions of American tax dollars.

We lavishly supplied both the Yugoslav economy and military forces after 1948. In fact, it is said that American food kept Yugoslavia from starving to death while Tito rearranged his nation's commerce after the break with Stalin. However, when the Hungarian revolt broke out in 1956, Tito did nothing except to wring his hands, but significantly he turned back Hungarian refugees at the border. And he further did nothing during the Warsaw Pact invasion of Czechoslovakia to offend the Soviets.

Some of the things he does do are of greater interest. He did not arrest the well-known international terrorist Carlos when alerted by both West Germany and the United States when he visited Yugoslavia in 1976.[6] Carlos, as the world's

Footnotes at end of article.

No. 1 terrorist certainly should not have been harbored by such a peace loving nation. Tito actively supports the Puerto Rican independence movement, while ruthlessly represses his own independence movements in Croatia and the Albanian sections of his own country.[7] There is no real foreign policy of significance in which Tito does not follow the Moscow line.

In the realm of military affairs, Tito has been helpful to the Soviets. During the 1973 Middle East war, which almost turned into an East-West showdown, Tito permitted Soviet military overflights to supply the Egyptian army as he did in 1976 so the Soviets could quickly supply the MPLA and its Cuban mercenaries in Angola. Just a few years ago the Yugoslavs set up a new ship repair law, which while it does not specify the Soviets is arranged so that they may repair and refit warships, particularly submarines, in Yugoslav ports. Thus, Yugoslavia has finally replaced Albania as a partial Soviet Mediterranean submarine base after the Albanians threw out the Soviet submarine squadron based at Valona in 1962.[9]

For purposes of trade, our Government treats Yugoslavia almost as a Western nation. How have we been repaid? Yugoslavia, contrary to the understanding between the two nations, has resold or diverted sensitive technology to some of its Communist brother nations and taken no steps to punish the guilty parties when these incidents were officially called to their attention.[10]

As with other Communist nations, our so-called exchanges have been unequal and almost useless. The United States pays for 90 percent of the Fulbright program for the exchange of scholars and in turn we receive committed Communists to soak up technology and science in the United States. No Yugoslav economists or social scientists are sent to study our Government or economy. So, in effect, we are paying them to steal our technology.

All in all, Tito is a bad bargain and the American people should realize it. He is a Marxist dictator who is of no help to the United States. And while he may have occasional differences with the Soviet Union, none of these differences have been nor would they be significant in the event of World War III or in the worldwide systems struggle in which we are engaged. It is just another sorry aspect of our foreign policy wherein we reward the people who spit on us.

FOOTNOTES

[1] U.S. Congress, House of Representatives, Committee on Appropriation, 95th Congress, 1st Session, House Report 95-417 "Foreign Assistance and Related Programs Appropriation Bill, 1978," p. 12.

[2] David Martin, Ally Betrayed, (New York: Prentice Hall, Inc., 1946), P. 238.

[3] U.S. Congress, Senate Internal Security Subcommittee of the Committee on the Judiciary, 87th Congress, First Session, a study entitled: *Yugoslav Communism A Critical Study*, Oct. 18, 1961, pgs. 114-15.

[4] *Richmond Times-Dispatch*, April 14, 1974, p. A24.

[5] Kosten Kalam, Letter-to-the-Editor. *The Sunday Telegraph* (London), February 24, 1978.

[6] *The New York Times*, Sept. 17, 1976, p. A3.

[7] Laurence Silberman, former ambassador to Belgrade, "Yugoslavia's Old Communism: Europe's Fiddler On The Roof," *Foreign Policy*, Spring, 1977, p. 13.

[8] *Ibid, p. 15.*

[9] Silverman, *op. cit.*, p. 6.

[10] *Ibid*, pgs. 17 and 19.●

IN MEMORIAM TO HON. MICHAEL U. DeVITA OF PATERSON, N.J., DISTINGUISHED CITIZEN, OUTSTANDING COMMUNITY LEADER, AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. ROE. Mr. Speaker, on January 27, 1978, one of our most distinguished citizens, outstanding community leader, and good friend, Hon. Michael U. DeVita of Paterson, N.J., went to his eternal rest. I know you and our colleagues here in the Congress will want to join with me in extending our most sincere condolences to his wife Angela, daughter Christine, son Michael, and daughter-in-law Katie, son Robert, and daughter-in-law Shirley.

In memoriam to his lifetime of dedication and devotion to the public good, I am privileged and honored to seek this national recognition of his many achievements in his quest to accommodate the needs of our people and provide a better way of life for his fellow man.

Mr. Speaker, Mike DeVita was a champion of the people with the deepest of compassion, benevolence, unselfishness and willingness to help others, young and adults alike, and particularly those in need. The quality of his leadership and sincerity of purpose in the political, civic, and business world have been warmly captured in the resolution of tribute to his memory adopted by the New Jersey State Assembly and with your permission I would like to insert at this point in our historic journal of Congress this testimonial by our State legislators which reads, as follows:

ASSEMBLY RESOLUTION

Whereas, Michael U. DeVita of Paterson, Passaic County, former Mayor of Paterson, a highly respected businessman, and active participant in the political and civic activities of his community died Friday, January 27, 1978, at the age of 65; and,

Whereas, A native of Pennsylvania, Mr. DeVita, an outstanding high school athlete, graduated from New York University and for a number of years served as a high school teacher before entering the chemical business; and,

Whereas, A Captain during World War II, he served as an aide to General Omar Bradley, in which capacity he delivered a message from General Dwight David Eisenhower delaying the invasion of Normandy; and,

Whereas, Mr. DeVita began his political career at age 15, becoming a city Alderman at age 23 and President of the Aldermanic Board at age 26 and in 1948, in a stunning political victory in which he defeated the incumbent carrying all eleven wards of the City, became, at the age of 35, the youngest mayor of Paterson, a position to which he was reelected two years later; and,

Whereas, In addition to his other accomplishments, Michael U. DeVita, was Chairman of the Passaic County Democratic Party, Director of the Passaic County Consumer Affairs Division and a member of the Italian American Circle and the Disabled Veterans Association; now, therefore,

Be it Resolved by the General Assembly of the State of New Jersey:

That this House hereby pay tribute to the memory of Michael U. DeVita, honor his distinguished record of public service, express profound sorrow at his passing and extend heartfelt condolences to his family; and

Be It Further Resolved, That a duly authenticated copy of this resolution, signed by the Speaker and attested by the Clerk, be transmitted to his widow, Angela DeLuccia DeVita.

Mr. Speaker, Mike DeVita was a man of destiny and fortitude and a great American. He fought for our country in World War II and rose above the scars of war as a disabled veteran to attain success and esteem in a diversified career of his choosing. He was the youngest mayor of the oldest and third largest city in our State. He was an esteemed educator of our young people, outstanding athlete, highly respected businessman, exemplary soldier, distinguished statesman—and a good friend.

The warmth of Mike's friendship is treasured by all of us who had the good fortune to know him and I appreciate the opportunity to attest to the high standards of excellence he always sought and achieved in everything he set out to do. We will cherish his memory and I am particularly proud to have had the opportunity to walk with him for a little while and to have been counted amongst his many, many friends.

Mr. Speaker, we do indeed salute the Honorable Michael U. DeVita and his distinguished lifetime record of achievement and good deeds which have truly enriched our community, State, and Nation. May his wife Angela and his family soon find abiding comfort in the faith that God has given them and in the knowledge that our beloved Mike is now under His eternal care. May he rest in peace.●

JOHN PFAFF

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. BYRON. Mr. Speaker, I would like to take this opportunity to honor the memory of an honorable and highly respected educator and Maryland citizen, John Pfaff.

Mr. Pfaff's untimely passing has left a void, not only in my personal friendship, but in the cause of the betterment of public education and the teaching profession.

He had served as chairman of the CCEA Legislative Committee, was a member of the MSTA Legislative Committee, and was a past member and parliamentarian of the CCEA Executive Board. Mr. Pfaff had spent his entire teaching career in Carroll County, and had been a teacher at Francis Scott Key High School.

He will be greatly missed by all who knew him, and I know you will join me in extending the official sympathies of the House for this unselfish and civic-minded American.●

ALVIE B. UNGLESBEE, SR.

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. BYRON. Mr. Speaker, it is with great regret that I note the untimely passing of Alvie B. Unglesbee, Sr., a native Marylander, born in Mt. Airy and later residing in the Baltimore area. Mr. Unglesbee contributed greatly to the Democratic Party, being an active worker in campaigns, and holding the office of president in the Village Democratic Club and the West Baltimore County Democratic Club. He was a former substitute magistrate and a member of Baltimore County's Democratic State Central Committee.

Mr. Unglesbee founded and was president of the U–B–Y Trucking Co. and was a life member of the Order of the Moose.

He will be greatly missed by his wife, Catherine, and family, and all who knew him. I know you will join me in extending the official sympathies of the House to the family and friends of this patriotic and civic-minded American.●

PITTSBURGH'S BRIDGES ARE FALLING DOWN: PENNDOT'S DILEMMA

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. WALGREN. Mr. Speaker, I recently received a publication entitled "Penn-Dot's Dilemma: The Bridge Deterioration Problem." It was edited by Mr. Lambert Jaroska, deputy director, region 11, Pennsylvania Department of Transportation, and published by the Association for Bridge Construction and Design in Pittsburgh. I believe it accurately assesses the problems involved in trying to rehabilitate and repair bridges.

Mr. Speaker, you are probably aware of the atrocious bridge situation in Pennsylvania, but this is not a situation endemic to Pennsylvania. It is a national crisis that must be dealt with by the national legislature.

After reading "The Bridge Deterioration Problem," one sees that the process involved in trying to fix our bridges is not a simple matter. It has become a long and drawn out process in which further delay can only make the situation worse. I hope that all my colleagues will read this brief paper with thoughts of past bridge tragedies in mind:

PENNDOT'S DILEMMA: THE BRIDGE DETERIORATION PROBLEM

Since the disastrous Silver Bridge collapse in 1967, PennDOT and Allegheny County, along with the rest of the country have been frantically trying to maintain safe bridges for the motoring public. After this disaster, indepth inspections were begun in 1969 on all of our major bridges provided for in Federal legislation in accordance with the mandate provided in the Federal inspection program. This program, through its regular periodic inspections, has exposed the magnitude of the deteriorating bridge problems which exist today. Since the early 1970's PennDOT has been utilizing every financial source available in an attempt to maintain and rebuild our bridges to provide safe and unrestricted traffic service. In addition to the Department's bonded Capital Budget and Maintenance Programs, we have also pursued Federal aid funds offered in the Special Bridge Replacement and Off-System Programs. However, available revenues from all sources have proven to be woefully inadequate to meet the total problem of accelerated deterioration of existing bridges. In the past five years, we have had available only $13 million for repairing or replacing seventeen deteriorated and unsafe bridges in our area. Without exception, these bridges had been posted for reduced load limits and in a few instances, were totally closed to traffic. At least four of these bridges were in imminent danger of collapsing and were repaired or replaced on an emergency basis.

Approximately $25 million has been committed for the construction of a new river crossing in Pittsburgh, the Brady Street Bridge. This is nearly twice as much as we were able to spend on the reconstruction of seventeen critically deteriorated bridges in the past five years. This contrast dramatically illustrates the nature of the funding level needed for construction of a new major structure.

While the picture is gloomy enough now, the future is even dimmer. There are currently enough structures in a substandard condition that an additional $250 million is needed now. In Allegheny and Beaver Counties, such bridges totaled 152 in 1977. If we are allocated funds in the future at the same low rate as they have been made available in the past, it will take almost 100 years to correct bridges that are presently in need of repair. If this condition is allowed to continue to exist, most of these bridges will either be posted for reduced loads or closed completely. Meanwhile, bridges now in good condition will have deteriorated to a critical condition by that time. In a metropolitan area so dependent upon its bridges for commerce and industry as that of Pittsburgh in Allegheny County, this is an invitation to economic and human disaster accompanied with loss of life. Furthermore, it is sound investment policy to reconstruct bridges now and keep them in service for at least the next 20 years, rather than to allow them to deteriorate at an accelerated rate and to wait until they must all be replaced. The replacement costs often are as much as ten times the rehabilitation costs.

The rehabilitation, reconstruction or replacement of a bridge is not a simple matter, nor something which can be achieved in a few weeks or a few months, even if the bridge designer has all the money needed on the table in front of him. A bridge project must undergo lengthy labor pains before a new structure is born. First, the general bridge location must be investigated as to suitability of foundation conditions as well as service characteristics. Then comes Phase Two, which is fiscal programming and the Corridor Location Study. During this phase, alternate locations are studied to identify the best general location for the bridge from all points of view. This is a lengthy and time-consuming process, involving many agencies and conducting public meetings and the first public hearing, followed by obtaining approval from Federal, State and local agencies before Corridor Location approval can be granted. Almost always, an Environmental Impact Study requiring about two years for completion is necessary.

After the Corridor Location is chosen, the Design Location Study within the approved corridor is initiated. The corridors are usually about one mile wide. The Design Location Study identifies the best specific site location for the physical site of the structure.

The first step in this phase is a Capital Budget submission by the Governor with approval and enactment by the Pennsylvania General Assembly. No further work can be pursued on a proposed improvement without prior legislative budget authorization.

At present, there are many needed bridge projects which are not moving forward because of lack of legislative authorization by the Capital Budget process or because funds for authorized improvements are not available. Once these hurdles are surmounted, we can begin the Design Location Study. Again, we must work our way through a series of steps by proceeding with a second public hearing, then review and approval by the same agencies mentioned previously.

After survival of this obstacle course, we achieve authorization to initiate final design of the bridge, known as Phase Four of the project.

In reality, this is the point at which the actual design of the final construction plans for the bridge begins.

A bridge replacement or reconstruction project is too vital to traffic circulation for the local economy and the metropolitan community and to national defense to be viewed as an ordinary roadway project, because without the bridge, the entire highway is out of service and useless. The delay due to various phases and their requirements adds to the deterioration time of the existing facility, which in turn imposes further hardships on the motorists and the local businesses in the form of lower load limits or additional miles of travel on detours arising from complete closure of a crossing. A serious effort to cut down on these lengthy processes by giving special consideration to the bridge projects is needed if the nation is to ever overcome its bridge problems successfully. Our transportation lifelines are too important to us all not to be given special consideration.

Therefore, the answer is clear. Pennsylvania and Allegheny County need money desperately to repair and replace bridges and need it right now We can't survive the alternatives which are sure to follow!●

THE RADII FOUNDATION AND ITS WORK FOR THE FUTURE OF AMERICA

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. DOWNEY. Mr. Speaker, the Radii Foundation is a nonprofit, scientific and educational foundation conducting research, educational, and applied programs in the field of energy and related issues. Established by Jill Duvall, Jan Korenbaum, and James E. Duvall on August 4, 1976, this fine, young organization has taken on the heady challenge of informing the American public on the topic of the day and the future—energy.

It is the belief of these hard-working individuals that energy awareness and efficiency must begin with community-based energy programs. Individual communities must be assisted and encouraged to examine and develop their own available energy resources. The Radii Foundation, in order to aid these com-

munities, will provide the one essential ingredient—information. The most ambitious project of the foundation to date, the Great Falls, Virginia energy project, will provide this information by establishing Great Falls as a model energy efficient community.

As a part of this project, the Radii Foundation is sponsoring an energy exposition in Great Falls National Park throughout the month of May. Lectures, slide shows, movies, and exhibits of the latest developments in renewable energy technologies will be open to the public. Of special note will be the Great Falls Energy Horse Show Benefit on May 7, 1978, at the Deerfield Horse Center in Great Falls. This event will kick off the energy exposition. Riding demonstrations and competitions will be held for experienced riders and the not so experienced. A good time will be had by all for the benefit of the Radii Foundation, an important organization working for the future of our country.●

OUTRAGE OVER SALE OF JET FIGHTERS TO SAUDI ARABIA

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. WOLFF. Mr. Speaker, opposition to the administration's plans to sell sophisticated jet fighters to Saudi Arabia is widespread and growing. The outpouring of public sentiment differs with the administration for its short-sightedness and its violation of major foreign policy principles previously laid down by the administration. How, one asks, can the administration promote peace and stability in the Middle East by increasing available arms? How, one asks, can we enunciate a strong human rights policy, and then sell arms to a country which is notorious for its flagrant violation of basic human rights?

These questions are being raised throughout the country. I am today submitting a legislative resolution recently approved by the New York State Senate, expressing outrage over this "improvident and dangerous decision," the New York State Senate urges the Congress to veto and annul the decision of President Jimmy Carter to sell fighter planes to Egypt and Saudi Arabia. The text of the resolution is as follows:

LEGISLATIVE RESOLUTION—SENATE NO. 116

Legislative resolution memorializing the Congress of the United States to veto and annul the decision of President Jimmy Carter to sell fighter planes to Egypt and Saudi Arabia

Whereas, President Jimmy Carter during his 1976 campaign for the Presidency uttered scathing attacks against then-President Ford's alleged lack of full support for Israel and vowed that, if elected, he would exert the influence of his office and his personal and full support and effort to the survival and perpetuation of the democratic Government of Israel; and

Whereas, President Carter, at this point in time, apparently marches to a different drummer as manifested by his recent decision to sell fifty short-range fighters to Egypt and sixty F–15 fighters to Saudi Arabia which decision is an affront, indeed, to the principle that Israel's integrity as a free democratic nation must not be imperiled; and

Whereas, This paradoxical decision of the President, a chilling one, indeed, bodes no good for the nations of the Middle East, particularly Israel and is an embarrassment which will outrage a large proportion of the people of this State of every political persuasion; and

Whereas, It is the sense of this Legislative Body that it ought to express its outrage at this decision of President Carter which this Body feels is an expression of the mind of the great majority of the people of this State and urge the President to overrule his judgment in making such an improvident and dangerous decision to arm the avowed and ancient enemies of a friendly nation; now, therefore, be it

Resolved, That this Legislative Body memorializes the Congress of the United States to veto the decision of President Jimmy Carter to sell fifty short-range fighter planes to Egypt and sixty F–15 fighters to Saudi Arabia thereby eliminating the clear and present danger that this decision creates to the sovereign State of Israel; and be it further

Resolved, That copies of this resolution, suitably engrossed, be transmitted to the President Pro Tempore of the Senate of the United States; to the Speaker of the House of Representatives of the United States; and to each member of the Congress of the United States from the State of New York.●

NEW CONVENIENCE FOR BLIND PASSENGERS AT PHILADELPHIA INTERNATIONAL AIRPORT

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. EILBERG. Mr. Speaker, a recently instituted convenience at Philadelphia's International Airport is one which might not be noticed by most people using the newly modernized facility, but it is one which will be greatly appreciated by the airport's blind passengers

Blind airline passengers at the airport can now order luncheon and dinner at the Stratosphere dining room with the help of menus printed in braille.

The special menus which have been introduced at the airport's main restaurant in the domestic terminal complex make Philadelphia International Airport one of the very few airports in the Nation to offer such a service. It is estimated that some 300 blind travelers a year use the dining facilities.

Joseph A. LaSala, city representative and director of commerce, has pointed out that the service for sightless passengers is an addition to the many facilities already available for the handicapped at the airport. This is in line with Philadelphia's efforts to make all public buildings and facilities accessible to the handicapped. Mr. LaSala noted that provisions at the airport include special parking spaces, toilet facilities, telephones, and curbs and ramps permitting easy access to all terminal entrances. Wheelchairs and electric carts also are provided.●

EASING THE PAYROLL/SOCIAL SECURITY TAX

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. HARRIS. Mr. Speaker, today I am introducing the Social Security Tax Reduction Act of 1978 that will reduce the social security tax on workers' salaries by one-third. My bill will relieve the current tax burden on the middle-income earner and keep the social security system sound for current and future beneficiaries.

Currently, both the employee and employer pay 6.05 percent of the total wages or salaries. For 1978, 1 percent of this tax is for the medicare hospital insurance program and 0.775 percent is for the disability insurance program. Another 0.13 percent is used for the administrative expenses of the social security program, such as construction and rental of buildings and salaries of personnel.

All of these figures are scheduled to rise under the Social Security Amendments of 1977, now Public Law 95–216. For example, by 1985, the total tax rate will be 7.05, with social security's "share" being 5.70.

My bill removes the medicare A (hospitalization) program and disability insurance program from the social security tax. They would be financed out of general revenues, not from taxes on employees' salaries and employers' budgets. Under my bill, then, the social security tax would support and provide only retirement benefits. Under this bill, future benefits would have a clearer relationship to workers' earnings. In other words, the wage earner would not be paying through social security taxes for these "nonretirement" programs from which he or she might not benefit in the future.

Using the payroll tax to fund only social security is consistent with the original intent of the social security program when it was established in the 1930's. The disability insurance program was not created until 1957 and the medicare program was added in 1965. Under my bill, these two programs would be supported by general revenues. This bill carries out what I feel is a clear distinction between two "catastrophic" insurance programs (disability and hospitalization) and a public retirement program. Funding the disability and hospitalization programs from general revenues, derived in part from a progressive taxation system, makes more sense to me than funding them by a flat tax on all workers who are required to contribute to social security out of their pockets.

Additionally, my bill would remove the administrative cost of the social security program from the tax rate and they would be supported by general revenues as well. Currently, the taxpayer's social security contribution is used to pay for all expenses of administering the program, from the paper the checks are printed on to heating bills for HEW buildings. These costs totaled $935 mil-

lion in 1976. I believe such costs should be more appropriately borne by general revenue.

Last year's social security bill has helped put the system on sounder financial ground, saving it from imminent collapse. But those amendments did not remove the regressive nature of the tax or create a fair taxing method. It particularly hurt the middle-income taxpayer and small businesses. My bill will move us closer to the goal of a just taxation system and relief for the average family.

Here are some examples of the savings to families under my proposal. Next year, for the $10,000 earner, $183 in taxes would be saved; for the $15,000 earner, $274.50; for the $20,000 earner, $366; and for the $25,000 earner, $419.07. The total tax savings for these wage earners over the next 8 years, would be as follows:

Wage earner:	*Tax savings 1979–87*
$10,000	$2,131.00
$15,000	$3,196.50
$20,000	$4,262.00
$25,000	$5,289.07

COMPARISONS WITH TAX RATES IN MY BILL AND WITH CURRENT LAW FOR WAGE EARNERS

Year	Wage base	Tax rates		$10,000 earner		$15,000 earner		$20,000 earner		$25,000 earner	
		CL[1]	SSTRA[1]	CL	SSTRA	CL	SSTRA	CL	SSTRA	CL	SSTRA
1979	$22,900	6.13	4.30	$613	$430	$919.50	$645.00	$1,226	$860	$1,403.77	$984.70
1980	25,900	6.13	4.30	613	430	919.50	645.00	1,226	860	1,532.50	1,075.00
1981	29,700	6.65	4.35	665	435	997.50	652.50	1,330	870	1,662.50	1,087.50
1982	31,800	6.70	4.35	670	435	1,005.00	652.50	1,340	870	1,675.00	1,087.50
1983	33,900	6.70	4.35	670	435	1,005.00	652.50	1,340	870	1,675.00	1,087.50
1984	36,000	6.70	4.35	670	435	1,005.00	652.50	1,340	870	1,675.00	1,087.50
1985	38,100	7.05	4.35	705	435	1,057.50	652.50	1,410	870	1,762.50	1,087.50
1986	40,200	7.15	4.35	715	435	1,072.50	652.50	1,430	870	1,787.50	1,087.50
1987	42,600	7.15	4.35	715	435	1,072.50	652.50	1,430	870	1,787.50	1,087.50

[1] Current law.

[2] Social Security Tax Reduction Act of 1978.●

BLACK LABOR UNIONS IN SOUTH AFRICA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. EDWARDS of California. Mr. Speaker, despite worldwide pressure on South Africa to abandon its laws discriminating against black people, that nation's white-ruled government continues to preserve apartheid through whatever means at their disposal. One way this is carried out is by maintaining obstacles which prevent black labor unions from organizing effectively in South Africa.

Stanford law professor, William B. Gould, made a 7-week visit to South Africa last year under the auspices of the U.S. State Department and the Ford Foundation. While there he studied the role of black labor unions and their efforts to overcome the institutional pressures against them. In an article which appeared in the Los Angeles Times, Prof. Gould describes some of those pressures and offers some sound recommendations as to how the United States might be able to assist in the orderly development of a strong black labor movement in South Africa.

I commend his article to my colleagues:

[From the Los Angeles Times, Nov. 18, 1977]

U.S. FIRMS COULD AID BLACK LABOR IN SOUTH AFRICA

(By William B. Gould)

As the racial strife in South Africa increases, American companies with interests in that country are more conscious than ever of their role in the treatment of black labor there. The Carter Administration's emphasis on human rights and pressure from stockholders and the public—not to mention prodding by their own consciences—have led U.S. businessmen to wonder what, if anything, they should be doing to help black workers in that beleaguered country.

As an American black who returned this fall from a research visit to South Africa, I have a few suggestions for the U.S. business communtiy about its future dealings there.

For starters, concerned U.S. corporations would do well to encourage the fledgling black trade unions. Given South Africa's overwhelmingly black manufacturing and mining work force, a true black-labor movement would offer one of the best avenues for change in labor-management relations. More important, it would provide blacks with a way to monitor the inevitable dismantling of corporate racial discrimination in their country—a task for which the local populace will always be better equipped than outsiders.

But South Africa is years away from having a significant black-labor movement. Only 7 percent to 8 percent of the total work force is organized—and into weak unions at that (except for the all-white Mineworkers Union). The 28 black unions now in existence have a membership of some 50,000, but none have the economic strength to sustain a strike. In fact, no black union is currently recognized by management for bargaining purposes.

The seeds of progress, however, have been sown. Harry Oppenheimer—whose influential Anglo-American Corp. conglomerate is even more important to South Africa's economy than is, say, General Motors to America's—has voiced a willingness to negotiate with black unions. Moreover, a few multinational corporations have instituted payroll "checkoffs" by which employes can volunteer to aid black-union treasuries.

Yet the road to unionism is likely to be full of potholes. Although black unions are technically legal in South Africa, they are like organizations in all spheres of black life in being subject to special treatment. Whereas, for instance, white and colored (mixed-blood) unions may bargain industry-wide or throughout a certain territory, the right of blacks and the unions representing them to do this is not protected by law. They are, instead, officially relegated to participation on workers' committees at the plant level. Management often refers to these panels as "tea and toilet" committees, and consults with them only on unimportant issues—never on significant conditions of employment.

A strong black-union movement could make genuine inroads into discriminatory labor practices. As a case in point, it could eventually wrest from all-white unions the crucial veto power over nominees for apprenticeship in the skills trades that are now virtually closed to blacks.

But black unions cannot wield any real clout until government and industry tackle the problems of the inhumane and inefficient migratory-labor system. Blacks employed in white South Africa—that is, anywhere outside the poor areas, or "homelands," to which government policy consigns them—must leave their families behind and agree to be housed in single-sex hostels. If these workers are dismissed—as they can be, for instance, for striking—they lose "pass" privileges and must return to their homelands. Thus, the system places the black worker's right to retain his residence (and his livelihood) in white areas at the whim of employers. As long as the migratory-labor policy remains intact, no labor-law reform can relieve the plight of black workers.

An abiding fear of the Vorster government is that organized labor will become a platform for grievances against apartheid. This is why, quite apart from the prohibitions imposed by law, less formal constraints stand in the way of progress. The government so strongly discourages employers from permitting any contact with black unions that the police have even showed up to interrogate managers at plants where trade-union seminars have been held for employes.

Beyond that, black union leaders have been subjected to "banning" even before the most recent crackdown. This means that, in addition to being prohibited from conversing with more than one person at a time and from being quoted in the press, they have had to relinquish their trade-union posts.

Other roadblocks to black unionism are the not-infrequent dismissal of workers for union activity, the difficulty faced by union organizers (some of them white) in securing permits to visit black townships and the denial to blacks of the right to strike.

Yet the government purports to be reconsidering at last its policy on migratory labor. It recently appointed two commissions of academics and industry experts, one to review labor law and the other to study "influx control" of migratory black workers. Both groups will present recommendations next year.

Meanwhile, the Carter Administration should join with the AFL–CIO, which to date has kept at arm's length from South Africa's black unions. In this regard, they might draw a lesson from Britain in giving the Vorster government a nudge.

The British have persuaded the European Common Market to adopt a code of conduct that, while lacking the force of law, urges European multinational corporations to bargain with black unions in South Africa, as well as to allow them to organize on company premises. The code also encourages employers to counsel workers about their rights under migratory-labor laws.

Since the Vorster government's recent ac-

tions demonstrate gross insensitivity to world opinion, it is likely that South Africa would sabotage any code of conduct adopted by U.S. firms. Yet, since South African employers are themselves formulating a code similar to the British model, Pretoria would be hard pressed to construe American proposals as "outside meddling"—a favorite term of abuse.

In any case, efforts we might make along these lines cannot fail until we have tried them. Surely the Carter Administration would do well to adopt a code of conduct in support of organized black labor—a code that, if nothing else, would enable American corporations doing business in South Africa at long last to put their money where their mouths are.●

THE 1973 REHABILITATION ACT: IS THE SOLUTION WORSE THAN THE PROBLEM?

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. HYDE. Mr. Speaker, last year I called my colleagues' attention to the opinion of Attorney General Griffin Bell that, under the 1973 Rehabilitation Act, "alcholics and drug addicts are 'handicapped individuals' for purposes of section 504."

HEW Secretary Califano then issued sweeping regulations implementing section 504 of the Rehabilitation Act, asserting "the 504 regulations will work fundamental changes in many facets of American life."

Donald Elisburg, Assistant Secretary of Labor for Employment Standards, on July 5, 1977, issued a statement, based on the strength of the Attorney General's opinion, that "employers who fail to consider qualified alcoholics and drug abusers for employment because of their handicap are clearly violating the law," thereby mandating affirmative actions.

A spokesman for Assistant Secretary Elisburg stated that the drug abusers and alcoholics did not have to be rehabilitated in order to qualify for protection under the law.

Under the law, all Federal contractors or subcontractors doing business of $2,500 or more with the Government are prohibited from discrimination against handicapped workers. Those found in violation can have their contracts terminated or can be taken to court.

About 250,000 companies are covered by the law, all but the very smallest Government contractors. The Labor Department spokesman, Robert Cuccia, added that they must take positive steps to find and promote alcoholics and drug abusers or be in violation of the law.

A number of Members signed a letter to the President on July 21, 1977, urging that implementation of section 504 regulations be suspended insofar as they pertained to alcoholics and drug abusers, pending congressional hearings on the ramifications.

In a September 13, 1977 response to our letter, Stuart Eizenstat advised that—

It would seem that any limitation of scope of that provision would require Congressional action.

Congress adopted section 504 of the 1973 Rehabilitation Act without legislative hearings and virtually no floor debate, including the phrase, "and any other disability specified by the Secretary in regulations he shall prescribe." This is a serious lapse on the part of Congress, and is a glaring example of well-meaning intentions reduced to statutory language producing unworkable, and I am sure, unintended consequences.

Secretary Califano, based on the opinion of the Attorney General and the absence of clear congressional intent took a well meaning but ill-advised leap in the dark and declared that not only did the section 504 regulations forbid discrimination by exclusion, but also require affirmative action to give handicapped citizens meaningful equality of opportunity in employment. This clearly means positive steps to seek out and bring alcoholics and drug abusers into employment within all departments and agencies of the Federal Government, and all federally funded projects, as well as those contractors doing business with the Federal Government.

Congress created the loophole in the law, and only Congress can change it. I have, therefore, introduced legislation amending the Rehabilitation Act of 1973, as follows:

That section 7(12) (29 U.S.C. 706(12)) of the Rehabilitation Act of 1973 is amended by striking out all that follows "dysfunction" and inserting in lieu thereof a period.

I am informed that the Education and Labor Committee's Subcommittee on Select Education is scheduled to hold hearings April 3, 4, 5, and 6 on the Rehabilitation Act reauthorization. Those of my colleagues who have cosponsored my legislation will have the opportunity to generate constructive congressional debate on the far-reaching ramifications of the 504 regulations.

Lest you think this is not a serious problem, I quote the following examples: The Chicago Sun-Times, in a February 9, 1978 article, "Passing Out (On) the Man," described employees at a large post office who are either "snorting cocaine, smoking reefers or drunk." At times, employees have overdosed while sorting the mail.

The National Association of Chain Drug Stores represents 200 drug chain members who operate more than 10,000 drug stores and 1,500 leased pharmacy departments through the United States. The chain drug industry, as recipients under medicare and medicaid, is dramatically affected by the 504 regulations. As employers, they are prohibited from making preemployment inquiries with regard to the severity or nature of a handicap. Since chain drug corporations are handling large amounts of controlled drugs, they are fearful that the 504 regulations will substantially increase the possibility of drug diversion from their warehousing facilities if preemployment inquiries cannot be conducted on persons with a history of drug abuse.

What will OSHA inspectors say about the safety of a plant where unrehabilitated drug abusers or alcoholics are working?

Are schools which receive Federal funds now mandated to seek such persons out for employment?

Will the Federal Reserve System, Federal Deposit Insurance Corporation and the Treasury Department have its quotas of such employees?

Will mass transit systems be required to accept such applicants as bus drivers and motormen?

Is an applicant's use of marihuana or hard drugs of no concern to a bus company?

The Congress needs to give thoughtful and wide-ranging consideration to the needs of such handicapped persons, balanced against the realities of economics, public safety and commonsense.

We need to help alcoholics and drug abusers. The fiscal 1979 budget request for the alcoholism is $174.3 million, a $5.6 million increase over fiscal year 1978. The budget request for drug abuse is $275 million, an increase of $13.1 million over fiscal 1978. Perhaps we should do more. Perhaps tax incentives for hiring alcoholics and drug abusers would be appropriate, but the costs and effectiveness of any such program requires study.

We must deal realistically with the section 504 regulations, and particularly the inclusion of drug abusers and alcoholics. Should they be included? Should their employment be mandated, requiring affirmative action? Should the regulations be amended to include the word "rehabilitated," and if so, should "rehabilitated" be defined as to the degree of rehabilitation?

In closing, Mr. Speaker, I would like to advise my colleagues of the recently announced Civil Aeronautics Board announcement of proposed definitions for "retired" and "handicapped" persons as they apply for reduced air transportation.

The CAB tentatively has decided to "define as 'handicapped' any person who has a physical or mental impairment—other than drug addiction or alcoholism—which substantially limits one or more major life activity."

I commend the Civil Aeronautics Board for its commonsense, and express once again the hope that Congress will thoroughly explore the problems created by mandating affirmative action with regard to drug abusers and alcoholics. The problems are varied and complex, and require sensitive and prompt study before the heavy hand of Government mandates solutions that may well be worse than the problem.●

TRIBUTE TO MUHAMMAD ALI

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

Mr. MAZZOLI. Mr. Speaker, I take this opportunity to pay tribute to Mu-

hammad Ali, who will always be affectionately known as the "Champ."

After fighting his heart out against Leon Spinks until the very last bell, Ali took his defeat with grace and class.

Muhammad Ali rose from humble beginnings in my hometown of Louisville, Ky. He became the Olympic light-heavyweight boxing champion in 1960. Then Ali stunned the boxing experts when he captured the world heavyweight championship from Sonny Liston in 1964. As champ, Muhammad Ali has been a source of pride and inspiration to people young and old around the world.

I am proud that a native son of Louisville has become one of the best known and beloved sports figures in the world.

Ali's career has been remarkable because he is an athlete with unique and superior physical and mental talents.

Many who have disagreed with Muhammad Ali's political views have responded to his unique brand of brash showmanship and dedicated sportsmanship.

Ali may yet return to the squared circle in an effort to become the first boxer ever to regain the crown three times. I would not be surprised if "The Greatest" comes back to teach "young whippersnappers" like Leon Spinks a thing or two about the manly art of selfdefense.●

CHAPPIE JAMES: A GREAT AMERICAN

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. MICHEL. Mr. Speaker, nationally syndicated columnist, Patrick Buchanan, has written a tribute to the late Daniel "Chappie" James, "the first black man to wear the uniform of a full general in the Armed Forces of the United States."

It takes great courage to speak out against injustice when the odds are overwhelmingly against you. It takes great love to dedicate your life to your country when you know that there have been times when some of your countrymen denied your rights. Chappie James had that kind of courage and that kind of love.

If this country can produce more men like Chappie James, the future of freedom is secure. He was a great man, a great leader, and a great American.

At this time, I want to place in the RECORD, "A Man To Make a Nation Proud," by Patrick J. Buchanan, from the Chicago Tribune, March 7, 1978:

A MAN TO MAKE NATION PROUD

(By Patrick J. Buchanan)

WASHINGTON.—True courage, wrote Montaigne, is the "strongest, the most generous and proudest of all virtues." It comes in several forms.

There is the bravery of the soldier in battle, and the man against the mob. There is the moral courage of the individual swimming against the tide of contemporary dogma.

On Feb. 25, in a military hospital at the Air Force Academy, the heart gave out on an American exemplar and vessel of both kinds of courage. Daniel "Chappie" James Jr., the first black man to wear the uniform of a full general of the armed forces of the United States, died.

Born 58 years ago, the 17th child in a working class family, Daniel James grew up near Pensacola, Fla., as a boy in the southland when the Klan was still a mighty force. To his country's good fortune, his home was near an airfield. In return for his doing odd jobs and chores, the boy was taken flying by pilots in their old fighter aircraft and sea planes.

When he enrolled at Tuskegee Institute in Alabama, Chappie James signed up with the all-black cadet unit which would become the famed 99th Pursuit Squadron of World War II. As he related later, even the air maneuvers were segregated, white cadets flying in one pattern, blacks in another. "It was a helluva traffic pattern," as he recalled.

Commissioned an officer, the young pilot spent time at bases north and south. In none were black pilots allowed to dine at the white officers' clubs. At almost all, they broke the rules. Toward the war's end, in a celebrated incident, the black pilots refused a direct order to leave the club at Freeman Field in Seymour, Ind. They were court martialed for treason, mutiny and other misdemeanors. Only when the war was over were the charges quietly dropped.

For seven years, well into his 30s, Chappie James was frozen in the rank of first lieutenant. Sent to Korea, he flew more than a hundred combat missions, and began collecting more battle decorations than this column has space to recite.

When Viet Nam came, James was teamed with the celebrated fighter pilot Col. Robin Olds. With their exploits, the pair rapidly gained notoriety as "Black Man and Robin."

Films and television shows are now being written in tribute to the freedom riders and civil rights marchers who stood up to billy clubs, fire hoses, and police dogs. In those same days, Chappie James was, in Tom Wolfe's phrase, "jousting with Sam and Charlie," North Vietnamese gunners and their surface-to-air missiles.

While scores may have been beaten during the civil rights marches, and a few martyred, thousands of blacks gave their lives as soldiers and pilots in Viet Nam—a fact too little noted, too often ignored.

Elevated to general on his return home, James preferred to look upon himself as a fighter pilot rather than a desk officer. At the Pentagon he took on the assignment of defending Viet Nam before hostile student audiences. Taunted as an Uncle Tom for the white establishment, the black veteran of three wars, who had stood up to the racist epithets of hard-nosed segregationists as a young pilot, was not easily rattled by dormitory draft dodgers or peaceniks.

While others whined about the barriers that remained, the black eagle of the Air Force kept his eyes upon the victories won. "There is less racism in the armed forces of America than . . . in any other segment of society," he preached to young blacks looking toward a military career.

Awarded his fourth star, which put him on a plane with U.S. Grant and "Black Jack" Pershing, Chappie James responded, "This promotion is important to me by the effect it will have on some kid on a hot sidewalk in some ghetto. . . . If my making an advancement can serve as some kind of spark to some young black or other minority, it will be worth all the years, and the blood and sweat it took in getting there."

Hanging on the fourth floor of Air Force offices in the Pentagon is a large portrait of an imposing, confident, smiling Chappie James, standing in front of his Phantom F-4 in Udon, Thailand. Done from a photograph taken 11 years ago, it is inscribed in James' own handwriting:

"I fought in three wars and three more would not be too many to defend my country. I love America and as she has weaknesses or ills I'll hold her hand." His country will miss the warrior-patriot son she buried last week.●

HOUSE CONTROL OF TV-RADIO COVERAGE

HON. THOMAS L. ASHLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. ASHLEY. Mr. Speaker, along with my colleagues in the House, I have been following with great interest the progress of proposals to provide TV and radio coverage capability from the floor of the House. Deliberations in the Committee on Rules and the latest study carried out by the Subcommittee on Rules and Organization indicate that the broad purpose of informing Members, creating an audiovisual record, and making available to the public through its commercial and noncommercial broadcasting stations the work of their elected representatives, will best be served by a system controlled by the House itself.

A number of my colleagues have challenged this view, supporting instead a network pool for TV and radio coverage. In rebuttal, I would like to call their attention to a letter to the editor of the New York Times from Mary Megee of New York City, former director of the New York Council on Children's Television—certainly an impartial observer of the debate about televising the proceedings of the House. Ms. Megee's letter appeared in the New York Times on Sunday, March 5, 1978:

RECORDING CONGRESS ON CAMERA

To the Editor:

Responding to Julius Duscha's article ["Congress' TV Debut: Not So Candid," Jan. 29], I am writing to address three issues raised therein. The first has to do with documentation, the second with censorship and the third with governance.

I would sum up the difference between documentation and journalism as "point of view." House Speaker, Representative Thomas P. O'Neill, has made it clear that the House videotaping is intended to be a matter of public record rather than journalism of any kind. Therefore, the House videotranscribers' job would be to keep a standard, accurate record of events rather than to make good television or to supply news.

The fixed three-camera plan proposed by Representative O'Neill is designed to provide standard treatment for all House sessions, and to minimize the likelihood of camera-inspired grandstanding. Whereas the presence of moving news cameras tends to provoke dramatic action (as in the 1960's Columbia University demonstrations), the presence of unobtrusive, simple camera systems seems to cause little if any untoward behavior in institutional settings, where the intention is merely to document proceedings.

Sanford Socolow's likening of the proposed camera set-up to a restriction of print journalists to the Congressional Record is deceptively glib. As Vice Preident for CBS-TV News, Washington, he knows the respective limitations of print and broadcast media. Unlike the Congressional Record, a videodocument does not permit a Congressman to edit remarks or to inconspicuously add material to original testimony. News people may

add commentary before, during, and after the chosen Congressional tape segment and, further, reporters may interview Congess members outside of House chambers, using network or station cameras.

Network lobbyists such as Mr. Socolow continuously trot out the First Amendment banner in their arguments for network control, despite the fact that, throughout the several decades in which TV has dominated American culture and communications, people in television have maintained nearly complete authority over the coverage of government to the people served by the government.

It is definitely time that the national government catch up with available technology. Only a modicum of imagination and effort need be mustered to give every television household the choice of watching, live, every day Congress is in session, the people in Congress hammering out matters of national concern. For now, a nightly or weekly review of Congressional tapes would do, on public or commercial TV. Granted just as the House gallery is sparsely attended the Congress-in-action show might be spectacularly underviewed. But the choice is important—some would say necessary—for the survival of participatory democracy.

A key question raised by Mr. Duscha is: Will televising of House proceedings affect voters' perceptions of the House and its members? I feel impelled to answer "yes," most assuredly, broadcasting house proceedings will make a huge difference. The videotapes, when broadcast, would allow viewers to judge Congress members on the basis of what is or is not said about them.

The democratic process as we know it is based on the votes of an informed electorate. Today the primary medium for information is television. It is encumbent upon our two primary American governmental institutions, the government and the broadcasting system, to provide the public with information about the operation of these systems, and to enhance participation by citizen/viewers.

MARY MEGEE.

NEW YORK CITY.

[The writer is former director of The New York Council on Children's Television.] ●

VOTING RECORD OF REPRESENTATIVE JONATHAN B. BINGHAM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. BINGHAM. Mr. Speaker, during January and February I was forced to miss a number of rollcall votes due to illness. I was recorded as paired "for" or "against" on 11 votes. As to the remainder, I wish to record here what my position would have been had I been present and voting.

Rollcall No. 2, amendment to H.R. 2329, administration of fish and wildlife programs, striking language allowing certain warrantless searches, "aye."

Rollcall No. 3, motion to pass H.R. 2329, "yea."

Rollcall No. 5, motion to pass H.R. 9165, authorizing construction of bust of George Marshall for State Department, "yea."

Rollcall No. 6, amendment to H.R. 8771, amending United States Code regarding civil service retirement programs, "yea."

Rollcall No. 7, amendment to H.R. 8771 providing benefits for Japanese-Americans interned during World War II, "yea."

Rollcall No. 8, motion to pass H.R. 9169, amending Merchant Marine Act with regard to depreciation costs, "yea."

Rollcall No. 18, motion to pass H.R. 5798 authorizing appropriations for Office of Rail Public Counsel, "yea."

Rollcall No. 20, motion to pass H.R. 5646, requiring ConRail to pay certain insurance premiums, "yea."

Rollcall No. 20, motion to pass H.R. 9851, to improve air cargo service, "yea."

Rollcall No. 21, motion to pass amendment to H.R. 1614 (OCS amendments) to permit only the Secretary of the Interior to authorize explorations, "yea."

Rollcall No. 25 motion to adopt rule for H.R. 8200, bankruptcy reform law, "yea."

Rollcall No. 29 motion to approve the Journal, "yea."

Rollcall No. 30 amendment to OCS bill seeking to delete requirements on documentation and manning, "noe."

Rollcall No. 39 amendment to H.R. 6362, establishing Advisory Committee on Timber Sales Procedure, directing the Secretary of Agriculture to take action to obviate collusion in bidding, "aye."

Rollcall No. 40 amendment to H.R. 6362 authorizing the Secretary to select most competitive bidding method consistent with community needs, "noe."

Rollcall No. 46 motion that the House take up H.R. 8605, establishing an Agency for Consumer Protection, "yea."

Rollcall No. 47 amendment to H.R. 6805 requiring notification to the President 30 days prior to initiation of legal action for judicial review of decisions of other Federal agencies, "noe."

Rollcall No. 48 amendment to H.R. 6805 striking provision for exemptions for proceedings involving labor disputes, "noe."

Rollcall No. 49 amendment to H.R. 6805 striking provision exempting certain Department of Agriculture proceedings, "noe."

Rollcall No. 52 motion to recommit H.R. 3813 (Redwood National Park) to the Interior Committee with instructions to cut park expansion, "noe."

Rollcall No. 53 motion to pass H.R. 3813, "yea."

Rollcall No. 54 motion to adopt conference report on H.R. 3454, Endangered American Wilderness Act of 1978, "yea."

Rollcall No. 55 motion to adopt rule for H.R. 2664, amending Indian Claims Commission Act of 1946, "yea."

Rollcall No. 56 motion to instruct House conferees to insist on language providing for merit selection of district judges, "yea."

Rollcall No. 57 motion to adopt rule for H.R. 8336 (Chattahoochee River National Park), "yea."

Rollcall No. 58 amendment to H.R. 8336 to permit initial planning and acquisition by Park Service, "noe."

Rollcall No. 60 motion to pass H.R. 5503 amending United States Code regarding appointment, promotion and retirement of members of the Armed Forces, "yea." ●

ENERGY AND WASTE: THE MORAL CRISIS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. BROWN of California. Mr. Speaker, on February 27 I spoke to participants in the sixth annual IMPACT/WISC briefing on issues before Congress. The subject of my address was the moral implications of energy use and abuse, an issue which has been of great concern to me for many years. As we in Congress formulate energy policy for the coming decade, it is imperative that we examine all the ramifications of our energy use, not simply costs to the consumer, or the utilities' profit margins. We must remember our moral responsibility as stewards of the Earth's natural resources as a broader consideration, and I hope that this will be in the minds of our energy conferee colleagues as they grapple with the more mundane pressures thrust upon them. After careful thought I have made some notes on the subject. I have attached them and hope they will be of some benefit to my colleagues.

ENERGY AND WASTE: THE MORAL CRISIS

(By GEORGE E. BROWN, Jr.)

For many years America has had a "high standard of living". We are the world's richest nation. We eat more beef, own more color televisions, and consume more energy (and natural resources in general). Until recently, the standard of the day was "the bigger the better", and the measure of "success" was in terms of material possessions.

Our national growth was justified by a philosophy which stated that we had worked hard and been good citizens, therefore, increased material consumption was our "just reward". During this period, people were not thinking about "energy"—there was no need to think about it, except as one of the bills that came each month.

Throughout this time there were many who opposed both the increased material consumption and the self-focused philosophy which attempted to justify it. They were a minority, however, and their voices were drowned out by those who held different values.

This period of consumption without regard to its consequences (symbolically) came to a harsh and rather abrupt end several years ago. The Organization of Petroleum Exporting Countries (OPEC) instituted an oil embargo against the United States. We were suddenly forced to deal with the cruel reality of finite resources. Fossil fuels, on which our style of life is so dependent, are in great demand. However, their supplies are limited, and are dwindling rapidly. Instead of decreasing, as the situation worsens, consumption patterns are continuing to increase. All this demonstrates a critical need for a thoughtful, rational and moral examination of our lifestyles and our energy situation.

The time for meaningful change has come. We can not continue to consume energy, mineral, plant and animal resources without considering the effect on the rest of the World and on the world of our children and our childrens' children. We can not continue to waste and abuse the land while ignoring the devastating results. We can not continue to grow, materially, while ravaging people's humanity and spirituality.

The values of thrift, efficiency, and avoidance of waste were fundamental in the early years of our country. The early European immigrants and later the pioneers settling the West lived materially simple, but emotionally and spiritually rich lives. They had a greater appreciation and respect for the gifts of nature. They used to a fuller extent, the animals they killed, the trees they cut, and the plants they grew.

We cannot continue our current wasteful growth without wreaking total havoc upon our Earth. It is time we became reacquainted with the fundamentals of the Judeo/Christian ethic: an appreciation for living things and for all of God's gifts; A concern for the welfare of our fellow people; Mutual love and sharing; A sense of community, both spiritual and political; And the inner peace that comes from knowing that we are indeed living well—in harmony with the Earth and with all of its people.

There is a close link between over-consumption and waste, on the one hand, and the abandonment of certain principles fundamental to our Judeo/Christian tradition and our American heritage, on the other. It seems that the quality of life (as defined by the term "standard of living") is measured in terms of the quantity of things we possess. I don't feel that this is necessarily the most important factor to consider.

Someone once said that money can't buy love. That person had the right idea. Along that same line, owning lots of "things" does not insure happiness. Happiness is derived from things such as warm relationships with family and friends, the knowledge of accomplishing a difficult task or of helping someone in need. Although running the air conditioner all day may make life more comfortable, it does not make for happiness.

Canada has much in common with the United States, including this consumption crisis. As in this country, there are many people in Canada who have been severely troubled by this problem, and who have taken steps to change it. One such group is the Science Council of Canada. In its 1973 Report on National Resource Policy, the Science Council set down the notion of the Conserver Society: that the public must be-three major concerns in conceptualizing the Conserver Society; that the public must become more responsible about the use and conservation of resources, that they must remember that resources are finite, and that short-term goals must be carefully examined, and their costs weighed in terms of long-range effects.

The Conserver Society does not present a portrait of grim austerity. It merely provides a sort of glimpse into our own past. The Conserver Society is, on principle, against waste. It promotes "doing more with less", which is obviously quite a change from "bigger is better". It favors reuse and recycling, and "questions the ever-growing demand for consumer goods . . . encouraged by modern marketing techniques." Furthermore, it states that pricing mechanisms must not reflect merely the private cost of an item or service, but rather, "must reflect the total cost to society, including energy used, environmental impact and social considerations."

The Conserver Society is an intriguing idea. It is clear that our consumption habits will be changed, if for no reason other than the limits on resources imposed by nature. The highly positive thing about the Conserver Society is that it involves voluntary change, rather than change imposed by government—rationing, for instance—as a means of dealing with Nature. It involves what might be referred to as acceptance of a situation, rather than mere adaptation to it. The Conserver Society is concerned with people learning not only that they can survive with less, but more importantly, that they can live very comfortably and better with less.

It's very important that we somehow learn to redefine our society's conception of success so that material consumption is no longer such an important part. This will be difficult. It is never easy to change long-standing habits. However, if we learned that material consumption was the reward for hard work, it stands to reason that we can re-learn the connection between emotional self-satisfaction and hard work, or community harmony and hard work, or whatever.

We have, to a large extent, lost touch with our own minds and souls, and with those of our friends and neighbors. Communities are on the decline. As people become affluent they move to the suburbs, and because of this increased mobility, close "communities" just don't develop. This robs our children's generation of an emotional and political force that was so much a part of our parents' lives, and even of our own childhoods.

We must begin to strengthen our cities and neighborhoods before they cease to have meaning. Block grants for city revitalization are not, in themselves, enough. We must encourage the formation of community service and action groups. We must put them and existing groups in touch with local, state and federal grant programs. In other words, the initiative for action must come from within the community. It is of little value to falsely impose it from Washington.

We can achieve a variety of things through this type of community involvement. Groups can organize consumer/conserver education programs, establish recycling centers in their cities, or start community gardens in their neighborhoods. The multiple benefits derived from this type of activity are obvious. Besides the substantive result of the project itself—whether it be glass and paper recycled or community-grown vegetables—there is the added, and possibly more important benefit of personal satisfaction and community spirit.

Conservation and lifestyle changes, though of great importance, are not the only solutions to our energy problems. While we can reduce our energy consumption and still maintain a high standard of living, it is obvious that we can not survive without some type of energy. Although conservation does help us deal with the problem of finite resources, it is only a temporary solution—it can not change the fact that our fossil fuel supplies will run out.

The ultimate solution, therefore, is to seek alternative sources of energy. I support research and development programs for energy derived from renewable resources, including the sun, wind, and biomass conversion. These three sources of power hold much potential for the future not only because they are available in unlimited quantities, but also because they are "clean" sources of energy—unlike coal or gas. They are also, generally, safe sources of energy, and do not hold the same danger potential that exists with nuclear power. In order to insure a high quality of life for the generations to come, it is imperative that we continue to develop these energy alternatives until they are technologically sound and economically feasible enough for wide-spread use.

I feel that change is urgently needed. We must seriously reexamine the way we use energy and other materials, and the way we structure our cities. We can not continue to live as isolated beings in our separate lives in the suburbs. I would like to see individual citizens, as members of community-level organizations, taking a more active role in forming the policies and making the decisions that so greatly affect their lives.

I think there should be a shift of emphasis from Washington to local governments, and beyond that, to community organizations and voluntary organizations of all types.

I'd like to end with a particularly relevant comment made by Mahatma Gandhi, one of the World's great spiritual and political leaders. He said: "The Earth has enough for every man's need, but not for every man's greed."●

ARGENTINE GOVERNMENT CONTINUES ITS BRUTAL SUPPRESSION OF THE PRESS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. DRINAN. Mr. Speaker, the brutally authoritarian character of Argentina's military government has become notorious throughout the world. Civil rights and civil liberties have been officially suspended under the so-called state of siege law; parliament has been disbanded; political activities have been essentially prohibited; thousands of political prisoners remain in detention, without charge or trial; and people are still abducted by parties unknown. Many of these individuals are presumably in detention, but the Argentine authorities have incredibly refused to promulgate an authoritative list of political prisoners; as a result, the families of thousands do not know whether their relatives are alive or dead.

A hallmark of all repressive regimes is an attack on the freedom of the press, and therefore on the people's right to know. Argentina's military dictatorship is no exception. Amnesty International, the London-based organization which is the recipient of this year's Nobel Peace Prize, has recently issued a detailed summary of the extent of suppression of the press in Argentina.

Amnesty International, in its report entitled: "Argentina: Repression of the Media Since the Military Coup of 24 March 1976," points out that on the same day it seized power, the military issued a statement making any critical reference to the army or the Government in any publication a crime with a penalty of up to 10 years in prison.

The summary notes that the Argentine authorities have intervened in the production of a publication 38 times and have detained many journalists. At present, 40 journalists are in prison; 39 have disappeared; and 22 have been killed.

On November 6–15, 1976, I visited Argentina as part of an Amnesty International mission investigating human rights abuses in that nation. It was clear that the press was almost totally intimidated by the Government. One of the few voices of independence was La Opinion, a newspaper founded and published by Jacobo Timerman. I met and spoke with Mr. Timerman at length, and I was most impressed by his courage, his dedication to his profession, and his devotion to his country.

As the Amnesty International report describes, in April of 1977 Mr. Timerman was arrested, and he remains in detention. There are reports that he has been tortured. Shortly thereafter, the Government seized control of the company which printed La Opinion.

Thomas Jefferson once remarked that, were he presented with a choice between a country with a government but no free press, and one with a free press but no government, he would not hesitate in choosing the latter. The wisdom of Jefferson's observation is confirmed by the

Amnesty International summary of the situation in Argentina. I commend that summary, which follows, to the attention of my colleagues.

ARGENTINA: REPRESSION OF THE MEDIA SINCE THE MILITARY COUP OF 24 MARCH 1976

"The military seldom know how the press works and see no need for its freedom, except in remote theoretical terms, not in everyday practice." Andrew Graham-Yooll, *Index* (Winter 1976).

The assumption of power by the military in Argentina on 24 March 1976 led to immediate measures being taken to restrict the activities of the press. On the same day, Communique 19 (*Delito de Prensa*—Crime of the Press) was issued:

"Anyone who through any medium whatsoever defends, divulges or propagates announcements or views coming from or attributed to illicit organizations or persons or groups notoriously dedicated to subversive activities or to terrorism will be subject to an indefinite sentence of detention. Anyone who through any medium whatsoever defends, propagates or divulges news, communiques or views with the purpose of disrupting, prejudicing or lessening the prestige of the activities of the armed forces will be subject to detention for a period of up to 10 years."

A body called the *Secretaria de Información Pública* was set up, replacing the former *Secretaria de Prensa y Difusion*, to ensure that material appearing in the media would be of a nature to contribute to the "permanent interests of the nation". This new body also issued the following disposition:

"It is forbidden to inform, comment or make any reference to subjects which relate to subversive activity or which affect the integrity of the armed forces, unless these have derived from responsible official sources. This includes information relating to abductions and disappearances."

Since the military coup, the military have intervened in the production of a number of newspapers and periodicals, and some have been permanently closed. Journalists have been maintained in preventive detention for long periods without charge or trial; in several cases they are known to have been subjected to maltreatment and torture. Others have disappeared without trace following arrest, and several have been killed.

In April 1977, *Le Monde* reported that, since the military coup in Argentina, 17 journalists had been killed, 22 had disappeared and 33 imprisoned.

In January 1978, *Le Monde* reported that, almost one year later, 29 journalists had been killed, 40 had disappeared, 70 had been imprisoned and 400 gone into exile.

Since April 1977, Amnesty International has urgently intervened to the Argentine government on behalf of 9 journalists, all of whom disappeared after arrest. The whereabouts of 6 are still unknown.

On 21 December 1977, Amnesty International intervened on behalf of Señor Luis Guagnini, Buenos Aires correspondent for Interpress Agency and *Latin America Newsletter* (London), and his wife Dora del Carmen Sala Romero. His wife was later released, and is allowed to communicate with her husband.

On 24 December 1977, Señora Susana Lugones, a former journalist for *La Opinión, Noticias, Crisis* and *Siete Dias*, was abducted and to date there has been no further news concerning her whereabouts. She was the *fortieth* journalist to have disappeared since the military coup.

The plight of journalists in Argentina has aroused widespread concern in the international press, and, in at least two cases, this is likely to have contributed to the release of journalists detained at the time of the coup and held in preventive detention without charge or trial at the disposal of the Executive Power for more than 1 year. *Antonio di Benedetto*, writer and editor of the Mendoza daily paper *Los Andes*, was arrested shortly after the coup. His application to opt for exile was refused in March 1977, despite the fact that there were no charges against him, and he was not finally released until the end of August 1977. Just before his release, Amnesty International received reliable reports that he was seriously ill as a result of maltreatment: on several occasions he had been taken naked out of his cell in La Plata prison and badly beaten by prison officers.

Eduardo Molina y Vedia was detained on 6 April 1976, but his arrest was only officially acknowledged when he reappeared in *Coordinacion Federal* (police headquarters) two weeks later. Neither charged nor tried, he is known to have been tortured during the initial stages of arrest. One year later he was released and is now living in exile in Europe.

Other journalists, however, have been less fortunate and continue to be held in preventive detention. The following are representative examples of such cases:

JACOBO TIMERMAN

Jacobo Timerman, aged 53 and founder and publisher of the independent newspaper *La Opinión*, was dragged from his home by 20 heavily armed men in civilian clothing on 15 April 1977. His arrest was in connection with the newspaper's and three other companies' alleged involvement with the Graiver financial group, accused of handling guerrilla funds. Two journalists from *La Opinión*, Edgardo Sajón and Enrique Raab, had been kidnapped two months earlier by groups of armed men and have not been heard of since. Eduardo Vedra, a reporter for the newspaper, has been reported missing for over a year.

After Jacobo Timerman's arrest, he was taken to army quarters near La Plata and the next evening was officially acknowledged to be "at the disposal of the military authorities". There, it is alleged that he was tortured. He was later transferred to *Coordinación Federal*, the police headquarters in Buenos Aires.

On 24 May 1977, the Argentine authorities took over the four companies (two of them printers of *La Opinión*) in connection with investigations into the Graiver financial group. According to journalist sources, Graiver owned 50 percent of the shares of *La Opinión*.

Jacobo Timerman remained in detention without charge or trial until November 1977. From the time of his arrest up till this date, the military authorities continually stated that they were investigating his involvement with the Graiver financial scandal and that he was being held for unspecified economic crimes (delitos económicos). However, in November 1977, he was placed under articles (a), (d) and (e) of the Act of Institutional Responsibility, viz:

(a) Non-observance of basic moral principles in the exercise of public, political, trade union office or in activities of public interest;

(d) action or omissions which have facilitated dissociating subversion;

(e) tolerance of administrative corruption or negligence which might facilitate (corruption).

This measure effectively suspends all his civil rights and freezes all his assets, pending an investigation into whether they were acquired legally. This Act also implies a threat of perpetual imprisonment, because there are apparently no mechanisms for appeal. It is alleged that this Act has been applied to Jacobo Timerman to avoid another lengthy trial. However, it is presumed that he can be released whilst the investigation into the acquisition of his assets goes ahead.

Jacobo Timerman has been a journalist all his life. He worked for *La Razón* in the 1950s and was responsible for launching several magazines in the 1960s, including *Primera Plana*, which he later sold. He founded *La Opionión* on 4 May 1971.

RAMON LEIVA MONTIEL

A 45 year-old writer and journalist of Paraguayan nationality, he was detained on 6 April 1976. The motive for his arrest appears to have been his book "Paraguay subdesarrollado", a serious and well-documented analysis of his country which is known to have displeased the Paraguayan government.

Señor Leiva Montiel is currently detained in Resistencia prison, Chaco province, where prison conditions are known to be harsh. Held incommunicado for at least seven months, it is not known whether he has yet been granted proper access to his lawyer and family. The Argentine government have not brought charges against Sr Leiva Montiel, and under the current legislation, he may be held indefinitely.

JORGE EDUARDO BONNARDEL

Journalist for *Los Andes*, was detained at his Mendoza home on 25 November 1975. The reason for his detention is believed to be his active involvement in the journalists' union.

Señor Bonnardel is one of the many prisoners, detained under state of siege legislation before the coup of March 1976, who had their right to opt for exile (as laid down in Article 23 of the Argentine constitution) retroactively annulled by the new military government. On 29 March 1976, Decree 21.338 was issued stating: "All requests for the option to leave the nation presented during the enforcement of this right, regardless of the stage of development are now automatically without effect." Although the right of option was reintroduced in October 1976, the power of regulation resides, unconstitutionally, with the Executive Power and very few applications to leave the country have so far been successful.

Señor Bonnardel is currently detained in La Plata prison; he has been held without charge or trial for 21 months.

DISAPPEARED JOURNALISTS

A list of journalists known by Amnesty International to have disappeared during the last 18 months may be found at the end of this report. The following are representative cases:

ENRIQUE WALKER

On Saturday 17 July 1976, two police vans parked outside a Buenos Aires cinema and asked the management to turn on the lights because they were looking for someone. When this was done, plainclothes men burst into the auditorium. Enrique Walker tried to escape but was arrested at gunpoint. He was an Argentine journalist of Scottish descent who had worked for the publications *Gente* and *Nuevo Hombre*. Since that date, there has been no news of his whereabouts.

RODOLFO WALSH

On 25 March 1977, Señor Walsh was abducted by a group of armed civilians from his home in San Vicente, a suburb of Buenos Aires. The kidnappers reportedly machine-gunned the front of his house, ransacked his library and took Señor Walsh away at gunpoint. He has not been seen since.

Señor Walsh is one of Argentina's best known investigative journalists and an active supporter of left-wing Peronism. One day prior to his abduction, he had written an open letter to the military junta to make the anniversary of the coup denouncing violations of human rights and deploring the impact of their rule on Argentina. The letter is the most powerful and detailed indictment of the government to have appeared from within Argentina since the assumption to power by the military; it is written fully conscious of the personal risk involved.

Rodolfo Walsh first made his name in 1956

by writing a book about a massacre by the police of unarmed workers who were lined up on a garbage dump outside Buenos Aires and gunned down. A series of others followed exposing the corruption and brutality of Argentina's military rulers and their agents in the police. One of his last major works was to produce a history of the founding of the Triple A death squads in 1974, by the then Minister of Social Welfare, José López Rega.

Despite widespread international protest, inquiries to the authorities and filing of habeas corpus writs, there has been no official acknowledgement of his arrest or indication of his present whereabouts.

DR. RAFAEL PERROTA

Director of the magazine *Cronista Comercial*, he was abducted in Buenos Aires during the last week of June 1977. Shortly afterwards, his family entered into negotiations with his unidentified kidnappers who were demanding 300,000 dollars to secure his release. After seven weeks, the kidnappers agreed to a less enormous sum, which they received after a relative threw a suitcase containing the money out of a train window at an agreed spot. However, the kidnapers did not carry out their part of the bargain and Dr. Perrota has still not reappeared.

This is not the first time that Amnesty International has received reports of kidnapers holding families to ransom for the release of their relative. The Amnesty International Report of a Mission to Argentina includes the testimony of a Uruguayan, Washington Perez, who was forced to mediate in ransom demands in June.

EDUARDO JOZAMI AND LILA PASTORIZA DE JOZAMI

Eduardo Jozami, lawyer and former leader of a journalists' union, has been held in preventive detention at the disposal of the Executive Power for 18 months. In December 1976, he was among a group of approximately 40 prisoners held in La Plata prison in the province of Buenos Aires who were moved to Pabellones (compounds) 1 and 2, following a reorganization of the prison that placed together political prisoners of the same ideology. (Eduardo Jozami is reported to have strong left-wing sympathies, although he is not affiliated to any one particular group and no formal charges have been brought against him.) Between January and March 1977, five political prisoners were taken from this section of the prison and killed in dubious circumstances, although the officials version of their deaths was that they were "shot while trying to escape" during transfer. Pebellones 1 and 2 of La Plata prison became commonly known at this time as the "death cells", and the remaining prisoners had no guarantee that they would not meet with the same fate.

Señor Jozami's wife, Lila Pastoriza de Jozami, fearing that her husband might also be a victim of unofficial execution, became active in trying to secure guarantees of physical safety for all the prisoners remaining in La Plata. Her efforts led her to appeal for intervention on her husband's case, both internationally and within Argentina.

On 16 July 1977, Señora Pastoriza de Jozami was abducted by a para-military group in Buenos Aires. She has since disappeared. Her case is one of many documented by Amnesty International of relatives of left-wing sympathisers or people who dare to inquire too far into human rights violations, who themselves become a victim of political persecution in this way.

HAROLDO CONTI

He was kidnapped on 2 May 1976. He was taken from his home at 3:00 a.m. by six armed men who had first interrogated and beaten him. They removed from the house blankets, a tape recorder, radio, television, clothing, money, documents and the car.

Haroldo Conti is 50 years old. A writer of some standing, he has won several prizes for some of his books: "Premio de la Universidad Veracruzana" (Mexico) for his novel "Alrededor de la de la Jaula"; "Premio Fabril Editora" (Buenos Aires) for his novel "Sudeste"; "Premio Seix Barral" (Spain) for his novel "En Vida"; "Premio Casa de Las Americas" (Cuba) for "Mascara, el Cazador Americano."

His whereabouts are unknown. However, a person detained on 18 May 1976 and released a few days later claimed that after several interrogations and torture sessions, he was taken hooded to what he believed to be the Brigada Güemes (a police barracks) of Buenos Aires, near the international airport of Ezeiza. There, he learnt the names of some of the detainees in other cells. Among them, he saw Haroldo Conti. Conti told him that he had been "in an army place where things had been very bad". According to this report, Conti could scarcely talk or eat, nor could he retain water. The authorities have denied that Conti is, or ever was, detained.●

EVEN BILL BUCKLEY CAN BE WRONG

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. DORNAN. Mr. Speaker, no two names are more closely associated with the modern American conservative movement than those of Gov. Ronald Reagan and Mr. William F. Buckley, Jr. Governor Reagan is one of our Nation's greatest contemporary statesmen, and Mr. Buckley is the modern American version of the proverbial renaissance man.

Because the growth of American conservatism is attributable to both of them, it is particularly noteworthy when they should disagree. When it comes to the prevailing debate over the future of the Panama Canal, they profoundly disagree. They displayed and explained their disagreements in an engaging debate at the University of South Carolina last month, a debate which has since been talked and written about from coast to coast.

Recently, Bill Buckley used some of his syndicated column space to further criticize Governor Reagan's critical analysis of the Carter-Torrijos treaties which are now pending on the floor of the Senate. I challenge anyone to better my own great levels of fondness and respect for both Messrs. Buckley and Reagan, but for once I believe that Bill Buckley is mistaken. This is in no way meant to detract from Bill's brilliant performance which all of us witnessed who watched the televised debate. In fact, his pyrotechnic-display of human rights violations in Panama and elsewhere during the proloque of his opening remarks ought to be sung by a chorus of demonstrators at regular intervals outside the New York offices of the U.N. Commission on Human Rights. Bill Buckley remains our country's most articulate foe of the Finlandizers of U.S. foreign policy.

But as always, there is no error so monstrous that it fails to find defenders among the ablest men. In his column. "Panama: For the Record," Bill incorporates the whole collection of his errors in criticizing Governor Reagan on the disposition of the Panama Canal treaties. As one who agrees with Governor Reagan's position, and who believes that the Carter-Torrijos treaties are a mistake, I herewith offer my own critical analysis of the arguments Bill Buckley makes.

Bill challenges Governor Reagan's contention that the Carter-Torrijos treaties, "turn over a $10 billion investment" to the Government of Panama. In fact, the Governor is correct. Although difficult to assess in other than a approximate way, the Panama Canal Company's annual report for the last fiscal year supports a figure slightly higher than the $10 billion. One must keep in mind that aside from the assessed value of the physical facilities in real market value terms, one is also accounting for the replacement value of any canal structures there.

Next, Bill asserts that U.S. military will remain under the command and jurisdiction of the United States. Governor Reagan does not deny this, certainly, but notes that U.S. military actions in Panama would be practically subject to the will of Panama's leaders. That is, if if we sent U.S. troops to Panama tomorrow morning to reopen a closed canal, our Nation might be internationally criticized for acting imprudently in pursuit of protecting the U.S. Canal Zone property which is ours. But if we sent U.S. military personnel there after the pending treaties are ratified, we would be breaking international law, insofar as the Canal Zone property now belongs to Panama. We would also be violating the spirit if not the letter of the U.N. Charter's prohibition of initiating military hostilities on a foreign soil. While upsetting the U.N. may mean beans to me, it seems to mean much and in fact guide the actions of those hereditary makers of U.S. foreign policy who still pull the levers and turn the knobs in our country's State Department.

Next, we certainly will pay Panama more than $1½ billion to take our canal. Much of the money will come from canal revenues which would otherwise be used to maintain and repair the facilities or indirectly feed the U.S. Treasury. The remainder will find its way through the laser thin filters of our domestic general revenues.

We too often forget that the nation of Panama has used its chiefs of state like Kleenex. Over the period of the last 50 years, they have gone through 57 chiefs of state. Since General Torrijos took over in a coup 9 years ago, a government turnover distinguished by its unequalled level of bloodshed, he has succeeded in increasing Panama's national debt from $184 million to $2 billion. And 39.9 percent of Panama's governmental revenues go to service her debt as against 8 percent of the United States to service our own, making Panama the largest per capita debt holder of any nation in the world today.

Strictly speaking, we paid only $4 million in 1903 money for the canal land, but this does not account for payments to France and Colombia or the many millions in incidental payments necessary for buying the land and building what was the moonshot of its day. In fiscal year 1976, Panama generated over

16 percent of its income from canal operations. So, the Buckley-Reagan differences over these figures are statistically inconsequential. The bottomline on these comparative figures read that the canal remains important to us and economically vital to Panama.

Near the end of his article, Bill downplays the significance of the Carter-Torrijos neutrality provision which allows our potential enemies to have access to the canal passageway. Bill Buckley contends that our potential adversaries would attempt to use the canal in any event, or irrespective of the treaty documents' ratification. Perhaps so, but if the pending treaties are ratified, we would no longer have the military personnel in the Canal Zone to assure its continued neutrality.

Finally, one does not have to be a gourmet of conspiracy theories to appreciate the relationship the larger international creditors have to the economic outcome of the current Panama Canal Treaty debate. There are in fact, many such creditors like the list of large American banks which are owed many millions by Panama in loans outstanding. Panama is not in itself exactly or even very much at all like Switzerland or Taiwan in its level of prosperity, productivity or in its economic diversity. Panama's second biggest industry, after toll collecting, appears to be drug smuggling. Unless the economic losses suffered by these large foreign creditors are accounted for by passage of the pending treaties, in which case Panama can pay off its bad debts with the U.S. contributions which are forthcoming, these big banks and other institutions will be compelled to write Panama off as a business loss.

To see the Honorable Ronald Reagan and the equally distinguished William F. Buckley, Jr., disagree is to witness disagreements between two men with similar patriotism and dedication to American principle. It is to witness the dignity which colors a genuine debate between two reasonable men. While I side with Governor Reagan in opposing the pending Carter-Torrijos treaties, I celebrate this and every other political debate which by its very conduct, further associates reason with democratic discussion.●

STATEMENT OF T. L. AUSTIN, JR., ON NATURAL DIVERSITY ACT BEFORE JOINT HEARINGS ON S. 1820

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. TEAGUE. Mr. Speaker, in order that all Members of this body may have the opportunity to read the statement made by Mr. T. L. Austin, Jr., chairman of the board, Texas Utilities Co., on S. 1820, the Natural Diversity Act, it gives me pleasure to include his statement at this point:

STATEMENT OF T. L. AUSTIN, JR., JOINT HEARING ON S. 1820, NATURAL DIVERSITY ACT

Mr. Chairman, I am T. L. Austin, Jr., Chairman of the Board of Texas Utilities Company. The three electric utilities in our System serve some four million people whose energy supply and well-being could, in my opinion, be seriously threatened by this legislation.

Because of this, I appreciate the opportunity to comment on the proposed Natural Diversity Act.

The stated objectives of this legislation are laudable. S. 1820 is theoretically very appealing to me as an environmentalist and conservationist. However, laws do not operate in a theoretical system. As a practical matter this bill is frightening. In its practical application, S. 1820 as drafted would be interpreted by the courts and state and Federal administrators into an impenetrable bulwark against natural resource development. It would be a bonanza to all of the activist lawyers and organized environmental groups who want to stop the growth and progress of America dead in its tracks. We are certain that the sponsors of this legislation do not intend for S. 1820 to interfere with the orderly development of this nation; but, we ask you all to review the intentions of the sponsors of NEPA and then look at its application over the past eight years.

Senator Muskie of Maine, one of the leading environmental advocates in Congress, has witnessed the impracticality of the application of environmental laws and regulations. As evidence of this, the Senator introduced into the Congressional Record a copy of the Harper's article on the Storm King project, written by a Mr. William Tucker. The title of the article is "Environmentalism and the Leisure Class." It is a 16-page statement documenting the birth of environmentalism and demonstrating the inordinate amount of influence exerted by a small number of people on the growth of this nation. We ask that this article be made part of the hearing record.

We beg you gentlemen to give some better balance between protecting our environment and promoting our economy. Allow us to submit for the record and quote from an article by Bayard Rustin in the October 1977 issue of Across the Board:

"It is going to take economic growth, and lots of it, if we are to realize the ideals of equality, cooperation and economic justice, which fired the American struggle for racial change."

This bill would be a serious deterrent to achieving those ideals.

Senator Jennings Randolph, in his opening statement at these hearings, explained that the purpose of the Natural Diversity Act is to protect our native species of fish and wildlife and the lands and waters they inhabit; the wetlands; the agricultural areas; and other elements of our natural environment. We agree that these require our attention and protection. However, there are numerous existing statutes already in full force and effect that are intended to protect and preserve virtually every element of our natural diversity. These include:

The Clean Air Act.

The Federal Water Pollution Control Act.

The Solid Waste Disposal Act.

The Coastal Zone Management Act.

The Endangered Species Act.

The Marine Protection, Research and Sanctuaries Act.

The Rivers and Harbors Act.

The Fish and Wildlife Coordination Act.

The Resource Conservation and Recovery Act.

The Ports and Waterways Safety Act.

The Surface Mining Control and Reclamation Act.

And, of course, the National Environmental Policy Act.

In addition, we will soon have the amended Outer Continental Shelf Lands Act.

It is clear that we already have all the protective measures that are necessary to preserve our natural diversity. If there are areas or elements of natural diversity, that are not adequately protected by these statutes, then, we feel, the Congress already has the means to take positive action to preserve those sites—as national parks, monuments, wildlife refuges or wilderness areas. This kind of authority must not be delegated to Federal and/or state administrators, the courts, or the environmental groups.

This bill which is extremely loosely drafted has many totally unacceptable, in fact downright risky, provisions. If it should be enacted, we feel that within five years every one of your colleagues especially those unaware of S. 1820, will be scratching their heads wondering how and when a federally funded Land Use Planning and Management program was enacted by Congress. Because an omnibus Land Use Planning and Management program constitutes the sum and substance of the Natural Diversity Act.

In addition, we specifically object to certain provisions of S. 1820, including:

Section 6(a)—We object to the authorization of monetary grants to the states to provide for the acquisition and withdrawal of selective sites without requiring that the elements of natural diversity to be preserved are facing some risk or are threatened. The provision merely requires that they be maintained even if not threatened.

Section 6(b)—We object to the requirement that the off-site activities, as well as the on-site activities be controlled. This would greatly extend the area over which the courts and lawyers could—without the necessary expertise—effectively prevent the productive use of the land and prohibit future development, and has no justification.

Section 7(d)—We object to the directive to conduct a study to maintain the elements of natural diversity without the fee simple acquisition of the maintained sites. This is an open door to the taking of property without adequate compensation. The Council on Environmental Quality since 1973 has paid for studies to devise legal technicalities to accomplish this. For example, this book, "The Taking Issue" is a legal guide to confiscation of private property rights without payment of just compensation.

Section 8(b)(2)(a)—We object to the registration of the privately-owned sites as Natural Diversity Preserves, if those sites meet the conditions provided in Section 8(b)(1). This provision does not refer to any fee simple acquisition of those sites and there would be a taking of private property without just compensation.

Section 10(d)—We strenuously object to this section which through prohibition of any adverse impact would lead us to the courtroom on every Federal action just as the EIS requirements of NEPA have done and are doing. In fact this provision would be far worse because it is an absolute prohibition, regardless of benefits of the proposed activity.

These provisions, particularly Section 10(d), will put the courts, environmental groups and activist lawyers into the role of super-managers of all major fuel and energy development projects. If S. 1820 as drafted is enacted, activist lawyers and the courts will run things from the top without the benefit of any project development knowledge and with no responsibility to the consumer for cost or reliability of service. The following charts demonstrate some of the costs, ultimately borne by the consumers, of existing and proposed environmental, regulatory, and licensing programs on the Texas Utilities Company System. These costs are exhorbitant! The No Action provisions of Section 10(d) are so broad that the SEC could not approve a stock or bond registration statement to provide funding for a power plant construction project which could have any (even hypothetical) adverse impact on a registered natural diversity site 100 miles away in another state, regardless of the importance and benefit of the project

and regardless of the value of the registered natural diversity site. This is ridiculous.

In summary, we feel strongly that we do not need additional environmental protection statutes. We already have enough laws. What we need is reason and balance in their interpretation and enforcement. In our zeal to protect the environmental and our natural diversity, we seem to overlook the most important element—man. The effects of legislation on man's ecosystem must be weighed even more carefully than those on the ecosystem of some insect or plant.

Being responsible for providing electric power to four million people, we are worried about the disastrous effects on man's ecosystem if we cannot supply the energy needed for a strong economy in our service area. This bill would seriously restrict the economic growth required to realize—in the words of Bayard Rustin—"the ideals of equality, cooperation and economic justice." We feel that this legislation would seriously affect our ability to plan for the development of fuel resources and future power generation. Instead of imposing more burdens on our operations, we beg you to review some of the statutes already in effect to determine if the original balanced and laudable goals of Congress are being carried out. A good place to start would be with a review and revision of Section 102(2)(C) of NEPA to decrease the costly delays we are experiencing and to achieve a sound balance between economic, energy and environmental considerations.

We will furnish you with a more detailed written statement for the record on S. 1820 before the Committee closes the record on this hearing. Again, we thank you for this opportunity.●

MR. DAVID P. McGUIRE AND MRS. ALICE J. OROSZ OF YOUNGSTOWN, OHIO, ARE ANCIENT ORDER OF HIBERNIANS "IRISH MAN" AND "IRISH WOMAN OF THE YEAR" 1978

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. CARNEY. Mr. Speaker, the Mahoning County, Ohio Chapter of the Ancient Order of Hibernians has recently selected Mr. David P. McGuire and Mrs. Alice J. Orosz of Youngstown as "Irish Man of the Year" and "Irish Woman of the Year" for 1978.

A native of Youngstown, Mr. McGuire attended Ursuline High School. Upon his graduation in 1955, he was awarded the Knights of Columbus American History Award, the highest award offered in the field of American history.

Since 1956, he has been employed by what is now the ConRail system, and currently serves in the capacity of conductor. In addition, he is a member of the Brotherhood of Railroad Trainmen—now known as the UTU, Lodge 1365, for which he serves as the vice president and secretary to the yard local committee. He is also the lodge's delegate to the AFL–CIO Council.

Mr. McGuire served in the U.S. Army for 3 years, 1960–62, first as a personnel administration specialist in Berlin, West Germany, and later in Opalaka, Fla., during the Cuban missile crisis.

A member of the Ancient Order of Hibernians No. 7 since 1956, he has held all division offices. Currently, Mr. McGuire is serving his fourth consecutive term as president of the Mahoning County Board, and his second term as Ohio State Chairman of Catholic Action. He is a member of the Mahoning Valley Gaelic Society, the Knights of Columbus, Irish National Caucus, Northside Knights Boosters Curbstone Coaches, and Army-Navy Garrison No. 1973. He is a charter member and trustee of the Irish Arts and Historical Society. He is presently serving on the Mahoning County Democratic Central Committee in his third term as Democratic committeeman of precinct 3CC.

He is married to the former Marcella L. White, and has four children: Maureen, Sean, David, Jr., and Molly.

Selected as "Irishwoman of the Year" 1978, is Mrs. Alice J. Orosz, the former Miss Alice O'Hara. Mrs. Orosz, a graduate of Chaney High School, is currently serving her second term as a member of the Youngstown Civil Service Commission, and has recently completed a specialized course in IPA region III classification training.

She is also presently serving as a trustee of the Mahoning County Federation of Democratic Women's Clubs, after having served as president. She also serves as vice president of the Mahoning County President's Democratic Women's Club.

A former commissioner of the board of visitors of charitable and correctional institutions in 1972, Mrs. Orosz is currently a member of the Ancient Order of Hibernians and the women's auxiliary.

She is married to Mr. Frank J. Orosz, and has a son, Michael.

Mr. Speaker, both Mr. David P. McGuire and Mrs. Alice J. Orosz are distinguished Americans of Irish descent. Both are involved community leaders and devoted to their respective families. When their many friends join in honoring them on St. Patrick's Day, I hope to be among them.●

WILLIAMS ON H-H JOBS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. COLLINS of Texas. Mr. Speaker, as the Carter-Humphrey-Hawkins proposal comes to a vote, we must give serious consideration to the potential long-run impact of such an extensive plan. With our unemployment situation improving and inflation rising, many economists question whether such a drastic, inflationary program is not an idea whose time has gone.

Dr. David Williams, economic policy analyst with the Heritage Foundation, a nonpartisan research group, has prepared an excellent report on this bill. Dr. Williams suggests that the controversial "full employment" bill would not only fail to dramatically reduce joblessness, but would also exert considerable inflationary pressure on the economy. In the Heritage study, the following main observations are made:

(1) Unemployment statistics have been inflated way out of proportion by government record-keeping policies which require people who are not really in the job market to register as "unemployed" in order to qualify for welfare assistance. Quoting a study by University of Miami economists Kenneth W. Clarkson and Roger E. Meiners, the Heritage report says that inclusion of individuals who would not have been previously considered unemployed has had the effect of padding the unemployment rate over the past few years by approximately 2.5 percentage points. For example, in 1976 when unemployment was officially at 7.7 percent, it was actually 5.3 percent by traditional measurements. In 1976, the food stamp program alone inflated the unemployment statistics by more than one million persons.

(2) To whatever extent there is a serious unemployment problem, government policy must assume a major share of the responsibility. The federal minimum wage law, for example, has resulted in wide-spread unemployment among minorities, young people, the handicapped, and others with minimum job skills, Heritage says, citing a recent study by Prof. Walter E. Williams of Temple University ("Government Sanctioned Restraints That Reduce Economic Opportunities for Minorities," Policy Review magazine, fall 1977).

(3) That instead of treating the problems, Humphrey-Hawkins only addresses itself to some of the symptoms, exerting considerable inflationary pressure on the economy.

While the President has said that the watered-down Humphrey-Hawkins bill that he endorses contains "a strong anti-inflation commitment," the weight of evidence points in the other direction, the Heritage "backgrounder" concludes.

Heritage quotes John Kenneth Galbraith, who has testified that the Humphrey-Hawkins goal of four percent unemployment is unrealistic. "At a four percent unemployment rate, there is no question the American economy can be disastrously inflationary," Galbraith said.

"I must specifically and deliberately warn my liberal friends not to engage in the wishful economics that causes them to hope that there is still undiscovered fiscal or monetary magic which will combine low unemployment with a low level of inflation."

Commenting on the new study, Heritage President Edwin Feulner, Jr., said, "With these figures showing that perhaps the unemployment rate is overstated, President Carter may be basing his full employment program on some fallacious assumptions.

"In fact, it may well be that to talk of 'full employment,' as the backers of the Humphrey-Hawkins bill do, is to perpetuate a myth that really has no relevance in today's complex society," concluded Feulner.●

AMBASSADOR ARTHUR GOLDBERG REVIEWS THE BELGRADE CONFERENCE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

Mr. DRINAN. Mr. Speaker, the Belgrade Conference to review compliance with the provisions of the Helsinki Final Act is scheduled to end in a matter of days. All substantative business has been concluded.

Many of us are disappointed that the Soviet Union blocked all references to human rights in the final communique issued by the Conference. It would be wrong, however, to conclude that the meeting at Belgrade was a failure. On the contrary, the Conference provided an opportunity to examine in detail and before the entire world the human rights abuses of the Soviet Union and other Communist nations.

This opportunity was seized by the U.S. delegation, under the leadership of Ambassador Arthur Goldberg. Mr. Goldberg, in an interview in U.S. News & World Report, noted the dictum of Mr. Justice Brandeis that "sunlight is the best disinfectant," and observed that if Belgrade had accomplished nothing else, it had exposed the deplorable denial of human rights in the Soviet Union and other nations to a great deal of sunlight.

Ambassador Goldberg also noted that the active role of the United States and other nations provided considerable encouragement to Soviet and other dissident groups who monitor compliance with the Helsinki agreement in their own countries.

The interview with Mr. Goldberg sheds considerable light on the significance of the Belgrade Conference, the hopes and the limitations inherent in the Helsinki Final Act, and the things we must do in the future to make the Final Act a more potent weapon against repression.

The interview, from the U.S. News & World Report of March 13, 1978, follows:

THE UNITED STATES AND RUSSIA STILL AT LOGGERHEADS OVER HUMAN RIGHTS

BELGRADE—Months of diplomatic give-and-take here in Yugoslavia's capital have failed to budge either the U.S. or the Soviet Union from their staunchly held positions on freedom of thought, conscience and religion, and the exercise of political and civil rights.

The two countries, along with 33 other nations which signed the Helsinki declaration on European security and cooperation in 1975, started talks here last June to determine how well or how poorly the accords had been observed.

As the conference was ending, Ambassador Arthur Goldberg, chief American delegate, was interviewed by David B. Richardson of the magazine's International Staff. Answers by the former U.S. Supreme Court Justice follow:

Q. Mr. Ambassador, why does the Soviet Union refuse to sign resolutions supporting the Helsinki human-rights clauses?

A. I think the Soviets made the decision before this conference convened. They had agreed at Helsinki that human-rights provisions, along with others in various fields, should be an integral part of the final act. But my impression is that, having decided to sign the final act, then seen its consequences, they were not about to put any more flesh on those bones.

Q. Could you have stimulated a more fruitful debate on human rights by taking a softer position—one less critical of the Soviet Union?

A. The answer is definitely "No." To demonstrate that we were not trying to apply a double standard, I frankly admitted the shortcomings of the United States, and stressed that our record is not perfect. I share the view of Winston Churchill that democracy is the worst form of government—except for all the others.

The Russians, however, were in no mood to get into comparisons.

Q. Did either side—the Communist or non-Communist—end up a winner here?

A. I would say that the free world, if not a winner, has achieved a considerable measure of success. We were able to present in an unprecedented way before an international forum an accounting of what progress has been made, and what shortcomings remain in the implementation of the final act of Helsinki. I believe, along with my government, that the review was probably the most important function of this conference.

Belgrade, after all, is only part of a long process. We never expected that—in one review, meeting 2½ years after Helsinki—we would be able to cure the ills of the world. But I hold the conviction, as expressed by Justice [Louis] Brandeis, that "sunlight is the most powerful disinfectant." And I think we provided a little bit of sunlight here.

Q. At one of the conference sessions, you were quoted as saying that "the pursuit of human rights does not put detente in jeopardy." Do you still believe that is true?

A Very firmly. After all, the relaxation of tension, which is what détente is all about, has to be a product of agreement in many areas: business, scientific, cultural, military confidence-building measures, flow of information, as well as human rights.

Let me make clear that I see no direct linkage between the pursuit of human rights at Belgrade and negotiations on SALT [Strategic Arms Limitation Talks], multilateral force reductions in Europe, limitation of conventional armaments, Indian Ocean problems, or even grain deals. But if we are going to strengthen détente, it must encompass humanitarian progress. As I have always said, détente must have a human face.

Q. Has the Belgrade conference had much impact on Eastern European nations? Are any of them showing more restraint in dealing with dissenters?

A. Certainly some changes have taken place, but how many of these are a direct result of the conference is hard to say. Some may be coincidental.

What we do know from various sources is that the review we conducted and the strong stand taken by the United States have given encouragement to Soviet dissenters and those in Czechoslovakia and elsewhere.

We recently received a report from the Soviet monitoring group—those who are not in jail and could transmit their views through Western newspaper people—strongly commending the United States for its support of the right of the individual to engage in peaceful monitoring of the final act.

At the same time, there is some evidence that the Soviet government may, in some slight measure, in the words of the U.S. Declaration of Independence, be starting to pay "a decent respect to the opinions of mankind," despite all of its rhetoric and propaganda to the effect that threatening language by outsiders on the question of human rights has poisoned the atmosphere of this conference.

I do not wish to exaggerate in any way the gains made inside the Soviet Union in the human-rights area. They have been very small so far. [Anatoly] Shcharansky, [Yuri] Orlov and [Alexandr] Ginzburg—the original leaders of the Russian monitoring group—remain in jail. But so far nobody else in that monitoring group—at least in Greater Russia—has been imprisoned. Indeed, Kremlin officials allowed a vigil in a public square on Human Rights Day, and did not arrest the people who took part.

Soviet authorities have harassed other members of monitoring groups, sometimes by house arrest and sometimes by calling them to police headquarters. But none has been arrested, at least in Greater Russia. In other states [republics] of the Soviet Union, however, a number of dissenters have been arrested in recent months, and as recently as a few days ago.

Q. How does the Soviet record on human rights look under examination here in Belgrade?

A. It's a very mixed bag. In all fairness, the final act is not a treaty, so we cannot accuse the Soviets of violating a treaty. The Helsinki accord was a statement of intent, and we must distinguish between the two. However, it is a document of international law, as are the U.N. Universal Declaration on Human Rights, the U.N. Charter and various other U.N. covenants.

To get down to specifics: Moscow has somewhat eased its restrictions against emigration. Even so, the flow of people out of Russia is not as high as in 1972, but it is on the rise.

We have by no means seen a solution to family-reunification cases, as contemplated at Helsinki.

Q. How about treatment of journalists?

A. Soviets, Czechoslovakia and other East European countries are now giving multiple-entry visas to foreign journalists. But they continue to interpose obstacles to freedom of reporting. For example, the Czechoslovak government has tried to exact from Western journalists some conditions which, to the great credit of these reporters, they have refused to accept. A prime example is a condition that Western journalists not interview Charter 77 dissidents in Czechoslovakia.

At the same time, I believe that more Western newspapers are being circulated in East European countries than previously. There is no more jamming of the Voice of America—although the authorities still make it difficult for Soviet listeners to hear Radio Liberty and Radio Free Europe.

Q. Do you think that the Russians are honoring their pledges of cooperation in scientific fields?

A. Not enough. Western scientists are protesting strongly about lack of progress. They object to the arrest and harassment of Soviet scientists. They condemn the placing of dissidents in psychiatric hospitals as a violation of the conventions governing such medical institutions.

Our scientists also are increasingly aware that scientific exchanges between the East and West are supposed to be reciprocal—not a one-way street. One of the reasonable requests of Western scientists is that the Soviets become much more open with archival material—pure data—if they expect to gain more access to information about Western scientific developments.

From what I can gather, these complaints of American and other foreign scientists are particularly worrisome to the Soviets because they place so much importance on gaining technological know-how from the West.

Q. Are there complaints about difficulties in doing business with the Soviet Union?

A. American businessmen I have talked to during the Belgrade conference are becoming disillusioned, although they would like to do business with the Soviet Union.

Unlike the journalists, they have not received multiple-entry visas. As busy people for whom time is money, businessmen cannot sit around waiting for new visas every time an important deal or consultation requires their presence in Russia.

Secondly, businessmen are upset about the continuing difficulty of obtaining essential data from the Soviet bureaucracy. As one American executive said to me: "No businessman is going to risk his company's capital unless he has the information necessary to determine whether or not there is a good capital risk. And we are not getting that information promptly—if at all."

Q. Do you have much hope that the monitoring of how the Helsinki agreements are observed will improve?

A Yes—and no. What I would like to see is the creation of a European commissioner

on human rights to receive complaints about human-rights violations and bring these to the attention of the governments concerned. The commissioner would be empowered to act in both Eastern and Western Europe. He would facilitate the work of future review meetings as well as helping to generate improvements in between. But so far, there has been little support for the creation of that post.

Whatever the case, I think it is important that the monitoring by private citizens' groups not be limited to the Soviet Union—where they have so courageously taken the lead—to Czechoslovakia and a few other countries. In the United States,we need such groups to supplement the activities of our congressional-executive commission, which has done such a fine job.

I would very much hope that one of the results of this conference at Belgrade would be the creation of a private American national monitoring organization. I have heard that efforts to form such a group are already under way, and when I return home I intend to do what I can to make it a reality.

Q. From what you've seen here, how do you think Moscow views human rights now?

A. The final act at Helsinki turned out surprisingly to be a triumph for the West.

It is the Soviets who conceived this document, and it is my view they cannot repudiate it without a serious loss of international prestige. I think they now also sense a growing feeling in European countries—and in various neutral ones as well—that what we have been doing to follow up on human rights is worthwhile.

For them to turn back now would be to risk isolation.

The present situation may be uncomfortable for the Soviets, but the alternative—to abandon the Helsinki process—would be inconceivable.●

HOUSE RESPONSIBILITY IN PANAMA CANAL TREATIES

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. MONTGOMERY. Mr. Speaker, in support of the prerogative of the House of Representatives to decide the transfer of U.S. property overseas, I would like to allude, in this case, to the views of the Senate itself, specifically those of the distinguished Senator from South Carolina, Mr. STROM THURMOND. Senator THURMOND has long been one of the most active and outspoken critics of the present treaties, and of the negotiating process which led to them. In particular, Mr. Speaker, I refer to his opinion on the question of the responsibility of the House to vote on the property transfer which the treaties mandate.

The interview with Senator THURMOND was conducted by Jeffrey St. John of Mutual News and by Frank van der Linden of the Nashville Banner on January 27, 1978. After covering the major problems of Mr. Carter's treaties—defense, economics, a new sea-level canal, the nature of the Torrijos government, et cetera—all of which I agree with, Senator THURMOND concludes with an interesting observation on the role of the House. In response to this question, he supports without reservation the responsibility of the House to participate in the legislative process to dispose of U.S. land in Panama.

I would like to insert the full text of the interview with Senator THURMOND, not only because he highlights brilliantly all of the major trouble spots of the present canal treaties, but more so because he is such a strong supporter of the legitimate role of both bodies of the Congress in this issue. I would urge all of my colleagues, whether they support the treaties or not, to read carefully the remarks of Senator THURMOND, paying particular attention to his conclusion. If certain Senators such as Mr. THURMOND are demanding a House vote, it is incumbent upon us all in this Chamber to assert our constitutional and legal obligation to help decide the matter.

The interview follows:

REPORTER'S ROUNDUP

ST. JOHN. The U.S. Senate is gearing up to debate the proposed Panama Canal Treaties. Republicans and Democrats have joined forces in a move to include in the Treaties reservations that would assure the right of the U.S. to militarily intervene. This move is seen by some observers as helping changes for Senate ratification. Opponents of the Treaties claim that they have reservations about the proposed reservations. One of those is South Carolina's Senator Strom Thurmond, a Republican, who was once a died-in-the-wool Democrat. Senator Thurmond is our guest on this edition of Reporter's Roundup.

Senator, would the reservations being proposed by Senator Byrd of West Virginia and Senator Baker of Tennessee persuade you to vote for the proposed Panama Canal Treaties?

THURMOND. The only recommendations they have here, are to provide priority of passage and also intervention No, that would not be sufficient to cause me to vote for the Treaties. I think the key to the whole situation is who controls the Canal. Now, we have the sovereignty now, we have the title, we have it in perpetuity as long as we want it, and, therefore, we can control the Canal. I now would rather see us share that control with the Organization of American States than just turn it back to Panama. I think it is safer for the United States itself to maintain the control of this Canal. It's a very important and vital waterway of the world.

VAN DER LINDEN. Senator Thurmond, as a former Major General in the Army, I know you are an expert on defense. Can you tell us whether we can actually defend this Canal unless we maintain ownership? Can we actually bring troops in there if we don't actually own it?

THURMOND. If we give up this Canal Zone which we would under these Treaties and move out which we would under these Treaties by the year 2000, then the Canal, of course, Zone and all. In fact, six months after the Treaties are signed the sovereignty goes to Panama. We are allowed to stay down there until the year 2000. After then we would have to move out; Army, Navy, Air Force, we would give up installations worth hundreds of millions of dollars, we would turn everything over to Panama. Once we move out, then the question is about coming back to defend the Canal. Once we move out, I think it would be a great temptation on the part of Castro or others to move into the area and with either the acquiescence of Torrijos or without his acquiescence and if we try to intercede and go back then you have a confrontation and this could bring on a war. As long as we are down there, I don't think we'll be disturbed. We are there now and I don't think we'll have any trouble if we stick there. Once we get out and have to go back, I look for serious trouble.

VAN DER LINDEN. In other words, Senator, you are saying there is more danger of war if we leave than if we stay.

THURMOND. That's exactly right. I think if you stay you may have some riots—you've had riots already. You'll probably continue to have riots. Once you give up this territory and have to come back in, we could be in serious trouble.

VAN DER LINDEN. But, isn't it true that President Carter is claiming that unless we ratify Treaties, Panama and all of Latin America will be offended at us and therefore weaken our whole security position down there. Do you believe that claim?

THURMOND. He's taking that position. I do not believe it. I think it's an unsound position. In fact, Senator Helms from North Carolina was down there and talked to a lot of representatives of those governments and he said on the surface they went along. Down under, they really are opposed. They are opposed for two reasons mainly. One is they are afraid that Castro will move in when we move out. The next is when these Treaties are signed, there is 30 cents a ton going to be added every time a ship goes through the Canal and that is going to increase shipping for those countries and they are opposed to that. Outwardly, as I said, they appear to be going along. The Panamanian people voted 2 to 1—I understood there was considerable coercion about the voting. Even if they had voted for it, the question here is what is best for the United States. That's the only question that seems to me the President of a country can consider in dealing with other nations. What is best for his people. Certainly the best interest of the United States is to preserve the control of this Canal. From an economic standpoint because 70 percent of shipping that goes through there originates in the United States or is coming to the United States. That means increased fees are going to be put on the shippers of this country. Alaskan oil will be coming through there—that means everybody who buys gasoline is going to have to pay more for that if we affirm these Treaties. From a military standpoint, there is no question in my mind when we have to shuttle ships from one ocean to another to maintain control of that Canal. In time of war, this would be most important. If we lose control of the Canal, as Admiral Burke and Admiral Moorer and Admiral Carany and Admiral Anderson said, and they wrote the President a very strong letter on this, and we have become isolated, then that could jeopardize the very existence of this country as we know it.

ST. JOHN. Senator, let me turn to a question. There has been talk circulating that the opponents of the Canal Treaties will try and delete Article 13, Section 3, that prevents the U.S. from building a second canal in another Latin nation. Why do opponents of the Treaties want this provision taken out of the Treaty

THURMOND. There is a provision in these Treaties now that says the United States cannot build a canal in Panama or any other country unless Panama agrees. To me that's reprehensible and unreasonable. Now, I might say that back in 1971 I opposed the Treaty then with Nicaragua. We had the right to stay in Nicaragua. Yet, we got out of there. The arguments raised against the treaty at that time are that the conditions in 1914 are no longer relevant; the United States does not intend to build a canal in Nicaragua, thus making the treaty an irritant to Nicaragua/United States relations. I predicted then it would be a mistake. Now why would we allow such a provision to say in these treaties that we can't build one in Nicaragua if we want to or negotiate it. It's in these treaties now.

ST. JOHN. Senator, following up on my previous question about the second canal. As you mentioned, in 1971, you said you were opposed to the abrogation of what was called the "Bryan-Chomorro" Treaty of 1914,

which gave the United States the right to build a second sea lake-locked canal. You said that your reasons for opposing that were a second canal in a friendly country was mandatory in case something went wrong in Panama. Has something gone wrong in the last seven years that kind of vindicates your judgement?

THURMOND. I wouldn't say that anything serious has gone wrong. I think the State Department has been trying to give away this Panama Canal for a long time. However, it does raise this issue, and I said in the debate then that when the Panamanians see that we have given up such rights in Nicaragua without a wimper they will be ever so much more adamant that we must give up our rights in the U.S.-Canal Zone. "Little notice has been given to this Treaty today in the United States", I said at that time, "But I submit that it will be big news in Panama." And it was. And, I think that is one of the reasons that they have agitated for this Treaty in Panama because if we give up our rights in Nicaragua, they know we can't build it there now unless we negotiate another treaty and so they feel they have us where they want us. They will not have if we turn down these Treaties. Because, under these treaties we have the Canal Zone and we have the Canal into perpetuity as long as we want it.

ST. JOHN. What you are saying is that we gave up a major diplomatic insurance policy that the Panamanians could not blackmail us. Is that correct?

THURMOND. That's right. In other words, we just voluntarily gave that up in 1971. I spoke against it then, I thought it was a mistake. As I look back on it now, I am convinced more than ever it was a mistake.

ST. JOHN. My point then, Senator, on this program a few weeks ago, the President of Nicaragua, Anastasia Somoza, revealed that in 1971 he offered to the United States to build a second canal like the one we now have in Panama. The U.S. never took the Nicaraguans upon this offer. What is your reaction to this offer that has never been revealed publicly until this program by President Somoza.

THURMOND. If we had intended to build a sea-level we could have done it then. And, a lot of people feel that Nicaragua is just as good a place for a canal as Panama. But, we had the canal in Panama, we paid for it, it's ours, and my opinion is that we should maintain our presence there. We should control that Canal, regardless of the Nicaraguan situation, although I think we made a mistake in giving up our rights in Nicaragua because that was an insurance policy if we did decide to build a canal in Nicaragua.

VAN DER LINDEN. Senator, we know that a large number of Democrats in the Senate will vote to ratify the Treaties, which were negotiated by their President, Jimmy Carter. But it seems rather odd that the Republican leader, Senator Howard Baker from Tennessee, is also working to ratify the Treaties and now says that he expects to carry a majority of the 38 Republicans with him in favor of a somewhat amended set of treaties. Can you explain why the Republicans are split on this issue?

THURMOND. Well, President Ford came out in favor of the treaties. I think the State Department brainwashed him on this when he was President, although he had good judgment enough not to ever send the Treaties as President Carter did. I cannot speak for Senator Baker. I was disappointed in his taking that position. Now, this is going to split the Republican Party. There's no question in my mind about that. I think you are going to see at the next election, when candidates are chosen at the conventions, that this very issue will probably be brought up at that time because to my way of thinking the Republicans were sound and most of them who oppose these treaties were sound in following that position? But I can see a split on account of this very matter now.

VAN DER LINDEN. You mentioned the Republican Convention in Kansas City in 1976 adopted a platform plank against the transfer of the Canal and you are saying in the next convention you think a majority of the delegates would still feel that way, perhaps do you think a senator who voted for ratification of the treaties would have a difficult time being nominated for president?

THURMOND. Well, let's say it won't make it easy for him, I would say. In other words, I think any candidate that's going to run on a Republican ticket would have been wise from his own political standpoint aside from what I think is in the best interest of the nation to oppose these treaties.

VAN DER LINDEN. Do you think that former President Ford in that case has any chance of being nominated again?

THURMOND. I doubt that he would run again.

VAN DER LINDEN. What about former Governor Reagan? Do you think he will make one more try?

THURMOND. He might run again. He's making a lot of speeches and the indications are that he may.

VAN DER LINDEN. You supported Governor Reagan last time for the nomination. Are you committed to him again?

THURMOND. I'm not committed to Governor Reagan next time. I'm not committed to anyone at this point.

VAN DER LINDEN. You're keeping an open mind.

THURMOND. Yes, I am.

ST. JOHN. Senator, Admiral Elmo Zumwalt, former Chief of Naval Operations said on a TV program several weeks ago that the real reason we need these treaties, the Panama Canal Treaties, is because we need the help of Omar Torrijos to keep the Canal open because the Soviets on land, sea, and in the air are so powerful that the U.S. cannot match this military might of the Soviet Union. How do you view this rationale for ratification from a former Chief of Naval Operations?

THURMOND. I view the statement as nonsense. Admiral McCain, a former Commander in the Pacific, feels the same way about the idea of Torrijos helping us against the Soviets. The National Guard, which is the Army in Panama, including the police—there are only about 8,000 and what could 8,000 people there do against the Soviets? It is completely ridiculous.

ST. JOHN. You are saying in effect, Senator, that in effect the Soviet Union is basically along with Castro the major beneficiary if we turn this Canal over to Torrijos?

THURMOND. They could be. I wouldn't say that that would be the case, but it could be. Because Mr. Torrijos is so close to Castro; they visit each other back and forth: they think alike, even after Torrijos signed the Treaties here and went back to Panama, when he passed over Cuba he spoke in applauding tones about Mr. Torrijos and spoke about the imperialism of the United States—this was right after he signed the Treaties. That shows his true feelings toward the United States. Castro is merely a figurehead of the Soviets. The Soviets furnish him about $2 million dollars a day. He has to do their bidding. They told him to send troops to Angola. He had to send them and did. They told him to send guerillas to Mozambique. He had to send them and he did. They told him to send troops to Ethiopia recently and President Carter has protested againt that. But he sent those troops.

ST. JOHN. Are you saying that Castro's military initiatives in Africa could very well be a prelude to the possible intervention of Cuban troops in a Panamanian confrontation?

THURMOND. I am not saying it is but I would say that if he is orderd by the Soviets to send troops or if he takes a notion of his own to go in when we get out, when the vacuum will be created, that he might just do that. Then, if we try to intervene, and if the Treaties provide that authority, which they do not now but, if they amend it to provide that authority, then that's where I say we could have a confrontation that could bring on a war. We are much safer to maintain our presence down there, to protect those countries down there. We protect our interests down there, we protect the shipping of the world down there, we protect the free world by being there. When we get out, we are creating a vacuum in which Castro or the Communists can move into and then when we try to intervene a war could result.

VAN DER LINDEN. Senator Thurmond do you think that the Senate is likely to ratify these Treaties?

THURMOND. Not if the American people's thinking and desires are carried out. For instance, there is no question in my mind about the sentiment of the people. My overall mail has been running about 96 percent against these treaties. Now, in the last month we have received 439 communications on this against the Treaties and only 6 for the Treaties. From South Carolina we received 329 against the Treaties and only 1 for the Treaties. I would not say as a whole that probably represents completely the thinking of the people in the nation. I would say that 96 percent is about what it has been and it hasn't varied very little if any from that.

VAN DER LINDEN. Do you think the Senate is likely to add some amendments beside those proposed by Senators Byrd and Howard Baker. In particular what I am thinking of is an amendment proposed by Senator Bob Dole of Kansas, which would state that no country except the United States and Panama could have military forces in Panama or the Canal Zone under the Treaties. You would favor such an amendment—I imagine—do you think that could be put into the Treaties?

THURMOND. I would favor putting the amendment in. I'm not sure that it would be admitted though. However, that still wouldn't keep Castro or the Communists from attempting to move in when we moved out. They may come in with or without the acquiescence of Mr. Torrijos. As I said because you can't rely on Mr. Torrijos. He's a dictator. He's politically expedient. He took over by force and violence. His people have no human rights, no freedom of speech and freedom of the press and their right to petition the government—rights of that kind. In fact Freedom House has classified Panama under Torrijos in the same category as Cuba and the Soviet Union as to rights they give their people.

ST. JOHN. Senator, the U.S. Military Commander in Panama told a Senate hearing back in January that it would take 50,000 troops to defend the Panama Canal if riots were to break out. My final question is twofold. First, what do you say to this assertion? And second, after Viet Nam do you think the U.S. really has the stomach to intervene in view of the fact that there has been a domestic peace movement that made things politically hot for two presidents?

THURMOND. As to the first question. I do not think it would take 50,000 troops down there to defend the Canal. We have an Army, Navy, and Air Force down there and even President Carter said he could defend this Canal if the Treaties were not ratified. Our Army Commander down there said he could do it. He said it would be more difficult if you had certain acts of sabotage and such as that. Well, you are liable to have acts of sabotage anywhere in the world. This is just one installation. I can't see our country bowing to pressure, bowing to coercion, bowing to blackmail to give away its property, and that's what it is—our property—we have

an investment of about $8 billion dollars in it—and we not only give it away but we pay $1½ billion dollars to the Panamanians to take it. I can't see why our country is so weak that we have to follow such a course of action. I think we will in the end lose respect, more respect to other nations in the world and more than we will gain by ratifying these treaties.

ST. JOHN. Senator, there is a move in the House to demand that the House of Representatives also have a say by reason of a Constitutional mandate that the House must pass on the transfer of American property. As a United States Senator what do you think of that proposal?

THURMOND. I thoroughly agree with that proposal. The Constitution says clearly that the Congress must pass legislation to dispose of property, to dispose of land. This is property. It is our property. We have the sovereign rights there. We have the title to it. I don't see how we can dispose of it lawfully and Constitutionally except by an Act of Congress. President Carter, however, plans to send up a Treaty which would require action only by the Senate. It would take two-thirds of the Senate. I think both bodies of Congress ought to have to act on this matter as required by the Constitution.●

CHINA HUGE POTENTIAL MARKET FOR U.S. AGRICULTURAL PRODUCTS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. FINDLEY. Mr. Speaker, our Nation has listened with dismay in recent days to reports of the deterioration of the dollar in foreign exchange because our exports lag so far behind our imports. I am particularly concerned about the plight of the American farmer and the need to increase our exports of agricultural commodities.

Next week I will lead an agricultural delegation from Illinois to the Peoples Republic of China, the first such State delegation ever to visit the world's most populous nation. A prime objective of this visit is to increase American agricultural exports to the Chinese.

In an important article in Foreign Agriculture, the Foreign Agricultural Service of the U.S. Department of Agriculture correctly observes that "for agriculture, the door to the East continues to look promising." It points out that, in East-West trade, "maximizing the latent potential will require bolder approaches than those already tried." Accordingly, I favor new legislative departures to facilitate trade with nonmarket economies.

Foreign Agriculture reported:

A Communist market with tremendous potential, but an erratic import record so far, is the PRC. After importing $625 million and $624 million worth of U.S. farm products in 1973 and 1974, the PRC ceased to be a significant U.S. market. However, the PRC again turned to the United States in 1977 following crop shortfalls at home and soybean supply problems in Brazil, its major sources of supply. During calendar 1977, the PRC purchased about $66 million worth of U.S. farm products, mainly soybeans, soybean oil, and cotton.

The USDA publication contended that—

In the future, U.S. exports of soybeans and soybean meal could become even more important, since most Communist countries have little hope of achieving self-sufficiency in oilseed production but will need increasing amounts of high-protein feeds.

The following article, "East-West Trade: Boon to U.S. Farmers," from Foreign Agriculture, underscores the importance of the Illinois Agriculture Mission to the People's Republic of China which will depart for Peking next week.

Text of article follows:

EAST-WEST TRADE: BOON TO U.S. FARMERS

(By Roger Neetz)

Recently, the fastest growing U.S. farm market in the world has been the Communist group of nations—including the USSR, Eastern Europe, and the People's Republic of China. Heightening domestic demand in these countries for farm products, together with some severe crop setbacks, contributed to a 14-fold increase in U.S. farm exports to these nations between 1970 and 1976, with such trade assisted by government-to-government agreements on agricultural cooperation and trade. Trade between the West and the Communist countries of Eastern Europe, the USSR, and the People's Republic of China (PRC) has become an economic reality in the 1970's. Between 1970 and 1976, this East-West trade rose by more than 3½-fold, from $13 billion to $48 billion, with the United States a major participant and U.S. agricultural exports among the leading U.S. beneficiaries.

The thrust of this trade is directed toward satisfying a growing consumer demand, and to fill this void, the Communist nations have turned their focus westward on suppliers—and markets—such as the United States. Government-to-government agreements on cooperation and trade have provided the initial link needed to bridge the gap between vastly differing marketing systems.

For U.S. agriculture, this link contributed to a 14-fold growth in exports to the Communist nations between 1970 and 1976, from $210 million to $3 billion, for an unusually high yearly growth rate of 55 percent. In addition, agriculture's share of total imports from the United States climbed from 50 percent in 1970 to about 62 percent in 1976.

While such trade dipped to an estimated $2.1 billion in calendar 1977, resumption of the upward trend is seen for 1978 in light of the recent heavy grain purchases by the USSR and buying of U.S. cotton and soybeans by the PRC.

Indeed, at the recent rate of growth, the Communist countries together could become a $5 billion market for U.S. farm products by 1980 and eventually approach the $6-billion level held by the European Community in 1976.

Achieving this level is another matter, however, given the several problems still surrounding trade with Communist countries including—

Balance-of-payments deficits that have recently plagued Eastern Europe and the USSR, including large deficits in trade with the United States.

Lack of most-favored-nation (MFN) treatment and government credits by the United States for all nations except Poland, Yugoslavia, and Romania.

Continued efforts by Communist nations to expand production of commodities that compete with U.S. agricultural imports.

THE SETTING

The beginning of U.S. agricultural trade expansion with the Communist nations can be traced to the late 1950's. At that time, a glimmer of optimism toward East-West trade emerged and exports of surplus U.S. farm products under Public Law 480 were begun, with eventual application to Poland and Yugoslavia.

During the intervening years until the turn of the current decade, East-West trade headed erratically upward, but not until the 1970's did these nations emerge as significant customers for U.S. farm products.

The severe drought of 1972–73 in the Soviet Union—and the USSR's imports of 13.6 million tons of U.S. grain that year—amplified the latent East-West trade potential.

By 1975, the USSR, the largest buyer, was importing $1.17 billion worth of U.S. agricultural products, and a further strong gain to $1.6 billion was recorded for 1976. (Preliminary estimates indicate that trade in 1977 totaled about $1.1 billion). By comparison, the United States shipped only $11.6 million worth or farm products to the USSR in 1969.

U.S. agricultural exports to Eastern Europe totaled a little over $1 billion in 1975, $1.4 billion in 1976, and an estimated $1.2 billion in 1977, whereas in 1969 they were just slightly over $100 million.

The northern countries of Eastern Europe—Czechoslovakia, the German Democratic Republic (GDR), and Poland—have been the most consistent purchasers in the region, reflecting their greater degree of industrialization and their smaller agricultural potential. During calendar 1976, Poland imported $491 million worth of U.S. farm products; the GDR, $391 million; and Czechoslovakia, $221 million. They also ranked next to the USSR as the top Communist markets for U.S. farm products.

The southern East European nations—Bulgaria, Hungary, Romania, and Yugoslavia—traditionally have been agricultural exporters and to some extent compete with U.S. agriculture. Even here, however, agricultural imports—particularly oilseeds and meal and feedgrains—are on the rise as a result of growing livestock production.

Romania, for instance, boosted its imports of U.S. farm products from $37 million to $173 million between 1970 and 1976, with expansion assisted by the signing of a cooperative agreement between Romania and the United States in 1975.

So far, the principal U.S. agricultural exports to the Soviet Union and Eastern Europe have been wheat, feedgrains, and soybeans and soybean meal, reflecting a quality requirement and need for meeting short- and long-term consumption and livestock production goals.

In the future, U.S. exports of soybeans and soybean meal could become even more important, since most Communist countries have little hope of achieving self-sufficiency in oilseed production but will need increasing amounts of high-protein feeds.

Cotton exports to the Communist nations could also stage a comeback following a dropoff in the recent past. Live animals may be shipped in large numbers to upgrade livestock industries—a trend launched in the early 1970's with the beginning of heavy shipments of U.S. cattle to Hungary. And citrus and tobacco exports there could increase.

Another Communist market with tremendous potential, but an erratic import record so far, is the PRC. After importing $625 million and $624 million worth of U.S. farm products in 1973 and 1974, the PRC ceased to be a significant U.S. market. However, the PRC again turned to the United States in 1977 following crop shortfalls in the PRC and soybean supply problems in Brazil, its major source for soybeans. During calendar 1977, the PRC purchased about $66 million worth of U.S. farm products, mainly soybeans, soybean oil, and cotton.

BILATERAL AGREEMENTS—TRADE AIDS

This rapid trade expansion has been fostered by the close cooperation among U.S.

Government agencies. agribusiness, and the U.S. farm community in market development efforts in the Communist nations. The Government role has been to develop cooperative trade arrangements on a case-by-case basis and through them to link U.S. farm and trade groups with their overseas counterparts in trade and end-user enterprises.

These government-to-government arrangements have led to the conclusion of long-term purchasing agreements between private U.S. exporters of agricultural products and state foreign trade organizations.

Currently, the U.S. Department of Agriculture has formal bilateral cooperation agreements with the USSR, Poland, and Romania; a grain agreement with the USSR; a long-term grain understanding with Poland; and an informal understanding on grain sales with the GDR.

The Department also is negotiating an agreement with Bulgaria and expects to receive a request for a similar agreement with Hungary in the near future.

Cooperation with the USSR dates back to the 1950's, when the USSR and the United States began a prolonged exchange of technical information and expertise. These exchanges culminated in the June 1973 signing of an Agreement on Cooperation in Agriculture. In addition, an Agreement on the Supply of Grain was signed in October 1975.

The Cooperation Agreement has opened channels for U.S. industry cooperators to participate in Soviet development projects, using U.S. experience. The U.S. Feed Grains Council has an implementing agreement with the Ministry of Agriculture, and the American Soybean Association is discussing possible programs with several Ministries in the USSR.

Under the Grain Agreement, the USSR agreed to purchase at least 30 million metric tons of U.S. wheat and corn during the 5-year period that began October 1, 1976. The Agreement, which binds the Soviets to buy at least 6 million tons of grain a year and to space its purchases and shipments throughout the year, requires U.S. consultations for purchases larger than 8 million tons. It also gives the United States the option to reduce the quantity of wheat and corn available for purchase by the USSR in years when the total U.S. grain supply falls below 225 million tons. Consultations under this Agreement are held every 6 months.

The United States and Poland signed a Joint Statement on the Development of Agricultural Trade on October 8, 1974. The Statement provides for an exchange of agricultural economic information, conclusion of long-term purchasing agreements, and cooperation in agricultural research.

In November 1975, the United States and Poland reached an understanding on long-term grain sales in an exchange of letters between former U.S. Agriculture Secretary Butz and Polish Minister of Agriculture Barcikowski. Poland's part was a stated intent to purchase 2.5 million tons of grain (±20 per cent) annually until 1980, subject to U.S. availabilities. In 1976, the first full year of implementation of the "understanding," Poland imported 2.9 million tons of U.S. grain valued at $346.84 million.

In contrast to the Soviet Grain Agreement, the Grain Understanding does not obligate Poland to buy, but the "intention" is satisfactory for the implementation of the U.S. market-oriented policy. Moreover, Poland recently has asked the United States to consider a new long-term arrangement that would raise the purchase intention to 4-5 million tons, subject to concessional credit arrangements.

The Protocol on Development of Agricultural Trade between the United States and Romania was signed on September 11, 1975. The Protocol provides for an exchange of agricultural economic information and development of cooperative links in other areas between the Romanian Government and private U.S. organizations.

Both sides also have stated their intention to encourage expansion of agricultural trade. But there is no "handshake agreement" for U.S. grain sales, as in the Butz-Barcikowski exchange of letters. The first working group meeting under these protocols was held in Bucharest last year. Separate Memoranda of Understandings and Protocols of Cooperation have been developed to promote technical and educational exchanges and product promotion, including an arrangement between the Ministry of Agriculture and Food Industry and the American Soybean Association.

U.S. negotiations with Poland and Romania were facilitated by the fact that they receive MFN treatment and are eligible for U.S. Commodity Credit Corporation (CCC) credits. Cooperative relationships with other countries will be more limited unless countries comply with the U.S. Trade Act of 1974.

Nonetheless, steps toward further cooperation are being taken. For instance:

Following trade discussions in November 1976 with USDA and trade officials, the GDR stated its intention to purchase 1.5–2.0 million tons of U.S. grain annually until 1980. The two countries recently hel i further consultations and have expressed a desire to expand agricultural trade and hold future consultations on a regular basis. The thrust is toward a more formal agreement.

Since 1974, Bulgaria has been seeking an agreement in agricultural cooperation with the United States. The United States Department of Agriculture is now seriously considering an arrangement aimed at encouraging access for traders, greater availability of agricultural economic information, joint cooperation projects, and long-term purchasing agreements.

Hungary and Czechoslovakia have given strong signals to the Department for broader participation in formal exchanges and market development programs currently available to other signatory countries under U.S. agreements.

Government-to-government cooperation with the PRC is precluded mainly because of diplomatic nonrecognition, but U.S. cooperators have access to officials and state trading organizations through the National Council for U.S.-China Trade.

U.S. OBJECTIVES

Current U.S. arrangements with Communist countries are not instruments to regulate international marketing. Rather, they relate the unique trading practices of state-controlled economies to the framework of the free market system and help avoid disruption of conventional trading operations.

The periodic consultations on import needs and export availabilities provided for in these arrangements is consistent with informal U.S. understandings with market-economy countries, such as Japan and Israel. These "handshake agreements" confirm U.S. intentions to maintain open markets to foreign buyers, subject to U.S. availabilities, and provide the U.S. farm community with vital export markets. Perhaps most importantly, the arrangements provide for more predictable commodity purchases by the Communist nations and contribute to their integration into the world trading system.

MAJOR ISSUES

Expansion and diversification of U.S. agricultural exports to Communist countries will require further discussions of MFN status. Also needed are formal proposals to improve trader access, information, and reciprocity on all trade matters.

Title IV of the U.S. Trade Act of 1974 prohibits granting MFN privileges and Government credits to nations that do not permit free emigration. Currently, this applies to all Communist nations except Poland and Romania. (Yugoslavia also has MFN, but is considered to be a market economy.) Poland qualified for MFN and U.S. Government credits before passage of the Trade Act. Romania received an executive waiver of the freedom of emigration clause in 1976/77 and 1977/78.

The major U.S. trading partner—the USSR—does not have MFN status with the United States and is not a member of the General Agreement on Tariffs and Trade (GATT). A change on these positions seems unlikely.

Hungary, while a member of GATT does not receive MFN treatment from the United States and is ineligible for U.S. Government credits. The Hungarians, however, have recently negotiated a final settlement on a World War I debt and thus qualify for private loans and the sale and/or purchase of bonds and securities. Also, with the return of the crown of St. Stephen, there is new optimism about resolving other issues.

The GDR and Czechoslovakia are denied MFN by the United States, although Czechoslovakia is a member of GATT. Both countries are potentially strong partners for developing agricultural trade and are reviewing past debts with the United States in order to establish access to greater U.S. financing.

Bulgaria is an observer in GATT, but does not receive MFN treatment from the United States. However, Bulgaria has no outstanding U.S. debt, and the Johnson Debt Default Act of 1934 does not apply. Private U.S. financial transactions and credits are therefore available.

The PRC is ineligible for MFN because of noncompliance with the Trade Act of 1974. Trade with the United States, moreover, is limited because of diplomatic nonrecognition.

While obstacles created by the Trade Act of 1974 have been avoided by Poland and Romania, continuing expansion of U.S. agricultural trade with Communist countries will require close cooperation in this country between the Government and private sectors. Along these lines, U.S. agreements of cooperation emphasize access for private traders.

The interchange on other tariff and nontariff measures and development of a sharper perspective of the potential trade pattern between countries could precipitate more interest in U.S. commercial trade relations with Communist countries.

East-West trade then is a broad and complicated issue. Maximizing the latent potential will require bolder approaches than those already tried. There is the need to regularize trading relations with these countries, but the United States also expects reciprocity from them as new trade areas are opened.

For agriculture, the door to the East continues to look promising. The U.S. Government has initiated steps to develop trade through bilateral agreements. It has encouraged multilateral participation by the East. And there is a sense of a greater need for interdependence by the Communist countries.●

KATHLEEN M. MASON

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. FISHER. Mr. Speaker, a constituent of mine, Kathleen M. Mason, was recently recognized by the President of the United States for her outstanding work as a research analyst and assistant chief of the docketing and service branch of the Nuclear Regulatory Commission.

Ms. Mason suggested and implemented

a revised system for duplicating and distributing multiple copies of transcripts of Licensing and Appeal Board hearings and Advisory Committee on Reactor Safeguards meetings. Her system saved the Commission $190,000 in its first year with like savings anticipated in future years.

It is all too easy for any of us to criticize the Federal employee and such criticism seems to be in fashion these days. But fortunately Ms. Mason better represents the civil service. She cares about her job and the country for whom she works.

I am sure all my colleagues join me in thanking her for a job well done.●

TRIBUTE TO NEW POSTMASTER GENERAL WILLIAM F. BOLGER

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. SARASIN. Mr. Speaker, it is my honor and privilege to call to the attention of my colleagues here in Congress the outstanding career of Mr. William F. Bolger, who was recently named to be our new Postmaster General. Mr. Bolger, a veteran of 37 dedicated years in the U.S. Postal Service, was recognized as an outstanding leader, an efficient manager, and a strongly determined person capable of filling the important role at the top of the U.S. Postal Service.

Mr. Bolger's working experience on many levels of the Service makes him acutely aware of the problems faced by the U.S. Postal Service. In college, Mr. Bolger started to work as a postal clerk. Originally a resident of my congressional district, from Waterbury, Conn., Postmaster General Bolger rose through the New England offices and was promoted to Eastern Regional Postmaster General with offices in New York City. The new Postmaster General has an admirable set of priorities with which he will revitalize the Service. Included among these are: Ending operating deficits through greater mechanization and tighter management, reaching an equitable labor contract with Postal Service employees, and maintaining Postal Service independence by relying upon postal fees to maintain operations without the help of Government subsidies.

Mr. Bolger has received praise and admiration from many persons who are knowledgeable of Postal Service matters. For example, his old friend Edward J. Sheehan, manager of the management sectional center and postmaster of Waterbury, Conn., says Bolger is "easy to meet and easy to get along with," and that Bolger's background has made him "knowledgeable in all facets of postal operations."

The new Postmaster General's record stands as a fine example of what rewards dedication and sincere hard work can bring. The fact that William F. Bolger has worked his way up through the system is bound to improve the morale and positive working atmosphere of the U.S. Postal Service, for all will know that they have a true friend in the Postmaster General. I join in praising William F. Bolger for his outstanding work through his years in the U.S. Postal Service.●

NATIONAL NUTRITION WEEK

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. RICHMOND. Mr. Speaker, as you know, this week is National Nutrition Week. At a time when our national health care bill is $140 billion, I believe that if more Americans consumed a nutritious diet, we could reduce health care costs in the United States significantly.

It is ironic indeed that one of the best fed countries in the world suffers from malnutrition, both in terms of undernourishment and overnourishment. Both types of malnutrition have adverse effects on the health status of our population.

Hunger exists in many groups in our society, mainly among the rural and innercity poor. Estimates indicate that there may be as many as 2.5 million hungry children in the United States.

The second type of malnutrition, overconsumption, is by far the most prevalent. It is not a result of poverty but rather not knowing or caring enough to choose the best diet. Obesity is a major pediatric as well as adult problem. Children are 50 percent heavier today than 20 years ago. Forty percent of the women and 30 percent of the men in the United States are defined as obese. In fact, obesity is the most widespread nutritional disorder in the United States, and a major risk factor in diabetes, cardiovascular disease, some cancers, and complications of pregnancy.

Knowing that the Members of the House are deeply concerned about these problems, I would like to share with you remarks that I recently made at a conference on material and infant malnutrition. The conference was moderated by the eminent nutritionist, Dr. Jean Mayer, president of Tufts University. Joining me at the conference were my colleagues, Representative MARGARET M. HECKLER and Representative GEORGE MILLER.

The remarks follow:

REMARKS BEFORE THE CONFERENCE ON MATERNAL AND INFANT MALNUTRITION

Ladies and gentlemen, I am pleased to be here with you today, both to honor the memory of my Congressional colleague, Senator Hubert H. Humphrey, and to share with you some thoughts about a confusing subject.

Nutrition education was a subject the late Senator Humphrey felt very strongly about. In fact, as many of you know, as a member of the Senate Agriculture Committee, he gave increasing attention to the public's need to understand the relation between diet and health. He fought to include nutrition education in the WIC program and to pass the school nutrition education Act. He believed that we weren't doing enough to inform consumers about their food and diet choices and that this short-sightedness was contributing to our $140 billion national health care bill.

It was with these views in mind that I, as Chairman of the House Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, began an investigation of the Federal role in nutrition education six months ago.

A few moments ago, I said that nutrition education is a confusing subject. In fact, it reminds me of the proverbial blind men describing an elephant. For each person or group it seems to have a different meaning.

To most consumers it means help in staying trim and healthy, and fighting inflation and avoiding being ripped-off in the marketplace.

To some low-income participants in Federal Food and Welfare programs, it means the preaching you put up with in order to get your benefits.

To nutrition scientists, it means proven facts universally accepted by the experts.

To administrators of Federal programs, it means everything from communal feeding, to warehousing of pamphlets, to missionary work in the homes of the poor.

To the food industry, it is a strategy for selling products.

To the medical professions, it is largely ignored except by diet doctors who often see it as a way to build a lucrative practice.

To some of my colleagues in public life, it is an excuse to cash out costly programs to feed hungry people.

If it begins to sound like nutrition education is all things to all people, that is precisely what we learned in our recent Congressional investigations. However, we also learned that nutrition education defined as information and assistance about diet and health was both needed and wanted by the public.

To set the record straight, I believe there are two types of malnutrition in our country today. Both types affect the people we are here to talk about today, mothers and children. The first type, and the most familiar, is not having enough to eat; hunger and undernourishment. The second type is overnourishment—eating more than is good for you.

Hunger exists among our rural and inner-city poor. Presently, there are about 16 million participants in the Food Stamp Program. As many as 35 million may be eligible at any one time. No one knows how many potential participants fail to get adequate nutrition, but it is reasonable to assume that anyone eligible for food stamps, but not enrolled, may not have enough food to eat. Estimates based on the HANES survey of HEW indicate that there may be as many as 2.5 million hungry children in the U.S.A. Women who don't get enough to eat may have premature and handicapped babies. It's estimated that 10 percent of the 3 million babies born each year are smaller than normal and ½ of the 10 percent—or 150,000—of them are handicapped, at a cost during their lifetime of up to $750 billion. There is a simple first step to cure malnutrition caused by hunger: Increase the ability to purchase enough to eat. Thanks to Senators Humphrey and McGovern, and Congressman George Miller we have a Federal program designed to prevent the physical toll of hunger on mothers and children. I'm referring to the WIC program of the U.S.D.A., one of the best preventive health programs in the country.

The second type of malnutrition, by far the most prevalent, is not the result of poverty, but of not knowing or caring enough to choose the best diet. This type of malnutrition is as common among rich as poor, black as white, child and adult.

Despite a $70 million federal investment in nutrition education, our children are 50%

heavier today than 20 years ago. Obesity is a major pediatric as well as adult problem. The average adult is heavier now than in the last decade with 40% of women and 30% men obese. Among some minority groups, as many as 50% of women are obese. In fact, obesity is the most widespread nutritional disorder in the United States, and a major risk factor in diabetes, cardiovascular disease, some cancers and complications of pregnancy.

The blood cholesterol levels of children and adults in the U.S. are higher than in other Western countries. In one federally-funded survey, one-third of 6, 7 and 8th graders had elevated blood cholesterol levels, a shocking statistic considering the risks these children face in later life.

The National Center for Health Statistics reports that the diets of women and teenage girls are the poorest in the population, a finding particularly ominous for their future childbearing experiences.

National surveys show that as many as ⅓ of low-income children are underdeveloped in stature and obese. These children are victims of poor quality diets, not hunger.

In our Subcommittee's investigation, we learned that Federal publications do not discuss the advantages of breast feeding, despite the fact that mothers who breast feed have: better general health, lower incidence of breast cancer, economic advantages, natural fertility control and generally healthier babies. For the child, breast feeding prevents obesity due to overfeeding and may lower risks of high blood pressure and heart disease in later life.

Nor do government publications for mothers address the subjects of infant feeding practices or the relative advantages of infant foods made from fresh foods at home compared to those developed by industry.

Faced by rising rates of obesity, and the dilemma of consumers who do not know which foods and diets are good for them or their children's health, it is absurd for agencies to publish generalities such as: "Eat some foods from each group daily" or "Eating large servings will meet nutrient needs of active individuals".

There is only one conclusion we can draw. Government is not providing effective information to those who need it most. Our Subcommittee investigation revealed that current nutrition education efforts usually ignore the relationship of food to diet and health and almost never deal with nutrition as it pertains to prevention.

Barraged by a massive advertising blitz, last year we each ate 129 pounds of sugars and sweeteners, 3 pounds more than 1976 and 11 pounds more than in 1968, and 56 pounds each of fats and oils, 5 pounds more than a decade ago.

In 1940, almost 40% of our calories came from farm-fresh fruits, vegetables and grains. Today, only 20% came from these sources. Some agencies estimate that 70% of the food we bring into our homes is processed. Processed foods are not in themselves bad, but they're made with chemical additives of unknown health value and have uncertain nutritional qualities. Some say that all foods have a place in our diets, but I believe that some foods are better for us than others.

Would you recommend cookies and soda pop to an infant as a nutritious lunch? Or French fries and donuts to a pregnant woman? Sure, there's a place for these foods in our diets—but only as occasional snacks—not staples! How long do we have to wait for scientific consensus on matters of common sense?

The old nutrition education urged a physically active population to eat enough to insure health. Today, when we spend $106 billion a year on groceries, when obesity is a major public health problem, when dietary excesses are linked to disease, the old nutrition education simply will not do!

Given the complexity of our marketplace, the maturity of our science and the varied lifestyles of our population, nothing less than a new nutrition education is called for!

Let us look at some of the features of this new education:

It should be diet and health oriented; it should motivate and equip consumers to make informed choices; it should be based on the most accurate and up-to-date scientific knowledge; it should be a broadly based, long-term venture; it should be specifically designed to meet the needs and expectations of consumers.

Our Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition is preparing legislation to improve the Federal efforts in nutrition education. In March, we will introduce the "National Consumer Nutrition Information Act", a bill consisting of six parts:

An experimental program aimed at improving the diet and health of large groups of consumers at the community level, with consumer involvement in planning at each stage;

A U.S.D.A. media program involving televised public service nutrition announcements;

Coordination among Federal nutrition education efforts, which are now notoriously fragmented;

A mechanism for reviewing privately produced nutrition educational materials for accuracy, educational soundness, and freedom from commercialism;

A graphic nutrition labeling experiment involving fresh fruits and vegetables at the point of purchase;

A competitive grants program to broaden skills in communications, outreach, and nutrition knowledge for those working at the community level.

If Congress is to provide the dollars and the policy initiatives to support a national nutrition education effort, we must be assured that it will accomplish significant improvement in the health and well being of our people.

Food, diet and health are no longer the proprietary business of a small coterie of specialists. The Congress is beginning to view it as the business of the nation. As such, we must bring the best of our artistic, technical and scientific know-how together to plan programs that are highly visible and powerfully persuasive.

The scientific community must begin to formulate answers to controversial nutrition issues. These answers must then be translated into guidelines that are useful in the marketplaces, restaurants and kitchens of our diverse population. We need to design information programs that will be appealing and motivate those with different levels of income and education. We must be both business-like and creative in the way we provide nutrition education at the community level. The lectures, the home visitations and the recipe demonstrations are not making a ripple on the pond in a country of 218 million.

We must cease viewing nutrition education as missionary work. We must reach people in ways which are relevant to their environment and experiences. Unless we collaborate with consumers to define the problems and find the best solutions, nutrition education will continue to have little influence on the eating habits of the public.●

NATIONAL NUTRITION WEEK

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. WALKER. Mr. Speaker, I would like to focus the attention of my colleagues on an important project initiated by the American Dietetic Association. I am speaking of National Nutrition Week which is now going on during the week of March 5.

It seems to me that National Nutrition Week is a particularly appropriate time to note that, as scientific evidence continues to mount, we are all becoming increasingly aware that good nutrition is central to good health. I believe that the day when nutrition is debated as a major national issue is not far away.

Good health is a prime national goal; and, thus, has become a concern of every American. As that concern grows as an issue, so will concern for good nutrition. Even now, I sense a growing awareness about the need for nutritional knowledge among my own constituents as well as among my colleagues in Congress.

I believe that during National Nutrition Week of 1978 our awareness for the need to initiate a proper program of nutritional education should be heightened. Toward a further goal of providing the American supermarket shopper with easy to understand and essential information about the nutritional value of the food he or she is purchasing, I have introduced legislation.

My proposal would provide labeling on all food packaging pictorially indicating the nutritional versus the caloric content of a given product. In addition, diagrams would indicate clearly the amount of the USDA recommended daily allowance of a specific nutrient in each product.

My proposal is a beginning just as National Nutrition Week is a beginning. Hopefully, legislative action will follow public awareness with the result that every American has a chance to become healthier by eating better and more nutritional foods.●

CZECHOSLOVAKIA'S "PRESIDENTIAL LIBERATOR"

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. DELANEY. Mr. Speaker, on this day 128 years ago Tomas G. Masaryk was born to a poor coachman in Czechoslovakia. Despite his humble beginnings, Masaryk went on to become the founder of the modern Czechoslovakian state, its freely elected President for 17 years, and one of his era's most loved and respected statesmen.

As a member of the Austro-Hungarian parliament, Masaryk began fighting for the rights of Slavic minority groups as early as 1891. After decades of struggle, he and his student Eduardo Benes felt in 1918 that their goal of establishing an independent Czechosolovakia, free from the tyrannical Habsburg rule which had dominated it for 300 years, was within sight.

Toward that end Masaryk traveled to the United States in 1918 to seek our support and meet with President Wilson. This meeting led to an official declaration of sympathy for Czech goals and to the formal recognition of the Republic by the Allies in the fall of that year.

A decade later Masaryk voiced this reminiscence of that historic encounter:

In a sense, the United States is Czechoslovakia's foster parent. It is upon President Wilson's immortal charter of freedom, as embodied in his famous Fourteen Points, that the foundations of our State are laid. We have tried to pattern our young republic after our greatest sponsor.

In 1935 Tomas Masaryk laid down his heavy burden and resigned as President of independent Czechosolvakia. In fitting tribute to an extraordinary man, all Czechoslovakia stood in silent honor, and the Czech cabinet bestowed on him the title of "Presidential Liberator."

Mr. Speaker, let us be inspired even today by the living legacy of Masaryk's quest for justice and his dedication to the cause of freedom. And let us hope that the spirit he embodied, that spirit which has passed on through Benes to Dubcek and is alive even now, may soon flourish once more in a Czechoslovakia free of oppression.●

A REDUCTION IN TAX RATES WILL END THE COAL STRIKE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. KEMP. Mr. Speaker, as the coal miners strike drags into its fourth month, I think that most Americans are still baffled by its length and intensity.

As this editorial points out, the 37-percent pay increase offered to the miners included a reduction in fringe benefits. Since the wages are taxable while the fringe benefits are not, and because the miners already have high gross incomes, their marginal tax brackets are very high and their after tax return from this contract offer is almost nil. Under these circumstances, who can blame them for striking. Once again it proves that workers want higher aftertax incomes not higher nominal wages.

Consequently, the best thing the U.S. Government could possibly do to end the current strike and prevent more like it in other industries would be to radically reduce marginal tax rates.

The editorial follows:

[From the Wall Street Journal, Mar. 7, 1978]

THE MINERS HAVE A POINT

Everyone is wondering what's bugging the coal miners, who just voted down a 37% wage and benefit increase. But the more we look at it, the more we think that if we were a coal miner we'd have voted against the proposed contract too.

Now that President Carter has moved for an 80-day cooling off period, everyone wonders how to get the miners to comply. If we were a miner, what we'd want wouldn't be the contract raise immediately, as Mr. Carter suggested. We'd much prefer some assurance that the supposedly smart guys would make constructive use of the 80 days, burning up the last agreement and starting from scratch.

UMW President Arnold Miller, the mine owners and the federal mediators can begin by apologizing for not following instructions in the first place. Before the negotiations began last year the miners were surveyed on their demands, and cited health benefits first, pension benefits second and wages third. Yet the union boss went the other way. The 37% package breaks down to 31% in wages and only 6% in fringe benefits. And Mr. Miller negotiated away the all-expenses health plan the miners have had for 30 years.

The point of all this, and the reason we'd have voted against the pact if we were coal miners, is that health benefits are not subject to federal income tax and pension benefits are deferred and taxed at lower rates, while wage increases are gobbled up at the miners' marginal tax rates. The deductibles that Mr. Miller negotiated into the health plan, for instance, now must be paid in after-tax dollars, rather than tax-free ones. Similarly, the miners wanted to have pensions increased for those who retired prior to 1975—often their fathers and grandfathers. This is another way for a household to keep a pre-tax dollar from being clawed by Uncle Sam. The negotiators threw this idea out too.

Instead, these private sector management and labor people seemed determined to maximize the governments' cut of this new contract. And what thanks do they get; the government economists fret that the 31% increase in wages may be "inflationary." If those economists looked at what the miners face they might be able to understand what is happening to all of us.

We asked Steve Entin, of the Joint Economic Committee of Congress, to figure out how much real income the coal miner is going to have in 1980 out of that 31 percent increase. He took a miner filing jointly, with two children and taking the standard deduction. He assumed a 6 percent per year inflation rate, that the Social Security tax increases would be retained, and that President Carter's "tax cut" would be enacted as proposed. The results:

By 1980, the miner working an average 1,800 hours would earn a gross income of $18,360, up from $14,040 last year. Assuming he has the advantage of the proposed Carter "tax cut," his combined federal income and Social Security tax would rise to $2,867 in 1980 from $2,171 in 1977. In 1980 dollars, he would have after-tax income of $15,493, which at an inflation rate of 6 percent would be worth $13,008 in 1977 dollars. Comparing this with his after-tax net of $11,869, he would have a raise of $1,139, or 9.6 percent over the three years.

If the inflation rate is 8 percent instead of 6 percent, however, half of that gain would be wiped out. And out of whatever is left, the miners have to pay health fees that had been free, and must also help support fathers and grandfathers. There is no small chance that they will end up going backward.

Inflation and taxation have similar effects, of course, on the mine operators' ability to pay wage increases. But surely the owners can afford to be indifferent as to how a settlement is distributed, and in 80 days Mr. Miller ought to be able to figure out some way other than the one that maximizes the government's cut.

It is not the workers but the negotiators who need a "cooling off" period. The idea that this breakdown has occurred because of an excess of union democracy is absurd. The miners have a point. But nobody seems to listen to them.●

DREAM ENDS WITH CRASH OF HOME-BUILT FIGHTER PLANE

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. HANSEN. Mr. Speaker, in a world of speed and sophistication, it is still the little things that count. A simple mechanical failure recently in the left landing gear of a $3 million RB 104, holder of the world low altitude jet speed record, led to the destruction of the craft in the California desert. The pilot, Derryl Greenamyer, safely ejected at 10,000 feet, a separation of a man from his dream.

Greenamyer's plane was a home-built miracle, the only privately owned supersonic aircraft in the world. With it he had teamed up with the famous world record-holding Red Baron Racing Team based in Idaho Falls, Idaho, and set some amazing records of his own.

On October 24, 1977, Greenamyer streaked over the Nevada desert at speeds over 1,000 miles per hour in setting the world low altitude speed record of 988.088 miles per hour.

Having bested the U.S. Air Force, Greenamyer and Red Baron set their sights on capturing the Soviet-held world altitude record of 122,000 feet. No doubt they could have done it; nothing seems impossible to those who back their dreams with ingenuity, dedication, hard work and sacrifice.

The history of mankind is enriched by the adventuring spirit of people like Darryl Greenamyer and Ed Browning.

Mr. Speaker, I include for the RECORD a February 28, 1978, account by D. J. Wilson in the Idaho Falls Post Register of this final flight of a phantom plane which only existed because of a man's resourceful imagination and those who believed in his dream.

DREAMS OF SUPERSONIC GLORY CRASH WITH HOMEBUILT FIGHTER

More than 12 years of hard work and hopes for glory ended as a scattered pile of metal scraps Sunday night on a remote area of Edwards Air Force base as Red Baron Racing Team pilot Darryl Greenamyer lost his $3 million home-built RB-104 Starfighter because of simple landing gear failure.

Greenamyer, 41, ejected successfully at 10,000 feet. He was lost for an hour on the California desert before an ambulance picked him up and took him to a hospital for treatment of minor injuries and released him. The pilot, who tweaked the nose of the world's air forces Oct. 24, 1977, by setting a new low altitude jet speed record of 988.088 mph over the caked surface of Mud Lake, near Tonopah, Nev., was in seclusion Tuesday. He has maintained an income through the real estate business, but his dream has vanished.

Sunday afternoon's flight started as a routine test of the plane's water injection system. It and other complex systems in the craft, which Greenamyer, a former Lockheed test pilot, fashioned from scraps of crashed Starfighters and spare parts from manufacturers, had failed a month ago in a similar test.

Sunday afternoon, all the complicated systems needed for the coming attempt on the world altitude record (Greenamyer was aiming at about 125,000 feet to better the Soviet-held record of about 122,000 feet) worked like a charm. The test flight was finished and the RB-104 was coming in to land at Mojave, Calif.

A warning indicator showed the left fuselage landing gear had failed to engage properly. Worried, Greenamyer shot over to Edwards Air Force base 20 miles away. He was nearly out of fuel.

As he touched the plane down gingerly on the base runway, he felt the left gear give. Observers in the tower radioed him: the left gear was swinging free.

A belly landing was out of the question. "No one has ever lived through a belly landing in an F-104," said Ed Browning, the

Idaho Falls businessman who had been putting the city on the aviation map through his sponsorship of Greenamyer's world record attempts. Browning noted the landing speed is about 260 mph.

It was a question of pilot or aircraft, never both. Greenamyer angled his needle-nosed supersonic jet on a steep climb to 10,000 feet, using up his last reserve of fuel. With the gear up, so there was a possibility it could survive, the impact and the cause of its failure can be ascertained, Greenamyer bailed out.

As his parachute opened, the Red Baron pilot saw the world's only privately owned supersonic aircraft make a 180-degree turn and disappear. It crashed on a remote area of Edwards Air Force base, Browning said.

There was some insurance through Lloyd's of London, Browning commented, but not much.

More than the red and white jet vanished Sunday afternoon.

There were negotiations going on with two Hollywood production companies for a possible film about the Greenamyer story and his "junkyard" jet. That is lost, Browning said.

There is an existing agreement with the Mattel Toy Co., Los Angeles, to produce a model of the craft. Only the price remains unsettled. Browning said he has no idea what will happen to that arrangement.

As for the Red Baron Racing Team, racing will continue, Browning said, and Greenamyer, if he wants, will remain part of that team of pilots. There was a planned attempt on the non-jet plane speed record by the contra-rotating propeller RB-51 (a modified P-51). "I don't know about that now," said Browning.

"We're glad," he said, "that Darryl got out of this all right."

The rest, he sighed, "is all a memory."●

POLITICAL ADVANCEMENT BUT ECONOMIC STAGNATION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. RANGEL. Mr. Speaker, in the past decade, there has been a great rise in the political awareness of the black community. I would like to bring to my colleagues' attention an article appearing in the March 6 issue of the New York Times which deals with this point. No longer are our black communities considered simply as a "machine" voting blocks, but rather they are now considered a politically dynamic ethnic group.

The evidence of this advance is in the numbers. In the past 10 years the number of black Congresspersons has doubled. There are now four black elected State executives as opposed to only one in 1968. And as everyone knows, the votes of black Americans in our last Presidential election were decisive. The progress in the political arena is clear.

Progress in politics is something that we can all be proud of. However, I am saddened to see that economically minorities are still lagging far behind. As the Times points out, 28 percent of all blacks live in poverty, and 40 percent of all black children are currently being raised in poverty. The fact that so little progress has been made in this area is outrageous, and it indeed shows that, despite the political progress, there still remains much to be done.

The text of the March 6 New York Times article follows:

BLACKS AND POLITICS: PROGRESS IN A DECADE OF DISAPPOINTMENT

(By Roger Wilkins)

Ten years after the Kerner commission issued its report, forecasting the development of "two societies, one black, one white—separate and unequal," there is much disappointment and some disillusionment in America's black community. But the picture is not entirely bleak.

URBAN AFFAIRS

There has been quit steady progress, not only in areas in which new institutions have been established to assist in the quest for social justice, but also in areas in which changes unimagined two decades ago have dramatically altered the face of American society.

Nowhere is such change more evident than in the political arena. The conventional wisdom among people who have worked on the domestic side of the Federal Government or around the country in race relations is that the Voting Rights Act of 1965 has been the most successful social legislation to come out of Congress in the last 20 years.

There is no question that the progress has been real. One startling example has been the recent courtship of black voters by Senator James O. Eastland of Mississippi, who has spent much of his political life and his considerable power fighting such legislation as the Voting Right Act. Yet he is being seen now compaigning side by side—and sometimes arm in arm—with Aaron Henry, longtime president of the N.A.A.C.P.'s State Conference of Branches in Mississippi.

Mr. Henry, to the dismay of a number of black spokesmen who have denounced this political alliance, has issued a plea to his friends to give Senator Eastland a chance. The Senator, for his part, seems to welcome an alliance that would have been unimaginable just five years ago and that signals the power of the 400,000 black voters in the Mississippi rolls.

FACTS AND FIGURES

There are other signs of significant change. The Washington-based Joint Center for Political Studies, which will soon celebrate a decade of black political progress, has assembled an impressive array of statistics indicating that there is reason to celebrate. A statement recently issued by the center notes:

"Facts and figures help to tell the story: eight black Congresspersons in 1968, 16 in 1978; one black elected state executive in 1968, four today, including two lieutenant governors. Within 10 years the number of black state senators increased 81 percent, and the number of state representatives, 74 percent. The number of municipal black officials has tripled in the past 10 years, currently totaling 2,083. In 1970, there were only 48 black mayors in the United States; today there are 163, including the mayors of Los Angeles, Detroit, Washington, D.C., Atlanta, Newark and, as of May, New Orleans."

The center cites progress at other levels of government as well. For example, the number of black elected officials in Illinois increased from 26 to 134 in that decade. There are now 13 black state legislators in Alabama, where in 1970 there were none, and the number of blacks in county governing bodies in Arkansas increased from none to 29 and in Louisiana from five to 60.

There are few blacks in the country who would dispute the importance of those figures, but the center and elected officials hasten to put them into context.

They point to the continuing social malady that finds 28 percent of all blacks still living in poverty and 40 percent of black children currently being raised in poverty. And they note that, despite the political progress, less than 1 percent of all elected officials in the United States are black, and in 1976, out of 15 million eligible black voters, only six million voted.

CENTER ORGANIZED IN 1970

In that context the Joint Center for Political Studies, an institution that did not exist a decade ago, has come to be viewed as a great asset in the struggle for political participation by minorities. The center was organized in 1970 with a grant from the Ford Foundation and a good deal of technical assistance from the Metropolitan Applied Research Center.

The foundation has continued its assistance to the center, reflecting its "concern about the role of minorities in governmental life," according to Sanford M. Jaffe, one of Ford's program directors.

The purposes of the organization, according to the Ford grant document, are to "provide research, information, education and technical assistance in order to increase the understanding, participation and effectiveness of blacks and other minority group members in governmental activities:" And the document adds, "Its services are provided on a nonpolitical basis."

A little over a decade ago Justice Department officials cast about desperately to find technical assistance for the first black elected sheriff in Alabama. Little was available.

REGIONAL SEMINARS HELD

Now, according to Eddie N. Williams, president of the center, the organization provides training to public officials through a number of regional seminars held several times a year in such areas as management planning, budgeting and administration.

"We do a lot of research on governance problems," Mr. Williams said in a recent interview. "We have looked at long-range planning and metropolitan government as well as at revenue-sharing and drug abuse issues."

The center also played a key role in pulling together Operation Big Vote, a drive by a coalition of organizations that raised minority registration by 12 percent in 36 target cities in 1976.

"We've made a lot of progress in this decade," Mr. Williams said, "but we've got a long way to go. And politics really is the alternative to a lot of rhetoric or to hitting the streets again."●

WOMEN IN TEXAS: "THE TIME HAS COME"

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. PICKLE. Mr. Speaker, no doubt a number of my colleagues noticed the cover story in Parade, the Sunday supplement, entitled "Woman Power Is Deep in the Heart of Texas." The article focuses on seven women in Austin, Tex., who have achieved positions as public officials or community leaders.

Since Austin is my hometown, I have had the honor of working closely with these women for many years and I am very proud and gratified that this article has given them the national recognition that they deserve for their work. I am also very proud of the people of Austin who have recognized the talent and

leadership abilities in these women and selected them as officeholders and spokespersons.

But, Mr. Speaker, I would like to point out, as I am sure that these seven women would, that there are hundreds of other women in Austin and throughout Texas who have worked hard for many years to elevate the status of women and represent the concerns of their communities.

I hope that my colleagues will take note of this article and realize the important contributions that women can make to government if they are given an equal opportunity to compete with men. I also hope that other States will follow the lead of Texas and vote for ratification of the equal rights amendment to the Constitution before the deadline expires next year.

The article follows:

WOMAN POWER IS DEEP IN THE HEART OF TEXAS

(By Marguerite Michaels)

AUSTIN, TEX.—Here in the capital of Texas, where men are men, women are taking over the town.

While football may be king at the University of Texas, the president of UT is "Queen" Lorene Rogers. Austin's "Mister Mayor" is Mrs. Carole McClellan. The city's representative in the state legislature is Wilhelmina Delco. The president of the Chamber of Commerce is bank vice president Dorothy Rowland. The leader of local Chicanos is a Chicana, Martha Cotera. Other movers and shakers of Austin include Liz Carpenter, who used to shake them up in Washington; political strategist Ann Richards, and the owner or radio station KLBJ and symbol of local woman power, Lady Bird Johnson.

Why should Austin, a lovely and progressive university city of 300,000, be a place where women have won so much of the power usually held by men? "Why not?" answers Joe Frantz, a prominent Texas historian. "It's part of the Western feeling that everyone should carry their own weight. In frontier days, an extra hand was an extra hand, regardless of sex."

Austin's leading women come from the mainstream: wives, mothers, PTA members, Junior Leaguers. Some of them are also feminists. Gradually, they are transforming the pioneer tradition of partnership into 20th-century-style equality with their men.

COLLEGE PRESIDENT

Dr. Lorene Rogers, 63, is the first woman president of a major American university. In 1941, when her husband died, she decided to study chemistry—his field—even though his friends said women weren't welcome. Eventually she joined the research staff at UT but was refused a chemistry professorship because, she was told, "We've never had women and we never will."

Dr. Rogers switched to university administration, becoming associate dean, vice president and—in 1975, amid much controversy—president of UT.

Being a woman probably helped elect Mayor Carole McClellan last year. When two local businessmen called a press conference to say the job was too much for a woman, Austin's liberalism emerged and Carole was elected.

A wife and mother, Carole may be the best example of the kind of woman coming to power in Austin. At 38, she is a former president of the Austin school board and a member of the Junior League and the Women's Political Caucus. She was also a high school civics teacher and woman's tennis coach while helping put her husband through law school.

Wilhelmina Delco, once a volunteer social worker, is the first black to be elected from Austin to the Texas legislature. Her political life, she says, developed naturally from rearing her four children. When they were in school, she was PTA president; and when she couldn't get things done there, she got herself elected to the school board. Now she's in the Texas House of Representatives.

BANK VICE PRESIDENT

Dorothy Rowland, mother of two and not college-educated, has at 54 been working for years. Starting as a secretary at Capital National Bank, she has risen to vice president.

Dorothy's position at the bank and her presidency of Austin's Chamber of Commerce got her involved with the city's other women leaders.

When Martha Cotera and her husband Juan, Mexican-Americans, first came to Austin, they weren't able to rent a house near the university. An education consultant who went into politics "because of the needs of my community," Martha is today a leader among her people. She has achieved for Austin's Chicanos both a sense of ethnic pride and recognition by the city, including a new bilingual education program.

Ann Richards, 48, has been in Democratic Party politics for years. "Oh I started with the same self-image," she says. "Babies and a nice home and parties. But I couldn't spend my whole life keeping my house decorative. Politics provided what I needed: people and issues I can do something about."

She ran two successful state legislative campaigns for others, then won her own race in 1976 to become the first female Travis County Commissioner.

Mary Elizabeth "Liz" Carpenter, 57, was a founder of the National Women's Political Caucus and now co-chairs ERAmerica. A journalist, Liz and her husband Leslie went to Washington set up their own news service in the days of Franklin Roosevelt. Liz's career there spanned seven U.S. Presidents. Along the way she became the first woman executive assistant to a Vice President (Lyndon Johnson) and then press secretary to his First Lady.

Lady Bird Johnson once told Liz Carpenter that LBJ pushed her into any job she ever took and that she thought the women's movement was more her daughters' cause than hers. But lately, while still mainly devoted to environmental causes, she has apparently begun to identify herself publicly with her daughters' generation of women. She appeared at the National Women's Conference in Houston, and she is a major contributor to ERAmerica.

She has been called "the intellectual fluid" of Austin, presiding over symposiums that bring distinguished people like Henry Kissinger into town. Described with words like "class," "dignity," "graciousness" and "charm," Mrs. Johnson is regarded as a bridge between Austin's traditional women and their new, more powerful sisters.

In speaking about power, none of these women was altogether comfortable with the word. Dorothy Rowland felt it denoted force, was "dirty." "If we are supposedly powerful," says Ann Richards, "we're ambivalent about the role. I guess I express it in terms of satisfaction instead of power."

Most of the women had trouble wielding the influence of their office. The thing they found easiest to do was hire other women. Lorene Rogers pressured UT's, chemistry department to get women. Carole McClellan helped hire Austin's first woman principal.

UNSURE OF ROLE

But they admit to having trouble using power for power's sake. Says Wilhelmina Delco: "I still can't pick up the phone and say, 'This is State Representative Wilhelmina Delco, and I want you to get right over here!' I'm still not sure they'll come."

"We want to be in office," says Ann Richards. "We want to be effective. The problem is we also want to be loved."

The Austin women are also constantly reminded that they are playing a game invented by men. As Delco says: "I didn't know legislators had parties on a boat on Lake Travis, where a lot of deals are made. I wouldn't have known that as a woman—unless I'd been asked to cater."

These women believe they have brought honestly to politics. "We're not interested in money," says Rowland, "we just want to be recognized." Lorene Rogers thinks she can restore a sense of cleanliness to higher education, which is now under attack. And Wilhelmina Delco thinks she can do the same with legislative politics.

FEEL EXTRA PRESSURE

They talk about just doing a good job, and all admit to feeling extra pressure as females. "There are so few of us," says Richards, "we're terrified we won't be good. Success is a very heavy responsibility." Richards has had a tough first year as county commissioner: "I tried to do too much all at once and had trouble with the stress it caused." Rowland hasn't joined the bank officers' informal morning coffee: "I'm always sitting at my desk overachieving."

All of the women talk about the commitment and energy necessary for professional and public life. And nowhere is this need clearer than in the juggling they do with their personal lives. Representative Delco comes home to fix lunch for her husband every day. Mayor McClellan builds her day around evenings at home, with carpools at school once a week. "I have always taken my children, a box of toys and a box of diapers everywhere," the mayor says.

As for the demands of marriage, these women speak of having "understanding" or "secure" husbands. But Delco thinks there are few husbands like hers, and she worries that her daughters will have to make the same old choice between men and a life of their own.

It is something women have to consider, says Lorene Rogers. "I've worked harder for the past three years than anybody ought to work. I've given up a huge part of my personal life—nearly all of it. Women have to make choices."

And they're sometimes lonely ones. An aide remembers walking into Rogers' office and finding her staring out the window. She looked up and asked: "Why don't any of my vice presidents invite me to lunch?"

"Looking back," says Rogers, "I think I would have preferred the married life I started."

MOST LOOK FORWARD

She is the only one of Austin's influential women who feels that way. The rest are looking forward. "Every time a woman wins something," says Liz Carpenter, "we all get a little braver. There's no turning back."

Lady Bird Johnson says it flatly, with a touch of dignified outrage: "The time has come."●

CHIEF NATHANIEL HAMILTON HONORED AS DIRECTOR OF ANGEL DRILL TEAM

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. McCLORY. Mr. Speaker, one of my most respected constituents, Chief Nathaniel Hamilton, is being honored at a meeting of the Progressive Community Organization of North Chicago on Saturday, March 11, 1978.

Chief Hamilton is the founder and director of the celebrated Angel Drill

Team which has performed nationwide during the past 11 years.

Mr. Speaker, Chief Hamilton, a retired Navy chief, organized and trained the Angel Drill Team, a unit composed of young women from the North Chicago, Waukegan, and Zion areas of my 13th Congressional District. The highly successful development of these young women in precision drills can be attributed to the great talents, energy, and leadership of Chief Hamilton.

I have witnessed the Angel Drill Team in competition and in public performances and can attest to the highly disciplined, graceful, and stellar performances of these young women. To observe the Angel Drill Team in action is to gain respect for the young people of our Nation and to develop confidence in their future and our own future welfare.

Mr. Speaker, the Angel Drill Team was established in 1967 and since that time has attracted young women between the ages of 12 and 17. During this period, the Angel Drill Team has won 130 trophies, 4 of them national awards, and 2 of which are international trophies.

More recently, Chief Hamilton established a Bunny Drill Team, which is composed of younger girls between the ages of 6 and 12, and this team is currently in national competition.

Mr. Speaker, in the words of Vernon Shelton, President of the Progressive Community Organization of North Chicago,

> It is only fitting that the citizens of North Chicago honor Nathaniel Hamilton for his great contribution to our community.

Mr. Speaker, Chief Hamilton's contribution benefits not only the community of North Chicago and the 13th Congressional District of Illinois but the entire Nation as well. Accordingly, I take this means of communicating, to Chief Nathaniel Hamilton the congratulations and good wishes which I am expressing here today to all of my colleagues here in the U.S. House of Representatives.●

LEGISLATION TO PROMOTE EFFICIENCY IN GOVERNMENT AND TO REDUCE THE BURDEN OF FEDERALLY MANDATED PROGRAMS ON STATE AND LOCAL GOVERNMENTS

HON. MARK W. HANNAFORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. HANNAFORD. Mr. Speaker, today I am introducing legislation which assures that new Federal programs requiring budget authority or existing programs requiring reauthorizations will be thoroughly evaluated prior to their enactment or continuation. In addition, my bill will require that estimates of the costs of implementing Federal programs at the State and local levels be provided by the Congressional Budget Office and that the General Accounting Office report to the Congress on the extent to which proposed activities are already being carried out by States and local governments. Moreover, agencies would be required to publish estimated costs of State and local compliance with their proposed regulations. Also, where federally mandated programs involve added costs to State and local governments, enacting legislation must provide for payments to State and local governments from the U.S. Treasury.

The Congress has been studying the future of State and local financing for several years. Since 1960, there has been a steady upswing in municipal financing needs for traditional purposes such as education, health, and water and sewer projects. While in the past Federal subventions to State and local governments have offset mandated programs, we want to make certain that there is a dollar-for-dollar compensation for all such programs in the future, making certain that this Government does not contribute to the increasing burden of property taxes on homeowners.

Mr. Speaker, the continued burden of federally mandated costs on municipal budgets must ultimately fall upon every taxpayer in the Nation. And much of these costs will be shifted to property taxpayers. In the State of California, total property taxes now exceed $10 billion. In the last decade, property taxes have risen by 131 percent. The impact on homeownership is substantial for all families and especially for senior citizens living on fixed incomes. The situation in California is particularly alarming. Housing costs in the State are among the highest in the Nation with the average cost of a home in Orange County exceeding $88,000 last year. A review of available statistics reveals that annual housing expenses for a median-priced new home—$49,000—exceed $6,000 and that a family must have a minimum annual income of $24,800 to afford those payments.

In addition to the property tax bite, consumers are experiencing a tremendous loss in purchasing power as the cost of living increases. Mr. Speaker, the need for this legislation is obvious. It will encourage national policymakers to more closely examine priorities, and to consider the broader implications of new and existing programs. This bill also initiates a mechanism for greater program control and evaluation by stipulating 5-year authorization limits and by requiring detailed annual reviews.

Mr. Speaker, in 1976 the Joint Economic Committee held hearings on the future of State and local government finances. At that time, Robert E. Merriam, Chairman of the Advisory Commission on Intergovernmental Relations, stated that:

> . . . right now we really have no mechanisms to look at what I like to call a national fiscal policy. We have no overall relationship of . . . expenditures between the Federal government, the States and the localities.

Indeed, a February 14, 1978, GAO report titled, "The Government Should but Doesn't Know the Cost of Administering Its Assistance Programs" emphasizes the significance of quantifying State and local compliance with federally mandated programs. While adequate information on such costs does not exist, the GAO survey reveals that millions of dollars are involved. The GAO concludes, as I have, that accurate and complete information of this nature is essential.

The legislation I am introducing today is a step in the right direction. It is an attempt to strengthen the congressional oversight process, add credibility to our concerns about fiscal responsibility and program effectiveness, and to protect the Nation's taxpayers from the unnecessary costs of inefficient government. It is, above all, a commitment by the Federal Government to look beyond Washington when priorities are established and policies defined.

Mr. Speaker, without objection, I request that the text of my legislation be inserted into the RECORD at this point:

H.R. 11343

A bill to amend the Congressional Budget Act of 1974 to require periodic review of new authorizations of budget authority, spending authority, and tax expenditures, to prevent the Federal Government from imposing additional fiscal burdens on State and local governments, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Budget Act Amendments of 1978".

SEC. 2. (a) Title IV of the Congressional Budget Act of 1974 is amended by adding after section 404 the following new sections:

"AUTHORIZATION TIME LIMIT

"SEC. 405. (a) FIVE-YEAR AUTHORIZATION LIMITATION.—Notwithstanding any other provision of law, no new budget authority, new spending authority, or new tax expenditures shall be effective for a period of more than five fiscal years.

"(b) LEGISLATION SUBJECT TO POINT OF ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority, new spending authority, or new tax expenditures for a period of more than five fiscal years.

"(c) DEFINITIONS.—For purposes of this section—

"(1) the term 'new budget authority' means budget authority;

"(2) the term 'new spending authority' means spending authority as defined in paragraph (2) of section 401(c); and

"(3) the term 'new tax expenditures' means tax expenditures;

not provided for by law on the date of the enactment of this section, including any increase in or addition to budget authority, spending authority, or tax expenditures provided for by law on such date.

"(d) CERTAIN OBLIGATIONS NOT IMPAIRED.—Nothing in this section shall be construed to impair or prevent—

"(1) the payment of interest or the repayment of principal due lenders on debt instruments of the United States Government or its agencies irrespective of the date the obligations involved were incurred or the date such payment or repayment may be due; or

"(2) the payment to individuals of benefits to which they are entitled by virtue of payments made by them and deposited into Federal trust funds.

"BILLS REQUIRING ADDITIONAL STATE OR LOCAL GOVERNMENT EXPENDITURES

"Sec. 406. (a) Budget Office Estimate.—The Director of the Congressional Budget Office shall prepare an inflationary impact statement for any bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations)

estimating the costs which would be incurred by State and local governments in carrying out any additional requirements imposed on such governments by such bill or resolution in the fiscal year in which it is to become effective and in each of the 4 fiscal years thereafter. Such statement shall be submitted to the committee which reported such bill or resolution and shall include a detailed explanation of the basis for the estimates contained in the statement. The statement shall be included in the report accompanying such bill or resolution if timely submitted to such committee before the report is filed.

"(b) Legislation Imposing Additional Costs on State or Local Governments.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution for which a statement prepared under subsection (a) of this section predicts an additional cost would be imposed on any State or local government, unless that bill or resolution also authorizes the enactment of new budget authority for the payment by the United States Government of such additional costs, and provides a mechanism whereby funds appropriated pursuant to such authorization would be disbursed among such State and local governments in proportion to such additional cost.

"COORDINATION OF FEDERAL AND STATE PROGRAMS

"Sec. 407. Statement of Comptroller General.—The Comptroller General of the United States shall prepare for any bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations), and submit to such committee, a statement that—

"(1) identifies and briefly describes any program that is conducted and funded (in whole or in part) by a State or local government and that is designed to accomplish objectives similar to those intended to be accomplished by such bill or resolution; and

"(2) contains such recommendations for modifications in such bill or resolution as the Comptroller General of the United States considers appropriate to avoid the funding of any Federal program that duplicates any existing State or local government program.

The statement so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed."

(b) The table of contents of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after

"Sec. 404. Jurisdiction of Appropriations Committee" the following:

"Sec. 405. Authorization time limit.

"Sec. 406. Bills requiring additional State or local government expenditures.

"Sec. 407. Coordination of Federal and State programs.".

Sec. 3. (a) Whenever the head of any Federal executive agency or department issues any regulation to implement a program conducted under such entity, the head of such entity shall publish in the Federal Register a statement estimating the costs which may be incurred by State and local governments in carrying out such regulation in the fiscal year in which it shall take effect and in each of the 4 fiscal years thereafter. A copy of such statement shall be submitted to each committee of the Congress having jurisdiction with respect to the annual authorization of funds for the program respecting which such regulation was issued.

(b) The head of each Federal executive agency and department shall prepare and submit annually to the Congress a review of each program conducted under such entity. Each such review shall evaluate the performance and accomplishments of such programs and shall contain recommendations respecting ways to improve such programs. The reviews shall be made available to each committee of the Congress having jurisdiction with respect to the annual authorization of funds for such programs.●

V.F.W. VOICE OF DEMOCRACY CONTEST

HON. SHIRLEY N. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mrs. PETTIS. Mr. Speaker, for 31 years the Veterans of Foreign Wars and its ladies auxiliary have conducted a Voice of Democracy speech contest, with the winner in each State competing for the national annual scholarships for study at the institution of his or her choice. I was delighted with the news that this year's California winner is my constituent—Kenneth Shovey, 1189 Mesa Verde Avenue, San Bernardino, Calif. Kenneth, who will graduate this year from Pacific High School, hopes to continue his studies at UCLA, or the Lee Strasberg Institute, and I find his speech so well written, so thoughtful, and so relevant to today's state of the Union, I commend it highly to my colleagues:

The word "responsible" means, "fit to be trusted with the carrying out of a charge or duty; able and ready to meet obligations." My responsibility to America, then, is my duty and obligation to it.

"Obligation" is, "the state of being indebted for a favor." And, indeed, we are indebted for a very big favor to America—our freedom. Our obligation is to be involved in America. We must give up apathy and show concern for our country and government. Take a few minutes out of each day to pick up a newspaper and learn what is going on in your country.

The second part of the word "responsible" is the word "duty." It is defined as a "moral obligation." Our moral obligation is to be concerned for our fellow citizen. It is to respect his rights as we would have him respect ours.

Richard Bach once wrote, "In order to live free, you must sacrifice boredom. It is not always an easy sacrifice." This is true of all Americans. In order to maintain our freedom, we must make many sacrifices. We must give up a TV program for an hour to go to the polls and vote. We must drive slower than we may like to because of the laws made by the persons we elected. We must turn down our thermostats so that everyone may have some heat. We must give up part of our income so that we can have highways and streets for our cars, schools for our children, homes for the elderly and disabled, libraries, museums, bridges, dams and thousands of other necessities to any civilized country. We must give up the comfort of our homes and our country to fight for it. And, if necessary, we must give up our lives for it for such is the price of freedom.

In World War II, during a battle on the beach of Guadalcanal, a young soldier became overwhelmed by fear. He threw away his rifle and ran inland towards the enemy. On his way, he passed a Japanese machine gun nest. He took out a hand grenade and tossed it in killing the Japanese. For this act he was given the Congressional Medal of Honor. Only later, did his commanding officer reveal the real truth. The soldier was brought to trial for desertion. Had he stayed at his station he might have saved some lives, but by destroying the machine gun nest, he saved thousands of lives. Which was he: a hero or a traitor? But, we, unlike that soldier may not always be caught if we shirk our responsibility. Who will ever know if we don't vote? Who will ever know if we cheat on our income tax? Who will ever know if we speed on the freeway? Who will know? We will. We must realize our responsibilities and act accordingly.

Each also wrote, "You are never given a dream without also being given the power to make it come true. You may have to work for it, however." Our dream, as Americans, is freedom. And, we have made it come true for more than 200 years. But, we cannot take it for granted. We must continue to work to keep it for now and America's future. This is mine and everyone's responsibility to America.●

THE GRASS CAN BE GREEN ON OUR SIDE, TOO

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues an article which appeared in the New York Daily News on February 23, which discusses the fine work of Gordon Davis, the newly appointed head of New York City Parks Department. In an effort to improve the conditions of New York's public parks, Mr. Davis has adopted an enthusiastic attitude toward his job.

The parks in all our cities have been neglected for too long. Men like Gordon Davis offer these parks new vitality. I call on my colleagues to join me in saluting and supporting Mr. Davis and his work.

The text of the article on Mr. Davis follows:

PARKS BOSS TAKES A NEW APPROACH

(By Deborah Orin)

Like a latter day Paul Revere, Gordon-Davis thinks it's time to sound the alarm for the city's decaying parks and storm-ravaged beaches.

"I am very concerned to be the Paul Revere of the beaches—and I'm going to try that on some other things, too," said Davis as he sat in his new office under a turret in the 65th Street Arsenal.

Making the beaches a public issue, Davis hopes, increases the chances of federal aid. If there's no aid and the beaches are a mess come summer, he's thinking about bus programs to get city residents out to state beaches on Long Island, so they'll have an option of "escape."

The soft-spoken and at times boyishly enthusiastic Davis, 36, took over Parks last month after five years on the City Planning Commission—a role, he says, that whetted his appetite for more direct involvement.

He's the first black to head the agency that holds sway over one-twelfth of the city's land.

"People are just enraged by the conditions of their parks," Davis said. "They see it every day and they say, 'If I can't get anything else, why the hell can't I get a decent place to go with my child, my husband, my wife, my aunt'?"

One big problem, the new commissioner said, is that parks have been treated as the "icing on the cake," a frill in an era of austerity. And yet, parks improvements in-

variably top the "wish lists" of community boards and civic groups all over the city.

Davis' ideas include:

Some housecleaning from top to bottom in the agency—"As the Mayor said, if people aren't doing their jobs, they go out the door."

Far better training for the unskilled federally funded employes who today provide half the agency's manpower.

Getting community groups to "adopt" local parks and provide a permanent presence to substitute for the "parkies" (parks caretakers) Davis wishes he could afford to put in each playground.

Fighting vandalism—"the interesting thing is it cuts across neighborhood and class and race lines. People think vandalism is a function or a result of proximity to certain types of communities, when in fact it is a problem in every community in the city."

A lawyer and Upper West Side resident, Davis also speaks as a man who's gone to many city parks with his wife Peggy, an associate law professor at Rutgers, and daughter Elizabeth, 3.

"My daughter is my litmus test," he said with a smile. "When my three-year-old tells me the seesaw is broken . . ."●

OIL MARKETERS SUPPORT OF AMERICAN FARMER

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. THONE. Mr. Speaker, we are all aware that few segments of American society have contributed more or demanded less than the American farmer. He has long been viewed as the epitome of traditional values. But, the farmer's livelihood is threatened daily. Bad weather, inflation, misdirected Government policy, and a host of other issues all threaten to erase the independent farm from our landscape.

There is one aspect of a farmer's business that has been served, and served well over the years. Tens of thousands of farmers are dependent on petroleum marketers for their fuels, and their mutual viability is inextricably linked.

The relationship between the farmer and the petroleum jobber is a close, intimate one. They live in the same community, they attend the same church, their children go to the same school. Because he is a small, independent businessman himself, the jobber understands many of the farmer's problems.

The relationship between the jobber and the farmer is one mutual interest and dependence. The jobber depends on the farmer for his business while the farmer depends on the jobber to have and deliver sufficient gasoline, diesel, and fuel oils when needed. It is in the best interest of each that the other survive and prosper.

To grasp the closeness of this relationship, one must better understand the nature of an oil jobber: Although greatly varied, the average jobber is a small, rural branded marketer. He retails gasoline through eight or fewer outlets many of which are family run and which cannot be called service stations at all, in the urban sense. He supplies more than 75 percent of the petroleum requirements of America's small farms, but does very little business in the major metropolitan areas. Jobbers long ago were selected out of the more lucrative markets by their suppliers. On the other hand, it is often economically unfeasible for major oil companies to serve rural areas. It is only the independent jobber who can profitably make deliveries in the small quantities required by individual farms and rural businesses.

A critical aspect of this relationship is the common practice that has developed in many areas which permits the farmer to purchase fuel on credit throughout the planting, growing, and harvesting seasons. It is only when the crops are in that the jobber is paid.

In this light, the Nation's oil jobbers, represented by the National Oil Jobbers Council recently adopted a resolution calling for support of America's farmers. I would like to have that resolution printed in full in the CONGRESSIONAL RECORD with my thanks to NOJC.

RESOLUTION

Whereas, the farmer has long been viewed as the epitome of traditional American values; and

Whereas, farmers are currently threatened by a confluence of forces including inflation and misdirected government policy; and

Whereas, the viability of many independent petroleum marketers is dependent on the continued survival of the American farmer;

Be it therefore resolved that the National Oil Jobbers Council expresses empathy with the plight of the American farmer; and

Be it further resolved that the Council urges the Congress, the Department of Agriculture and other federal agencies to re-evaluate its agricultural policies with a view toward the development of programs which will help American farmers continue to exist and prosper.●

ADMINISTRATION ENDORSEMENT OF H.R. 50

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. HAWKINS. Mr. Speaker, I want to direct your attention and the attention of my colleagues to a letter I received from Secretary of Labor Ray Marshall indicating the administration's endorsement of H.R. 50, the Humphrey-Hawkins bill, which is to be considered before the floor tomorrow. In this endorsement, Secretary Marshall points out that the targets set forth in the bill for unemployment are realistic and attainable. Furthermore, the administration agrees with the position which I and other supporters of the bill take that a specific inflation goal is unnecessary and undesirable. I am looking forward to speaking more on these issues, and I hope you will keep this letter in mind when we consider H.R. 50, tomorrow.

The letter follows:

U.S. DEPARTMENT OF LABOR,
Washington, D.C., March 6, 1978.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Subcommittee on Employment Opportunities, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to express the Department of Labor's strong support for the Humphrey-Hawkins bill, H.R. 50, the "Full Employment and Balanced Growth Act of 1978" which is scheduled to be considered by the House of Representatives this week. As I testified before your Subcommittee, the Administration believes "it is now time . . . to commit ourselves to full employment."

H.R. 50 would for the first time set a numerical employment goal for this country. While the bill does not create any specific new programs, it does require the President to submit in his annual Economic Report targets for employment, production and real income, together with fiscal policies and programs to achieve them. The most important of such goals, I feel, is an overall unemployment rate of four percent by 1983.

The Humphrey-Hawkins bill recognizes the overriding importance of the private sector in carrying out successful economic growth. While the President is required to initiate programs of legislation aimed at reducing structural barriers to employment, the emphasis is placed on providing jobs in the private sector wherever possible.

A strong emphasis on an anti-inflation program is also a key element of this bill. The President is required to initiate, or, where necessary, recommend the initiation of, programs to fight inflation including programs establishing an effective information system to monitor inflation, increasing supplies, encouraging increased productivity, strengthening anti-trust laws and enforcement, and curtailing costs caused by government regulations and procedures.

I believe that the goals of H.R. 50 can be attained through a combination of fiscal and structural policies. The addition of a specific inflation goal, as some have suggested, is unnecessary and undesirable. There is no way to assure the attainment of a numerical goal for inflation without government control over private price and wage decision-making. The bill rejects this, as does the Administration. It must also be borne in mind that many changes in the price level result from weather conditions affecting food supplies, the availability of imports and other factors not subject to U.S. government influence. This bill does require the President to set forth fully his proposed programs and policies to achieve reasonable price stability.

H.R. 50 establishes a new and vitally necessary partnership between the Administration, the Federal Reserve, and the Congress to assure a stable and productive national economy. We believe strongly that it should be passed.

The Office of Management and Budget advises that there is no objection to the submission of this report and that enactment of H.R. 50 would be in accord with the President's program.

Sincerely,

RAY MARSHALL,
Secretary of Labor.●

CIVIL RIGHTS COMMISSION STATE ADVISORY COMMITTEE NEEDED

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. MITCHELL of Maryland. Mr. Speaker, the Honorable Senator BIRCH BAYH in December 1977, and more recently on January 25 and 26, 1978, conducted hearings in the Senate to review the matter of extending the life of the U.S. Civil Rights Commission.

At stake is not only the continuation of this vital Commission but also the nature of its existence. The 51 State advisory committees which have been the lifeblood of the Commission are fated

for elimination unless OMB's unfortunate decision to replace them with 10 regional committees is reversed.

At a time when the President of the United States is voicing concern for human rights worldwide it would be tragically contradictory if we should remove the ears which hear cries in our streets, close the eyes which see hurt in discrimination, or silence the voices which carry the cause of our minorities, of our weak and our helpless, to judgment for redress of wrong and due process.

On the basis of a remarkable record of achievement and invaluable service to the Nation, and promise for the future, the State advisory committees of the U.S. Civil Rights Commission should be retained rather than reducing them to regional committees because:

(a) A heterogeneous State-centered committee can best respond to, and monitor grass roots civil rights issues as well as serve the national goals of the U.S. Civil Rights Commission;

(b) State advisory committees provide a relevant "Federal presence" which reinforces State and local civil rights agencies in their roles as well as interpreting the "local presence" to the regional and national levels of the Commission and the Government;

(c) The continuing necessity to remind local, State and Federal officials and agencies of their responsibilities under Federal civil rights laws also makes the need compelling for State advisory committees which are accessible to everyone and protective of all individual civil rights;

(d) No saving in cost is apparent in regionalizing the Commission since extensive travel would be necessary for attendance at meetings; and

(e) Members of Congress who have drawn upon the State advisory committees for factfinding and reports unique to civil rights matters of their constituents would no longer enjoy that service with regional committees; also, the commission would no longer have a 51-statewide mechanism for much needed education and fact dissemination.

Rather than accepting the contradictory OMB proposal to include the State advisory committees of the U.S. Civil Rights Commission in its streamlining, we should welcome the input of conscience, intelligence, and dedication of 800 volunteers whose intent with the ancient prophet is to "let justice roll down like waters." We should applaud these individuals who exemplify the best tradition of citizen participation, who sensitize and strengthen the democracy and who are prepared to be about the unfinished business of civil rights.

I appeal to each of my colleagues to consult with the chairperson of your State advisory committee in order to be informed of the threat to the renewal of life for the grassroots eyes, ears, and voices of the U.S. Civil Rights Commission.

When we in the House of Representatives consider the future of the U.S. Civil Rights Commission not only should we vote to extend its life but also require that State advisory committees shall be appointed.●

POTENTIAL BENEFITS FROM OAHE UNIT FACILITIES

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. ABDNOR. Mr. Speaker, following are the texts of a letter and an editorial from my State's largest newspaper which I have forwarded to Secretary Andrus in an effort to persuade him to work to preserve Oahe Unit facilities which have been constructed. Studies of all potential alternate uses of these facilities should be initiated immediately:

WASHINGTON, D.C., *March 2, 1978.*

Hon. CECIL D. ANDRUS,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY. The enclosed editorial from the February 25, 1978, edition of the Sioux Falls Argus-Leader, South Dakota's largest newspaper, merits your attention.

You know even the Oahe Subdistrict Board does not intend that stoppage of the Oahe Unit should relieve the Federal Government of its commitment to assist South Dakota with development of the potentials impounded behind the four great Missouri River dams, for which our sacrifice was so great.

As this editorial points out, however, it would be the height of folly and irresponsibility to destroy Oahe Unit facilities which have been completed, when they could readily lend themselves to other uses.

I strongly urge that all potential beneficial uses of these facilities be investigated and request your assistance in initiating the necessary studies as quickly as possible.

Thank you.

Sincerely,

JAMES ABDNOR,
Member of Congress.

OAHE SALVAGE

We won't argue against the Bureau of Reclamation's action in limiting Oahe Irrigation project studies to those which show the effects of terminating it.

This is a logical step following loss of funding for the project, and the opposition of the Oahe Conservancy Subdistrict board members. A majority of that board, most of them elected in 1976, have not supported the project.

However, we think someone should tell the Carter administration in Washington that South Dakotans have a vital interest in salvaging some parts of the Oahe project that could materially benefit other areas in the state by efficient utilization of Missouri River water.

The Bureau said that studies might include effects of mothballing facilities which were partially constructed or returning them to their original state. Apparently, the Department of the Interior turned down options which included study of first phase development through the Blunt Reservoir and study of other modifications within the project area.

It is regrettable that the Interior Department would not want to study completion of development through the Blunt Reservoir. This could be useful to state government and organizations and individuals interested in the development of rural and municipal water use and irrigation potential exclusive of the Oahe irrigation project area, which doesn't want it.

South Dakotans should not let them get away with it. The facilities represent salvage of the taxpayers' dollars that can help this state in utilizing the water within the Missouri River reservoirs.

The concept of the Oahe Irrigation project was that it was compensation, in part, for half a million acres of the world's most productive grassland which is now under water. If that compensation now becomes delivery of water to people who want it, continued opposition by foes of the Oahe project would be an ungrateful and unnecessary course. South Dakota's well-being as a state takes priority.

There is a very strong argument for utilizing the nearly completed Oahe pumping plant for delivering water to cities, rural systems and other irrigation projects which have nothing to do with irrigation in Brown and Spink counties.

The Pierre canal, which is only partially done and the Blunt Reservoir, on which work has not started, could be a part of a delivery system for users who want the water.

Opponents have killed the Oahe irrigation project. It's difficult to contest the decision of the subdistrict board, elected by the people and subsequent withdrawal of federal funding. But the persistence of Oahe project opponents in wanting to destroy everything else connected with the project is something else. Oahe opponents want to wipe away the pumping plant, canal and reservoir.●

PANAMA CANAL

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. BIAGGI. Mr. Speaker, I fully support the resolution to give the House of Representatives a voting participation in the Panama Canal treaties. This resolution requires the House to decide the question of the disposition of American property overseas, a point which has a long and supportive constitutional history. From a reading of the literature, and after listening to the pros and cons of the constitutional issue, there is no doubt in my own mind that it is not only desirable but that it is a legal requirement that the House pass judgment on this question.

In support of this opinion, Mr. Speaker, I want to insert into the RECORD a recent study by Kenneth Merin of the Library of Congress. As it appeared in the January 1978 CRS Bulletin, the study by Mr. Merin is balanced, scholarly, and objective. It does not reach a pointed conclusion—CRS only presents the major arguments—but a careful reader could not help concluding, at the very least, that the argument on behalf of House participation is compelling, from both a legal and historical perspective. I believe that it is an excellent statement which dispels the State Department claim, which has been refuted by other scholars as well, that only the Senate has a legal right to vote on property transfers abroad. The article, entitled "Panama—The Constitutional Question," follows:

PANAMA—THE CONSTITUTIONAL QUESTION

(By Kenneth Merin)

Almost lost amidst the debate over the political, military, historical, and economic ramifications of the proposed Panama Canal Treaties is the constitutional question of whether American territory and property may be transferred to a foreign nation under the

treaty making power. Article II, Section 2, clause 2 of the Constitution authorizes the President to negotiate and enter into treaties:

"He shall have the Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two thirds of the Senators present concur; . . ."

However, Article IV, Section 3, clause 2 grants Congress the power to dispose of territory and other Federal property:

"The Congress shall have Power to dispose of and make all Rules and Regulations respecting the Territory or other Property belonging to the United States; . . ."

Certain powers granted by the Constitution to Congress are concurrent, and may be exercised by either the Congress, or the Executive through its treaty power. If the disposal power is concurrent, then American property interests may be conveyed to foreign nations without the approval of the House of Representatives. Exclusive powers may be exercised only by the Congress. If the disposal power is found to be exclusive, then both Houses of Congress would be required to assent through legislation to any transfer of property interests.

CONSTITUTIONAL ANALYSIS

Two powers exercised by the Congress and generally conceded to be exclusive are the appropriations and revenue law powers. Their exclusive nature is readily apparent from the language of those Constitutional provisions. Thus, "All Bills for Raising Revenue shall originate in the House of Representatives; . . .", and, "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; . . .". Other provisions of the Constitution state the legislative powers of Congress in a permissive form, without the mandatory language used in the grants concerning appropriations and revenue powers.

LANGUAGE PERMISSIVE

The language of Article IV, Section 3, clause 2 is permissive, "The Congress shall have the Power . . .". Despite that language, the Supreme Court has constantly ruled that Congress' power to dispose of federal territory and property is exclusive. Those decisions, however, involved situations concerning the locus of authority within the federal system.

The Court did not consider the nature of the Congressional power as a limitation on the extent of the treaty power. In fact, Article IV does seem to be devoted to the distribution of authority between the State and Federal Governments. However, good arguments supporting both the exclusive and concurrent interpretations of the disposal power may be called from the Records of the Constitutional Convention, the various State Ratifying Conventions, and the Federalist Papers.

It does not appear that there is any clear answer to be obtained from the Constitution as to the exclusive or concurrent nature of Article IV as it relates to the disposal of property to a foreign power. Therefore, it is advisable to look to the past treaty practice of the United States in order to determine if that practice reveals precedent that may be considered controlling.

TREATY PRACTICE

Are previous disposals of territory and property (without implementing legislation) valid precedent for the proposition that the House of Representatives has no role in the disposition of Federal property interests? A comprehensive review of such actions suggests that they are distinguishable from the proposed cession of property to Panama.

One group of such treaties may be categorized as "boundary treaties". Through these instruments the United States delineated its borders. However, the settlement by treaty of a disputed boundary does not provide support for the concurrent nature of the disposal power, since a treaty for the determination of a disputed line operates not as treaty of cession, but of recognition.

Treaties that conveyed interests in land to the Indian tribes comprise the second group of treaties which have been suggested as a basis on which to find support for the concurrent nature of the disposal power. The Indian treaties do not serve to prove this point for several reasons

First, many of those treaties did not grant the Indians a complete ownership interest in the land. Next, in those instances in which the Indian tribes received an ownership interest, the Federal Government still exercised ultimate control over the land through its power of eminent domain. That power obviously would not exist if lands were transferred to a foreign nation. Finally, Congress passed a law over a century ago that repudiated the practice of disposing of lands to the Indian tribes by treaty.

A third group of treaties does provide more of a basis on which to base a claim that treaty practice of the United States shows that the disposal power is concurrent. The prime example of this sort of treaty is the instrument returning Okinawa to Japan. That 1972 cession did convey Federal property to Japan, seemingly without congressional approval. The precedential value of this treaty is limited by the lack of congressional opposition to the transfer and by existing statutory language which may have been used as a basis under which the transfer was made.

CONCLUSION

The treaty making power, vested in the President to be exercised with the advice and consent of the Senate, is extremely broad in scope. That power is limited when the Constitution confers an exclusive grant of authority on Congress.

Although there are excellent arguments in favor of the proposition that the authority to dispose of property is concurrent and may therefore be exercised under the treaty making power, those arguments are not altogether free from doubt. Supreme Court decisions have recognized the exclusive nature of Congress' Article IV powers as they relate to the Federal-State relationship.

Those rulings have never been qualified by other decisions characterizing the disposal as concurrent when used by the executive under the treaty making power. It does not appear that past treaty practice with either foreign nations or Indian tribes provides authoritative precedent establishing, with any degree of certainty, the exclusive or concurrent nature of Article IV, as that provision relates to disposal of land to a foreign sovereign.

It is clear that Congress has often asserted an exclusive right to dispose of federal territory and property. It is also apparent that both the Executive and the Senate have recognized that claim in past dispositions of property in the Canal Zone to Panama. Therefore, while it is impossible to make a categorical assertion that Article IV, Section 3, clause 2 is either exclusive or concurrent, it appears that those powers have been recognized as exclusive for purposes of disposal of property in and around the Canal Zone to Panama.

Finally, regardless of the nature of the Article IV power, the co-operation of all three branches of government is necessary for the effective implementation of American foreign policy. Although the President is the sole organ of communications with other nations, conclusion of a treaty without prior regard for congressional attitudes might adversely affect the continuing executive/congressional relationship.

PREVIOUS CESSIONS

The United States has transferred territory and property in and around the Canal Zone to the Republic of Panama on four previous occasions.

The 1932 and 1937 transfers were effected by Act of Congress. In 1943, a Joint Resolution approved an executive agreement calling for the transfer of property to Panama. Three provisions in a 1955 treaty with Panama provided for the disposition of territory and property. One of those provisions required implementing legislation. Although the other two provisions did not call for implementing legislation, a State Department official acknowledged that implementing legislation would be required for all threo provisions.

The report in its entirety from which this article is excerpted may be obtained by requesting, The Treaty Power and Congressional Power in Conflict; Cession of United States Property in the Canal Zone to Panama, by Kenneth Merin, Aug. 4, 1977.

Also available is an audio tape of a panel discussion, Panama Canal Treaty and U.S. Property Disposal, IB 50006 (obtainable by phoning 426-5700).

Further recommended reading includes, Statement of the Legal Adviser, Department of State before the Subcommittee on Separation of Power of the Senate Committee on the Judiciary, July 29, 1977; and Opinion of the Attorney General to the Secretary of State, Aug. 11, 1977 on microfiche.●

WASHINGTON INDEPENDENT BUSINESSMAN LAUDED

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. BONKER. Mr. Speaker, recently I spoke to a group of small businessmen about the problems they face. Yet despite enormous obstacles, millions of small businessmen persevere and prosper. And, as I noted in my speech, it is the small businessman who provides the backbone and vitality of smaller communities.

There is no better example of what I meant than Mr. Harold Widsteen, immediate past president of the Menswear Retailers of America. Mr. Widsteen resides in Port Angeles, Wash., where his contributions to the community need no advertisement. But, the following story points out that Mr. Widsteen has made a national mark in promoting the independent menswear retailer. I commend the story to all who are interested in what one individual small businessman can accomplish:

MENSWEAR RETAILERS LAUD WIDSTEEN

(By Marj Anderson)

Harold Widsteen, retiring president of the Menswear Retailers of America and Port Angeles clothier, was the recipient of admiration by the leaders of the menswear industry at its 64th annual convention in Las Vegas.

The convention, which ends this weekend, marks the conclusion of Widsteen's year of boosting the men's apparel specialty store industry. His efforts were characterized by those who worked with him as "outstanding."

Among those who praised Widsteen were:

William H. Mier, president of the Hart Schaffner & Marx Division of Hart Schaffner & Marx, said, "I think Harold has done an outstanding job. He has spent a tremendous amount of time and effort to strengthen the MRA and that is attested by the heavy registration at this convention. He has done a particularly outstanding job in clothing because he is an outstanding clothing merchant."

From the Fathers Day Council, Inc., its executive director Ted Kaufman said of Widsteen, "I only met Harold last year. In my opinion, and it is only my opinion, he has provided the most dynamic influence in the MRA in the past 10 years. He is personable, alert, bright and flexible. By that I mean he listens, makes decisions and is willing to reconsider his decision if logical counter proposals are offered.

"In my opinion he has become the spokesman for the independent men's fashion retailer. He has explained the goals, needs and problems of the industry of whom there are thousands. He has criss-crossed the country promoting the needs of the small independent retailers who are the last bulwark of individualism in the United States today," Kaufman continued.

"He also has been an advocate of more aggressive promotion on the part of the small independent menswear retailer. He has given good leadership to that part of the menswear retailing industry that otherwise could very easily given up when faced with the extensive promotional campaigns of the industry's giants—the department stores and national chains," Kaufman concluded.

Bernie Toll, vice president of After Six, Inc., said, "Harold has created an awareness of the part of the manufacturer, who is the backbone of the MRA, that manufacturers can provide opportunities more than just selling to retailers. He has created a respect of what the manufacturers can do for the menswear business and its employees. It is the kind of awareness that is good for the salesman on the floor of individual stores. Harold has built a good relationship between manufacturers and retailers. His attitude, that of a small businessman, has created a whole new respect in the menswear industry."

Hugh Thompson, menswear writer for the San Diego Union and one of the deans of fashion writers, summed up the general feeling of the press toward Widsteen. He said, "I have covered menswear for many years. I feel that Widsteen has been an outstanding leader conveying a fashion message to the press as well as to the group he was elected to lead.

Norman Karr, executive director of the Men's Fashion Association, commented, "Harold Widsteen is a unique individual. He is somewhat larger than life in that where he does business—a small town in the most northwesterly corner of the country—and the size of his operation have been totally overwhelmed by the man, his magnetism and his mission.

"He believes in people with the same interests working together for the common good. And, in the short space of a year, this perception and his personality have brought this industry closer together.

"He has emphasized the things that unite us and de-emphasized the things that separate us.

"He deserves the industry's most sincere form of flattery—that they will remember what he stands for and continue to reflect his sense of oneness in the years to come," Karr declared.●

MICHIGAN WINNER OF VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

Mr. STOCKMAN. Mr. Speaker, it is with much pride that I submit to the attention of my colleagues, an essay written by Brian Kieth Tunnell, a student in my congressional district of Michigan. Mr. Tunnell is the winner of the Veterans of Foreign Wars of the United States annual scholarship contest in which over one-quarter million students participate. Responding to the theme, "My Responsibility to America," Mr. Tunnell delegates great responsibility to each individual to preserve and better our Nation. I am, indeed, proud to have such an outstanding student in my district.

The essay follows:

THE 1977–78 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM BY BRIAN KIETH TUNNELL

The United States of America, that great and free nation of yesterday, today, and tomorrow, is now moving into her third century of existence. She has survived, along with her people, through Civil War, depression, world wars, and political corruption. And she has emerged through each of these hardships, a stronger nation. Yet once again, America faces the embarkment of a new generation. I am a proud member of this generation, with its new ideas, new hopes, and new problems. Therefore, it is my job, as is it the job of my peers, to accept the responsibilities to improve and maintain America and her social and political way of life.

Responsibility is a very complex word with an even more complex meaning. Noah Webster defines responsibility as that which requires a person to take charge of or to be trusted with important matters; an obligation. I believe that it is the responsibility or obligation of my generation to continue to build and strengthen the monument of freedom of which the United States of America is representative. It is our responsibility to change the systems that we can change, and accept those which we cannot; to better our country through progressive ideas rather than radical reform. It is our duty to maintain pride in and respect for our nation and its leaders. This is a great responsibility. For in the words of Thomas Paine, "The cause of America is the cause of all mankind."

Allow me now to shift from the responsibilities which have been levied upon my generation, to my own personal responsibility to America. For many years I have had a strong interest in politics and the American system of government. And while it has been said that at some time in life it is the dream of every little boy to become President of the United States, this dream has become my goal. With the desire to become a politician, a statesman, and more importantly, a leader, comes a responsibility that is greater than that of the average American citizen. It is the responsibility of honest, unyielding sacrifice to the needs of America and its people.

Some may say that perhaps I expect too much of America as a nation and as a stronghold of freedom. But I must disagree. I expect no more of America than I expect of myself. America cannot be free without belief in freedom. She has no defense without soldiers. She cannot provide if she has no producers. And her government cannot exist without leaders. America is dependent upon her people. She can be no better than they are. Therefore, I must set high goals and expectations for myself.

Ultimately, my responsibilities to America are also responsibilities to myself and the other 225 million citizens who share the honor of being an American. It is my responsibility to love America, respect America, and to repay America for her gracious gifts of life, liberty, and the pursuit of happiness!

A RESUME OF THE VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

The program was started 31 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. Sponsorship was provided by the National Association of Broadcasters, Electronic Industries Association, and State Associations of Broadcasters.

Starting in 1958–59 the program was conducted in cooperation with the Veterans of Foreign Wars with the broadcasters still serving as sponsors.

In 1961–62, the Veterans of Foreign Wars assumed sole sponsorship responsibility. At that time, the national scholarship award consisted of a single $1,500 scholarship for the first-place national winner.

During the past 16 years under VFW sponsorship, the annual national scholarships have been increased to five, totaling $22,500 with the first-place winner currently receiving a $10,000 scholarship to the school of his/her choice. Student participation has tripled and school participation has doubled.

This past year more than one-quarter million participated. Over 8,000 schools participated, over 4,400 VFW posts and 3,600 auxiliaries sponsored the program and over 2,400 radio and TV stations cooperated.

The total monetary value of scholarships and awards provided by VFW posts, auxiliaries, county councils, districts, and departments amounted to over $575,000 last year. This is in addition to the $22,500 in national scholarships and an annual budget at the national level in excess of $150,000 to conduct the Voice of Democracy program.

During the 16 years of sponsorship by the VFW over 4½ million students have participated and awards totaling more than $2½ million have been given to winners at all levels in scholarships, savings bonds, et cetera.●

SECRETARY SCHLESINGER'S OUTRAGEOUS ANTIENVIRONMENTALIST ASSERTIONS TO THE AFL–CIO

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. OTTINGER. Mr. Speaker, before the AFL–CIO convention in Los Angeles, Secretary of Energy James Schlesinger attempted to discredit the environmental movement. Like many other claims made by commercial interests, the Secretary equated environmentalism to an "antigrowth" philosophy. I wish to place in the RECORD a letter signed by 18 major environmental leaders in which they challenge Mr. Schlesinger's claim and restate their support for the economic growth of our Nation.

In my opinion, Secretary Schlesinger's assertions are patently false, outrageous, and clearly contrary to the policies enunciated by the President. I am afraid our worst fears about him are being borne out. Not only is he incompetently failing to run the Department and obtain passage of the President's energy program,

but his appointments are disastrous and his policies undercutting the President's sound proposals. It is time for him to go.

The text of letter follows:

FEBRUARY 16, 1978.

JAMES R. SCHLESINGER,
Secretary of Energy, Department of Energy, Washington, D.C.

DEAR DR. SCHLESINGER: In a speech before the AFL–CIO convention in Los Angeles, California on December 9, 1977, you made a statement which appears to equate the anti-growth philosophy with the environmental movement. You stated on that occasion:

"This brings me to a philosophy of recent years which can only be characterized as an anti-growth philosophy, the feeling that we have expanded too much, that appetites have been whetted that should not have been whetted, that it has endangered the environment, and the like. We can have nothing to do with that kind of unrestrained attitude which is anti-growth. Restraining growth means restraining the growth of jobs. It means unemployment. It means the failure to provide the best part of the American way of life to a growing number of our citizens. And in this connection, I know that the AFL–CIO has strongly endorsed getting on with the creation of new sources of energy and the building of nuclear plants. . . ."

The undersigned environmentalists and consumer activists are deeply disturbed by the implication in your remarks that those with environmental concerns can be characterized as "anti-growth." We believe that protection of public health and our environment is not only compatible with a full employment economy (characterized by sound growth), but also is essential to the long-term maintenance of the natural resource base—and high levels of public health—necessary for a vibrant economy.

Indeed, EPA Administrator Costle, CEQ Chairman Warren, Secretary of Interior Andrus and President Carter have all stated on many occasions that they believe environmental protection is fully consistent with sound economic growth. Data from CEQ, EPA and elsewhere strongly support their statements.

We also feel that your linking opposition to nuclear power to an "anti-growth" philosophy is inaccurate. As environmentalists, we try to distinguish between healthy, positive growth and destructive growth. With this in mind, we believe that critics of nuclear power are raising important questions about radioactive waste disposal, nuclear proliferation and reactor safety.

Certain business interests have been working to divide labor unions from environmentalists. Your misleading linkage of environmental and no-growth policies at the AFL–CIO convention serves to reinforce those efforts to set sectors of our nation against one another. We believe this is unfortunate and unnecessary. As environmentalists, we affirm our commitment to a strong, thriving, flexible full-employment economy, in which, as EPA Administrator Costle has said: "People do not have to choose between their job and their health."

We specifically request that you meet with Labor Secretary Marshall, Interior Secretary Adams, Environmental Protection Administrator Costle, Council on Environmental Quality Chairman Warren, and representatives of the signers of this letter, to discuss the relationship between environmental protection and positive economic growth, and how various sectors of society can work together to achieve both.

Sincerely,

James M. Cubie,[1] New Directions.

Richard Grossman, Environmentalists for Full Employment.

Anthony Wayne Smith, National Parks and Conservation Association.

Louise Dunlop, Environmental Policy Center.

Arthur Purcell, Technical Information Project.

Richard Pollock, Critical Mass Energy Project.

Leonard C. Meeker, Center for Law and Social Policy.

James N. Bond, Center for Law and Social Policy.

John Burdick, Citizens Committee on Natural Resources.

Arlie Schardt, Environmental Defense Fund.

Jeffrey Knight, Friends of the Earth.

Mr. Brent Backwelder, League of Conservation Voters.

Anthony Roisman, Natural Resources Defense Council.

Celia M. Huntar, The Wilderness Society.

A. Blakeman Early, Environmental Action.

Lewis Regenstein, Fund for Animals.

Greg Thomas, Sierra Club.

Suzanne Lawrence, Consumer Action Now.●

[1] Organizations listed for identification purposes.

LATVIAN DISSIDENT HARASSED

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. DRINAN. Mr. Speaker, we are all well aware of the difficulties facing individuals who wish to emigrate from the Soviet Union. I would like to bring to the attention of my colleagues the plight of Viktors Kalnins of Riga, Latvia. I learned of Mr. Kalnin's situation from his cousin, a constituent of mine, the Reverend Imants Kalnins of Brookline, Mass.

Viktors Kalnins has twice been granted permission to emigrate, but both times that permission has been cruelly and capriciously revoked. Last year his cousin, Reverend Kalnins, formally invited Viktors and his wife, Helena Celmina, to live with him permanently in the United States. In October, permission was granted for Mr. Kalnins to emigrate, but that permission was revoked shortly thereafter. Mr. Kalnins was seized and interrogated by the KGB, and was not permitted to visit the U.S. embassy or consulate.

Mr. Kalnins and his wife subsequently received an invitation to Israel and were again granted permission to emigrate. In preparation for the move, they gave up their home, identification documents, and citizenship. But only 8 days before their scheduled January 28 departure, Mr. Kalnins was informed that only his wife would be able to leave immediately—he would have to remain.

Helena Celmina arrived in Vienna on February 6. Her husband remains in the Soviet Union, in many ways a man without a country, a home, or a family. He is presently in custody, presumably to testify against other individuals with whom he is acquainted, or possibly to be prosecuted for his own activities.

The arbitrary actions of the Soviet Union in twice raising and dashing Mr. Kalnins' hopes and in cruelly separating him from his wife are clear violations of the Helsinki Final Act. I urge my colleagues to join me in doing everything possible to publicize this case and to urge that the Soviet Government permit Mr. Kalnins to join his wife. I also commend to your attention the following, more detailed history of this case, which was prepared by Radio Liberty Research and kindly forwarded to me by the Joint Baltic American National Committee.

The report follows:

LATVIAN DISSIDENT HARASSED

(By Aina Zarins)

Summary: On February 6, 1978, Helena Celmina, the wife of Latvian dissident, Viktors Kalnins, arrived in Vienna, Austria, from Riga, Latvia. Celmina arrived alone because shortly before the scheduled departure of her and her husband from the Soviet Union, Kalnins was told that he would have to serve as a witness at upcoming trials of dissidents. The circumstances leading up to Celmina's arrival in Vienna are described here. Biographic details on Kalnins that have been gleaned from samizdat sources are also examined in an effort to determine what factors may have influenced the decision not to allow Kalnins to emigrate at this time.

If everything had happened as planned and hoped for, Viktors Kalnins and his wife Helena Celmina would both be in the West today. But, as is often the case with dissidents trying to emigrate from the Soviet Union, the way out is full of unexpected halts, turns, and detours. On February 6, 1978, Helena Celmina arrived in Vienna, Austria, from the Latvian capital of Riga. Her husband was not allowed to accompany her because he had been told by representatives of the security organs that his presence would be necessary on the witness stand at upcoming trials of Soviet dissidents. Though it was not made clear who would be tried or when, Kalnins feels that he will have to testify at the trial of Aleksandr Ginzburg, with whom he became acquainted while serving his sentence at the Mordovian strict-regime camps.[1] Because his friends Mart Niklus[2] from Estonia and Viktoras Petkus[3] from Lithuania have also been interrogated, Kalnins is not sure if preparations are not also being made for a trial of Baltic dissidents, including himself.

It would seem as if Kalnins, who was born on January 17, 1938, was—by Soviet standards—an above-average youth. He became a member of the Komsomol, and in 1960 he graduated from the Moscow Pedagogical Institute. Though qualified to teach literature and history, he apparently chose to work as a journalist in Latvia. Then on April 18, 1962, the young Latvian was arrested. Kalnins was charged with having participated in an informal discussion group on the idea of a Baltic federation. Altogether eight young Latvians were brought to court sometime in 1962 to answer similar charges; most of them were accused of violating Articles 59 (treason), 65 (anti-Soviet agitation and propaganda), and 67 (organizational activity directed at the commission of especially dangerous crimes against the state and also participation in anti-Soviet organizations) of the Criminal Code of the Latvian SSR. No proof of guilt could be established; the eight received sentences ranging from six to fifteen years. Kalnins was given ten years and spent most of this time in strict-regime camps in the Mordovian ASSR.[4]

While interned, Kalnins seems to have been a recognized activist. The Latvian dissident is mentioned in reports on camp activities in the very first issue of the *Khronika tekushchikh sobytii* (dated April 30, 1968), as well as the first letter (dated May 20, 1969) of the Action Group for Human Rights in

Footnotes at end of article.

the USSR (AS 126). In February, 1968, there was a ten-day hunger strike at *lagpunkt* 17a near Potma, Mordovian ASSR; those taking part—Yulii Daniel, Viktors Kalnins, Sergei Moshkov, Valerii Ronkin, Yurii Shukhevych, and Boris Zdorovets—were protesting against the disregard for the status and rights of political prisoners.[5] In March, 1969, Kalnins along with five other prisoners (Daniel, Yurii Galanskov, Ginzburg, Moshkov, and Ronkin) addressed an open letter to the deputies of the Supreme Soviet. The writers complain about "the situation in the strict-regime camps, where the main body of political prisoners . . . is being held."[6] They point out:

"Our situation is regulated now (formally) by one legislative act—the penal code (Article 20, 'The Aims of Punishment'), one supplementary statute ('The Rights and Duties of Prisoners'), and many secret (so they tell us) directives. Incidentally, the directives do not agree with the rules, and both contradict the direct provisions of the law. . . . We cannot tell whether they [the directives] are really what they are claimed to be, or whether they are an invention to justify the arbitrariness of the camp administration."[7]

Then the six political prisoners cite many examples of how they are punished by means of restricted rations, exposure to the cold, and humiliating treatment.

In May, 1969, Kalnins and an even larger group of political prisoners (Daniel, Galanskov, Moshkov, Ronkin, plus Leonid Borodin, Vyacheslav Paltonov, Balys Gajauskas, Mikhailo Soroka, and Dmitro Verkholyak) found it necessary to lodge another complaint. This time the reason was the mistreatment of Ginzburg, who had started a hunger strike in protest against the camp administration's refusal to permit his wife to pay him a regular visit. On May 19, 23, and 26 Ginzburg's fellow prisoners sent a petition to the USSR Procurator General, and on June 2 they addressed an appeal to the Presidium of the USSR Supreme Soviet.[8]

Sometime during the second half of 1969 Kalnins wrote a letter to the poet Rasul Gamzatov. Six other political prisoners—Borodin, Galanskov, Ginzburg, Yurii Ivanov, Platonov, and Mikhail Sado—wrote similar letters to other prominent representatives of Soviet culture. Quoting from official guidelines on forced labor camps and the treatment of prisoners, the authors conclude that the existing system of camps and the manner of treating political prisoners still follow the patterns established during the Stalin era, in spite of the authorities' claims to the contrary. The seven writers maintain that most of the political prisoners are detained not for having committed especially dangerous crimes against the state or war crimes, as some would have it believed, but for holding opinions different from the accepted notions on the nationalities question, self-determination of nations, religion, politics, etc. The letter written by Kalnins on these topics was confiscated on December 10, 1969.[9]

In November and December, 1969, there was a wave of hunger strikes at Dubrovlag. One of these—held in mid-November—was triggered off by the camp administration's refusal to allow Kalnins to receive a package from his relatives. During the first week in December another hunger strike was organized by prisoners of *lagpunkt* 17a for the purpose of commemorating International Human Rights Day (December 10) and protesting against the transfer of Daniel and Ronkin to the Vladimir prison. The strikers were Kalnins, Ginzburg, Platonov, and Borodin.[10]

Unlike in 1969, the name of Viktors Kalnins comes up only once in 1970 in the available *samizdat* materials. In July, 1970, eight political prisoners from the Mordovian camps sent a message to Bernadette Devlin. The writers express the hope that her struggle for national, religious, political, and social justice in Northern Ireland will be crowned with success. The authors are four Americans (Paruir Hairikyan, Shahen Harutyuyan, Hovik Vasilyan, and Stepan Zatikyan); three Latvians (Gunars Astra, Biruta Geidane, and Viktors Kalnins); and one Lithuanian (Balys Gajauskas).[11]

Very little information about Kalnins can be gleaned from *samizdat* sources during the years from 1971 to 1975. Kalnins was released in 1972 and at some time made his way back to Riga, where he was not permitted to work as a teacher or journalist. Therefore, he has made a living as a factory worker.

Kalnins' name comes up again in the realm of dissident documents in the spring of 1976. He was one of 145 Soviet citizens who signed a petition to have the case of Andrei Tverdokhlebov reconsidered.[12] The fact that Kalnins signed this appeal may have been indirectly responsible for the interrogations of the Latvian dissident and his wife in the period from June 28 to July 15, 1976. In addition, their home was searched and some *samizdat* publications were confiscated. Kalnins and Celmina were questioned, along with other former Latvian political prisoners and their wives, about unofficial publications and evening gatherings for the purpose of listening to readings of prose and poetry. When asked about how he had obtained the *samizdat* materials and who his friends were, Kalnins replied that he knew the difference between a witness and an informer.[13]

From June 6 to 9, 1977, Kalnins was questioned again about his friends and acquaintances. The four-day interrogation took place in Kaluga. The choice of location may have been influenced by the fact that Ginzburg is being detained in a Kaluga prison. From the *samizdat* reports, it seems that the interrogators were trying to discover what Kalnins knew about other Soviet dissidents and to ascertain Kalnins' role in certain dissident activities.[14]

Since his release from camp, Kalnins has tried to emigrate to the West. So far these efforts have been unsuccessful. He was not even permitted to visit relatives in Sweden.[15] Last fall it did appear that Kalnins would be able to join a relative in the United States, but all the preparations fell through in October, when Kalnins was seized by the KGB in Moscow and held for an entire day. At that time the KGB suggested that Kalnins testify against Ginzburg and Petkus; the Latvian dissident turned down the proposal and had to return home in the company of a KGB major from Riga. Soon after this incident, Kalnins and his wife received an invitation to come to Israel, and they once more started the procedures for emigration. In preparation for the scheduled departure on January 28, 1978, the Latvian couple submitted their documents, including internal passports; paid the necessary fees; and signed papers releasing them of their Soviet citizenship on January 16. Then on January 20 Kalnins was informed at the OVIR office in Riga that his wife would be allowed to emigrate but that at the request of the KGB, he would have to remain in the Soviet Union for another two or three months. Thus, Viktors Kalnins finds himself in a very unenviable situation: he has had to give up his job, his documents, and his home, and his future is highly uncertain.[16]

At present it is hard to tell whether Kalnins is being harassed by the Soviet authorities simply because of his desire to emigrate or whether his current difficulties may portend plans to take more stringent steps against him and other dissidents in the Soviet Union. Because of Kalnins' own dissident activities, the repressions against the Lithuanian Public Group, and the surveillance of and the punitive measures taken against Mart Niklus, Aleksandr Ginzburg, and others, the second explanation cannot be ruled out entirely.

FOOTNOTES

[1] The Russian poet and publicist Aleksandr Ginzburg was first convicted in 1960 for editing an unofficial literary journal, *Sintaksis*, and was sentenced to two years of hard labor. Early in 1967 Ginzburg was arrested again for having written a book, *Belaya kniga*, about the trial of Andrei Sinyavsky and Yulii Daniel in 1966; this time the sentence was five years, a substantial part of which were spent in Mordovian strict-regime camps, where he met Kalnins. After his release in 1972 Ginzburg continued his human rights activities and became a founding member of the Moscow-based Public Group for Furthering the Implementation of the Helsinki Agreements in the USSR. The Russian dissident was arrested once more on February 3, 1977, and is presently detained at the Kaluga prison. Ginzburg's wife Irina has been told that her husband's period of detention for investigation has been formally extended to May 3 (*Reuter*, Moscow, February 7, 1978); this information suggests that Ginzburg's trial might be scheduled in May or even later.

[2] Mart Niklus, an Estonian ornithologist, was arrested on August 21, 1958; tried in January 1959, by the Estonian Supreme Court; and convicted of collaborating with the international bourgeoisie. He was sentenced to ten years plus three years in exile. The Estonian spent most of his period of internment in prisons and camps in the Mordovian ASSR. It is, therefore, possible that Niklus became acquainted with or heard of Kalnins during this time. Since his release from the Vladimir prison on July 29, 1966, Niklus has continued to stand up for his beliefs; consequently, he has been harassed and even imprisoned. His plight is described in the third document, dated December 23, 1976, of the Lithuanian Public Group (AS 3026). On February 14, 1977, Niklus wrote a protest about the repressions against Aleksandr Ginzburg and Yurii Orlov, and addressed it to the USSR Procurator General.

[3] Viktoras Petkus, a former political prisoner, is a civil and religious rights activist. He is one of the founding members and a spokesman of the Lithuanian Public Group for Furthering the Implementation of the Helsinki Agreements in the USSR. Petkus was arrested on August 24, 1977, and is currently awaiting trial.

[4] AS 564 and *Khronika tekushchikh sobytii* (henceforth referred to as Kh) No. 11. The names of the eight persons tried and the sentences they received are as follows: Gunars Rode—fifteen years, released in 1977; Dailis Rijnieks—fifteen years, pardoned in 1971; Janis Rijnieks—seven years, pardoned in 1967; Aina Zibaki—twelve years, pardoned in 1966; Viktors Kalnins—ten years, released in 1972; Uldis Ofkints—ten years, year of release or pardon not known; Ziedonis Rozenbergs—six years, pardoned in 1965; and Knuts Skujenieks—seven years, released in 1969. Though it is not certain, it appears that Kalnins was tried under Articles 59 and 67 of the Latvian SSR Criminal Code. Unofficial reports have it that objections to the stiff sentence given to Kalnins were lodged both by the Procurator of the Latvian SSR and the Procurator General of the USSR; nevertheless, the ten-year sentence was upheld (Kh 11).

[5] Kh 1 and AS 88.

[6] AS 128 and Kh 8.

[7] *Ibid.*

[8] Kh 8. In addition, on June 2 Daniel sent a statement to the Procurator General, the Minister of Health, and the Red Cross about the callousness of the camp doctor towards Ginzburg. As a sign of solidarity with Ginzburg, his fellow political prisoners Ronkin,

Galanskov, Borodin, and Platonov also went on a hunger strike, which all of them, including Ginzburg, ended on June 10.

[9] As 380 and Kh 12.

[10] Kh 11 and AS 385.

[11] AS 412.

[12] AS 2633.

[13] Kh 41, Kh 42, and AS 2653, which is a press release issued by the Moscow-based Public Group on or around August 1, 1976.

[14] Kh 46.

[15] Brivība, No. 1, 1976, and No. 7, 1977.

[16] *UBA Information Service Press Release*, No. 320, November 11, 1977, and No. 321, February 1, 1978; *Laiks*, January 10, 1978, and January 25, 1978; *Latvija*, October 22, 1977, January 21, 1978, and January 28, 1978.

OHIO WINNER OF VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. VANIK. Mr. Speaker, I would like to take a moment to thank John Ronald Vaselaney, an Ohio constituent of the 22d district, for his patriotic and meritorious 1977–78 Voice of Democracy essay. His first place essay embodies with pride and distinction the youthful voice of America and deserves inclusion in the RECORD. The essay follows:

VOICE OF DEMOCRACY OHIO WINNER

(By John Ronald Vaselaney)

The late President John F. Kennedy best summed up the contemporary American attitude in his inaugural address when he said: "Ask not what your country can do for you—ask what you can do for your country".

The rights guaranteed to each and every American citizen under the United States Constitution are those held dear to all citizens of all nations, be it freedom of speech, freedom of religion, or freedom of assembly. But along with those rights come responsibilities—the responsibilities of being an American, both now and in the future. On that 20th day of January, 1961, President Kennedy declared that the new generation of Americans would "pay any price, bear any burden, meet any hardship, support any friend, oppose any foe to assure the survival and success of liberty".

My major responsibility as a young American is to utilize, to its greatest extent, the excellent education provided for me by this nation's fine schools. It will provide me with both a knowledge of our glorious past and an insight into our brilliant future. Another role I play is that of the voice of America, expressing my ideas and opinions now in the hopes that my posterity will possess those same privileges which I am presently entitled to. Furthermore, I, as a member of Persident Kennedy's "new generation", will be America's guiding force in the 21st century, preserving the liberties endowed upon us by our founding forefathers. For many citizens have taken for granted those inalienable rights upon which democracy is structured, abusing them without consideration of how many oppressed peoples yearn for those same rights.

The American voter is capable of both the institution and repeal of his laws and public servants. As a group, it is more the responsibility than the right of the voting public to insure fair and just practices among its elected, for just as a law can be passed or an official elected, it can be removed through recall or referendum.

Beginning with the Federalist Papers, published by Madison, Jay, and Hamilton, there has been a continued feeling of nationalism among the American society. A nationalism characterized by pride in America and its goal: The preservation of the union, a doctrine for which Americans have fought a Civil War and two world wars to secure. Through such men as John Marshall, Abraham Lincoln, and Woodrow Wilson, this doctrine has stood the test of time. It is both the responsibility and the goal of the young Americans to maintain and magnify this feeling of nationalism within our great republic.

The role of America's youth is one of preservation. Preservation of the democratic society, where each man is his own man, individual and apart from all others. Preservation of each and every right and privilege bestowed upon each and every American citizen. Preservation of democracy, both in the United States and in the ever-changing world, letting the inhabitants of each country choose their form of government, not to accept that which is forced upon them against their will. And finally, the preservation of freedom; the freedom to do what you want, when you want, and however you want, and not to be subjected to the criticism or judgment imposed by others.

Could you imagine an America where there is no nationalism, no democracy, no freedom? I know I can't, but what really counts is the satisfaction of knowing that there will never be an America where freedom and democracy will take a back seat to any other form of government. For it is the duty, the responsibility, and the goal of America's people to guarantee justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty for this great country and those who inhabit it.●

THE "GASOHOL" BILL

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. WEAVER. Mr. Speaker, following is the text of the "Gasohol" bill which I have introduced. It is a companion to Senator FRANK CHURCH'S bill in the Senate. My bill emphasizes use of woodwaste from our national forests for use as fuel for home heating as well as cars.

H.R. 11293

A bill to provide for the use of alcohol produced from renewable resources including silvicultural materials from the national forests as home heating and motor vehicle fuels

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Silvicultural and Renewable Resource Home Heating and Gasohol Motor Fuel Act of 1978."

FINDINGS

SEC. 2. (a) The United States is currently importing large quantities of crude oil.

(b) A substantial portion of this crude oil is needed for the production of gasoline sold in interstate commerce.

(c) Renewable resources in the United States can provide a sufficient source of alcohol suitable for blending with gasoline to decrease the need for imported oil. Silvicultural materials, including logging and milling residues, underutilized standing forests, and densely planted forestry crops grown for energy production, are major renewable resources for conversion to such energy products.

DEFINITIONS

SEC. 3. As used in this Act the term—

(1) "alcohol" means methanol, ethanol, or any other alcohol which is produced from renewable resources and which is suitable for use by itself or in combination with other fuels as a home heating or motor fuel.

(2) "alcohol-blended fuel" means any fuel consisting of a mixture of gasoline and alcohol motor fuel.

(3) "alcohol motor fuel" means alcohol produced for use as a motor fuel.

(4) "commerce" means any trade, traffic, transportation, exchange, or other commerce—

(A) between any State and any place outside of such State; or,

(B) which affects any trade, traffic, transportation, exchange, or other commerce described in paragraph (A).

(5) "motor fuel" means any substance suitable for self-propelled vehicles designed primarily for use on public streets, roads, and highways.

(6) "refiner" means, for purposes of this Act, any person engaged in the refining of crude oil to produce motor fuel, including any affiliate of such person, or any importer of gasoline for use as a motor fuel.

(7) "Secretary" means the Secretary of Energy.

(8) "United States" means each State of the several States and the District of Columbia.

(9) "ultimate purchaser" means, with respect to any item, the first person who purchases that item for purposes other than resale.

(10) "renewable resource" means any substance which is a source of energy, and which is available in an inexhaustible supply in the foreseeable future; including logging and milling residues, underutilized standing forests, and densely planted forestry crops grown for energy production.

PROGRAM

SEC. 4. The Secretary shall establish pursuant to this Act a program to promote the use of alcohol-blended fuels in the United States. The purpose of the program shall be to replace gasoline used as a motor fuel with an alcohol-blended fuel containing the maximum percentage of alcohol motor fuel as is economically and technically feasible for use as a motor fuel and to develop the use of alcohol fuels for use in home heating.

STUDY

SEC. 5 (a) The Secretary, in consultation with the Secretary of Transportation, the Secretary of Agriculture, the Secretary of Commerce, and other appropriate agencies, including the Chief of the United States Forest Service, shall conduct a study to determine—

(1) the most suitable raw materials, other than petroleum or natural gas, for the production of alcohol motor fuel, and home heating fuel; and

(2) the nature of the alcohol motor fuel and home heating fuel distribution systems and the various production processes, using renewable resources other than petroleum and natural gas; that will be necessary for the rapid development of an alcohol motor fuel and home heating fuel industry. Such study shall identify ways to encourage the development of a reliable alcohol motor fuel and home heating fuel industry and shall identify the technical, economic, and institutional barriers to such development, and shall include an estimation of the production capacity of alcohol motor fuel and home heating fuel needed to implement the provisions of this Act.

(b) The Secretary shall report to the Congress not later than six months after the date of enactment of this Act on the results of the study described in subsection (a), together with such legislative recommendations as may be appropriate to further the purpose of this Act.

PRODUCTION GOALS

SEC. 6. The Secretary shall, by rule, within six months after the completion of the study in section 5, set production goals for the production of alcohol motor fuel in the United States in each of the calendar years 1981 through 1990. In setting such goals, the Secretary shall take into account the availability of reliable sources of alcohol produced from renewable resources. The production goal for alcohol motor fuel for calendar year 1981 shall be not less than 1 per centum by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year. The production goal for alcohol motor fuel for calendar year 1985 shall be not less than 5 per centum by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year. The production goal for alcohol motor fuel for calendar year 1990 shall be not less than 10 per centum by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year.

ALCOHOL-BLENDED FUEL REQUIREMENTS

SEC. 7. (a) The total quantity of gasoline sold annually in commerce in the United States by any refiner for use as motor fuel shall contain, on the average, not less than the percentage alcohol motor fuel by volume set forth for the calendar years shown for the following table:

Calendar year:	Percentage alcohol motor fuel by volume
1981	1 percent.
1982	Determined by the Secretary under subsection (b) of this section.
1983	Determined by the Secretary under subsection (b) of this section.
1984	Determined by the Secretary under subsection (b) of this section.
1985	5 percent.
1986	Determined by the Secretary under subsection (b) of this section.
1987	Determined by the Secretary under subsection (b) of this section.
1988	Determined by the Secretary under subsection (b) of this section.
1990	10 percent.

(b) Not later than July 1, 1980, the Secretary shall prescribe by rule the percentage alcohol motor fuel by volume required to be contained, on the average, in the total quantity of gasoline sold annually in commerce in the United States in calendar years 1982 through 1984 and 1986 through 1989 by any refiner for use as a motor fuel. Such percentage shall apply to each refiner, and shall be set for each such calendar year at a level which the Secretary determines (A) is technically and economically feasible, and (B) will result in steady progress toward meeting the percentage alcohol motor fuel by volume required pursuant to this section for calendar year 1990.

(c) Each refiner shall report annually to the Secretary the percentage alcohol motor fuel by volume contained on the average in the total quantity of gasoline for use as a motor fuel that refiner sold during the preceding calendar year.

ENFORCEMENT BY THE SECRETARY

SEC. 8. Any person who violates any requirement of section 7(a) is subject to a civil penalty of not more than $1 per gallon for each gallon of fuel sold that is not in compliance with section 7(a). Such penalties shall be assessed by the Secretary.

(b)(1) Before issuing an order assessing a civil penalty against any person under this section, the Secretary shall provide to such person notice of the proposed penalty. Such notice shall inform such person of his opportunity to elect within thirty days after the date of such notice to have the procedures of paragraph (3) (in lieu of those of paragraph (2)) apply with such respect to such assessment.

(2)(A) Unless an election is made within thirty calendar days after receipt of notice under paragraph (1) to have paragraph (3) apply with respect to such penalty, the Secretary shall assess the penalty, by order, after a determination of violation has been made on the record after an opportunity for an agency hearing pursuant to section 554 of title 5, United States Code, before a hearing examiner appointed under section 3105 of such title 5. Such assessment order shall include the hearing examiner's findings and the basis for such assessment.

(B) Any person against whom a penalty is assessed under this paragraph may, within sixty calendar days after the date of the order of the Secretary assessing such penalty, institute an action in the United States court of appeals for the appropriate judicial circuit for judicial review of such order in accordance with chapter 7 of title 5, United States Code. The court shall have jurisdiction to enter a judgment affirming, modifying, or setting aside in whole or in part, the order of the Secretary, or the court may remand the proceeding to the Secretary for such further action as the court may direct.

(3)(A) In the case of civil penalty with respect to which the procedures of this paragraph have been elected, the Secretary shall promptly assess such penalty.

(B) If the civil penalty has not yet been paid within sixty calendar days after the assessment order has been made under subparagraph (A), the Secretary shall institute an action in the appropriate district court of the United States for an order affirming the assessment of the civil penalty. The court shall have authority to review de novo law and the facts involved, and shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part such assessment.

(C) Any election to have this paragraph apply may not be revoked except with the consent of the Secretary.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order under paragraph (2) or after the appropriate district court has entered final judgment in favor of the Secretary under paragraph (3) the Secretary shall recover the amount of such penalty in any appropriate district court of the United States. In such action, the validity and appropriateness of such final assessment order or final judgment shall not be subject to review.

ALCOHOL DISTILLATION FUEL REQUIREMENTS

SEC. 9. (a) Any person constructing a facility to distill alcohol for motor fuel use shall use fuel sources which are renewable.

(b) The Secretary shall, six months after enactment of this Act, promulgate, by rule, procedures for certifying that any facility built for alcohol distillation pursuant to this Act comply with the following priorities of fuel use:

(1) First priority for fuel sources to operate such distillation facilities shall be given to renewable energy resources.

(2) Last priority for fuel sources shall be given to petroleum, petroleum derivatives, and natural gas.

(c) The Secretary may by waiver authorize the use of subsection (b)(2) fuel sources upon finding that it would be economically or technically infeasible to comply with the requirements of subsections (a) and (b), above.

PROCEDURES FOR RULEMAKING

SEC. 10. Any rulemaking by the Secretary pursuant to this Act shall be, unless otherwise provided in this Act, in accordance with section 501 of the Department of Energy Organization Act of 1977.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There is authorized to be appropriated to the Secretary to carry out section 5 and section 6 not to exceed $1,000,000 for fiscal year 1979.●

THE FEDERAL PAPERWORK BURDEN

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. ROUSSELOT. Mr. Speaker, on Friday, March 3, I participated in a hearing of the Subcommittee on Census and Population on the subject of the Federal paperwork burden. The hearing was held in Miami and chaired by my colleague, BILL LEHMAN. The testimony presented was well documented, concise, and shocking. As Members of Congress, we all share the blame for the severe problems facing State and local governments, school systems, hospitals, and businessmen in complying with reporting and recordkeeping requirements. We must begin to consider paperwork, reporting and recordkeeping issues at each stage of the legislative process.

One of the witnesses at the Friday hearing, Mr. Jay Siegel, a builder and developer in the Miami area, presented testimony which I believe is typical of the complaints many of us receive daily from our constituents. Mr. Siegel's remarks are well illustrated with concrete examples of the costs of Federal paperwork for businessmen, and eventually, to consumers.

I commend this statement to my colleagues. I think you will find Mr. Siegel's statement both amusing and informative.

The testimony follows:

STATEMENT OF JAY SIEGEL

Mr. Chairman and members of the committee, I would like to take this opportunity to thank you for allowing our appearance here today. The comments which I would make are made not only for myself, as a local builder and developer, but as a spokesman for the 900 member firms of the Builders Association of South Florida, which includes builders, developers and associate members who are material suppliers, tradespeople, insurance agents, savings & loan associations, national banks, real estate brokers and mortgage banking companies.

In the past, there have been numerous "congressional road shows" throughout the country which, from time to time, have reviewed the evergrowing problem of an increasing ocean of paperwork required by governmental agencies of any business firm in operation today.

In all candor, I feel very much like someone adrift in a rubber life raft with this committee, and others similar, in the role of rescuers who try to pull me alongside

their ship using pitchforks. Although the attempt is made to save me, my would-be rescuers are still putting holes in my boat.

As an illustration, let me read to you two paragraphs from the letter of invitation forwarded to me. "The subject of the hearings will be the paperwork burden created by the federal statistical system. We hope your comments will focus on the cost related to information gathering, the rise in prices that may result from this data collection and the eventual usefulness of this information by regulatory agencies so that the subcommittee can document and reach a better understanding of the paperwork burden experienced by local businessmen." "If possible, we would also appreciate 25 copies of your written testimony submitted to the subcommittee at least 48 hours before the hearings." As you can see, in an attempt to be helpful I have now expended $47.50, the sum of 10c a copy to make this appearance.

To be more specific, the cost of the paper storm is not only at the federal level, but filters to state, county and municipal government as well. Your control, of course, is at the federal level and I will limit my comments to that. The worst villian is the rash of regulatory agencies through which, directly or indirectly, every builder must deal. Each cost, however minute, becomes part of our overhead and if we are to remain in business, these costs must be made part of our sales cost. We estimate 20 percent of the cost, $10,000.00 to $20,0000.00, of our $50,-000.00 to $60,000.00 homes is attributable to governmental regulation, delay and "nice but not necessary" requirements. A $10,000.00 lot increases $500.00 in carrying cost with every six months of delay.

Twenty years ago, we were able to start land improvements within three months from the date of purchase of the land. Just recently, we are at 14 months after purchase, still trying to get through the platting and permitting process. Today, in the state of Florida, over 60% of the families cannot afford to purchase new housing. If you will reflect for a moment, ask yourself the question "could I afford to buy, at today's prices, the home in which I now live?" The paperwork itself is merely a symptom of the insidious disease of over regulation, overlapping regulations and insertion of Federal controls in areas where responsible government has no business being involved.

You and other members of Congress are personally responsible for adding to the increased cost of housing today. For the past several years, I have made constant complaints to numerous members of Congress concerning costs imposed by regulatory agencies and have received the unanimous excuse, "that it is not our fault but that of the regulatory agencies." In any organization, the lack of response and desire to aid the client, customer or consumer is a direct reflection not on the employee involved, but a failing of management to direct the proper attitudes and response. If my employees are not responsive to my customers, it is my fault for not imposing the proper direction. There is no question that Congress controls the regulatory agencies. Each time you allow yourself to be pressured by by some special interest group to create another agency, you are adding to the burden of the American taxpayer.

The bureaucratic, geometric growth of existing agencies can be easily controlled by reducing the amount of monies available to them for operation. Let us examine just a few. Any time I hear a new set of initials, I am certain to add $50.00 or $100.00 to the purchase price of my product. Among a few we have O.S.H.A., R.E.S.P.A. and E.R.I.S.A. These and other regulatory agencies were usually created to control certain inadequacies or violations by specific industries or individual companies or unions. Once they are enacted suddenly they encompass everyone and everything. O.S.H.A. went into effect several years ago and we suddenly found that regulations which were designed for highrise buildings were being enforced on lowrise and single-family dwellings.

There have been some adjustments to the Act, but to live to the letter of the regulations there would be a fence around each and every home built and most workers would wear a safety strap attached to the roof. We estimate that the "Nice But Not Necessary" features of O.S.H.A. cost each homeowner approximately $100.00 per unit. R.E.S.P.A. affects all homes which are purchased with a mortgage, approximately 98% of all sales in South Florida. The volume of forms (which I am making available to this Committee) and the time required for the proper processing and filing by the lender have added from $30.00 to $60.00 to the cost of every loan processed.

In my experience of over 20 years of dealing with prospective homeowners, I have not found anyone who was not cognizant of the interest rates, costs and monthly payments required by the lender. Since the passage of the R.E.S.P.A. requirements, I have questioned our homebuyers and have not found one who has read the volume of information provided thoroughly and not one who felt that it was necessary knowledge to have prior to his purchase of a home. I can assure you that they would much rather have some reduction in the purchase price of their home. We are further burdened by the Federal requirement for flood insurance. Although there are, I am sure, sections of the country which require such protection such as in river basins, valleys and on coastal areas, the rapid expansion of this program to almost all parts of South Florida has cost each one of my homeoners some $88 per year to date.

There is, of course, a 100 year, or 1 percent probability that certain homes in inland Florida may have rising waters above the first floor slab elevation. However, anyone with experience in South Florida can tell you that the rising waters to which we are susceptible in most areas may enter the home and damage the contents. The likelihood of these waters doing structural damage which the insurance covers is minuscule. Recently there have been some reductions in the rates. To my knowledge, none of my homeowners are aware that this reduction has been made and are certainly not aware that to receive the reductions they must provide some documentation that the first floor elevation is above the required height. I have learned that local surveyors are charging from $50.00 to $100.00 to make this survey.

The records may be available to the builder, but he is certainly not in a position to take the time nor expend the monies necessary to collate and forward all of this information to the Bureau on literally hundreds of homes, built and delivered years ago. All this adds to the already slow and difficult processing of these policies. I am advised that the Department of Housing and Urban Development has now removed the operation of this program from the private insurance companies servicing same and has given it into the bureaucratic hands of a governmental agency. To get any information, one must call one of two 800 numbers, which are constantly busy throughout the day. Local insurance agents who receive a very small commission on the sale of these policies now find that they spend more time and money servicing these policies than the dollars in premiums which they receive to do so.

I am making available for your use some copies of various informational bulletins concerning this problem. The costs of premiums does not take into account the additional cost of raising the ground floor elevations in Florida to meet the criteria set in Washington. In a new development I am planning, each house will cost the buyer $400.00 to $750.00 more to raise the units higher than those of their neighbors on adjacent streets. These regulations also affect the quality and variety of design.

The next acronym on my hit list is E.R.I.S.A. This Regulatory Act was passed ostensibly to prevent abuses in pension plans. The regulations are written to control huge corporate and union pension funds, with no consideration of its effect on smaller companies. Our company had an existing pension plan for our few employees which required insurance premium payments of under $10,000.00 per year. Upon the passage of E.R.I.S.A., we were deluged with forms and regulations which we were ill equipped to handle, within our company. As they were quite technical in nature and contained extensive penalties, we reviewed these regulations with our legal, insurance and accounting advisors and quickly found that to comply with all of the audits, bonds and reporting information required each year, the cost would be approximately $3,600.00. Needless to say, we no longer have a pension fund. In our instance, Congress has accomplished the exact reverse or its original intention. I am advised that hundreds of pension funds across the country have been cancelled for the same reasons.

Subsequent to the initial invitation to give testimony before this committee, I became involved with yet another federal regulatory agency and although indirect, I find that we are a party to an alleged violation of the federal act pertaining to new and expanded rights given the U.S. Army Corps of Engineers. Congress has given this agency powers to control permitting of improvements in so-called wetlands throughout the country, without any specific guidelines as to what is the determination of wetlands.

Rather than carry out their intended purpose of controlling truly navigable waterways, Harbors and bridges of the United States, they now have been given the right to control, under certain circumstances, all movement of earth, and I quote one of the gentlemen from the U.S. Army Corps of Engineers, "the movement of one teaspoon of earth without a permit from the corps is a violation." This extension of their power runs parallel to, and obviously in addition to, existing permitting agencies who have already reviewed and approved projects, which includes municipal government, county government, local drainage districts, regional water management and State Department of Environmental Regulations. Having gone through all of these agencies, it is possible to find that you still have neglected to touch base with yet another regulatory agency.

As an illustration of how the corps has drifted from its primary purpose, I submit the following: Our company controller recently purchased approximatley one acre of land in the unincorporated area of Broward County. He applied for a building permit to build one single-family house with a small, 40'x85' pond. The local building department advised him that they would not issue a building permit until he had clearance from the U.S. Army Corps of Engineers. He contacted the corps in Miami Beach and was advised that they did wish to assert their permitting powers and that they would make the necessary inspection of the property. He waited several days and learned that they indeed had had someone from Miami Beach drive all the way to Davie to inspect this one single lot and approve it prior to his receiving a building permit. There is no way that this inspection could be made by less than one

person spending at least one-half day, plus transportation expenses, to inspect this single residential lot. If there was ever a perversion of government regulatory powers, this is certainly a prime example.

These four examples are really just the tip of the regulatory Iceberg. Each time Congress allows the expansions of a regulatory agency, it is followed by tons of regulations with which the small businessman is illequipped to cope. Other than the agencies and acts which I have previously mentioned, we still must deal with the National Environmental Policy Act of 1969, the Clean Air Act of 1970, the Federal Water Pollution Control Act of 1972, the Resource Conservation and Recovery Act of 1976, the Toxic Substances Control Act of 1976, the Coastal Zone Management Act of 1972 and the Clean Air Act Amendments of .977.

I must admit that until I did some research for this appearance, I was not even aware of the existence of some of these acts. This is an overwhelming amount of law making and it is very difficult to keep up with. But what is more burdensome are everchanging regulations and standards imposed by these agencies charged with putting these laws into effect. I recently read that Federal rules and standards of all sorts last year took up 57,-027 pages of the Federal Register. In January 1977, just one month, they filled 5,996 pages. The article said that the Federal Government spent $3.5 billion in 1977, up 21 percent from 1976, just for regulating business.

The EPA recently put out a list of 86 major regulations now being developed by that agency alone. The paperwork imposed on business is ever increasing. It is expensive and time-consuming to do the monitoring of regulations and submit the required reports, applications and questionnaires. Government cannot be all things to all people and each time a special interest minority comes clamoring to Congress to "right some imagined wrong," you must apply a strict cost/benefit ratio to each and every bit of regulatory legislation. If you do not, we will drown in a costly sea of red tape.

What frightens me the most concerning my own industry is the concern that after governmental agencies of all types, by excessive regulation and related costs, have driven the price of housing out of the reach of the general public and in doing so drive most of the builders, especially smaller companies, out of business, the Government will then step in and say "you see, private enterprise can't do the job of housing the American public and therefore we will take over the creation of housing." That certainly will be the ultimate disaster.

In the early 1900's, a German philosopher predicted the demise of the democratic system. His theory was that societies become more and more demanding of government and that government, rather than monitoring the desire for these services, will continue to give them until there is no longer any ability of the government and society as a whole to afford them. I am afraid that we are fast approaching this point. It is within your power to prevent this from happening. I sense a growing awareness by more and more of the public that our Goverment cannot continue to be profligate in its regulation and spending programs.

As practical politicians, I suggest that you carefully consider this growing desire of the voting public and spread the word among your colleagues in Congress that, like the head of each and every family, success lies not in conceding to the every wish of your children, but to use your wisdom in planning what is best for them in the long run, rather than avoiding their momentary displeasure when you have made a decision for their long term benefit.●

COAL STRIKE

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. STEERS. Mr. Speaker, we are now into our third month of a coal strike that is rapidly crippling much of the Eastern United States. The President has finally indicated that he will invoke Taft-Hartley, and, as expected, the sentiment among the striking coal miners is to ignore the back-to-work order.

Parts of Maryland, including parts of the Eighth Congressional District, will soon start to feel the effects of the lack of coal. There will be drastic cutbacks in electricity consumption in the western part of Maryland. This in turn will trigger of increased unemployment and will severely affect commerce in the rest of the State. On February 13, 1978, I wrote a letter to the President outlining the problems that Maryland will face because of the strike. I fear that in a very short time these problems will become reality. The extended winter will only compound these problems.

The rank and file of the United Mine Workers rejected the proposed settlement in an overwhelming fashion. By news accounts the rank and file seem to be holding out for a different settlement with a Federal seizure of the mines. I do not know if this is true or not, but I do believe that seizure will be the only sure way of restocking the depleted supplies of coal throughout the Eastern United States.

The length of the coal strike brings to mind another crucial question. The President's energy proposals, submitted to the Congress April of 1977 called for a general conversion to coal, because it is the most abundant usable fuel source in this country. The President set as a goal of his proposals a doubling in the amount of coal mined. As a supporter of much of the President's energy plan, I agree that we should increase our use of coal. These long interruptions of service call into question this Nation's ability to meet the President's goal should that bill ever become law. If coal does not come from the mines shortly, the economic problems we will experience will be great. If there is not a greater ability to avoid these protracted strikes, the economic problems will be many times greater, as we increase our dependence on coal.

I am inserting my letter to President Carter into the RECORD and I still urge him to take the necessary steps to alleviate the present situation:

HOUSE OF REPRESENTATIVES,
February 13, 1978.

THE PRESIDENT OF THE UNITED STATES,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The grave situation facing Western Maryland with regard to the decreasing coal supply there has recently come to my particular attention through the efforts of Donald F. Munson, Delegate of Maryland's District 2–C. I am writing and enclosing a copy of a letter which he sent to you in an effort to reinforce his appeal with my own.

Although Western Maryland is beyond my district, I strongly request your attention in this matter.

Residential, commercial and industrial consumers depend heavily on energy supplied by Potomac Edison Power Company, which serves a tri-state area. The impending shortage of coal, the primary source for Potomac Edison, threatens to seriously disrupt the lives and the economy of the citizens of Western Maryland. The resultant industrial and small business closings will cause serious unempoyment. Loss of the major energy source will require widespread shut-downs of public facilities and eventual cessation of basic services. Since the present weather situation threatens to match the hardships of last year's winter, this is a matter of utmost urgency.

Mr. President, I am greatly concerned over the plight of Western Marylanders. I appeal to you to give this matter serious attention in the hope that you may intervene in some way to alleivate the present situation and possibly avert an impending emergency for our citizens.

Thank you very much.

Yours sincerely,

NEWTON I. STEERS, Jr.●

MILITARY RETIRED INCOME EQUITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mrs. SCHROEDER. Mr. Speaker, today I am introducing legislation to amend the military retirement plan to entitle former spouses married at least 10 years to members of the Armed Services to a pro rata share of that service member's retirement pay and a share of the survivors' benefits after the service member's death.

This bill is based upon the thesis that marriage is an economic partnership. It is my contention that the former spouse made a significant contribution to the service member's ability to earn the wage and consequently receive the pension.

The sacrifices of the military wife toward this end are particularly difficult. The spouse is subject to the constant uprooting of their family that accompanies changes of duty station, and the irregular hours and long periods of separation that are a peculiar characteristic of military life. These demands often prevent the development of a sustained career on the part of the spouse. Constant movement most often means the loss of career opportunities and promotions, pay raises, and the prerequisites of seniority.

While there is no dispute that homemakers perform valued services for their families and society, it is frequently argued that pensions are an earned retirement benefit. However, I think it is important that the concept of earned benefits be applied to those homemakers who, after contributing substantially to an economic partnership, find themselves divorced in their middle years, un-

able to find work, and ineligible for social security.

The 1963 report of the President's Commission on the Status of Women affirmed that—

Marriage as a partnership in which each spouse makes a different but important contribution is increasingly recognized as a reality in this country. During marriage each spouse should have a legally defined substantial right in the earnings of the other, in the real and personal property acquired through those earnings, and in their management. Such a right should be legally recognized as surviving the marriage in the event of its termination by divorce, annulment, or death. Appropriate legislation should safeguard either spouse and protect the surviving spouse against improper alienation of property by the other.

We are a society which places value on home and family, encouraging women to stay home and take care of children. Yet one of the most severe forms of economic discrimination is that we fail to attach an economic value to this service. The feature of pension portability and earned right for the homemaker is essential if spouses are to have a choice whether to work inside or outside the home.

Two developments in particular led me to introduce this bill and related legislation. First, the size of the relevant population has grown significantly. The U.S. divorce rate has doubled in the last 10 years to the point where it is now the highest in the world. More significantly, given the constraints written into the bill, a quarter of those divorces are occurring in marriages which have lasted 15 years or more.

A second development of significance is the increasing trend toward no-fault divorce settlements, with the result that divorce may be obtained upon unilateral demand in most States with spousal support for limited periods if granted at all. In fact, a September 1975 survey conducted by Market Opinion Research revealed that only 14 percent of divorced women were awarded alimony, while only 44 percent of the divorced mothers were awarded child support. Moreover, less than half of the payments arrive regularly with compliance dwindling to zero as the years pass. Finally, alimony and child support cease suddenly with the death of the breadwinner—leaving no security for later years.

The older divorced spouse is the most vulnerable individual in society. They frequently find it difficult to get jobs, because of high unemployment, lack of recent paid work experience, and the hesitation of employers to hire older workers. The later years also generally impose additional monetary burdens brought on by declining health. The age of divorced spouses often makes it extremely difficult to secure adequate health insurance at a reasonable cost. Often they are ineligible for medicare, because they are not covered by social security.

Briefly the bill would award a prorata share of the retired pay of a member of the armed services to a divorced spouse, male or female, married for at least 10 years. The exact amount of the annuity would be a function of the number of years of marriage that overlap with credited years of service toward retirement and the total number of years the service member serves. At a maximum the annuity would be equal to 50 percent of the retired pay.

The bill would also award a pro-rata share of survivors benefits to a divorced spouse. Survivors benefits generally equal 55 percent of the members retired pay. The divorced spouse would be entitled to 55 percent of the annuity she was receiving. This legislation would also make survivors benefits mandatory unless the service member, his current spouse and/or his former spouse (if any) elect out of the plan. While this step may be controversial, it appears to be necessary. In fiscal year 1976 of 64,000 retirees only 54 percent chose to participate in the survivor benefit plan. Under current policy then approximately 30,000 widows and former spouses will find themselves without benefits after their husband's death. The burden of this program is minimal. For the average enlisted man whose retired pay equals $423, the reduction for survivors benefits would be only $20. For the average officer who receives $841, the reduction would be only $62.

The Congress responded to the growing number of long marriages ending in divorce by amending the Social Seucrity Act in 1965 to provide benefits for a divorced spouse married a minimum of 20 years. Although the Federal Government has met the needs of particpants in the social security system it has not done so for the spouses of Federal workers. Under current law they are guaranteed nothing. This dual standard should not be allowed to exist.●

THE CHICAGO DAILY NEWS CEASES PUBLICATION

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. FARY. Mr. Speaker, I would like to bring to the attention of my fellow colleagues, the fact that the Chicago Daily News, one of the finest newspapers in the country, ceased publication on March 4 of this year. The following is an excerpt from the front page of the March 4 final edition, written by Daily News columnist Mike Royko:

Since the official announcement was made on February 22 that the Chicago Daily News would cease publication on March 4, the nation's press has been lamenting our demise.

We've been reading about how we were one of America's oldest papers (102 years), rich in tradition and boasting of great staffs, past and present.

Most of the obits point out that the Daily News had the first foreign service. It was a great one. Over the years, it included such star reporters as John Gunther, Edgar Ansel Mowrer, Paul Scott Mowrer, Keyes Beech, George Weller and Bill Stoneman.

This was the paper that once employed Carl Sandburg as a silent movie critic. Ben Hecht worked here and gathered the material for "Front Page," his classic play about the roughhouse days of Chicago journalism. The Daily News invented the daily columnist.

Our 15 Pulitzer Prizes and countless other awards put us right up there with the best of papers.

The Daily News was doing investigative reporting, and sending politicians to jail, when Woodward and Bernstein were toddlers.

Our Washington bureau, while not big in number, was always respected. The late Ed Lahey was a living Washington legend. Bureau chief Peter Lisagor, who died in 1976, was often described by his peers as the best reporter in the capitol.

The recent staff was as good as its ancestors. Pulitzers were owned by cartoonist John Fischetti, associate editor Lois Wille and Beech, lately of the Washington staff. More that 50 books have been written by recent Daily News writers.

Well, you read enough glowing obits about yourself, and you can be pardoned for thinking: "Boy, we were really pretty good."

But then comes the inevitable question: "Yeah? If we were that good, how come we didn't make it?"

And that is the toughest part of being on a 102-year-old, tradition-laden newspaper that goes under. If it had been a cheap rag, its death would have been easier to take. But the Daily News, while it had some bad days, was still one of the best papers in the country.

The very day publisher Marshall Field stood on a desk in the city room to break the sad news, the paper was notified that Lois Wille had won the William Allen White award, the nation's top honor for excellence in editorial writing.

In recent months it had dominated the city's news coverage with spectacular front-page exposes of political scandals. The talk in the newsroom was about which story would win a Pulitzer Prize—not whether we'd win, but which one.

An indication of the staff's ability was that within hours of Field's announcement, editors from other cities were flying to Chicago to set up recruiting offices in nearby hotels. Papers like the Los Angeles Times, Washington Post, Dallas Times and others snapped up talent. One reporter found himself weighing offers from New York Times, the Wall Street Journal and Forbes magazine. An editor from Seattle flew in, offered jobs to two writers and said, "I wish I could take back 25 of them."

Yes, it was a fine paper and getting better. John Justin Smith, who started as a copy boy in 1937 and had worked there 41 years as a reporter, writer, columnist, assistant city editor, sports editor and travel editor, said: "What hurts is that it is as good or better right now than at any time in my career."

But in the executive offices, where the bottom line is what they need first, the talk was about the slide in circulation, the resultant loss of advertising, and the growing deficit that would reach $11 million in 1978, more than the other Field paper, the profitable morning Sun-Times, could possibly earn.

And that is the puzzler. Why couldn't a good newspaper make it?

Some say that any afternoon newspaper faces hard times for a variety of reasons.

People say that expressways are a factor. Twenty years ago, Chicago didn't have any. Many more people rode buses, subways, commuter trains. Many bought an afternoon paper on the way home. Now Chicago has a network of expressways. More suburban-bound drivers. Fewer rush hour readers.

Most people used to live and work in or near the city. It was easy to deliver their paper or put a newstand on their street

corner. Now more people live and work in the suburbs or beyond. Distribution is tougher.

Highly profitable suburban papers now provide competition. But in the city's black and Latin ghettos, there is little interest in any newspaper.

And the competition is tough. The Tribune is rich, powerful and aggressive. The Sun-Times is profitable and a modern tabloid. Both are morning papers, where the distribution advantage is immeasureable.

All of these factors contributed to a circulation drop at the Daily News from about 550,000 in the late 1950s to the final figure of about 315,000.

But there were other things, seldom mentioned by professional press critics because they aren't as easy to measure.

Courage, for example. There are times when a paper can have too much of it for its own economic good. That, at times, was one of the Daily News' problems.

In the early 1960s, many papers treated the civil rights movement quite gingerly. The Daily News recognized it as the most important story in America. Nicholas Von Hoffman, now a Washington columnist, but then a Daily News reporter, wrote brilliant, in-depth reports from the South. When the civil rights movement went north to Chicago, the Daily News was just as aggressive in reporting the racism of its own city. The Daily News was far ahead of any Chicago paper on this story.

All of which made the staff proud. But it made many white readers angry. It was a story they didn't want to know about. Almost every day the circulation director would storm into the news room and scream about cancellations by white readers. The editor told him to stay the hell away from the reporters. The irony was that the white readers quit in droves. But almost no black readers joined.

In Chicago, Richard J. Daley was mayor, boss, father figure and the most dominant politician in the city's history. He was viewed with awe by the establishment, common people and the eastern press—by almost everybody, in fact except the Daily News. During and after the 1968 Democratic Convention, the Daily News hit him hardest for his contributions to the chaos.

But most Chicagoans thought that the splitting of protestor's heads in Grant Park was great sport. So Dailey got votes while the Daily News lost readers.

When the Cook County state's attorney's police raided Black Panther headquarters and three black men were killed, the official explanation was that the police had fired in self-defense. The Daily News said baloney and demanded an investigation. The Daily News was proved right, but more white readers, who preferred police to Panther, turned away.

Courage didn't kill the Daily News, but it undoubtedly shortened its life. And so did apathy. In the Chicago area, 1.6 million people will turn on "Welcome Back Kotter." About 2.1 million watch "Charlie's Angels." "Wonder Women" draws 939,000. There's a big market for mental cotton candy.

But out of 7 million who live in the Daily News circulation area, only 315,000 of them thought one of the better papers in American was worth 15 inflationary cents.

When a new dictator takes over a country, one of the first things he does is seize or close the newspapers.

Apathy isn't as heavyhanded as a dictator. But it can get the same job done.

Mr. Speaker, being a native of Chicago, I can attest to the outstanding reputation that the Daily News has built up over the years. Their staff has provided their readers with the finest in investigative journalism and has served as a model to dozens of other newspapers throughout the country. I am truly sorry that the Daily News is gone, but am confident that the spirit under which it operated, will continue to thrive in the industry it so heavily influenced.●

ANALYSIS OF HUMPHREY–HAWKINS BILL

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. JEFFORDS. Mr. Speaker, as we begin our consideration of the Humphrey-Hawkins bill, I would like to bring to the attention of my colleagues one of the best analyses of this legislation that I have seen to date. It quite accurately points out the threats posed by this legislation.

It was written by Robert W. Santway of Bennington, Vt. Mr. Santway, an employee of Globe Union Co. in Bennington, was a democratic candidate for Congress in 1976. His analysis appeared in the Sunday Rutland Herald and Sunday Times Argus on March 5. I insert the article in the RECORD at this time:

THE HUMPHREY-HAWKINS BILL: PROMISE OR THREAT?

(By Robert W. Santway)

Humphrey-Hawkins: "A bill to translate into practical reality the right of all Americans who are able, willing and seeking work, to full opportunity for useful paid employment at fair rates of compensation."

What self-seeking, career- or constituent-minded member of the U.S. Congress could vote against a bill that starts off like this! From the publicity and support the bill has had, I wonder if anyone reads further. The bill has attained a super-star status, suggesting it has some mystical power to overcome unemployment. It is as if the old rule requiring investment to make jobs was somehow going to be circumvented by a new invention of the U.S. Congress.

There is no new invention. Indeed, one of difficulties in describing the bill is to find things that are new. Public policy is already sensitive to unemployment. Witness the Economic Development Administration funds that recently went into many Vermont communities for various construction projects with the provision that the projects approved get started soon. These funds were aimed at getting the construction industry moving . . . now. This kind of response to unemployment is covered under the Humphrey-Hawkins Bill section on Countercyclical Employment Policies.

Job training and counseling called for in the bill are also not new ideas for federal or state governments. The bill calls for an economic report, made by the President, outlining economic goals and how to attain them. Since President Carter has recently bullied the gas and oil industries attempting to get them to hold prices down, the President is already involved in economic policy. The President also has economic advisers, and the Federal Reserve System controls monetary policy to best fit the economy of the country. The Congress, by promoting minimum wage legislation, as well as changes in Social Security deductions, is active in reviewing the country's economy and legislation to change things. Economic advisers, monetary policy and a review of the President's Economic Report by Congress are all items called for in the bill.

Perhaps the bill would give a better structure for coordinating these activities, already a part of public economic policy. However, I wonder if the economy—or anything else—can be improved by several more new committees. So much for the old wine in a new wineskin.

What do we find that is new? There are goals set to reduce unemployment among those 20-year-old and over to 3 percent, and among those over age 16 to 4 percent. Since unemployment during the past 20 years has been around 5 percent and is currently about 7 percent, the goals are very ambitious—especially for old wine in a new wineskin. Indeed, after these goals are attained, the next goal would be "full employment." To pull unempoyment back from 7 percent to 4 percent means creating jobs for around 3 million people. Even assuming an investment of only $10,000 per job (motels, manufacturing and the energy industry require amounts much larger than this), the cost is $30 billion.

There is another new idea in the bill: priorities. However, it is difficult to know whether the bill's authors are serious. For instance, in Section 6 we read: "The Economic Report shall include priority policies and programs to encourage productive non-wasteful jobs and help to reorder national priorities and employ the jobless in the production of goods and services which add to the strength of the economy, the wealth of the nation, the well being of the people and the restraint of inflation." The later part of the quote looks like the writer is carried away with cliches: "strength of the economy, wealth of the nation, the well being of the people." Maybe he regards "priorities" in the same way.

In another part of the bill, there is a statement: "The Congress hereby declares that it is the continuing policy . . . to coordinate and utilize all its plans, functions and resources . . . to promote free competitive enterprise . . ." In a world of limited resources, it is not clear that priorities can go along with free competitive enterprise. Providing electrical service at reasonable cost may be a good priority item, but Central Vermont Public Service Corp. may not be as attractive an investment as Barbara Streisand.

The Humphrey-Hawkins Bill is referred to as if it were fixed entity, but there have been changes. Since January, 1975, when it was first introduced, it grew from 28 pages to 48 pages in 1976. These are almost two different bills. The 1977 version resembled the 1976 version, but even here there were some significant changes aimed at satisfying timid members of Congress as well as the business community.

In 1976, there was conciseness and clarity in parts of the bill which now has been overstated. For instance, in 1976 the President's Economic Report includes "current and forseeable trends in the levels of employment, production and purchasing power." This is pretty clear: people producing things and what their dollars will buy. In fact, the thrust of the bill was toward planning to match up needed employment with needed production. In the latest version, we read that the Economic Report includes "the current and forseeable trends in the levels of employment, unemployment, production, real income, productivity and prices." Why stop there? Why not add wages, gross national product and balance of payments? Then, too, we now find that slippery word "productivity." Is this term useful in an economy that finds farmers growing wheat for $3.50 a bushel only to sell it for $3 a bushel?

And to erase thoroughly any past elements of a planned economy in the bill, the 1977 version in Section 2 added the statement: "no provisions of the Act shall be used, with

respect to any portion of the private sector of the economy, to provide for Government control of production, employment, allocation of resources or wages and prices, except to the extent authorized under other legislation." This statement makes the bill's concern for "priorities" diluted even more. It is hard to see how we can establish priorities without putting some controls on the "allocation of resources."

Many visualized the bill as related to public works projects like cleaning up the Hudson River of PCBs, or Lake Champlain of paper plant waste. A new policy statement clarifies this: "The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1977 to maximize and place primary emphasis upon the expansion of private employment, and all programs and policies under that Act shall be in accord with that purpose." This statement merely reaffirms the status quo: What is good for General Motors is good for the country.

And if we eventually have to make new federal projects to provide jobs, Section 206 of the bill now reminds us: "The jobs under such new . . . projects shall be useful and productive jobs. Nonetheless such jobs shall be mainly in the lower range of skills and pay. . . ." (Parenthetically, the repetition in this form of writing is awful: Are there nonuseful productive jobs?) The bill continues to perpetuate a stereotype of the unemployed: someone who cannot find a job in mainstream America should not be paid very much money.

With its refusal to face up to priorities, planning and the allocation of resources and continued support of "free competitive enterprise," the bill, unrealistically, treats the economy like one big Farmer's Market. General Electric, Gneral Dynamics and General Motors are not simply farmers offering their wares. They dominate and control markets. Some indication of how large corporations feel about competition was indicated when Eastman Kodak brought out their instant picture camera: Polaroid "welcomed" them into the marketplace with a patent infringement suit.

The bill fails to mention bargaining as a factor controlling money. Currently the U.S. has a large trade deficit with Japan: we like their Hondas better than they like our Cadillacs. This causes a large supply of dollars in Japan. This money is dumped into the money market in exchange for other currencies of countries where Japan wants to buy things. This causes a decrease in the value of the dollar as well as destabilizing the value of other currencies. In order to prevent these upsets, the U.S. and Japan are bargaining. Although the desired result may be a more stable economic world for both countries, the language of bargaining may be more emotional than logical, and, certainly, intimidation and threats are not out of place. Wages are increasingly determined by collective bargaining. Many teachers, policemen and other municipal workers have been organized in recent years. A continuance of high unemployment means that these unions will work doubly hard to protect their members' jobs.

The bill fails to recognize underemployment. Along with the Ph.D. high school teacher for whom a college teaching job doesn't exist, there are high school graduates at repetitive jobs in industry who find very little challenge in their jobs. A few years ago, education was given as the common solution for all problems. We now find we do not have the jobs available to fulfill the educated. Yet Humphrey-Hawkins views the unemployed as only good for shoveling snow, but not much else.

The elderly are also underemployed. Being retired to a rocking chair, in an apartment that costs 50 percent of your Social Security check, encourages depression. Federally sponsored job projects for the elderly, both paid and unpaid, are threadbare operations, especially when compared to the capitalization of corporate America; $110 billion for national defense; $41 billion for interest on the public debt.

The bill is neither a promise to the unemployed (allowing them to participate in America's economic life), nor is it a threat to corporate America, allowing the federal government to compete for investment dollars. The status quo remains intact. But there are still increasing numbers of people being priced out of the marketplace for essentials. Food stamps, Medicaid, Medicare and a shortage of public housing indicate this.

With the faults of the bill enumerated here, it is hard to see why the bill shouldn't be allowed to die quietly in a committee. If the bill is debated in the Congress, it may publicize the difficulty of trying to establish priorities in "competitive free enterprise" without allocation of resources. This debate could help educate the public along with the Congress. Too many people in both groups think that the way to solve unemployment is to send the jobless out to pick apples or strawberries. If the bill is passed, the unemployed may turn up in more government reports, but not in jobs—unless there is a large commitment of funds: $30 billion as a minimum. And what self-seeking, career- or constitutent-minded members of Congress would vote for that kind of a new expenditure, in an election year? None of them.●

NEGATIVE FEELINGS ABOUT USE OF CHEMICALS IN FOOD PRODUCTION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. SYMMS. Mr. Speaker, there is much controversy surrounding the use of chemicals in the production of our food. Being a fruit rancher, I am familiar with the growing tension between our regulatory agencies and those who work in agriculture. If Government regulations continues to tie the hands of those who produce our food, fiber, and energy needs, we will see a decline in research and technology which will severely handicap future food production.

I would like to share an article which was in the February issue of the American Fruit Grower which addresses the negative feelings about the use of chemicals:

PESTICIDES AT THE CROSSROADS

There is almost a life and death struggle taking place between militant or radical environmentalists and friends and suppliers of production agriculture. This is a strong statement, but more and more it is becoming apparent that new technology of crop production is being slowed as research and development and use of chemicals are enmeshed in hampering new regulations.

Pesticide companies are being forced into spending more and more of their money for "defensive research," which means to satisfy demands from the regulatory agencies for safety data. Meanwhile, new products are not being developed as the momentum of research slows down. What new chemicals the government is permitting can be used only on a local basis, or experimental basis, with strict controls over use and time limits when their use will be withdrawn. The paperwork is tremendous, and large amounts of money are being spent just to satisfy regulations.

At the same time, government agencies like EPA and USDA are preparing a big push with IPM or Integrated Pest Management. IPM is seen as a way to cut down on use of chemicals by substituting biological methods or by reducing the number of chemical applications needed through new pest forecasting methods. There is nothing wrong with IPM; it is being used in a number of situations with success, but it is wise to note that the state of the art is new, and there simply isn't enough data to apply IPM on a broad scale. Some of the more enthusiastic supporters of IPM within the government are talking of putting regulations into effect enforcing an IPM approach, but this would be a terrible mistake.

Growers have shown they are quick to adopt pest management methods involving protecting populations of beneficial pests when they work. The lead article in this issue tells of efforts in California to regulate an IPM approach and how an outraged agricultural community rose up to strike it down. Efforts like this can give IPM a bad name and slow its progress instead of speeding it up.

Another way the government is seeking to cut back on chemical use is with the RPAR (rebuttable presumption against registration) process, whereby the government lists questions about safety of specific chemicals, and it is up to agriculture and the chemical industry to present a rebuttal. Chemicals that are the backbone of modern pest control are involved. As happens so often, supporters of our production agriculture system have been maneuvered into a corner. The government publishes serious questions about each chemical, which is a public relations bonanza for the antipesticide people. Articles that appeared in the daily press recently with headlines proclaiming that our food supply is being poisoned by chemicals were "leaked" to the press from the RPAR process. All growers can do to counteract this unfavorable publicity is to supply your state pesticide coordinator with proof about the need for these chemicals and losses crops would suffer without them.

All the increased regulations, the big emphasis on IPM, and the tremendous amount of paperwork involved in RPAR are a result of the antichemical sentiment, which seemingly is growing stronger and stronger. But there is an uneasy feeling among those supporting present day agricultural technology that public opinion is being manipulated.

As a result of this emotional antagonism to pesticides by the American public, the development of new chemicals that would accomplish some unusual things in improving crop yields and quality will be delayed or never come about.

The advances of the past 20 years have been tremendous and affect every grower in a positive, beneficial way. The growth regulators, the soil fumigants, the herbicides, insecticides, and fungicides have created productive new systems of fruit growing. It would be too bad for agriculture if this process were to diminish, but that is what seems to be happening.●

A PLAN FOR CONTROLLING BEEF IMPORTS

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. PICKLE. Mr. Speaker, today I am reintroducing my bill to impose quotas

and duties on the importation of processed beef and live cattle.

This is a new approach to the age-old problem that has plagued cattle producers and consumers. I admit that it is rather a complex piece of legislation and I hope that my colleagues will take the time to study the summary of the bill that I have attached.

I think this is a good plan that will eliminate the "boom and bust" cycles in meat prices that we have seen in the past decade. This same bill has been introduced in the Senate by Senator BELLMON (Oklahoma) and I understand that Senator BENTSEN has introduced a similar bill that would also include provisions on labeling of beef.

I hope that my colleagues will join me in supporting this legislation.

The explanation of my proposal follows:

SUMMARY OF H.R. 10894

America's cattle industry has been faced with an extended period of market depression for producers. Prices paid by producers compared to prices they receive has severely curtailed their buying power. This condition has forced many family farmers and ranchers into excessive debt to maintain operations. Grain markets are experiencing low prices from surplus supplies. This condition has become compounded as cattlemen plow up pasture land and raise crops to meet expenses. A major cause of this adverse economic condition is the United States method of allowing meat imports into our domestic market.

Meat import levels are negotiated under voluntary restraints determined from the 1964 Meat Import Act (Public Law 88-482). Under this law imports are increased as domestic production is increased. In addition, there exists a built in growth factor guaranteeing importers at least a seven percent share of our domestic market. Imported meat competes directly with cow/calf production in the ground beef market. Not all meat is covered by the law and consequently the law and its quotas are circumvented through live cattle shipments and various forms of processed meats. There are numerous economic studies which indicate the negative effects imports have on domestic market prices. One such study demonstrates that a 10 percent shift in imports effects the market by $700 million in the opposite direction.

Due to recent droughts and adverse economic conditions in the agricultural sector, cattle producers have excessively liquidated their herds to dangerously low levels. Even though we are at the end of a cattle cycle, herd rebuilding cannot proceed without positive changes in market price conditions.

Reforming the 1964 Meat Import Act would have to be in the best interests of producers, consumers, and international trade. Producers, especially cow/calf operators, require relief from excessive foreign competition. Consumers need protection against escalated prices. International trade balances need assurance of stability and optimum resource allocation. In order to meet the needs of these three factors, the Concerned Cattlemen's Task Force of the Dakota's has developed a model to effectively regulate imports.

MODEL NARRATIVE

The model's fundamental implications are to:

(1) prevent extended periods of low market prices for producers;

(2) protect consumers from inflated meat prices; and

(3) assure foreign exporters access to our domestic meat market.

The model provides a formula which determines import quotas as a percentage of domestic production. The index used is a price received, price paid ratio. This index herein referred to as the production cost price index, triggers import levels. The model floor is set at 80 percent on the index allowing 2 percent of domestic production in imports. As market prices rise increaseing the index above 80 percent, imports are allowed to increase. At 100 percent on the index, imports are allowed 10 percent of domestic production. Whenever the index falls below 80 percent, imports are held at 2 percent of domestic production and a duty is attached to those imports.

DEFINITION OF TERMS

Imports—all classification of beef and veal including all meat covered under the 1964 Meat Import Law, all meat not covered under the 1964 law and all non-registered live cattle, and other slaughter cattle both converted to carcass weight.

Domestic Production—all U.S. production of meat as determined by USDA.

Prices Received—as determined by USDA on national averages between cattle under and over 500 lbs.

Prices Paid—as determined by USDA their prices paid index.

Duty—an assessment against imported meat which is a percentage of the current average market prices.

The model floor is set at 80 percent of the production cost price index because the cattle industry over the past two cow cycles has averaged 83 percent of parity. The 2 percent of domestic production allowed as imports would provide returns to producers within the 80–90 percent range on the index. Although that 2 percent is presently below the 1964 original quota level, it would function as a floor to stabilize equitable returns in the marketplace.

QUOTAS

Import quotas would be determined quarterly. Domestic production would be based on a 12-month sliding scale, while the price index would be determined from a six-month average. Quotas for April through June would be determined on January 1, thereby giving exporters a six-month time frame to operate in. Their market knowledge of allowable imports would include the three months of current quotas as well as the consecutive quarters allotment.

Under this proposal's operations, consumers have protection from high meat prices. Imports would serve to adjust supply and curtail excessive economic profits in the industry. The fundamental concept of pure competition would come into play. As profits are realized more firms (imports) enter the market bringing the market prices back to a reasonable profit level below 100 percent of parity.

Quotas would be allocated based on each country's present market share as a percentage of the total quarterly quota.

PROGRAM ADMINISTRATION

USDA would be responsible for maintaining the necessary data (all of which is presently compiled and published). They would then compute import quotas every three months. The state department would then have the responsibility of informing exporting countries of those quota levels. It is very possible that after a short period of market adjustments, annual import levels could be the same as at present and in some years of the cattle cycle even greater than allowed in by the 1964 Meat Import Law.

WHY PRICE?

Why do we advocate a price index rather than a supply ratio to determine imports? The answer lies in the models responsiveness to the industry through the market place. Immediate short run relief to the livestock industry would be realized which would bring up the grain sectors economic health. The long run implications are a stable and adequate meat supply, restraints on meat prices and access to our domestic market. Utilizing a price/parity type of index would allow foreign exporters liberal market access during periods of high prices whereby they could realize higher revenue returns from less meat. This condition, averaged over a 12-month period, would maintain sufficient trade balances on a dollar basis.

THE MODEL

Definition of the variables:

P_r=Prices received by producers as determined and reported on a national average by USDA.

P_c=The price at which a quantity of beef can purchase the same quantity of non-farm goods as in a specified earlier period. (USDA all cattle parity price.)

P_r/P_c=The production cost price index which determines imports.

I=That percentage of domestic production which will be allowed as meat imports. (This represents the volume of imports as a percentage of domestic production.)

D=Represents the rate of duty, expressed as a percentage, to be applied against all meat imports when prices are below a specified level and imports are held to 2% of domestic production.

The model:

Y axis—Production Cost Price Index

X axis—Percent of Domestic Production (allowable volume of imports)

Constraints:

When $P_r/P_c < 80$ percent then D takes effect on imports, held at 2 percent of domestic production. The supply schedule faced by foreign meat exporters to the U.S. is represented by the equation:

(1) $Y=.75+2.5X$

where

X=allowable imports (I)

$Y=P_r/P_c$

Equation (1) can be rewritten as:

(2) $I=P_r-.75\ P_c/2.5\ P_c$

The demand curve faced by the foreign meat exported to the U.S. is represented as an infinitely elastic demand, the same as that faced by the individual producer in the mean industry.

The demand curve is represented by the equation:

(3) $Y=80\%$

equation (3) can be rewritten in the form:

(4) $P_r/P_c=80\%$. This relationship is based on the constraint $P_r/P_c<80\%$ which triggers the duty.

Whenever the price ratio, P_r/P_c, falls below the market floor, the rate of duty formula becomes active. This is represented as:

(5) $D=.15+2(.02-I)$

this can be expressed as:

(6) $D=.19-2I$

The duty is triggered at $P_r/P_c<80\%$ and the initial rate at that point is a 15% duty. For each 1% downward change in the price index (P_r/P_c) the duty increases by a multiple of 2, relative to the base of 2% of domestic production for allowable imports. The duty on the 2% of domestic production is increased as prices decrease, and that increase in the duty is determined by the two equations. This is represented in Table A.

The model incorporates a countercyclical tendency. Since high market prices would occur during periods of limited domestic supply, import would be allowed greater market access which in turn would create a downward pressure on price. Conversely when domestic supply is excessive, lower prices would prevail and imports would have limited market access. The duty would in effect lessen any competitive advantage imported meat might have. Domestic buyers would seek domestic meat at lower prices rather than imported meat at higher prices,

as a result of the duty. As oversupply conditions lessen an upward pressure on price would move the market back to an equilibrium level.

RETURN TO RUSSIA: PARTS 1 AND 2

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. McEWEN. Mr. Speaker, last fall Alan S. Emory, Washington correspondent of the Watertown (New York) Daily Times visited the Soviet Union for 2 weeks. Upon his return to this country, he prepared a series of articles for his newspaper in which he described his observations on the current conditions in that country. The articles appeared in the newspaper between October 10, 1977, and October 24, 1977.

I was very interested in his articles and recommend to my colleagues that they read them.

I am pleased to insert in today's RECORD the first two articles in his series. The text of those articles follows:

MOSCOW CUSTOMS AGENT SEIZES BOOK ON RUSSIANS

(By Alan Emory)

Moscow.—The young customs official in the gray uniform flipped through the items in the tote bag and immediately seized and put aside a paperback book.

She leafed through a couple of Russian-English phrase books, a slim volume that the Soviet embassy in Washington had provided on Tallinn, Estonia, then carefully read a New York Times article I had clipped on Samarkand in Central Asia word for word.

Then she went back to the paperback, "The Russians," by New York Times newsman Hedrick Smith.

We had just landed in Moscow after a 14-hour flight from New York City via Amsterdam, Copenhagen and Helsinki, and Sheremetyevo Airport—one of Moscow's five—was jammed.

She lifted the book from the counter and told me, "You know this is anti-Soviet propaganda. I think we will have to keep it."

She turned and handed the book to a young man at a desk behind her. He inspected the paperback and started writing in a huge ledger on his desk.

The pages in the ledger were printed forms, and he started filling them in.

The customs women handed him my passport and visa.

"This book is anti-Soviet," the young man informed me.

Then he asked if it was my first trip to the Soviet Union. The customs woman had posed the same question

I told him no, that I had been there twice before, once in 1959 with Richard M. Nixon when he was vice president of the United States, and again with Mr. Nixon in 1972, when he was president.

The man's eyes flickered with interest, but it was only a momentary reaction.

He next asked if I had brought the book "for reading."

I told him yes, it was just for my personal use.

He laughed briefly. He obviously had not believed me.

It was apparent he thought I had brought the book to show to Russian citizens for whom its observations could prove subversive. It might give them bad ideas.

Then the man finished the ledger form and asked me to sign.

My familiarity with the Russian language is limited, and I was in no mood to sign a document that might later turn out to be a concession that I had an anti-Soviet propaganda volume with me, although I could see that part of the form had my name, passport number and the Soviet cities listed on my visa as places on the trip schedule.

I called for our Intourist guide (Intourist is the government guide service provided for all visitors to the Soviet Union) to read the Russian writing on the form for me and to make sure just what I would be signing.

I just wanted to confirm my interpretation of the form, and the guide did it for me. It contained no declaration of opinion of any kind.

By this time the other members of the group had clustered together, watching the interrogation, wondering what would happen.

The young man said he could not return the book.

The guide said that if I were leaving the Soviet Union through Moscow it probably could be returned then, but since we were departing through Tallinn, Estonia, that would be impossible.

As it developed, another member of our small group, a broadcast official from Winnetka, Ill., had the same book in his luggage, but that bag was not opened and the spot check did not turn up that copy.

The young man, his ledger form completed and signed, then took a folder from his desk, slipped the book into it and left.

For all I know, he was taking that "anti-Soviet propaganda" home with him to read.

He might even have found it edifying.

It was a chilling "welcome back" to the Soviet Union, but, frankly, I was too fascinated with what had transpired to be scared.

SOVIETS BATTLE TRAFFIC, OVERCROWDING

LENINGRAD (Delayed).—The skylines are masses of rectangular towers.

The broad streets, some cobblestoned, some divided with trolley car tracks, are choked with cars, buses and trucks.

At night downtown the storefronts and restaurants blaze with colored neon lights.

But the cities are Russian, not American or west European.

The Soviet Union is trying to move its people out of the large Russian cities into other parts of the country.

Housing is short in those cities, and the population explosion is pinching facilities.

In Moscow, home to 7,800,000 residents, the government has a goal of 8,000,000—a million for each of the city's eight zones.

Private homes, most of those in the suburbs, are being torn down to make way for apartment houses, and these are soaring in height. Five-story structures yield to those reaching 20 to 25 stories high.

Even the collective farms outside Moscow may have to give way to housing construction.

The newer buildings are being put together in modular sections, with huge cranes dropping rooms or sets of rooms into preconstructed framework, whole floors fitting on top of each other.

Rush-hour traffic jams in Moscow resemble those in most western cities, although motorists, who drive with the reckless abandon of Paris taxi drivers in most Soviet cities, don't toot their horns in exasperation the way western drivers do.

Subways are popular. In Moscow, famous for its ornate underground stations, 5,000,000 citizens ride daily at five kopeks (about seven cents) a ride. Leningrad also has a subway, less noted, but fully functional.

There is talk in Moscow that the speed limit for motor vehicles may be lowered from 40 miles an hour to 28.

The capital city's large new hotels are bulging, and its five airports handle traffic to specific parts of the country or outside world. One is strictly for important government visitors—Vnukovo.

Only on flights to Leningrad, however do airport officials inspect hand luggage and make electronic checks of passengers that are routine in the United States.

The walk-through machine does not work right, of course. It clangs and flashes when nothing is passing through and remains quiescent even when a person enters, pockets loaded with coins and keys.

The complaint in Leningrad is that no one works in Moscow on weekends and all important visitors are shuffled off to Peter the Great's city on the Neva then.

The world-famous Hermitage Museum—Catherine the Great's former Winter Palace—is frequently cordoned off to the ordinary tourist or Soviet visitor or whole sections closed down because of these VIP arrivals.

Leningrad is the Soviet Union's second largest city, with 4,500,000 residents in the greater urban areas and 3,000,000 in the central city.

The traffic is heavy, but not so bad as in Moscow. Clothes in the stores appear to be of better quality, and the people are more friendly.

Modern hotels share occupancy with old European-style hostels with vast, high-ceilinged rooms, some with statuary and even a piano.

More big-city Russian hotels are now putting television sets in rooms, but as often as not they do not work.

The art collections at the Hermitage are at full strength for the first time in more than three years because of the 60th anniversary of the October, 1917, revolution.

Moscow has its Kremlin and Red Square, but Leningrad has the Peter and Paul Fortress, built so sentries could look both ways to spot invaders from the sea.

And the city's outskirts boast spectacular summer palaces, such as the gold-roofed Peterhof, with its fountains—shut off Oct. 1 each year—and the Pushkin village, painted a distinctive blue, its central building breathtaking with paintings and delft ovens reaching to the ceiling.

Leningrad has a massive new memorial to the siege of World War II in what is called Victory Square to go with St. Isaac's Cathedral, with its 29-ton doors and a sinking problem that officials insist is nothing to be alarmed about yet.

On the outer rim of the city is what is called the "hot fields of Petersburg"—Leningrad had been known as St. Petersburg until the revolution—because garbage was taken there and burned.

One district on the outskirts is called "walk fast" because it has a shoe factory.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. MAZZOLI. Mr. Speaker, due to responsibilities in my district, I was absent on Friday, March 3, 1978.

Had I been present, I would have voted: Yes on roll No. 99, to approve the Journal of Thursday, March 2; yes on roll No. 100, House Resolution 957, providing funds for the Committee on Veterans' Affairs; yes on roll. No. 101, House Resolution 953, providing funds for the Committee on the District of Columbia; and yes on roll No. 102, House Resolution 1012, providing funds for the Committee on Rules.●

PROF. SAM BEER PAYS TRIBUTE TO SENATOR HUBERT HUMPHREY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. SIMON. Mr. Speaker, one of the finest tributes to the late Senator Hubert Humphrey came in testimony, which Prof. Samuel Beer of Harvard University provided to the Subcommittee on Libraries and Memorials of the House Administration Committee.

Sam Beer, who is an old friend of Senator Humphrey and of mine, is the former president of the American Political Science Association and has contributed to the Nation in innumerable ways.

He brings a special perspective as he talks about Hubert Humphrey, and I think my colleagues in the House and Senate would like to read his comments, so I am inserting them into the RECORD at this point:

HUBERT HUMPHREY AND POLITICAL EDUCATION

(By Prof. Samuel Beer)

I regret that personal reasons prevent me from appearing in person to speak in supprt of H.R. 10391 which would establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars. For I wish to express my warmest possible support for this proposal. I can speak only for myself. But as a recent president of the American Political Science Association, I am confident that if I had had time to ask the Association's permission through its usual constitutional processes to express its support of this legislation, my request would have received a hearty affirmation.

Among political scientists few public figures in this century have been as much admired as Hubert Humphrey and with even fewer, moreover, have we as teachers of politics felt so great an affinity. My colleagues generally, I believe, would see, as I see, in this Fellowship the opportunity not only to honor his service to the American public but also to keep alive his example as a teacher of the American public.

Hubert H. Humphrey was a member of our national association for 34 years. He was its Vice President in 1955, frequently attended and spoke at its annual meetings, and received numerous awards from the Association. He was a pillar of the Congressional Fellowship Program and over the years opened the demanding, but enriching opportunity of service in his office to some thirty Fellows.

But these are merely the externals of a relation to political education in America that went to the hear of Hubert Humphrey's public service. He did, of course, do graduate work in political science, but, to the academy's loss and the nation's gain, he soon moved out of the classroom and into the forum. There he took his stand, made his alliances, fought his battles, and imprinted his indelible mark on public policy.

But in the struggle for power he never ceased to be a teacher. He taught by law, by precept and by example. As Vice-President Mondale has observed, he will be remembered as one of the greatest legislators in our history. These advances in public policy, moreover, were clothed in a body of instruction, justification and explanation that spelled out their significance for the national life. He was a man of action, but of action powerfully oriented by thought. He was always talking and his talk, rich in conscience and in intellect, is rightly famous. He carried on this great effort of political education not only by his famous speeches but also by constant conversation with small groups in any place, at any time. He taught at the side of the people in their places of daily work and gathering, and his breadth of vision was filled with the details of real life.

If I were asked what he taught, the answer would be embarrassingly simple. His fundamental text was the oldest text in our history: the Declaration of Independence. One saw this in his everyday behavior. His respect for human equality was effortless. He was incapable of snobbery. He seemed to have no capacity for envy and when he lost, not even to begrudge others their victories over him. For such a talker, he was also a remarkably receptive listener who would learn from others willingly. For him to put his mind and energy at the service of liberty and equality was simply to be himself. In short, he was what he taught.

A people needs frequently to be put in mind of what makes them a public. This task of political education Hubert Humphrey performed superbly. What he brought to us was not merely reform, but renewal.

For such a man, no ordinary memorial will do. A fitting memorial will necessarily entail much thinking and talking and the public expression of views on public affairs. The Hubert Humphrey Institute of Public Policy at the University of Minnesota is rightly the centerpiece of such a memorial. But the arrangement proposed by HR 10391 will extend its sphere of action and influence. I strongly urge the adoption of this legislation.●

TURNING NEGATIVE CIRCUMSTANCES AND SITUATIONS INTO POSITIVE LIVING

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. MILFORD. Mr. Speaker, as a Member of the House of Representatives, engaged in the daily inundation of letters, calls, and personal visits—all seeking assistance of some type—assistance in procuring a job, an appointment, financial aid, assistance in dealing with a Federal agency in the endeavor to cut through the redtape, coercion from every direction to represent every constituent's deepest self-interest—and I begin to feel that we are a nation of people who have lost our sense of direction in leading our own lives as a whole, healthy people.

I understand. All of us who serve in the House represent the people who elected us to this office. It is a high calling and a sacred trust.

I also understand the inundation. We live in a complex world. The myriad of legislation has wrested much of the power and responsibility of the individual away from the individual; in addition, each of us has participated in surrendering much of our own autonomy over our lives in what has been a silent abdication.

There are people who suffer from ignorance, poverty, oppression, and disease which produces much heartache in our world. These complex and deep-rooted problems will not merely disappear. But—and I stress this most emphatically—there is also a need for a minimum of government regulation in our daily lives, my opinion being that the "best government is that government which governs least."

Therefore, when a communication of any type from a person who seems to be coping with her life on a day-to-day basis, comes to my attention, it is as welcome as the first crocus peeping through the snow of a hard winter.

To me, the following letter is truly representative of the people of the 24th District of Texas—the indomitable spirit which exemplifies the heart of a people who are turning the negative circumstances and situations into positive living.

Mr. Speaker, I respectfully submit the following letter from Donna C. Smith of Arlington, Tex., that was written to the President with a copy to me:

FEBRUARY 16, 1978.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR PRESIDENT CARTER: First, let me say that I am a proud American and have been for thirty-five years. I am divorced and have two daughters, 10 and 11 years old. I work full time for a defense contractor (make a good salary and have good benefits), and I have a part time business of my own (wholesale distributing) which I have just started and am losing more than I'm making right now, but I'm sure that will change.

Things are going pretty good for me (a woman with no college degree), but lately I've been thinking about a lot of government influences on my life. Some call them injustices, but I realize that if I were to believe there is no justice, I would be lost forever to giving up and accepting government assistance (welfare, food stamps, etc.). Which brings me to my point.

If I were to give up, it would be more profitable and more fun for my family. I would have more time to spend with my children, I could work in my vegetable garden, join the P.T.A., help take care of my grandmother, and still maintain the lifestyle I now have (middle class—slowly moving toward middle lower class).

For instance, at my full time job, if I am sick and miss a day of work, I get paid more than if I had been on the job. I don't have to pay as much tax on that day's salary. Does this encourage all of us to seek ill health? It does some people!

Another instance: The new Consumer's Protection Agency or Bureau that Congress is trying to form. This just means that I will pay more tax to help pay the salary of these new bureaucrats who are never going to represent me in any court of law (if I had the money to get that far with a complaint). Is not my Congressman supposed to represent me and my wishes in Congress? If so, then his is the only salary to which I care to contribute.

Another thing: Why is it I am exposed to empty calories, synthetics, additives, preservatives, nonnutritional foods when I am at the grocery. I am sacrificing nutrition for pretty and tasty. Could it be because large food manufacturing corporations have the money (and make larger profits by making foods pretty and last longer) to "persuade" their representatives to back their issues? I believe it is. I can't fight FDA and Kellogg, General Mills, etc., but Congress could if put in the right direction.

I know you have voiced your concern about the high cost of medical care and have said that we're going at the cure in the wrong way. Why not encourage people to eat properly (here we are back to the additives), why not encourage the use of natural food supplements. (Here we fight FDA, AMA, American Cancer Society and on, and on.)

Mr. President, I feel that you are really for the things the average American man and woman are working for: free enterprise, good health, paying our own way, exercising our ambitions, and saving our country in which to enjoy these freedoms. I think that the Soviets, for one, love what is happening in our country. Isn't anyone concerned—or are a lot of people concerned and cannot be heard over the roar of bureaucracy?

My electric bill was $30 or less last month (1900 sq ft), while all around me were from $50 to $236. We have a fireplace which I have cut wood for, we (when we are sitting) are wearing double layer clothing, we use fluorescent lighting wherever possible (even candles—Abe Lincoln though a Republican couldn't be all wrong). In other words, we are really trying to conserve without being martyrs (We're not uncomfortable, sometimes it's really fun!).

It's all off my chest now, but I would appreciate an answer (in language a commoner can understand). My friends have told me that my name will be put on a list for the FBI to "watch". If so, let them watch. Maybe I'll catch one of them peeking over the fence of my organic garden and I can offer them a pretty, field ripened, no chemical additive, juicy, red tomato.

Thank you for listening!

Very respectfully,

DONNA C. SMITH.●

TAX REFORM: RHETORIC AND REALITY

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 7, 1978

● Mr. STOCKMAN. Mr. Speaker, I want to call the attention of my colleagues to an article, "Disguising the Tax Burden," in the March issue of Harper's magazine. The article is by Dr. Paul Craig Roberts, a well-known economist who is senior research fellow in the Hoover Institution at Stanford University, adjunct professor of economics at George Mason University in Virginia, and a member of the U.S. Senate staff. The article contains some startling information about the growth and distribution of the tax burden.

Dr. Roberts points out that the income tax was instituted as a tax only on the well-to-do. Only people with above average incomes were subject to the tax. It was not long, however, before the income thresholds were lowered and the tax rates raised. Today the tax rate on the bottom bracket, which is a low income not subject to taxation when the income tax was brought in, is twice as high as the top rate was on multi-million dollar incomes.

Today the push is being made to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. The disincentive effects of high tax rates on the performance of the economy are already substantial. Any broadening of the tax base must be matched by substantial cuts in tax rates. Otherwise tax reform will mean a large tax burden on all taxpayers and increased disincentives to work, to save, and to invest.

The article follows:

DISGUISING THE TAX BURDEN

(By Paul Craig Roberts)

Even when they appear singly, major tax increases have a way of slowing down the legislative process. It has to be worked out how to disguise the tax so eveyone thinks it is falling on someone else. Then the Congress and the Administration have to work out among themselves who gets to hand out how much to which spending constituency. This is what is known as politics, and ordinarily the politicians can think of enough new rhetoric to explain the levying of new taxes But by the end of his first year in office President Carter had proposed so many tax increases (the energy tax, the Social Security tax, and the tax-reform tax) that the system temporarily collapsed.

It was more new taxes than could be negotiated, and the major tax-reform proposals of last September have been withdrawn but not discarded.

From the standpoint of the government's interest, tax reform is a necessity. The rich are a depleted resource, and so it is inevitable that the government will come up with a new source of revenue in tax reform. As is customary in these matters, tax reform will be justified on the grounds of "equity," that is, closing loopholes and helping the poor. Tax reform to help the poor is easy, because the poor don't pay any taxes. Therefore, it doesn't cost the government anything. Look at the table prepared by the Tax Foundation from data published by the Internal Revenue Service in *Statistics of Income*, and be amazed at the distribution of the tax burden.

Percent of Total Taxes Paid by High- and Low-Income Taxpayers 1970 and 1975

Adjusted gross income class	Income level		Percent of tax paid	
	1970	1975	1970	1975
Highest 1 percent	$43,249 or more	$59,338 or more	17.6	18.7
Highest 5 percent	20,867 or more	29,272 or more	34.1	36.6
Highest 10 percent	16,965 or more	23,420 or more	45.0	48.7
Highest 25 percent	11,467 or more	15,898 or more	68.3	72.0
Highest 50 percent	6,919 or more	8,931 or more	89.7	92.9
Lowest 50 percent	6,918 or less	8,930 or less	10.3	7.1
Lowest 25 percent	3,157 or less	4,044 or less	.9	.4
Lowest 10 percent	1,259 or less	1,527 or less	.1	.1

SOURCE.—Tax Foundation computations are based on Internal Revenue Service, Statistics of Income.

Half of the taxpayers, those whose adjusted gross incomes place them in the bottom 50 percent, account for only 7 percent of the total personal-income-tax collections. Taxpayers in the lowest 25 percent account for less than half of 1 percent of the personal income tax collected by the government. That's why the government likes to cut taxes for lower-income groups. It doesn't cost much to buy half the votes, and what guilt-ridden upper-income taxpayer would complain about compassionate government?

Besides, "everyone knows" that the bulk of the taxes is paid by lower-income earners, while the rich largely escape taxation. Public citizens' tax-reform organizations, peoples' tax lobbies, and other sheltered spokesmen for organized welfare groups have no difficulty getting out their well-packaged, public-spirited message. Meanwhile, the true facts pass unnoticed in the IRS's *Statistics of Income*.

The table [above] shows that taxpayers with incomes in the top 5 percent—those with adjusted gross incomes of $29,272 or more—paid over one-third of the total personal income taxes collected by the federal government in 1975. The top 10 percent of taxpayers—those earning $23,420 or more—paid nearly half the total tax bill. In contrast, the lowest 10 percent of taxpayers paid only one-tenth of 1 percent of the total tax bill. Taxpayers whose incomes placed them in the top 1 percent paid more than two and a half times the total taxes collected from the bottom 50 percent.

An income of $59,338 may qualify for the top 1 percent, but what about the really rich? The latest Statistics of Income shows that the 1,149 taxpayers earning $1 million or more in 1975 paid an average tax of $1,011,317. The total tax paid by these few high-income taxpayers added up to $1.15 billion. All of us might pause to ask what public services a taxpayer receives for a million dollars in income taxes.

The table reveals another interesting fact. Since 1970 the tax burden has shifted further away from the lower brackets. In 1970 the bottom 50 percent paid 10.3 percent of total income taxes, and the top 50 percent paid 89.7 percent. By 1975 the bottom's share had declined to 7.1 percent, while the burden carried by the top had risen to 92.9 percent. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–75." Many of the untaxed receive transfers in kind, such as food stamps and housing subsidies, together with earned-income credits (negative income tax) and welfare checks, so that their real income exceeds that of many taxpayers.

Most people think that tax reform means making the rich pay taxes. They do not realize that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. The government is refashioning its tax net to catch those it pretends to protect. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions. The government, of course, will give reassurances that it is only after the rich, just as it did when it brought in the income tax in 1914.

Initially the personal-income-tax burden rested on only 357,515 people—less than one-half of 1 percent of the population. Only people with incomes much greater than average were subject to the tax. The rates ranged from 1 percent to 7 percent. Only income in excess of $117,000 in today's dollars encountered the first surtax bracket of 2 percent. The top tax bracket of 7 percent was encountered only by income in excess of $2.9 million in today's dollars. The personal income tax soon found its way into the lower brackets. The income thresholds were lowered and the tax rates raised. The bottom bracket today, an income level not subject to taxa-

tion in 1914, is taxed at 14 percent—twice 1914's top rate.

The tax rate today on the first $500 of taxable income is twice as great as the tax rate on a multimillionaire's income in 1914. This does not mean that things got better for the millionaire. The rate in his bracket today is ten times greater, and his average tax rate is 11.4 times greater. In 1914 the total tax on a million-dollar income was $60,000. Today it is $685,000. Since, as a result of inflation, the value of money today is only about one-sixth of what it was in 1914, today's millionaires' after-tax income of $315,000 is equivalent to a 1914 purchasing power of $53,800. He has only one-seventeenth of the purchasing power of his 1914 counterpart. During a period that has seen a rise in the average standard of living, the millionaire's has declined drastically.

It is an interesting story to trace the growth of the personal income tax, but it can be summarized in the following way: Between 1914 and 1975 the population grew 120 percent, but the number of individual-income tax returns grew by 23,800 percent.

Hailed everywhere as loopholes for the rich, deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket. For example, in the under-$10,000 adjusted-gross-income class, deductions come to 48.9 percent of adjusted gross income. In the $10,000-to-$24,999 class, deductions are 31.1 percent of adjusted gross income, and in the over-$25,000 class they are only 22.8 percent. The higher the income, the less it is sheltered by deductions.

According to the latest Treasury figures, the upper-income groups benefited from about $16 billion in deductions, exclusions, and other privileges, about half of which resulted from recognizing the difference between capital gains and ordinary income. Lower-and-middle-income groups benefited from about $50 billion in deductions and exclusions such as the exclusion of unemployment benefits, Social Security payments, workers' compensation benefits, pension contributions and earnings, employer-paid medical insurance premiums and medical care, the deduction of interest on consumer credit and home mortgages, property taxes, medical expenses, and state and local taxes, and the deferral of capital gains on the sale of a home plus credit for the purchase of a new home. For every dollar of upper-bracket tax savings, $3 went to the lower and middle brackets.

Dr. Roger Freeman, former White House aide and Hoover Institution Fellow at Stanford University, summed up his book on tax loopholes (Tax Loopholes: The Legend and the Reality) as follows:

"The literature of the tax reform drive usually asserts that most of the loopholes were designed for and work for the benefit of the rich, that poor and middle income taxpayers are taxed on all of their income, with no escape possibilities, and that most of the income that avoids taxation is to be found in the very high income brackets. The facts, however, suggest the opposite: much or most of the untaxed income is in the low and medium brackets."

That neatly sums up why the government's tax reformers are interested in reducing deductions. You can't raise revenues for the government unless you go where the untaxed income is.

Untaxed income also means fringe benefits. The President says that taxing fringe benefits means "the three-martini lunch." But the unions are concerned rather than fooled. They know where the untaxed benefits are that would yield substantial tax revenue. Sen. Orrin G. Hatch (Rep.-Utah), a member of the Joint Economic Committee, has calculated that taxing fringe benefits as personal income "would mean an increase in taxes of $240 on the average taxpayer." With the 76 million tax returns filed in 1975 that reported wage and salary income, that would come to $18.24 billion, a tidy sum for government. That's why the unions are supporting the resolution introduced by Senator Hatch and Rep. Jack Kemp (Rep.-N.Y.) against the taxation of fringe benefits. They know that taxing fringes is the same as raising tax rates on existing wage and salary levels. You can't pay the IRS with part of your parking place, employer-subsidized meal, employee discount, or employer-paid health insurance and pension premiums.

The third plank of the tax reform redefines assets as income, and in addition to taxing the income from the assets confiscates part of the asset. Suppose you invest $10,000 in an income-producing asset, and inflation drives the price of that asset to $15,000. Suppose that family educational or medical expenses force you to sell the asset. Even though its replacement cost is $15,000—the $15,000 you receive will not buy any more than the $10,000 you paid—the government will claim that you have a $5,000 capital gain and tax it. Suppose you are in the 25 percent bracket. That means $1,250 of your assets will be confiscated by the government. The greater the inflation, the longer you hold the asset, and the higher your tax bracket, the more will be confiscated. The reformers are even talking about taxing the "capital gain" on an accrual basis whether or not you sell the asset.

The tax reformers showed how far they want to go by proposing to tax homeowners on the rental value of their homes. It's called taxing imputed rent. The reasoning is that owning a home provides income in kind (shelter). The value of that income is the rental value, so up goes your taxable income by the rental value of your home—even though it is not rented and you are living in it. This reform is especially valuable to the government as it pushes homeowners into higher tax brackets, which means they pay higher tax rates on the same money incomes. It is valuable also because it establishes a new principle of taxation that can be applied to home vegetable gardens and to the services of housewives. Cooking services, sexual services, cleaning services, child-rearing services, and laundry services are also income in kind. The imputed value of a housewife who is good at all of these tasks would exceed the salaries and wages of many husbands. The government could then take your house and make you hire out your wife to cover the unpaid taxes you couldn't pay.

So many major tax-increase proposals indicate runaway greed in Washington. It's not as if the government hasn't had a raise. The government gets an automatic increase in tax revenues every year as a result of inflation. Look at what happens to the real tax burden on a person whose income rises with the rate of inflation over the course of his working life. To show that it is not just the upper-income taxpayers who are harmed, let's take for an example someone who is today earning only $6,240 a year. In 1976 he would have paid no taxes. Instead, he would have received a check from the Treasury for $155 as a result of the earned-income credit. But after 45 years of 5 percent inflation he would be earning $56,077 a year, on which he would have to pay $17,019 in taxes (at present rates). His after-tax money income would have risen from $6,395 in 1976 to $38,058 in 2021, or by substantially less than the rate of inflation. His after-tax income in 2021 would have a purchasing power equal to only $4,345 in 1976 dollars.

In spite of his much larger money income, this person would have experienced a decline in his living standard of nearly one-third. This is the result of progressive income taxation plus inflation, which together cause taxes on the same amount of purchasing power—$6,240 in 1976 dollars—to rise from a refund of 2.5 percent in 1976 to a tax of 30 percent in 2021. The higher the inflation, the worse it would be for him, because the faster he would reach the higher brackets.

Indexing the tax structure (adjusting it to offset inflation) would prevent this deterioration in the living standards of all Americans. One might think this would make indexing an important issue of tax reform. Yet, it is not part of the tax reformers' proposals. The reformers argue that inflation causes government's costs to rise, so it also needs more revenues. However, the way it is now, the government's revenues don't simply rise by the amount of the inflation, they rise by 1.65 times the rate of inflation. A 10 percent rate of inflation means a 16.5 percent increase in government revenues. That is why governments prefer to fight unemployment.

The claim that inflation hurts the lower income brackets more than the upper income brackets is deceitful. What inflation really does is to push everyone into higher tax brackets. As average incomes rise, more and more people will experience the woes of being nominally rich. One of the woes is that the higher your nominal or money income, the harder it is to stay even with inflation. As the tax bill gets bigger on every raise, your income has to increase progressively faster than the rate of inflation in order to stay even. This is another reason government prefers to reduce the tax rates in the lower brackets. Inflation soon moves the people out of them and into the higher brackets that were not cut.

Dale W. Sommer in the September 26, 1977, issue of *Industry Week* presents some interesting statistics from the U.S. Department of Commerce's National Income and Products Accounts that illustrate the extent to which American incomes have been undone by tax-flation. Over the past ten years the average wage has risen 77.3 percent, whereas the consumer price index has risen 75.4 percent. So the average worker has kept up with inflation. But the tax burden has risen 144 percent during the same period. On a per-capita basis, Americans paid $2,261 in taxes in 1976 compared with $1,014 in 1966. The 144 percent growth in the tax bite exceeded the 126.6 percent growth in total production of goods and services (GNP) and the 119.2 percent growth in total national income.

Last year Americans paid $16.7 billion more in taxes than they spent on the three basic necessities of food, clothing, and housing. The total tax bill came to $486.4 billion, whereas the total spent on food, clothing, and housing came to $469.7 billion. Compared with the $2,261 per capita expenditure on taxes, $1,048 was spent on food, $354 on clothing, and $780 on shelter. Added together the three necessities are still $79 less than per capita taxes paid.

Taxes far outpace the growth in real income. In 1976 federal taxes grew 20.8 percent. The entire economy grew 11.6 percent, and 5.3 percent of that growth was the result of inflation rather than an actual increase in the production of goods and services.

The greatest loophole of all in our income-tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns more assets than one who is

not rich, the nonrich collectively own many assets.

We have come a long way from the time three decades ago when F. A. Hayek said something about the road to serfdom. A serf was a person who did not own his own labor. Although he was not himself owned by another—that is, he could not be bought and sold like a slave—the feudal nobility, the state of that time, had rights over the serf's labor. When we say that a peasant was enserfed, we mean that he owed a certain amount of his working time to the state. Over time and regions this obligation averaged about one-third of a serf's working life.

The serf's position provides a perspective that lets us sum up the success of reactionary forces in this century in simple economic terms. In 1929 government in the U.S. had a claim to only 12 percent of the national income. By 1960 government had a claim to 33 percent of the national income. By 1976 government had extended its share to 42 percent. In relative terms our position today is worse than that of a medieval serf who owed the state one-third of his working time.

Many may reject this parallel. They may say that we have a democratic government controlled by the people, and that high taxes and big government merely reflect the voters' demands for public goods in the public interest. Such an argument is reassuring but problematical. The income tax was voted in under one guise and retained under another. Furthermore, it was the action of a past generation. For us it is an inherited obligation, as were feudal dues, and it is seen that way by the Internal Revenue Service. All of us have been born to the statist gospel that government is the instrument of social progress. Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government. As we hear the talk about tax reform and "equity," we might pause to consider, if our cultivated progressive image will allow, that "equity" means more taxes on the productive to provide the revenues that build the spending constituencies of Congress and the federal bureaucracy. What is operating is not equity, but the government's self-interest.

The advent of several major tax increases in tandem will destabilize the economy, but from the government's perspective that is desirable. There will have to be more government programs to deal with the consequences of instability. Every sophisticated person is aware of how special interests use the legislative process for their own benefit, but the same sophisticate is badly schooled in how the legislative process furthers the special interests of those in government. Inflation leads to the imposition of wage and price controls and credit allocation, all of which increase the spoils, money, and influence divvied up in Washington. Unemployment means more CETA jobs and public works, and what member of the government class is hurt by that? Put simply, instability increases the demand for the services of bureaucrats and for pork-barrel legislation that builds the spending constituencies of both Congress and the Executive branch. It advances the careers of academics and technocrats who move back and forth from their think tanks and universities and in and out of government.

Perhaps all of this won't come to pass all at once. Government might so engorge itself with Social Security and energy taxes that it can't reach the tax-reform dish. Or perhaps in a last-gasp effort the vested interests of old will flex their flabby biceps and hammer through a tax cut that will stave off enserfment and economic stagnation for a while longer.●

LEONARD LEVY CELEBRATES HIS 75TH BIRTHDAY

HON. HENRY A. WAXMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 7, 1978

● Mr. Speaker, the American Trade Union Council for Israel Histradrut will hold its annual labor management dinner dance on May 13, 1978, in Los Angeles. A most happy and appropriate choice of the person to be honored this year is Leonard Levy. Devoting almost half a century to the needs of working people. Leonard Levy will be celebrating his 75th birthday on the date of the event. The positions he has held, and is holding, and his community activities have certainly earned for him a place high on the list of those who work for the betterment of their fellowmen and women. He is vice president of the Amalgamated Clothing and Textile Workers Union, AFL-CIO; manager of the West Coast Regional Joint Board and of the Southern California Joint Board, ACTWU. In addition, he has been a vice president of the Los Angeles County Federation of Labor since 1957, and a member of the executive board, Federacion Interamericana de Trabajadores de la Industrial Textil, Vestuario y Cuero (Interamerican Textile Leather and Garment Workers Federation) Bogota, Columbia, since 1976.

Leonard Levy was a member of the Los Angeles City Planning Commission from 1973 to 1977, vice president of the Greater Los Angeles Industrial Union Council, CIO from 1949 to 1957, and executive vice president, Retail, Wholesale, and Department Store Employees Union from 1942 to 1949. One would assume that Mr. Levy, constantly occupying positions which demand vastly more for their proper administration than an 8-hour day, would have little time or energy left for outside endeavors, but this has not been the case with Leonard Levy. His other activities include service as a member of the regional board of directors, Jewish Labor Committee (1951–1971); member of the administrative board, Israel Histradrut, Los Angeles (1955–), vice chairman, Californias for Liberal Representation (1965–), member of the board of directors, Americans for Democratic Action, Southern California (1968–), delegate to the Democratic Party National Convention in 1968 and 1972. He is a member of the Workmen's Circle, the National Association for the Advancement of Colored People, and of the American Civil Liberties Union.

Naturally, looking at this most impressive list of Leonard Levy's services, we are not surprised that he has received recognition for his work. His awards include the Meritorious Award for Distinguished Service Greater CIO Council (1949–59); the Distinguished Service Award as chairman of the Education Committee, Los Angeles County Federation of Labor AFL–CIO (1963), and a citation for distinguished service to the Israel Histradrut Campaign (1966).

Now, the American Trade Council for Israel Histradrut is carrying on a tradition by honoring Leonard Levy once again. His wife, Sandra, and his two children will, we know, be sharing with all of his many friends the pleasure of his being honored. I ask the Members to join with me in congratulations to Leonard Levy on his 75th birthday celebration.●

SENATE—*Wednesday, March 8, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 12 noon, on the expiration of the recess, in executive session, and was called to order by Hon. WILLIAM PROXMIRE, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Gracious Father of our spirits, amid the darkness and discouragement of these stressful days Thou standest sure, the same yesterday, today, and forever. We know not what the future holds, but we know who holds it. We put our lives in Thy hands and our work under Thy direction.

Today is ours. Help us to seize it, to command it, to shape it to Thy purpose. Strengthen our weakness. Sharpen our intellect. Steady our wills. Breathe upon us Thy benediction that we may work as best we may, confident that the kingdoms of this world shall yet become the kingdom of our Lord, in whose blessed name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 8, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WILLIAM PROXMIRE, a Senator from the State of Wisconsin, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. PROXMIRE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that the legislative Journal be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The legislative clerk read as follows:

Executive N, 95th Congress, 1st session, Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

The ACTING PRESIDENT pro tempore. The pending question is on amendment No. 64, by the Senator from Alaska (Mr. STEVENS); but under the previous order, the Senator from Mississippi (Mr. STENNIS) is recognized.

Mr. STENNIS. Mr. President, what is the pending business in the Senate, please?

The ACTING PRESIDENT pro tempore. The pending business is amendment No. 64, by the Senator from Alaska.

Mr. STENNIS. As I understand, we are not speaking under a time limitation. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator from Mississippi has no time limitation. Once Senator STEVENS begins speaking, there is a time limitation.

Mr. STENNIS. Mr. President, first, I want to express my very warm appreciation for the opportunity to address the Senate without a time limitation, but I can assure the Senate that I do not expect to take a great deal of time.

I will be glad to yield if someone wishes me to yield, but I would like a chance to complete my speech before I yield, unless something of an urgent nature might arise.

Mr. President, the quality and the completeness of the discussion of this very grave issue and pending question has been of the very highest order. Even though we could have had circumstances under which there could have been better attendance, I am one of those who know the pressure on the membership because of all the hearings that are going on now with reference to legislation, including appropriation bills. These bills become more and more demanding every year as they are considered by the respective committees. I am sure that all Members of the Senate have kept up with this debate, nevertheless, and are becoming fully informed on the subject.

AN UNNECESSARY GAMBLE

Mr. President, the title I have given to my fairly brief remarks today is "An Unnecessary Gamble." After more than just ordinary consideration of this matter, those words seem to be what I think the situation adds up to—that the treaties are fraught with a great deal of uncertainty and chance, and it is unnecessary to ratify a treaty that has the content that this one has, and I will elaborate on that part of it later.

Recently, Mr. President, I spoke at some length on the financial issues related to these Panama Canal treaties. I am concerned with the cost, and I am concerned with the potential for disagreement between our countries that will arise because of the vaguely worded and misunderstood financial provisions of the treaties. When I say "our countries," I mean, of course, Panama and the United States.

But my gravest concern is that these treaties are an unnecessary gamble with our national security interests. I have heard all our current Joint Chiefs speak in support of the treaties, and I understand their position; but, with great deference to them I cannot understand nor can I agree with the logic that leads them to support the treaties. All the Joint Chiefs agree that the canal is extremely important to the national security interests of the United States. They would prefer to maintain a U.S. military presence in Panama for the indefinite future.

Mr. President, I have said many times privately and in our committee—and perhaps publicly—that I do not know of any time when we have had a finer and a more capable group of men for our Joint Chiefs and Chairman than we have now. They represent the four services, including the Marine Corps. They are highly competent and dedicated, of course, and they have made a good team. It is no reflection on them to say in this sort of situation—the President of the United States being not only the President but also the Commander in Chief of all the armed services—if the chief of one of the services cannot find himself at some ease with a major policy of the President, there is nothing left for him to do except to ask to be excused from further service.

That is a part of the system, as I said. It is fully understood, and it has worked all these years.

I am sure that from time to time even our finest military men have to yield in part, sometimes in great part, in their judgment. I am sure if either one of these men thought, though, that this was a great harm or could be a fatal harm to our Nation that they would have asked to have been excused.

So I have no complaint with the Joint Chiefs. I do point out their fine work, but I do have to point out that they are part of the executive branch of the Government, and the Constitution of the United States does not put the Members of this body in the same group with the Joint Chiefs.

The Constitution of the United States expressly adopts this body as not only the judge, but the final judge, of the validity and the wisdom of a treaty with a foreign nation.

The Constitution not only makes the individuals serving here now the final judge, but it does not include the House of Representatives, just as capable a body and just as capable men.

We are acting now in our sole responsibility as Members of the legislative branch of the Government, as Members of the U.S. Senate. On this we are here solely to judge the wisdom, and the propriety, and the timeliness of this particular treaty.

Now, Mr. President, there is no guarantee that Panama will be satisfied if these treaties are merely ratified. To the contrary, I think the treaty language may generate increased friction between our governments. Certainly I do not want it to, should the treaty be approved, and I am not positive it will if the treaty is approved, but I am compelled to say that I think this treaty language may generate increased friction between our governments.

Nowhere do I undertake to castigate or downgrade that fine country of Panama, cast any reflections on them or on their prerogatives. This matter is too serious a business for anything of that nature. But Panama seems to expect that these treaties will provide a financial windfall of a kind—and I use that term in its better sense—a financial windfall of a kind that may well not happen.

It appears to me that we are hastily taking a gamble, and an unnecessary gamble, with our national security, Mr. President, not only unnecessary but with the odds too high and leaning against us.

I would like to develop the key components of the national security issues: First, and again, I want to dispel any doubt about the importance of the Panama Canal to our national security interests. I warn now, let no Member of this body discount too much the importance of the Panama Canal.

I next want to dwell a moment on a common misconception that the canal is ultravulnerable, even indefensible.

Finally, I want to look briefly at the necessity for a long-term U.S. military presence in Panama.

Today the Panama Canal is more important to the national security interests of the United States than it has ever been, and its strategic importance will continue to grow with the foreseeable future.

Three factors combine to substantiate this growing importance. Certainly this illustrates that we are living in a different world from what it was even a few years ago. First, it is a fact that the U.S. Navy has less than 500 ships today as compared to nearly 1,000 ships only 10 years ago. Certainly, that is not the only way to measure a navy, nor the effectiveness of a navy. But it is just a physical fact of life to find that we have entrusted our naval power to a greatly lessened number of individual ships.

Most contingencies involving our naval forces require that the Atlantic Fleet reinforce the Pacific Fleet or vice versa, and the Panama Canal is a vital link. Every ship now in our inventory, every ship except the aircraft carriers, the larger ones, can transit the canal, and this includes the newest LHA, large new ships that carry our Marine "con-

tingency forces," which are so important to our contingency plans.

Despite the fact that our Navy is now smaller than it has been since World War II in numbers strength, our globe has not shrunk. Today it would add 3½ weeks and 8,000 miles to the transit between oceans if we did not have the Panama Canal.

Second, the threat to our naval forces is the greatest now than it has been since World War II, and that threat is growing.

Admiral Holloway, presently the Chief of Naval Operations, in recent testimony before the Senate Armed Services Committee, said that it was his estimate that, and I quote him:

> If current trends are allowed to continue, the balance of maritime superiority could tip substantially in favor of the Soviets in 10 years.

Now, there is something we could and should do about those things, apart from the canal, but that statement ought to be a valid warning that time can run out. And, more particularly, this is no time to be weakening in any substantial way any sea passages that are to our advantage, particularly one we now control.

In time of national emergency, the availability of the Panama Canal could be decisive if we are to be able to counter the growing Soviet threat. That threat is certainly increased by the presence of a Communist Cuba astride the Atlantic approach to the canal. Cuba, a Soviet satellite, now has over 30,000 military troops in faraway Africa, and is growing in military sophistication each day. Who would have dreamed of a situation like that coming true? Who would have dreamed of it, just a few years ago? Certainly it tells us today, "Do not go too fast, and do not go too far in assuming that if you pull out of that canal some other powers are not going to immediately try to find a way to come in." Those with the power and enough cooperation will find a way to come in. They will get in.

How can we ignore that fact?

Thus, the Soviets have a growing, active, vigorous satellite here in the Western Hemisphere, eager, as I believe, for us to depart and give up the canal. In surrendering the canal, we are surrendering strength, we are surrendering position, we are yielding an element of preparedness.

No one has argued against that fact. The Joint Chiefs did not argue against it. They said "but" and "however" and so forth, but they did not deny the forceful strength of this position here. I have no doubt we are creating a possible hazard and an added trouble area.

Talking about trouble, now: I believe it is possible for us to settle any differences that we have with Panama without just a lock, stock, and barrel surrender, without getting off the premises. Because I believe that if we get out now, the great chances would be 20 years from now, we would be told, "You are out, you stay out."

Finally, as our adversaries become better equipped and more sophisticated, the time available for us to prepare for any engagement is shrinking.

Let me say before I leave this Soviet-Cuba matter, Members will recall, I am sure, that they have never heard me stand here asking for appropriations, asking for authorizations, or asking for manpower, harping eternally on the Soviet threat, saying "We better do this and we better do that." I do not habitually clothe the requests that I make here in connection with the military in such terms or in emergency calls of that kind. I have not just blundered in here conveniently with this argument about Cuba and the possibilities that they may get in their minds, or their temptation to make a move.

Many Senators are here now who were not here during what we called the Cuban crisis. None of us who was here then believed that such a thing was going to happen, such facts as brought about that crisis. But it did. It came about. Fortunately, it was handled well. But it was not handled by negotiation, either, or by getting out of Cuba. It was handled on altogether another plane.

I regret, and I am sick at heart, to see us here, as it were, deserting our position in Panama under the set of facts that exist today, and under the terms that are in this treaty, although it was negotiated in good faith, I am sure, by very honorable and able people, and I make no attack on them.

As I said, as our adversaries became better equipped and more sophisticated, the time available for us to prepare for any engagement is shrinking. This can best be seen in our NATO contingencies, where planning that was formerly based on weeks and months of preparation—mobilization of men and equipment—is now down to hours and days. This is one of the tremendous changes that have been brought about in the last few years. Without the Panama Canal much of our Navy would not be available at the critical opening round of an engagement. As Admiral Moorer so aptly states, "our contingency plans collapse" without the Panama Canal.

Think of that. Admiral Moorer is a fine naval officer, with no grievance against anyone or anything, with a great, distinguished, outstanding military career, having attained what is supposed to be the highest rank and position of any military officer, Chairman of the Joint Chiefs. If I may make a personal reference, he was Chairman of the Joint Chiefs during a part of this war in South Vietnam. And I remember that I was not the only one who went to that man from this body, time and again, for advice from his head and from his heart, for advice and counsel from him in his professional and his—political is not the word—governmental position. Not only because of his position, but going to him because of the character of the man.

I know I made some far-reaching decisions as far as my position was concerned, and positions that I came to this floor later and argued for to this great body, were based primarily on the advice and counsel of this same Admiral Moorer. That was in cases where I had been to him even beyond the President of the United States.

Admiral Holloway, now, our present valued Chief of Naval Operations, said in testimony before the Senate Armed Services Committee that the canal was extremely important, but it was not "vital," in his opinion.

I am not pitting those men one against the other; the very opposite. And during our hearings, any effort by anyone to pit one witness against the other was discouraged, and in effect ruled out of order by the chairman, because that was not our purpose, and neither was it fair.

So I would not come here trying to pit one against the other. Admiral Holloway said he did not want to give up that military position there and would rather keep it, and Admiral Moorer has testified, as I said, that upon leaving there our contingency plans collapsed. His testimony throughout was in opposition to this treaty in its present terms.

In all of the vast preparations as to the defense of Western Europe, and we have been pouring out billions there for years and years and years—almost 30 years—under the NATO alliance, the most uncertain and unknown element of our defenses now is the question of warning time, and this is the very point that this treaty causes and increases the problems. This treaty increases that problem automatically. No one denies that.

You might argue about the extent of of the problem but no one would deny that if we do not have the canal, that is a serious problem regarding our ability just to get there.

And the time has swung around and that has become the most important of the uncertain and unknown elements of this defense of Western Europe.

Now, Mr. President, many people, not having all the facts, I think, picture the Panama Canal as a delicately balanced system of mechanisms that can be completely disrupted by a determined opposing force of any size. This is not the case, Mr. President.

The Panama Canal is better characterized as a massive ditch of earth and water, with relatively few vital points that can be readily defended against most threats. No force can defend the canal from harassment and occasional, short-duration disruption; but, on the other hand, it is only the most dire of scenarios that would destroy the canal or deny its use to our naval forces. There are three general scenarios that characterize the spectrum of threats that the canal might face—general nuclear war, general nonnuclear war, and internal insurgency.

In a general nuclear war, the Panama Canal is of little significance. A nuclear exchange will be of relatively short duration and the canal would be so inconsequential that it might not even be targeted. Obviously, it cannot be defended against a no-warning nuclear strike.

To the contrary, in a general nonnuclear war, there is every reason to expect that the Panama Canal could be defended and preserved to the extent that it would be available to our naval forces and their support ships. It would obviously require substantial reinforcement of the forces now committed to the canal's defense to counter the more sophisticated, long-range threat, but Ad-

miral Holloway summarized the prospects by saying,

In the case of general war, nonnuclear in nature, I think we have a very high chance of defending the canal from destruction or seizure.

Finally, there is the threat to the canal from within. This threat ranges from the proverbial, but wholly misleading, "workman's glove in the gear box" to an externally supported, guerrilla threat that could have the support of the Panamanian Government. It is within the context of this threat scenario that the figures of 40,000- and 100,000-men reinforcements have surfaced. Any threat within this range can be dealt with effectively—the canal is not ultravulnerable.

Now, on the question of the necessity for long-term U.S. military presence.

The Panama Canal Treaty terminates the U.S. military presence in Panama after the year 1999. Since the canal is of unquestioned strategic importance to the United States, the necessity for long-term U.S. military presence deserves careful consideration.

The primary purpose of the U.S. military force stationed in the canal is to defend and protect the canal. However, this is by no means the only purpose for a military presence. The U.S. military installations provide critical communications links; they serve as refueling and repair facilities for our ships and aircraft that must operate in the area; and they provide a central point of operation to control responses to natural disasters or other emergencies that may arise in that part of the world. Above all, our bases provide a tangible U.S. military presence that deters intervention or adventurism by others.

Without exception, the ranking military men in the country today, active and retired, would prefer for the United States to retain a long-term military presence in Panama.

(Mr. FORD assumed the chair.)

Mr. STENNIS. That is a significant statement, Mr. President. Without exception, the ranking military men in the country today, active and retired, would prefer for the United States to retain a long-term military presence in Panama.

Now, if the United States does terminate its military presence, it must be prepared to go back into Panama in the event that our national security interests dictate.

There is no question that we have the military capability to reenter Panama after the year 2000 if the situation requires that we do so. It will be more costly, in terms of time, dollars, and possibly American lives, but it can certainly be done, if there is the national will. And that is not in any way in the way of a threat; it is just a reference to a condition.

Without question, we could protect and defend the canal better with a continuing military presence than if we are forced to create a presence. Furthermore, the need to defend the canal is much less likely to arise if we maintain a continuing military presence.

Now, it seems unfortunate that our negotiators apparently linked two separable issues—the operation or ownership of the canal and the U.S. military presence in Panama. Who operates the canal is not all-important as long as it is available to all on an equitable basis; however, to agree to terminate the U.S. military presence in Panama 22 years in advance is to gamble unnecessarily with a vital link in our national security chain.

CONCLUSION

Mr. President, the most disturbing statement I have heard from a military leader came when our committee was told that we ought to support the treaties because the treaties would "appease our allies." We cannot afford to gamble with our national security to appease Panama—that is irrational—or to appease others with whom we are friendly.

Many of us who today oppose these particular hastily drafted treaties are in complete agreement with the general concepts behind them. I, for one, would support an arrangement which shared the canal with the Panamanians under a plan to insure continuity of operations—provided that, the United States maintained a long-term military presence and the right to insure the availability of the canal which is so vital to our national security interests.

It is unfortunate that some feel so unalterably bound to these documents. The foundation for a sound treaty exists. There is no sufficient reason to gamble with our national security with this one-sided treaty. We should go back to the negotiating table and repair these serious flaws.

If this treaty should be approved, then we will be taking a step that is in contradiction to other major policies that we are maintaining in other parts of the world. We would be taking a step here by paying up, giving up, and getting out, with a strong chance that we would be told later to stay out.

Elsewhere, we are attempting to strengthen our position. In Western Europe, concerning the military posture of NATO, which is close to 30 years old, we are shoring up further by added appropriations, which will be before the Senate soon, for appreciable increases in firepower and other phases of military strength. In the Middle East, we have continued definite concern and positive programs on several fronts. I know of no one in this body who expects an early termination of affairs there. Definitely, we do not think that our problem, nor their problems, are resolved; nor do we think of withdrawing, either. How far would a resolution progress, should there be one, calling for withdrawal from the Middle East?

In the vast Pacific area, I do not know of any plan or serious thought that advocates withdrawal, just an adjustment, in Korea.

This is so noticeable to me as I am fresh from the hearing rooms this year. Concerning major parts of our 1979 budget items, there is money for the world areas and problems heretofore mentioned, problems vital to them and of concern to us. Only in the Panama area, an area so vital to us, are we receding and getting out. I believe it is being done too hastily and is a grave mistake.

Mr. President, I have just one additional thought. This is an impression. After getting into this matter, and we did have hearings which were not extensive in days but very extensive in preparation, after hearing these men from the military testify, some in office and some retired, just from the testimony, and not going outside to receive hearsay, I get the very definite idea that there was never any push by our side to keep military strength on this canal. I just do not believe it ever happened that way.

I have not talked to any of the joint chiefs about this beyond what they have testified to, but it is very clear and very evident that they were not given a chance to advocate the good side of our continued presence there, for Panama or for the United States.

I do not know the extent to which they had a chance to urge consideration of this matter upon our own negotiators, all acting, as I emphasized, in the utmost good faith and fulfilling their responsibilities. But, you know, Mr. President, you do not listen to a certain type of witness for years and years without being able to get a feel for a situation.

I asked Admiral Holloway, for whom I have a very high regard, whether the Chiefs of Staff had fought spiritedly for a continued presence of military strength on Panama. I read Admiral Holloway's reply, taken from pages 30 and 31 of our printed hearings:

No, sir, I can't say that I led a spirited fight to retain a U.S. presence in Panama beyond a certain year. * * * I remember us all generally agreeing that there could be no treaties if there were to be a U.S. presence beyond a certain specified date. * * *

We all moved along together pretty much in our conclusion that there couldn't be a treaty without the withdrawal of U.S. presence.

That is what these men seem to have been faced with. Admiral Holloway is a rather articulate man. I will read the rest of his statement in just a minute.

He said, and I repeat it for emphasis:

We all moved along together.

The reference there was as to whether or not he and the other Chiefs made a fight for this:

We all moved along together pretty much in our conclusion that there couldn't be a treaty without the withdrawal of U.S. presence.

Continuing the quote:

I must say that as a naval officer I tended to accept the advice of the Chief of Staff of the Army when he explained to me how difficult it would be to maintain the canal in working order in the very hostile environment

The main point there is about having a chance to make a fight for this vital matter. His recollection was:

I remember us all generally agreeing that there could be no treaties if there were to be a United States presence beyond a certain specified date.

So Panama did not seem to have had any benefit of the advice and counsel of these men; nor our negotiators, if the tone of that statement is to be followed.

In answer to a later question as to whether there were provisions about which the Joint Chiefs of Staff felt very strongly, but were completely ignored in the process of establishing the U.S. negotiating position, Admiral Holloway replied:

Yes; I think there was a proposal that the Chiefs made to provide language concerning the termination of our presence there. If my recollection serves me properly, we proposed that we not terminate our presence unless both parties agreed to it 1 year prior to the desired date of U.S. withdrawal, not sooner than a specific date in the future, which turned out to be the year 2000.

I quote that from pages 70 and 71, not because it is so illuminating, but it certainly is relevant and sheds a little light on the other quotation. I thought it would be unfair to leave it out.

So, Mr. President, I have no purpose to serve—that is true of other Senators, too—except what is necessary and what is best and what is more effective for our Nation. When we are in the very year that we are launching forth on these more positive, affirmative programs elsewhere and pouring more and more money into them, including billions of dollars and a stepup even in the arms for the ground troops this year—fiscal 1979 they all point in the same direction except one, and that one is the Panama Canal, pointing in the opposite direction; in terms of withdrawal and vacating and giving up and surrendering, with no one having a very certain concept of what may be the situation 20 years from now. I hope that there is some way, Mr. President, to save this situation yet, to go back for what I respectfully call a more realistic determination of some of these points and this position that is more in keeping with the realities and the protection of all parties concerned. I believe that, in that way, there would be a chance to get an agreement that would reflect far more safety for the United States, and would reflect a fair degree of agreement on the part of all parties.

Mr. President, again, I thank the Senate for the time that is allotted to me, the unlimited time allotted to me to speak on this subject. At some time later, I expect to have some additional words to say on another aspect of this matter.

I yield the floor.

AMENDMENT NO. 64

The PRESIDING OFFICER. Under the previous order, the Senator from Alaska (Mr. STEVENS) is recognized on his amendment No. 64.

Mr. STEVENS. Mr. President, the Senator from Texas seeks some time. I yield 10 minutes to the Senator from Texas.

The PRESIDING OFFICER. The Chair indicates that, under the previous order, time for debate on this amendment is limited to 3 hours, to be equally divided and controlled by the Senator from Alaska (Mr. STEVENS) and the Senator from Idaho (Mr. CHURCH).

The PRESIDING OFFICER. The Senator from Texas is recognized for a period of 10 minutes.

Mr. TOWER. I thank the Chair.

I thank my colleague for yielding.

Mr. President, I ask unanimous consent that, as if in legislative session, I may proceed for 2 minutes for the purpose of a RECORD insertion of the statement of an interview with the distinguished minority leader (Mr. BAKER).

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ALARMING COURSE OF OUR FOREIGN POLICY

Mr. TOWER. Mr. President, last Sunday our distinguished minority leader (Mr. HOWARD BAKER) appeared as a guest on "Issues and Answers." In his remarks, Senator BAKER called into question the present alarming course of our foreign policy, and in my view he correctly expressed a growing uneasiness which is shared by a number of my Republican colleagues over the administration's conduct in this vital area.

Expressing particular concern over current SALT negotiations, and by what appear to be large-scale American concessions, Senator BAKER warned that our own national security could be severely jeopardized if we maintain our present strategy. Having been a recent observer to the negotiations myself as a congressional advisor, I must say that his cogent appraisal of the SALT situation, as well as the deteriorating situations we face in Africa and the Middle East is compelling.

Certainly the message in Senator BAKER's statements cannot be ignored—the United States can ill afford to be perceived by other nations as weak or unprepared to deal with foreign pressures or intrigues. I commend to the attention of my colleagues the comments of Senator BAKER, and I ask unanimous consent that a transcript of the March 5 segment of "Issues and Answers" be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TRANSCRIPT

Mr. CLARK. Senator Baker, welcome back to Issues and Answers.

The vote on the coal mine settlement this weekend is running level against acceptance, as you know, with the very serious prospect at the moment that the settlement may be rejected by the miners. If this happens, President Carter is expected to invoke the Taft-Hartley Act, but he may ask Congress at the same time for authority to seize the mines, to nationalize the mines.

If he does this, would you support such a request and do you think it would be acted on quickly by Congress?

Senator BAKER. As far as I am concerned, Mr. Clark, I will support anything it takes within reason to end this strike, because I think that the consequences of prolonged strike much beyond this point would be so grave that the Congress would have to act and certainly should act in response to a presidential request.

I don't know exactly what the President would request or when he would request it, so I reserve judgment on the details but, yes, I would support that.

I have recommended to the President and stated publicly that I think he should do whatever he can do with his present tools, which would include Taft-Hartley, and even a request for new legislation such as forced seizure in order to avert this crisis.

Mr. CLARK. The Senate has a particular problem in that it is tied up in debating the Panama Canal Treaty at the moment. Would you foresee any trouble in getting speedy action on a request for seizure legislation?

Senator BAKER. Well, that is a possibility. You know the Panama Canal debate is going on now in the Senate and I would not try to delay that because I think if the President requests extraordinary legislation to end the strike that the Senate should turn to it and dispose of it quickly, but I must say in all candor that I could not rule out the possibility that there would be some delay. Some whip-saw between the Panama Canal Treaty debate on the one hand and labor legislation on the other, and both of them cause strong emotions.

Getting into the debate wouldn't be difficult. That is into the labor request, but getting out it might be very difficult.

Mr. FARMER. Are you suggesting proponents of the Panama Canal treaties might use the coal strike issue as a means to further delay consideration of the treaty.

Senator BAKER. I don't charge that but it is certainly a possibility. The question of proceeding to the consideration of another matter such as legislation to end the coal strike is fully debatable and, if someone wanted to use that, it is there for the asking. I would not do that and I would hope that did not happen and the nature and urgency of the situation would probably militate against it, but I certainly couldn't rule out that possibility.

I indicated earlier that I thought it would take some time for the Senate to act on that and my concern would be that it might.

Mr. FARMER. Senator, does it bother you that some of the miners perhaps we are told have been voting against the contract, with the idea that perhaps they would get a better deal from the government under government seizure and control of the mines.

Do you think that is a legitimate action on their part and how do you feel about it?

Senator BAKER. If that is in fact so, I think it is a mistake because I don't think the miners in the long term are likely or even in the short term are likely to have a better deal from the government as an operator of the mines temporarily than they would through collective bargaining, through this contract that apparently is being rejected.

I really don't know why the vote is going so heavily against the ratification of the contract. If, in fact, it turns out the way it looks now, it is going to be overwhelmingly opposed. But I don't think that they are likely to get an improved situation in government operation over that which they might have in private negotiations.

Mr. CLARK. Is that a problem that could be handled in the seizure legislation? Could you write in restrictions assuring that the miners, if they waited for the government to order them back to work, the legislation would insure that they would not get any better deal than they would have if they had gone back to work before voting down the settlement?

Senator BAKER. It could be written that way. As I say, I don't know what the President would submit so I reserve judgment on it. My guess is that legislation would be designed and structured so that there was an incentive to end the strike, to negotiate a satisfactory settlement through the regular collective bargaining processes rather than an advantage and a premium to retain government operations, so I don't know exactly how that would be approached.

I think the President must do whatever he can do and I would prefer not to limit his options at this time, except to say—I will support him in any reasonable request that he makes to try to get coal back into production.

Mr. CLARK. And Secretary of Energy Schlesinger suggested today that as a carrot to get the miners back to work if Taft-Hartley does have to be invoked the Adminis-

tration might try to work out a deal with the coal mine operators where they would agree that there would be some raise in pay, that the miners would not have to go back to work at what they were earning some 90 days ago before the strike began. Could that be done, in your view?

Senator BAKER. I don't think it could be done, Bob, without legislation. I think under the present law—that is the Taft-Hartley—that the most the government can do is ask for an injunction to require the miners to go back to work for the 80-day cooling off period. I doubt that you could offer them something better than the '74 contract. If, however, the President asked for and Congress gives him seizure legislation you could provide that. But I think we should be very careful that we don't create a situation that makes it more advantageous to continue the seizure than it is to negotiate a contract.

I would be very, very wary of any offer to increase and improve pay rates under a Taft-Hartley injunction. I frankly would personally prefer to see some sort of special seizure legislation instead of offering an inducement to go to work under Taft-Hartley.

Mr. FARMER. How fast do you think Congress would act on that, Senator, and what specifically might delay Congressional action?

Is there something that he might ask for which would not go down well?

Senator BAKER. Well, I am sure there is, Don, but I don't know what particular aspects of it might be particularly objectionable in the Senate. I think the greatest danger is that labor legislation might be whipsawed against the Panama Canal debate. The Panama Canal debate now has gone on for two weeks and, you know, I respect those who are fully and thoroughly discussing and ventilating these issues, although I confess sometimes I think it has taken us almost longer to debate it than it did to dig it; but the temptation to play one off against the other might appeal to someone. It would not to me.

Mr. FARMER. Don't you think the public would have a right to be angry if the Senate did in fact play games with these two important pieces of legislation?

Senator BAKER. Well, they are both vitally important legislation and the consequences of the failure of the Panama Canal treaties or the consequences of a national power crisis as a result of the continuation of this strike, both, I believe, the consequences of both, would be socially and politically unacceptable to this country. And I think that the Congress would act promptly. But I must say that there is the danger of delay because of the legislative configuration with the on-going of the debate at this time on the Canal treaties.

Mr. CLARK. Senator Baker, we want to ask you about a totally different matter.

There has, as you know, been a mounting concern in the past couple of weeks, both in the Carter Administration and in the Congress, over the growing number of Soviet technicians and officers and Cuban troops who are pouring into Ethiopia, with Cuban troops now actually at the front lines in Ethiopia's war with Somalia. You are one of those I know who is concerned about that. Do you have any thoughts about what can be done about it?

Senator BAKER. Bob, I think the President has a very serious problem on his hands in Africa vis-a-vis the Cuban troop presence there. I think the time has come to draw the line, to blow the whistle and to make it unmistakably clear to Cuba and to Russia that the action that is being undertaken now in Somalia and Ethiopia is unacceptable in the long-term national security interests of the United States, and unless it can stop this massive troop buildup of Cuban troops, this direct involvement by Russian officers, the billion dollar supply of military equipment by Russia in Ethiopia and surrounding areas, simply can't be tolerated by the United States.

Now, Cuban troops are not in Africa as an extension of Cuban foreign policy; they are there as an extension of Russian foreign policy. And I think we ought to tell the Russians, now look, you, now this is enough, now stop; and if you don't stop, we are going to do two or three things that come to mind immediately.

The first thing we might do is close the mission we just opened in Havana. It is the worlds' worst time to be cozying up to Cuba, and I think as long as they are sending a third of their armed services to Africa we ought to stop right now any effort to normalize relations with Cuba. We ought to close that mission. That is one thing we could do. I think it would be appropriate for President Carter to speak directly with high Russian officials and say, "Look, you know, we aren't going to get caught up in this debate over linkage, but we are going to tell you right now, if you persist in this overt aggression—" and that is what it is in Africa—"if you persist in that, using Cuban troops as a surrogate, I think there ought to be a temporary suspension of SALT negotiations."

Now, I think these things might get their attention. If they don't then we can move on to something else.

Mr. CLARK. Let me note, Senator Baker, President Carter thinks he has a promise from top Soviet leaders that they would not advance beyond the borders of Somalia, that this would not be turned into an aggressive war. Are these things that you would do, such as suspending SALT talks, would be done only if they do turn this war into an aggressive conflict, if they moved beyond the Somalian borders?

Senator BAKER. No, I would do it far short of that. You know, I am delighted to know and I am happy that President Carter was able to obtain a representation that the surrogate Russian troops—in this case the Cubans and the Ethiopians—would not actually cross the Somalian border. That is good to know. But I see no indication that it has slowed down their troop flow. As a matter of fact, in addition to the 37,000 Cubans in Africa now there are significant numbers of additional troops and technicians coming to Africa both by air and by sea. So unless the troop buildup stops, I think we still have a serious problem, notwithstanding the border. And, you know, even if the Russians and the Cubans don't cross that border I can visualize the possibility of the Ethiopians crossing, and who is to say who has them under control?

I think we can't be involved with something as tenuous as stopping at an arbitrary boundary, which smacks too much of retreat to a fixed position. I think we have to simply say to Russia and to Cuba: This is unacceptable in terms of the national security interests of the United States, and we are just going to stop, boys, and take a look.

(Announcements.)

Mr. FARMER. Senator Baker, why do you think the Cubans, and therefore of course the Russians, are doing what they are doing in the Horn of Africa? Is it to advance their own military interests; is it to hamper ours; is it to hurt the sea lanes there; or is it to embarrass the President—or all of the above?

Senator BAKER. Probably all of the above, Don. I think the Russians have tested every new President we have had in this country since World War II, with President Kennedy of course in the Bay of Pigs and on down the line. There has been a recognizable challenging of wills, and this may be the Russian test of Jimmy Carter.

I don't know what their overall strategy is, except to push and to test and to decide whether America's resolve and determination in foreign policy is adequate to the challenge or not. I rather suspect that is the primary purpose.

Control of the sea lanes from the Middle East which supply us with almost 50 percent of our oil now might be one of the objectives, although I doubt that it is an immediate objective.

The major effort I suspect—a major effort may be simply to establish additional military and economic power bases in Africa. I think that we forfeited Africa for practical purposes when we got out of Angola, and I think we are now paying the price and suffering the consequences of that course of action, when Congress stopped our efforts in Angola to contain the Cuban troops at that time.

Mr. FARMER. I am sure you wouldn't suggest a course of action to the President in terms of a threat or a warning to the Soviets unless you were willing for him to carry that out. Do you really think, Senator, that it would be in the best interests of this country in terms of strategic arms limitation to use SALT as a threat, or the suspension of SALT talks as a threat to the Cubans in Ethiopia?

Senator BAKER. I do, Don. Let me tell you why.

The ultimate purpose of Strategic Arms Limitation Talks is to reduce the level of tension and the threat to the United States and the Soviet Union, each from the other. In my view, Russian intervention in Africa directly in terms of materiel and supervision, indirectly in terms of massive Cuban troop build-up is a greater threat, for instance, than the containment and limitation of some weapons systems. So Strategic Arms Limitation ought to take account of troop deployments of military, action, of aggressive intervention as you find in Africa, as well as the limitation of intercontinental ballistic missiles.

Now, Russians traditionally respect a strong, determined position, and I think we have not shown a strong, determined position lately, so I think that we are in danger in the SALT talks of giving away the store, in any event, and I think that if we add to that the toleration of Russian mischief in Africa that we have substantially reduced the national security of this country beyond anything we could expect by way of enhancement from a successful SALT treaty.

Mr. CLARK. Senator Baker, Let me note, there is a suspicion among some supporters of a SALT treaty that some Republicans and particularly perhaps some who have their eye "on a presidential nomination in 1980, are moving onto position to shoot down a SALT treaty whatever is in that treaty and whether or not it is related to what is going on in Africa. And let me read the current publication "First Monday" put out by the Republican National Committee, and the lead article is entitled "Defense in Salt" and written by Bill Brock, the National Chairman, and it says, "The great national debate over the foreign and defense policies of the United States will begin this year when the Carter Administration asks the Senate to ratify a SALT treaty with the Soviet Union.

"In the forefront of this debate will be the Republican National Committee and its best team of defense and foreign policy experts."

Then it goes on with much criticism of the Carter Administration defense policies and the general attitude of detente toward the Russians. But I get the impression from this that there are those in the Republican party who are already strongly against SALT. Is that true?

Senator BAKER. Oh, undoubtedly true, but you see, Bob, the reason they are is because they have some insight into what the negotiating position of the United States at Geneva is now.

For instance, I have been briefed, as have other members of the Senate, by Mr. Paul Warnke, who is our negotiator there, on a number of occasions, with the Senate leadership and others, and I frankly told Mr. Warnke, as others, that in certain respects the treaties, if they come back to us in the form he described simply would not pass the Senate.

I confess to something of a predisposition of my own. I opposed Mr. Warnke's nomination and there were forty votes against his nomination in the Senate, but still in all I think on balance and on its merits there is ample justification for the criticism of the present relationship of the American negotiating position and what likely will come out in the SALT treaties.

I have some view that the administration may not submit those treaties this year and I hope they don't because, as I told the President, I'd rather have no treaty than have a bad treaty. I think we should have a SALT II treaty but I don't think we should have the SALT II treaty that I have discussed from our negotiators in Geneva.

Mr. CLARK. The other part of this problem, the Russians got very upset this last week at what is being called linkage here in Washington, linking what they are doing in Africa to the SALT II treaty, and with the implication that they are certainly going to lose enthusiasm for a SALT treaty if we continue talking this way.

Isn't everything we are saying here, doesn't it bode rather badly for SALT II prospects?

Senator BAKER. It might, but, as I told Don Farmer a minute ago, the question of Russian mischief in Africa, a billion dollars worth of military supplies, a third of Cuba's standing armed forces in Africa, is so serious in terms of arms limitation that I think the two should be considered together.

If the Russians are upset then it would mean to me that there is some reasonable expectation that this would be a useful tool in trying to stop that aggression.

Mr. CLARK. Now, if the Russians would turn around and say, "All right, we will stop. We will pull our technicians and advisors and whatever out of Ethiopia," then would you be for a SALT treaty?

Senator BAKER. Of course, I am for a SALT treaty now but I would not retreat from my opposition to certain aspects of it.

Mr. CLARK. You mean you are for a SALT treaty but not the sort of treaty you see emerging in the SALT talks?

Senator BAKER. I think that President Ford and Secretary Kissinger were on the brink of a SALT II treaty that would have been eminently satisfactory to this country. I think when the President cancelled the B–1 bomber, and when we flirt with the idea of putting severe limitations on the testing and deployment of new weapons systems, such as the cruise missile, that they have converted a good potential SALT II treaty into a very bad one.

Mr. FARMER. Senator, you seem to be making a case, if I understand you, that the President has already failed some of these tests that the Russians may have been administering to him. Is that not fair?

Senator BAKER. I don't think so, Don.

I think, as I said a moment ago, that the Russians may indeed be testing President Carter in Africa as they tested President Kennedy in Cuba, and I think the returns are still out.

I don't know how that finally will go.

Mr. FARMER. Do you think part of the test is SALT as well?

Senator BAKER. I think SALT is certainly a part of it, but, as I said a moment ago, I am not certain the administration is going to submit a treaty this year or that the final position will be the one that has been described to us by Mr. Warnke.

On more than one occasion some of us in the Senate have indicated to the administration that certain positions simply were not attractive to a majority of Senators and it is my impression that some of those positions have changed.

So, in this particular case I think time has been an ally of ours and that the administration has wisely altered some of its positions in the course of the last several months.

Mr. FARMER. You would like him to take action against the Cubans, the mission closing, and all of that, before he takes action against the Soviets?

Senator BAKER. We can talk about linkage all you like, but it is important to recognize that Cubans are there in my judgment because Russians asked them or ordered them to go. Russians are doing it for their foreign policy purposes, not for Cuba's foreign policy purposes, and I would treat the Cubans and the Russians together.

I would say to Cuba, "As long as you are engaged in this military adventure, aggression, we will stop today any efforts to try to normalize relations between our countries and we will close our mission in Havana."

Mr. FARMER. An ultimatum?

Senator BAKER. I would say to the Russians, "Look, we understand what you are about, and there are a range of things that we can discuss in terms of your new military adventurism and one of them is a temporary suspension of SALT talks. Now, stop this nonsense or we are going to consider the temporary suspension of these negotiations."

Mr. CLARK. Senator, we want to talk with you briefly about another area that has been of special concern to you and that is the Middle East. You were several months ago very critical of President Carter's actions in the Middle East. You became more sympathetic with the Begin and Sadat peace initiatives. Now, with the new hassle developing over selling jet fighter planes to Saudi Arabia and Egypt, as well as Israel, what is your latest view of the way the Carter administration is proceeding in the Middle East?

Senator BAKER. Well, to begin with, I think when the President, when the administration proposed an immediate resumption of the Geneva conference that it had the effect I feared it would have. That is, our friends, both the Israelis and the Egyptians, had a great concern about reinviting the Russians into those negotiations without having some idea of where they were likely to go. I suspect that President Sadat certainly had in his mind that it had only been a few months since he pitched the Russians out, and that those Russians might remember that. So I can understand why he was concerned about it. But after that I saw a moderation of the Administration's position in support of the Begin-Sadat initiative, and I think that was appropriate.

Now, on the question of the present package proposal for weapons sale to Egypt, to Saudi Arabia and to Israel, let me say these things: (1) I am not opposed to the package concept. I think a general balance of power in that area is essential to monitor and to keep in view. (2) I don't think it is inconsistent with our determination to protect the survival of Israel or to honor the courage of Sadat or to protect our interests in Saudi Arabia. I do think that the proposal coming as it did when it did may have been ill timed. I do think that we maybe ought to consider this for a little while, for a few weeks or a few months, before we finally decide, because the proposal itself may have impeded negotiations.

Mr. CLARK. Senator, at this point we are out of time. Thank you very much for being with us on Issues and Answers.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with consideration of the treaty.

Mr. TOWER. Mr. President, I rise to express my opposition to the proposed Panama Canal treaties. I would like to briefly address the specific concerns which I have with regard to certain military and economic issues related to these agreements.

The Senate has already rejected certain amendments that would permit a continued U.S. military presence in the Canal Zone. A major focus of the Senate's debate on these treaties continues to be the arguments for and against the removal of our military forces. Our withdrawal from military bases in the Canal Zone will, in my view, increase the level of risk for future instability in Panama. The Panamanian Government is expected by these treaties to assume a substantial burden for sustaining the security of their nation and the canal. Were our world one in which the future intentions of nations could be readily perceived, then any risks associated with our withdrawal from Panama could be determined with some precision. But as we daily witness around the globe, the most difficult task in deriving our foreign policy goals is that of assessing the future intentions of others.

With respect to Panama, we must recognize that its unique position in our hemisphere serves to bestow upon it a strategic significance which requires us to minimize the risks to its security by whatever means necessary.

Considering both domestic and international pressures which are evident, I cannot believe that we are lessening these risks by withdrawing our military forces from Panama. Assurances with respect to U.S. intervention rights cannot begin to equal the deterrent value of forces that are ready and in place.

There are those who have argued that the canal is virtually indefensible, and that, therefore, our forces stationed in the zone are useless and should be recalled. I say to those of this persuasion that they have overlooked the more important strategic considerations as to the considerable deterrent value of our military presence in Panama, and that the risks to peace are substantially diminished simply because this presence exists.

So, to my colleagues who are satisfied with the adequacy of clarifying the rights of U.S. intervention, I say that no intervention guarantee can sustain the credibility and effectiveness of our commitment to the future security of the Panama Canal as can a sustained U.S. military presence of at least some proportion. Should these treaties be ratified in their present form, I fear that the course of future developments in Latin America could turn on our willingness to assume risks which clearly we should recognize as unacceptable. For this reason, I believe that, in the interests of security, the Senate should reject these treaties.

Though some of my colleagues have repeatedly stressed the economic impact of these agreements, far too little public attention has been focused on the potential costs of implementing the treaties. The Committee on Armed Services has given thorough consideration to this matter and has provided a substantial amount of information drawn from stud-

ies and committee hearings that clearly reflects the potential for financial difficulties in the proposed Panama Canal Commission and major costs to the U.S. taxpayer.

First, with respect to the canal's operation, there is clearly a distinct possibility that the canal will operate at a substantial deficit over the next 22 years. Depending on future rates of inflation and the extent of canal toll increases, this cumulative deficit could run as high as $3.5 to $3.75 billion by 1999. Even if it is assumed that major toll increases would not reduce the level of canal traffic, tolls would have to be increased by 149 to 168 percent in order to fully offset these deficits. In this connection, it is estimated that about one-third of the total $3.6 billion increase in toll charges—some $1.2 billion—would be borne by U.S. shippers and consumers in the form of higher costs. Particularly affected by such cost increases would be the gulf coast ports which regularly ship and receive a substantial amount of goods through the Panama Canal.

A second economic consideration involves the estimated value of U.S. assets which under the terms of the treaties would be transferred to Panama. The administration assesses the book value of all assets in the Canal Zone at $920 million. Current value or replacement cost of these assets including the canal itself, the company, and military assets, is projected at $9.8 billion.

Third, certain costs will accrue to the United States that will not be paid for by revenues gained from canal tolls. These have already been itemized in statements previously made by my colleagues. The Committee on Armed Services has estimated that these potential costs could well exceed $1 billion. Other possible liabilities have been cited that include Export-Import Bank credits, aid housing guarantees, foreign military sales credits, and the overseas private investment corporation loan guarantee. These liabilities could total another $345 million.

At this point, Mr. President, I would like to have printed in the RECORD a table taken from the Armed Services Committee staff study which summarizes these four major categories of the potential costs of these treaties.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ATTACHMENT A

ESTIMATED POTENTIAL COST OF PANAMA CANAL TREATIES AND RELATED MATTERS

I. ILLUSTRATIVE POTENTIAL PANAMA CANAL OPERATING DEFICIT UNTIL 2000 A.D.

	With full North Slope oil	75 percent loss of North Slope oil after 1980
(a) If tolls are not increased above current rates (loss in billions)	$3.57	$3.75
(b) If tolls are raised only 75 percent (the total currently available increase estimated to produce maximum revenue was 75 to 100 percent; loss in billions)	$0.99	$1.16
(c) Cumulative toll increase needed to fully offset deficits (assuming no toll caused traffic loss after 1st 20 percent toll increase; percent)	+149	+168

II. ESTIMATED VALUE OF ASSETS TRANSFERRED TO PANAMA BY 2000 A.D.

	Book value (millions)	Replacement cost (billions)
Panama Canal	$310	$5.0
Panama Canal Zone	257	3.6
Military plant	353	1.2
Total	920	9.8

III. POTENTIAL COST TO UNITED STATES FOR ITEMS NOT COVERED BY PANAMA CANAL TOLLS UNTIL 2000 A.D.

	Millions
Military relocation construction cost	$43
Civil service early retirement	135
Incremental cost for DOD schools/hospitals	110
Foregone interest payment to U.S. Treasury	505
Contingent payment to Panama ($10,000,000 per year)	220
Foregone payment for past services to Panama	8
Cost of inventory/evaluation of assets	2
Payment of employee accrued leave	(?)
Increased training for PCC employees	(?)
Total	+1,023

IV. OTHER POSSIBLE LIABILITIES OF U.S. GOVERNMENT

	Millions
Military assistance (FMS credits)	$50
AID housing guarantees	75
Export-Import Bank credits	200
Overseas Private Investment Corporation loan guarantee	20
Total	345

Mr. TOWER. Mr. President, finally, no economic assessment of the potential impact of these treaties can disregard the continuing disagreement over ambiguous financial issues which have arisen from the treaties in their current form. These issues include, among others:

First. The priority of the $0.30 per ton and fixed $10 million payments to Panama in a year when operating costs exceed toll revenues;

Second. The calculation and carryover obligations of the so-called $10 million surplus payment; and

Third. The actual management of toll charges, particularly since Panama will receive $0.30 per ton regardless of the tolls actually charged.

In these and other financial areas, the seeds for potential conflict between the United States and Panama are undeniably present. These are matters which should be clarified by written understandings between the parties involved, in order to avoid future disputes which could seriously disrupt the implementation of the treaties should they be ratified in their negotiated form.

Mr. President, for the reasons which I have outlined regarding both the international security and economic impacts of the proposed treaties, I urge my colleagues to insist that a more prudent course be adopted with respect to the future relationship between the United States and Panama than is possible under the terms of these agreements.

I thank my distinguished friend from Alaska for yielding me this time.

The PRESIDING OFFICER (Mr. INOUYE). Who yields time?

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I would like to address my remarks to the subject that has clearly dominated the discussion this morning on these treaties, both with respect to the address given by the distinguished Senator from Mississippi (Mr. STENNIS) and the one we have just heard, delivered by the Senator from Texas (Mr. TOWER).

In both speeches, both Senators have spoken of their concern about the future security of the canal after the end of this century when American troops leave the Canal Zone.

In direct contradiction to the arguments these two distinguished Senators have presented, we have the testimony of our own military leaders. Their appraisal of the impact of the pending treaties on our security interests in the Isthmus of Panama is contrary to the arguments presented thus far this morning.

Listen to the Chief of Naval Operations, Adm. James L. Holloway:

I am convinced that the continuing use of the Panama Canal for national security purposes is best assured through the provisions of the new treaties.

Listen to Gen. Lewis H. Wilson, the Commandant of our Marine Corps:

Defense of the Canal through 1999, accomplished in a combined and cooperative atmosphere with the Panamanian government, would in my opinion be more effective than under present treaty arrangements, given the attitudes of Panama towards the present treaty and the antagonisms which would very likely develop if those arrangements were to continue.

Listen to Adm. E. R. Zumwalt, former Chief of Naval Operations:

In my judgment, the ratification of the Panama Canal Treaty by the Senate would enhance, and nonratification by the Senate would harm, U.S. security interests.

Listen to Gen. M. B. Ridgway, former Commander in Chief of the Caribbean and later Chief of Staff of the U.S. Army, and, incidentally, commander of our expeditionary forces during the Korean war:

I am convinced that ratification of these documents is a major, if not a vital U.S. strategic interest.

Listen finally, Mr. President, to the American general presently in command of the American forces in the Canal Zone, the officer presently responsible for the security of the canal, Gen. D. P. McAuliffe:

Let me say that it is my professional and personal opinion that the proposed treaties adequately provide for the defense of the Canal and the rights of the members of the Armed Forces out to the year 2000; in addition they provide the legal basis for the United States to take such actions as would be necessary to insure Canal neutrality beyond that year.

With all deference to the Senators who have spoken out against the treaties this morning, the best professional opinion from the military rebuts their position. The Chiefs of Staff have clearly indicated that the security of the canal is enhanced, not impeded, by the ratification of these treaties.

Mr. President, one might ask, Why is this so? The answer is simple. The effective measures that can be taken in the

isthmus itself to keep the canal safe, to keep it open, to keep it neutral for the unimpeded use of maritime commerce, can be accomplished effectively only in combination with the Panamanians.

I can recall when General McAuliffe said to me, on the occasion of my visit to Panama along with other members of the Senate Foreign Relations Committee, that we could always mount a military operation on the isthmus sufficient to put our Navy through the canal in a time of emergency. And he told how our forces would have to be augmented in the event we were faced with open hostility from the Panamanians.

Finally, I recall the telling point that there was no way that the canal could be made immune from harassment, regardless of how many troops we stationed in the Canal Zone.

The purpose of the canal, Mr. President, the value of the canal, is its use. Ninety percent of the time, the canal will be used for the peaceful transit of vessels. Those ships are not going to transit the canal if their captains doubt that they can safely step out on to their decks during passage. Ships will stay away if the canal is subject to a continuing threat of harassment.

So let us not talk of pushing the Navy through. Of course, in a time of emergency, we can do that, although we had best do it before the war begins; because if we are involved against an opponent that can mount a threat to the canal, then it is very unlikely, in this day of missiles, that we would want to concentrate our Navy at the canal and make it a sitting duck as it passes through.

No, Mr. President, we should not be talking about a wartime situation. The use and importance of the canal is greatest in time of peace.

We have it from no less an authority than General McAuliffe that no military force, however large, stationed in the Canal Zone can protect the canal from harassment of a kind that would deter ships of peace from using it.

So I can understand why our Chiefs of Staff have concluded that the most effective means to protect our interests in the Isthmus of Panama, to secure the canal, to keep it safe and open and functioning, is in collaboration and cooperation with the Panamanian people. That is what we are most likely to secure with the ratification of these treaties. But if we fail to seize the moment, if the Senate rejects these treaties, then I think we will live to rue the day and wonder why we acted so unwisely.

Mr. President, in the argument presented by the distinguished chairman of the Armed Services Committee (Mr. STENNIS), he described a world in which we were maintaining our bases everywhere in the Pacific, in Europe—everywhere but Panama. He said that these treaties prescribe the eventual relinquishment of American bases in Panama, and that was a kind of surrender.

I do not read recent history that way. I do not think it is accurate to say that we maintain bases everywhere as if at our pleasure, or that the only place we have agreed to withdraw our forces is in Panama, at the end of this century. The fact is that today we cannot maintain bases anywhere abroad without the consent of the government concerned.

We used to have big military air bases in Morocco. I remember, when visiting Morocco years ago, being shown those vast airfields, for our B–46 bombers. I am sure we still would be maintaining them, except that the Government of Morocco decided that it no longer wished to host foreign military bases. When the Government of Morocco said close these bases, we closed them.

I can recall visiting Libya years ago and being taken to an American Air Force base there we used for training purposes for ourselves and our NATO allies. It was thought to be very important at the time. Well, we did not keep it long, after the Government of Libya asked us to leave.

We cannot maintain a foreign military base anywhere in the world against the will of the foreign power, the foreign government, the foreign country, in which that base is located.

Have we forgotten so soon the decision of General de Gaulle, taken a decade ago? When the Government of France, the oldest of our allies, told us that the honor of France called for the removal of foreign bases on French soil, what did we do? We did what we had to do. We acquiesced in the decision of the Government having authority over French territory, and we withdrew our bases.

Have we forgotten Turkey, still our ally, the anchor point of the NATO alliance in the eastern Mediterranean? We had numerous bases in Turkey. But when we encountered problems with the Turkish Government over Cyprus, some of these bases were denied to us by the Turkish Government and others were taken over by the Turkish Army. What did we do? Why, we accepted the decision of the Turkish Government.

Mr. President, it is quite misleading to talk as though we maintain military bases in foreign lands without the consent of their governments. It defies all experience; it is nonsensical. Look at the major bases we maintain now, which the distinguished chairman of the Armed Services Committee must have had in mind when he spoke as he did. We maintain major bases in the Philippines, in Spain, Greece. We still maintain some bases in Turkey.

But, in each of these cases, we do so with the consent of the host government. In each of these cases, we pay large sums for the privilege of keeping the bases, sums which make the amounts involved in these treaties pale by comparison.

So, Mr. President, the fact that we must accept the decision of foreign governments if we are to maintain bases on their soil is recognized—and properly so—in negotiating the treaties now before the Senate.

We acknowledged that Panama, even though a tiny, relatively helpless country, has the same sovereign right to insist that foreign troops be removed from her soil. With these treaties, to our everlasting credit, we do not say: "We will abide by the decision of foreign governments everywhere else in the world, with the exception of Panama. In Panama, we insist on retaining our forces, not only until the end of the century, to which the Panamanians have agreed, but forever after, despite how the Panamanians may feel, with or without their consent, and we will do it because we have the power to impose our will."

Well, Mr. President, if that were the position of the United States in dealing with one of the smallest countries of this hemisphere, how could we expect to exert moral leadership in this world? How could we expect to maintain our influence in this hemisphere, where all the other governments are united behind Panama in its right, as a sovereign government, to insist upon the removal of foreign forces from its soil?

How are we going to deal with the current crisis in the Middle East, which turns upon such questions as the restoration of occupied lands? Who will listen to the United States, in such delicate and difficult matters upon which future war or peace may hinge, if we, ourselves, will not abide by the principles we preach?

So, Mr. President, I not only emphatically disagree with the arguments we have heard, but I think they do not reflect real life at all. They ignore everything we are actually doing throughout the world and rest upon a double standard, which we can apply only at the price of being hypocritical, and at the loss of the very thing these treaties give us, which is an opportunity, by adhering to our own principles, to improve our relationship with all of Latin America and the Third World.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to my friend from Maryland.

Mr. SARBANES. I wish to underscore the point which the able Senator from Idaho has made with respect to the fact that, under these treaties the United States, by agreement of Panama, by Panama's agreement, will maintain military facilities for the next 22 years, until the end of the century, in that country.

No arrangement that we have elsewhere provides us with that length of term with respect to how long the United States can maintain military facilities in those other countries. In many other places we are spending enormous amounts of money to establish and to develop military facilities with no guarantees that we will be allowed to maintain them over any sustained period of time.

Here by agreement of the Panamanians we have, first of all, the continuance of every military facility that we need. There has been talk here about cutting back on the number of facilities, but that is primarily a play upon numbers. The fact is we consolidate certain facilities and in such a way that we have every facility we need in terms of our military needs; and, second, Panama has agreed that after the turn of the century—they have agreed to this far-reaching authority—the United States will have the power and the authority to take whatever action we deem necessary to maintain the regime of neutrality pertaining to the canal.

Mr. President, those who take a position in opposition to these treaties have the responsibility to sketch out for the

American people what the alternative is. This is not a free choice situation. There are choices to be made and consequences to be paid in any event. Those who argue that these treaties should be rejected have the responsibility to sketch out what will take place if that should occur.

Yesterday some said, "Well, we will go back and negotiate new arrangements with Panama."

Does anyone realistically anticipate that if these treaties are rejected that we will be able to negotiate and reach agreement with Panama on terms that are more accommodating or more favorable to the United States? I suggest that will not be the case and that the choice we will eventually face is either maintaining the American position in Panama against the resistance and opposition of the Panamanian people—in other words, maintain our position without an agreement—or eventually concluding that such a situation is not stable, that we cannot have a situation where we have this bitter hostility between the two peoples, and that we thus have to reach an agreement to govern our relationship.

If that happens my prediction is that such a subsequent agreement will fall far short of this one in terms of protecting and accommodating American interests.

Then we will hear the lamentations and the wailings as people will say, "Oh, if we had but accepted the agreements that were before the Senate in 1978 how much better our position would have been than the agreements before us"; whether that is 3 years, 5 years, or 10 years from now, if indeed an agreement can subsequently be reached.

Absent agreement, the choice for the United States is to maintain its position through imposition by the use of its force and its power—not a stable situation, and not one that we would prefer. We will use our power to protect our interests, but how much better it is to use our power consistent with agreements such as the ones pending before us, agreements which give us the legal and the moral basis for protecting our interests. They give us the legal and the moral basis to use our force and our power if it should prove necessary to do so.

To reject these treaties is to lose the opportunity to place our relationship with Panama on a stable basis with a friendly environment, with every safeguard which the United States may need to take whatever action it deem necessary in order to safegard its interests. It is a tremendous step forward over the present situation, and it opens up opportunities for cooperation with the Panamanian people and opportunities for our dealings with all of Latin America which we ought not to lose sight of.

It is extremely important that it be understood that the choice before us is not simply maintenance of the status quo or the change involved in the treaties. The choice before us is the change which comes with the treaties or the change which will come about without the treaties. I do not want to come back to the floor of the Senate in 2 years, 4 years, or 6 years and face the lament, "What an opportunity was lost in 1978 to establish a normal, stable, cooperative, productive, and constructive relationship with the people of Panama," in contrast to the situation which we may then have on our hands concerning that area.

As the President said in his address to the Nation:

> I as President would not hesitate to deploy whatever armed forces are necessary to defend the canal, and I have no doubt that even in a sustained combat we would be successful. But there is a much better way than sending our sons and grandsons to fight in the jungles of Panama. We would serve our interests better by implementing the new treaties—an action that will help to avoid any attack on the Panama Canal. What we want is a permanent right to use the canal, and we can defend this right through the treaties, through real cooperation with Panama. The citizens of Panama and their government have already shown their support of the new partnership, thereby showing their strong approval.

We have an opportunity here to establish a new relationship which will give us the chance of exerting strong and principal leadership throughout the world. We ought not to lose that opportunity.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield myself such time as I may require.

One of the most crucial questions which must be considered during the debate on the Panama Canal treaties is: Will the security of the United States and the Western Hemisphere be adversely affected by the proposed treaties? Historically, the safety of America and of the hemisphere has depended on the ability of the U.S. Navy to maintain restricted control over the trade route of the Caribbean as well as the Atlantic and Pacific approaches.

For better or for worse, the Monroe Doctrine has guided U.S. policy since 1823. The vast majority of Americans, including myself, view the United States as the protector of the hemisphere. Mr. President, I have said, and I will say again: We do need a new relationship with Panama. It is apparent that such a change could improve our standing in South America. But, I do not believe that this means we must throw our national security to the wind.

My amendment addresses itself to a security problem in the proposed treaties. My amendment would prohibit the transit of vessels of war and the military support vessels of nations engaged in armed conflict with the United States, further it treats Panama as a coequal and applies to vessels of war and military support vessels of nations in a state of belligerency with either the United States or Panama. As I stated yesterday, we have been in a state of belligerency as far as this Nation is concerned, on many occasions—when the Chinese came south of the Yalu River we were in a state of belligerency with China, but not at war. When President Kennedy announced the blockade with Cuba, we were in a state of belligerency with both Cuba and Russia, but not in a declared war. Under similar circumstances it would not be possible, under my amendment, for Russian ships to either follow our Navy through the canal or transit the canal in order to confront our naval vessels.

I see absolutely no reason why Panama or the United States should be compelled to permit vessels of war or military supply ships of nations which are in a state of belligerency with either of us to use the canal. The Panama Canal is a tactical necessity for Panama, for the United States and for the Western Hemisphere.

The Neutrality Treaty as presently constructed entitles nations in a state of belligerency with the United States or with Panama to free and undisturbed transit of the canal:

> Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected as a condition of transit, to inspection, search or surveillance. Art. III(1)(e).

It has been suggested that we do not need an amendment to correct this deficiency because our Navy could engage such ships out at sea, prohibit them from reaching the sanctuary of the canal and if, by chance, they did get to the canal, we would stop them on the other side.

Mr. President, I submit that the scenario portrayed by the opponents of this amendment is absurd. Imagine, a U.S. naval blockade several miles from the canal. Maybe, just maybe, 1 of 20 ships gets through. If it gets to the canal, it must be welcomed with open arms under the present provisions of the Neutrality Treaty. After it leaves the canal it, at some point, becomes a belligerent vessel again and we can then take action. This is not so unlikely as we might like to believe. I hope that we have sufficient military strength to meet and engage enemy vessels outside the Canal Zone. But, I do not believe that we should ignore the growing disadvantage at which our fleet has been placed relative to the Soviet Navy.

A decision was made in 1969 to retire many of the aging World War II ships. The cost for operation and maintenance of these ships was to be put toward the construction of new ships. Unfortunately there were several unanticipated problems. There was an inflation of 50 percent between 1969 and 1975, the cost of the All-Volunteer Force dramatically increased military expenditures and the rise in price of oil resulted in a large rise in cost of operation of naval ships. These three problems have hindered the rebuilding of the Navy to the level of a two-ocean force.

As our distinguished colleague from Nevada pointed out yesterday, in 1974 when the Soviet Fleet was much smaller than it is today, our Joint Chiefs of Staff said that we would need 800 ships to support our national security. Today we have less than 459 ships. This is down 976 in 1968. Considering the present trend, who knows how many ships we will have or not have at the end of this century.

On the other hand, events of the last decade show that Moscow is using seapower to extend its sphere of influence around global sealanes and restrict unimpeded access to the oceans. In the

1970's we saw the formidable Soviet Mediterranean Fleet operating close to the Suez Canal, which had long been a former American prerogative. Soviet naval forces have moved into the Red Sea and the Indian Ocean. The Western Pacific has been open to Soviet naval ships and merchant vessels.

It is particularly unlikely that the United States could be confident of engaging a submarine before or after transiting the canal, if the United States were heavily engaged assuring that sea lines of communication were kept open over our worldwide trade routes. Were we in a state of belligerency with the Soviets, it is likely that they would employ tactical aircraft from Cuba and could dramatically inhibit the U.S. Fleet from stopping Soviet submarines. Further, it is tactically absurd to tie up portions of our fleet to protect ourselves in waters we should easily control.

It is not difficult to lose track of submarines. In the Mediterranean for example, after submarines submerge upon leaving the Bosphorous, we do lose track of them. In a situation of stress, it is quite possible that we simply would not have the means to insure that enemy submarines did not get through the canal. This is particularly true with submerged submarines on the Pacific side where there is a great deal of room for maneuver.

The opponents of this amendment have also suggested that it has been the practice during the last two world wars to deal with enemy ships before or after they went through the canal. I assume the argument is that, since it has been the practice in the past, it will do for the present, and the future. I hope that they are not ignoring the fact that the relative advantage of the United States during the last two world wars has changed dramatically. When we consider the growing advantage of the Soviet fleet, which is now 1,200 vessels and the continuing Soviet threat and naval encroachment in the Carribean with Soviet bases in Cuba from which to operate, along with intransigent Cuban policies in Jamaica, our role in Panama cannot be to allow enemy warships free and unimpeded transit through the Panama Canal.

Further, the opponents of this amendment say that if passage is denied to enemy vessels, we will be making a target of the Panama Canal. I think they should think again. I am not suggesting that we fight a battle in the canal. What I am suggesting is that when a vessel, which is an enemy of the United States or Panama during a state of belligerency presents itself at the canal, it should not be entitled to privilege of transit. Further, this argument is a contradiction in terms. If the Soviets are unable to transit through the canal because we are stopping all of their ships before they get to the canal, they would most likely blow it up anyway. There is very little difference, if, as the proponents say, our Navy will be able to engage any enemy vessel.

I think one of the things the opponents seem to forget is the position of Panama. Under the previous treaty, we guaranteed the neutrality of Panama. We do not guarantee them anything under this treaty. We guarantee the neutrality of the canal itself.

We now have the situation where Cuban forces are engaging in voyageurism throughout the world—Angola, Ethiopia. The Cubans are the pawns of the Soviets.

What are they going to do when those hostilities are over? Are those troops coming back to Cuba to settle down, or are they going to foment revolutions in Central and Latin America?

Will we be faced with a time when we will have to guarantee the neutrality of the Panama Canal, even if Panama itself is under attack? I think that is sheer stupidity. We will no longer provide that nation with the defense it should have and here we are saying that we approve a canal, which our people thrust upon them. Here we, as the United States, undertake to guarantee the neutrality of that canal through their country, and even if they are under attack, the vessels of their enemy must go through the canal because we are protecting the neutrality of that waterway.

I have never heard such an absurd argument. Why do we not guarantee Panama the protection it should have? Why do we not tell the world that the Panama Canal is still strategic to our defense and to our economy and we consider it to be the principal asset of the Government of Panama?

Are we to assume, and it seems that the opponents do assume, that we will not be on the best of terms with the Panamanians after this treaty is put into effect? Why should we not protect them? Why should we not protect the canal, which means so much to us?

Mr. President, I had a discussion with my oldest son the other night about this. He had heard about the statement I had made concerning the Panama Canal, and he said:

> Dad, you know, we are just going to have to trust you to do what is right but I hope you will remember that when I am your age, if we need the canal, I don't want to have to fight for it then. If the canal is going to be important to us when I reach your age and we have got to fight for it, I would rather do it now.

And I think that is really the way the young people of this country feel. When we see these polls that come in from throughout the country, that 70, 75, 78 percent of the people of this country of all age groups are opposed to these treaties, I think it is time for us to listen.

Are we, as the people who have been elected to represent our respective States, to believe that we have more power to determine what the people of the United States want than the people themselves?

I think, really, that the problem is with the concept of a treaty. I hear the proponents saying we must articulate what the scenario will be if these treaties are defeated. Not many of us want to see them defeated. We want to see them changed. We want to see them reflect the will of the people of the United States.

And I certainly cannot believe that anyone in this country would believe that we ought to be putting the United States in the position where the United States must guarantee the neutrality of the Panama Canal under a treaty such as this. Particularly when Panama itself might be under attack.

When our country is in a state of belligerence with a nation of the world, why should we be put in the position of paying 30 cents a ton for their warships, as they come through the canal, even if they are at war with us. My God, where were the minds of the people who negotiated these treaties? They certainly cannot be reflecting the viewpoint of the U.S. people. The prior treaties guaranteed that we had control. They specifically referred to vessels of war engaged in belligerence and denied them access, if in coming through the canal as neutrals, they violated the terms of their neutrality.

Now I cannot believe—I cannot believe that this Senate would approve treaties which would put us in the position that the only way we can get back into the Panama Canal and protect it is through the use of force. Well, that is what my son was telling me. He was saying why put us in the position where if the canal means something to me when I am your age, that the only way my generation can get back in there and protect the canal is by having an amphibious landing?

You know, some of us—and I am delighted to see the current occupant of the chair, because I know he knows what I mean—went through a war which we thought was going to end wars. We saw the bloodiest landings in the history of the world, and now we stand here in this body and are asked to blindly approve documents which would put our sons in the positions we were in 30 years ago, and we are asked to think that just because this protects us for 20 years, or 22 years, that that is enough.

Well, I do not know about the rest of you, but it was over 30 years ago that I came back and since that time we have had two belligerencies that meant a great deal to the young men of this country, Korea and Vietnam.

Now in the 22 years between now and the end of the century I take it that this reduced military force would at least give us the presence to protect the canal, but what about after that. What about after that? That is what this amendment is. As to the Treaty of Neutrality we really are talking about post the year 2000. After the year 2000, under what terms do we guarantee the neutrality of this canal?

And I say that I, for one, do not believe we should be put in the position where we say that we guarantee all the warships and military support ships of the world unimpeded passage through the Panama Canal, despite the fact that they might be in a state of belligerency or at war with Panama or in a state of belligerence, or at war with our Nation.

I like to think that the situation occurred in 1962 when our young President took a dramatic action and put the Soviets on notice of where we stood

with regard to the missile fleet that we do the same thing again.

He brought the Pacific Fleet into the Atlantic. The records are clear—they are in our hearing records—as to how many vessels came through.

Again, are we to allow the Pacific Soviet fleet to follow them through? Are we to say that if Panama is attacked in future years by some voyager in the Caribbean who seeks to foment revolutions all over that we are to guarantee that voyager free passage through the canal that we built and we will maintain until the end of the century?

I again point out that the amendment I have offered is slightly different from that of the distinguished Senator from Alabama. My amendment talks about a state of belligerency in the first place. That, to me, is short of war. It encompasses situations such as I have described.

Secondly, this raises Panama to the same position we were in under the Allen amendment. It means that we say we will protect the canal if Panama is the one that is threatened, not just that the United States is threatened.

Third, it means that when we are involved in a state of belligerency, the resupply vessels, the merchant ships used to supply the fleet of the belligerent nation, may be denied access to that canal, too. I think that is highly important. I would hope that my good friend from Alabama realizes we analyzed his amendment and we tried to go a little further in terms of the coverage of that amendment.

I believe that the situation we are in now with the proponents of these treaties—some people call it stonewalling—is an unfortunate position, where they refuse to accept any amendments because the acceptance of the amendments might cause a plebiscite in Panama; refuse to accept changes which the American people, I feel, want and have a right to demand.

That government in Panama promulgated the new constitution, by the way. We talked to General Torrijos about that. He issued that new constitution since he became the leader of his coup. That constitution does provide for a plebiscite. But if he could get the last plebiscite approved, he could get another one approved. If a plebiscite in Panama is the thing we are afraid of, then we better stay in Panama, we better improve our defensive position in Panama, because the first 22 years are going to be worse than the years after the year 2000.

These people who are proposing these treaties without amendments are presuming that the interests of the United States are going to continue to dwindle; that the Panama Canal, as it is known today, will be unimportant to the United States after the year 2000. In my opinion, if they are right, the treaties are a hoax on Panama anyway.

I think it is time we got down to talking about specifics, in terms of these treaties, in regards to our rights. My amendment is a basic right, the right to deny a belligerent access to an engineering marvel that we built.

I would hope that the Senate will reconsider its position with regard to the Allen amendment, and that it will think twice about this. This is a very specific amendment.

If Senators vote to table my amendment or vote against this amendment, what they are telling their constituents is that Cuba can go through the Panama Canal even if it has attacked Panama; that Russia can go through the Panama Canal even if it is resisting a demand such as President Kennedy made on Russia at the time it moved missiles into Cuba.

That is unconscionable, to think that we should have to harbor, provide safe haven, to the vessels of an enemy. That would not happen under the existing treaties, and I see no reason for it to happen under a future relationship between the United States and Panama.

Mr. CURTIS. Will the Senator yield?

Mr. STEVENS. Mr. President, I ask unanimous consent that my assistant, Mr. Steven Silver, be granted the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Will the distinguished Senator yield me about 2 minutes?

Mr. STEVENS. I yield such time to the Senator as he may require.

Mr. ALLEN. I thank the distinguished Senator, the author of this amendment, for yielding me time.

Mr. President, this is the start of the fourth week, I believe, of debate on the Panama Canal treaties, more specifically on the Neutrality Treaty.

Not one single amendment has been agreed to here in the Senate because the proponents of the treaties are resisting every amendment, no matter how constructive it may be, no matter how beneficial it may be to our national interest.

The reason assigned is that this might not be acceptable to Dictator Torrijos, it might not be acceptable to him, and, therefore, a new plebiscite might have to be called.

In the first place, Torrijos jumped the gun in calling this plebiscite that was held in Panama. He knew full well that under our constitutional process, the Senate has the right to advise and consent, or, in the alternative as to consent, to nonassent to the treaties. So in calling the plebiscite before the Senate had ever given its advice to the President on the treaties, he certainly acted prematurely.

What is wrong with a new plebiscite? Why should not the U.S. Senate discharge its constitutional duty, its constitutional obligation, of shaping these treaties in the best interests of all concerned, and certainly in the best interests of the United States and our national interests?

If the Senate is to be deprived of its constitutional rights and its constitutional duties of improving on treaties submitted to the Senate for its consideration, then I feel that the Senate is abdicating its constitutional duties and its constitutional responsibilities.

This amendment offered by the distinguished Senator from Alaska (Mr. STEVENS), as he stated, is an improvement and a perfection of the amendment which I offered earlier in the Senate and which received 40 votes out of 92 votes cast.

I am somewhat amused, Mr. President, by the fact that the first vote that we had in the Senate on these issues was a vote on the motion which I made to reverse the order of consideration of these treaties. One would think that the first treaty to be considered would be the Panama Canal Treaty which provides for transferring the canal to Panama and the conditions under which it is being transferred.

That is not so. The leadership has seen to it that we are considering the Neutrality Treaty, which, in effect, does not come into operation until the year 2000.

When I made a motion to reverse that order and take up the Panama Canal Treaty first, 30 votes, I believe, were cast for my motion and some 67 votes, I believe, were cast against it.

The media was quick to take note of the fact that since the opponents of the treaties had mustered only 30 votes, therefore it seemed likely that this was a test vote, and since it takes 34 votes to kill the treaties that the treaties were sure of being approved, that this was a test vote. Thereafter, we received 34 votes on the amendment, then 38 votes and, lastly 40 votes. Never once has it been suggested that this 40 votes amounted to a test vote on the opinion in the Senate with regard to the treaty.

Along the way, as other amendments were offered, they mustered fewer votes. One amendment, I believe, got as few as 15 votes. But the fact remains, Mr. President, that if the Senators were allowed to express their independent judgment on these amendments, if they did not feel inhibited and bound by their commitment to vote for the treaties and did not feel that that commitment bound them to vote against amendments, we could shape this treaty and these treaties in such a way as to protect our national interest.

Mr. President, it is quite apparent that Dictator Torrijos is having greater influence in the U.S. Senate in shaping these treaties than any Member of the Senate or any group of Members of the Senate; because, obviously, he is able to say that we do not want any amendments and apparently, the leadership is going along with that thought.

The present amendment, the amendment under consideration, seeks to nullify this cynical and demagogic and hypocritical provision of the treaty. Let us see what it says in article III, section (e):

Vessels of war and auxiliary vessels of all nations—

Enemy nations, friendly nations, allied nations, all nations—

shall at all times—

During war or peace—

be entitled to transit the canal, irrespective of their internal operation, means of propulsion, origin, destination, or armament—

And listen to this—

without being subjected, as a condition of transit, to inspection, search, or surveillance.

The answer of the distinguished proponents of the amendment and the leadership is, yes, that is there, but, after all, that is meaningless, because we are going to catch enemy vessels out at sea and destroy them. If they should happen to elude the blockade and get through the canal, we will stop them on the other side.

How cynical can you get, Mr. President—to insert a provision that gives enemy warships the opportunity and the right to go through the canal undisturbed, without search, without inspection, or without surveillance?

Down a little further we find:

In addition, such vessels shall be entitled to refuse to disclose their internal operation, origin, armament, cargo or destination.

They just have carte blanche. Well, they say, they will get them before they get to the canal or after they get to the canal. Suppose the mission of a ship——

Mr. CURTIS. Will the Senator yield right there?

Mr. ALLEN. Yes, in just a moment.

Suppose the mission of a ship was not to go through the canal and get to the other side, but to stop in the middle of the canal, in a lock, and blow it up? The amendment of the distinguished Senator from Alaska says that if any nation is in a state of belligerency, not only with the United States—which my amendment provides for—but also with Panama, they shall not have free and undisturbed access to the canal. That would make a realistic provision out of the treaty rather than to have such a cynical and demagogic and hypocritical provision as is now provided in the treaty.

Yes, I yield to the distinguished Senator from Nebraska (Mr. CURTIS).

Mr. CURTIS. Is it not true that a right established by a treaty duly ratified has a high standing so far as carrying the force of the Constitution?

Mr. ALLEN. I beg the Senator's pardon. I did not quite hear the question.

Mr. CURTIS. I said, is it not true that a right established by a treaty duly ratified has a high standing among other competing rights because of the force of the Constitution back of a treaty?

Mr. ALLEN. Yes, it does. Yes, indeed, it ranks above a statute and right alongside a constitutional provision.

Mr. CURTIS. Now, if a treaty right backed by our Constitution grants to all countries passage through the canal, what right do we have to intercept it at sea?

Mr. ALLEN. Well, we would not have any legal right. That is the very point I am making, I say to the distinguished Senator from Nebraska. Why agree to a treaty provision that the proponents say would not be observed and that we all know, as a matter of pragmatism, would not be observed? We would not allow it, so why do we go through the mockery of having such a provision in the treaty? The amendment of the distinguished Senator from Alaska would make a realistic provision here and say that no enemy nation in a state of belligerency with the United States or Panama would have this right of undisturbed transit of the canal.

Mr. CURTIS. If the Senator will yield further, permit me to say that many Americans are grateful for the efforts of the distinguished Senator from Alabama in reference to this treaty.

Also, I want to observe that one of the strongest speeches made in the Senate on any subject was the speech we just heard from the distinguished Senator from Alaska, who is a veteran of the Armed Services of our Republic, and whose clear thinking and concern for the future of the United States has prompted this amendment. I do not know what the Senate will do with it. I do predict that when the historians write the record of this day, they will say of this amendment that it was a most important amendment, and certainly well presented.

Mr. ALLEN. I thank the distinguished Senator from Nebraska.

Mr. SCOTT. Mr. President, will the Senator yield briefly?

Mr. ALLEN. Yes, sir, I yield to the distinguished Senator from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. President, I notice that article VI indicates that the Republic of Colombia and Costa Rica shall have the right of transit toll free. The United States shall have the right to expeditious passage through the canal, but it does not say anything about tolls. Does the distinguished Senator know whether or not the United States would have to pay tolls for its warships to go through the canal?

Mr. ALLEN. Yes; we would have to pay tolls for warships, possibly running as high as $50,000 per ship.

Mr. SCOTT. The article starts out by saying:

In recognition of the important contributions of the United States of America and the Republic of Panama to the construction, operation, maintenance, and protection and defense of the Canal . . .

They are recognizing the importance of what we have done, but then the other countries can go through free and we have to pay.

Mr. ALLEN. Yes.

Mr. SCOTT. That does not seem like the type of recognition we need.

Mr. ALLEN. I might say that is a violation of the Hay-Pauncefote Treaty, because it provides that a vessel shall have access to the canal, transit of the canal, on an equal basis. So the very provisions here giving Costa Rica and Colombia the right of free transit violates the Hay-Pauncefote Treaty.

Mr. SCOTT. I assume that if Panama actually controls the canal after we get out, Panama is not going to charge its own vessels for going through the canal; so that means that would make three nations that would get free passage and we built the thing and we are going to have to pay to send our warships through. I see some inequality there.

Mr. SARBANES. Will the Senator yield on that point?

Mr. ALLEN. Let me answer the question first.

I do not believe that the treaty provides that Panama would get free transit of the canal. Colombia and Costa Rica would have.

But I do not believe it provides it free.

Mr. SCOTT. Certainly, I agree with the distinguished Senator on that point. But I am thinking that when the time comes, after December 31, 1999, and when Panama has complete control, it would not seem reasonable they would charge themselves and then let their two neighbors go free.

So I would submit, just as a reasonable thing, that they, too, after expiration of the treaty time would go free.

But I do not see if we cannot go free during the existence of the treaty that later they would say, "Well, the treaty is over, now you can go free." That would not seem like a reasonable assumption.

Mr. ALLEN. No. But whether they charge or not amounts to the same thing because Panama would own the canal, and they would have——

Mr. SCOTT. It would be a bookkeeping operation.

Mr. ALLEN. All the tolls to them.

Mr. SCOTT. A bookkeeping operation.

I thank the Senator.

Mr. ALLEN. I will yield for a question to the distinguished Senator from Maryland, on his time, I might say.

Mr. SARBANES. I think it is important, at least trying to keep the facts straight in this debate, to make it very clear the United States now pays tolls on all of its ships that go through the Panama Canal.

Mr. ALLEN. I did not say they did not.

He asked if we would have to pay for our warships, and I said we would.

Mr. SARBANES. The distinguished Senator from Virginia was suggesting that if we paid under these proposed arrangements that somehow would be a change from present practice.

Mr. ALLEN. I did not so understand that and it was not so stated.

The Senator misunderstood. Nothing like that was stated.

Mr. SARBANES. Maybe if I could engage the distinguished Senator from Virginia——

Mr. ALLEN. No. The Senator from Alabama has the floor. If the Senator wishes to direct a question to me on his time, I would be delighted to answer.

Mr. SARBANES. Well, does the Senator from Alabama recognize that under the present arrangements the United States pays tolls on all of its ships, commercial and military, that transit the canal?

Mr. ALLEN. I have said nothing to the contrary.

Mr. SARBANES. So that is correct?

Mr. ALLEN. That is correct. They pay now and they will pay afterward. Yes.

Mr. SARBANES. I thank the Senator.

Mr. ALLEN. Mr. President, what we have here is resistance by the proponents of the measure to any and all amendments, no matter how good. That has been proved and it is going to be proved throughout the consideration of these treaties, that they are so anxious that no amendment be passed to displease the Panamanian authorities, shall I say.

They have stated on the floor time and time again that this amendment or that amendment is a killer amendment, if it is passed it will kill the treaties.

I say no Senator can make that state-

ment categorically and with certainty. Who knows whether an amendment will kill the treaties or not? Dictator Torrijos first said he would not take any amendment. Now he is willing to take the so-called leadership amendments. What would there be to prevent him from accepting 100 amendments if the Senate in its wisdom would see fit to agree to 100 amendments? I would predict he would say, "Well, this is in the spirit of the treaty, I accept it," then exchange notes with the President of the United States and the treaty would be ratified.

But to cut the Senate off from any right to shape this treaty, even though we have been discussing it now for over 3 weeks, seems to me to be an affront to the Senate itself and the duties and responsibilities that we have, to take the position that no amendments must be passed.

We have to accept it as Mr. Torrijos wants it. That is what it boils down to.

Now, this is a good amendment of the distinguished Senator from Alaska (Mr. STEVENS). It will nullify this ridiculous provision in the treaty that enemy ships in time of war with the United States or with Panama can have undisturbed transit of the canal without any search or inspection or surveillance of their ships, and without giving any information as to the cargo that it has.

It could be crammed full of explosives, and under the treaty, the operators of the canal, whether they be Panamanians or Americans, would have no right to check on that cargo.

Mr. STEVENS. Will the Senator yield?

Mr. ALLEN. I am delighted to.

Mr. STEVENS. And a belligerent nation having acquired access could scuttle one of their old warships in the lake or in a lock and maybe tie it up for a long time.

Mr. ALLEN. Yes. I believe that is what Admiral Hobson did.

Mr. STEVENS. That is right.

Mr. ALLEN. Sink a ship there in the mouth of it, that can very well be done and be put out of operation for months and possibly years.

I thank the distinguished Senator for his suggestion.

Mr. President, I yield the floor inasmuch as I have used the time allotted to me.

Mr. STEVENS. Mr. President, how much time does the distinguished Senator from North Carolina seek?

Mr. HELMS. Could the distinguished Senator from Alaska spare 15 minutes?

Mr. STEVENS. I yield 15 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Senator very much.

Mr. President, the distinguished Senator from Alaska has performed a significant service for the United States in offering his amendment to permit the prohibition of transit to warships and auxiliary vessels of nations which are in a state of belligerency with either the United States or Panama.

The effect of this amendment is simply to continue the present practice and the historical rights of the United States with regard to the passage of enemy vessels.

It has been asserted many times here on the floor of the Senate that we have no rights under international law to prohibit the passage of enemy vessels through the Panama Canal. It has been asserted that the Hay-Pauncefote Treaty with Great Britain requires us to keep the canal free and open, in time of war as in time of peace, to the vessels of commerce and of war of all nations, on terms of entire equality.

Neither the text nor the diplomatic history surrounding the Hay-Pauncefote Treaty supports that conclusion; nor has our historical practice been in accord with the principle. It has been asserted that our only right was the right of belligerents on the high seas to intercept and destroy enemy vessels. But the fact is that the Hay-Pauncefote Treaty was understood by both parties as permitting the United States to defend the canal itself by prohibiting enemy passage.

To interpret the Hay-Pauncefote Treaty correctly, it is necessary to go back into the diplomatic history surrounding it. There were actually two Hay-Pauncefote treaties. The first one was rejected after being amended by the U.S. Senate; the second one is the one that was approved. Those who have been talking about the destructive intent of every attempt to amend the present treaties under debate ought to go back and look at history. In the case of the Hay-Pauncefote Treaty, the Senate's amendments played a very constructive role in bringing about a very good treaty, the treaty that cleared the way for the building of the Panama Canal by the United States.

Mr. President, the Hay-Pauncefote Treaty has been much discussed on this floor; but, in the judgment of the Senator from North Carolina, it has never been put into the proper perspective. The proper perspective is provided by the memorandum set forth by Lord Lansdowne, the British Foreign Minister on August 3, 1901.

The distinguished Senator from Iowa, Mr. CHURCH, has repeatedly said that the Hay-Pauncefote Treaty requires the United States to admit warships of all nations, including those which are belligerents against the United States. On February 20, the distinguished Senator spoke as follows:

> Under the existing treaty governing the present operation of the canal, the United States is formally obligated to respect and maintain a regime of neutrality. The provisions are written into the Hay-Pauncefote Treaty, and the governing article reads as follows:
>
> "The Canal shall be free and open, in time of war as in time of peace, to the vessels of commerce and of war of all nations, on terms of entire equality, so that there shall be no discrimination against any nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise. . . . Such conditions and charges of traffic shall be just and equitable."
>
> From the moment the United States opened the Panama Canal for international traffic in 1914 the canal has been administered in strict accordance with the terms of the treaty I have just quoted. It has been a neutral waterway, open to the passage of all ships, including warships, of any nation. Nothing in the pending treaty changes this arrangement in any way detrimental to the United States, and to suggest that it does is contrary to fact.

On February 22, the distinguished Senator from Idaho returned to the topic, and once again insisted that we did not rely upon the Hay-Pauncefote Treaty to keep enemy ships from transiting the canal. The distinguished Senator said:

> In the First and Second World Wars, no enemy vessel ever presented itself for transit through the canal. Our Navy was in a position to prevent any enemy vessels from approaching the canal. That is how we denied the use of the canal to enemy ships—on the high seas. This was the only practical way of doing it, anyway, since to allow an enemy ship to come within firing distance of the canal would, of course, have jeopardized the canal itself. . . .
>
> There was no paper agreement we relied upon for that purpose; we relied upon the U.S. Navy, and we will again if ever we should engage in another war. . . .
>
> Under the new treaties, Panama and the United States, between now and the end of the century, and then, for the indefinite future, would guarantee a continued regime of neutrality for transit through the canal. Nowhere in the new treaties does the United States undertake to guarantee enemy vessels transit to the canal. We would continue to rely, as we have in the past, upon our ability to control access to the canal on the high seas, for this is the only truly effective protection that exists.

I find it very curious, Mr. President, that when the distinguished Senator from Idaho, Mr. CHURCH, quoted the Hay-Pauncefote on the Senate Floor on February 20, he quoted it by including the words "in time of war as in time of peace," words which were pointedly dropped from the version which was ratified. The able Senator's quote appears on page 3797 of the RECORD, yet if he and other Senators will consult the Foreign Relations Committee's compilation of background documents and read the Hay-Pauncefote Treaty on page 128, they will note the correct reading which omits the words "in time of war as in time of peace." And of course, those nine words make all the difference in the world to the problem of the passage of enemy ships in time of war.

Yet the distinguished Senator from Idaho has continued to rely upon this argument ever since. Now the Senator from North Carolina recognizes that this is a powerful argument, and a strongly emotional argument. After all, are not all Americans proud of the U.S. Navy? Do we not take pride in its strength and its power? Of course we do, and we depend for our security upon that strength. But it has nothing to do with the debate at hand, namely, whether or not our international agreements are sufficient in themselves.

For what the distinguished Senator has been saying, in effect, is that in the Hay-Pauncefote agreement the United States pledged to keep the canal open to the warships of all nations, even in time of war, but that the United States used the U.S. Navy to frustrate that agreement.

Now the Senator from North Carolina agrees that, if the Hay-Pauncefote

Treaty had actually required us to open the canal to belligerents of the United States, then we would have had no other recourse than to do as the Senator from Idaho asserts. But in point of fact, the Hay-Pauncefote Treaty did not—repeat, did not—require the United States to keep the canal open to belligerents of the United States. Thus the actions of the U.S. Navy in preventing enemy ships from presenting themselves for transit was an action wholly in accord with our obligations under the Hay-Pauncefote Treaty.

HISTORY OF THE HAY-PAUNCEFOTE TREATY

To interpret the Hay-Pauncefote Treaty correctly, it is necessary to go back into the diplomatic history surrounding it. There were actually two Hay-Pauncefote Treaties, as any one can easily ascertain by examining the volume of Background Documents Relating to the Panama Canal, printed by the Foreign Relations Committee, on pages 116–17, and pages 127–9.

It is very instructive to go back into this history because of all the talk there has been on this floor about so-called killer amendments destroying the treaty-making process. To characterize every constructive action taken to improve these treaties as a destructive process is to derogate from the dignity and responsibility of the Senate. The Senate has both the duty and the obligation to propose amendments intended to improve such agreements. Furthermore, it has every right to expect that, in negotiations between mature nations, there is a give-and-take process that recognizes the possibility of changes.

That is exactly what happened with the Hay-Pauncefote Treaty. Secretary of State Hay made the mistake of negotiating the first treaty without consulting the Senate. When the Senate took it up, the Treaty was amended in three places:

First. Article I was amended so as to abrogate specifically the Clayton-Bulwer Convention, under which the United States had formerly agreed not to build a canal.

Second. Article II, rule 5, was amended so as to provide for U.S. defense of the canal as follows:

> It is agreed, however, that none of the immediately foregoing conditions and stipulations in sections numbered one, two, three, four, and five of this article shall apply to measures which the United States may find it necessary to take for securing by its own forces the defense of the United States and the maintenance of public order.

Third. The original article III was deleted, under which other signatories had been invited to adhere.

When the amended treaty was presented to Great Britain, the British took several months to consider it, and then rejected it as amended.

Mr. President, did the sky fall in when the treaty was rejected? Did the British people rise up in revolt? Did world opinion turn violently against the United States?

Of course not, Mr. President. The United States and Great Britain patiently went to work again and came up with the second Hay-Pauncefote Treaty, a much improved version, which is still in effect after being ratified calmly by both parties.

It is instructive to see what changes were made in the second version, changes which took note of the proper interests of both parties. By any objective analysis, the new treaty was even better than the amended version of the first one.

First. The abrogation of Clayton-Bulwer was given the dignity of a separate article, since the British had complained that the Senate amendment appeared to abrogate it only in passing.

Second. The Senate amendment providing that the United States could take defense measures was dropped; but—and this is very important to our present consideration, Mr. President—two other provisions not touched by the Senate were also dropped. The first was the omission of the phrase "in time of war as in time of peace" from rule 1, the antidiscrimination stipulation. The second was the deletion of the entire rule 7, prohibiting the fortification of the canal by the United States.

THE LANSDOWNE MEMORANDUM

The British understanding of these changes was embodied in a document prepared by Lord Lansdowne, the British Foreign Minister, on August 3, 1901. That document may be found on pages 119–23 of the Foreign Relations Committee compilation of background documents.

Let us therefore look at what the Lansdowne Memorandum had to say on the problem of defense of the canal:

> The various points connected with the defense of the canal may conveniently be considered together. In the present draft the Senate amendment has been dropped, which left the United States at liberty to apply such measures as might be found "necessary to take for securing by its own forces the defense of the United States." On the other hand the words "in time of war as in time of peace" are omitted from Rule 1, and there is no stipulation, as originally in Rule 7, prohibiting the erection of fortifications commanding the canal of the waters adjacent.
>
> I do not fail to observe the important difference between the question as now presented to us and the position which was created by the amendment adopted in the Senate.
>
> In my despatch I pointed out the dangerous ambiguity of an instrument, of which one clause permitted the adoption of defensive measures, while another prohibited the erection of fortifications. It is most important that no doubt should exist as to the intention of the Contracting Parties. As to this, I understand that by the omission of all reference to the matter of defense the United States Government desire to reserve the power of taking measures to protect the canal, at any time when the United States may be at war, from destruction or damage at the hands of an enemy or enemies. On the other hand, I conclude that, with the above exception, there is no intention to derogate from the principles of neutrality laid down by the Rules. As to the first of these propositions, I am not prepared to deny that contingencies may arise when not only from a national point of view, but on behalf of the commercial interests of the whole world, it might be of supreme importance to the United States that they should be free to adopt measures for the defence of the canal at a moment when they were themselves engaged in hostilities.
>
> . . . exception could not be taken to an arrangement under which, supposing that the United States, as the power owning the canal and responsible for the maintenance of its neutrality, should find it necessary to interfere temporarily with its free use by the shipping of another power, that power would thereupon at once and *ipso facto* become liberated from the necessity of observing the Rules laid down in the new Treaty

Mr. President, the key sentence of the Landsdowne Memorandum is this:

> I understand that by the omission of all reference to the matter of defense the United States Government desire to reserve the power of taking measures to protect the canal, at any time when the United States may be at war, from destruction or damage at the hands of an enemy or enemies.

Mr. President, that sentence makes it absolutely clear that it was the British understanding that the Hay-Pauncefote Treaty did not prohibit the United States from forbidding belligerents of the United States to transit the canal. Needless to say, the United States was of the same opinion. President Theodore Roosevelt, in transmitting the second treaty to the Senate, wrote that it "guarantees to this Nation every right that it has ever asked in connection with the canal."

RELATION TO THE NEUTRALITY TREATY

Mr. President, it is instructive at this point to compare the Hay-Pauncefote Treaty with the Neutrality Treaty in this regard. The Hay-Pauncefote Treaty, as we have just seen, deliberately omitted the phrase "in time of war as in time of peace," and it was omitted specifically so that the United States could exclude belligerent vessels in time of war. The Neutrality Treaty includes the phrase, in article III, "at all times," which obviously includes "in time of war" and frustrates a key principle of Hay-Pauncefote.

Indeed, article III further provides that "vessels of war and auxiliary vessels of all nations" at all times shall be entitled to transit the canal. This is also completely at odds with Hay-Pauncefote, as understood by both parties to that treaty. "All nations" obviously includes belligerents of the United States. Yet Hay-Pauncefote, according to the Lansdowne memorandum, was intended to 'reserve the power of taking measures to protect the canal, at any time when the United States may be at war, from destruction or damage at the hands of an enemy or enemies."

WORLD WAR I

The Neutrality Treaty also flies in the face of the historical practice of the United States. It is true that the U.S. Navy prevented enemy vessels from approaching the canal; and I have no doubt that they will do so in the future. Yet, in the past, this action of the Navy was intended to enforce a recognized treaty right, and not a mere act of belligerency. We were acting totally in accord with the principles of international law, instead of setting aside international law in favor of the rules of war.

As long as the United States was neutral before the two World Wars, the

President of the United States proclaimed that the canal was neutral, and laid down rules for the conduct of belligerents while in the waters of the canal. This is what President Woodrow Wilson did in 1914.

Yet when the United States entered the war, President Wilson issued a proclamation, on May 23, 1917, that specifically prohibited enemies of the United States from entering the Canal Zone. Rule 15 of that proclamation reads as follows:

In the interest of the protection of the Canal while the United States is a belligerent no vessel of war, auxiliary vessel, or private vessel of an enemy of the United States or an ally of such enemy shall be allowed to use the Panama Canal nor the territorial waters of the Canal Zone for any purpose, save with the consent of the Canal authorities and subject to such rules and regulations as they may prescribe.

Mr. President, for some reason this important document was not included in the Foreign Relations Committee's compilation of documents. Perhaps that is why the distinguished Senator from Iowa appears to be unaware of the practice of the United States with regard to vessels of war in the canal zone.

S.S. "WIMBLETON" CASE: 1923

In 1923, the Permanent Court of International Justice at the Hague, in the case of the S.S. *Wimbleton*, cited with approval the Hay-Pauncefote Treaty and the joint interpretation of the United States and Great Britain. The Court said pointedly:

There is no clause guaranteeing the free passage of the canal in time of war as in time of peace without distinction of flag and without reference to the possible belligerency of the United States, nor is there any clause forbidding the United States to erect fortifications commanding the Canal.

WORLD WAR II

Mr. President, the same practice was followed during World War II. On September 5, 1939, President Franklin D. Roosevelt issued a proclamation of neutrality forbidding any U.S. citizen to assist the belligerents in any way, a proclamation that specifically included the canal zone within its area of force and effect. On June 28, 1940, another proclamation by President Franklin D. Roosevelt issued the following rules for belligerent vessels while in the neutral waters of the canal zone:

The Secretary of the Treasury may make . . . rules and regulations governing the anchorage and movement of any vessel, foreign or domestic, in the territorial waters of the United States, may inspect such vessel at any time, place guards thereon, and, if necessary in his opinion in order to secure such vessels from damage or injury, or to prevent damage or injury to any harbor or waters of the United States, or to secure the observance of the rights and obligations of the United States, may take, by and with the consent of the President, for such purposes, full possession and control of such vessel and remove therefrom the officers and crew thereof and all other persons not specifically authorized by him to go or remain on board thereof.

Within the territory and waters of the Canal Zone the Governor of the Panama Canal, with the approval of the President, shall exercise all the powers conferred by this section on the Secretary of the Treasury.

Mr. President, this proclamation is particularly significant since the Neutrality Treaty specifically says in article III that vessels of war and auxiliary vessels of all nations shall be entitled to transit the canal "without being subjected, as a condition of transit, to inspection, search or surveillance."

However, Mr. President, when the United States entered the war, President Franklin D. Roosevelt changed the neutrality rules to take cognizance of the altered situation. On December 27, 1941, President Roosevelt issued Executive Order 9001 laying down the war powers of the Secretary of War. On January 14, by Executive Order 9023, those powers were extended to the Governor of the Canal Zone, and by a proclamation of that date, the regulations for the control of the Cristobal and the Gulf of Panama maritime control areas, directing the U.S. Naval authorities to use force against any vessel or person taking actions "inimical to the defense of the United States."

CONCLUSION

It is clear, therefore, that the historical practice of the United States completely contradicts the so-called regime of neutrality that is laid down in this so-called Neutrality Treaty. U.S. practice has been completely consonant with the Hay-Pauncefote Treaty and the principles of international law.

Mr. President, the amendment of the distinguished Senator from Alaska will only continue historical precedent and practice. It is based upon commonsense, and the need to defend the canal. I urge its adoption.

Mr. President, in the interests of the historical record, I ask unanimous consent that the documents to which I have referred in the course of my remarks be printed in the RECORD at the conclusion of my remarks; they include:

First. The first Hay-Pauncefote Treaty.

Second. The second Hay-Pauncefote Treaty.

Third. The Lansdowne memorandum.

Fourth. The proclamation of President Wilson of May 23, 1917.

Fifth. Excerpts from the case of the S.S. *Wimbleton*.

Sixth. The proclamations and Executive orders of President Franklin D. Roosevelt of:

First. September 5, 1939, and Executive Order 8232.

Second. June 29, 1940.

Third. January 14, 1942, including Proclamation 2536 and Executive Order 9023.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HAY-PAUNCEFOTE TREATY OF FEBRUARY 5, 1900, BETWEEN THE UNITED STATES AND GREAT BRITAIN [1]

Feb. 5, 1900, Mr. Hay, Secretary of State, and Lord Pauncefote, British ambassador, signed at Washington a convention, the object of which was declared to be "to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, and to that end to remove any objection which may arise out of the convention of April 19, 1850, commonly called the Clayton-Bulwer treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in Art. VIII, of that Convention." [2]

The convention of Feb. 5, 1900, was communicated to the Senate, with a message of the President bearing date as of the same day [3]

The Senate gave its advice and consent to the exchange of ratifications, with certain amendments,[4] with are denoted below in italics, except in the case of Art. III., which, as is indicated by brackets, was stricken out, Art. IV. being made Art. III.:

Article I. It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost or by gift or loan of money to individuals or corporations or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present Convention, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

Article II. The High Contracting Parties, desiring to preserve and maintain the "general principle" of neutralization established in Article VIII. of the Clayton-Bulwer Convention, *which convention is hereby superseded*, adopt, as the basis of such neutralization, the following rules, substantially as embodied in the convention between Great Britain and certain other Powers, signed at Constantinople October 29, 1888, for the Free Navigation of the Suez Maritime Canal, that is to say:

1. The canal shall be free and open, in time of war as in time of peace, to the vessels of commerce and of war of all nations, on terms of entire equality, so that there shall be no discrimination against any nation or its citizens or subjects in respect of the conditions or charges of traffic, or otherwise.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay, in accordance with the regulations in force, and with only intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same rule as vessels of war of the belligerents.

4. No belligerent shall embark or disembark troops, munitions of war or warlike materials in the canal except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this article shall apply to waters adjacent to the canal, within three marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within twenty-four hours from the departure of a vessel of war of the other belligerent.

It is agreed, however, that none of the immediately foregoing conditions and stipulations in sections numbered one, two, three, four, and five of this article shall apply to measures which the United States may find it necessary to take for securing by its own force the defense of the United States and the maintenance of public order.

6. The plant, establishments, buildings, and all works necessary to the construction, main-

tenance and operation of the canal shall be deemed to be part thereof, for the purposes of this convention, and in time of war as in time of peace shall enjoy complete immunity from attack or injury by belligerents and from acts calculated to impair their usefulness as part of the canal.

7. No fortifications shall be erected commanding the canal or the waters adjacent. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

[Article III. The High Contracting Parties will, immediately upon the exchange of the ratifications of this Convention, bring it to the notice of the other Powers and invite them to adhere to it.]

Article IV. The present convention shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by Her Britannic Majesty; and the ratifications shall be exchanged at Washington or at London within six months from the date hereof, or earlier if possible. (Sen. Doc. 85, 57 Cong. 1 sess. 7.)

FOOTNOTES

[1] Moore, A Digest of International Law (1906), v. 3, pp. 210–211. See also U.S. Senate, Canal Treaties: Executive Documents Presented to the United States Senate Together With Proceedings by the Senate Thereon Relative to the Panama Canal. Washington, Govt. Print. Off., 1914. 63rd Congress, 2d session. Senate Document No. 456, pp. 9–19. JX1398.5.A5 1914c.

[2] See Mr. Hay, Sec. of State, to Mr. White, chargé at London, No. 976, Dec. 7, 1898, MS. Inst. Gr. Br. XXXIII. 40; and Mr. White's No. 613, of Dec. 22, 1899.

[3] S. Doc. 160, 56 Cong. 1 sess.

[4] See, as to the amendments, report of Mr. Davis, Com. on For. Rel., March 9, 1900, and statement of Mr. Morgan, for the minority, S. Ex. Report, No. 1, 56 Cong. 1 sess., printed as S. Doc. 268, 56 Cong. 1 sess.

SHIP CANAL (HAY-PAUNCEFOTE TREATY)[1]

Treaty signed at Washington November 18, 1901
Senate advice and consent to ratification December 16, 1901
Ratified by the President of the United States December 26, 1901
Ratified by the United Kingdom January 20, 1902
Ratifications exchanged at Washington February 21, 1902
Entered into force February 21, 1902
Proclaimed by the President of the United States February 22, 1902

32 Stat. 1903; Treaty Series 401

The United States of America and His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, being desirous to facilitate the construction of a ship canal to connect the Atlantic and Pacific Oceans, by whatever route may be considered expedient, and to that end to remove any objection which may arise out of the Convention of the 19th April, 1850,[2] commonly called the Clayton-Bulwer Treaty, to the construction of such canal under the auspices of the Government of the United States, without impairing the "general principle" of neutralization established in Article VIII of that Convention, have for that purpose appointed as their Plenipotentiaries:

The President of the United States, John Hay, Secretary of State of the United States of America;

And His Majesty Edward the Seventh, of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, King, and Emperor of India, the Right Honorable Lord Pauncefote, G. C. B., G. C. M. G., His Majesty's Ambassador Extraordinary and Plenipotentiary to the United States;

Who, having communicated to each other their full powers which were found to be in due and proper form, have agreed upon the following Articles:

ARTICLE I

The High Contracting Parties agree that the present Treaty shall supersede the aforementioned Convention of the 19th April, 1850.

ARTICLE II

It is agreed that the canal may be constructed under the auspices of the Government of the United States, either directly at its own cost, or by gift or loan of money to individuals or Corporations, or through subscription to or purchase of stock or shares, and that, subject to the provisions of the present Treaty, the said Government shall have and enjoy all the rights incident to such construction, as well as the exclusive right of providing for the regulation and management of the canal.

ARTICLE III

The United States adopts, as the basis of the neutralization of such ship canal, the following Rules, substantially as embodied in the Convention of Constantinople, signed the 28th [29th] October, 1888,[3] for the free navigation of the Suez Canal, that is to say:

1. The canal shall be free and open to the vessels of commerce and of war of all nations observing these Rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise. Such conditions and charges of traffic shall be just and equitable.

2. The canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it. The United States, however, shall be at liberty to maintain such military police along the canal as may be necessary to protect it against lawlessness and disorder.

3. Vessels of war of a belligerent shall not revictual nor take any stores in the canal except so far as may be strictly necessary; and the transit of such vessels through the canal shall be effected with the least possible delay in accordance with the Regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same Rules as vessels of war of the belligerents.

4. No belligerent shall embark troops, munitions of war, or warlike materials in the canal, except in case of accidental hindrance of the transit, and in such case the transit shall be resumed with all possible dispatch.

5. The provisions of this Article shall apply to waters adjacent to the canal, within 3 marine miles of either end. Vessels of war of a belligerent shall not remain in such waters longer than twenty-four hours at any one time, except in case of distress, and in such case shall depart as soon as possible; but a vessel of war of one belligerent shall not depart within twenty-four hours from the departure of a vessel of war of the other belligerent.

6. The plant, establishments, buildings, and all works necessary to the construction, maintenance, and operation of the canal shall be deemed to be part thereof, for the purposes of this Treaty, and in time of war, as in time of peace, shall enjoy complete immunity from attack or injury by belligerents, and from acts calculated to impair their usefulness as part of the canal.

ARTICLE IV

It is agreed that no change of territorial sovereignty or of the international relations of the country or countries traversed by the before-mentioned canal shall affect the general principle of neutralization or the obligation of the High Contracting Parties under the present Treaty.

ARTICLE V

The present Treaty shall be ratified by the President of the United States, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington or at London at the earliest possible time within six months from the date hereof.

IN FAITH WHEREOF the respective Plenipotentiaries have signed this Treaty and thereunto affixed their seals.

DONE in duplicate at Washington, the 18th day of November, in the year of Our Lord one thousand nine hundred and one.

JOHN HAY [seal]
PAUNCEFOTE [seal]

FOOTNOTES

[1] Bevans, Treaties and Other International Agreements of the United States of America, 1776–1949 (1972), v. 12, pp. 258–260.

[2] TS 122, *ante*, p. 105.

[3] For text, see *British and Foreign State Papers*, vol. 79, p. 18.

U.S.-BRITISH NEGOTIATIONS AND SECOND HAY-PAUNCEFOTE TREATY OF NOVEMBER 18, 1901[1]

"In the despatch which I addressed to Lord Pauncefote on the 22nd February last, and which was communicated to Mr. Hay on the 11th March, I explained the reasons for which His Majesty's Government were unable to accept the amendments introduced by the Senate of the United States into the convention, signed at Washington in February 1900, relative to the construction of an interoceanic canal.

"The amendments were three in number, namely: . . .

"2. The objections entertained by His Majesty's Government may be briefly stated as follows:

"(1) The Clayton-Bulwer convention being an international compact of unquestionable validity could not be abrogated or modified save with the consent of both parties to the contract. No attempt had, however, been made to ascertain the views of Her late Majesty's Government. The convention dealt with several matters for which no provision had been made in the convention of February, 1900, and if the former were wholly abrogated both powers would, except in the vicinity of the canal, recover entire freedom of action in Central America, a change which might be of substantial importance.

"(2) The reservation to the United States of the right to take any measures which it might find necessary to secure by its own forces the defence of the United States appeared to His Majesty's Government to involve a distinct departure from the principle of neutralization which until then had found acceptance with both Governments, and which both were, under the convention of 1900, bound to uphold. Moreover, if the amendment were added, the obligations to respect the neutrality of the canal in all circumstances would, so far as Great Britain was concerned, remain in force; the obligation of the United States, on the other hand, would be essentially modified. The result would be a one-sided arrangement, under which Great Britain would be debarred from any warlike action in or around the canal, while the United States would be able to

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[1] Moore, A Digest of International Law (1906), v. 3, pp. 212–222. See also U.S. Senate, Canal Treaties (1914) cited above, pp. 20–55.

Footnotes at end of article.

resort to such action even in time of peace to whatever extent they might deem necessary to secure their own safety.

"(3) The omission of the Article inviting the adherence of other powers placed this country in a position of marked disadvantage compared with other powers; while the United States would have a treaty right to interfere with the canal in time of war, or apprehended war, and while other powers could with a clear conscience disregard any of the restrictions imposed by the convention of 1900, Great Britain alone would be absolutely precluded from resorting to any such action or from taking measures to secure her interests in and near the canal.

"For these reasons His Majesty's Government preferred, as matters stood, to retain unmodified the provisions of the Clayton-Bulwer convention. They had, however, throughout the negotiations given evidence of their earnest desire to meet the views of the United States, and would sincerely regret a failure to come to an amicable understanding in regard to this important subject.

"3. Mr. Hay, rightly apprehending that His Majesty's Government did not intend to preclude all further attempt at negotiation, has endeavoured to find means by which to reconcile such divergencies of view as exist between the two Governments, and has communicated a further draft of a treaty for the consideration of His Majesty's Government.

"Following the order of the Senate amendments, the convention now proposed—

"(1) Provides by a separate Article that the Clayton-Bulwer convention shall be superseded.

"(2) The paragraph inserted by the Senate after section 5 of Article II is omitted.

"(3) The Article inviting others powers to adhere is omitted.

"There are three other points to which attention must be directed:—

"(*a*) The words 'in time of war as in time of peace' are omitted in Rule 1.

"(*b.*) The draft contains no stipulation against the acquisition of sovereignty over the isthmus or over the strip of territory through which the canal is intended to pass. There was no stipulation of this kind in the Hay-Pauncefote convention; but by the surviving portion of Article I of the Clayton-Bulwer convention, the two Governments agreed that neither would ever 'occupy, or fortify, or colonize, or assume, or exercise any dominion over Nicaragua, Costa Rica, the Mosquito coast, or any part of Central America," nor attain any of the foregoing objects by protection offered to, or alliance with, any State or people of Central America.

"(*c.*) While the amendment reserving to the United States the right of providing for the defence of the canal is no longer pressed for, the first portion of Rule 7, providing that 'no fortifications shall be erected commanding the canal or the waters adjacent,' has been omitted. The latter portion of the Rule has been incorporated in Rule 2 of the new draft, and makes provision for military police to protect the canal against lawlessness and disorder.

"4. I fully recognize the friendly spirit which has prompted Mr. Hay in making further proposals for the settlement of the question, and while in no way abandoning the position which His Majesty's Government assumed in rejecting the Senate amendments, or admitting that the despatch of the 22nd of February was other than a well-founded, moderate, and reasonable statement of the British case, I have examined the draft treaty with every wish to arrive at a conclusion which shall facilitate the construction of an interoceanic canal by the United States, without involving on the part of His Majesty's Government any departure from the principles for which they have throughout contended.

"5. In form the new draft differs from the convention of 1900, under which the High Contracting Parties, after agreeing that the canal might be constructed by the United States, undertook to adopt certain Rules as the basis upon which the canal was to be neutralized. In the new draft the United States intimate *their* readiness 'to adopt' somewhat similar Rules as the basis of the neutralization of the canal. It would appear to follow that the whole responsibility for upholding these Rules, and thereby maintaining the neutrality of the canal, would henceforward be assumed by the Government of the United States. The change of form is an important one, but in view of the fact that the whole cost of the construction of the canal is to be borne by that Government, which is also to be charged with such measures as may be necessary to protect it against lawlessness and disorder, His Majesty's Government are not likely to object to it.

"6. The proposal to abrogate the Clayton-Bulwer convention is not, I think, inadmissible if it can be shown that sufficient provision is made in the new treaty for such portions of the convention as ought, in the interests of this country, to remain in force. This aspect of the case must be considered in connection with the provisions of Article I. of the Clayton-Bulwer convention which have already been quoted, and Article VIII. referred to in the preamble of the new treaty.

"Thus, in view of the permanent character of the treaty to be concluded and of the 'general principle' reaffirmed thereby as a perpetual obligation, the High Contracting Parties should agree that no change of sovereignty or other change of circumstances in the territory through which the canal is intended to pass shall affect such 'general principle' or release the High Contracting Parties, or either of them, from their obligations under the treaty, and that the Rules adopted as the basis of neutralization shall govern, so far as possible, all interoceanic communications across the isthmus.

"I would therefore propose an additional Article in the following terms, on the acceptance of which His Majesty's Government would probably be prepared to withdraw their objections to the formal abrogation of the Clayton-Bulwer convention:—

"In view of the permanent character of this treaty, whereby the general principle established by Article VIII. of the Clayton-Bulwer convention is reaffirmed, the High Contracting Parties hereby declare and agree that the Rules laid down in the last preceding Article shall, so far as they may be applicable, govern all interoceanic communications across the isthmus which connects North and South America, and that no change of territorial sovereignty, or other change of circumstances, shall affect such general principle or the obligations of the High Contracting Parties under the present treaty.' [This article is referred to as III. A, in the subsequent discussion.]

"7. The various points connected with the defence of the canal may conveniently be considered together. In the present draft the Senate amendment has been dropped, which left the United States at liberty to apply such measures as might be found 'necessary to take for securing by its own forces the defence of the United States.' On the other hand, the words 'in time of war as in time of peace' are omitted from Rule 1, and there is no stipulation, as originally in Rule 7, prohibiting the erection of fortifications commanding the canal or the waters adjacent.

"I do not fail to observe the important difference between the question as now presented to us and the position which was created by the amendment adopted in the Senate.

"In my dispatch I pointed out the dangerous ambiguity of an instrument of which one clause permitted the adoption of defensive measures, while another prohibited the erection of fortifications. It is most important that no doubt should exist as to the intention of the Contracting Parties. As to this, I understand that by the omission of all reference to the matter of defense the United States' Government desire to reserve the power of taking measures to protect the canal, at any time when the United States may be at war, from destruction or damage at the hands of an enemy or enemies. On the other hand, I conclude that, with the above exception, there is no intention to derogate from the principles of neutrality laid down by the Rules. As to the first of these propositions, I am not prepared to deny that contingencies may arise when not only from a national point of view, but on behalf of the commercial interests of the whole world, it might be of supreme importance to the United States that they should be free to adopt measures for the defense of the canal at a moment when they were themselves engaged in hostilities.

"It is also to be borne in mind that, owing to the omission of the words under which this country became jointly bound to defend the neutrality of the canal, and the abrogation of the Clayton-Bulwer treaty, the obligations of Great Britain would be materially diminished.

"This is a most important consideration. In my despatch of the 22nd February, I dwelt upon the strong objection entertained by His Majesty's Government to any agreement under which, while the United States would have a treaty right to interfere with the canal in time of war, or apprehended war, Great Britain alone, in spite of her vast possessions on the American continent, and the extent of her interests in the East, would be absolutely precluded from resorting to any such action, or from taking measures to secure her interests in and near the canal. The same exception could not be taken to an arrangement under which, supposing that the United States, as the power owning the canal and responsible for the maintenance of its neutrality, should find it necessary to interfere temporarily with its free use by the shipping of another power, that power would thereupon at once and *ipso facto* become liberated from the necessity of observing the Rules laid down in the new treaty.

"8. The difficulty raised by the absence of any provision for the adherence of other powers still remains. While indifferent as to the form in which the point is met, I must emphatically renew the objections of His Majesty's Government to being bound by stringent Rules of neutral conduct not equally binding upon other powers. I would therefore suggest the insertion in Rule 1, after 'all nations,' of the words 'which shall agree to observe these Rules.' This addition will impose upon other powers the same self-denying ordinance as Great Britain is desired to accept, and will furnish an additional security for the neutrality of the canal, which it will be the duty of the United States to maintain.

"As matters of minor importance, I suggest the renewal of one of the stipulations of Article VIII. of the Clayton-Bulwer convention by adding to Rule I the words 'such conditions and charges shall be just and equitable,' and the adoption of 'treaty' in lieu of 'convention' to designate the international agreement which the High Contracting Parties may conclude.

"Mr. Hay's draft, with the proposed amendments shown in italics, is annexed."

PROCLAMATIONS BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

[Rules and Regulations for the Regulation, Management and Protection of the Panama Canal and the Maintenance of Its Neutrality]

Whereas the United States exercises sovereignty in the land and waters of the Canal Zone and is responsible for the construction, operation, maintenance, and protection of the Panama Canal:

Now, therefore, I, Woodrow Wilson, President of the United States of America, do hereby declare and proclaim the following Rules and Regulations for the regulation, management and protection of the Panama Canal and the Maintenance of its Neutrality which are in addition to the general "Rules and Regulations for the Operation and Navigation of the Panama Canal and Approaches Thereto, including all Waters under its jurisdiction" put into force by Executive Order of July 9, 1914

Rule 1. A vessel of war, for the purposes of these rules, is defined as a public armed vessel, under the command of an officer duly commissioned by the government, whose name appears on the list of officers of the military fleet, and the crew of which are under regular naval discipline, which vessel is qualified by its armament and the character of its personnel to take offensive action against the public or private ships of the enemy

Rule 2. An auxiliary vessel, for the purposes of these rules, is defined as any vessel, belligerent or neutral, armed or unarmed, which does not fall under the definition of Rule 1, which is employed as a transport or fleet auxiliary or in any other way for the direct purpose of prosecuting or aiding hostilities, whether by land or sea; but a vessel ship is up and used exclusively as a hospital ship is excepted.

Rule 3. A vessel of war or an auxiliary vessel of a belligerent, other than the United States, shall only be permitted to pass through the Canal after her commanding officer has given written assurance to the Authorities of the Panama Canal that the Rules and Regulations will be faithfully observed.

The authorities of the Panama Canal shall take such steps as may be requisite to insure the observance of the Rules and Regulations by auxiliary vessels which are not commanded by an officer of the military fleet.

Rule 4. Vessels of war or auxiliary vessels of a belligerent, other than the United States, shall not revictual nor take any stores in the Canal except so far as may be strictly necessary; and the transit of such vessels through the Canal shall be effected with the least possible delay in accordance with the Canal Regulations in force, and with only such intermission as may result from the necessities of the service.

Prizes shall be in all respects subject to the same Rules as vessels of war of a belligerent.

Rule 5. No vessel of war or auxiliary vessel of a belligerent, other than the United States, shall receive fuel or lubricants while within the territorial waters of the Canal Zone, except on the written authorization of the Canal Authorities, specifying the amount of fuel and lubricants which may be received.

Rule 6. Before issuing any authorization for the receipt of fuel and lubricants by any vessel of war or auxiliary vessel of a belligerent, other than the United States, the Canal Authorities shall obtain a written declaration, duly signed by the officer commanding such vessel, stating the amount of fuel and lubricants already on board.

Rule 7. Fuel and lubricants may be taken on board vessels of war or auxiliary vessels of a belligerent, other than the the United States, only upon permission of the Canal Authorities, and then only in such amounts as will enable them, with the fuel and lubricants already on board, to reach the nearest accessible port, not an enemy port, at which they can obtain supplies necessary for the continuation of the voyage. Provisions furnished by contractors may be supplied only upon permission of the Canal Authorities, and then only in amount sufficient to bring up their supplies to the peace standard.

Rule 8. No belligerent, other than the United States, shall embark or disembark troops, munitions of war, or warlike materials in the Canal, except in case of necessity due to accidental hindrance of the transit. In such cases the Canal Authorities shall be the judge of the necessity, and the transit shall be resumed with all possible dispatch.

Rule 9. Vessels of war or auxiliary vessels of a belligerent, other than the United States, shall not remain in the territorial waters of the Canal Zone under the jurisdiction of the United States longer than twenty-four hours at any one time, except in case of distress; and in such case, shall depart as soon as possible.

Rule 10. In the exercise of the exclusive right of the United States to provide for the regulation and management of the Canal, and in order to ensure that the Canal shall be kept free and open on terms of entire equality to vessels of commerce and of war, there shall not be, except by special arrangement, at any one time a greater number of vessels of war of any one nation, other than the United States, including those of the allies of such nation, than three in either terminal port and its adjacent terminal waters, or than three in transit through the Canal; nor shall the total number of such vessels, at any one time, exceed six in all the territorial waters of the Canal Zone under the jurisdiction of the United States.

Rule 11. The repair facilities and docks belonging to the United States and administered by the Canal Authorities shall not be used by a vessel of war or an auxiliary vessel of a belligerent, other than the United States, except when necessary in case of actual distress, and then only upon the order of the Canal Authorities, and only to the degree necessary to render the vessel seaworthy. Any work authorized shall be done with the least possible delay.

Rule 12. The radio installation of any public or private vessel or of any auxiliary vessel of a belligerent, other than the United States, shall be used only in connection with Canal business to the exclusion of all other business while within the waters of the Canal Zone, including the waters of Colon and Panama Harbors.

Rule 13. Air craft, public or private, of a belligerent, other than the United States, are forbidden to descend or arise within the jurisdiction of the United States at the Canal Zone, or to pass through the air spaces above the lands and waters within said jurisdiction.

Rule 14. For the purpose of these rules the Canal Zone includes the cities of Panama and Colon and the harbors adjacent to the said cities.

Rule 15. In the interest of the protection of the Canal while the United States is a belligerent no vessel of war, auxiliary vessel, or private vessel of an enemy of the United States or any ally of such enemy shall be allowed to use the Panama Canal nor the territorial waters of the Canal Zone for any purpose, save with the consent of the Canal authorities and subject to such rules and regulations as they may prescribe.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this *twenty-third day of May* in the year of our Lord one thousand nine hundred and seventeen, and of the Independence of the United States of America the one hundred and forty-first.

By the President:

WOODROW WILSON.

Robert Lansing, *Secretary of State.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

[Letters Patent—Germany.]

Whereas, the laws of the German Empire provide that letters patent granted or issued to citizens of other countries shall lapse unless certain taxes, annuities or fees are paid within stated periods;

And whereas, the interests of the citizens of the United States in such letters patent are of great value, so that it is important that such payments should be made in order to preserve their rights;

Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the powers vested in me as such, hereby declare and proclaim that citizens of the United States owning letters patent granted or issued by the German Empire are hereby authorized and permitted to make payment of any tax, annuity or fee which may be required by the laws of the German Empire for the preservation of their rights in such letters patent.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this 24th day of May, in the year of our Lord Nineteen Hundred and Seventeen and of the Independence of the United States, the One Hundred and Forty-First.

By the President:

WOODROW WILSON.

Robert Lansing, *Secretary of State.*

PERMANENT COURT OF INTERNATIONAL JUSTICE

[On August 17th, 1923.]

Before: MM. Loder, President, Weiss, Vice-President, Lord Finlay, MM. Nyholm, Moore, de Bustamante, Altamira, Oda, Anzilotti, Huber, Judges; Wang, Deputy-judge, Schücking, German national judge.

CASE OF THE S.S. "WIMBLEDON"

The Government of His Britannic Majesty, represented by Sir Cecil Hurst, legal adviser to the Foreign Office,

The Government of the French Republic, represented by M. Basdevant, Professor at the Faculty of Law at Paris,

The Government of His Majesty the King of Italy represented by Commendatore Pilotti, former judge of the Court of Rome, and

The Government of His Majesty the Emperor of Japan represented by M. N. Ito, first Secretary of Legation, Japanese Chargé d'Affaires a.i. at The Hague; *Applicants.*

And the Government of the Polish Republic, represented by M. Gustave Olechowski, First Secretary of Legation, temporarily detached from the Ministry of Foreign Affairs and attached to the Polish Legation at The Hague; *Intervener.*

Versus

The Government of the German Empire, represented by M. Schiffer, former Minister of Justice; *Respondent.*

The law

The question upon which the whole case depends is whether the German authorities were entitled to refuse access to and passage through the Kiel Canal to the S.S. "Wimbledon" on March 21st, 1921, under the conditions and circumstances in which they did so.

The reply to this question must be sought in the provisions devoted by the Peace Treaty of Versailles to the Kiel Canal, in Part XII,

entitled "Ports, Waterways and Railways", Section VI. This Section commences with a provision of a general and peremptory character, contained in Article 380, which is as follows:

"The Kiel Canal and its approaches shall be maintained free and open to the vessels of commerce and of war of all nations at peace with Germany on terms of entire equality".

Then follow various provisions intended to facilitate and regulate the exercise of this right of free passage.

Article 381, after mentioning that "the nationals, property and vessels of all Powers, shall, in respect of charges, facilities, and in all other respects, be treated on a footing of perfect equality in the use of the canal. . . .", adds that "no impediment shall be placed on the movement of persons or vessels other than those arising out of police, customs, sanitary, emigration or immigration regulations, and those relating to the import and export of prohibited goods, and that such regulations must be reasonable and uniform and must not unnecessarily impede traffic."

Again, Article 382 forbids the levying of charges upon vessels using the canal or its approaches other than those intended to cover, in an equitable manner, the cost of maintaining in a navigable condition, or of improving, the canal or its approaches, or to meet expenses incurred in the interests of navigation; furthermore, Article 383 provides for the placing of goods in transit under seal or in the custody of customs' agents, and Article 385 places Germany under the obligation to take all suitable measures to remove any obstacle or danger to navigation and to ensure the maintenance of good conditions of navigation, whilst, at the same time, forbidding Germany to undertake any works of a nature to impede navigation on the canal or its approaches.

The claim advanced by the Applicants, that the S.S. "Wimbledon" should have enjoyed the right of free passage through the Kiel Canal, is based on the general rule embodied in Article 380 of the Treaty of Versailles.

This clause, they say, could not be more clear as regards the provision to the effect that the canal shall be maintained free and open to the vessels of commerce and of war of all nations at peace with Germany; it follows therefore, that the S.S. "Wimbledon", belonging to a nation at that moment at peace with Germany, was entitled to free passage through the Canal.

The Applicants have also maintained that this interpretation of Article 380 is confirmed by the terms of paragraph 2 of the following Article, providing for certain restrictions or impediments which may be placed by the German Government upon free movement in the canal, since none of these restrictions or impediments, which are enumerated exclusively, can be applied to the S.S. "Wimbledon" by reason of the nature of her cargo.

The Court considers that the terms of Article 380 are categorical and give rise to no doubt. It follows that the canal has ceased to be an internal and national navigable waterway, the use of which by the vessels of states other than the riparian state is left entirely to the discretion of that state, and that it has become an international waterway intended to provide under treaty guarantee easier access to the Baltic for the benefit of all nations of the world. Under its new régime, the Kiel Canal must be open, on a footing of equality, to all vessels, without making any distinction between war vessels and vessels of commerce, but on one express condition, namely, that these vessels must belong to nations at peace with Germany.

The right of the Empire to defend herself against her enemies by refusing to allow their vessels to pass through the canal is therefore proclaimed and recognised. In making this reservation in the event of Germany not being at peace with the nation whose vessels of war or of commerce claim access to the canal, the Peace Treaty clearly contemplated the possibility of a future war in which Germany was involved. If the conditions of access to the canal were also to be modified in the event of a conflict between two Powers remaining at peace with the German Empire, the Treaty would not have failed to say so. It has not said so and this omission was no doubt intentional.

The intention of the authors of the Treaty of Versailles to facilitate access to the Baltic by establishing an international regime, and consequently to keep the canal open at all times to foreign vessels of every kind, appears with still greater force from a comparison of the wording of Article 380 with that of the other provisions to be found in Part XII.

Although the Kiel Canal, having been constructed by Germany in German territory, was, until 1919, an internal waterway of the state holding both banks, the Treaty has taken care not to assimilate it to the other internal navigable waterways of the German Empire. A special section has been created at the end of Part XII, dealing with ports, waterways and railways, and in this special section rules exclusively designed for the Kiel Canal have been inserted; these rules differ on more than one point from those to which other internal navigable waterways of the Empire are subjected by Articles 321 to 327. This difference appears more especially from the fact that the Kiel Canal is open to the war vessels and transit traffic of all nations at peace with Germany, whereas free access to the other German navigable waterways referred to above is limited to the Allied and Associated Powers alone. This comparison furnishes a further argument with regard to the construction of Article 380, over and above those already deduced from its letter and spirit.

The provisions relating to the Kiel Canal in the Treaty of Versailles are therefore self-contained; if they had to be supplemented and interpreted by the aid of those referring to the inland navigable waterways of Germany in the previous Sections of Part XII, they would lose their "raison d'être", such repetitions as are found in them would be superfluous and there would be every justification for surprise at the fact that, in certain cases, when the provisions of Articles 321 to 327 might be applicable to the canal, the authors of the Treaty should have taken the trouble to repeat their terms or re-produce their substance.

The idea which underlies Article 380 and the following articles of the Treaty is not to be sought by drawing an analogy from these provisions but rather by arguing *a contrario*, a method of argument which excludes them.

In order to dispute, in this case, the right of the S.S. "Wimbledon" to free passage through the Kiel Canal under the terms of Article 380, the argument has been urged upon the Court that this right really amounts to a servitude by international law resting upon Germany and that, like all restrictions or limitations upon the exercise of sovereignty, this servitude must be construed as restrictively as possible and confined within its narrowest limits, more especially in the sense that it should not be allowed to affect the rights consequent upon neutrality in an armed conflict. The Court is not called upon to take a definite attitude with regard to the question, which is moreover of a very controversial nature, whether in the domain of international law, there really exist servitudes analogous to the servitudes of private law. Whether the German Government is bound by virtue of a servitude or by virtue of a contractual obligation undertaken towards the Powers entitled to benefit by the terms of the Treaty of Versailles, to allow free access to the Kiel Canal in time of war as in time of peace to the vessels of all nations, the fact remains that Germany has to submit to an important limitation of the exercise of the sovereign rights which no one disputes that she possesses over the Kiel Canal. This fact constitutes a sufficient reason for the restrictive interpretation, in case of doubt, of the clause which produces such a limitation. But the Court feels obliged to stop at the point where the so-called restrictive interpretation would be contrary to the plain terms of the article and would destroy what has been clearly granted.

The argument has also been advanced that the general grant of a right of passage to vessels of all nationalities through the Kiel Canal cannot deprive Germany of the exercise of her rights as a neutral power in time of war, and place her under an obligation to allow the passage through the canal of contraband destined for one of the belligerents; for, in this wide sense, this grant would imply the abandonment by Germany of a personal and imprescriptible right, which forms an essential part of her sovereignity and which she neither could nor intended to renounce by anticipation. This contention has not convinced the Court; it conflicts with general considerations of the highest order. It is also gainsaid by consistent international practice and is at the same time contrary to the wording of Article 380 which clearly contemplates time of war as well as time of peace. The Court declines to see in the conclusion of any Treaty by which a State undertakes to perform or refrain from performing a particular act an abandonment of its sovereignity. No doubt any convention creating an obligation of this kind places a restriction upon the exercise of the sovereign rights of the State, in the sense that it requires them to be exercised in a certain way. But the right of entering into international engagements is an attribute of State sovereignty.

As examples of international agreements placing upon the exercise of the sovereignty of certain states restrictions which though partial are intended to be perpetual, the rules established with regard to the Suez and Panama Canals were cited before the Court. These rules are not the same in both cases; but they are of equal importance in that they demonstrate that the use of the great international waterways, whether by belligerent men-of-war, or by belligerent or neutral merchant ships carrying contraband, is not regarded as incompatible with the neutrality of the riparian sovereign.

By the Convention of Constantinople of October 29th, 1888 the Governments of Austria-Hungary, France, Germany, Great Britain, Italy, Holland, Russia, Spain and Turkey, declared, on the one hand, that the Suez Maritime Canal should "always be free and open, in time of war as time of peace, to every vessel of commerce or of war without distinction of flag" including even the vessels of countries at war with Turkey, the territorial sovereign, and on the other hand, that they would not in any way "interfere with the free use of the canal, in time of war as in time of peace", the right of self-defence on the part of the territorial sovereign being nevertheless reserved up to a certain point; no fortifications commanding the canal may be erected. In fact under this regime belligerent men-of-war and ships carrying contraband have been permitted in many different circumstances to pass freely through the Canal; and such passage has never been regarded by anyone as violating the neutrality of the Ottoman Empire.

For the regime established at Panama, it is necessary to consult the Treaty between Great Britain and the United States of November 19, 1901, commonly called the Hay-

Pauncefote Treaty, and the Treaty between the United States and the Republic of Panama of November 18th, 1903. In the former, while there are various stipulations relating to the "neutralization" of the Canal, these stipulations being to a great extent declaratory of the rules which a neutral State is bound to observe, there is no clause guaranteeing the free passage of the canal in time of war as in time of peace without distinction of flag and without reference to the possible belligerency of the United States, nor is there any clause forbidding the United States to erect fortifications commanding the Canal.

On the other hand, by the Treaty of November 18th, 1903, the Republic of Panama granted to the United States "in perpetuity the use, occupation and control" of a zone of territory for the purposes of the canal, together with the use, occupation and control in perpetuity of any lands and waters outside the zone which might be necessary and convenient for the same purposes; and further granted to the United States in such zone and in the auxiliary lands and waters "all the rights, power and authority . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority". The Treaty further conceded to the United States the right to police the specified lands and waters with its land and naval forces "and to establish fortifications for these purposes". In view of these facts, it will be instructive to consider the view which the United States and the nations, of the world have taken of the rights and the liabilities of the United States as the builder and owner of the Panama Canal exercising, subject always to the stipulations of existing treaties, sovereign powers and exclusive jurisdiction over the Canal and the auxiliary territory and waters.

By the Proclamation issued by the President of the United States on November 13th, 1914, for the regulation of the use of the Panama Canal and its approaches in the world war, express provision was made for the passage of men-of-war of belligerents as well as of prizes of war, and no restriction whatever was placed upon the passage of merchant ships of any nationality carrying contraband of war. But, by the Proclamation of May 23rd, 1917, issued after the entrance of the United States into the war, the use of the canal by ships, whether public or private, of an enemy or the allies of an enemy, was forbidden, just as, by Article 380 of the Treaty of Versailles, the Kiel Canal is closed to the vessels of war and of commerce of nations not at peace with Germany.

In the Proclamation of May 23rd, 1917, the carriage of contraband is not mentioned; but, by the Proclamation of December 3rd, 1917, issued under the Act of Congress of June 15th, 1917, the Secretary of the Treasury was authorized to make regulations governing the movement of vessels in territorial waters of the United States; and by a subsequent Executive Order, issued under the same law, the Governor of the Panama Canal was authorized to exercise within the territory and waters of the canal the same powers as were conferred by the law upon the Secretary of the Treasury. By a Proclamation of August 27th, 1917, it was made unlawful to take munitions of war out of the United States or its territorial possessions to its enemies without license.

It has never been alleged that the neutrality of the United States, before their entry into the war, was in any way compromised by the fact that the Panama Canal was used by belligerent men-of-war or by belligerent or neutral merchant vessels carrying contraband of war.

[From the Federal Register, Sept. 6, 1939]

THE PRESIDENT: PROCLAIMING THE NEUTRALITY OF THE UNITED STATES IN THE WAR BETWEEN GERMANY AND FRANCE; POLAND; AND THE UNITED KINGDOM, INDIA, AUSTRALIA AND NEW ZEALAND

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A proclamation

Whereas a state of war unhappily exists between Germany and France; Poland; and the United Kingdom, India, Australia and New Zealand.

And whereas the United States is on terms of friendship and amity with the contending powers, and with the persons inhabiting their several dominions;

And whereas there are nationals of the United States residing within the territories or dominions of each of the said belligerents, and carrying on commerce, trade, or other business or pursuits therein;

And whereas there are nationals of each of the said belligerents residing within the territory or jurisdiction of the United States, and carrying on commerce, trade, or other business or pursuits therein;

And whereas the laws and treaties of the United States, without interfering with the free expression of opinion and sympathy, nevertheless impose upon all persons who may be within their territory and jurisdiction the duty of an impartial neutrality during the existence of the contest;

And whereas it is the duty of a neutral government not to permit or suffer the making of its territory or territorial waters subservient to the purposes of war;

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, in order to preserve the neutrality of the United States and of its citizens and of persons within its territory and jurisdiction, and to enforce its laws and treaties, and in order that all persons, being warned of the general tenor of the laws and treaties of the United States in this behalf, and of the law of nations, may thus be prevented from any violation of the same, do hereby declare and proclaim that by certain provisions of the act approved on the 4th day of March, A.D. 1909, commonly known as the "Penal Code of the United States" and of the act approved on the 15th day of June, A.D. 1917, the following acts are forbidden to be done, under severe penalties, within the territory and jurisdiction of the United States, to wit:

1. Accepting and exercising a commission to serve one of the said belligerents by land or by sea against an opposing belligerent.

2. Enlisting or entering into the service of a belligerent as a soldier, or as a marine, or seaman on board of any ship of war, letter of marque, or privateer.

3. Hiring or retaining another person to enlist or enter himself in the service of a belligerent as a soldier, or as a marine, or seaman on board of any ship of war, letter of marque, or privateer.

4. Hiring another person to go beyond the limits or jurisdiction of the United States with intent to be enlisted as aforesaid.

5. Hiring another person to go beyond the limits or jurisdiction of the United States with intent to be entered into service as aforesaid.

6. Retaining another person to go beyond the limits or jurisdiction of the United States to be enlisted as aforesaid.

7. Retaining another person to go beyond the limits or jurisdiction of the United States with intent to be entered into service as aforesaid. (But the said act of the 4th day of March A.D. 1909, as amended by the act of the 15th day of June, A.D. 1917, is not to be construed to extend to a citizen or subject of a belligerent who, being transiently within the jurisdiction of the United States, shall, on board of any ship of war, which, at the time of its arrival within the jurisdiction of the United States, was fitted and equipped as such ship of war, enlist or enter himself or hire or retain another subject or citizen of the same belligerent, who is transiently within the jurisdiction of the United States, to enlist or enter himself to serve such belligerent on board such ship of war, if the United States shall then be at peace with such belligerent.)

8. Fitting out and arming, or attempting to fit out and arm, or procuring to be fitted out and armed, or knowingly being concerned in the furnishing, fitting out, or arming of any ship or vessel with intent that such ship or vessel shall be employed in the service of one of the said belligerents to cruise, or commit hostilities against the subjects, citizens, or property of an opposing belligerent.

9. Issuing or delivering a commission within the territory or jurisdiction of the United States for any ship or vessel to the intent that she may be employed as aforesaid.

10. Increasing or augmenting, or procuring to be increased or augmented, or knowingly being concerned in increasing or augmenting, the force of any ship of war, cruiser, or other armed vessel, which at the time of her arrival within the jurisdiction of the United States was a ship of war, cruiser, or armed vessel in the service of a belligerent, or belonging to a national thereof, by adding to the number of guns and such vessels, or by changing those on board of her for guns of a larger caliber, or by the addition thereto of any equipment solely applicable to war.

11. Knowingly beginning or setting on foot or providing or preparing a means for or furnishing the money for, or taking part in, any military or naval expedition or enterprise to be carried on from the territory or jurisdiction of the United States against the territory or dominion of a belligerent.

12. Despatching from the United States, or any place subject to the jurisdiction thereof, any vessel, domestic or foreign, which is about to carry a warship, tender, or supply ship of a belligerent any fuel, arms, ammunition, men, supplies, despatches, or information shipped or received on board within the jurisdiction of the United States.

13. Despatching from the United States, or any place subject to the jurisdiction thereof, any armed vessel owned wholly or in part by American citizens, or any vessel, domestic or foreign (other than one which has entered the jurisdiction of the United States as a public vessel), which is manifestly built for warlike purposes or has been converted or adapted from a private vessel to one suitable for warlike use, and which is to be employed to cruise against or commit or attempt to commit hostilities upon the subjects, citizens, or property of a belligerent nation, or which will be sold or delivered to a belligerent nation, or to an agent, officer, or citizen thereof, within the jurisdiction of the United States, or, having left that jurisdiction, upon the high seas.

14. Despatching from the United States, or any place subject to the jurisdiction thereof, any vessel built, armed, or equipped as a ship of war, or converted from a private vessel into a ship of war (other than one which has entered the jurisdiction of the United States as a public vessel), with any intent or under any agreement or contract, written or oral, that such vessel shall be delivered to a belligerent nation, or to any agent, officer, or citizen of such nation, or where there is reasonable cause to believe that the said vessel shall or will be employed in the service of such belligerent nation after its departure from the jurisdiction of the United States.

15. Taking, or attempting or conspiring to take, or authorizing the taking of any vessel out of port or from the jurisdiction of the United States in violation of the said act of the 15th day of June, A.D. 1917, as set forth in the preceding paragraphs numbered 11 to 14 inclusive.

16. Leaving or attempting to leave the jurisdiction of the United States by a person belonging to the armed land or naval forces of a belligerent who shall have been interned within the jurisdiction of the United States in accordance with the law of nations, or leaving or attempting to leave the limits of interment in which freedom of movement has been allowed, without permission from the proper official of the United States in charge, or willfully over staying a leave of absence granted by such official.

17. Aiding or enticing any interned person to escape or attempt to escape from the jurisdiction of the United States, or from the limits of internment prescribed.

And I do hereby further declare and proclaim that any frequenting and use of the waters within the territorial jurisdiction of the United States by the vessels of a belligerent, whether public ships or privateers for the purpose of preparing for hostile operations, or as posts of observation upon the ships of war or privateers or merchant vessels of an opposing belligerent must be regarded as unfriendly and offensive, and in violation of that neutrality which it is the determination of this government to observe; and to the end that the hazard and inconvenience of such apprehended practices may be avoided, I further proclaim and declare that from and after the fifth day of September instant, and so long as this proclamation shall be in effect, no ship of war or privateer of any belligerent shall be permitted to make use of any port, harbor, roadstead, or waters subject to the jurisdiction of the United States as a station or place of resort for any warlike purpose or for the purpose of obtaining warlike equipment; no privateer of a belligerent shall be permitted to depart from any port, harbor, roadstead, or waters subject to the jurisdiction of the United States; and no ship of war of a belligerent shall be permitted to sail out of or leave any port, harbor, roadstead, or waters subject to the jurisdiction of the United States from which a vessel of an opposing belligerent (whether the same shall be a ship of war or a merchant ship) shall have previously departed, until after the expiration of at least twenty-four hours from the departure of such last mentioned vessel beyond the jurisdiction of the United States.

If any ship of war of a belligerent shall, after the time this notification takes effect, be found in, or shall enter any port, harbor, roadstead, or waters subject to the jurisdiction of the United States, such vessel shall not be permitted to remain in such port, harbor, roadstead, or waters more than twenty-four hours, except in case of stress of weather, or for delay in receiving supplies or repairs, or when detained by the United States; in any of which cases the authorities of the port, or of the nearest port (as the case may be), shall require her to put to sea as soon as the cause of the delay is at an end, unless within the preceding twenty-four hours a vessel, whether ship of war or merchant ship of an opposing belligerent, shall have departed therefrom, in which case the time limited for the departure of such ship of war shall be extended so far as may be necessary to secure an interval of not less than twenty-four hours between such departure and that of any ship of war or merchant ship of an opposing belligerent which may have previously quit the same port, harbor, roadstead, or waters.

Vessels used exclusively for scientific, religious, or philanthropic purposes are exempted from the foregoing provisions as to the length of time ships of war may remain in the ports, harbors, roadsteads, or waters subject to the jurisdiction of the United States.

The maximum number of ships of war belonging to a belligerent and its allies which may be in one of the ports, harbors, or roadsteads subject to the jurisdiction of the United States simultaneously shall be three.

When ships of war of opposing belligerents are present simultaneously in the same port, harbor, roadstead, or waters, subject to the jurisdiction of the United States, the one entering first shall depart first, unless she is in such condition as to warrant extending her stay. In any case the ship which arrived later has the right to notify the other through the competent local authority that within twenty-four hours she will leave such port, harbor, roadstead, or waters, the one first entering, however, having the right to depart within that time. If the one first entering leaves, the notifying ship must observe the prescribed interval of twenty-four hours. If a delay beyond twenty-four hours from the time of arrival is granted, the termination of the cause of delay will be considered the time of arrival in deciding the right of priority in departing.

Vessels of a belligerent shall not be permitted to depart successively from any port, harbor, roadstead, or waters subject to the jurisdiction of the United States at such intervals as will delay the departure of a ship of war of an opposing belligerent from such ports, harbors, roadsteads, or waters for more than twenty-four hours beyond her desired time of sailing. If, however, the departure of several ships of war and merchant ships of opposing belligerents from the same port, harbor, roadstead, or waters is involved, the order of their departure therefrom shall be so arranged as to afford the opportunity of leaving alternately to the vessels of the opposing belligerents, and to cause the least detention consistent with the objects of this proclamation.

All belligerent vessels shall refrain from use of their radio and signal apparatus while in the harbors, ports, roadsteads, or waters subject to the jurisdiction of the United States, except for calls of distress and communications connected with safe navigation or arrangements for the arrival of the vessel within, or departure from, such harbors, ports, roadsteads, or waters, or passage through such waters; provided that such communications will not be of direct material aid to the belligerent in the conduct of military operations against an opposing belligerent. The radio of belligerent merchant vessels may be sealed by the authorities of the United States, and such seals shall not be broken within the jurisdiction of the United States except by proper authority of the United States.

No ship of war of a belligerent shall be permitted, while in any port, harbor, roadstead, of waters subject to the jurisdiction of the United States, to take in any supplies except provisions and such other things as may be requisite for the subsistence of her crew in amounts necessary to bring such supplies to her peace standard, and except such fuel, lubricants, and feed water only as may be sufficient, with that already on board, to carry such vessel, if without any sail power, to the nearest port of her own country; or in case a vessel is rigged to go under sail, and may also be propelled by machinery, then half the quantity of fuel, lubricants, and feed water which she would be entitled to have on board, if dependent upon propelling machinery alone, and no fuel, lubricants, or feed water shall be again supplied to any such ship of war in the same or any other port, harbor, roadstead, or waters subject to the jurisdiction of the United States until after the expiration of three months from the time when such fuel, lubricants and feed water may have been last supplied to her within waters subject to the jurisdiction of the United States. The amounts of fuel, lubricants, and feed water allowable under the above provisions shall be based on the economical speed of the vessel, plus an allowance of thirty per centum for eventualities.

No ship of war of a belligerent shall be permitted, while in any port, harbor, roadstead, or waters subject to the jurisdiction of the United States, to make repairs beyond those that are essential to render the vessel seaworthy and which in no degree constitute an increase in her military strength. Repairs shall be made without delay. Damages which are found to have been produced by the enemy's fire shall in no case be repaired.

No ship of war of a belligerent shall effect repairs or receive fuel, lubricants, feed water, or provisions within the jurisdiction of the United States without written authorization of the proper authorities of the United States. Before such authorization will be issued, the commander of the vessel shall furnish to such authorities a written declaration, duly signed by such commander, stating the date, port, and amounts of supplies last received in the jurisdiction of the United States, the amounts of fuel, lubricants, feed water, and provisions on board, the port to which the vessel is proceeding, the economical speed of the vessel, the rate of consumption of fuel, lubricants, and feed water at such speed, and the amount of each class of supplies desired. If repairs are desired, a similar declaration shall be furnished stating the cause of the damage and the nature of the repairs. In either case, a certificate shall be included to the effect that the desired services are in accord with the rules of the United States in that behalf.

No agency of the United States Government shall, directly or indirectly, provide supplies nor effect repairs to a belligerent ship of war.

No vessel of a belligerent shall exercise the right of search within the waters under the jurisdiction of the United States, nor shall prizes be taken by belligerent vessels within such waters. Subject to any applicable treaty provisions in force, prizes captured by belligerent vessels shall not enter any port, harbor, roadstead, or waters under the jurisdiction of the United States except in case of unseaworthiness, stress of weather, or want of fuel or provisions; when the cause has disappeared, the prize must leave immediately, and if a prize captured by a belligerent vessel enters any port, harbor, roadstead, or waters subject to the jurisdiction of the United States for any other reason than on account of unseaworthiness, stress of weather, or want of fuel or provisions, or fails to leave as soon as the circumstances which justified the entrance are at an end, the prize with its officers and crew will be released and the prize crew will be interned. A belligerent Prize Court cannot be set up on territory subject to the jurisdiction of the United States or on a vessel in the ports, harbors, roadsteads, or waters subject to the jurisdiction of the United States.

The provisions of this proclamation pertaining to ships of war shall apply equally to any vessel operating under public control for hostile or military purposes.

And I do further declare and proclaim that the statutes and the treaties of the United States and the law of nations alike require that no person, within the territory and jurisdiction of the United States, shall take part, directly or indirectly, in the said war, but shall remain at peace with all of the said belligerents, and shall maintain a strict and impartial neutrality.

And I do further declare and proclaim that the provisions of this proclamation shall

apply to the Canal Zone except in so far as such provisions may be specifically modified by a proclamation or proclamations, issued for the Canal Zone.

And I do hereby enjoin all nationals of the United States, and all persons residing or being within the territory or jurisdiction of the United States, to observe the laws thereof, and to commit no act contrary to the provisions of the said statutes or treaties or in violation of the law of nations in that behalf.

And I do hereby give notice that all nationals of the United States and others who may claim the protection of this government, who may misconduct themselves in the premises, will do so at their peril, and that they can in no wise obtain any protection from the government of the United States against the consequences of their misconduct.

This proclamation shall continue in full force and effect unless and until modified, revoked or otherwise terminated, pursuant to law.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this fifth day of September in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-fourth.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,

Secretary of State.

[No. 2348]

[F. R. Doc. 39-3240; Filed, September 5, 1939; 8:54 p. m.]

EXECUTIVE ORDER

CONTROL OF THE PANAMA CANAL AND THE CANAL ZONE

By virtue of the power and authority vested in and conferred upon me by section 8 of title 2 of the Canal Zone Code, approved June 19, 1934 (48 Stat. 1122), and as President of the United States, it is hereby ordered that the Officer of the Army commanding the United States Troops stationed in the Canal Zone shall, until otherwise ordered, assume and have exclusive authority and jurisdiction over the operation of the Panama Canal and all its adjuncts, appendants, and appurtenances, including the entire control and government of the Canal Zone; and, while this order is in force, the Governor of the Panama Canal shall, in all respects and particulars as to the operation of the Panama Canal and all duties, matters and transactions affecting the Canal Zone, be subject to the order and direction of the Officer of the Army herein designated.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *September 5, 1939.*

[No. 6232]

[F. R. Doc. 39-3241; Filed, September 5, 1939; 5:57 p. m.]

[From the Federal Register, June 29, 1940]

THE PRESIDENT: CONTROL OF VESSELS IN TERRITORIAL WATERS OF THE UNITED STATES

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A proclamation

Whereas, A proclamation issued by me on September 8, 1939,[1] proclaimed that a national emergency existed in connection with and to the extent necessary for the proper observance, safeguarding and enforcing of the neutrality of the United States and the strengthening of our national defense within the limits of peace-time authorizations, and that specific directions and authorizations would be given from time to time for carrying out these two purposes,

Whereas, The continuation of the conditions set forth in said proclamation of September 8, 1939, now calls for additional measures within the limits of peace-time authorizations,

Whereas, Under and by virtue of section 1 of title II of the Act of Congress approved June 15, 1917, 40 Stat. 220 (U.S.C. title 50, sec. 191), it is provided as follows:

"Section 1. Whenever the President by proclamation or Executive order declares a national emergency to exist by reason of actual or threatened war, insurrection, or invasion, or disturbance or threatened disturbance of the international relations of the United States, the Secretary of the Treasury may make, subject to the approval of the President, rules and regulations governing the anchorage and movement of any vessels, foreign or domestic, in the territorial waters of the United States, may inspect such vessel at any time, place guards thereon, and, if necessary in his opinion in order to secure such vessels from damage or injury, or to prevent damage or injury to any harbor or waters of the United States, or to secure the observance of the rights and obligations of the United States, may take, by and with the consent of the President, for such purposes, full possession and control of such vessel and remove therefrom the officers and crew thereof and all other persons not specially authorized by him to go or remain on board thereof.

"Within the territory and waters of the Canal Zone the Governor of the Panama Canal, with the approval of the President, shall exercise all the powers conferred by this section on the Secretary of the Treasury."

And, whereas, It is essential, in order to carry into effect the provisions of said Act, which are quoted herein, that the powers conferred therein upon the President, the Secretary of the Treasury and the Governor of the Panama Canal be at this time exercised, or available for exercise, with respect to foreign and domestic vessels.

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, by virtue of the powers conferred upon me by the provisions of the said Act of Congress quoted herein, do hereby declare the continuation of the conditions set forth in my proclamation of September 8, 1939, and the existence of a national emergency by reason of threatened disturbance of the international relations of the United States.

And, I, therefore consent to the exercise, with respect to foreign and domestic vessels, by the Secretary of the Treasury and the Governor of the Panama Canal, of all the powers conferred by the provisions of said Act.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 27th day of June in the year of our Lord nineteen hundred and forty and of the Independence of the United States of America, the one hundred and sixty-fourth.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL, *Secretary of State.*

[No. 2412]

[F.R. Doc. 40-2639; Filed June 28, 1940; 10:05 a.m.]

[From the Federal Register, Jan. 16, 1942]

THE PRESIDENT: ESTABLISHING THE CRISTOBAL AND THE GULF OF PANAMA MARITIME CONTROL AREAS AND PRESCRIBING REGULATIONS FOR THE CONTROL THEREOF

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A Proclamation

Whereas the United States is now at war, and the establishment of the maritime control areas hereinafter described is essential in the interests of national defense; and

Whereas the Government of the Republic of Panama has requested the cooperation of the Government of the United States in exercising control in Panamanian waters adjacent to the Panama Canal, in accordance with the joint obligation of the two countries under their General Treaty of March 2, 1936, and otherwise, to insure the effective protection of the said Canal:

Now, therefore, I, Franklin D. Roosevelt, by virtue of the authority vested in me as President of the United States and as Commander-in-Chief of the Army and Navy of the United States, and in accordance with the principle of self-defense of the Law of Nations, do hereby establish and proclaim the following-described areas as the Cristobal Maritime Control Area and the Gulf of Panama Maritime Control Area for the purposes of safeguarding the Panama Canal and for national and hemispheric defense, and prescribe the following regulations for the control thereof:

Cristobal Maritime Control Area

All waters contained within the seaward limit of an arc described with the western breakwaster entrance light at Cristobal, Canal Zone, as a center, a radius of 36 sea miles, and meeting the shore line in the east in the vicinity of position Latitude 90°35' North, Longitude 79°21' West, and in the west in the vicinity of position Latitude 09°06' North, Longitude 80°29' West.

Gulf of Panama Maritime Control Area

All waters of the Gulf of Panama to the North of Latitude 8° North.

REGULATIONS FOR THE CONTROL OF THE CRISTOBAL AND THE GULF OF PANAMA MARITIME CONTROL AREAS

1. A vessel not proceeding under United States naval or other United States authorized supervision shall not enter or navigate the waters of the above-described Maritime Control Areas except during daylight, when good visibility conditions prevail, and then only after specific permission has been obtained. Advance arrangements for entry into or navigation through or within the said Areas must be made, preferably by application at a United States Naval District Headquarters in advance of sailing, or by radio or visual communication on approaching the seaward limits of either Area. If radio telegraphy is used, the call "NQO" shall be made on a frequency of 500 kcs, and permission to enter the port requested. The name of the vessel, purpose of entry, and name of master must be given in the request. If visual communications are used, the procedure shall be essentially the same.

2. Even though permission has been obtained, it is incumbent upon a vessel entering the said Areas to obey any further instructions received from the United States Navy, or other United States authority.

3. A vessel may expect supervision of its movements within the said Areas, either through surface craft or aircraft. Such controlling surface craft and aircraft shall be identified by a prominent display of the Union Jack.

4. These regulations may be supplemented by regulations of the local United States naval authority as necessary to meet local circumstances and conditions.

5. Should any vessel or person within the said Areas disregard these regulations, or regulations issued pursuant hereto, or fail to obey an order of the United States naval authority, or perform any act threatening the efficiency of mine or other defenses, or take any action therein inimical to the defense of the United States, such vessel or person may be subjected to the force necessary to require compliance, and may be liable to detention or arrest, or penalties or forfeiture, in accordance with law.

The Secretary of the Navy is charged with the enforcement of these regulations.

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[1] 4 F.R. 3851.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the City of Washington this 13th day of January in the year of our Lord nineteen hundred and forty-two, and of the Independence of the United States of America the one hundred and sixty-sixth.

FRANKLIN D. ROOSEVELT.

By the President:
CORDELL HULL, *Secretary of State.*

[No. 2536]

[F.R. Doc. 42-402; Filed January 15, 1942; 10:16 a.m.]

EXECUTIVE ORDER—EXTENSION OF THE PROVISIONS OF EXECUTIVE ORDER NO. 9001 OF DECEMBER 27, 1941, TO CONTRACTS OF THE TREASURY DEPARTMENT, THE DEPARTMENT OF AGRICULTURE, THE FEDERAL WORKS AGENCY, THE PANAMA CANAL, THE GOVERNMENT PRINTING OFFICE, AND THE NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

By virtue of the authority vested in me by the act of Congress entitled "An Act to expedite the prosecution of the war effort" approved December 18, 1941, and as President of the United States, and deeming that such action will facilitate the prosecution of the war, I hereby extend the provisions of Executive Order No. 9001 of December 27, 1941 [1] to the Treasury Department, the Department of Agriculture, The Panama Canal, the Federal Works Agency, the Government Printing Office, the National Advisory Committee for Aeronautics, and such other agencies as I may from time to time designate, with respect to all contracts made or to be made by such agencies, and subject to the limitations and regulations contained in such Executive Order, I hereby authorize the Secretary of the Treasury, the Secretary of Agriculture, the Governor of The Panama Canal, the Administrator of the Federal Works Agency, the Public Printer, the Chairman of the National Advisory Committee for Aeronautics, and the heads of such other agencies as may be designated, and such officers, employees, and agencies as each of them may designate, to perform and exercise, as to their respective agencies, all of the functions and powers vested in and granted to the Secretary of War, the Secretary of the Navy, and the Chairman of the United States Maritime Commission by such Executive Order.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *January 14, 1942.*

[No. 9023]

[F.R. Doc. 42-394; Filed, January 14, 1942; 3:32 p.m.]

Mr. SARBANES. Mr. President, the Senator from Alabama stated that the disposition by the Senate of these various amendments was reflecting cynicism and hypocrisy. I suggest that the disposition of these amendments really reflects the judgment of how we can best protect American interests.

As I have noted earlier in the debate with the Senator from Alabama, in commenting on a couple of the amendments he brought forth, I took the position, not as he suggested people were saying that his amendments were unnecessary or that they went to the heart of the matter, but rather that the amendments were harmful to American interests. One was proposed that would have cast doubt on the American right to take whatever action we deem necessary on the high seas in times of conflict. Another amendment was offered which created a doubt or raised a question as to our head of the line rights of passage under these proposed treaties. So those amendments that were brought up were harmful, in fact, to American interests and created problems for American interests.

I suggest that the amendment now pending, which has been offered by the distinguished Senator from Alaska, carries with it the same defect.

I am not going to engage in the wider ranging comments which seem to surround the discussions of these amendments, but I am going to address the specifics of this proposal that is before us.

What this amendment would do is, first of all, destroy the neutral status of the Panama Canal. The premise on which the canal is now used and the premise which is carried forward in the proposed treaties is that the canal is to be a neutral international waterway open for free passage of all vessels.

I submit if we want to have an open canal continually in use, which is very much to our advantage, the best way to maximize the chances that this will occur is to have a neutral canal. If you do not have a neutral canal by denying passage to someone, you shift the canal from being neutral to being in a belligerent status. You then make the canal a target, a legitimate and legal target, for the nations being denied transit through the canal.

With a neutrality treaty, with a neutrality arrangement, any nation attacking the canal would be violating its neutrality under international law and infringing upon the neutrality of Panama.

If you shift the status of the canal from being neutral to involving it in a conflict by denying its use to certain nations, then the canal and its operations, its neutrality having been breached, can no longer claim a nonbelligerency status. In other words, the canal will have been placed in the position of taking sides in a wartime situation, and by taking sides it will be subject to reprisal and attack, just like any other belligerent site or facility.

Then the question is raised, "But do you mean to suggest that you are going to let vessels of nations with whom we are engaged in conflict transit the canal?" The legal requirement is that they are allowed to transit the canal. The practical fact is that American power at sea will prevent vessels from getting to the canal and transiting it. That is how we have done it in the past, and that is how we will do it in the future. In a sense, it gives us the best of both worlds.

Now, if the distinguished Senator from Alabama wants to say that is cynical or that is hypocritical, he can use those terms. What I see this as doing is providing the best protection we can have for American interests. What we do is maximize the likelihood that the canal itself will not be attacked because we keep it in a neutral status, instead of involving the canal in the conflict which would make it a legal and legitimate target of attack.

So by keeping it neutral we maximize the likelihood it will remain in use, and yet, at the same time, because of our naval and air power and our location and our situation we are in a position to interdict and stop and prevent access to the canal out on the high seas of vessels from those countries with whom we are engaged in conflict.

It ought to be recognized that such an arrangement is important to the United States. We are protecting very vital American interests with this arrangement. The amendment, which would alter that arrangement, in effect, will weaken the American position.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. SARBANES. I yield to the Senator.

Mr. LEAHY. I thank the Senator from Maryland.

I made the statement the other day on the floor, Mr. President, that I felt at least one thing was being done by these debates, and I commended public radio in large part for that. The views that have been expressed by just about everybody throughout the country both for and against the treaties, as the views that have been expressed in my own State, where the latest opinion reading is almost exactly 50–50—half the people are for and half against—would be expressed on the floor of the Senate. That Senators would be expressing what they thought was in the best interest of the United States—both those Senators who were opposed to the treaties and those who are for them, both Democrats and Republicans.

I feel in my own heart the Senators who have spoken on both sides of this issue have one guiding point, and that is what is in the best interest of the United States of America.

Again, because of public radio, this matter has been brought out to the American people probably in a way that no other debate the U.S. Senate ever had. As a student of history and political science, I know of no other debate which has been so well carried to the American people.

But, having said that, Mr. President, I also said that after 4 or 5 weeks of debate on these treaties and all of these amendments, that at a time when this country faces grave problems in energy, the unresolved energy crisis, when it faces the grave unresolved problems of the farmers throughout the country, when it faces grave tax problems and other matters before Congress, that with the intelligence and learning of my distinguished colleagues, you would think that after 4 or 5 weeks we would not only know all the issues and all of the answers; we would know how we were going to vote.

I likened it somewhat to a soap opera, when, if somebody watches them—and, of course, one thing I found after making that analogy was that everybody I spoke with in the Senate agreed with me but hastened to state that they would never watch a soap opera themselves, but have heard from those who had—if you watch a soap opera and then leave town for a few weeks and come back you find you are right where you left off. As I said, a soap opera is the only place where pregnancy can take 18 to 20 to 30 months,

[1] 6 F.R. 6787.

depending upon how long the viewer's interest would be carried.

Having said that, I would hope as we go along on amendment after amendment that we do not lose sight of basic factors, and they are these: We have the canal, even though some of its commercial importance is lessening over the years and will lessen into the future; it is still important to maritime interests; it is still important to the United States; it is still important to the rest of the world. That is No. 1.

Second, by anybody's standards, anybody in the world, it is one of the outstanding engineering achievements ever accomplished. The distinguished Presiding Officer even pointed out how well done it was and how simple it was that even the two Senators from Vermont at one point were able to put a ship through a lock, which he pointed out emphasized that if we could then anybody could. That is a matter we should not lose sight of.

It is a fantastic engineering feat, but let us not lose sight of the overall consideration, and that is twofold: One, we want to keep the canal operating; and, two, we want the canal to continue the distinguished history of neutrality it has had. Those are the only two issues. The whole thing could be looked at in just that way. Is the world's interest served by keeping it operating however some of the commercial interests might diminish over the next quarter of a century or more; and, second, should we keep it neutral? These treaties do that. These treaties do that as they are, with the Byrd-Baker amendments.

They make sure that it stays open and stays neutral.

I quite frankly, Mr. President, will be constrained to vote against the amendment that is before us now. I see a certain number of hobgoblins that pop up in it. It certainly makes it clear to me that if Panama, for example, found itself in a state of belligerency with a country that might be one of our close allies, under this arrangement our close ally could have the canal closed to them, and that is truly contrary to everything we have been trying to do here, which is to preserve an open, free, neutral canal.

While I have the utmost respect for the sponsor of the amendment, I see it as going absolutely contrary to what, as an American and a U.S. Senator, I want to see here, which is a neutral canal and a canal that will continue to operate.

We have heard questions. It is funny; I have spent, I think, 3 to 4 hours on the floor every day of this debate, but if I leave for one reason or another, when I come back every time I hear the same thing: The military question, what happens if a belligerent wants to use that canal?

You know, Mr. President, if I were Chief of Naval Operations, and we were at war with another maritime power, I would sit there every night and pray that that belligerent power would send its greatest naval armada down to transit the Panama Canal, because when they sit out there, lined up along a predetermined channel, and they are all lined up head to toe, ready to transit that canal, my God, if our military power was not sufficient to blow them out of the water we had better surrender right now, because we are going to have to worry about taking on other lesser——

Mr. STEVENS. Mr. President, will the Senator yield right there?

Mr. LEAHY. I will in just a moment. Other lesser national powers. Because I have gone down there and talked with the Navy about this. I have gone over it at some length, and I have asked, "Are we in such a state that we would not have the power to pick out and destroy ships of any country arriving there?"

I was told, "Of course not." In fact, the inference is such that in a time of utmost belligerency against a major naval power, we would be very concerned, in today's warfare, about sending our own naval forces there, because of being vulnerable under the same circumstances.

The Senator from Maryland had the floor and yielded to me temporarily, so I suspect he still has the floor.

Mr. STEVENS. Mr. President, I would like, on my time, to ask either of the Senators a question.

Mr. SARBANES. Mr. President, I yield to the Senator on his time, because I made the point yesterday that Senators were not yielding, but simply reading statements, and that this was not conducive to an exchange of views in a debate. If the Senator from Alaska could be recognized on his time, without my losing my right to the floor, to make the point he wishes to make, I think it would be conducive to constructive debate.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I merely ask the Senator from Maryland and the Senator from Vermont if, at the time of the Cuban missile crisis, they would have wanted to have placed the United States in a position where, in order to prevent the Russian Pacific fleet from coming through the canal, we would have had to blow them out of the water.

We were not in a state of war, but that would have been an act of war. We had demanded that they remove their vessels; we had put a blockade around Cuba and made a demand on Russia that they leave.

At that time, the Russian fleet and its support vessels could not have gone through the canal. Under this treaty, we would have had to protect them in going through the canal and about 50 miles on each side of it.

I ask the Senators, is that what you want to foist upon your sons and mine?

Mr. SARBANES. The answer to the Senator's question, very simply, is that under the Senator's amendment the Russian fleet could have transited the canal had they presented themselves.

Mr. STEVENS. That is not correct.

Mr. SARBANES. Yes; it is correct.

Mr. STEVENS. When a country is in a state of belligerency, that nation loses the right to transit the canal.

Mr. SARBANES. The Russian fleet, had it presented itself, had a legal right to transit the canal at the time of the Cuban missile crisis.

Second, I say to the Senator from Alaska that his amendment does not deal with that situation, unless you assume that we were in a state of war as defined here and under international law. As I understand the language of your amendment, it would not cover the situation.

Mr. STEVENS. I say to the Senator from Maryland, a state of belligerency is well understood. In this country, a state of war is understood as being declared by the United States with the approval of Congress.

If you are talking about international law and telling me that international law is going to supersede the Constitution of the United States with regard to the Panama Canal, then I can only tell you that as far as I am concerned, the Senator from Maryland is in error.

There is a specific provision in the treaties which, under the existing relationship, denies access to the canal for a vessel that has been involved in an act of belligerency.

Mr. SARBANES. No, that is not correct, if I may say so to the Senator.

Mr. LEAHY. Mr. President, could I say one thing to the Senator from Maryland? I wonder if the Senator is confusing a blockade of Cuba with a blockade of the Soviet Union.

Mr. STEVENS. We were blockading Cuba, and had a state of belligerency with Russia at the time. If you do not believe it, I would urge you to take a look at the crisis involved at that time. We did move our fleet, and did it on emergency orders.

Mr. SARBANES. That is right, and we would have every right under these treaties, with the clarifying amendments to be offered by Senator BYRD and Senator BAKER with respect to our right to priority passage, to continue to move our fleet.

Mr. STEVENS. Let me read to the Senator from Maryland the protocol of an agreement signed at Washington, October 10, 1914, entered into force October 10, 1914, and confirmed by agreement of August 25, 1939. It states:

> That hospitality extended in the waters of the Republic of Panama to a belligerent vessel of war or a vessel belligerent or neutral, whether armed or not, which is employed by a belligerent power as a transport or fleet auxiliary or in any other way for the direct purpose of prosecuting or aiding hostilities, whether by land or sea, shall serve to deprive such vessel of like hospitality in the Panama Canal Zone for a period of three months.

So, as a practical matter, I can tell you that any vessel that would have presented itself would have been restricted. But it does not go as far as my amendment would go, I will tell you that.

Mr. SARBANES. Let me respond to the Senator with respect to the protocol he quoted, because it is a classic example of misunderstanding and therefore diverting the debate.

I guess the Senator from Alaska was not on the floor when the Senator from Alabama and I had an extended discussion with respect to the protocol that was just read.

What that protocol was designed to deal with was that, in the state of international law prevailing prior to World

War I and again prevailing prior to World War II, belligerent vessels which fueled in a neutral nation's ports could not do so again in less than 3 months. The protocol was designed to get at the possibility that a belligerent vessel would refuel in the port of Panama, and in less than 3 months come back and refuel in a port in the Canal Zone. For that purpose, the protocol treated the ports of Panama and the ports of the Canal Zone as one, for the purpose of applying the 3-month limitation on refueling rights.

That is what the protocol dealt with. That was the purpose of the protocol at the time it was entered into by the United States and Panama. That was the meaning that was given to it, and that is how it was applied.

So that protocol does not support the contention which the Senator from Alaska is now making on the floor of the Senate. That subject has been gone into at great length in prior discussions on the floor of the Senate with respect to its meaning.

Mr. STEVENS. I disagree with you. You can interpret it the way you want.

Would the Senator tell me why under the Isthmian Canal Treaty, which was ratified in 1904, the United States specifically guaranteed? It is stated in article I:

> The United States guarantees and will maintain the independence of the Republic of Panama.

Where in the existing treaties do we guarantee the independence of Panama?

Mr. SARBANES. Well, first of all, the provision which the Senator refers to was eliminated as between the United States and Panama in the treaty of 1936 between our two nations.

Mr. STEVENS. Understanding that, where is the relationship between the United States and Panama with regard to the Treaty of Neutrality?

Mr. SARBANES. Since 1936 that guarantee which the Senator made so much about earlier in presenting his amendment has not been present since 1936, 42 years ago. Now the Senator may cite it and he may use it to try and support his argument for his amendment, but it seems to me that a good deal goes out of his argument when it is finally pointed out that in 1936 that provision was removed in the treaty revision entered into between the United States and the Republic of Panama.

Now the power we have in the future deals with the neutrality of the canal, but the power that you are talking about is the guarantee of the neutrality of Panama, which was such an important part of the opening argument that you made for your amendment, which was taken out in the 1936 treaty. The protocol that you contend denies the transit had nothing to do with the transit.

The 1914 protocol between the United States and Panama, as reaffirmed in 1939, had to do with the question of refueling rights for belligerents in neutral ports.

Mr. STEVENS. I think the Senator is misunderstanding me. It is a matter of communication, perhaps, but I am saying that if we are going to be in the position of guaranteeing the neutrality of this canal, what are we doing with regard to Panama?

Mr. SARBANES. The Senator made the argument.

Mr. STEVENS. The provision of the treaty states now that we guarantee the neutrality; right?

Mr. SARBANES. No. It was removed in 1936.

Mr. STEVENS. We are talking about a Neutrality Treaty. I am afraid we are not communicating.

I would say to the Senator from Maryland——

Mr. SARBANES. No. Let me——

Mr. STEVENS. We guarantee the neutrality of this canal under this treaty you are proposing; is that not true?

Mr. SARBANES. In his opening statement the Senator from Alaska made a great deal to do about the provision in the 1903 treaty by which the United States guaranteed the neutrality of the Republic of Panama.

Only a few minutes ago he again raised that guarantee of the neutrality of the Republic of Panama. The fact of the matter is that guarantee was dropped in the 1936 treaty.

Mr. STEVENS. I would say to the Senator from Maryland again, the subject before us is that we are guaranteeing the neutrality of the canal. That is the proposal of this treaty.

Mr. SARBANES. We have the right to take actions to assure its neutrality, if we choose to do so. That is correct.

Mr. STEVENS. Let me finish.

We say we are going to undertake to Panama to guarantee the neutrality of the canal.

Is that not the proposition that you are supporting?

Do you not support this treaty?

Mr. SARBANES. I do support this treaty very strongly.

Mr. STEVENS. I say to the Senator from Maryland that in doing so, it raises a question to me that if we are going to guarantee the neutrality, why should we not guarantee the neutrality of Panama itself rather than the canal?

What are we doing when we create an obligation allowing the warships from nations that are in a state of belligerence with either the United States or Panama to transit the canal when we are no longer guaranteeing the neutrality of the canal itself?

I say, we ought to guarantee to the Panamanians—and my amendment will do it, whether you understand it or not. My amendment will guarantee that we are saying to Panama that we will help them, we will assist them if foreign warships from nations in a state of belligerence with Panama attempt to come through there. We are not merely guaranteeing the neutrality of the canal under those circumstances.

And I will go further. I have some amendments coming. We intend to go further.

I will say to the Senator from Maryland that I believe the documents must be amended to set forth the relationship between the United States and Panama after the year 2000. Again I say that because I do not believe that the only way we should be able to go back into that canal after the year 2000 is through the use of force.

I challenge you to tell the people of the United States how you are going to get back in there except by the use of force under the documents that are before the Senate today.

Under what circumstances can we go back in there to protect our security interests or to protect the Government of Panama itself under these circumstances?

Maybe, we are two ships passing in the dark here, my friend, but I would say to the Senator from Maryland this is not to me a subject that can be glossed over by saying, you know, we do not understand history. I am talking about the future. You can write all the history you want. I am worried about the future.

Mr. LEAHY. Will the Senator from Maryland yield?

Mr. STEVENS. Let me say one thing and I will yield my part of the floor.

Between 1945 and 1977 there were 10,090 transits of United States vessels, not auxiliary vessels.

In the same period of time, 1945 to 1977, there were 1,124 foreign naval vessels, not counting support vessels for those naval vessels that transited this canal.

We are saying 10 percent plus of the number of our own vessels that went through there were vessels of war of foreign nations. We are saying under this amendment that I am offering, you can go through that canal and we guarantee its neutrality, unless you are in a state of belligerence with either Panama or the United States.

And I wish the Senator from Maryland would address himself to that issue and let the Senate know does he believe we ought to guarantee the neutrality of that Panama Canal to a vessel that represents a nation that is in a state of belligerence with either Panama or the United States.

Mr. SARBANES. Mr. President.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. In response to the direct question of the Senator from Alaska, I assume he was off the floor when I first began to speak to his amendment because I pointed out that what his amendment would do by denying access to the vessels of any particular nation would be to destroy the neutrality of the canal.

Now, once the neutrality of the canal is breached, then the canal and its operations can no longer claim a neutral status. In effect, the canal has been involved in a wartime situation by taking sides and it is there as a legal and legitimate target of enemy reprisals because it is not neutral. It has taken sides.

Now, if we want to maintain the canal open so we can use it, and that is important to us, then I submit to you that the United States loses a great deal from a situation in which the canal is shifted from being neutral to being involved in the conflict, because the canal then is a legal legitimate target for those nations that are being denied access.

It makes no sense to create that situation because if we can keep it netural,

we can use it and we have the power to prevent others from using it by intercepting them and interdicting them at sea and preventing them from gaining access to the canal.

The fact of the matter is, the canal has always enjoyed a neutral status under the terms of the existing neutrality terms, under the Hay-Pauncefote Treaty and our naval vessels have always taken whatever action was necessary on the high seas.

Defense Secretary Brown, when he was before the committee in discussing this particular subject, said:

I think that the United States attempt to prevent ships of a nation belligerent to us, at war with us, from transiting the canal would be made outside the canal. We would depend upon our military power in the approaches to the canal and further out to do what we had to do. The last place we want to sink a ship, ours or anyone elses', is in the canal, and therefore we will depend upon our military power outside of the canal to serve our interests.

The new treaties do guarantee passage through the canal just as the existing treaties do. They make no change in that regard. They maintain the neutrality of the canal.

The Secretary said:

The new treaties do guarantee passage through the canal. They don't guarantee passage to the canal to us or to anyone else.

The adoption of the pending amendment will result in making the canal a legitimate target of enemy reprisal in time of war, and, therefore, does not serve our interests.

Second, it establishes a precedent with respect to the use of international waterways which could be extremely harmful to American interests in other parts of the world. It is to America's advantage and to America's benefit that the concept of the neutrality of international waterways be a recognized concept of international law and respected by all nations. That gives us the access through those waterways, some of them in other areas of the world not as easily subject to our control. Yet, through the use of our power with respect to this waterway, on the high seas we are able to control who can use the canal.

So we do the best we can to insure that the canal stays neutral and usable and, at the same time, we are in a position to stop or interpose a block to our enemies.

Finally, the amendment carries this notion of being evenhanded with respect to both Panama and the United States, which, of course, raises a number of possibly difficult situations in which a nation may be in a state of war or conflict with the United States or Panama but not with the other. Then what is the nature of the rights of that nation with respect to entry to the canal, one country might exercise authorities the other one does not want exercised and what situation does that get us into?

In effect, what this amendment does is really to undercut the protections which have been written into these treaties with respect to American interests.

We want to keep a canal which is open. The best way to do that is to maintain it neutral, because, if it is neutral, it then is not a legitimate object of attack.

If we shift it from its state of neutrality, then it becomes a legal and legitimate object of attack for the nation being denied the transit. It is that simple.

In practical terms, with respect to its use by nations that we do not want to use it because of a conflict relationship between us, we are in a position, through the use of our power, as Secretary Brown said, to deal with the ships of those nations as they approach the canal, as the Senator from Vermont pointed out very ably, deal with them where they, in effect, maneuver themselves into a position where they are extremely vulnerable to the use of American power.

The provisions as written are more protective of American interests than the amendment which the Senator from Alaska seeks to place in these treaties. This amendment, in effect, would make it more difficult for us to be assured of the continued use of this canal and would not contribute to our ability to prevent others from using it.

For that reason, Mr. President, I oppose the amendment.

Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. The Senator from Alaska has 18 minutes remaining, and the Senator from Maryland has 32 minutes remaining.

(Mr. HART assumed the chair.)

Mr. STEVENS. Mr. President, I find very interesting the arguments which are being made against the pending amendment.

I have before me the rules which were issued by Woodrow Wilson in a proclamation by the United States concerning the maintenance of the neutrality of the Panama Canal. In that proclamation the President, at that time, said in rule XV:

In the interest of the protection of the canal while the United States is a belligerent, no vessel of war, auxiliary vessel, or private vessel of an enemy of the United States or an ally of such enemy, shall be allowed to use the canal nor the territorial waters of the canal for any purpose, save with the consent of the canal authorities and subject to such rules and regulations as they may prescribe.

I am informed that President Roosevelt issued similar orders in World War II.

The argument of the opponents to this amendment seems to be that because, if we had a declared state of war, we could intercept the foreign naval vessels and blow them out of the water. If we have a state of belligerency such as we had with China, such as we had with North Vietnam, such as we had with North Korea, such as we had with Russia and Cuba, within my lifetime and since I left the service of the Air Force, then the opponents say we do not need this amendment because we should blow their ships out of the water.

Well, that is a nice declaration of war. I wonder whether that was though of by President Kennedy, whether President Eisenhower thought about it, or President Truman, President Johnson, or President Nixon.

I do not think I have heard an argument that left the United States in such an untenable position.

We are going into a new treaty and we will no longer have the control we had over the canal during World War I, World War II, Korea, Vietnam, and the Cuban crisis. We will not have that control any more. What we will have is a new proposal that we guarantee the neutrality of this canal. Again my friend misses the point. At one time we guaranteed the neutrality of Panama. We will not do that any more. Now we are going to guarantee the neutrality of the canal itself. In spite of the fact that the belligerent might be a belligerent against Panama or against the United States, we are going to guarantee the neutrality of this canal.

God help us if we ever get into World War III under these circumstances. In the last two world wars we served notice on the world that no belligerent or any ally of a belligerent—think of that—could come through that canal. Now we are told, "We guarantee, we must guarantee, the neutrality of this canal because our naval strategy is we will blow them out of the water."

That is absurd, just patently absurd.

Mr. SCOTT. Will the Senator yield?

Mr. STEVENS. I yield to the Senator from Virginia.

Mr. SCOTT. Mr. President, I, too, find it difficult to understand the position of the distinguished Senator from Maryland.

As I recall, during World War II we did control access to the canal. I have been advised that we had minefields and antisubmarine nets at the entrances of the canal.

It is understandable that we can do things when the ownership and control of the canal is under our jurisdiction that we might not be able to do if the ownership and control is with the country of Panama.

This seems to be a reasonable amendment that the Senator from Alaska has offered, providing that the vessels of war and auxiliary vessels of all nations shall, at all times, except during periods of belligerency between such nations and the Republic of Panama or the United States, be entitled to transit the canal.

It seems reasonable to me that during the time of war we should not be having our enemies utilizing the canal.

Parting with title to the canal is bad enough, giving the canal away after we have spent the amount of money we have spent, and also agreeing in the future to give hundreds of millions of dollars to Panama for taking the property.

To be saying that in time of war our enemies can use the canal just as we can just seems to me to be totally untenable. I would urge that we adopt this amendment by the distinguished Senator from Alaska. To me, it is just a reasonable thing to do. I think we would be very foolish to let our enemies use a valuable asset that we constructed after we give it

away to the country of Panama. I thank the distinguished Senator for yielding to me.

Mr. STEVENS. I thank the Senator from Virginia.

Mr. President, again, I point out that the relationship we have had in the past on this canal gave rise to our ability, through our Presidents—President Wilson and President Roosevelt—to declare by virtue of the fact that it was under our control, in effect, the same regime that my amendment would create. We are losing the control if these treaties are approved. We lose all control to promulgate similar rules and state to the world that the belligerents or their allies cannot use this canal. The only thing that would be left would be force. The only thing that would be left to us would be war.

Mr. SARBANES. Mr. President, I yield such time as he may use to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to the important and sensitive point which the Senator from Alaska has introduced about the question of the role of force in the future of the Panama Canal, the maintenance of its neutrality in the access of the United States, and to speak to the clear concern and, I dare to say—and I hope it will be understood when I say it—what I fear to be the confusion of many of the opponents of the canal with respect to the whole regime of international law that developed in the course of the 19th century, and which so surrounds and seduces the treaty history of the canal itself.

To have this sense of time, one has to go back to a period before that which most Americans have ever lived or even remember; a 19th century when, for almost a century, there had been no major war in the world; a 19th century in which the rise of Democratic institutions seemed as inevitable as the rising of the morning sun; a 19th century in which, when Lord Bryce wrote his book, "The American Commonwealth," he could say of our country, "America sails a summer sea."

The world over, men and women looked to the day when, soon or late, their institutions would emulate ours.

That was an era in which the great European powers set out diligently to construct a rule of law, a regime of law, for the whole of the world and diligently sought to involve us in that regime. The Hay-Pauncefote Treaty was one of the first large achievements of that time, and there were endlessly detailed descriptions of the rights of neutrals and the rights of belligerents, and the bringing of a kind of Marquis of Queensberry etiquette into the whole idea of conduct.

The Senator from Alaska, for example, has called attention to the agreement of the United States and Panama as to how often a belligerent power might avail itself of the right to use a neutral port for refueling. It has been decided that one could do that once every 3 months—2 months being too soon, 4 too often—that kind of regulation.

It was specifically in this context that the idea arose, and it was a great advance in the world, that the two great isthmian canals, the Suez Canal and the Panama Canal, should be neutral, should be available at all times to ships of all countries, and would do so in the context of a regime of law that clearly anticipated very little war, expected that wars, in the main, would be averted through arbitration treaties.

Secretary Bryan devoted the whole of his life to the idea of arbitration treaties as a way of avoiding war. The International Court in The Hague became a center for this notion that mediation and arbitration and cooling off and strict observance of well-defined rules would be the way in which mankind would leave a world in which war really was, in fact, an extension of national policy, leave that world altogether.

Mr. President, that world went down with the Lusitania. The United States entered the First World War precisely because the German High Command began systematically violating the rights of neutrals, the regimes of belligerency, the rules that had developed. What did not go down with the Lusitania was blown to pieces when the Nazi dive bombers descended on the neutral and unprotected city of Rotterdam in 1940.

We have lived in a very different and a much harsher and an incomparably bloodier world. The United States went through the whole of the agony of Vietnam and never declared war. We were not even technically belligerent. The whole concept of finely gradated distinctions of belligerency and neutrality and the careful observance of understood rules by a community of nations which had its largest interest in peace and comity has disappeared. That has not been the 20th century. America has not sailed a summer sea.

The point about these treaties—and it may as well be said. Indeed, I can only speak for this Senator, but I speak with conviction on this: Far from it being a drawback of the treaties we are going to approve in the Senate that they permit the use of force to pursue American objectives in the canal, it is their essential quality that they do permit it. No one has lived in the 20th century who does not understand that it may be necessary. And no one seeing us advise and consent to these treaties should have any illusion, no foreign power should have any illusion that if the protection of American interests requires the deployment of our Armed Forces in the canal as the treaties give us the right to deploy, we will do so, regardless of the nature and quality and sexual preferences of the regime in Panama City. Regardless of the good or bad opinion of the world, we acquire rights under this treaty as amended and they will be exercised.

We prudently and appropriately preserve the regime of neutrality which originally accompanied the creation of this canal. It is one of the great achievements of international law.

It is one of the few surviving principles from an age almost gone now. But we are right to preserve it because, as the Senator from Maryland has said, it is when that neutrality is threatened that our rights to commit American forces become operative.

And let it be understood, we will do so. We are not afraid to do for this canal what we have been prepared to do from the time it opened in 1914. We will defend and maintain its neutrality.

No one who has experienced the 20th century can suppose that there are any such things as rights in this world that cannot be defended with power. It is precisely the value of these treaties that they make the exercise of American power a right and not simply a dicta of Real-politik.

These treaties give us the right to do what in extreme situations it may be necessary to do. The treaties will be meaningless if we do not continue to maintain the power that we are allowed to exercise.

But if we do the one, we have the right under the other, and in a rather rare circumstance the United States could look to the defense of its immediate and real interests, not simply as a matter of what we will do, but a matter of what we have obtained through fair and open negotiations the right to do.

Mr. President, it seems to me that the present amendment is based on a serious misreading of the origins of the international principles involved in the neutrality of straits and canals, and much more grievously, I hope it is not the case that the Senator from Alaska genuinely supposes, but what became known as a piece of paper will protect this canal. This canal will be protected by the U.S. Navy and the U.S. Marines if it is under attack.

The point is that if it ever should be, that that may be, and those marines have a right to do what they will have to do.

I thank the Chair.

Mr. STEVENS. Mr. President, what is the time situation?

Mr. ALLEN. Will the Senator yield me a couple of minutes?

Mr. STEVENS. I will be happy to yield if I can find out the amount of time I have left, I say to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alaska has 10 minutes remaining.

Mr. ALLEN. Will the Senator yield to me?

The PRESIDING OFFICER. The opponents of the amendment have 22 minutes remaining.

Mr. STEVENS. I yield the Senator from Alabama 2 minutes.

Mr. ALLEN. Mr. President, it seems to me the distinguished Senator from New York (Mr. MOYNIHAN) made a most eloquent plea, not against the amendment of the Senator from Alaska, but a strong plea for the amendment.

He stated that the treaty is designed to allow the United States to take such action as is necessary to defend the canal and to protect our interests.

The treaty does no such thing. That is what the amendment of the distinguished Senator from Alaska would do.

Without the amendment of the Senator from Alaska, we are bound by the treaty to permit enemy ships to have

free access, undisturbed transit of the canal.

Is that allowing the United States to protect its interests? It is not. And only with the amendment of the Senator from Alaska will we have that right.

So it seems to me the distinguished Senator from New York has an erroneous view of what the treaty does and an erroneous view of what the amendment does, because it is only with the amendment of the Senator from Alaska that the United States will have the right which the distinguished Senator from New York ascribes to the United States under the treaty.

We do not have that right under the treaty, and we are going to have to disregard the treaty if we protect the canal from enemy warships which are guaranteed free access under the treaty, but are denied that access under the Stevens amendment.

I thank the Senator from Alaska.

Mr. MOYNIHAN. Will the Senator from Idaho yield me time, or the Senator from Maryland?

Mr. CHURCH. I am happy to yield to the Senator.

Mr. MOYNIHAN. Mr. President, I rise simply to say that, clearly, there is a different view in this Chamber. But I hope it would be equally clear the majority view and, in my judgment, the correct view, is that we are building on a tradition of international law which we helped create, which we retain the powers that we have always had and have effectively used.

Does it mean nothing that the provisions about free and unhampered transit of belligerent vessels have obtained through two world wars and have never in any remote way jeopardized American control of the canal?

Two world wars, in which these rights have existed, and they have never in any way infringed upon or even threatened our control.

But were we now to have tried to reconstruct that whole history and move the very conception of a new canal, to retrospectively dismantle it, we would, one, never have had a treaty; two, we clearly would not have gotten a treaty with Panama, but violated the treaty with nations such as Britain, from that era; and three, and ultimately importantly, we would not have the right to continue to maintain that regime of neutrality in the future. That, in the ironic way, is our responsibility to maintain neutrality that fundamentally gives the right to commit force to that effort, if necessary.

We stand for a rule of law, and that rule of law is all we require. But that rule of law can only be law if there are those recognized agencies with the right and the will to enforce it. That agency is the Armed Forces of the United States as exercised by the President and the Congress of the United States.

That is present in this treaty, by the people who negotiated it, and the people who will vote for it on the floor. We do not look to a world in which that is written on paper is sufficient to insure the observance of adversaries. We look to a world in which we act on the basis of right and we act with the authority of power.

Mr. ALLEN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, I yield the Senator from Alabama——

Mr. ALLEN. Two minutes.

Mr. STEVENS. Two minutes.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President, again I say that the distinguished Senator from New York ascribes and attributes to the U.S. rights above and beyond the rights given in the treaty.

He states, in effect, that despite what the treaty says the United States by force of arms in two wars and by its desire to protect its national interest can exert the power that it has, irrespective of the provisions of the treaty.

That is a sort of cynical approach, that no matter what the treaty says we are going to exert the rights we have as a mighty nation.

What is the use of having a treaty if we are going to do that?

So it would seem to me to get the thinking of the distinguished Senator from New York in line with the facts as we see them under the treaty and as we see them under the Stevens amendment, we are going to have to have the Stevens amendment added to the treaty to give us the force of law in exercising the power that he says that we have to protect our national interests, a power that goes beyond the rights given us under the treaty.

So, to be realistic about it, he says that irrespective of what the treaty says, we are going to protect our national interests by force.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. May I have an additional 1 minute?

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Will the Senator yield an additional minute?

Mr. STEVENS. I yield to the Senator from Alabama an additional minute.

Mr. ALLEN. So, in order to attribute realities to the existing situation rather than to exercise a right beyond what the treaty gives us, we are going to have to adopt the Stevens amendment to keep us as a nation of laws rather than one exerting the power that we have, irrespective of what is contained in the treaty.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, this treaty proposes a change in the relationship of the United States to the Panama Canal for the year 2000. It would leave us in the position where the President of the United States could not issue, as President Wilson and President Roosevelt did, rules that would prohibit the warships and supply ships of our enemies or their allies from using this canal. We would no longer have that right to issue such rules after the year 2000, and we would be in the unfortunate position of having guaranteed the neutrality of the canal.

The amendment also covers Panama, in that it would give Panama the same protection—that is, Panama would not be required to permit the warships and supply ships of a belligerent nation against Panama from using this canal, under the terms of this treaty as amended. I think it is a necessary amendment.

I say to the Senator from Idaho that after he completes his statement, I will be pleased to yield back the remainder of my time.

Mr. CHURCH. Mr. President, this amendment, like its brothers, states a very attractive proposition, one that is exceedingly difficult to vote against from a political standpoint. But the amendment simply will not withstand close examination; it is defective.

Let us suppose that, in the future, Panama finds itself at war with a nation that is at peace with the United States, perhaps one of our close allies. Under the provisions of the Stevens amendment, the warships of our ally could not use the Panama Canal. This would be so even though our national interests might be better served by having the canal open for the transit of those ships.

The point is that the adoption of the Stevens amendment would permit Panama to discriminate against the warships of any nation that Panama is at war with, regardless of whether or not the United States is at war with that nation. I do not want to give Panama that kind of option. I do not think it serves American interests to amend the treaty in this way; neither does our Navy.

We have received from the Navy a statement of its position on the amendment, and it is interesting to note what the Navy says:

> The proposed amendment is unnecessary. Denial of enemy access to the canal would be conducted from its approaches. In other words, we would prevent an enemy from reaching the canal.

Additionally, the Navy opposes the amendment because it would set an unfavorable precedent with respect to other international waterways.

Finally, the Navy observes:

> The proposed amendment could be considered a violation of the customary international law relating to international waterways.

Mr. President, we want the Straits of Gibraltar subject to a regime of neutrality. We want the Suez Canal subject to a regime of neutrality. We want the Dardanelles subject to a regime of neutrality.

Now, are we to say that a different regime should apply at the Panama Canal? Are we to say it in an amendment so defective that it gives Panama an option to close the canal to allies of the United States?

Yet, there is another, and, unfortunately, related point I must mention. Again and again I have heard it said on this floor, ad nauseam, that there is a kind of conspiracy against any and all amendments; that we dare not adopt an amendment unless Torrijos approves it. This is an absurd proposition. We are

100 free people in the Senate. Each of us can vote his or her conviction. We are subject to no rule, no conspiracy, no ultimatum laid down by the leadership or anyone else which can bind any Senator. It is nonsense to conduct a debate on such terms.

The Senate has been rejecting these amendments because they are defective and often foolish, and I hope the Senate continues to do so by decisively rejecting this amendment as well.

I am prepared to relinquish the remainder of my time, after which I will move to table the amendment.

Mr. STEVENS. Mr. President, I think the Senator from Idaho needs to look at the report that came from the Foreign Relations Committee. It discusses in several places the necessity to obviate the need for a new plebiscite in Panama. It states:

> The committee is informed by the Department of State that the Government of the Republic of Panama has concluded that no new plebiscite will be required for the approval of the two amendments.

Those of us who feel that some of the amendments are necessary might be heartened if there would be at least some amendment adopted that would reflect the worry and concerns of the people of the United States.

So far as the Dardanelles and the other areas of the world where we have neutrality are concerned, I again call to the attention of the Senator from Idaho that at the time this Nation saved the world from two holocausts, in World War I and World War II, they were closed, just as the Panama Canal was closed.

The unfortunate part of it is that should we approve these treaties and there should come World War III, we would have no right to close the Panama Canal. If we wanted to close it, we would have to land troops. We would have to attack the creature of our own ingenuity. We would have to send our sons and the sons of many other Americans in there to take back the canal. I do not say this lightly.

As I grow older, I listen to my sons a little more, and I listened to one of them on this matter very acutely.

I will repeat for him what I said earlier today. He said to me:

> Dad, do what you think is right with the canal, but if I need it, my generation needs it, when I am your age, just make sure we do not have to fight for it.

I yield back the remainder of my time.

Mr. CHURCH. Mr. President, in the first place, we did not close the Panama Canal in either the First World War or the Second World War. Our Presidents on both occasions issued unilateral declarations that we would see to it that enemy ships did not transit the canal.

We did not do that by closing the canal. We kept it open. We prevented enemy ships from transiting the canal by using our naval power to keep any enemy away from the canal, far enough away so that the canal itself would not be threatened. That is how we did it in two world wars, and how we will do it in the future. Nothing in the pending treaties prevents us from doing so.

As I have said before, this line of argument, once examined, simply does not hold up. The amendment is defective, and I hope the Senate will reject it.

I now relinquish back the remainder of my time and I move to lay this amendment on the table. I ask for the yeas and nays.

The PRESIDING OFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Alaska.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ABOUREZK (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from West Virginia (Mr. RANDOLPH). If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Arizona (Mr. DECONCINI), the Senator from New Hampshire (Mr. DURKIN), the Senator from Montana (Mr. MELCHER), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. BURDICK) is absent because of a death in the family.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) and the Senator from Arizona (Mr. DECONCINI) would each vote "nay."

Mr. STEVENS. I announce that the Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

The result was announced—yeas 59, nays 34, as follows:

[Rollcall Vote No. 44 Ex.]

YEAS—59

Anderson	Hatfield, Paul G.	Muskie
Baker	Hathaway	Nelson
Bayh	Heinz	Nunn
Biden	Hodges	Pearson
Bumpers	Hollings	Pell
Byrd, Robert C.	Huddleston	Percy
Case	Humphrey	Proxmire
Chafee	Inouye	Ribicoff
Chiles	Jackson	Riegle
Church	Javits	Sarbanes
Clark	Kennedy	Sasser
Cranston	Leahy	Sparkman
Culver	Magnuson	Stafford
Danforth	Mathias	Stevenson
Eagleton	Matsunaga	Stone
Ford	McGovern	Talmadge
Gravel	McIntyre	Weicker
Hart	Metzenbaum	Williams
Haskell	Morgan	Zorinsky
Hatfield, Mark O.	Moynihan	

NAYS—34

Allen	Garn	McClure
Bartlett	Glenn	Roth
Bellmon	Goldwater	Schmitt
Bentsen	Griffin	Schweiker
Brooke	Hansen	Scott
Byrd, Harry F., Jr.	Hatch	Stennis
Cannon	Hayakawa	Stevens
Curtis	Helms	Thurmond
Dole	Johnston	Tower
Domenici	Laxalt	Wallop
Eastland	Long	Young
	Lugar	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Abourezk, for.

NOT VOTING—6

Burdick	Durkin	Packwood
DeConcini	Melcher	Randolph

So the motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I move to reconsider the vote.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until order is restored. Senators will take their seats.

The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, I have been greatly concerned——

Mr. ROBERT C. BYRD. Will the Senator from Nebraska yield?

Mr. CURTIS. I am very happy to yield to the leader.

Mr. ROBERT C. BYRD. I would like to propound a question. It being as late as it is, are there any Senators who have further amendments to articles of the treaty?

Mr. ALLEN. I have one.

Mr. ROBERT C. BYRD. The Senator from Alabama has one. Any others?

Mr. THURMOND. I say to the majority leader, I may have one.

Mr. ROBERT C. BYRD. Senator THURMOND may have one.

I wonder if it would be possible to get some idea as to whether or not the Senator from Alabama will lay down his amendment and possibly allow us to vote on it?

Mr. CURTIS. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senate be in order?

Will the Senators take their seats?

Mr. ROBERT C. BYRD. Does the Senator from Alabama feel that he could call up the amendment today and, if so, what would be the prospects of the Senators voting on it today?

Mr. ALLEN. Yes, I think so. I would be willing to offer it after a somewhat brief explanation.

Mr. ROBERT C. BYRD. Yes.

Then, what about the Senator from South Carolina? May I ask the same question?

Mr. THURMOND. I think I can offer mine tomorrow, but I would not like to have it come while any committee is in session. I will take it up, say, after 12 o'clock.

Mr. ROBERT C. BYRD. Very well.

I wonder if we could work out an agreement whereby once the Senator from Nebraska completes his statement, the Senator from Alabama would be rec-

ognized to call up his amendment, and if we could reach an agreement to vote in relation to that amendment today, with the further understanding that Mr. THURMOND then on tomorrow will be recognized to call up his amendment and have a certain amount of time for debate thereon.

It might be possible that he would go forward tonight.

Could we just go as far as getting an agreement on the amendment by Mr. ALLEN?

Would the Senators be agreeable?

Mr. ALLEN. I do not feel that I would want to delay consideration beyond today with it, but at the same time I would not like the strictures resulting from a definite time limit. But I will certainly work toward having the vote tonight but I would not want a restriction of time, too.

Mr. ROBERT C. BYRD. I ask unanimous consent, Mr. President, that when the distinguished Senator from Nebraska (Mr. CURTIS) completes his statement that the distinguished Senator from Alabama be recognized to call up his amendment.

The PRESIDING OFFICER. Without objection, so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. The Senator from Nebraska.

THE U.S. HAS NOT BEEN A COLONIAL POWER IN PANAMA

Mr. CURTIS. Mr. President, I have been greatly concerned to note the continual references to the United States as a "colonialist" or "imperialist" presence in Panama. I might expect this from some of the press, which have often been overly critical of U.S. efforts to protect its national security, but I was surprised to see Members of this body making such remarks.

In actual fact, Mr. President, the U.S. presence in Panama has been anything but a colonialist effort, and the United States can be quite proud of the role it has played over the years in the development of the Republic of Panama to the point where it has one of the highest per capita incomes in all of Latin America.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator has a right to be heard.

Will the Senators move their conversations to the cloakrooms?

Will the Senate be in order.

Will the Senators in the aisle immediately aft of the chairs remove themselves?

The Senate will be in order.

If the Senators wish to discuss matters with each other, will they remove themselves from the Chamber.

The Senator from Nebraska.

Mr. CURTIS. Mr. President, first of all, the record needs to be made clear with respect to the U.S. role in the independence of Panama. The fact is that the United States did not "create" Panama. There had been numerous rebellions in Panama over a period of decades, and the people of Panama wanted their independence very badly. We did not force Panama to become independent, nor did we force its leaders to request U.S. aid in obtaining that independence. The Panamanian leaders, fully aware that they could not achieve their goal on their own, made the decision calmly and rationally, in full realization of the consequences, to seek U.S. aid.

The Panamanian leaders were willing, in return for U.S. aid in achieving independence, and in return for our construction of a canal, which obviously neither they, nor in fact any other nation but the United States, were capable of constructing, to strike a bargain with the United States sacrificing some of their sovereign rights in return for that aid and construction effort. It is also clear that without such agreement by Panama to give the United States sovereign rights, the United States would never have agreed to the construction of the canal in Panama, a canal which has brought relative prosperity to that area when compared to much of Latin America. Let us also not forget that the leaders of Panama ratified the treaty presented by the French negotiator, Bunau-Varilla, as did local councils throughout Panama. In fact, they also placed in their constitution a provision specifically recognizing the 1903 treaty. In short, Mr. President, the treaty was not foisted on an unwilling Panama by duress or coercion; rather it was a legitimate bargain in which each side got something from the other that it needed and wanted.

It can well be contended that the Government of Panama extended much more solid support for the 1903 treaty than they have for the 1977 treaties. In 1903, both the provisional government and later the freely elected Government of Panama ratified the treaty with the United States. In contrast, the 1977 treaty was only approved by a tightly controlled plebiscite held under the jurisdiction of military dictator who had overthrown the last freely elected Government of Panama. In the plebiscite held, the former President and other Panamanians who dissented from the proposed treaty were not even allowed to return to the country, let alone lead a free campaign against ratification of the treaties.

Mr. President, may I have order?

The PRESIDING OFFICER (Mr. PELL). Will the staff and the Senators in the back of the room cease chatting so we can hear the Senator speak.

Will the gentleman in the pink shirt stop talking.

Thank you.

Proceed.

Mr. CURTIS. Mr. President, I also would like to address the specific question of whether our presence in the zone over the years has had a colonialist character. This is a rather serious charge, Mr. President. Colonialism is that which we fought against in achieving our independence as a nation, and we have traditionally been sympathetic to nations trying to achieve their independence—as we were sympathetic to Panama in 1903. I disagree completely with those who charge that our presence has been colonial, and I deny that we have been an imperialist power in Panama.

Let us look at the facts: What are the characteristics of a colonial power, and does the U.S. presence in Panama have these characteristics? The answer, is clear; it does not. First of all, colonial powers usually remove great quantities of natural resources from the foreign area they dominate; just as today the Soviet Union removes wealth from Eastern Europe, which it can only do because of the overwhelming number of troops it keeps there by force. The record is clear that the United States has never removed anything of value from the Republic of Panama. In fact, precisely the opposite is the case. The United States created, rather than exploited the resource that exists on the Isthmus of Panama.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CURTIS. Mr. President, we built the canal that has made Panama the relatively wealthy nation it now is. Panama could never by herself have invested the money in such a project or sustained its operation over the past 63 years. Overall, according to Hanson Baldwin, former military affairs editor of the New York Times:

> The United States has spent . . . some $6 to $7 billion on the military defense and security of the canal, much of which has found its way into Panamanian pockets.

In acquiring the canal zone itself, the United States paid Panama $10 million—in 1903 dollars—and paid another $3,965,254 to individual property holders for the land in the zone. As I indicated in the discussion on the floor of the Senate on February 28, this amount in 1977 dollars would be $34,184,454 according to Governor Parfitt see RECORD, 4902. A colonialist does not pay for land he acquires, he just seizes it as the Soviet Union did at the end of World War II.

Moreover, the United States has contributed much of value to Panama beyond the construction of the canal itself. Since World War II, Panama has received $342 million in total U.S. aid, as brought out in hearings before the House Appropriations Committee. This means that Panama has received more aid per capita from the United States than any other nation in the world—this is hardly the nature of a colonial relationship.

Much has been said of the $2.3 million paid to Panama each year as a residual commitment to Colombia for the use of the Panama Railroad—not rent for land as many have contended. But this amount pales into insignificance compared to other payments that Panamanians receive from the canal and thus the Panamanian Government, through taxation, receives indirectly. In 1975, Panama received a total of $236.9 million in revenue due to the existence of the canal adjacent to their territory. This includes wages, retirement and disability benefits as well as purchases for goods and services. This figure rose to $243 million in 1976. It is because of these enormous benefits flowing to Pan-

amanians and Panama that the country has the highest per capita income in Central America, twice as high as Colombia, of which they were once a part. This enormous windfall of wealth can hardly be characterized as exploitation by any reasonable person. Panama may want more, but as the old saying goes, life is an underpaid occupation. But this should not make us feel guilty and consent to the construction of a Panamanian monopoly over interocean travel that they can exploit.

Panama might not exist as a nation were it not for the United States, and I sincerely doubt that it would have achieved anywhere near the standard of living it now has, or even economic viability, were it not for the tremendous investment that the United States made in the construction of the canal. Of course, we built the canal for our own interests as well, but that does not take away from the fact that we did not coerce Panama in any way, but instead enabled them to willingly reap untold benefits from its construction.

Another aspect of colonialism, Mr. President, is the use of slave or coerced labor from the native population to carry out the task of the colonial power. When the United States constructed the canal, it paid its laborers a reasonable wage for that time; and, in fact, most of the workers were not even Panamanian, but rather West Indian. Further, in recent years, Panamanians who have been employed in the zone have received higher wages than those of their compatriots working in Panama. I might also note that, whereas colonial powers traditionally used the inhabitants of the colonial area as cannon fodder, the United States has never at any time sought to force Panamanians into the service of the United States in time of war; we have asked nothing more than that Panama as a nation be cooperative with our legitimate defense needs in protecting the free world.

A third aspect of colonialism, Mr. President, is the use of a foreign area as a base for aggression or territorial expansion. Again, the record here is very, very clear. The United States has never sought possession of 1 inch of territory, other than the use of necessary defense sites during wartime, outside the boundaries of the Canal Zone. Costa Rica, Colombia, and other nearby nations have never had at any time any reason to be concerned about possible expansion of the American presence in the zone into their nations. In fact, the United States has always been very sensitive to the strict legalities of its arrangements with Panama. After World War II, we withdrew from our bases outside the zone even though there was a strong legal argument that we had a right to remain. In our relations with Panama, a generous spirit has always prevailed.

Finally, Mr. President, I want to point out that the United States, unlike many colonial powers, has never sought to impose its culture or way of life on the people of Panama. Many colonial powers sought to wipe out the indigenous culture of the nation they occupied; for example, the Spanish in Latin America, or the Japanese in Korea. But the United States has never at any time had a deliberate policy of discouraging Panamanian self-expression. This is aside from the fact that the American presence is confined to a well-defined area, and does not extend in Panama itself.

Of course, anytime a large and developed nation such as the United States rubs shoulders with a small, undeveloped nation such as Panama, frictions may develop, and the culture of the larger nation will influence that of the smaller one. But these are matters inherent in the situation, it exists along the Mexican border, for example, and there is nothing that we or anyone else could do about them. The point is that we have never deliberately done anything to impose ourselves and our way of life upon an unwilling people.

In sum, Mr. President, the labeling of our presence in Panama as colonialist or imperialist is totally inaccurate. If some people or nations perceive it that way, that is because they are misusing the terms, or they do not know the facts. Whatever one's judgment of the treaties, it should not be influenced by the mistaken notion that we have been a colonial power in Panama.

Mr. President, I ask that there be printed in the RECORD at this point an excerpt from a study by Hanson Baldwin which deals with the question of the alleged exploitation of Panama by the United States and a point-by-point refutation of this notion.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE MYTH OF U.S. EXPLOITATION

(By Hanson Baldwin)

The other argument, that the United States has exploited Panama, is obvious nonsense. Panama had been no more than a pestilential swamp in 1903; it is a potentially prosperous little nation today almost entirely because of Uncle Sam's munificence and the golden flood of dollars that poured into the region because of the canal.

In addition to the approximately $2 billion spent by the United States in acquiring, building, maintaining, and improving the canal and its supporting infrastructure in the Canal Zone, the United States has spent, over the years, some $6 to $7 billion on the military defense and security of the canal, much of which has found its way into Panamanian pockets. To offset these expenditures, about $1.125 billion has been paid back into the U.S. Treasury in tolls and other revenues, leaving the U.S. taxpayer in the hole over the seventy years of our hegemony in the zone to the tune of almost $8 billion.

These figures are in themselves an index of U.S. policy. The United States has regarded the Panama Canal as a major strategic asset but also as an international utility of great benefit to the world. Tolls have been kept low purposely, and the canal has been open impartially to the ships of all nations, in accordance with the Hay-Pauncefote Treaty with Britain.

There is no question that it is the canal and its efficient operation and the tremendous economic stimulus provided by direct and indirect U.S. grants that have made little Panama, with its 1.7 million people, a viable, if restless, entity. The canal, to Panama, is the goose that laid the golden egg. The country could not exist without it.

Consider some figures: In 1975 Panama received—including an annuity which now totals $2.32 million per year—some $236.9 million from the United States, of which about $103 million was paid in wages and retirement and disability benefits to Panamanians employed in the zone. About 10,000 people, 72 percent of the total work force of the Panama Canal Company and the Canal Zone government, are Panamanian nationals; other thousands work for the U.S. military. The canal is larger than any other single source of employment in Panama. Between 1946 and 1973, according to House Appropriations Committee hearings, Panama was the recipient of $342 million in total U.S. aid, more per capita than any other country in the world. Net income to the Panamanian *government* originating in the zone totalled about 12.5 percent of the gross domestic product of Panama in 1975.

In addition to these direct economic infusions Panama has received all sorts of benefits from literally hundreds of projects. A bridge and highway across the canal were built at U.S. expense to link the two parts of Panama; the country's deep-water ports are U.S. built and operated; its principal international airfield was U.S. built and its transisthmian road and railroad were U.S. constructed or operated. Its water supply comes largely from reservoirs and purification systems constructed by the United States. Its sanitation system was largely a product of U.S. organization and equipment; until some years ago, when by mutual agreement the responsibility was transferred to Panama, the United States collected the garbage in the terminal cities of Panama and Colón and directed the mosquito elimination program which safeguarded the health of residents in Panama and the Canal Zone alike.

U.S.-owned merchant ships, flying Panama's flag of convenience, add to the revenues in Panama's coffers, and tourism attracted primarily by the canal provides a stream of dollars, particularly for the merchants in Panama City, a free port. U.S. private capital has invested fairly heavily in hotels and other projects or in direct loans to the Panamanian government, and a number of the largest U.S. banks have established branches in Panama City.

All of this golden stream has made Panama—despite its unstable governments, mismanagement, and a greedy elite—one of the most favored nations in Latin America. If "poor little Panama" has been exploited, none of the economic, health, or social statistics show it. It has one of the highest GNPs per capita among all the nineteen Latin American nations; it had, from 1960 to 1974, a per capita growth rate surpassed only, and barely, by that of Brazil; until 1975 it had one of the lowest inflation rates in Latin America; thanks to American medicine, infant mortality has been the lowest in all Latin America and the mortality rate, second lowest. Panama's literacy rate is considerably higher than most in the region, and its life expectancy has been fourth among all the Latin American nations.

Far from being exploited, it is quite clear that Panama has derived benefits from the American presence in the Canal Zone that have made it fortunate among nations. The canal is Panama's single greatest revenue source. The exploitation myth is just that—a propaganda ploy fostered by Panama's politicians, by Castro's Cuba, and by the Soviet bloc to help force the United States out of the zone. It has no basis in fact.

Mr. CURTIS. Mr. President, I yield the floor.

Mr. MUSKIE addressed the chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama is recognized.

Mr. ALLEN. I shall be delighted to yield to the distinguished Senator from Maine. The Senator will then recognize me, Mr. President.

Mr. MUSKIE. I thank my dear friend from Alabama. I simply wanted to make a brief reference to the comments just made by my good friend from Nebraska (Mr. CURTIS).

I devoted several hours on February 28 to some of the issues which he has just touched upon. For a more complete exposition of a different point of view, I want to make reference to those.

Whether or not we have been a colonial power in Panama depends upon one's definition of colonialism. The Senator from Nebraska, of course, has provided us with his own definition and then, by this definition, undertaken to measure our performance in Panama. I am not going to try to respond in detail to what he has had to say.

However, I was struck by one description the Senator has given us of his evaluation of our performance in Panama over the last 75 years vis-a-vis the Panamanians. I think this is the exact quote.

He said: "A generous spirit has always prevailed" in our attitude toward the Panamanians. Let me refer to the record. With respect to employment in the Panama Canal Zone of Panamanians and non-U.S. citizens generally, the fact is that the United States imported labor from Asia and from the West Indies to the zone for the purpose of getting cheaper labor than we could get from among Panamanians themselves, thus undermining Panamanian wage rates and denying employment to Panamanians.

Both during the construction phase of the canal and since, we also established separate wage scales for Americans as against non-U.S. citizens, reserving the best-paying jobs for our countrymen.

In the 1936 treaty, we pledged to work toward greater employment equality for Panamanians, that being one of the issues raised in the negotiations in that year, 22 years after we began operating the canal, both countries determining that it was an inequity that needed to be addressed. So, in the 1936 treaty, we pledged to correct an inequity and to work toward greater employment equality for Panamanians. Yet, legislation was passed reserving all high-paying canal jobs for U.S. citizens.

Following World War II, the War Department's two-tier hiring practice became official U.S. policy. Thus, we established and maintained a system which was both separate and unequal.

Now, whether or not that performance makes us a colonial power by all definitions which might be developed by any of us, it surely was not a generous spirit that moved us to establish that kind of discrimination as between Americans and Panamanians.

My good friend from Nebraska, in addition, made a great deal of the point that we had not tried to impose our culture on Panamanians. That is true. What we did was try to establish our culture with its obvious higher standard of living for Americans in the Canal Zone, and denied Panamanians equal access to that standard of living in the zone, while they, living a markedly lower standard of living outside the zone, were left to look at the doggy in the window which was beyond their reach.

That class system which we established was one of the reasons why, over the 75 years since the canal began operating, Panamanians have felt they were being treated as inferiors. There, up against their borders, were privileged people, people working in their country, making use of their resources, isolated from them by the higher American standard of living and culture for which they had to beg for crumbs from the table. That may not be colonialism by some definitions, but it was hardly the kind of generous spirit that we like to think of as motivating Americans in our relations with the less privileged in our own country, as well as the less-developed countries outside our borders.

So, whether or not we are a colonial power is not a question that I think is particularly relevant if we have to argue about what the definition is. But if we measure the performance against what I think most Americans would regard as fair treatment, the record supports the conclusion that, over 75 years, we have always manifested a generous spirit toward the Panamanians and toward their country and their government. Indeed, the conclusion is unavoidably 180 degrees opposite to that.

Mr. President, I shall not devote more time to this point at this time. I express my appreciation to my good friend from Alabama for yielding to me. I shall now resume my seat and listen to his amendment and to his case for it.

Mr. ALLEN. I thank the distinguished Senator from Maine. It was a pleasure for me to yield to him in order that he might make this speech on this occasion.

Mr. President, later on this afternoon, I shall offer what will be my last amendment to article III. In the Committee of the Whole, we have a very fair and complete set of rules as to the order of consideration of amendments to the treaty. Amendments are not allowed to the treaty throughout its four corners, but we have to proceed in an orderly fashion. The leadership's so-called amendments—whereas I referred to the leadership's so-called amendments in the past as the leadership amendments, in the future, I shall refer to them as the leadership's so-called amendments, or the leadership's understandings.

I shall explain that later.

Mr. President, the procedure in the Committee of the Whole, allowing us to offer amendments to the various articles in order, has allowed considerable discussion of the Neutrality Treaty and the Panama Canal Treaty prior to the introduction and consideration of the leadership understandings. I think this is very fine, indeed, because ordinarily, and I guess properly so, the leadership is recognized for the introduction of such amendments as it wishes to offer when any bill, constitutional amendment, or resolution is pending before the Senate. They have priority, and that is entirely proper.

But since their understandings are addressed to articles IV and VI of the treaty, that necessarily has allowed us to offer constructive, substantive amendments to the various articles before we go into the matter of the leadership understandings.

Of course, that was the strategy of the leadership from the start when they set the Neutrality Treaty before the Senate for consideration first, a treaty having to do with defending the canal and its neutrality starting with the year 2000, rather than to consider first the Panama Canal Treaty which transfers the canal to Panama and sets the conditions under which the transfer takes place.

It, of course, was the strategy of the leadership to quickly move to the approval of the leadership understandings and then claim victory in the treaty fight and to expect a quick rubberstamping by the Senate of both treaties. That has not taken place.

Mr. President, we have had considerable debate on the merits of both treaties, the advisability of giving the canal away and paying Panama hundreds of millions of dollars to take it, then the matter of a proper defense of the canal starting with the year 2000.

Whereas under the treaty and the leadership understandings we would be allowed to defend the canal and to maintain its neutrality starting with the year 2000, given that right, it was stated in possibly less precise terms in the treaty itself. We were given that right, but denied the means to enforce that right, because under the treaties we are supposed to have all of our troops out of the canal zone by the year 2000. Yet, supposedly, given the right to defend the canal, we necessarily would have had to have invaded Panama by amphibious landing or landing of paratroopers in order to defend the canal.

When we sought to add an amendment giving the President the right, if the maintaining of the military presence of the United States in the canal beyond the year 2000 was deemed necessary by the President to defend the canal and maintain its neutrality, he could continue that military presence for the term of 20 years.

Oh, that was a terrible amendment. It struck right at the heart of the treaty and could not be accepted under any circumstances. It killed the treaty.

I was somewhat amused just a few moments ago when the distinguished Senator from Idaho (Mr. CHURCH) was saying, "We proponents of the treaties are being charged in the consideration of amendments to make sure that it is all right with Mr. Torrijos."

He says that is not correct. That is not correct at all. We are not interested in that.

The distinguished Senator from Alaska (Mr. STEVENS) very quietly, but effectively, figuratively knocked Mr. CHURCH out of the Senate Chamber when he read from the Foreign Relations Committee report where it outlined just that very strategy.

The Senator from Idaho (Mr. CHURCH), of course, is the ranking Democrat on the Foreign Relations Committee and I am sure was cognizant of the lan-

guage of the report—or possibly he was not.

This is what it says in the Foreign Relations Committee report:

All of the other measures presented for consideration were rejected by the committee.

That is, amendments that Senators have put in.

In the committee's view, this action was necessary because the adoption of any of them would serve only to cripple the treaties and to render them unacceptable.

Why should that be? Why should a construction amendment cripple the treaties and render them unacceptable? Unacceptable to whom, Mr. President? The necessary implication is, unacceptable to Mr. Torrijos.

Additionally, reading from the Foreign Relations report:

Approval of any of these provisions would seriously raise the prospect of requiring the Government of Panama to hold another plebiscite. In the committee's view, it is desirable to avoid such a requirement to the maximum extent possible.

The leadership has followed that recommendation assiduously. They have sought to avoid such a requirement to the maximum extent possible by stonewalling against every amendment offered here in the Senate.

I predict that is going to be the state of every amendment that is offered, to avoid a plebiscite.

How do we know, Mr. President, whether any number of amendments would require a plebiscite? Mr. Torrijos first said that he was not going to accept any amendments, that that would require a plebiscite.

Now he says, "Well, I'll take the leadership amendments."

I am going to show in a moment the leadership amendments are not amendments. It might be a difficult task, but I will not have any difficulty showing that. They are not amendments.

It has been stated on the floor that adoption of these amendments, or any amendment, would kill the treaty. How could that be?

The distinguished Senator from Montana (Mr. MELCHER) on yesterday in declaring against the treaties, I believe somewhat to the surprise and chagrin of the proponents of the treaty, said, "Even if we reject the treaties, that is not the end of the road."

There are many benefits that can be conferred on Panama without a treaty and the negotiating table is open to the two Governments to draft a treaty more acceptable to the U.S. Senate.

So, Mr. President, I do not believe that any Senator can properly claim, as has been claimed by the proponents of the treaties time and time again, that the adoption of this amendment or that amendment or the other amendment would cause a new plebiscite in Panama. We are dealing with a one-man government, and Mr. Torrijos, even if we adopted a hundred amendments, could say, "That's all right. I'll sign the note of ratification, and we will have a treaty." And who would there be to say that he had acted improperly? Would our Government say that? I daresay not, because they seem so anxious to get a treaty.

What would be wrong with another plebiscite? Why should not our Government, why should not the people's representatives in the Senate, have a right to shape this treaty, and why should not the people of Panama have a right to act on what the Senate of the United States has done? I see nothing wrong with a new plebiscite. So why are we going through all these stonewalling motions on the part of the leadership to prevent amendments?

We have the leadership understanding, and beyond that, not a single amendment was proposed by the Foreign Relations Committee after considering these treaties week after week. The leadership admits of the necessity of no amendments other than the so-called leadership amendments. This complex issue took 13 years to be resolved at the negotiating table, and the U.S. Senate is not allowed to offer even one added suggestion, other than the so-called leadership amendment.

Mr. President, the first vote we had in the Senate, after these treaties were laid before it, was a vote on a motion to reverse the order of consideration of these treaties. Those who made the motion felt that it was more proper to consider first whether we were going to give the canal away, before a word about defending it in the year 2000. The leadership decreed otherwise, however, and we are now on the Neutrality Treaty. But on that motion we received 30 votes; or, to state it more precisely, there were 30 votes cast against the motion to table the amendment.

The national news media were quick to seize on that vote and say, "Well, it takes 34 votes to kill the treaties. On this test vote the opponents got 30 votes. Therefore, the treaties, are going to be agreed to."

Well, the treaties may be agreed to, Mr. President, but not because of that test vote. I did not read in the newspaper media or hear over the electronic media any speculation on the 40 votes we received on one of my amendments. It was not suggested that that was a test vote and that since we got 40 votes and 34 votes would kill the treaties, the treaties were in danger. But I suppose we can draw our own conclusions from that.

Mr. President, I anticipate that on tomorrow the leadership effort will be offered in the form of a so-called amendment to Article IV, because I believe we will be down to Article IV on tomorrow.

I stated last night, about a quarter to six, that when the leadership so-called amendment is offered, I am going to raise a point of order that is not an amendment. At the top of the instrument called an amendment, we have the word "amendment" in great big, bold, type. But when is an amendment not an amendment? It is not an amendment when it does not amend anything. This amendment and the one following it, amendment No. 21, do not amend anything. I invite Senators to read amendments 20 and 21. They will see that they add not a single word to the substance of the treaty—not one. They do not change any word in the treaty. They do not add any wording to the substance of the treaty. Oh, yes, they insert these words in the treaty. But let us examine what the words say.

I have no doubt that they will draft this amendment onto the treaty, this so-called amendment, but after that is done, let us see what it says. It does not amend anything; it does not add anything to the treaty.

Let us consider amendment No. 20:

At the end of article IV, insert the following:

"A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of Understanding—"

That describes what this document is. It is not an amendment; it is an understanding.

"—issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty as follows:

"Under the Treaty Concerning the Permanent Neutrality and Operation of The Panama Canal (The Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations."

In other words, they are describing what is already in the treaty:

"The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the canal . . ."

Et cetera, et cetera, et cetera, ad infinitum.

It merely gives our understanding of the language already in the treaty. Why is that important? It is important, in the first place, because we were promised an amendment. We were promised a leadership amendment that is going to be something of a panacea for the ills of the treaties. We are going to have an amendment. But do we have an amendment? We have an interpretation; we have an understanding. No new words added. No words knocked out.

What is the significance of that? We might say, so what? It is very important if we read from Senate Procedure, by the eminent parliamentarian, Dr. Floyd M. Riddick, who served with distinction as a Parliamentarian of the Senate for many years and now is Parliamentarian Emeritus of the Senate. I read from page 826 of this book:

Reservations and understandings are treated as amendments to the resolution of ratification and are not in order until the resolution of ratification has been presented to the Senate.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Will the Senator also read the first sentence on page 821?

Mr. ALLEN. I was reading from 20. I will get to 21, if I have it here, and I assume I have.

Mr. ROBERT C. BYRD. It is in the book, just five pages ahead of where the Senator is reading.

Mr. ALLEN. I understood the Senator wanted to read amendment 21. Is that correct?

Mr. ROBERT C. BYRD. No. The Senator misunderstood me. Will he read the first sentence on page 821 of the book that was authored by the distinguished Parliamentarian Emeritus?

Mr. ALLEN. Well, obviously, that is taken out of context. I will read the sentence before that and then read both sentences, if the Senator wishes that.

Mr. ROBERT C. BYRD. All right.

Mr. ALLEN [reading].

A point of order that a reservation was not in fact a reservation by an amendment to the treaty should be submitted to the Senate.

This is the reverse of what the Senator from Alabama is talking about.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. We are talking about an amendment here being a reservation rather than a reservation being an amendment. The rules do not define the scope and nature of amendments or reservations.

Mr. ROBERT C. BYRD. Good. That is precisely what I wanted the Senator to read. Would he read that again?

Mr. ALLEN. Well, the Senator has such a book, does he not?

Mr. ROBERT C. BYRD. I want the Senator, if he will be just kind enough, to read it once more.

Mr. ALLEN. I will read it once more, and then I will read the sentence I was reading to the Senator.

Mr. ROBERT C. BYRD. Very well.

Mr. ALLEN. The rule does not define the scope and nature of amendments or reservations, but I am talking about the understanding, I will say to the Senator. I am not talking about amendments or reservations. I am talking about an understanding.

Mr. ROBERT C. BYRD. Of course, that same language would apply to interpretations, statements. declarations and understandings.

Mr. ALLEN. Well, the Senator says it would.

The Senator asked me to read this language. Now he is interpolating. Let me read now what I started to read to the Senator.

Mr. ROBERT C. BYRD. I heard what the Senator read.

Mr. ALLEN. I know, but I want to read it again. The Senator suggested I read the sentence before. I hope the Senator will listen to this and listen carefully.

Mr. ROBERT C. BYRD. I have both ears open.

Mr. ALLEN [reading].

Reservations and understandings are treated as amendments to the resolution of ratification and are not in order until the resolution of ratification has been presented to the Senate.

It is about as clear as Dr. Riddick has expressed.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I yield.

Mr. ROBERT C. BYRD. I have no quarrel with what the Senator has just read. I do differ with his definition of what is an understanding in this instance. I will be glad to discuss the matter further when the Senator raises the point of order. But I want to let the Senator understand that I appreciate fully what he is saying. He is saying that the leadership amendment is not an amendment to the treaty.

Mr. ALLEN. That is correct.

Mr. ROBERT C. BYRD. But rather is an understanding.

Mr. ALLEN. That is correct.

Mr. ROBERT C. BYRD. And, therefore, should be offered to the resolution of ratification.

Mr. ALLEN. That is correct.

Mr. ROBERT C. BYRD. The Senator and I will argue that point when he makes the point of order, but I wanted him also to read the first sentence on page 821. which he has now read twice.

Mr. ALLEN. Yes, sir. But the Senator will also know that where the rules are silent then we fall back on Senate procedure, the precedents in the past, and the statements and conclusions from those precedents. That is what I was reading to the distinguished Senator when he asked that I yield to him.

Mr. ROBERT C. BYRD. The Senator was very courteous to yield. He also knows that, when the language is clear on its face, there is no need to go behind the instrument itself to interpret or to define the intent.

Mr. ALLEN. Well, if the Senator is arguing that this is an amendment just because it has got the word "amendment" written up there, we might put a label on this desk and call it a chair.

Mr. ROBERT C. BYRD. I did not argue with the Senator.

Mr. ALLEN. That does not make it a chair; it is still a desk.

Mr. ROBERT C. BYRD. The Senator does not make my argument for me as I do not make his argument for him.

I will ask the page to bring me a copy of the amendment No. 20. We might just as well join forces here.

Mr. ALLEN. That will suit me.

I might state to the distinguished majority leader——

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield to me from time to time.

Mr. ALLEN. I might state to the distinguished majority leader that the reason I brought this matter up on yesterday and the reason I bring it up today would be for the very purpose we are discussing this matter now. If you raise a point of order like this on the spur of the moment with two or three Senators present, and it not having been studied by the Parliamentarian, it leaves both Senators and the Parliamentarian at a disadvantage. So if we can discuss the matter early and give Senators an opportunity to ccnsider the matter I rather imagine, based on the sentences that I have read there, it probably will be submitted to the Senate.

That being true, the Senator from Alabama would have very little chance, with the process we are going through here, with the large majority seeking to defeat any efforts to change the treaties by amendment.

Mr. ROBERT C. BYRD. The Senator from Alabama is a very, very clever and astute and articulate—if the Senator will yield to me, he has the floor—debater, and if one is not careful one may be persuaded by the Senator's argument that the eye does not see what is obviously before it.

Mr. ALLEN. No, I will say in answer to the Senator inasmuch as he paused then, what the Senator from Alabama is hoping would come forward would be not an understanding but a leadership amendment. The Senator from Alabama does not feel that this is an amendment since it merely places a construction on existing language and adds no new language and strikes out no old language.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, sir.

Mr. ROBERT C. BYRD. The Senator apparently bases his definition of this language as an understanding on the basis of the fact that in line 4 there appear the words "statement of understanding."

Mr. ALLEN. Not only that, but the fact that it is just an understanding.

Mr. ROBERT C. BYRD. But at least partly on this.

Mr. ALLEN. No, that is in there. If the Senator thinks that is the point, that is fine.

Mr. ROBERT C. BYRD. Well, the Senator said "not only that," so I take it that at least partly——

Mr. ALLEN. Yes, not only that but the language of the understanding shows that it is just an understanding.

Mr. ROBERT C. BYRD. So that is part of the Senator's argument that the words "statement of understanding" would lead one to define the language as an understanding and not as an amendment.

Mr. ALLEN. Well, that is the Senator's argument he is making for me, and I appreciate that.

Mr. ROBERT C. BYRD. No, I am not making the Senator's argument. I listened to what the Senator said earlier, and I do not think my ears deceive me. I think the transcript will so show.

Mr. ALLEN. It may not be the additional reason, but the main reason is it does not amend anything. It is merely a construction.

Mr. ROBERT C. BYRD. Let me respond to the Senator there. It has to amend the treaty.

If one removes a comma from the treaty, the treaty is being amended. If one inserts a comma where there is no comma, the treaty is being amended. So, very clearly, this amendment states as follows:

At the end of article IV, insert the following:

Insert the following what? The following language, which indicates that there is a change being made in the treaty. Something is being added. What is being added?

"A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of Understanding issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty.

How can the Senator stand before this august body and argue to men and

women who have ears and who can hear and who have eyes and who can see that this is not an amendment to the treaty, that it adds nothing, when by the very language of the amendment itself it reads as follows: "which is hereby incorporated as an integral part of this Treaty."?

So the language that is in the leadership amendment—and I underline the word "amendment"—is incorporated into the treaty. How can something be incorporated as an integral part into a treaty, even if it were only a comma or a semicolon where there was none before, will the Senator tell me how that can be done without the treaty itself being amended?

Mr. ALLEN. Yes, I will be delighted to if the Senator will quit restating his question. The Senator from Alabama contends that after you added these words—I am not contending the words are not being added.

Mr. ROBERT C. BYRD. The Senator says it is not an amendment to the treaty.

Mr. ALLEN. There are no new words being added to the substance of the treaty. All you are doing is you are not knocking out any words, you are not adding any words to the substance of the treaty; you are not changing the words. You are merely saying that "We understand this language," that is already there—you are not substituting language—the language that is already there, means this. That is all it says.

Mr. ROBERT C. BYRD. Now the Senator has changed his tune. If I may use an old fiddler's terminology, he has changed his tune. He says, "Oh, the leadership amendment does not change the substance of the treaty," but earlier he was saying that it was not even an amendment, and he would make a point of order that it was not an amendment.

Mr. ALLEN. It is not an amendment. Show me what is amended.

Mr. ROBERT C. BYRD. All right, I will be glad to. The Senator is very kind to allow me to state it again. He wants to know what it amends.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. "1. At the end of article IV, insert the following:"

It amends article IV. It amends article IV by incorporating as an integral part of this treaty certain language.

While the Senator has the floor, could I ask him whether or not we could vote on his amendment by or before 6 o'clock p.m.?

Mr. ALLEN. Well, I do not know. I do not know at all. I do not know that we would be able to vote. The Senator has used quite a few minutes of my time here. He has left his argument hanging there, and not given me an opportunity to make a reply. As far as his arguments are concerned, the Senator from Alabama is going to answer them if it takes until midnight.

Mr. ROBERT C. BYRD. I do not mind staying until midnight.

Mr. ALLEN. I do want to answer what the Senator said about this being an amendment.

Mr. ROBERT C. BYRD. I want the Senator to answer. But the Senator talks about my argument being left "hanging there." The Senator's argument of yesterday was left hanging there. He made the same argument yesterday——

Mr. ALLEN. Wait just a moment.

Mr. ROBERT C. BYRD [continuing]. That he has been making today, the same argument over and over again.

Mr. ALLEN. That is in contradistinction with what the Senator said a moment ago. He said a moment ago I was changing my tune. Now he says I am making the same argument I made yesterday and all throughout the day. Now, which does the Senator mean?

Mr. ROBERT C. BYRD. Both.

Mr. ALLEN. I see. But in answer to the Senator as to whether this is an amendment or not, I challenge him to show me what has been knocked out of the treaty, or what words have been added to the treaty, other than as a construction of what is already there.

Mr. ROBERT C. BYRD. Oh.

Mr. ALLEN. This does not knock out language; it just says we construe the existing language to mean thus and so.

Mr. ROBERT C. BYRD. Oh, the Senator has indeed changed his tune, if I heard him correctly. I thought I heard him say earlier the amendment does not add anything.

Mr. ALLEN. It does not add anything. It construes something that is already there.

Mr. ROBERT C. BYRD. It adds language.

Mr. ALLEN. But it does not change the substance.

Mr. ROBERT C. BYRD. And it nails down and makes an integral part of the treaty the statement of understanding that was entered into between General Torrijos and the President.

If this language is not added to that treaty, then it is left dangling out there as a statement of understanding between these two heads of state some several weeks ago. But the leadership, by virtue of its desire to nail the statement into the four corners of the treaty and to chisel, as if in stone, the words of that understanding, has sought to introduce this amendment, which the Senator from Alabama has joined in cosponsoring, and which some 78 Senators have cosponsored.

That is the purpose of setting into the treaty this language, so that there can be no doubt. If people of future generations look at the treaty, the inserted words will be there, and in bold print.

Mr. ALLEN. I thank the Senator for his explanation, but it is a far cry, in the judgment of the Senator from Alabama, from being an amendment, because all it says is what we construe other language in the treaty to mean. It adds no new words to the substance of the treaty; it merely construes the words that are already there. That would make it an understanding rather than an amendment, as the Senator from Alabama would view it.

Mr. ROBERT C. BYRD. Well, the Senator from Alabama, as I say, is a very astute lawyer, he is an astute parliamentarian, he is an articulate spokesman for his cause. We simply disagree on this issue. I do not want to take any further time of the Senator; he has been kind enough to yield today, but he made this argument yesterday, and I listened to it on the radio, and he made it today and I have listened to it on the radio, and I thought that I would just come into the chamber and listen to him as he made his argument so eloquently and persuasively, but I thought it was about time that I just entered a little bit on the other side of this point.

You know, everything, even a buckwheat pancake, has two sides to it. The Senator made his argument yesterday, and I thought the record ought to show the other side; and when the Senator gets ready to make his point of order we will renew the discussion.

Mr. ALLEN. I thank the Senator for his contribution. I am delighted to hear his understanding of why this construction of existing language is in fact an amendment.

I would urge the leadership, unless it has surpassing pride of authorship in these words, to consider changing these documents, which give our understanding of existing language, and cast it in the form of an amendment that will really amend the treaty, rather than say what our view of the treaty is; that is all it does, if Senators will read it.

Taken at the value placed on it by the distinguished majority leader—a value, I might say, that I do not place on it—this statement of understanding or purported amendment is based upon the memorandum, the unsigned memorandum, entered into between President Carter and dictator Torrijos. After the agreement was reached, Mr. Torrijos put an entirely different construction on it from what our country was placing on the same language. He said it did not give us a right to intervene to defend the canal; it only gave us the duty of intervening when he pressed the button requiring us to intervene.

Now, Mr. President, the language of that memorandum has been brought forward into this purported amendment. Torrijos' statement that it does not give us any right or duty until he calls on us has not been recanted by Mr. Torrijos. If the memorandum was susceptible of two constructions, in like manner the amendment would be susceptible of two constructions; and while we would move forward with an amendment or understanding that already is the subject of a difference of opinion, that is something that I feel would just invite trouble.

Mr. President, there is another point in the leadership understanding. The other document, amendment No. 21, is susceptible to the same criticism. I believe amendment No. 21 is the one that provides for our going to the head of the line, along with Panama—for that matter, Panama has probably got a whole lot more ships than we have; I do not know how that would allow us, really, to go to the head of the line, since that privilege is given to our ships and Panamanian ships both—in an emergency. But the language fails to say who shall determine when an emergency exists. It does not give the United States the right to say that an emergency exists, and therefore we should go to the

head of the line. Panama might not think that an emergency existed even though we did. They would be in charge of the canal; how could we preserve our rights unless we went in and took over the canal to assert our right to go to the head of the line?

But I daresay, even though that is a noticeable flaw, that the leadership is not going to allow an amendment to correct that deficiency. They say, "Take it as it is. Take the treaty as it is, modify it by the leadership so-called amendments, and take them as they are. Do not take on yourselves, Members of the U.S. Senate, any right to make any change whatsoever in the language of either treaty."

If that is not the attitude here in the Senate, I would like to know what it is.

Let us see if any amendments are going to be allowed to the leadership amendments, even though they are noticeably subject to constructive criticism.

(Mr. SASSER assumed the chair.)

Mr. ALLEN. Now, Mr. President, getting to the current amendment I plan to offer at the conclusion of my remarks, article III, section 1, paragraph (e), which is a subsection that has given the Senate considerable difficulty and that is the provision which allows vessels of enemies of the United States, allows them to transit the canal undisturbed, without any search, inspection, or surveillance.

Amendments have been offered that would have nullified this section. The distinguished Senator from New York (Mr. MOYNIHAN) talked along the line that whatever the treaty provided, we are going to protect our national interests.

The Senator from Alaska sought to nullify this provision by providing that enemy warships, warships of countries that are belligerents with the United States or with Panama would not be allowed to peacefully transit the canal.

My amendment, which was defeated, after having received 40 votes out of 92 votes, provided that the Neutrality Treaty should not be construed to permit vessels of enemy nations of the United States, in times of war, to transit the canal.

Certainly, Mr. President, the elimination of this offending section would do no violence to the treaty. We already have in articles I and II statements declaring the neutrality of the canal; that the canal, both in time of peace and in time of war, shall remain secure and open to peaceful transit by all vessels, and so forth.

But that language goes as far as subsection (e) on page 17 of the State Department documents here containing the treaty. And I do not believe the argument that the leadership is taking and is not taking, depending on who is speaking for the proponents or at what time the same Senator speaking for the proponents makes a statement. Sometimes they say the opposition amendments are not because Mr. Torrijos might object. At other times they say, in effect, and as I read from the report of the Foreign Relations Committee, that the entire strategy on opposing these amendments offered both in the committee and on the floor is to defeat them because it might be displeasing to the Panamanians.

Now, that is not quite a lofty enough reason for opposing amendments in my way of thinking because they would not be pleasing to the Panamanians. Sometimes, Mr. President, they make that argument and sometimes they make another argument, but that is the true strategy of the leadership, and it is the strategy suggested and underwritten by the Foreign Relations Committee.

So, Mr. President, I do not see how Panama could object, if that is what is worrying the leadership—I do not see how Panama could object to knocking out subsection (e) of section 1 of article III, and that is what this amendment would do.

I would leave the neutrality language in articles I and II but not leave this language that the proponents claim or admit is meaningless because they are going to see to it one way or another that the ships, enemy ships, do not transit the canal. So why have a hypocritical, cynical, demagogic provision in the treaty? That is what it is, when it is asserted on the floor that we are going to assert our power to defend our interests irrespective of what the treaty says.

UP NO. 5

So, Mr. President, I send to the desk an amendment which encompasses what I have outlined and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama proposes unprinted amendment No. 5 to amend article III as follows:

Strike all of article III, section 1, paragraph (e).

Mr. SCHMITT addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. SCHMITT. Mr. President, I do not wish to question the distinguished Senator from Alabama.

Has he completed his remarks to the amendment?

Mr. ALLEN. Yes; I yield the floor.

Mr. SCHMITT. Mr. President, I do not rise at this moment to discuss the distinguished Senator from Alabama's amendment. I would rather like to talk in some general and somewhat unusual terms, unusual for this particular debate.

Mr. President, I would like to ask the distinguished floor manager a question. Is it the intention of the floor manager to go to a vote on this particular amendment?

Mr. SARBANES. Very soon although no time has actually been set. There is some hope that we will be able to vote in the next 10, 15, or 20 minutes with respect to this amendment and, therefore, dispose of it. If the Senator is preparing to speak at some length, I think it might be helpful to the procedure if he would defer so that we could deal with the amendment and vote. There has not been a unanimous-consent agreement entered, but there has been some informal discussion.

Mr. SCHMITT. Is it the preference of the Senator from Alabama that we move ahead to vote on his amendment?

Mr. ALLEN. I have no preference. The time is being taken care of by the proponents of the treaty. If the Senator wants to make some remarks which are not germane to the amendment, that would be subject to the wishes of the manager of the bill (Mr. SARBANES).

Mr. GRIFFIN. Will the Senator yield? He could ask unanimous consent to be recognized immediately following the vote.

Mr. SCHMITT. First, I appreciate the suggestion because that is exactly what I intended to do.

Mr. President, at the conclusion of the vote on the Allen amendment, I ask unanimous consent that I be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I thank the distinguished Senator from New Mexico for his consideration and courtesy in this matter.

Mr. President, I rise in opposition to the amendment. It brings us back again to the central issue of maintaining the neutrality of this canal, assuring its neutrality in its operation. The provision which it is proposed to strike covers the rights of vessels of all nations to transit the canal, an access which carry forward the requirements under the present treaty. Those same requirements are carried into the proposed treaty.

We discussed earlier in the day the strong argument as to why a neutral canal best serves the American interests and, indeed, best serves the interests of the world. I think to depart from the concept of a neutral canal is, of course, to involve us in great difficulties with respect to the status of the canal with belligerents.

As it is now, Americans have the right to protect ourselves by the use of armed force with respect to access to the canal, a right which is not limited or restricted. Of course, we would rely upon the use of our power to protect our interests.

I think the proposal to strike out all of subparagraph E of article III, paragraph 1, would strike from the proposed treaty an essential aspect of the neutrality provision, which is carrying forward arrangements which exist under the existing treaty. Therefore, I submit to my colleagues that this amendment should be rejected.

Mr. MUSKIE. Will the Senator yield?

Mr. SARBANES. I yield to the Senator from Maine.

Mr. MUSKIE. The status of the canal in the event of U.S. involvement in hostilities has been pretty well established in two World Wars, and, in a sense, in the Korean and Vietnam wars as well.

The whole purpose of this provision of the treaty is to insure that the canal, itself, shall not become the object of reprisal. If it comes to be regarded in time of war involving the United States against belligerents as a U.S. military instrument, it then becomes subject to the threat of attack. The same would be true in the event Panama should become involved in a war. It would be regarded

as using the canal as her instrument in that war against her enemy.

Panama's neutrality and security is best assured if it is made clear in these treaties that neither Panama nor the United States will use the canal against their enemies in time of war. There is no better way to protect the security of the canal. The fact is, of course, that in World War I and World War II, the canal retained this open, neutral status and no hostile nation sought to use the privilege granted to them under the neutrality concept. Germany did not presume to seek to use the canal to transit her combat vessels or to transit her support vessels because she understood that, as her vessels neared the approaches to the canal, they would be then subject to interception on the high seas by U.S. naval powers or by the allied naval power.

So there is no need to protect the canal and its use by the means suggested by the Senator from Alabama because, as a practical matter, out of the experience of two World Wars, we know that enemies hostile to us in time of war would not seek to use the canal.

The importance of this language is to avoid giving potential hostile nations an excuse to attack the canal itself, a legitimate excuse to attack the canal itself, as an instrument of U.S. war policy against U.S. enemies. I think that concept is very clear and it is very plain. I think it is very simple. It has worked in two World Wars with such effect that hostile nations have not sought to use the canal, notwithstanding the fact that the neutrality status of the canal gave them that option; and, secondly, the canal itself has not been threatened in either World War because it was protected by the concept of neutrality.

With that record of experience to support this provision in the treaty, it makes absolutely no sense to me to amend it out. I would urge my colleagues to oppose the Allen amendment.

Mr. SARBANES. Mr. President, I think all debate on the amendment has been concluded. I move to table the amendment, and I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and navs have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CANNON (after having voted in the negative). Mr. President, I have a pair with the Senator from West Virginia (Mr. RANDOLPH). If he were present and voting, he would vote "yea." I therefore withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Arizona (Mr. DECONCINI), the Senator from New Hampshire (Mr. DURKIN), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. BURDICK) is absent because of death in the family.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "nay."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from California (Mr. HAYAKAWA), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

The result was announced—yeas 58, nays 31, as follows:

[Rollcall Vote No. 45 Ex.]

YEAS—58

Anderson	Hatfield, Paul G.	Morgan
Baker	Hathaway	Moynihan
Bentsen	Heinz	Muskie
Bumpers	Hodges	Nelson
Byrd, Robert C.	Hollings	Pearson
Case	Huddleston	Pell
Chafee	Humphrey	Percy
Chiles	Inouye	Proxmire
Church	Jackson	Ribicoff
Clark	Javits	Riegle
Cranston	Kennedy	Sarbanes
Culver	Leahy	Sasser
Danforth	Long	Sparkman
Eagleton	Magnuson	Stafford
Glenn	Mathias	Stevenson
Gravel	Matsunaga	Stone
Hart	McGovern	Talmadge
Haskell	McIntyre	Weicker
Hatfield, Mark O.	Metzenbaum	Williams
		Zorinsky

NAYS—31

Allen	Garn	Roth
Bartlett	Griffin	Schmitt
Bellmon	Hansen	Schweiker
Brooke	Hatch	Scott
Byrd, Harry F., Jr.	Helms	Stennis
Curtis	Johnston	Stevens
Dole	Laxalt	Thurmond
Domenici	Lugar	Tower
Eastland	McClure	Wallop
Ford	Melcher	Young
	Nunn	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Cannon, against.

NOT VOTING—10

Abourezk	DeConcini	Packwood
Bayh	Durkin	Randolph
Biden	Goldwater	
Burdick	Hayakawa	

So the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to, and I move to lay that motion on the table.

The motion to lay on the able was agreed to.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes the Senator from New Mexico.

Mr. SCHMITT. Mr. President, at the request of the distinguished majority leader, I will yield him such time as he requires.

Mr. ROBERT C. BYRD. Mr. President, the Senator from New Mexico is very courteous, and I thank him.

I wonder if the Senator would allow the Chair to move to article IV, if no Senator has any further amendment to article III.

The PRESIDING OFFICER. Are there further amendments to article III?

If not, the clerk will state article IV.

The assistant legislative clerk read as follows:

ARTICLE IV

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties.

UNANIMOUS-CONSENT AGREEMENT—ORDER FOR RECESS

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield further, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon tomorrow; that following the prayer Mr. DANFORTH be recognized, as in legislative session, for not to exceed 15 minutes; that immediately thereafter the Senate resume consideration of the treaty; provided further that at that time the disinguished Senator from New Mexico who now has the floor be recognized for not to exceed 30 minutes; after which the Senate stand in recess, awaiting the call of the Chair, the purpose being for the taking of a photograph of the Senate in session; that upon the reconvening of the Senate following that recess, I be recognized to call up the leadership amendments to article IV and to make a statement in support thereof; that upon the completion of my statement, the distinguished minority leader, Mr. BAKER, be recognized to make a statement; that upon the completion of his statement, the distinguished Senator from Alabama (Mr. ALLEN) be recognized to make a point of order against the amendment; that upon the completion of his remarks anent the point of order, I be recognized also on that point of order.

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, do I correctly understand that following that period, amendments will still be in order to the leadership amendment?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I have no objection.

The PRESIDING OFFICER. Without objection, all the requests are agreed to, and the Senator from Missouri will be recognized tomorrow as in legislative session.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senator from New Mexico yields the floor today, there be a brief period for the discussion of routine morning business, as in legislative session, with statements therein limited to 10 minutes each, such period not to extend beyond 30 minutes.

There will be no more rollcall votes today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the treaty.

Mr. SCHMITT. Mr. President, it is my intention over the next few days, as we approach a vote on the Neutrality Treaties relative to the Panama Canal, to bring to the attention of my colleagues an alternative to the present treaties, to the 1903 treaties, an alternative which looks at our hemisphere as a whole, rather than just at the relationships between two nations.

By letter and by my floor statements, I hope that my colleagues will find this alternative intriguing, as well as a practical solution to the international and political problems that face us all.

Mr. President, the Panama Canal has been treated as a chip on an international poker table for many days now. Debate over ratification has at times dimmed the view of the canal as a real thing in our present and in the past of so many Americans. Those Americans who have experienced the canal in Panama have described their feelings in varied but always human terms.

All my colleagues, I am sure, are aware of the outstanding literary work of Mr. David McCullough called "The Path Between the Seas." That work ranks with many others as one of the most outstanding examples of factual narrative that is not only an outstanding work of fact but also immensely readable. It stands well with Barbara Tuchman's works, with Freeman's works on Lee and Lee's lieutenants, and many other such literary offerings.

McCullough, in that book, provides us with numerous insights into the feelings of Americans and others who have been associated with the canal, and I draw the attention of my colleagues to a few of these.

One is with respect to the comments of Daniel Chester French and Frederick Olmsted, Jr., who were representatives of the Commission on Fine Arts, who wrote as follows, upon visiting the canal:

> The canal itself and all the structures connected with it impress one with a sense of their having been built with a view strictly to their utility. There is an entire absence of ornament and no evidence that the aesthetic has been considered except in a few instances. . . . Because of this very fact there is little to find fault with from the artist's point of view. The canal, like the Pyramids or some imposing object in natural scenery, is impressive from its scale and simplicity and directness. One feels that anything done merely for the purpose of beautifying it would not only fail to accomplish that purpose, but would be an impertinence.

McCullough, himself, writes with unusual perspective and unusual feeling on the last pages of his book, and I quote:

> The creation of a water passage across Panama was one of the supreme human achievements of all time, the culmination of a heroic dream of four hundred years and of more than twenty years of phenomenal effort and sacrifice. The fifty miles between the oceans were among the hardest ever won by human effort and ingenuity, and no statistics on tonnage or tolls can begin to convey the grandeur of what was accomplished. Primarily the canal is an expression of that old and noble desire to bridge the divide, to bring people together. It is a work of civilization.
>
> For millions of people after 1914, the crossing at Panama would be one of life's memorable experiences. The complete transit required about twelve hours, and except for the locks and an occasional community along the shore, the entire route was bordered by the same kind of wilderness that had confronted the first surveyors for the railroad. Goethals had determined that the jungle not merely remain untouched, but that it be allowed to return wherever possible. This was a military rather than an aethetic decision on his part; the jungle he insisted before a congressional committee was the surest possible defense against ground attack. . . . But for those on board a ship in transit, the effect for the greater part of the journey was of sailing a magnificent lake in undiscovered country. The lake was always more spacious than people expected, Panama far more beautiful. Out on the lake the water was ocean green. The water was very pure, they would learn, and being fresh water, it killed all the barnacles on the ship's bottom.
>
> In the rainy season, storms could be seen long in advance, building in the hills. Sudden bursts of cool wind would send tiny whitecaps chasing over the lake surface. The crossing was no journey down a great trough in the continent, as so many imagined it would be, but a passage among flaming green islands, the tops of hills that protruded still above the surface. For years after the first ships began passing through, much of the shore was lined with half-drowned trees, their dry limbs as white as bones.
>
> The sight of another ship appearing suddenly from around a bend ahead was always startling; so complete was the feeling of being in untraveled waters, so very quiet was everything.
>
> In the Cut the quiet was more powerful, there being little if any wind, and the water was no longer green, but mud-colored, and the sides of what had been the spine of the Cordilleras seemed to press in very close.
>
> Even in the locks there was comparatively little noise. Something so important as the Panama Canal, something so large and vital to world commerce, ought somehow to make a good deal of noise, most people seemed to feel. But it did not. Bells clanged on the towing locomotives now and again and there was the low whine of their engines, but little more than that. There was little shouting back and forth among the men who handled the lines, since each knew exactly what he was to do. The lock gates appeared to swing effortlessly and with no perceptible sound.

With that McCullough ended his narrative.

Mr. President, my own experience with the Canal Zone was somewhat different than most, and I would be willing to wager entirely different than that of my colleagues. One of the possibilities we prepared for as astronauts was the possibility of a return to Earth that left us on our own in equatorial jungles. Our training for this eventuality was in the jungles of the Canal Zone; the same jungles that defeated the French and deLesseps; the same jungles that killed tens of thousands dedicated to a canal in Panama; the same jungles that gave mankind one of its greatest medical triumphs, the victory over yellow fever; the same jungles without which the victory over the Cordillerian backbone of the hemisphere would have seemed far less than it was.

The modern experience of Panama came upon us gradually unlike the sudden immersal 60 years earlier that greeted new canal builders as they arrived at the edge of civilization. The monument to these builders split the hummocky green carpet beneath our plane like a ribbon of glass that fell from view only as we landed. The airbase appeared to be only temporarily claimed from the jungle; an airbase so human in its purpose but so obviously transient without human attention.

The first evening was a trip into the third world of the Panama of the 1960's. Like the more familiar border towns of northern Mexico, we were surrounded by the contrast between the prosperity and efficiency of the Canal Zone and the random poverty and civilization of Panama's "border towns." The one new, ubiquitous element was an unspoken fear, an apprehension born of news accounts and the military bearing of "La Guardia." Nowhere before or since have I felt the obvious atmosphere of a police state. Even in the Soviet Union, there is a visual subtleness to oppression.

A day of instruction in the potential bounty of the jungle followed, climaxed by a "banquet" of all the storybook meats and fruits of the jungle. Robinson Crusoe finally became a reality. Even the barbecued boa left us with the impression, soon to be dispelled, that survival in the jungle was going to be an idyllic interlude of feasting on our way to the Moon.

That this impression was wrong came with the fading sound of the departing helicopter that dropped us in a hard won clearing on top of a jungle hill. Even knowing that civilization "as we know it" was only a few miles away, the overwhelming power of nature had instantly enveloped our party. But the Sun was shining, the parrots were calling, and our guides were urging us along a path deeper and deeper into the forest. The need to survive instinctively began to be part of our thoughts, as we brushed against the millions of years of evolution of our species.

Our instruction continued: The water filled vines; the spine covered black palm; the secret hiding places for dry wood; the best thatching material; the best sources of palm heart. Finally, we were left to survive.

Our "survival" was only to last 3 days; but the realism of the location, the soon-to-be continuous rains, and the failure of most of the spacecraft survival gear we carried soon convinced us that the jungle was less a friend than a relentless, personal competitor.

As recited by the canal builders, the rain, the ever-present rain, the enveloping rain, dominates life in the jungles of Panama. Not only dominates life, but controls and monopolizes life. Fishing in the stream ceases, dry clothes disappear, and sleeping requires acquiesence to wetness. One's dominant memory is a steady and hypotizing preoccupation with a small, glowing fire buried in a mass of sodden wood, kept alive only by a frequent breath of life from the men who had begun to live for it.

In survival training, the search for food goes on in spite of the presence of

survival pack holed away for moments of uncontrolled hunger. By slipping on a muddy path, a searcher rediscovers the spines on the trunk of a black palm; releasing the grip, but too late to avoid either a fall or a hand full of searing needles. The staple food becomes that which gourmets will pay dearly for: Heart of palm. It becomes the base for the fish soup that somehow makes the image of survival real.

Suddenly we moved out of the past, out of the jungle along paths of unknown builder and purpose, leading down to the frantic, now swollen brown river. Then we floated down the river to be surprised by a home of an Indian family that materialized out of the forest. These new friends showed us all we might have learned to live with rather than live in spite of in the jungle. This is our last, maybe most important lesson as the familiar sound of civilization's helicopters is imposed again upon us.

Only in retrospect can one sense the ghosts of the canal builders, who finally beat the jungle, reliving these heroics with the ghosts of those who called the jungle home. Who is to judge the more human of the emotions they describe to man of the emotions they describe to each other? Who is to say that the more human thing is not to simultaneously learn to live with and fight against that which confronts ingenuity. It is in the balance of living with and fighting against that we create a civilization.

Mr. President, McCullough picks one of the most intriguing quotations which Theodore Roosevelt is credited for when he gives us Roosevelt's remarks to a group of several hundred Americans, including John Stevens, in an apparently off-the-cuff speech where he was describing the building of the canal in terms akin to the fighting of the Civil War, and I quote:

> When your fathers were in the fighting, they thought a good deal of the fact that the blanket was too heavy by noon and not quite heavy enough by night, that the pork was not as good as it might be . . . and that they were not always satisfied with the way in which the regiments were led. . . . But when the war was done—when they came home, when they looked at what had been accomplished, all those things sank into insignificance, and the great fact remained that they had played their part like men among men; that they had borne themselves so that when people asked what they had done of worth in those great years all they had to say was that they had served decently and faithfully in the great armies. . . . I cannot overstate the intensity of the feeling I have . . . I feel that to each of you has come an opportunity such as is vouchsafed to but few in each generation. . . . Each man must have in him the feeling that, besides getting what he is rightfully entitled to for his work, that aside and above that must come the feeling of triumph at being associated in the work itself, must come the appreciation of what a tremendous work it is, of what a splendid opportunity is offered to any man who takes part in it.

So ends Roosevelt's statement.

The question of the ratification of the Panama Canal treaties presents one of the most complex technical, international and political questions of our time. It also presents one of the most complex personal questions of our lives. Unfortunately, after 14 years of negotiations, we find ourselves in a situation where neither ratification nor rejection of the treaties are acceptable answers. But an answer must be given. This situation is not the fault of anyone; it is the fault of history and our times.

The building of the canal was "going to the Moon" for my father's generation. I caught the imagination and motivation of the country and much of the world just as did Apollo of the 1960's. It brought out what was best in the American spirit; a positive approach to civilization.

The canal began, as did Apollo, with a challenge to American technology and pride. If others fail, we will succeed; if others say it cannot be done, we say it can. The canal was successful only when the new technology of the age, the technology of the railroads was applied to moving mountains rather than crossing them. Apollo was successful half a century later because of a use of the technology of airplanes to fly above the atmosphere rather than through it.

On top of the base of railroads were created new steels, new engineering, electrical power, and remote control. This play was reenacted by Apollo upon the base of the airplane with the development of new materials, electronics, communications, energy ideas, and environmental systems.

The control of a hostile climate was essential for the building of the canal just as controlling the environment of space was essential to the movement of men to the Moon. The conquering of yellow fever and malaria in the jungles of Panama, as with the protection of human life in space, have benefited medical science and mankind beyond any dream.

The sheer scale and cost of building the canal was comparable to Apollo. The numbers still stagger the mind; 262 million cubic yards of earth were moved at a cost of about 650 million 1910 dollars by a work force that probably totaled several hundred thousand people. Apollo's effort was measured in different terms—6.5-million-pound space vehicles, a cost of about 22 billion 1965 dollars and about 400,000 workers—clearly the two projects were in the same league.

The most critical element in the construction of a canal in Panama, as in landing men on the Moon, was the motivation of young Americans who believed that it should be done. They believed that nothing they could do with their lives would be more worthwhile or more rewarding. It is this motivation that literally moves mountains and conquers other worlds. It is this motivation that has created our positive civilization and which will see us through our present and future trials.

Today, among most Americans, we find an emotional involvement in the Panama Canal issue that seems to defy any quantitative explanation. In addition to hearing about its role in the lives of our fathers or grandfathers, most Americans have some direct or indirect attachment to the canal. It may have been childhood history books, civil or military service by a member of the family, a vacation, a Christmas card, or stamp collection that implanted the image of an "American Canal in Panama."

Mr. President, the Senate has debated the proposed treaties for over 15 days now. I fear, however, that we have too often lost sight of our mission. As Alexander Hamilton wrote in the Federalist No. 75, the power of making treaties:

> Relates neither to the execution of the subsisting laws, nor to the enaction of new ones, and still less to an exertion of the common strength. Its objects are contracts with foreign nations, which have the force of law, but derive it from the obligations of good faith.

As the Senate approaches the vote next week on the first of the two treaties, I believe we would be prudent to remember Hamilton's analysis.

If we agree to remember Hamilton's thoughts, we also will agree to consider these treaties in their proper historical and "good faith" context. We must not only examine these treaties in the terms of the United States and Panama, but also in the terms of every nation that uses the canal.

In this respect, Mr. President, my efforts will continue to be directed towards what I believe is the most acceptable answer to these treaties. I call that answer "INTERSEA." Specifically, the treaties must be designed to allow for international users of the canal to participate in the operational decisions. By expanding the sole control and operational responsibilities of the canal from one nation, be it Panama or the United States, to the nations of the Western Hemisphere, it is my belief that not only will America's vital interests be protected, but the necessary "good faith," the necessary moral obligation that we have toward our friends in the hemisphere, can be assured.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period, as in legislative session, for the transaction of routine morning business of not to exceed 1 hour, with statements therein limited to 10 minutes.

The Senator from Wisconsin (Mr. PROXMIRE) is recognized.

NOMINATION OF MRS. GLORIA CUSUMANO JIMENEZ TO BE FEDERAL INSURANCE ADMINISTRATOR

Mr. PROXMIRE. Mr. President, I have been critical toward many nominations made by President Carter and other Presidents, but I wish to say a word in approbation about a nomination I am about to submit to the Senate from the Committee on Banking, Housing, and Urban Affairs.

The other day we had before our committee the nomination of Mrs. Gloria Cusumano Jimenez, of North Carolina to be Federal Insurance Administrator.

As Mrs. Jimenez came before our committee, I was most impressed by her background, her qualifications, and her record in the area of insurance regulations in North Carolina. She had a fine record there of several years of activity.

And she was a woman of considerable intelligence and one of the most remarkable things about her was her frankness and straightforwardness in answering questions, and, Mr. President, there were no false hopes, there were no doubts about where she stood. She was clear and decisive, and on the basis of her testimony and on the basis of her record, on the basis of her experience, I am convinced she is going to be an outstanding Federal Insurance Administrator.

And I hope that this nomination will be the first of a number of the nominations which will be based on qualifications and not in political connections or on some other irrelevant element that has nothing to do with the requirements of the job. This is a most difficult and exacting job, incidentally, she is being nominated for, and it is one that has been constantly under controversy from Senators and from others, because, of course, the national flood insurance program is especially controversial. So it is important that we have somebody who has that kind of experience and capability handling the job.

HUMAN RIGHTS AND THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I am proud of this administration's commitment to the importance of human rights. I find it discouraging that in this day and age, there are still places in this world where there is virtually no respect for human rights. I have spoken in the Senate several times of the atrocities which occur daily in Uganda and in Cambodia. Idi Amin and Khmer Rouge provide us with vivid evidence of how power can be used to carry out genocide today.

The United States is known throughout the world for the respect which it accords individual freedom. The founders of this country had the foresight to write into the Constitution guarantees of rights which they felt should be basic to human existence. These included the right to freedom of expression, freedom of religion, and many others.

But there are other countries where even the most basic of all human rights, the right to live, is not guaranteed. Several years ago, after the horrible lessons learned at the hands of Nazi Germany, the United Nations drafted a treaty which makes the commission of genocide an international crime. It had the foresight to know that as the world progressed, there would still be a real need for a document stating clearly the signers' resolve to insure that genocide would never occur again, and yet genocide continues, and it continues in part because that treaty has not been made effective throughout the world.

And why? Because the Senate of the United States has not acted.

President Truman concurred with the drafters of that treaty. He signed the treaty in 1948. President Eisenhower supported the treaty. President Kennedy supported the treaty. President Johnson, President Nixon, President Ford, President Carter have all pleaded with the Senate to ratify that treaty and yet we have said no to every President of the United States since President Truman.

Mr. President, I find it incredible today that in 1978 the Senate has yet to ratify the convention. I feel that the Senate could find no better way to show its support for the President's stand on human rights than to ratify the Genocide Convention.

I might point out again that President Carter himself has indicated his full support for the provisions of the treaty. He has raised it as a principal human rights treaty. I do hope that the Senate will ratify the convention just as soon as possible.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WICHITA INDIAN TRIBE OF OKLAHOMA

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. ABOUREZK, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 773.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 773) entitled "An Act authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That, notwithstanding sections 2401 and 2501 of title 28, United States Code, and section 12 of the Act of August 13, 1946, as amended (60 Stat. 1049, 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the Indian Claims Commission under section 2 of the Act of August 13, 1946, as amended (60 Stat. 1049, 1050; 25 U.S.C. 70a), to hear, determine, and render judgment on any claims the Wichita Indian Tribe and its affiliated bands and groups (namely, the Wichita, Keechi, Tawakonie, and Waco) have against the United States with respect to any lands or interests therein which were held by aboriginal title or otherwise, which were acquired from such tribe, bands, or groups without payment of adequate compensation by the United States: *Provided*, That no affiliated band or group may bring a claim not held in common with the Wichita Indian Tribe. Any claim filed hereunder with the Indian Claims Commission shall be subject to the provisions of the Act of October 8, 1976 (90 Stat. 1990), relating to the transfer of cases to the Court of Claims. Any party to any action under this Act shall have the right of review with respect to any decision of the Indian Claims Commission or the Court of Claims under section 20 of the Act of August 13, 1946, as amended (60 Stat. 1049, 1054; 25 U.S.C. 70s).

Mr. ROBERT C. BYRD. On behalf of Mr. ABOUREZK, I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a statement by Mr. ABOUREZK be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. ABOUREZK

S. 773 is a bill to authorize the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without compensation, and for other purposes.

The amendment of the House is in the nature of a substitute and revises S. 773 in several ways as follows:

First, language in the bill waiving the defense of res judicata and collateral estoppel is deleted. Since there has never been a decision on the merits of the Wichita claims, the language is unnecessary.

Second. The phrase "affiliated bands and groups" of the Wichita is given a more limited construction. The Department of Justice was concerned that tribes not holding a claim in common with the Wichita might be able to file a claim under the loose language of the bill. It is intended that the phrase apply only to the Keechi, Tawaconie, and Waco Tribes.

Third. The substitute provides that any claim filed with the Indian Claims Commission by the Wichita would be subject to the Act of October 8, 1976, providing for the transfer of cases from the Commission to the Court of Claims. The Justice Department felt that jurisdiction should be with the court rather than the Commission, since the Commission is due to expire on September 30, 1978. The amendment would confer such jurisdiction, if necessary or appropriate.

Fourth. Finally, the amendment eliminates subsection (b) which provides that no decision of the Commission or other authority relating to aboriginal lands of the Wichita shall affect any claim under this legislation. Justice feels that this is unnecessary since the Wichita would not be bound by any decision to which it was not a party.

The amendments outlined above were recommended by the Justice Department and I have been informed by representatives of the Wichita Tribe that the bill as passed by the House is entirely acceptable to them. This bill, will, finally, allow the Wichita Tribe to litigate their aboriginal title claims such as other tribes have litigated.

DENIS HAYES: SOLAR ENERGY NOW

Mr. PERCY. Mr. President, I need hardly remind my colleagues that the energy problems facing this Nation are intricate and immense; and that any time a clear thinker comes along who attempts to confront that vast array of issues, we should listen very carefully to his testimony. Such a thinker is Denis Hayes, a senior researcher at the Worldwatch Institute and one of the organizers of Sun Day. His article in the February 26 Washington Post presents a cogent case for a much stronger Federal commitment to solar energy than exists today.

Mr. Hayes points out that the National Energy Act, important as it is, only looks

as far as 1985. It is crucial to plan as far into the future as possible. A planned, gradual transition away from depleting oil and gas will be far easier than a forced, abrupt one. Mr. Hayes contends therefore, that, since (in his opinion) our most attractive eventual substitute for oil and gas is solar energy, solar government assistance should be upgraded now.

Solar energy is not a dream. Mr. Hayes details the economic state of the solar energy industry, and finds it very promising. Solar heating and cooling, for example, are already cost competitive in many parts of the world, and some parts of this country. Solar photovoltaic cells are steadily decreasing in price. In fact, while the prices of all other forms of energy will only rise, with technological advances and mass production, the price of solar energy may well decline.

Mr. Hayes concludes his article with a short discussion of the "solar society." Because of increased safety, employment, equitability and involvement, he maintains that "of the possible futures we might choose, a solar-powered one appears most inviting." But of course, the transition to such a society would not be painless.

With Sun Day, Mr. Hayes has already significantly helped smooth that transition. Sun Day, May 3 (a Wednesday) will see educational and expositional solar energy activities take place throughout this country and in at least 11 others. Fifty-six of my colleagues joined me in cosponsoring a resolution proclaiming May 3 Sun Day. I expect that many of us will take part in Sun Day activities on and around May 3. When that day is over, citizen awareness of solar energy should have increased severalfold. A strong public commitment will provide the strongest incentive for the Government to increase its assistance to solar energy.

Mr. Hayes' article is well reasoned and informative. It makes no unreasonable assumptions and comes to no unreasonable conclusions. I recommend it highly to my colleagues as a concise essay on the reasons for using solar energy now.

Mr. President, I ask unanimous consent that Denis Hayes' article, "We Can Use Solar Energy Now," from the Washington Post, February 26, 1978, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE CAN USE SOLAR ENERGY NOW

(By Denis Hayes)

We all live in solar homes. We think we heat our houses with oil, natural gas or electricity, but 95 per cent of their warmth comes from sunbeams. In a sunless world, our dwellings would be 400 degrees Fahrenheit below zero when we turned on our furnaces. The houses of solar pioneers simply squeeze a few more degrees from the sun than do the conventional homes of their neighbors.

Twenty years ago, virtually all Americans hung up their weekly wash on "solar clothes driers." Today, few do. If I hang my wash on a line and you put yours into an electric drier, the solar energy I use will be ignored by statisticians while the electricity you use will be tabulated in next year's almanacs.

We ignore the sun for the same reasons that fish ignore water: It is abundant, free and dependable.

The solar influx is so large that it defies easy comprehension by students of conventional energy sources. Every day, the world receives 10,000 times more energy from the sun than humankind derives from all conventional fuels combined. But the official 825-page United Nations Survey of World Energy Supplies does not even mention the sun.

We know how to harness this solar influx directly as sunlight and indirectly through wind, green plants and running streams. Every essential technological ingredient for a commercial solar energy system has existed for more than a decade, although most of these devices have not yet benefited from mass production. The issue today is whether we will make the necessary policy decisions to develop these resources, or whether vested interests will coerce our continued reliance on sources that are dangerous, vulnerable to disruption and ultimately unsustainable.

Unlike fossil and fissile fuels, sunlight is a flow and not a stock. Once a gallon of oil is burned, it is gone forever; but the sun will cast its rays earthward billions of years from now, whether sunshine is harnessed for human needs or not. Technical improvements in the use of sunlight could lower prices permanently; similar improvements in the extraction of finite fuels could hasten their exhaustion.

SOLAR HEATING AND COOLING

Heating water with sunlight is simple. The collector is, in essence, a box with a black bottom and a glass top. Glass is transparent to sunlight but not to the radiation of longer wavelengths given off by the hot collector itself. Hence, heat is trapped inside. When water is pumped through the hot collector, its temperature rises. The hot water is then piped to a very well insulated storage tank where it is kept until needed.

Other countries are outpacing the United States in this field. About 30,000 American homes heat their water with sunlight. In tiny Israel, 200,000 homes have solar water heaters, and in Japan the figure is over 2 million. In remote northern Australia, where fuels are expensive, the law requires solar water heaters on all new buildings.

There is some controversy over how rapidly we will catch up. The original goal of the Carter administration's energy plan was 2.5 million solar heaters by 1985. In subsequent congressional testimony, Energy Secretary James Schlesinger trimmed this target to 1.3 million.

Wilson Clark, energy adviser to Gov. Jerry Brown of California, finds the federal figures amusing. "We will, beyond a doubt, have more solar collectors installed in California by 1985 than those guys are forecasting for the whole country," says Clark. The Solar Energy Industries Association, which represents most major solar manufacturers, considers 11 million installations a reasonable 1985 goal.

Sunshine can also be used to heat buildings. "Passive" systems store energy right where sunlight strikes the building's walls and floor. Such systems are designed to shield the structure from unwanted summer heat while capturing and retaining the sun's warmth during the colder months. Passive solar architecture is beyond doubt, the most efficient and cost-effective way to heat and cool new buildings. Modest investments will often provide 80 to 100 per cent of a building's space conditioning requirements. But passive features cannot easily be added to existing structures.

"Active" solar heating systems are more expensive, but they can be bolted onto the roofs or southern walls of existing buildings as a substitute for—or supplement to—conventional furnaces. In active systems, fans or pumps move supplement to—conventional furnaces. In active systems, fans or pumps move solar-heated air or liquid from collectors to storage areas, from which heat is withdrawn as needed. Solar self-sufficiency will usually dictate a combination of active and passive features in all but the southern rim of the United States.

Buildings can be cooled as well as heated by sunlight. Again, passive solar design is the most important first step, but active solar air conditioners are also now being marketed. Absorption solar air conditioners, which operate on the same principle as gas refrigerators, reach peak cooling capacity when the sun burns brightest, which is when they are most needed. They therefore could reduce peak demands on many electrical power grids. As solar air conditioners penetrate the housing market the overall economics of active solar heating systems will improve, because solar collectors will begin providing a year-round benefit.

Solar technologies have industrial applications as well. A study of the Australian food processing industry, for example, found that heat comprised 90 per cent of the industry's energy needs. Almost all this heat was at under 150 degrees Centigrade and 80 per cent was below the boiling point of water. Such low-temperature heat can be easily produced and stored using simple solar devices. In the United States, solar heating is now being applied to a soup-canning plant in California, a fabric-drying facility in Alabama and a concrete block factory in Pennsylvania. Solar-powered laundries and car washes are now operating in California, and a St. Louis brewery has turned to solar pasteurization.

SOLAR CELLS

The most exciting solar electric prospect is the photovoltaic cell—now the principal power source of space satellites and the main element in photographic light meters. Such cells generate electricity directly when sunlight falls on them. They have no moving parts, consume no fuel, produce no pollution, operate at environmental temperatures, have long lifetimes, require little maintenance and can be fashioned from solicon, the second most abundant element in the earth's crust.

Photovoltaic cells are modular by nature, and little is to be gained by grouping large masses of cells at a single collection site. On the contrary, the technology is most sensibly applied in a decentralized fashion—perhaps incorporated in the roofs of building—to minimize transmission and storage problems. With decentralized use, solar cells can be combined with compatible technologies to use waste heat for space heating and cooling, water heating, and refrigeration. Last summer a photovoltaic array in Mead, Neb., irrigated 80 acres of corn at a thousand gallons per minute.

The manufacture of photovoltaic cells is currently a low-volume business—only 750 kilowatts of photovoltaic capacity were produced in 1977—and the products are consequently rather expensive. But a recent U.N. report concluded that solar cells would become cheaper than nuclear power if they received a total investment of $1 billion—less than the cost of just one large nuclear power plant.

STORING SUNLIGHT

Solar energy is too diffuse, intermittent and seasonally variable to harness directly to serve some human needs. Interruptions plague all energy systems, however. Electrical power lines snap, gas and oil pipelines crack, dams run low during droughts and nuclear power plants frequently need repairs, refueling and maintenance.

Sometimes the intermittent nature of an energy source causes no problems. For example, solar electric facilities with no storage capacity can be used to meet peak demands,

since virtually all areas have their highest electrical demands during daylight hours.

Low-temperature heat can be temporarily stored in such substances as water or gravel; in fact, substantial short-term heat storage capacity can be economically designed into the structural mass of new buildings. The larger the storage container, the less surface area (through which heat can leak) it has per unit of volume. Large storage tanks serving clusters of houses can be designed to have such low leakage rates that seasonal storage becomes economically possible. Princeton physicist Theodore Taylor advocates solar "ponds" serving as many as 100 houses—collecting heat in July for use in February, and producing ice in February for air conditioning in July.

Eutectic salts, which melt at about 90 degrees Fahrenheit, provide a much more compact storage medium than water. These cheap, plentiful salts can hold prodigious amounts of heat. In the past, salt caked on the interior walls of the storage container, interfering with efficient heat transfer. General Electric has overcome this problem by rotating the storage cylinder at 3 revolutions per minute.

Electricity can be stored directly in batteries. Existing batteries are expensive, but new types may soon enter the market. For example, the "iron redox" batteries that will store 2,200 kilowatt hours of photovoltaic-generated electricity for an Arkansas community college are expected to cost less than one-fifth as much as standard lead-acid batteries when mass produced.

But nuclear reactors and large coal plants also require energy storage. These facilities cannot be geared up and down to follow the peaks and valleys of electrical demand; they produce power at a steady rate, and surplus power from non-peak hours must be stored for the periods of heaviest demand. Because more energy is used during the day than at night, the overall storage requirements for a society based on renewable energy sources may prove no greater than those of an all-nuclear society.

SOLAR COSTS

Conventional wisdom holds that while solar energy has many attractive characteristics, it is too expensive today to see widespread application. As is so often the case with conventional wisdom, yesterday's truth has become today's misapprehension.

Five years ago, solar energy could not compete economically with low-priced fuels. Most solar homes used materials that were handcrafted in small workshops. But since 1973, the cost of solar equipment has dropped steadily while the costs of all competing energy sources have skyrocketed. Today, with factory production, a typical solar collector costs about $25 a square foot; by 1981, mass production could bring average costs under $10. Solar technologies already can provide energy for many purposes at no higher cost than conventional energy sources.

Take, for example, solar heating. Throughout the lower 48 United States, solar house heating now makes economic sense at the margin. That is to say, if the energy is to come from a new solar unit or a new nuclear power plant, the solar investment will be cheapest. The homeowner, of course, will not be buying electricity just from the expensive new power plant; the utility will average the expensive new energy in with cheap energy from existing sources, so that the true cost of new power is hidden from the individual consumer (and borne, through rising utility bills, by all consumers). But for society as a whole, the new energy could be most cheaply harnessed with solar equipment.

Even where the homeowner must compare the marginal costs of new solar equipment with the average cost of competing energy sources, solar investments will generally make sense over the lifetime of the building. The most important first step is to incorporate passive solar design into the building's blueprints. Often this costs little or nothing. For example, it costs no more to place most windows in the southern wall than to place them facing north, but southern windows capture the sun's warmth while northern windows merely leak the building's internal heat. Roof overhangs, masonry floors and working shutters are not expensive. Yet, combined with tight construction and good insulation, they can lower the heating load of the building by 75 percent and more. In Arkansas, 200 well-designed houses constructed under a grant from HUD cost no more than neighboring houses built using conventional construction standards, but their fuel bills are only one-fourth as high.

More elaborate designs can lead to greater savings. In the relatively mild climate of Atascadero, Calif., Harold Hay's passive solar house was constructed with bags of water incorporated in its roof. These act like "thermal flywheels," capturing energy on winter days and storing it to meet nighttime heating requirements. In the summer, the system collects heat from the interior during the day and radiates it outward at night. The cost of the solar features was about $5,000. The solar system has provided 100 percent of the home's heating and cooling needs for several years.

In climates where passive solar design will not provide 100 percent of heating requirements, back-up fuels or active solar systems are needed. In Princeton, N.J., architect Douglas Kelbaugh's passive solar home captures energy through a huge southern window wall during the day and stores it in a concrete interior wall to meet nighttime heating requirements. Like other passive solar homes, the Kelbaugh residence employs no pumps or fans—just careful design. The solar features cost around $9,000, and they provide virtually all of the home's requirements. In the unusually cold winter of 1976–1977, the year's heating bill was just $75. Financed with a conventional home mortgage, Kelbaugh's solar energy system would require $1,800 cash at construction with monthly payments of $60—far less than his neighbors' fuel bills.

Many different solar collectors, pumps, fans and storage systems are now on the market. Prices frequently fluctuate severalfold. For example, solar collectors can be built and installed for a materials cost of about $2 per square foot. Prices of professionally installed solar collectors can range from under $10 per square foot to more than $70. The prices of thermal storage containers range from about $10 per cubic meter for hand-built systems to as much as $35 per cubic meter for commercial products. Hand-built solar systems can hold marked advantages over all competing energy sources. At the lower end of the price range, commercial solar systems also make economic sense.

Skeptics often point to the high-cost solar equipment used in some federal solar demonstration projects and claim that the buildings could have been heated with oil for a fraction of the cost. But such buildings incorporate no cheap passive solar features and they generally employ the most expensive solar hardware on the market. Morever, the price of oil is an average price—not the price of new oil—and even this average price is kept artificially low through oil depletion allowances, intangible drilling cost write-offs, foreign tax credits, unsafe tankers built for accelerated depreciation, polluting refineries in the Caribbean and direct governmental price controls. Even in this loaded contest, solar energy compares fairly well.

THE COST OF SOLAR CELLS

Even photovoltaic cells—the most expensive technology now being used to harness solar energy—are much less expensive than is commonly believed. For example, a panel of distinguished scientists assembled by the Ford Foundation incorrectly reported in 1977 that "current [photovoltaic] collector costs are about $200,000 per kilowatt of peak electrical capacity."

The most charitable thing to be said for this figure is that it is 20 years out of date. Solar cells did cost about $200,000 a peak kilowatt in the late 1950s, but by early 1975, the costs had dropped to $31,000. By September, 1978—eight months before the Ford report was issued—the costs had dropped to $15,500.

Within months of the Ford report's release, the cost of solar cells fell to $11,750 a peak watt. And last December, the Department of Energy awarded a grant for a solar cell array that "tracks" the sun across the sky and concentrates its rays into comparatively small photovoltaic cells. This system, which will be installed at the Arkansas community college, will generate 362 kilowatts at a total installed cost of $6,000 per peak kilowatt.

Making allowances for the average availability of sunshine versus the average capacity factors of large nuclear power plants and considering demand patterns, transmission and storage, solar cells are now probably about 10 times as expensive as nuclear power in the most favorable regions of the United States. Solar cells now cost about one-tenth what they cost 5 years ago; nuclear power now costs about twice as much as it cost 5 years ago.

The United States now has about 48,000 megawatts of nuclear capacity and less than 1 megawatt of terrestrial photovoltaic capacity. With mass production, solar cell costs are expected to continue falling dramatically. A 1977 report by the Federal Energy Administration contends that a $240 million purchase of 150 megawatts of solar cells, staggered over three years, would lead to a cost of just $500 per kilomatt for the 70 megawatts produced the third year.

Both solar-electric and wind-electric devices product direct current—not the alternating current we are used to. Hence, one occasionally hears the comment that the cost of a solar society should include the cost of replacing all our appliances with devices that run on direct current (as do appliances in many motor homes today). Ignoring the possible merits of converting to direct current, the issue is trifling. Many things—from incandescent light bulbs to stoves—can perform well on direct current. Devices to convert direct current into alternating current are on the market for $180 per kilowatt for home-size units. For large orders, the price can fall to $50 per kilowatt.

WHAT NEXT?

After four years of fumbling, the federal government appears to be on the verge of passing a National Energy Act. This legislative "cornerstone" of the Carter administration is—in essence—an attempt to squeak through 1985 without having to grant Saudi Arabia the mineral rights to Ft. Knox. What it lacks is what America most desperately wants: a vision of where we are going.

The transition to a sustainable, post-petroleum world will require some decades to complete. The National Energy Act—almost totally dependent on the expansion of conventional, centralized energy sources—is not even a step in the right direction. If solar energy is to play an important role in the future, several actions must be taken immediately.

First, there is no substitute for money. While competing energy sources have financially benefited from the diligent efforts of scores of high-paid lobbyists, solar energy has not. Since 1952, when the Paley Commission recommended to President Truman that solar energy be aggressively developed, solar technology has received less than 1 five-hundredth of federal energy funding.

Although solar funding increased rapidly after the Arab oil embargo of 1973, it has now remained stalled for two years with less than 4 per cent of the federal energy budget.

For solar enthusiasts, the new Carter budget is a great disappointment. Solar, wind and biological energy sources combined will receive less than one-fifth as much as is directly spent on nuclear fission. Renewable energy resources will receive $200 million less than breeder reactors alone. In fact, after adjusting for inflation, the federal solar budget is $40 million lower this year than it was last year.

The current state of solar technology would justify a budget in the $1 billion range. There would be little public opposition to this $5 per capita investment in our most promising energy source. If our current energy crisis requires "the moral equivalent of war," surely the solar, wind and biological answers to that crisis deserve at least the financial equivalent of one small weapons system.

Of course, no one wants to see tax dollars shoveled out stupidly. A good solar program will require clear-eyed managers and sufficient staff to handle the load. The current solar effort is deficient in both respects. Consequently, research has emphasized small numbers of huge projects. It is far easier for an understaffed office to manage a few big projects than many small ones.

In addition to performing research and development, the federal government should actively encourage the commercialization of solar technologies. Such proposals always stick in the craw of people who would prefer to see commercialization handled in the free marketplace. Alas, the free marketplace for energy disappeared long ago, when mineral depletion allowances, investment tax credits, accelerated depreciation schedules, federal assumption of nuclear liability, federal ownership and subsidization of uranium enrichment facilities, federal underwriting of synthetic fuel development, oil and gas price controls, the rural electrification program, and dozens of other financial and regulatory actions were instituted. Without exception, these discriminated against decentralized technologies. Today's need is for policies that will put solar energy on an even footing with its competitors.

HELPING THE BUYER

Because the initial investment is the principal cost for solar technology, prospective consumers must have access to up-front money. Different residential solar tax credits have now passed both houses of Congress; the likeliest compromise will provide a credit of 30 per cent on the first $2,500 investment and 20 per cent on the next $7,500. Businesses that install solar equipment will receive a 10 per cent credit above the existing investment tax credit.

Unfortunately, this will not begin to counterbalance the higher tax credit allowed for investments in nuclear and synthetic fuels facilities in the Senate version of the National Energy Act. Moreover, tax credits are of limited usefulness for millions on fixed incomes who are being ravaged by rising fuel prices. Poor people will require something like a Treasury rebate as a down payment before they will be able to afford solar investments.

A financing authority should be established to give the homeowner and small businessman access to investment capital on terms at least as attractive as those available to utilities to invest in centralized energy sources. This might take the form of the national Solar Development Bank proposed by Rep. Stephen Neal (D-N.C.), making 30-year loans at very low rates of interest. States could supplement such a federal effort with state institutions funded with revenues from tax-free bonds; several such proposals are now before the California legislature.

Many homeowners are reluctant to purchase solar equipment because such merchandise often carries an inadequate warranty. Warranties are considered important because the initial cost of solar technologies is generally high. Solar investments make economic sense only because they have no fuel costs and low maintenance costs in future years. But if the performance of the equipment is not guaranteed for several years, the economics of solar technologies become more questionable.

However, a warranty system can discriminate against small manufacturers. In an ascent industry, warranties are meaningful only if they are backed by performance bonds. Otherwise, businesses can simply disappear, leaving the consumer holding the bag. But setting aside scarce capital to guarantee the performance of equipment for a decade can pose an unbearable burden on small entrepreneurs.

California Energy Commissioner Ronald Doctor has suggested a solar warranty fund, analogous to the oil spill liability fund. All solar manufacturers meeting certain standards would be allowed to contribute to the fund; if anyone's equipment proved faulty, the fund would guarantee remuneration. The state would be the warrantor of last resort.

The construction of a house or other building involves a 35-to-50-year commitment to energy usage levels. By 1981, it would be reasonable to require at least passive solar design features in all new buildings. At the very least, new buildings should be required to meet vigorous regional weatherization standards, and to be built and oriented in ways that facilitate eventual retrofitting with solar equipment.

A more direct role can be played by the federal government—the largest single purchaser of almost everything in the American economy—through its procurement policies. If, for example, the Defense Department were to make a concerted effort to provide solar heat where possible to its existing residences, a market in excess of 50 million square feet would open up. The total U.S. market for solar collectors in 1977 was about 5 million square feet.

If Defense were to purchase 150 megawatts of photovoltaic capacity for $450 million (including storage batteries and power conditioning equipment), it would save $1.5 billion net over the next 25 years in fuel and maintenance costs for displaced gasoline generators. A 1977 FEA report found that such a Pentagon purchase would reduce the cost of commercial photovoltaics to $500 a kilowatt—a price that is competitive for many purposes with conventionally generated electricity.

HELPING THE THIRD WORLD

One of the most dramatic solar efforts the federal government could undertake would be in the realm of foreign assistance. Solar energy makes even more sense today in the Third World than it does domestically. Developing countries tend to be richly endowed with sunlight. Their population patterns lend themselves to decentralized energy sources: half the people in Latin America, 70 per cent in South Asia and 85 per cent in Africa still live in rural areas. And in remote Third World villages, the current high cost of conventional energy, especially electricity, makes virtually all solar options economically competitive today.

Last May, President Carter eloquently proclaimed our national interest in improving the prospects of the world's poor. Energy is vital to economic development. Since Carter is understandably cautious about the proliferation of nuclear power around the world, solar energy poses an obvious answer.

What would it cost to provide a minimum decent supply of energy to each of the world's 1 million rural villages before the end of the century? Quite a bit. If the United States were to shoulder the entire burden, it might amount to one-half of 1 per cent of our gross national product annually.

That would be a very substantial pledge, but it must be placed in perspective. American aid to Europe under the post-World War II Marshall Plan amounted to 2.8 per cent of GNP. By comparison, 0.5 per cent for solar assistance is a pittance. Next year, it would amount to over $5 billion—a large figure, but not too intimidating when compared to annual Third World arms receipts of nearly $28 billion.

Much of this foreign assistance would be spent here at home. As American manufacturers begin to mass produce photovoltaic arrays, small wind turbines, etc., the domestic prices of these items should plummet. This would be a boon to U.S. consumers, and it would help American solar companies in the world solar market. As a way to incorporate his concern for poverty, human rights and nuclear proliferation in one package, a "Carter Plan" to bring solar technology to the poor villages of the world may represent the President's most attractive opportunity.

A final area where federal assistance should aggressively harness renewable energy sources is on the farm. U.S. farmers are upset with the low prices their crops are now bringing. U.S. consumers are unwilling to see their food bills rise. One answer would be a major national effort to make America's firms independent of high-priced fuels—thus separating food prices from fuel-induced inflation. Solar, wind and biological sources can be easily tapped to meet the energy demands of American agriculture. A solar equivalent of President Roosevelt's rural electrification program, which provided subsidized loans at 2 per cent interest to extend the nation's electrical lines to the farm, could lead to energy self-sufficiency for the nation's farms by 1990.

THE SOLAR SOCIETY

Energy transitions always bring fundamental social change. In the 18th century, the substitution of coal for wood and for draft animals made possible the Industrial Revolution. The later shift to petroleum made possible the jet plane and the automobile, shrinking the world and reshaping its cities. The coming energy transition, whatever direction we take, will bring similarly far-reaching changes.

Tapping some energy sources demands ever-increasing centralization; solar resources are best used at dispersed locations. Some dangerous sources can be permitted widespread growth only under authoritarian regimes; solar energy can lead to nothing more dangerous than a leaky roof. Some energy sources invite profiteering cartels; solar sources would tend to narrow the gap between rich and poor—both within and among countries. Some energy source will tend to reduce the size of the workforce; solar sources promise large numbers of new jobs. Some energy sources involve technologies that baffle all but a few specialists; solar energy can be harnessed by individual homeowners with simple devices built of local materials.

Of the possible futures we might choose, a solar-powered one appears most inviting. But the transition will not be smooth and painless. Competing energy sources will be vigorously championed by powerful vested interests. Bureaucratic inertia, political timidity, conflicting corporate designs and the simple, understandable reluctance of people to face up to far-reaching change will all discourage a solar transition from occurring spontaneously.

If the solar transition is to be speedily undertaken, the federal government will have to play a strongly promotional role. But thus far the influence of national policy makers has probably been negative. For two years

they have caused homeowners to delay solar purchases by promising eventual tax credits—and then failed to pass the necessary legislation. They have invested the lion's share of federal solar research in elephantine technologies to the detriment of the small-scale, decentralized options best suited to solar equipment. They have spared no pains to involve electric and gas utilities in solar applications, ignoring the fact that solar energy is a textbook case of an anti-monopolistic resource.

While still hoping for leadership from Washington, many Americans are no longer waiting for it. With the sure instincts displayed by innumerable inventors, tinkerers and entrepreneurs throughout our history, these citizens are in the vanguard of a nation that, in the years ahead, must increasingly turn toward the sun.

JUDICIARY PASSES SUN DAY RESOLUTION

Mr. PERCY. Mr. President, I would like to thank my colleagues on the Judiciary Committee for their rapid action on Senate Joint Resolution 110, establishing May 3 as Sun Day. In their meeting just this morning, though overburdened with an agenda of business three pages long, the committee took the time to express its support for the solar energy celebration day. I particularly wish to thank the distinguished Senator from South Dakota for initiating discussion of the Sun Day resolution in the committee. Let me also express my gratitude to my colleagues on the committee who would have called up the resolution had Mr. ABOUREZK not done it first.

With Judiciary approval, Senate Joint Resolution is now cleared for floor action. I foresee no controversy; the resolution is cosponsored by 57 Senators. I hope the entire Senate can act rapidly on this matter. The identical resolution has already been passed by the House of Representatives. After the Senate acts, the resolution will be sent to the President. He will then make the public proclamation of Sun Day that the resolution requests.

DO-IT-YOURSELF CONSUMER PROTECTION

Mr. PERCY. Mr. President, although the House of Representatives recently voted down legislation to establish a Consumer Protection Agency, individual consumers are far from helpless to protect themselves against fraud, shoddy merchandise, and other consumer rip-offs.

In a recent Washington Post article, Thomas Daffron — presently serving as administrative assistant for Congressman WILLIAM COHEN and a former valued member of my own staff—described his time-tested techniques for dealing with consumer problems. Often, direct action by an irritated consumer produces quicker results than any bureaucratic involvement possibly could.

Mr. Daffron offers several concrete tips for prodding businesses into prompt action on a complaint. He suggests that carbon copies of a complaint letter, mailed to political figures, the media, governmental agencies, and Better Business Bureaus, will often mobilize valuable support. A factual, to-the-point account of the grievance, documented with all relevant details and available evidence, emphasizes the seriousness of a complaint and frequently yields satisfactory results.

For this reason, Mr. Daffron recommends saving bits of evidence such as faulty goods, which can be mailed to offending companies at the appropriate time.

The article demonstrates that direct consumer action, supported by evidence and responsibly pursued, can be a most effective form of redress. If practiced on a large enough scale, such direct action might promote greater sensitivity to the legitimate concerns of American consumers.

To further inform my colleagues about these possibilities, Mr. President, I ask unanimous consent that Mr. Daffron's article "How To Be Your Own Consumer Agency," from the February 19 edition of the Washington Post, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 19, 1978]

HOW TO BE YOUR OWN CONSUMER AGENCY

(By Thomas A. Daffron)

Now that the House has decided there will be no Consumer Protection Agency, we're still left to our own wits in coping with the world of commerce. This may not be a bad thing. The typewriter and the personal encounter, I have found, are frequently mightier than the government agency—and invariably quicker.

I was 11 years old, my father tells me, when I dashed off a sharp note to the president of the Daisy Air Rifle Co. lamenting the deficiencies of my BB gun. I have no memory of whether I received any satisfaction from Daisy, but the event marks the beginning of an informal career as the champion of my favorite consumer—me. Since then, I have won some battles against the free enterprise system and lost many more. But, in the process, I have formulated and refined a variety of theories that seem to have general application for the beleaguered consumer.

1. Challenge the Giants and the Dwarfs, but beware of the Medium-Sized.

The most satisfying moments in a personal consumer crusade occur when one energizes an industrial Goliath, such as the Allstate Insurance Co.

Fifteen years ago, after a surly local agent had refused me automobile insurance and offered no explanation, I sent Allstate's chairman a registered letter describing my driving record in excruciating detail. Within two weeks, platoons of Good Hands people were begging me to entrust my car to them. The key to my success was the target of my appeal: In a vast corporation, everything trickles down; nothing flows up. To deal with the local or regional manager is to invite profound depression.

Just as a large national company is normally mindful of its corporate image, so is a small neighborhood enterprise concerned about its local repute. My local cleaner, for example, muttered only briefly before paying me for my favorite tie after it was swallowed up by his mangle. And I got at least a draw with my local plumber when he created three new leaking pipes while installing a water heater. He didn't repair the pipes, but I didn't pay the full cost of the water heater, and his enthusiasm for sending dunning notices eventually waned.

It is the anonymous, medium-sized manufacturer, with no national reputation and no proximity to his customers, who can be the bane of the consumer's existence.

In 1976, for instance, I tried to capitalize on a five-year guarantee on the covering of a recently purchased attache case. Though I wrote directly to the president of the firm, and twice mailed the torn and frayed case from Washington to Chicago (at my expense), I received no satisfaction beyond two dabs of glue on the tears and cryptic messages from an unsympathetic repairman. Absolutely nothing could shake this technician's conviction that I was secretly pummeling my attache case with sharp objects and had thereby voided the guarantee.

While carrying my belongings between home and office in a manila envelope for a period of two months, I had more than enough time to reflect on my complete lack of leaverage. Clearly, there was (a) little repeat business in attache cases, (b) no national image to damage, and (c) no danger that I would spend $100 to fly to Chicago to argue over a $26 purchase—all of which leads logically to my next theory.

2. Be Persistent, but Know When to Cut Your Losses.

Obviously, any detached reader of my correspondance with the attache case factory would have advised an early retreat. This is the tactic I employed in a dispute over tuition payments to a school attended by one of my children. Recognizing the right of the school to expel my child for any reason, including whimsy, I quickly withdrew from that one-sided contest after my initial pleas were ignored. The potential return simply did not justify the risks.

On the other hand, I did not hesitate to badger the Ford Motor Co. until it had compensated me satisfactorily for the indignities heaped upon my Pinto by one of its dealer repair shops. Importuning a car manufacturer is a risk-free endeavor, and Ford presumably has an interest in its repute and in repeat business.

3. Intimate Clout, but Do Not Lie.

An individual who is, say, the local prosecutor obviously would be wise to use his professional stationery when reminding a commercial establishment of its failings, although it is a nice touch to state that one is writing as a private citizen. In general, trying to gain an initial edge is nothing more than simple prudence.

Idle threats are counterproductive, however, and nearly all threats from a single individual are idle when subjected to serious scrutiny. Lying is a particularly bad idea, since even if the ploy is successful, years of unnecessary worry will afflict the normal law-abiding citizen. Having at the age of 13 invented the firm of Coogan, Butterworth, Washwelton & Fink to hint at legal action on my behalf, I continue to hope that the statute of limitations will expire on this youthful fraud.

4. Watch for the Whipsaw (or Catch-22).

Occasionally, even the most vigilant consumer can be ensnared by circumstances that make the merits of his case irrelevant. Anticipation and avoidance are the only remedies.

Two years ago, I purchased a mildly modish suit from a clothing store which does no alterations, the saleman having alleged that a few tucks here and there would make it absolutely perfect. I then took it to a tailor who operates under the same roof, but is, in fact, an independent entrepreneur. After a bit of reckless cutting, the tailor produced a butchered garment that cut off my circulation from navel to mid-thigh. When I protested, the tailor said that a modish suit should not have been sold to someone with a body like mine (41 regular); the salesman countered that the suit was perfect until I placed it in the hands of the clumsy tailor. Ultimately the president of the clothing firm provided me with a new suit, but only

his enlightened attitude prevented a permanent stalemate.

5. Nothing Ventured, Nothing Gained.

Personal consumer advocacy is Russian roulette. Though it is possible to increase one's odds, it is impossible to state with certainty which appeals will be heeded and which ignored. Therefore, it is imperative that the initial complaint be by registered mail.

While my literary labors yielded zero attache cases, a much less extensive effort brought me three new tennis rackets in three successive months, all of them eventually reduced to kindling by mis-hits overheads. (I have switched to aluminum.)

Insurance companies are astonishingly unpredictable. I received nothing when a gale swept away several of the trees in my yard; the company argued that no "structures" were damaged. Yet the same company insisted on compensating me for the cost of painting a garage ceiling that was water-spotted by a leaking shower drain on the floor above. It made no difference that the spots had dried and the ceiling was previously unpainted.

6. Carbon Everybody.

The Russian roulette factor obtains here as well. Five carbons may be blanks and the sixth a direct hit. Politicians, the media, state and local agencies, better business bureaus—anyone with even a peripheral interest should be included. Occasionally, the carbon list spurs competition among the recipients, to the great advantage of the consumer.

7. Be Sincere, Factual and Readable, but Not Sarcastic or Contemptuous.

It is well worth noting that the company receiving a consumer appeal can, in most instances, dismiss it peremptorily without any significant economic consequences. Regardless of the legitimacy of a grievance, the consumer must appear rational and persuasive or risk consignment to the company's "crank" file.

Pejorative statements on American capitalism ad hominem assaults and sarcasm may fulfill the needs of the consumer's psyche, but they rarely help his pocketbook. A bit of urbane humor may be a net plus, however, particularly after the initial correspondence has established a comfortable rapport.

8. Overwhelm Them With Details.

The best letters are those which include times, dates, places, names of offending parties, copies of sales slips or canceled checks and any other evidence that can convey the image of an injured but temperate consumer. My letter to Ford on the Pinto was a massively documented, four-day chronology which, while tedious in parts, yielded results.

It also is often useful to volunteer mildly (but not seriously damaging information to reinforce the appearance of veracity. My letter to Allstate, for example, described at some length an unreported accident that had occurred five years earlier when my car was sideswiped by a 1929 Model A piloted by a septuagenarian.

9. Preserve Every Shred of Evidence.

In addition to the various forms of paper that can be enclosed with a letter, the broken appliance, the fire-scorched wall, the exploded tire and other forms of physical evidence can be powerful allies. They can be mailed when appropriate, or shown to a company representative, but they should not be discarded until all hope is lost.

In 1967, an adjuster for a dubious moving company visited our home to discuss our losses after protracted, three-cornered negotiations involving his company, us and the Interstate Commerce Commission had failed to produce a settlement by mail. We found him unmoved by such items as a box marked "sweaters" which was empty and a globe for a floor lamp which was unaccompanied by the lamp itself. But when we showed him our dining room table, into which his driver had permanently scratched his name and the date by grinding a ballpoint pen through onionskin paper, he finally acknowledged his firm's liability. Resisting the urge to apply furniture polish to the table saved us $200.

These nine rules are neither comprehensive nor foolproof, but I trust they suggest that asserting one's rights in the marketplace need not be a futile exercise. The rewards of personal consumer advocacy can be handsome, in money and self-esteem, and the only investment required is time.

UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar order numbers 603 and 614, as in legislative session.

EXCHANGE STABILIZATION FUND AMENDMENTS OF 1978

The Senate proceeded to consider the bill (S. 2093) to provide that the exchange stabilization fund shall not be available for payment of administrative expenses; and for other purposes, which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Exchange Stabilization Fund Amendments Act of 1978".

SEC. 2. Subsection (b) of section 10 of the Gold Reserve Act of 1934 (31 U.S.C. 822a(b)) is amended by—

(1) striking "with the Treasurer of the United States" in the first sentence and inserting in lieu thereof "in the United States Treasury";

(2) striking the second and third sentences; and

(3) amending the fourth sentence to read as follows: "The fund shall be available for expenditure, under the direction of the Secretary of the Treasury and in his discretion, for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States of any portions of the fund which the Secretary of the Treasury, with the approval of the President, may from time to time determine are not currently required for the purposes prescribed by this section: *Provided,* That the fund shall not be available for the payment of administrative expenses.".

SEC. 3. Section 10 of the Gold Reserve Act of 1934 (31 U.S.C. 822a) is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of the Treasury may, under such rules and regulations as he may prescribe, provide to personnel performing the international affairs functions of the Department of the Treasury allowances and benefits comparable to those provided by title IX of the Foreign Service Act of 1946.".

SEC. 4. The Secretary of the Treasury is authorized, without regard to the standards and procedures of section 3324 and chapter 51 of title 5, United States Code, to appoint a total of sixty-one of the personnel of the Department of the Treasury (in addition to any positions which may be allocated to the Department of the Treasury presently or in the future at the discretion of the Civil Service Commission from those authorized under section 5108(a) of title 5, United States Code) in GS–16, 17, and 18, to carry out the international affairs functions of the Department of the Treasury: *Provided, however,* That when the person who has first filled such position leaves such position, the standards and procedures of section 3324 and subchapter 51 of title 5, United States Code, shall be applied in filling the position. For the purpose of this section, the aggregate number of positions authorized to be established by section 5108(a) of title 5, United States Code, shall be increased to reflect the sixty-one positions created by this section.

SEC. 5. Section 51 of the Act of December 30, 1970 (22 U.S.C. 276c–2) is amended by—

(1) amending the first sentence to read as follows: "Notwithstanding the provisions of any other law, the Executive Directors and Directors and their alternates, representing the United States in the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund, shall, if they are citizens of the United States, in the discretion of the Secretary of the Treasury, each be eligible on the basis of such service and the total compensation received therefor, for all employee benefits afforded employees in the civil service of the United States.";

(2) striking from the second sentence the words "the fund established pursuant to section 10(a) of the Gold Reserve Act of 1934 (31 U.S.C. 822a(a))" and inserting in lieu thereof "funds appropriated to the Department of the Treasury"; and

(3) striking the last sentence.

SEC. 6. There are authorized to be appropriated not to exceed $23,000,000 for fiscal year 1979, including sums for official functions and receptions and representation expenses, to carry out the international affairs functions of the Department of the Treasury.

SEC. 7. The provisions of this Act shall take effect on October 1, 1978, except the amendment made by section 5(1) which shall be effective as of July 1, 1977.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–661), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

HISTORY OF THE BILL

S. 2093 was introduced in the Senate on September 14, 1977, and referred to the committee. The Subcommittee on International Finance held a hearing on the bill on October 7, 1977. Testimony was heard from: Anthony M. Solomon, Under Secretary of the Treasury for Monetary Affairs; Elmer B. Staats, Comptroller General of the United States; David E. Bodner, senior vice president, Chemical Bank; and Hans Hunsch, senior vice president, Bankers Trust. The * * * in carrying out international affairs functions during fiscal year 1979, to report S. 2093 favorably with an amendment.

The amendment agreed to by the committee would authorize appropriation of sums not to exceed $23 million to meet Treasury's expenses in carrying out international affairs functions during fiscal year 1979.

PURPOSE OF THE BILL

The purpose of the bill is to terminate the use of the Exchange Stabilization Fund (ESF) to pay certain administrative expenses of the Department of the Treasury and make necessary statutory adjustments to provide for the payment of such expenses

through appropriations beginning in fiscal year 1979. The legislation would authorize the Secretary of the Treasury to place officials presently compensated at supergrade-equivalent levels from ESF resources in regular civil service supergrade positions (GS–16, 17, and 18), and to provide allowances and benefits from appropriated funds to employees whose allowances and benefits are presently paid out of the ESF.

The bill would also place a ceiling of $23 million on appropriations for fiscal year 1979 for expenses associated with the international affairs functions of the Treasury Department. The bill, as introduced, would have permanently authorized the appropriation of such sums as might be necessary for such purposes. The bill was amended in full committee markup to provide an annual authorization ceiling.

NEED FOR THE LEGISLATION

The legislation is needed in order to subject the steadily growing expenses of the Treasury Department for international affairs to regular appropriations and congressional oversight. At present, such expenses are paid from the Exchange Stabilization Fund.

The ESF was created by section 10 of the Gold Reserve Act of January 30, 1934 (31 U.S.C. 822a) for the purpose of stabilizing the exchange value of the dollar. Congress appropriated $2 billion to the ESF from the profits realized on the revaluation of U.S. gold holdings. The Gold Reserve Act provides that the ESF is to be operated within the Department of the Treasury under the exclusive control of the Secretary of the Treasury, with the approval of the President. The Secretary is authorized to deal in gold and foreign exchange and to invest funds not immediately required for exchange stabilization fund purposes. Profits or losses realized on transactions and investments accrue to the ESF.

The Bretton Woods Agreements Act of 1945 authorized U.S. participation in the International Monetary Fund and transferred $1.8 billion from the ESF to the IMF to make partial payment of the U.S. subscription. The act also provided permanent authority for ESF operations. From 1945 to 1960, the ESF was used only modestly for gold transactions and exchange stabilization agreements. Beginning in 1960, the ESF was used more actively in support of the dollar. Congress, in 1962, authorized Treasury to advance to the ESF any foreign currencies borrowed by the United States from the IMF. When Special Drawing Rights were created by the International Monetary Fund in 1968, the Congress provided that the ESF would hold all SDR's allocated to the United States, receive and pay interest on SDR's, and be utilized for other SDR transactions.

Public Law 94–564, the Bretton Woods Agreements Act Amendments of 1976, which will take effect when the ratification of the Second Amendment to the Articles of Agreement of the International Monetary Fund is completed, changes the purpose for which the ESF may be used to take account of the policy decision to accept a floating exchange rate for the dollar. The changes made by Public Law 94–564 and Public Law 95–147 enacted on October 28, 1977, delete all reference to stabilizing the exchange value of the dollar and provide that the Secretary of the Treasury may use the ESF consistent with the U.S. obligations in the International Monetary Fund regarding orderly exchange arrangements and a stable system of exchange rates:

Provided, however, that no loan or credit to a foreign government or entity shall be extended by or through such Fund for more than 6 months in any 12-month period unless the President provides a written determination to the Congress that unique or exigent circumstances make such loan or credit necessary for a term greater than 6 months.

The ESF is used in conjunction with the Federal Reserve System's swap network of foreign currencies for exchange market intervention to counter disorderly market conditions. The ESF is also used to extend short-term credits to foreign governments when such credits are backed by assured sources of repayment and contribute to the stability of the international monetary system. During the past 2 years, the ESF was used for credits to the United Kingdom, Mexico, and Portugal. More recently, the ESF was used to swap resources with the Federal Republic of Germany (Bundesbank) to enable Treasury to conduct more active intervention in the foreign exchange markets.

In addition, the ESF has been used since 1934 to pay salaries and other administrative expenses incurred by Treasury in conducting ESF operations and related international monetary activities. The international affairs functions of Treasury have grown over the years and the administrative expenses paid from the ESF have soared. Amounts paid for salaries and expenses in each fiscal year since 1934 are indicated in Table 1.

TABLE I.—*Salaries and expenses paid from exchange stabilization fund*

Fiscal years:	
April 26, 1934 to June 30, 1935	$117,391.24
1936	138,045.05
1937	195,492.13
1938	220,611.61
1939	261,858.33
1940	279,493.77
1941	253,165.73
1942	290,018.34
1943	292,928.69
1944	567,358.15
1945	588,988.21
1946	929,713.57
1947	1,079,342.86
1948	1,177,691.23
1949	1,305,480.46
1950	1,274,140.84
1951	1,302,276.02
1952	1,545,006.59
1953	1,553,234.47
1954	1,513,675.19
1955	1,421,647.77
1956	1,464,542.14
1957	1,484,512.71
1958	1,674,741.06
1959	2,349,465.22
1960	2,121,027.98
1961	2,976,748.72
1962	2,649,287.01
1963	3,062,651.06
1964	3,288,389.89
1965	4,056,242.69
1966	5,381,630.79
1967	4,693,433.43
1968	8,388,385.26
1969	5,680,605.38
1970	6,436,696.34
1971	8,013,293.80
1972	9,555,194.88
1973	9,642,141.98
1974	11,307,117.19
1975	14,442,664.64
1976 plus 3-month period ending September 30, 1976	21,393,392.89
Total	146,369,725.31

Administrative expenses of $8 million were paid from ESF in fiscal 1971. By 1974, the cost of salaries and expenses was $11.3 million, and in 1975, the amount was $14.4 million. In fiscal year 1976, the ESF was used to pay $17.4 million in administrative expenses, and an additional $4 million was expended during the transitional quarter. Administrative expenses in fiscal 1977 were $19.6 million, and are estimated to be $19.9 million for fiscal 1978. Treasury intends to request an appropriation of $22 to $23 million for fiscal year 1979 to meet administrative expenses arising from international affairs functions, assuming this legislation is adopted.

The administrative costs covered by the ESF have come to include items only vaguely related to the purposes of the ESF. For example, the ESF is presently used to pay the salaries of: the Assistant Director of the Office of Tax Analysis, the Director of the Office of Regulatory and Legislative Policy, the Director of the Office of Foreign Assets Control, and the National Intelligence Adviser.

No external audits of income and expenditures of the ESF were made prior to 1970 when Congress, by amending the Gold Reserve Act in Public Law 91–599, provided authority for the General Accounting Office to audit the administrative expenses of the fund. Treasury has conducted its own annual audit of ESF accounts both before and since the amendments of 1970, and copies of the audits and annual reports are provided to the Congress. The GAO found Treasury initially reluctant to provide access to information which GAO believes necessary to its audit responsibility. Consequently, the first GAO audit, for fiscal year 1972, was not completed until June 20, 1974. The most recent GAO audit report was released on September 28, 1977, and covers fiscal year 1975. The Comptroller General of the United States has informed the Committee on Banking, Housing, and Urban Affairs that GAO has reached an agreement with Treasury which is expected to enable GAO to receive the information it needs for proper auditing of administrative expenses paid through the ESF. Treasury remains firmly opposed to any external audit of ESF operations for fear of jeopardizing confidential relationships with foreign governments. GAO is not presently requesting such authority. Accordingly, the committee has not considered revisions of GAO's audit authority and S. 2093 would make no change in that authority.

Treasury also previously opposed placing the administrative expenses paid from ESF in the budget. Two reasons were given: the confidentiality of the ESF operations which the administrative expenses support could be jeopardized and administrative expenses were unpredictable because of the volatility of the international economic affairs. However, in September 1976, during the closing days of the 94th Congress, Treasury agreed to support an amendment placing such expenses in the budget. The amendment was to have been offered by Senator Stevenson to legislation pending in the Senate to amend the Bretton Woods Agreements Act. At the last moment, the Senate agreed to accept the House version of the bill in order to secure adoption of the legislation before adjournment. It was agreed that legislation placing the administrative expenses paid from ESF in the regular budget would be introduced in the next Congress. S. 2093 has the support of the current administration. Under Secretary of the Treasury Solomon testified before the Subcommittee on International Finance that administrative expenses directly connected with ESF operations were a minor portion of the ESF administrative payments and that unpredictable administrative expenditures had become increasingly rare.

S. 2093 would place ESF administrative expenses on budget and require appropriations just as is the case for other Treasury expenditures. The bill would increase budgetary control over such expenses, and the provision for annual authorization added by the committee would strengthen oversight of international monetary affairs.

FISCAL IMPACT STATEMENT

In accordance with section 252(a) of the Legislative Reorganization Act of 1970, the committee estimates the bill will result in additional outlays during fiscal year 1979 of less than $20,000. This concurs with the estimate prepared by the Congressional Budget Office. (Two-page letter from Dr. Alice Rivlin, Director, Congressional Budget Office, follows, pp. 13–A and 13–B.)

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., February 15, 1978.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Room 5300 Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 2093 as ordered reported on February 1, 1978 by the Senate Committee on Banking, Housing, and Urban Affairs. This legislation is estimated to result in net costs to the U.S. Government of less than $20,000 per year, although it would have a greater impact upon the totals of the Federal budget.

This legislation would prohibit the use of the Exchange Stabilization Fund (ESF) for the payment of administrative expenses associated with the international affairs functions of the Department of the Treasury. The effect of this would be to transfer the funding of these expenses from the ESF, an off-budget Federal entity, to appropriated funds. The bill would authorize the appropriation of not to exceed $23 million for fiscal year 1979 for these activities. In addition, the legislation contains several provisions which would, upon the transfer of funding from the ESF to appropriations, provide for the continuation of ongoing international affairs activities and the maintenance of personnel benefits at current levels. These provisions would authorize an increase in the governmentwide pool of supergrade positions; make personnel performing international affairs functions of the Treasury eligible for allowances and benefits comparable to those provided by title IX of the Foreign Service Act of 1946; and make U.S. representatives to international financial institutions eligible for civil service employee benefits, but require that Treasury contributions for such benefits be made from appropriated funds rather than from the ESF.

The transfer of the funding of the administrative expenses associated with the international affairs activities of the Department of the Treasury from the ESF to appropriations would increase budget outlays in function 800 during fiscal year 1979 by an estimated $21 million. Off-budget Federal outlays would decrease an equal amount, however. The transfer would result in no net cost to the U.S. Government.

The authorized increase in the governmentwide pool of supergrade positions would provide civil service status to personnel performing ongoing international affairs activities, once appropriated funds are used to finance these activities. Similarly, the granting of eligibility for allowances and benefits comparable to those provided by title IX of the Foreign Service Act of 1946, would only maintain current allowances and benefits, once appropriated funds are used to finance international affairs activities. No incremental costs result from these provisions.

The granting of eligibility—to the Executive Directors, Directors and their alternates, representing the United States in the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank and the Asian Development Bank—for civil service employee benefits, would also be required to maintain current benefit levels, once appropriated funds are used to finance international affairs activities. No incremental costs result from this provision. The granting of eligibility, for the first time, for civil service benefits to U.S. representatives in the African Development Fund, however, could result in incremental costs to the U.S. Government of less than $20,000.

The administration has indicated that, upon the enactment of this legislation, the ESF itself will be included in the budget. Under the proposed budget treatment of the fund, net outlays for the current year and budget year would reflect only estimates of the revenue to be earned by the fund (the estimate for fiscal year 1979, for example, equals $91 million). The actual outlays associated with the ESF, however, would equal the revenue earned by the fund plus/less profits or losses realized as a result of fund transactions (during fiscal year 1977, losses from fund transactions equaled $86 million). Because fund transactions, and the profits or losses that may be associated with them, are impossible to predict, no estimates of profits or losses would be prepared; the actual figures would be recorded only at the end of the fiscal year. This approach would add uncertainty to the monitoring of federal expenditures relative to the levels established by the Congress in concurrent resolutions of the budget. The CBO, therefore, is consulting with the appropriate Congressional committees regarding the proposed budget treatment of the fund.

Should the committee so desire, we would be pleased to provide further detail on this estimate.

Sincerely,

———— ————.
For ALICE M. RIVLIN.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPANSION OF THE FOREST SERVICE'S VOLUNTEER PROGRAM

The Senate proceeded to consider the bill (S. 2370) to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment on page 1, beginning with line 7, insert the following:

SEC. 2. The amendment made by this Act to the Volunteers in the National Forests Act of 1972 shall become effective October 1, 1978.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Volunteers in the National Forests Act of 1972 (16 U.S.C. 558d) is amended by striking out ", but not more than $100,000 shall be appropriated in any one year".

SEC. 2. The amendment made by this Act to the Volunteers in the National Forests Act of 1972 shall become effective October 1, 1978.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–671), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

SHORT EXPLANATION

S. 2370 would amend the Volunteers in the National Forests Act of 1972 to remove the $100,000 ceiling imposed on the Forest Service to carry out its volunteer program.

The Forest Service has had to turn away thousands of citizens interested in volunteering because funds were not available to pay for incidental expenses. Because of the program's nationwide success, the Forest Service would like to expand this worthwhile program, but cannot because of the authorization limitation.

BACKGROUND AND NEED FOR LEGISLATION

The Volunteers in the National Forests Act of 1972 authorized the employment of volunteers to work without compensation in areas administered by the Forest Service. The act gives the Secretary of Agriculture authority to reimburse these volunteers for incidental expenses, such as transportation, uniforms, lodging, and subsistence. The volunteers, however, are not considered Federal employees, except for purposes of tort claims and compensation for work injuries. Prior to the 1972 act, the Forest Service accepted the volunteer services of private citizens only on a nonappointed basis.

Duties of the volunteers include providing special information services to visitors, assisting at historical and special events, increasing the availability of interpretive programs, providing special skills, training volunteers in specialized cases, assisting in special research projects such as historical research of a ghost town, writing brochures on features of interest, working on special projects, and teaching special subjects. In addition, volunteers help maintain campground facilities by manning entry stations, answering questions, and training campers by explaining rules and good camping techniques. Their presence has substantially reduced vandalism, theft, and similar problems.

The volunteer program has been extremely successful. It has enabled the Forest Service to use the valuable resources of American volunteer workers to enhance the environment, and to develop the rich resources of the national forests. The Forest Service has found there are thousands of conservation-minded citizens who stand ready to assist in this program. Experience with the program shows a return of over $10 in terms of work value received for every dollar expended. For fiscal year 1976, plus the transition quarter, 11,676 persons volunteered 341 years of work valued at $2,338,606.

The present authorization limitation of $100,000 restricts the size of the volunteer program. For fiscal years 1976 and 1977, field offices of the Forest Service requested more than twice the amount of authorization that was available. Considering the vast amount of conservation work to be accomplished in the national forests, and the availability of volunteers who only need reimbursement for out-of-pocket expenses, it is believed that volunteers offer the Forest Service a most useful and cost-efficient method of accomplishing some of its work.

Reimbursement of volunteer expenses is charged to the Forest Service function or activity which benefits from the volunteer help. The net result of the volunteer program is a savings rather than an additional cost to the Federal Government. Therefore, the restriction serves no purpose and should be removed.

DEPARTMENTAL VIEWS

In a letter to Chairman Talmadge dated January 17, 1978, Secretary of Agriculture Bob Bergland stated that the Department of Agriculture recommends enactment of S.

2370. The letter to the chairman reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., January 27, 1978.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR SENATOR TALMADGE: As you requested, here is our report on S. 2370, a bill to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972.

The Department of Agriculture recommends that S. 2370 be enacted.

The bill proposes the removal of the $100,000 ceiling on the Volunteers in the National Forests program. The Volunteers in the National Forest program was established by the act of May 18, 1972 (86 Stat. 147; 16 U.S.C. 558a). The act allows the use of up to $100,000 annually for the purposes of this program. The $100,000 ceiling has limited Forest Service use of the volunteers program.

The Volunteers in the National Forest Act eliminated two basic barriers which the Forest Service had encountered in accepting volunteer help. First, prior to the act, volunteers had to sign a waiver which cleared the Government of any liability in the event of injury. Second, many volunteers needed reimbursement of meals or travel expenses in order to offer their services, and the Forest Service lacked authority to reimburse them. With the elimination of these barriers through passage of the Volunteers Act, the Forest Service has greatly benefited from voluntary services.

Volunteers in the national forest system has been a tremendously successful program. We have found that there are thousands of conservation-minded citizens who, through individual initiative or organizations, wish to assist the Forest Service in its work. In fiscal year 1974, a total of 7,255 volunteers gave 148 man-years of work toward the Forest Service mission. The appraised value of the work accomplished by these volunteers was $698,503. Our fiscal year 1975 report shows that some 6,473 individuals gave 250 man-hours of work at an appraised value of $1,154,814. For fiscal year 1976 and the transition quarter, 11,676 persons, volunteered 341 man-years of work at an appraised value of $2,338,606.

There are far more opportunities to utilize volunteers in Forest Service programs than we can currently take advantage of. For fiscal years 1976 and 1977, our field offices requested more than twice the amount of authorization that is available. Funds were not available to pay for the costs involved. These requests represented actual opportunities to permit citizens to volunteer their services to the Forest Service. As examples, in fiscal year 1976, 60 people from the Izaak Walton League volunteered to help with cleanup and trail work in the Hell's Canyon area of the Wallowa-Whitman National Forest in Oregon. However, some reimbursement of expenses was required. This opportunity was lost because of the limitations. Also, our Pacific Northwest, Southwest, and southern regions have initiated a "volunteer host" program to provide visitor services in National Forest recreational areas. Volunteer hosts provide such important services as distributing information to visitors, assisting in maintaining campgrounds free of litter, and orienting visitors to the attractions of the forest. This has been a very successful program and well received by the public. For example, in campgrounds where volunteer hosts have been assigned, Forest Service officials report significant reduction in vandalism, litter, and unruly behavior and greater compliance with camping rules and regulations. The Forest Service would like to expand this program, but cannot because of the annual authorization limitation in the existing National Forest Volunteers Act.

Given the vast amount of conservation work to be accomplished on the national forests, and the availability of volunteers who only need reimbursement for out-of-pocket expenses, we believe volunteers offer the Forest Service a most useful means of accomplishing some of its work. For these reasons, we strongly recommend that the authorization limitation be removed.

Reimbursement of volunteer expenses is charged to the Forest Service function or activity which benefits from the volunteer help. Therefore, enactment of this legislation would not result in any additional direct costs to the Federal Government, in fact a savings would result.

The Office of Management and Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

BOB BERGLAND, *Secretary.*

REGULATORY IMPACT STATEMENT

In compliance with subsection 5 of rule XXIX of the Standing Rules of the Senate, the committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 2370.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses. There would be no impact on personal privacy since the program is voluntary. No additional paperwork would result from the enactment of S. 2370.

COST ESTIMATE

I

Pursuant to section 252 of the Legislative Reorganization Act of 1970, the committee estimates that the additional cost that would be incurred by the Federal Government as a result of the enactment of S. 2370 would not exceed $150,000 for each of the fiscal years 1979 through 1983. This amount represents the cost of reimbursing expenses of additional volunteers working in the national forest system. The appraised value of the work which could be accomplished by this increase is estimated to be approximately $4 million per year. The committee's cost estimate is in accord with the cost estimate prepared by the Congressional Budget Office.

II

The cost estimate prepared by the Congressional Budget Office reads as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., February 17, 1978.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

Dear Mr. CHAIRMAN: Pursuant to section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 2370, a bill to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972, as ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry, February 1, 1978.

Based on this review, it is estimated that removal of the appropriations limitation could result in additional costs of approximately $150,000 a year. This amount represents the cost of reimbursing expenses of additional volunteers working in the national forest system. The resultant increase in the value of work performed by volunteers in the national forests is estimated to be approximately $4 million per year.

Should the committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Herbert L. Chabot, of Maryland, to be a judge of the U.S. Tax Court, which was referred to the Committee on Finance.

MESSAGES FROM THE HOUSE

At 12:01 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 10551. An act to extend for 1 year the authority of the Commissioner of Education to waive provisions of title I of the Elementary and Secondary Education Act for certain local educational agencies; and

H.J. Res. 746. A joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

ENROLLED BILL SIGNED

At 4:39 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

H.R. 8803. A bill to amend the National Trails System Act, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

HOUSE BILL REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 10551. An act to extend for 1 year the authority of the Commissioner of Education to waive provisions of title I of the Elementary and Secondary Education Act for certain local educational agencies; to the Committee on Human Resources.

ORDER FOR HOUSE JOINT RESOLUTION 746 TO BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 746, making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for

the fiscal year ending September 30, 1978, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. 1699. A bill to provide energy conservation by alleviating current and continuing fuel waste, to reduce empty vehicle movements, and to increase efficiency in transporting goods by motor carriers which will ultimately benefit consumers, and for other purposes (Rept. No. 95-674). Referred to the Committee on Commerce, Science, and Transportation.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

James V. Serio, Jr., of Louisiana, to be U.S. marshal for the eastern district of Louisiana.

(The nomination from the Committee on the Judiciary was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Gloria Cusumano Jimenez, of North Carolina, to be Federal Insurance Administrator, Department of Housing and Urban Development.

(The nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HAYAKAWA (for himself, Mr. CURTIS, Mr. HANSEN, and Mr. HATCH):

S. 2685. A bill to provide incentives to private enterprise to employ unemployed unskilled teenagers in urban property areas, and for other purposes; to the Committee on Human Resources.

By Mr. DOLE (for himself, Mr. CURTIS, Mr. HANSEN, Mr. LUGAR, and Mr. TALMADGE):

S. 2686. A bill to amend the Internal Revenue Code of 1954 to permit farmers to elect the year in which crop deficiency payments are to be included in income; to the Committee on Finance.

By Mr. EASTLAND:

S. 2687. A bill for the relief of Dr. Allen Joseph Cawley; to the Committee on the Judiciary.

By Mr. LUGAR (for himself and Mr. LEAHY):

S. 2688. A bill to amend the Comprehensive Employment and Training Act of 1973; to the Committee on Human Resources.

By Mr. FORD:

S. 2689. A bill for the relief of Puangpaka Vertrees and Puangtip Vertrees; to the Committee on the Judiciary.

By Mr. TALMADGE (for himself, Mr. DOLE, Mr. ALLEN, Mr. BARTLETT, Mr. CLARK, Mr. CULVER, Mr. EASTLAND, Mr. HAYAKAWA, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. NUNN, Mr. STONE, Mr. TOWER, Mr. YOUNG, and Mr. ZORINSKY):

S. 2690. A bill to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WILLIAMS (for himself, Mr. CHURCH, Mr. DOMENICI, Mr. BROOKE, Mr. SPARKMAN, Mr. CHILES, Mr. HEINZ, Mrs. HUMPHREY, Mr. RIEGLE, Mr. DECONCINI, Mr. BIDEN, Mr. ANDERSON, Mr. CRANSTON, and Mr. GLENN):

S. 2691. A bill to provide for the furnishing of congregate housing services under the United States Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JACKSON (by request):

S. 2692. A bill to authorize appropriations for the civilian programs of the Department of Energy for fiscal year 1979, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2693. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes; to the Committee on Armed Services and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HAYAKAWA (for himself, Mr. CURTIS, Mr. HANSEN, and Mr. HATCH):

S. 2685. A bill to provide incentives to private enterprise to employ unemployed unskilled teenagers in urban property areas, and for other purposes; to the Committee on Human Resources.

YOUTH EMPLOYMENT INCENTIVE AND BONUS ACT OF 1978

● Mr. HAYAKAWA. Mr. President, I believe my deep concern with the extremely high unemployment rates among white and black teenagers is by now common knowledge. In discussing this problem I bring to this subject an area of professional concern. I have been a teacher all my life, and one of the overriding concerns in my life has been how to develop boys and girls into young men and women? How do young people, in other words, mature? What is the maturation process by means of which adults are created out of children. Young men and women in their teen years are psychologically ready to carry out adult responsibilities and to do their share of whatever needs to be done in the world.

As I pointed out on previous occasions, there exist all kinds of work which could be done by teenagers but we have laws against their participation in a great number of activities. In our society every type of work is organized under elaborate structures of job eligibility. No matter how eager educators, or parents, or children are for the maturing experiences of a first job, the road is all too often closed.

Of course the Government is aware of this problem, and it has tried to deal with the issue in typical governmental fashion. All sorts of nice things have been said about organized youth programs, in which the Government would hire hundreds of thousands or millions of young people.

I believe that such programs should exist, but I do not believe we can ever make a program big enough to take care entirely of all our country. We are pouring billions into programs now. Their effectiveness has not yet been clearly established. What are we going to get as a result of hundreds of thousands of young people learning very, very early in life that the thing to do is to go to the Government for a job? Are they going to go to the Government for a job for the rest of their lives?

The Comprehensive Employment and Training Act is coming up for reauthorization this session and the National Council on Employment Policy has just issued a pertinent statement. The Council recommends the continuation of CETA but it also believes that the act ought to be revised. In its analysis of the private sector involvement, the Council offers an interesting commentary—

Rhetoric and good intentions notwithstanding, CETA has not successfully tapped the resources of the private sector labor demand any more than prior manpower efforts. Program operators have had difficulty placing many CETA clients in jobs where they have attempted to set up work experience situations. Many factors have accounted for these problems. CETA has operated in a high unemployment economy. Rigid legislative and regulatory requirements have limited prime sponsors in making arrangements with private sector interests.

The Council then makes the following recommendation:

Where it is feasible and not self-defeating or inequitable, private sector involvement should be encouraged. This should be done using a variety of strategies, including provisions for experimentation with wage subsidies beyond that which is already permitted under the Youth Employment and Demonstration Projects Act. Whatever is done should be accomplished in such a way as to minimize administrative complexity.

I believe my youth employment and social bonus bill, which I am introducing today fully implements this recommendation. If passed by Congress, it will be instrumental in bringing private enterprise into some of the most depressed areas of the United States. The bill gives the Secretary of Labor authority to select 10 urban poverty areas and to conduct demonstration projects in order to test the feasibility of the payment of a social bonus to business enterprises which have employed eligible youth for at least a year. The bill also includes stringent provisions against the displacement of currently employed workers.

In my judgment, this recommended new approach has at least three great benefits. First, it reduces governmental involvement. Second, because the social bonus will only be accorded after a successful employment record has been

established, there will be no experimental costs to the taxpayer. And third, a portion of the proposed bonus will be compensated by increased tax receipts and reduced welfare payments. I therefore hope that my colleagues in the Senate will join me in quickly passing this significant piece of legislation.●

By Mr. DOLE (for himself, Mr. CURTIS, Mr. HANSEN, Mr. LUGAR, and Mr. TALMADGE):

S. 2686. A bill to amend the Internal Revenue Code of 1954 to permit farmers to elect the year in which crop deficiency payments are to be included in income; to the Committee on Finance.

● Mr. DOLE. Mr. President, the Food and Agriculture Act of 1977 extended authority for crop deficiency payments granted in the Agricultural Consumer Protection Act of 1973. Deficiency payments are made when the average price received by the farmer during the first 5 months of the marketing year for wheat and feed grains is below the target price set in the law. The payment is equal to the difference between the average price and the target price, but may not exceed the difference between the target price and the price support loan level.

Because of higher market prices in the first 3 years of the program, deficiency payments were not made until last year. However, the lack of experience administering the program until last year has delayed a needed correction. Today, I am introducing legislation to correct this inequity.

Mr. President, in early January, I wrote Secretary Blumenthal detailing the tax problems associated with these deficiency payments. It seems that some farmers will be faced with paying taxes on income received in 1978 although earned in 1977, and conversely some farmers are experiencing a bunching of income problem by receiving the income in 1977 which, for tax planning purposes, was designed to be included in 1978.

My bill would allow farmers to elect which year to include the payments as income. The Federal Government will collect the taxes, however, the farmers will have greater flexibility. This proposal has precedent. In the Tax Reform Act of 1976, Congress provided a similar election to farmers receiving crop disaster payments.

Mr. President, I think all of our colleagues in the House are aware of this tax problem and the economic plight faced by the farmer. The Senator from Kansas hopes the Senate can respond with equal concern.

I ask unanimous consent that the contents of the letter to Secretary Blumenthal and the text of my bill be inserted in the RECORD at this point.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2686

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 451 of the Internal Revenue Code of 1954 (relating to general rule for taxable year of inclusion) is amended by adding at the end thereof the following new subsection:

"(f) Special Rule for Certain Crop Deficiency Payments.—

"(1) In general.—In the case of amounts received as payments (commonly referred to as deficiency payments) under the Agricultural Act of 1949, as amended by the Food and Agriculture Act of 1977, a taxpayer reporting on the cash receipts and disbursements method of accounting may elect—

"(A) in the case of such amounts received in the crop year, to include such amounts in income for the taxable year following the taxable year with or within which the crop year ends, and

"(B) in the case of such amounts not received in the crop year, to include such amounts in income for the taxable year preceding the taxable year of receipt.

"(2) Crop year receipts.—An amount received as a deficiency payment under such Act shall be treated as received in the crop year only if it is received in the calendar year in which the crop, in connection with which such payment is made, is harvested.".

(b) The amendment made by this section shall apply with respect to taxable years beginning after December 31. 197¢

JANUARY 10, 1978.

Hon. W. MICHAEL BLUMENTHAL,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: I have received complaints from farmers regarding the tax treatment of U.S. Government deficiency payments for the 1977 wheat crop. The farmer legislation directs a payment to be made to farmers when the average market price of the first five months of the marketing year falls below the stipulated target price. The price was below the target price for the 1977 crop wheat and thus a payment due.

Wheat farmers were told what the payment rate would be and checks were sent to some farmers starting the first of December 1977. The process of issuing the checks to farmers has been complicated by changing the formula for disaster payments in the middle of the crop year so that two calculations had to be made in each county where farmers suffered crop disasters in order to determine whether a farmer would get more under the old formula or the new legislation formula.

At present in Kansas, about 80 percent of the farmers have received deficiency payments. Those remaining to be paid are faced with checks dated in 1978 for payments on the 1977 crop. I am told by these farmers that their local I.R.S. offices tell them that, for tax purposes, those checks must be filed as income in the year in which the checks were issued.

It seems very unfair to treat some farmers one way and other farmers differently for taxing government payments on the same crop. Wheat farmers have suffered an economically disastrous year and need to have the opportunity to apply these government payments to their 1977 taxable income.

Mr. Secretary, I would appreciate your looking into this matter and taking necessary steps to correct this injustice. I would appreciate an early reply as farmers are now computing their income taxes for 1977.

Sincerely yours,

BOB DOLE,
U.S. Senate.●

By Mr. LUGAR (for himself and Mr. LEAHY):

S. 2688. A bill to amend the Comprehensive Employment and Training Act of 1973; to the Committee on Human Resources.

INTEGRATED PEST MANAGEMENT ENCOURAGEMENT AND YOUTH EMPLOYMENT ACT

● Mr. LUGAR. Mr. President, today I am introducing, along with my colleague Senator LEAHY, a bill which will address two critical problems now facing our country. The first involves undertaking a serious effort to strike a more reasonable balance between legitimate environmental concerns and an equally valid interest in increasing agricultural production. Nowhere is this conflict more pronounced than in the area of the agricultural use of pesticides. The bill I am introducing, by encouraging the use of integrated pest management, will limit the excessive application of pesticides while maximizing agricultural production through the prudent use of chemical pesticides in conjunction with nonchemical pest control methods.

The second problem addressed in my bill is youth unemployment. The absence of effective integrated pest management systems has resulted primarily from a lack of trained personnel who can undertake these labor intensive activities. By including this important activity as one which unemployed youth can undertake pursuant to existing youth employment programs, it is possible to provide constructive jobs, to minimize environmental damage from pesticides, and to assure maximum agricultural production.

Mr. President, pesticides play a critical role in the production of our Nation's food and fiber. About 700 million pounds of active pesticide ingredients are currently used for agricultural purposes, according to unofficial U.S. Department of Agriculture estimates. This represents over one-half of all the active ingredients sold last year.

The use of pesticides in agriculture increases total food and fiber production by about 10 percent—a substantial amount by anyone's standards. Unfortunately, some of these pesticides are potentially harmful to the environment if used or applied improperly. Government regulation of pesticides is necessary in order to assure a reasonable balance between the benefits and the costs of these products.

The difficulty in resolving these issues is evidenced by the fact that Congress has struggled without success with the Federal Insecticide, Fungicide and Rodenticide Act since a major change in the law of 5 years ago. Fortunately the Senate has passed a comprehensive revision of the present FIFRA law, S. 1678, on July 29, 1977, which provides a delicate balance in resolving these issues.

Even though S. 1678, if it becomes law, would solve some of the thorniest issues of pesticide regulation, it is only an interim solution. Farmers, in the near future, could be forced to reduce chemical use for two important reasons—the economics of extensive pesticide use and the need to maintain environmental quality.

Most pesticides are made from petrochemicals. Consequently, over 50 percent of the cost of making these chemicals is tied directly to the cost of energy. As the price of crude oil escalates and

farm profits decline due to low prices and increasing production costs, farmers will have no choice but to reduce the level of chemical pesticides used.

In addition to the questions of pure economics, there are the long-term considerations of pest resistance to chemicals and environmental health risks. The Agricultural Research and General Legislation Subcommittee of the Agriculture, Nutrition and Forestry Committee expressed its concern with these factors by holding 2 days of hearings last year on October 31 and November 1. We heard testimony about the potential of integrated pest management from responsible members of the environmental, agricultural and scientific communities. Their conclusions attest to the need for integrated pest management as a safe and reliable method of pest control. The ability of pests to develop resistance to pesticides continues to be a drawback to the use of conventional chemical control. While spraying may eliminate, initially, target pests, it often results in the elimination of natural predators during the spraying season. The result is twofold: increased spraying to replace natural controls and alternative pesticides which might be more potent and which, eventually, may also prove to be ineffective.

The more conventional problems, of course, are the human risks associated with pesticide use. The Environmental Protection Agency's assessment of data over the last several years has shown that some of the chemicals tested are highly toxic in nature, that they accumulate in the food chain, interfere with bone development in "higher life forms" and persist in the soil for decades.

Of the many problems that face policymakers, few involve solutions that solve a large number of concerns at once. In this situation, however, there is a solution that meets these criteria—integrated pest management. Integrated pest management, or IPM, is a crop management system that employs a combination of techniques and materials to control a wide variety of agricultural pests in the most cost-effective way. It also protects the quality of the environment by limiting the damage caused by chemical pesticides to the maximum extent possible. IPM is a systems approach to minimizing pest damage to crops which contemplates the use of certain amounts of chemical pesticides but also utilizes other means of control, including biological methods, cultural practices, and plant breeding. To describe in detail what IPM really is, I would like to submit a recent USDA Extension Service bulletin entitled, "Integrated Pest Management Saves Dollars and Environment," and I ask unanimous consent that it be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LUGAR. An additional and very important benefit of IPM is the potential for meaningful employment of the youth of our country to serve as "scouts" as described in the USDA bulletin. Too often, Federal programs directed at increasing employment produce makework jobs for the untrained which offer no chance of building self-confidence, good work habits, or personal skill levels.

A critical element of IPM is determining the population count of different types of pests affecting a crop at different time intervals. Such data needs to be provided with accuracy since IPM uses control measures only when pest numbers reach certain levels which are determined by scientists. The actual checking of crops for pests or evidence of pest damage must be done by a team of people physically walking the fields and conducting a count.

This outdoor activity is not only healthful, but it also seems to be an activity uniquely suited for younger Americans. The recruitment and training of large numbers of these "scouts," therefore, is essential for the widespread adoption of IPM procedures.

Mr. President, as we consider the desirability of IPM and the need to provide large numbers of workers to implement these programs, I would like to direct your attention for a moment to the serious problem of youth unemployment, with particular emphasis on the lack of jobs for rural youth. A successful solution to the overall unemployment problem must consist of several component parts, each of which will require a different solution. A small percentage of the current unemployment level is considered cyclical unemployment. A larger percentage, however, is structural unemployment which is caused by labor force skills and behavior that are not appropriate for available employment opportunities, or those that flow naturally from an improving economy. A solution to this problem will require sharply focused programs. We are all heartened by the recent improvement in the number of unemployed Americans, but it is shocking to note that more than half of those presently unemployed are persons aged 16 to 24. In light of the disproportionate burden of unemployment borne by them, it is appropriate to concentrate our efforts on the special unemployment problems of youth and minorities.

Recent Department of Labor statistics showed a 15.4-percent unemployment rate among teenagers. It is of major importance that we focus our efforts on a quick and effective response to this unsatisfactory condition. An innovative approach, I feel, would be to target some efforts toward an often overlooked group, rural teenagers, while not excluding the possibility of employing urban youths in a rural environment.

Last year, during the debate on Comprehensive Employment and Training Act legislation, my distinguished colleague from Oklahoma, Senator HENRY BELLMON, recalled legislation which he had introduced 2 years ago which would have made it possible for urban youth to accept farm employment. He introduced an amendment to the CETA bill which would allow an intraagency agreement between the Secretary of Labor and the Secretary of Agriculture to identify urban youths who seek jobs on farms and match them with farmers in need of assistance. The bill I am introducing today has a similar thrust but is more specific in its attempt to allow youth, especially those in rural areas, to be identified and employed in an agricultural setting.

The Integrated Pest Management Encouragement and Youth Employment Act allows unemployed youth to receive training and meaningful employment associated with integrated pest management activities under the Young Adult Conservation Corps, established last year as a part of the CETA program, and under other CETA projects. This will not only save farmers dollars and improve environmental quality, but will allow young Americans to be employed in a way that will give them expertise which they can use in finding employment in the private sector.

The Subcommittee on Agricultural Research and General Legislation of the Senate Agriculture, Nutrition and Forestry Committee, of which I am a member, heard testimony on IPM last fall. After listening to the expert testimony I am excited about the potential of IPM. As the subcommittee continues to press to discover ways to extend the use of IPM in farming, under the leadership of the distinguished Senator from Vermont, Senator PATRICK LEAHY, I believe that this bill provides an important starting point.

EXHIBIT 1

INTEGRATED PEST MANAGEMENT SAVES DOLLARS AND ENVIRONMENT

Cash gains for farmers . . . savings for consumers . . . a better environment for all of us . . . may come out of a new approach called "integrated pest management," or "IPM" for short.

IPM IS NEW

What is integrated pest management? It's a system that relies heavily on "scouts" going into the farmer's fields to examine crops and check on—or predict—the number of plant pests. Insect populations are always determined in scouting, but other pests, such as weeds, nematodes, and disease organisms, can be included.

Expert agricultural consultants then consider existing or predicted pest numbers, along with data on local weather, expected yield, harvest dates, etc. They put all the available information together into an integrated management system and come up with scientific and management advice for growers on the best strategies for suppressing the crop pests effectively and economically.

IPM must be tailored for each farmer. Consultants advise the farmer on how to use the least possible amount of pesticides required to control the pests in his crop, and suggest other management practices that will minimize crop losses from pests.

That's good for our total environment, too.

IPM means dollar savings for the farmer in buying pesticides, and lower costs for the labor, equipment, and fuel to apply them. For consumers, IPM could lead to lower food costs as farmers' savings are passed along.

PEST MANAGEMENT IS NOT NEW

For many years farmers rotated their crops, treated them with pesticides, and did what they could to eliminate or at least reduce pest damage. But they usually did not have adequate knowledge of pests or available technology.

Too often, they've used heavy, repeated applications of pesticides that created still more problems. Often they applied pesticides according to the calendar, without knowing whether pests were serious or even present in their fields. (Pest outbreaks are not uniform in a community, and differ from field to field even on the same farm.)

Some pests built up resistance to chemicals. Secondary insect and weed pests emerged. And unnecessary amounts of pesticides were introduced into the environment. Too much pesticide, wrong timing, and mixes that kill beneficial as well as pest organisms have cost farmers and the rest of us—financially and environmentally.

HOW IPM WORKS

Three keys to a successful integrated pest management program are *prevention, monitoring,* and *control.*

Prevention includes rotating crops, destroying plant residues that can harbor pests, conserving natural enemies of pests by selective use of pesticides, planting resistant crop varieties, and other cultural practices.

Monitoring uses scouts in the field to check plants, animals, and soil for pests. Scouting fields can be supplemented by improved pest forecasting, using knowledge of weather, crop history and growth, and pest behavior and development.

Control includes using chemical treatment only when necessary to prevent economically important damage to the crop. It includes saving beneficial insects that may help destroy the pests that damage crops. The purpose is not to get rid of all pests but to hold damage to an economically acceptable level. Control includes planning to prevent or reduce pest populations later in the year, on the next crop, or in an adjoining field.

PILOT PROJECTS

The IPM idea has been widely demonstrated in recent U.S. Department of Agriculture (USDA) sponsored pilot projects in more than 30 states. IPM is gaining acceptance and is being put to practical use in most states.

In 1971, USDA began pilot projects to demonstrate to farmers and others that crop pests can be controlled at less cost and more efficiently through an IPM program.

IPM started with two projects—one in North Carolina on tobacco insects and another in Arizona on cotton insects. Since then, there have been more than 50 projects on 23 crops, and two projects involving livestock pests.

Accurate records are kept for each field. In some states all the known data from a farmer's field goes into a central computer, usually at the state land-grant university where the Extension pest management specialist is headquartered.

In Indiana, for example, weather data from all over the state is automatically and continuously recorded by the Purdue University campus weather station. This data, along with the count of insect numbers, is used to predict increases of alfalfa insects. If it looks as if weevils are increasing, the pest management specialist informs the county agent, who then advises the farmer to spray for weevils, or to cut hay—an alternate control method—depending on the stage of alfalfa growth and weather forecasts.

Farmers like the IPM program. One farmer said there aren't enough hours in the day for him to check his many acres of corn for insects and weeds. Besides, he said he isn't always sure what to look for. Farmers feel this is so for pests on many crops.

A Michigan apple grower now sprays only when insect and disease problems are predicted, instead of by the calendar. Ground cover under the trees is managed to conserve natural enemies of pest mites.

A pear grower in California, through careful and reduced use of pesticides, has saved thousands of dollars a year since he joined the program. He applies insecticides, miticides, and fungicides only when they're needed.

Oklahoma, Virginia, and other states are using mobile diagnostic laboratories to help farmers identify pests. These labs put the pest management specialist, equipped with modern scientific equipment, directly into the field, saving valuable time, as problems can be diagnosed on the spot.

An Oklahoma county Extension agent said IPM has helped increase peanut yields by as much as 600 pounds an acre on farms participating in the program in his county.

Farmers are not the only users of IPM. A number of Maryland commercial sweet corn processors employ scouts and "black light" traps to check fields of contracted sweet corn for insects. Maryland soybean farmers are using a tiny parasitic wasp grown in a nurse crop of early planted beans on their farms. The wasps spread to other fields from the nurse crops and kill the Mexican bean beetle. This program has been so successful that these farmers seldom spray pesticides.

Costs for scouting or monitoring fields for pests may be as low as $2 per acre for grain sorghum and corn. For crops such as vegetables, tobacco, and fruit trees, costs can be as high as $25 an acre if insects, diseases, weeds, and nematodes are monitored. These programs are financially sound for farmers because IPM is designed to manage key pest problems for each farmer.

IPM educational programs have stimulated interest in, and increased, the number of private consultants offering IPM advisory services. Also, many farmers' cooperatives now offer IPM services.

BENEFITS OF IPM

Farmers who use IPM discover many benefits. Here are some of them . . .

Yields are maintained at the expected level, or have actually increased, compared with those where conventional spray programs are used. In situations where pests once were not being effectively controlled, farmers now have increased yields and profits.

Natural enemies of the pests are conserved or increased in the fields.

Net profits to farmers increase more than enough to offset the cost of IPM advisory services.

Sprays are timed for maximum effectiveness.

Pesticide resistance and secondary pest resurgence problems are minimized.

The benefits of introducing fewer pesticides into the environment are obvious and are praised by farmers and the public. There is less potential for pesticide contamination of crops, soil, and water, and less exposure of people to pesticides.

A PROMISING FUTURE

What about the future? Some think IPM will do away with pesticides. This is not the case. Pesticides will be around for a long time and are essential to producing the food and fiber this country needs. For most crops, pests cannot be managed without highly effective pesticides. What IPM has done is demonstrate that there are better ways to use pesticides. It has also helped reduce the amount of pesticides being used on farms.

Pest problems will change over the years, and as they change, IPM programs must change too. The race between population growth and food and fiber production has led to a tremendous intensification of agriculture. As pesticides become fewer and more expensive, integrated pest management is helping farmers stay in the race.

Farm use of IPM will expand rapidly in the next few years. The Cooperative Extension Service, the State Agricultural Experiment Stations, and the U.S. Department of Agriculture are conducting research and educational programs to improve IPM.

The Cooperative Extension Service can teach the principles of IPM to farmers. Extension also works closely with farmer cooperatives, commercial agricultural consultants, and industries interested in providing farmers with IPM advisory services.

Consult your county agricultural Extension office for more information about IPM programs in your area.●

By Mr. TALMADGE (for himself, Mr. DOLE, Mr. ALLEN, Mr. BARTLETT, Mr. CLARK, Mr. CULVER, Mr. EASTLAND, Mr. HAYAKAWA, Mr. HELMS, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. MATSUNAGA, Mr. MCGOVERN, Mr. NUNN, Mr. STONE, Mr. TOWER, Mr. YOUNG, and Mr. ZORINSKY):

S. 2690. A bill to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EMERGENCY AGRICULTURAL ACT OF 1978

Mr. TALMADGE. Mr. President, I am today introducing in behalf of myself, the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry, Senator DOLE, several members of our Committee, and a number of other Senators, the Emergency Agricultural Act of 1978.

For the past several months, it has become increasingly evident that American agriculture is in the throes of a growing economic crisis unrivaled since the Great Depression of the 1930's.

Farmers are caught in a savage squeeze between falling prices, rising production costs, and huge overhanging surpluses.

Farm debt is near an all-time high and rising, while net farm income, when adjusted for inflation, is nearing a post-depression low and falling.

A great many farmers throughout the country face outright bankruptcy. Many are without finanical resources to plant this year's crops.

These are the grim facts of economic reality that the Committee on Agriculture, Nutrition, and Forestry has heard, reheard, and heard again from hundreds of witnesses during the past 2 weeks of hearings.

Further discussion—indeed, further hearings—are not necessary to bring the message home. American farmers are in deep, desperate trouble. They need help urgently and they need it now.

On Januray 23, even before our committee began the current hearings on the agriculture crisis, I called upon the President and the Secretary of Agriculture to exercise discretionary authority that Congress wrote into the 1977 Farm Act to give emergency assistance to farmers.

Despite repeated urgings, the administration has declined to use the tools it now has to act in the emergency.

I deeply regret and deplore this failure.

Time has now run out. Preparations for spring plantings already have begun in the southern part of my State and will proceed rapidly in the next few days and weeks throughout the Southeast, the Midsouth, and south Texas.

We can wait no longer on an uncertain and hesitant administration.

It is now up to Congress to take the initiative—and to do so at once—to avert disaster.

Today, Senator DOLE and I are introducing emergency legislation that we hope can be rushed through the Congress in time to assist farmers in planting and harvesting this year's crop. Several other members of the Senate are joining us in the sponsorship of this legislation.

The bill being introduced will require the Secretary of Agriculture to implement immediately a land retirement program under which farmers will be paid to withhold from production cropland that otherwise would be harvested or planted in wheat, corn, grain sorghums, barley, cotton, and soybeans.

The bill will provide for the retirement through a 1-year paid set-aside of not less than 31 million acres, with total payments estimated at $2.3 billion based on a per-acre average of $75. The set-aside payments would be largely offset by reduced deficiency payments, and the cost to taxpayers could prove minimal.

In the case of wheat and feed grains farmers would be required to make additional set-asides of acreage over and above those already announced in order to qualify. They would then be eligible for payments on the additional set-aside acres.

The bill provides that approximately one-half of a farmer's set-aside payment would be made as soon as the contract is signed. It also requires the Secretary to issue regulations to protect the rights of tenants and sharecroppers in order to assure their participation in the program. Payment limitations in the 1977 act would not apply to the emergency set-aside program.

Furthermore, the bill requires the Secretary to administer the program in such a way as to minimize destruction of crops already planted. It also requires him to limit total acreage in any county or community so that the local economies would not be unduly affected.

This emergency legislation would have several beneficial effects, most of which would be left by farmers and by farm communities in the immediate future.

It will put urgently needed dollars in the pockets of farmers and make it possible for many whose future is now in doubt to make this year's crop.

It will pump up the rural economy which, in turn, would have a rapid spillover from the agribusiness sector to the total economy.

It will reduce surplus stocks which otherwise will be increased to even greater unmanageable levels after this year's harvests.

It will stimulate cash and future prices for the covered commodities through a lowering of 1978 crop prospects.

It will serve notice on representatives of other nations participating in the Geneva Conference that the United States intends to bring its grain stocks into line and thus encourage them to begin serious and realistic negotiations.

Through the stimulation of market prices, the legislation's objectives are to achieve a market price of $3.50 per bushel for wheat, $2.50 for corn, with comparable increases for other grains, 60 cents a pound for cotton, and $6 a bushel for soybeans.

The production and supply objectives are to reduce this year's wheat harvest by at least 15 million acres above the existing 20 percent set-aside and to reduce carryover from 1.210 million bushels to about 600 million.

For corn, the objective is to reduce plantings by an additional 10 million acres above the announced 10 percent set-aside. Carryover would be reduced from 1.132 million bushels to about 400 million.

For cotton, the objective is to reduce acreage by 3 million acres and the carryover from 5.8 million bales to around 3 million.

Finally, for soybeans the objective is to cut plantings by 3 million acres in order to maintain a market balance and discourage an excessive shift from other crops.

In addition to the paid set-aside program, the bill contains two other features.

First, it incorporates key provisions of pending amendments to the Farmers Home Administration to liberalize the agency's farm lending authority. Second, it will increase the lending authority of the Commodity Credit Corporation to $25 billion.

I believe the bill being introduced today offers the most feasible legislative approach for giving farmers immediate relief.

It is a relatively simple and straightforward approach. It does not attempt to make major changes in the 1977 act or to write a new farm act altogether.

A number of bills have been introduced that would do both of these things. Most of them have to do with changing existing loan and target levels. But there is wide disagreement even among farmers and farm groups, as well as among congressional proponents, on these questions. I do not believe they can be resolved within the time frame under which we must operate.

This does not mean that legislation to amend the existing Farm Act or to strike out in new directions cannot, or will not, be considered at this session. Indeed, I expect this to take place.

But time is of the essence.

We need to move immediately to help farmers this year before their crops are in the ground and while there is still time to alter planting intentions.

I hope that with a crash effort we can move this legislation through the Congress and have it on the President's desk within 2 or 3 weeks.

Under the most ideal circumstances, I realize that this would be a difficult timetable. I realize also that the present legislative situation is complicated by the Panama Canal debate in the Senate and the likelihood that Congress may be asked to consider other emergency legislation dealing with the coal crisis.

But we have a farm crisis as well as a coal crisis.

The economy already has been damaged severely by both of these crises. Each requires emergency attention.

It is my hope that the Senate Committee on Agriculture, Nutrition, and Forestry will promptly report my emergency farm bill. Certainly I hope this will occur not later than our scheduled meeting on March 15.

Because of the urgency and immediacy of the farm crisis, I shall ask the leadership of the Senate to lay aside the Panama Canal treaties as soon as this legislation is reported so that it may be considered promptly.

I also have asked the chairman of the House Agriculture Committee to be prepared to move expeditiously in the other body as soon as the Senate has acted.

I intend to leave no stone unturned in the effort to pass emergency farm legislation. I urge every Member of the Congress to lend their support to this effort. To do less would be to turn our backs on the farmers of the country who are looking to Congress as their last hope.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2690

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Agricultural Act of 1978".

ADDITIONAL SET-ASIDE PROGRAMS FOR THE 1978 CROPS OF WHEAT, FEED GRAINS, UPLAND COTTON, AND SOYBEANS

SEC. 2. Effective only with respect to the 1978 crops, title I of the Agricultural Act of 1949 is amended by adding at the end thereof new sections 112 through 115 as follows:

"1978 WHEAT PROGRAM FOR ADDITIONAL SET-ASIDE

"SEC. 112. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of wheat under which payments shall be made to producers on a farm who, in addition to making any required set-aside of acreage under section 107A(f) of this Act and to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The amounts payable to producers may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers and the rate of payment under contracts entered into under this section, the Secretary shall take into consideration the productivity of the acreage to be set aside under this section, the extent of the cropland to be set aside under this section, and the total acreage of cropland set aside from the production of wheat under this Act.

"(b) The total acreage of cropland set aside from the production of wheat under this section shall be the amount necessary to adjust the total national acreage of wheat to desirable goals, as determined by the Secretary, but in no event less than 15,000,000 acres. Notwithstanding the foregoing sentence, the Secretary shall limit the total acreage to be set aside under this section in any county or local community so as not to

affect adversely the economy of the county or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) As a condition of eligibility for participating in the program formulated under this section, producers must set aside any acreage of cropland required to be set aside under section 107A(f) of this Act.

"(e) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) The payment limitation provisions of section 101 of the Food and Agriculture Act of 1977 shall not be applicable to the program formulated under this section.

"(g) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(h) Not to exceed 50 percent of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(i) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(j) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. Insofar as practicable, the Secretary shall administer the program formulated under this section in such a manner as to avoid the destruction by producers of wheat planted for harvest. In this connection, the Secretary may permit producers to graze and harvest hay from acreage set aside under this section.

"(k) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"1978 Feed Grain Program for Additional Set-aside

"SEC. 113. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of corn, grain sorghums, and barley under which payments shall be made to producers on a farm who, in addition to making any required set-aside of acreage under section 105A(f) of this Act and to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The amounts payable to producers may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers and the rate of payment under contracts entered into under this section, the Secretary shall take into consideration the productivity of the acreage to be set aside, the extent of the cropland to be set aside under this section, and the total acreage of cropland set aside from the production of feed grains under this Act.

"(b) The total acreage of cropland set aside from the production of feed grains under this section shall be the amount necessary to adjust the total national acreage of feed grains to desirable goals, as determined by the Secretary, but in no event less than 10,000,000 acres. Notwithstanding the foregoing sentence, the Secretary shall limit the total acreage to be set aside under this section in any county or local community so as not to affect adversely the economy of the county or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) As a condition of eligibility for participating in the program formulated under this section, producers must set aside any acreage of cropland required to be set aside under section 105A(f) of this Act.

"(e) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) The payment limitation provisions of section 101 of the Food and Agriculture Act of 1977 shall not be applicable to the program formulated under this section.

"(g) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(h) Not to exceed 50 percent of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(i) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(j) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. Insofar as practicable, the Secretary shall administer the program formulated under this section in such a manner as to avoid the destruction by producers of feed grains planted for harvest. In this connection, the Secretary may permit producers to graze and harvest hay from acreage set aside under this section.

"(k) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"1978 Upland Cotton Program for Additional Set-aside.

"SEC. 114. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of upland cotton under which payments shall be made to producers on a farm who, in addition to making any required set-aside of acreage under section 103(f)(11) of this Act and to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The amounts payable to producers may be determined through the submission of bids for such contracts by producers in such manner as the Secretary determines appropriate. In determining the acceptability of contract offers and the rate of payment under contracts entered into under this section, the Secretary shall take into consideration the productivity of the acreage to be set aside, the extent of the cropland to be set aside under this section, and the total acreage of cropland set aside from the production of upland cotton under this Act.

"(b) The total acreage of cropland set aside from the production of upland cotton under this section shall be the amount necessary to adjust the total national acreage of upland cotton to desirable goals, as determined by the Secretary, but in no event less than 3,000,000 acres. Notwithstanding the foregoing sentence, the Secretary shall limit the total acreage to be set aside under this section in any county or local community so as not to affect adversely the economy of the county or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment of such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) As a condition of eligibility for participating in the program formulated under this section, producers must set aside any acreage of cropland required to be set aside under section 103(f)(11) of this Act.

"(e) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(f) The payment limitation provisions of section 101 of the Food and Agriculture Act of 1977 shall not be applicable to the program formulated under this section.

"(g) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(h) Not to exceed 50 percent of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(i) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated

under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(j) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. Insofar as practicable, the Secretary shall administer the program formulated under this section in such a manner as to avoid the destruction by producers of upland cotton planted for harvest. In this connection, the Secretary may permit producers to graze and harvest hay from acreage set aside under this section.

"(k) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"1978 SOYBEAN SET-ASIDE PROGRAM

"SEC. 115. Notwithstanding any other provision of law—

"(a) The Secretary shall formulate and carry out a program for the 1978 crop of soybeans under which payments shall be made to producers on a farm who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with contracts entered into by the Secretary with such producers. The amounts payable to producers may be determined through the submission of bids for such contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the cropland to be set aside by the producers and the productivity of such acreage.

"(b) The total acreage of cropland set aside from the production of soybeans under this section shall be the amount necessary to adjust the total national acreage of soybeans to desirable goals, as determined by the Secretary, but in no event less than 3,000,000 acres. Notwithstanding the foregoing sentence, the Secretary shall limit the total acreage to be set aside under this section in any county or local community so as not to affect adversely the economy of the county or local community.

"(c) The acreage set aside under this section may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of the foregoing sentence. The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(d) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(e) If the operator of the farm desires to participate in the program formulated under this section, the operator shall file a contract to do so no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producers, terminate or modify any contract entered into under this section if the Secretary determines such action necessary because of an emergency created by drought or other disaster, or in order to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) Not to exceed 50 percent of any payment to producers under subsection (a) of this section shall be made in advance of determination of performance.

"(g) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this section precludes the making of payments, the Secretary may, nevertheless, make such payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the default.

"(h) The Secretary is authorized to issue such regulations as the Secretary determines necessary to carry out the provisions of this section. Insofar as practicable, the Secretary shall administer the program formulate under this section in such a manner as to avoid the destruction by producers of soybeans planted for harvest. In this connection, the Secretary may permit producers to graze and harvest hay from acreage set aside under this section.

"(i) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

INCREASE IN THE BORROWING AUTHORITY OF THE COMMODITY CREDIT CORPORATION

SEC. 3. (a) Section 4(i) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714 b(i)) is amended by striking out "$14,500,000,000" and inserting in lieu thereof "$25,000,000,000".

"(b) Section 4 of the Act of March 8, 1938 (15 U.S.C. 713a-4), is amended by striking out "$14,500,000,000" and inserting in lieu thereof "$25,000,000,000".

FARMERS HOME ADMINISTRATION REAL ESTATE AND OPERATING LOANS—ELIGIBILITY AND LOAN LIMITS

SEC. 4. (a) The Consolidated Farm and Rural Development Act is amended as follows:

(1)(A) Section 302 is amended by—

(i) striking out the language down through the first comma and inserting in lieu thereof the following: "The Secretary is authoized to make and insure loans under this subtitle to farmers and ranchers, and to private domestic corporations and partnerships controlled by farmers and ranchers and engaged primarily and directly in farming or ranching, in the United States and in Puerto Rico and the Virgin Islands, who individually, or, in the case of corporations and partnerships, the principal stockholders or partners of which, (1) are citizens of the United States,"; and

(ii) inserting at the end thereof the following: "In the case of corporations and partnerships, the family farm requirement of clause (3) of the first sentence of this section shall apply to the farm or farms in which the entity and its principal stockholders or partners, as applicable, have an ownership and operator interest and the requirement of clause (4) of the first sentence of this section shall apply both to the entity and its principal stockholders or partners.".

(B) Section 304(a) is amended by striking out the word "individual."

(2)(A) Section 311(a) is amended by—

(i) striking out the language down through the first comma and inserting in lieu thereof the following: "The Secretary is authorized to make and insure loans under this subtitle to farmers and ranchers, and to private domestic corporations and partnerships controlled by farmers and ranchers and engaged primarily and directly in farming or ranching, in the United States and in Puerto Rico and the Virgin Islands, who individually, or, in the case of corporations and partnerships, the principal stockholders or partners of which, (1) are citizens of the United States,"; and

(ii) inserting at the end thereof the following: "In the case of corporations and partnerships, the family farm requirement of clause (3) of the first sentence of this subsection shall apply to the farm or farms in which the entity and its principal stockholders or partners, as applicable, have an operator interest and the requirement of clause (4) of the first sentence of this subsection shall apply both to the entity and its principal stockholders or partners.".

(B) Section 312(a) is amended by striking out the word "individual".

(b) The Consolidated Farm and Rural Development Act is further amended as follows:

(1) Section 305 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Secretary shall make or insure no loan under sections 302, 303, and 304 of this title that would cause unpaid indebtedness under such sections of any one borrower to exceed the lesser of (1) the value of the farm or other security, or (2) in the case of a loan other than a loan guaranteed by the Secretary, $200,000 or, in the case of a loan guaranteed by the Secretary, $300,000. The Secretary is authorized to establish each year an amount or amounts of total unpaid indebtedness that may exist against the farm or other security, which shall apply with respect to loans made or insured during that year. Whenever such amount or amounts are in effect, the Secretary shall make or insure no loan under sections 302, 303, and 304 of this title that would cause the total unpaid indebtedness against the farm or other security at the time the loan is made to exceed the applicable amount.".

(2) Section 313 is amended to read as follows:

"LIMITATIONS AND PROHIBITIONS ON LOANS

"SEC. 313. The Secretary shall make or insure no loan under this subtitle (1) that would cause the total principal indebtedness outstanding at any one time for loans made under this subtitle to any one borrower to exceed, in the case of a loan other than a loan guaranteed by the Secretary, $100,000, or, in the case of a loan guaranteed by the Secretary, $200,000; or (2) for the purchasing or leasing of land other than for cash rent, or for carrying on any land leasing or land purchasing program.".

Mr. ALLEN. Mr. President, I appreciate the continued excellent leadership of my distinguished colleague, Senator TALMADGE, as chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, and congratulate him upon the introduction of this land diversion bill and certainly wish to be listed as a cosponsor with the agreement of the chairman.

This bill can and will give emergency relief to our farmers and the agricultural sector of our economy, which is so desperately needed. It will serve as a transfusion to alleviate the financial anemia plaguing our farmers by the infusion of $1 billion in set-aside payments into their hands immediately. Time is of essence because it is planting time in Alabama and other parts of the South and Southwest. These farmers are standing by awaiting some signal from Washington as to what we intend to do to assist them out of the financial quagmire in which they find themselves through no fault of their own.

Extensive hearings on the state of American agriculture have been completed by the House Committee on Agriculture and will be completed by the Senate committee this Friday. During these hearings, it has become increasingly apparent that our greatest problem is excessive stocks of wheat, feed grains, and cotton. Planting intentions registered by our farmers indicate that the potential 1978 crop may add to these stocks by more large carryovers. Our country, the most efficient agricultural

producing nation in the world, is faced with the necessitv of reduced production. This bill would make that possible by extracting some 31 million acres from production.

By reducing production we can, at the same time, raise the income of our farmers by increasing the value of their commodities at the market place, thus covering their cost of production and providing a fair return to the producer. On January 19, the first day of the second session of this Congress, I introduced S. 2392, legislation to increase target prices for cotton and corn. My bill would increase the target price for cotton to 60 cents per pound and for corn to $2.30 per bushel.

This bill introduced today by our chairman, would do the same thing through the route of a land diversion system with payments to our farmers who desire to take acreage out of production. The provisions of this legislation will not only give the farmer higher prices in the marketplace for their commodities, but will decrease excessive stocks now hanging over the marketplace driving ever downward prices received by the farmer.

It is important to note that this bill also contains emergency authority for the Farmers Home Administration to provide needed loans to our farmers and to the Commodity Credit Corporation to meet the provisions of this bill and to provide increased deficiency payments USDA may be called upon to make due to the current low prices on farm goods.

The President has asked for a $25-billion cut in Federal income taxes beginning October 1, of this year. Even now, some members of the Congress are talking in terms of increasing that figure to $34 billion.

Mr. President, I believe we could do more for our country, our farmers, and our consumers, by cutting this proposed reduction in Federal income taxes to $17 billion and putting the other $8 billion into the agricultural sector of our economy, which so desperately needs our help and on which every other sector of the economy depends. It has been estimated that this would be the cost if the administration would do everything it can do under the administrative authority provided by the 1977 farm bill. It is my hope that the administration will act upon this authority and that this bill as introduced by our chairman, will complement those actions which this body endorsed in Senate Resolution 393.

I enthusiastically endorse the bill as introduced by the distinguished Senator from Georgia, and am happy to become associated with it.

By Mr. WILLIAMS (for himself, Mr. CHURCH, Mr. DOMENICI, Mr. BROOKE, Mr. SPARKMAN, Mr. CHILES, Mr. HEINZ, Mrs. HUMPHREY, Mr. RIEGLE, Mr. DECONCINI, Mr. BIDEN, Mr. ANDERSON, Mr. CRANSTON, and Mr. GLENN):

S. 2691. A bill to provide for the furnishing of congregate housing services under the U.S. Housing Act of 1937; to the Committee on Banking, Housing, and Urban Affairs.

CONGREGATE HOUSING SERVICES ACT OF 1978

● Mr. WILLIAMS. Mr. President, in the 1970 Housing Act, Congress adopted provisions requiring the Secretary of Housing and Urban Development to encourage the development of low-income congregate housing for frail elderly and nonelderly handicapped individuals. Eight years later, these persons are still waiting for the fulfillment of that promise, for the number of congregate public housing projects in the country today can be counted on two hands. The Congregate Housing Services Act of 1978, which I am offering today, would provide local public housing authorities (LHA's) with the means to furnish necessary social services to frail and physically impaired project residents in a congregate setting, thus making congregate public housing a credible, working program, instead of just another good idea on paper. I am delighted and honored that a number of my distinguished colleagues have joined me in this endeavor.

Congregate housing may be defined as a residential environment which combines shelter with supportive social services so that individuals who are functionally impaired but not ill can maintain generally independent lifestyles, and thus avoid unnecessary, premature, and costly institutionalization, or burdensome placement with families or friends. Congregate housing services include a full meals program, personal care aid such as help with dressing and grooming, and housekeeping assistance. I want to emphasize, however, that congregate housing services are neither custodial nor medical, because congregate housing is not meant to offer a supervised environment in which residents receive round-the-clock care. Congregate housing with services is not institutional; it is residential, and its purpose is to assist those with decreased mobility or energy to retain the capacity for independent living to the greatest extent possible. In short, congregate housing is "housing with help."

A clear and growing need exists for the special kind of assistance that congregate housing with services can offer. Although young as well as elderly persons can benefit from congregate housing, it is among our senior citizens that it has the most significance due to the incremental impairments that the individuals suffer as part of the normal aging process. Nationwide, about 3.5 million senior citizens suffer some degree of mobility limitation. It is estimated that of these persons, 1 million or more are living alone or with nonrelatives and would most likely require congregate housing.

Equally important, the need for congregate housing is expanding rapidly because the proportion of our population aged 65 or more is growing so fast. From 1969–76, the total U.S. population increased 6.9 percent, while the number of people aged 65 and over increased 14.2 percent. From 1976 to 2000, the general population is expected to increase 23.3 percent, but the age group of 65 and over should climb by 33.4 percent. The post-75 age group is projected to grow the most rapidly—by 50 percent between 1970 and the year 1990. Naturally, as the population grows older, and, as a result, more and more people become less able to take full care of themselves, congregate housing with services must assume an increasingly important place among the housing choices offered to elderly people.

Congregate housing holds particular importance for the residents of public housing. Senior citizens alone comprise 40 percent of the heads of households in public housing projects. According to HUD, approximately 293,000 public housing residents are elderly, living in almost 10,000 projects designed for them, and their median age is above 71. Many of these persons have lived in public housing for years, and as they have grown older, many have suffered chronic disabilities that limit their daily activity.

Of the senior citizens now residing in public housing, the International Center for Social Gerontology estimates that approximately 40,000 require supportive services to remain independent, and could benefit from a congregate housing environment. No estimates exist on the number of nonelderly handicapped people living in public housing projects, but HUD spokespersons indicate that the number is not large. A percentage of these individuals would also be candidates for congregate housing.

Every day, in the absence of congregate public housing, elderly and handicapped project residents are removed from their units because their frailties and physical disabilities prevent them from living independently. Most are placed in nursing homes or other institutions. Those that cannot be located in institutions must find places with relatives or friends, who are usually ill-equipped financially or emotionally to handle the sudden, additional burden. The displacement of frail elderly and younger handicapped people from their units is especially tragic because it is often so unnecessary. As a result of our failure to develop a realistic housing option that recognizes the special, noncustodial service needs of these individuals, public and private institutions are crowded with people who do not belong there. A survey of nursing homes quoted in a 1975 report prepared for the Senate Aging Committee stated:

> . . . An astonishing number of the people should not be there at all. Every critical student of nursing homes has come to that conclusion, they vary only on the percentage of healthy patients. The U.S. General Accounting Office, after studying a sample of patients in Michigan, concluded that almost 80 percent (297 out of 378) did not require skilled nursing care. A 1971 study of New York City medicaid patients in nursing homes, by the State comptroller's office, found that from 53 to 61 percent of the patients did not need to be there. Daphne Krause of the Minneapolis Age and Opportunity Center, which has studied homes in that area, gave a figure of 30 to 40 percent. In Cleveland, the head of the nursing home medicaid program put the proportion of patients unnecessarily in homes under her jurisdiction at 90 percent.

Congregate housing with services can offer to many of our functionally impaired public housing residents a housing

arrangement midway between the total care situation of an institution, which they do not need, and a fully independent living environment, which they cannot maintain. Focusing her remarks on the elderly, Dr. Wilma Donahue of the International Center for Social Gerontology has written that—

> Congregate housing can extend significantly the period of time impaired, through not ill, older people are able to remain in the community enjoying the independence, autonomy, privacy, and social relationships that constitute the very essence of meaningful life.

To uproot people who with a little help could successfully function where they are, entails incalculable human costs. We can place no price tag on the anguish suffered by those who have been unnecessarily displaced, nor can we measure the irreparable loss that society experiences because it has been denied the contributions that these individuals could have made. However, there are other costs that we can measure and they are enormous. During fiscal year 1979, it is estimated that the Federal Government will spend $4.2 billion in medicaid, most of which is destined to cover the cost of nursing home care. The Social Security Administration estimates that the Federal share alone of maintaining an individual in a nursing home can reach as high as $5,500 a year. According to the International Center for Social Gerontology, we could provide congregate services to functionally impaired public housing residents for less than $1,000 a year. By maintaining people in nursing homes who do not belong there, the Federal Government is throwing away $4.50 for every dollar it could be investing to keep these same people independent in their own households.

Despite the almost universal acknowledgement of the benefits that congregate housing can offer, the program has been remarkably and regrettably unsuccesful. Ironically, the lack of success stems largely from the unique nature of congregate housing itself. Congregate housing is more than simple bricks and mortar, because for those who require such housing, shelter is not enough. A comprehensive package of social services must accompany the shelter or there can be no development of congregate public housing. The absence of continuously available social services lies at the roots of our failure in congregate public housing.

Among the most formidable barriers to the development of adequate social service packages are the service costs, the absence of commitments for the continued, long-term funding of services, the inaccessibility, unavailability, and fragmentation of existing services, and inappropriate service design and application.

The limited financial capability of public housing residents and LHA's prevents either from funding comprehensive social service packages. Now, it is true that some housing authorities are already providing some needed social services to their functionally impaired residents, drawing upon a combination of public and private resources, but these services are usually incomplete and inadequate, and they are rarely found in a congregate setting. LHA's must, therefore, turn to the private sector, or to Government sources on the local, State or Federal levels, to obtain the full range of social services their impaired residents need. But in doing so, they immediately find that existing programs cannot guarantee them long-term, continuous funding for services. Privately developed programs are often plagued by irregular and uncertain funding, and as a result, their contributions to functionally impaired public housing residents are generally inconsistent. Local, State, and Federal social service programs are subject to annual budget and appropriations processes, which fail to consider that the needs of frail elderly and younger disabled persons do not stop with the end of the fiscal year, but are constant and become more intensive as time passes.

The inability of existing social service programs to assure funding continuity has prevented the actual construction of new congregate public housing, and the adaptation for congregate living of existing public housing projects. The 1970 Housing Act requires that some or all of the units in congregate housing projects must be built without kitchens, and that the projects must be connected with congregate dining facilities fully equipped to prepare meals for congregate residents. This special kind of housing demands a commitment for service financing on a continuing basis. Otherwise, any interruption in service delivery would render the congregate units unlivable. Former U.S. Public Housing Commissioner Marie Maguire Thompson, testifying before the Senate Special Committee on Aging in October 1975, pointed out that

> No lender, either Government or banker, would risk an investment in a product when the major component cannot be reasonably assured.

Thus, virtually no congregate public housing projects have been constructed.

Some services, of course, such as housekeeping and personal care, do not require specially designed buildings. These services are delivered to functionally impaired residents within their own units. However, such services demand a long-term guarantee of funds if only because the people who need them must be secure in the knowledge that what they must have for independent living will be available to them as long as their need exists. It is intolerable that elderly and disabled people who depend on certain social services to stay in their homes must live in fear that those services will be suddenly snatched away because the money for them has run out.

Uncertainty of service availability no less than the uncertainty of service funding has also hampered congregate public housing development. Through title XX of the Social Security Act, the Older Americans Act, and other measures, the Federal Government offers to senior citizens and disabled persons a wide range of social service programs. A great many people benefit significantly from these programs, but they are not consistently available. For those in need of congregate housing, the absence of even one required service would place them in jeopardy of displacement from their units. Writing in the Department of HEW publication, "Congregate Housing for Older Americans, an Urgent Need, a Growing Demand," George Thomas Beall of the International Center for Social Gerontology describes this problem.

> Even when Federal funds are available, the flexibility granted States and communities in planning for their use frequently limits the Federal guarantees that can be offered to assure that such funds will be availlable to support the social and health services needed by older persons in congregate housing . . . In the absence of income benefits sufficient to enable the tenant to pay for the necessary services, there is, beyond the provisions of the Medicare and Food Stamp programs, no assurance of the availability of Federal resources for providing or financing the services. This is not the same as saying that no Federal resources are available. Resources are available, but they are limited, and competing demands are being made for them, more in fact than can be met. As a consequence, Federal program resources potentially can be applied to financing the services for low income residents of congregate housing, but their availability cannot be assured.

Particularly discouraging to LHA officials seeking social services for their functionally impaired tenants is the problem of program fragmentation. These officials face a bewildering array of legislative and regulatory requirements for the various Federal social service programs. Each program has its own unique character, and operates under separate statutes, regulations, guidelines, and procedures. Eligibility criteria, application and reporting requirements, matching financial arrangements, and cost reimbursement mechanisms may vary from program to program.

The structure and application of many of our most important Federal social service programs make them unsuitable for use with congregate public housing projects. Let me cite a few examples. The title VII elderly nutrition program under the Older Americans Act provides grants to States to establish nutrition programs for the elderly to meet both health and social needs. Although this program could be used to supplement meal service in a congregate housing development, it is inappropriate for exclusive congregate use. By law, title VII funds are not prohibited from use in a full meals program. However, in the development of the program, the Administration on Aging has been guided by its reading of congressional intent that the program was not designed for such full meal service. As implemented, the title VII program emphasizes one meal a day, 5 days a week. Thus it cannot be considered a maintenance or a full nutrition program. Frail elderly or younger disabled tenants require at the minimum two meals a day for 7 days a week. Furthermore, title VII programs are often away from the homes of the participants, and while transportation to meal sites is a component of the program, it is unrealistic to expect frail elderly and handicapped persons to

board buses or other transportation two or three times a day every day just to get to their meals. Further limiting the program's use in congregate housing are title VII provisions which establish minimum program sizes, and which require programs assisted under the title to be open to persons from outside the development in which the service is provided. Programing restrictions may or may not make it possible or desirable to open a congregate housing meal site to the community at large.

Title XX is the major Federal program for social services for low-income persons. Among its objectives is the provision of services to help people become or remain self-sufficient and avoid institutionalization. Nevertheless, there are certain limitations on the applicability of title XX to a national program of congregate public housing. Title XX is statutorily limited in the extent to which its funds can be used to support programs resembling "institutional" patterns of service. For example, title XX funds cannot be used to support a meal program of three meals a day or one which is designed to meet full nutritional needs, except when such a program is part of a broader service package meant to restore a person to independence. Even then, title XX funds can be used in this way for no longer than 6 months. A public housing resident who is frail or disabled and in need of congregate housing is likely to remain in that condition.

Clearly we must fill in the gaps in the present social service delivery system if we are to implement the congregate housing program that Congress mandated more than 8 years ago. Some have suggested that one approach might be to earmark for congregate housing a portion of HEW's annual appropriations. While this procedure would improve targeting of funds to congregate housing, it would leave unremedied other fundamental problems that have blocked the development of congregate public housing so far. First, there would still be no assurance of funding continuity. Second, and equally important, the myriad legislative and regulatory requirements that exist for the various social service programs would continue to need revision to make the programs compatible with congregate housing requirements.

The Congregate Housing Services Act of 1978 would encourage the development of congregate public housing by establishing two major concepts that congregate housing and social services are inseparable, and that secure and continuous funding for a coordinated service package must be made available to LHA's in order to establish a successful congregate public housing program. Under the legislation, HUD would be authorized to enter into 3- to 5-year renewable contracts with LHA's to provide funds for social services that these agencies furnish, either directly or through contracts with local service providers, to frail elderly and nonelderly disabled persons who require a congregate living environment. Such funding would only be provided when the LHA cannot obtain necessary services through any other means. LHA's would apply to HUD for service funding, and the services assisted would include full meals programs, personal care aid, and housekeeping assistance.

To determine which project residents need congregate services, the legislation would require LHA's to establish professional assessment committees to screen project residents. These committees must be composed of at least three persons, one of whom should be a medical professional, and all of whom must be qualified to appraise the functional abilities and service needs of elderly and handicapped project residents. The names and qualifications of the committee members must be included in the LHA's applications for funding. HUD would be required to establish procedures to insure that project residents receive fair treatment in the screening process. At present, local public housing managers have great leeway in deciding which residents must be displaced because of their frailties and which ones may stay in their units. The establishment of professional assessment committees would limit such arbitrary, nonprofessional judgments, and would provide a rational means of determining congregate public housing eligibility.

Under the legislation, elderly as well as younger persons who have a long-term impairment that substantially impedes their capacity for independent living and who could benefit from more suitable housing conditions would be eligible for assisted services. Temporarily disabled elderly persons, defined as those whose disabilities last for no more than 6 months, would also be eligible for congregate services. This provision acknowledges that the need for temporarily disabled persons during their time of disability equals the needs of those whose disabilities are chronic. Congregate housing services eligibility for temporarily disabled persons has been limited to the elderly, because the health impact of a temporary disability is greater on the elderly, and because, unlike younger persons, senior citizens suffering from short-term disabilities are often in jeopardy of displacement.

The legislation does not encourage the elderly and younger disabled persons to share the same building. It takes into account, however, that such arrangements do exist and must be accommodated in the provision of assisted congregate services. Furthermore, nothing in the bill would prevent or inhibit assisted congregate services for nonelderly disabled persons living in public housing structures, such as small group homes, which are designed specifically for them.

In developing its application to HUD for service funding, whether for the first time or for renewal, an LHA must give both its professional assessment committee and its project residents the opportunity to paricipate in the application development process.

It should be understood that the legislation is not meant to replace existing social service programs. Nor is it based on the premise that these programs, which have meant so much to so many people, have failed in their purpose. Instead, the measure recognizes that a different approach is necessary to develop and guarantee congregate housing service packages only because current programs do not respond to the unique demands of congregate public housing. Funding for services which duplicate those that are already accessible, affordable, and sufficiently available on a long-term basis to project residents from any other public or private source would be prohibited. It would not interfere in any way with ongoing HEW programs. The legislation would provide a safety net under those LHA's that cannot otherwise secure the full range of congregate housing services needed by their impaired tenants. The legislation's approach of providing HUD with a degree of responsibility for funding of congregate services not otherwise available is not a new concept, and has, in fact, been recommended for a number of years by professionals knowledgeable in the fields of congregate housing and the needs of elderly and disabled persons.

Because the present law requires the absence of kitchens in some or all units in a congregate housing project as well as the presence of a fully equipped central dining facility, it could take 2 or more years for those now living in public housing to derive any benefit from the legislation unless these requirements are revised. In order to prevent any such delay in the delivery of congregate housing services, the legislation relaxes the law's structural requirements for projects built or under construction prior to January 1, 1979. Such projects would be required only to have a central dining facility where meals could be served. Meals would not have to be prepared in these facilities although public housing authorities would be encouraged to use their modernization funds to adapt their facilities for meal preparation. Projects on which construction begins after January 1, 1979, must comply with the structural requirements of present law.

To apply for service assistance under the legislation, an LHA must first coordinate closely with its area office on aging—or its State office, if applicable—and with its local agency knowledgeable about and responsible for programs for the handicapped in order to determine what services are actually sufficiently and properly available to the LHA's residents. Following this consultation, the LHA would prepare a draft application to HUD for the funding of services not available through any other means. The LHA would then submit this draft application to its area office on aging, and to its local agency for the handicapped for their review and comments. Those comments must be taken into account in the LHA's development of its final funding application submitted to HUD. In this final application the LHA must affirm that it has followed the prescribed consultation and review process. These procedures are necessary to assure the effectiveness of the legislation's prohibition against HUD funding for services already adequately available or being provided by any other public or private agency or organization.

HUD would select among applications on the basis of merit, evaluating each application according to such criteria as the effectiveness of the LHA's proposed service plan, the lack of available services in the LHA's area, the qualifications of the professional assessment committee, and the speed with which services would be established in the project following approval of the application. HUD must approve or reject an application within 90 days of its receipt.

Funding for services would be provided for 3 to 5 years on a contract authority basis much like section 8 rental assistance is paid out. An LHA which is approved for funding would be reserved the entire amount it needs for congregate services during its contract period out of the appropriations enacted in the year that the LHA received notification of its funding approval. Through this financing mechanism, congregate services would be guaranteed security and continuity of funding. Because the legislation is designed to assist needy people as soon as possible, HUD would be authorized to reallocate an LHA's service funding if the LHA does not establish services for existing projects within 6 months of its application approval. New projects must have services in place at the time occupancy begins.

The legislation also makes provision for the establishment of a reserve fund to enable HUD to adjust its grants to LHA's when the circumstances warrant. The reserve fund may not exceed 10 percent of any fiscal year's appropriation. HUD must also adopt procedures for the recapture of unused contract authority and its reallocation to LHA's which have worthwhile but previously unfunded applications. To make certain that an LHA does not throw a cost burden to HUD that the LHA could itself shoulder, the legislation would require an LHA which is already providing a service to its residents to maintain that service. HUD, however, may waive that requirement if a waiver is necessary to maintain services at a constant level.

An LHA receiving assistance for services from HUD must provide a full meals program, but may provide assistance in grooming and dressing, housekeeping assistance, and other services necessary to foster independent living. The LHA charge participating project residents for the congregate services they receive. Fee schedules must be based on ability to pay, must be reasonable and appropriate, and must not exceed the per capita cost of the service. The degree to which fee schedules are reasonable and appropriate would be a criterion that HUD would use in evaluating LHA applications. Project residents not eligible for congregate services may purchase meals at reasonable fees which do not exceed the cost of their meals. This provision would promote social diversity in congregate dining, as well as economies of scale in delivery of meal services.

The legislation also encourages the hiring of elderly and disabled persons who are not eligible for congregate services to provide the services. Such individuals would be paid according to wage scales establish in the Older Americans Act. and would be permitted to work up to 5 hours a day for up to 20 hours per week.

The measure contains a 5-year authorization totalling $165 million. For the respective fiscal years, the authorization would be $20 million for fiscal year 1979, $25 million for fiscal year 1980, $35 million for fiscal year 1981, $40 million for fiscal year 1982, and $45 million for fiscal year 1983. Since each year's authorization is sufficient to fund a 5-year congregate services contract, the budget outlay for each fiscal year would be smaller than the budget authority until all of the 40,000 estimated public housing residents eligible for congregate services are provided assistance. To elaborate, the $20 million in budget authority for fiscal year 1979 would involve a budget outlay for that year of only $4 million. In fiscal year 1980, the budget authority would be $25 million, while the budget outlay would be $5 million in new authority, plus $4 million drawn down from the amount authorized in fiscal year 1979. This incremental funding approach encourages careful development and orderly, rational consideration of LHA applications for congregate service funding, and would give HUD ample time to accommodate its new function.

The authorization is based on the analysis of the International Center for Social Gerontology which estimates that the cost of assisting an individual to remain independent within his or her own household would be $1,000 or less per year. This cost would be reduced by the amount that each congregate housing resident contributes toward needed services, as well as by any amount that the LHA may be paying already to provide a service.

Mr. President, independence is one of our people's most precious, and long-held ideals. We cherish our freedom and our ability to retain control over our own lives. As we grow older, the physical limitations that accompany the aging process, of course diminish our capacity to cope with all the demands of normal daily life. Yet we fight vigorously to delay the time when others must take care of us. We fear dependence and we resist it because we know that independence adds to the richness of our existence, and gives life its special meaning.

National housing policy has, for many years, stated our firm belief in the personal and societal benefits that result when people are encouraged to remain independent within their own households. Regrettably this declaration has yet to translate into actual accomplishment. Housing choices rarely offer our people anything between total independence or total dependence. We have not been able to develop to any significant degree the flexible alternatives in housing design that properly match the varying capacities for independent living that exists among frail elderly and nonelderly disabled persons. The mechanisms to assure such alternatives simply do not exist.

Mr. President, I realize that the Congregate Housing Services Act does not provide a comprehensive answer to demand for congregate housing, which extends beyond those who live in public housing projects. Yet, the legislation will start us down a road we should have traveled before, and will help bridge a gap that has existed for too long in the spectrum of available housing alternatives. In so doing, the Congregate Housing Services Act will help us shape a national housing policy that more fully, and more compassionately, conforms to the multifaceted housing needs of our people.

Mr. President, I ask unanimous consent that the text of this legislation and the section-by-section analysis be printed at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Congregate Housing Services Act of 1978".

DECLARATION OF FINDINGS

SEC. 2. The Congress finds and declares that—

(a) in keeping with the traditional American principle of individual dignity and independence, innovative and comprehensive means are required to permit frail and handicapped elderly individuals the full and free enjoyment of their lives within their own households;

(b) congregate housing, supplemented by supportive services, offers a proven and cost effective means of enabling such individuals to maintain their dignity and independence through the avoidance of costly and unnecessary institutionalization;

(c) such supportive services can also provide significant assistance to non-elderly handicapped individuals in their efforts to live independently within their own households;

(d) although existing law requires the Secretary of Housing and Urban Development to encourage public housing agencies to provide congregate housing which meets the special needs of elderly and handicapped individuals, a large and growing number of such residents of public housing face premature and unnecessary institutionalization because of a gap in the spectrum of housing choices due to critical deficiencies in the availability, adequacy, coordination, or delivery of the supportive services required for the successful development of adequate numbers of congregate public housing units; and

(e) (1) within the context of public housing management, there exists an inseparable bond between congregate housing and supplementary supportive services, and

(2) security and continuity of funding for a coordinated service package addressing the full range of the needs of frail and handicapped elderly individuals are required to respond successfully to the requirements of this expanding segment of the Nations population.

AUTHORIZATION OF CONTRACT AUTHORITY

SEC. 3. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to enter into contracts with local public housing agencies (hereinafter referred to as "public housing agencies") under the United States Housing Act of 1937, utilizing sums appropriated under this Act, to provide congregate services programs for handicapped elderly households, non-elderly handicapped households, or temporarily disabled elderly households, who are residents of congregate

housing projects of those agencies (hereinafter referred to as "eligible project residents") in order to promote and encourage maximum independence within a home environment for such households capable of self-care with appropriate supportive services. Each contract between the Secretary and a public housing agency shall be for a term of not less than three years nor more than five years and shall be renewable at the expiration of such term. Each public housing agency entering into such a contract shall be reserved a sum equal to its total approved contract authority from the monies authorized and appropriated for the fiscal year in which the notification date of funding approval falls.

(b) Public housing agencies receiving assistance for congregate services programs under this Act shall be required to maintain the same dollar amount of annual contribution which they were making, if any, in support of the provision of services eligible for assistance under this Act prior to their initial notification date of funding approval; unless the Secretary determines that the waiver of this requirement is necessary for the maintenance of adequate levels of services to eligible project residents. If any contract or lease entered into by a public housing agency pursuant to section 5(a)(1) of this Act provides for adjustments in payments for services to reflect changes in the cost-of-living, then the amount of annual contribution required to be maintained by such public housing agency under the preceding sentence shall be readjusted in the same manner.

(c) The second sentence of section 7 of the United States Housing Act of 1937 is amended to read as follows: "As used in this section, the term 'congregate housing' means (A) low-rent housing which, as of January 1, 1979, was built or under construction, with which there is connected a central dining facility where wholesome and economical meals can be served to such occupants; or (B) low-rent housing constructed after, but not under construction prior to, January 1, 1979, (i) in which some or all of the dwelling units do not have kitchen facilities, and (ii) connected with which there is a central dining facility to provide wholesome and economical meals for such occupants. Such occupants of congregate housing may also be provided with other supportive services appropriate to their needs under the Congregate Housing Services Act of 1978.".

DEFINITIONS

SEC. 4. For the purpose of this Act—

(a) the term "elderly" means sixty-two years of age or over;

(b) the term "handicapped" means an impairment which (1) is expected to be of long-continued and indefinite duration, (2) substantially impedes an individual's ability to live independently, and (3) is of such a nature that such ability could be improved by more suitable housing conditions. Such impairment may include a functional disability or frailty which is a normal consequence of the human aging process;

(c) the term "household" means one or more persons residing in a public housing project;

(d) the term "temporarily disabled" means an impairment which (1) is expected to be of no more than six months' duration, (2) substantially impedes an individual's ability to live independently and (3) is of such a nature that such ability could be improved by more suitable housing conditions;

(e) the term "congregate services programs" means programs to be undertaken by a public housing agency to provide assistance to handicapped elderly households or non-elderly handicapped households or temporarily disabled elderly households who, with such assistance, can remain independent and avoid unnecessary institutionalization;

(f) the term "personal assistance" means service provided under this Act which may include, but is not limited to, aid given to eligible project residents in grooming, dressing, and other activities which maintain personal appearance and hygiene; and

(g) the term "professional assessment committee" means a group of at least three persons and shall include qualified medical professionals and other persons professionally competent to appraise the functional abilities of elderly and/or permanently disabled adult persons in relation to the performance of the normal tasks of daily living.

SERVICES

SEC. 5. (a)(1) Any public housing agency receiving assistance under this Act may provide congregate services directly to eligible project residents or may, by contract or lease, provide such services through other appropriate agencies or providers.

(2) In any case, any such public housing agency shall consult with the Area Agency on Aging (or, where no Area Agency on Aging exists, with the appropriate State agency under the Older Americans Act of 1965) in determining the means of providing services under the preceding sentence, and in identifying available sources of funding for such services other than assistance under this Act.

(3) Prior to the submission of an application for either new or renewed funding under this Act, a public housing agency shall present a draft application to the Area Agency on Aging (or, where no Area Agency or Aging exists, to the appropriate State agency under the Older Americans Act of 1965) for review and comment. A public housing agency shall consider such review and comment in the development of its final application for either new or renewed funding under this Act.

(4)(i) In any case where a public housing agency determines that non-elderly handicapped individuals are included among the eligible project residents to be served by the congregate services program, the public housing agency shall consult with the appropriate local agency, if any, as designated by applicable State law with having responsibility for the development, provision, or identification of social services to permanently disabled adult individuals. Such consultation shall be for the purpose of determining the means of providing services under section 5(a)(1) of this Act.

(ii) Such public housing agency shall also, prior to the submission of an application for either new or renewed funding under this Act, present a draft application to such appropriate local agency for review and comment. The public housing agency shall consider such review and comment in the development of its final application for either new or renewed funding under this Act.

(5) No services funded under this Act may duplicate services which are already affordable, accessible, and sufficiently available on a long-term basis to eligible project residents under programs administered by or receiving appropriations through any department, agency, or instrumentality of the Government of the United States, or any other public or private department, aegncy, or organization.

(b) Congregate services programs assisted under this Act must include full meal service adequate to meet nutritional needs, and may also include housekeeping aid, personal assistance, and other services essential for maintaining independent living.

APPLICATION PROCEDURES

SEC. 6. (a) Whenever a public housing agency applies for assistance under this Act, the agency shall include a plan specifying the types and priorities of the basic services it proposes to provide during the term of contract authority. Such plan, including fee schedules established pursuant to section 10 of this Act, must be related to the needs and characteristics of the eligible residents of the projects where the services are to be provided; shall, to the maximum extent practicable, make provision for the changing needs and characteristics of project residents during the term of contract authority; and shall be determined after consultation with eligible project residents and with the professional assessment committee. If a project where such services are to be provided is a new, unoccupied project, then such consultation shall be carried out as a part of the occupancy interview process.

(b) Each application submitted by a public housing agency for assistance under this Act shall contain a statement affirming that—

(1) the services provided will not duplicate any services which are already affordable, accessible, and sufficiently available on a long-term basis to eligible project residents under programs administered by or receiving appropriations through any department, agency, or instrumentality of the Government of the United States, or any other public or private department. agency, or organization;

(2) the Area Agency on Aging (or, where no Area Agency on Aging exists, the appropriate State agency under the Older Americans Act of 1965) has been presented with a draft application, has been given a reasonable amount of time for the review of and comment upon such draft application, and that such review and comment has been considered in the development of the submitted application for assistance;

(3) if non-elderly handicapped individuals are included among the eligible project residents, the appropriate local agency, if any, as designated by applicable State law with having responsibility for the development, provision, or identification of social services to permanently disabled adult individuals, has been presented with a draft application, has been given a reasonable time for the review of and comment upon such draft application, and that such review and comment has been considered in the development of the submitted apolication for assistance; and

(4) fees established for services provided under this Act are reasonable and have been set in accord with the requirements of subsection (a) and section 7 of this Act with respect to consultation with eligible project residents, and with the requirements of section 10 of this Act.

(c) Each application submitted by a public housing agency for assistance under this Act shall list the names and professional qualifications of the members of the professional assessment committee.

PROGRAM REVIEW

SEC. 7. Each public housing agency receiving assistance for congregate services programs under this Act shall review the performance, appropriateness, and fee schedules of such services with eligible project residents, and with the professional assessment committee, within twelve months prior to the submission of an application for renewed funding under this Act. The results of such review shall be included in such application, and shall be considered in the development of the application by the public housing agency and in its evaluation by the Secretary.

EVALUATION BY THE SECRETARY

SEC. 8. In evaluating applications for assistance under this Act, the Secretary shall consider at least the following—

(1) the types and priorities of the basic services proposed to be provided, and the relationship of such proposal to the needs and characteristics of the eligible residents of the projects where the services are to be provided;

(2) how quickly services will be established following approval of the application;

(3) the degree to which local social services are adequate for the purpose of assisting eligible project residents to maintain independent living and avoid unnecessary institutionalization;

(4) the professional qualifications of the members of the professional assessment committee established pursuant to section 10(a)(1) Act; and

(5) the reasonableness of fee schedules established for each congregate service pursuant to section 10 of this Act.

REGULATIONS

SEC. 9. (a) The Secretary is authorized to promulgate regulations to carry out the provisions of this Act. Such regulations shall provide for at least the following:

(1) Standards shall be established for the provision of services under this Act.

(2) (i) Procedures for the review and evaluation of the performance of grantees under this Act shall be established.

(ii) Each public housing agency assisted under this Act shall submit to the Secretary an annual evaluation of the impact and effectiveness of its congregate services programs.

(iii) The Secretary shall annually publish, and make available to Congress and the public, a report on and evaluation of the impact and effectiveness of congregate services programs assisted under this Act. Such report and evaluation shall be based, in part, on the evaluations required to be submitted pursuant to subsection (a)(2)(ii).

(3) Accounting and other standards shall be prescribed in order to prevent any fradulent or inappropriate use of funds under this Act.

(4) (i) Appropriate deadlines for each fiscal year shall be established for the submission of applications for funding under this Act. The Secretary shall notify any public housing agency applying for assistance under this Act of acceptance or rejection of its application within ninety days of such submission deadline.

(ii) Where such funding has been approved for the establishment of congregate services in existing public housing projects, the Secretary may reallocate these funds if the services are not established within six months of the notification date of funding approval.

(iii) Where such funding has been approved for the establishment of congregate services for public housing projects under construction or approved for construction, the Secretary shall establish rules to assure that these services shall be in place at the start of the project's occupancy by tenants requiring such services for maintaining independent living.

(5) Procedures to assure timely payments to public housing agencies for assisted congregate services programs shall be established, with provision made for advance funding sufficient to meet necessary start-up costs.

(6) Procedures shall be established for the recapture of unused contract authority, the utilization of unused reserve monies from the prior fiscal year, and the reallocation of such unexpended funds to other feasible and effective applications for assistance under this Act.

(7) A reserve fund, not to exceed ten percent of the funds appropriated in each fiscal year for the provision of services under this Act, shall be established by the Secretary; and expenditures from such fund shall be made for the purpose of supplementing grants awarded to public housing agencies under this Act when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible project residents.

(8) Procedures shall be established to ensure that the process of determining eligibility of individuals for services under this Act shall accord such individuals fair treatment and due process.

(9) Procedures shall be established to ensure that changes in the membership of the professional assessment committee are consistent with the requirements of section 4(g) of this Act.

(b) No more than one percent of the funds appropriated under this Act for any fiscal year may be used by public housing agencies for evaluative purposes as required by this Act.

ELIGIBILITY FOR SERVICES FEE SCHEDULES

SEC. 10. (a)(1)(i) The identification of project residents eligible to participate in a congregate services program assisted under this Act, and the designation of the services appropriate to their individual functional abilities and needs, shall be made by a professional assessment committee whose members shall be selected by the local public housing agency.

(ii) Any public housing authority receiving assistance under this Act shall notify the Secretary of any change in the membership of the professional assessment committee within thirty days of such change. Such notification shall list the names and professional qualifications of new members of the committee.

(2) Each public housing agency shall establish fees for meal service and other appropriate services provided to eligible project residents. These fees shall be reasonable, may not exceed the cost of providing the service, and shall be calculated on a sliding scale related to income which permits the provision of services to such residents who cannot afford meal and service fees.

(b)(1) Other resident elderly and permanently disabled adult households may participate in a congregate meal service program assisted under this Act if the local public housing agency determines that the partipation of these individuals will not adversely versely affect the cost-effectiveness or operation of the program.

(2) Where such service is provided, the local public housing agency shall establish fees which are reasonable and which do not exceed the cost of providing the meal service.

EMPLOYMENT OPPORTUNITIES FOR RESIDENTS

SEC. 11. Each public housing agency shall, to the maximum extent practicable, utilize elderly and permanently disabled adult persons who are residents of congregate housing projects, but who are not eligible project residents, to participate in providing the services assisted hereunder. Such persons shall be paid wages which shall not be lower than whichever is the highest of—

(1) the minimum wage which would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the resident and if he were not exempt under section 13 thereof;

(2) the State or local minimum wage for the most nearly comparable covered employment; or

(3) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

Employment provided under this section shall be limited to a maximum of five hours per day and twenty hours per week for each participating resident.

RELATIONSHIP TO OTHER LAWS

SEC. 12. (a) No service provided to a public housing resident under this Act, except for wages paid under section 11 of this Act, may be treated as income for the purpose of any other program or provision of State or Federal law.

(b) Individuals receiving services assisted under this Act shall be deemed to be residents of their own households, and not to be residents of a public institution, for the purpose of any other program or provision of State or Federal law.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. To carry out the provisions of this Act there are authorized to be appropriated—

(a) for fiscal year 1979, not to exceed $20,000,000;

(b) for fiscal year 1980, not to exceed $25,000,000;

(c) for fiscal year 1981, not to exceed $35,000,000;

(d) for fiscal year 1982, not to exceed $40,000,000; and

(e) for fiscal year 1983, not to exceed $45,000,000.

CONGREGATE HOUSING SERVICES ACT OF 1978—SECTION-BY-SECTION ANALYSIS

SECTION 1

SECTION 2.—DECLARATION OF FINDINGS

(a) Innovative and comprehensive means are required if frail and handicapped individuals are to be enabled to remain in their own homes. This goal of independent and dignified living is consistent with traditional American principles.

(b) Congregate housing supplemented by supportive services is an important means for the prevention of unnecessary institutionalization of the elderly. It is also cost-effective.

(c) These same supportive services which can assist the elderly can also provide assistance to handicapped persons residing within assisted housing projects.

(d) Since 1970, the Secretary of Housing and Urban Development has been required, by statute, to encourage service-supported congregate public housing. The fastest-growing segment of the elderly population are post-75 year old individuals whose independence begins to be limited by frailties associated with the normal aging process. They face premature and unnecessary institutionalization because such housing alternatives are not being developed. Hearings held by the Committee on Aging in October 1975, and supplementary information developed since that time, indicate that this gap in the spectrum of housing choices will continue to exist until the critical lack of adequate funding for coordinated service packages is remedied.

(e)(1) Congregate housing and supportive services, if they are to be successfully implemented within the context of public housing management, must be melded into an inseparable whole.

(2) Secure and continuous funding for a coordinated service package must be made available to public housing managers if the Nation is to respond successfully to the needs of the growing number of frail older Americans, many of whom now reside in public housing projects.

SECTION 3.—AUTHORIZATION OF CONTRACT AUTHORITY

(a) The HUD "Secretary" is authorized to enter into contracts with "public housing agencies" for the establishment of congregate services programs. Services will be provided to handicapped elderly, temporarily disabled elderly, and non-elderly handicapped persons residing within assisted congregate housing projects ("eligible project residents"). The purpose of such services is continued independent residence for eligible project residents. The contracts entered into shall be for a period of three to five years (report language will clarify that almost all contracts should be for five years, and that the provision for shorter periods shall be utilized only in special, appropriate situations). These contracts shall be renewable upon expiration, provided that the application for renewal is submitted and is consistent with applicable sections of the Act. The funds for each contract shall be reserved from the appropriations enacted for the fiscal year in which ap-

plication approval is obtained, and shall be drawn down periodically—this will guarantee funding continuity.

(b) Assisted public housing authorities are required to maintain any financial effort they were making in furtherance of congregate-type services prior to contract authority approval. The HUD Secretary may waive this requirement if the housing authority is experiencing financial difficulties and if enforcement of the requirement would jeopardize adequate service levels. If contracts entered into by the housing authority for the provision of congregate services contain cost-of-living escalators, then the authority's annual maintenance of effort contribution shall be readjusted accordingly.

(c) Section 7 of the U.S. Housing Act of 1937 is amended in order to permit the provision of services under the Congregate Act to existing public housing. (A) To be eligible for assistance, projects built or under construction prior to January 1, 1979, are required only to have a central dining facility where meals can be served. (B) Projects on which construction begins after that date will continue to be required to have at least some apartments without kitchens, and to have central dining facility in which meals can be prepared and served.

SECTION 4.—DEFINITIONS

(a) "Elderly" means sixty-two or older.

(b) "Handicapped" means a long-term impairment which substantially impedes independent living but is of such a nature that more suitable housing conditions can alleviate this effect. An impairment which is a normal consequence of the human aging process is included under this definition.

(c) "Household" means one or more persons residing in a public housing project.

(d) "Temporarily disabled" refers to an impairment of the type defined under "handicapped", but which is expected to be of less than six months' duration. Temporarily disabled elderly will be given assistance under the Act to assure that they do not lose their apartments due to the temporary consequences of an injury which limits their independence.

(e) "Congregate services program undertaken by housing authorities under this Act for the purpose of maintaining residents' independence and preventing institutionalization where no medical reason exists for it.

(f) "Personal assistance" means care given to eligible residents in grooming, dressing, and other activities which maintain personal appearance and hygiene. Such assistance fosters a healthy psychological attitude and physical well-being.

(g) "Professional assessment committee" means a group of at least three persons who are competent to appraise the functional abilities and service needs of elderly and/or permanently disabled adult persons requiring assistance to remain independent within their own homes. At least one of the committee members should be a medical professional. The expertise of the committee should be appropriate to the makeup of the assisted projects(c).

SECTION 5.—SERVICES

(a)(1) Housing agencies assisted under the Act may provide congregate services directly, or contract for them with appropriate agencies or providers.

(2) Prior to drafting its application for funding, the public housing agency shall consult with the local Area Agency on Aging in order to obtain advice on the best means of providing services, and to receive assistance in identifying funding sources other than this Act available to the housing agency.

(3) After the housing agency drafts its application to HUD for assistance, it shall present that draft to the Area Agency on Aging for review and comment. The housing agency must consider those comments prior to submitting its final application to HUD. The housing agency must follow this procedure for new and renewed service funding applications.

(4)(i) If non-elderly handicapped persons reside in a project wherein congregate services will be provided, the housing authority must also consult with the local agency, as designated by State law, which has responsibility for the development, provision, or identification of social services for permanently disabled adults. It is anticipated that, in most cases, this will be the local vocational rehabilitation agency supported under the State-Federal program administered by the Rehabilitation Services Administration. This consultation will be for the purpose of obtaining advice on the best means of providing services, and assistance in identifying funding sources other than this Act available to the housing agency. (ii) In this case, after the housing agency drafts its application to HUD for assistance, it shall present that draft to this previously identified local agency for review and comment. The housing agency must consider those comments prior to submitting its final application to HUD. The agency must follow this procedure for new as well as renewed applications for service funding.

(5) A prohibition is established against the use of funds under this Act for services of the type it subsidizes which are already properly available or already being provided to the residents of projects seeking assistance. This prohibition applies to Federal, State, local, and private or charitable programs if they are able to provide or are providing, to project residents, social services which they can afford; which can be easily reached on a daily basis; and which are expected to be sufficiently available over a term of at least 3–5 years.

(b) A full meal service, provided at least twice-daily and adequate for the nutritional needs of persons receiving assistance, is required in any services program assisted under this Act. Other services eligible for subsidization are housekeeping, personal assistance, and other services essential for maintaining independent living. Such other services might, for example, include transportation assistance to reach shopping and doctors when the housing authority was unable to provide this service under another applicable Federal program; but could not include full on-site medical care or other services which would tend to turn the housing project into a medical care institution.

SECTION 6.—APPLICATION PROCEDURES

(a) When it applies for assistance, the housing authority must submit to HUD a plan which specifies the types of services it wishes to provide, and their relative priorities, during the term of contract authority requested. This plan, including proposed resident fee schedules for services, must be related to the physical condition, service needs, and financial capabilities of eligible project residents. It also must make provision for changes in the residential composition of the project during the term of contract authority. Finally, the plan must reflect the opinions of both the residents to be assisted and the professional assessment committee; where the project to be assisted is a new, unoccupied one, then consultation with residents as to service needs must constitute part of the interview process prior to occupancy.

(b) Each application submitted by a housing authority to HUD must certify that the review and comment and nonduplication requirements of sections 5(a)(3), (4)(ii), and (5) have been complied with; and that the fee schedule has been established in accord with sections 6(a) and 7 (consultation with residents) and 10 (reasonableness; maximum cost; and eligibility for subsidy).

(c) Each application submitted to HUD must also contain the names of the members of the professional assessment committee, and their professional qualifications which demonstrate expertise in evaluating the functional abilities of the elderly, and/or permanently disabled adults.

SECTION 7.—PROGRAM REVIEW

A public housing authority receiving assistance under the Act must, within the twelve month period prior to the submission of an application for renewed funding, review the congregate services program with eligible residents and the professional assessment committee. This review must specifically address the performance of service providers; the appropriateness of available services and the need for others; and the reasonableness of the fee schedule in relation to assisted residents' financial condition. The results of this review must be considered by the housing authority when developing its application for renewed funding; and must be submitted to the Secretary, with the renewal application, to aid in HUD's evaluation.

SECTION 8.—EVALUATION BY THE SECRETARY

In evaluating the adequacy and worth of proposed service plans, and in determining the relative needs of housing authorities applying for assistance under this discretionary grant program, the Secretary must at least consider these factors: (1) The types of services proposed to be provided, their prioritization by the housing authority, and the relationship of these services to the needs and characteristics of eligible project residents. (2) How rapidly the service program can be established following application approval. (3) The degree to which social services already available in the project's community are adequate for assisting project residents in staying independent and avoiding unnecessary institutionalization. (4) The qualifications of the professional assessment committee for their appraisal duties. (5) The reasonableness of the fee schedules proposed to be established in relation to the financial capabilities of the persons who will receive assistance.

SECTION 9.—REGULATIONS

(a) The Secretary is authorized to issue such regulations as are necessary to carry out this Act. These regulations must provide for at least the following:

(1) Standards for the provision of services.

(2)(i) Procedures for the review and evaluation of the performance of assisted housing authorities. (ii) The submission of an annual evaluation of congregate services programs from assisted housing authorities. (iii) The annual publication of a report and evaluation of assisted programs by the Secretary. This report must be made available to Congress and the public and shall be based, in part, on the annual evaluations submitted to the Secretary by local housing authorities.

(3) Accounting standards, and other safeguards, to prevent the fraudulent or inappropriate use of funds made available by this Act.

(4)(i) Appropriate application submission deadlines for each fiscal year. Housing authorities applying for assistance must be notified of approval or rejection by the Secretary within the ninety day period following this deadline. (ii) Procedures to permit the reallocation of funds made available to existing projects if service programs are not established within the six month period following the notification of funding approval. (iii) Rules to assure, where funding has been provided for programs within projects which are under or approved for construction, that

the services will be operating when persons requiring assistance begin occupancy.

(5) Procedures to ensure that payments are made to assisted housing authorities on a timely basis. These procedures should include a means of providing advance funding which is sufficient for normal start-up costs.

(6) Procedures which permit the recapture of unused contract authority, the utilization of unexpended reserve funds from the prior fiscal year, and the reallocation of these monies to pending applications for congregate services programs.

(7) The establishment of a reserve fund by the Secretary. This fund, which is not to exceed ten percent of the sum appropriated under the Act in the fiscal year that the reserve is available for, shall be used for supplementing the grants made to those housing authorities which subsequently require increased assistance to maintain adequate congregate services to eligible residents. Such a situation could arise if a service provider breaches its contract, forcing the housing authority to contract for substitute services at a higher cost.

(8) Procedures to ensure that the process by which the professional assessment committee, acting in concert with the housing authority, identifies eligible project residents and their service requirements is one which accords project residents fair and even-handed treatment.

(9) Procedures to ensure that new (additional or replacement) members of the professional assessment committee, joining during the term of contract authority, are professionally competent to evaluate the functional abilities of elderly persons and/or permanently disabled adults.

(b) Up to one percent of the funds appropriated under the Act in a given fiscal year may be utilized by public housing agencies for preparation of the evaluations required by the Act.

SECTION 10.—ELIGIBILITY FOR SERVICES, FEE SCHEDULES

(a)(1)(i) The professional assessment committee is given the responsibility of identifying project residents eligible for subsidized congregate services; and for designating the services which are appropriate for each such resident. The committee membership shall be determined by the local housing authority.

(ii) Assisted housing authorities are required to notify the Secretary of any changes in the membership of the professional assessment committee within thirty days of its occurrence. This notification must include the names and professional qualifications of the new member or members.

(2) Fees for meal service and other congregate services provided to eligible project residents shall be established by the housing authority. These fees are required to be reasonable, are prohibited from exceeding a service's cost, and are to be calculated on a sliding scale related to income which permits the provision of fully subsidized services to the most needy residents.

(b)(1) Elderly and physically disabled project residents who are not eligible for congregate services are permitted to partake of congregate meals. This participation is subject to the housing agency's determination that the meal service's cost-effectiveness will not be adversely affected; it is anticipated that, in most cases, the participation of such persons will in fact provide economies of scale and will also promote worthwhile socialization.

(2) Such persons will be charged reasonable fees which do not exceed the per capita cost of providing the meal service. These fees will not be calculated on a sliding scale; only eligible project residents receive such subsidization under the Act.

SECTION 11.—EMPLOYMENT OPPORTUNITIES FOR RESIDENTS

Assisted public housing agencies are required, to the maximum extent practicable, to employ elderly and physically disabled project residents who are not so frail or impaired as to qualify for subsidized assistance. These individuals will be compensated for the provision of congregate services (such as assistance in food preparation, aid in dressing, and light housekeeping and maintenance) at the same wage scale established for Title IX (Community Service Employment) of the Older Americans Act. The employment of residents under this section is limited to a maximum of five hours per day and twenty hours per week each.

SECTION 12.—RELATIONSHIP TO OTHER LAWS

(a) Service benefits received under the Act, with the exception of wages paid to those employed under the provisions of section eleven, are barred from being treated as income for the purpose of determining eligibility for or benefits from any other State or Federal program. The purpose of this subsection is to assure that assisted individuals do not lose their eligibility for SSI, Medicaid, or other means-tested programs because of their receipt of such assistance. This is consistent with the fact that all income received by such persons, including SSI, will be considered when their payment obligations are established in accordance with the sliding-scale fee schedule.

(b) Individuals receiving assistance under the Act are to be regarded as residing within their own households, and not within a public institution, for the purpose of determining benefits under any other State or Federal program. The purpose of this subsection is to assure that assisted individuals are not considered to be "inmates of a public institution" under applicable Social Security Administration regulations, thereby becoming ineligible for Medicaid and SSI assistance. Those SSA regulations were not drafted with this type of congregate assistance program in mind; ambiguous language within the regulations might result in benefit losses without this clarification.

SECTION 13.—AUTHORIZATION OF APPROPRIATIONS

The following sums are authorized for carrying out the Act; FY 79—$20 million; FY 80—$25 million; FY 81—$35 million; FY 82—$40 million; FY 83—$45 million.

The progressive increase in funding assumes an increase in the scope of the program as local housing agencies gather valuable insights from the initial years of others' programs, and as HUD develops expertise in administering the Act. This progressive arrangement also recognizes that many existing housing projects will have to complete some renovation activities for the establishment of central dining areas before they are eligible to receive congregate services assistance. The fiscal year 1983 funding level has been set to be sufficient to support the provision of congregate services to all of the persons who are estimated to currently reside in public housing designed for the elderly and to be in need of such assistance.●

● Mr. CHURCH. Mr. President, I join with Senator HARRISON WILLIAMS, and with many other distinguished colleagues, in introducing the Congregate Housing Services Act of 1978. This bill is but one part of the emerging strategy, given much attention by the Senate Committee on Aging, for the extension of services to the frail elderly to help keep such persons in their homes and out of nursing homes and other institutions.

The need for such innovative and effective means is great now and will continue to grow—new data recently made available to the Committee on Aging indicates that, between now and the year 2000, the number of Americans between the ages of 65 and 75 will increase by 23 percent, but the number who are between 75 and 85 will increase by 57 percent. This "aging of the elderly" will increase the percentage of older Americans more than 75 years of age from 38 percent of the 65 and older population in 1976 to 45 percent in the year 2000.

And it is precisely this segment of the population which is likely to need some assistance to maintain independent lives within their own residences. Without that assistance, they are likely to be institutionalized unnecessarily and prematurely, at great psychological harm to them and great expense to the Government.

The Congregate Housing Services Act demonstrates that good public policy can be humane and cost-effective at the same time. The Federal share alone for the annual maintenance of a low-income elderly person in a nursing home currently stands at $5,500 under the medicaid program. In contrast, by subsidizing the difference between the cost of supportive services and the ability of elderly public housing residents to pay for them, this bill can sustain independence at a cost of approximately $1,000 annually.

The Congregate Housing Services Act will finally implement housing law enacted in 1970 by providing a missing element—the availability of long-term financing for comprehensive service packages to local housing authorities. Hearing held by the Special Committee on Aging in October 1975 revealed that only a handful of congregate public housing facilities had been established across America. That situation remans unchanged today. This 1970 program has been halted in its tracks by the Catch-22 situation which has faced housing authorities: They have been unwilling to expend funds on the central dining facilities and other special features required for congregate housing without some assurance of long-term service funding, and that funding has not been available. While many excellent support programs have been established by the Congress, several contain restrictions which make them inapplicable to a system of full-time support, and all of them receive their authorizations on a year-to-year basis which is incompatible with the congregate housing concept.

This bill is not the single answer to the needs of the frail elderly. Rather, it is the best and most effective method for assisting those public housing residents who need assistance to remain independent, but who do not require daily medical care, to stay in their homes. The Committee on Aging is also exploring ways to make such assistance available to those elderly who reside in other types of federally supported housing, such as section 202 facilities. And a continuing series of committee hearings on alternatives in long-term care has shown that similar help is needed by many older Americans who reside in their own homes and private apartments.

The Congregate Housing Services Act assures that programs funded under it are not duplicative of existing community resources, and maintains a coordinated local effort on behalf of the elderly by mandating that housing agencies seek the advice and the review and comment of area agencies on aging before submitting applications to HUD. In this way, interagency liaison is achieved at the level of Government where it is most important for such programs, and where it is least likely to become bogged down in bureaucratic redtape.

This bill contains two further provisions which I wish to draw to my colleagues' attention. First, it provides employment opportunities for those elderly project residents who are capable of providing assistance to their neighbors. And second, it permits the extension of these supportive services to younger handicapped persons residing within assisted projects, and can in fact become the funding basis for new HUD innovations in independent living arrangements for the handicapped.

It is my hope that 1978 will be the year in which congregate public housing ceases to be an unfulfilled promise and becomes instead a life-enhancing reality.●

● Mr. CHILES. Mr. President, I am pleased to join Senator WILLIAMS, chairman of the Senate Human Resources Committee in sponsoring the proposed Congregate Services Act of 1978.

This bill is very timely and important, and I urge all my colleagues in the Senate to give it full consideration.

The Congregate Services Act of 1978 tackles one of the most basic and severe problems facing thousands of disabled and impaired older Americans residing in public housing all across the Nation. Even though a basic need for shelter is being met, too many elderly public housing residents find themselves temporarily disabled without access to basic support services. Too often they then have to give up these apartments and move to a nursing home or other institution where this basic support is available.

As a member of the Senate Special Committee on Aging, I am only too well aware of the need for such services. I recently chaired a series of hearings for the committee which made it clear that, for thousands of slightly handicapped elderly, the availability of even the simplest support services means the difference between remaining in a home environment and being prematurely institutionalized. This is often true whether one is living alone or living with relatives.

This bill will make it possible, for the first time, for local public housing authorities to provide or contract for needed services for elderly and handicapped residents, and represents a significant step forward in the development of supported housing options.

The bill would provide funding for a wide range of services—help in apartment maintenance, assistance in personal care, nutritious meals in a congregate setting, counseling, transportation for doctor visits and other health services, or whatever is needed to assure continued independent living.

Some public housing authorities have already taken steps to insure the availability of such services to residents in need, usually through arrangements with local service providers. In some cases, public housing authorities have donated space within apartment buildings for the use of service agencies, in effect creating a comprehensive service center right on the premises.

This bill would not replace these innovative arrangements, as it would not provide service funds where services are already available to residents. But there are many, many more public housing authorities not able to get services to residents.

This bill would provide a stable source of funding for these housing authorities, encouraging new and expanded service programs.

Public housing authorities could provide services directly, or contract with existing service agencies to expand their services to housing residents. In this way, the bill will also serve as an incentive for building the overall capacity of community agencies in in-home service provision.

Another important aspect of the bill, if enacted, would be the precedent set for all HUD-assisted housing for the elderly and handicapped.

The Special Committee on Aging has examined the congregate housing concept in depth and determined that supported housing is an essential part of a broadly defined spectrum of community-based systems of long-term care. Current Department of Housing and Urban Development programs concentrate primarily on construction assistance and rent subsidies. If the bill is enacted, the Department will, for the first time, be required to turn attention to supported housing issues and develop insights and expertise required if congregate housing is to become a major housing strategy for older Americans.

While the bill requires housing authorities to consult with local experts in provision of services to the elderly as service plans are developed, it also offers housing authorities the kind of flexibility needed for truly innovative programs.

An innovative concept in the bill is the involvement of public housing residents in deciding what services should be made available. Participation of consumers of services in decisions about the kind and quality of service provided is an important keystone which will help insure that services are appropriate, timely, and wisely used.

If enacted, the bill would also assure that all those in need of support will have access to them, regardless of income. A local housing authority could set a sliding scale for payment for services which would allow full subsidies of service costs for those with the lowest incomes, but would not deny services to higher income residents with service needs. This is an important concept which will both help keep program costs low and assure equitable treatment of resident needs.●

● Mr. DOMENICI. Mr. President, I rise to speak today in support of a bill introduced by my colleague, the distinguished Senator from New Jersey (Mr. WILLIAMS), which will provide for social and nutritional services for older Americans living in congregate housing.

In a report issued in November 1975, by the Senate Special Committee on Aging called "Congregate Housing and Older Americans," it was noted that the number of persons aged 75 and over is growing faster than that of any other age group. This trend has become more apparent over the past few years. Because of this continued increase in the population of those over 65 and because of the younger generation's mobility, the need has become greater for residential living arrangements with services similar to those rendered in a family setting.

There are a number of basic facts which spell out my interests in congregate housing services for the elderly. As we get older, according to a national health survey, 40 percent of us will have significant disabilities. The needs of the elderly who are impaired or disabled have been thoroughly studied. Some of these studies indicate that 10 to 15 percent of our elderly population will require congregate housing in order to avoid institutionalization. Among those older persons who are institutionalized, 20 to 40 percent do not require the complete range of nursing home services. It is apparent then that this country is making an unnecessary investment in institutional care.

By providing our older Americans with adequate housing and sufficient social services in a congregate setting, we could minimize institutionalization and allow the elderly to enjoy the more independent lifestyle to which they are accustomed.

This bill would assist Federal, State, and local governments to achieve this end.●

By Mr. JACKSON (by request):

S. 2692. A bill to authorize appropriations for the civilian programs of the Department of Energy for fiscal year 1979, and for other purposes; to the Committee on Energy and Natural Resources.

S. 2693. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes; to the Committee on Armed Services and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

ENERGY AUTHORIZATIONS, 1979

● Mr. JACKSON. Mr. President, I introduce two bills which together are the measure proposed by the administration to authorize appropriations for the Department of Energy for fiscal year 1979. The measure is being introduced as two separate bills in order to simplify the referral of the matter to the appropriate committees and to facilitate congressional action.

One of these bills includes only civilian programs of the Department of Energy and will be referred to the Committee on Energy and Natural Resources.

The second bill involves primarily the national security programs of the Department which are within the jurisdiction of the Committee on Armed Serv-

ices. Title II of this bill, however, covers program items which have implications both for national security and for possible future civilian applications and which are of interest to both committees.

I ask unanimous consent, therefore, that the bill cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Act of 1979" be jointly referred to the Committees on Armed Services and on Energy and Natural Resources with the understanding that the consideration of the bill by the Committee on Energy and Natural Resources be limited to the matter of title II of the bill.

This referral procedure has been discussed with the distinguished chairman of the Armed Services Committee (Mr. STENNIS) and has his concurrence.

Mr. President, I ask unanimous consent that both bills be printed in the RECORD at this point.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2692

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as "The Department of Energy Civilian Program Authorization Act for Fiscal Year 1979".

SEC. 2. In accordance with section 660 of the Department of Energy Organization Act, there is hereby authorized to be appropriated to the Department of Energy for fiscal year 1979 the following sums, which may be made available until expended, under Titles I through IV:

TITLE I—ENERGY

Subtitle A—Energy supply-research and technology development

SEC. 101. For the following energy supply-research and technology development programs, a sum of dollars equal to the total of the following:

(a) Coal, $519,925,000;
(b) Petroleum, $78,150,000;
(c) Gas, $25,650,000;
(d) Solar, $274,800,000;
(e) Geothermal, $126,700,000, including an additional $7,500,000 for the 50 megawatt geothermal demonstration plant;
(f) Magnetic confinement fusion, $225,000,000;
(g) Fission, $742,851,000;
(h) Hydroelectric, $8,000,000;
(i) Biomass, $26,400,000;
(j) Basic energy sciences, $175,600,000;
(k) Advanced technology and assessment project, $21,000,000;

SEC. 102. For energy supply-research and technology development capital investment, including: project planning, construction, acquisition, or modification of facilities (including land acquisition), and related activities, and acquisition or fabrication of capital equipment not related to construction, an additional sum of dollars equal to the total of the following:

(a) Coal

(1) Project 79–1–a, Morgantown Energy Research Center Warehouse Building, Morgantown, West Virginia, $350,000.

(b) Fission

(1) Project 79–1–b, Modifications to Reactors, $4,000,000.

(2) Project 79–1–c, Security Improvements, Richland, Washington, $12,000,000.

(3) Project 79–1–d, Second Power Tieline, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $2,600,000.

(4) 79–1–e, Fire Safety and Protection Improvements, Idaho National Engineering Laboratory, Idaho Falls, Idaho, and Argonne National Laboratory, Argonne, Illinois, $3,100,000.

(5) Project 79–1–f, Radioactive Waste Facility, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $2,000,000.

(6) Project 79–1–g, Test Area North Radioactive Liquid Waste Storage and Transfer System, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $1,000,000.

(7) Project 79–1–h, Maintenance and Storage Facility, Richland, Washington, $16,700,000.

(8) Project 79–1–i, AWBA Test and Examination Facilities, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $9,000,000.

(9) Project 79–1–j, Reactivation of Radioactive Material Laboratory and Hot Cell Annex, Test Area North, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $3,000,000.

(c) Basic Energy Sciences

(1) Project 79–1–k, Intense Pulsed Neutron Source-I, Argonne National Laboratory, Argonne, Illinois, $6,400,000.

(d) Capital Equipment Not Related to Construction, $110,601,000.

SEC. 103. For energy supply-research and technology development projects previously authorized:

(a) For Project 78–2–c, Low-Btu Fuel Gas Small Industrial Demonstration Plant, an additional sum of $19,000,000 (making a total project authorization of $25,000,000).

(b) For Project 76–1–b, High-Btu Synthetic Pipeline Gas Demonstration Plant, an additional sum of $191,000,000 (making a total project authorization of $246,000,000).

(c) For Project 76–2–b, Ten Megawatt Central Receiver Solar Thermal Power Plant, Barstow, California, an additional sum of $24,250,000 (making a total project authorization of $71,500,000).

(d) For Project 78–5–b, Advanced Fuel Recycle Integrated Equipment Test Facility, Oak Ridge National Laboratory, Oak Ridge, Tennessee, an additional sum of $12,400,000 (making a total project authorization of $15,400,000).

(e) For Project 78–5–a, Facilities for the National Waste Terminal Storage Program, site undetermined (land acquisition, A–E and long-lead procurement), an additional sum of $45,000,000 (making a total project authorization of $55,000,000).

(f) Project 78–6–e, Liquid Metal Engineering Center Facility Modifications, Liquid Metal Engineering Center, Santa Susana, California (A–E and long-lead procurement only), an additional sum of $1,600,000 (making a total project authorization of $5,600,000).

Subtitle B—Energy Supply-Production, Demonstration and Distribution

SEC. 104. For the following energy supply-production, demonstration and distribution programs, a sum of dollars equal to the total of the following:

(a) Coal, $2,930,000;
(b) Petroleum and shale reserves, $199,005,000;
(c) Solar, $64,381,000;
(d) Uranium enrichment activities, $976,400,000;
(e) Uranium resource assessment, $91,200,000;
(f) Multiple resources, $1,000,000.

SEC. 105. For energy supply-production, demonstration and distribution capital investment, including: project planning, construction, acquisition or modification of facilities (including land acquisition), and related activities, and acquisition or fabrication of capital equipment not related to construction, an additional sum of dollars equal to the total of the following:

(a) Uranium Enrichment Activities

(1) Project 79–2–a, UF_6 Tails Cylinders and Storage Yards, Gaseous Diffusion Plants, $11,000,000.

(2) Project 79–2–b, Coal and Ash Handling Modifications, Portsmouth Gaseous Diffusion Plant, Portsmouth, Ohio, $2,300,000.

(3) Project 79–2–c, Upgrade Uranium Recovery, Portsmouth Gaseous Diffusion Plant, Portsmouth, Ohio, $3,600,000.

(4) Project 79–2–d, Technology Test Facilities, various locations (A–E and long-lead procurement only), $7,000,000.

(b) Capital Equipment Not Related to Construction, $24,200,000.

SEC. 106. For energy supply-production, demonstration and distribution projects previously authorized.

(a) For Project 78–14–b, Process Control Modifications, Gaseous Diffusion Plants, an additional sum of $1,100,000 (making a total project authorization of $18,500,000).

(b) For Project 76–8–g, Enriched Uranium Production Facilities, Portsmouth, Ohio, an additional sum of $220,000,000 (making a total project authorization of $582,630,000).

(c) For Project 71–1–f, Process Equipment Modifications, Gaseous Diffusion Plants, an additional sum of $70,000,000 (making a total project authorization of $990,000,000).

Subtitle C—Conservation

SEC. 107. For the following conservation programs, a sum of dollars equal to the total of the following:

(a) Utilities, $52,793,000;
(b) Residential and commercial, $262,000,000;
(c) Industrial, $48,600,000;
(d) Transportation, $96,000,000;
(e) Federal, $10,190,000;
(f) State and local, $368,300,000;
(g) Multiple sector, $163,380,000.

SEC. 108. For conservation, for capital equipment not related to construction, $8,300,000.

Subtitle D—Regulation

SEC. 109. For the regulation program, $103,720,000, of which $43,670,000 is for the Federal Energy Regulatory Commission.

Subtitle E—Emergency Preparedness

SEC. 110. For the emergency preparedness program, $4,255,360,000.

Subtitle F—Energy Information

SEC. 111. For the energy information program, $63,405,000.

Subtitle C—Environment

SEC. 112. For the environment program, $183,988,000.

SEC. 113. For environment capital investment, including: project planning, construction, acquisition or modification of facilities (including land acquisition), and related activities, and acquisition or fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following:

(a) Project 79–3–a, Modifications and Additions to Biomedical and Environmental Research Facilities, various locations, $4,000,000.

(b) Capital Equipment Not Related to Construction, $14,600,000.

Subtitle H—Policy and Management

SEC. 114. For policy and management programs, a sum of dollars equal to the total of the following:

(a) For program direction and management support, $286,849,000.

(b) For supporting activities, $161,060,000.

SEC. 115. For policy and management, capital investment, including: project planning, construction, acquisition or modification of facilities (including land acquisition), and related activities, and acquisition or fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following:

(a) Project 79–4–a, Modifications for Energy Management, various locations, $25,000,000.

(b) Project 79-4-b, Heating, Ventilating, and Air Conditioning Heat Recovery, Richland, Washington, $4,000,000.

(c) Project 79-5, Plant Engineering and Design, $10,000,000.

(d) Project 79-6, General Plant Projects, $51,535,000.

(e) Capital Equipment Not Related to Construction, $5,800,000.

SEC. 116. For policy and management projects previously authorized:

(a) For Project 78-19-a, Program Support Facility, Argonne National Laboratory, Argonne, Illinois, an additional sum of $10,600,000 (making a total project authorization of $15,600,000).

TITLE II—GENERAL SCIENCE AND RESEARCH

SEC. 201. For the general science and research program, $306,600,000.

SEC. 202. For general science and research capital investment, including: project planning, construction, acquisition, or modification of facilities (including land acquisition), and related activities, and acquisition or fabrication of capital equipment not related to construction, an additional sum of dollars equal to the total of the following:

(a) Project 79-9-a, Hadron Bubble Chamber Facility, Fermi National Accelerator Laboratory, Batavia, Illinois, $2,200,000.

(b) Project 79-9-b, Energy Saver, Fermi National Accelerator Laboratory, Batavia, Illinois, $38,900,000.

(c) Project 79-9-c, Fire Protection Improvements, Brookhaven National Laboratory, Upton, New York, $1,300,000.

(d) Project 79-9-d, Accelerator Improvements and Modifications, various locations, $4,500,000.

(e) Project 79-9-e, Accelerator Improvements and Modifications, various locations, $1,500,000.

(f) Project 79-6, General Plant Projects, various locations, $6,700,000.

(g) Capital Equipment Not Related to Construction, $49,800,000.

SEC. 203. For general science and research projects previously authorized:

(a) For Project 78-10-b, Intersecting Storage Accelerator (ISABELLE) 400 x 400 Gev, Brookhaven National Laboratory Upton, New York, an additional sum of $264,500,000 (making a total project authoriaztion of $275,000,000).

TITLE III—POWER MARKETING ADMINISTRATIONS

Subtitle A—Alaska Power Administration

SEC. 301. For the Alaska Power Administration, including expenses for engineering and economic investigation to promote the development and utilization of the water, power, and related resources of Alaska, $2,614,000.

Subtitle B—Western Area Power Administration

SEC. 302. For the Western Area Power Administration, $101,252,000 for construction, rehabilitation, operation and maintenance of electric power transmission facilities, and power marketing activities, of which $90,007,000 shall be derived from the reclamation fund.

SEC. 303. For the Western Area Power Administration, $200,000 for the Emergency Fund established pursuant to 43 U.S.C. 502 to assure continuous operations during unusual or emergency conditions, all of which shall be derived from the reclamation fund.

SEC. 304. For the Western Area Power Administration for continued work on the transmission system of the Upper Colorado River Storage Project, authorized by Section 1 (1) of the Act of April 11, 1956 (Public Law 485 of the Eighty-Fourth Congress; 70 Stat. 105) and legislation supplementary thereto, including the Act of August 10, 1972 (Public Law 92-370), $2,286,000.

Subtitle C—Southwestern Power Administration

SEC. 305. For the Southwestern Power Administration, $19,909,000.

Subtitle D—Southeastern Administration

SEC. 306. For the Southeastern Power Administration, $1,212,000.

TITLE IV—SPECIAL FOREIGN CURRENCY

SEC. 401. For international cooperation in nonnuclear technology, special foreign currency, $2,000,000.

TITLE V—OTHER PROVISIONS

SEC. 501. (a) In the exercise of authority vested in the Secretary for the performance of research, development, and demonstration activities, facilities or major items of equipment may be constructed or acquired at locations other than installations of the Department.

(b) Agreements, contracts and grants entered into in furtherance of the authority of subsection (a) may provide for the transfer of title of other interests in property of the United States when the Secretary determines the transfer is in the best interests of the Government.

SEC. 502. Except as otherwise provided in this Act—

(a) no amount appropriated pursuant to this Act may be used for any program in excess of either (1) 120 per centum of the amount authorized for that program by this Act, or (2) five million dollars more than the amount authorized for that program by this Act, whichever is the lesser, and

(b) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress,

unless (1) a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of the House of Representatives and the Senate of notice given by the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (2) each such committee, before the expiration of such period, has transmitted to the Secretary written notice waiving the remainder of such thirty-day notice period.

SEC. 503. The Department is authorized to start construction of any line item construction project set forth in this Act, only if the currently estimated cost of that project does not exceed by more than 25 per centum, the estimated cost set forth for the project. Further, the total cost of any project undertaken shall not exceed the estimated cost set forth for that project by more than 25 per centum unless and until additional appropriations are authorized: *Provided*, That limitations in this section will not apply to any project with an estimated cost less than $5,000,000.

SEC. 504. The Department is authorized to start any project provided for under the general plant projects authority set forth in this Act only if it is in accordance with the following:

(a) The then maximum currently estimated cost of any project shall not exceed $750,000 and the then maximum currently estimated cost of any building included in such project shall not exceed $300,000 *Provided*, That the building cost limitation may be exceeded if the Secretary determines that it is necessary in the interest of efficiency and economy.

(b) The total cost of all projects undertaken shall not exceed the total amount authorized by this Act for general plant projects by more than 25 per centum.

SEC. 505. Amounts appropriated pursuant to this Act for Policy and Management activities, for general plant projects, and for plant engineering and design are available for use, when necessary, in connection with all Department programs.

SEC. 506. In addition to construction design services performed with Plant Engineering and Design funds, the Secretary is authorized to perform construction design services for any Department construction project whenever (a) such construction project has been included in a proposed authorization bill transmitted to the Congress by the Secretary, and (b) the Secretary determines that the project is of such urgency in order to meet the needs of national defense or protection of life and property or health and safety that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction.

SEC. 507. When so specified in fiscal year 1979 appropriation Acts, any moneys received by the Department from uranium enrichment and other reimbursable programs may be retained and used, notwithstanding the provisions of Section 3617 of the Revised Statutes (31 U.S.C. 484), and may remain available until expended.

SEC. 508. Appropriations authorized by this Act for salary, pay, retirement or other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases authorized by law.

TITLE VI—BASIS FOR GOVERNMENT CHARGE FOR URANIUM ENRICHMENT SERVICES

SEC. 601. Subsection 161v. of the Atomic Energy Act of 1954, as amended, is amended as follows:

(a) by striking out the word "Commission" each time it appears in the subsection, and inserting in lieu thereof the words "Secretary of Energy" or "Department of Energy" as appropriate;

(b) by deleting from the first proviso in this subsection the words after "(iii)" of the first proviso to the beginning of the second proviso and inserting in lieu thereof the following:

"any prices established under this subsection shall be on such a basis as will assure the recovery of not less than the Government's costs over a reasonable period of time and when combined with a percentage of such costs will result in the recovery of revenues no greater than the sum of all Government costs and the normal and ordinary business expenses, taxes, and return on equity which would otherwise be reflected in the prices charged by a private operator providing similar services:" and

(c) by deleting the third proviso in this subsection and inserting in lieu thereof the following:

"*Provided further*, That before the Secretary establishes such criteria, the Secretary shall transmit the criteria to the Committee on Science and Technology of the House of Representatives and the Committee on Energy and Natural Resources of the Senate and wait a period of forty-five days (not including any day in which either House of Congress is not in session because of adjournment of more than three days), unless prior to the expiration of such period each such committee has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action."

TITLE VII—AMENDMENTS TO THE NATIONAL ENERGY EXTENSION SERVICE ACT (TITLE V, P.L. 95-39)

SEC. 701. (a) Section 505(b)(9) of the National Energy Extension Service Act is amended by deleting the following:

": *Provided*, that there shall be no requirement for matching State or local funds in

the guidelines, unless such requirement is included in an annual authoriaztion".

(b) Section 512(c) of the National Energy Extension Service Act is amended by deletion from paragraph (2)(ii) of the following parenthetical clause:

"(determined on the basis of the most recent decennial census)" and the addition of a new paragraph (4) as follows:

"(4) Obligation of funds allocated under subsection (c)(2) of this section, including funds for implementation of any plan developed by the Director, pursuant to section 506(f)(1) of this Title, shall be conditioned by a requirement for matching State or local funds equal to Federal funds."

TITLE VIII—LOAN GUARANTEES FOR ENERGY DEMONSTRATION

SEC. 801. (a) Section 7(a) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) is amended—

(1) by striking out "and" after the semicolon at the end of paragraph (5),

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and

(3) by adding at the end thereof the following new paragraph: "(7) Federal loan guarantees and commitments thereof as provided in subsection (d) of this section."

(b) Section 7(d) of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5906) is amended by striking "(d)" at the beginning of such section and inserting in lieu thereof "(e)".

(c) Section 7 of the Federal Nonnuclear Energy Research and Development Act of 1974 is amended by adding the following new subsection:

"(d) Except to the extent that the authority to issue loan guarantees and commitments to guarantee is provided to the Secretary by Title II of the Geothermal Energy Research, Development and Demonstration Act of 1974 (P.L. 93–410) and Section 10 of the Electric and Hybrid Vehicle Research, Development and Demonstration Act of 1974 (P.L. 94–413) guarantees and commitments may be entered into by the Secretary under this subsection subject to the following requirements and limitations:

(1) The Secretary shall determine the types and capacities of the commercial-size facility or other operation which would demonstrate the technical, environmental or economic feasibility of a particular nonnuclear energy technology. In making this determination, the Secretary shall consider the criteria set forth in Section 8(a) of this Act.

(2) The Secretary shall, to the maximum extent possible, encourage competition among guarantee applicants in a particular technology area.

(3) No guarantee shall be extended unless the Secretary finds that credit is not otherwise available on reasonable terms and conditions.

(4) For any loan guaranteed, the borrower shall have a minimum invested equity in any project equal to at least 10 per centum of the project cost. The guarantee shall not exceed 95 per centum of the total amount of the outstanding obligation of principal and interest; *Provided*, that in no case shall the amount guaranteed exceed 80 per centum of the project cost.

(5) No loan shall be guaranteed if the income from such loan is excluded from gross income for the purposes of Chapter 1 of the Internal Revenue Code of 1954, or if the guarantee provides significant collateral or security, as determined by the Secretary, for other obligations the income from which is so excluded.

(6) Loans guaranteed shall provide for complete amortization within a period of not to exceed 30 years, or 75 per centum of the useful life of the project to be financed by the loans whichever is less, as determined by the Secretary.

(7) No guarantee or commitment to guarantee under this subsection in an amount exceeding $50,000,000 shall be issued by the Secretary except as further authorized by Congress. The total amount of guarantees and commitments to guarantee issued under this subsection shall not exceed such amounts as may be specified by Congress in authorization and appropriation acts.

(8) The approval of the Secretary of the Treasury shall be required of the interest rate, timing, and other terms and conditions of the financing of any guaranteed obligations, except that the Secretary of the Treasury may waive this requirement with respect to the financing of any guaranteed obligation when he determines that such financing does not have a significant impact on the market for Government and Government-guaranteed securities.

(9) There are hereby authorized to be appropriated from time to time such amounts, which shall remain available until expended, as may be necessary to carry out the purposes of this subsection; including, but not limited to, the payments of interest and principal.

(10) The Secretary shall charge and collect fees for guarantees in amounts sufficient in his judgment to cover applicable administrative costs and probable losses on guaranteed obligations; Provided, that the Secretary may waive any fee in excess of 1 per centum per annum of outstanding indebtedness covered by each guarantee upon a finding that such waiver is in furtherance of the demonstration program and the interests of the United States.

(11)(a) Any loan guarantee or commitment to guarantee shall be issued by the Secretary only if he determines there is reasonable assurance of repayment of the loan by the borrower under the guaranteed obligation. Any guarantee agreement entered into by the Secretary shall include such detailed terms and conditions as the Secretary deems appropriate to protect the interest of the United States in the case of default. For purposes of this subsection, any invention made or conceived in the course of or under such guarantee, shall be treated as a project asset in the event of foreclosure by the Secretary for default.

(b) The guarantee agreement may provide for the payment to holders of the obligation, for and on behalf of the borrower, of principal and interest which become due if the Secretary finds that—

(1) the borrower is unable to meet such payments, it is in the public interest to permit the borrower to continue to pursue the purposes of such project, and the probable net benefit to the Federal Government in paying such principal and interest will be greater than that which will result in the event of a default; and

(2) the borrower agrees to reimburse the Secretary for such payment on terms and conditions, including interest, which are satisfactory to the Secretary.

(c) The guarantee agreement may provide that the Secretary shall, after a period of not less than ten years from issuance of the obligation, taking into consideration whether the Government's needs for information to be derived from the project have been substantially met and whether the project is capable of commercial operation, determine the feasibility and advisability of terminating the Federal participation in the project. In the event that such determination is positive, the Secretary shall notify the borrower and provide the borrower with not less than two nor more than three years in which to find alternative financing. At the expiration of the designated period of time, if the borrower has been unable to secure alternative financing, the Secretary is authorized to collect from the borrower an additional fee of 1 per centum per annum on the remaining obligation to which the Federal guarantee applies.

(12) To the extent that moneys available to the Secretary for the purposes of this subsection are insufficient to fulfill his authorized obligations pursuant to any loan guarantee issued under this subsection, the Secretary shall, to such extent or in such amounts as are provided in appropriations acts (to be available without fiscal year limitations), issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Redemptions of such notes or obligations shall be made by the Secretary from appropriations or other moneys available to him. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the second Liberty Bond Act; and the purposes for which securities may be issued under that Act are extended to include any purchase of such note or obligations. All of such transactions by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(13)(a) If the Secretary makes a payment pursuant to any loan guarantee made by him pursuant to this subsection, the Secretary shall be subrogated to the rights of the recipient of such payment (and such subrogation shall be expressly set forth in the guarantee or related agreements), including the authority to complete, maintain, operate, lease, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements, or to permit the borrower, pursuant to an agreement with the Secretary to continue to pursue the purposes of the project for which a loan was guaranteed if the Secretary determines that this is in the public interest.

(b) Whenever the Secretary determines it necessary to secure the project assets in the event of defualt on any guarantee under this section, the Secretary shall notify the Attorney General, who shall take action as may be appropriate to recover the amounts of any payments made pursuant to the loan guarantee from such assets of the defaulting borrower as are associated with the demonstration facility, or from any other security included in the terms of the guarantee.

TITLE IX—AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1980

SEC. 901. There is hereby authorized to be appropriated to the Department of Energy to be available no earlier than October 1, 1979, such sums as may be necesary for Fiscal Year 1980 for the following:

(a) Energy
(b) General science and research
(c) Power marketing administrations
(d) Special foreign currency

SEC. 902. All of the provisions of this Act which are applicable to amounts appropriated pursuant to Titles I, II, III, and IV shall apply in the same manner to amounts appropriated pursuant to subsection 1011 (a), (b), (c), and (d) respectively.

S. 2693

Be it enacted by the Senate and House of Representatives of America in Congress assembled, That, this Act may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1979".

TITLE I—NATIONAL SECURITY PROGRAMS

OPERATING EXPENSES

SEC. 101. Funds are hereby authorized to be appropriated to the Department of Energy (hereinafter in this Act referred to as the

"Department") for fiscal year 1979 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy as follows:

(1) For Weapons Activities, $1,232,694,000;

(2) For Defense Intelligence and Arms Controls, $28,400,000;

(3) For Special Materials Production, $501,500,000; and

(4) For Program Direction and Management Support Related to National Security Programs, $47,151,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 102. Funds are hereby authorized to be appropriated to the Department for fiscal year 1979, for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and for acquisition and fabrication of capital equipment not related to construction, necessary for national security programs, as follows:

(1) For weapons activities:

Project 79-7-a Tonopah Test Range upgrade, Phase II, Sandia Laboratories, Albuquerque, New Mexico, $4,000,000.

Project 79-7-b, fire protection improvements, Los Alamos Scientific Laboratory, Los Alamos, New Mexico (A-E and long lead procurement only), $2,000,000.

Project 79-7-c, proton storage ring, Los Alamos Scientific Laboratory, Los Alamos, New Mexico, $16,700,000.

Project 79-7-d, water cooling station upgrade, Lawrence Livermore Laboratory, Livermore, California, $2,300,000.

Project 79-7-e, production and assembly facilities, Pantex Plant, Amarillo, Texas, $10,000,000.

Project 79-7-f, stockpile quality evaluation facility, Y-12 Plant, Oak Ridge, Tennessee, $2,300,000.

Project 79-7-g, facilities for B43 modernization, various locations, $18,000,000.

(2) For special materials production:

Project 79-7-h, utilities replacement and expansion, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $10,500,000.

Project 79-7-i, transmission and distribution systems upgrading, Richland, Washington, $14,000,000.

Project 79-7-j, pollutant discharge elimination, Savannah River, South Carolina, $9,000,000.

(3) For defense waste management:

Project 79-7-k, waste management facilities, Savannah River, South Carolina, $75,000,000.

(4) For project 79-6, general plant projects—

(A) for weapons activities, $21,400,000;

(B) for special materials production, $10,250,000; and

(C) for waste management, $5,950,000.

(5) For project 79-8, plant engineering and design—

(A) for special materials production, $12,000,000;

(B) for defense waste management, $1,500,000; and

(C) for military application, $10,000,000.

(6) For capital equipment not related to construction—

(A) for weapons activities, $86,400,000;

(B) for special materials production, $32,000,000;

(C) for waste management, $8,000,000; and

(D) for program direction and management support, $300,000.

ADDITIONAL AUTHORIZATIONS FOR PREVIOUSLY AUTHORIZED PROJECTS

SEC. 103. Funds are hereby authorized to be appropriated to the Department for fiscal year 1979, for national security projects previously authorized by law, as follows:

(1) For project 74-1-b, replacement ventilation air filter, F Chemical Separations Area, Savannah River, South Carolina, $2,100,000; for a total authorization of $7,300,000.

(2) For project 75-7-c, intermediate-level waste management facilities, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $1,000,000; for a total authorization of $11,500,000.

(3) For project 77-13-a fluorinel dissolution process and fuel receiving improvements, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho Falls, Idaho, $100,400,000; for a total authorization of $115,400,000.

(4) For project 77-13-f, waste isolation pilot plant, Delaware Basin, southeast New Mexico, $40,000,000; for a total authorization of $68,000,000.

(5) For project 78-16-d, weapons safeguards, various locations, $11,000,000; for a total authorization of $28,000,000.

(6) For project 78-16-g, radioactive liquid waste improvement, Los Alamos Scientific Laboratory, Los Alamos, New Mexico, $11,900,000; for a total authorization of $12,500,000.

(7) For project 78-16-1, laboratory support complex, Los Alamos Scientific Laboratory, Los Alamos, New Mexico, $14,000,000; for a total authorization of $16,000,000.

(8) For project 78-17-a, production component warehouse, Pantex Plant, Amarillo, Texas, $2,550,000; for a total authorization of $2,800,000.

(9) For project 78-17-c, core facilities office building, utilities and roads, Lawrence Livermore Laboratory, Livermore, California, $11,000,000; for a total authorization of $12,300,000.

(10) For project 78-17-d, steam plant improvements, Y-12 Plant, Oak Ridge, Tennessee, $7,000,000; for a total authorization of $10,000,000.

(11) For project 78-18-a, high level waste storage and waste management facilities, Richland, Washington, $9,000,000; for a total authorization of $27,000,000.

(12) For project 78-18-e, environmental, safety and security improvements to waste management and materials processing facilities, Richland, Washington; $24,500,000; for a total authorization of $40,000,000.

TITLE II—DEFENSE PROGRAMS WITH POTENTIAL CIVILIAN APPLICATION

OPERATING EXPENSES

SEC. 201. Funds are hereby authorized to be appropriated to the Department of Energy (hereinafter in this Act referred to as the "Department") for fiscal year 1979 for operating expenses incurred in carrying out national security programs, including scientific research and development in support of the armed services, strategic and critical materials necessary for the common defense, and military applications of nuclear energy, as follows:

(1) For Inertial Confinement Fusion, $91,800,000.

(2) For Naval Reactor Development, $265,600,000.

(3) For Nuclear Materials Security and Safeguards, $40,089,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 202. Funds are hereby authorized to be appropriated to the Department for fiscal year 1979, for plant and capital equipment, including planning, construction, acquisition, or modification of facilities (including land acquisition), and for acquisition and fabrication of capital equipment not related to construction, necessary for national security programs, as follows:

(1) For project 79-6, general plant projects—for naval reactor development, $3,000,000.

(2) For capital equipment not related to construction—

(A) for laser fusion, $8,200,000;

(B) for naval reactor development, $22,000,000;

(C) for nuclear materials security and safeguards, $3,000,000.

ADDITIONAL AUTHORIZATIONS FOR PREVIOUSLY AUTHORIZED PROJECTS

SEC. 203. Funds are hereby authorized to be appropriated to the Department for fiscal year 1979 for projects previously authorized by law, as follows:

(1) For project 77-13-g, safeguards and security upgrading, production facilities, multiple sites, $3,800,000; for a total authorization of $20,200,000.

(2) For project 78-4-a, high energy laser facility (NOVA), Lawrence Livermore Laboratory, Livermore, California, $187,000,000; for a total authorization of $195,000,000.

TITLE III—GENERAL PROVISIONS REPROGRAMING

SEC. 301. Except as otherwise provided in this Act—

(1) no amount appropriated pursuant to this Act may be used for any program in excess of (A) 120 per centum of the amount authorized for that program by this Act, or (B) $5,000,000 more than the amount authorized for that program by this Act, whichever is the lesser, and

(2) no amount appropriated pursuant to this Act may be used for any program which has not been presented to, or requested of, the Congress, unless a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of the House of Representatives and the Senate of notice given by the Secretary of Energy containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee, before the expiration of such period, has transmitted to the Secretary written notice waiving the remainder of such thirty-day notice period.

PROJECT COST VARIATION PROVISIONS

SEC. 302. The Department is authorized to start construction of any construction project for which funds are authorized to be appropriated by this Act only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for the project. Further, the total cost of any project undertaken shall not exceed the estimated cost set forth for that project by more than 25 per centum unless and until additional appropriations are authorized. This section shall not apply to any project with an estimated cost of less than $5,000,000.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 303. The Secretary of Energy is authorized to start a project set forth under section 102(4) of this Act only if—

(1) the then maximum currently estimated cost of the project does not exceed $750,000 and the then maximum currently estimated cost of any building included in the project does not exceed $300,000 (except that the building cost limitation may be exceeded if the Secretary determines that it is necessary to do so in the interest of efficiency and economy); and

(2) the then maximum currently estimated total cost of all projects undertaken under such section does not exceed the total amount authorized by such section for such projects by more than 25 per centum.

AVAILABILITY OF FUNDS

SEC. 304. Subject to the provisions of appropriations Acts, amounts appropriated pur-

suant to sections 101 and 102 of this Act for policy and management activities, for general plant projects, and for plant engineering and design are available for use, when necessary, in connection with all national security programs of the Department.

AUTHORIZATION TO PERFORM CONSTRUCTION DESIGN SERVICES

SEC. 305. In addition to construction design services performed with funds authorized under section 102(5) for plant engineering and design, the Secretary of Energy is authorized to perform construction design services for any national security construction project of the Department (in amounts not in excess of the amounts specified in such section) whenever (1) such construction project has been included in a proposed authorization bill transmitted to the Congress by the Secretary of Energy, and (2) the Secretary determines that the project is of such urgency in order to meet the needs of national defense or protection of life and property or health and safety that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction.

ADJUSTMENTS FOR PAY INCREASES

SEC. 306. Appropriations authorized by this Act for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that one of the bills introduced by Senator JACKSON, S. 2693, to authorize appropriations for the Department of Energy for national security programs for fiscal year 1979, and for other purposes, be referred jointly to the Committee on Armed Services and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 1116

At the request of Mr. MCGOVERN, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 1116, a bill to amend title XVIII of the Social Security Act to include nutritional counseling.

S. 1820

At the request of Mr. ROBERT C. BYRD, the Senator from Iowa (Mr. CULVER) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 1820, the Natural Diversity Act.

S. 1880

At the request of Mr. HELMS, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 1880, a bill to provide procedures for calling constitutional conventions for proposing amendments to the Constitution.

S. 2162

At the request of Mr. WALLOP, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2162, the Jackson Hole Scenic Area bill.

S. 2164

At the request of Mr. ZORINSKY, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 2164, a bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail and highway crossings in certain energy impacted cases.

S. 2306

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mrs. HUMPHREY), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Rhode Island (Mr. PELL) were added as co-sponsors of S. 2306, a bill to establish a national system of reserves for the protection of outstanding ecological, scenic, historic, cultural, and recreational landscapes, and for other purposes.

S. 2360

At the request of Mr. MOYNIHAN, the Senator from Michigan (Mr. GRIFFIN), the Senator from Maine (Mr. MUSKIE), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 2360, a bill to authorize an appropriation to reimburse certain expenditures for social services provided by the States prior to October 1, 1975, under titles I, IV, VI, X, XIV, and XVI of the Social Security Act.

S. 2493

At the request of Mr. CANNON, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 2493, the Air Transportation Regulatory Reform Act of 1977.

S. 2534

At the request of Mr. SCHWEIKER, the Senator from New Jersey (Mr. CASE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Minnesota (Mrs. HUMPHREY), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 2534, the Health Maintenance Organization Act Amendments of 1978.

S. 2630

At the request of Mrs. HUMPHREY, the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Oregon (Mr. MARK O. HATFIELD) were added as cosponsors of S. 2630, a bill to extend and modify the special supplement food program for women, infants, and children.

S. 2645

At the request of Mr. WILLIAMS, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2645, a bill to establish an art bank.

S. 2648

At the request of Mr. MCGOVERN, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 2648, the Hubert Humphrey commemorative stamp bill.

S. 2682

At the request of Mr. MCGOVERN, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 2682, a bill to authorize the Gregory County pumped-storage facility.

AMENDMENT NO. 1702

At the request of Mr. PERCY, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of amendment No. 1702, intended to be proposed to H.R. 7200, a bill to amend the Social Security Act.

SENATE RESOLUTION 412—SUBMISSION OF A RESOLUTION RELATING TO TRANSMITTAL OF LEGISLATION PROPOSED TO IMPLEMENT THE PANAMA CANAL TREATY

Mr. THURMOND submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 412

Resolved, That it is the sense of the Senate that the President should transmit to the Senate, before the final vote by the Senate on the resolution of ratification to the Panama Canal Treaty, such legislation as he may propose to implement the Treaty.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

AMENDMENTS SUBMITTED FOR PRINTING

PANAMA CANAL TREATIES, EX. N, 95–1

AMENDMENT NO. 66

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

AMENDMENT NO. 67

(Ordered to be printed and to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

AMENDMENT NO. 68

(Ordered to be printed and to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 69

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

AMENDMENT TO ARTICLE I OF THE PANAMA CANAL TREATY

● Mr. DOLE. Mr. President, I send to the desk an amendment to article I of the Panama Canal Treaty. It is essentially a restatement of my earlier amendment No. 11 to article IV of the same treaty.

This amendment, like my amendment No. 11, seeks to insure that no foreign troops, defense sites, or military installations—other than those of the United States—will be maintained in Panama between the date of treaty ratification and the year 2000. Of course, Panama would be able to maintain her own troops, sites, and installations as well.

Panama has given us the same assurance under article V of the Neutrality Treaty, for the period after 1999. I think it is important to have the assurance for the preceding period as well.

Mr. President, I emphasize that this is a restatement of an amendment I proposed almost 2 months ago, on January 19, to article IV.

I ask unanimous consent that the text of my amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 69

At the end of article I, add the following: "5. For the duration of this Treaty and consistent with the provisions of article IV, the Republic of Panama and the United States of America agree that, subject to the other provisions of this Treaty, only the military forces, defense sites, or military installations of the Republic of Panama or of the United States of America may be maintained in the national territory of the Republic of Panama.".●

ADDITIONAL COSPONSORS—EX. N, 95–1

AMENDMENT NO. 12

At the request of Mr. DOLE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of amendment No. 12 intended to be proposed to the Treaty on Neutrality and Permanent Operation of the Panama Canal.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. CHURCH. Mr. President, for the information of the Senate and the general public, the Senate Energy and Natural Resources Subcommittee on Energy Research and Development has scheduled three hearings to examine the fiscal year 1979 Department of Energy authorization request. Department of Energy witnesses will present testimony on the following dates in room 3110 of the Dirksen Senate Office Building:

March 13, 10 a.m.: Solar and Geothermal Energy.

March 20, 10 a.m.: Magnetic Fusion, Inertial Fusion, and Basic Research.

March 21, 10 a.m.: Environment.

Anyone wishing additional information with regard to the hearings should contact the subcommittee staff director, Willis Smith, at (202) 224–4431.●

ADDITIONAL STATEMENTS

TUITION TAX RELIEF

● Mr. HAYAKAWA. Mr. President, it has been my pleasure to be associated with Senator ROBERT PACKWOOD of Oregon and Senator DANIEL PATRICK MOYNIHAN of New York as a cosponsor of S. 2142, the Tuition Tax Relief Act. Both of those gentlemen, as is well known, can speak for themselves: And so, my own words of praise for their important legislative initiative would be superfluous. But our distinguished colleague from New York, in an article in the Washington Post on Sunday, March 5, expounded upon the rationale behind his legislation and presented a case for it that was at once moving and logically convincing. In order that all of our colleagues and the public may profit from Mr. MOYNIHAN's incisive words of wisdom, I ask unanimous consent that his article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY PRIVATE SCHOOLS MERIT PUBLIC AID

(By DANIEL PATRICK MOYNIHAN)

In his message to Congress on elementary and secondary education last Tuesday, President Carter observed that "private schools—particularly parochial schools—are an important part of our diverse educational system."

He thereupon unveiled the second half of a $12.9 billion education program—the college portion having been announced days earlier—put together in large part for the purpose of blocking a congressional initiative that would provide aid to persons attending those private and parochial schools. That the administration's alternative does nothing of the sort, despite the president's appreciation of the value of these institutions, suggests the general difficulty contemporary liberalism has with the concepts of "public" and "private" in many spheres of social policy.

The public schools, as we know them, date from the mid-19th century. They did not come into the field *de novo*. Prior to the public schools, privately operated, local (hence "parochial") schools existed in great number. The public schools were a competing idea, and gradually supplanted the others, such that hardly more than 10 percent of elementary and secondary school children go to nonpublic schools today.

This has not been a matter of educational quality, still less of efficiency. In the main, the nonpublic schools are just as good and, in the main, startlingly cheaper. It has been a matter of ideology; of legitimacy. It was not enough to say that public schools provide the basic educational resource of the republic. (They have done; they do; they should continue to do.) It became necessary to stigmatize the other schools as "foreign," or "elitist," or threatening. The new schools became clothed with a public purpose that increasingly was denied the older schools.

This is the process the economist Joseph Schumpeter described a generation ago as the conquest of the private sector by the public sector. It was his gloomy judgment that the process was inherent in liberalism itself, even though it would end by destroying liberal society.

Nowhere is the process more advanced in the United States than in education. The pressure toward state monopoly is fearsome. Observe the Carter administration. The ideological assumptions are deeply implanted. Observe the news columns of The Washington Post, in which supporters of our tuition tax credit bill are called "conservatives" and supporters of the president's education aid bill are called "liberals."

John Stuart Mill thought otherwise. "A general state education," he wrote in the essay "On Liberty," is a mere contrivance for molding people to be exactly like one another: and as the mold in which it casts them is that which pleases the predominant power in the government, whether this be a monarch, a priesthood, an aristocracy, or the majority of the existing generation; in proportion as it is efficient and successful, it establishes a despotism over the mind leading by natural tendency to one over the body."

I don't share Mill's view. Times have changed. I merely point out that liberalism once meant something very different.

THE PUBLIC SCHOOLS CAMPAIGN

Until about 1840, primary and secondary education in the United States was the responsibility of private organizations, most religious but some nonsectarian. In many if not most jurisdictions they received some public funds, but their control remained private.

This was not always apparent. In New York City, for example, the Free School Society that had been chartered in 1805 changed its name in 1826 to the New York Public School Society, but it remained under private control until it was, in effect, disestablished in 1842 and its governance altered to include an elected board of education. But the phrase "public school" that endures to this day—as in PS 104—may be traced to educational institutions run by a private charitable—and Protestant—organization.

The educational history of the mid-19th century was dominated by a purposeful and, in the main, successful campaign by the partisans of government-sponsored schools to require attendance at their institutions and to discourage persons from attending other institutions.

Closely associated with the rise of public education was a decline of private education. The effort began to ban public support for nongovernmental schools. Private schools somehow posed a problem for public school advocates, even those as well-intentioned and deservingly well-regarded as Horace Mann, who wrote in 1849 that "the private school system was rapidly absorbing the funds, patronizing the talent and withdrawing the sympathy which belonged to the public schools."

But the problem of private schools was inevitably tangled with another familiar concern of mid-19th-century Americans: the flood of immigrant foreigners, especially Catholics, and their insistence on bringing their faith with them and on sending their children to schools operated by their churches.

INVOKING THE CONSTITUTION

Thereupon the Constitution was invoked for a purpose which, as political scientist Walter Berns of the University of Toronto has shown in his brilliant treatise, "The First Amendment and the Future of American Democracy," the founding fathers never intended: in support of the claim that any public funding of church-related schools was a violation of the First Amendment.

In 1875, President Ulysses S. Grant, then contemplating a third term in the White House and looking for an issue, chose the curious occasion of an address to the Army of the Tennessee in Des Moines to exhort his old comrades that no money should be "appropriated to the support of any sectarian schools . . . Leave the matter of religion to the family altar, the church, and the private schools, supported entirely by private contributions. Keep the church and state forever separate."

The following year, Rep. James G. Blaine—who bequeathed to the republic the memorable warning against "Rum, Romanism and Rebellion"—proposed a constitutional amendment to that effect. The Republican Party platform of 1876 echoed that proposal in a plank which declared:

"The public school system of the several states is a bulwark of the American republic; and, with a view to its security and performance, we recommend an amendment to the constitution of the United States, forbidding the application of any public funds or property for the benefit of any school or institution under sectarian control."

Two points are to be noted: first, that those who in 1876 believed that public aid to church schools should be unconstitutional were at least clear that it would require an amendment to the Constitution in order to do so; second, the effort was associated with a singularly unattractive nativism that was especially anti-Catholic.

The Constitution was not amended, despite 11 separate proposals introduced in the Congress between 1870 and 1883. But the campaign against parochial schools continued unabated, reaching its apogee in Oregon in 1922 when the state legislature passed a law requiring every child in the state to

be sent to public school. It is worth recalling, as Sen. Bob Packwood of Oregon did in the course of recent hearings before the Senate Finance Committee, that at that time a majority of the Oregon legislature were members of the Ku Klux Klan. And it is worth recalling also the arguments made on behalf of this legislation when the Supreme Court was asked to rule on its constitutionality.

As summarized in the Supreme Court record of *Pierce* v *Society of Sisters,* attorneys for the state argued that:

"At present, the vast majority of the private schools in the country are conducted by members of some particular religious belief. They may be followed, however, by those organized and controlled by believers in certain economic doctrines entirely destructive of the fundamentals of our government. Can it be contended that there is no way in which a state can prevent the entire education of a considerable portion of its future citizens being controlled and conducted by *bolshevists, syndicalists* and *communists?* [emphasis added]."

Not just the radicals were to be feared. Counsel also pointed out to the court that "the vast majority of children not now attending the public schools of Oregon who will be compelled to do so by the new statute are either themselves immigrants or the children of immigrants." The voters of Oregon had, it was asserted, "based their action in adopting this law upon the alarm which they felt at the rising tide of religious suspicions in this country, and upon their belief that the basic cause of such religious feelings was the separation of children along religious lines during the most susceptible years of their lives."

The Supreme Court rejected these contentions out of hand. Justice James McReynolds wrote for the court that "we think it entirely plain that the Act of 1922 unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control."

Echoing Mill, the court added: "The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instructions from public teachers only."

THE EVERSON DECISION

Had that been the end of it, recent educational history would have been different; a mildly plural school system would have ensured. The public schools would have continued to receive far the greatest amount of public funds. Which they deserve; they are far the most important schools. But the other schools would have had some share, which state legislatures have never ceased to try to provide for them. The trouble came when the Constitution was invoked to forbid any such assistance.

This occurred in the 1947 Supreme Court decision *Everson* v. *Board of Education,* involving a New Jersey statute authorizing school districts to reimburse parents for bus fares paid by children traveling to and from private schools. The court held that neither Congress nor the state legislature may "pass laws which aid one religion, aid all religions, or prefer one religion over another." Nor may any tax "in any amount, large or small . . . be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion."

This ruling can only be compared with the court's decision in *Plessy* v. *Ferguson* which promulgated the "separate but equal" doctrine that for decades was invoked to justify racially segregated public schools. It was, quite simply, a gravely flawed interpretation both of constitutional intent and of what future public opinion would find acceptable. And the present quest to present the court with a program of public aid to children attending non-public schools that the court will find acceptable may be compared with the NAACP's tireless efforts, culminating in the *Brown* decision of 1954, to persuade the court to reverse itself. We have in the *Everson* decision and its numerous progeny the last large vestige of a generalized 19th-century nativism that abhorred non-whites and non-Protestants alike.

A MATTER OF IDEOLOGY

The issue has of late been rejoined over a simple proposition put forth by Sens. Abraham Ribicoff, William Roth, Bob Packwood and myself, with half the Senate as cosponsors, to provide a tax credit to persons paying tuition to non-government elementary and secondary schools as well as those enrolled in public and private colleges.

As approved by the Finance Committee, our bill would allow a taxpayer to take a credit equal to 50 per cent of his tuition and fees. At the outset that credit would be limited to $250 and would be confined to college students. In two years' time it would rise to a maximum of $500 and be extended to elementary and secondary schools, and thereafter to graduate students as well.

Secretary of Health, Education and Welfare Joseph Califano has stated that this "proposal, in short, stands the American tradition of public education on its head." In a memo to the president early last month, he urged action "to counter congressional proposals for tuition tax credits" and warned, "We must move quickly if we are to seize the initiative on this very hot issue."

President Carter then stated that the Congress must choose between tax credits, which he opposes, and a program of increased direct aid to students that has much to be said for it but which is confined to colleges and universities.

Califano's memo to the president had noted that "we still have a problem with assistance to private elementary and secondary schools. None of the tax credit or student assistance proposals presently on the table addresses that issue—except for Packwood/Moynihan. We will be working in the next week or so to determine if a proposal on that issue is necessary as a matter of politics, feasible as a matter of cost, and constitutional as a matter of law."

With respect to the question whether aid to private schools was "necesary as a matter of politics," Califano put the wrong question to the president. The essential question is whether it is permissible as a matter of ideology. In the event, the administration gave its answer last Tuesday. No aid was provided. Our proposal to do so was severely chastised, notwithstanding the president's own commitment of Oct. 19, 1976, to "finding constitutionally acceptable methods of providing aid to parents whose children attend parochial schools."

As former commissioner of education Harold Howe reminded us just last week, "The passage of the Elementary and Secondary Education Act [ESEA] in 1965 was possible because the act embraced the diversity of public and private schools . . ." Howe knows whereof he speaks. I took part in the negotiations with the National Catholic Welfare Conference and drafted the plank in the 1964 Democratic Party platform calling for aid to *all* schools. This broke the deadlock which had previously kept President Kennedy's education program from approval by the Congress.

In return for their acceptance of the "student benefit" doctrine, however, private schools were supposed to receive aid. The government did not keep this half of the agreement. The categorical aid provided under ESEA has, more often than not, been denied to private school pupils.

If the administration's new proposals correct this injustice, there will be cause for some satisfaction. But it is simply misleading, if not actually deceptive, to state as Califano has that the reason for this is "to ensure that private school children receive the funds that are their due." The Elementary and Secondary Education Act, even as amended by the president's proposals, provides not a nickel to the students, to their parents, or to the private schools themselves.

FIVE KEY ARGUMENTS

The opponents of tax credits for elementary and secondary school students make five principal assertions: that tax credits would cause more federal funds per pupil to go to private than to public school students; that they would assist persons who do not "need" them; that they would foster racial segregation; and that the measure itself would violate the separation clause of the First Amendment.

I have already addressed myself to the last of these, and would simply add a point suggested by economist E. G. West of Canada's Carleton University: The First Amendment also contains a "free exercise clause" that is very likely violated by a system that in taxing everyone but aiding only those who patronize public school "prohibits in degree the ability of those parents who normally patronize a parochial school."

As to the proposition that our proposal would undermine support for the public schools, it is remarkable that those making the argument seemingly fail to understand its depressing implication: Have public schools so little going for them that absent a near-monopoly, or at least a marketplace skewed sharply in their favor, they would lose students and resources? I think far more of the public schools than that, and am certain that for the vast majority of the population they will continue to provide the most attractive educational option. Competition strengthens them. That competition is disappearing.

The assertion that more federal funds would go to private than public school students is interesting on two counts. It is suggested, by Califano among others, that our proposal could cause the ratio to become 4 to 1. As Rep. Barber B. Conable Jr. of New York pointed out last week, when federal tax expenditures that benefit public schools—notably the billions of dollars associated with the deduction for state and local taxes—are counted, and when the costs of present and proposed programs are tabulated more accurately than HEW seems to have done, we would find a ratio of about 6 to 5 (a little over $300 for each private school student to $251 per student in public schools.)

It is already well-established in our college student aid programs that someone attending a private university should receive a larger federal subsidy than he would receive in a state college, because his attendance costs are substantially higher. Is it unreasonable to extend that principle to grammar schools? But even if it is, one must assume from the argument that a ratio of 4 to 1 is excessive that some lesser ratio would not be excessive. The sponsors of tax credits are most willing to negotiate the ratio if it is clear the opponents do not object to the principle.

As to "need," 82 per cent of all private elementary and secondary school students live in families earning less than $30,000 a year. I would not object to putting some income ceiling on the proposed tax credits, though it is interesting to note that at the college level the administration is prepared to subsidize students from families earning as much as $45,000, a ceiling that would shelter about 92 per cent of all private school students.

It is irresponsible to argue that tax credits would foster racially segregated education. Our bill is carefully drafted to exclude schools that might seek to discriminate on racial lines by requiring the Internal Revenue Service to police their compliance with civil rights statutes as part of allowing them to obtain and keep tax-exempt status. I have already advised the NAACP that if this provision is not adequate I will welcome an amendment to make it so.

PUBLIC FIRST, PRIVATE NEXT

In sum: The public schools come first. The great majority of students attend public schools. The first claim and by far the largest claim on public resources is theirs. But these claims have in fact been attended to first. The president's recent proposals merely elaborate and expand aid programs that are already part of national policy and are in no way in jeopardy.

But the nonpublic schools have claims also, and these, reasonably, should come next. It is not in the public interest that the life should be squeezed out of them, but this is what is now happening. They lost a million students—one-sixth of their enrollments—between 1965 and 1975. In the past two decades, the national government has begun to take education seriously. This is evidenced by the billions of dollars now devoted to that purpose and by the landmark legislation that the Congress has passed.

Equality of educational opportunity has been the purpose of this legislation and the programs that resulted have made great strides in achieving that objective. But thus far we have succeeded in providing equality only to those who enroll in government schools. We have failed the parents who prefer to send their children to the schools that are descended from the older, private school systems. We are rapidly en route to a complete conquest of the private sector of American education by the public sector. There will be those who will welcome that development. It seems a pity, however, that their number includes the major education policymakers of the executive branch of the national government.●

REMARKS OF FORMER SENATOR HUMPHREY ON ISRAEL

● Mr. RIEGLE. Mr. President, in 1976, our late beloved colleague Hubert Humphrey made an eloquent statement concerning the state of Israel. His remarks were recently reprinted in The Jewish News of Southfield, Mich. For the interest of my colleagues and other readers of the RECORD, I request unanimous consent that his remarks, as they were delivered to the Policy Conference of the American Israel Public Affairs Committee in Washington, D.C. on May 3, 1976, be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE LATE SENATOR HUBERT HUMPHREY

It is indeed difficult to discuss these issues without recalling my last visit to Israel's capital, the historic city of Jerusalem, just a short time ago. I stood on the Judean foothills, and I had with me my son who is a state senator from Minnesota. I wanted him to know the experiences that his father has had. I believe in bringing up the sons at least with some of the opportunity to share in the experiences of the fathers. I wanted that son of mine, who is a state senator, to be another spokesman for justice and for freedom and for Israel. And let me tell you, he got the message.

When we stood there on the Judean foothills before the panorama of the City of David, I could see the Parliament, the Knesset, the Dome of the Rock, Mount Zion, and the Old City. What a sense that he should know this; what a proud ritual, if you have any feeling at all.

I walked through the Jaffa Gate down the ancient cobblestones, and I made my way to the Wailing Wall. Standing before the holiest shrine of the people of Israel and Jews around the world, I was told that the people of Israel come to the wall to lament over the destruction of the Second Temple, to shed spiritual tears for those who had given their lives in defense of Israel and the Jewish people.

For centuries, tears, salt have marked Jewish existence. Jews have shed tears for the ancient exile, the Czar's pogroms; they have wept for the victims of Nazi terrorism, the heroes of Warsaw, and the sons and the fathers who died in defense of a united Jerusalem and a free, independent Israel in 1948, 1956, 1967, and once again in 1973.

Just think of the tattering destruction, of war, of sacrifice and of suffering. Think literally of the rivers of tears that have come from these incredible experiences. Too many tears have been shed throughout the centuries; too many young men have given their lives in defense of Israel's freedom and the right of Jews to be free wherever they live. It is time, I say, to end the tears, to end Israel's pain, to restore her confidence and to help to bring her peace—the peace for which she has fought for 28 years, the peace her prophets spoke of and her sons and daughters have prayed for.

As Israel's national anthem, Hatikva, proclaims: "Once again, the land of Israel must be filled with hope," and with that hope, she will prosper. When this comes to pass, people will rejoice for the miracle of Israel whose people will make the desert bloom in security and peace.

That's my testament to you tonight; that's the way I believe, and those are the thoughts that will govern my actions in the Congress. Those are the thoughts that will govern my votes, and will indeed inspire whatever legislation I can put my hand to.

And I say to you now, don't you waste a single day or a moment while you are here. You contact every member of Congress, and tell them that all that you ask is that America show its dedication to democracy, that we show our dedication to those who are willing to die for freedom.

What I love about Israel so much is that she reveals in her existence what I think are the best objectives of American foreign policy: a people and a country who are insisting for their right to be free and independent; a people and a country who are willing to use their resources to enrich the lives of their own people; a people and a country who are willing to play a responsible role in world affairs. If every country that we've helped would do as much, then tonight the world would be a happier and a safer place in which to live.●

DISTURBING TRENDS IN U.S. NAVAL CAPABILITIES

● Mr. THURMOND. Mr. President, the Thursday, March 2, 1978, issue of Shipyard Weekly included an article entitled, "Disturbing Trends in United States/U.S.S.R. Naval Capabilities."

This weekly, published by the Shipbuilders Council of America, highlighted important testimony by Gen. George S. Brown, Chairman of the Joint Chiefs relative to Soviet/United States naval capabilities.

This represents an excellent summary of the overall Navy picture and clearly illuminates the accelerated Soviet effort to control the sealanes of the world.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"DISTURBING TRENDS" IN U.S./U.S.S.R NAVAL CAPABILITIES

Overlooked in recent defense posture presentations on Capitol Hill by civilian and military officials has been this statement on "present combat capabilities of Soviet naval forces" by Gen. George S. Brown, USAF, Chairman, Joint Chiefs of Staff:

"The present combat capabilities of Soviet naval forces can substantially influence Western naval operations in many key areas, and could dominate the initial stages of certain types of conflicts. Soviet surface ships, however, are considered particularly vulnerable to concerted Western air or submarine attack.

"The Soviet Navy enjoys numerical advantage over U.S. naval forces in principal surface combatants (4:3) and especially in general purpose submarines (3:1). Moreover, Soviet surface naval units are generally more heavily armed than their U.S. counterparts. The United States has ASW (antisubmarine warfare) capabilities superior to the Soviet Union's, reflected in the SSN 668 *Los Angeles* class which is the finest ASW platform in existence today; Sound Surveillance System (SOSUS); and land-based P-3 aircraft.

"The US Navy enjoys a clear superiority in power projection capabilities, particularly as represented by aircraft carriers and US Marine amphibious forces. The United States possesses an advantage in mobility of naval forces typified by the nuclear powered task groups and high performance underway replenishment capabilities. The development of the HARPOON and TOMAHAWK medium and long-range antiship missiles, and the AEGIS air defense weapon system will improve the US Navy surface warfare capabilities provided the shipbuilding program continues to provide modern platforms, such as the guided missile destroyer (DDG-47) and the nuclear guided missile cruiser (CGN-42) . . .

"The US Navy's greatest problem is too few surface combatants to perform all its missions simultaneously. The Soviet Union is, and has been, actively engaged in a major surface fleet modernization program. At present, US fleet modernization programs are being curtailed. Shipbuilding programs initiated a few years ago have been substantially reduced. These are disturbing trends considering the long lead times necessary to bring ship programs from early stages of development and design to full combat capability.

"While the US Navy's capability to project and sustain sea-based power and the quality of its attack submarine force are superior to the Soviet Union's, current US capability to control the essential sea lanes, versus the Soviet Navy's capability to deny the use of these lanes, is more difficult to assess. In the event of a major conflict, by concentrating its effort and exploiting allied capability, the US could prevail in most situations, but both US and allied shipping would probably suffer serious losses in the early stages."●

SENATOR MOYNIHAN ON TUITION TAX AID FOR PRIVATE SCHOOLS

● Mr. RIBICOFF. Mr. President, as you know the Finance Committee has ap-

proved legislation to provide a tax credit to parents who pay tuition for their children to attend tuition-charging elementary and secondary schools or colleges. An article by Senator MOYNIHAN concerning the background of this bill appeared in the Washington Post Outlook section on Sunday, March 5. I would like to share this column with my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY PRIVATE SCHOOLS MERIT PUBLIC AID—THE CONSTITUTIONAL CASE FOR TUITION TAX CREDITS

(By DANIEL PATRICK MOYNIHAN)

In his message to Congress on elementary and secondary education last Tuesday, President Carter observed that "private schools—particularly parochial schools—are an important part of our diverse educational system."

He thereupon unveiled the second half of a $12.9 billion education program—the college portion having been announced days earlier—put together in large part for the purpose of blocking a congressional initiative that would provide aid to persons attending those private and parochial schools. That the administration's alternative does nothing of the sort, despite the president's appreciation of the value of these institutions, suggests the general difficulty contemporary liberalism has with the concepts of "public" and "private" in many spheres of social policy.

The public schools, as we know them, date from the mid-19th century. They did not come into the field *de novo*. Prior to the public schools, privately operated, local (hence "parochial") schools existed in great number. The public schools were a competing idea, and gradually supplanted the others, such that hardly more than 10 per cent of elementary and secondary school children go to nonpublic schools today.

This has not been a matter of educational quality, still less of efficiency. In the main, the nonpublic schools are just as good and, in the main, startlingly cheaper. It has been a matter of ideology; of legitimacy. It was not enough to say that public schools provide the basic educational resource of the republic. (They have done; they do; they should continue to do.) It became necessary to stigmatize the other schools as "foreign," or "elitist," or threatening. The new schools became clothed with a public purpose that increasingly was denied the older schools.

This is the process the economist Joseph Schumpeter described a generation ago as the conquest of the private sector by the public sector. It was his gloomy judgment that the process was inherent in liberalism itself, even though it would end by destroying liberal society.

Nowhere is the process more advanced in the United States than in education. The pressure toward state monopoly is fearsome. Observe the Carter administration. The ideological assumptions are deeply implanted. Observe the news columns of The Washington Post, in which supporters of our tuition tax credit bill are called "conservatives" and supporters of the president's education aid bill are called "liberals."

John Stuart Mill thought otherwise. "A general state education," he wrote in the essay "On Liberty," "is a mere contrivance for molding people to be exactly like one another: and as the mold in which it casts them is that which pleases the predominant power in the government, whether this be a monarch, a priesthood, an aristocracy, or the majority of the existing generation; in proportion as it is efficient and successful, it establishes a despotism over the mind leading by natural tendency to one over the body."

I don't share Mill's view. Times have changed. I merely point out that liberalism once meant something very different.

THE PUBLIC SCHOOLS CAMPAIGN

Until about 1840, primary and secondary education in the United States was the responsibility of private organizations, most religious but some nonsectarian. In many if not most jurisdictions they received some public funds, but their control remained private.

This was not always apparent. In New York City, for example, the Free School Society that had been chartered in 1805 changed its name in 1826 to the New York Public School Society, but it remained under private control until it was, in effect, disestablished in 1842 and its governance altered to include an elected board of education. But the phrase "public school" that endures to this day—as in PS 104—may be traced to educational institutions run by a private charitable—and Protestant—organization.

The educational history of the mid-19th century was dominated by a purposeful and, in the main, successful campaign by the partisans of government-sponsored schools to require attendance at their institutions and to discourage persons from attending other institutions.

Closely associated with the rise of public education was a decline of private education. The effort began to ban public support for nongovernmental schools. Private schools somehow posed a problem for public school advocates, even those as well-intentioned and deservingly well-regarded as Horace Mann, who wrote in 1849 that "the private school system was rapidly absorbing the funds, patronizing the talent and withdrawing the sympathy which belonged to the public schools."

But the problem of private schools was inevitably tangled with another familiar concern of mid-19th-century Americans: the flood of immigrant foreigners, especially Catholics, and their insistence on bringing their faith with them and on sending their children to schools operated by their churches.

INVOKING THE CONSTITUTION

Thereupon the Constitution was invoked for a purpose which, as political scientist Walter Berns of the University of Toronto has shown in his brilliant treatise, "The First Amendment and the Future of American Democracy," the founding fathers never intended: in support of the claim that any public funding of church-related schools was a violation of the First Amendment.

In 1875, President Ulysses S. Grant, then contemplating a third term in the White House and looking for an issue, chose the curious occasion of an address to the Army of the Tennessee in Des Moines to exhort his old comrades that no money should be "appropriated to the support of any sectarian schools . . . Leave the matter of religion to the family altar, the church, and the private school, supported entirely by private contributions. Keep the church and state forever separate."

The following year, Rep. James G. Blaine—who bequeathed to the republic the memorable warning against "Rum, Romanism and Rebellion"—proposed a constitutional amendment to that effect. The Republican Party platform of 1876 echoed that proposal in a plank which declared:

"The public school system of the several states is a bulwark of the American republic; and, with a view to its security and permanence, we recommend an amendment to the constitution of the United States, forbidding the application of any public funds or property for the benefit of any school or institution under sectarian control."

Two points are to be noted: first, that those who in 1876 believed that public aid to church schools should be unconstitutional were at least clear that it would require an amendment to the Constitution in order to do so; second, the effort was associated with a singularly unattractive nativism that was especially anti-Catholic.

The Constitution was not amended, despite 11 separate proposals introduced in the Congress between 1870 and 1888. But the campaign against parochial schools continued unabated, reaching its apogee in Oregon in 1922 when the state legislature passed a law requiring every child in the state to be sent to public school. It is worth recalling, as Sen. Bob Packwood of Oregon did in the course of recent hearings before the Senate Finance Committee, that at that time a majority of the Oregon legislature were members of the Ku Klux Klan. And it is worth recalling also the arguments made on behalf of this legislation when the Supreme Court was asked to rule on its constitutionality.

As summarized in the Supreme Court record of *Pierce v. Society of Sisters*, attorneys for the state argued that:

"At present, the vast majority of the private schools in the country are conducted by members of some particular religious belief. They may be followed, however, by those organized and controlled by believers in certain economic doctrines entirely destructive of the fundamentals of our government. Can it be contended that there is no way in which a state can prevent the entire education of a considerable portion of its future citizens being controlled and conducted by *bolshevists, syndicalists* and *communists?* [emphasis added]."

Not just the radicals were to be feared. Counsel also pointed out to the court that "the vast majority of children not now attending the public schools of Oregon who will be compelled to do so by the new statute are either themselves immigrants or the children of immigrants." The voters of Oregon had, it was asserted, "based their action in adopting this law upon the alarm which they felt at the rising tide of religious suspicions in this country, and upon their belief that the basic cause of such religious feelings was the separation of children along religious lines during the most susceptible years of their lives."

The Supreme Court rejected these contentions out of hand. Justice James McReynolds wrote for the court that "we think it entirely plain that the Act of 1922 unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control."

Echoing Mill, the court added: "The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instructions from public teachers only."

THE EVERSON DECISION

Had that been the end of it, recent educational history would have been different; a mildly plural school system would have been ensured. The public schools would have continued to receive far the greatest amount of public funds. Which they deserve; they are far the most important schools. But the other schools would have had some share, which state legislatures have never ceased to try to provide for them. The trouble came when the Constitution was invoked to forbid any such assistance.

This occurred in the 1947 Supreme Court decision *Everson* v. *Board of Education*, involving a New Jersey statute authorizing school districts to reimburse parents for bus fares paid by children traveling to and from private schools. The court held that neither Congress nor the state legislature may "pass

laws which aid one religion, aid all religions, or prefer one religion over another." Nor may any tax "in any amount, large or small . . . be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion."

This ruling can only be compared with the court's decision in *Plessy v. Ferguson* which promulgated the "separate but equal" doctrine that for decades was invoked to justify racially segregated public schools. It was, quite simply, a gravely flawed interpretation both of constitutional intent and of what future public opinion would find acceptable. And the present quest to present the court with a program of public aid to children attending non-public schools that the court will find acceptable may be compared with the NAACP's tireless efforts, culminating in the *Brown* decision of 1954, to persuade the court to reverse itself. We have in the *Everson* decision and its numerous progeny the last large vestige of a generalized 19th-century nativism that abhorred nonwhites and non-Protestants alike.

A MATTER OF IDEOLOGY

The issue has of late been rejoined over a simple proposition put forth by Sens. Abraham Ribicoff, William Roth, Bob Packwood and myself, with half the Senate as cosponsors, to provide a tax credit to persons paying tuition to non-government elementary and secondary schools as well as those enrolled in public and private colleges.

As approved by the Finance Committee, our bill would allow a taxpayer to take a credit equal to 50 per cent of his tuition and fees. At the outset that credit would be limited to $250 and would be confined to college students. In two years' time it would rise to a maximum of $500 and be extended to elementary and secondary schools, and thereafter to graduate students as well.

Secretary of Health, Education and Welfare Joseph Califano has stated that this "proposal, in short, stands the American tradition of public education on its head." In a memo to the president early last month, he urged action "to counter congressional proposals for tuition tax credits" and warned, "We must move quickly if we are to seize the initiative on this very hot issue."

President Carter then stated that the Congress must choose between tax credits, which he opposes, and a program of increased direct aid to students that has much to be said for it but which is confined to colleges and universities.

Califano's memo to the president had noted that "we still have a problem with assistance to private elementary and secondary schools. None of the tax credit or student assistance proposals presently on the table addresses that issue—except for Packwood/Moynihan. We will be working in the next week or so to determine if a proposal on that issue is necessary as a matter of politics, feasible as a matter of cost, and constitutional as a matter of law."

With respect to the question whether aid to private schools was "necessary as a matter of politics," Califano put the wrong question to the president. The essential question is whether it is permissible as a matter of ideology. In the event, the administration gave its answer last Tuesday. No aid was provided. Our proposal to do so was severely chastised, notwithstanding the president's own commitment of Oct. 19, 1976, to "finding constitutionally acceptable methods of providing aid to parents whose children attend parochial schools."

As former commissioner of education Harold Howe reminded us just last week. "The passage of the Elementary and Secondary Education Act [ESEA] in 1965 was possible because the act embraced the diversity of public and private schools . . ." Howe knows whereof he speaks. I took part in the negotiations with the National Catholic Welfare Conference and drafted the plank in the 1964 Democratic Party platform calling for aid to *all* schools. This broke the deadlock which had previously kept President Kennedy's education program from approval by the Congress.

In return for their acceptance of the "student benefit" doctrine, however, private schools were supposed to receive aid. The government did not keep this half of the agreement. The categorical aid provided under ESEA has more often than not been denied to private school pupils.

If the administration's new proposals correct this injustice, there will be cause for some satisfaction. But it is simply misleading, if not actually deceptive, to state as Califano has that the reason for this is "to ensure that private school children receive the funds that are their due." The Elementary and Secondary Education Act, even as amended by the president's proposals, provides not a nickel to the students, to their parents, or to the private schools themselves.

FIVE KEY ARGUMENTS

The opponents of tax credits for elementary and secondary school students make five principal assertions: that tax credits would undermine support for public education; that they would cause more federal funds per pupil to go to private than to public school students; that they would assist persons who do not "need" them; that they would foster racial segregation; and that the measure itself would violate the separation clause of the First Amendment.

I have already addressed myself to the last of these, and would simply add a point suggested by economist E. G. West of Canada's Carleton University: The First Amendment also contains a "free exercise clause" that is very likely violated by a system that in taxing everyone but aiding only those who patronize public school "prohibits in degree the ability of those parents who normally patronize a parochial school."

As to the proposition that our proposal would undermine support for the public schools, it is remarkable that those making the argument seemingly fail to understand its depressing implication: Have public schools so little going for them that absent a near-monopoly, or at least a marketplace skewed sharply in their favor, they would lose students and resources? I think far more of the public schools than that, and am certain that for the vast majority of the population they will continue to provide the most attractive educational option. Competition strengthens them. That competition is disappearing.

The assertion that more federal funds would go to private than public school students is interesting on two counts. It is suggested, by Califano among others, that our proposal could cause the ratio to become 4 to 1. As Rep. Barber B. Conable Jr. of New York pointed out last week, when federal tax expenditures that benefit public schools—notably the billions of dollars associated with the deduction for state and local taxes—are counted, and when the costs of present and proposed programs are tabulated more accurately than HEW seems to have done, we would find a ratio of about 6 to 5 (a little over $300 for each private school student to $251 per student in public schools.)

It is already well-established in our college student aid programs that someone attending a private university *should* receive a larger federal subsidy than he would receive in a state college, because his attendance costs are substantially higher. Is it unreasonable to extend that principle to grammar schools? But even if it is, one must assume from the argument that a ratio of 4 to 1 is excessive that some lesser ratio would not be excessive. The sponsors of tax credits are most willing to negotiate the ratio if it is clear the opponents do not object to the principle.

As to "need," 82 per cent of all private elementary and secondary school students live in families earning less than $30,000 a year. I would not object to putting some income ceiling on the proposed tax credits, though it is interesting to note that at the college level the administration is prepared to subsidize students from families earning as much as $45,000, a ceiling that would shelter about 92 per cent of all private school students.

It is irresponsible to argue that tax credits would foster racially segregated education. Our bill is carefully drafted to exclude schools that might seek to discriminate on racial lines by requiring the Internal Revenue Service to police their compliance with civil rights statutes as part of allowing them to obtain and keep tax-exempt status. I have already advised the NAACP that if this provision is not adequate I will welcome an amendment to make it so.

PUBLIC FIRST, PRIVATE NEXT

In sum: The public schools come first. The great majority of students attend public schools. The first claim and by far the largest claim on public resources is theirs. But these claims have in fact been attended to first. The president's recent proposals merely elaborate and expand aid programs that are already part of national policy and are in no way in jeopardy.

But the nonpublic schools have claims also, and these, reasonably, should come next. It is not in the public interest that the life should be squeezed out of them, but this is what is now happening. They lost a million students—one-sixth of their enrollments—between 1965 and 1975. In the past two decades, the national government has begun to take education seriously. This is evidenced by the billions of dollars now devoted to that purpose and by the landmark legislation that the Congress has passed.

Equality of educational opportunity has been the purpose of this legislation and the programs that resulted have made great strides in achieving that objective. But thus far we have succeeded in providing equality only to those who enroll in government schools. We have failed the parents who prefer to send their children to the schools that are descended from the older, private school systems. We are rapidly en route to a complete conquest of the private sector of American education by the public sector. There will be those who will welcome that development. It seems a pity, however, that their number includes the major education policymakers of the executive branch of the national government.●

A WHITE PAPER ON HUMAN RIGHTS IN GERMANY

● Mr. CURTIS. Mr. President, all individuals of good will are concerned about the denial of human rights, and they are encouraged when genuine efforts are made to protect human rights. There are many countries that are giving attention to human rights now that gave no such attention before, and there are many individuals who have just recently become interested in human rights. I think it is important that we know what is going on in this field around the world.

The political party in Germany which has the most members in the German Bundestag has prepared a white paper entitled. "White Paper on the Human Rights Situation in Germany and of the Germans in Eastern Europe." While this was produced by a political party, it is

my understanding that it has been widely received in Germany as a fair and accurate statement, and that the present head of the German Government has expressed his approval of this document.

Mr. President, I ask unanimous consent that portions from this white paper be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHITE PAPER

FOREWORD

One of the main objectives of the Member States of the Atlantic Alliance and of the neutral countries of Europe at the Conference on Security and Co-operation in Europe (CSCE) was to make respect for and the exercise of human rights a yardstick by which to measure the will for detente of all participating States. This applied in particular to the free movement of people, information and ideas across the borders of nations and systems. All signatories of the CSCE Final Act solemnly recognised that yardstick in Helsinki on 1 August 1975.

Since 4 October 1977, the representatives of the 35 signatories have been meeting in Belgrade for a first review of the Final Act of Helsinki. All participating States had committed themselves to it. Now in Belgrade it is for the first time a question a meeting that commitment without qualification.

The experience of Helsinki has shown that continuing violations of human rights greatly detract from the mutual trust of States and peoples; they hamper co-operation between the signatories and threaten the process of genuine detente in Europe.

Taking steps to prevent violations of human rights is not a prerogative of Governments. Individuals and nations themselves must be the very first to concern themselves with such violations wherever they occur.

The world must be made more conscious of the fact that human rights, self-determination and the freedom of nations are indivisible. Particularly those people and nations who enjoy human rights and hence freedom must not turn a deaf ear on the cries for help from the oppressed.

Germany is the only country in Europe divided between East and West. The most inhumane border on earth divides the people of one nation, separates thousands of families. People are still having to die or suffer serious injury simply because they exercise the human right of free movement in their own country. Some 17 million Germans in the GDR and East Berlin are denied elementary human rights.

The Federal Republic of Germany is required by its constitution and the dictate of human solidarity, and entitled by virtue of international law, to step forward in Belgrade as the advocate of the Germans.

The 35 signatories can only accomplish their mission in Belgrade on the basis of comprehensive and accurate knowledge of all important facts relating to the human rights situation in Europe and of the problems that have arisen since Helsinki.

The White Paper on the human rights situation in Germany and of the Germans in Eastern Europe drawn up by the CDU/CSU Group in the German Bundestag is intended to serve this purpose.

It deals with fundamental aspects of protection of human rights in the national and the international framework. The human rights situation of German nationals and ethnic Germans is surveyed in documentary form in country-related reports. The documentation is restricted to violations of human rights that are reviewable irrespective of ideologies and political systems. Violations of these rights detract from man's personal dignity.

This White Paper is the result of the efforts of eminent experts on the legal and political situation who deserve our special thanks.

Dr. HELMUT KOHL,
Chairman of the CDU/CSU Group in the German Bundestag, Chairman of the Christian Democratic Union of Germany.

INTRODUCTION

The Joint Bundestag Group of the Christian Democratic Union and the Christian Social Union (CDU/CSU) feels it has a duty to publish the present documentation on the human rights situation in Germany and of the Germans in Eastern Europe on the following grounds:

1. The meeting of representatives appointed by the Foreign Ministers of the 35 signatories of the CSCE Final Act of Helsinki has been in progress in Belgrade since 4 October 1977. According to the provisions of the Final Act, the purpose of this meeting is to permit "a thorough exchange of views both on the implementation of the provisions of the Final Act and of the tasks defined by the Conference, as well as, in the context of the questions dealt with by the latter, on the deepening of their mutual relations, the improvement of security and the development of co-operation in Europe, and the development of the process of detente in the future."

This documentation is a contribution to the survey of one aspect of the general scope of the CSCE review meeting which is of special concern to the people of the Federal Republic of Germany. It deals with violations of the human rights of Germans within the meaning of the Basic Law (constitution) and persons of German ethnic origin.

We side in human solidarity with all people, no matter what part of the world they live in and irrespective of the political system they live under, whose human rights have been violated. We share that solidarity in particular with those people of other nations who, together with the Germans living in their community, are struggling to defend and exercise their human rights in the territories covered by this documentation.

This restriction to violations of human rights in respect of Germans stems from the duty incumbent upon the Federal Republic of Germany to afford protection to all Germans within the meaning of the Basic Law, the constitution, in which that duty has been anchored (with regard to this definition, cf. p. 23). It also ensues from a sense of moral solidarity with persons of German origin who, although they are citizens of other countries, turn to the Federal Republic of German seeking protection for their human rights and help in preserving their ethnic identity.

But above all, the object of this documentation is to assist all people in distress who have no adequate means of protecting their rights and therefore need, and ask for, the help of the international public.

2. In presenting this documentation, the CDU/CSU Parliamentary Group is fulfilling its obligation under the Basic Law for the Federal Republic of Germany, Article 1 of which reads:

"1. The dignity of man shall be inviolable. To respect and protect it shall be the duty of all state authority.

2. The German people therefore acknowledge inviolable and inalienable human rights as the basis of every community, of peace and of justice in the world.

3. The following basic rights shall bind the legislature, the executive and the judiciary as directly enforceable law."

By virtue of the fundamental rights incorporated in it, the Basic Law guarantees the freedom of the individual in relation to the State, his legal and social claims on the State, and the participation of all citizens in the democratic process of forming and implementing State policy.

True, the order of society established on the foundations of the Basic Law, though it is the most liberal Germany has ever known, still has its deficiencies and requires constant improvement. Be that as it may, it does not permit of any systematic violation of human and civil rights by government legislation and administrative measures. A comprehensive system of legal protection at national level enables every citizen of the Federal Republic of Germany, and every alien living in Germany, effectively to defend his human and civil rights in German courts.

The Federal Republic of Germany has, moreover, acceded to the existing international instruments for the protection of human rights:

On 5 December 1953 it ratified the European Convention for the Protection of Human Rights and Fundamental Freedoms (Council of Europe) and subjected itself to the procedures provided therein, according to which any person may appeal to the European Commission of Human Rights if he feels that any of his rights as guaranteed by the Convention have been violated. The Federal Republic of Germany has also recognised the competence of the European Court of Human Rights in accordance with articles 46 and 48 of the European Convention on Human Rights.

With regard to the protection of the human and civil rights guaranteed by the European Convention on Human Rights and the Basic Law for the Federal Republic of Germany, it has likewise placed itself under the jurisdiction of the European Court of Justice of the European Community (EC).

Even before it acceded to the United Nations as a full member on 18 September 1973, the Federal Republic of Germany, having been a member of all UN specialised agencies since the early fifties, had supported the principle of respect for human rights as embodied in United Nations Charter and has signed and ratified all the major treaties and special conventions drawn up for this purpose.

It is a party to the Statute of the International Court of Justice and recognises its jurisdiction with regard to disputes over the interpretation, application or implementation of conventions with human rights elements (e.g. Convention on the Prevention and Punishment of the Crime of Genocide of 9 December 1948—UNTS Vol. 78, p. 277).

And through its Foreign Minister, the Federal Republic of Germany introduced an initiative at the United Nations General Assembly on 26 September 1976 for the setting up of an independent, impartial international body to guarantee worldwide protection of human rights and endorsed that initiative in the same forum on 29 September 1977.

Having conducted its affairs on this basis for decades, the Federal Republic of Germany has proved that it takes seriously what article 25 of its Constitution says about international law:

"The general rules of public international law shall be an integral part of federal law. They shall take precedence over the laws and shall directly create rights and duties for the inhabitants of the federal territory."

3. The CDU/CSU Parliamentary Group sees the publication of this documentation as a dictate of its own aims and principles.

The two parties, together with the other democratic forces, established in the Federal Republic of Germany after the collapse of the national socialist regime a free, democratic and social State based on the rule of law, the chief objective of which is to pro-

tect the dignity of the individual, his moral values as a person, and his right to develop his personality freely in a society of free citizens with equal rights. This ideal is also the prime justification for its existence.

Their identification with the precepts of human rights is formed by the Christian image of man, by the liberal ideas of European philosophy and jurisprudence, by the concepts of natural law, and by the liberal and social achievements resulting from European and American constitutional evolution. They uphold the inalienable rights of the individual which exist independently of and transcend the State. They therefore reject any ideology which denies the individual respect for the moral value of his person, in the belief that it is entitled to invoke values of a higher order, whether of race or class, and lay claim to the individual totally, purely as a means of attaining those higher goals.

HUMAN RIGHTS AND DÉTENTE

The documentation derives not solely from the CSCE Final Act and the safe foundation of applicable international law. It ensues also from the indissoluble political link between the protection of human rights within individual States and peaceful relations between the States and their peoples.

In Principle VII, para 5, of the CSCE Final Act, the signatories explicitly acknowledged this connection. They recognised "the universal significance of human rights and fundamental freedoms, respect for which is an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and co-operation among themselves as among all States".

It follows, therefore, that international support for people, irrespective of their nationality, whose human rights have been curtailed or violated is also imperative on political grounds, on grounds of development of normal and friendly relations among States and peoples, and on grounds of safeguarding peace.

Only by eliminating encroachments upon human rights and by permitting the realisation of human rights within individual States is it possible to establish the consensus between governing and governed which makes them contented and stable partners in the community of nations and States and to create the atmosphere of trust between States and peoples which is an elementary prerequisite for international security, co-operation and peace.

In a public statement in Cologne on 17 March 1977, the Polish philosopher Leszek Kolakowski explained this connection as follows:

"No doubt we know that the recent wave of activity by the opposition groups in Eastern Europe has made many people in the West afraid that this activity could produce an explosive situation in one or several countries and eventually destabilize the entire order of relations in Europe. But so long as the people are conscious of the fact that they have been deprived of democratic institutions and of the guarantee of civil rights, that they have been forced into a system in which the exercise of power is not tied to any responsibility, the probability of such explosions can never be ruled out. It is not the existence of the opposition that is the source of tension and destabilisation. On the contrary, the less the government is considered legitimate and trustworthy, the less is it capable of controlling spontaneous outbursts resulting from various coincidental and unforeseeable circumstances."

If detente is to be "both a continuing and an increasingly viable and comprehensive process, universal in scope" (as it says in the Preamble, 2nd paragraph, to CSCE Final Act), it is furthermore necessary to eliminate those tensions between States and peoples that ensue from the violation and denial of internationally recognised rights of individuals, peoples and ethnic groups.

If this process of detente is to lead to ever closer co-operation in Europe across national borders and the divisions between systems, the working and exploring people themselves, and the nations, must meet freely and directly. And this applies above all if the aim is a level of co-operation higher than the present one of sluggish compensation transactions or channelled or controlled scientific and cultural exchanges.

If the trust between peoples and States that is essential for security and peace is to materialise, the policies which States pursue must be opened up by a free flow of information and ideas to allow individuals and nations to judge for themselves, freely and without manipulation.

The CDU/CSU Group in the German Bundestag has always called for the free movement of people, information and ideas throughout Europe as being essential to its aim of improving relations between States and peoples in divided Europe, of gradually overcoming the division of Europe and of its own people and country, and of co-operation and security in Europe, precisely on account of its key functions for the realisation of human rights for all Europeans.

That is the sense in which it presents this documentation.

THE HUMAN RIGHTS SITUATION OF THE GERMANS IN THE GERMAN DEMOCRATIC REPUBLIC (GDR) AND EAST BERLIN

I. THE INHUMAN BORDER THROUGH GERMANY AND BERLIN

Germany and the German people are divided by a border which the GDR Government has built up on its side with minefields and various other inhuman fortifications. The wall in Berlin and the barriers set up by the GDR along its border with the Federal Republic of Germany have become a symbol of the forceful division of a country and the division of a nation, a symbol of a policy irreconcilable with human rights.

In contravention of Principle VII of the CSCE Final Act and Article 12 (2) of the international Covenant on Civil and Political Rights, the Government of the GDR denies its inhabitants the right to leave the territory of the GDR freely. In order to ensure that they cannot do so, the GDR Government has built a system of fortifications along the border with the Federal Republic of Germany and along the sectoral border in Berlin. A whole series of other measures have been introduced inside the GDR, likewise to prevent free movement.

Since the signing of the CSCE Final Act, those barriers and devices and the various other measures have not been removed; on the contrary, they have been increased and made more efficient. All these installations, ranging from mines and self-triggering firing devices, as well as the use of fully automatic weapons against people trying to escape, have claimed further victims and wounded others along the border. By keeping the people locked up within the State borders, the GDR Government is depriving them of an essential part of the basis on which to exercise their right to run their lives as they themselves see fit. This denial of free movement is a particularly grave encroachment upon their rights since its purpose is to separate the people of one nation and thus causes millionfold suffering.

1. The border through Germany and Berlin.—The 1,393 km long border between the Federal Republic of Germany and the GDR, as well as the sectoral border in Berlin, more or less correspond to the border of the Soviet-occupied zone of Germany to the West laid down in the London Protocol of 12 September 1944. The demarcation line from Lubeck to Hof was first closed to traffic in both directions on 30 June 1946 by the Control Council for Germany at the request of the Soviet occupying power. Not until the Control Council issued Directive No. 63 on 29 October 1946 was traffic between the Soviet and the Western zones of occupation again possible, although subject to controls and with the introduction of the inter-zonal pass.

At first, the demarcation line was patrolled only by the Soviet army on the Eastern side, then by units of the "Garrisoned People's Police" as well as from July 1948. Anyone who crossed the border illegally was usually detained for several days or weeks. It was not until two and a half years after the establishment of the German Democratic Republic that the situation along the demarcation line changed drastically. On 26 May 1952 the Council of Ministers of the GDR issued an "ordinance on measures to be taken along the demarcation line". In that ordinance the Ministry for State Security was instructed to take steps to cut off the zonal border area completely. Since then the border right through the middle of Germany has been developed in various ways into an ever more perfect system of fortifications to prevent the free movement of the people in Germany.

2. The border fortifications today

2.1. Restricted Area and Protective Strip.—Along the whole of the border there is a Restricted Area which in parts is up to 5 km deep. People living in this area have a special entry to that effect in their identity cards. Special Police regulations apply in the Restricted Area. For instance, meetings, etc. and private celebrations must end at 10 p.m. The part of the Restricted Area adjacent to the border is the Protective Strip. In parts it is up to 500 m wide and even people who live in the Restricted Area may only enter it with special permission.

2.2. The actual installations and devices are as follows: (see also the sketch on p. 28 and the Pictorial Documentation [p. 99 seq.])

2.21. Metal trellis fence.—As from the early seventies, the barbed-wire entanglements along the entire border were gradually replaced by fences made of prefabricated metal trellis sections fixed to concrete posts. There are two types. One is 2.40 m high and mounted in two rows with contact mines in between. The more recent type is 3.20 m high which is erected as a single fence and has "SM 70" automatic shooting devices attached to it. Both types of fence, depending on the terrain, are 30—70 m from the actual border line.

2.22. The vehicle ditch.—In the open terrain immediately in front of the metal trellis fence seen from the GDR side a ditch about 1 m deep and 2 m wide has been dug to stop vehicles trying to crash through the border. The side of the ditch facing the Federal Republic of Germany is lined with concrete slabs which ordinary vehicles cannot cross.

2.23. The tracking strip.—Immediately in front of the metal trellis fence or, where one exists, in front of the vehicle ditch, there is a strip of land about 6 m wide from which all growth is removed. This strip shows up all tracks clearly and is checked every day by a special border control unit.

2.24. The relief road.—In front of the tracking strip there is a road consisting of two rows of concrete slabs. Its purpose is to ensure the fast movement of border alarm groups and can be used by 16t lorries.

2.25. The Protective Strip fence.—The Protective Strip is marked off from the Restricted Area by a metal trellis fence only half the normal height but with electric contacts on top. If they are touched an optical signal is immediately flashed to the nearest command post of the guard company on duty. A siren may also be sounded. This enables the alarm groups to take ac-

tion from two sides to stop the person trying to escape.

2.26. The observation towers.—All along the border observation towers made of prefabricated concrete parts, steel or wood have been erected at irregular intervals. Usually they are in sight of one another. Some of them have bunkers as bases for the alarm groups. Others have command posts and the guards have rifles with telescopic sights.

2.27. The long-leash dog patrols.—At points along the border that cannot so easily be kept under observation, dogs trained to attack humans are used for patrolling purposes. They are attached to a 200 m-long wire leash about 3 m high. This enables them to attack any escaper within their range. Nearly 1000 dogs are used in this way.

2.3. The "SM 70" automatic shooting and warning device.—The "SM 70" automatic shooting devices are attached to every fourth concrete post of the metal trellis fence at different heights on the side facing the GDR. The "SM 70" consists of the firing apparatus with the cone-shaped shooting funnel, the ignition and reporting mechanism, and the fixture. They fire in a direction parallel to the fence. They are triggered if the wire is cut or moved about 2 cm. The trigger wire leads from one device to the fixture of the next at the same height. The funnel is filled with about 100 a trinitrotoluol (TNT). On top of this charge are about 110 sharp-edged pieces of steel roughly 4 mm long and weighing 0.5 g. each. Up to a distance of 25 m they tear wounds in the victim similar to those caused by dum-dum bullets. And as the funnel, made of aluminium, is also shattered when the device goes off there is an added splinter effect.

The affect of the "SM 70" is exactly described by Dr. Werner Stoll of Wustrow, district of Luchow-Dannenberg, in the Medical Report of 30 July 1976 on the death of the refugee Hans-Friedrich Franck of Meißen, GDR, which reads:

"Hans-Friedrich Franck, who was injured by an automatic shooting device on the metal trellis fence along the GDR border with the Federal Republic of Germany, could not be kept alive in spite of the most intensive efforts by the doctors and all others helping to save his life. The irregularly shaped, jagged metal splinters, which have the same effect as a dum-dum bullet, if not worse, had shredded Franck's vascular structure below the groin to such an extent that suture was extremely difficult and slowed up the operation considerably." (See also the Pictoral Documentation, p. 99 seq.).

2.4 The orders to shoot.—The GDR maintains 28 regiments along the intra-German border, including the border around West Berlin. Each border regiment usually has three battalions of four companies each. The frontier brigade "Coast" patrols the North Sea coast. It consists of three groups of boats totalling 18 patrol vessels of the "Kondor" class.

The section of the Elbe between Schnackenburg and Lauenburg is guarded by frontier companies and the river itself by 24 patrol and long-range boats. Altogether the GDR border force comprises about 47,000 men. The use of fire-arms along the border is governed by Regulation "DV 30/10". The orders prescribed by this regulation are given orally only. Border guards are under orders to shoot to kill anyone in the immediate vicinity of the border fence or wall. They may only challenge or fire a warning shot if there are at least 50 yards between the metal trellis fence and the person trying to escape. If a person shot in this way is lying within the range of the border security installation he must be left there until the alarm group has been called.

2.5 Total length of the fortifications.—The intra-German border—not counting the sea area in the Lubeck Bight—has fortifications of the kinds described above along its total length of 1,393 km. They can be broken down as follows:

[As of 15 July 1977]

Metal trellis fence (km)	1,083
Protective Strip fence (km)	788
Minefields (km)	491
SM 70 devices (km)	248
Concrete walls/sight screens (km)	8
Anti-vehicle ditches (km)	739
Observation towers including treetop observation posts	584

Since the signing of the CSCE Final Act, the metal trellis fence has been lengthened by 93 km, the Protective Strip fence by 171 km, and the SM 70 firing devices have been installed along an additional length of 60 km.

2.6. The border around West Berlin.—The border around West Berlin—including the sectoral border in Berlin—measures in all 165.7 km. Since 1961, its main element has been the Wall, which divides East and West Berlin over a distance of 46 km. In their present form, these border installations were for the most part put up between 1964 and 1970, viz., 55.2 km of metal fencing, 104 km of wall slabs topped with piping, 150 km of concrete wall, 123 km of fencing with electric signals (6–10 volts), 124 km of asphalt relief road. Situated along the wall are 251 observation towers, 144 bunkers with firing slits, 260 dog runs.

3. Victims of the border fortifications.—Since 13 August 1961, members of the GDR border guard have fired at people trying to escape on 1,509 occasions. Seventy people trying to escape and others helping them have been killed along the wall. Sixty-six of them were shot. Ninety-one people have been seriously wounded. Over the past 16 years, 3,002 people have been arrested trying to escape over the Wall.

From 1949 to 1 August 1977, to the extent known to the Federal Republic of Germany, 182 people have been killed by mines, shot by guards or firing devices, or killed by other means along the entire intra-German border, including the border around West Berlin. Four of this number have been killed since the signing of the CSCE Final Act.

4. Penalties for attempting to exercise the right of free movement.—The border fortifications also have as their equivalent the criminal law of the GDR, which imposes penalties on persons "guilty" of "unlawfully crossing the border" (section 213, GDR Penal Code). Under these provisions "anyone who obtains by devious means or for himself or another person a permit to enter or leave the German Democratic Republic or who leaves the territory of the GDR without government authorisation or fails to to return to that territory" can expect a prison sentence of up to two years. Both preparation for and the actual attempt to escape are punishable. "In serious cases the offender may be sentenced to a term of imprisonment from one to five years" (Section 213 [2], GDR Penal Code). An example of a serious case is when a man and his wife together (i.e a "group") intend to escape or the exit papers of another person are used or a "border security installation" is damaged.

Anyone who assists persons trying to leave the GDR without authorisation may be liable to prosecution for "anti-State trading in humans" (section 105, GDR Penal Code), almost a charge of slave trading, in spite of the fact that the inhabitant of the GDR concerned freely accepts such help. In April 1977—just as preparations were being made for the CSCE follow-up meeting—the GDR introduced stiffer penalties, so that now "particularly serious cases" may carry a life sentence.

For a good number of years there have been at least 2,500 people in custody in the GDR for attempting to "flee the Republic". Then there are a similar number of political prisoners who have been prosecuted for exercising the right of free speech and attempting to leave the country (see below II, 1.2; III, 1, 1.2).

The GDR uses some of these prisoners as a means of obtaining foreign exchange. For between 40,000 and 80,000 DM (German Marks) per person some are released after serving part of their sentence, usually to go to the Federal Republic of Germany.

From 1962 to 1976 inclusive, at least 720 million DM of budgetary funds of the Federal Republic of Germany alone was paid over in this way. On top of this there are the special material concessions made to the GDR for this purpose within the scope of intra-German trade. But in spite of all these "purchases", the "reservoir" of prisoners shows no signs of drying up. It is kept full by making it a crime for people to escape from one part of Germany to the other, and even to make a lawful application for permission to leave the GDR or to voice critical opinions.

II. OTHER SERIOUS VIOLATIONS OF HUMAN RIGHTS AND DISREGARD FOR THE AIMS OF THE CSCE FINAL ACT

The GDR disregards the aims and the declarations of intent of Basket III of the Final Act with regard to "co-operation in humanitarian and other fields".

The underlying purpose of Basket III of the Final Act is to increase contacts between the people with a view to consolidating peace and understanding. The object is to bring families together and facilitate marriages between citizens of different States. It aims to improve travel, primarily on family grounds but also for business reasons and tourism. And Basket III says that no one should be placed at a disadvantage for submitting the appropriate application to the authorities of his country.

The law and practice of the GDR run contrary to this aim of the Final Act.

1. Separation of families and refusal to allow families to reunite.—

Part 7(b) of Basket III of the Final Act reads: "The participating States will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family, with special attention being given to requests of an urgent character—such as requests submitted by persons who are ill or old. They will deal with applications in this field as expeditiously as possible. They will lower where necessary the fees charged in connection with these applications to ensure that they are at a moderate level. Applications for the purpose of family reunification which are not granted may be renewed at the appropriate level. . . . Until members of the same family are reunited meetings and contacts between them may take place in accordance with the modalities for contacts on the basis of family ties.

The participating States confirm that the presentation of an application concerning family reunification will not modify the rights and obligations of the applicant or of members of his family."

1.1. Since the signing of the Final Act there has been an increasing flow of complaints from GDR citizens and their relatives in the Federal Republic of Germany about the way applications for family reunion have been handled.

There is a close connection between applications for the reuniting of families and for permission to be able to visit relatives. Often a citizen of the GDR or a family will at first only submit an application for one visit to relatives in the Federal Republic. The application leads to reprisals (described later on) by the GDR authorities or personnel departments of "people's enterprises". The lasting disadvantages which result prompt the GDR

citizens to apply for settlement in the Federal Republic of Germany because they see no further possibility of a secure livelihood in the GDR.

1.2. In order to prevent the reuniting of families, the GDR authorities resort to the following means:

They have introduced a narrower definition of "family". It is usually equated with "family household", in other words only the husband, wife and legitimate children under 18 living with their parents are regarded as members of the family.

Parents, in-laws, grandparents, adult brothers and sisters, half brothers and sisters or relatives of the third or fourth degree, are not recognised as members of the family.

In fact, exit visas are sometimes granted only to certain members of a family (e.g. only to the parents and children under age), which causes even more separation.

Time and again reports are received to the effect that the GDR authorities inform applicants that the United Nations Human Rights Conventions and the International Covenants on Human Rights, as well as the GDR's contractual commitments to respect human rights, as embodied in article 2 of the Basic Treaty between the GDR and the Federal Republic of Germany and in the Final Act of Helsinki, are not directly binding.

And there are growing numbers of reports that the GDR authorities treat applications for exit visas as a criminal offence and dismiss the applicants from their jobs; they are not given work by other "people's enterprises" or public administrations; they are then accused of being "shirkers" and, in accordance with the provisions of the GDR's Labour Law, of "asocial behaviour", and sentenced to terms of imprisonment. The process of constraint and making criminal offences out of applications also takes the following form: GDR inhabitants who apply for exit visas are immediately declared to be "persons in possession of secret information" and therefore forbidden to have "contacts with the West"; in many cases it is assumed that they have ignored this ban by maintaining relations with members of their families in the West; this automatically entails criminal proceedings. Constraint by the GDR authorities is particularly common as regards families with children who apply for exit visas. The authorities threaten to deprive them of their parental rights and to have their children transferred to state homes because they have not brought them up to hate the West and hence their Western relatives. If they thereupon withdraw their applications they are promised leniency.

Even people who have not applied for exit visas but do not discriminate against those who have or send them to Coventry can also expect reprisals.

The GDR authorities are also in breach of human rights in that they infringe the privacy of applicants' mail and monitor all their communications with others.

But contempt for the spirit and letter of the Final Act is manifest in particular in the fact that renewed applications for permission to reunite with members of the family lead to a ban on contacts with relatives in the West altogether, i.e. no travel in either direction.

The number of pending applications for permission to join family members in the Federal Republic of Germany is estimated at 30,000. The fact that only 4,914 persons in this category were allowed to transfer to the Federal Republic of Germany in 1976 shows how far this deeply human problem still is from solution.

1.21. Particularly serious are those cases where one member of a family succeeds in escaping to the Federal Republic of Germany. His relatives are first advised to induce that person to return. If this fails pressure is put on the husband or wife to break off relations with the spouse in the Federal Republic of Germany and in particular to cease all correspondence. Then after a certain period the man or wife, who is not permitted to leave the country, is urged to seek divorce. If this person is in the public service, has an important job, or is otherwise a "possessor of secret information" (within the broad definition applied by the GDR) he is required to sever all contacts with relatives in the Federal Republic of Germany. He must undertake to discontinue all written or oral communications, and is not even permitted to meet his parents if they visit the GDR. The disadvantages both at work and otherwise for anyone breaking this ban are so grave that a young man who recently had a clandestine meeting with his parents who had travelled to the GDR from South Germany has said he will not see them again because the risks to himself and his family are too great. The mere fact that parents or a man or wife who have remained in the GDR apply for permission to transfer to the Federal Republic of Germany is enough to bring them personal and economic disadvantages and to expose them to chicanery and discrimination which may go so far as social degradation.

Let us take the case of Gustav Otte, M.D., and his wife Margit Otte, M.D., of Dresden. In December 1975 they applied for exit visas so that they could join Gustav Otte's brother in the Federal Republic of Germany. By June 1977 they had submitted 15 applications and all had been rejected. In August 1976, Frau Otte was dismissed from her post as a factory doctor and her husband was dismissed from his part-time job within the public health system without reason. Soon afterwards, after putting up with trumped-up accusations and increasing chicanery, he had to leave his job as ward physician in the St. Joseph-Stift Hospital in Dresden. In order to provide for his family he was obliged as from June this year to work as a cemetery attendant. On 18 August both he and his wife were arrested, presumably for having in this desperate situation written to the Minister for Intra-German Relations of the Federal Republic of Germany with an appeal for help. That letter is a deeply moving human document:

Dr. med. GUSTAV OTTE,
Dresden, June 10, 1977.

Herr EGON FRANKE,
Federal Minister for Intra-German Relations, Bonn-Bad Godesberg

MR. MINISTER, we turn to you full of confidence and hope. Since December 1975 we have made 15 applications to be allowed to give up our GDR citizenship and to move to my brother, Fritz Otte, in the Federal Republic of Germany. In addition we, my mother Frau Erna Otte and my mother-in-law Frau Hilde Zschüttig, have each sent a petition to Erich Honecker, Chairman of the Council of State. Our mothers' petitions have to this day not been confirmed. On 17 November 1976 our ninth application was rejected. Since then we have received no other official refusals. The authorities react with silence.

My wife, Dr. Margit Otte, a general practitioner, I, Dr. Gustav Otte, gynecologist and obstetrician, and our ten-year-old son Jens, wish to go to live with my brother Fritz Otte, 5060 Bergisch-Gladbach, Hauptstr. 153.

We find ourselves in an insuperable ideological conflict with the GDR. The serious and petty acts of chicanery we have been exposed to for many years have been propagated by the authorities as something entirely legal since we made our application, and they are continued openly and without restraint and are becoming increasingly unbearable. For months we had been constantly shadowed by members of the State Security Service. The fact that I come from a middle class family and have three brothers and sisters in the Federal Republic of Germany has always been held against me. Under these circumstances it has been impossible for me to rise in my profession, for instance. In August 1976 my wife was dismissed from her post as senior factory doctor within the works health service on libellous charges. At the same time I was relieved of my part-time post in the public health service, without any reason being given. The ever-increasing mental strain and the attacks on my family have induced me to give up my post as ward-physician in the St. Joseph-Stift Hospital, Dresden, as an expression of my uncompromising opposition to the regime and of my solidarity with my wife. Only three weeks after leaving this post I was summoned to the Internal Affairs Department and warned that if my wife and I maintained our attitude we would be liable to prosecution under section 249 of the GDR Penal Code. We protested strongly against being put on a par with criminals, society drop-outs, prostitutes and persons who constitute a threat to the security of the GDR, in this preposterous manner.

On 19 and 27 April 1977 we were separately questioned for hours on end by the police and interrogating judges of the State Security Service. And for the past six months they have gone so far as to make life hard for our boy at school. In order to avoid the injustice of the authorities here I have since 1 June 1977 been working as a cemetery worker in the Alter Ahnenfriedhof, Dresden.

Mr. Minister, we hope that this brief description of our problem will help you appreciate our situation. We request you to use all means at your disposal to help us out of this unbearable and hopeless situation. We urgently request you to include our problem when human rights are discussed within the framework of German-German negotiations and to raise the matter at the Belgrade follow-up meeting. It is absolutely impossible for us to continue to live in the GDR. We want to be able to exercise our profession again in peace.

Nearly all of our documents have been sent to your Ministry by my brother. Your in-depth and realistic survey of German-German negotiations in the debate on Intra-German relations in the Bundestag before Whitsun gives us strength, courage and confidence.

Nineteen months under the strain of living behind the wall and years of incessant conflict with the GDR are now beginning to leave their mark. Please help us so that we as a family will not perish in this unequal struggle with the authorities here.

Yours sincerely, Gustav Otte.

1.3. Persons engaged to be married kept apart—Paragraph 1(c) of Basket III of the Final Act reads:

"The participating States will examine favourably and on the basis of humanitarian considerations requests for exit or entry permits from persons who have decided to marry a citizen from another participating State."

Whether it is a question of engaged couples or the reuniting of families, the attitude of the GDR authorities is the same.

Judging by reports from people who have been affected, the GDR authorities are if anything even quicker to arrest single persons, and with more ruthlessness than in the case of married people.

The reprisals are much the same as the ones described above: no legal basis; offhanded treatment of applicants, the tedious, involved processing of applications; applicants are moved to another place of work and degraded; they are dismissed on fictitious charges; fiancé(e)s from the West are refused entry visas, as are other relatives or friends; isolation and discrimination in the local community, etc.; ultimately arrest and sentencing for asocial behaviour or "incitement against the State".

In many cases the fiancé(e) in the West is recommended to come to marry in the

GDR. They are told that they will have similar professional opportunities as in the West. In practice, however, these promises are not kept and there are three serious restrictions which deter engaged persons from moving to the GDR to marry.

Firstly, former citizens of the Federal Republic of Germany who transfer to the GDR are allocated to low-grade jobs on the grounds that this is in keeping with the GDR's internal security provisions; secondly, those with a university training are not allowed to take scientific or social literature, even fiction, with them to the GDR because such works are denounced as "inflammatory imperialistic literature"; thirdly, those coming from the West are treated in the same way as inhabitants of the GDR, which means that people of non-pensionable age are not allowed to travel to the West; but if they marry someone in the West they hope to be able to travel to the East.

In view of these main restrictions (but there are others resulting from the internal system of the GDR) of human rights and freedoms, young people in the West engaged to be married to someone in the GDR refuse to move there to get married.

The fact that the GDR authorities refuse to allow any inhabitant of the Federal Republic of Germany who is engaged to an inhabitant of the GDR to enter the GDR as a visitor is a particularly blatant obstacle to human contacts and a violation of the provision of Basket III, 1(c), of the Final Act. Numerous West Germans and West Berliners have been turned back at the border for this reason, even though they have been in possession of an entry visa. Nor are the citizens of the GDR affected allowed to travel to socialist States, which means that they cannot meet their fiancé(e) anywhere in the world.

1.4. Inhuman deprivation of parental rights, compulsory adoptions.—The GDR's policy of destroying family ties between Germans is particularly obvious from the way the children of persons who have left the GDR "illegally" are treated. In flagrant disregard of the natural right of parents to care for their children themselves and to decide where they should stay, the children are kept in the GDR and put in homes or given to other people to be looked after. Frequently, parents are even refused information as to the whereabouts of the child. After a time the parents are asked to agree to their child being adopted by a family they do not even know. If they refuse their approval is replaced by a court decision. The ground given for the adoption is either that it is for the child's well-being, that the child is better off with a socialist upbringing, or that the parents have allegedly not looked after the child and been indifferent to it. The court deliberately ignores the fact that because the child has been kept in the GDR the parents have had no chance to care for it.

Neither the Final Act of Helsinki nor the human rights conventions have deterred the GDR authorities from holding back the children of parents who want and are in a position to look after them and apply for permission for them to leave the GDR, from having them brought up by strangers and ultimately allowing them to be adopted.

What happened to the Grübel family typifies the situation of many others:

This tragic case was brought before the United Nations Commission of Human Rights in Geneva by the representative of the International Commission of Jurists (see UN press communiqué, Geneva HR/477, of 12 August 1977).

In August 1973, the married couple Otto and Bärbel Grübel of East Berlin attempted to flee with their children Ota (age four) and Jannet (age three) across the border between Czechoslovakia and Austria. Whilst trying to climb over the barbed-wire entanglements they were arrested by Czechoslovak border guards.

A GDR court sentenced the Grübels to two years 10 months imprisonment for attempting to escape. In mid-1975, after having served nearly two years of their sentence, they were bought free by the Federal Republic and allowed to cross the border.

Whilst the parents were in prison the two children were put on the adoption list without the approval of the parents and in spite of the fact that the grandparents could have looked after them until the parents were released. The GDR authorities considered this decision final. The Grübels now find themselves in the inhuman situation of being out of prison but having to live without their children.

The reason given by the GDR authorities and courts is that the parents tried to deprive both children of a secure social existence and to expose them to an uncertain future. This has to be seen against the ideological background of section 42 of the GDR Family Code, according to which parents must bring up their children "to have a socialist attitude, to learn and to work, to observe the rules of the socialist society, and to identify with socialistic patriotism and internationalism."

In his comments on the Grübel case, the chairman of the Youth Aid Committee of the Council of the Central Urban District of East Berlin left no doubt that the compulsory adoption was a political reprisal. Another fictitious reason given was that before trying to cross the border the parents had given both children sedatives, though they are not harmful to health.

Frau Gisela Mauritz had much the same experience:

Sentenced in the autumn of 1974 to 4½ years imprisonment for "attempting to flee the republic," Frau Mauritz was stripped of her right to bring up her then five-year-old son Alexander, who in 1976 was compulsorily adopted by a couple unknown to her. In June of this year Frau Mauritz was to have been released prematurely to be deported to the Federal Republic of Germany, but she refused to leave the GDR without her child and was thereupon put back in prison.

The Federal Minister for Intra-German Relations, the German Bundestag, and the parties in the Bundestag, have received thousands of reports—mostly by the people concerned—which verify the above examples of families being torn apart.

2. Citizens of the GDR are prevented from visiting relatives in the Federal Republic of Germany or other Western countries—

2.1. Paragraph 1(a) of Basket III of the CSCE Final Act reads:

"In order to promote further development of contacts on the basis of family ties the participating States will favourably consider applications for travel with the purpose of allowing persons to enter or leave their territory temporarily, and on a regular basis if desired, in order to visit members of their families.

Applications . . . will be dealt with without distinction as to the country of origin or destination . . . The issue of such documents and visas will be effected within reasonable time limits; cases of urgent necessity—such as serious illness or death—will be given priority treatment . . .

They confirm that the presentation of an application concerning contacts on the basis of family ties will not modify the rights and obligations of the applicant or of members of his family."

2.2. Inhabitants of the GDR have sent thousands of reports to the effect that this declaration of intent, which their leaders, by signing the Final Act, have adopted, has not been put into practice. The reports show that the procedures for dealing with applications for exit permits have not been simplified. As before the CSCE, the situation is one of arbitrary action.

Only GDR inhabitants who have reached the statutory retirement age, that is, women from the age of 60 and men from the age of 65, as well as invalids, may visit relatives in nonsocialist countries once or several times a year for a total of 30 days (to countries outside Europe, for up to three months). Pensioners have been permitted to leave the country since 1 November 1964.

2.3. With regard to other inhabitants of the GDR, that is, the great majority, formal rules have been published according to which travel to non-socialist countries may be allowed on urgent family grounds, which means for births, marriages, silver and golden wedding anniversaries, sixtieth, sixty-fifth, seventieth wedding anniversaries, serious illnesses and deaths. Entitled to apply are grandparents, parents, children and brothers and sisters (according to the GDR decree governing the travel of GDR citizens, dated 17 October 1972, as amended on 14 June 1973—Law Gazette I, p. 269).

But these regulations only say that permission "may" be granted; they do not concede any right to travel; it is entirely at the discretion of the authorities. Apparently, local GDR authorities are bound by restrictive instructions that have not been published. This explains the fact that every year only about 40,000 GDR citizens are allowed to travel to the Federal Republic of Germany on urgent family grounds, although there are very many such occasions within the meaning of the GDR decree because the Germans living in the Federal Republic of Germany, the GDR and Berlin together make up about 77 million people.

To prevent travel to non-socialist countries, the GDR again resorts to the method of declaring large sections of the working population to be "carriers of secret information" who may therefore not maintain contacts with people in the West. These include not only servicemen, police and teachers, but many other members of the party and state apparatus and "people's factories", and from the world of science and culture. Banned contacts with the West include, apart from travel to non-socialist countries, visits from such countries as well as contacts by telephone or correspondence with persons in "capitalist countries". The "illegal" maintenance of such contacts results in disadvantages both in the community and at work, for instance allocation to a lower grade and hence lower paid job.

Under GDR law, the authorities do not have to state any reasons for refusing applications for travel visas, so that the person concerned can do nothing about it.

Inhabitants of the GDR deplore in particular the fact that the final Section of paragraph 1(a) of Basket III of the CSCE Final Act has not been put into practice. With the exception of pensioners, people of working age who submit applications for exit visas must usually expect not only long periods of interrogation but also disadvantages at work and in the local community (downgrading, transfer to another place of work, eviction, refusal of holiday accommodations, etc.).

In almost every exceptional case where an exit visa is granted on urgent grounds (serious illness or death) only one person is allowed to travel. GDR citizens accuse the authorities of keeping either the husband or wife and children back as hostages. Single adults of working age are practically never granted a visa, even on the most urgent grounds.

Inhabitants of the GDR also report that permission to travel for family celebrations (birthdays, baptisms, weddings and jubilees) are almost never granted to persons under retirement age—not even to either husband or wife.

In general people complain mostly about the arbitrary and impolite treatment of the GDR authorities. Applications are handled very restrictively and the applicants themselves subjected to extensive interrogation to induce them to withdraw their applications. There are reports of close co-operation between the authorities and the "people's factories" and constant references to pressures and intimidations which completely reverse the purpose of Basket III of the CSCE Final Act.

In view of the large numbers from the Federal Republic of Germany—including West Berlin—who visit relatives in the East (1976: over seven million), the people of the GDR feel themselves degraded because in their case hardly anyone under retirement age is allowed to visit the Federal Republic of Germany. The intensity of the frustrated desire to visit the Federal Republic is indicated by the fact that for many years about a million pensioners have been visiting the Federal Republic every year. They are only permitted to travel when they have reached the age at which the GDR Government no longer regards them as vital to the State.

In the Federal Republic of Germany, too, there is mounting criticism of the fact that it is becoming increasingly difficult to visit relatives in East Germany. The main complaint is that the GDR authorities reject applications for entry visas if a member of the family to be visited has applied for a visa to travel to a Western country.

And finally there are many reports from people in the Federal Republic who have been asked by relatives in the GDR not to visit them because the outcome (particularly for young people) could be discrimination at work and in other respects.

The attitude of the GDR authorities runs contrary to the postulate of the CSFE Final Act, which is that efforts will be made to intensify and improve family contacts.

2.4. Financial obstacles to travel.—The financial obstacles put up by the GDR Government also militate against the Final Act, which calls for easier travel arrangements. Whereas GDR pensioners who have been given permission to travel to the Federal Republic are allowed to bring only 15 DM with them p. a., which means that their stay in the West must be paid for entirely by their relatives (with grants from public funds from the Federal Republic of Germany), Germans from the federal territory travelling to the GDR are charged 15 DM for the visa as well as a road toll for cars, depending on the length of the journey. In addition, each visitor must exchange 13 DM per day, the only exceptions being people of pensionable age, invalids, persons fully incapacitated and on full pension, and children under 16. Thus visits by or to relatives as between the two German States are considerable financial burdens.

3. Refusal to grant permission for contacts between people who are not relatives—Paragraphs 1(d)—(h) of Basket III of the Final Act of Helsinki speak of improving and simplifying the procedures for "travel for personal or professional reasons", tourism, meetings among young people, sports and other contacts.

This is another intention which the GDR has failed to carry out in relation to the Federal Republic of Germany.

According to para 1 (h), participating States are supposed to develop contacts among governmental institutions and non-governmental organisations and associations.

On account of the negative attitude of the GDR Government, such communication between the two German States is very rare. That meetings between sports associations, youth groups and other clubs, etc., as well as meetings at communal level, help to foster peace is obvious; all attempts by the Federal Republic of Germany to establish such contacts with the appropriate institutions in the GDR have up to now—apart from a few cases where the GDR leadership has had a specific political interest—proved abortive.

4. Discrimination against and prosecution of people who, trusting in and invoking Basket III of the Final Act of Helsinki, apply for permission to settle in or travel to the Federal Republic of Germany.—The GDR has omitted to establish unequivocal and generally applicable rules of law which set out the rights of its citizens. As in the days prior to the CSCE, ambiguous regulations hold out only a vague possibility of permission being granted; some of them have not even been published.

It is irreconcilable with the aims of the CSCE Final Act for the GDR to announce in its constitution and laws, and by publishing the CSCE Final Act, that its citizens "may" apply for a visa to leave the country or settle in the Federal Republic of Germany—only then to punish people who enquire about the administrative channels they have to go through in order to avail themselves of the possibility, or if they submit applications. And it is also intolerable for citizens who, having submitted applications in conformity with the law, are not even told why their applications have been rejected. As a result of the attitude of the GDR leadership, countless inhabitants of the GDR—the number is put at 200,000—are now in personal difficulty or see their very livelihood threatened; they address urgent appeals to the signatories of the CSCE Final Act not to allow them to suffer for having believed in this document—and hence in the word given by the representatives of Europe and North America.

The petition from Riesa has become widely known.—On 10 July 1976, 33 inhabitants of the town of Riesa (district of Dresden) sent an open petition to the representatives of the CSCE participating States, to the Commission of Human Rights of the United Nations, and to Secretary General Erich Honecker, requesting support for their applications for permission to settle in the Federal Republic of Germany.

This petition was joined shortly afterwards by another 46 people from other towns. The first signatory, Dr. Karl-Heinz Nitschke, was arrested on 31 August 1976. He had been persecuted for a good number of years because of his intention of settling in the Federal Republic and punished several times. The homes of all other persons who signed the petition were searched and they were interrogated and exhorted to withdraw their signatures. In September 1976, Oskar Porsche, a turner, his wife Ute, and Joachim Mut, M. Sc. Ing., all from Karl-Marx-Stadt (Chemnitz), as well as Wolfram Wenzel from Riesa and two other signatories, were arrested.

Months later, in June 1977, another person who signed the petition, Gernot Zimmermann, was also arrested.

They have been given severe penalties:

In June 1977 Ute Porsche was given 5 years, her husband three years 8 months, and Joachim Mut two years 8 months imprisonment. Wolfram Wenzel was given six years' hard labour for "incitement against the State".

Dr. Nitschke, after spending nearly one year in prison (4 months in a dark cell), was released and allowed to go to the Federal Republic of Germany; the others are still held as political prisoners in the GDR.

III.—FREE SPEECH AND FREEDOM OF INFORMATION, AS WELL AS FREEDOM OF CONSCIENCE AND RELIGION, ARE STILL NOT RESPECTED IN THE GDR

1. No freedom of thought.

1.1. Contrary to the intentions of principle VII of the Final Act and of Article 19 (2) of the International Covenant on Civil and Political Rights, the people in the GDR are denied the right to express their views freely. As in the past, the dissemination of views unwelcome to the party and the leadership of the GDR carries the threat of prosecution and "social disadvantages". The persons concerned are prosecuted in particular under section 106 of the GDR Penal Code ("incitement against the State"). Any publicly or privately expressed criticism of the social situation, even criticism within the system, can easily be placed in this category. In recent times more and more persons have been prosecuted under this provision for standing up for human and civil rights, or for saying they were applying for permission to leave the GDR because the situation there was not to their liking. They can be sentenced to as much as 10 years' imprisonment. Since the signing of the Final Act, the provisions have been made more severe by the introduction of the second Penal Law Amendment Act of 7 April 1977. According to section 220 of the GDR Penal Code, for instance, anyone who "disparages" measures taken by government agencies or social organisations in public are prosecuted. People who criticise even subsidiary organs of the party and the State can also expect to be charged.

By applying these arbitrary provisions of criminal law, which can be given practically any interpretation, the right of free speech can be reduced to nil.

In fact the mere threat of such punishment creates an atmosphere of fear and lack of freedom. Even writers and artists who are generally in line with official ideology but have criticised certain aspects of the GDR regime have been isolated by the police, arrested, or forced to move from their local community against their will.

Professor Robert Havemann, for instance, the internationally known scholar, has been under strict house arrest in East Berlin since November 1976 on the strength of a court order for protesting to SED Secretary General Honecker against the decision to strip artists and writers of their citizenship, and for expressing critical views in the West German press about conditions in the GDR. Western journalists, and even the Swedish Foreign Minister, have been refused permission to speak to Havemann, who had incurred the displeasure of the GDR authorities as early as 1968 when he protested against the intervention in Czechoslovakia.

The East Berlin economist Rudolf Bahro, although a convinced Marxist and member of the SED, was arrested in August 1977 for criticising the GDR system.

Dr. Hellmuth Nitsche, professor of German, was arrested with his wife in April 1977 for writing to President Carter about violations of human rights in the GDR. He had already lost his chair at the East Berlin Humboldt University in 1974 for voicing criticism and been downgraded to the post of technical school teacher. In September 1977 he was allowed to go to the Federal Republic. In his letter to President Carter in March 1977 he wrote:

"The number of persons who have applied to be relieved of GDR citizenship, invoking the constitution, the United Nations Charter, the Declaration of Human Rights, and not least the Final Act of Helsinki, is estimated at over 200,000. The Government of the GDR cannot cope with this flood of applications. It therefore reacts with dismissals without notice, shameless defamation, interrogation, and other reprisals. Only a tiny few of the applications have been approved. The great majority of applicants have been deprived of their livelihood and attempts are made to 'starve' them, in other words to force them to work as labourers for the communist regime by continually rejecting their applications without reason, or simply not dealing with them any more . . .

". . . The GDR's policy of walling itself off from the Federal Republic of Germany has been taken to the extreme. The communist rulers consider it a political crime for some-

one even to speak of the unity of the German nation. Anyone in the GDR who has the courage to express his own opinion (as 'guaranteed' in the constitution), anyone who invokes human rights or the Helsinki Final Act, is dismissed without notice. Applications to be relieved of GDR citizenship are refused without any reason being given or they are simply no longer processed; they disappear in the bureaucratic apparatus of this State. In fact even people who merely apply to be reunited with their families are forcibly deprived of their livelihood, irrespective of whether they are scholars, artists, or taxi drivers. Slander, outlawing and 'starring' of applicants, these are the methods used by the GDR Government for the past six months and more to stifle the demand by its people for the exercise of human right. . ."

The Frankfurter Allegemeine Zeitung published in its 30 August 1977 edition a list—still incomplete—of writers and artists who have voluntarily left the GDR or have been deported; it includes for 1975 to 1977 alone:

Reinhardt, Andreas, stage designer.
Biermann, Wolf, writer.
Brasch, Thomas, writer.
Faust, Siegmar, writer.
Hagen, Nina, actress.
Jentzsch, Bernd, writer.
Renft, Klaus, musician.
Schleef, Einar, director, Berliner Ensemble.
Thalbach, Katharina, actress.
Cohrs, Eberhard, comedian.
Dresen, Adolf, director.
Graf, Dagmar, actress.
Hagen, Eva-Maria, actress.
Krug, Manfred, actor, singer.
Kunze, Reiner, lyric poet.
Medek, Tilo, composer.
Fuchs, Jürgen, writer.
Kunert, Christian, musician.
Pannach, Gerulf, writer of political songs.
Nitschke, Karl-Heinz, doctor.
Nitsche, Hellmuth, professor of German.
Kirsch, Sarah, writer.

1.2 Sentences passed on the basis of these penal provisions keep the number of political prisoners in the GDR at a consistently high level. There are at least 4000–5000 prison inmates and others held in custody pending trial, including the 2,500 or so imprisoned for attempting to flee or helping others to do so. Countless dissidents who express their views orally or in writing suffer professional or "social" discrimination. Of late there has been an increasing number of cases of people who support human rights and invoke the CSCE Final Act, the United Nation human rights conventions reaffirmed therein, and the provisions of the GDR constitution relating to basic rights, being prosecuted.

According to reports from many persons having been released from prison, prison treatment in the GDR, even after the signing of the CSCE Final Act, falls short of even the minimum guarantees endorsed in the Final Act and in particular Articles 7 and 10 of the International Covenant on Civil and Political Rights. Many cases have become known in which prisoners have been treated in a manner which grossly conflicts with the requirement of Article 10, i.e. that "all persons deprived of their freedom shall be treated with humanity and with respect for the inherent dignity of the human person." This applies in particular to strict solitary confinement, usually in the cellar with no more than a plank bed and a blanket. In the daytime there is nothing to sit on; the heating in winter is inadequate. The daily ration consists merely of 200 g bread and a jug of malt coffee or tea, with warm soup without meat only every third day.

Former inmates of Cottbus hard labour prison, for instance, have described the completely overcrowded conditions as follows:

Cottbus prison, which was built for 600, was completely overcrowded in 1975/76. In each cell four beds were placed on top of one another to accommodate about 1,200 inmates. Eighty per cent of them are political prisoners and the last Church service held in the prison was in 1973. Since then there has been no ministerial work in the prison; the prisoners have been refused a Bible.

Former prisoners of Brandenburg prison tell a similar story. There, too, the cells have three times as many occupants as originally intended. The inmates have to work three shifts round the clock. Their rest period is deliberately disturbed by number calls.

In the second half of 1976 alone, 91 cases of maltreatment in GDR prisons were reported to the Central Office of the Regional Judicial Authorities of the Federal Republic of Germany in Salzgitter, which keeps a record of such cases.

On 5 May 1977, in view of the approaching CSCE review meeting, the GDR introduced a new law on the prison regime. Whether the GDR will actually change its treatment of the prisoners, which is known to be both severe and inhumane, remains to be seen.

2. No freedom of information.

2.1. Contrary to Principle VII of the Final Act and the human rights conventions reaffirmed therein, the GDR Government restricts the right to free information. Its laws and their practical application are in contravention of Article 19(2) of the International Covenant on Civil and Political Rights, according to which everyone is free "to seek, receive and impart information and ideas of all kinds regardless of frontiers, either orally, in writing or in print, in the form of art or through any other media of his choice".

The GDR makes the statutory restriction permissible under paragraph 3 of this article the rule and thus reduces to nil the essence of the right to free information:

The purchase of Western literature is as good as forbidden since the GDR has placed an "import ban" on

—newspapers and other periodicals not contained in the postal newspapers list of tho GDR;

—calendars, almanacs, yearbooks and lists of addresses;

—records, insofar as they are not classical works or genuine modern works; magnetic tapes and other sound carriers;

—literature and other printed matter "the content of which is inimical to the preservation of peace or the import of which is in any other way inconsistent with the interests of the socialist State and its citizens".

The postal newspaper list of the GDR does not contain any non-communist newspapers. The last part of the above enumeration, which is taken from the GDR information bulletin "Information on Customs and Foreign Exchange Regulations of the GDR" of November 1976, is used more or less as a general ban.

2.2. Contrary to the declaration of intent in Basket III of the Final Act on "improvement of working conditions for journalists" and of the exchange of letters of 8 November 1972 "on working possibilities for journalists" (in connection with the initialling of the Basic Treaty between the two German States), the GDR Government has even gone so far as to expel the West German journalists Mettke (1975) and Loewe (1976). In spite of complaints by the persons concerned and the Government of the Federal Republic of Germany, it has not given any reasons for their expulsion as required under part 2(c) of Basket III of the Final Act. Again, the personal contacts between journalists and their sources of information envisaged in the same provision are severely restricted, if not prohibited altogether, as in the case of contacts with even communist writers like Professor Havemann, though they are critics of the regime.

3. Discrimination on account of the Christian faith.—Principle VII of the CSCE Final Act reads in its paragraph 1: "The participating States will respect human rights and fundamental freedoms, including freedom of thought, religion or belief, for all without distinction as to race, sex, language or religion." Article 18 of the International Covenant on Civil and Political Rights, which was reaffirmed in the Final Act, guarantees the right to freedom of thought, conscience and religion, including religious worship, and the freedom of parents to ensure the religious and moral education of their children in conformity with their own convictions. Other articles prohibit discrimination on religious grounds (Articles 2, 24, 26). The actual situation in the GDR contrasts sharply with these guarantees of religious freedom. True, on the surface religious services and other rites appear to be subject to few restrictions, but on the outside, this being a strictly internal Church matter, government and party organs are very carefully and persistently striving to assert their atheist ideology absolutely. The struggle against Christianity is conducted in "an atmosphere of quiet determination", in the words of a Protestant regional bishop. From the cradle to the vocational school, children are exposed to an intensive atheist influence which is complemented by pressure on their parents. Teachers are committed to the educational principles of the official State ideology, which embrace active atheist, anti-religious propaganda.

Moreover, children are made to fear possible discrimination when they later start work. They are told that they are spoiling their future chances by professing Christianity and attending religious lessons, receiving Communion, or being confirmed. Moreover, Christian instruction, which is in any case only possible outside school hours, is made increasingly difficult because of the heavy physical strain on the children, who have to take part in "working groups" and other activities organised by the school or the party, precisely with the aim of excluding Church influence. In townships where all-day schools have already been introduced, regular Christian instruction is hardly possible. Parents who are considered prone to influence are put under pressure by teachers, on the instructions of the local party secretaries not to allow their children to attend religious lessons or preparatory instruction for Confirmation; otherwise, they are told, their children would face serious disadvantages later. Parents are urged not to have their children baptised but to prepare them for their "dedication to a socialist way of life". Party and government departments work closely together in the fight against Christianity. The slogan drilled into members of the SED's children's organisations, the "Young Pioneers" and the "Thälmann Pioneers", is: "a pioneer does not attend Christian lessons".

At district level there is a "Youth Dedication Committee" which co-ordinates agitation against Christianity. Many cases are known of parents who have their children taught the Christian faith being called in by the works or group leader and having to undertake not to allow their children to be confirmed, on penalty of discrimination at work. They are told that the "dedication of the young" is the expression of a political attitude and that it alone conforms to the new type of "socialist personality". For some time now, assessments of school leavers (after the 10th year) have been supplemented by an internal remark: "took part in the youth dedication", or "took part in only the youth dedication". If they are confirmed they have little chance of obtaining one of the highly coveted apprenticeships. The children of Protestant pastors are in the worst position.

Further training is increasingly being made dependent on the person concerned leaving the Church; in the case of married persons, the next step is to insist that the

whole family leave. And in some trades applicants must sever their ties with the Church before they can be appointed. The "decree on canditure, selection and admission to direct studies at universities and institutions of higher education", dated 14 July 1971, states as a prerequisite for admission "active participation in the development of the socialist society and a willingness to play an active part in the defence of socialism." Young persons with religious ties are not considered to have the ideological awareness necessary for this. Pressure on children is furthermore intensified by exposing them to ridicule.

One example: Maths lesson, decimals; question by the teacher: "At the . . . school in Greifswald only three out of thirty pupils receive preparatory instruction for Confirmation. What percentage is that? Now stand up all those here at . . . who are still receiving instruction for Confirmation!" The infamous manner in which this is done is illustrated by the following example: A girl pupil in the tenth class at a school in Altenburg had to read out to the class a curriculum vitae which she had written in applying for a job with a State institution, after it had been scrutinized by the teacher: "I was confirmed", she wrote, "but I now realise that this was a serious mistake".

The advantage to be gained by early withdrawal from the Church lies in better occupational opportunities and preferential treatment in the allocation of flats for young married couples. And by giving money and other gifts to those who dedicate themselves to the socialist way of life, the SED tries to make these socialist ceremonies popular.

Anti-Church activities are conducted with differing degrees of intensity. In the spring of 1976, the heads of the SED associations in districts that still have a relatively high proportion of Christians were reprimanded by the party central committee. Since then the fight against the Christian Church in those districts has been noticeably stepped up.

In August 1976, the Protestant Pastor Oskar Brüsewitz committed suicide by self-immolation in the market place of his home town of Zeitz and thus drew world public attention to the desperate situation and lonely martyrdom of many young Christians in the GDR in particular. On a placard he had written the words: "the Churches accuse communism of suppressing the young".

IV.—BRINGING UP YOUNG PEOPLE TO HATE

In contrast to the Principles of the Final Act, which express the political will to improve relations between States, to foster the solidarity of peoples, and to overcome mistrust, the political leaders in the GDR have not desisted from their policy of educating young people to hate the "imperialist enemy". In GDR schools, during pre-military training, and in the political youth organisations, with the support of literature and statements by political leaders, young people are taught to hate the alleged "class enemy". Without regard for the demands embodied in the Final Act, the Chairman of the GDR Council of State, Erich Honecker, speaking at the 9th SED Congress on 18 May 1976, confirmed "irreconcilable hatred of the enemies of the people" as being the political guideline for the education of young people. The Chairman of the Council of State has thereby followed up his previous constant advocacy of teaching hatred, which he derives from the "irreconcilability of socialism and imperialism". The GDR's Minister of Defense, General Heinz Hoffmann, also disregarded the Principles of the Final Act when, at a ceremony to mark the 20th anniversary of the National People's Army on 28 February 1976 in East Berlin, he stressed that the result of this government policy was that the party (the SED) had taught millions of citizens "to hate the enemy".

This was part of a sequence of guidelines for training, countless speeches, and routine orders to units of the National People's Army. Thus, for instance, addressing cadets about to leave the GDR military academy immediately before the initialling (8 November 1972) of the Treaty on the Basis of Relations between the Federal Republic of Germany and the German Democratic Republic, he underlined the need to teach young people "to hate imperialism and its rotting social system". To do so, he said, it was not sufficient "simply to reject and hate imperialism as a system; that hatred must be directed in particular against all those who stand ready to attack us under the command of imperialist generals and officers".

In teaching young people to hate in this way the GDR's leaders leave no doubt as to the object of their hatred. Since the social system is the State's substructure, the alleged "imperialist enemy"—though a more moderate tone appears expedient—are those States with a different social system, in other words the democratic States of the West who signed the Final Act. It is incompatible with the aim of fostering international friendship and solidarity as embodied in the Final Act to fill the hearts of young people with hatred of the people and the leaders of other States. Avowals of peace and security in the Final Act become mere lip service if the intransigent struggle remains part of the ideological concept.

The GDR has no serious intention of giving effect to the Final Act of Helsinki

The fortifications put up by the GDR running right through the middle of Germany and the use of the armed forces and military equipment against the civilians trying to cross them are utterly incompatible with the principles of humanity and the aims of the CSCE Final Act. These inhuman fortifications and the instructions given to border guards to shoot to kill make nonsense of the notions of "security" and "co-operation" and block the path to the goals inherent in the name of the Helsinki Conference.

Only if the use of military weapons against civilians in the form of mines and shooting devices were discontinued and the "orders to shoot" cancelled could one take it as a sign that the GDR seriously intends to pursue these aims. The GDR Government would only give proof of such intention to meet the requirements of Principle VII of the Final Act and allow the exercise of the individual rights embodied in Article 12 of the International Covenant on Civil and Political Rights if its authorities were to take specific steps to grant free movement pursuant to Article 12 (2) of the Covenant instead of making the exception contained in Article 12 (3) the rule. The granting of permission to travel to the West only to people in retirement and the issue of exit visas in but a few cases conflict with the dictates of international law.

CONCLUSIONS AND RECOMMENDATIONS

In the Final Act of the CSCE all signatory States have explicitly undertaken to respect and allow the exercise of the human rights and fundamental freedoms of their citizens as an essential factor in the development of friendly relations among them. This obligation has made their domestic conduct a yardstick for their good intentions as regards friendly relations. Now, therefore the realisation of human rights deserves the same status as respect for national sovereignty or the obligation not to resort to force, including the inviolability of frontiers.

The Belgrade review meeting will therefore be the first test of this solemn pledge. As experience since Helsinki has shown, violations of human rights considerably weaken mutual trust. They thus hamper co-operation between the signatory States and jeopardize the process of real detente in Europe.

1. The conduct of the Government of the GDR is open to criticism in this respect on the following grounds:

1.1. The fortification along the border of the GDR with the Western part of Germany, especially the orders given to guards to shoot to kill anyone trying to escape, the automatic shooting devices and minefields, constitute an attack on the life, physical integrity, and freedom of people who want to exercise their right of free movement. The line dividing Germany is the most inhumane border on earth.

Since 13 August 1961, members of the "GDR Border Force" have fired at people trying to escape in 1509 known cases. 70 refugees and others trying to help them have died along the wall through Berlin; 66 of them were shot, 91 badly wounded, and 3,002 arrested trying to escape over the wall.

From 1949 to 1 August 1977, a total of 182 people lost their lives on the intra-German border including the sectoral borders in Berlin and the outer boundary of West Berlin, through stepping on mines, being shot by guards or shooting devices, and by other means. Four of them have been killed since the signing of the CSCE Final Act.

The CDU/CSU Parliamentary Group calls upon the Federal Government and appeals to the participating States of the CSCE to induce the GDR Government to remove the fortifications and other obstructions which are a threat to human life and inimical to human rights.

1.2. The Government of the GDR, through its legislation, internal administrative instructions and other arbitrary administrative practices, has reduced the right of free movement practically to nil. It prosecutes people who insist on exercising their right to free movement. It uses people thus incriminated and other political prisoners as a means of obtaining foreign exchange and dealing in human beings. It punishes others by an inhumane decision to deprive them of their parental rights (that is, by enforcing the adoption of their children against their will), and by refusing to allow persons engaged to be married to enter or leave the country.

The CDU/SCU Parliamentary Group calls for all laws and administrative regulations of the GDR relating to free movement to be made available for scrutiny, and for procedures on a legal basis for the processing of applications for exit visas which may be subject to complaint. It calls for a stop to the inhumane practice of compulsory adoption and the separation of persons engaged to be married.

It calls for the release of about 2,500 people who are serving prison sentences for having tried to escape or to help others do so.

It calls upon the Government of the GDR to abandon its practice of systematic constraint using political prisoners, a practice by which it not only grossly violates its international obligations but also places itself outside the scope of Europe's moral standards.

1.3. The Government of the GDR has restricted the category of persons allowed to visit relatives to GDR pensioners, and hampers visitor travel from the West by arbitrary measures, chicanery, and intimidation.

The CDU/CSU Parliamentary Group calls for the elimination of obstacles that still stand in the way of contacts between the people of one nation, even after Helsinki.

1.4. The Government of the GDR suppresses free speech, freedom of conscience, and freedom of religion. Many people have been subjected to discrimination in various ways, even to the extent of being forced to reside in a certain place, or even criminal prosecution for expressing critical views or religious activity. Between two and three thousand political prisoners are receiving inhumane treatment.

The CDU/CSU Parliamentary Group calls for complete freedom of religion and free speech for all inhabitants of the GDR as well as the release of persons detained and sentenced for exercising those rights, especially the persons specifically referred to in this

documentation. It calls for more humane prison conditions in the GDR. Like the Federal Republic of Germany, the GDR must be prepared to accept an international inspection of its prison regime.

1.5. The Government of the GDR time and again rejects proposals for the promotion of intra-German contacts among young people, in the fields of sport and culture, education and science, and among communal associations and the Churches, whose aim is to give effect to the spirit and letter of the Final Act of Helsinki and of the Intra-German Basic Treaty.

The GDU/CSU Parliamentary Group calls for a broader framework and the appropriate facilities for contacts between the people.

1.6. The Government of the GRD, through official representatives and statements, exhorts the people to bring up the young to hate the democratic institutions of the Federal Republic of Germany and its allies. By constantly fostering hatred against people it is opposing the dictate of tolerance which is conducive to peace. It steps beyond the limits of legitimate political and ideological conflict in a manner inimical to peace and human rights.

The CDU/CSU Parliamentary Group calls for a halt to the propaganda of hatred and defamation and a return to objective discussion.

2. Since the signing of the CSCE Final Act, the situation of the following more than three and a half million persons of German nationality or ethnic origin has not improved, in some cases it has deteriorated:

approx. 1.2 million German nationals in the territories East of Oder and Neisse;

approx. 200,000 persons of German origin in Poland;

approx. two million persons of German origin in the Soviet Union (including the remainder of those German nationals who were taken from their homeland after the war);

85,000–130,000 German nationals (Sudeten Germans) in Czechoslovakia;

approx. 360,000 persons of German origin in Romania.

2.1. The individual human rights of these Germans have been violated. They are subject to discrimination or even prosecuted, mostly on account of their German origin or their religious beliefs.

The CDU/CSU Parliamentary Group calls upon the Federal Government to meet their obligation under the constitution and afford diplomatic protection to Germans entitled to such protection under German law.

It further calls upon the Federal Government to afford assistance to those Germans who are not German nationals but seek the help of the Federal Republic of Germany pursuant to the international agreements for the protection of human rights, the importance of which is emphasized in the Final Act of Helsinki.

2.2. The rights of these Germans as national groups are also being violated.

The Polish Government officially denies the existence of a German ethnic group.

The nationality laws of the Soviet Union, Czechoslovakia, and Romania formally acknowledge the rights of national groups, but in practice those rights are for the most part denied to ethnic Germans living there, the degree differing from country to country. The national identity of these ethnic groups is being increasingly threatened. As a result, a growing number of Germans see emigration to the Federal Republic of Germany as their only means of escape. But government reaction in Poland, the Soviet Union, Czechoslovakia and Romania is to take years to process or reject applications for exit permits, and in many cases applicants have to contend with reprisals or prosecution. Further impediments to people wishing to leave are the disproportionately high costs, restrictions on the transfer of property and on the disposal of property left behind.

The CDU/CSU Parliamentary Group calls upon the Federal Government to raise at the Belgrade follow-up meeting the question of the situation of the German ethnic groups under the jurisdiction of the above-mentioned States. It should in particular insist that the cases set out in detail in this report on the situation of Germans in the Soviet Union who have been prosecuted and sentenced on account of their religious convictions or for trying to emigrate be reviewed by an independent commission composed of representatives of CSCE participating States or of the International Red Cross.

2.3. Individual discrimination on national or religious grounds and the denial of rights to national groups lead, as this report proves, to a vicious circle:

Persons thus discriminated against become foreigners in their own homeland. Faced with the choice of losing their national identity or leaving their homeland, more and more of them are opting for settlement in the Federal Republic of Germany.

As the governments of the countries concerned try to halt this growing pressure for resettlement by denying the people concerned the right to free movement and by other violations of their rights, human suffering and sources of political conflict in those countries are increasing.

Injustice to individuals and whole national groups is, as has been proved in recent years, a strain on relations between States and peoples, and that at a time when the application of the Final Act of Helsinki is supposed to bring less, not more, tension.

The CDU/CSU Parliamentary Group therefore recommends participating States of the CSCE follow-up meeting, with a view to settling the problems of national minorities in conformity with the dictates of human rights, to discuss concrete measures for the protection of such minorities, which meet the requirements of the CSCE Final Act and develop it further.

In particular it proposes the following:

(a) A pledge by CSCE participating States to recognise national minorities and groups and to elaborate provisions securing the protection of minorities and guaranteeing their right to develop on a par with others, both as a group and as individuals.

(b) The elaboration of recommendations for the conclusion of option treaties between the countries concerned. Under such treaties, the members of national minorities should be free to opt for emigration to another country and its nationality. One might take as examples of such option treaties those concluded after 1945 between the Soviet Union and Poland, the Soviet Union and Czechoslovakia, the Soviet Union and Yugoslavia, Poland and Czechoslovakia, and, more recently, the Italo-Yugoslav treaty of 10 November 1975. These treaties leave it up to the persons directly concerned to decide.

(c) Recommendations to all CSCE participating States to endeavor to make it easier for people wishing to leave the country and settle somewhere else to do so.

These recommendations should include:

The disclosure of all laws and regulations relating to freedom of movement and emigration and to fees and costs, as well as the introduction—if none exists or it is inadequate—of a due procedure established by law for the handling of applications for exit visas and allowing complaints; also a reduction of the prohibitively high fees and costs and the lifting of the confiscatory restrictions on the transfer of property and the free disposal of property left behind upon leaving the country.

(d) To extend the mandate of the group of experts appointed in Helsinki to enlarge upon the Swiss draft convention on a European system for the peaceful settlement of disputes.

Participating States should discuss in this connection the inclusion of violations of human rights in the jurisdiction of the arbitral tribunal or the investigatory, mediation and settlement commission proposed in the draft; but also the possibilities for individuals to lodge complaints along the lines of the European Human Rights Convention of the Council of Europe.

The creation of an effective and comprehensive system for the protection of human rights both within the national and the international framework is the logical consequence of the solemn pledge of Helsinki to respect and give effect to human rights. The extent to which the signatory States of the CSCE Final Act pursue this aim will show how serious they are about the whole matter.●

A FACTSHEET ON THE PANAMA CANAL TREATIES

● Mr. CHURCH. Mr. President, much inaccurate information on the pending Panama Canal treaties has been distributed over the past several months.

I am delighted, therefore, that a factual little pamphlet has been issued by the Committee of Americans for the Canal Treaties. This pamphlet poses the most commonly asked questions about the treaties, and answers them in a consise and accurate manner. It's an excellent piece of work, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

THE PANAMA CANAL TREATIES

The Panama Canal Treaties signed by President Carter on September 7, 1977 are the culmination of more than 13 years' work by four American Presidents—Lyndon Johnson, Richard Nixon, Gerald Ford and Jimmy Carter. They were developed with the valuable counsel of former Presidents Truman and Eisenhower. The Joint Chiefs of Staff also wholeheartedly support the treaties because they promote the national interest—and specifically, the national security interest—of the United States. They are endorsed by a broad base of American business and labor leaders who see them as instrumental to our country's economic interests. All of these people believe the new treaties are the best means of guaranteeing the security and defense of the Panama Canal.

The basic treaty governs the operation and defense of the Canal through December 21, 1999. The second treaty guarantees the neutrality of the Canal forever. In accordance with the Constitution, both treaties must now be ratified by the U.S. Senate.

It has been firmly established that the new treaties go beyond partisan politics. Republicans, as well as Democrats, military as well as the business community, see them as essential.

Yet, the agreed-upon treaties have caused a great deal of controversy. Why?

Simply because everyone doesn't have all the facts.

Q. Why do we need a new treaty? What's wrong with the treaty we now have with Panama?

A. Panama has never been satisfied with the 1903 treaty since its representatives were not included in the negotiation of the treaty. Our first Panama Canal treaty was negotiated with Colombia because Panama at that time was part of Colombia. This treaty was rejected by the Colombian Senate. A few weeks later, in November, 1903, a revolt occurred in Panama. Colombian troops were prevented by the U.S. from putting down the rebellion, and

within three days our government recognized the new nation of Panama. Two weeks later a new treaty was signed. It was signed not by Panamanian representatives, but by an official of the French canal company which had sold us the rights to build the canal and who was a French citizen. It was signed while the Panamanian negotiating team was en route to Washington. The Panamanians were disturbed by this action, but nevertheless eventually approved the treaty. They believed that they needed our protection from Colombian rule.

The provisions of the treaty have become obsolete and actually harmful to the interests of the United States. They have created resentment and hostility on the part of Panama and every other Latin American country. The treaty gave the United States jurisdiction over the 550-square-mile Canal Zone that runs through the heart of Panama. We have established a Canal Zone Government and a Panama Canal Company which run all the public and consumer enterprises—from courts and schools to laundromats and movie theaters. Yet, 40 percent of the residents and over 70 percent of the work force of the Zone are Panamanian.

The Panamanians naturally see this as a vestige of the Colonial Era. Like any other modern day nation, Panama expects to be sovereign over all its territory.

The new treaties replace an outmoded relationship built on 19th Century attitudes. They replace decades of resentment with a new relationship—one arrived at through open discussion, fair bargaining and careful negotiation.

Q. But we bought the Canal Zone and built the Canal. We own it, so why should we give it away?

A. It is true that we built the Canal. It is not true that we own it. The 1903 treaty gave us certain rights and authority "as if sovereign" over the Canal Zone, but did not make the Zone part of the United States. Our own Supreme Court has described the Zone as "admittedly territory over which we do not have sovereignty."

It is important to recognize the difference between the rights acquired in Panama and the territory acquired in the purchase of Louisiana and Alaska. The United States was explicitly granted full sovereignty over the territories of Louisiana and Alaska. Those lands were ceded to the U.S. in a purchase agreement. The 1903 treaty with Panama was not a purchase; it was a continuing agreement whereby Panama retained sovereignty and received an annual payment for allowing the U.S. to exercise certain rights in the Canal Zone.

Q. What's to prevent the Panamanians from closing the Canal to United States shipping interests or nationalizing the Canal and kicking out the United States?

A. The basic treaty gives the United States the right to operate the Canal, plus primary responsibility for its defense, until the year 2000. This means that the United States can act militarily should the operation of the Canal be threatened, and we will retain military bases and troops in the Canal Zone until the end of the century.

The second treaty prescribes nondiscriminatory operation forever, and permits the United States to maintain that neutrality even after the end of the century when the Canal comes under Panamanian operation. The United States can take any action it deems necessary to defend the Canal's neutrality. We are free to act against any aggression or threat directed against the Canal or the peaceful transit of vessels through it.

Moreover, our naval ships and auxiliaries will have the right to expeditious passage at all times and can go to the head of the line of other vessels in time of need or emergency.

The new treaties will make Panama a partner in the management of the Canal and eventually will turn over to Panama full management responsibility. They reduce significantly the chance of nationalization. Our new treaty rights would be no less binding than our existing rights. Panama has not attempted to abrogate the 1903 treaty—a treaty which it never negotiated and always rented—and there is no reason to assume that it would act differently once the new treaties are in effect.

Q. Won't the new treaties hurt us economically?

A. For defensive and commercial reasons, the U.S. must have ready access to and passage through the Panama Canal. That is guaranteed by the new treaties.

But we also need some assurance that use of the Canal will remain economically feasible and that toll rates will remain reasonable. These new treaties give us the best possible guarantee.

Ships transiting the Canal in 1914 paid $1.20 per Panama Canal Ton. Today they pay $1.29 per PCT. That's low, and even under the current treaty, the fee will have to be raised slightly just to cover the cost of operating the Canal. Under the new treaties, a U.S. government agency will have authority to set the toll rates until the year 2000. After 2000, Panama will set the rates, but Panama will have a strong incentive to keep them low because its economy will be heavily dependent upon the Canal's success. Panama already has an overwhelming economic stake in the security and maximum international use of the Canal—13 percent of its GNP depends on Canal traffic. Under the new treaties, the Panamanian government will also derive a much larger income from the actual toll revenues. But this money will come strictly from Canal operations, not from the U.S. taxpayer.

In economic terms, America's dependence on the Canal has been steadily declining. Today only seven percent of our waterborne trade goes through the Canal. This is due to advances in other modes of transportation, as well as the fact that the Canal is not large enough for our new, larger cargo ships.

We eventually may want to replace the present Canal with a new sea-level canal to accommodate these larger ships. Extensive studies completed in 1970 show that the best route for such a canal would be Panama. Clearly, retaining the sea-level option requires that we enjoy a relationship of cooperation and mutual respect with Panama.

Q. Don't the Panamanians stand to gain more than we do by the new treaties?

A. The financial package in the new treaties calls for Panama to receive 30 cents per Panama Canal Ton from tolls, plus another $10 million a year from Canal revenues—and as much as another $10 million a year, if revenues warrant. None of this is U.S. tax dollars.

In addition, the United States will do its best to set up a $295 million program of loans, loan guarantees and credits for Panama. There are no grants. All of these loans will require repayment and will be subject to all relevant U.S. legal requirements and program criteria. The majority of these loans and credits actually will promote U.S. trade and investment in Panama.

But what the United States stands to gain most is respect and good relations throughout the hemisphere. These cannot be measured monetarily.

Indeed, our original investment was never intended to be a profit-making venture. It was designed to secure an open, efficient and neutral canal. The new treaties reinforce our pledge to work for a more equal partnership between the U.S. and our Latin American neighbors, assuring that the Canal will remain open and secure.

Q. Isn't Panamma ruled by a dictatorship friendly to Castro and unfriendly to the United States?

A. The Panamanian governmment, though authoritarian, operates according to certain constitutional norms and is sensitive to public opinion. Under the Panamanian Constitution of 1972, General Torrijos holds extraordinary powers for a six-year term which expires in 1978. Common basic rights and freedoms are guaranteed in the Constitution. When its overall record on human rights recently was challenged, Panama was quick to invite the Inter-American Human Rights Commission to send a team to investigate human rights conditions in Panama.

Panama's relations with Cuba and other communist countries are not close. Panama does not maintain diplomatic relations with the Soviet Union or China. General Torrijos is a nationalist who has made it clear that he wants Panama to develop in accordance with its own needs and traditions.

On the other hand, Panama has very close political and economic ties with the United States, and these ties would be even closer under the new treaties.

Since Panamanians of all political persuasions feel that the old treaty is one-sided, the danger of communist or other unfriendly influence in Panama would be far greater if we insisted on maintaining the status quo.

Q. Aren't the Panamanians incapable of operating the Canal?

A. Panama will not have responsibility for the Canal's operation until the year 2000. Until that time, we will possess all necessary rights and powers to operate the Canal. We will act through a United States government agency which will replace the existing Panama Canal Company. During that period, Panamanians will be trained to administer the Canal. Seventy-three percent of the Canal work force is Panamanian now; and by the end of the century, there will be well-qualified Panamanians to fill all the positions required for operation of the Canal.

Q. Isn't it necessary for the U.S. to maintain control over the Canal in order to protect it from attack?

A. No. The two new treaties will give the Panama Canal the strongest defense it has ever had. They make the efficient and neutral operation of the Canal a joint commitment with the broad support of the international community.

On the other hand, if we should not ratify the treaties, we would be playing Russian roulette with the Canal's security. The threat of sabotage is real.

Surrounded by hostility in Panama and all of Latin America, we would need an estimated minimum 100,000 troops to put down a determined guerrilla effort. Even then, we could not protect the waterway's lock mechanism, dams and power plants from some kind of sabotage.

Q. Won't our stature in the world suffer from the surrender of our rights in Panama?

A. In actuality, the reverse is true. The new treaties prove that we are willing to work with the new and small countries of the Caribbean on the basis of mutual respect and cooperation. Thus, they will increase our influence and prestige throughout the world.

Rejection of the treaties would poison our relations with Latin America, leaving us to face the unanimous hostility of all the countries south of us in our own hemisphere.

In addition, our adversaries would exploit non-ratification as "imperialistic"—the United States bullying the small and weak nations of the world.

Q. Since we're bigger and stronger than Panama, what could possibly happen if we don't ratify the new treaties?

A. Certainly we are bigger and stronger than Panama. But if the United States Senate fails to ratify these treaties by the required two-thirds majority, our relations with Panama would be seriously impaired. Our standing in Latin America would be damaged. The security of the Canal itself might be placed

in jeopardy. And we may never again have the opportunity to safeguard our real interests in the Canal on terms as favorable as those in the new treaties.

All of these things would happen. But in the final analysis, we must also acknowledge that the days of one-way bargaining and big-power domination are over. If we are to lead the free world, we cannot do it solely by size, or wealth, or superior power. We must do it by commanding the admiration and respect of other nations and peoples. This we can only do by treating them with the same respect and dignity we ourselves expect of others.●

RESOLUTION ON ISSUANCE OF COMMEMORATIVE STAMP

● Mr. THURMOND. Mr. President, on February 22, 1978, the South Carolina General Assembly passed a concurrent resolution memorializing the Congress of the United States to have the Postmaster General issue a commemorative stamp on June 18, 1981, depicting and reflecting upon the 200th anniversary of the Revolutionary War siege of Star Fort at Ninety Six, South Carolina.

On behalf of the junior Senator from South Carolina, Mr. HOLLINGS, and myself, I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CALENDAR No. S. 770

A concurrent resolution to memorialize the Congress of the United States to Have the Postmaster General Issue a Commemorative Stamp on June 18, 1981, Depicting and Reflecting Upon the Two Hundredth Anniversary of the Revolutionary War Siege of Star Fort at Ninety Six, South Carolina

Whereas, the history of the Revolutionary War is an important and indivisible part of our American heritage; and

Whereas, the destiny of the young United States during the Revolution balanced at times on events that took place at Star Fort and Old Ninety Six in South Carolina, events which revolved around the British siege on Star Fort which took place on June 18, 1781; and

Whereas, the Ninety Six Chamber of Commerce, Ninety Six, South Carolina has offered to donate prints or copies of the oil painting "The Assault of Star Fort at the Siege of Ninety Six" by the distinguished artist Robert Windsor Wilson. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the General Assembly of the State of South Carolina hereby memorializes the Congress of the United States and the Postmaster General to have issued on June 18, 1981, a postage stamp commemorating the two hundredth anniversary of the siege on Star Fort utilizing the painting "The Assault of Star Fort at the Siege of Ninety Six" by Robert Windsor Wilson.

Be it further resolved that copies of this resolution be forwarded to the President of the United States, the presiding officers of each House of the Congress of the United States, the Postmaster General and the United States Senators and Congressmen from the State of South Carolina.●

A TRIBUTE TO ALLEN R. FOLEY

● Mr. McINTYRE. Mr. President, in February a distinguished American educator and humorist, Allen Richard Foley, died in Hanover, N.H. Professor Foley was a professor of American history at Dartmouth College for over 40 years. Having been a student of Professor Foley during my undergraduate years at Dartmouth, I was moved by a stirring tribute written about him by his close friend, Clayton M. Wallace. Mr. Wallace is himself a distinguished American who had a major role in the decision to build the Moscow to Washington "Hot Line" and is the editor emeritus of the news magazine of the American Council on Alcohol Problems.

Mr. President, I ask unanimous consent that Mr. Wallace's tribute to the late Prof. Allen Foley be printed in the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

A TRIBUTE TO ALLEN R. FOLEY

Former American History professor at Dartmouth College, Allen Richard Foley, died suddenly in February in Hanover, N.H., at the age of 78. Always popular in his history courses, especially the one on "Cowboys and Indians," he was widely sought after as an after dinner speaker, specializing in Vermont humor.

Born in Framingham, Mass., he came to Dartmouth in 1916 and graduated in 1920.

Although more studious than many at Dartmouth, he shared in numerous college activities and was on the board of the Dartmouth Christian Association. His dry, whimsical response to life endeared him to all who knew him. He and I roomed together our Junior year. We made many D.C.A. Sunday afternoon trips to Pompanoosuc, Vermont, to teach in a rural Sunday School, and to enjoy, afterwards, Mrs. Magoon's hot doughnuts with dishes of pure Vermont maple syrup. This may have been the inoculation of his love for Vermont.

After graduating from Dartmouth, Al took a one-year trip around the world. Then after some advance studies, he served as principal of Farmington (N.H.) High School for a brief period.

Love of Dartmouth eventually brought him back to Hanover where he spent the rest of his teaching career as professor of American History. Thousands of Dartmouth students enjoyed his brilliant and witty courses. One who greatly appreciated them and profited by them was Tom McIntyre, now the senior United States Senator from New Hampshire.

Al Foley never married, living alone across the river in Norwich, Vermont. Dartmouth was his great love and he travelled widely to bring the Dartmouth spirit to alumni all over the United States. He was noted as an after-dinner speaker, and his store of anecdotes delighted tens of thousands. He published the Class of 1920 Newsletter which always ended with a touch of Vermont humor.

After some 40 years of teaching at Dartmouth, Al Foley retired to an active career as a member for five terms in the Vermont legislature. He was also president of the Vermont Historical Society and active in town affairs in Norwich. But he spent much of his time collecting and delighting audiences with stories of Vermont humor. He accepted hundreds of invitations to speak in Vermont and New Hampshire. Always he found new stories as he went along, and it was suspected that some good New Hampshire tales ended up in the Vermont category.

Al Foley published two books of Vermont humor: "What the Old Timer Sez," and "The Old Timer Talks Back." These delightful books have sold in the many thousands of copies and are still going strong. He supplemented these with two records of Vermont humor in which his voice even takes on an authentic Vermont twang.

One of his favorite stories was about the city guy who stopped on a Vermont roadside to watch a Vermont farmer clearing his field of stones. The city guy asked the farmer where the stones all came from. The farmer, after a long pause, said: "The glacier brung 'em." "Where has the glacier gone?" the city guy asked, and the farmer replied: "Gone back for more stones, probly."

Now that Al Foley has gone on to his next enjoyable existence, it is a good bet that he is busy gathering up more delightful Vermont tales with which to regale all new arrivals.

Al Foley was a beloved teacher, a delightful humorist, a great guy, who left this world better and happier for his being here.●

INTERNATIONAL ECONOMICS

● Mr. GOLDWATER. Mr. President, on February 8, the Senator from New York (Mr. JAVITS) delivered a lengthy and learned speech in this Chamber entitled "The Danger on the International Economic Front." In it he cataloged the problems facing the United States and indeed the entire world starting with the weakness of the American dollar, the huge U.S. trade deficits, the deficit in our current accounts, and extending to such problems as the accumulation of debt in developing countries, international unemployment, and the handling of huge sums of money by the OPEC countries.

Mr. President, I agree with the Senator from New York in his contention that we face a dangerous situation in almost every area of international economics, but I believe he has omitted one major cause of the trouble and I disagree with his prescription for remedying the situation. It seems to me that the Senator from New York has rejected the idea that much of our present trouble has resulted from bad governmental policies, many of which would be far better handled if left to private voluntary arrangement. As a result of this omission, the Senator argues for still greater measures of Government intervention in his recommendations for meeting the problems.

With respect to OPEC oil, it strikes me that the cartel owes much of its continuance and strength to mistaken policies of the U.S. Government. We must acknowledge the diplomatic policies which encouraged the formation of OPEC in the first place, and we must acknowledge our energy policies, or lack thereof, which have increased the monopoly power of OPEC. For example, our present entitlements program involves a $3 a barrel subsidy to imported oil—hardly a program designed to undermine the OPEC cartel. And with respect to financial assets which OPEC has accumulated, we must acknowledge that these have been handled very well by the private banking system and do not raise the kinds of serious problems which Senator JAVITS envisions.

As I read the Senator's speech, I find a constant complaint that national planning has failed and I agree with that; but this being the case, why does the Senator from New York believe that international planning would correct the situation? Indeed, if our national planning has failed, international planning is likely to fail on a much broader scale and with much more disastrous results.

In the field of foreign aid, the Senator points out that our former and present

programs have not been highly productive. Yet he concludes from that that what we need is more foreign aid.

Mr. President, while the Senator from New York treats the high costs of foreign oil as if it were perhaps the only major factor in causing our balance-of-payments difficulties, he fails to recognize that Germany and Japan are far more dependent on oil imports than we are, yet neither of them has had balance-of-payments problems or weakening currency.

In another area, the Senator from New York agrees with the recent policies of the Federal Reserve and the Treasury to intervene in foreign exchange markets to peg the U.S. dollar, despite the overwhelming evidence of the failure of such policies in the past. The noted and prize-winning economist, Milton Friedman, has referred to this intervention as a form of gambling on a large scale with your money and mine. He refers to the Government's action as "official speculation" which is more likely to be wrong than right.

All in all, Mr. President, I feel the Senator from New York has done us a service in calling attention to the very serious nature of the problems confronting us on the international economic front. But I must question his proposed cures. I am afraid the heavy emphasis on Government intervention and meddling would be more likely to exacerbate the disease than ease it.●

A WORD FOR THE CONGRESS

● Mr. HOLLINGS. Mr. President, rare is the case when Congress can effectively defend itself against the budgetary slings and arrows hurled its way, rarer still when an individual off the Hill will take the time to do so.

But such is the case with our good friend Bob Dunphy, who authored a piece entitled "A Word for the Congress" which appeared in the Washington Star on February 21.

It may be arguable that Bob presents an unbiased view, since he served for 27 years on the Hill, retiring as Sergeant at Arms of the Senate in 1972. However, biased or not, his perspective of what is really involved in the funding of congressional operations is true to the facts and refreshing to see on the record.

I have argued against the "billion dollar Congress" label many times, as I am sure my colleagues have on occasion. I will be helped in the future by Bob Dunphy's article, and since other Members of the Senate may be faced with a similar debate I ask unanimous consent that Bob's commentary be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD. as follows:

A WORD FOR THE CONGRESS

(By Robert G. Dunphy)

"Billion Dollar Congress." "Congressional Staff Explosion." "Hill Committee Staffs Bloated." You've seen these and similar headlines in recent months. Seems it's a favorite subject with Washington reporters these days. Even President Ford, a product of the House of Representatives, got into the act during the last campaign, lashing out at the "Billion Dollar Congress."

Actually, it's easy to take on Congress since no one voice can defend its 535 members. Attack the president and he or one of his agents is on center stage with a rebuttal before the next edition goes to print. With the Congress it's the George Allen approach—defense, defense, defense. Occasionally an individual member will talk back; however, in the main, congressmen take it lying down.

Why?

The Billion Dollar Congress, as with most campaign catch phrases is something less than a whole truth. Sure, if we lump in the Government Printing Office (which prints for the entire government), the Office of the Comptroller General (which is primarily a watchdog over the Executive Branch) and the Library of Congress, which serves many in addition to Congress (local library cataloging systems, copyrights, etc.) we may get in the neighborhood of a billion dollars.

In a $450 billion-plus budget should Congress, a coequal branch of government, allocate an amount for its responsibilities which represents less than one quarter of 1 percent of the total budget? I think it is not only reasonable but essential.

A couple of examples illustrate the scope of the problem. The Senate Appropriations Committee has a staff of 70, of whom 40 are professional personnel. In comparison, the Office of Management and Budget fills a substantial part of the Executive Office Building. That's just the beginning. Every department, agency, board, commission, court system and bureaucratic organization imaginable has a budget shop dedicated to obtaining from Congress the maximum funding for its mission.

At some point the Senate Appropriations Committee along with its sister committee in the House—with equally anemic staffing—must pass on these requests and set fiscal priorities for all manner of programs and activities. This is a responsibility beyond my comprehension. To attempt this task with a staff of 40 professionals is to provide a lick and a promise, when complete scrutiny is essential.

How about the Armed Services Committees? In the Senate they have a staff of 29, of whom 16 are professionals. This group is charged with overseeing the armed forces of the United States. At any given moment there are more people on coffee breaks in one corridor of the Pentagon!

If we run through the committee list, we can see all manner of similar situations.

We haven't even touched on the offices of Senators and members of the House. It is not unusual for senators from large states to receive 1,000 letters in one day. Most of these communications represent a "case," i.e., investigate a missing Social Security check, help with a GI loan—you name it. Congressmen don't invent these problems; they come from constituents and it takes hands and minds to process them.

Maybe it's a mistake to have a senator or member of the House involved in such matters but as long as people find their government slow or unresponsive they are going to turn to those who ask for their vote. It would be nice if congressmen didn't have to bother; they could spend a lot more time on the larger problems of state. But if they didn't, can we be sure that someone else would?

As one who observed the system closely for almost three decades, I just wish our senators and representatives would quit acting as if their staff requests were somehow unworthy, while those of the executive branch were at least necessary, if not critical.

It's about time the needs of Congress were put in perspective and it's about time they stopped denigrating the institution by backing up every time their staff comes under fire. No one can defend the isolated abuses which have occurred, nor would we try. However, the largely overworked staffs of the Senate and House deserve our gratitude and support. And when the need for additional help can be demonstrated, the Congress ought to quit being so apologetic.●

TAX CREDIT TUITION

● Mr. HAYAKAWA. Mr. President, as a cosponsor of S.2142, the Packwood-Moynihan tuition tax relief bill, I was interested to learn about the work of the several hundred schools, in California and throughout the West, which comprise the Western Association of Christian Schools. In these private schools, which do not discriminate against minorities and are not reserved for the children of affluent families, average student scores on widely used standardized tests are consistently above the national averages. For example, first graders are 9 months above the national average. Eighth graders are 13 months above the national average.

The academic success of these youngsters is telling us something. It is demonstrating what we should have known all along: that children can learn, indeed, they can excel, despite handicaps and deprivation. Far more important than family income is family interest. More important than socioeconomic environment is a system of personal and community values stressing achievement, responsibility, and hard work.

For the information of my colleagues, and in tribute to the work of all the pupils in the schools of the Western Association, I ask unanimous consent that the association's recent testimony before the Senate Finance Committee in support of S. 2142 be printed in the RECORD as follows:

WESTERN ASSOCIATION OF CHRISTIAN SCHOOLS AND VALLEY CHRISTIAN SCHOOLS PREPARED STATEMENT FOR THE CONGRESSIONAL RECORD

Knowing that I would be appearing at this hearing today, the members of the Executive Board of the Western Association of Christian Schools authorized me to make the following statement on behalf of the Association:

"The Western Association of Christian Schools, headquartered in Whittier, California, operates in the states west of the Mississippi River. It is composed of 767 member schools and colleges with a combined student population of 93,682. The Association has formally approved S-2142 and is supporting its adoption. At a regional meeting of over 500 member school administrators held at Asilomar, California, last Thursday through Saturday (February 9–11) there was virtually unanimous enthusiastic support for passage of this tax credit bill."

EARL R. SCHAMEHORN,
Parliamentarian, Western Association of Christian Schools.

VALLEY CHRISTIAN SCHOOLS OF SANTA CLARA COUNTY

Gentlemen, I'm here today to speak to the issue of consumer advocacy and a return to capitalism in the educational marketplace. Be assured that there is widespread support in the Protestant Christian community for the concept embodied in S. 2142. The concept of a tax credit whereby the school is not involved in any direct grant or subsidy from

the federal government is one which we can wholeheartedly support without reservation. I have in my possession hundreds of letters from parents in our school systems, which I will deliver this afternoon to Senator Hayakawa.

Recently at our Western Association of Christian Schools Administrators' Conference, when the bill was presented and all the ramifications discussed, there was no doubt in anyone's mind that this is the best bill that has ever come along for alternative education below the college level. The administrators present unanimously endorsed the bill and the concept of tax credit rather than any kind of a grant program. Our legal counselors are of the opinion that this tax credit approach does not violate this country's historic support for the legitimate separation of church and state.

The approach suggested in some quarters to equalize and reduce the educational tuition by offering a grant, an extended grant, or loan program in place of a tax credit program is something which we find absolutely abhorrent. An educational grant program can only mean an enlarged middle bureaucracy, a horrendous amount of paperwork and bureaucratic red tape for students, parents, and schools, as well as set the stage for a massive take-over by Washington bureaucrats of the educational programs and philosophies in local schools across America. In solving the problem, a grant program is assuredly the wrong way to go.

We want to commend you gentlemen for aggressively attempting to put the brakes on the rapidly escalating cost of education for middle class and working class people through introducing a competitive educational marketplace embodied in S. 2142. We want to commend you further for recognizing the obvious inequities of requiring a large number of American families to pay twice for their child's education . . . once in taxes for a local government run education program and once for a non-government academic program which better meets the needs and abilities of the student. All scholastic evidence now indicates, on the long-term, that the present funding system of public schools is not attaining the academic standards needed for a sound progressive and successful America in the coming decade. Frankly, the present system is monopolistic, unresponsive and lethargic.

There is wide-spread feeling among parents of all faiths and all walks of life for the need of more freedom of choice so that the consumer might pick the educational package and program that best meets the needs of the student. We have found, gentlemen, in our school systems that there are thousands of parents who are frustrated in the public school system because they cannot afford to "break out" into a non-government or alternative school, be it religious oriented like ours or non-religious. Simply put, the consumers want a choice if it will give them a better product. Do you gentlemen really believe that quality education or anything of quality can come when you have a system where the consumer cannot take his dollar and purchase the product he desires? We have a great country and it was built on Capitalism.

As the middle and working class are able to afford freedom of choice in education, it will require the government funded school systems to evaluate the quality of education across this country. We cannot be very proud of the situation we find ourselves in today. The Packwood/Moynihan Bill will give schools like ours, be they religious schools or not, the ability to grow stronger and to even improve further on the quality of what we do. The tax credit concept will lend impetus to a new age of accountability. It will put pressure on the public schools for raising their standards of ethics, morals, and academics of the lives of our young people entrusted to them. Teachers will think twice before they go on strike against helpless children who can't fight back. The extremist element which has been using the public schools as a far-out testing lab for educational social fadism and wasting millons and millons of dollars of hard-earned taxpayers' money will have to face consumerism first. You gentlemen, in effect, are giving back to parents the leverage they need to insure that such even basic skills as reading, writing, and arithmetic are taught with great care. Is there any reason why, when looking at the test scores attached which speak loudly to the average American, that we can risk continuing going on as we have in the past? I close with this thought. It's no surprise that there are more public school administrators and teachers' children in private schools like ours than any other single profession. The Capitalistic concepts embodied in the Packwood/Moynihan Tax Credit Tuition Relief Bill are not only good for the private schools, but they are good for the public schools too. We commend your foresight and we urge you to support S. 2142.

THOMAS G. PATERSON, Jr.,
Business Administrator for the Board of Directors, Valley Christian Schools.●

AMERICA'S FIRST NATIVE MAGICIAN

● Mr. MCINTYRE. Mr. President, during our Bicentennial, we saluted America's first discoverers, first patriots, and first explorers. And I think, Mr. President, it is appropriate to recognize those who pioneered in more novel activities.

Richard Potter is recognized today as America's first native magician. Potter was born in Boston, Mass., in 1783 to Sir Charles Franklin, a former British tax collector and to Dinah, one of Franklin's slaves. After a stint as cabin boy at sea for Captain Skinner, a Boston seaman, Mr. Potter joined the British circus and began traveling throughout the Northeast.

At the age of 28, Potter first appeared on his own at the Columbian Museum in Boston. His show was entitled "Upward of One-hundred Curious But Mysterious Experiments With Eggs, Cards, Money, and the Like."

Besides being a well-practiced conjurer, Mr. Potter was a skilled ventriloquist and dancer. For close to 25 years he traveled and performed at public engagements from as far North as Quebec to as far South as Mobile, Ala. His best tricks included what he called "The Wonderful Sheet of Paper," known today as "Trouble Wit." He astounded his audiences by frying pancakes in a borrowed hat, breaking an egg to reveal a prechosen card inside and by walking through walls of fire.

In 1808 Potter married Sally Harris, a Penobscot Indian who sang in his show. Soon afterwards they bought about 200 acres of land in New Hampshire. He built a house on the land and returned there after every show season. Potter furnished his house elegantly, and they entertained scores of friends and distinguished guests at dinner parties. At the dinner table the distinguished magician habitually took the opportunity to perform one of his favorite tricks—throwing his voice to a roast suckling pig.

As late as 1833, Potter was still avidly practicing his magic in New England. He died in New Hampshire on September 20, 1835, at the age of 52. In 1871 the first Post Office was built in the community which Richard Potter helped found, and in his honor, the Postmaster began postmarking the mail "Potter Place."

The New Hampshire Historical Society placed a marker on the Potters' gravesite in 1968, officially declaring it a historical site. Potter Place can be seen from Route 4 on the Concord to Connecticut Highway 11.●

THE SOVIET ICBM THREAT

● Mr. THURMOND. Mr. President, an important study relative to the dangers posed to the United States by the build-up of Soviet intercontinental ballistic missiles has been released by the House Armed Services Committee.

This study reveals that by the early 1980's the United States will have lost the principal capability which modern nuclear weapons are supposed to provide—a credible ability to deter a first-strike nuclear attack.

A leader in the study effort, Congressman SAMUEL S. STRATTON, Democrat of New York, concluded that the U.S. missile force will remain vulnerable even with improved accuracy and yield unless a silo hardening program or some alternative basing scheme is undertaken.

Mr. President, I ask unanimous consent that an article about this study entitled, "Soviets to Have Jump on ICBM's in 1980–81" which appeared in the Officer magazine be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIETS TO HAVE JUMP ON ICBMS IN 1980–81

Cong. Samuel S. Stratton (D-N.Y.), senior member of the House Armed Services Committee made public a study which provided proof that the Soviet Union will soon have the capability of destroying the bulk of the U.S. land-based ICBMs.

This conclusion is based, for the first time, on an unclassified source which shows that by 1980 or 1981 the United States will have lost the principal capability which modern nuclear weapons are supposed to provide a nation, namely, a credible ability to deter a first-strike nuclear attack against it.

The study, prepared by members of the House Armed Services Committee, demonstrates that the Soviet Union "has used the very liberal (to them) SALT I provisions to achieve a position of numerical parity and a position of superiority with respect to throw weight and warhead yield." Congressman Stratton termed this nuclear imbalance "a serious sobering truth . . . to which the American people and the Congress must promptly address themselves."

The study also concluded that current SALT II negotiations are "meaningless" without any "current consideration of weapon yields and accuracy, as well as throw weight;" and if linked with other recent Soviet proposals for banning missile flight testing and nuclear warhead testing could only "freeze the United States into a position of strategic inferiority—a condition which can only grow worse if an agreement is observed by the United States, but not the Soviet Union.

Specifically the study demonstrates that by 1980 or 1981, 12 to 60 percent of Soviet land-based re-entry vehicles (RVs) could kill at least 75 percent (or 790) U.S. ICBM silos and still have thousands of other Soviet RVs available for other U.S. targets.

By contrast the study shows that through 1980 4285 U.S. RVs (100 percent of our land and sea based ballistic missiled on alert) could destroy only 15 percent (209) out of 1300 Soviet ICBM silos.

Congressman Stratton said the study demonstrates the fallacy of the "minimum deterrent" theory, which holds that if a country has a certain number of nuclear weapons then "superiority" is meaningless and numbers added beyond a certain point represent no increased deterrent. The Soviet Union would not necessarily be deterred from launching such a devastating first strike, he said simply because our submarine missile force would remain intact after such a first strike.

Because the Soviets would still have thousands of warheads available. Congressman Stratton went on to say, "a decision to launch American Submarine Launched Ballistic Missiles (SLBM) would as a practical matter, amount to a decision to wipe out our own principal cities. Once the full consequences are understood those SLBMs would most certainly not be launched at all."

The U.S. missile force remains vulnerable, even with improved accuracy and yield, "unless a silo hardening program or some alternate basing scheme, such as a mobile missiles are pursued at great cost.

Congressman Stratton said that this is a sobering and disturbing study which should be read and understood by every American.

The full study is printed in the 23 January 1978 Congressional Record, pages 434 through 440.●

WATERWAY USER CHARGES: WHY CHARGES MUST RELATE TO EXPENDITURES

● Mr. DOMENICI. Mr. President, when discussing the issue of waterway user charges, I have sought to argue that future waterway expenditures must, logically, be linked to any system of charges. Only when such a linkage exists will the barge industry begin to show an interest in analyzing the true need for new projects.

The General Accounting Office recently issued a most interesting report called "Opportunity for Large Savings by Altering some Inland Waterway Operations." While the report touches issues beyond the scope of my proposal—the report covers drawbridge costs, for example—its conclusions are instructive. The GAO report found that some waterways facilities were being manned 24 hours a day, even when there was virtually no traffic on the waterway. The report states:

The cost to maintain unobstructed navigation at all times is enormous, and considerable savings could be realized with little impact on navigation if such services were reduced or eliminated.

In analyzing the Dismal Swamp Canal, an alternate route on the Atlantic Intracoastal Waterway used occasionally to haul empty barges and by recreational boats, the Corps of Engineers found it was spending an average of $575,000 during each of the last 3 years to keep the canal open, or an average of $185 for each vessel that used it.

It is logical to assume that there will be any acceptance among commercial waterway users of such cost savings unless those savings can be linked to the industry's own costs? I think not.

I ask unanimous consent that the summary of this GAO report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

There are many drawbridges and locks on the Nation's navigable waterways which are being operated needlessly 24 hours a day, 7 days a week. The U.S. Coast Guard regulates operations of drawbridges along navigable waterways, and the Army Corps of Engineers operates and maintains some inland waterway routes and owns and operates some bridges and locks. In many instances the cost to maintain unobstructed navigation at all times is enormous, and considerable savings could be realized with little impact on navigation if such services were reduced or eliminated.

A century or so ago, waterways were the Nation's primary transportation system. Precedents were set then that unobstructed use of waterways was a paramount objective for commercial and military use. In the ensuing decades, although land transportation was developed and bridges and other structures were built, the precedents remained that drawbridges and locks should open on signal from any water vessel.

This explains, in part, why the Coast Guard is required by legislation and case law to provide for the reasonable needs of navigation. In some cases the Coast Guard reduced drawbridge operating hours when low vessel usage or other factors indicated it was in the public interest. However, there are other opportunities where operating hours may be reduced with little impact on navigation. For example, the Edison Bridge in Florida averaged only 0.2 recreational craft and no commercial craft between 10 p.m. and 6 a.m. during 1976.

Consideration should be given to costs incurred and benefits obtained, as well as the other criteria, in deciding whether the public interest is being served by operating drawbridges and locks 24 hours a day, 7 days a week, on waterways having periods of low vessel usage.

If consideration were given to these factors in establishing operating procedures for drawbridges and locks, reduced operations would be allowed where there is limited waterway usage and millions of dollars annually would be saved the taxpayers and others.

The number and location of drawbridges did not permit GAO analysis to be in sufficient depth to project nationwide savings on bridge operating costs resulting from reduced waterways operations. Because of the varying operating circumstances of bridges and the lack of readily available statistical information, exacting projections would require a bridge-by-bridge analysis.

However, reducing drawbridge operations where traffic patterns justify could save millions of dollars to Federal, State, local, and private bridge owners. GAO analysis—in Florida, Georgia, North Carolina, South Carolina, and Virginia—showed that 62 percent of the selected bridges were manned 24 hours a day and that 45 percent had less than one boat during an 8-hour period. Using this data, GAO estimates that savings of about $4 million are possible in the Atlantic coast States.

Although the potential national savings cannot be estimated, some of the other 997 bridges may have periods of low vessel usage where savings are possible. The concept of allowing these bridges to reduce hours during these low usage periods should be applicable.

In the case of the Dismal Swamp Canal, an alternate route along the Atlantic Intracoastal Waterway, its costs and other disadvantages of maintenance as a through waterway outweigh its benefits. There are few significant negative impacts that would result from its closure. No commercial tonnage is transported on the canal, although some companies use it periodically for transporting empty barges. The Corps of Engineers' annual operation and maintenance expenses to keep the canal open averaged $575,000 for the last 3 years, an average of $185 for each boat that used it. Because of reductions in operations, the current annual cost is about $435,000.

The Corps and North Carolina may need to spend $28.6 million to construct two high-level bridges across the 50-foot-wide canal. Closure to through navigation would permit the construction of low-level, fixed-span bridges at a total cost of only $1.2 million.

RECOMMENDATIONS

The Secretary of the Army should direct the Corps of Engineers to (1) analyze vessel usage of its bridges and locks, (2) consult with users as to their ability to adjust to new operating hours, (3) consider various alternatives for reducing hours and costs, and (4) request Coast Guard approval for adjusting operations where the savings from reducing such operations are more than the benefits of operations continually.

He should also direct the Corps of Engineers to (1) determine whether States or local communities would asume the costs to maintain the Dismal Swamp Canal for through navigation, (2) hold meetings to obtain public views regarding the closure of the canal, and (3) determine the environmental impacts of such closure. Unless the results of these determinations clearly justify a different action, the Secretary should direct the Corps to develop a legislative proposal to close the Dismal Swamp Canal to through navigation.

The Secretary of Transportation should require the Coast Guard to develop and disseminate to drawbridge owners, by publication in the Federal Register or other suitable means, criteria for evaluating requests for reducing bridge operating hours during periods of low vessel usage. These criteria should give recognition to (1) the amount of waterway traffic for expected periods of closure, (2) the ability of vessel operators to adapt to changed operations, and (3) the cost beneficial aspects of keeping bridges operating continually.

AGENCY COMMENTS

The Army agreed that reducing costs by lessening hours of operation of locks and bridges was desirable and said that Corps districts were taking steps to reduce hours of operation during low-demand periods. It agreed also that reducing costs by closing lightly used waterways was desirable.

The Department of Transportation said that there might be some bridges operating 24 hours a day when there was insufficient navigation to economically justify the labor costs and that there might be owners who were not aware that regulations might be promulgated to reduce operations. The Department did not agree that the actions recommended above are necessary because the Coast Guard does not believe the determination of reasonable needs of navigation is amenable to quantitative criteria.

GAO's position remains unchanged—namely that reducing hours at drawbridges because of low usage by ships can save taxpayers and others large amounts of money while meeting essential navigation needs. The recommended criteria should be considered in establishing operating rules, and each

drawbridge owner should be aware of the criteria.●

CONGREGATE HOUSING ACT 1978

● Mr. CRANSTON. Mr. President, in 1971 the White House Conference on Aging recommended that "a national policy on housing for the elderly worthy of this Nation must enjoy a high priority and must embrace not only shelter but needed services of quality that extend the span of independent living in comfort and dignity, in and outside of institutions, as a right wherever they live or choose to live." Today I cosponsor the Congregate Housing Act of 1978, introduced by my colleague, Senator WILLIAMS, as a small step in an attempt to bring about a reassessment and improvement of the Federal response to the needs of the elderly and the handicapped in public housing and to trigger the development of congregate housing.

In 1970 and again in 1977 the Congress enacted legislation authorizing "congregate" units and facilities in federally assisted public housing. Congregate housing—assisted independent living—is a residential environment which incorporates shelter with services such as a full meal program, housekeeping assistance, personal care aid and transportation. This program was meant to accommodate older people as well as handicapped and displaced persons who need some services to sustain independent living but not enough to warrant institutional supervision and care. Very little congregate housing has been built since 1970 because of the housing moratorium in the Nixon administration and the lack of long term funding commitments for the service components.

This bill would authorize HUD to enter into 3 to 5 year contracts with local public housing agencies (LHA's) to provide funds for social services that these agencies furnish, either directly or through arrangements with local service providers, to their elderly and nonelderly handicapped residents who need a congregate living environment. This funding will only be provided when the LHA cannot obtain the necessary service through other means.

This is not a comprehensive measure intended to address the full range of the problem of elderly and handicapped. This bill is intended to fill the gap in that law of 1970 that set up the congregate housing system by providing a guaranteed service component, and giving access to this service to the elderly and handicapped presently living in public housing.

The report of the Senate Special Committee on Aging, published November 1975 indicated that there was an increasing number of elderly persons or persons with physical impairments living in public housing. Statistics indicate that 40 percent of the heads of households in such projects are 62 and over, and that they have lived in such units for many years. Every day, elderly and handicapped people are being removed from their public housing units because their frailties no longer permit them to live totally independent and no services are available to maintain them in their present housing. Most of these persons are put in nursing homes or other institutions at an enormous cost to the American taxpayer.

Most do not need around the clock care. By adding a few services at much less cost than medicare to the public, we could prevent the premature evictions of elderly and handicapped persons from public housing and improve their living environment.

Evan White of KGO–TV in San Francisco aired a 2-hour documentary on housing problems of the elderly on February 4 and 5 in California. The program charged that $15 million is wasted every day in American nursery homes on people who would be better cared for and at less expense at home. And 200,000 persons wrote in after seeing the plight of the elderly on this program supporting use of congregate housing to meet the growing needs of the elderly in our country.

I recognize that residents of other federally supported housing such as privately developed section 8 projects, section 202 projects and the elderly in their private homes have a need for these services, and I pledge my support to continue working on the broader aspects of mandating a nationwide social services delivery system for the elderly and handicapped.

I ask unanimous consent that the following three articles regarding Evan White's work on the elderly problems be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Progress TV Preview, Jan. 22, 1978]

INNER-CITY ELDERLY'S SHOCKING PLIGHT SHOWN

It wasn't quite the way television reporter Evan White thought it would be. When he and cameraman Al Topping disappeared into the jaws of San Francisco's Tenderloin for a month. White expected to find danger and despair. He did discover both.

But White also found an amazing toughness of spirit among the old folks forced to live there. It's a spirit that makes it possible for them to survive in the city's toughest neighborhood. He was fascinated by the wit, humor, ingenuity and dogged optimism that are standard survival techniques of many of the elderly in the inner city.

The assignment began as a series of special reports for Channel 7 "News Scene." As White unearthed more and more intriguing elderly people—and shocking stories of what they face in American society—the assignment expanded to 18 months.

Eventually, the story led him overseas to find how Europeans have created solutions to the problems facing the elderly. By then it was apparent to KGO–TV that the project had quite possibly become the most ambitious investigative report ever undertaken by a San Francisco television station.

The program, "Old Age: Do Not Go Gentle," will be broadcast in two parts this weekend (Jan. 28 and 29). Part I is scheduled for 7 p.m. Saturday, followed by Part II Sunday evening at 7 on Channel 7, Jan. 28–29.

To get as close as possible to his subject, reporter White moved into a fleabag Tenderloin hotel. Dressed in old clothes and letting his beard and hair grow, he lived on the equivalent of a Social Security income.

There, he found elderly people who had spent their lives working and raising children only to be condemned to poverty in their old age by a social system that makes no adequate provisions for the aged.

According to White, "Over half the nation's elderly live in our cities, most in areas like this. They're trapped here because their income after retirement doesn't allow them to live anywhere else. And in the inner city, they're scared, lonely, victimized and abandoned."

Among those the program visits are a woman who had not been out of her hotel room for seven years, an elderly man who had been beaten up six times by muggers who were after his Social Security check, and a delightful eccentric who had lived in a cave under a sidewalk for four years to keep from being sent to an old folks home.

In contrast, the documentary reveals how Europeans have been successful in providing for the aged. White and a Channel 7 film crew traveled to England, Denmark, West Germany and the Netherlands. They investigated the reasons 123 other nations have been able to put together programs for the elderly which the United States has never been able to get off the ground.

"In health care alone, older Americans are among the underprivileged of the world," reports White. "We're the only industrialized nation without a national program to provide health services for the aged. And elderly Europeans take for granted other services which the American aged can only dream of."

The program charges that more than $15 million is wasted every day in American nursing homes on people who would be better cared for—and at less expense—at home. And it reveals how existing government programs squander even more while failing to give the help to the elderly which they were created to provide.

The program title, "The Aged: Do Not Go Gentle," is taken from a poem written by Dylan Thomas for his dying father:

Do not go gentle into that good night.

Old age should burn and rave at close of day; Rage, rage against the dying of the light.

"I believe the elderly should fight for their right to dignity," White says. "They should not go gentle. Nor should any of us allow the aged to be quietly filed away, out of sight and out of mind. Their plight is desperate and shocking. This program documents that fact and suggests what we can do about it. If it helps bring about some changes, we will have fulfilled our purpose."

To start making the kind of changes proposed by "Old Age: Do Not Go Gentle," White himself drafted a legislative bill designed to bring social and medical services to the American elderly. Congressman Phillip Burton has pledged to take the proposal to the U.S. Congress.

[From the San Francisco Examiner, Jan. 27, 1978]

OLD AND ANGRY

(By Bill Mandel)

Television has often been long on finding problems and short on solutions. Exciting films of teen-age prostitutes, battered wives, colorful derelicts and incendiary auto accidents parade across our screens accompanied by the mournful clucking of announcers, but solutions are rarely, if ever, offered.

"Old Age: Do Not Go Gentle," a two-part report by KGO's Evan White that will air tomorrow and Sunday at 7 p.m. on Channel 7, is that rarity on TV: A documentary that brings home a problem with the force of a pile-driver and then uses the influence of TV to suggest a sensible and realistic solution.

Be warned, "Do Not Go Gentle" is very, very powerful viewing. The old people White uses to illustrate the shameful dereliction of the old in this country will make you feel

ashamed, guilty, alarmed, perhaps even repulsed. Although Al Topping's film work is beautiful, this report is not a "good time" by any stretch of the "imagination," but the ugly truths revealed on the program give way at the end to some relief—there is a solution.

Tomorrow night's hour is devoted to an examination of various methods our society uses to warehouse the old. Based on White's continuing reports from the Tenderloin of San Francisco, we see the worst cases of neglect and abandonment in those pathetic hotels lining Eddy Street. We visit old people who are confined to their homes by fear and poverty and we meet angry old men and women who are stuck in nursing homes against their wills.

As part of this special, White spent some time in Europe investigating how West Germany, The Netherlands and England treat their older citizens. These advanced welfare states evidently treat the old in a humane, integrated manner that takes personal feelings of worth into account. Of course, White has chosen the worst cases in this country and the best overseas to make his point, but even allowing for that standard journalistic distortion the differences between the U.S. and Europe are embarrassing to America. The prime distinction seems to be that Europeans think of their old people as people, not rotting hulks that are a little unsightly and very unsettling.

In Europe, many of the old people White visits seem to have personalities untwisted by bitterness and need. By contrast, many of the Americans we meet on the program are so bitter, resentful and stomped on they have no energy left to be themselves—they're just two-legged sacks of complaints.

When we hear tales of what these old Americans did in their youths we get a little scared. Is this going to happen to us?

Finally, White offers up his solution and it's the best kind of idea—simple, workable and cheaper than what's being done now. He suggests that Congress demand services provided by the Department of Health, Education and Welfare be part of every housing project built by the Department of Housing and Urban Development.

By expert calculation, the warehouse philosophy in vogue these days is costing American taxpayers about $15 million a day more than a humane policy that would keep people in their homes, nearer their families and the rest of society.

By fostering cooperation between the house-builders at HUD and the service people at HEW. White's proposed legislation would put some soul into America's policy toward the old. Being old today is a nightmare existence of rising costs, small income, loneliness, frustration and no one to complain to but a computer.

At the end of "Do Not Go Gentle" White urges viewers to mail him coupons of support printed in TV Guides, the Examiner and other newspapers. Hopefully thousands of voices agreeing with White will help his excellent suggestion become law.

[From the San Francisco Examiner, Feb. 14, 1978]

60,000 YEAS

When KGO–TV (Channel 7) decided to air Evan White's two-part series on aging, "Do Not Go Gentle," on two consecutive weekend nights Feb. 4 and 5, there were those around Channel 7—White included—who wondered if anyone would watch the program.

To begin with, the subject of how the elderly are treated and mistreated in this country is what TV people call a "downer," and downers are instant ratings death. On Saturday night, levels of TV viewing are very low, and in the 7 p.m. time slot "Do Not Go Gentle" had to compete with "Lawrence Welk," a big favorite among older viewers. On Sunday night the second part of "Do Not Go Gentle" was up against "60 Minutes," one of TV's biggest hit shows.

"We know the shows are good," said White two days before the first program aired. "I just hope we aren't embarrassed by a tiny reaction. Or none at all."

At the end of Sunday night's final half-hour, KGO asked viewers to fill in coupons printed in TV Guide, the Examiner and other publications supporting White's proposed legislation aimed at offering better services to old people.

As of noon yesterday, KGO had received 46,000 pieces of mail containing an estimated 60,000 pro-White coupons filled out and signed. Not only that, but hundreds of viewers had called and written asking for bundles of coupons to be taken around, petition-style, for the signatures of friends, family and other concerned citizens.

I ran into Evan White in the supermarket the other day, and he's obviously had close to a religious experience from the public avalanche of support for his concern and suggested legislative solution to the problem. We all talk about, the vast power of television, but when 46,000 pieces of mail are stacked up in front of you, the power is nakedly obvious.

[From the Santa Cruz Sentinel, Jan. 15, 1978]

SOCIETY "DE-PEOPLES" ELDERLY AT AGE 65

American society often "de-peoples" its elderly when they pass the age of 65.

This idea was expressed by C. Renwick Breck, member of the Futures Planning Council of the Episcopal Diocese of California and chairman of the council's Alternatives for the Aging and Handicapped.

Breck, a specialist in the field of senior's housing, recently served as researcher for a two-part television documentary on the plight of the elderly, which will be shown on January 28 and 29, from 7–8 p.m. on San Francisco station KGO–TV, Channel 7. Narrated by KGO newsman Evan White, the documentary is entitled "Old Age: Do Not Go Gentle."

In its first hour the program will explore many of the problems—the poverty, victimization, abandonment and loneliness—faced by large numbers of seniors in America. An entire mythology has evolved to justify the society's lack of concern for this group—and the program contrasts this attitude with current projects in Europe, which are geared to maintaining older persons' vitality and viability in society.

In the program's second episode, White charges that many institutions and agencies designed to assist the aged have failed to meet their needs. Asserting that more than $15 million a day is misspent on nursing care in America, the program once again turns to European models as examples of solutions that could work here.

"There are a lot of fronts to be waged in the war on aging," asserts researcher Breck. Out of the 33 million Americans over the age of 60, he claims that as many as one-third of them are "very, very poor."

In 1975, he goes on, more than 900,000 of these persons were in nursing homes, with half of them receiving treatment characterized as "substandard." Citing figures from a report by the Senate subcommittee on aging, Breck goes on to claim that 85 percent of these nursing home residents "shouldn't be there."

They are placed into homes because of "sociogenic problems" he contends, also noting that nursing homes have established a powerful lobby in Washington.

Nursing homes experienced a 2,000 percent growth between 1960 and 1970, he goes on, with 40 percent (or $5.1 billion) of the country's Medicare budget being used to support these facilities.

In seeking alternatives to nursing homes, Breck puts forward the idea of "congregate housing," again based on projects currently operating in several European locations. Combining aspects of shelter, nutrition and health care, such projects offer comprehensive services while maintaining their residents' sense of vitality and self-worth.

With $2 billion authorized by Congress for HUD programs in fiscal 1977, Breck anticipates continuing his efforts to make public entities consider new and innovative approaches to the aging question. The process is agonizingly slow, he admits, estimating that 85 percent of the time spent getting any project off the ground is devoted to "bureaucracy, red tape and computers." But still Breck's "war" will go on.

"We're trying to break a lot of myths apart," he concludes, again referring to the upcoming television special.

"We don't want HUD, HEW or the local commissions to have any out." ●

AMERICAN PARENTS COMMITTEE'S LEGISLATIVE GOALS

● Mrs. HUMPHREY. Mr. President, the American Parents Committee has brought to my attention its legislative goals.

These goals cover a wide spectrum of interests, including social security and welfare benefits, health care, education, safety, day care, sound nutrition, and the prevention of delinquency.

While there are many individual opinions in this body on many of these issues, the agenda of this organization can help each of us to focus on the special and specific interests of children.

Recently, I was privileged to introduce two bills that emphasized the needs of children. I proposed to extend and modify the WIC program to improve the nutrition of women, infants, and children. And I called for creation of a regional system of screening of newborn infants for metabolic disorders.

These bills reflect my conviction that children are our greatest national resource. More important, they are our most compelling immediate responsibility, and our most revealing commitment to the future.

I am pleased to publicize the particular goals and concerns of an organization which speaks in their behalf. I ask unanimous consent that the American Parents Committee's 1978 legislative goals be printed in the RECORD.

There being no objection, the legislative goals were ordered to be printed in the RECORD, as follows:

THE AMERICAN PARENTS COMMITTEE'S 1978 FEDERAL LEGISLATIVE GOALS ON BEHALF OF CHILDREN

By way of introduction: This is the 31st year during which the American Parents Committee has lobbied for Federal legislation for children. In 1947 when the APC was founded, there were few social welfare agencies that took an active interest in Federal legislation for children and fewer still that tried to influence Congress concerning it. The APC is particularly proud of its legislative achievements for children which it won without any appreciable organizational collaboration. Now fortunately there are many national, State and local organizations that are concerned with Federal legislation for children. The APC invites the cooperation of other organizations and groups in attaining any or all of its Federal legislative goals for children.

During 1978, Congress may complete action in two areas which seriously affect children: child welfare services and welfare reform. The American Parents Committee will work with legislators to assure that significant changes in these programs provide maximum support to the needs of children.

These 1978 goals were approved at the January 18, 1978 meeting of the APC's Board of Directors:

(The order in which these legislative goals are listed has no significance.)

(1) Child Welfare Services: Improvements in the foster care and adoption systems and increased appropriations for these and other child welfare services were APC's major concern in 1977. We will continue to work with H.R. 7200 or any other proposal to assure that legislation offering reforms in the delivery of child welfare services includes adequate protection for children to help them remain in their own homes including Homemaker Services, no discrimination in services because of economic status, the adoption of case review systems, Federal support for adoption information exchange programs, guarantees of the confidentiality of records, Federally funded adoption subsidies to be vested in children in foster care or receiving SSI, including Medicaid benefits for pre-existing conditions, training for child welfare workers, adoptive parents, and post placement counseling. We also support legislation to permit voluntary placement of children in foster care with Aid to Families with Dependent Children (AFDC) funds with the consent of parents or guardian, if adequate safeguards are in place. We do not believe that a ceiling should be placed on foster care maintenance funds. It is also critical that Title IV–B be fully funded as an entitlement program with a maintenance of effort clause. This is needed so States can finance improvements in their own child welfare systems and increase services to families on the basis of their need for services. Special emphasis should be placed on services to strengthen the homes of vulnerable children, to return children placed in foster care to their own homes whenever possible and when this is impossible free them for adoption.

(2) Social Services Amendments—Title XX: The APC will work for increased appropriations for social services. We believe that the ceiling on Title XX should be increased by a higher authorization so that adequate services can be delivered to communities. We will also endorse other legislative changes to improve or expand availability of services including those necessary to improve outreach as recommended by the Hecht Institute Special Report on Title XX.

(3) Welfare Reform: H.R. 9030, the Administration's Welfare Reform Bill, proposed to extend uniform Federal nationwide benefits to intact and other needy families and individuals and to simplify the current welfare system. However, a number of its provisions actually pose a serious threat to family stability. APC will work with other groups to assure that an income assistance plan provides the supports necessary to help families reach independence including adequate current income and an accounting period that allows assistance to families as quickly as possible when current income diminishes. We will continue to support our traditional goal—that single parents be exempt from any "work requirement" if any child under 18 is handicapped, developmentally disabled, or in need of special parental supervision and requires either continual or specialized care. Single parents should also have the right to refuse work or training if day care facilities are not in compliance with Federal Interagency Day Care requirements. The plan must allow parents to deduct the full costs of day care under an Earned Income Disregard. The APC prefers a direct services approach to day care because we believe it assures higher quality care. The APC strongly believes that reform must include the eligibility of all otherwise eligible pregnant women from the date of conception of their first pregnancy.

(4) National Health Program: The APC is committed to the enactment of a comprehensive national health program. It endorses an approach to a national health program which features universal coverage, Federal administration, strong cost control mechanisms and improved ways of delivering health services, including appropriate mental health services. The APC believes that any legislation must include services to pregnant women, infants, and children as well as the full range of contraceptive and family planning services. A plan must also emphasize preventive care. APC will strive to ensure that appropriate services, including appropriate and adequate coverage for mental health services, offered by qualified non-medical providers, are provided under any plan. We believe a plan should include reimbursement to a wide range of providers (recognizing the necessity of reimbursing multi-disciplinary systems) from a third party system whether it is a quasi-federal accreditation body or a variety of accrediting sources in addition to the Joint Committee on the Accreditation of Hospitals. Not only must there be a focus on enacting a national health program, but the APC will also continue to work for adequate children's health programs such as Title V projects.

(5) Children's health programs: APC's major emphasis in this area will center on encouraging both Houses to mark-up and pass CHAP (Child Health Assessment Program) legislation which strengthens and broadens the Administration's bill to expand the EPSDT program. We are also committed to the extension of the Title V Maternal and Child Health program. Only 2 States are currently offering all mandated services and nationwide 83 projects exist where 253 are required. APC believes that the improvement and expansion of child health programs must be an immediate priority. Children's health needs cannot be put off while Congress takes months, if not years, to debate the issue of national health insurance.

(6) Teenage pregnancy: Teenage pregnancy is rapidly becoming a major public health and welfare issue, and indicates the need for appropriate sex education and adequate support services for young persons. Teenage pregnant mothers are in high risk situations. The number of teenagers giving birth is continually rising. Teenage pregnancy often produces low-birth-weight babies whose chances for healthy, productive lives are lessened by inadequate pre- and post-natal care. The bleak future of their young mothers further decreases the infant's chances for normal development. The APC is committed to working with HEW on developing a Teenage Pregnancy Initiative that focuses equally on service before and after conception.

(7) Family planning: The right of families to plan for and space the number of children they desire has long been a fundamental goal of the APC. We have urged in the past, and will continue to support, increased appropriations in this field. APC will support the development of a range of safe and effective means of family planning and contraceptive methods including the use of Federal funds for abortion, and the comprehensive availability of all methods to enable families (including minors) to achieve their family size goals.

(8) Food and nutrition programs: In 1978 the WIC (Women, Infants and Children) and Child Care Feeding Programs are due to expire. The APC will strive for reauthorization of WIC as an entitlement program so that the most nutritionally vulnerable sector of the population may have full access to the program's benefits. We will work for administrative changes in both programs that will encourage broader sponsor participation. In addition, improvements in other nutrition programs such as school, breakfast and residential feeding will be sought. The APC will support the inclusion of a maintenance of effort provision to cover the residential feeding program.

(9) Public Education: With shrinking financial resources at the State and local levels and increasing taxpayer resistance, the APC believes, with the National Education Association and other education organizations, that the Federal government must help to provide adequate funding for public schools. The Elementary and Secondary Education Act should be renewed and additional appropriations provided, especially for Title I. The APC continues to support existing categorical aid programs, such as compensatory education, innovative services, vocational education, higher education, assistance to the handicapped and gifted, bilingual and Indian education. It also urges that the appropriate committees hold oversight hearings on the administration of these categorical aid programs and on the enforcement of antidiscrimination requirements in Federally assisted programs under Title VI of the Civil Rights Act of 1964. Full funding should be sought for PL 94–142. The Education for All Handicapped Children Act.

(10) Supplemental Security Income (SSI) for Children: We will continue to work for improvements and increased entitlements in this program. Additional outreach activities are needed to assure that families of eligible disabled children in their own homes are advised of their rights to SSI and helped to apply for benefits.

(11) Handicapped Children: The APC will encourage support for institutions contributing research emphasizing prevention and early treatment of handicapping conditions. We will work for an extension of the Developmental Disabilities Act which maintains the integrity of the present program. APC will also support the extension of the Vocational Rehabilitation Act. We will work to target increased appropriations for the National Institutes of Health to encourage programs for handicapped children.

(12) Youth Camp Safety: The APC believes that high standards must be in place in camps as children are away from home for considerable periods of time, often in potentially hazardous situations. We will support legislation such as S. 258, introduced by Senator Ribicoff, which establishes Federal standards and Federal enforcement of standards for summer and youth camps.

(13) Unemployment Insurance: Several States now provide an additional children's allowance for unemployed workers with children. The APC feels that this is an important concept to support as it recognizes the extra financial burden that families must bear. We will encourage Congress to mandate all States to adopt similar provisions.

(14) Child Labor: The APC has long advocated protective child labor legislation. Attempts have been made in the past, and will likely occur again, to exempt some areas from the provisions prohibiting children under 12 from working in the fields. We shall oppose all such moves. Strict enforcement by the Department of Labor is necessary.

(15) Day care and child development: APC shall continue to work vigorously on behalf of legislation that will provide universally available, high quality day care development programs to all who request them. Such programs should: (1) meet high quality Federal standards, which shall be enforced, (2) make services available to all who need and request them, (3) avoid such approaches as vouchers or other systems that would enable funds to go to private, for profit groups, (4) be operated as a public

utility, (5) utilize existing facilities and personnel on a full-time, year round basis, (6) provide education for parenting and homemaker services, (7) include parental involvement, and (8) be provided the necessary funds to accomplish these purposes.

(16) Juvenile Justice and Delinquency Prevention: We will work to ensure the integrity of the Juvenile Justice Act and to increase its appropriations. APC will also strive to see that States and local governments are held accountable for the implementation of the law with regard to prevention, diversion from the traditional juvenile justice system, and alternatives to inappropriate institutional care and that appropriate regulations are forthcoming from L.E.A.A. APC would support transferring the Juvenile Justice Program from LEAA to HEW in a governmental reorganization scheme.

(17) Family Violence: A number of bills have been introduced which offer measures to curb the incidence of family violence. The APC will work for passage of broad based legislation focusing on the entire family that places responsibility for implementation within the Department of HEW.

(18) Runaway youth: The APC will seek additional funds for runaway youth projects and an expansion in the program's structure within HEW. We will strive to make more services available for abandoned and troubled teenagers.

(19) United Nation's Children's Fund (UNICEF): The APC supports an increase in the U.S. contribution to UNICEF, especially in view of the activities involving the 1979 International Year of the Child.●

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

● Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Joan F. Kessler, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin for the term of 4 years, vice William J. Mulligan.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, March 15, 1978, any representations or objections they may wish to present concerning the above nomination with a further statement whether it is their intention to appear at any hearing which may be scheduled.●

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed, if there be no further business.

The PRESIDING OFFICER. There being no further morning business, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon tomorrow. After the prayer, the distinguished Senator from Missouri (Mr. DANFORTH) will be recognized for not to exceed 15 minutes, after which the Senate will resume its consideration of the Neutrality Treaty. Mr. SCHMITT will be recognized at that point for not to exceed 30 minutes, and after his statement the Senate will go into recess, under the order previously entered, awaiting the call of the Chair. During that brief recess, a photograph will be taken of the Senate Chamber with Senators at their desk.

Following the taking of the photograph the Chair will call the Senate into session, at which time I will be recognized to call up the leadership amendment to article IV. Upon the conclusion of my statement the distinguished minority leader will be recognized to make whatever statement he desires to make. At the conclusion of his statement, the distinguished Senator from Alabama (Mr. ALLEN) will be recognized to raise a point of order against the leadership amendment, and upon the conclusion of his remarks I am to be recognized under the previous order.

I would anticipate there will be rollcall votes tomorrow. I would anticipate at least one rollcall vote on the point of order, and hopefully there will be rollcall votes, if there be amendments to article IV or to the leadership amendment to article IV, and, probably with some degree of optimism which I am not sure can be justified at this point, I would then hope that the Senate will dispose of amendments to article IV tomorrow.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered that the Senate, in executive session, stand in recess until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 6:31 p.m., the Senate, in executive session, recessed until Thursday, March 9, 1978, at 12 noon.

NOMINATION

Executive nomination received by the Senate, March 8, 1978;

U.S. TAX COURT

Herbert L. Chabot, of Maryland, to be a judge of the U.S. Tax Court for a term of 15 years after he takes office, vice Bruce M. Forrester, retired.

HOUSE OF REPRESENTATIVES—*Wednesday, March 8, 1978*

The House met at 3 o'clock p.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let the wicked forsake his way, and the unrighteous man his thoughts: let him return unto the Lord, that He may have mercy upon him; and to our God, for He will abundantly pardon.—Isaiah 55: 7.

O God, our Father, the light of all that is true, the love of all that is good, and the life of all that is beautiful, in the midst of the swiftly moving scenes of Earth we lift our hearts unto Thee praying that Thou wilt lead us this day giving us grace to walk in Thy wholesome ways. Through the gates of Lenten prayer we come seeking forgiveness for our sins, guidance for the future, confidence in our endeavors for good, courage to do what we believe to be right, and peace in our hearts as we labor. Renew our spirits that on our part there may be more thinking than talking, more worshipping as we work, more praying than playing, and more love as we labor together.

Make this a great day, our Father, because Thou art with us and we are with Thee. Amen.

CALL OF THE HOUSE

Mr. MARTIN. Mr. Speaker, under rule I, clause 1 of the rules of the House, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 114]

Anderson, Ill.	Cederberg	Garcia
Andrews, N.C.	Clay	Gibbons
Archer	Cochran	Goldwater
Armstrong	Danielson	Harsha
Beard, Tenn.	Dent	Holland
Bellenson	Diggs	Horton
Buchanan	Eckhardt	Jenrette
Burke, Calif.	Fary	Leach
Burton, Phillip	Fish	Leggett
McDonald	Roncalio	Steed
Mahon	Rousselot	Teague
Mann	Ruppe	Thornton
Mathis	Santini	Tucker
Myers, Gary	Satterfield	Wiggins
Neal	Scheuer	Wilson, Bob
Obey	Selberling	Wylie
Ottinger	Sisk	Young, Alaska
Pepper	Slack	Young, Tex.
Rangel	Spellman	

The SPEAKER. On this rollcall 378 Members have recorded their presence by electronic device, a quorum.

Without objection, further proceedings under the call will be dispensed with.

Mr. BAUMAN. Mr. Speaker, I object to dispensing with further proceedings under the call.

The SPEAKER. The question is, Will the House dispense with further proceedings under the call?

The question was taken; and on a division (demanded by Mr. BAUMAN) there were—ayes 143, noes 58.

Mr. BAUMAN. Mr. Speaker, I did not hear the Chair's call on the numbers.

The SPEAKER. There were 143 in the affirmative and 58 in the negative.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum

is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will inform the gentleman from Maryland a point of order that a quorum is not present is not in order on that question, under clause 6(a)(4) rule XV.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. The Chair would like to notify the House that the House will remain in session until it has finished the rule and general debate. If that happens to be 2 o'clock tomorrow morning, it will be 2 o'clock tomorrow morning, unless the House by a vote would adjourn itself, but the Chair will stay until we get through with the program of the day.

The Chair will again state that the yeas and nays are ordered.

The question was taken, and there were—yeas 372, nays 34, not voting 28, as follows:

[Roll No. 115]

YEAS—372

Addabbo	Conte	Gibbons
Akaka	Conyers	Gilman
Alexander	Corcoran	Ginn
Allen	Corman	Glickman
Ambro	Cornell	Gonzalez
Anderson, Calif.	Cornwell	Goodling
	Cotter	Gore
Andrews, N. Dak.	Crane	Gradison
	Cunningham	Grassley
Annunzio	D'Amours	Gudger
Applegate	Daniel, Dan	Hagedorn
Archer	Daniel, R. W.	Hall
Ashley	Danielson	Hamilton
Aspin	Davis	Hammer-schmidt
AuCoin	de la Garza	
Badham	Delaney	Hanley
Bafalis	Dellums	Hannaford
Barnard	Dent	Harkin
Baucus	Derrick	Harrington
Beard, R.I.	Derwinski	Harris
Bedell	Dickinson	Harsha
Beilenson	Dicks	Hawkins
Benjamin	Diggs	Hefner
Bennett	Dingell	Heftel
Bevill	Dodd	Hightower
Biaggi	Dornan	Hillis
Bingham	Downey	Hollenbeck
Blanchard	Drinan	Holt
Boggs	Duncan, Oreg.	Holtzman
Boland	Duncan, Tenn.	Horton
Bolling	Early	Howard
Bonior	Eckhardt	Hubbard
Bonker	Edgar	Huckaby
Bowen	Edwards, Ala.	Hughes
Brademas	Edwards, Calif.	Hyde
Breaux	Edwards, Okla.	Ichord
Breckinridge	Eilberg	Ireland
Brinkley	Emery	Jacobs
Brodhead	English	Jenkins
Brooks	Erlenborn	Jenrette
Broomfield	Ertel	Johnson, Calif.
Brown, Calif.	Evans, Colo.	Johnson, Colo.
Brown, Mich.	Evans, Del.	Jones, N.C.
Brown, Ohio	Evans, Ga.	Jones, Okla.
Broyhill	Evans, Ind.	Jones, Tenn.
Burgener	Fascell	Jordan
Burke, Fla.	Fenwick	Kasten
Burke, Mass.	Findley	Kastenmeier
Burleson, Tex.	Fisher	Kazen
Burlison, Mo.	Fithian	Ketchum
Burton, John	Flippo	Keys
Burton, Phillip	Flood	Kildee
Byron	Florio	Kostmayer
Caputo	Flowers	Krebs
Carney	Flynt	Krueger
Carr	Foley	LaFalce
Carter	Ford, Mich.	Lagomarsino
Cavanaugh	Ford, Tenn.	Latta
Cederberg	Forsythe	Le Fante
Chappell	Fountain	Leach
Chisholm	Fowler	Lederer
Clausen, Don H.	Fraser	Lehman
	Frenzel	Lent
Clawson, Del	Frey	Levitas
Cleveland	Fuqua	Lloyd, Calif.
Cochran	Gammage	Lloyd, Tenn.
Cohen	Gaydos	Long, La.
Collins, Ill.	Gephardt	Long, Md.
Conable	Giaimo	Luken
Lundine	Oberstar	Spellman
McClory	Ottinger	Spence
McCloskey	Panetta	St Germain
McCormack	Patten	Staggers
McDade	Patterson	Stangeland
McEwen	Pattison	Stanton
McFall	Pease	Stark
McHugh	Perkins	Steed
McKay	Pettis	Steers
McKinney	Pickle	Steiger
Madigan	Pike	Stockman
Maguire	Poage	Stokes
Mann	Preyer	Stratton
Markey	Price	Studds
Marlenee	Pritchard	Stump
Marriott	Pursell	Thompson
Martin	Quie	Thone
Mathis	Quillen	Traxler
Mattox	Rahall	Treen
Mazzoli	Railsback	Trible
Meeds	Rangel	Tsongas
Metcalfe	Regula	Udall
Meyner	Reuss	Ullman
Michel	Rhodes	Van Deerlin
Mikulski	Richmond	Vander Jagt
Mikva	Rinaldo	Vanik
Milford	Risenhoover	Vento
Miller, Calif.	Roberts	Volkmer
Miller, Ohio	Rodino	Waggonner
Mineta	Roe	Walgren
Minish	Rogers	Walsh
Mitchell, N.Y.	Roncalio	Wampler
Moakley	Rooney	Watkins
Moffett	Rose	Waxman
Mollohan	Rosenthal	Weaver
Montgomery	Rostenkowski	Weiss
Moore	Roybal	Whalen
Moorhead, Calif.	Runnels	White
	Russo	Whitehurst
Moorhead, Pa.	Ryan	Whitley
Moss	Santini	Whitten
Mottl	Sarasin	Wiggins
Murphy, Ill.	Sawyer	Wilson, C. H.
Murphy, N.Y.	Scheuer	Wilson, Tex.
Murphy, Pa.	Schroeder	Winn
Murtha	Sebelius	Wirth
Myers, John	Seiberling	Wolff
Myers, Michael	Sharp	Wright
Natcher	Shipley	Wydler
Neal	Sikes	Wylie
Nedzi	Simon	Yates
Nichols	Skelton	Yatron
Nix	Skubitz	Young, Alaska
Nolan	Smith, Iowa	Young, Mo.
Nowak	Smith, Nebr.	Zablocki
O'Brien	Snyder	Zeferetti
Oakar	Solarz	

NAYS—34

Abdnor	Jeffords	Robinson
Armstrong	Kelly	Rousselot
Ashbrook	Kemp	Rudd
Bauman	Kindness	Ruppe
Butler	Livingston	Schulze
Coleman	Lott	Shuster
Collins, Tex.	Lujan	Symms
Coughlin	McDonald	Taylor
Devine	Marks	Walker
Green	Mitchell, Md.	Young, Fla.
Guyer	Pressler	
Hansen	Quayle	

NOT VOTING—28

Ammerman	Fish	Satterfield
Anderson, Ill.	Garcia	Sisk
Andrews, N.C.	Goldwater	Slack
Baldus	Heckler	Teague
Beard, Tenn.	Holland	Thornton
Blouin	Leggett	Tucker
Buchanan	Mahon	Wilson, Bob
Burke, Calif.	Myers, Gary	Young, Tex.
Clay	Obey	
Fary	Pepper	

Mr. DICKINSON and Mr. MARTIN changed their vote from "nay" to "yea."

Mr. LIVINGSTON changed his vote from "yea" to "nay."

So further proceedings under the call were dispensed with.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. DICKINSON. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and on a division (demanded by Mr. DICKINSON) there were—ayes 147, noes 22.

Mr. DICKINSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 377, nays 26, not voting 31, as follows:

[Roll No. 116]

YEAS—377

Abdnor	Coleman	Glickman
Addabbo	Conte	Gonzalez
Akaka	Conyers	Goodling
Alexander	Corcoran	Gore
Allen	Corman	Gradison
Ambro	Cornell	Grassley
Anderson, Calif.	Cornwell	Green
	Cotter	Gudger
Andrews, N. Dak.	Crane	Guyer
	Cunningham	Hagedorn
Annunzio	D'Amours	Hall
Applegate	Daniel, Dan	Hamilton
Archer	Daniel, R. W.	Hammer-schmidt
Ashbrook	Danielson	
Ashley	Davis	Hanley
Aspin	de la Garza	Hannaford
AuCoin	Delaney	Harkin
Badham	Dellums	Harrington
Bafalis	Dent	Harris
Baldus	Derrick	Harsha
Barnard	Derwinski	Hawkins
Baucus	Devine	Hefner
Beard, R.I.	Dickinson	Heftel
Bedell	Dicks	Hightower
Beilenson	Diggs	Hillis
Benjamin	Dingell	Hollenbeck
Bennett	Dodd	Holt
Bevill	Dornan	Holtzman
Biaggi	Downey	Horton
Bingham	Drinan	Howard
Blanchard	Duncan, Oreg.	Hubbard
Blouin	Duncan, Tenn.	Huckaby
Boggs	Early	Hughes
Boland	Edgar	Ichord
Bolling	Edwards, Ala.	Ireland
Bonior	Edwards, Calif.	Jeffords
Bonker	Edwards, Okla.	Jenkins
Bowen	Eilberg	Jenrette
Brademas	Emery	Johnson, Calif.
Breaux	English	Johnson, Colo.
Breckinridge	Erlenborn	Jones, N.C.
Brinkley	Evans, Colo.	Jones, Okla.
Brodhead	Evans, Del.	Jones, Tenn.
Brooks	Evans, Ga.	Jordan
Broomfield	Evans, Ind.	Kasten
Brown, Calif.	Fascell	Kastenmeier
Brown, Ohio	Fenwick	Kazen
Broyhill	Findley	Kelly
Burgener	Fisher	Ketchum
Burke, Fla.	Fithian	Keys
Burke, Mass.	Flippo	Kildee
Burleson, Tex.	Florio	Kindness
Burlison, Mo.	Flowers	Kostmayer
Burton, John	Flynt	Krebs
Burton, Phillip	Foley	LaFalce
Butler	Ford, Mich.	Lagomarsino
Byron	Ford, Tenn.	Latta
Caputo	Fountain	Le Fante
Carney	Fowler	Lederer
Carr	Fraser	Lehman
Carter	Frenzel	Lent
Cavanaugh	Frey	Levitas
Cederberg	Fuqua	Livingston
Chappell	Gammage	Lloyd, Tenn.
Chisholm	Garcia	Long, La.
Clausen, Don H.	Gaydos	Long, Md.
	Gephardt	Lott
Clawson, Del	Giaimo	Lujan
Cleveland	Gibbons	Luken
Cochran	Gilman	Lundine
Cohen	Ginn	McClory

McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKinney
Madigan
Maguire
Mann
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Moss
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pursell
Quie
Quillen
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Skelton
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Stockman
Stokes
Stratton
Studds
Stump
Taylor
Thompson
Thone
Traxler
Treen
Tribble
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Weaver
Weiss
Whalen
Whitehurst
Whitley
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—26

Armstrong
Bauman
Brown, Mich.
Collins, Tex.
Conable
Coughlin
Forsythe
Hansen
Hyde
Jacobs
Kemp
Krueger
Leach
Lloyd, Calif.
Mitchell, Md.
O'Brien
Pritchard
Quayle
Regula
Rudd
Sarasin
Shuster
Steiger
Symms
Walker
Wilson, Bob

NOT VOTING—31

Ammerman
Anderson, Ill.
Andrews, N.C.
Beard, Tenn.
Buchanan
Burke, Calif.
Clay
Collins, Ill.
Eckhardt
Ertel
Fary
Fish
Flood
Goldwater
Heckler
Holland
Leggett
McCloskey
McKay
Mahon
Obey
Pepper
Satterfield
Sisk
Slack
Teague
Thornton
Tucker
Waxman
Young, Fla.
Young, Tex.

Mr. DICKINSON changed his vote from "nay" to "yea."

So the Journal was approved.

The result of the vote was announccd as above recorded.

The SPEAKER. Without objection, the motion to reconsider is laid on the table.

Mr. MOORE. Mr. Speaker, I object.

The SPEAKER. Will the gentleman please identify himself?

Mr. MOORE. The gentleman from Louisiana (Mr. MOORE) objects.

The SPEAKER. The gentleman from Louisiana (Mr. MOORE) objects?

Mr. MOORE. That is correct, Mr. Speaker, the gentleman from Louisiana objects.

The SPEAKER. The gentleman from Louisiana (Mr. MOORE) objects.

Mr. ZABLOCKI. Mr. Speaker, I move to reconsider the vote by which the Journal was approved.

Mr. BOLLING. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri (Mr. BOLLING).

The question was taken; and on a division (demanded by Mr. MOORE) there were ayes 151, noes 15.

Mr. MOORE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. Two hundred and thirty-five Members are present, a quorum.

Mr. MOORE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 313, nays 91, not voting 30, as follows:

[Roll No. 117]

YEAS—313

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Ashbrook
Ashley
Aspin
AuCoin
Baldus
Barnard
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen, Don H.
Cohen
Coleman
Conte
Conyers
Corman
Cornell
Cornwell
Cotter
D'Amours
Daniel, Dan
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ga.
Evans, Ind.
Fascell
Findley
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Fraser
Fuqua
Gammage
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gudger
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kemp
Keys
Kildee
Kindness
Kostmayer
Krebs
Krueger
LaFalce
Latta
Le Fante
Leach
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Luken
Lundine
McClory
McCormack
McEwen
McFall
McHugh
McKinney
Madigan
Maguire
Mann
Markey
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Moss
Motti
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Natcher
Nedzi
Nichols
Nix
Nolan
Nowak
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pickle
Pike
Poage
Preyer
Price
Pursell
Quie
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Ryan
Santini
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Skelton
Skubitz
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Staggers
Stark
Steed
Steers
Stokes
Stratton
Studds
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Watkins
Weaver
Weiss
Whalen
White
Whitley
Whitten
Wiggins
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler
Yates
Yatron
Young, Mo.
Zeferetti

NAYS—91

Abdnor
Archer
Armstrong
Badham
Bafalis
Bauman
Broomfield
Brown, Mich.
Brown, Ohio
Burgener
Burke, Fla.
Butler
Cederberg
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Corcoran
Coughlin
Crane
Cunningham
Daniel, R. W.
Devine
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Erlenborn
Evans, Del.
Fenwick
Forsythe
Frenzel
Frey
Goodling
Grassley
Green
Guyer
Hansen
Harsha
Hillis
Holt
Hyde
Ichord
Jacobs
Jeffords
Kasten
Kelly
Ketchum
Lagomarsino
Lott
Lujan
McDade
McDonald
Marks
Marlenee
Marriott
Martin
Moorhead, Calif.
Myers, John
O'Brien
Pettis
Pressler
Pritchard
Quayle
Quillen
Robinson
Rousselot
Rudd
Ruppe
Sarasin
Sawyer
Shuster
Snyder
Spence
Stangeland
Stanton
Steiger
Stockman
Symms
Taylor
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Wilson, Bob
Winn
Wylie
Young, Fla.
Zablocki

NOT VOTING—30

Anderson, Ill.
Andrews, N.C.
Beard, Tenn.
Buchanan
Burke, Calif.
Clay
Collins, Ill.
Ertel
Fary
Fish
Goldwater
Holland
Lederer
Leggett
McCloskey
McKay
Mahon
Neal
Obey
Pepper
Satterfield
Sisk
Slack
Teague
Thornton
Tucker
Waxman
Wolff
Young, Alaska
Young, Tex.

So the motion to lay on the table was agreed to.

Messrs. VENTO, ZEFERETTI, and DICKINSON changed their vote from "nay" to "yea."

Messrs. MOORHEAD of California, EDWARDS of Oklahoma, QUAYLE, FRENZEL, and MARTIN changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. PICKLE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PICKLE. Mr. Speaker, my parliamentary inquiry is related to procedure. Some of us are prepared to deliver 1-minute speeches that are very important to this Nation and to our districts, and we have not been able to make these addresses.

The Wage and Price Control Agency in my district has just ruled that a railroad that has a 53-percent increase in coal coming from Wyoming to Texas——

The SPEAKER. The gentleman is not stating a parliamentary inquiry, but for the benefit of those who are curious with regard to 1-minute speeches, the Chair will entertain 1-minute speeches at the conclusion of the 3 hours of debate.

Mr. PICKLE. Would it be in order, Mr. Speaker, to ask unanimous consent to revise and extend now?

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DOES COUNCIL ON WAGE AND PRICE STABILITY FAVOR INFLATION?

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I have just learned today of an incredible development. The Council on Wage and Price Stability has submitted a brief to the ICC in favor of inflation.

The ICC has before it a petition to allow the railroad companies of the West to raise its coal rates to Texas. I can understand that the railroad companies would ask for a high rate of increase. I can understand that the companies think this increase is justified. But for the Price Council, which is supposed to fight inflation, to favor a 53-percent rate increase is an alarming development.

As we all know, everyone from the President down to the county judges are urging Texas and others not to burn natural gas to make electricity. President Carter said he wants to tax us heavily if we do not switch away from natural gas for our boilers.

The only way for Texas to stop burning natural gas in the short term to make electricity is to burn coal. It looks like this coal must come from the Western States at this time.

We know the coal is expensive, we know it will take a lot of money to build new powerplants, and we know it takes money to move the coal to Texas. But we in central Texas also know we are already paying some of the highest prices in America for electricity made with natural gas.

So we are spending billions and billions switching to coal.

But lo and behold, Mr. Speaker, the White House has come along and sided with the railroad companies against the people of central Texas. The Council has the audacity to say Texas coal users are not at the mercy of the railroads because we could switch to natural gas. I am amazed at the lack of coordination down at the White House on this issue.

When the President's office sides with the railroads against the people, it makes me wonder what kind of inside track the companies have with the Wage and Price Council, or how little input the administration has in these matters.

I intend to follow this matter until the decisionmaking process surrounding this strange action by the Council is put out in the public arena for all to see what kind of games are being played with the consumers of central Texas and Texas.

PERMISSION FOR CONFEREES ON H.R. 3813 TO FILE REPORT

Mr. PHILLIP BURTON. Mr. Speaker, I would like to renew the unanimous-consent request I posed yesterday, a request that was honored, and which I make again today, that the conferees on H.R. 3813 may have until midnight tonight to file their report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT (H. REPT. No. 95–931)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3813) to amend the Act of October 2, 1968, an Act to establish a Redwood National Park in the State of California, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I

SEC. 101. (a) In order to protect existing irreplaceable Redwood National Park resources from damaging upslope and upstream land uses, to provide a land base sufficient to insure preservation of significant examples of the coastal redwood in accordance with the original intent of Congress, and to establish a more meaningful Redwood National Park for the use and enjoyment of visitors, the Act entitled "An Act to establish a Redwood National Park in the State of California, and for other purposes", approved October 2, 1968 (82 Stat. 931), is amended as follows:

(1) In subsection 2(a) after "September 1968," insert "and the area indicated as 'Proposed Additions' on the map entitled 'Additional Lands, Redwood National Park, California', numbered 167–80005–D and dated March 1978,".

(2) In section 2, subsection (a), delete "fifty-eight thousand" and substitute "one hundred and six thousand" and delete the period at the end of the subsection and add "and publicly owned highways and roads." In section 2 subsection (b), delete "by donation only". At the end of section 2, insert the following new subsection "(c)":

"(c) Within the area outside the boundaries of Redwood National Park indicated as the 'Park Protection Zone' on the map entitled 'Proposed Additions, Redwood National Park, California', numbered 167–80005–D and dated March 1978, the Secretary is authorized to acquire lands and interests in land: *Provided*, That lands may be acquired from a willing seller or upon a finding by the Secretary that failure to acquire all or a portion of such lands could result in physical damage to park resources and following notice to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the House of Representatives. Any lands so acquired shall be managed in a manner which will maximize the protection of the resources of Redwood National Park, and in accordance with the Act of October 21, 1976 (90 Stat. 2743). Acquisition of a parcel of land under the authority of this subsection shall not as a result of such acquisition diminish the right of owners of adjacent lands to the peaceful use and enjoyment of their land and shall not confer authority upon the Secretary to acquire additional lands except as provided in this subsection.".

(3) In subsection 3(a), delete the period at the end of the second sentence and add the following: "which donation of lands or interest in lands may be accepted in the discretion of the Secretary subject to such preexisting reverters and other conditions as may appear in the title to these lands held by the State of California, and such other reverters and conditions as may be consistent with the use and management of the donated lands as a portion of Redwood National Park. Notwithstanding any other provision of law, the Secretary may expend appropriated funds for the management of and for the construction, design, and maintenance of permanent improvements on such lands and interests in land as are donated by the State of California in a manner not inconsistent with such reverters and other conditions.".

(4) In subsection 3(b)(1), after "NPS–RED–7114–B", insert "and effective on the date of enactment of this phrase, there is hereby vested in the United States all right, title, and interest in, and the right to immediate possession of, all real property within the area indicated as 'Proposed Additions' on the map entitled 'Additional Lands, Redwood National Park, California', numbered 167–80005–D and dated March 1978, and all right, title, and interest in, and the right to immediate possession of the down tree personal property (trees severed from the ground by man) severed prior to January 1, 1975, or subsequent to January 31, 1978, within the area indicated as 'Proposed Additions' on the map entitled 'Additional Lands, Redwood National Park, California', numbered 167–80005–D and dated March 1978,".

At the end of subsection 3(b)(1), insert the following new paragraphs: "Down tree personal property severed subsequent to December 31, 1974, and prior to February 1, 1978 may be removed in accordance with applicable State and Federal law, or other applicable licenses, permits, and existing agreements, unless the Secretary determines that the removal of such down timber would damage second growth resources or result in excessive sedimentation in Redwood Creek: *Provided, however*, That down timber lying in stream beds may not be removed without permission of the Secretary: *Provided*, That such removal shall also be subject to such reasonable conditions as may be required by the Secretary to insure the continued availability of raw materials to Redwoods United, Incorporated, a nonprofit corporation located in Manila, California.

"The Secretary shall permit, at existing levels and extent of access and use, continued access and use of each acquired segment of the B line, L line, M line, and K and K roads by each current affected woods em-

ployer or its successor in title and interest: *Provided*, That such use is limited to forest and land management and protection purposes, including timber harvesting and road maintenance. The Secretary shall permit, at existing levels and extent of access and use, continued access and use of acquired portions of the Bald Hills road by each current affected woods employer or its successor in title and interest: *Provided*, That nothing in this sentence shall diminish the authority of the Secretary to otherwise regulate the use of the Bald Hills road.".

(5) In subsection 3(b)(2), delete the last sentence and add the following sentences at the end of the paragraph: "Any action against the United States with regard to the provisions of this Act and for the recovery of just compensation for the lands and interests therein taken by the United States, and for the down tree personal property taken, shall be brought in the United States district court for the district where the land is located without regard to the amount claimed. The United States may initiate proceedings at any time seeking a determination of just compensation in the district court in the manner provided by sections 1358 and 1403 of title 28, United States Code, and may deposit in the registry of the court the estimated just compensation, or a part thereof, in accordance with the procedure generally described by section 258a of title 40, United States Code. Interest shall not be allowed on such amounts as shall have been paid into the court. In the event that the Secretary determines that the fee simple title to any property (real or personal) taken under this section is not necessary for the purposes of this Act, he may, with particular attention to minimizing the payment of severance damages and to allow for the orderly removal of down timber, revest title to such property subject to such reservations, terms, and conditions, if any, as he deems appropriate to carry out the purposes of this Act, and may compensate the former owner for no more than the fair market value of the rights so reserved, except that the Secretary may not revest title to any property for which just compensation has been paid; or, the Secretary may sell at fair market value without regard to the requirements of the Federal Property and Administrative Services Act of 1949, as amended, such down timber as in his judgment may be removed without damage to the park, the proceeds from such sales being credited to the Treasury of the United States. If the State of California designates a right-of-way for a bypass highway around the eastern boundary of Prairie Creek Redwood State Park prior to October 1, 1984, the Secretary is authorized and directed to acquire such lands or interests in lands as may be necessary for such a highway and, subject to such conditions as the Secretary may determine are necessary to assure the adequate protection of Redwood National Park, shall thereupon donate the designated right-of-way to the State of California for a new bypass highway from a point south of Prairie Creek Redwood State Park through the drainage of May Creek and Boyes Creek to extend along the eastern boundary of Prairie Creek Redwood State Park within Humboldt County. Such acreage as may be necessary in the judgment of the Secretary for this conveyance, and for a buffer thereof, shall be deemed to be a publicly owned highway for purposes of section 101(a)(2) of this amendment effective on the date of enactment of this section.".

(6) In subsection 3(e), delete "sixty days" in the last sentence and add the following sentences at the end of the subsection: "Effective on the date of enactment of this sentence, there are made available from the amounts provided in section 10 herein or as may be hereafter provided such sums as may be necessary for the acquisition of interests in land. Effective on October 1, 1978, there are authorized to be appropriated such sums as may be necessary for the implementation of contracts and cooperative agreements pursuant to this subsection: *Provided*, That it is the express intent of Congress that the Secretary shall to the greatest degree possible insure that such contracts and cooperative agreements provide for the maximum retention of senior employees by such owners and for their utilization in rehabilitation and other efforts. The Secretary, in consultation with the Secretary of Agriculture, is further authorized, pursuant to contract or cooperative agreement with agencies of the Federal Executive, the State of California any political or governmental subdivision thereof, any corporation, not-for-profit corporation, private entity or person, to initiate, provide funds, equipment, and personnel for the development and implementation of a program for the rehabilitation of areas within and upstream from the park contributing significant sedimentation because of past logging disturbances and road conditions, and, to the extent feasible, to reduce risk of damage to streamside areas adjacent to Redwood Creek and for other reasons: *Provided*, That authority to make payments under this subsection shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts. Such contracts or cooperative agreements shall be subject to such other conditions as the Secretary may determine necessary to assure the adequate protection of Redwood National Park generally, and to provide employment opportunities to those individuals affected by this taking and to contribute to the economic revival of Del Norte and Humboldt Counties in northern California. The Secretary shall undertake and publish studies on erosion and sedimentation originating within the hydrographic basin of Redwood Creek with particular effort to identify sources and causes, including differentiation between natural and man-aggravated conditions, and shall adapt his general management plan to benefit from the results of such studies. The Secretary, or the Secretary of Agriculture, where appropriate, shall also manage any additional Federal lands under his jurisdiction that are within the hydrographic basin of Redwood Creek in a manner which will minimize sedimentation which could affect the park, and in coordination with plans for sediment management within the basin. To effectuate the provisions of this subsection, and to further develop scientific and professional information and data concerning the Redwood Forest ecosystem, and the various factors that may affect it, the Secretary may authorize access to the area subject to this subsection by designated representatives of the United States.".

(b) The first section of the Act of August 18, 1970 (84 Stat. 825), is amended by adding the following: "Congress further reaffirms, declares, and directs that the promotion and regulation of the various areas of the National Park System, as defined in section 2 of this Act, shall be consistent with and founded in the purpose established by the first section of the Act of August 25, 1916, to the common benefit of all the people of the United States. The authorization of activities shall be construed and the protection, management, and administration of these areas shall be conducted in light of the high public value and integrity of the National Park System and shall not be exercised in derogation of the values and purposes for which these various areas have been established, except as may have been or shall be directly and specifically provided by Congress.".

(c) Notwithstanding any provision of the Act of October 2, 1968, supra, the vesting in the United States of all right, title, and interest in, and the right to immediate possession of, all real property and all down tree personal property within the area indicated as "Proposed Additions" on the map entitled "Additional Lands, Redwood National Park, California," numbered 167–80005–D and dated March 1978 as established by subsection (a)(4) of the first section of this Act, shall be effective on the date of enactment of this section. The provisions of subsection 3(b)(3) of the Act of October 2, 1968, supra, shall also relate to the effective date of this section. From the appropriations authorized for fiscal year 1978 and succeeding fiscal years such sums as may be necessary may be expended for the acquisition of lands and interests in lands, and down tree personal property, authorized to be acquired, or acquired, pursuant to the provisions of this Act.

SEC. 102. (a) The Secretary, in consultation with the Secretaries of Agriculture, Commerce, and Labor, shall conduct an analysis of appropriate Federal actions that may be necessary or desirable to mitigate any adverse economic impacts to public and private segments of the local economy, other than the owners of properties taken by this Act, as a result of the addition of property to Redwood National Park under the first section of this Act. The Secretaries shall also consider the benefits of making grants or entering into contracts or cooperative agreements with the State of California or Del Norte and Humboldt counties as provided by subsection (b) for the purpose of development and implementation of a program of forest resource improvement and utilization, including, but not limited to, reforestation, erosion control and other forest land conservation measures, fisheries and fish and wildlife habitat improvements, and wood energy facilities. Not later than January 1, 1979, the Secretary shall submit to the Speaker of the House of Representatives and the President of the Senate a report of his analysis, including his recommendations with respect to actions that should be taken to mitigate any significant short-term and long-term adverse effects on the local economy caused by such addition.

(b) The Secretary of Commerce and the Secretary of Labor, in consultation with the Secretary, and pursuant to his study, shall apply such existing programs as are necessary and appropriate to further mitigate identified employment and other adverse economic impacts on public and private segments of the local economy, other than with regard to the payment of just compensation to the owners of properties taken by this Act and by the Act of October 2, 1968, supra. In addition to the land rehabilitation and employment provisions of this Act, which should have a substantial positive economic effect on the local economy, the Secretaries of Commerce and Labor are further authorized and directed to implement existing authorities to establish employment programs, pursuant to such grants, contracts and cooperative agreements with agencies of the Federal Executive, the State of California, any political or governmental subdivision thereof, any corporation, not-for-profit corporation, private entity or person, for the development and implementation of such programs, as, in the discretion of the Secretaries of Commerce and Labor, may be necessary to provide employment opportunities to those individuals affected by this taking and to contribute to the economic revival of Del Norte and Humboldt Counties, in northern California. Effective on October 1, 1978, there are authorized such sums as may be necessary to carry out the employment and economic mitigation provisions of this Act: *Pro-*

vided, That the authority to make payments under this section shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

(c) The Secretary of Agriculture within one year after the date of enactment of this Act, shall prepare and transmit to Congress a study of timber harvest scheduling alternatives for the Six Rivers National Forest. Such alternatives shall exclude the timber inventories now standing on units of the Wilderness Preservation System and shall be consistent with laws applicable to management of the national forests. In developing the alternatives, the Secretary shall take into consideration economic, silvicultural, environmental, and social factors.

PREFERENTIAL HIRING

SEC. 103. (a) In order to utilize the skills of individuals presently working in the woods and in the mills to the greatest degree possible to both ease the personal economic effects of this taking, and to assist in the necessary rehabilitation, protection, and improvement of lands acquired by this Act through implementation of sound rehabilitation and land use practices, the Secretary shall have power to appoint and fix the compensation of seven full-time and thirty-one temporary personnel to assist in carrying out such programs necessary for the protection and enhancement of Redwood National Park. In filling these positions, preference shall be given to affected employees (as defined in Title II of this Act) for a period ending on September 30, 1984, notwithstanding applicable civil service laws and regulations.

(b) In order to effectively administer the expanded Redwood National Park created by this Act in a manner that will provide maximum protection to its resources and to provide for maximum visitor use and enjoyment to ease the local economic effects of this taking, the Secretary shall have power to appoint and fix the compensation of two full time and twenty temporary employees in the competitive service. In filling these positions, preference shall be given to affected employees (as defined in title II) for a period ending on September 30, 1984, notwithstanding applicable civil service laws and regulations. The Secretary shall further have power to appoint and fix the compensation of an additional thirty-two full-time and forty temporary employees in the competitive service as provided by this subsection at the time of the donation of those park lands or interests in land owned by the State of California as are within the boundaries of Redwood National Park as provided herein. In filling these positions, preference shall be given to those State employees affected by this transfer for a period not to exceed six years from the date of transfer; permanent State civil service employees shall be provided the opportunity to transfer to a comparable Federal civil service classification notwithstanding applicable civil service laws and regulations.

(c) An affected employee shall be given full consideration for certain civilian jobs as provided in this section both with the Federal Government and with those private employers that have certain undertakings or programs that involve Federal participation or approval for the period beginning on the date of enactment of this Act and ending September 30, 1984, if the positions will be primarily located in Humboldt or Del Norte Counties or other counties in California adjacent thereto, and if the employee is otherwise qualified under this section.

(d)(1) Any Federal agency that is creating or filling a civilian Federal job that is within the scope of clause (2)(A) of this subsection, pursuant to contract, civil service merit system, or otherwise, that will be primarily located in Humboldt or Del Norte Counties, California, or other counties in California adjacent thereto, must provide notice in advance of the availability of that job and must provide qualified affected employee applicants for these positions with full consideration for these positions if the further conditions set forth in clause (2)(B) of this subsection are met. The notice required by this paragraph shall be as provided by applicable law and regulation through the offices of the Employment and Training Services located in Humboldt and Del Norte Counties, California, and through such other means as are likely to gain the attention of affected employees.

(2) Consideration for employment under this section shall be provided under the following conditions:

(A) the job involves skills and training that could reasonably be expected to have been gained by individuals who have been employed as logging and related woods employees or sawmill, plywood, and other wood processing employees, or office employees, or that can reasonably be expected to be gained while so employed, or pursuant to retraining as provided herein; and

(B) the applicant has the ability, or can reasonably be expected to have the ability after appropriate training of reasonable duration as further provided herein, to perform the duties of the job: *Provided*, That the full consideration shall not be required with respect to those affected employee applicants requiring training in a situation where the schedule for completion of the work is such that the period during which said employee can reasonably be expected to work following completion of training is determined by the Secretary to be incommensurate with the time and funds required to provide said employee with the necessary training.

(e)(1) Any Federal agency involved in the manner provided herein with a private employer responsible for filing an employment position that is within the scope of clause (2)(A) of subsection (d), above, that will be primarily located in Humboldt or Del Norte Counties, or other counties in California adjacent thereto, is directed to require that any Federal contracts, grants, subsidies, loans, or other forms of funding assistance, and any Federal lease, permit, license, certificate, or other entitlement for use, not constituting an existing property right as of the date of enactment of this Act, that is a condition to or a requirement of the conduct of harvesting and related activities or replanting and land rehabilitation or the conduct of wood processing and related activities or the conduct of highway construction and related activities shall be subject to and conditioned upon said private employer giving full consideration to affected employees as provided herein.

(2) Any private employer who participates with a Federal agency in the manner described above and who is, accordingly, subject to the requirements as provided herein, shall—

(A) provide notice of the availability of those jobs described in subsection (d)(2)(A) in the manner generally provided by subsection (d)(1); and

(B) provide full consideration to qualified affected employee applicants for these positions if the further conditions established by clause (2)(B) of subsection (d) are met.

(f) The Secretary is directed to seek and authorized to enter into agreements with affected employers and industry employers providing that full consideration shall be given with respect to the employment of affected employees who had been employed by affected employers in jobs that may become available in Humboldt and Del Norte Counties and other counties adjacent thereto. The execution and carrying out of such an agreement, or the giving of full consideration to the employment of affected employees under subsection (c) of this section, shall not subject an employer to any additional liability or obligations under any Federal or State equal employment law, rule, regulation or order.

(g)(1) The Secretary, except as otherwise provided, shall be responsible for the implementation of this section and—

(A) is authorized and directed to make needed training available, upon application, to an affected employee applicant who, although not presently qualified for a position, can be reasonably expected to be qualified after appropriate training;

(B) is authorized to take such actions as may be necessary to ensure that an affected employee is not denied full consideration because of the need for training where there is no substantial reason to believe that the applicant would be unable to perform the duties of the job after proper training. If the job is one which must be filled while the affected employee would be in training, the Secretary shall encourage the employer to fill the job only on a temporary basis subject to the successful completion of the training by the affected employee;

(C) shall require that, in a case in which two or more affected employee applicants have approximately equal qualifications for a job for which they are to receive full consideration, that applicant with the greatest creditable service shall be given preference among those applicants entitled to full consideration;

(D) upon the filing of a complaint by an employee who alleges that said employee's rights to full consideration were disregarded, the Secretary shall make a finding on the merits of such complaint. If it is determined that there has been noncompliance with this section, the Secretary shall take such action as may be appropriate to correct the situation.

(2) To assist in implementing this section, agencies shall notify the Secretary, in advance, of any job opening as provided for by subsection (d) and of any Federal commitment as provided for by subsection (e).

(3) The Secretary shall—

(A) seek the cooperation of the State of California and the county and local governments within Humboldt and Del Norte Counties in the implementation of the provisions of this section and in the adoption of similar provisions for full consideration of affected employees with regard to State, county, and local jobs and activities.

(B) appoint, from among nominees proposed by certified or recognized unions representing employees, a person or persons who shall serve as the Secretary's liaison with employees and their union and as consultant to the Secretary with regard to the administration of those provisions of this Act for which the Secretary is responsible.

(h) An employee, a group of employees, a certified or recognized union, or an authorized representative of such employee or group, aggrieved by any determination by the Secretary under this Act shall be entitled to judicial review of such determination in the same manner and under the same conditions as provided by section 250 of The Trade Act of 1974 (88 Stat. 2029).

(i) Nothing in this section shall be construed to affect any additional or alternative rights under a law, regulation, or contract (including, but not limited to, veteran preference and contracts between private employers and unions) in effect as of the date of enactment of this Act, and the implementation of this section shall be carried out in accord with applicable civil service laws and regulations except as otherwise provided for in this section. Employees appointed to Fed-

eral jobs pursuant to this section shall have their compensation fixed at rates not to exceed that now or hereafter prescribed for the highest rate of grade 15 of the General Schedule under section 5332 of title 5, United States Code.

SEC. 104. (a) The Secretary shall submit an annual written report to the Congress on January 1, 1979, and annually thereafter for ten years, reporting on the status of payment by the Secretary for real property acquired pursuant to section 101(a)(4) and section 101(a)(2) of this amendment; the status of the actions taken regarding land management practices and watershed rehabilitation efforts authorized by section 101(a)(6) and section 102(b) of this amendment; the status of the efforts to mitigate adverse economic impacts as directed by this Act; this status of National Park Service employment requirements as authorized by section 103 of this amendment; the status of the new bypass highway and of the agreement for the donation of the State park lands as contemplated by section 101(a)(5) of this amendment; and, the status of the National Park Service general management plan for the park.

(b) No later than January 1, 1980, the Secretary shall submit to the Committee on Interior and Insular Affairs of the House of Representatives, and to the Committee on Energy and Natural Resources of the Senate, a comprehensive general management plan for Redwood National Park, to include but not be limited to the following:

(1) the objectives, goals, and proposed actions designed to assure the preservation and perpetuation of a natural redwood forest ecosystem;

(2) the type and level of visitor use to be accommodated by the park, by specific area, with specific indications of carrying capacities consistent with the protection of park resources;

(3) the type, extent, and estimated cost of development proposed to accommodate visitor use and to protect the resource, to include anticipated location of all major development areas, roads, and trails;

(4) the specific locations and types of foot trail access to the Tall Trees Grove, of which one route shall, unless shown by the Secretary to be inadvisable, principally traverse the east side of Redwood Creek through the essentially virgin forest, connecting with the roadhead on the west side of the park east of Orick.

SEC. 105. Effective on October 1, 1978, there are hereby authorized to be appropriated $33,000,000 to carry out the rehabilitation provisions of this Act.

SEC. 106. (a) Notwithstanding any contrary provision of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality", approved October 20, 1976 (90 Stat. 2662), the Secretary is authorized and directed to make payments on a fiscal year basis to each unit of local government, in the manner provided by the Act of October 20, 1976, in which lands owned by the United States within Redwood National Park are located. Such payments may be used for any governmental purpose. The amount of such payments shall be computed as provided in subsections (b) and (c).

(b) Payment made for any fiscal year to a unit of local government shall include that amount determined pursuant to the provisions of section 2 of the Act of October 20, 1976.

(c) Payment made for any fiscal year to a unit of local government shall also include that amount determined pursuant to the provisions of section 3 of the Act of October 20, 1976: *Provided, however,* That any amount computed as provided by section 3(c)(1) of the Act of October 20, 1976, but not paid because of the limitation of subsection (c)(2) and subsection (d) of that section shall be carried forward and shall be applied to future years in which this portion of the total payment would not otherwise equal the amount of real property taxes assessed and levied on such property during the last full fiscal year before the fiscal year in which such land or interest was acquired for addition to Redwood National Park until such amount is exhausted.

(d) The Redwoods Community College District shall be considered as an affected school district for purpose of section 3(a) of the Act of October 20, 1976, as amended herein.

SEC. 107. The Secretary is further authorized, and the Congress specifically directs that it shall be a purpose of this Act, that the community services and employment opportunities provided by Redwoods United, Incorporated, a nonprofit corporation located in Manila, California, shall be maintained at the present rate of employment to the greatest degree practicable.

SEC. 108. The Congress further acknowledges and directs that the full faith and credit of the United States is pledged to the prompt payment of just compensation as provided for by the fifth amendment to the Constitution of the United States for those lands and properties taken by this Act.

SEC. 109. Unless otherwise indicated hereinbefore, a reference to the Secretary will refer to the Secretary of the Department of the Interior, except in subsections 103(d) through 103(i), where a reference to the Secretary will refer to the Secretary of the Department of Labor.

TITLE II

DEFINITIONS

SEC. 201. As used in this title, the term—

(1) "Secretary" unless otherwise indicated, means the Secretary of the Department of Labor;

(2) "expansion area" means the area indicated as "Proposed Additions" (exclusive of the park protection zone) on the map entitled "Additional Lands, Redwood National Park, Humboldt County, California", numbered 167–80005–D and dated March 1978. The number of acres authorized to be included within the expansion area is forty-eight thousand acres, as further provided herein;

(3) "employee" means a person employed by an affected employer and, with such exceptions as the Secretary may determine, in an occupation not described by section 13(a)(1) of the Fair Labor Standards Act (29 U.S.C. 213(a)(1));

(4) "contract employees" are employees performing work pursuant to a contract or agreement for services within or directly related to the expansion area between an affected contract employer and an affected woods employer;

(5) "industry employer" means a corporation, partnership, joint venture, person, or other form of business entity (including a predecessor or successor by purchase, merger, or other form of acquisition), of which a working portion or division is an affected employer;

(6) "affected employer" means a corporation, partnership, joint venture, person, or other form of business entity (including a predecessor or a successor by purchase, merger, or other form of acquisition), or a working portion or division thereof, which is engaged in the harvest of timber or in related sawmill, plywood and other wood processing operations and which meets the qualifications set forth in the definition of affected woods employer, affected mill employer, or affected contract employer;

(7) "affected woods employer" means an affected employer engaged in the harvest of redwood timber who owns at least 3 per centum of the number of acres authorized to be included within the expansion area on January 1, 1977, and on the date of enactment of this section: *Provided,* That an affected woods employer shall be only that major portion or division of the industry employer directly responsible for such harvesting operations;

(8) "affected mill employer" means an affected employer engaged in sawmill, plywood, and other wood processing operations in Humboldt or Del Norte Counties in the State of California who has either (A) obtained 15 per centum or more of its raw wood materials directly from affected woods employers during calendar year 1977, or (B) is a wholly owned mill of an affected woods employer: *Provided,* that an affected mill employer shall be only that major portion or division of the industry employer directly responsible for such wood processing operations;

(9) "affected contract employer" means an affected employer providing services pursuant to contract with an affected woods employer, if at least 15 per centum of said employer's employee-hours worked during calendar year 1977 were within or directly related to the expansion area pursuant to such contract or contracts;

(10) "covered employee" means an employee who—

(A) had seniority under a collective bargaining agreement with an affected employer as of May 31, 1977, has at least twelve months of creditable service as of the date of enactment of this section and had performed work for one or more affected employers on or after January 1, 1977, or

(B) has performed work for one or more affected employers for at least one thousand hours from January 1, 1977, through the period to the date of enactment of this section, and has a continuing employment relationship with an affected employer, as determined by the Secretary, as of the date of enactment of this section or, if laid off on or after May 31, 1977, had such a relationship as of the date of such layoff;

(11) "affected employee" means a covered employee who is either totally or partially laid off by an affected employer within a time period beginning on or after May 31, 1977, and ending September 30, 1980, unless extended, as provided in Section 203, or is determined by the Secretary to be adversely affected by the expansion of the Redwood National Park. An employee shall be deemed adversely affected as of the date of the employee's layoff, downgrading, or termination.

(12) "total layoff" means a calendar week during which affected employers have made no work available to a covered employee and made no payment to said covered employee for time not worked, and "partial layoff" means a calendar week for which all pay received by a covered employee from affected employers is at least 10 per centum less than the layoff or vacation replacement benefit that would have been payable for that week had said covered employee suffered a total layoff: *Provided,* That the terms "total layoff" and "partial layoff" shall also apply to a covered employee who had received any workers' compensation benefits or unemployment compensation disability benefits after said covered employee becomes able to work and available for work and is otherwise within the meaning of total layoff and partial layoff as defined in this paragraph;

(13) "Federal agency" has the same meaning as "agency" in section 552(c) of title 5, United States Code:

(14) "suitable work" shall be defined—

(A) as set forth in the California Unemployment Insurance Code, or Federal law if applicable, unless otherwise more restrictively defined by the Secretary, taking into account the unique characteristics of logging and related work; and

(B) with respect to an employee who has completed retraining paid for by the Secretary, as a job paying no less than the prevailing wage rate in the area for the occupation for which said employee was retained; or

(C) as a job comparable with that which said employee would be required to accept pursuant to the seniority provisions of the applicable collective-bargaining agreement (or, if not covered by such an agreement, in accordance with the usual practice of the affected employer);

(15) "seniority" with respect to an employee covered by a collective-bargaining agreement with an affected employer, shall be determined as provided in such agreement and shall be deemed to refer to company seniority, if the agreement provides for such seniority and, otherwise, to plant seniority;

(16) "continuous service" with respect to employees not having seniority under a collective-bargaining agreement with an affected employer or an industry employer shall mean a period of time measured in months equal to the sum of all hours during which the employee performed work for said employer plus all hours for which the employee received pay for time not worked divided by one hundred and seventy-three;

(17) "performed work" shall include any time during which an employee worked for an affected employer or with respect to which an employee received pay from such an employer for time not worked, and shall also include any time during which an employee would have been at work for such an employer if not for service in the armed forces, for a leave (approved by the employer) for work with an employee organization, or for a disability for which said employee received workers' compensation disability compensation benefits provided under California law, or social security disability pension benefits: *Provided*, That contract employees shall be deemed to have performed work during the period of such service or disability only if—

(A) the employee worked within or directly related to the expansion area immediately prior to the occurrence of such service or disability and

(B) the employee returned or sought to return to work for an affected contract employer immediately after the end of the service or disability if that was prior to the date of enactment.

The term "work performed", when used in relation to a period of time, shall also be deemed to include any period during which an employee is deemed to have performed work;

(18) "terminal pay" means the payments to employees provided for in sections 207, 208, and 209 which, regardless of the designations used herein to distinguish among them are intended and shall be deemed to be severance pay and, as such, shall be treated for Federal income tax and State unemployment insurance purposes in the same manner as is provided by California State law;

(19) Notwithstanding any other provision of this Act, the Secretary shall reduce the amount of terminal pay for an employee, as calculated pursuant to section 207, 208, or 209, by the amount of the Federal and State income taxes which would be required to be withheld by an employer from wages equal to such terminal pay if paid to an employee with the same number of income tax exemptions as the recipient. For purposes of determining the amounts of such reductions with respect to severance payments made pursuant to sections 208 and 209, said severance payments shall be prorated over the number of weeks the equivalent sums would have been paid if the employees were eligible for and claiming the weekly layoff benefits provided in section 207. The Secretary shall withhold social security contributions from terminal pay in the same amounts as would be withheld if such pay (before the reductions provided for in this subsection) were wages and the Secretary shall make contributions on behalf of employees receiving terminal pay to the trust funds created under section 201 of the Social Security Act equal to the contributions required to be made by an employer paying wages equal to such unreduced terminal pay; and

(20) "Sixty-fifth birthday" means the last day of the month in which the sixty-fifth birthday occurs.

SEC. 202. The Secretary is authorized to develop the necessary procedures to implement this title.

AFFECTED EMPLOYEES

SEC. 203. The total or partial layoff of a covered employee employed by an affected employer during the period beginning May 31, 1977, and ending September 30, 1980, other than for a cause that would disqualify an employee for unemployment compensation, except as provided in section 205, is conclusively presumed to be attributable to the expansion of Redwood National Park: *Provided*, That the Secretary may, for good cause, extend this period for any group of covered employees by no more than one year at a time after September 30, 1980. Any covered employee laid off during that period by an affected employer shall be considered an affected employee at any time said employee is on such layoff within the period ending September 30, 1984, or, if earlier, the end of said employee's period of protection as defined herein: *Provided, however*, That the number of affected employees with respect to an affected contract employer shall be limited in any week to that number of such employees otherwise affected as provided herein that is equal to the percentage of the affected employer's employee hours during calendar year 1977 that were worked within or directly related to the expansion area.

SEC. 204(a) The Secretary shall provide, to the maximum extent feasible, for retention and accrual of all rights and benefits which affected employees would have had in an employment with affected employers during the period in which they are affected employees. The Secretary is authorized and shall seek to enter into such agreements as he may deem to be appropriate with affected employees and employers, labor organizations representing covered employees, and trustees of applicable pension and welfare funds, or to take such other actions as he deems appropriate to provide for affected employees (including the benefits provided for in section 207(d)) the following rights and benefits:

(1) retention and accrual of seniority rights, including recall rights (or, in the case of employees not covered by collective bargaining agreements, application of the same preferences and privileges based upon length of continuous service as are applied under the affected employer's usual practices) under conditions no more burdensome to said employees than to those actively employed; and

(2) continuing entitlement to health and welfare benefits and accrual of pension rights and credits based upon length of employment and/or amounts of earnings to the same extent as and at no greater cost to said employees than would have been applicable had they been actively employed.

(b) The Secretary shall provide, additionally, for continuing entitlement to health and welfare benefits (other than group life and additional death, dismemberment, and loss of sight benefits) for employees who—

(1) retired from employment with an affected employer for reasons other than disability on or after May 31, 1977 but not later than September 30, 1984;

(2) are receiving pension benefits under a plan financed by industry employers;

(3) were age sixty-two or older but less than age sixty-five at the time of retirement; and

(4) are not eligible for benefits under title XVIII of the Social Security Act.

(c) The agreements described in subsection (a) of this section shall provide for the Secretary, effective October 1, 1977, to make payments on behalf of eligible affected employees including employees eligible for the benefits provided for in section 207(d) to the applicable pension and welfare trust funds and to insurance companies. Such payments may be made in the form of grants and/or contributions equivalent to the difference between the amounts payable by their affected employers and labor organizations pursuant to collective bargaining agreements (or, in the absence of such agreements, pursuant to established practice) and the amounts that would have been paid by their affected employers and their labor organizations had said employees worked or received pay for the periods for which they receive layoff benefits: *Provided*, That no payment shall be made to a pension fund on behalf of an employee who is receiving a pension from such fund. For purposes of determining the amounts of contributions calculated on the basis of worked or compensable hours, layoff and vacation replacement benefits shall be converted into the hours they represent in accordance with regulations to be issued by the Secretary.

(d) No person shall be subject to liability under the Employee Retirement Income Security Act of 1974, section 302 of the Labor-Management Relations Act, 1947, or any other law, solely by reason of the receipt of payments from the Secretary or the payment of benefits to affected employees in accordance with this section. Receipt of such payments and the payment of such benefits are deemed to be consistent with any relevant plan documents. No action taken pursuant to this section shall be deemed to place the Secretary in the position of an employer or a party in interest (including a fiduciary) for purposes of the Employee Retirement Income Security Act of 1974.

SEC. 205. (a) An application for unemployment compensation filed by a covered employee on or after the first Monday following the date of enactment shall be deemed an application for the benefits provided by this Act.

(b) An affected employee shall be eligible (unless said employee has received a social security retirement or disability benefit or a pension under a plan contributed to by an affected employer) for layoff and vacation replacement benefits, as defined herein, effective the first Monday following the date of enactment, for each week of total or partial layoff if, with respect to said week, said employee—

(1) is registered with the United States Employment and Training Service in Humboldt or Del Norte Counties or one of the adjacent counties in the State of California or at such other location as the Secretary may designate;

(2) is eligible for unemployment compensation benefits under the California Unemployment Insurance Code: *Provided*, That

the Secretary is authorized and directed to provide for the payment of benefits under this title to an affected employee who is held ineligible or is disqualified for benefits under said code solely because of one or more of the following reasons: insufficient base period earnings; exhaustion of benefit rights; earnings in excess of the amount which would entitle the employee to a partial benefit for the week; the waiting week requirement; unavailability for work because of jury duty, National Guard duty, retraining authorized, financed or approved by a public agency, or because of a similar reason as determined by the Secretary; refusal of work which is not "suitable work" as defined in section 201 (14); receipt of a worker's compensation or other benefit for partial disability which the employee would be entitled to receive while working; and any other cause of ineligibility with respect to which the Secretary determines that, under the circumstances, it would be unreasonable or otherwise contrary to the purpose of this Act to deny said employee a benefit provided for herein; and

(3) the employee's period of protection has not been exhausted or otherwise ended by acceptance of a severance payment.

SEC. 206. (a) The period of protection for an affected employee shall start with the beginning of the first week for which said employee is eligible to receive a layoff or vacation replacement benefit as provided by this title, and shall continue until the earliest of (i) the date said employee accepts a severance payment provided for below, (ii) a period equal to the length of the employee's creditable service is exhausted, or (iii) said employee's sixty-fifth birthday. In no event shall such period extend beyond September 30, 1984, except as provided by subsection (d) of section 207.

(b) Creditable service shall be computed as follows:

(1) A period equal to the length of an employee's seniority (or continuous service as defined herein) with said employee's last affected employer as of the date said employee's period of protection begins; plus

(2) A period equal to the sum of all prior periods during which the employee had seniority (or continuous service) with the same affected employer and with other industry employers: *Provided*, That if such seniority was broken (or such continuous service was interrupted) for more than three consecutive years for any reason other than employment with other affected or industry employers, periods of service in the Armed Forces or disabilities for which said employee received any workers' compensation benefits, unemployment compensation disability benefits, or disability benefits under the Social Security Act, any periods of seniority (or continuous service) prior to the break in seniority (or interruption in continuous service) shall be disregarded.

(c) If necessary, in order to establish an employee's creditable service, the Secretary shall request authorization to examine said employee's social security wage record and shall compute such service from it by a method to be prescribed by regulation.

SEC. 207. (a) Except as further provided in this section, the amount of an eligible employee's weekly layoff benefit shall be equal to (1) the annual average of all hours of work performed by said employee for the last affected employer or whom the employee worked prior to the date of enactment of this section during those three of the five calendar years immediately preceding said date during which such hours were greatest, counting hours paid for at time and a half and double time as one and one-half and two hours, respectively, multiplied by (2) the wage rate applicable, during the week for which the benefit is payable, to the highest paid job held by said employee, other than by temporary assignment, with said affected employer during the period from January 1, 1977, through the date of enactment of this section, and divided by (3) fifty-two.

(b) The weekly benefit amount for an eligible employee with less than five calendar years of employment with one affected employer immediately prior to the enactment date shall be equal to the lesser of—

(1) the average benefit that would be payable with respect to the same week to those covered employees (if they were eligible in the same week) who had five or more calendar years of employment with the same affected employer (in accord with subsection (a) of this section) whose benefit amounts are computed on the basis of the wage rate for a job the same as, or most similar to, the highest paid job said employee had held, other than by temporary assignment, with said affected employer during the period from January 1, 1977, through the date of enactment of this section, or

(2) an amount calculated by substituting in clause (1) of subsection (a) the annual average of all hours of work performed by said employee for said employer during those calendar years for which said employee had performed work and throughout which he had seniority (or continuous service).

(c) Notwithstanding subsections (a) and (b), the Secretary shall classify as a "seasonal employee" any affected employee whose highest paid job held, other than by temporary assignment, with said affected employer during the period from January 1, 1977, through the date of enactment of this section was in an occupation in which the average annual number of weeks during which work was actually performed by all covered employees employed in said occupation during the five calendar years preceding the enactment date was forty or less. With respect to such seasonal employees—

(1) the calculation of benefit amount set forth in subsection (a) shall be modified by—

(A) deducting from the hours for which said employee received pay those hours representing vacation pay and vacation pay increments and;

(B) substituting for the fifty-two provided in clause (3) of subsection (a) a divisor equal to the average annual number of weeks for which said employee performed work for an affected employer in said occupation during those three of the five calendar years immediately preceding the date of enactment during which the number of such weeks was greatest: *Provided*, That this calculation shall be modified in accord with subsection (b) with respect to those employees who had less than five calendar years of employment with one affected employer immediately prior to the date of enactment of this section.

(2) the number of weekly benefits payable in any calendar year shall not exceed the annual average number of weeks for which a seasonal employee received pay from an affected employer for work performed in the employee's occupation, as established by paragraph (1)(B), and shall be payable only during those weeks of each year determined by the Secretary to be the usual season for that occupation;

(3) vacation pay and vacation pay increments shall be paid in the same amounts and at the same times of each year as they would have been paid had said employee performed work during all of the time for which said employee receives layoff benefits. Such pay is referred to herein as "vacation replacement benefits".

(d) Notwithstanding any other provision of this Act, the benefits for any affected employee who will reach the age of sixty on or before September 30, 1984, shall be extended after the end of the employee's period of protection (unless severance pay has been accepted) until the employee's sixty-fifth birthday, and shall be equal to said employee's weekly layoff benefit.

(e) The benefit amount provided by this section for any week of total or partial layoff shall be reduced by—

(1) the full amount of any earnings, including pay for time not worked with respect to the same week, from employment obtained pursuant to section 103, or employment by employers engaged in timber harvesting, or in related sawmill, plywood, and other wood processing operations;

(2) 50 per centum of earnings and pay for time not worked from any other employer with respect to that week; and

(3) the full amount of any unemployment compensation attributable to that week.

SEC. 208. (a) An affected employee (other than a short-service employee described in subsection (a) of section 209) shall be paid severence pay in accordance with this section if said employee:

(1) has been on a continuous layoff from employment with the employee's last affected employer for a period of at least twenty weeks subsequent to December 31, 1977;

(2) has no definite recall date for work with the affected employer by whom the employee was laid off and no offer of suitable work by any affected employer; and

(3) applies for severance pay during a week with respect to which said employee has not performed work for an affected employer: *Provided*, That this clause shall not result in denial of severance pay to an otherwise eligible employee who at the time of application is totally and permanently disabled as defined in the Social Security Act; or

(4) was permanently separated from employment with an affected employer during the period beginning May 31, 1977, and ending on the date of enactment of this Act, as a result of the closure of the mill or plant in which said employee was employed and has not, since said separation, been employed by an affected employer: *Provided*, That an employee shall be deemed an affected employee for purposes of this section if said employee meets the requirements of clauses (1), (2), and (3) of section 204(b).

(b) The amount of severance pay payable to an employee shall be computed by multiplying the applicable number of weeks determined in accordance with subsection (c) by the amount of the weekly layoff benefit (without reduction for earnings or other benefits) which is payable, or would be payable if the employee were eligible, for the week in which the application was filed: *Provided*, That for a seasonal employee the amount so calculated, plus the amount of vaction replacement benefits applicable for that year shall be multiplied by the number of weeks in said employee's usual season, as determined in section 207(c), and the result divided by fifty-two.

(c) The number of weeks of severance pay shall be equal to one week for each month of the employee's creditable service up to a maximum of seventy-two weeks: *Provided*, That the severance payment to any employee shall not exceed the total amount of the weekly layoff and vacation replacement benefits which would have been payable if said employee were to be eligible for such benefits continuously from the week of application until the end of the applicable period of protection (or, in the case of an employee described in the final proviso of subsection (a), until the earlier of said employee's sixty-fifth birthday or September 30, 1984), calculated on the basis of the weekly amounts of such benefits as of the date of application for severance pay.

(d) Acceptance of severance pay terminates the affected employee's period of protection and makes said employee ineligible thereafter for all other forms of terminal

pay and for the protections provided in section 204, except as otherwise specifically provided in this Act.

(e) Before making a severance payment to an employee, the Secretary shall obtain said employee's written agreement that, upon resumption of employment in the industry within Humboldt and Del Norte Counties and the counties adjacent thereto in the State of California prior to September 30, 1980, or such later date established by the Secretary with respect to said employee pursuant to section 203, said employee will return it in weekly installments equal to a specified percentage of the employee's earnings in the industry, which the Secretary shall set at a reasonable level. The agreement shall include authorization for the Secretary to arrange with an employer for withholding of the applicable amounts from the employee's pay.

SHORT-SERVICE EMPLOYEES

SEC. 209. (a) Notwithstanding any other provision of this Act, an affected employee as defined in this title shall be ineligible for any benefit under this title except as provided in this section if:

(1) said employee will not reach age sixty before October 1, 1984; and

(2) said employee as of the date of becoming an affected employee, does not have service credit for pension purposes of at least five full years under a pension plan contributed to by industry employers.

(b) An affected employee described in subsection (a) shall be paid severance pay in accordance with this section if said employee meets the requirements of section 208(a).

(c) Said employee shall be paid a severance payment equal to forty times the hourly wage rate applicable at the time of application for severance pay to the highest paid job held by said employee, other than by temporary assignment, during calendar year 1977, with the employee's last affected employer for each one hundred and seventy-three hours for which said employee performed work for affected employers.

(d) Subsection (d) of section 208 shall be applicable to employees applying for and accepting severance payments pursuant to this section except that such employees shall remain eligible for allowances provided for in sections 211 and 212, and for retraining as provided for in section 210(a) and while in good faith engaged in such training shall be paid the same stipends and allowances as are generally applicable to individuals engaged in such retraining programs who are not employees as defined in this Act.

RETRAINING

SEC. 210. (a) An affected employee is eligible to apply for and the Secretary shall authorize training (including training for technical and professional occupations) at Government expense during said employee's period of protection if—

(1) the Secretary determines that there is no suitable employment available for the employee within a reasonable commuting area; and

(2) there is substantial reason to believe that the employee's employment prospects would be enhanced after successful completion of the training for which application has been filed.

(b) An affected employee engaged in training authorized by subsection (a) shall be paid layoff and vacation replacement benefits while in good faith engaged in such training and shall continue to be paid such benefits while so engaged.

SEC. 211. Upon application filed by an affected employee during said employee's period of protection, said employee shall be eligible for a job search allowance under the same terms, conditions, and amounts as provided in section 237 of the Trade Act of 1974 (19 U.S.C. 2297).

SEC. 212. (a) A relocation allowance shall be paid upon application by an affected employee during the applicable period of protection if—

(1) the Secretary determines that said employee cannot reasonably be expected to obtain suitable work in the commuting area in which said employee resides; and

(2) the employee has obtained—

(A) suitable employment affording a reasonable expectation of long-term duration in the area in which said employee wishes to relocate; or

(B) a bona fide offer of such employment; or

(3) the employee relocated during the period beginning May 31, 1977, and ending on the date of enactment, because of acceptance of employment requiring a change in residence to a location outside the commuting areas in which said employee resided immediately prior to becoming an affected employee.

(b) The Secretary shall provide the same moving expense benefits for the same purposes as are set forth in the Regional Rail Reorganization Act of 1973 (Public Law 93-236).

ADMINISTRATION

SEC. 213. (a) The Secretary shall be responsible for paying promptly all benefits and payments provided by this title.

(b) Effective October 1, 1977, there are authorized to be appropriated annually such sums as may be required to meet the obligations provided for in this title.

(c) The Secretary shall have the authority to obtain information necessary to carry out the responsibilities created under this Act in the same manner as provided by section 249 of the Trade Act of 1974 (19 U.S.C. 2321).

(d) The Secretary shall offer all reasonable cooperation and assistance to individuals who believe they may qualify for the benefits, payments, preferential hiring rights, and other protections provided for employees under this Act. Among other things, the Secretary shall—

(1) provide all covered employees with literature stating their rights and obligations in nontechnical terms; and

(2) develop and implement procedures for the filing (including filing by mail in appropriate circumstances as determined by the Secretary) of applications, appeals, and complaints relating to the rights and entitlements established for employees by this title designed to facilitate prompt determinations and prompt payment to eligible applicants.

(e) The Secretary shall direct that notices, reports, applications, appeals, and information concerning the implementation of this title required to be filed with the Secretary shall be filed at the offices of the United States Employment and Training Service in Humboldt and Del Norte Counties of the State of California and that information required to facilitate employees' exercise of their rights under this title shall be kept available at such offices unless the Secretary shall designate additionally.

(f) In all cases where two or more constructions of the language of this title would be reasonable, the Secretary shall adopt and apply that construction which is most favorable to employees. The Secretary shall avoid inequities adverse to employees that otherwise would arise from an unduly literal interpretation of the language of this title.

And the Senate agree to the same.

PHILLIP BURTON,
MORRIS K. UDALL,
ROBERT W. KASTENMEIER,
PAUL E. TSONGAS,
JOHN KREBS,
KEITH G. SEBELIUS,
Managers on the Part of the House.

JAMES ABOUREZK,
HENRY M. JACKSON,
SPARK M. MATSUNAGA,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3813) to amend the Act of October 2, 1968, an Act to establish a Redwood National Park in the State of California, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

MAJOR PROVISIONS

1. Map reference

The conferees adopted a revised map reference date and number. The new map reference is necessary to permit the correct labeling of both the additional lands added to the park, as well as the park protection zone. Except for the necessary relabeling, no other changes are made in the map, so that the boundaries for the expanded park and the park protection zone remain exactly as previously approved by the Senate and House.

2. State park credit

The conferees deleted a paragraph included in the measure as passed by the House which would have permitted the State of California to receive a credit for purposes of matching future grants from the Land and Water Conservation Fund for a portion of its acquisition costs of the State parks, upon donation of the state parks included in Redwood National Park in 1968. The conferees agreed that the issue of compensating state governments for donations of lands within national parks is a policy matter of sufficient gravity to merit separate consideration, and removed the issue from discussion as a part of the specific park expansion treated in this measure.

3. Park protection zone

Both the House and Senate included an area of approximately 30,000 acres upstream from the park boundaries within which the Secretary would have authority to acquire lands. The House provided general authority to acquire lands except for those lands owned by an affected woods employer which could only be acquired after a finding by the Secretary that failure to acquire the lands could result in physical damage to park resources. The Senate required such a finding prior to any acquisition. The conferees agreed to the Senate requirement that all lands be treated alike as a matter of equity, but did authorize the Secretary to acquire lands from a willing seller without the finding.

The House version provided for general administration of such lands under the Federal Land Policy and Management Act of 1976 (the BLM Organic Act) in a manner which will maximize the protection of park resources and provided that acquisition of a parcel will not affect the rights which adjacent landowners have to their lands, nor would such acquisition justify additional acquisition. The Senate had provided only that the lands acquired would be managed to protect park resources.

The conferees agreed to the House provision with a minor modification, and noted that the language relating to peaceful use and enjoyment does not confer on any landowner any rights and responsibilities which the landowner did not previously have, nor would it detract from those rights and responsibilities.

The Park Protection Zone is designed to protect the expanded park. Acquisition of a parcel of land under the authority of this provision will not serve to authorize additional acquisition to protect the parcel just acquired, nor provide the Secretary with

any additional legal rights against lands adjacent thereto.

4. Removal of down timber

The House included a provision section 101(a)(4) which provides for the removal of down timber not acquired by the taking subject to reasonable terms and conditions to prevent damage to second growth or excessive sedimentation with particular attention to stream beds. The provision also notes that the continuation of Redwoods United, Incorporated is a purpose of the Act. The Senate measure was silent, and the conferees agreed to the House provision. The conferees note that the companies should be afforded a reasonable time to remove down timber.

5. Court jurisdiction

The House provided for jurisdiction in the Court of Claims to resolve the issue of valuation under the legislative taking. The Senate adopted the Administration-proposed language vesting jurisdiction in the District Court for the district in which the land is located. The conferees agreed to adopt the Senate language.

6. Land and Water Conservation Fund

The House provided that funds to pay for the lands acquired by the Act would come from the Land and Water Conservation Fund and would not exceed $359 million. The Senate deleted the reference to the Land and Water Conservation Fund in accordance with the concerns of the Appropriations Committees to preserve the prerogative of Congress to determine how to fund the acquisition. The conferees agreed to the Senate provision and note that the claims and judgments fund, 31 U.S.C. 724a, is available for any judgments.

7. Economic assistance

Both Senate (Sec. 2(b) of S. 1976) and House (Sec. 102(b) of H.R. 3813) measures contained language to direct the Secretaries of Commerce and Labor to use existing programs to mitigate any adverse impact caused by the park expansion. The House measure included a provision authorizing appropriations for such programs. This provision was not in the Senate measure. The conferees adopted the House provision, modified to ensure that the language does not contain any authorization for new programs.

8. Preferential hire

The House included a provision ensuring full consideration for affected employees in employment with both private and public employers. The Senate addressed only potential Park Service employment, but afforded affected employees preference. The conferees agreed to the House language modified to include the Senate preference and clarified to avoid any ambiguities in the House language.

9. Binding arbitration

The House included language in section 103(h) for binding arbitration on any disputes with the Secretary of Labor. The Senate did not have a similar provision. The conferees agreed to the House provision, modified to eliminate binding arbitration and provide judicial review similar to that provided under the Trade Act.

10. Rehabilitation authorization

Both the House bill and the Senate amendment authorize funds to carry out the land rehabilitation provisions contained in the Act. The House bill authorized $12,000,000 for this purpose, while the Senate amendment provided $33,000,000 for the rehabilitation of lands.

The conference substitute adopts the Senate provision. The conferees intend the level of expenditure of these funds to occur over a period of years consistent with sound resource management practices.

11. Review of California laws

Section 109 of the House bill provided that the Secretary shall, by January 1, 1979, and within every three years thereafter through October 1, 1990, formally determine whether or not existing California laws, rules, and practices provide sufficient protection for the resources within Redwood National Park. The Senate did not have this provision.

The Conference Committee deleted this provision of the House Bill.

12. Employee protection provisions

The House included a title II designed to protect persons adversely affected by the park expansion. The Senate did not have such a provision. The conferees agreed to the House language, as modified to eliminate potential difficulties which may have arisen in the administration of title II.

13. Additional considerations

The conferees note, in addition, that the language in section 104(b)(4) relating to foot trail access to the tall trees is designed to ensure that the Secretary shall consider that particular route, but is not to be considered as binding. The conferees also note that the Department of Labor will need at least 6 additional positions to administer the provisions of title II.

It is intended in section 201(3) that the Secretary shall include as covered employees, persons identified as administrative or professional for purposes of the Fair Labor Standards Act, but who are not engaged in the performance of managerial functions, or functions directly auxiliary to management. For example, nurses and foremen should be determined to be covered employees even though they may be excluded from the minimum wage and overtime provision of FLSA.

In providing for preferential hiring of workers laid off as a result of Park expansion, the Committee realizes that employers may be placed in a dilemma with regard to their obligations under State and Federal equal employment laws, rules, regulations and orders. Good faith attempts to comply with the provisions of the Act with respect to preferential hiring under section 103(c) and (f) should not subject employers to liability under other conflicting law.

RESERVATION ON SELECTED ITEMS IN REPORT

Senator Hatfield signed the Conference Report with reservations as to the decision of the Conferees to include title II.

PHILLIP BURTON,
MORRIS K. UDALL,
ROBERT W. KASTENMEIER,
PAUL E. TSONGAS,
JOHN KREBS,
KEITH G. SEBELIUS,
Managers on the Part of the House.

JAMES ABOUREZK,
HENRY M. JACKSON,
SPARK M. MATSUNAGA,
MARK O. HATFIELD,
Managers on the Part of the Senate.

APPOINTMENT OF CONFEREES ON H.R. 9179, OVERSEAS PRIVATE INVESTMENT CORPORATION AMENDMENTS ACT OF 1977

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9179) to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. ZABLOCKI, FOUNTAIN, FASCELL, BINGHAM, RYAN, SOLARZ, CAVANAUGH, BROOMFIELD, FINDLEY, and WHALEN.

PROVIDING FOR CONSIDERATION OF H.R. 50, FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1057 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1057

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 50), a bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, two hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for the purpose of amendment under the five-minute rule and said substitute shall be read for amendment by titles instead of by sections. Immediately after title III of said substitute is read, it shall be in order to consider as an amendment in the nature of a substitute therefor the text of the amendment recommended by the Committee on Rules now printed on page 95, line 12 through page 103, line 7 of the bill in boldface roman. If said amendment recommended by the Committee on Rules is agreed to, it shall then be in order to consider without the intervention of any point of order the amendments informally recommended by the Committee on Rules to title I of said substitute now printed in part II of H. Rept. 95-895. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

This rule is an open rule, allowing 3 hours of general debate, 2 to be controlled by the Committee on Education and Labor and 1 to be controlled by the Committee on Rules, with the usual division, half and half, majority and minority.

It makes in order the offering of a substitute for title III, which I offered in the committee and will offer in the amendment stage of the bill. It also provides for a couple of conforming amendments to an earlier title if that amendment, that substitute for title III, is adopted.

There is nothing complicated or difficult about this rule. I am not aware of any major opposition to the rule itself, although of course the matter it brings up is very controversial and will be very hard fought. I therefore reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I thank the gentleman from Missouri for yielding. I yield myself such time as I may consume.

Mr. Speaker, although this is an open rule, it is rather complicated. It provides for the consideration of H.R. 50, the Full Employment and Balanced Growth Act of 1978, which is the bill commonly referred to as "Humphrey-Hawkins." Under the terms of the rule there will be 3 hours of debate, 2 hours to be controlled by the Committee on Education and Labor and 1 hour to be controlled by the Committee on Rules, since the Rules Committee has original jurisdiction over title III. (Section 402(a) of the Congressional Budget Act, which prohibits consideration of legislation authorizing new budget authority reported after the May 15 deadline, is waived. It is my understanding that the Education and Labor Committee will offer a floor amendment to correct this violation.)

The rule makes in order an amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the bill as an original bill for purposes of amendment. (This substitute is to be read by titles instead of sections.) Immediately after the reading of title III of the substitute, it will be in order to consider an amendment recommended by the Rules Committee in the nature of a substitute to title III of the Education and Labor Committee substitute. The Rules Committee amendment is now printed on page 95, line 12 through page 103, line 7 of the bill in boldface roman.

If the Rules Committee amendment is agreed to, it will be in order to consider without the intervention of any point of order the technical conforming amendments informally recommended by the Commitee on Rules to title I of the Education and Labor Committee substitute. The Rules Committee amendment is now printed on page 95, line 12 through page 103, line 7 of the bill in boldface roman.

If the Rules Committee amendment is agreed to, it will be in order to consider without the intervention of any point of order the technical conforming amendments informally recommended by the Committee on Rules to title I of the Education and Labor Committee substitute. The purpose of this is to bring title I into agreement with title III.

Finally, the rule permits a motion to recommit with or without instructions.

Much has been said and written about the Humphrey-Hawkins bill in the recent past. I have been told that the version of the legislation soon to be before us has been modified substantially since it was first introduced. Without debating this point, the current version includes four basic elements. Using lofty language it makes fundamental policy declarations that the Federal Government is to use all practicable means to promote full employment, balanced economic growth, and price stability. It identifies inflation as a "major national problem" (as if we have to be reminded), and it declares "the right of all Americans able, willing, and seeking work to useful paid employment at fair rates of compensation."

The second element is economic planning. The President is required to submit an annual economic report designating targets for employment, unemployment, production, and real income. Interim goals of 4 percent unemployment among all workers and 3 percent for workers aged 20 and over are to be achieved within 5 years. The President is required to submit a Federal budget compatible with the yearly targets, and the Federal Reserve Board is directed to explain how its monetary policies and plans will help achieve these goals.

Employment programs comprise the third element. This part requires the President to develop supplemental employment programs to reach established targets. The use of public works programs, public service jobs, antirecession aids to States and cities, programs for depressed areas, training, and special youth programs are recommended. The Federal Government is instructed to create additional public service jobs through new or existing programs, if other efforts fail, and that at least the minimum wage be paid and in no event less than the amount earned by others doing the same work.

Finally, the fourth element of the bill includes policies and procedures for congressional review. The Rules Committee substitute for title III provides for review of the economic report by the Joint Economic Committee, which is to report a concurrent resolution to the House and Senate establishing short-term congressional goals. The timetable for review is set out; and upon the adoption of the concurrent resolution, such resolution is to serve as a guide to the Congress with respect to legislation to reach such goals. The Budget Act is amended to require the report accompanying the budget resolution to include a summary analysis of the levels of revenues, budget authority, and outlays designed to implement the economic objectives underlying each matter in the budget resolution. Lastly, the Budget Act is amended to eliminate the requirement of the Joint Economic Committee report to the Budget Committee.

The report accompanying this bill states that there will be annual administrative costs associated with its passage totaling $50 million. Since this is not an authorization bill, true costs are difficult to estimate. However, expenses as high as $20 to $30 billion have been proposed if the 3 percent unemployment objective is to be met by 1983.

Mr. Speaker, the cost estimate is but one unknown factor in this legislation, albeit a large one. I submit that the entire bill is a mystery. Who can say just what it is that enactment of H.R. 50 will do? The measure is 107 pages long from front to back, and a great number of those pages are used solely to tell us we have an untenable unemployment rate. What is more, the bill says that unemployment is costly to society, that it contributes to inflation, and reduces productivity. I cannot conceive of any Member of Congress not being aware of those facts. Why do we need to restate them?

Many have hailed the Humphrey-Hawkins bill as a panacea for the unemployed in this country. If it is, I fail to see how. When I look at the bill as objectively as I can, I see another layer of analyses and reports on top of our current layers of such things. There is no real substantive change offered in the legislation from the unemployment remedies with which we presently are "experimenting."

A provision which many Members find objectionable is the one relating to the Federal Reserve Board's monetary policy-setting procedures. It is my understanding that an amendment will be offered to protect the independence of the Federal Reserve in this instance.

I am also aware of a proposed substitute for the entire text of H.R. 50. The substitute is entitled the "Employment Opportunity and Inflation Reduction Policy Act of 1978." It proposes to solve the U.S. unemployment problem by directing that the Federal economic policy place equal emphasis on maximizing employment and reducing inflation and tax rates. If offered, I intend to support the substitute.

However, Mr. Speaker, I cannot support this legislation as written and, likewise, oppose this rule.

Mr. Speaker, I yield 8 minutes to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, during my service as a Member of the House, I have witnessed the passage of many ridiculous and outrageous pieces of legislation. But the bill we are taking up today is the most dangerous piece of legislation I have seen come before the House. I particularly am appalled by the efforts to pass this bill labeled as a jobs bill.

Contrary to all the publicity, this is not a watered-down version of the original Humphrey-Hawkins bill; it is far worse. What we have before us is a blueprint for a planned economy, most of the details of which could have been lifted out of any Socialist handbook. If this bill were to become law, then the entire machinery of the Federal Government would be devoted to one thing; reducing the unemployment rate to 4 percent regardless of

the costs in terms of inflation, taxes, capital investment, and the loss of freedom of American business and the American people. This revised version, which the liberal establishment is trying to pass labeled as an unemployment bill, is much more comprehensive and all-encompassing than the original Humphrey-Hawkins bill. It goes so far as to establish a 5-year plan.

To accomplish its goals, according to the bill's own report, it would require the President to set forth in his economic report each year the Government's goals, not only for unemployment and employment, but would mandate production and productivity goals as well. Now I ask you, how long could the free enterprise system survive with the Government setting production and productivity goals? I know, the sponsors claim this legislation would not involve the Federal Government in the affairs of private business, but just how is the Government going to make sure its production and productivity goals are met if it does not step in and set them, then make sure the private sector is toeing the line in meeting them. Has the time come in the United States when the Government is going to tell us how many boots are to be manufactured and how many boots a worker should turn out in a day?

The report is clear. If the goals for employment, unemployment, production, productivity and income, which the Congress will ultimately set, are not being met, then it is up to the Congress to force the President and the Federal Reserve to adopt policies which will result in these goals' being met. If that is not national economic planning, I do not know what is.

If this were not bad enough, I am totally shocked by the cavalier treatment H.R. 50 gives to the problem of inflation. On the one hand we are told that we cannot have an equivalent numerical target for inflation because that would involve too much government interference in the private sector; then in the next breath, the report lists the ways the Government could deal with inflation, including remedies for selective shortages as they appear, more comprehensive than are to be found in any previous legislation except during times of war. But I will tell you why the bill only gives lipservice to the problem of inflation: Virtually every economist—including such liberals as Arthur Okun and Walter Heller—agree that the noninflationary unemployment rate is 5 percent or higher. The sponsors know full well that forcing the rate down to 4 percent or below will set off the most incredible inflationary spiral we have ever experienced. So the bill only calls for achieving—and I quote—"reasonable price stability as soon as is feasible." Nowhere is the term "reasonable" defined, and while we must devote every resource to getting the unemployment rate down to 4 percent by 1983, the day of price stability is pushed into the never-never land of the future. In short, the President and the House leadership is telling the American people it is more important to reduce unemployment by 2.3 percent over what it is today than it is to protect 100 percent of the people from the ravages of inflation.

Lastly, as a member of the Budget Committee, I am appalled at the attempted power grab of the Joint Economic Committee. We know the JEC is very liberal in its thinking. Year in and year out, whatever the state of the economy, the JEC wants more economic stimulation, more spending, bigger deficits, and bigger Government programs. Fortunately, in the past we have largely been able to ignore this advice, which is lucky for the country. But now, it would be the JEC, not the Budget Committee, which would be setting the fiscal policy and the monetary policy for the Federal Government, and that is not just dangerous, it is suicidal. If the Congress is so afraid of the discipline the budget process has the potential of exerting, then let it vote the Budget Committees out of existence. But if a majority in this House believes in the necessity of the budget process, then title III of Humphrey-Hawkins must be defeated for it totally removes from the Budget Committees and hands over to the JEC, their most important and vital responsibilities: that of setting fiscal policy and spending priorities.

For all the talk by the liberals about how wonderful this bill is, none of them can manage to tell me how much it will cost. As a matter of fact, the Congressional Budget Office informed the chairman of the House Education and Labor Committee by letter on February 9, 1978, that it "should not attempt to cost out the new version of Humphrey-Hawkins." With Congress ready to pass a bill of such magnitude without any idea whatsoever as to its costs, it is no wonder the national debt has doubled since 1971.

Mr. Speaker, this charade must not be allowed to go on any further. H.R. 50 would fundamentally reshape the structure of the Congress and, more importantly, the structure of the American economy. The people of this country have made it clear they want less government interference in their lives, not more like this bill would force upon us. The bill should be defeated.

Mr. RAILSBACK. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I would be happy to yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Speaker, do I understand from what the gentleman has said that he is undecided on how he is going to vote?

Mr. LATTA. I did not, Mr. Speaker. Let me say for the gentleman's information that I am absolutely opposed to this bill from start to finish. I am also opposed to the rule, and I urge its defeat.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to make some comments and ask a question of the gentleman from Missouri (Mr. BOLLING).

Under this legislation the Budget Act is amended to require the report accompanying the budget resolution to include "a summary analysis of the levels of revenues and budget authority and outlays designed to implement the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution."

The Budget Act is also amended to eliminate the requirement of the Joint Economic Committee report to the Committee on the Budget.

This has just been brought to my attention, and the reason I point that out is this: Under the rules of the House, there are at least three areas of interest, and rule X, clause 3(b)(1), states that—

> The Committee on the Budget shall have the function of * * * making continuing studies of the effect on budget outlays of relevant existing and proposed legislation.

There is another area of interest: rule X, clause 1(e)(3(B), states:

> The Committee shall have the duty * * * to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the House on a recurring basis.

Then rule X, clause 4(b)(5) states:

> The Committee on the Budget shall have the duty * * * to study on a continuing basis proposals designed to improve and facilitate methods of congressional budget-making, and to report to the House * * *.

Mr. Speaker, the reason I point all these clauses out is this: I wonder if this matter really should not have been considered by the Committee on the Budget, and I wonder why it was not referred to the Committee on the Budget, since it certainly is going to have dramatic impact on the actions of the Committee on the Budget.

Since the gentleman from Missouri (Mr. BOLLING) is a member of the Committee on Rules and is also a founding father of the Budget Act, I would like to yield to him for any comments he might have to make on that particular point.

Mr. BOLLING. Mr. Speaker, I thank the gentleman for yielding.

In the first place, the Committee on the Budget came into existence through an act which originated on the House side in the Committee on Rules, and the Committee on Rules and its members are thoroughly familiar with the provisions of the Budget Act.

The function of the Committee on the Budget is a terribly important one, but it is one which does not include the overall view of the economy that another committee of the Congress has—the Joint Economic Committee. There is no reason that I can conceive as to why this matter should have been referred to the Committee on the Budget, but in fact there were very careful discussions had with that committee to assure that the schedules of timing were related one to the other.

That is the reason I had drafted and proposed a substitute to assure that there was no conflict in the substitute procedure for title III and the current Budget Act, and that is the case.

The role of the Joint Economic Committee is changed from a report which has been required since 1946 to a single resolution setting broad goals for the economy as a whole. The role of the Committee on the Budget is to work with the problems of the Federal budget within a frame of reference that it finds reasonable and comprehensible. It will not

be bound by the resolution passed by the House; it will be guided by it.

Mr. LOTT. Mr. Speaker, would the gentleman from Missouri think that the legislation here, the Humphrey-Hawkins bill, is going to have a dramatic impact on the activities of the Committee on the Budget, and that, therefore, as stated under the rules, it should have a continuing study of proposed legislation dealing with the budget of the House?

I would think that this is clearly going to affect the future of the Committee on the Budget.

Mr. BOLLING. It may or may not. I would hope it would have some effect on the Budget Committee. But all this does is to amend the Employment Act in such a way that there is a different approach to setting goals and a different emphasis on unemployment. It does not do anything immediately dramatic because it does not pass the specific legislation to implement those goals.

Mr. GIAIMO. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Speaker, I think it ought to be made very clear here that the Budget Act compels the Budget Committe to come in with a resolution setting forth revenues, expenditures, and economic assumptions upon which we make our determination. We make our determinations on economic assumptions on much information that comes to us. First of all, there are economic assumptions in the budget which the President will send up to us. There are economic assumptions made for us by the Congressional Budget Office. There would be economic assumptions made for us by our own staff, both on the House Committee on the Budget and on the Senate Committee on the Budget. There are economic assumptions in the private sector upon which we rely. I consider the resolution of the Joint Economic Committee which will be provided for under Humphrey-Hawkins as another suggested estimate on economic assumptions, with a primary emphasis upon unemployment. The setting up an unemployment goal will be, I believe, the heart and soul of the economic assumptions from the Joint Economic Committee. I do not consider that they will be binding in any way upon the Budget Committee. We will take those, as we will take the other economic assumptions which I mentioned to the gentleman, and we will try to fashion our resolution to bring to the House.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, briefly, I might add that the Joint Economic Committee has to report to the Budget Committee, not in a resolution, however, that goes through the House. The Joint Economic Committee is a statutory committee, as is the Budget Committee. Under the statute, the Joint Economic Committee is specifically the opposite number of the President's Council on Economic Advisers, as the Budget Committee is specifically the opposite number of OMB. And therein lies a very fundamental, distinct difference. The jurisdiction over the Budget Committee and its functions, as far as the technical aspect is concerned in the Hous over changes in the Budget Act, lies not with the Budget Committee but with the Rules Committee.

Mr. LOTT. Mr. Speaker, I appreciate the gentleman's comments.

Mr. Speaker, I would like to address a question to the distinguished chairman of the Budget Committee, who I am sure is quite interested in seeing that the Budget Committee has its proper role in the legislative oversight area.

Does not the gentleman from Connecticut think that H.R. 50, the so-called Humphrey-Hawkins bill, will have a definite effect on the budget outlays and, as a result, should not the gentleman have had a greater opportunity to study and have some say and impact on this legislation?

Mr. GIAIMO. If the gentleman will yield, of course, H.R. 50 will have a definite impact on unemployment. That is the problem.

Mr. LOTT. Are you saying this legislation will have an impact on budget outlays?

Mr. GIAIMO. On budget outlays. That is the purpose of the designers or the authors of it. But again I have to stress to the gentleman that what they do is to set forth as a national goal what unemployment should be, a level of unemployment. We consider that too in fashioning a budget resolution. But we also have to do it within the context of how much total governmental or Federal spending can take place within a year. We have to concern ourselves with inflation.

However, I do not see that the Joint Economic Committee resolution is necessarily in any kind of conflict with the Budget Committee's resolution.

Mr. LOTT. Did the distinguished chairman of the Committee on the Budget at any time submit any kind of report or statement on this legislation to the Committee on Rules? I know we got a letter from the gentleman.

Mr. GIAIMO. You received a letter from me on the Budget Act violations, I believe.

Mr. LOTT. But no other report; is that correct?

Mr. GIAIMO. To the best of my knowledge, I do not think I sent any to the Committee on Rules.

Mr. LOTT. Mr. Speaker, I still have a great deal of concern about this particular area.

I appreciate the comments of the gentleman from Missouri (Mr. BOLLING).

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I will be glad to yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I appreciate the gentleman's yielding.

My friend, the gentleman from Mississippi (Mr. LOTT), commented that there were 108 pages, I believe, in the bill. That was one of his criticisms of it, but that is not really too many pages in comparison with other major pieces of legislation which we have had before the House in the past.

The gentleman mentioned a substitute bill. Can the gentleman tell me how many pages are in the substitute bill?

Mr. LOTT. Too many, I am sure; there are 16.

Mr. CHARLES H. WILSON of California. Just 16?

Mr. LOTT. That is right, 16.

Mr. CHARLES H. WILSON of California. That is worthy of consideration.

Mr. LOTT. We are trying to cut down on paper load here, I could say to the gentleman.

Mr. Speaker, I have no further requests for time.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, the Humphrey-Hawkins bill has surfaced again. I expect to vote for the rule. However, although the measure has been watered down considerably, I question that it is sound legislation. There are those who feel the bill should be enacted as a tribute to the late Senator Hubert H. Humphrey. I realize the motives of both sponsors are sincere. However, I do not believe this proposal, which would encourage inflation and call for the creation of more costly jobs in the public sector, is a fitting tribute to either. We should not remember such outstanding Americans by a bill which in actuality contributes little at this time and depends for future success on economic procedures which to me are questionable.

The original Humphrey-Hawkins bill set out to legislate a 3-percent unemployment rate by 1981 irrespective of inflation. The compromise version makes this goal 4 percent by 1983 and adds a proviso for keeping inflation somewhat in check. Most importantly, it strips all substantive portions of the bill leaving no guidance on how its ambitious target is to be achieved. The bill is superficially more palatable in its revised form. The most objectionable features have been deleted. Economic goals are now stated more realistically and greater emphasis has been placed upon the needs of black youth.

The original bill set as a national aim the fulfillment of the right of all Americans able, willing and seeking to work full opportunities for useful paid employment at fair rates of compensation. Unlike earlier versions, the watered down bill offers no specific programs to provide jobs and has been criticized as being essentially meaningless. It has been described as no more than a "get well" card for the American economy.

The flaw in the Humphrey-Hawkins bill is that it continues to have as its goal a full employment and balanced growth plan. In theory, the plan would apply only to Government programs, but that theory has no meaning. The Federal power is now locked so tightly into the structure of private economic activity that any Presidential proposal, if enacted, must affect the private sector. Under the re-

vised version, no substantive powers of enforcement appears to be proposed. The bill is still based on the false notion that in a free society, the most fundamental sources of human nature and the marketplace can be successfully manipulated by the power of Government. Even in a totalitarian society that notion has worked badly. It cannot work in a free society.

Those who oppose the bill concur that it has been so diluted as to be meaningless. It would only raise hopes and expectations without providing any effective mechanisms for fulfilling them. All that is left are broad statements of how national economic policy should be designed. It is ironic that this bill, which was originally designed to strengthen and give meaning to the full employment commitment that Congress made in the 1946 Employment Act, has been so emasculated, with no requirements for specific Government action, that it would offer the unemployed a promise as hollow as the one made 30 years ago.

The bill would not create a single job and would have absolutely no impact on the unemployment rate. It is political hypocrisy for Congress to pretend it is confronting a serious national problem with such a meaningless measure. The new version of the bill, unlike any of its many predecessors, would not require the Federal Government to initiate any specific job creating program. The President would be given so much flexibility in choosing economic goals and timetables and programs for achieving those targets that, if a President was hostile to the intent of the bill, he could avoid implementing the measure at all. Thus, the means for reaching full employment would depend totally on the priorities and ideology of the President.

No one really knows what combination of economic policies can best achieve the economic goals stated in the bill. Those goals—full employment, balanced growth, adequate productivity growth, reasonable price stability—have been the goals of every administration. Restating them does nothing to assure that they will ever be attained. The Nation's economic goals have never been unclear, only what policies would best achieve those goals. The Humphrey-Hawkins bill does nothing toward answering the policy question except to leave it up to the discretion of the President.

Opponents of the bill maintain that it could add more than $50 billion to the Federal budget if last resort jobs were created for all who are unemployed but cannot find jobs elsewhere. According to preliminary estimates by the Senate Budget Committee, the bill would force the Government to provide an additional 2 million jobs in fiscal years 1981 and 1982 at a net cost of $9 billion to $20 billion in the first year and $12 billion to $27 billion in the second. The committee estimates that this additional Federal spending would lead to an 0.8 percent rise in the inflation rate in 1981 and a 1-percent increase in 1982. The Congressional Budget Office has not completed its cost estimates of this year's bill, but the price tag for the January 1977 version was $25 billion. Not only would the jobs program add to the Federal deficit but the resulting inflation will increase the cost of Government as well as consumer prices. Public sector jobs programs, which are really the central theme of the bill, are notoriously expensive and inefficient in creating jobs.

Mr. Speaker, the difficulty with the Humphrey-Hawkins and other similar proposals that have been advanced dealing with unemployment is that they are "process" bills not "action" programs. They are bills designed to alter the processes by which fiscal and monetary policies are determined and intended to develop fiscal monetary policies to avoid excessive unemployment. As such, these bills do not constitute in themselves action programs. Our current unemployment problem demands not a process bill but an action program.

I urge my colleagues to join me in opposing this proposal.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. JONES of Oklahoma). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

PARLIAMENTARY INQUIRY

Mr. BOLLING. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BOLLING. Mr. Speaker, is this a vote on ordering the previous question?

The SPEAKER pro tempore. The Chair will advise the gentleman that this is a vote on ordering the previous question; that is correct.

The vote was taken by electronic device, and there were—yeas 371, nays 36, not voting 27, as follows:

[Roll No. 118]

YEAS—371

Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Applegate
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barnard
Baucus
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Burgener
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Coughlin
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dicks
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Erlenborn
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Fraser
Frenzel
Frey
Fuqua
Gammage
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Green
Gudger
Hagedorn
Hall
Hamilton
Hammer-schmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Ichord
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kasten
Kastenmeier
Kazen
Kemp
Ketchum
Keys
Kildee
Kostmayer
Krebs
LaFalce
Lagomarsino
Le Fante
Leach
Lehman
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Madigan
Maguire
Mann
Markey
Marks
Marlenee
Marriott
Mathis
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Gary
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Perkins
Pickle
Pike
Poage
Preyer
Price
Pritchard
Pursell
Quie
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ruppe
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Skelton
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Staggers
Stangeland
Stanton
Stark
Steed
Steers
Steiger
Stokes
Stratton
Studds
Stump
Taylor
Thompson
Thone
Traxler
Treen
Trible
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Waggonner
Walgren
Walsh
Wampler
Watkins
Weaver
Weiss
Whalen
White
Whitehurst
Whitley
Whitten
Wiggins
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—36

Abdnor
Archer
Ashbrook
Badham
Bauman
Broyhill
Burke, Fla.
Collins, Tex.
Crane
Devine
Dickinson
Dornan
Grassley
Guyer
Hansen
Holt
Hyde
Ireland
Jacobs
Jeffords
Kelly
Latta
Martin
Moffett

Moorhead, Calif.	Quillen	Symms
Myers, John	Rudd	Walker
Pressler	Shuster	Wydler
Quayle	Spence	
	Stockman	

NOT VOTING—27

Anderson, Ill.	Goldwater	Pettis
Andrews, N.C.	Holland	Rahall
Armstrong	Kindness	Satterfield
Beard, Tenn.	Krueger	Sisk
Brown, Calif.	Lederer	Slack
Buchanan	Leggett	Teague
Burke, Calif.	Mahon	Thornton
Fary	Obey	Tucker
Fish	Pepper	Waxman

Messrs. ASHLEY, ROUSSELOT, EDWARDS of Oklahoma, McDONALD, and DEL CLAWSON changed their vote from "nay" to "yea."

Mr. QUAYLE changed his vote from "yea" to "nay."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. LOTT) there were—ayes 193, noes 47.

Mr. LOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 349, nays 58, not voting 27, as follows:

[Roll No. 119]

YEAS—349

Addabbo	Clausen,	Ford, Tenn.
Akaka	Don H.	Fowler
Alexander	Clay	Fraser
Allen	Cleveland	Frenzel
Ambro	Cohen	Frey
Ammerman	Collins, Ill.	Fuqua
Anderson,	Conte	Gammage
Calif.	Corcoran	Garcia
Andrews,	Corman	Gaydos
N. Dak.	Cornell	Gephardt
Annunzio	Cornwell	Giaimo
Applegate	Cotter	Gibbons
Ashley	Coughlin	Gilman
Aspin	Cunningham	Ginn
AuCoin	D'Amours	Glickman
Baldus	Daniel, Dan	Gonzalez
Barnard	Danielson	Goodling
Baucus	Davis	Gore
Beard, R.I.	de la Garza	Gradison
Bedell	Delaney	Green
Beilenson	Dellums	Gudger
Benjamin	Dent	Hagedorn
Bennett	Derrick	Hall
Bevill	Derwinski	Hamilton
Biaggi	Dicks	Hanley
Bingham	Diggs	Hannaford
Blanchard	Dingell	Harkin
Blouin	Dodd	Harrington
Boggs	Downey	Harris
Boland	Drinan	Harsha
Bolling	Duncan, Oreg.	Hawkins
Bonior	Early	Heckler
Bonker	Eckhardt	Hefner
Bowen	Edgar	Heftel
Brademas	Edwards, Ala.	Hightower
Breaux	Edwards, Calif.	Hillis
Breckinridge	Edwards, Okla.	Hollenbeck
Brinkley	Eilberg	Holtzman
Brodhead	Emery	Horton
Brooks	English	Howard
Broomfield	Erlenborn	Hubbard
Brown, Mich.	Ertel	Huckaby
Brown, Ohio	Evans, Colo.	Hughes
Burgener	Evans, Del.	Hyde
Burke, Fla.	Evans, Ga.	Jacobs
Burke, Mass.	Evans, Ind.	Jeffords
Burlison, Mo.	Fascell	Jenkins
Burton, John	Fenwick	Jenrette
Burton, Phillip	Findley	Johnson, Calif.
Byron	Fisher	Johnson, Colo.
Caputo	Fithian	Jones, N.C.
Carney	Flippo	Jones, Okla.
Carr	Flood	Jones, Tenn.
Carter	Florio	Jordan
Cavanaugh	Flowers	Kasten
Cederberg	Flynt	Kastenmeier
Chappell	Foley	Kazen
Chisholm	Ford, Mich.	Kelly
Kemp	Murtha	Shipley
Keys	Myers, Gary	Sikes
Kildee	Myers, Michael	Simon
Kindness	Natcher	Skelton
Kostmayer	Neal	Skubitz
Krebs	Nedzi	Smith, Iowa
LaFalce	Nichols	Smith, Nebr.
Lagomarsino	Nix	Solarz
Le Fante	Nolan	Spellman
Leach	Nowak	St Germain
Lehman	O'Brien	Staggers
Lent	Oakar	Stanton
Levitas	Oberstar	Stark
Livingston	Ottinger	Steed
Lloyd, Calif.	Panetta	Steers
Lloyd, Tenn.	Patten	Steiger
Long, La.	Patterson	Stokes
Lujan	Pattison	Stratton
Luken	Pease	Studds
Lundine	Perkins	Thompson
McCloskey	Pickle	Thone
McCormack	Pike	Traxler
McDade	Poage	Treen
McEwen	Pressler	Trible
McFall	Preyer	Tsongas
McHugh	Price	Udall
McKay	Pritchard	Ullman
McKinney	Pursell	Van Deerlin
Madigan	Quayle	Vanik
Maguire	Quie	Vento
Mann	Railsback	Volkmer
Markey	Rangel	Waggonner
Marks	Regula	Walgren
Marriott	Reuss	Walsh
Mathis	Rhodes	Wampler
Mattox	Richmond	Watkins
Mazzoli	Rinaldo	Weaver
Meeds	Risenhoover	Weiss
Metcalfe	Roberts	Whalen
Meyner	Rodino	White
Michel	Roe	Whitehurst
Mikulski	Rogers	Whitley
Mikva	Roncalio	Whitten
Milford	Rooney	Wilson, Bob
Miller, Calif.	Rose	Wilson, C. H.
Miller, Ohio	Rosenthal	Wilson, Tex.
Mineta	Rostenkowski	Winn
Minish	Roybal	Wirth
Mitchell, Md.	Runnels	Wolff
Mitchell, N.Y.	Ruppe	Wright
Moakley	Russo	Wylie
Moffett	Ryan	Yates
Mollohan	Santini	Yatron
Moore	Sarasin	Young, Fla.
Moorhead, Pa.	Sawyer	Young, Mo.
Moss	Scheuer	Young, Tex.
Mottl	Schroeder	Zablocki
Murphy, Ill.	Sebelius	Zeferetti
Murphy, N.Y.	Seiberling	
Murphy, Pa.	Sharp	

NAYS—58

Abdnor	Duncan, Tenn.	Myers, John
Archer	Forsythe	Pettis
Armstrong	Grassley	Quillen
Ashbrook	Guyer	Robinson
Badham	Hammer-	Rousselot
Bafalis	schmidt	Rudd
Bauman	Hansen	Schulze
Broyhill	Holt	Shuster
Burleson, Tex.	Ichord	Snyder
Butler	Ireland	Spence
Clawson, Del	Ketchum	Stangeland
Cochran	Latta	Stockman
Coleman	Lott	Stump
Collins, Tex.	McClory	Symms
Conable	McDonald	Taylor
Crane	Marlenee	Vander Jagt
Daniel, R. W.	Martin	Walker
Devine	Montgomery	Wiggins
Dickinson	Moorhead,	Wydler
Dornan	Calif.	Young, Alaska

NOT VOTING—27

Anderson, Ill.	Fountain	Pepper
Andrews, N.C.	Goldwater	Rahall
Beard, Tenn.	Holland	Satterfield
Brown, Calif.	Krueger	Sisk
Buchanan	Lederer	Slack
Burke, Calif.	Leggett	Teague
Conyers	Long, Md.	Thornton
Fary	Mahon	Tucker
Fish	Obey	Waxman

The Clerk announced the following pairs:

Mr. Waxman with Mr. Teague.
Mr. Pepper with Mr. Mahon.
Mr. Rahall with Mr. Leggett.
Mrs. Burke of California with Mr. Krueger.
Mr. Fary with Mr. Anderson of Illinois.
Mr. Thornton with Mr. Buchanan.
Mr. Slack with Mr. Andrews of North Carolina.
Mr. Brown of California with Mr. Beard of Tennessee.
Mr. Conyers with Mr. Holland.
Mr. Fountain with Mr. Goldwater.
Mr. Sisk with Mr. Satterfield.
Mr. Lederer with Mr. Long of Maryland.
Mr. Obey with Mr. Tucker.

Messrs. ROUSSELOT, STOCKMAN, WALKER, and SYMMS changed their vote from "yea" to "nay."

Mr. FRENZEL changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. Without objection, a motion to reconsider is laid on the table.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

Mr. LONG of Louisiana. Mr. Speaker, I move to reconsider the vote whereby the resolution was agreed to.

Mr. BOLLING. Mr. Speaker, I move to lay the motion to reconsider on the table.

Mr. EDWARDS of Oklahoma. Mr. Speaker, on that I demand a division.

The SPEAKER pro tempore. The question is on the motion to table to motion to reconsider.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I demand a division on the question.

The SPEAKER pro tempore. The question is on the motion to table.

Mr. BOLLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 368, nays 29, not voting 37, as follows:

[Roll No. 120]

YEAS—368

Abdnor	Brown, Ohio	Derrick
Addabbo	Broyhill	Derwinski
Akaka	Burgener	Dickinson
Alexander	Burke, Fla.	Dicks
Allen	Burke, Mass.	Diggs
Ambro	Burleson, Tex.	Dingell
Ammerman	Burlison, Mo.	Dodd
Anderson,	Burton, John	Downey
Calif.	Burton, Phillip	Drinan
Andrews,	Butler	Duncan, Oreg.
N. Dak.	Byron	Duncan, Tenn.
Annunzio	Caputo	Early
Applegate	Carney	Eckhardt
Ashbrook	Carr	Edgar
Ashley	Carter	Edwards, Ala.
Aspin	Cavanaugh	Edwards, Calif.
AuCoin	Cederberg	Edwards, Okla.
Bafalis	Chappell	Eilberg
Baldus	Chisholm	Emery
Barnard	Clausen,	English
Baucus	Don H.	Erlenborn
Beard, R.I.	Clay	Ertel
Bedell	Cleveland	Evans, Del.
Beilenson	Cochran	Evans, Ga.
Benjamin	Cohen	Evans, Ind.
Bennett	Collins, Ill.	Fascell
Bevill	Conable	Fenwick
Biaggi	Conte	Findley
Bingham	Conyers	Fisher
Blanchard	Corcoran	Fithian
Blouin	Corman	Flippo
Boggs	Cornell	Flood
Boland	Cotter	Florio
Bolling	Coughlin	Flowers
Bonior	Cunningham	Flynt
Bonker	D'Amours	Foley
Brademas	Daniel, R. W.	Ford, Mich.
Breaux	Danielson	Ford, Tenn.
Breckinridge	Davis	Fountain
Brinkley	de la Garza	Fowler
Brodhead	Delaney	Fraser
Brooks	Dellums	Frenzel
Broomfield	Dent	Frey
Brown, Mich.		

Fuqua	McEwen	Roncalio
Gammage	McFall	Rooney
Garcia	McHugh	Rose
Gaydos	McKay	Rosenthal
Gephardt	Maguire	Rostenkowski
Giaimo	Mann	Roybal
Gibbons	Markey	Runnels
Gilman	Marlenee	Ruppe
Ginn	Marriott	Russo
Glickman	Mathis	Ryan
Gonzalez	Mattox	Santini
Goodling	Mazzoli	Sarasin
Gore	Meeds	Sawyer
Gradison	Metcalfe	Scheuer
Grassley	Meyner	Schroeder
Green	Michel	Sebelius
Gudger	Mikulski	Seiberling
Guyer	Mikva	Sharp
Hagedorn	Milford	Shipley
Hall	Miller, Calif.	Shuster
Hamilton	Miller, Ohio	Simon
Hammer-schmidt	Mineta	Skelton
	Minish	Skubitz
Hanley	Mitchell, Md.	Smith, Iowa
Hannaford	Mitchell, N.Y.	Smith, Nebr.
Harkin	Moakley	Snyder
Harrington	Moffett	Solarz
Harris	Mollohan	Spellman
Harsha	Montgomery	Spence
Hawkins	Moore	St Germain
Hefner	Moorhead, Pa.	Staggers
Heftel	Moss	Stangeland
Hightower	Mottl	Stanton
Hillis	Murphy, Ill.	Stark
Hollenbeck	Murphy, Pa.	Steed
Holt	Murtha	Steers
Holtzman	Myers, Gary	Steiger
Horton	Myers, John	Stockman
Howard	Myers, Michael	Stokes
Hubbard	Natcher	Stratton
Huckaby	Neal	Studds
Hughes	Nedzi	Stump
Ichord	Nichols	Thompson
Ireland	Nix	Thone
Jacobs	Nolan	Traxler
Jenkins	Nowak	Treen
Jenrette	O'Brien	Trible
Johnson, Calif.	Oakar	Tsongas
Johnson, Colo.	Oberstar	Ullman
Jones, N.C.	Ottinger	Van Deerlin
Jones, Okla.	Panetta	Vander Jagt
Jones, Tenn.	Patten	Vanik
Jordan	Patterson	Vento
Kasten	Pattison	Volkmer
Kastenmeier	Pease	Waggonner
Kazen	Perkins	Walgren
Kelly	Pettis	Walsh
Kemp	Pickle	Wampler
Ketchum	Pike	Watkins
Keys	Poage	Weaver
Kildee	Pressler	Weiss
Kindness	Preyer	Whalen
Kostmayer	Price	White
Krebs	Pritchard	Whitehurst
LaFalce	Pursell	Whitley
Lagomarsino	Quayle	Whitten
Le Fante	Quie	Wilson, C. H.
Leach	Quillen	Wilson, Tex.
Lent	Railsback	Winn
Levitas	Rangel	Wirth
Livingston	Regula	Wolff
Lloyd, Calif.	Reuss	Wright
Lloyd, Tenn.	Rhodes	Wydler
Long, Md.	Richmond	Wylie
Lott	Rinaldo	Yates
Lujan	Risenhoover	Yatron
Luken	Roberts	Young, Fla.
McClory	Robinson	Young, Mo.
McCloskey	Rodino	Young, Tex.
McCormack	Roe	Zablocki
McDade	Rogers	Zeferetti

NAYS—29

Archer	Forsythe	Martin
Armstrong	Hansen	Moorhead, Calif.
Badham	Heckler	
Bauman	Hyde	Rousselot
Clawson, Del	Jeffords	Rudd
Coleman	Latta	Schulze
Collins, Tex.	Long, La.	Symms
Crane	McDonald	Taylor
Devine	McKinney	Walker
Dornan	Marks	Wilson, Bob

NOT VOTING—37

Anderson, Ill.	Daniel, Dan	Lehman
Andrews, N.C.	Evans, Colo.	Lundine
Beard, Tenn.	Fary	Madigan
Bedell	Fish	Mahon
Bowen	Goldwater	Murphy, N.Y.
Brown, Calif.	Holland	Obey
Buchanan	Krueger	Pepper
Burke, Calif.	Lederer	Rahall
Cornwell	Leggett	Satterfield
Sikes	Thornton	Wiggins
Sisk	Tucker	Young, Alaska
Slack	Udall	
Teague	Waxman	

Messrs. BADHAM, ROUSSELOT, DORNAN, and SCHULZE changed their vote from "yea" to "nay."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 50) to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs.

The SPEAKER pro tempore (Mr. JONES of Oklahoma). The question is on the motion offered by the gentleman from California (Mr. HAWKINS).

The question was taken; and the Speaker pro tempore announced that the eyes appeared to have it.

Mr. FRENZEL. Mr. Speaker, on that I demand a division.

Mr. BOLLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 364, nays 32, not voting 38, as follows:

[Roll No. 121]

YEAS—364

Abdnor	Brooks	Dent
Addabbo	Broomfield	Derrick
Akaka	Brown, Mich.	Derwinski
Alexander	Brown, Ohio	Devine
Allen	Burgener	Dickinson
Ambro	Burke, Fla.	Dicks
Ammerman	Burke, Mass.	Diggs
Anderson, Calif.	Burleson, Tex.	Dingell
	Burlison, Mo.	Dodd
Andrews, N. Dak.	Burton, John	Downey
	Burton, Phillip	Drinan
Annunzio	Byron	Duncan, Tenn.
Applegate	Caputo	Early
Archer	Carney	Eckhardt
Ashbrook	Carr	Edgar
Ashley	Carter	Edwards, Ala.
Aspin	Cavanaugh	Edwards, Calif.
AuCoin	Cederberg	Edwards, Okla.
Bafalis	Chappell	Eilberg
Baldus	Chisholm	Emery
Barnard	Clauson, Don H.	English
Baucus		Erlenborn
Beard, R.I.	Clay	Ertel
Bedell	Cleveland	Evans, Del.
Beilenson	Cochran	Evans, Ga.
Benjamin	Cohen	Evans, Ind.
Bennett	Collins, Ill.	Fascell
Bevill	Conte	Fenwick
Biaggi	Conyers	Findley
Bingham	Corcoran	Fisher
Blanchard	Corman	Fithian
Blouin	Cornell	Flippo
Boggs	Cotter	Flood
Boland	Coughlin	Florio
Bolling	Cunningham	Flowers
Bonior	D'Amours	Flynt
Bonker	Daniel, Dan	Foley
Brademas	Danielson	Ford, Mich.
Breaux	Davis	Ford, Tenn.
Breckinridge	de la Garza	Fountain
Brinkley	Delaney	Fowler
Brodhead	Dellums	Fraser
Frenzel	Lundine	Roe
Frey	McCloskey	Rogers
Fuqua	McCormack	Rooney
Gammage	McDade	Rose
Garcia	McEwen	Rosenthal
Gaydos	McFall	Rostenkowski
Gephardt	McHugh	Roybal
Giaimo	McKay	Runnels
Gibbons	McKinney	Ruppe
Gilman	Madigan	Russo
Ginn	Maguire	Ryan
Glickman	Mann	Santini
Gonzalez	Markey	Sarasin
Gore	Marks	Sawyer
Gradison	Marriott	Scheuer
Grassley	Martin	Schroeder
Green	Mathis	Sebelius
Gudger	Mattox	Seiberling
Guyer	Mazzoli	Sharp
Hagedorn	Meeds	Shipley
Hall	Metcalfe	Simon
Hamilton	Meyner	Skelton
Hammer-schmidt	Michel	Skubitz
	Mikulski	Smith, Iowa
Hanley	Mikva	Smith, Nebr.
Hannaford	Milford	Snyder
Harkin	Miller, Calif.	Solarz
Harrington	Miller, Ohio	Spellman
Harris	Mineta	Spence
Harsha	Minish	St Germain
Hawkins	Mitchell, Md.	Staggers
Hefner	Mitchell, N.Y.	Stangeland
Heftel	Moakley	Stanton
Hightower	Moffett	Stark
Hillis	Mollohan	Steed
Hollenbeck	Montgomery	Steers
Holt	Moore	Stokes
Holtzman	Moorhead, Pa.	Stratton
Horton	Moss	Studds
Howard	Mottl	Stump
Hubbard	Murphy, Ill.	Taylor
Huckaby	Murphy, Pa.	Thompson
Hughes	Murtha	Thone
Hyde	Myers, Gary	Traxler
Ichord	Myers, Michael	Treen
Ireland	Natcher	Tsongas
Jacobs	Nedzi	Udall
Jeffords	Nichols	Ullman
Jenkins	Nix	Van Deerlin
Jenrette	Nolan	Vander Jagt
Johnson, Calif.	Nowak	Vanik
Johnson, Colo.	O'Brien	Vento
Jones, N.C.	Oakar	Volkmer
Jones, Okla.	Oberstar	Waggonner
Jones, Tenn.	Ottinger	Walgren
Jordan	Panetta	Walsh
Kasten	Patten	Wampler
Kastenmeier	Patterson	Watkins
Kazen	Pattison	Weaver
Kemp	Pease	Weiss
Ketchum	Perkins	White
Keys	Pettis	Whitehurst
Kildee	Pickle	Whitley
Kindness	Pike	Whitten
Kostmayer	Poage	Wilson, Bob
Krebs	Pressler	Wilson, C. H.
LaFalce	Preyer	Wilson, Tex.
Lagomarsino	Pritchard	Winn
Le Fante	Pursell	Wirth
Leach	Quie	Wolff
Lehman	Railsback	Wydler
Lent	Rangel	Wylie
Levitas	Regula	Yates
Livingston	Reuss	Yatron
Lloyd, Calif.	Rhodes	Young, Alaska
Lloyd, Tenn.	Richmond	Young, Fla.
Long, La.	Rinaldo	Young, Mo.
Long, Md.	Risenhoover	Young, Tex.
Lott	Roberts	Zablocki
Lujan	Robinson	Zeferetti
Luken	Rodino	

NAYS—32

Armstrong	Dornan	Myers, John
Badham	Forsythe	Quayle
Bauman	Goodling	Quillen
Broyhill	Hansen	Rousselot
Butler	Kelly	Rudd
Clawson, Del	Latta	Schulze
Coleman	McClory	Shuster
Collins, Tex.	McDonald	Stockman
Conable	Marlenee	Symms
Crane	Moorhead, Calif.	Trible
Daniel, R. W.		Walker

NOT VOTING—38

Anderson, Ill.	Duncan, Oreg.	Lederer
Andrews, N.C.	Evans, Colo.	Leggett
Beard, Tenn.	Fary	Mahon
Bowen	Fish	Murphy, N.Y.
Brown, Calif.	Goldwater	Neal
Buchanan	Heckler	Obey
Burke, Calif.	Holland	Pepper
Cornwell	Krueger	Price

Rahall	Slack	Waxman
Roncalio	Steiger	Whalen
Satterfield	Teague	Wiggins
Sikes	Thornton	Wright
Sisk	Tucker	

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 50, with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. HAWKINS) will be recognized for 1 hour; the gentleman from Connecticut (Mr. SARASIN) will be recognized for 1 hour; the gentleman from Missouri (Mr. BOLLING) will be recognized for 30 minutes, and the gentleman from Mississippi (Mr. LOTT) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, I yield such time as he may use to the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, first let me state that the gentleman from California (Mr. HAWKINS) has worked untiringly for several years on this legislation. This is not new legislation by any means. The legislation has been completely revised and there is nothing in the legislation that plans one's life from the cradle to the grave. It is just legislation that we all should be for. To put it bluntly, we have spent hundreds and hundreds of millions of dollars trying to do something about unemployment in this country ever since I have been in the Congress, and we need to do some economic planning. That is the main objective of this bill and there is nothing in this legislation that is unpalatable to my way of thinking for any Member in this Chamber.

Mr. Chairman, I rise in strong support of the Humphrey-Hawkins bill, H.R. 50, the Full Employment and Balanced Growth Act of 1978."

This bill gives us the policy framework we need to reach a critical national goal: the achievement of a full employment economy while maintaining reasonable price stability. This has been a cherished hope of ours ever since we enacted the Employment Act of 1946, and now we have a chance to help make the hope a reality by voting for this bill.

The Humphrey-Hawkins bill represents the efforts of two of the best-loved and most effective figures in American political life. Passage of it will be a fitting tribute to the memory of the late Senator Hubert H. Humphrey, whose legislative achievements stand second to none.

And while we serve the national interest by voting for this bill, we will also be paying tribute to the creativity, leadership and tenacity of a man who is universally liked and respected in this body, GUS HAWKINS, the chairman of the Subcommittee on Employment Opportunities.

Chairman HAWKINS has pursued the idea of a full employment bill doggedly, in the face of strenous opposition, and I believe he will have achieved a great triumph for our Nation's unemployed and our Nation's economy when we have completed the vote on final passage of this bill.

The bill he brings to the floor today is backed by the administration, the democratic leadership, the AFL–CIO, the UAW, most major unions, the National Education Association, the League of Women Voters, the National Urban League, the National Conference of Senior Citizens, the U.S. Conference of Mayors, National Association of Counties, National Farmers Union, National Council of Churches, U.S. Catholic Conference, American Jewish Committee, and others too numerous to mention, and many other organizations.

It is a bill which embodies the heart and soul of the great traditions of the Democratic Party, and harkens back to the days when Franklin D. Roosevelt and the Democratic Party tried to get America back to work again in the midst of the greatest depression our Nation has ever known.

Our Nation's unemployment rate has never fallen below 5 percent since 1973. In 1975 it was 8.5 percent, and last year it was 7 percent. The Bureau of Labor Statistics officially estimates that almost 6½ million Americans are out of work today, and the figure is probably closer to 10 million.

This is why we have brought this bill to the floor today. We are saying to the people of our Nation that we are going to commit the Federal Government to end the persistent high unemployment that has afflicted our country. We are going to do it by intelligent economic policy planning, in which both the administration and the Congress participate.

And let us be clear on one thing. This bill in no way allows the Government to indulge in "central planning of the economy," or otherwise to get involved in the private economic decisions made by businesses or individuals in any greater degree than at present.

Section 102 of the bill is emphatic:

> No provisions of such act or this act shall be used, with respect to any portion of the private sector of the economy, to provide for Federal Government control of production, employment, allocation of resources, or wages and prices, except to the extent authorized under other Federal laws.

The Federal Government makes a multitude of economic decisions every day. They have enormous impact on whether people work or do not work. We are saying in this bill that they must be coordinated so that the maximum possible number of American citizens who are able, willing, and seeking to work have the opportunity to do so.

I urge my colleagues to overwhelmingly support this bill.

Mr. SARASIN. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, I thank the gentleman for yielding me this time.

I believe it is imperative to spell out the issues before us today. All of us believe that any American willing and able to work should find employment at fair rates of compensation. Full employment is not the issue. Nor is the issue establishing a goal.

The issue is how we get to that goal and whether we achieve other important national objectives in the process.

If we enact this bill without change, we will only delay the realization of full employment and commit the Nation to a progressively deteriorating economy.

H.R. 50 approaches the full employment goal by offering a grabbag of old programs and policies few of which have been effective in reducing unemployment. Despite claims to the contrary, it proposes to reach full employment through the use of public service employment, which has been more effective as a local subsidy than a device to reduce unemployment. It ignores the serious problem of inflation, lessening of real wages, and lowering productivity.

H.R. 50 establishes a process that will afford maximum opportunity for members of this body to ignore their responsibility. I find this particularly distressing, in light of what is contained in the report accompanying the bill, and I quote:

> If the President omits any such policies or programs with the effect of failing to reach the specified goals and timetables for the reduction of unemployment, he or she would be answerable to the Congress and the country . . .

Whoever wrote this has not read the Constitution, which vests the legislative responsibilities in the Congress. H.R. 50 implies that this House cannot develop a full employment plan on its own—that it cannot propose or develop the programs needed to reach full employment. Nowhere does the report suggest that it is Congress responsibility, not the President's, to develop a full-employment program.

H.R. 50 would, in effect, delay any creative effort to strengthen the economy, reduce unemployment and inflation. And, finally, H.R. 50 sets into motion a process that will only assure more Government spending and intervention.

A better approach would involve abandoning our legacy to the past, and to the shopworn policies and programs enumerated in H.R. 50. First we must encourage full employment by fighting inflation. As Alice Rivlin pointed out, by attacking inflation that we will find prospects to meeting the unemployment goals.

Inflation contributes to unemployment by reducing the private sector's ability to employ. The effective subcommittee's ranking member, Mr. SARASIN, will no doubt articulate this concern. Inflation affects all Americans and erodes our purchasing power over long stretches of time.

There are few protections against inflation.

Unfortunately, H.R. 50 offers no new ones.

I believe we must establish inflation as significant an economic problem as unemployment and move to address both.

Second, I believe we must move to address the effects of inflation on taxes, and the debilitating effects of increased taxes on the economy.

Third, we must not allow the President to be a scapegoat for Congress inability to do the job.

Fourth, we should not forget as a goal full parity of income for the American farmer.

And fifth, we cannot afford to delay addressing the Nation's most serious structural unemployment problem—youth.

This latter concern is especially important. Unless we act immediately to find employment for our Nation's youth, we will have written off an entire generation.

The majority report makes some statements in this respect which I find personally repugnant. On page 10, the report accuses opponents of H.R. 50 of opposing jobs for minorities and youth, because they do not need them.

In all my days in Congress I can never remember any Member of this body making such a remark, and I defy the proponents of this bill to cite any evidence to this effect; nor do I recall a report suggesting the same.

The fact is we have for years tried to target resources of those most in need. It was our efforts to target public service employment on the long-term unemployed; it was our efforts to create an incentive entitlement jobs program for youth; it was our efforts to enact a youth opportunity wage.

It is my intention to offer another effort to address the needs of youth and minorities. Specifically, the amendment is designed to reduce minority youth unemployment to a level equal to nonminority and for youth unemployment to a level equivalent to 3 percent adult.

In addition, it is my intention to refocus H.R. 50 on the insidious nature of inflation and taxes and to focus the Nation's effort on reducing youth unemployment. It will place the burden of responsibility where it belongs—on Congress.

As we set economic goals in H.R. 50, I believe we ought to set one for agriculture, too.

My amendment does not require the Government to set price supports at 100 percent of parity; nor does it require the Government to pay farmers directly if the goals are not met.

What it does do is set a goal in the same way we are setting goals for fighting unemployment. I recognize that the Federal Government will not guarantee to farmers that they receive 100 percent of parity for their products any more than the Federal Government will be the employer of last resort. But that should not stop us from setting goals of where we think agriculture ought to be and then setting Federal agricultural policies accordingly.

H.R. 50 sets a goal of 3 percent unemployment for all persons 20 years of age and over. We also should set a goal of 100 percent of parity of income for farmers in the marketplace. I urge Members to support this and other amendments offered by the minority to strengthen our efforts to reach full employment, reduce inflation, decrease taxes, and focus on our most serious structural unemployment problems.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman and my colleagues of the House, I join the chairman of our committee, the gentleman from Kentucky (Mr. PERKINS), in applauding our colleague, the gentleman from California (Mr. HAWKINS), for his excellent leadership in this legislation and, let me add, my appreciation for another great American who is no longer with us, the late Senator Hubert H. Humphrey.

Mr. Chairman, I am for this legislation for, among other things, two fundamental reasons because it does two important things for our Nation.

First, it is recognizing in the law for the first time something that we have failed to recognize up to now. Up to now we have viewed unemployment as a temporary phenomenon, that we could put a little patchwork here and put a little patchwork there and then all of a sudden our economy would be in great shape and there will be no unemployment problem.

The reality is that today we can produce more refrigerators, more cars, more soybeans, more of everything with fewer and fewer people and, in addition, we have more and more people, particularly female workers, coming into the marketplace.

For the first time we have a chance to present something that says let us take a look, let us coordinate our efforts, let us do something and provide employment for people.

My good friend, the gentleman from Minnesota, for whom I have great respect, talks about "a progressively deteriorating economy," quoting the gentleman's exact words, if this bill passes.

From 1970 through 1977 this Nation spent $74 billion on unemployment compensation. We spent $74 billion to pay people for doing nothing. What our colleague, the gentleman from California, is doing is saying: Let us give people an opportunity to be productive, to contribute something to our society. I applaud the gentleman from California for that leadership.

The second thing this bill does is something extremely important. I had the president of one of the large corporations in this Nation visit my office about a week ago. He happens to be an old friend. He said, "What I miss today is some sense of direction, some sense of purpose in this Nation."

He said, "Even if I disagree with the purpose, I would like to see us go somewhere and do something."

I think what this bill does is it sets a priority. It says to the Nation that we are going to move on this problem of unemployment and, interestingly, as we solve one problem, we solve other problems, problems of rural poverty, problems of inflation, problems that afflict this Nation; so we do two things here. We recognize for the first time that unemployment is not a temporary phenomenon. We have to deal with it in a coordinated way.

Second, we give to the Nation a sense of direction, a sense of purpose. We say let us get on with this. Unemployment is a major priority.

Mr. Chairman, I am pleased and proud to be a cosponsor. I hope this House, as well as the Senate, moves in the right direction. If we do we will be contributing immensely to the Nation.

Mr. SARASIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today I rise to express my deep concern over H.R. 50, the Full Employment and Balanced Growth Act. My commitment to full employment is unquestionable, but there are major gaps in this bill. It is not as well balanced as it must be to do the job.

The most critical element, of course, is the lack of an inflation provision. That is necessary to protect all Americans—those with jobs, those who are unemployed, and those who are on fixed incomes—from the ravages of inflation. However, other amendments are still necessary before we can honestly say that H.R. 50 will accomplish the task it sets for our country.

This legislation, in spite of major shortcomings which we will try to correct tomorrow, could really be a very positive piece of legislation. It does recognize the devastating effect unemployment has on its victims—not only financially, but emotionally as well. It is a statement which honors the worth of individual man and places heavy emphasis on the fact that each of us has a contribution to make to our society and our economy.

Many, however, question whether or not we can achieve a 3-percent rate of unemployment for adults by 1983. This is understandable, since few of the witnesses before our Subcommittee on Employment Opportunities agreed with one another. Differences of opinion certainly exist within the administration and among Members of Congress. These differences are even more pronounced among economists.

Despite these differences, H.R. 50 addresses a tremendous challenge—reducing seriously high unemployment. As the measure presently reads, however, I am not at all confident that we can successfully achieve our goal.

An underlying cause of many of our problems today, including unemployment, is that we have lost sight of what made this country great. Capitalism has somehow become anathema to certain sectors of the population; business—large and small—has an unfortunate image; profit is a dirty word. The disfavor in which the private sector often

finds itself with the Congress is certainly indicative of this change for the worse.

Dr. Schultze and others have said that H.R. 50 reverses this trend, that heavy emphasis is placed on the private sector. Let us look at the shopping list of programs for the administration to consider—public service employment, public works jobs, make-work opportunities for young people. This is clearly not reliance on and cooperation with the private sector.

This measure, which mandates absolutely nothing but a goal, should be instructing us to begin searching for new techniques to combat our most serious problems, and it should be instructing us to disavow the worn approaches of the past. If we are to succeed in our goals, we have to reject the platitudes of the past.

If we are to be honest with the American public, we must finally admit that we have been taking the easy way out, that we have been following policies that have taken a terrible toll on our people and on our economy. For instance, we have not needed a tax increase to increase revenues in recent years because inflation has pushed our citizens into higher tax brackets, increasing their tax burden while diminishing their actual purchasing power. Inflation has deprived business of the capital it needs to expand and hire more people. Inflation, straight from the hides of the taxpayers, has been funding programs that cost a fortune but have little or no return on investment.

H.R. 50 should commit us to follow a new course, one that will not allow us to rest on the glory of political rhetoric. It should be forcing us to face up to the fact that inflation is an enemy and that it directly causes unemployment. Remember that both Dr. Schultze and Alice Rivlin of our own Congressional Budget Office have testified that the best way to fight unemployment is to fight inflation.

As long as we put old and convenient programs at the top of our shopping list, we will reject new programs without even giving them a fighting chance. We have already done this time and time again, and our people have suffered.

H.R. 50 should be moving us away from old approaches. No one disputes that we need to significantly reduce unemployment and in fact achieve full employment.

Changes need to be made in this legislation before it really points us in the direction in which we must go. New programs must be suggested, not old, and these programs must focus realistically—not just verbally—on the private sector. Inflation has to be addressed seriously and a program has to be developed which will replace the current one. As Time magazine said last week:

> The anti-inflation plan of Carter and Co., based mostly on friendly persuasion, is so weak and ineffectual that even White House insiders mock it as "wishboning."

That is a category of soft talk inferior even to the old "jawboning," which other Presidents used—with distinctly mixed results—in the crusade to hold down wage and price rises."

Right now, H.R. 50 is borderline "wishboning," but it need not be. Tomorrow we will have the opportunity to correct the serious shortcomings and to present to the American public a piece of legislation that will honestly place us on the road to full employment, reduced inflation, and balanced growth—if we do not make these changes, we will be handing the American public a sack of empty promises—and we will be handing our economy a can of worms.

Mr. KEMP. Mr. Chairman, will the gentleman yield for a question?

Mr. SARASIN. I am happy to yield to my friend, the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's yielding. I want to ask my friend a question:

Is it the purpose of the gentleman's proposed amendment to show that by stopping inflation or reducing inflation to 3 percent the result will be automatic growth of the economy and higher employment?

Mr. SARASIN. Mr. Chairman, I do not think I would characterize it that way, I say to the gentleman from New York. The purpose of the amendment is to make sure that this Congress, as well as this administration or any administration, keeps its eye on the ultimate result of inflation and tries to get itself to a goal over the interim period of 3 percent and, long range, to zero. It is designed to promote policies that reach to both low unemployment and low inflation. It rejects the "trade-off" and rejects any policy that advocates high unemployment and increased interest rates.

We may never reach both goals. For some reason, we seem to be comfortable with 6 percent inflation. However, that happens to wipe out everybody's savings and kills the stock market, but for some reason we do not worry about that.

Mr. KEMP. Mr. Chairman, I share the gentleman's opposition to inflation. I think every Member in this room does. I know the author of the bill is also concerned about inflation.

However, I do not want to give the impression when I vote for the gentleman's amendment that I think the way to squeeze inflation out of the economy is to create unemployment or higher interest rates. I also do not want to give the impression that somehow, if we stop inflation, there will automatically be growth in the economy, because we could balance the budget and stop inflation tomorrow by raising taxes but the cost would be a recession or even a depression. I am sure that is not what the gentleman wants to do.

I think it ought to be made very clear that it is not the gentleman's intention to suggest that it is his philosophy that the way to stop inflation is to cause high unemployment, although, as the gentleman knows, some of our conservative economist friends say we must suffer high unemployment until we reach the goal of a balanced budget and no inflation.

Would the gentleman agree with my statement?

Mr. SARASIN. Mr. Chairman, I certainly agree with the gentleman's statement, and I would point out that frankly I have not heard anyone say we should enact policies to create high inflation in order to eliminate unemployment or reduce unemployment. I have not heard anyone say that to reverse or eliminate high inflation we somehow have to enact policies to create unemployment. That is not the policy of anyone I know.

Mr. KEMP. Mr. Chairman, there are some economists who have said that in order to stop inflation we must, according to the Phillips curve, allow for a trade-off between stopping inflation and accepting a high degree of unemployment.

I think our party would be ill served if we give the impression that we can tolerate high unemployment or any unemployment. I cannot tolerate that, I do not think the gentleman can, and I think it should be made very clear by our side of the aisle that we want full employment without inflation. The question is: How do we achieve it? I want to reduce the tax rates and restore real economic growth and jobs without inflation.

I just want to make it clear that I share the gentleman's philosophy that we are going to try to reduce inflation but we are also going to try to reduce unemployment. The goals are not antithetical. They are part and parcel of our strategy for prosperity and freedom by reducing tax rates dramatically. Is that a fair statement?

Mr. SARASIN. The gentleman is absolutely correct. We are not talking about goals which conflict with one another but which will act in concert with one another.

Mr. MOORHEAD of California. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from California.

Mr. MOORHEAD of California. Mr. Chairman, I rise in opposition to H.R. 50, a warmed over version of a bill that defeated itself last year before votes were even cast. I believe the main reason for the defeat of the original version is that the American people let their Congressman know they are tired of sweeping legislative proposals that promise the world but fail miserably when it comes time to deliver the results. It was not difficult for the public to recognize those qualities in that proposal as well as the excessive costs in taxes and inflation that the measure would cause.

This new version gives no more assurance that it can actually accomplish its goals of full employment and balanced growth than the other one. In addition, the means that are to be employed to achieve the goals are contrary to sound economic policy for this country. I refer to the 5-year plan called for in the bill which would tie our economic planning to a goal which should be the product of a healthy economy. Placing an unnatural focus on this aspect of the system cannot help but affect the decisionmaking process in many ways. The Federal Reserve Board must remain free enough to make the hard decisions which, though unpopular at the time, are meant to be in the best interests of the economy of the country.

I am certain the opponents of this bill are as concerned about improving the unemployment situation in this country as the proponents, but the difference is in the methods we believe would be effective. We do not need to look far to find many examples of misdirected funds which are not accomplishing the intended purpose of employing as many able workers as possible. We should plan our emphasis on the private sector as the source of new jobs. I believe it would be far more realistic to target especially high unemployment areas or groups for concentrated efforts than to mislead the public with promises of Government created jobs that are made to meet the goal in effect at that time.

The most ironic part of the proposal is the goals it establishes when there is wide disagreement on just what the unemployment rate really is in this country and how it should realistically be defined. Recent changes in the composition of the labor market make the figures we are working with somewhat unreliable. Four percent was established as the full employment mark in 1955 since unemployment rates below that figure were considered highly inflationary. The President's own economic report states that a 4-percent unemployment rate in 1955 is more equivalent to a 4.9-percent rate in 1977 and "perhaps, closer to 5.5 percent."

This ill advised legislation should not be made a part of our laws.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I rise in opposition to H.R. 50, the Full Employment and Balanced Growth Act, as it is called. Mr. Chairman, there are many bills which come before us each year under false pretenses, but this bill does more than travel under false colors—it is a cruel and dangerous hoax.

Not only does it masquerade under the name of a great man, now deceased. It raises false hopes in the hearts of those least able to afford it. And it provides a subtle mechanism for the Government to exercise unprecedented direction and control over the economy and people's lives.

I do not expect you to take my word for it. These charges can be documented in the words of people ranging from John Kenneth Galbraith to Milton Friedman. From the New York Times to the Washington Post. In the testimony of our own Budget Director, Alice Rivlin. And in the words of the Chairman of the President's own Council of Economic Advisers, Charles Schultze. All these have expressed serious reservations about the thrust and workability of the bill.

The reason each of these people feel the bill is unworkable is because it is based on unworkable assumptions. It assumes first, that unemployment as currently defined in our society can be held to 4 percent. It assumes second, that the goal is one that can be achieved through Government planning and control. And it assumes third, that all this can be done without causing inflation.

The 4-percent goal is unworkable because the current unemployment rate includes more than the hard core unemployed. More than the unemployed head of household. It includes everyone who is looking for a job, from the housewife seeking to supplement her husband's income to the person who registers on the unemployment rolls as a requirement of receiving welfare benefits—even though he may be totally disabled.

The second assumption, that the Government can actually control the unemployment rate, is disproved by experience. If we in Government could have eliminated unemployment, we would already have done it. The limited amount of control which we have exercised was gained at the cost of Government intrusion into the economy and our lives. To increase that control, we would need to increase the intrusion. The final extension of that control would be a centrally controlled economy such as that of the Soviet Union—where everyone works for the State but no one has any choice about it. Or, if talking about the USSR offends you—what about the controlled economy of the U.K.? Not exactly a model to emulate.

The last assumption is that unemployment can be reduced without causing inflation. That is what the bill says. But saying something does not make it so, or we would have solved our problems years ago.

This last problem points up the whole difficulty of the bill. It promises more than it can deliver. The original version of the bill was so blatantly ridiculous in what it promised that even the President refused to support it—although he had promised to do so in his campaign. Even in its present form, the bill promiess more than it can deliver. And the promises are not more redeemable the second time around.

I am afraid that the implied promises of the bill, that is, a well-paying job, with the Federal Government if no other suitable job is available, will tend to act as a disincentive to seeking employment in the private sector.

Mark my words, Mr. Chairman, if we pass this bill of goods, and the President signs it, we and he will be explaining why it does not work for the rest of our lives.

This is not to say the problem of unemployment does not exist. It does exist, very vividly. And something needs to be done about it. But this bill is not the answer.

We in the minority have proposed a substitute to make this a more workable and realistic bill. Our bill targets the problem of youth unemployment; bolsters the creation of jobs in the private sector—real jobs, not make-work Government jobs; protects the independence of the Federal Reserve Board, and recognizes that inflation is as deadly an enemy as unemployment, because inflation costs people jobs.

Mr. Chairman, I urge the committee to reject this bill in its present form, and play it straight with the American people. A bill which makes unkept promises will not honor the memory of Senator Humphrey. It will not honor any of us.

Mr. HAWKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, it is never a good idea to vote for or against legislation just because of a bill number or the name of the author of the bill in question.

A classic example is H.R. 50, which has sometimes been called the Humphrey-Hawkins bill, which originally was introduced in Congress in January 1975. Because of my opposition and the opposition of many others—especially the new Democrats in Congress—that whole idea has been scrapped. A completely new substitute bill has been introduced which still has the same number, but there the similarity ends.

Since the bill number is the same, in order to outline the differences, I will call the bad, abandoned, old, first bill the "Federal jobs" bill and the new, second bill, the "economic goals" bill.

One of the Federal jobs bill's most onerous and inflationary provisions was one which would have made the Federal Government an automatic employer of last resort through a continuous federal jobs program. I am convinced that the Federal Government cannot afford any permanent program of jobs. The inflationary consequences of such a program would have been disastrous.

Any Government expenditure has a multiplier response as the incomes generated by the Government program expenditure are used to increase purchases. The multiplier response is a sharp raise in wage demands and inflation.

The old Federal jobs bill mandated—I repeat, mandated—the achievement of a 4 percent unemployment rate. But in criticizing that bill, many economists and experts said that such a mandate within five years could never be met without causing an unacceptable increase in the rate of inflation.

Another undesirable feature of the Federal jobs bill was its lack of emphasis on the private sector as a vehicle for improving our economic condition.

The new bill, which I call the "economic goals bill" does just that—it sets goals. It sets goals and suggests policy and guidelines to achieve these goals. Unlike the original bill, it does not spend any money, nor does it authorize any new programs or rules or regulations that must be complied with by the public. It says that in shaping our fiscal policy we should strive, as the wealthiest nation in the world, to have a full employment economy and also focus on and deal with the most serious economic problem, that of inflation.

The new economic goals bill lays stress on the role of the private sector in creating jobs, which is exactly where I believe the emphasis ought to be. And it recognizes inflation for the clear and present danger that it is, instead of harping solely on unemployment.

Basically, here is what the new economic goals bill would do:

The bill would establish as a national goal the opportunity of all Americans able, willing, and seeking to work to full opportunities for useful paid employment at fair rates of compensation.

It would set interim targets for reducing unemployment—a 3-percent rate for those 20 and older and a 4-percent rate for those 16 and over within 5 years of passage.

The economic goals bill would recognize inflation as "a major national problem requiring improved Government policies."

In my view—and that of the many people who suffer from its effects—inflation is the most serious problem facing this country. It is, in a sense, the cruelest tax of all. It erodes the purchasing power and the standard of living of all Americans and affects the stability and foundation of our economic system. Inflation is not only difficult for younger people who are just starting out and earning lower salaries; it is impossible for the elderly who are living on fixed incomes. Unfortunately, there is no single cure for this economic condition, nor is there any single law alone which Congress could pass to end inflation. Back in 1971, Congress enacted legislation providing for wage and price controls which temporarily dampened the fires of inflation; but when that law expired, inflation raged worse than ever.

But we do have a duty to attempt to deal with this pernicious problem with the same sort of emphasis we put on dealing with the problem of unemployment. I do not wish to downplay the seriousness of our unemployment problem, but as my colleague from Connecticut, Mr. SARASIN, has pointed out, while 6 million Americans suffer from unemployment, every one of us is hurt by inflation. I intend to support responsible amendments to this bill which give inflation an even higher priority than it has now. We must start dealing with inflation, our No. 1 economic problem in the context of this legislation.

Each year, the President would set forth goals for employment, unemployment, production, real income, production, and productivity in the economic report he is required to send to Congress in January.

The President would specify the programs and policies he intends to pursue to achieve the various goals and to achieve price stability.

Year after year, Presidents—and Members of Congress—bemoan the economic woes of our Nation. Inflation is too high, unemployment is too high, productivity is too low, and so forth. For many years, every administration has presented its economic programs and outlined fiscal and economic policies, but often on a piecemeal basis. Now, by requiring the President, every President, to state his goals annually, we will be focusing attention on how to achieve these goals every year, on a regular basis, instead of reacting to crisis situations.

To achieve employment standards, emphasis would be required to be placed first on expanding job opportunities in the private sector. Recommending jobs programs in the Government sector could only be a last resort.

However, no such recommended new Federal jobs would be permitted until 2 years after the bill has passed and only then after the President has informed Congress that such action is necessary to meet the specified goals and timetables. And, most importantly, those proposals would have to be authorized and funded separately by separate new legislation. Such programs could come about if, and only if, separately enacted by the Congress through the normal legislative process. There would absolutely be no automatic Federal jobs program.

Any new jobs programs would have to be designed so as not to draw any workers from private employment, with the jobs being mainly in the lower ranges of skill and pay.

The bill gives flexibility to the President, for he would be able to recommend modifications in the goals and timetables for reducing unemployment. Congress would have the option of accepting or rejecting the President's recommendations.

The economic goals bill also calls for restraint of inflation caused by Government policies; it also endorses productivity growth and high rates of capital formation.

I think some changes in the bill are still needed to give inflation even more emphasis as this Nation's No. 1 economic problem as well as some other minor tinkering with the bill. Some comments made by Prof. Donald Ratajczak director of the Economic Forecasting Project at Georgia State University, would be valuable for the Members to consider. Professor Ratajczak writes:

In general, I have no qualms about instituting a longer-term planning process and requiring a budget and monetary policy to address their impacts upon economic conditions and to try to improve those conditions. Thus, I am in agreement with the intent of the legislation.

Several parts of the bill contain troubling economic principles. . .

. . . while many goals are cited, only the specific unemployment targets are presented. In effect, this makes the unemployment targets the most important of all goals. Furthermore, unemployment is defined in terms of people desiring work rather than in terms of the employment capability of the American economy. Obviously, sharp increase in those seeking work will not be as compatible with the available machinery and industrial capacity as would exist if the growth in numbers of those seeking work remained gradual. The bill is totally oblivious to the need to provide workspace for workers. Of course, a planning process can overcome this shortcoming, if it is not forced to reach a specific unemployment target independent of the rate at which the labor force is growing.

. . . the bill implies that the state of the art in economics is sufficient to insure continued high levels of employment, although the authors were wise enough to permit cyclical remedies if a business cycle should appear. Any economist who guarantees that he or she can develop a plan that will achieve the goals of this act is naive.

. . . Aside from the economics and the fixed unemployment targets, areas that give me problems are: . . . failure to discuss procedures if balanced growth and 4% unemployment prove to be incompatible; and the regional employment policies . . . (why only look at the movement from high unemployment areas and why worry only about unemployment—it is low in Mississippi—and not economic well being?). I also feel that explicit goals to lower the differentials in unemployment are at least as necessary as a broad goal (although I do not wish to change my concern about the inappropriate use of unemployment as a goal). Thus, a statement that programs must be developed to reduce the black teenage unemployment rate by more than half in the next five years is needed, or the goals of this bill can be obtained without altering the differential burdens that must be borne when unemployment is substantial.

The net effect of this bill is to raise the stabilization consciousness of the budgetary process without committing large appropriations in pursuit of some of the bad economics that it contains. I believe, therefore, that some net good is accomplished and personally would support the bill.

Thus, with certain amendments, especially those placing ever greater emphasis on fighting inflation and price stability, I imagine almost everyone would agree that we want to achieve a full-employment economy for those who are willing and able to work productively and stop catering to deadbeats.

The vigorous private sector of our economy is fully equal to the goals sought by the new economic goals bill on which we will be voting. Even the U.S. Chamber of Commerce has gone on record as committing "the business community to the basic objective of full employment through a dynamic private sector economy."

Let me point out once again that unlike the old Federal jobs bill, the new economic goals bill does not create any new bureaucracy, does not authorize any new programs, and does not spend any money. The old Federal jobs bill is dead; the new economic goals bill is entirely different. I think it should be considered and debated on its own merits or demerits.

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is not my intent to use much time. I hope that we can accommodate the House with an early adjournment. I think that it is extremely necessary, however, to try to put this legislation into proper focus. It seems to me that there is a great deal of confusion about this being a jobs bill rather than a policy and process bill that is intended to move us out of stagflation into a healthier economy, expanding opportunities, and price stability.

Mr. Chairman, I am certain that the sponsors of this bill do not apologize for their efforts in behalf of fighting inflation. We have seen from the beginning and continue to see that the fights against unemployment and for price stability are interwoven and cannot be separated. It is not true that simply by fighting inflation we can get unemploy-

ment down. We must do both: fight unemployment as well as fight inflation.

Mr. Chairman, during the Eisenhower administration we were able to achieve reasonable price stability at 1.4 percent; but unemployment during that administration increased, as we can see, dramatically to 6.7 percent, so that while we achieved price stability at the cost of three recessions, we had very high unemployment.

Mr. Chairman, I think that fact should lay to rest any idea that one of these goals can be sought without the other. It is equally true, however, that we also believe that it is extremely important to fight inflation.

Earlier today, the gentleman from Ohio (Mr. LATTA) pointed out on page 2 of the committee's report a very strong statement to the effect that H.R. 50 outlines the strongest anti-inflation provision short of a war situation. He called our attention to that fact. He was decrying the fact that this bill, therefore, is too strong, on that side, with respect to that provision. Others on the same side would say that it is too weak, and I think they should make up their minds as to whether or not the anti-inflation provisions are too strong or they are too weak.

Mr. Chairman, the bill, in its simplest terms, makes a recommittal to the Employment Act of 1946. This simply suggests that we return to a lawful observance of what is already the law of the land. This bill merely seeks to provide for maximum enforcement of that act as opposed to the economic situation which we had between 1969 and 1976, when the policy of this Nation was to have what was then called a tolerable level of unemployment.

It started out to be 6 percent, and it got up to 7 percent and 8 percent, which we were supposed to tolerate. Why? In order to have price stability. However, did we achieve price stability?

We had the highest inflation in this country since the Civil War; and it was so high and unemployment alone was so high that we coined the new phrase "stagflation."

It would seem to me, Mr. Chairman, that it is equally true that while this is not, as such, a problem of inflation versus unemployment any more than it is a question of unemployment versus crime, we should simply point out that in order to fight one issue, it is necessary to exert our efforts on the other.

Mr. Chairman, we have stated from the very beginning, and we repeat, that full employment is not, as the opposition would have us believe, inflationary. It is just the opposite. A healthy economy helps everybody. A sick economy, that is, one of low growth, high unemployment, and idle factories, is inflationary because goods and services, within limited productivity, drop during such periods. Per unit cost rise. Incomes, such as of those on welfare and unemployment compensation, are maintained with zero output. Revenues fall during these periods of time. Deficits and national debts increase. Investment in business slackens, and so we have a sick economy such as the opposition would have us believe we want to return to, as we did during some earlier periods, which, they say, would be less inflationary.

Mr. Chairman, it is against empirical evidence to state that it would not be highly inflationary.

Another myth that has been exploited, it seems to me, this afternoon is that inflation affects everybody, but full employment only helps the unemployed. Well, certainly it helps the unemployed, but it helps the employed as well. It helps them in the protection of their jobs, in the protection of their wages, in the goods and services that they are not denied. It protects the employed in terms of promotion—and this bill is not merely to get jobs for the unemployed. It is to permit individuals who already have jobs to advance on those jobs, to get better jobs, in order to make room for others.

It helps the consumer because when the consumer is denied goods and services, prices go up. And so, full employment helps them to get goods and services at reasonable prices. It helps taxpayers because taxpayers today are paying over $50 billion for welfare and unemployment programs. This is an unnecessary waste, so taxpayers are not benefited from unemployment. They are benefited when persons have to work for what they earn.

It certainly helps all of us in the reduction of crime, disease, and social instability, which affect all of us. So, to make the general statement that this bill for full employment only helps a few unemployed persons is obviously a lack of understanding of what full employment really is. If they want to suggest that, it seems to me that we should listen to them.

Now, as to whether or not it helps other groups, other than blacks and women and minorities, there are three and one-half times more whites unemployed than blacks, and these persons are not just unemployed in the ghettos. They are unemployed as well, certainly, in the rural areas of our country. They are unemployed in the South as well as in the North. So, this is not a restricted bill. It is a bill that brings help to every citizen in this country.

There is no attempt in this bill to restrict it to help merely those who are black and unemployed, or any other particular group. I, for one, would be very much in support of any assistance that would come from the other side to help black youth unemployment, but do the Members realize that is less than 1 percent of the problem; that there are only some 300,000 persons in that group? If every black unemployed youth was helped, it would only help about 300,000 persons, Yet, there are more than 7 million officially unemployed.

So, it just seems to me that this type of inaccurate description of H.R. 50 indicates that somebody has not even read the bill, or if they have read the bill, they do not understand what full employment is all about.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I have just a limited amount of time. I will yield for the purpose of asking a question.

Mr. KEMP. I appreciate my friend yielding to me and commend his goal of full employment. The gentleman, in attempting to answer the inaccuracies he feels have been leveled against his bill, ought not to make equal inaccurate statements about the position of the loyal opposition. The gentleman said that it is the position of those in opposition that a "sick economy" is the way to solve the problems of inflation? Was that the point, that he wished to make?

Mr. HAWKINS. I said that a sick economy does not solve the problem, and by that I mean an economy of low growth, of unemployment, of trying to restrict or trying to fight inflation by graduated unemployment. That is what I meant, and that characterizes the Nixon-Ford administration. If there are any persons in this room who supported the Nixon-Ford economic policies, then they are the ones I would certainly level that charge against, yes.

Mr. KEMP. If the gentleman will yield further, I totally agree with you that a healthy economy moving toward full employment is the best way to reduce inflation there is. I share the gentleman's goal and have made it my personal and political battle.

I think what this side of the aisle, or many of us on this side of the aisle, are trying to bring to this debate is the question is, How do you achieve it? Do you do it by spending more money and expanding programs with more central planning, or do you reduce the main barrier to full employment, in this country today which is high taxes and the overregulated enterprises of our people? Would the gentleman agree with that statement?

Mr. HAWKINS. No, I do not agree with the statement, and I would like not to yield any further time, but I think the gentleman misinterprets. I have been with the gentleman many times and I support tax reduction and I would certainly grant further tax concessions to be sure, such as the gentleman has advocated many times. I would agree with many of them. I think that can be done within the context of H.R. 50.

The only difference between my position and that of other individuals is they would give those reductions without a commitment. I say I am willing and I think the sponsors of H.R. 50 are willing to make those commitments if they are given within the context that the moneys we give to the taxpayers will produce jobs in this country and not go into the pockets to help those already overloaded financially, but that they will help everybody. If we get that commitment, I think a large part of this program can be enacted. That is what I have said with the gentleman being present and without his being present.

I think it answers another question because the gentleman says he is for full employment but he is against the means. As I indicated, this bill does not specify the means whereby we get full employment. The programs, all the programs, whether it is tax reduction or public service or whatever else would be the

means of getting full employment are not specified in this bill. These are the programs that would come before this House. We are not going to vote out $40 billion or $50 billion, as the gentleman well knows, to waste on any programs we do not believe in.

So all these decisions will be made later. They are not being made today in this bill. We are not appropriating in this bill. All these fabulous amounts of money on programs that are beyond the means of this House to decide now will be decided upon at the appropriate time.

I support the gentleman's views even though I know the gentleman is opposed to this bill.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Minnesota such time as he may consume.

Mr. VENTO. Mr. Chairman, I rise in strong support of the Humphrey-Hawkins bill and commend the gentleman from California (Mr. HAWKINS) for his tenacious defense of the bill. It is well reasoned and well thought out and I support the adoption of the bill.

Mr. Chairman, House passage of the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978 could be one of the most significant achievements of the 95th Congress.

This bill has been the subject of so much discussion, provoked so much soul searching, survived so many embittered attacks on its integrity. A lesser piece of legislation surely would have died. Yet Humphrey-Hawkins has emerged as what it was originally intended to be—a blueprint for a coordinated, rational economic policy which will serve as a framework for all our programs and decisions.

Humphrey-Hawkins alone does not provide all the answers to the serious problems of our economy, the unacceptable unemployment rates and unconscionable inflation rates.

It does not create massive jobs programs or allocate millions of dollars of Federal funds.

But it was not supposed to.

What Humphrey-Hawkins does is set specific goals. For example, a 4-percent unemployment rate for all adults 16 years and older within the next 5 years. And it makes Congress and the President accountable by law for the achievement of these goals.

For what may be the first time, we will be approaching our serious economic problems in a coordinated and comprehensive manner. The Federal budget will be integrated into the national economic decisionmaking process. The President's annual economic report will become a working blueprint to achieve full employment and economic growth, and the President will be required to restrain inflation and promote capital formation within the context of the initiatives and proposed budget.

Congress will have to evaluate these directives and regularly reassess how many public service jobs and other economic stimulus programs are needed to accomplish these goals in coordination with the President.

And for the first time, Humphrey-Hawkins will bring into the overall planning scheme agencies which have been in the background far too long. The bill establishes a new relationship between the Federal Reserve System and the executive branch. The Federal Reserve will have to submit to Congress, within 30 days of the economic report, a statement of its intended policies over the next 2 years and their relationship to the short-term goals set forth in the economic report. The Federal Reserve will be required to say whether its money policies are adequate to support the President's economic targets. And if they are not, the Federal Reserve will have to explain why.

As a member of the House Banking Committee which has spent considerable time and effort on legislation to open up the whole Federal Reserve System, I am particularly sensitive to the shortcomings in the Federal Reserve's relationship to the rest of our Government and the considerable fragmentation in its efforts to integrate monetary and fiscal policies. There is great need for improvement. And Humphrey-Hawkins goes a long way toward achieving vital reforms.

The Humphrey-Hawkins bill makes good sense. It establishes as a national goal "the fulfillment of the right of all Americans who are able, willing, and seeking to work, full opportunities for useful paid employment at fair rates of compensation." It identifies inflation as the "major national problem" that it is. And it establishes the order of priority for job expansion, mandating that actions be taken by the President and Congress if necessary to meet these goals. It is a noble and worthwhile beginning.

Mr. SARASIN. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, I listened in somewhat confusion and amazement at the statements that have been going on here with respect to the minority party. To my knowledge there is not a single Member on our side that has ever argued there is a trade off between inflation and unemployment. Our position is very clear that there is not a trade off and that we can accomplish both, and that is the purpose and function of the Sarasin amendment, to demonstrate to the American people that there is not and that we can have both a downward trend of inflation and a reduction in unemployment at the same time.

I would like to point out, as I have to the majority before, that the last time this was accomplished was when we had a Republican President and a Republican Congress and it was those Republican principles that gave us both low inflation and low unemployment.

Perhaps if we did not do anything else one of the goals in this bill ought to be to reelect a Republican President and a Republican Congress and end some of these problems.

I now would like to more generally talk to some of the other aspects of this bill, because it seems to me that the first thing we ought to do in considering this legislation is to ask some very basic questions about its purpose. What is the real intent of the Humphrey-Hawkins bill? What would it actually accomplish? Is it a statement of the American dream, or is it a bureaucratic nightmare in disguise? Is it a sincere promise to the long-suffering hard-core unemployed, or is it, as the New York Times suggested in a recent editorial, a cruel hoax? Will it bring more order to the budget process, or is it a power grab by the Joint Economic Committee to gain turf in that area?

Unfortunately, the answers cannot be categorized that easily. It would be easy to state what the bill doesn't do. It doesn't create a single job.

But the questions must be asked. And the answers, at best, are not as positive as any of us would like them to be. If the bill is, indeed, an attempt to codify the American dream, it is incomplete, and does nothing to make the dream a reality. If the bill is a monument, the monument is built on sand. If it is an attempt to set directions for the administration, it comes too late, as the administration has already announced the directions it intends to take.

Comparing this legislation with the announced plans of the administration, we have a scene worthy of Alice in Wonderland. Like mad hatters at a tea party, we are stating that public service employment is the last resort, after the administration has announced that the last resort will come first. More than a million CETA jobs are to be created, and a greater number of new public service positions will be established as part of the welfare reform program. That is what the administration is telling us will be done, and nothing in the Humphrey-Hawkins bill would change the plans. The bill contains no new suggestions or plans for implementation of the first resort, which is, appropriately, creation of new job opportunities in the private sector.

The bill's rhetoric is admirable, but it does not change priorities, and in fact reinforces the present course. If we pass the bill in its present form, we will create an illusion, saying we will do last what we know we will do first, and preparing to claim success when we fail.

I am not in any way disputing the need for public service employment. The idea of providing a job to a person who would otherwise be unemployed, or on welfare is extremely attractive. Not all such jobs will be equally productive, or equally meaningful, but we should make them as productive and meaningful as possible.

It is a well accepted principle that public service jobs tend to be less productive than employment in the private sector. The major purpose of public service employment is to help people enter or return to the work force, to learn skills and gain confidence needed for more permanent and more productive employment. This is obviously an important objective. But we must recognize that success has been limited. A good example

is provided by the CETA program in Suffolk County, N.Y., which was recently studied by our committee staff. This CETA program, which is reputed to be among the best in the country, served 2,462 individuals with public service employment in 1976. Only 235, or less than 10 percent, have moved into private sector employment. In 1977, the percentage dropped even further, with only 2.3 percent of participants transitioning into private sector jobs.

So while public service employment has an important place in our attack on unemployment, the results have not been miraculous. As the bill says, it should be the last resort. I will not dwell on that point, because I believe most Members of this Chamber agree. What I wish to emphasize is that the Humphrey-Hawkins bill, as now written, provides no alternative, and in fact encourages the administration to use public service employment as the primary means of combating joblessness. This is especially true since this bill, as presently written, will deceive the American people into believing the decrease in joblessness is a result of an improved economy.

There are alternatives available to us. Some of these alternatives will be offered as amendments later on. Meaningful steps can be taken by the Federal Government to encourage private sector employment. But in its present form, the only incentive the bill provides is for meeting the goals of 3 and 4 percent unemployment, or suitable revisions of those goals. The incentive is to accomplish the goals in the easiest way possible, with the greatest possible chance for success. Not success in improving the economy, but success in reducing joblessness. As we already know, the administration has determined that the easiest way to do this is through creation of public service jobs.

Creation of new jobs—new income—without an equivalent increase in production, is sure-fire means of contributing to inflation. And, through the equal-pay-for-equal-work concept, we will be artificially raising the true minimum wage. Again, I do not wish to dwell on the obvious. We need public service employment, but most Members of this Chamber will agree that if we make too great a use of this option, we will risk the danger of very serious damage to the economy.

Such damage is encouraged by the present bill. The philosophy of the bill is that by setting of goals, the administration will have a stronger incentive to reduce unemployment, because failure to meet the goals would be politically embarrassing.

And, while the bill acknowledges the desirability of actually improving the economy by stimulating the private sector, the bill gives the administration an easy way out, a way to meet the goals, with the cooperation of Congress, without any danger of failing.

The goals are expressed in terms of the unemployment rate, the traditional barometer of our economic health. It is a highly imperfect barometer, which is now being reviewed by a special comission. But it is the instrument which has been widely accepted by the public for use in gaging economic health.

I will be offering amendments, which would, I believe, eliminate the potential for deception. But in its present form, the opportunities for deception are all too tempting.

By creating millions of new public service jobs, we can lower the unemployment rate substantially. By establishing the goals that are in this bill, and then meeting the goals with public service jobs, we can officially pronounce the economy to be healthy. The administration, in its leadership role, can take due credit for that accomplishment.

Let me give you an example as to the significance of these aspects. The December 1977 figure for unemployment was 6.4 percent. However, if public service employment employees, 615,000, were considered as still seeking employment, the rate would have been 7 percent. This would place us back to where we were in December 1974, when there were only 55,000 public service employees and the rate, corrected, was 7.3 percent. Are we really better off? The public may think so. Let us examine the effect of the program the President has outlined to have 2.5 million public service jobs through CETA and welfare reform. After consideration of existing public service jobs, assuming present conditions, and that unemployed people are employed, this would reduce the present unemployment rate to 4 plus percent. Because the public believes improvement in the unemployment rate means a healthier economy, they would be deceived into believing good times are here. Are they?

That is the course of action we are encouraging in this bill. We are encouraging deception. We are encouraging actions which will damage the economy, perhaps beyond repair, in the name of economic improvement. I do not think that is the intention of any Member of this Chamber. But that is, unfortunately, what the bill in its present form would accomplish.

I personally do not believe that this administration, or any administration, needs to be embarrassed into attempting to find solutions to the unemployment problem. Steps which actually improve the economy will be politically popular, regardless of whether this bill passes.

But if we wish to establish directions for the attack on unemployment, then that is what we should do. There are substantive actions that we can take. Amendments will be offered which would help revitalize the economy, and which would give us a more accurate gage to determine our progress toward attainment of the American dream.

I will be offering three amendments. One would attempt to insure that alternative job-creating programs and technology development receive primary national attention. Specifically it cites small business development, alternative modes of transportation, alternative energy technologies and conservation, and heightened environmental quality through programs such as a beverage container deposit system, all of which would provide substantial private sector employment.

The second amendment, in the same section, would specify that correction of serious national problems through meaningful private sector employment has higher priority than creation of "last resort" public service jobs. One such problem is the removal of barriers to the handicapped, which we pledged to do in section 504 of the Vocational Rehabilitation Act of 1973. Following through on that commitment would create between 300,000 and 720,000 new private sector jobs.

I will also offer a "Truth in Reporting" amendment, which would require that the goals, and the reports by the administration, differentiate between public service employment and improvements in the private sector economy. In other words, we would have a far more accurate measure of actual economic improvement, so any incentive for deception would be eliminated.

I believe this bill is salvageable. It can be made into meaningful, constructive legislation if we actually want to do that. But we do not need more political deception. We do not need empty promises to the hard core unemployed. We do not need monuments that are built on sand. We do not need artificial incentives to go against our better judgment with programs that add to the cruel tax of inflation. Unless this bill is substantially revised, it should be defeated.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I am happy to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, I appreciate the gentleman from Vermont (Mr. JEFFORDS) yielding to me.

Mr. Chairman, I certainly am in agreement with the earlier remarks made by the gentleman from California (Mr. HAWKINS). I believe the way he has pointed out the operation of H.R. 50 as it applies to inflation and the impact on inflation are laudable, but I believe that we should balance the bill, and I agree with his conclusion that we can have low unemployment and low inflation.

Mr. JEFFORDS. I agree with the gentleman from Connecticut, and I commend the gentleman for the amendments that he is about to offer, and which indeed spell out that philosophy, a philosophy which I believe we all can agree with.

Mr. HAWKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana (Mr. LONG).

Mr. LONG of Louisiana. Mr. Chairman, I rise in support of this bill, H.R. 50, the Full Employment and Balanced Growth Act. I support the Humphrey-Hawkins bill as the embodiment of the economic aspirations of the American people.

I want to commend to you the fine work of the members of the Education and Labor Committee and of the Committee on Rules as the legislative realization of our people's growing concern with inflation and the shameful burden unemployment places on this Nation.

This bill asserts two fundamental policy statements and it is over these

two issues the debate swirls. First, the bill asserts that we cannot, and more importantly that we do not, have a prosperous economy at the same time that millions of our people cannot find jobs.

Second, the bill submits that the public sector is not doing all it can to assist and undergird the efforts of the private sector to secure a strong economy.

While many disagree about the exact nature and magnitude of our economic and social condition, one thing is very apparent. We are rearing an entire generation of Americans who do not know the meaning of work or of holding a regular job. And it is not their fault—they are ready, willing, and able to support themselves if the opportunity to do so were to present itself.

The sad truth is that for many of our people, unemployment is a crushing burden from which they cannot escape—and that burden is staggering. That is the message of this legislation and that is the challenge and responsibility of this Government. America cannot and does not have prosperity when millions of its people cannot find work.

Taking up that challenge is not an easy task. The problems of our economy are immense and complex. What we affirm today with this statement of policy is that the Government recognizes the immensity of that problem and the total frustration of this burden on society. Indeed, unemployment is the cruelest burden which an advanced economy, a developed society, and a responsible government can lay upon its people. Unemployment is sadly connected to drug addiction, sickness, crimes against property and persons, and the whole gamut of social malignancies. It gnaws at the physical and mental health of its victims, and it gnaws at the health of society.

We must remember that unlike many of our economic problems, unemployment does not touch all of us equally. It touches and cripples those least able to protect themselves. The rate of teenage unemployment is almost three times the general rate, and among black teenagers reaches upward of 40 percent. The black, the young, and the disadvantaged are the ones most ill served by their Government in this case. The whole point of this bill is to affirm that unemployment threatens our economy as much as rampant inflation.

The tragedy of unemployment, we recognize here, is not just a personal one—it is a public tragedy that strikes at the roots of our Government and our system of private enterprise. People without jobs have no money; people without jobs do not "buy American." They go on welfare, drain the Treasury, pay no taxes, and create deficits. When the unemployment rolls grow, the private sector falters; workers lose acquired skills; productivity plummets, and plants go idle and deteriorate without turning a profit. My service on the Joint Economic Committee has proved to me that there is a significant link between human unemployment and capital unemployment. In this bill, we affirm the Government's intention to increase the capital investment potential of the private sector by boosting our overall employment rate. We can attack social injustice here by expanding our private economy. This is the fundamental logic of this bill.

This last point is very important: The essential objective of the Humphrey-Hawkins bill is to throw the weight of the Government behind the private economy. Unemployment of our human capital is such a crucial problem that the private sector must be assisted in its efforts at recovery, a recovery with a difference—not simply recovery regardless of its character—that was our past mistake. Rather, it must be a strong economic recovery built upon full employment of all our resources.

Some detractors argue that by supporting this bill, the Government ignores the immutable economic law that a strong economy with stable prices must be built on unemployment. These opponents call this law the "Phillips Curve." I must confess that I am a generalist. I am no technocrat, and I confess I cannot always judge the full technical merits of the economic arguments and theories put forth regarding the Phillips Curve. But I have served long enough on the Joint Economic Committee and done enough homework on economic problems to assure you that these ardent opponents are basing their claim on the immutability of a law in economics—a science so fraught with false conjectures and controversy that it is unable to claim any really accurate macroeconomic theories.

Although there is some disagreement about how to reach our price stability goals—some disagreement even among this bill's supporters—nearly all agree that inflation cannot be curbed at the risk of massive unemployment. That was tried already, too often. That is when we were introduced to "stagflation": The one-word answer to the Phillips Curve.

A strong economy based on an employment difference is the new economic policy our Government must strive to recognize and implement.

The simultaneous presence of inflation and unemployment not only exposes the weakness of our current economic theories, it clearly underscores our political deficiencies as well. Many of our Nation's economic problems are the product of two misconceptions: First, that better coordination cannot possibly assist the private sector; and second, that it is not the responsibility of our Government to plan.

The thrust of this legislation is that the private economy is being shortchanged by these economic policies of the Government which often pull at cross-purposes. We cannot continue to allow the unemployed to pay for our own mistaken policy objectives. This bill attempts to right this wrong by supplying the private sector with a clear and consistent statement of the Government's objectives and goals. Indeed, this bill strongly commits the Government to assisting the private sector in its drive for a strong economy. Those who argue that the bill creates public makework jobs which would only burden the private sector are simply wrong.

What the Full Employment Act does do is reassert the Government's responsibility to better coordinate and better plan its economic efforts. Opponents of the bill equate business planning with foresight and Government planning with foreign ideologies. They use fear words to form an emotion-charged smokescreen to hide their genuine preference for inactivity.

Surely, we are not expected to carry out the business of the Government in a helter-skelter fashion, without some vision of the future; no more so than are businesses expected to forego their own planning operations. The Government must allow itself to relate to the economy.

In effect, opponents are saying the Government should not do anything; it should be silent and uncaring and unresponsive and inactive. This is the crux of the real debate over Humphrey-Hawkins. What we are debating here is whether the Government should stand by idly and watch the economy and the private sector falter or whether the Government should become a vehicle for the aspirations of its people and undergird the private sector in its efforts at full employment.

Of course, that is not to say that support of this Humphrey-Hawkins policy bill is an affirmation that Government will find all the answers; we have learned that lesson all too often. This bill does, however, affirm that it is the responsibility of the Government to secure a strong economy for its people, and further that it is the responsibility of Government to act for the people to remove the shameful burden unemployment places on our people and our economy.

We should pass this bill, because it is our duty and our job. Let me be frank on this point: We should not support this bill merely to erect some fitting memorial to our dear friend and colleague, Hubert Humphrey. No such appeal is needed in behalf of this bill. I urge you to support H.R. 50 for a more fundamental reason. Support this legislation as the responsible embodiment of the fundamental creed of democratic governments: That the true monuments to man are those he builds among his fellow men.

Mr. HAWKINS. Mr. Chairman, I yield 1 minute to the gentleman from Rhode Island (Mr. BEARD), a member of the committee.

Mr. BEARD of Rhode Island. Mr. Chairman, I might state that 1 minute will be all that I need.

Mr. Chairman, this bill can be called the product of the experience of the gentleman from California, Mr. GUS HAWKINS, and it also has the benefit of a lifetime of dedication by Hubert H. Humphrey.

Mr. Chairman, as a former blue-collar worker I support this bill. As chairman of the blue-collar workers, I support this bill. But, I think more importantly, that it is time for guidelines as to the agenda of this Congress so as to put our people back to work.

I can tell this to my Republican colleagues, and to those other Members who might oppose the legislation that they should watch out or Hubert Humphrey will put the hex on them.

Mr. SARASIN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, I have tried my darndest to come up with something really constructive and complimentary to say about this Humphrey-Hawkins bill out of respect to my good friend and colleague GUS HAWKINS and my real affection for our late departed friend Hubert Humphrey.

Hubert left us on an extremely high wave of popularity and I want to remember him that way. Therefore, I am not about to sully that memory by letting all the emotion that surrounds the title of this bill cloud my judgment as to what is really in it.

It is, in short, an ill-conceived hodgepodge of economic illiteracy.

Precisely at a time when Americans are crying out for relief from the inflationary policies inherent in this bill, we are asked to give them more of the same.

I am reminded of the Biblical quotation: "Which of you, if his son asks for bread, would give him a stone?"

That is what, in effect, we are being asked to do: Ignore the wage earner's, consumer's, and taxpayer's cries for relief and instead pile on yet another burden.

There is a myth, widely circulated, that H.R. 50 really has no substance, only nice sounding rhetoric. This myth says that we should vote for it, because it sounds nice but would not make much difference in the real world.

In my view, this bill embodies enough economic time bombs to warrant a compulsory "no smoking" sign in its preamble.

As the Washington Star said recently in their editorial:

> Anyone who thinks the bill is a mere gesture . . . had better put on glasses and take a look at the precise language of the bill.

And even if you insist that it is mere rhetoric so a vote for it is not all that bad, how can you divorce yourself from those actions—legislative proposals that is—that would be necessary to implement this "planned economy"?

Mr. Chairman, there can be no doubt of the rights and the duty of the Congress to tax and spend. But the bill calls for:

> . . . Annual numerical goals for 5 years for employment and unemployment, production, real income and productivity.

The imposition of such rigid and artificial goals is ridiculous.

It puts the Congress in the position of placing a straitjacket on the President and then expecting the executive branch to quickly respond to the often-quickly changing circumstances of the American economy.

If this bill were enacted the entire Government would be forced to concentrate all its energies toward achieving the utopian goals set forth in this bill. We would be forced to pursue a mirage, while the hard facts of economic reality were ignored.

Turning to the relationship of the Federal Reserve Board with the Congress, the language of the bill says the Fed shall:

> Transmit to the Congress within 1 month after the transmittal by the President of the economic report, an independent statement setting forth its intended policies for the year ahead and their relationship to the short-term goals. Congress shall then take such action as it finds necessary to insure closer conformity to the purposes of the bill.

In answer to that let me turn again to the Washington Star:

> At this point, no one seems to know what action the bill contemplates. Would the traditional independence of the Fed be impaired? No one knows . . . the bill would establish a totally new relationship between the Federal Reserve System and the executive branch of government.

Finally, there is the problem raised by section 302 dealing with the Joint Economic Committee and the part it plays in this scheme of things.

The record should show that we are being asked to vote for a bill that would create major unprecedented economic planning innovations whose results cannot be predicted with any degree of accuracy but whose very existence would surely dramatically alter our traditional relationships within Government. The bill's sponsors do not tell us exactly how these changes could occur, and for good reasons: They do not know themselves. We are being asked to take on faith the dubious proposition that H.R. 50 will, in the end, turn out all right.

This bill is called "The Full Employment and Balanced Growth Act of 1978." What a cruel hoax.

The call for a "Five-Year Plan" is the old, weary, discredited call of the big central planners, the ones who gave us gigantic deficits in the first place, the ones who recently told us we all needed a consumer protection bill, the ones who have been deceiving the American people with inflationary policies and big Government busy-body programs all these years.

What do we have here but vague ideas cloaked in the overblown rhetoric of compassion? This bill is an economic wolf that bleats like a lamb, with teeth that will rip apart the hopes and dreams of millions.

If there are those whose minds are still open on the subject I would implore you to refrain from being taken in again with meaningless words.

Let me quote section 105, section 5 (B) (2):

> In choosing means to achieve the goal for the reduction of unemployment and in choosing means to achieve the goal of reasonable price stability, those means which are mutually reinforcing shall be used to the extent practicable.

To the extent "practicable." Exactly what is that supposed to mean?

Let me issue a challenge: I dare anyone in this House right now to stand up here and show us exactly how this bill will increase employment, exactly how it will create one job in the private sector exactly how it will help cure the curse of teenage unemployment. Do not tell us what the nice-sounding words in the bill say. Tell us how they are translated into action.

In section 106, section 6(a), the bill achieves a kind of wild poetry, totally devoid of any touch with reality a fantasy pure and simple. It is as much a tribute to the creative powers of the drafters as it is an indictment of their economic wisdom. I only wish we had background music to emphasize the unreality of it all. Listen to this section 106:

> To contribute to the achievement of the goals under the Full Employment and Balanced Growth Act of 1978, the Economic Report shall include priority policies and programs to encourage productive nonwasteful jobs, to help reorder national priorities, and to employ the jobless in the production of goods and services which add to the strength of the economy, the wealth of the Nation, the well-being of the people, and the restraint of inflation. Such policies and programs shall be set forth only in sufficient detail to furnish an integrated perspective of the needs and capabilities of the Nation and as a long-run guide to relevant national economic policies and programs.

I am at a loss as to why the drafters left out such phrases as the "pursuit of happiness" and "follow the yellow brick road." Not content with telling us with sublime redundancy that the jobs have to be both "productive" and, at the same time, "nonwasteful," the bill casually mentions that the President's economic report must do nothing less than "help reorder national priorities."

I would think that in itself would be a full-time task, but, no, the bill goes on. The jobless are to be employed in jobs that make everyone happy, well-off and also "restrain" inflation.

You would think that those who dare to put forth such a bold vision in the language of the bill would offer us some insight, some glimpse, no matter how brief, of how all of these goodies are going to come about. We expect to see some kind of plan. We are then told, in a masterstroke of understatement, that the policies and programs that will lead to this utopia need to be set forth only "in sufficient detail to furnish an integrated perspective", and so forth.

Mr. Chairman, let me pause here to pay my respect to the creators of such science-fiction and fantasy.

We cannot really expect anyone to try to tell us how this complex, vague, contradictory, obscure, and mysterious plan would work. No one can say how it would work, because no one in this Congress knows how it could work.

We are faced with a choice between centralism and pluralism. The lines are clearly drawn.

Let me conclude with a phrase from the preamble of the bill which refers to "practical reality." It is the only place in the bill where you will find those two words—and nowhere in the bill will you find any words that suggests its sponsors understand the complexities of practical realities.

This bill is a monument to failure. It is a monument to the failure of a philosophy of central planning and of 5-year plans. It is the last, desperate throw of the dice for those who for so long have

been gambling—and losing—with the hard-earned dollars from the American taxpayer.

Let us turn away from the heady wine that symbolizes this bill and get to work on those measures that put meat and potatoes on the table for those who really want to work.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am delighted to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, would the gentleman agree with the statement that has been made:

> Let us not be led down the primrose path by these pernicious peddlers of productivity, policy, planning and purchasing power
> Who, while purporting palatable programs, and parroting a Plains Peanuts producer, are in reality promulgating pestiferous
> Platitudes and posturing political pork-barrelling through puny panaceas and pusillanimous promises. . . .
> In sum, perpetrators of pure Poppycock!

Mr. MICHEL. Mr. Chairman, I could not say it better myself.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. McCORMACK).

Mr. McCORMACK. Mr. Chairman, I support H.R. 50. I think it is a good bill. I want to congratulate the subcommittee and the gentleman from California (Mr. HAWKINS) who worked so hard to prepare it.

However, tomorrow at the appropriaate time, I will offer an amendment which will require that, in addition to the other annual reports required by the President and the Federal Reserve Board, a report will be required from the President or the Department of Energy indicating the sources of energy and the supplies of additional energy production that will be required for the new jobs that are planned for a given period of time.

Specifically, my amendment reads:

> On page 70, line 8, after the word "energy," insert "sources and supplies, with appropriate recognition of the demand for increased energy production required for increased employment,".

My reason for submitting this amendment is to emphasize the importance of our recognizing, and of the President's recognizing, that since there is a direct correlation between employment growth and energy production growth, any plan to increase employment or to reduce unemployment must be accompanied by a positive program to produce the energy these new jobs will require.

Since the end of the Second World War there has been a striking one-to-one relationship between employment growth and growth of energy consumption in this country. Since 1960, for instance, employment has grown from about 63 million jobs to about 92 million today—a growth of about 29 million jobs.

During the same time, since 1960, energy consumption has grown from about 22 million barrels of oil equivalent/day to about 37 million barrels at this time—an increase of about 15 million barrels of oil per day/equivalent.

So we have a ratio of two jobs per one barrel of oil a day/equivalent or a requirement of one barrel of oil a day/equivalent for each two new jobs.

If we wish to reduce unemployment from 7 to 3 percent—this would require about 4 million new jobs during the coming years—it would require the production of an additional 2 million barrels of oil a day/equivalent, which is equivalent to 60 to 70 1,000-megawatt nuclear plants or coal plants of the same size, or 600,000 tons of coal a day, along with the facilities to clean it up to make it safe to use.

In addition, of course, we recognize that the basic wealth-producing industries are the ones in which employment must be increased. These industries are energy-intensive: Steel, aluminum, petroleum products, plastic, cement, glass, chemicals, agriculture, and transportation. These are energy-intensive industries, and they are the ones where employment must grow.

So, Mr. Chairman, it can easily be seen that if we are really serious about reducing unemployment, especially among the youth in our central cities, we must plan for significantly increased energy production, and soon. My amendment calls for recognition of this fact.

Mr. SARASIN. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, many Members of this body will vote for this legislation without being fully convinced that it is really a very meaningful bill.

Unfortunately, Mr. Chairman, other Members of this body will vote against this legislation, properly perceiving its flaws, but unprepared to offer in its place any other plan to relieve the very real problem of unemployment.

It is no favor to the unemployed to say to them: "We will place you in makeshift, short-term work in which you will develop no skills and achieve no real security." But neither is it a favor, nor is it responsible, to close one's eyes to the fact that people who need work have no work.

Too often in the past those who share my philosophy have neither recognized the existence of social problems nor undertaken any personal commitment to address those problems. Those Members of this body who find they cannot support this legislation have an obligation to continue to address the problem of unemployment with private sector alternatives.

There is no conflict between full employment and reduced inflation if the employment is productive, and concern about inflation should serve as no barrier to putting people to work.

I for one intend to work with my colleagues on the Republican side of the aisle and on the other side of the aisle, if possible, to create additional legislative packages, not impaired by falling within the confines of this legislation, which will attempt to realistically and predictably expand the private sector to create real jobs.

With opposition comes responsibility. If H.R. 50 is not a perfect solution, if it is not even a good solution, then I will remind my colleagues that opposition to H.R. 50 is not a solution at all. There are real problems that demand not cliches or rhetoric or clever one-liners, but hard work to put the free market to work to put people to work.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, I rise with disappointment and reluctance to oppose this so-called full employment and balanced growth legislation. My opposition stems not from a lack of commitment to full employment. I have fully demonstrated my commitment to creating an economic climate that enables everyone who wants a job to get a job. First as an assistant to President Johnson, I strongly supported and helped pass some of those economic programs that helped to give the United States sustained economic growth, full employment, and a reasonable inflation rate of about 3 percent or less. Later as a Member of Congress, I consistently supported public works jobs programs which provide meaningful jobs and capital improvements for this country.

But this bill is not what our country needs. It mandates the Federal Government to achieve ambitious economic goals without specifying how these goals can be reached. Let us face it—we do not really know how to reach them. As the New York Times has noted, this bill is a cruel hoax of empty promises.

Our history over the last two decades should have taught us at least two things. First, national inflation is as serious an economic problem as any other for the American people. And second, the Congress must stop rushing into empty solutions which raise expectations that cannot be fulfilled. If we pass this bill, we will surely ignore these lessons.

Let me discuss my three main objections to the bill. First, the silent, deadly tax of inflation is not seriously addressed at all. A number of prominent economists, including some within this administration, maintain that we cannot reach 4 percent unemployment without risking inflation problems. A 1976 Congressional Budget Office study indicates that in an effort to reach a 4-percent unemployment goal, we would risk a 1.25-percent increase in inflation the first year, and a 2-percent increase the following year. The safeguards against inflation in this bill are too vague and unspecific to be of real value.

My second objection is that we once again are rushing into a would-be panacea without adequately understanding the overall problem. We did the same thing with the social security tax last fall. In arguing against the need to raise taxes at that time, I said that the very ones pushing for quick action on the bill would be leading the fight to repeal it if they were around in Congress for another two terms. It has not taken two terms, only 2 months, for Congress to begin admitting its mistake and making efforts to repeal it.

We are making that same mistake again. For example, the legislation before us sets a 4-percent unemployment goal,

yet no one on the committee has been able to tell me if that rate is reasonable in light of today's labor market or if it is reasonable in relation to the manner in which we measure unemployment. I called the Department of Labor and asked how this bill relates to the work of the National Commission on Employment and Unemployment Statistics. The answer I received was that the issue had never been raised. I was told that if unemployment figures are changed through the work of the Commission, the 4-percent unemployment goal mandated through this legislation would probably be changed to an equivalent figure. In other words, we are passing a bill with a specific target which we will probably want to change in the near future. What is the value of that?

My final objection is that this bill promises further Government intervention in our economy. I believe this is directly counterproductive to the goals set forth in this act. Surely we all agree that the private sector does a far better job than Government ever will in providing employment opportunities for the American people. We need to be establishing policies and incentives which will help get the Government out of the marketplace. To believe that we can reduce unemployment and inflation by increasing Government involvement in the economy runs directly counter to all experience in this decade. But that is precisely what this bill implies.

In summary, there is a great debate on what effect, if any, this bill will have on our country's economy. Either way I think our country will lose. If the bill only sets forth an intention and has no teeth, then it is essentially meaningless and would, in fact, be a hoax. If the bill does have teeth, then the result of the bill in its present form will be to aggravate inflation and further involve the Federal Government in the economy.

The New York Times in its February 21, 1978, editorial entitled "The Cruel Hoax of Humphrey-Hawkins," succinctly stated the case against this bill. It said:

> The bill is deeply flawed. An earlier version which set unattainable targets for the unemployment rate, promised too much. Now, it promises too little. It would legislate wishful thinking, not a reduction in unemployment. It deserves a harder look from its boosters and rejection by Congress. It would play a cruel hoax on the hard-core unemployed, holding before them hope—but not the reality—of a job. For that reason alone, Humphrey-Hawkins should be rejected.

Mr. SARASIN. Mr. Chairman, I yield 5 minutes to the gentleman from New Hampsl.ire (Mr. CLEVELAND).

Mr. CLEVELAND. Mr. Chairman, I thank the gentleman from Connecticut (Mr. SARASIN) for yielding.

I take this time to explain, if I can have the attention of the gentleman from California (Mr. HAWKINS), three amendments which I have. I would particularly appreciate the attention of the gentleman from California and would ask him to listen to my presentation, because I am going to explain three amendments that I would hope the committee would accept. However, even if the committee does not accept them, I would hope that they would understand them before they decided not to accept them.

My three amendments are based on my experience on the Committee on Public Works and Transportation. That committee has jurisdiction over the water pollution program, highways, bridges, the Economic Development Act, Appalachia, airports, et cetera. Then we were given jurisdiction over the local public works or jobs bill last year. Most of the Members remember that that was a $2 billion shot and then a $4 billion shot, addressing this problem of unemployment.

Mr. Chairman, it was during the debates on that legislation that it suddenly dawned on me that no matter what the U.S. Government did to create new jobs by handing out money, with its other hand the U.S. Government was canceling out jobs faster than any legislation that we could dream up could create those jobs.

These are facts; and if we want to be honest with the American people, if we want to be honest with our constituents, and if we want to be honest with ourselves, we are going to have to address the sad fact that much of the unemployment in this country and much of the economic malaise is caused by the U.S. Government, and that is us.

Mr. Chairman, let me just take, in my home State, one installation with thousands of jobs on site and countless thousands of additional jobs at stake through other parts of the country where the supplies come from; and, in the far future, countless thousands of jobs if our electricity fails to keep up with demand. That is the Seabrook case that has been commented on in the national press, including the Wall Street Journal.

That project started 12 years ago. It was going to cost the ratepayers in New Hampshire less than $1 billion; and now the price tag has gone up to more than $2 billion. The reason has been countless redtape regulations and procedural regulations piled on top of regulations, coupled with countless decisions, appeals to courts, and reappeals to courts. Thus, for 10 years that job-intensive facility has been held up.

Mr. Chairman, that is just part of the story with respect to that type of situation, and I am sure that many Members could recite the same type of horrors in their district.

That is addressed by the first section of my amendment.

Mr. Chairman, there are three amendments which I may introduce en bloc or may introduce separately.

That is the first section of the amendment. It is the amendment entitled "(G)." It is on page 71, line 10.

Mr. Chairman, I have given the gentleman from California (Mr. HAWKINS) a copy, and I have given a copy of the amendment to the gentleman from Connecticut (Mr. SARASIN).

Mr. Chairman, the next amendment addresses another problem, but one that I am not quite as familiar with. This calls for an analysis of the impact of Government regulations, environmental, and safety requirements, and crime on the productivity of the economy.

There have been several studies on this. The American Enterprise Institute printed a study by a distinguished economist, Mr. Murray Weidenbaum, who estimated that the cost of Government regulation was far in excess of $100 billion.

Just recently the Washington Post reported a study by an economist named Denison and reported by Robert Samuelson which finds fresh evidence that we have entered a period of slow economic growth, making it increasingly difficult to achieve higher living standards.

It says as follows:

> What depresses growth prospects . . . is the snowballing cost of Government pollution and safety requirements.

Later he points out the following:

> The surprise is the magnitude of the impact. According to Denison's calculations, published in the latest issue of the Commerce Department's Survey of Current Business, the combined impact of pollution and safety regulations plus crime spending has a dramatic effect on the economy's productivity, reducing potential gains by one-fourth to one-fifth.

That was included in the story in the Washington Post.

The CHAIRMAN. The time of the gentleman from New Hampshire (Mr. CLEVELAND) has expired.

Mr. SARASIN. Mr. Chairman, I yield 1 additional minute to the gentleman from New Hampshire.

Mr. CLEVELAND. Mr. Chairman, I thank the gentleman for yielding.

The final section of my amendment, Mr. Chairman, if I may have the attention of the gentleman from California (Mr. HAWKINS) and of the gentleman from Connecticut (Mr. SARASIN), contains recommendations for legislation and administrative reforms necessary to reduce or eliminate procedural requirements applicable to public works programs and projects.

That comes squarely out of hearings which the gentleman from Texas (Mr. WRIGHT) and myself have held over a period of years in our work on the Committee on Public Works and Transportation.

We have found that where it used to take 3 years to lay out and construct a road or a badly needed bridge, it now takes 6 and 7 and 8 years. We find Government program after Government program, whether it be a water pollution program, whether it be a highway program, whether it be a bridge program, being stifled in redtape. They cannot get them off the ground; they cannot get them started; they cannot get people back to work.

Any intelligent attempt by the United States to meet the problem of unemployment has to meet that problem of redtape, redtape created by ourselves and by the regulatory agencies that we create. It is stifling employment opportunities, and I say that we have evidence in the Committee on Public Works hearings that we are putting people out of work, the U.S. Government is putting people out of work, far faster than any jobs bill we can draw up or can create will put them back to work.

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to record their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 122]

Ambro	Fuqua	Oakar
Anderson, Ill.	Gephardt	Obey
Andrews, N.C.	Gibbons	Ottinger
Annunzio	Glickman	Pease
Applegate	Goldwater	Pepper
Archer	Goodling	Perkins
Armstrong	Gradison	Pettis
Ashley	Guyer	Poage
Badham	Hammer-schmidt	Preyer
Beard, Tenn.	Harsha	Pritchard
Bedell	Heckler	Pursell
Bingham	Hefner	Quayle
Boggs	Hillis	Quillen
Bonior	Holland	Rahall
Bowen	Holt	Railsback
Broomfield	Holtzman	Rangel
Brown, Calif.	Horton	Risenhoover
Brown, Mich.	Hyde	Roberts
Buchanan	Ireland	Roncalio
Burgener	Jacobs	Rosenthal
Burke, Calif.	Johnson, Colo.	Runnels
Burke, Mass.	Kastenmeier	Santini
Burleson, Tex.	Kelly	Satterfield
Burlison, Mo.	Ketchum	Schroeder
Burton, Phillip	Keys	Sikes
Butler	Krueger	Sisk
Byron	Le Fante	Slack
Cederberg	Lederer	Smith, Nebr.
Chappell	Leggett	St Germain
Clausen, Don H.	Lehman	Stark
Cohen	Long, Md.	Steers
Collins, Ill.	Lujan	Steiger
Conable	McCloskey	Stockman
Corman	McDonald	Teague
Cornwell	McFall	Thone
Cotter	McHugh	Thornton
Coughlin	McKinney	Treen
D'Amours	Madigan	Tsongas
Dent	Mahon	Tucker
Devine	Mann	Udall
Diggs	Martin	Ullman
Drinan	Mathis	Vander Jagt
Duncan, Oreg.	Mazzoli	Vento
Edwards, Ala.	Meeds	Walsh
Edwards, Calif.	Meyner	Waxman
Emery	Mikulski	Weaver
Erlenborn	Moakley	Whitehurst
Evans, Colo.	Moffett	Wiggins
Evans, Ga.	Moorhead, Calif.	Wilson, C. H.
Fary	Moorhead, Pa.	Wilson, Tex.
Findley	Moss	Winn
Fish	Murphy, N.Y.	Wolff
Flowers	Neal	Yates
Flynt	Nichols	Young, Alaska
Foley	Nix	Young, Tex.
Ford, Mich.	O'Brien	Zeferetti
Forsythe		

Accordingly the Committee rose; and the Speaker pro tempore (Mr. NATCHER) having assumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 50, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 265 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. HAWKINS. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, the entire Nation owes a deep debt of gratitude to the distinguished and learned gentleman from California (Mr. HAWKINS) and his universally beloved coauthor, our late friend, Senator Hubert Humphrey, for their wisdom and perseverence in furthering this legislation.

Mr. Chairman, for the first time in 32 years, the U.S. Congress is addressing in a comprehensive manner the economic policies necessary to provide useful employment for the people of this Nation.

It is surprising to me that the Humphrey-Hawkins Full Employment Act has been the subject of such controversy. It is a reasonable attempt to spell out more precisely, in the light of experience, the economic policies which the Nation should follow to put our people to work.

There is little disagreement that unemployment is a serious problem. When over 6½ million people, by official count, and 10 million or more by other estimates, cannot find a job, that is truly a national tragedy.

Yet even as we have drawn close to congressional action on the Humphrey-Hawkins bill, persistent misunderstanding of both the problem and the remedy that is being proposed recur.

I want to spell out just a few specific points which I believe need to be fully understood.

First, the Humphrey-Hawkins bill is not radical new law, it is simply an amendment to existing law, the Employment Act of 1946, an effort to update that law.

Low unemployment is not inflationary. Even those on the other side of the aisle now concede the point. To believe otherwise is to attack the American economic system.

The Humphrey-Hawkins bill is not a public jobs bill. It is a bill to bring the economic decisions which are made every day by the U.S. Government to bear on reducing unemployment. It places highest priority on private sector employment. (Bill, p. 63.)

As the Humphrey-Hawkins bill is not a radical departure—neither is it a hoax—cruel or otherwise. Indeed those who attack the specifics of this bill admit by their very attack the effectiveness of the Humphrey-Hawkins bill.

The Humphrey-Hawkins Full Employment Act is one which every Member of this body, regardless of party, region or political viewpoint should be able to support. It is the very embodiment of the American work ethic.

The fact is, Mr. Chairman, that those who criticize this bill have shown us no real alternative. If the Humphrey-Hawkins bill is not in itself adequate to move us toward full employment, I challenge the critics to tell us what will. And I challenge them not to burden us with the discredited theory that we provide tax incentives to the wealthy and hope that somehow the jobs will trickle down to the unemployed.

The time to adopt Humphrey-Hawkins for all the delays of today and of the past is at hand.

Mr. SARASIN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I want to say that I agree with the statements that have been made by the author of this bill, and previous speakers from the majority side of the aisle, that lowering unemployment is not necessarily inflationary in and of itself. In fact, I believe—as radical as it may sound—I believe unemployment is inflationary, intolerable and inexcusable.

And I take a back seat to no one in my desire and efforts to restore a growing and ponderous economy without inflation by lowering the tax rates now strangling the incentive, initiative and enterprise of our American people.

Unemployment is inflationary, because when the economy is in a contraction it forces demands upon Government for more and more spending, more and more inflationary policies that people believe are the means to achieving a full employment economy.

President Kennedy said in 1963, "the main barrier to full employment in America today is the heavy tax burden on the American people." It was then and it is now. And the reason that I have opposed this bill is that it does not address that main roadblock or main barrier to full employment, which is high tax rates—the same high tax rates that are discouraging the growth of our economy. We must realize that in America today 44 percent of the total national income of the American people, 44 percent of everything that is being produced in America today in the private sector of the economy, is going to taxes at the Federal, State, and local level, and it is strangling the incentive, and the ability of the private sector to create the jobs necessary to bring down unemployment and fight inflation at the same time.

I commend the gentleman from California, with whom I have debated in a very friendly fashion over the years, about how to achieve full employment for raising this issue, I thank him for his kind words for me and my efforts. In opposing the bill I am reminded of the fact that I have an intellectual obligation to pose an alternative, and I have done so. The alternative to Humphrey-Hawkins' centralized economic and Keynesian economics, is to reduce that barrier to full employment that exists today in the nature of the tremendously high tax rates that prevail not only on the investor or the saver and the entrepreneur but also on the worker of this country.

The steeply progressive income tax rates operate in an insidious way to discourage growth because as inflation moves people up into higher and higher tax brackets, it destroys the incentive of

the worker, the saver, the investor, the producer, and the men and women of entrepreneurial ambition who organize factors of production into new or expanded enterprises.

Sixty-six and two-thirds percent of all new jobs in America are produced in small businesses. Is there anyone in this room, is there anyone in this Chamber who does not believe the small, independent community of America is literally being strangled by paperwork, regulations, and taxes? And so are our people, and it is outrageous to let it continue.

I have introduced such legislation, together with Senator BILL ROTH and 127 Members of the House, called the Tax Reduction Act (H.R. 8333), which would do the following:

First. Reduce all individual income tax rates by an average of 33 percent.

Second. Reduce the corporate tax rate by three percentage points.

Third. Increase the corporate surtax exemption to $100,000 to help small business generate the capital they need to expand and hire more employees.

At the rate at which inflation is pushing up incomes, moreover, it will not be too many years before workers who are today earning $12,000 are earning $20,000 and thrust into the 51-percent tax bracket. And if the increase in his salary is due solely to inflation, he will be worse off than he is now because he will be paying more taxes.

This is, in fact, what has been happening for the past 10 years. The average working person, say in a New York factory, after taxes and inflation, earns fewer real dollars than he or she did in 1967.

Both the Federal Bureau of Labor Statistics and the New York State Labor Department have been calculating what wage changes have actually meant to workers in terms of actual purchasing power. The answers over the last decade range from less than nothing to nothing much.

A chart by the Federal agency says New York City factory production workers averaged $183.77 a week in gross earnings last year. This was an 80-percent rise from $101.95 10 years earlier.

To offset the effects of inflation in boosting the paycheck, the Bureau converted the earnings statistically into constant dollars, using 1957–59 as a standard.

And when social security and Federal, State, and city income taxes were deducted in such equivalents, the Bureau calculated that the average worker with three dependents actually suffered a net loss in purchasing power.

In the Federal statisticians constant-dollar terms, the 1966 paycheck was worth $77.88—and last year's earnings were equivalent to only $75.17.

Result: A net loss of 3.5 percent.

The State labor department calculated earnings changes for factory workers throughout the State. Their gross averaged $209.35 last year. Actual take-home pay—after deducting for social security and income taxes for the Federal and State (but not New York City) governments—was $176.58 for a worker with three dependents, $160.84 with no dependents.

Over the last decade, the statewide worker had an 88-percent increase in weekly earnings in current dollars, up $98 from $111.35 in 1966.

But when this was converted into constant dollars—the State labor department used 1967 as its base—the increase in real wages shrank to only 5 percent.

And for the statewide worker with three dependents, the increase went down to not quite 1 percent in average "real spendable earnings."

Following are State labor department figures on gross weekly earnings over the years in terms of current and constant dollars, and take-home pay similarly expressed for workers with three dependents:

[In dollars]

Year	Gross earnings		Take home	
	Current	1967	Current	1967
1954	71.50	90.16	66.48	83.83
1955	75.17	95.39	69.37	88.03
1956	78.96	98.70	72.40	90.50
1957	81.57	98.63	74.30	89.84
1958	83.07	97.50	75.53	88.65
1959	87.71	101.87	78.69	91.71
1960	89.61	102.06	79.69	90.76
1961	92.21	104.07	81.66	92.17
1962	96.02	106.93	84.57	94.18
1963	98.78	108.07	86.28	94.40
1964	102.44	110.39	91.03	98.09
1965	106.40	112.71	95.02	100.66
1966	111.35	114.32	97.72	100.33
1967	114.44	114.44	99.85	99.85
1968	121.48	116.47	104.56	100.34
1969	128.30	116.11	108.99	98.63
1970	134.59	113.96	114.94	97.32
1971	145.84	117.23	125.05	100.52
1972	157.61	121.80	135.41	104.64
1973	167.58	121.79	141.58	102.89
1974	178.48	117.04	149.62	98.11
1975	191.00	115.83	162.49	98.54
1976	209.35	120.04	176.58	101.25

If we reduce the reward for something in an economy, we get less of it. Generally speaking, if we tax something, we get less of it and generally speaking, if we subsidize something we get more of it.

In America today, particularly my own State of New York, we tax work, employment, investment, thrift, savings, production, and output; and we subsidize nonwork, unemployment, welfare, debt, borrowing, consumption, leisure, and idleness.

The answer it seems to me is to reduce the tax rates and restore incentive by restoring the after-tax reward for work and investment. Not only do we make it easier for an employer to employ someone but also as we increase the reward for working and investing, we lure them into increasing their production and investment activity.

Mr. Chairman, let me discuss these points in further detail.

The reason we do not already have full employment in this country is because the barriers to full employment are so high. In particular, the main barrier to full employment, the tax barrier, has grown to enormous proportions. What taxes do is to build a wedge between a worker's gross wages—the total cost of employment to employers—and his after-tax reward. Thus each time taxes go up, whether they are imposed directly or indirectly, it increases the cost of employment and reduces work opportunities and incentive.

Consider these facts: In 1967 the average worker earned $101.84 per week. This put him in the 21-percent Federal income tax bracket. By 1976 this worker's gross wages had increased to $176.29, thereby pushing him up into the 25-percent Federal income tax bracket—an increase of 20 percent. But over the same period his real wages, measured in 1967 dollars, were virtually unchanged. Because of taxes and inflation, therefore, this worker has had no increase in disposable income for more than a decade.

And, of course, social security and State taxes have gone up also. In 1967 the social security tax was only 4.4 percent on both workers and employers, for a combined tax wedge of 8.8 percent. By 1985 this tax rate will rise to 7.05 percent, for a combined wedge of more than 14 percent on top of all other taxes.

Thus, if wages continue to grow at the same rate by 1985 the average worker will be making more than $300 per week, putting him into a combined social security and income tax bracket of 45 percent. With State taxes on top of this virtually every worker in America will be in tax brackets above 50 percent by 1985.

What we are seeing, as the result, is that the tradeoff between work and leisure is being reduced. It costs progressively less to stop working the higher the tax rates are. Thus, it is not surprising that so many workers are demanding more time off and greater fringe benefits—which are not taxable—in lieu of higher wages. They know that "Uncle Sam" only gets the greater part of the increase. The coal strike is a case in point:

Last summer the coal miners were surveyed to see what they wanted out of a new contract. In order of preference they asked for increased health benefits, increased pensions, and lastly higher wages. Yet the contract they were offered gave them the opposite—higher wages but lower health and pension benefits. The coal miners, because they are already among the highest paid workers in America, are, consequently, already in high tax brackets. With a 37-percent pay increase on top of this, they will be pushed into higher brackets still, thereby giving Government most of the benefits of their pay increase. Is it any wonder, therefore, that the strike has dragged on for 4 months? The miners simply want an adequate after-tax reward for their work and they are not getting it.

This point about the disincentive effects of high tax rates on employment has been underscored recently by Mr. Joseph Trerotola, president of Joint Council 16 of the Teamsters Union, who said:

> What government extracts from the individual employer irrevocably reduces the amount of money the employees of that employer will be able to secure through union collective bargaining or individual negotiation.
>
> What government extracts in the form of open and concealed taxes from the individual worker simply reduces the amount

of money available to the family for food, clothing and shelter.

Having only one source to turn to, the worker attempts to replace the monies expropriated by government by escalating his wage demands on the employer. Thus begins the chain reaction which frequently leads to reduced employment opportunities and, worse, relocation of the business.

The simple and ironical facts is that the tax collector does not pay union dues, does not walk the picket line, but is nevertheless the first beneficiary of any wage increases secured by the worker. This perfect stranger gets his cut first, leaving a substantially reduced amount for the family.

Not only is heavy taxation reducing work incentive in America by reducing the trade-off between work and leisure, it is also reducing economic growth by reducing the trade-off between investment and consumption. Thus the United States is not getting an adequate increase in capital investment to keep pace with the growing labor force. Yet it requires vast amount of capital to create one job, as the following table shows:

[In thousands of 1958 dollars]

Industry	1950	1955	1960	1965	1970	1971	1972	1973	1974	1975
Real estate	NA	NA	399.4	321.9	417.7	393.3	378.5	372.4	375.5	392.0
Petroleum and coal	51.5	60.5	72.6	89.3	97.4	99.2	100.7	103.0	105.2	110.1
Transportation, utilities	53.6	69.1	78.9	84.9	89.0	91.6	93.3	93.7	95.2	100.3
Tobacco	24.3	32.9	34.8	36.7	33.8	36.3	39.9	41.7	44.0	47.4
Mining	24.7	31.5	39.8	39.0	46.5	48.0	47.2	46.5	43.4	41.6
Chemicals	19.1	25.5	29.6	32.7			38.8	38.0	38.8	41.3
Primary metals	18.8	21.8	27.5	27.7	29.4	30.6	29.5	26.7	26.6	30.2
Paper	17.7	19.8	21.9	22.9	23.6	24.1	23.6	23.6	24.5	27.2
Stone, clay, glass	11.5	13.5	17.3	18.8	19.7	20.1	20.1	20.2	21.0	23.9
Transportation equipment	9.1	8.5	11.3	13.1	17.5	18.3	18.9	18.9	20.5	22.5
Nonelectrical machinery	10.4	11.9	12.9	13.5	16.3	17.9	17.7	17.6	17.7	19.1
Food	12.3	13.5	14.3	15.1	16.5	17.0	17.1	17.2	17.6	17.9
Electrical machinery	5.2	7.1	8.1	10.4	13.3	14.9	14.9	14.8	15.4	17.7
Lumber and wood	6.9	7.7	9.2	10.0	12.8	12.9	12.5	16.3	14.1	17.0
Instruments	5.2	7.9	9.2	10.1	12.0	13.1	15.1	15.0	15.3	16.7
Rubber and plastics	9.2	8.7	10.0	10.1	11.6	12.0	11.8	12.0	12.8	14.5
Printing and publishing	7.6	7.6	7.6	8.4	9.6	10.2	10.5	10.8	11.4	12.5
Fabricated metals	8.7	10.3	11.5	12.6	12.7	12.7	12.0	11.1	11.2	12.4
Finance and insurance	NA	NA	7.7	9.1	10.1	10.6	11.0	11.1	11.3	11.8
Textiles	6.0	7.7	7.6	8.1	9.6	9.9	9.7	9.6	10.5	11.2
Wholesale and retail trade	6.2	7.7	8.2	8.8	9.2	9.4	9.4	9.4	9.4	9.4
Services	6.3	6.1	6.5	7.4	8.0	8.1	8.1	8.0	8.0	8.0
Furniture and fixtures	6.3	6.8	7.0	5.4	6.4	6.6	6.1	6.1	6.6	7.8
Leather	3.8	4.6	3.3	3.9	5.2	5.6	5.3	6.1	6.8	7.4
Construction	1.9	2.7	3.5	4.6	5.2	5.3	5.3	5.1	5.2	5.5
Apparel	2.7	2.9	3.2	3.6	3.4	4.2	4.1	4.3	4.8	5.4
Miscellaneous	8.2	10.2	11.3	8.9	10.4	11.0	11.1	12.0	13.1	14.3

Source: The Conference Board.

Thus, there is no escaping the fact that to increase employment we must have greater savings and investment. Yet our Government policy over the past several years has been to discourage capital investment, by steadily eliminating preferences for capital gains. Indeed, I believe that if we were to return to the tax laws regarding capital gains which existed prior to the Tax Reform Act of 1969 there would be a vast increase in investment and jobs in the country almost overnight.

In particular, small business has been terribly hurt by rising taxation. But it is small business that employs the vast majority of workers in America and where the greatest job growth potential is. Indeed, 66⅔ percent of all new jobs are created in the small business sector.

Thus, we must ask ourselves how the Humphrey-Hawkins bill is expected to do anything toward creating full employment when it does nothing to increase work and investment incentives? The truth is that it will do nothing except give the Government an excuse to initiate new programs, requiring more spending, which will lead to higher taxes and inflation, which destroys jobs

The only way to break this cycle and achieve the goal of full employment is by reducing tax rates, on both individuals and businesses. By reducing the tax wedge workers will have greater after-tax rewards for their work, thereby increasing productivity and reducing the total cost of employment to employers. The result will be job creation.

The historical evidence on this subject is very strong. In the 1920's Federal income tax rates were reduced by nearly two-thirds. This led to a tremendous economic boom and a vast increase in employment. Again, in the 1960's under the leadership of President Kennedy, tax rates were reduced substantially, and again there was a vast reduction in unemployment, as this table demonstrates:

UNEMPLOYMENT RATE AFTER THE KENNEDY TAX CUTS

[In percent]

Year	All workers	Blacks	Black males 20 years+
1961	6.7	12.4	11.7
1962	5.5	10.9	10.0
1963	5.7	10.8	9.2
1964	5.2	9.6	7.7
1965	4.5	8.1	6.0
1966	3.8	7.3	4.9

I believe that we can expect similar results if Congress enacted an across-the-board reduction in tax rates of a similar magnitude, as I have proposed in my Tax Reduction Act, which presently has twice as many cosponsors as the Humphrey-Hawkins bill.

Unfortunately, the leadership has failed to provide for consideration of a tax rate reduction proposal in the rule on Humphrey-Hawkins. Consequently, the House will not have the opportunity to vote on the one measure which would achieve the goals of the Humphrey-Hawkins bill; that is, full employment. But I plan to offer an amendment to at least dramatize this issue by adding a 30-percent tax rate reduction to the interim goal "phased in" 3 years after the date of enactment.

Finally, and perhaps most importantly, the biggest strike against the Humphrey-Hawkins bill, if we look at it closely, is that it sets up another overlay of procedure for the Congress and the President to go through as a further step toward central economic planning.

You see, Humphrey-Hawkins does not let us create any more public works and public service jobs—CETA jobs—than we are disposed to create anyway. We do not need Humphrey-Hawkins to do that. On January 10 Labor Secretary Marshall announced that 627,000 previously unemployed Americans now have public service jobs. He said another 98,000 will be filled by March 3, reaching the goal of 725,000 set by legislation last May. That is three-quarters of a million public service jobs in 10 months. The administration has proposed to extend these jobs for 1 year and also to expand the existing public works jobs programs by $500 million. In fact, if not in name, we already have Humphrey-Hawkins.

In conclusion, I will quote and remark upon some brief passages from the summary and conclusions of a study of public employment programs by Alan Fechter, senior research economist at the Urban Institute:

Summary. The evidence presented here suggests that the rate at which public employment funds would displace total expenditures and wage bill expenditures by local governments would be quite large. For long-run programs operated as lump-sum grant programs the displacement rate would range from 55 to 75 percent for total expenditures and from 60 to 90 percent for wage bill expenditures. For the programs operated as wage subsidy programs the rates would be somewhat lower, ranging from 20 to 40 percent for total expenditures and probably from 50 to 70 percent for wage bill expenditures. Because of the high rate of displacement, the net employment impact of these programs may be expected to be small. A $1 billion lump-sum program may be expected to produce no more than 50,000 jobs and a similar wage subsidy program no more than 63,000 jobs.

The effect of public employment programs on unemployment and on increasing public

services turns out to depend on the extent to which federal funds displace state and local funds. A review of the evidence suggests that in the long run 60 to 90 percent of public employment program funds would merely displace state and local funds. The short-run displacement effect ranges from 40 to 50 percent. Apparently public employment programs add considerably fewer jobs than the nominal number of slots they fund.

On the basis of the evidence, it is difficult to be an enthusiastic supporter of large-scale permanent programs of public employment funded through federal grants. These programs tend to be predominantly redistributional in effect, rather than to generate additional jobs. One should endorse them only if one is interested in the kind of income and employment redistribution they produce.

It appears that, given what we now know, a large public employment program, while attractive politically, would be an undesirable use of public resources.

What this tells me is that public service jobs may be the undoing of politicians and even our system of government. Look at the scenario: We allocate billions of dollars to achieve a target employment figure and because of the displacement effect, they do not come close to their target. Therefore, more billions. As the resources used in this way cut into the productivity and growth ability of the private sector, unemployment will mount instead of receed. I submit to you, this is the case in Britain and New York and other failing economies of the world.

What is the alternative? The preferable policy would be as I've said repeatedly, cut the tax rates on all Americans and let private incentives provide full employment without inflation.

The CHAIRMAN pro tempore (Mr. NATCHER). The time of the gentleman has expired.

Mr. SARASIN. I yield 1 additional minute to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, tomorrow during the 5-minute rule I will offer an amendment to this bill to set as a goal to reduce the tax rates right across the board on all the American people by at least 30 percent, phased in over 3 years.

Let me conclude by saying please consider that when the Congress raised the capital gains tax in 1969 and again in 1976, to almost 47 or 49 percent in many cases, is there any reason to wonder why venture and equity capital for entrepreneurial enterprise today is virtually dried up?

Is it not of interest to this body that the higher we raise taxes and the capital gains tax, the fewer jobs and less revenue we realize? The higher we raise the taxes the less revenue comes into the Government? Prior to the assault on capital gains in 1969 there were 30 million investors. If we had the same number of investors today as we had in 1969 there would be 35 million individual investors in the American private economy. These investors invest on the average $10,000 per capita.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

Mr. KEMP. Will the gentleman from Connecticut, Mr. SARASIN, yield me one-half of a minute more?

Mr. SARASIN. I yield 30 seconds to the gentleman from New York (Mr. KEMP).

Mr. KEMP. We should have 10,000 new investors today and with a per capita investment of $10,000 that's $100 billion of private investment that is being denied to the private sector of our economy. It means fewer jobs, higher costs and a lower standard of living.

I contend that if we had put $100 billion of investment capital into our economy over the last 5 or 6 years, we would have full employment. We would be at the goal that I share with the gentleman from California (Mr. HAWKINS) and we would be doing it without inflation. That is the principal difference I have with Humphrey-Hawkins; it says nothing about expanding incentives but a whole lot about expanding Government.

But I do commend my friend, the gentleman from California (Mr. HAWKINS) for the efforts he has made in this debate. I appreciate the opportunity to tell the American people that the business of America is not business, the business of America is incentive. And it is time to restore that incentive by reducing the tax rates for all Americans.

Mr. HAWKINS. Mr. Chairman, I yield 1 minute to the gentleman from Montana (Mr. BAUCUS).

Mr. BAUCUS. Mr. Chairman, I thank the gentleman from California (Mr. HAWKINS) for yielding me this time.

Mr. Chairman, when we are under the 5-minute rule tomorrow I will be offering an amendment to further strengthen the bill, an amendment that will require that when unemployment reaches in excess of 4 percent then it is going to require the Congress to set a budget surplus. I believe in years past when we had unemployment with low revenues we sometimes often engaged in deficit spending. My amendment will be to correct that deficiency.

Mr. Chairman, we are presently considering legislation that would establish full employment as our foremost priority. I plan to offer an amendment to be sure that we do not ignore the likelihood that attainment of full employment might promote inflation.

The employment engine fashioned by this bill is directed towards a noble goal—meaningful work for Americans. But we must be sure that this engine is equipped with a brake which can be engaged once full employment is achieved. Otherwise, the Government could continue massive deficit spending and potentially inflationary programs. My amendment proposes such a brake.

It calls for the President to submit a surplus budget for any fiscal year in which an unemployment rate of 4 percent or less is projected.

Let me supply my reasons for offering this amendment. To begin with, our national economy still suffers from the 1975 recession. Business confidence—and capital investment—remain at low levels. While recent statistics indicate some improvement, the picture remains anything but bright.

Unemployment is still too high, and inflation is beginning to creep up once again. Finally, our balance-of-payments problem—prompted by unparalleled foreign imports—is eroding the dollar in international money markets to the point that OPEC threats to raise crude oil prices may be carried out sooner than expected.

Yes, Mr. Chairman, we must get people back to work. But we must do this without driving up the inflation rate and further eroding the value of the dollar.

This does not mean, however, that we should ignore the level of the Federal debt. During the first 190 years of our Nation, the Federal debt rose to roughly $300 billion. In the past decade, that figure more than doubled—with current estimates calling for a debt of more than $700 billion by the end of the current fiscal year.

While it is true that the debt is decreasing as a percentage of our gross national product, I find little consolation in that fact. I would be encouraged by our increased potential to repay the debt. Unfortunately, we have not done so.

In future years we will have many opportunities to reduce the debt of today. No one doubts that our unemployment rate will ultimately drop to half of what it is today—perhaps even lower. When that time comes, we should be ready to reduce the debt through a surplus budget.

If we were to leave our fiscal structure as it is today, theoretically, a surplus would automaticaly occur as the economy returns to full employment—at least, that is the conventional wisdom supporting the full employment budget concept. As unemployment recedes, incomes, profits and tax revenues rise while unemployment-related expenditures fall.

The full employment concept serves, in part, as the basis for determining the size of the deficit today. A staff report by the Senate Committee on the Budget put it this way:

Whatever actions are taken to cure the current recession, policy should aim for a balanced budget when unemployment reaches 4.5 percent.

However, unemployment is 6.3 percent and we have a deficit, not a surplus, of nearly $70 billion.

I would be a more devout believer in the full employment concept if I were sure that we would have surpluses when the economy returns to low levels of unemployment. Unfortunately, history has demonstrated that surpluses do not "automatically" occur during periods of full employment. Indeed, in the past 25 years—the most prosperous quarter century in our Nation's century—unemployment has been less than 4 percent in 7 years. Yet, the budget has been in surplus only 2 of those years.

The full employment surplus concept is faulty in one important respect. It assumes that, as full employment returns, the Federal fiscal structure will not be

altered; that is, it assumes that tax rates will remain the same and that Federal spending levels will remain relatively constant. Neither of these assumptions is correct.

During the period 1966–69, unemployment was at or below 4 percent, but the budget was in deficit 3 or 4 years for a cumulative total of nearly $13 billion. Had the fiscal structure remained unaltered, the budget would have been in surplus. Instead, Federal spending went up by 51 percent while revenues increased by only 33 percent. This increased spending occurred primarily in two areas: the Vietnam war effort—national defense went up 63 percent—and human resources programs—income security up 47 percent and education, manpower, and social services up more than 200 percent. Given increases in the debt during this period, spending also increased in a third area, with interest on the national debt rising by more than 35 percent.

Had there been a check on Federal spending during that period—for example, by requiring that the budget be in surplus during full employment years—the public debt would be nearly $50 billion lower today and perhaps the inflation of the early 1970's would have been avoided.

It is this last problem—inflation—which concerns me the most deeply. Overspending in the late 1960's caused higher rates of inflation in the early 1970's. Subsequently, the OPEC oil price increases in 1973–74 boosted inflation to double-digit rates. Although inflation has been dampened somewhat by the recent recession, it still continues at a relatively high level—prices are currently rising at about 10-percent annually. Most economists agree that this rate of inflation will increase. If our Nation attains full employment by the early 1980's, we are likely to find high inflation, particularly if we continue deficit budgets.

I am also concerned about increases in public debt which can be produced either by cutting taxes, raising spending or some combination of the two. Tax cuts are often necessary and appropriate, but are politically difficult to reverse and are also often carried out through the creation of loopholes which reduce the quality of the tax system. Large increases in debt and the likelihood of high rates of inflation when full employment returns are potent reasons to avoid full employment deficits.

To deal with the problems noted above, I am today introducing a full employment surplus budget amendment to H.R. 50, the Humphrey-Hawkins bill. My amendment would require the President to submit a surplus budget for any fiscal year in which an unemployment rate of 4 percent or less is projected.

Granted, my amendment does not insure a surplus budget in times of full employment. Unemployment projections can be hedged and Congress can always increase a President's budget request. But my amendment would be an important first step toward fiscal responsibility. The adoption of my amendment would show that in considering the Humphrey-Hawkins bill, we are looking beyond an immediate crisis; that we are developing a systematic process for dealing with a recurring problem.

In conclusion, while the economic picture remains gloomy at present, I hope it will brighten soon and full employment will return once again. Rather than living on a month-to-month and quarter-to-quarter basis with regard to economic policy, we should prepare now for the time when full employment occurs. By adopting my full employment surplus amendment, Congress will be restoring confidence in the American people that we have a commitment to reduce the national debt during periods of national prosperity.

Mr. Chairman, in closing, I include a copy of my amendment in the RECORD along with a table showing—for each year during the period 1949–77—unemployment, inflation, Federal spending, Federal receipts and the Federal deficit.

AMENDMENT TO H.R. 50, AS REPORTED, OFFERED BY MR. BAUCUS

Page 72, line 18, insert immediately after "accordingly" the following: ", except that, for any fiscal year for which an unemployment rate of 4.0 per centum or less is projected, the relationship between such expenditure and revenue shall be such as to generate a net surplus".

Year	Percent unemployment	Consumer Price Index (1967 equals 100)	Change in CPI from previous year	Receipts	Expenditures	Surplus or deficit (—), national income and products accounts
1950	5.3	72.1	1.0	50.0	40.8	9.2
1951	3.3	77.8	7.9	64.3	57.8	6.5
1952	3.0	79.5	2.2	67.3	71.1	−3.7
1953	2.9	80.1	.8	70.0	77.1	−7.1
1954	5.5	80.5	.5	63.7	69.8	−6.0
1955	4.4	80.2	−.4	72.6	68.1	4.4
1956	4.1	81.4	1.5	78.0	71.9	6.1
1957	4.3	84.3	3.6	81.9	79.6	2.3
1958	6.8	86.6	2.7	78.7	88.9	−10.3
1959	5.5	87.3	.8	89.8	91.0	−1.1
1960	5.5	88.7	1.6	96.1	93.1	3.0
1961	6.7	89.6	1.0	98.1	101.9	−3.9
1962	5.5	90.6	1.1	106.2	110.4	−4.2
1963	5.7	91.7	1.2	114.4	114.2	.3
1964	5.2	92.9	1.3	114.9	118.2	−3.3
1965	4.5	94.4	1.7	124.3	123.8	.5
1966	3.8	97.2	2.9	141.8	143.6	−1.8
1967	3.8	100.0	2.9	150.5	163.7	−13.2
1968	3.6	104.2	4.2	174.7	180.6	−5.8
1969	3.5	109.8	5.4	197.0	188.4	8.5
1970	4.9	116.3	5.9	192.1	204.2	−12.1
1971	5.9	121.3	4.3	198.6	220.6	−22.0
1972	5.6	125.3	3.3	227.5	244.7	−17.3
1973	4.9	133.1	6.2	258.3	265.0	−6.7
1974	5.6	147.7	11.0	288.6	299.3	−10.7
1975	8.5	161.2	9.1	286.9	357.1	−70.2
1976	7.7	170.5	5.8	332.3	386.3	−54.0
1977	7.0	181.5	6.5	373.9	423.5	−49.6

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. Mr. Chairman, I thank the gentleman from California (Mr. HAWKINS) for yielding me this time; and I rise in support of the Humphrey-Hawkins Full Employment and Balanced Growth Act.

The legislation before us is designed to assist the Congress, the administration and the Federal Reserve in planning essential activities to reduce unemployment and to create jobs while, at the same time, maintaining reasonable price stability.

As ambitious as those goals sound, this legislation is only a first step toward full employment or, what the late Senator Hubert H. Humphrey called "economic justice." I think it would be well to reflect for a moment on the words of Senator Humphrey in remarks drafted for presentation on January 14 of this year:

We are a long way from our goal of a society with equal opportunity and justice for all. In moving toward this goal, our focus today must be on jobs—decent jobs, good paying jobs, jobs with a challenge, jobs with a future. That is why my first priority, and I think it should be yours, as well, is passage of the Humphrey-Hawkins Full Employment Bill. This legislation is a must. It is no miracle cure, but it is an indispensable step toward economic justice. We must keep up the fight.

Passage of this legislation will certainly be a fitting memorial to Hubert Humphrey; but, I believe this bill, which represents so many weeks and months of hearings, negotiation, and refinement, can stand on its own merits.

The measure before us would, for the first time, set a numerical employment goal for the Nation. The bill does not create any specific new programs. However, it requires the President to submit, in his annual economic report, targets for employment, production, and real income, and to include specific fiscal policies and programs to achieve these targets. The key provision, of course, is an overall unemployment rate of 4 percent by 1983.

The importance of this legislation to my district cannot be overemphasized. In the 14th Congressional District of New York, minority unemployment is 20 percent. and the unemployment rate among black teenagers is over 40 percent. This bill stands as a beacon of hope to my constituents—a promise for the future.

It is equally important to look at the impact on all Americans of unemployment. The social cost of unemployment to all Americans is a national tragedy, in

terms of wasted lives; deficient health; broken families; blighted neighorhoods, both urban and rural; increased crime and drug abuse.

It is a staggering cost for all Americans, involving idle resources, lost production, lost opportunities. The great national priorities which depend on tax moneys are strangled by the loss of production of goods and services resulting from widespread unemployment.

In establishing a mechanism for achieving the goal of reduced unemployment, the bill before us properly recognizes the critical importance of the private sector in carrying out successful economic growth. The President is required to initiate legislative programs to reduce structural barriers to employment—but the emphasis is placed on providing jobs in the private sector wherever possible.

Let me also address the matter of inflation. It is said by some opponents of this legislation that reduction of the unemployment rate would raise the rate of inflation.

I question the basis for that speculation. Our Nation has experienced severe inflation as a result of many causes. Isolating one factor—in this case, reducing the unemployment rate—seems unwise and unfair.

I would point out to the critics that this legislation clearly states that promotion of full employment and restraint of inflation are mutually reinforcing and that both goals must be mutually pursued.

The balanced growth provisions of this bill demonstrate equal concern with inflation as well as control of unemployment. Among these elements is the mandate that achievement of reasonable price stability take place as soon as possible.

The bill also calls for implementation of specific strong measures to curb inflation. These include year-by-year establishment of balanced goals for the major components of national production and for meeting our priority needs.

This is a most important piece of legislation. It is a landmark piece of legislation, which will start us on the road to economic justice. I urge my colleagues to join me in demonstrating our commitment to full employment and balanced growth by passing this measure overwhelmingly.

Mr. SARASIN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman for yielding. I rise in opposition to this bill because it does not put enough emphasis upon the fight against inflation. That battle ought to have weight with the battle against employment. Consequently, tomorrow I intend to vote for the amendments to bring that proper balance to the bill.

Mr. Chairman, it seems to me that copies of H.R. 50 could and should bear the following warning: "Danger! Passage of this legislation will be harmful to the economic health and well-being of the United States." Or something like that. Perhaps the Food and Drug Administration could come up with such a disclaimer. They have had some experience with such warnings.

H.R. 50 is certainly well intentioned. We all want to see the current unacceptably high rate of unemployment reduced. But the bill says little, and does nothing, to rectify a matter of greater concern to the American people, namely, inflation. Indeed, enactment into law of this measure will probably cause the rate of inflation in the United States to increase.

For that reason, I support and will vote in favor of two amendments which I understand will be offered on the floor tomorrow. And let me just say that these are not, contrary to some of the propaganda and misinformation I have seen, crippling amendments.

The gentleman from Connecticut (Mr. SARASIN) will introduce an amendment which, in his own words, "recognizes the fact that unemployment and inflation are twin evils and any sweeping statement of policy must address both in order to be meaningful."

The language of the amendment, while specifically prohibiting wage and price controls, calls for an interim 5-year goal of no more that 3 percent inflation. I cannot fathom how any Member of the House could argue against such a proposal. A good deal of the mail which I receive from the people of Iowa's Third Congressional District is concerned with rapidly escalating prices for goods and services. I am sure that the people I represent are not all that unique in this regard.

I also endorse and will vote in favor of an amendment in the nature of a substitute to be introduced by my colleague from Minnesota (Mr. QUIE). The language of this proposal is contained in H.R. 11275—Employment Opportunity and Inflation Reduction Policy Act of 1978. This amendment, in essence, places equal emphasis on the need to increase employment while at the same time reducing the rate of inflation and lowering taxes. We must adopt a balanced approach in dealing with the multitude of economic problems facing the American people. Inflation will not be reduced by the Congress adopting a policy of benign neglect.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania (Mr. MICHAEL O. MYERS).

Mr. MICHAEL O. MYERS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, by this time, we have all heard the arguments for and against H.R. 50. The main points of the bill have been discussed in great detail. The opponents have raised questions about the effectiveness of its approach, and the possibility of run-away inflation; and the proponents have had the opportunity to dispel these fears and to defend the Humphrey-Hawkins bill.

I am a proponent of H.R. 50. I support it wholeheartedly. But I am not going to take any more of your time to once again go over the strong points of the bill. Instead I want to talk for just a minute about my city of Philadelphia and just how much this bill could mean to Philadelphia and to every other community, large and small, in the Nation.

I am sure you all know about the economic problems our cities have been experiencing over the past several years. Philadelphia is doubly hurt by the economic recession because not only is it a large urban center but it is also located in the troubled Northeast corridor. Our private industries are moving to the Sun Belt by the droves and our Federal installations have been reduced drastically. The communities within my city are in deep trouble. Our housing is crumbling and small businesses and small factories have been forced to lay off workers and finally to close their doors altogether.

Our unemployment rate is well above the national average. The latest figures available show an unemployment rate of over 8 percent, 10 percent for adults 20 years and older. And even more frightening, the unemployment rate for 16- to 19-year-olds is 27.5 percent.

The situation is critical—it is even worse than critical. Philadelphia needs help desperately. H.R. 50 is our last chance. It will provide the city with the help it needs. Granted, the bill does not establish a program of direct assistance for Philadelphia or any other community. But it is a major and most desperately needed statement of policy. It means that finally a completely coordinated national policy will be put into effect. A policy aimed at expanding private sector jobs and production. Up until now, the Federal Government has tried to solve our economic problems through patchwork, piecemeal programs that only prolong the "hand to mouth" existence of our communities. We all know that this approach has not been effective. It does nothing but push back for the moment the inevitable day of reckoning. And in the meantime, our gross national product continues to fall, and our Federal deficit, our unemployment rate, and our inflation rate continue to rise ever higher.

I think the Humphrey-Hawkins bill will get us moving forward again. It will not be easy and it will not happen overnight. But it will happen if we enact H.R. 50.

Philadelphia needs this bill. Every city, every town, every village in America needs this bill. It may be our last chance. I implore you to give us all this chance to help our country get back on its feet. Vote for passage of H.R. 50.

Mr. SARASIN. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have reviewed with care and concern the contents of the Humphrey-Hawkins bill. If all that it did was to target job creation in areas where the unemployment rate is four or five or six times the national average, it would be on target. If all the bill did was to direct the President to solve the mounting problems of inflation and unemployment, it would be truly beneficial.

Unfortunately, this bill does none of these. No one is against jobs, real jobs. But what people want is true opportunity, not hollow expensive Government promises.

Even the official title of the bill gives away the true purpose of the Humphrey-Hawkins bill, when it says that its purpose is "to mandate such national economic policies and programs to achieve full employment, production, and purchasing power."

This means that our friendly and efficient Federal Government would open a crusade to solve these age-old ills. The American people know that the last place to turn to solve a problem is the Government. Government solutions always cause a loss of individual liberty and big tax increases. In addition, people know that Government decisions often cost jobs.

I do not believe that a faceless bureaucracy can successfully provide career jobs, jobs with future, jobs with dignity and meaning.

Let us look at page 64 of the bill. Here, the President is told to transmit to the Congress a report including, "The current and foreseeable trends in the levels of employment, unemployment, production, real income, productivity and prices * * *."

That's quite a mouthful I realize in layman's terms, that means that the President's report will cover all aspects of the economic life of our Nation. The bill gives Congress powers to control that economic life. It gives, for example, great power for the Federal Government to set prices and possibly wages. According to page 3 of the committee report—

> The bill combines this goal with the requirement for specific programs . . . more comprehensive than are to be found in any previous legislation except in times of war.

Humphrey-Hawkins does not solve the problem of youth and minority unemployment. It is a blueprint for total Government control of the way each and every American earns and spends his money.

There is no pricetag on this legislation. But no one believes that it will be cheap. Right now, we are on the brink of a $80 to $100 billion deficit in our budget, and we have just had a chance to vote on a new debt ceiling of $842 billion, a liability for future workers.

A vote against Humphrey-Hawkins is a vote against big government. Big government always puts more tax pressure on the working man.

The middle- and low-income taxpayer is pleading with the Congress to end the massive and wasteful spending. They do not want Government making more and more decisions for them.

Humphrey-Hawkins is no bargain. It gives Government too much power. There is no guarantee that Government will make right decisions. There are better ways to solve our problems than this legislation.

In no way should a vote against the Humphrey-Hawkins bill be interpreted as a vote against the memory of the late Senator from Minnesota. If the bill, originally written by the Senator and by the gentleman from California (Mr. HAWKINS) was so good, why was it emasculated in order to bring it to the floor? This bill will be a burden on the average American worker that he or she cannot afford and a false promise to those who truly want and need a job.

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GARCIA).

May I simply say, Mr. Chairman, that in yielding this time I am very delighted to announce that our very distinguished colleague from the great State of New York, the newest Member of this body, is making his maiden speech on the floor of the House. We welcome him, not only because he is supporting H.R. 50, but because we are very delighted to have him as a Member of this body.

Mr. GARCIA. Mr. Chairman, I rise in support of H.R. 50, the Humphrey-Hawkins Full Employment Act. This is a bill that asserts for the first time in law one of the most basic tenets on which our country was founded—that among the rights that Americans enjoy is the right to work. I have chosen to make my first remarks on the floor of this body on the bill because it goes to the very core of both the illness and the strength of, not only my district, but every city and village throughout this country.

I stand here this evening to bear witness to what the Humphrey-Hawkins bill will mean to my constituents and to the Hispanic community throughout this country. I represent the South Bronx, the district that has become a symbol to the Nation of what urban decay means. I am Hispanic—a Puerto Rican—a member of that group that have more poverty and more unemployment per capita than any other in this country. I can talk about urban decay from a unique viewpoint. And I can tell you that decay does not stop with the abandonment of buildings, or the "bombed out" streets, where there is no longer decay, only rubble. The decay goes much deeper, it touches a population of men and women who live in those communities, and who cannot work only because there are no jobs for them.

They are people of pride and hope and dignity. But they have been robbed of those valuable things, and are forced, by a world of economists intent on slowing inflation, into an overloaded public welfare system. These are not men and women who choose to stay on unemployment and welfare. They must, if they are to survive.

And many of them do not. I grew up in the South Bronx, I live there now. And I walk the streets of my neighborhood and I see the real ravages of unemployment—the sickness, the drug addiction, the alcoholism—the real manifestations of the loss of pride and hope and dignity.

None of these people should have to beg for their totally inadequate unemployment or welfare benefits, only to have to return time after time because no one needs their skills.

I support this bill not because it sets limits on unemployment—in fact, many of us would quibble with its goals, and say that 1983 is not soon enough, and 4 percent is not low enough. But this bill does say loud and clear that the economy of this country must play to its strength—its people—not its illness, and that it must be structured in a way that will enable people to have dignity of doing meaningful work, earning their own wages.

The time has come, Mr. Chairman, to begin an examination of the unemployed not as statistics, but as human beings who are in need of productive and meaningful lives. And that is why I am supporting the Humphrey-Hawkins bill. It will set into motion economic policy and activity that is so long overdue in this country. Mr. Chairman, this bill benefits not only the people of the South Bronx, not only this country's Hispanic community, but each and every one of our citizens, worker and employer alike—who are feeling the crunch of our ailing economy.

Mr. HAWKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I want to commend the gentleman from New York (Mr. GARCIA) for one of the most eloquent and moving statements I have ever heard on this floor.

Mr. SARASIN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN of Illinois. Mr. Chairman, I rise in opposition to H.R. 50, the Full Employment and Balanced Growth Act. I would first like to say that I join my colleagues in wishing to pay tribute to Senator Humphrey. He was a great and honorable man who did much for many. I do not, however, feel that passage of this act in his memory is the best method to pay him tribute.

I feel that the cost of this legislation is prohibitive. Although this specific bill does not immediately authorize new Federal job programs or other spending, it does leave this authority to Congress. There is no cost estimate provided us by the bill's authors, but there is a very large loophole in section 403, which states:

> There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

In these times of ever-increasing inflation and Federal budget deficits, I do not feel that we can approve legislation such as this, without a specific appropriation. It is not in the best interests of the American people, and I suspect that if the late Senator Humphrey were with us, he would want the Sun to shine in on the bill before us, so that we would know here and now what it will really cost the taxpayers of this country in direct taxes and inflated dollars.

I am not in agreement with the requirement that the Federal Government should be the employer of the last resort. The cost of providing public service jobs is great and requires more administrative costs than private sector jobs. In addition, many of these jobs are largely short-term, unproductive, and dead-end jobs which do not benefit those they are designed to help.

At this point, I would like to say that I have supported and will continue, to support the so-called Jobs Creation Act, which would provide permanent tax cuts to individuals and businesses to expand job opportunities in the private sector, where they could be most productive and most meaningful to the working people of this country.

Finally, I do not feel that proponents of this legislation have adequately con-

sidered the changes in our labor force which have occurred since 1956. The phenomenon of women and younger workers entering and leaving our labor force at frequent intervals is a new development that should be factored into any serious consideration of unemployment statistics and their significance.

Mr. Chairman, I believe Congress can take action to reduce the unemployment rate and help more Americans who want to work find gainful employment with fair compensation. I do not, however, feel that the Humphrey-Hawkins bill, with its great potential costs to the taxpayers and its greatly increased Government involvement in the economy would really help the working people of this country. I submit, it would do more harm than good.

In order to improve this bad piece of legislation, I intend to support two worthwhile amendments. The first amendment will be offered by Mr. SARASIN of Connecticut, which will have the effect of setting an inflation goal of 3 percent by 1983. There is just as important a need for setting an inflation goal by 1983, as there is to set an unemployment goal, as the bill does. Although more than 8 million Americans suffer from unemployment and job dislocation problems, inflation, the cruelest of all taxes, afflicts all 215 million Americans.

The second amendment, which will be offered by Mr. ASHLEY and Mr. STANTON, both of Ohio, seeks to insure that the Federal Reserve Board's authority to regulate this country's monetary policy should not be jeopardized by the intent of the legislation. Last year, the Government Operations Committee's Subcommittee on Commerce, Consumer, and Monetary Affairs reported out a bill (H.R. 2176) dealing with financial audits of the three banking agencies. We were successful, during floor consideration of that bill, in modifying the original bill so as to preserve the autonomy of the Fed in the area of monetary policy. To politicize the FRB's policies would be disastrous for the financial condition of the country.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I rise in strong support of the Full Employment and Balanced Growth Act of 1978. Ironically, over 30 years ago, the Congress considered similar legislation which became the Employment Act of 1946. Although the bill was to represent the Congress commitment to full employment, the explicit commitment to unemployment was never realized. In fact, an acceptable rate of unemployment has been achieved a mere seven times since 1950.

We are approaching the end of a decade that has been characterized by an intractable unemployment problem. To a degree the intractability of the unemployment dilemma is a consequence of our failure to fully conceptualize the import of the problem. Yet at this moment, there are those of us who persist in couching this debate in terms of how much unemployment can be justified rather than the economic and noneconomic costs directly associated with joblessness. Much worse, we have allowed our perspective to preclude any serious consideration of standards by which to define full employment. Indeed, instead of addressing the problem that confronts us, we have manipulated the definition of full employment to satisfy ideological and political exigencies.

Since 1970, the definition of full employment has undergone several revisions. As a result of the Vietnam war, the Nixon administration briefly set its full employment target at 3.8 percent. Three years later, due to changes in the composition of the labor force and the influx of Vietnam veterans to the labor market, the same administration raised their full employment target to 4.9 percent. The Nixon administration's full employment targets were subsequently reaffirmed by his predecessor at the 4.9-percent level. However, the Ford administration argued that because of increased unemployment compensation and welfare payments full employment was 5.5 percent. Interestingly enough, there are those outside of the administration who argue that 7-percent unemployment is equivaient to full employment. In addition, there is apparent inconsistency between the administration's support of an interim unemployment goal of 4 percent overall in the Humphrey-Hawkins legislation and the statement in the President's budget that high employment is now represented by a 4.9-percent overall rate of unemployment. Thus, during the last 7 years the definition of full employment has ranged from 3.8 to 7 percent both inside and outside of the different administrations.

The Humphrey-Hawkins bill presents us with a unique opportunity to put aside that which is politically expedient for something of far greater importance—the right of all Americans to work. Accordingly, the bill would also establish annual goals and timetables for employment, unemployment, production, real income, and productivity. Thus, eliminating the arbitrariness of defining full employment. Further, the bill stipulates that policies be reviewed annually to reflect national priorities and that the President submit a budget compatible with the annual goals.

Almost a year ago, the Joint Economic Committee recommended that the Congress should establish specific quantitative goals for employment and output and design fiscal, monetary, and other appropriate policies to meet these goals. Similarly, the Humphrey-Hawkins bill would require the President to establish economic goals and to coordinate the appropriate fiscal and monetary policies to achieve those goals. Nonetheless, in our wisdom we have continually ignored the recommendations of our own committees.

Clearly, the Humphrey-Hawkins bill does not represent a radical departure from the recommendations of the Joint Economic Committee. If anything, the bill before us is different only in the sense that it requires greater coordination of economic policymaking within the Federal Government. Heretofore, our economic policymaking has been fragmented and therefore, inadequate to cope with the various sources of socioeconomic stress throughout the economy. In order to manage these stresses, we will have to establish the appropriate legislative mechanism. Again, I would submit that the Humphrey-Hawkins bill will provide us with the tools to accomplish such a difficult task.

If one takes into account that before the end of this century, total population in the United States will reach 260 million and that our gross national product will exceed $2 trillion by 1990, it is obvious that the U.S. economy will become increasingly more difficult to manage without greater coordination of our monetary and fiscal policies.

The Congressional Budget Office has been providing the Congress with 5-year budget projections since the passage of the Congressional Budget and Impoundment Act of 1974. While these projections do not represent a particular economic policy, it would appear that these projections are another indication of the importance of examining the desirability of different fiscal policies and new spending initiatives. Although such an approach is necessary if we are to satisfy our long-term needs, we have not made use of these projections and estimates because of our ideological fears. It is arguable that any forecast of economic activity is risky. However, until we begin to place greater emphasis on the viability of planning, we will continue to implement policies at the expense of those who have a greater dependence on our decisions.

I have attempted to make some sense of the arguments put forth by the opponents of the bill. But frankly, I continue to hear the same argument that high unemployment means less inflation. As one of my colleagues said:

> An unspoken corollary is that the way to fight inflation is to maintain high unemployment.

Clearly, this strategy has worked to the detriment of our country. One can easily find fault with any legislative proposal, especially if little emphasis is placed on its real objectives.

The bill has also been labeled as moving us a step closer to a Socialist economy. Yet, I have heard little discussion about how we can effectively manage an economy the size of ours without some planning. If less emphasis was placed on concerns about intrusion into the private sector, we could begin to develop the mechanisms to instill a greater sense of competitiveness in our economy.

I would agree that it will be a difficult task to achieve an overall unemployment rate of 4 percent, given the structural changes in the economy. However, it appears to me that the real reason for fearing that we will not reach the goals and targets lies in our inability to understand how we have reached the present impasse.

Surprisingly, but understandably, we lag behind our peers with regard to the importance of economic planning as a mechanism to insure the fruition of specific economic objectives. As a result of planning, some Western European countries and Japan have managed to keep their levels of unemployment signifi-

cantly lower than ours. While our unemployment averaged 5.3 percent from 1959 to 1976, during the same period West Germany and Japan both averaged unemployment below 2 percent—Japan 1.4 percent and West Germany 1.2 percent. In part, these lower levels of unemployment can be explained by varying degrees of difficulty with the energy crisis, and the difference in economic structure. However, during the period of 1974 to 1976, Germany's unemployment averaged 3 percent and Japan's unemployment averaged less than 2 percent. In contrast, unemployment in the United States, despite its greater ability to absorb the shocks of the energy crisis, averaged 7.3 percent.

The Committee on Education and Labor report indicates that during the period of 1953 to 1977, we have forfeited more than $5.2 trillion worth of GNP and suffered unemployment in excess of full employment of 72 million years of unemployment. Of course, the loss in tax revenues associated with high unemployment is also staggering. For example, if we had maintained unemplomet at a reasonable level over the same period, we would have produced revenues to fund new spending initiatives in the areas of health, education, and other social ills. Although it was much easier to conceptualize the $14 to $16 billion cost of unemployment on an annual basis, it is clear that the cost of maintaining unemployment over the long term is the most serious crime that we have ever committed.

If, over the rest of the century, we are to abort the immense costs, in terms of the impact as measured by suicides, crime, poor health and education and other social crimes, we must put an end to our present treatment of the unemployment problem. Against the background of present economic conditions, the Humphrey-Hawkins bill represents the best device to attain goals that are consistent with the needs of our people. There are undoubtedly limits to obtaining these objectives. However, if we accept these limitations, we will never develop new approaches to satisfy our responsibility to the welfare of the American people.

In closing, I want to congratulate my good friend from the State of Kentucky, Mr. PERKINS, the chairman of the Education and Labor Committee, and his colleagues and my good friend from the State of New York, Mr. DELANEY, the chairman of the Rules Committee, and his colleagues for bringing before us a bill which provides the mechanism for addressing unemployment in America.

Mr. SARASIN. Mr. Chairman, I have no further requests for time.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ANDERSON).

Mr. ANDERSON of California. Mr. Chairman, I rise in strong support of H.R. 50, the Humphrey-Hawkins Full Employment and Balanced Growth Act. I sponsored this bill in the 93d Congress, I sponsored this bill in the 94th Congress, and I fully hope to see this legislation finally enacted in the 95th Congress.

Some critics of this bill say that it is too radical, others say it is not radical enough. I would answer by having them speak with some of the good, decent people standing in the unemployment lines in Long Beach, or on a street corner at noon in New York. Ask them if it is too radical, or not radical enough. Ask them if they favor Humphrey-Hawkins. And if they say they are not sure what this "Humphrey-Hawkins" is, just ask them if they would like to be working. I am convinced, that again and again, the answer will be, "Yes, I want to work."

And that is what Humphrey-Hawkins is really all about, the individual unemployed American worker. It should not be passed as a tribute to the late Senator Humphrey, although it would be a fine one. And too many are callous to the massive unemployment figures, because they are just statistics. Although, again, Humphrey-Hawkins will reduce these tragic numbers. We must see Humphrey-Hawkins passed because of the individual worker, who cannot get work.

And he or she might have a young spouse, and maybe even a baby to feed. Or maybe this worker has been employed for 20 years, and suddenly finds himself out of work in a society where there is no market for his skill. Where do they turn? Crime? Unfortunately, this may sometimes happen. Welfare? The picture in my mind is not a pretty one of the once-proud young husband bringing home a welfare check to his wife. Or of the worker with years of experience having to accept public money for work not done.

Let us see that these workers have jobs. Get them into the private sector if we can, and Humphrey-Hawkins places emphasis on this, but let us get them on the job. Let us have them contribute to a strong America, a proud America, a working America.

Mr. HAWKINS. Mr. Chairman, I have no further requests for time.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Chairman, I only have one speaker.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, has has been noted, the Committee on Rules had original jurisdiction over title III of H.R. 50. This title deals with policies and procedures for congressional review. A substitute to the entire title was proposed and adopted by voice vote. The Rules Committee substitute, briefly, contains the following provisions:

First. It sets forth a timetable and the steps to be undertaken for congressional review of the Economic Report and of the President's policies, programs, and goals in establishing the short-term congressional goals of national economic policy for any fiscal year.

Second. The Joint Economic Committee is directed to review and analyze the President's short- and medium-term objectives for attaining full employment, production, and balanced growth; his policies and programs recommended to achieve them; and the Federal Reserve Board's statement of its intended monetary policies for the year ahead.

Third. Each legislative committee of the House and Senate is to submit to the Joint Economic Committee a report of its views and recommendations with respect to the Economic Report.

Fourth. The JEC is directed to report to the House and Senate each year a concurrent resolution to contain its findings and recommendations with respect to the Economic Report, the short-term congressional goals of national economic policy, and annual numerical goals for employment, unemployment, and production. This concurrent resolution is to serve as a legislative guide to Congress in achieving the short-term objectives.

Fifth. Several amendments to the Congressional Budget Act are made to coordinate the existing congressional budget process with the economic review process. The date by which various committees of both Houses must submit their reports to the two Budget Committees is changed from March 15 to March 1. The two Budget Committees are required to include in the reports accompanying the first congressional budget resolution each year their own summary analyses of the revenue levels, budget authority, and outlays needed to implement the objectives set forth in the concurrent resolution. The present requirement that the JEC submit its views, estimates, and recommendations to the Budget Committees each year is eliminated.

Outside of its jurisdictional authority, the Rules Committee has recommended informally that two amendments be adopted by the House to certain provisions in title I to make that title conform to the Rules Committee substitute to title III. These amendments propose to change the deadline for the President's transmission of the Economic Report to Congress from 20 days to 15 days into each regular session, and to change the date by which the Federal Reserve Board must transmit to Congress its statement of intended monetary policies for the coming year from within 1 month after transmittal of the Economic Report to "on or before March 1 of each year."

I would like to call attention at this time to a particular provision in title III that was improved by the Rules Committee substitute to that title. The Education and Labor Committee version for title III contained language in section 301(b) directing the appropriate congressional committees to—

> Review and revise . . . the economic goals, priorities, policies, and programs proposed . . . by . . . the Board of Governors of the Federal Reserve System.

Afterwards, Congress was directed to develop legislation to implement its revisions of the Fed's proposed policies. The Rules Committee substitute modifies this provision by requiring the Joint Economic Committee to "review and analyze" only the policies recommended by the Federal Reserve Board. I support this modification.

A similar problem, however, remains in title I, section 108. This provision re-

quires the Federal Reserve Board to transmit to Congress an independent statement of its intended policies for the year ahead. The Congress is then to "take such action as it finds necessary to insure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1978." In my opinion this invades the monetary policy independence of the Fed and is not in conformance with the changes recommended by the Rules Committee to title III. Since title I was beyond the jurisdiction of the Committee on Rules, we could not formally amend section 108. My purpose in mentioning it at this time is to call attention to the problem and to urge that it be corrected during the amending process on title I. In this connection, I am advised that some form of amendment will be offered at the appropriate time.

Mr. Chairman, notwithstanding the well-intentioned goals of this legislation in general, I seriously wonder if by its enactment we will not be contributing to this Nation's economic doldrums. T. S. Eliot once described how the world will end as "not with a bang but with a whimper," contrary to what everyone thinks. Another author, William Shakespeare, wrote in describing his play "Macbeth" that it was a "tale told by an idiot, full of sound and fury, signifying nothing."

These quotes may very well be applicable to H.R. 50. I am afraid that the practical effect of the bill will be just to add another tier of reports and other such paperwork to the stacks of tiers already in existence without really accomplishing the fundamental objective of reducing unemployment, while increasing productivity without fueling inflation. If this goal is not reached, and I do not believe enactment of this legislation will achieve it, have we not made a lot of sound and fury which signifies nothing?

Mr. BOLLING. Mr. Chairman, I will be very brief. I thank the gentleman from Mississippi for his kind words about my substitute. It is really a very simple substitute, which tries to simplify the procedure, that will be followed when the President complies with the requirement of the Humphrey-Hawkins Act and sends to the Congress his goals and plans. It makes it possible for the Congress to respond quickly and sensibly.

It makes it possible for the Congress to respond quickly and sensibly. It meshes that response originated in the Joint Economic Committee with the processes of the Budget Act.

I do not think there is any point in prolonging events here this evening. I will have an opportunity to present that substitute in some detail under the 5-minute rule tomorrow and will do so then.

Now I think I will just reserve the balance of my time.

● Mr. BRECKINRIDGE. Mr. Chairman, yesterday I introduced an amendment to H.R. 50, the Full Employment and Balanced Growth Act of 1978, which would add a new section 208, entitled "Stimulation of Private Sector and Small Business Employment," to the existing title II—structural policies and programs, including treatment of resource restraints. This new section would insure the role of the private sector as employer of the first resort and further stimulate small business employment to save and create jobs throughout the Nation.

This amendment provides that the President, fully utilizing all existing resources available within the Government, shall report to the Congress proposals designed to stimulate the private sector and small business employment by improving and fully utilizing existing Federal guaranteed, insured, and direct loan and grant programs of the Government, including specifically those under the Rural Development Act of 1972.

These proposals shall include administrative, legislative, legislative oversight, and budgetary recommendations for action, plus projections of anticipated demands, determination of jobs creation potential, and for enumerating jobs created and saved.

Simplification of agency and department rules, regulations, forms, and procedures in the administration of applicable programs is an absolute necessity to improve accessibility to and delivery of such services.

This amendment includes projects in communities, new entries and existing enterprises, especially family farms, small businesses, ethnic and minority-owned and operated firms, cooperatives, and other enterprises.

Jobs creation, via the private sector, must be the first resort, resulting in a strong economy and minimizing public-funded programs for the last resort which, in many cases, do not really provide effective accessibility and delivery of services to those in need.

Targeting, with commonsense priorities, through expansion of existing businesses and creation of new businesses in areas of high or critical employment is of utmost concern to all of us.

The maximum utilization of that which is already in place makes good sense in any language. We do not need any more bureaucratic entities. Our people do not want them. Let us make work that which we already have and let us make sure that it works for those who are in need.

This amendment to stimulate the private sector and small business employment will help the administration and the Congress confirm its employer of the first resort role so that the public sector can respond as the employer of the last resort.

The following basic facts are essential to the jobs creation effort if it is to be permanent and under reasonable fiscal control.

Fact 1: Private sector jobs are more likely, than publically funded jobs, to be permanent and create permanent secondary jobs. Jobs in a successful business or industry are permanent.

Fact 2: New and small businesses create and save more jobs per dollar of business volume than large established corporations such as the Fortune 500.

On the basis of 5-year employment records of the top 50 of the Fortune 500, they did not increase employment—0.07 percent a year—as fast as the national population grew during the same period. Between the years 1969–76, total U.S. employment grew twice as fast as the population; population was up 10 percent for these years, employment was up 21 percent. In fact, 99 percent of all new jobs created 1969–76 were created by firms other than Fortune's 1000 largest firms.

EMPLOYMENT OF THE FORTUNE 1,000 AND TOTAL U.S. CIVILIAN LABOR FORCE

Year	1st 500	2d 500	Civilian labor force
1976	14, 836, 163	1, 874, 614	94, 773, 000
1975	14, 412, 992	1, 861, 352	92, 613, 000
1974	15, 255, 946	1, 993, 976	91, 011, 000
1973	15, 531, 683	1, 966, 814	88, 714, 000
1972	14, 676, 849	1, 845, 502	86, 542, 000
1971	14, 324, 890	1, 765, 418	84, 113, 000
1970	14, 607, 581	1, 719, 805	82, 715, 000
1969	14, 813, 809	1, 822, 071	80, 734, 000
Total increase	22, 354	52, 543	14, 039, 000
Total percent increase	0. 15	2. 8	14. 8
Average annual percent increase	0. 02	0. 42	2. 3

Note: From 1969 to 1976, total employment increased by 9,583,000. 99 percent of employment occured in firms other than Fortune 1,000.

Sources: Data for the 1st and 2d 500 are published yearly for the previous year in Fortune magazine, in May and June, respectively. Data for the total civilian labor force was obtained from the 1978 Economic Report of the President.

Another study that was done by a group of venture capitalists, despite its limited scope, is clear in its impact. First of all, we have five young high technology companies, their combined total 1974 sales was $857 million. In 1969 and 1974 they increased employment at a rate of 40 percent a year. That is four times the national population growth. The actual number of increase is 41,966, 1974; minus 7,597, 1969 for a total 34,369 new jobs.

The young high technology companies not only created jobs 40 times faster than the mature companies but created 9,000 more jobs. And this is even more amazing when you consider the mature companies have 40 times as much annual sales. Not only do these new small businesses create more jobs, faster, but I submit that they also reduce prices with aggressive competition. They have their troubles to be sure, such success is rare, and they are risky to be sure.

Fact 3: Federal agencies now in eixstence—staffed and experienced—can and do provide substantial stimulus to jobs maintained, saved, and created, such as the Small Business Administration (SBA), Farmers Home Administration (FmHA), Economic Development Administration (EDA), and others.

FmHA in 1977 guaranteed $350 million in loans to save and create 95,578 jobs, at a cost of $8 million—$3.7 million administrative and $4.3 million in losses.

Fact 4: SBA, FmHA, and EDA, through federally guaranteed loans, provide funding for new businesses, expansion and saving of existing business at virtually no cost to the Government. In fact, the taxpayer makes money. As I indicated in my statement in the CONGRESSIONAL RECORD in March of 1977, in 1976 the SBA loaned $2 billion to various

enterprises throughout the Nation, saving or creating 288,000 jobs in the private sector. The 288,000 SBA jobs created in the private sector cost $200 million for administration and $100 million for loan losses, for a total cost of $300 million.

Because these 288,000 jobs are private sector jobs that pay taxes, rather than absorb taxes, my task force estimates that the total benefit to the taxpayer is as follows:

1976 tax revenue and savings for 288,000 SBA jobs

	Per job	Total
Federal individual income tax	$2,300	$662,000,000
Federal corporation tax	1,134	326,000,000
Federal welfare savings	2,500	720,000,000
State and local tax	2,114	609,000,000
Total	8,048	2,317,000,000

Simply stated, the total of $2.3 billion in benefits, less the $300 million in SBA costs, leaves a total net benefit of $2 billion to the taxpayers in the first year and thereafter. Once in place this private sector tax base would continue to grow and experience normal business expansion. In other words, for every taxpayers' dollar put out by SBA, the taxpayers receive a return of more than $7, or $1 cost for more than $7 benefits.

The data was supplied by Economics Division, Congressional Research Service and Congressional Budget Office—$13.000 per year per job.

The 1977 data for SBA loans is as follows:

1977 tax revenue and savings for 353,000 SBA jobs

	Per job	Total
Federal individual income tax	$2,300	$812,000,000
Federal corporation tax	1,134	400,000,000
Federal welfare savings	2,500	882,000,000
State and local tax	2,114	746,000,000
Total	8,048	2,840,000,000

(Data is supplied by Economics Division CRS and CBO—$13,000 per job.)

Because the 95,578 FmHA jobs are private sector jobs that pay taxes rather than consume taxes, CRS estimates that the total benefit to the taxpayer can be as high as follows:

1977 tax revenue and savings for 95,578 business and industrial created jobs—FmHA

	Per job	Total
Federal individual income and social security tax	$2,300	$219,829,400
Federal corporation tax	1,134	108,385,452
Federal welfare savings	2,500	238,945,000
State and local tax	2,114	202,051,892
Total	8,048	769,211,744

The total $769,211,744 in benefits, less the $8,000,000 in B & I costs—administrative plus losses—leaves a total permanent net benefit of $761,000,000 to the taxpayers in 1977. Once in place the firms could be reasonably expected to continue to increase business, State and local tax payments and employment in each subsequent year with normal business expansion.

Mr. Embree K. Easterly, president of the Capital Bank and Trust of Baton Rouge, La., informs us that his bank has made an analysis of 20 SBA loans at random, made by the bank in the past. The following information indicates clearly that a high percentage of additional jobs have been created in almost every instance:

Borrower	Number of employees: Before loan was approved	After loan was approved	At this time
Jules Madere Creative Jewelers, Inc.	2	2	11
Shel-Boze, Inc.	11	14	22
River Rubber, Inc.	15	15	20
Baton Rouge Athletic Club, Inc.	11	11	16
Wallbanger Court Club, Inc.	0	2	7
Stainless Piping	2	4	5
Flip, Inc.	0	2	3
The J Club, Inc	0	8	11
Frank's Door & Building Supply, Inc.	20	21	21
Fluid Handling	4	6	7
A-1 Movers, Inc.	5	6	16
A. G. Building Specialists	4	7	19
Lee's Truck Rentals, Inc.	6	6	12
Agway Systems, Inc.	7	10	45
Bayou Chateau Nursing Home	0	60	76
New Generation, Inc.	0	22	28
Southern Hose, Inc.	9	11	13
Sarge's Grocery & Market	0	6	14
Impulse Merchandisers	8	8	16
Gator Plastics	10	14	14
Total	114	235	376

The SBA, in a recent yet-to-be published study, found that on an average each $10,000 in loans made to a small business creates one new job; in addition to the creation of a new job, each $10,000 in loans maintains approximately three jobs. While the Administrator of SBA has as yet to release this study, the study clearly supports previous information supplied by SBA and FmHA that "it is better to lend than to spend."

These agencies were created to save and create small businesses. In fact, the business and industry program of FmHA was created for the express purpose of saving and creating jobs as expressed in the Rural Development Act of 1972.

Fact 5: The demand for SBA and FmHA (B. & I.) funds far exceeds the guarantee authorities that have been made available to date by the Congress. By expanding these programs, substantially, hundreds of thousands of additional jobs can be created not only at no cost to the taxpayer, but rather, at a significant profit contribution toward, a balanced budget.

In FmHA alone, on November 30, 1977, there were 670 preapplications and applications on hand for $1,373 million for B. & I. loans, while the agency authorization for the entire fiscal year ahead was only $1 billion. This is absurd on the face of it.

Fact 6: SBA, FmHA, EDA, and other existing guarantee programs can be expanded with relatively few additional Federal employees by utilizing existing, experienced lenders in the private sector. This includes over 14,000 banks, 4,800 savings and loan institutions, the nationwide Farm Credit Administration system, and many others. This can and should be done, as proposed by my amendment, by:

First. Simplified rules, regulations, procedures, reviews, and forms.

Second. Training private lenders in the making and servicing of guaranteed loans, and the establishing of standards.

Third. Upon completion of planned training programs, qualified lenders should be authorized through a certification program to approve such loans within specified limits.

Fourth. Certified private lenders guaranteed loan activities would be subject to audit and review by regular supervisory agencies as well as by the specific agency making the guarantee. In the event of abuse or incompetence, the certification would be revoked.

Fact 7: The jobs created by public funds will primarily be temporary, and that means that additional funds will have to be provided—year after year, on a continuing basis—if these workers are to be maintained in the employed category.

Jobs creation via the private sector must be our method of first resort. The publically funded programs called for herein will thus be minimized, and used as the method of last resort in areas of extreme need.

The creation of jobs through expansion of business and new businesses can and should be targeted, for priority action, to existing service or manufacturing opportunities, as well as to high unemployment areas and categories. Sound lending principles must be followed to minimize failures.

By utilizing existing Federal programs the high cost of creating new agencies or funding major agency personnel increases can be avoided, thus saving untold millions of dollars and unnecessary bureaucratic redtape in administrative expenses.

By utilizing the private sector as the employer of first resort, and the public sector the employer of last resort, the Congress can assist the administration in reaching the goal of a balanced budget in 1980 or 1981, through private investment creating taxpaying jobs in the private sector at a profit—rather than a loss—to the taxpayer.

Since it is "better to lend than spend," I feel the proposed amendment should be made to the Full Employment and Balanced Growth Act of 1978.●

● Mr. CLAY. Mr. Chairman, the bill before us today, the Humphrey-Hawkins Full Employment and Balanced Growth Act, is the most important economic legislative measure to come before Congress in this decade.

Unemployment in our Nation has reached staggering proportions. In my home city of St. Louis, one out of every six people receives some type of public

assistance. At least 15 percent of all black St. Louisans are unemployed. Joblessness among our youth hovers around the 40-percent figure.

To the unknowing, the insensitive, these figures are simply statistics. When speaking at a high school commencement ceremony they do not see the hopeful eyes of the graduates, and realize that many of the youngsters will soon be pounding the pavement, seeking a job that does not exist. They do not see the faces of men who want desperately to support their families, but cannot find work. They do not hear the arguments between husbands and wives that take place, because both are jobless. They do not see the expressions of women who cannot afford to adequately feed, clothe or house their children, because they cannot earn a paycheck. And they do not see the children in my district who go to school in light attire when there is a foot of snow on the ground, dressed in shoes rather than boots, and dependent upon nutrition programs to feed them breakfast at the schools they attend, because their workless parents are unable to make things better for them.

The unemployed people in my district who are able to work, do not want welfare, they want jobs. St. Louisans are not unique in their desire. Poor people across our land have this wish.

There are many myths associated with H.R. 50. Opponents claim it will be inflationary. The compromise version of the bill places as much emphasis on reducing inflation as it does on decreasing unemployment. Opponents maintain the bill places too much emphasis upon public sector involvement in curbing joblessness. But the public sector provision of new jobs would only come into play if the private sector was unable to adequately lessen unemployment. Opponents say that the compromise bill is so watered down, that it will do nothing to solve our unemployment problem. Although I do not believe the legislation to be a panacea, I do see it as a giant step in our mutual goal of eliminating unemployment.

I support H.R. 50. I urge my colleagues to do likewise.●

● Mr. FRENZEL. Mr. Chairman, H.R. 50, the Humphrey-Hawkins bill will probably be passed by the House today. It has been defanged and declawed to such an extent that many former opponents now feel it is hardly worth opposing.

But, in my judgment, a great deal more surgery will be required to improve this unwise policy enough to make me vote for it.

The original Humphrey-Hawkins bill was an extreme measure mandating Federal make-work programs estimated to cost up to $30 billion annually. After Presidential pruning, what is left here today is still an extreme measure. Its powers and programs have been excised, but the $30 billion expense lurks ominously in the background—a promise for those unable to find a job, or a threat for those whose taxes must create those potential jobs.

The original bill was a marriage of the late Senator Humphrey's national planning bill and our distinguished colleague from California, Mr. HAWKINS' jobs bill. Personally, I like neither comprehensive national economic planning, nor expensive Federal make-work programs.

With respect to planning, the present situation is, in my judgment, adequate if the President, the Congress, and the Federal Reserve use good sense. So far, only the latter has done so. I am not in favor of undermining the independence of the one agency that has shown good sense, the Federal Reserve, in the name of national planning.

Further, in many respects we are as overplanned as we are overregulated No one expects our economy to be completely free, but it operates in relative freedom. The economy reacts to new conditions far better and far faster than the Government does.

There are a number of other unanswered questions about the bill. If we are setting a target for unemployment, that target should be zero. If we are setting an interim goal, for the achievement of which we are willing to raise taxes, then the 4-percent figure is questionable.

The President's Council of Economic Advisers is currently 4.9 percent unemployment as a full employment assumption. They call it a "high employment" assumption. Other economists feel it should be over 5 percent, some as high as 5½ percent.

Another troubling question is how we get the figure down. The Hawkins bill presupposes public works jobs and puplic service jobs. I believe each has only a limited effect. Public service jobs turn out to be mostly duplication and are merely a shift from local financing of local services to national financing, without much of a real increase in jobs. Public works in relatively good times, like the present, creates more overtime than new jobs.

Some proponents of Humphrey-Hawkins do speak of private sector jobs, but there is nothing in the bill that indicates any emphasis, or that even gives any assurance that private jobs will be considered. The bill would be vastly improved if a "private sector" amendment were to be added.

Absent such an amendment, the bill is sure to be inflationary unless we are not serious about the targets. Therefore, the Sarasin "Inflation Amendment" should also be passed. A national economic policy that takes into account unemployment, ignores inflation, is only half a policy.

Finally, the bill promises much and can deliver nothing. It will raise the hopes of those who have no jobs who will expect the Government to provide for them. Unless we are prepared to pay the price right now, both in taxpayers dollars and in inflation, we have no business leading unemployed people to believe we are doing something for them. The day of the big undeliverable, political promise should have passed long ago.

H.R. 50 has little redeeming value other than the motivations of its authors and promoters. It ought to be set aside in favor of the Quie substitute which does provide a real program to attack the worst aspects of unemployment. It would direct our efforts to the young and disadvantaged who are the least able to protect themselves from the ravages of unemployment.

I hope H.R. 50 will be rejected, and the Quie substitute passed in its place.●

● Mr. KASTENMEIER. Mr. Chairman, I strongly support the Full Employment and Balanced Growth Act and hope that the House will adopt this bill without weakening amendments.

The problems of unemployment and its devastating effects—on our economy, our national psyche, and on the millions of people who personally suffer its results—cannot be understated. It can, and too often has, become a problem of such immense proportions that it casts a pall over our entire Nation. Yet, we continue to address this problem largely on a piecemeal basis. We create programs to react to crises. We seldom, if ever, take the time to plan ahead to avoid crises.

That is precisely what this bill is designed to do—create a process whereby our National Government devises its policies in a planned and coordinated fashion so that, hopefully, we can avoid future unemployment crises.

Unemployment is simply too costly to the Nation and its people to continue to deal with it on an ad hoc basis. It has been estimated that the unemployment rate in the 1970's in excess of 4 percent has cost this Nation over $600 billion in lost production and income.

Large Federal deficits, which have contributed greatly to rapid inflation in recent years, can be largely attributed to the unemplovment levels. The Congressional Budget Office has estimated that the budget deficit could be lowered by $17 billion for each percentage point the unemployment rate is reduced.

And, the personal impact on those who must suffer unemployment can be devastating. One's source of livelihood is removed and serious damage can be done to an individual's sense of dignity and social usefulness. One need only look to the increase in crime, suicides, and physical and mental health problems that accompany joblessness to realize the impact in human terms.

To those who argue that the goal of the bill, the reduction of unemployment, will aggravate inflation, I would merely point to the past few years to demonstrate that the supposed tradeoff between unemployment and inflation simply no longer works. One might even argue that the high unemployment rates have contributed to inflation through a reduction in goods and services, a reduced rate of productivity, and an increase in the Federal deficit.

However, such arguments also ignore the fact that the bill specifically directs the President to include antiinflation policies in his economic report.

Mr. Chairman, we declared a commitment to creating useful employment opportunities for all persons able and willing to work back in 1946 with passage of the Emplovment Act of 1946. It is clearly far past the time to put teeth into that commitment and finally make it a reality.●

● Mr. ROBINSON. Mr. Chairman, like virtually all other economic moderates, I have deep misgivings about H.R. 50, the so-called Humphrey-Hawkins "full employment" legislation under consideration today.

At its most innocuous, it represents a cruel hoax to the Nation's unemployed, who are under the probable impression, because of the bill's title and extravagant claims, that it would guarantee them a job, with the Federal Government targeted to become the employer of last resort.

However, even if the legislation's language were not illusory, its goal of reaching a 4-percent unemployment rate within 5 years could not be attained without extraordinary new inflation that would in itself cause serious business and industrial dislocations and accompanying joblessness.

At its worst, the Humphrey-Hawkins bill represents, potentially, one of the most dangerous instruments of socialistic planning, spending, and governmental dictation that this Nation has ever been offered with a straight face.

It would incorporate into Federal law a catalog of officially sanctioned economic goals that could only be achieved by drastic, unprecedented Federal intervention in the private sector of our economy. The President would have to plan programs necessary to achieve the stated goals and to propose enormous Federal budgets compatible with those goals.

It would lay the framework for massive new Federal spending harshly punitive to taxpayers and holding out the prospect of costing them billions upon billions of dollars. Indeed, in best blank check fashion, section 404 of this legislation immodestly declares:

> There is authorized to be appropriated such sums as may be needed to carry out the provisions of this Act . . .

This misguided bill, however its rewritten version is soft-pedaled by its proponents, contains the skeleton upon which a Federal straitjacket could easily be squeezed over the American people. It should be solidly rejected.

Its enactment would only postpone the day when Congress might be persuaded to realistically examine current Federal policies and laws that are seriously inhibiting the employment opportunities of those who are seeking honest work and struggling to be self-supporting citizens.

Abnormally large numbers of minorities and teenagers are chronically unemployed, for example. Ending legally sanctioned monopolistic labor practices of various kinds would greatly enhance their chances for jobs. The same objective would be advanced by revising our minimum wage law to encourage teenage employment at a special youth opportunity wage rate. The establishment of realistic tax incentives to stimulate new industrial investment in plant and equipment, thereby leading to the creation of numbers of new jobs, would also benefit the unemployed without inflation or larger deficits that are eroding our trade posture at home and abroad. All of these are preferable approaches to meeting serious problems of unemployment in the United States.●

● Mr. RANGEL. Mr. Chairman, I rise in support of H.R. 50, the Hawkins-Humphrey Full Employment and Balanced Growth Act of 1978. I believe that this bill will help to alleviate the social and economic ills affecting our Nation today.

This legislation is critically needed for four basic reasons: First, our economy has been suffering from lost production and income. It is estimated that the GNP measured in 1977 dollars was $5.2 trillion less than what it would have been if we were operating at a level of full employment. This loss has brought about decreases in tax revenues; and loss in private investment, farm income, salaries and wages. Deficient public revenues have dramatically reduced the number of programs designed to meet dire national concerns. For example, housing construction is on the decrease, with very little housing being developed for low- and middle-income families. Many of our communities are deteriorating quickly, because there are not enough funds to rehabilitate them. We need the enactment of the Hawkins-Humphrey bill to expand job opportunities, stimulate production, and coordinate our economic efforts.

Second, the social costs of high unemployment are becoming too serious to ignore. Social scientists are telling us that unemployment contributes to poor health, suicides, feelings of alienation, increased crime, drug abuse, and the most obvious—poverty. Statistics show that more than 24 million Americans are living in poverty, most of whom must depend upon public assistance to live. These Americans are not only suffering from the limitations of a poverty income, but also from "social isolation." Moreover, unemployment and poverty are contributing to the delinquency of our youth. It seems to me that it makes better social policy to provide those on welfare who can work with a job rather than relegating them to the welfare rolls. H.R. 50, by guaranteeing the right of all Americans to useful paid employment at fair wages, can be the catalyst for reducing our welfare rolls and the numbers of the poor.

Third, our cities are dying because of limited revenues aggravated by high unemployment. Many of our cities are in crisis situations, because they are operating at a deficit. The riots of the 1960's and, most recently, the looting that took place during the blackout in New York are indications of what high unemployment can do to our cities. The Hawkins-Humphrey bill is an immediate answer to the problems of our cities. More jobs can pave the way for greater revenues, new businesses, new housing, and the creation of programs that will revive our cities.

Finally, the high unemployment rate among minorities, women, and teenagers is perpetuating a system of economic inequality; 12.7 percent of the unemployed are minorities; 6.7 percent are women; and 15.4 percent are teenagers. The unemployment rates for minorities and teenagers are twice that of the rest of the population, and the unemployment rate for women is higher than the rate for all adults. Clearly, the forces of discrimination have had an impact on unemployment rates and the maxim of the "last-hired-first-fired" still continues to hamper our society. It goes without saying that until we have the safeguards against discrimination, the job training programs targeted for these groups, and other supportive services that can be provided through H.R. 50, our economy will suffer. We cannot have optimal growth unless all Americans are given an opportunity to participate in our economic development. For only a few dollars more, we can give those who can work the dignity and self-respect that work brings. Logic would dictate that we are much better off providing jobs to those on assistance who can work and thus making them productive citizens.

In short, the Hawkins-Humphrey bill is a step in the right direction. We, as Members of Congress, have a responsibility to see that our greatest source—our citizens—is not wasted. We are seriously depleting our reserves of employed workers while we condone high unemployment rates. The social and economic costs of unemployment have been demonstrated. I urge all my colleagues to vote without hesitation for the Full Employment and Balanced Growth Act. This legislation is long overdue.●

● Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of H.R. 50, the Full Employment and Balanced Growth Act of 1978.

This critical legislation, popularly known as the Humphrey-Hawkins bill after its chief sponsors, the late and most distinguished Senator Hubert Humphrey and our most distinguished colleague Congressman AUGUSTUS HAWKINS, is the single most important congressional initiative taken in respect to our Nation's economy in recent years. For the first time in history, this bill would focus all of our Nation's resources on the twin goals of reducing unemployment and inflation. In addressing these two issues in a comprehensive and simultaneous fashion, H.R. 50 represents a major breakthrough in economic thinking and policymaking. Unlike previous legislative and executive efforts, the Humphrey-Hawkins bill rejects the notion of an automatic "trade off" between employment and inflation, a notion that has severely limited our Nation's ability to confront these problems in an imaginative and effective manner. The result has been "stagflation," a seemingly mysterious, debilitating disease of our economic system in which inflation accompanies unemployment, and from which blacks and other minorities as well as youth and women suffer in disproportionate numbers.

H.R. 50 attacks unemployment directly by establishing goals and a timetable for achieving an unemployment rate of 3 percent for adults aged 20 and over and 4 percent for the entire civilian labor force aged 16 and over within a period of 5 years after enactment of this legislation. The bill combines this goal with the requirement for specific pro-

grams to restrain inflation, measures more comprehensive than are to be found in any previous peacetime legislation.

The specific mechanisms called for in the bill include the requirement that the President establish, in an economic report to be submitted annually to the Congress, yearly targets for employment, production, real income, and productivity, with due attention to the priorities of our national needs. Congress is then required to review the President's recommendations and to modify relevant programs in accord with the purposes of H.R. 50. This means that the President and the Congress will share responsibility for implementing the provisions of the legislation in a prompt and effective manner.

In recognition of the fact that both unemployment and inflation place disproportionate burdens upon minorities and women, the bill calls for additional programs to eliminate economic discrimination based upon sex, age, race, color, religion, or national origin. It also provides for specialized efforts to reduce and eventually to eliminate differential rates of unemployment among various groups.

The bill respects the very delicate balance that exists in our society between public and private sector interests and attests to the continuing faith of most Americans in the capacities of the private sector to provide opportunities to all those who are willing, able, and seeking to work. It does this by setting forth a clear order of priorities for job expansion relying first, on conventional private jobs through improved use of general economic and structural polices; second, on the expansion of private employment through Federal assistance; third, the expansion of conventional public employment, and only as a last resort, the creation of nonprofit private and public service jobs.

Finally, the bill provides for the integration of short-term and long-range policies, to guard against acting in an improvised manner without considering future consequences.

Mr. Chairman, the legislation before us is the product of an unprecedented commitment on the part of both Congress and the administration to set our Nation's ailing economy on a healthy course. At a time when the precipitous decline of the dollar is an all-too poignant symbol of the lack of confidence in our economy abroad, support of this legislation is essential not only for domestic reasons, but to restore our country to its rightful place of economic leadership among the nations of the world.

I strongly urge my colleagues to vote in support of H.R. 50 and against all proposed amendments that would weaken its basic provisions.●

● Mr. HYDE. Mr. Chairman, today this Congress is debating legislation with a grand-sounding name and purpose—the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1977.

As a declaration of policy, it sets the direction for our economic planning and growth for many years. It virtually ignores inflation, claiming that setting goals and timetables for reducing inflation will impinge upon the "human and moral concerns" of the bill.

What can be more human than concern over inflation?

The Republican substitute which I support, places equal emphasis on reducing unemployment and inflation, through reasonable Government spending, tax reduction and economic flexibility utilizing the full resources of the private sector of our economy. It is a spontaneous, free-market economy which has made us the world's richest nation.

Supporters of the Humphrey-Hawkins bill maintain it is the responsibility of the Federal Government to promote full employment, and as a last resort, become the employer. To meet the objective of full employment, the bill sets targets for unemployment—3 percent for those 20 and older, and 4 percent for those 16 and older, within 5 years of passage.

Many of us question this goal as hopelessly out of date.

The 4-percent unemployment rate, established in the mid-1950's and 1960's, ignores significant changes in the makeup of the Nation's work force. In today's labor market, a 4-percent rate cannot be achieved, let alone maintained, without triggering significant inflation.

Testifying before the Senate Committee on Banking, Economist John Kenneth Galbraith said:

> At a four percent unemployment rate, there is no question, the American economy can be disastrously inflationary . . . I must specifically and deliberately warn my liberal friends not to engage in the wishful economics that causes them to hope that there is still undiscovered fiscal or monetary magic which will combine low unemployment with a low level of inflation.

The President's Council of Economic Advisers suggested, in their 1978 economic report of the President:

> It is unlikely that a 4 percent unemployment rate could be achieved through aggregate demand policies alone without at the same time causing a significant increase in the rate of inflation.

Supporters of the bill claim that it recognizes inflation by calling for balanced growth. What is balanced growth?

It assumes that a definition of the quality of health care can be made; it establishes Federal aid to State and local government as a national policy, yet makes no mention of the urgent need to provide capital formation in the private sector. It offers no specific priority policy to deal with inflation. If taken as written, the bill promises solutions to the problems of energy, transportation, small business, the environment, farmers, housing, and youth unemployment. It promises quality health care, child care, and every other necessity of life; and assures a national defense, but does not prescribe whether it must be strong or weak.

We cannot have all of the above without a significant increase in inflation, and a massive increase in our deficit. The bill itself authorizes "such sums as are necessary" to carry out the provisions of the bill. No one really knows the cost of Humphrey-Hawkins, but the projections are staggering when one considers that the Government, as the employer of last resort, will be compelled to turn to public jobs as a means of complying with the 4-percent unemployment goal.

While the bill may help put the chronically unemployed to work temporarily, it will be at the expense of the private sector, with the taxpayers having to bankrupt themselves to put people on the public payroll.

Public service jobs have historically had little impact on unemployment. For every 100 Federal public service jobs created, State and local governments eliminate 50 to 90 jobs by simply transferring their employees to the Federal payroll. Assuming each public service job costs $10,000 a year, the Federal Government might spend $1 million to create 10 million jobs.

There is not a Member of Congress who would not vote for "full employment" if it could be fairly and responsibly achieved. If Government would start supporting the private sector in its search for capital formation, then productive taxpaying jobs would be created, not unproductive tax-consuming jobs, as Humphrey-Hawkins would do.

I am disturbed that this bill politicizes the Federal Reserve Board, and will make it much more responsive to the shifting political winds. Congress has made a botch of fiscal policy, and now we want to do the same to monetary policy. This bill joins the social security tax increases, the increased minimum wage laws, and the proposed energy tax increases as generating an irresistible inflationary push.

This bill would delight the Fabian Socialists. It is a giant leap backward toward central economic planning, which has been the hallmark of so many societies that look to us for both food and defense.

I cannot support this bill and sincerely hope it never becomes law.●

● Mr. MOORE. Mr. Chairman, the so-called Full Employment and Balanced Growth Act of 1978, also known as the Humphrey-Hawkins bill, gives America's jobless a false promise. The total reason for the existence of H.R. 50 is to announce that unemployment will be reduced to 4 percent by 1983, yet it does nothing to bring this about directly. It, therefore, misleads the people. It does indirectly, however, strongly imply the same solution as advanced at the time of its first introduction which is temporary, subsidized public service jobs that are tax-consumptive, inflationary, and nonproductive. I cannot support a bill which deceives and calls for future action of public rather than private employment.

America's jobless deserve more than language that builds false hopes, extends an empty hand, and once again delegates power but no answers in pass-the-buck fashion. I am totally committed to increasing the number of jobs available, eliminating unemployment, and controlling inflation, but we must do so in the private sector as public jobs only exacerbate the problems which caused the unemployment and inflation to start with. Instead of the ambiguous language within H.R. 50, I propose the adoption of a definite program that puts teeth and muscle behind a proven way to achieve 4 percent unemployment, and even less

unemployment. It is the program of President Kennedy in 1962, the Republican leadership and myself. It is the Jobs Creation Act. It worked then and will work now.

The Jobs Creation Act (H.R. 2591) embodies across-the-board tax cuts to reduce present individual and corporate tax rates by one-third over a 3-year period. The Congressional Budget Office has found tax cuts of this magnitude would create one-half million new jobs in the first year alone while independent economic studies believe as many as 4 million new jobs would be created over the 3-year period of its activation. This would certainly place our present unemployment rate well under 4 percent and do it by creating permanent, productive, noninflationary, nonsubsidized jobs that create new tax revenues. It is the best alternative for the taxpayer, the Government, and most importantly, the unemployed, or underemployed.

Consideration of H.R. 50 on the House floor does not permit introduction of the provisions of the Jobs Creation Act as an amendment due to procedural limitations that ban addition of a tax proposal to a labor bill. Therefore, I oppose this bill today, but call for passage of the Jobs Creation Act instead.●

● Mr. MAZZOLI. Mr. Chairman, I rise in support of H.R. 50, the Full Employment and Balanced Growth Act. I am pleased to have been appointed to your special task force, which was formed to allay Members' concerns over H.R. 50 and elicit support for this much-needed legislation.

The death of Senator Humphrey has given additional impetus to speedy action on H.R. 50. He fought long and hard to put Americans back to work and enactment of his bill will be a lasting tribute to the Happy Warrior, who so ably represented America's working men and women and her minorities in the Congress.

The Nation suffers tremendously because of the high costs—both economic and human—of unemployment.

The principal argument against the Humphrey-Hawkins bill has been its inflationary impact. Opponents argue that forcing unemployment down will necessarily force inflation up. That "tradeoff" theory is no longer valid.

Between 1952 and 1957 our Nation experienced concurrently low levels of inflation and unemployment. Yet, during the past few years, we have experienced concurrently high levels of unemployment and inflation.

The bill, as written, contains a strong anti-inflation commitment. However, to further underscore that commitment, I urge the adoption of Majority Leader WRIGHT's amendment. His amendment requires the President to set out annual and 5-year goals for inflation as well as unemployment. Further, it requires the President to set out specific programs and policies to reduce inflation.

Since 1973 the national unemployment rate has not gone below 5 percent.

It has been estimated that an unemployment rate of 5.5 percent over the next 25 years would cost the United States economy $6 trillion.

Though we experienced a dramatic drop in the jobless rate in the latter part of 1977, the unemployment rate for certain segments of our society remains at a staggering rate—in December 1977, the unemployment rate among blacks was nearly 12.5 percent, the teenage rate was over 15 percent, and the rate for black teenagers was 37.3 percent. This simply cannot continue.

In terms of human costs, unemployment is perhaps the worst social ill facing the Nation today.

There is a direct relation between unemployment and family tension. Every day we hear of the deteriorating American family. The family unit the backbone of our society. We must do everything possible to insure that that unit remains strong and that includes halting the rising rate of unemployment.

Other social problems—health, suicide, crime, to name only a few—are directly related to the unemployment rate.

The social and economic effects of unemployment produce a substantial cost to the American people. H.R. 50 will produce a substantial savings and it must be adopted.

The bill establishes specific unemployment targets and other economic goals to provide a framework for insuring that all economic decisions are coordinated to achieve full employment. It sets interim goals of 4 percent unemployment for workers over 16 and 3 percent for those 20 and over. Discrimination is prohibited. It contains a strong anti-inflation commitment and with the adoption of the Wright amendment that commitment will be made even stronger. H.R. 50 relies heavily on the private sector as the primary source for relieving the unemployment problem. And, it is an important step toward getting people off the welfare rolls and on the jobs rolls.

All Americans who are able, willing and seeking to work must have opportunities for gainful employment. We can no longer afford the human and economic costs of unemployment. H.R. 50 must be enacted into law.●

● Mr. EVANS of Delaware. Mr. Chairman, the Humphrey-Hawkins "Full Employment and Balanced Growth Act" is a cruel hoax on the American people because it amounts to no more than a "get-well" card for the economic woes facing our country. It promises more than it can deliver and will provide the American people with further evidence that Congress is more capable of delivering meaningless rhetoric than in providing positive, constructive action to solve the problems of our country.

This legislation places far too much emphasis on solving the unemployment problem in our country through "make-work" jobs rather than in devising a comprehensive, workable solution to our economic problems which will create permanent real jobs. Only an effective policy which promotes maximum employment, reduces inflation, increases production and real income, and provides adequate productivity growth offers permanent answers to achieving a sound economy.

By setting certain economic guidelines, this legislation is an effort to achieve "national economic planning" which runs counter to our free market system—a system which has produced our Nation's remarkable economic growth, and is a further effort to make the Government, and not private enterprise, the basis of our economic structure. Bigger government will erode the freedoms which we enjoy even more, and it is freedom which provides our country's strength and vitality.

The economic targets set by this legislation are clearly inflationary. Even Charles Schultze, the administration's chief economic adviser, has stated that—

> Experience in the postwar period to date strongly suggests that once the overall rate of unemployment edges below 5.5%, * * * inflation will begin to accelerate.

While low unemployment and a low inflation rate must be our ultimate objective, no sound economic policy can sacrifice one for the other.

Our country has the lowest rate of capital formation and productivity increases of any industrialized nation. The economic plan which this legislation outlines will make that situation much worse by increasing our budget deficits. Large Federal budgets and deficits take money out of the private sector, and this in turn cuts down on the amount of money which is available for investment in plant and equipment. Only by stimulating business investment will we create permanent new jobs. H.R. 50 does not place enough emphasis on this crucial aspect of our economic system. This bill commits this nation to a continuing decline in productivity for years to come. Only by commitrate for years to come. Only by committing ourselves to increasing productivity will we effectively deal with inflation.

No American should be denied a job in our great Nation. However, this legislation will do nothing to create the kinds of permanent jobs which provide fulfillment to an individual as well as contribute to the increased productivity gains which are essential to the future soundness of our economy. If the Congress is committed to increasing the number of jobs available to our citizens, then it should think about eliminating the ever-growing redtape and overregulation that is slowly strangling our economy. We should enact tax reforms which give more money to individuals to spend rather than giving money to the Federal Government to spend for them, and which provide incentives for businesses to expand and grow. However, Congress has done just the opposite. It enacted the largest peace time tax increase in history and passed a minimum wage bill which will increase the chronic youth unemployment problem in our country.

This administration has been overconcerned with symbols. It is a classic case of style over substance. That is exactly what this legislation represents. Throwing platitudes at the serious economic problems facing our country will solve nothing and further the growing cynicism of the American people toward Government's ability to solve problems. As the New York Times states so well, this legislation represents:

A gesture from a Government overly enchanted with symbols, a promise from a government that should mind its promises, a flag for politicians to wave when next they need to demonstrate concern for the unemployed.

I do not want to be one of the flag wavers because I want to really help solve the unemployment problem in our country, not be a party to passing legislation which pays merely lipservice to the problem. I urge my colleagues to defeat this unwise piece of legislation.●

● Mr. BINGHAM. Mr. Chairman, as a long-time cosponsor of H.R. 50, the Full Employment and Balanced Growth Act of 1978, better known as the Humphrey-Hawkins bill, I rise to strongly urge my colleagues to approve this legislation without weakening amendments.

WHY FULL EMPLOYMENT AS OUR NO. 1 GOAL?

The central question being asked about this bill is why should attainment of full employment be our primary domestic goal? Why not an ending of inflation or balancing of the budget, or major tax reduction? The answer, I believe, is because full employment is the heart of a healthy economy and society. I do not think it is much of an overstatement to say that the lack of sufficient gainful employment for all those willing to work is the root of most of our present economic and social ills. The absence of stable employment opportunities at fair rates of compensation is work that society values and is willing to pay for causes distress in individuals, families, communities, and therefore in Government. This distress can and does lead to delinquency, drug addiction, alcoholism, family disintegration, mental and physical deterioration, environmental decay, civil discontent, and at times overt unrest. The cost to our society in both human and economic terms is staggering.

For example, the committee's report on H.R. 50 estimates that during the period 1953–77 the United States "has forfeited more than 5.2 trillion 1977 dollars worth of total national production (GNP) and suffered unemployment in excess of what might be deemed reasonable full employment to the tune of more than 72 million man-, woman- and teenager-years of unemployment." This conservative estimate does not take into account the social and economic spinoff costs of unemployment I have mentioned above, just the direct losses of production and employment opportunities.

And what of the costs to governments? In a modern humane society such as ours, Government at all levels is required to help provide a minimum standard of assistance to distressed persons—the unemployed, the underemployed, and their families. In a high unemployment, low revenue situation, severe strains are placed on State and local budgets. Federal deficits are then aggravated to alleviate the strains through revenue-sharing, countercyclical assistance and other intergovernmental aid. Labor Secretary F. Ray Marshall estimated early last year that a 1-percent increase in unemployment causes a $16 billion increase in Federal Government transfer payments such as welfare, medicaid, food stamps, and unemployment compensation. These billions go to persons who are not engaged in productive employment, but who do contribute to the demand side of the national economics equation. In this sense, contrary to a commonly expressed view, unemployment can be said to be an inflationary factor, not a deflationary one.

As a representative of part of the Bronx, N.Y., I have seen what happens to a local economy and society when unemployment is allowed to grow and undermine the basic fabric of communities. It contributes to increased crime, neighborhood deterioration, outmigration of the stable middle class and business community, and inmigration of the unemployed, unskilled, and disadvantaged. Ultimately, it leads to abandonment by Government itself in the face of the resulting overwhelming structural problems of the area. Today, the Bronx seems to many to represent a worst case economic situation.

Its revitalization after decades of neglect in the context of a city itself closed to the private investment capital market is a great challenge to its people and to Government. In spite of their current plight, the people of the Bronx have a great spirit and want to bring it back to social and economic health once and for all, but they lack the tools. They are David against Goliath, but without even a slingshot. The Bronx is not alone in its predicament; more and more areas throughout our country in urban, suburban, and rural settings are experiencing chronic economic distress. We cannot let these conditions continue. Their causes must be clearly identified at the local and national levels, the means to reverse the damaging trends marshaled and effective plans of action implemented. We have all the elements for success, but we lack the proper directed plans and the will. As a first step we need enactment of H.R. 50.

WHY WE NEED ENACTMENT OF HUMPHREY-HAWKINS

H.R. 50 amends the Employment Act of 1946. This act expressed the implied hope of a nation in 1946 that attainment of "maximum employment, production, and purchasing power" in this country is not conditional on participating in a world war. It embodied the faith of a people that the Federal Government—with the assistance and cooperation of industry, agriculture, labor, and other levels of government—could plan, coordinate, and use its resources to promote full employment, production, and purchasing power in a time of peace. This act of 1946 committed the Federal Government for the first time to the responsibility for the overall health of the American economy. It required the President to submit to Congress annually an economic report and an outline of ways to achieve the goals set forth in the 1946 act. It created the Council of Economic Advisers and its various advisory boards of public and private sector representatives to assist the President in this effort. It also established a Joint Economic Committee in Congress to receive and consider these Presidential reports.

The act set up a structure for economic planning, but it did not set up specific numerical goals or authorize and fund new programs. For more than 20 years, it served our Nation remarkably well. Inflation averaged less than 2 percent a year and even including the recession years, unemployment averaged only 4.8 percent. But since the mid-1960's our economic performance has worsened, marked by great instability and uncertainty—undermining business, Government, and consumer confidence in themselves and in the future. The causes for this are varied and complex. The Vietnam war seriously dislocated our economy, not to mention our people. Unemployment went down and then up like a roller coaster, economic growth slowed to a lamentably low rate of 2.3 percent on the average, and inflation escalated to a double-digit rate. This theoretically unheard of economic condition of high unemployment and inflation plus slow growth had the economists scrambling for a new name to describe it—"stagflation." Abroad our economy was becoming increasingly interdependent with the rest of the world and our control over our economic destiny was eroding. New powers arose over which we had limited influence—individual industrial nations with lower unemployment and greater economic growth challenged us in the world marketplace; cartels of raw material—exporting countries—particularly oil, demanded and received great increases in prices for their exports; and multinational or supranational corporations organized to control vast economic and financial resources with decisions based on their own self-interest, not on ties to any one nation. At home societal and business values were in a state of major change. A long overdue major assault on discrimination against minorities was launched; economic realities and emerging desires were encouraging more and more women to seek employment; while youth, alienated by the war and the uncertainties of the times, were finding it increasingly difficult to enter into the mainstream of national economic life. In addition, the space race begun in the early sixties was resulting in a technological revolution led by computers. Our economy began shifting from an emphasis on heavy manufacturing to light manufacturing and services which require more skilled labor than ever in the past. Even with the war's end, our business economy and labor markets remain severely dislocated and our educational system and Government tools to deal with our new economic realities on any kind of lasting basis are proving woefully inadequate.

While inflation has been reduced from the 12.2 percent high in 1974, the last full year of the war, to 6.8 percent in 1977; and unemployment has been lowered from the 1975 high of 8.5 to 7 percent in 1977 (most recently to 6.1 percent in February), our Government policies have essentially been tinkering with the problem—not tackling it. Tax cuts, revenue sharing, countercyclical assistance, public employment and training pro-

grams, and public works projects have helped to lower inflation and unemployment but, one suspects, not in any permanent way. We seem to lack the proper comprehensive information to understand our present dynamic interdependent economy. With this lack of reliable information and consequently direction, has come a tremendous division among policymakers in the public and private sectors on the solutions to our problems and the course of action Government in cooperation with labor, agriculture, and private industry should take to reverse our present economic fortunes. The energy problem is a perfect example of this lack of general understanding and the resulting vigorous disagreement on solutions.

We need to update the economic information gathering and planning process established in 1946 and build an incentive into it to find workable tools to restore our economic health and establish a permanent full employment economy. H.R. 50 is designed to do this.

WHAT H.R. 50 DOES

Building on the structure created in 1946, the Humphrey-Hawkins bill adds the necessary incentive to achieve full employment—a specific interim numerical employment target of 3 percent unemployment for those 20 and older and a 4-percent rate for those 16 and over within 5 years of the first economic report of the President under the act (presumed to be in 1983). This 5-year concentrated effort is to be carried on keeping in mind the companion goal of reasonable price stability with due attention to nationwide priorities of need. As I have mentioned before, our past history has shown that full employment and inflation control can go hand in hand if the growth is balanced and occurs in the areas of national need.

Upon achieving these specified targets within the timetable through annual plans in the expanded economic report submitted and approved by Congress, each succeeding economic report must include plans toward the ultimate goal of achieving permanent full employment as soon as practicable. Program suggestions are made in the bill both as interim and long-term measures to achieve these goals, but generally the legislation wisely recognizes there is no single nor simple solution to the unemployment problem and flexibility of means to achieve it is vital. The Humphrey-Hawkins bill is a kind of performance contract between the Government and the people with a resolve to reach promised targets within a specified time. However, there is a contingency built into the bill which allows for readjustment of these targets after the third year of the 5-year effort if conditions warrant them, but any readjustments must be reported to the people's representatives in Congress and approved by them. Ultimately, the bill looks to a time when all those willing and able to work will have access to meaningful employment opportunities in work society values and is willing to pay for. The revenue produced by this full production economy will lead to stable prices in real terms and a balanced budget. By achieving full employment in a balanced manner outlined in the bill, we can reap great rewards. It will not be easy, but it must be done if we are to recapture our rightful place as the economic leader of the world.

H.R. 50 departs from the Employment Act of 1946 in another major way by requiring involvement of the independent Federal Reserve Board in the information gathering and planning process toward achievement of full employment to be considered and approved by Congress. The bill requires that, within 30 days after the President submits his annual economic report to Congress, the Federal Reserve Board must transmit to Congress an independent statement describing its intended policies during the year ahead and their relationship to the short-term goals set forth in the President's economic report. In doing so the authors of this legislation have recognized the importance of the Federal Reserve in our economic life and the need to encourage coordination of the President's and the Federal Reserve's policies without unduely impinging on the latter's desired independence. It is clear our economy suffers when the policies of these two institutions pull in different directions.

THE PROCESS

Specifically, under the Humphrey-Hawkins bill, the President is required in his annual economic report to establish yearly interrelated goals for employment, production, real income, and productivity in the priority areas of national needs. As mentioned above, the Federal Reserve is required to submit a similar report 30 days later. The Joint Economic Committee and the standing committees of Congress consider these reports and approve a plan of action to use as a guide for legislative efforts during that year. This process works similarly to the budget process. The House Education and Labor Committee and the House Rules Committee differ somewhat in their views on how Congress shall consider and pass on these annual reports but the goal is the same—a coordinated national assault on unemployment and the companion target of price stability. For those who think this might be an empty process with no teeth—the same was said about the Budget Act in 1974. That act, by forcing Congress to look at the big budget picture, instead of its pieces has dramatically changed our traditional attitudes toward budget making. The Humphrey-Hawkins economic policy process will force Congress and the executive branch to focus that budget process on achieving medium-range and long-range employment goals— a focus which is very much lacking now.

THE BILL'S ANTI-INFLATION PROVISIONS

While H.R. 50 wisely does not set specific medium- and long-range inflation targets, it does clearly tie the general goal of price stability in real terms to the full employment goal to be achieved like the latter "as soon as feasible." In the section of the bill dealing with "Overcoming Inflation," the President is required to coordinate his fiscal and monetary policies to combat inflation and it is suggested he develop policies to deal with the structural causes of our present rate of inflation including the following:

(1) an effective information system to monitor and analyze inflationary trends in individual economic sectors, so that the President and the Congress can be alerted to developing inflation problems, especially those caused by bottlenecks inhibiting the flow of goods and services;

(2) programs and policies for alleviating shortages in the supply of goods, services, labor, and capital, with particular emphasis on food, energy, and critical industrial materials;

(3) the establishment of stockpiles of agricultural commodities and other critical materials to help stabilize prices, meet emergency needs, and promote adequate income to producers;

(4) encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements;

(5) recommendations to strengthen and enforce the antitrust laws and such other recommendations as are necessary to increase competition in the private sector;

(6) removal or proper modification of such Federal restrictions and regulations as add unnecessarily to inflationary costs; and

(7) such other administrative actions and recommendations for legislation as the President deems desirable, to promote reasonable price stability.

During consideration of this legislation, I plan to oppose amendments which seek to establish arbitrary inflation goals which will impinge on the central employment focus of this measure, and support the efforts of the bill's sponsors and the leadership to strengthen the anti-inflation language without impinging on the central employment focus of the measure. I do not believe in the so-called trade-off theory which says you cannot control inflation without high employment. The past has proven it is not true in the long run and it is unacceptable as national policy in a humane society.

OTHER PROVISIONS OF H.R. 50

First. The bill details the nationwide priority policies and programs required for full employment and balanced growth. The President is required in his economic report to encourage the expansion of productive nonwasteful jobs, "help reorder national priorities and employ the jobless in the production of goods and services which add to the strength of the economy, the wealth of the Nation, the well-being of the people, and the restraint of inflation." These priority programs include, among others, development and expansion of energy resources, transportation, small business, urban and rural America revitalization efforts, food production, quality health care, environmental improvements, housing, human services, education, and job training to smooth the transition from school to work, national defense, and other needed international programs, and such other priority policies and programs as the President and Congress deems appropriate.

Second. The bill mandates that in moving to reduce unemployment in accord with the numerical goals and timetables "every effort shall be made to reduce those differences between the rates of unemployment among teenagers, women, minorities, the elderly and other labor force groups and the overall rate

of unempoyment—with the ultimate objective of removing such differentials to the extent possible." To accomplish this the bill suggests concentration on employment and training tied to real jobs, as well as additional programs to eliminate economic discrimination based upon sex, age, race, color, religion, or national origin.

Third. For job expansion the bill sets an order of program priorities based on the conviction that our full employment economic policy should place a predominant reliance upon private sector job development. These job program priorities are:

First, expansion of conventional private jobs through improved use of general economic and structural policies;

Second, expansion of private employment through Federal assistance in connection with the priority programs in the act;

Third, expansion of conventional public employment to provide the necessary public services and public structure to encourage private sector expansion; and

Fourth, last-resort public service jobs, both private and nonprofit, within specific limitations so as not to encourage the placement of long-term unemployed in dead-end nonproductive jobs and thus aggravate inflation. The limitations include a requirement that reservoirs of last-resort jobs cannot be created until 2 years after enactment of the bill and only if other methods of training, counseling, and job placement of the hard-to-employ have been unsuccessful.

Fourth. The bill requires the Government in these job expansion programs to uphold labor standards. Persons employed are to be paid equal wages for equal work, including those employed in the last resort jobs and in no case shall the pay be less than the minimum wage. Also, last resort jobs are not to include work of the type covered by the Davis-Bacon Act which requires the payment of prevailing wages. This is to prevent the movement of people from private sector minimum wage employment into these last resort jobs.

Fifth. In title II of the bill, special attention is given to the development of policies to deal with our structural economic problems as a supplementary effort to achieving ful' employment. Traditional means of dealing with structural problems are mentioned such as countercyclical assistance, accelerated public works, community and economic develment, public service employment and the like. However, the primary emphasis remains on expansion of stable private sector employment, and regular public employment with these special structural programs to be phased out as the economy recovers.

Sixth. Title II also expresses the view that policies to encourage capital formation both in the public and private sectors are important to the goal of full employment. Judgments and recommendations on improving the climate for investment are to be included in the President's economic report.

In summary as the committee's report states:

> The bill for the first time provides fully for the integration of short-range and long-range policies . . . with review and change from year to year in the light of changing circumstances and increased experience.

AMENDMENTS EXPECTED

As I mentioned before, I plan to oppose all amendments which seek to dilute the central emphasis in the bill on achieving full employment, and to support the anti-inflation amendment of the leadership and the small business and rural development amendment of Congressman BRECKINRIDGE. In addition, I will vote for amendments to include the handicapped among those of "vulnerable" labor groups which require special attention; and to insure flexitime and part-time jobs for persons who are able, willing, and seeking employment but who cannot work a standard work week. Finally as a cosponsor of H.R. 2595, the Human Resources Development Act with Congressman LUNDINE, I plan to support his amendment, which represents the essence of H.R. 2595, proposing the President support locally initiated labor-management projects which can complement structural economic policies and programs.

CAN H.R. 50 REALLY WORK?

This is a difficult question, but I believe it can. The principle of comprehensive planning with Government as initiator, financial supporter, and coordinator of public and private economic redevelopment efforts has worked at the local level. Baltimore, one of the demonstration cities under a special Federal interdepartmental economic development program, recently won a national award for its economic planning and implementing efforts. Mayor Schaefer of Baltimore recently testified on his city's remarkable work before the Joint Economic Committee detailing the process that was employed and it reads like implementation of Humphrey-Hawkins at the local level. He pointed out that identifying the problems and coming up with a comprehensive plan with the input of various concerned groups was the important first step. The creation of an Economic Development Corporation was next. Then with the help of seed money from the Federal Government, and other public and private financing, local businesses were encouraged to form a partnership with Government to revitalize their commercial areas. Building on these successes the city then concentrated on neighborhood to neighborhood revitalization and improvement solidly based on a Government/local business/community partnership. He pointed out in his testimony that—

> The need for this kind of approach is so clear that businessmen and the community in some areas are coming to us, prepared to undertake the major portion of the responsibility for planning and stimulating private investment.

Now they are attempting the more difficult task of attracting new industry into Baltimore and expanding their present industrial sector. This involves site identification and preparation and a concerted effort to package incentives to desired industries to expand and/or locate in Baltimore.

I am convinced that this process can be duplicated in the Bronx also. Through my efforts and others the process has already begun. The local Bronx government with the help of Federal seed money and the technical assistance of the city backed by Presidential interest is moving to form an Overall Economic Development Committee to come up with a comprehensive plan for the revitalization of the borough.

The plan will be submitted to the Economic Development Administration under the provisions of the Public Works and Economic Development Act of 1965 as amended and, if approved, the Bronx will be designated a redevelopment area eligible for a wide range of loans, grants, and other Federal aid to achieve the plan's goals. One potential source of hope for the Bronx's economic revitalization is the current discussion going on between Union Carbide and the New York City Department of Resource Recovery for the building of a plant in the south Bronx to process solid waste into fuel gas which then can be piped across the river to Con-Ed for direct use in its turbines to make electricity. Garbage into energy is an economic possibility and Union Carbide has on its own developed and proven the technology. This demonstration plant could be built with seed money from a variety of Federal and State sources and, upon my urging, those sources are being explored. If such a plant is built in the south Bronx which is expected to involve 700 construction workers and 200 permanent workers, the Bronx's economic plan could link the plant to housing, and commercial redevelopment in a comprehensive integrated manner. If the plant is successful, there is also the future possibility private industry such as Union Carbide might be encouraged to locate a privately financed sister plant near the city's plant to purchase its fuel gas and process it further into synthetic fuel for use directly in automobiles and buses as a gasoline supplement. The idea of synthetic gas production in the context of our present energy problems is gaining popularity in Congress and several proposals are pending before us to encourage national development of this industry. The possibilities for the future are limitless given the establishment of an integrated planning process at the National, State, and local levels; the coordination of public and private resources: and the will to implement full employment policies. H.R. 50 offers us a chance to begin this exciting venture. I urge my colleagues to take up the challenge and vote for passage of the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978. We must control our future, not let the future control us.●

The CHAIRMAN. Does the gentleman from Mississippi (Mr. LOTT) yield back the balance of his time?

Mr. LOTT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from Missouri (Mr. BOLLING) yield back the balance of his time?

Mr. BOLLING. Yes.

The CHAIRMAN. Does the gentleman from Connecticut (Mr. SARASIN) yield back the balance of his time?

Mr. SARASIN. I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from California (Mr. HAWKINS) yield back the balance of his time?

Mr. HAWKINS. Yes, Mr. Chairman.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore. (Mr. GONZALEZ) having assumed the chair, Mr. NATCHER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 50) a bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs, had come to no resolution thereon.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 50, which we have had under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATION PROVIDING EQUAL TREATMENT OF CHURCH PENSION PLANS UNDER ERISA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CONABLE) is recognized for 10 minutes.

● Mr. CONABLE. Mr. Speaker, I have introduced two bills to correct serious inequities in the Internal Revenue Code which affect the retirement plans of a majority of the clergymen and lay employees of church denominations in this country.

It has come to my attention that most of our church denominations provide for the retirement of their personnel in the form of annuities governed by section 403(b) of the code.

Historically, clergymen and lay persons are not munificently compensated. A minister will begin his career upon a salary of from $5,000 to $10,000. Prior to retirement. his salary may have increased to $15,000 or $20,000. Lay employees generally receive less compensation. Moreover, the retirement incomes of clergymen and lay employees from church retirement plans are only on the order of $2,000 to $3,000 a year and are among the lowest of any group in the country.

The "exclusion allowance" of section 403(b)(2) governs the amount that can be contributed to the purchase of a retirement annuity without income tax consequences to the employee. The exclusion allowance formula is designed to permit poorly paid persons who were unable to make full contributions earlier in their careers to "catch up" on contributions in years just prior to retirement. A minister, being paid $10,000 a year at the start, will need all of his income for many years to support his family and educate his children. After the payment of all his bills, he will have no money left over for a retirement plan contribution. When he reaches 50 years or so, his living expenses will decrease, and he may be in a position to make significant catchup contributions to his retirement annuity.

When we enacted section 415(c)(1) of the code in 1974, we placed a limitation on the amounts that can be contributed to a defined contribution plan such as a section 403(b) annuity. This limitation is the lesser of $25,000—adjusted by increases in the cost of living—or 25 percent of the participant's compensation.

Recognizing that the 25-percent limitation would have a serious effect on the ability to make catchup contributions, we provided in section 415(c)(4) of the code certain elections that would override the 25-percent limitation. However, we limited these elections to employees of educational organizations, hospitals, and home health service agencies. Back in 1974 we were not aware of the extensive use of section 403(b) annuities by the churches.

Mr. Speaker, one of my bills would extend the right to make the elections in section 415(c)(4) to employees of churches, conventions or associations of churches, and their agencies. The opportunity of catching up on retirement plan contributions is as important to these persons as it is to employees of educational organizations, hospitals, and home health service agencies. The bill also establishes a de minimis amount of $10,000 which may be contributed (subject to the exclusion allowance) without the necessity of making the section 415(c)(4) elections. The de minimis amount is parallel to the de minimis amount we established for defined benefit plans in section 415(b)(4) of the code.

This bill will do much to raise the retirement incomes of our clergymen and lay employees to an acceptable level.

Mr. Speaker, I urge my distinguished colleagues to support this measure, and I include the bill to be printed in the RECORD:

H.R. 11164

A bill to amend the Internal Revenue Code of 1954 to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 415(c)(4) of the Internal Revenue Code of 1954 is amended to read, as follows:

"(4) SPECIAL ELECTION FOR SECTION 403(b) CONTRACTS PURCHASED BY EDUCATIONAL ORGANIZATIONS, HOSPITALS, AND HOME HEALTH SERVICE AGENCIES, AND CHURCHES, CONVENTIONS, OR ASSOCIATIONS OF CHURCHES, AND THEIR AGENCIES.—

"(A) In the case of amounts contributed for an annuity contract described in section 403(b) for the year in which occurs a participant's separation from the service with an educational organization, a hospital, a home health service agency, or a church or convention or association of churches or any agency of such church (or convention or association of churches), at the election of the participant there is substituted for the amount specified in paragraph (1)(B) the amount of the exclusion allowance which would be determined under section 403(b)(2) (without regard to this section) for the participant's taxable year in which such separation occurs if the participant's years of service were computed only by taking into account his service for the employer, as determined for purposes of section 403(b)(2), during the period of years (not exceeding 10) ending on the date of such separation.

"(B) In the case of amounts contributed for an annuity contract described in section 403(b) for any year in the case of a participant who is an employee of an educational organization, a hospital, or a home health service agency, or a church or convention or association of churches or any agency of such church (or convention or association of churches), at the election of the participant there is substituted for the amount specified in paragraph (1)(B) the least of—

"(i) 25 percent of the participant's includible compensation (as defined in section 403(b)(3)) plus $4,000,

"(ii) the amount of the exclusion allowance determined for the year under section 403(b)(2), or

"(iii) $15,000.

"(C) In the case of amounts contributed for an annuity contract described in section 403(b) for any year for a participant who is an employee of an educational organization, a hospital, a home health service agency, or a church or convention or association of churches or any agency of such church (or convention or association of churches), at the election of the participant the provisions of section 403(b)(2)(A) shall not apply.

"(D)(i) The provisions of this paragraph apply only if the participant elects its application at the time and in the manner provided under regulations prescribed by the Secretary. Not more than one election may be made under subparagraph (A) by any participant. A participant who elects to have the provisions of subparagraph (A), (B), or (C) of this paragraph apply to him may not elect to have any other subparagraph of this paragraph apply to him. Any election made under this paragraph is irrevocable.

"(ii) For purposes of this paragraph the term 'educational organization' means an educational organization described in section 170(b)(1)(A)(ii).

"(iii) For purposes of this paragraph the term 'home health service agency' means an organization described in subsection 501(c)(3) which is exempt from tax under section 501(a) and which has been determined by the Secretary of Health, Education, and Welfare to be a home health agency (as defined in section 1861(o) of the Social Security Act).

"(iv) For purposes of this paragraph the terms 'church or convention or association of churches' and 'agency of such church (or convention or association of churches)' shall have the same meaning as they do for purposes of section 414(e)."

SEC. 2. Section 415(c) of the Internal Revenue Code of 1954 is amended by adding thereto the following paragraph:

"(8) CERTAIN TOTAL ANNUAL CONTRIBUTIONS AND ADDITIONS NOT IN EXCESS OF $10,000.—In the case of a participant eligible for the spe-

cial elections provided in subsection (c)(4), notwithstanding the preceding provisions of this subsection, contributions and other additions with respect to such participant, when expressed as an annual addition (within the meaning of subsection (c)(2)) to such participant's account, shall not be deemed to exceed the limitation of subsection (c)(1) if such annual addition is not in excess of $10,000."

SEC. 3. Section 415(d)(1) of the Internal Revenue Code of 1954 is amended to read, as follows:

"(1) IN GENERAL.—The Secretary shall adjust annually—

"(A) the $75,000 amount in subsection (b)(1)(A),

"(B) the $25,000 amount in subsection (c)(1)(A),

"(C) in the case of a participant who is separated from service, the amount taken into account under subsection (b)(1)(B), and

"(D) the $10,000 amount in subsection (c)(8),

for increases in the cost of living in accordance with regulations prescribed by the Secretary. Such regulations shall provide for adjustment procedures which are similar to the procedures used to adjust primary insurance amounts under section 215(i)(2)(A) of the Social Security Act."

SEC. 4. Section 415(d)(2) of the Internal Revene Code of 1954 is amended to read, as follows:

"(2) BASE PERIODS.—The base period taken into account—

"(A) for purposes of subparagraph (A) and (B) of paragraph (1) is the calendar quarter beginning October 1, 1974,

"(B) for purposes of subparagraph (C) of paragraph (1) is the last calendar quarter of the calendar year before the calendar year in which the participant is separated from service, and

"(C) for purposes of subparagraph (D) of paragraph (1) is the calendar quarter beginning January 1, 1978."

SEC. 5. Section 403(b)(2)(B) of the Internal Revenue Code of 1954 is amended to read, as follows:

"(B) ELECTION TO HAVE ALLOWANCE DETERMINED UNDER SECTION 415 RULES.—In the case of an employee who makes an election under section 415(c)(4)(D) to have the provisions of section 415(c)(4)(C) (relating to special rule for section 403(b) contracts purchased by educational institutions, hospitals, home health service agencies, and churches, conventions, or associations of churches, and their agencies) apply, the exclusion allowance for any such employee for the taxable year is the amount which could be contributed (under section 415) by his employer under a plan described in section 403(a) if the annuity contract for the benefit of such employee were treated as a defined contribution plan maintained by the employer."

SEC. 6. The amendments made by this Act shall be effective for taxable years beginning after December 31, 1977.

The low salaries traditionally paid to ministers and other church employees make it extremely difficult for such persons to make adequate provision for retirement out of their own resources. In recognition of this problem, many church denominations have created pension boards, or have made other arrangements, through which tax-sheltered retirement annuities can be purchased for their ministers or lay personnel pursuant to section 403(b) of the code. Such annuities, while helpful, are often too small to provide the recipients with adequate postretirement income security.

Under a section 403(b) arrangement, annuity premiums paid for an employee by his or her tax-exempt section 501(c)(3) employer are excluded from the employee's gross income to the extent of the employee's "exclusion allowance." The exclusion allowance for any taxable year is based upon three factors: First, the employee's years of service with his or her employer; second, the employee's includible compensation for the year; and, third, the aggregate tax-sheltered contributions made by the employer for the employee in prior years.

The purpose of Congress in including the "years of service" factor in the exclusion allowance formula was to make it possible for "catchup" contributions to be made for an employee in later years as the employee approaches retirement age, to the extent that the employee did not utilize the full exclusion in earlier years.

However, the "catchup" provision is often not available to any significant extent of many church denominations. It is common in many denominations for a minister to move a number of times from one church to another within the denomination, or among various agencies of the denomination, during the course of the minister's career. Under current law each church or denominational agency for which the minister works is treated as a separate "employer" for purposes of the "years of service" factor. Thus, the minister is not given credit for all of his or her service with the denomination and its constituent churches and agencies in the computation of the minister's exclusion allowance. The same is true of many lay employees of religious denominations.

The second bill which I have introduced would treat a minister's or lay employee's service with any church or agency of a religious denomination as service with a single employer for purposes of computing the exclusion allowance. In effect, all of the years of service of a minister or lay employee for churches or agencies of the denomination would be aggregated in determining the exclusion allowance for taxable years beginning after 1977. This would be done regardless of whether the years of service being aggregated occurred before 1978 or after 1977. The effect of the bill will be to enable churches and their agencies to make "catchup" contributions on behalf of ministers and lay employees under section 403(d) in order to provide them with retirement benefits based upon their years of service to their denomination as a whole.

Mr. Speaker, I hope my colleagues will support this measure, and I ask unanimous consent that the bill be printed in the RECORD.

H.R. 11163

A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 403(b)(2) of the Internal Revenue Code of 1954 is amended by adding the following subparagraph:

"(C) NUMBER OF YEARS OF SERVICE FOR DULY ORDAINED, COMMISSIONED, OR LICENSED MINISTERS OR LAY EMPLOYEES.—For purposes of this subsection, all years of service by a duly ordained, commissioned, or licensed minister of a church, or by a lay person, as an employee of a church or a convention or association of churches or an agency of such church (or convention or association of churches) within the meaning of section 414(e) and described in clause (i) of paragraph (1)(A) of this subsection shall be considered as years of service for one employer, and all amounts contributed for annuity contracts by each such church (or convention or association of churches) or agency, during such years for such minister or lay person shall be considered to have been contributed by one employer."

SEC. 2. The amendments made by this Act shall be effective in determining the exclusion allowance under section 403(b)(2) for taxable years beginning after December 31, 1977. "Years of service" prior to January 1, 1978, and thereafter shall be aggregated in accordance with these amendments.●

COAL PRODUCTIVITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 15 minutes.

Mr. COLLINS of Texas. Mr. Speaker, with the Nation's concern over the coal strike, I would like to summarize the productivity challenge. Coal miners produced 72 percent more coal tonnage per day in 1967 than they do today. If the contract were signed today, their final wage settlement would provide an increase that totals 334 percent more money than they received 10 years ago. In addition to that, they now also have black lung benefits paid by the Government.

Drawing more than three times as much money, coal miners need to get their productivity back up so that they can produce 72 percent more coal a day just as they did 10 years ago.

I recently released a general study examining the facts on coal industry wages and productivity over the past decade. That study investigated the facts for the coal industry in general. Now we have gotten into the subject deeper and I have more detailed figures on the underground coal miners who have been affected by the strike.

In 1969, the average deep coal miner produced 15.61 tons per day, but by 1976 this had steadily dropped, all of the way down to where he only produced 9.10 tons per day in 1976. So a decade ago he was producing 72 percent more output than in 1976. When the figures are all in for 1977, it is expected that the final record will show a continued drop.

The new contract which was rejected would have provided for an additional 38-percent wage hike over 3 years. One columnist suggested that the inflationary effect this would bring to coal prices might be offset by productivity increases.

In reviewing the compensation increases over the last decade, along with substantial improvement in technology and mining equipment, one would have anticipated increased productivity over that period also. But the record shows that increased costs have not been offset by productivity improvement; actually, productivity has dropped steadily as costs rose. Let us look at the facts:

First. The average underground miner's hourly compensation including fringe benefits has risen from about $4.92/hour to $11.95/hour, so that he is now earning 243 percent of what he made 10 years ago. This amounts to an increase in real dollars, after inflation, to 130 percent of the 1967 figure.

At $11.95 of total compensation per hour, this amounts to $101.58 per 8½-hour day, or $507.90 for a standard workweek.

Second. Since 1969 when it was begun, the black lung program has now reached the point where 500,000 miners receive benefits each year, at a total cost of about $1 billion annually. These costs are covered originally out of social security general funds, and now are covered through the Department of Labor. This money is raised by assessing the operators and through a tax on coal, so it contributes to the consumer price of coal.

Third. The miners get 14 annual vacation days to start, and up to 27 days with seniority. This does not include sick days which start at 5 per year.

When a miner takes his annual vacation, he is paid not just for a 40-hour workweek, but also receives overtime pay for the regular overtime hours worked while he is gone.

How much of the inflationary effect of these cost increases has been offset by productivity increases I repeat: Despite the increase in compensation by 1977 to 242 percent of the 1967 figures, or 130 percent with inflation, and the advancements in technology, productivity has actually been dropping steadily, from 15.61 to 9.10 tons per day. So the record shows that a miner's output was 72 percent higher a decade ago. At that time productivity relative to wages was 242 percent of what it is today—more than twice as much.

Miners attribute this drastic drop in productivity to Federal regulations and restrictions which have required a lot of nonproductive, wasted, duplicative work in the mines.

We are all concerned with the need to produce more coal as an alternative energy source. Higher wages and improved equipment have not caused greater productivity. The first step must be to eliminate the counterproductive influence of Federal redtape on the coal industry. As wages and technology advanced, productivity dropped steadily. It is time for America to concentrate on how to get more coal out of the ground by helping the miner get more production for his efforts.

THE REGULATORY FLEXIBILITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 15 minutes.

● Mr. KASTENMEIER. Mr. Speaker, I am introducing today the Regulatory Flexibility Act, a bill to amend the Administrative Procedures Act to provide that Federal regulations shall, wherever possible, match the scale of those being regulated.

I am certain it will come as no surprise to anyone in this Chamber that individuals, small businesses and small organizations across the country are straining under the weight of Federal regulation requirements. We have all had a steady stream of mail and people through our offices attesting to that fact.

This is not to suggest that regulation is bad nor that small business should not be subject to regulation. It is to say, however, that the current regulation process is creating a genuine and serious problem in the business community.

The importance of the small business community to this country and our economy cannot be understated.

Small business constitutes about 97 percent of all U.S. business.

Small business employs half of the nongovernment workers in the United States.

Small business provides one-third of the actual production in this country.

Small business provides almost one-half of our gross national product.

It has long been conceded that one of the best ways to promote competition in the marketplace is to encourage small business. Yet, the proliferation of Federal regulations, and the uneven burden they impose on small business, is stifling competition.

Mr. Speaker, an examination of our current regulatory process reveals two clear problems. One, is the heavy burden the reporting requirements place on small businesses and organizations, and the other is the disproportionate cost to these small enterprises of compliance with Federal regulations.

There seems to be a growing tendency by Government on all levels to demand more and more information of the public. The business community, in particular, is seemingly bombarded with forms, reports, questionnaires, and other information-gathering mechanisms, some requiring information of questionable necessity and many raising the same questions over and over again—a redundancy which is costly and inefficient.

There are legitimate questions being raised about just how much information the Government need have in order to protect the public and the marketplace. The answer should be no more than is absolutely necessary to faithfully execute the laws. But, the information grab is on and there does not seem to be an end to it all.

There are over 5,000 Federal forms distributed to the public and more than 10 each year for every man, woman, and child in the country.

The Federal Paperwork Commission in its report issued late last year estimated that the paperwork burden costs the American taxpayer $100 billion each year.

Of course, not all of this directly affects small business and small organizations, but much of it does.

Small organizations do not have legal or accounting departments to help them meet all of the reporting requirements placed on them. Yet, because there is no differentiation made, a small tool company with 15 employees is often subjected to the same reporting requirements as General Motors. The result is a tremendous and disproportionate burden placed on small organizations that large organizations simply do not face.

Compliance with Federal regulations, which have increased dramatically over the years, is also weighing far heavier on the small enterprise. In 1974 the Federal Register contained a total of 45,422 pages of which 10,981 were descriptions of final rules. By 1976, these figures had increased to a total of 57,072 with final rules covering 12,589 of these pages.

Keeping up with the existence of new and changing regulations is difficult enough for the small businessman. Complying with them is another thing. Small organizations do not have the staff, nor the expertise required to deal with the Federal Government. They do not have the modern technology and data-handling techniques which allow them to respond quickly. Much of the compliance work must be done after hours, when they leave the store or the office. The result is a basic inequity resulting from compliance requirements, placing small business at a definite disadvantage in the marketplace.

Small business spends an estimated $32 billion a year to fill out 10 billion sheets of paper. And, while it is generally assumed that the additional costs of compliance are passed on to the consumer, studies have cast serious doubt on that assumption.

A survey by the Small Business Administration of the small business community in 1975 found about 60 percent of the firms surveyed reported that they were unable to pass on costs mandated by Federal regulations.

In its 28th annual report, dated February 1, 1978, the Senate Select Committee on Small Business noted:

> Indeed, testimony before the Senate Small Business Committee, the Federal Paperwork Commission, and other bodies concerned about these problems, has turned up repeated instances of Federal rules and information requests being applied so rigidly that privacy rights have been violated, individuals have been harassed, high market entry barriers have been created, and competition has been stifled.

One of the problems with the regulation process is that small business and small organizations simply are not well represented at any stage of the process. The Senate Select Small Business Committee also reported that—

> It is generally conceded that the small business sector has not been well represented, either in the deliberations leading to regulations or in the final wording of regulations. Moreover, small business has not been well positioned to achieve remedies through the Congressional oversight process. In some cases, as a result, regulations have incorporated technologies and standards proposed by big business without small business input. Yet some of the most severe economic impacts of poorly designed regulations have landed squarely on the small business sector.

Mr. Speaker, the bill I am introducing today may not solve all of these problems, but it should go a long way toward easing greatly the regulation burden placed on small business and small organizations.

The chief thrust of this measure is to authorize and encourage Federal agencies to issue different sets of rules for different segments of the regulated public. The bill would set up procedures which Federal agencies would be required to follow in determining whether individuals and smaller enterprises should be subject to lower compliance demands than larger enterprises.

Federal agencies would be directed to study the economic impact of compliance with new regulations on small concerns before those regulations are issued. If the agency finds that a uniform set of requirements applying to small and large concerns alike would place a disproportionate burden on small enterprises, they must determine whether less burdensome reporting and compliance requirements should be developed for the small concerns.

When different standards or exemptions are found to be lawful, feasible and desirable, the bill directs the agencies to draft regulations with "two-tier" or "multitier" requirements, based on business size.

Perhaps equally important, the bill provides a mechanism for greater small business input into the regulatory process by requiring that proposed rules be submitted to the Office of Advocacy of the Small Business Administration for an analysis of the impact of the proposed regulations on small enterprises. Exceptions to this requirement would be made when the agency, with the concurrence of the Office of Advocacy of the SBA, determines that such rule will not have a substantial effect on any significant number of small businesses.

And, finally, this bill would provide that, for the first time, agencies would be given a set of criteria for systematically determining the cost of regulations and associated paperwork to the public.

Mr. Speaker, the Regulatory Flexibility Act is designed to recognize that equal treatment of all business and organizations simply results in some very serious inequities. It recognizes that not all enterprises have equal resources. It recognizes that not all enterprises have an equal capacity for impacting on the marketplace. It acknowledges these differences and provides a system for scaling our regulations accordingly so that we can continue to protect the competitive marketplace.

The bill has been introduced in the Senate by my good friend and colleague from Wisconsin, Senator GAYLORD NELSON. Hearings were held last October by the Senate Subcommittee on Administrative Practice and Procedure of the Judiciary Committee and it is my understanding that Senator CULVER, the subcommittee chairman, hopes to move the bill forward.

I am hopeful that we may gain early action on the measure in the House because I sincerely believe that this is a just and long-needed change in our regulatory process.

Mr. Speaker, I include at this point the text of the Regulatory Flexibility Act and a section-by-section analysis of the bill:

H.R. 11376

A bill to amend section 553 of title 5, United States Code, to improve Federal rulemaking practice by creating procedures for regulatory issuance in two or more parts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulatory Flexibility Act".

SEC. 2. (a) (1) The Congress finds that in numerous instances compliance with Federal regulatory and reporting requirements imposes inequitable demands and burdens on individuals of limited means and on small businesses and organizations.

(2) A regulatory dilemma has developed in which efforts to protect the Nation's health, safety, and economic welfare have created a burden of required legal, accounting, and consulting services which is causing economic harm to individuals and organizations of limited resources, and is adversely affecting competition in the marketplace.

(3) The sheer scope and volume of regulations already in place has created high entry barriers in many industries, and discouraged potential entrepreneurs from introducing beneficial products and processes.

(4) The practice of treating all regulated individuals, organizations, and businesses as equivalent, for purposes of regulatory and paperwork requirements, has led to inefficient use of regulatory agency resources, enormous enforcement problems, and in some cases a tendency to lose sight of the legislative intent of health, safety, and economic welfare objectives.

(5) Government information collection has not adequately weighed the privacy rights of individuals and enterprises against the government's need-to-know because the design of the regulatory process has encouraged regulators to treat information as a free good.

(6) The deep public dissatisfaction with the regulatory process has stemmed in large part from a public perception of burdensome regulations failing to correct key national problems.

(b) It is the purpose of this Act to establish as a principle of regulatory issuance that regulatory and informational requirements fit the scale of those being regulated, that fewer, simpler requirements be made of individuals, small organizations and small businesses, and that to achieve these ends agencies be empowered and encouraged to issue regulations which apply differently to different segments of regulated populations, industries, and activities.

ADMINISTRATIVE PROCEDURES

SEC. 3. Section 553 of title 5, United States Code, is amended by adding at the end thereof the following:

"(f) (1) Prior to the issuance of a proposed substantive rule, the agency shall conduct an analysis for the purpose of making a determination, based on the amount of public information collection the proposed rule would necessitate, the amount, if any, of legal, consulting, and accounting costs to the public which would be so necessitated, and the overall cost of compliance with the rule, averaged, for each person, business concern, and organization affected by it, as compared with the importance of the public policy to be achieved, whether such rule should apply (at all or in the same manner) to persons, business concerns, and organizations of various sizes and resources.

"(2) The head of each agency preparing any such proposed substantive rule (a) shall—

"(A) submit such substantive rule to, consult with, and obtain comments of, the Office of Advocacy of the Small Business Administration, and such office shall provide such comments with respect to the impact on smaller enterprises resulting from the promulgation in final form of such proposed substantive rule;

"(B) include such statement and comments of the Office of Advocacy in the record made in connection with the proposed rule;

"(C) make available such statements and comments of the Office of Advocacy to each officer or employee of the United States who, after such date, reviews such rules;

"(D) make available such statements and comments of the Office of Advocacy to the public pursuant to section 552 of this title;

"(E) publish a summary of such statement and comments of the Office of Advocacy with the final notice of proposed rulemaking in the Federal Register.

"(3) Paragraph (2) shall not apply to any rule if such agency head, with the concurrence of the Office of Advocacy of the Small Business Administration, determines such rule, will not, if implemented, have a substantial effect on any significant number of small businesses. Notice of such determination shall be published in the Federal Register.

"(4) Whenever the results of any such analysis by an agency, and such statement and comments by the Office of Advocacy of the Small Business Administration, indicate the desirability and feasibility of promulgating rules which differ with respect to their applicability to various segments of the regulated industries, activities, or populations, the agency shall issue the new rule in two or more parts, with each part containing varying requirements for performance or reporting, as appropriate to persons, business concerns, and organizations of varying economic sizes and resources.

"(5) In establishing segments of regulated industries, activities, or populations for the purposes of this subsection, agencies shall establish objective, and to the maximum extent feasible, uniform criteria to facilitate determinations by such populations, activities, and industries, of the applicability of rules issued hereunder.

"(6) Each agency shall, during the five-year period beginning with the date of enactment of this subsection, review its substantive rules which are in effect on such date and make the determinations referred to in paragraphs (1) through (5) with respect to each rule.

"(7) The Office of Program Analysis of the General Accounting Office is authorized to furnish, upon request, advice and assistance to agencies making determinations under this subsection.".

SECTION-BY-SECTION ANALYSIS OF THE REGULATORY FLEXIBILITY ACT

Section 1. Short title.

Section 2. (a) Findings. The special burden reporting and regulatory requirements impose on individuals and enterprises of limited resources.

(b) Purpose. To achieve a fit between the scale of requirements and the scale of those being regulated.

Section 3. Amends Administrative Procedures Act to provide for:

(1) agency determination of the economic impact of regulatory and paperwork requirements on various segments of the regulated public, and agency determination of whether proposed rules should apply equally to all segments of the regulated public.

(2) submission of proposed substantive rules of the Office of Advocacy of the Small Business Administration for statement and comments on small business impact; public availability of such statements and comments; publication of such statement and comments in the Federal Register with final notices of proposed rules.

(3) exemption from (2) for rules which do not affect small business substantially.

(4) promulgation of rules with varying requirements based on these determinations.

(5) maximum possible uniformity and objectivity of criteria for establishing segments of the regulated public.

(6) retroactive determinations in accordance with paragraphs (1) through (5) of existing regulations.

(7) GAO assistance in agency determinations.●

JUSTICE JAMES A. DOOLEY—DISTINGUISHED JURIST OF THE ILLINOIS SUPREME COURT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I rise today to pay tribute to the late Honorable James A. Dooley, Justice of the Supreme Court of the State of Illinois for the Cook County Judicial District. Jim Dooley was a distinguished member of the judiciary, one of the most eminent trial attorneys in the Midwest, and a dear friend, as well, for over 35 years.

Justice Dooley died unexpectedly at the height of his career on March 5. His loss is a tremendous loss personally for me and my family, and for the thousands of citizens of Chicago and the State of Illinois who knew him, and who respected and admired his impeccable record of judicial integrity.

Jim received his legal education at Loyola University, and held an honorary doctor of laws degree from Clark College. He had also been honored with the Medal of Excellence from the Loyola University School of Law in 1967.

He was a member of the American Bar Association, the Illinois Bar Association, and the Chicago Bar Association. He had served as a delegate to the International Congress of Comparative Law, and also, as president of the International Academy of Trial Lawyers, the American Trial Lawyers Association, the Association of Plaintiffs' Lawyers of Illinois, and the Law Science Academy.

He was an outstanding lecturer and frequent contributor to various law reviews. One of his works, "Dooley on Torts," is highly respected in the legal field. The universities where he has spoken include the University of Chicago Law School, the Northwestern University Law School, the Loyola University Law School, the DePaul University Law School, and many others.

Mr. Dooley was also well known for his many charitable contributions, as well as for his contributions as a civic leader. He had served as a trustee of Loyola University and as chairman of the board of trustees for Clark College.

Jim's academic credentials were long and impressive, but perhaps the greatest tribute of all to his legal expertise would be simply to say that his legal opinions and astute advice were much sought after, not only in Chicago and in Illinois, but in the Midwest and across our Nation as well.

He specialized in personal injury law and perhaps his most famous case was that of football linebacker, Dick Butkus, against the Chicago Bears. Although Butkus' case at first appeared hopeless, with Jim Dooley mapping the strategy, Butkus ultimately won a $600,000 settlement. Winning this case could be regarded as a climax in Jim Dooley's career as a personal injury lawyer, for shortly thereafter, he ascended to the Illinois Supreme Court.

The untimely passing of Jim Dooley leaves a great void at the Illinois Supreme Court and one which will be difficult to fill. Jim was regarded as a formidable judicial presence because of his penetrating insight into how the law actually works, his fine sense of fairness, and his independence.

At the time he ran for supreme court justice, which was his first race for public office, he received the endorsement of all of the major newspapers and legal organizations in the area. They cited Jim's knowledge, experience, and the fact that he was a giant in his legal specialty.

Jim lived up to these expectations, for during the short time that he served on the supreme court he was a major force for improvement in the administration of justice in our State. His keen intellect was aimed at cutting through the ambiguities and evasion of the legal process to the very heart of the issues.

The people of our State owe a debt of gratitude to Justice Jim Dooley for he cared about justice no less than the law. It will be difficult to find someone of equal stature to replace him.

I have lost a real friend and his family has lost a dedicated father and husband. Jim is survived by his devoted wife, Virginia, and his lovely daughter, also named Virginia.

Those of us who had the privilege of knowing Jim Dooley as a friend and an associate for so many years deeply mourn his passing, and we salute Justice Dooley—a truly outstanding American.

My wife, Angie, joins me in extending our heartfelt sympathy to Jim's bereaved family on their great loss.

Mr. Speaker, at this point in the RECORD I would like to include an editorial which appeared in the March 7 edition of the Chicago Tribune entitled, "Justice Dooley's Death." The editorial follows:

JUSTICE DOOLEY'S DEATH

Supreme Court Justice James Dooley has died at the age of 63. The news of his death—coming just a year after his elevation to the state's highest court—was as shocking as it was sad.

His death leaves more than an empty seat. He was regarded as a giant in his legal speciality, personal injury law. His insight into the inner working of the law, his sense of fairness, and his independence made him a formidable judicial presence and a major force for improvement in the administration of justice in Illinois.

As the Illinois legislature has not yet enacted a merit selection system—or any other kind—for the filling of Supreme Court vacancies, an election will have to be held to choose a replacement for the remainder of Justice Dooley's 10-year term.

Under the state Constitution, the six remaining members of the Supreme Court are empowered to name an interim replacement to serve until the election.

In choosing an interim successor, we hope that the justices will at least be guided by the spirit of merit selection—as they appear to have been in filling many recent lower court vacancies.

Illinois is fortunate in having a number of talented individuals—both on and off the bench—of Supreme Court caliber. Judge John J. Sullivan of the Appellate Court is one. Circuit Judge Alfred Woodward is another, although he serves in the 2nd Judicial District and tradition has been that replacements are chosen from the district where the vacancy occurs.

Circuit Judge Dom Rizzi and Allen Hartman are others that come to mind, as is Judge David Linn of the Appellate Court. Justin Stanley and Leonard Ring are among many highly respected attorneys. There are a number of highly regarded law professors, such as Jon Waltz of Northwestern University.

The justices will not be restricted by a lack of choices. What they must avoid is any semblance of the old and discredited practice of according a high court seat—for whatever the duration—as a political reward. It was that that Justice Dooley fought against in his own candidacy for the Supreme Court and as a member of the court. May his replacement be a credit to his memory.●

COLLEGE EDUCATION AND THE ELDERLY: YOU ARE NEVER TOO OLD TO LEARN

The Speaker pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, I am pleased to introduce today a bill designed to provide qualified older persons with tuition-free access to institutions of higher education for the purpose of assisting this population remain active and contributing members of their communities.

The Select Committee on Aging, which I have the privilege to chair, has been concerned for some time about education not only for the older person, but of the older person. In the past few decades, both public and scientific attention has focused increasingly upon our elderly population, for they comprise the fastest growing group in our society. By the year 2020, over 40 million Americans will be aged 65 and above, compared to 22 million in 1975, and only 3 million in 1900. Due to breakthroughs in medical science, more and more people are enjoying longer lives and remain comparatively healthy for the major part of these years.

Although the elderly population is increasing in numbers and are living healthier lives, a variety of forces are pressuring this population into retirement at earlier and earlier ages. Early retirement means that many strong, able, and productive persons who have not yet attained the age of 50 are being advised their productive lives are over. According to the American Association of Community and Junior Colleges—

Many retirement age people, like their younger counterparts, need to be challenged and need the satisfaction of continuing to achieve.

One way we can assist older persons charter new careers and continue to con-

tribute their knowledge and expertise is through education.

Until now, the orientation of most programs has been toward young adults, the rehabilitation of school dropouts, the attainment of high school diplomas by the unemployed, and the development of programs to reach rural isolates. While the educational problems of younger populations are now receiving Federal responses, we find little Federal attention directed toward the support of education for the aging.

Today, most children complete high school. The new problem is not just the young who missed their chance at an adequate education or training program, but the elderly; those alive today who were forced by the circumstances of immigration, depression, poverty, world war, and inadequate legislation to miss the education necessary to function effectively in today's technological society.

Consider the 65-year-old today, born in 1913, perhaps an immigrant with no U.S. education, or perhaps a school dropout seeking work during the depression, a laborer at unskilled or semiskilled jobs. According to the 1971 White House Conference on Aging, the level of education attained by this population is far below the national average for all portions of the population. One-fifth of those aged 65 and over have received 4 or less years of schooling and are regarded as functionally illiterate. Only one-third of those over 65 continued in school beyond the eighth grade. Additionally, according to the Library of Congress, in 1975, among persons aged 25 to 29—41.6 percent had some college education, while among those 55 and over only 16.6 had some college education.

While it is true that the level of education of older people is steadily improving as the less educated generations are replaced by the oncoming generation of better educated, in relative terms the educational level of older people will continue for some time to be far below the national average for all portions of the population. In brief, in terms of formal schooling, older people are the most poorly educated segment of the population. Studies reveal, however, that older persons are capable of an educational response far greater than that currently offered by existing opportunities.

According to a 1975 report by the Senate Special Committee on Aging, we know that education can be the critical difference in permitting older persons the option of continuing in the work force. This report revealed that among men 55 to 64, 70 percent of those with 8 years of school or less are still in the workforce while 85 percent of the members of the same age cohort in total are still employed. And, the gap is widening. The decline in worker rates for this less educated group was 13 percent in the decade 1964–74, but less than half that for the second, generally better educated group.

Educational opportunities do exist, but few attract seniors with pressing financial needs. We must remember the precarious financial position of many of our Nation's elderly, who have a median income of only half that of younger families. Our committee hearings reveal that older Americans have less income and less savings to afford the luxury of the education to equip them with the skills they need to reenter the workforce or remain active, contributing forces in their own communities and toward their own incomes.

The 1971 White House Conference on Aging expressed its concern regarding the need to devote increased Federal attention to the education of the aging. The Conference report stated:

> Education is a basic right for all persons of all age groups. It is continuous and henceforth one of the ways of enabling older persons to have a full and meaningful life, and as a means of helping them develop their potential as a resource for the betterment of society.

I agree. Furthermore, I was pleased to learn that the primary mission of the Carter administration's educational policy is to help the States and private institutions insure equal access to quality education for all individuals and to focus on the unique educational needs of special student populations. I am sure that the educational plight of the older American will be considered within the context of this stated policy.

In every period of American history education has been seen as essential for coping with and enjoying life and as a means for solving social problems. During the 1950's and the 1960's education was viewed as the means for bringing the United States to scientific parity with the Soviet Union. Also the 1960's, improving education was justified in connection with elevating the poor from poverty. Today, the substantial growth in numbers of healthy individuals over the age of 65 demands that education now serve as a tool for mobilizing older persons into second careers or into situations where they can continue to contribute their knowledge and expertise.

The bill I have introduced today seeks to accomplish that objective. It would provide for a grant program within the Department of Health, Education, and Welfare, to be administered by the Commissioner of Aging.

This legislation, to be referred to as the Higher Education Programs for Older Persons Act, would provide grants to defray 55 percent of the tuition costs of those aged 60 and over attending such institutions on a tuition-free basis. Awards will be made to those institutions of higher learning that agree to offer such courses on a degree or nondegree, credit or noncredit basis—contingent only on the older person's fulfillment of the institution's eligibility requirements. Additionally, my bill assures that older persons will be given the same opportunity as other students to enroll in courses of study.

Many States offer free or reduced tuition rates to older persons. My bill would offer greater incentives to institutions of higher learning to increase the representation of senior citizens in their student body. Institutions would be granted up to 50 percent of the tuition costs of older persons only after admissions had exceeded the number of older persons enrolled in its previous year's classes beginning with 1977–78 and ending with the last full academic year preceding the year of application for the grant. I emphasize that in order to receive such grants, the school must admit the additional older persons by expanding the number of older persons over the number enrolled the previous year, not by reducing the admissions once filled by such students. I believe that this "maintenance of effort" provision will serve as an incentive to encourage institutions to offer courses which attract older persons.

My bill also provides that an additional 5 percent of the cost of tuition will be granted to an institution to provide information and other services designed to inform older persons of the program to be administered by the institution. Aging Committee hearings document the pressing need for increased communication. The elderly must be informed of programs available and operating for them. A study by Martin Grayson of Florida International University revealed that of the more than 900 institutions of higher learning with special courses, fees, services, counseling, et cetera especially and specifically for older persons, not one was found to list a special outreach program as one of its services. Nor did any one detail its means of informing the community at large of the available services. How then is the elderly community to become aware of these programs?

I am hopeful that institutions which desire to participate under this grant program and create programs for the elderly will give special consideration to such items as accessibility to their campus and individual buildings, transportation to and from campus and acceptable scheduling times—offering courses both during the day and the evening. Where feasible, the provision of courses off campus—in libraries, museums, senior centers, and other places where older persons congregate, should be considered. Program organizers should also be sensitive to the method of instruction, course content, and composition of class participants (all elderly or mixed generations) and adapt courses to best meet the needs and preferences of their older student populations.

Mr. Speaker, the proposed program embodied in my legislation has been in effect in a growing number of institutions nationwide and has proven to be successful.

My bill represents only one means for affording older persons the opportunity to utilize their skills and expertise and channel them in positive ways. Hopefully, we will develop a variety of mechanisms capable of promoting the continued utilization of older adult's skills, knowledge, and energy. It is in their best interest and in the best interest of the country that we encourage the development of such mechanisms.

This bill authorizes such sums to be appropriated as deemed necessary to carry out the bill's provisions for the next 3 years. It is quite possible that the educational needs of today's elderly will differ greatly from the educational needs of tomorrow's elderly—and perhaps the bill I introduce now will have to be discontinued and the need for a different response will, in time, be apparent.

The committee recognizes the worthwhile goal of making education a lifelong learning process. Since today's elderly will not benefit from developments underway to make this goal a reality—I urge my colleagues to join me in sponsoring this bill to assist those who will otherwise not be served. I would like to share with all those interested the text of my bill. I ask that it be inserted in its entirety at this point in the RECORD:

H.R. 11353

A bill to amend the Older Americans Act of 1965 to establish a program under which institutions of higher education may receive grants to defray 55 percent of the tuition costs of older persons attending such institutions on a tuition-free basis, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title IV of the Older Americans Act of 1965 is amended —

(1) by redesignating part D as part E;

(2) by redesignating section 431 and section 432 as section 441 and section 442, respectively; and

(3) by inserting after part C the following new part:

"PART D—HIGHER EDUCATION PROGRAMS FOR OLDER PERSONS

"SEC. 431. The Commissioner is authorized to establish a grant program for the purpose of making reimbursements to institutions of higher education under section 434 to defray a portion of tuition costs, or costs of individual courses of study, applicable to eligible older persons at such institutions.

"APPLICATIONS

"SEC. 432. (a) Any institution of higher education which desires to receive reimbursements from the Commissioner under section 434 shall transmit an application to the Commissioner in such form, at such times, and according to such procedures, as the Commissioner may require.

"(b) Any application transmitted to the Commissioner under subsection (a) shall—

"(1) contain an estimate of the number of eligible older persons who will be enrolled at the institution of higher education involved during the period with respect to which reimbursements will be made under section 434;

"(2) provide assurances that such older persons will not be required to defray any portion of their tuition costs, or of the costs of their programs of study, at such institution during the period with respect to which reimbursements will be made under section 434;

"(3) provide assurances that, of amounts reimbursed to such institution under section 434, an amount equal to 5 percent of the cost of tuition or the cost of any course of study applicable to an eligible older person with respect to whom reimbursement is made will be used to provide information and other services designed to inform older persons of the program administered by such institution under this part;

"(4) provide assurances that older persons will be given the same opportunity as other students to enroll in courses of study at such institution;

"(5) provide assurances that the course fee applicable to any course of study for which reimbursement is sought under section 434 shall not exceed the lesser of—

"(A) the prevailing rate charged by such institution for the course involved or for any similar course; or

"(B) the average rate charged for courses of study by all institutions of higher education in the United States during the period involved, as determined by the Commissioner;

"(6) provide that such institution will—

"(A) transmit reports to the Commissioner, in such form, at such times, and containing such information, as the Commissioner may require to carry out the provisions of this part;

"(B) keep such records, and afford such access to such records, as the Commissioner considers necessary to assure the correctness and verification of reports transmitted under subparagraph (A) and to assure proper disbursement of reimbursements under section 434;

"(C) provide satisfactory assurance that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, reimbursements under section 434; and

"(D) comply with such other rules and procedures as the Commissioner considers necessary to carry out the provisions of this part; and

"(7) contain such other information as the Commissioner may require.

"(c) The Commissioner shall not approve any application transmitted by an institution of higher education under subsection (a) until he has made specific findings as to the compliance of such plan with the requirements of this part and he is satisfied that adequate procedures are set forth to ensure that the assurances and provisions of such application will be carried out.

"(d)(1) The Commissioner shall not finally disapprove any application transmitted under subsection (a), or any modification thereof, without first affording the institution of higher education transmitting the application reasonable notice and opportunity for a hearing.

"(2) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the institution of higher education transmitting an application approved under this section, finds that—

"(A) the application has been so changed that it no longer complies with the provisions of subsection (b); or

"(B) in the administration of the program involved there is a failure to comply substantially with any such provision;

the Commissioner shall notify such institution of higher education that no further payments will be made to the institution of higher education under this part until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such institution of higher education under this part.

"(e)(1) Any institution of higher education adversely affected or aggrieved by any action of the Commissioner under subsection (d) may, no later than 60 days after notice of such action, file a petition for review of such action with the United States court of appeals for the circuit in which such institution of higher education is located. A copy of such petition shall be transmitted by the clerk of such court to the Commissioner. The Commissioner after receiving such copy, shall file in such court the record of the proceedings upon which the action of the Commissioner is based, as provided in section 2112 of title 28, United States Code.

"(2) The findings of fact of the Commissioner, if supported by substantial evidence, shall be conclusive, except that the court, for good cause shown, may remand the case to the Commissioner to take further evidence. The Commissioner may make new or modified findings of fact and may modify the previous determination. The Commissioner shall certify to the court the record of any further proceedings. Such new or modified findings of fact shall be conclusive if supported by substantial evidence.

"(3) The United States court of appeals involved shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"ELIGIBILITY

"SEC. 433. Any older person who is qualified to enroll in any course of study, including any degree or nondegree program, at an institution of higher education receiving reimbursements under section 434 shall be eligible for such enrollment without being required to defray any cost of tuition or any cost of a course of study.

"REIMBURSEMENTS

"SEC. 434. (a) Any institution of higher education whose application is approved by the Commissioner under section 432 shall be entitled to reimbursements under this section.

"(b) Reimbursements to any institution of higher education under this section shall be in an amount equal to 55 percent of the cost of tuition or the cost of any course of study applicable to an eligible older person with respect to whom such reimbursement is sought: *Provided, however,* That any institution of higher education seeking reimbursement under this section shall be entitled to reimbursement only with respect to that number of eligible students enrolled in any cycle for which funding is made available under this section who constitute a greater number than those enrolled in 1978 who would have been eligible for the benefits offered by this program if the program had been available.

"(c) Applications for reimbursements under this section shall be made in such form, at such times, and in accordance with such procedures, as the Commissioner may reasonably require.

"(d) If the sums appropriated for any fiscal year for making reimbursements under this section are not sufficient to pay in full the total amounts which all institutions of higher education are entitled to receive under this section for such year, such total amounts shall be ratably reduced. In case additional funds become available for making such reimbursements, such reduced amounts shall be increased on the same basis that they were reduced.

"DEFINITIONS

"SEC. 435. For purposes of this part—

"(1) the term 'eligible older person' means any older person determined to be qualified to enroll in any course of study at an institution of higher education under section 433;

"(2) the term 'institution of higher education' has the meaning given it in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)); and

"(3) the term 'older person' means any person 60 years of age or older.".●

THE SMALL BUSINESS CONTRACTING EQUITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, I would like to draw the attention of my colleagues to a bill I have recently introduced, the Small Business Contracting Equity Act, H.R. 10627. This legislation will require the payment of interest by Federal agencies on overdue contract payments to small business concerns.

Federal agencies, despite the normal

private sector "grace period" of 30 days, have at times been paying their procurement bills 2 and 3 months late. This lack of timeliness in payment has caused severe cash flow problems for small businesses, which are frequently undercapitalized and find it difficult to obtain credit. Faced with the additional expense of waiting for late contract payments, many small firms have simply found it uneconomical to continue a business relationship with Federal agencies.

To exist as a small business already involves many more risks and uncertainties than confront larger corporations. Prompt payment for products and services sold to the Federal Government should not be included as another economic uncertainty which small companies must face. To deny small businesses a profitable contracting relation with Federal agencies merely because of consistently late payments would destroy the competition that is supposed to characterize Government procurement.

Testimony by the General Accounting Office on June 21, 1977, indicated that out of 58 agencies visited and 3,263 invoices reviewed, 29 percent of the bills were paid more than 30 days late. This came to 19 percent of the dollar value of these contracts. This coincides with the finding that 18 percent of the companies surveyed indicated dissatisfaction with Federal agency payments. The results of the interim report were confirmed on February 24 of this year with the release of the final GAO report on bill payment performance.

The Small Business Contracting Equity Act is designed to establish a consistent standard to specify when payments are due. Thirty days, the time allotted in H.R. 10627, is a reasonable payment period which reconciles the interests of both contractors and Federal agencies. Any payments overdue 30 days or more, unless caused by delay on the part of the contractor, would accumulate interest until paid by the responsible agency. Establishing a definite due date and requiring Federal agencies to pay an interest charge for late payments will induce more timely payments to small businesses, and encourage greater small business involvement with the procurement process.

H.R. 10627, unlike previously proposed legislation regarding interest on late payments to small businesses, accounts for cyclical fluctuations in interest rates. Application of interest at a rate determined by market conditions—rather than an inflexible annual rate determined by statute—will insure fair reimbursement to Federal contractors for their capital tied up due to late payments.

The Small Business Contracting Equity Act cannot flatly guarantee more prompt bill payment by the Federal Government, but by building in incentives for better agency performance, we can take a major first step toward reform. Some agencies may contend that there is little room for improvement, but I wonder, Mr. Speaker, why Departments such as Defense, Justice, and Agriculture pay their bills promptly 90 percent of the time, while HEW and the General Services Administration pay their bills promptly only 40 percent of the time, according to GAO.

The indifference shown by many Federal agencies toward the solvency of our small businesses cannot be allowed to continue. Open competition forms the backbone of our economic system and our model for public procurement, and there is no reason why this cannot be reflected in national policy.

By enactment of the prompt payment incentives of H.R. 10627, in concert with the broader reforms which I have proposed with Messrs. REUSS and BEDELL in the Small Business Government Contracting Reform Act, we can restore small businesses to their rightfully competitive role in Federal procurement.

For the benefit of my colleagues, a text of H.R. 10627 follows:

H.R. 10627

A bill to amend the Office of Federal Procurement Policy Act to require the payment of interest by Federal agencies on overdue payments to small business concerns

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Contracting Equity Act".

SEC. 2. Section 6(d) of the Office of Federal Procurement Policy Act is amended—

(1) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and

(2) by inserting immediately after such paragraph the following new paragraph:

"(7) promulgating, not later than 90 days after the date of enactment of this paragraph, regulations requiring, with respect to any contract with a small business concern, as that term is defined by the Small Business Administration pursuant to section 3 of the Small Business Act, the payment of interest upon the amount due for the period from the date on which such payment is due to the date on which such payment is made, including any period of litigation of dispute concerning such payment. Such interest is to be applied at a quarterly rate equal to one-quarter of the weighted average annual rate of interest on short-term commercial and industrial loans of less than $100,000 made by banking institutions during the calendar quarter preceding each quarter during which payment is past due, as determined by the Board of Governors of the Federal Reserve for general statistical purposes, except that such interest shall not accrue if the amount due is paid within 30 days of the date on which it is due." ●

HUMPHREY-HAWKINS AND MONETARY POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, if the Federal Reserve would flood the economy with money, we could create full employment in this country in a very short period of time. Inevitably, that action would be followed by disastrous inflation and high unemployment, but since there is a time lag in the full inflationary impact of excessive monetary growth we would not feel the full effect for several years.

The Humphrey-Hawkins bill would require that the Federal Reserve, in its report to the Congress, set forth its intended policies for the year ahead and their relationship to the short-term goals designated in the President's economic report. At the appropriate time, I will offer an amendment which would require that the Federal Reserve also project the effect of those policies on what the bill calls the medium term: That is, the 3 years following the initial 2 years.

Mr. Speaker, this is a simple but essential change. Because there are delays between Federal Reserve actions and their effect—and these lags extend for at least 5 years and involve complicated feedback—it is imperative that the Federal Reserve provide an analysis of the expected effects of its current year monetary policies in the "medium-term" as well as the "short-term." My amendment—which is printed below—strengthens section 108 by requiring exactly this analysis.

Page 73, line 3, insert "(i)" after "relationship to", and on line 5 immediately before the period insert the following: ", and (ii) medium-term trends in employment, production, and prices for the 3 calendar years subsequent to the 2 years referred to in section 3(a)(2)(B)".

With my amendment there would be no danger that section 108 would create a bias toward "short-term" monetary policies which court inflation and recession over the "medium-term." Mr. Speaker, I believe that my amendment will strengthen the Humphrey-Hawkins bill in the areas of employment and inflation and urge its adoption by my colleagues. ●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I was unable to be present for the following vote. If I had been present, I would have voted as indicated:

FEBRUARY 27, 1978

Rollcall 87, "yes." ●

STUDY SHOWS $4.5 BILLION IN U.S. FOREIGN AID FOR STEELMAKING CAPACITY ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. LONG) is recognized for 5 minutes.

● Mr. LONG of Maryland. Mr. Speaker, on March 3 the Foreign Operations Appropriations Subcommittee, which I chair, held special oversight hearings on U.S. assistance to foreign steelmaking. I wish to share with my colleagues the essence of my study, which showed over $4.5 billion in U.S. assistance to steelmaking overseas since World War II:

STUDY SHOWS $4.5 BILLION IN U.S. FOREIGN AID FOR STEEL-MAKING CAPACITY ABROAD

Since 1945, the United States has participated in loans and guarantees for foreign production of more than $4.5 billion to 46 countries.

I am not a protectionist.

But I know of nothing in the classical economic theory of international trade that says we have to subsidize our competition in order to qualify as free enterprise. Subsidized enterprise is not free enterprise. And that is exactly what we have been doing through the Export-Import Bank, the World Bank, OPIC, AID and other multilateral institutions.

These are subsidies which American firms cannot get. Foreign aid for steel has increased imports into this country. It is drying up our export market.

The Export-Import Bank admits to having helped create over 37 million tons of new foreign steel-making capacity since World War II. This figure is almost equal to one-quarter of our entire steel-making capacity

TOP 11 NATIONS RECEIVING AID FOR STEELMAKING CAPACITY

Nations	Total assistance (thousands of U.S. dollars)	Steel production (thousand tons) 1957	1976	Increase in tonnage	Steel exports to U.S. (thousands) 1957–59 [1]	1974–76 [1]
Brazil	$941,170	1,628	10,185	8,557	$24	$38,980
Mexico	624,530	756	5,817	5,061	1,290	2,860
Turkey	401,770	203	2,046	1,843	0	1,250
Argentina	380,500	242	2,674	2,432	14	21,220
Japan	307,510	13,827	118,363	104,536	40,620	2,126,930
Spain	255,230	1,482	12,100	10,618	1,490	48,470
Yugoslavia	253,750	1,153	3,027	1,874	1,830	19,290
Italy	$249,810	7,466	25,779	18,313	$8,970	$104,570
India	205,510	1,915	10,322	8,407	6	11,222
Chile	122,400	427	557	130	1,511	543
China (Taiwan)	121,260	70	1,795	1,725	16	26,260
Total	$3,863,440	29,169	192,665	163,496	$55,771	$2,401,595

[1] Annual average for 3-yr period.

Source: Office of Representative Clarence D. Long.

POST-WORLD WAR II U.S. AID FOR FOREIGN STEELMAKING CAPACITY

[Dollars in thousands]

Nation	Total assistance	Export-Import Bank	AID	OPIC	World Bank	International Finance Corporation	Inter-American Development Bank	Asian Development Bank
TOP 11 RECIPIENT COUNTRIES								
Brazil	$941,170	$245,040	$5,500	$1,170	$347,000	$104,500	$237,960	
Mexico	624,530	247,930			165,000	39,500	145,000	
Turkey	401,770	72,270	234,500		76,000	19,000		
Argentina	380,500	295,040				20,700	74,760	
Japan	307,510	149,610			157,900			
Spain	255,230	255,230						
Yugoslavia	253,750	170,150	8,500	2,100	13,000	60,000		
Italy	249,810	249,810						
India	205,510		3,060	650	189,000	12,800		
Chile	122,400	122,400						
China (Taiwan)	121,260	121,260						
Subtotal	$3,863,440	$1,928,740	$251,560	$3,920	$947,900	$256,500	$457,720	
35 OTHER RECIPIENTS								
Latin America:								
Venezuela	46,850	25,250				3,100	18,500	
Colombia	30,080	80			30,000			
Trinidad-Tobago	30,000	30,000						
Honduras	210	210						
Peru	190	190						
Guatemala	160	160						
Nicaragua	140	140						
Costa Rica	110	110						
Jamaica	80	80						
Ecuador	50	50						
Panama	40	40						
Middle East/Asia:								
Philippines	77,490	65,890		11,600				
Australia	31,500	31,500						
Korea (South)	29,430	28,300						$1,130
Thailand	10,800	400				10,400		
Iran	8,140	340				7,800		
Malaysia	3,600					3,600		
Israel	1,870	1,870						
Pakistan	600	600						
Hong Kong	120	120						
Eastern Europe:								
Romania	85,400	15,400			70,000			
Poland	1,990	1,990						
Western Europe:								
France	74,610	74,610						
Austria	33,520	33,520						
West Germany	12,500	12,500						
Belgium	10,300				10,300			
Netherlands	8,390	8,390						
Finland	490	490						
Greece	420	420						
Norway	90	90						
Portugal	70	70						
Sweden	60	60						
Miscellaneous:								
Canada	1,250	1,250						
South Africa	77,340	77,340						
European Coal and Steel Community	100,000		[1] 100,000					
Subtotal for 35	677,890	410,860	[1] 100,000	11,600	110,300	25,500	18,500	1,130
Subtotal for top 11	3,863,440	1,928,740	251,560	3,920	947,900	256,500	457,720	
Grand total	4,541,360	2,356,630	251,560	15,520	1,058,200	282,000	476,320	1,130

[1] Loan made by Export-Import Bank under Marshall plan; now serviced by AID; not included in AID grand total.

in the U.S. And over 75% of this new foreign capacity has been created since 1970. That means we have yet to feel the full impact of these subsidies.

They have also helped to drain off our investment capital, already in great shortage in this country. Capital means jobs. If we do not have capital to invest, we are not going to get employment. It is that simple.

I have seen these foreign steel plants, and some of them are pathetic. Yet they are getting subsidies from the governments of the countries in which they are located, in addition to the subsidy they have gotten from the U.S.

Efficient or not, once a steel mill is built it is going to produce steel. The developing countries will buy their own steel instead of ours, and export their steel to the U.S. and elsewhere. Are we doing these countries a favor by building up an industry that is not to their competitive advantage?

Developing nations ought to be learning how to feed their people, how to clothe their people, how to house their people, how to educate their people. Instead, they want to be major steel producers like us. The purpose is prestige, and of course profit for some businessmen. But creating inefficient, high-cost steel-making capacity in poor countries is not good economics, either for them or for us. It is not good common sense.

SUMMARY OF STUDY

POST WORLD WAR II U.S. AID FOR FOREIGN STEEL-MAKING CAPACITY

Since 1945, over $4.5 billion in U.S. bilateral and multilateral foreign assistance has been used to develop steel-making capacity in 46 nations. Eleven nations have received the bulk of the help—$3.86 billion, or 85 percent of the total aid.

These loans and guarantees have been provided through four multilateral and three bilateral assistance agencies:

[Dollars in millions]

Bilateral:	
Export-Import Bank of the U.S.	$2,356.6
Agency for International Development	251.6
Overseas Private Investment Corp	15.5
AID, now serviced by Ex-Im Bank	100.0
Subtotal, bilateral aid	2,723.7
Multilateral:	
International Bank for Reconstruction and Development (World Bank)	1,058.2
Inter-American Development Bank	476.3
International Finance Corporation	282.0
Asian Development Bank	1.1
Subtotal, multilateral aid	1,817.6
Total, all sources	4,541.3

The top eleven recipient nations during 1957–1959 sent approximately 428,000 tons of steel per year to the U.S. By 1974–76, the annual average of our imports from these countries was 7,694,000 tons per year—about 19 times greater. In sharp contrast, imports from the rest of the world by the U.S. were only 3.5 times greater in 1974–76 compared with 1957–59 (7,000,000 tons per year average in 1974–76 versus 1,991,000 tons per year average in 1957–59).

Although world-wide steel export tonnage quadrupled in the twenty year time period, U.S. exports rose barely 16 percent (from an average of 3,331,600 tons per year [1957–59] to an average of 3,854,600 tons per year [1974–76].

What harm has come from these loan activities?

First, scarce U.S. cpaital has been sent abroad subsidized by the U.S. taxpayer. Interest rates on bilateral loans have ranged from 2 to 8 percent with grace periods (when only interest payments are due) of 1 to 10 years and up to 40 years to repay the entire loan. Multilateral agencies have loaned funds at rates ranging from 6 percent to 11 percent in recent years, with grace periods of 1–5 years and repayment periods of up to 15 years.

The Export-Import Bank admitted in one of its own reports that while it was providing a steel loan to Mexico at 8 percent, private financing cost 9.5 pecent.

The U.S. steel industry, on the other hand, faces an estimated capital shortfall of $1.8 billion per year for needed modernization, according to the President's Task Force on the Steel Industry (the Solomon group). The New York Stock Exchange has estimated that the U.S. will face a capital shortfall during the next decade of over $600 billion.

Second, steel imports have adversely affected American jobs. According to petitions approved by the U.S. Department of Labor, more than 290,000 steelworkers are eligible for Trade Readjustment Assistance, which is provided to workers who because of import competition have lost their jobs, had their hours of work reduced, or been temporarily laid off. According to the Bureau of Labor Statistics, employment in the basic steel industry has dropped over 10 percent in six months—from 354,419 in June 1977 to 327,864 in January 1978. Some steel plants in Ohio, Pennsylvania and New York have shut completely.

Third, these taxpayer-subsidized loans have encouraged developing nations to produce steel although it is to their comparative disadvantage in world trade. According to data compiled by the Federal Trade Commission, proposed new steel projects in developed France and Japan will cost about $670 per annual ton of capacity, while new works in Venezuela, Mexico, Brazil and Spain will cost at least $1,000 per annual ton of capacity. In the 1960's, developed nations' steel plants were being built at $300–$350 per annual capacity ton, while plants in Brazil and India cost $400–$650 per annual capacity ton. The Federal Trade Commission also cites the need to shield these plants in less developed nations with restrictive and protective policies, such as tax incentives, price controls, and quotas or embargos, to insure their position in even domestic markets.

Fourth, our scarce aid dollars have been poured into these capital-intensive projects with extremely high costs per job, and have therefore been unavailable for labor-intensive projects to help the truly poor, who need food, shelter and medical assistance far more urgently than they need steel.

Some attention is finally being given, in a limited way by a few agencies, to the fact that projects costing $100–200 per worker can contribute far more to real, self-sustaining development than do economically questionable, inefficiently operated steel plants which cost $205,600 per job in Thailand, $290,000 per job in Brazil, or $113,000 per job in Turkey.

Fifth, these steel loans have not resulted in improvement of income distribution in recipient nations; on the contrary, in several nations which have received large amounts of aid, the gap between rich and poor has widened.

A World Bank study suggests that the gap between rich and poor is widening in such "top eleven" steel assistance countries as Argentina, Brazil, Mexico and India. In Brazil, for example, the income share for the 40 million poorest people dropped from 10.8 to 8.1 percent while the richest increased their share of income from 27.8 percent to 36.8 percent during the 1960s.

Sixth, the figures compiled in this study reflect only assistance which contributed directly to steel-making capability in the receiving nation. Not included are the immense sums loaned or granted by bilateral and multilateral agencies for development of infrastructure—highways, bridges, high-voltage power grids, sophisticated internal waterways systems, etc.

Seventh, the U.S. has encouraged capital-intensive investment entailing large amounts of foreign debt—public and private—in nations whose external debts are already among the highest in the developing world. India ($14.6 billion), Brazil ($14.1 billion), and Mexico ($13.5 billion) have the largest external debts of all developing nations. Payments on these debts eat up 16.3 percent of India's export earnings, 15 percent of Brazil's, and 26 percent of Mexico's.

Eighth, high fixed costs of plant operation, political pressures to avoid unemployment, and public sector control of steel plants can result in artificially low export prices for steel from these less-developed nations. The Federal Trade Commission suggests that export sales by developing nations at marginal rather than unit costs of production (and possibly below even marginal costs) are encouraged not only by the political and social pressure to keep these symbols of "progress" operating, but by the ability of the government to interfere with the domestic pricing system to such a degree that it is difficult, if not impossible, to substantiate charges of dumping. Subterfuge is made easier by the fact that in many developing nations, the governments own between 65 percent and 100 percent of plant facilities.

What is the outlook for the future? According to the Council on Wage and Price Stability, there will be a surplus of capacity over demand in the world steel market through 1980.

Nonetheless, developing nations plan to more than triple their steel-making capacity by 1985, according to Federal Trade Commission analysis. Thirteen nations with a present capacity of 49.9 million tons per year plan to build steel-making ability up to 174.1 million tons per year by 1985. This increase of 124.2 million tons of capacity is equal to almost the entire present capacity (140 million tons) of the U.S. steel industry.

Of these nations, Brazil projects net export capability by 1981, Venezuela by 1979, Mexico by 1979, India by 1978, and Spain by 1978.

Nations continue to seek both bilateral and multilateral steel-making loans.

The Export-Import Bank has pending at least 4 steel loans to three countries—Iran, Poland and Morocco.

The World Bank and International Finance Corporation have requests from six nations for eight loans. The nations include Brazil, Egypt, Morocco, Romania, Greece and Turkey.

Details of the proposed loans are either unavailable or sketchy, but Iran is reportedly requesting more than $250 million in Export-Import Bank assistance for a major steel plant. The World Bank has been asked to participate in financing of a $1.2 billion, 1 million tons/year plant in Brazil. The Moroccan government has expressed interest in a 1 million tons/year integrated steel mill. This, coupled with the fact that many plants financed in the early 1970s have not come on line, does not bode well for the future.

How much longer can we countenance a course of action which hurts our own workers and industry, does nothing to help true development, and may actually contribute to the widening gap between rich and poor in many poor nations? ●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. STUMP) is recognized for 5 minutes.

● Mr. STUMP. Mr. Speaker, because I was attending the funeral of Arizona Gov. Wesley Bolin, I was absent on Tuesday, March 7, 1978.

Had I been present, I would have voted "no" on H.R. 11180, to increase the public debt limit.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. SATTERFIELD (at the request of Mr. WRIGHT), for March 8, 9, and 10, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma), to revise and extend their remarks, and to include extraneous matter to:)

Mr. CONABLE, for 10 minutes, today.
Mr. MARTIN, for 10 minutes, today.
Mr. GILMAN, for 5 minutes, on March 9.
Mr. COLLINS of Texas, for 15 minutes, today.

(The following Members (at the request of Mr. VOLKMER), to revise and extend their remarks, and to include extraneous matter to:)

Mr. BAUCUS, for 10 minutes, today.
Mr. DIGGS, for 10 minutes, today.
Mr. KASTENMEIER, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. NEAL, for 5 minutes, today.
Ms. HOLTZMAN, for 5 minutes, today.
Mr. LONG of Maryland, for 5 minutes, today.
Mr. STUMP, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous matter:)

Mr. MCKINNEY.
Mr. YOUNG of Alaska.
Mr. SARASIN.
Mr. BROOMFIELD.
Mr. YOUNG of Florida.
Mr. EMERY.
Mr. COLLINS of Texas in two instances.
Mr. MARKS.
Mr. BURGENER.
Mr. FINDLEY.
Mr. STEERS.
Mr. ASHBROOK.
Mr. MCEWEN in two instances.
Mr. DERWINSKI.
Mr. CUNNINGHAM.
Mr. SYMMS.
Mr. ARMSTRONG.
Mr. CONABLE.
Mr. DORNAN in two instances.
Mr. MARTIN.
Mr. COHEN.
Mr. HAGEDORN.
Mr. HYDE.

(The following Members (at the request of Mr. VOLKMER) and to include extraneous matter:)

Mr. CLAY in 10 instances.
Mr. KILDEE in two instances.
Mr. FRASER.
Mr. BEILENSON in two instances.
Mr. VENTO in two instances.
Mr. MAZZOLI in two instances.
Mr. HOLLAND in five instances.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. MILFORD.
Mr. HAMILTON in two instances.
Mr. NATCHER.
Mr. DRINAN.
Mr. CHARLES H. WILSON of California.
Mr. WALGREN.
Mr. MOAKLEY.
Mr. SOLARZ.
Mr. RODINO.
Miss JORDAN.
Mr. WAXMAN.
Mr. BRECKINRIDGE in two instances.
Mr. JONES of North Carolina.
Mr. MONTGOMERY.
Mr. APPLEGATE.
Mr. FOLEY.
Mr. MINETA.
Mr. MCDONALD.
Mr. ADDABBO.
Mr. RYAN.
Mr. ENGLISH.
Mr. VANIK.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 106. Joint resolution to provide for the reappointment of A. Leon Higginbotham, Junior, as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration;

S.J. Res. 107. Joint resolution to provide for the reappointment of John Paul Austin as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration; and

S.J. Res. 108. Joint resolution to provide for the appointment of Anne Legendre Armstrong as citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8803. An act to amend the National Trails System Act, and for other purposes.

ADJOURNMENT

Mr. VOLKMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 43 minutes p.m.), the House adjourned until tomorrow, Thursday, March 9, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3506. A letter from the Secretary of Defense transmitting a substitute for the reorganization order previously submitted pursuant to 10 U.S.C. 125(a) (Executive Communication No. 3192); to the Committee on Armed Services.

3507. A letter from the District of Columbia Auditor, transmitting reports entitled "Rent Subsidy Program," "FY 1977 Advisory Neighborhood Commissions Financial Report," "Comments on Bill 2-256, 'Water and Sewer Service Reform Act of 1978'," "Treatment of Lower Income Taxpayers," and "Ward Distribution of Senior Citizen Programs Administered by the Office on Aging," pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3508. A letter from the Assistant Secretary of Commerce for Administration, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3509. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed license for the export of certain defense equipment sold commercially to the United Kingdom (MC-15-78), pursuant to sectionn 36(c) of the Arms Export Control Act; to the Committee on International Relations.

3510. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b; to the Committee on International Relations.

3511. A letter from the Acting Secretary, Interstate Commerce Commission, transmitting notice that the Commission has granted extensions of the 2-year statutory time period within which the railroads are required to transfer general rate increases from separate master tariffs into their basic rate tariffs, together with the justification therefor, pursuant to section 6(6) of the Interstate Commerce Act, as amended (90 Stat. 45); to the Committee on Interstate and Foreign Commerce.

3512. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

3513. A letter from the Secretary of Transportation, transmitting the annual report for calendar year 1977 on the Department's regulation of ocean dumping, pursuant to section 112 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended (90 Stat. 725); to the Committee on Merchant Marine and Fisheries.

3514. A letter from the Secretary of Transportation, transmitting the seventh annual report of the Urban Mass Transportation Administration on capital assistance, technical studies, and relocation grants, pursuant to section 4(d) of the Urban Mass Transportation Act of 1964, as amended (84 Stat. 965);

to the Committee on Public Works and Transportation.

3515. A letter from the Comptroller General of the United States, transmitting a report on the experimental housing allowance program of the Department of Housing and Urban Development (CED-78-29, March 8, 1978); jointly, to the Committees on Government Operations, and Banking, Finance and Urban Affairs.

3516. A letter from the Comptroller General of the United States, transmitting a report on the implementation of title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (GGD-78-6, March 8, 1978); jointly to the Committees on Government Operations, and Public Works and Transportation.

3517. A letter from the Comptroller General of the United States, transmitting a report on the IRS's proposed Tax Administration System (GGD-78-43, March 1, 1978); jointly, to the Committees on Government Operations, and Ways and Means.

3518. A letter from the Director, National Science Foundation, transmitting notice of the proposed transfer of funds appropriated for Basic research stability grants for fiscal year 1978 to the Foundation's basic research activities, pursuant to section 2(g) of Public Law 94-471; jointly, to the Committees on Science and Technology, and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. Report on airline deregulation and aviation safety (Rept. No. 95-930). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee of conference. Committee conference report on H.R. 3813 (Rept. No. 95-931). Ordered to be printed.

Mrs. SCHROEDER: Committee on Post Office and Civil Service. H.R. 10126. A bill to amend title 5, United States Code, to establish a program to increase part-time career employment within the civil service; with amendment (Rept. No. 95-932). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. LONG of Maryland, and Mr. COUGHLIN):

H.R. 11364. A bill to amend title 38 of the United States Code in order to provide for the payment of service pensions to veterans of World War I and for certain surviving spouses and certain children; to the Committee on Veterans' Affairs.

By Mr. BIAGGI:

H.R. 11365. A bill to amend the Ports and Waterways Safety Act of 1972 to regulate the safety and siting of liquefied bulk gas facilities, to establish a comprehensive liability and compensation fund for such facilities, to provide for the licensing of such facilities beyond the limits of the territorial sea subject to the jurisdiction of the United States, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Public Works and Transportation.

By Mr. BURGENER:

H.R. 11366. A bill to provide for a national program of screening of newborn infants for metabolic disorders that could retard brain development; to the Committee on Interstate and Foreign Commerce.

By Mrs. CHISHOLM:

H.R. 11367. A bill to amend section 122 of title I of the Elementary and Secondary Education Act of 1965; to the Committee on Education and Labor.

By Mr. COHEN (for himself, Mr. BOWEN, Mr. JENRETTE, Mr. LENT, Mr. LIVINGSTON, Mr. MICHEL, and Mr. RAHALL):

H.R. 11368. A bill to amend the Internal Revenue Code of 1954 to provide graduated corporate income tax rates; to the Committee on Ways and Means.

By Mr. CONYERS (for himself, Mr. REUSS, Mr. HARRIS, Mr. MOORHEAD of Pennsylvania, and Mr. GARCIA):

H.R. 11369. A bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs; to the Committee on Education and Labor.

By Mr. CORMAN (for himself, Mr. VANDER JAGT, Mr. RANGEL, Mr. STARK, Mr. FISHER, Mr. BURKE of Massachusetts, Mr. BRODHEAD, Mr. TUCKER, and Mr. GRADISON):

H.R. 11370. A bill to authorize an appropriation to reimburse certain expenditures for social services provided by the States prior to October 1, 1975, under titles I, IV-A, VI, X, XIV, and XVI of the Social Security Act; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. CORRADA (for himself, Mr. LUJAN, Mr. BENJAMIN, Mr. MOAKLEY, Mrs. MEYNER, and Mr. YOUNG of Alaska):

H.R. 11371. A bill to amend the Bilingual Education Act, and for other purposes; to the Committee on Education and Labor.

By Mr. DICKS:

H.R. 11372. A bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. DICKS (for himself, Mr. MCDONALD, Mr. EDWARDS of California, and Mr. BAUCUS):

H.R. 11373. A bill to improve the functioning of Federal agencies by requiring the completion of proceedings in a timely manner; to the Committee on the Judiciary.

By Mr. DRINAN (for himself, Mr. BINGHAM, Mr. BONIOR, Mr. CORRADA, Mr. EDGAR, Mr. EDWARDS of California, Mr. EILBERG, Mr. GILMAN, Mr. HARRINGTON, Mr. LEDERER, Mr. MAZZOLI, Mrs. MEYNER, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. OTTINGER, Mr. PATTISON of New York, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. VAN DEERLIN, and Mr. WEISS):

H.R. 11374. A bill to promote the development of methods of research, experimentation, and testing that minimize the use of, and pain and suffering to, live animals; to the Committee on Science and Technology.

By Mr. JENRETTE (for himself and Mr. FITHIAN):

H.R. 11375. A bill to amend the Export Trade Act to encourage increased utilization of the act, to expand exemptions provided under the act to clarify U.S. Government policy with respect to the administration of the act, to assist American exporters in international trade competition, and for other purposes; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, and Mr. BALDUS):

H.R. 11376. A bill to amend section 553 of title 5, United States Code, to improve Federal rulemaking practice by creating procedures for regulatory issuance in two or more parts; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 11377. A bill to amend the Internal Revenue Code of 1954 to provide a refundable Federal income tax credit for education expenses; to the Committee on Ways and Means.

By Mr. LAFALCE (for himself, Mr. ADDABBO, Mr. BOWEN, Mr. GRASSLEY, Mr. LUKEN, Mr. MCCORMACK, Mr. MCFALL, Mr. OTTINGER, Mr. WALGREN, and Mr. CHARLES WILSON of Texas):

H.R. 11378. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, that a deduction shall be allowed for contributions to such trusts, and for other purposes; to the Committee on Ways and Means.

By Mr. LAFALCE (for himself, Mr. ADDABBO, and Mr. STEED):

H.R. 11379. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of small business investment companies electing to be taxed as regulated investment companies; to the Committee on Ways and Means.

By Mr. LAFALCE (for himself, Mr. ADDABBO, Mr. BENJAMIN, Mr. GOODLING, Mr. HANNAFORD, Mrs. LLOYD of Tennessee, Mr. LUKEN, Mr. MCHUGH, Mr. MARKS, and Mr. CHARLES WILSON of Texas):

H.R. 11380. A bill to encourage investment in small business concerns, and for other purposes; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, Small Business, and Ways and Means.

By Mr. LENT:

H.R. 11381. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

H.R. 11382. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mrs. MEYNER (for herself, Mr. BEDELL, Mr. OTTINGER, and Mr. YOUNG of Missouri):

H.R. 11383. A bill to establish a Commission on Proposals for a U.S. Academy for Peace and Conflict Resolution; jointly, to the Committees on International Relations, and Education and Labor.

By Mr. NEAL (by request):

H.R. 11384. A bill to amend and extend the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEPPER (for himself, Mr. AKAKA, Mr. BRODHEAD, Ms. CHISHOLM, Mr. CLAY, Mr. CORNELL, Mr. D'AMOURS, Mr. DE LA GARZA, Mr. DIGGS, Mr. DOWNEY, Mr. DRINAN, Mr. FLORIO, Mr. FRASER, Mr. HOWARD, Mr. LE FANTE, Mr. LLOYD of California, Ms. MIKULSKI, Mr. MOAKLEY, Mr. NIX, Ms. OAKAR, Mr. RODINO, Mr. SCHEUER, Mr. THORNTON, Mr. WAXMAN, and Mr. WINN):

H.R. 11385. A bill to establish a program of drug benefits for the aged; to establish a Drug Benefits Council and other appropriate management controls to provide for the efficient administration of such program; and to require the conductions of certain

studies and experiments, to enhance the capability of the Secretary of Health, Education, and Welfare to administer such program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself Mr. HYDE, Mr. LE FANTE, Mr. LAGOMARSINO, Mr. MOAKLEY, Mr. NIX, Ms. OAKAR, Mr. OTTINGER, Mr. RINALDO, Mr. RODINO, Mr. SCHEUER, Mr. TRAXLER, Mr. WALGREN, Mr. WAXMAN, and Mr. WINN):

H.R. 11386. A bill to delay for 6 months the effective date of the increase in the hospital deductible for 1978 under part A of the medicare program; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. CARTER, Ms. CHISHOLM, Mr. CLAY, Mr. CORNELL, Mr. D'AMOURS, Mr. DE LA GARZA, Mr. DIGGS, Mr. DOWNEY, Mr. DRINAN, Mr. FLORIO, Mr. FRASER, and Mr. HOWARD):

H.R. 11387. A bill to delay for 6 months the effective date of the increase in the hospital deductible for 1978 under part A of the medicare program; to the Committee on Ways and Means.

By Mr. PEPPER (for himself, Mr. BROWN of California, Ms. CHISHOLM, Mr. CLAY, Mr. COHEN, Mr. CORNELL, Mr. DE LA GARZA, Mr. DIGGS, Mr. DOWNEY, Mr. DRINAN, Mr. FLORIO, Mr. FRASER, Mr. HYDE, Mr. LE FANTE, Mr. MOAKLEY, Mr. MOFFETT, Mr. NIX, Ms. OAKAR, Mr. RODINO, Mr. ROYBAL, Mr. SCHEUER, and Mr. WINN):

H.R. 11388. A bill to amend the Public Health Service Act to revise the program of assistance for health maintenance organizations, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. QUIE (for himself, Mr. OBERSTAR, Mr. HAGEDORN, Mr. STANGELAND, and Mr. NOLAN):

H.R. 11389. A bill to amend title 23 of the United States Code to clarify policies relating to the accommodation of utilities on Federal-aid highway rights-of-way; to the Committee on Public Works and Transportation.

By Mr. QUILLEN:

H.R. 11390. A bill to amend the nutrition education section of the Child Nutrition Act, 1966; to the Committee on Education and Labor.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, Mr. CORMAN, Mr. PICKLE, Mr. BOLAND, Mr. BONKER, Mr. CLEVELAND, Mr. CORRADA, Mr. EDGAR, Mr. EDWARDS of California, Mr. EVANS of Colorado, Mr. EVANS of Georgia, Mr. HUGHES, Mr. LLOYD of California, Mr. MCCORMACK, Mr. MCKAY, Mr. MCKINNEY, Mr. MARRIOTT, Mr. MOLLOHAN, Mr. RANGEL, Mr. REUSS, Mr. SKELTON, Mr. VENTO, and Mr. WHITEHURST):

H.R. 11391. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to small businesses by establishing a graduated income tax rate for corporations; to the Committee on Ways and Means.

By Mr. STAGGERS (for himself and Mr. UDALL):

H.R. 11392. A bill to authorize appropriations to the Department of Energy and the Federal Energy Regulatory Commission pursuant to section 660 of the Department of Energy Organization Act, and for other purposes; divided and referred as follows: Titles I and II, to the Committee on Interstate and Foreign Commerce; title III, to the Committee on Interior and Insular Affairs; title IV, concurrently to the Committee on Interior and Insular Affairs and the Committee on Interstate and Foreign Commerce; title V, concurrently to the Committee on Interior and Insular Affairs, the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology; title VI, concurrently to the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology; titles VII and VIII, concurrently to the Committee on Interior and Insular Affairs, the Committee on International Relations, the Committee on Interstate and Foreign Commerce and the Committee on Science and Technology, and title VIII, additionally to the Committee on Armed Services.

By Mr. TREEN:

H.R. 11393. A bill to authorize the Secretary of the Interior to conduct a study to determine the feasibility and desirability of protecting and preserving the St. Charles swamp for wildlife management and other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WAGGONNER (for himself, Mr. PICKLE, Mr. HOLLAND, Mr. FRENZEL, Mr. DUNCAN of Tennessee, Mr. MURPHY of Pennsylvania, Mr. GUYER, Mr. FUQUA, Mr. DAVIS, Mr. KINDNESS, Mr. ARCHER, Mr. HARSHA, Mr. CLEVELAND, Mr. LAGOMARSINO, Mr. KRUEGER, Mr. LOTT, Mr. HALL, Mr. PREYER, Mr. LAFALCE, and Mr. CORCORAN of Illinois):

H.R. 11394. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. WAGGONNER (for himself, Mr. PICKLE, Mr. HOLLAND, Mr. FRENZEL, Mr. MONTGOMERY, Mr. HUGHES, Mr. MCDONALD, Mr. ICHORD, Mr. HAGEDORN, Mr. BADHAM, Mr. GINN, Mr. D'AMOURS, Mr. ROBINSON, Mr. KAZEN, Mr. COTTER, Mr. YOUNG of Alaska, Mr. MCCORMACK, Mr. ROE, Mr. PEPPER, Mr. LIVINGSTON, Mr. BAFALIS, Mr. MOORE, and Mr. EVANS of Georgia):

H.R. 11395. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 11396. A bill to amend the Federal Water Pollution Control Act to require proof that the discharge of pollutants into the navigable waters is not harmful to the public health and welfare or to the environment; to the Committee on Public Works and Transportation.

By Mr. LUKEN (for himself, Ms. OAKAR, Mr. AKAKA, Mr. BROWN of California, Mr. MOTTL, Mr. STOKES, Mr. RAHALL, Mr. LEDERER, Mr. MICHAEL O. MYERS, Mr. GAYDOS, Mr. AMMERMAN, Mr. ROONEY, Mr. WALGREN, Mr. RINALDO, Mr. MURTHA, Mr. KILDEE, Mr. GORE, Mr. CORNWELL, Mr. GUYER, Mr. LENT, Mr. BOB WILSON, Mr. STRATTON, Mr. BENNETT, Mr. ROE, and Mr. CHARLES WILSON of Texas):

H.R. 11397. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for insulation and other energy-saving property installed on an individual's principal residence; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. MOAKLEY, Mrs. LLOYD of Tennessee, Mr. PEPPER, Mr. GAMMAGE, Mr. GLICKMAN, Mr. MARKS, Mr. FRASER, Mr. SANTINI, Mr. DAVIS, Mr. PEASE, Mr. CAVANAUGH, Mr. EMERY, Mr. EILBERG, Mr. TRAXLER, Mr. EDGAR, Mr. MURPHY of Pennsylvania, Mr. COUGHLIN, Mr. EVANS of Georgia, Mr. VAN DEERLIN, Mr. VOLKMER, Mr. HEFTEL, Mr. ERTEL, Mr. YOUNG of Missouri, and Mr. APPLEGATE):

H.R. 11398. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for insulation and other energy-saving property installed on an individual's principal residence; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. LAFALCE, Mr. YATRON, Mr. JENRETTE, Mr. RICHMOND, Mr. WIRTH, Mrs. FENWICK, Mr. WHITEHURST, and Mr. WHALEN):

H.R. 11399. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for insulation and other energy-saving property installed on an individual's principal residence; to the Committee on Ways and Means.

By Mr. TEAGUE:

H.R. 11400. A bill to authorize the appropriation of specified dollar amounts for each of the National Science Foundation's major program areas (and certain subprograms), and to provide requirements relating to periods of availability and transfers of the authorized funds; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mr. FUQUA, Mr. FLOWERS, Mr. BROWN of California, Mr. MILFORD, Mr. HARKIN, Mr. LLOYD of California, Mr. AMBRO, Mr. KRUEGER, Mrs. LLOYD of Tennessee, Mr. WIRTH, Mr. DOWNEY, Mr. WALGREN, Mr. FLIPPO, Mr. GLICKMAN, Mr. GAMMAGE, Mr. BEILENSON, Mr. GORE, Mr. WATKINS, Mr. YOUNG of Missouri, Mr. WYDLER, Mr. WINN, Mr. FREY, Mr. GOLDWATER, and Mr. PURSELL):

H.R. 11401. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. TEAGUE (for himself, Mr. FUQUA, Mr. HOLLENBECK, Mr. RUDD, Mr. WALKER, and Mr. FORSYTHE):

H.R. 11402. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Technology.

By Mr. WAXMAN (for himself, Mr. RICHMOND, and Mr. DRINAN):

H.R. 11403. A bill to establish a National Commission on the Visual Arts, to require payments to the Commission by certain sellers of works of visual art, to establish in the Treasury a Visual Arts Fund, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Missouri:

H.R. 11404. A bill to add mileage to the Interstate System for a route along a segment of Missouri Route 725; to the Committee on Public Works and Transportation.

By Mr. BAFALIS (for himself, Mr. BADHAM, Mr. BEDELL, Mr. BROWN of Ohio, Mr. DERWINSKI, Mr. DORNAN, Mr. EDWARDS of Oklahoma, Mr. EVANS of Georgia, Mr. GRASSLEY, Mr. GUYER, Mr. KEMP, Mr. KINDNESS, Mr. LEVITAS, Mrs. LLOYD of Tennessee, Mr. MCDONALD, Mr. MILFORD, Mr. ROBINSON, Mr. SPENCE, and Mr. WHITEHURST):

H. Res. 1064. Resolution to amend the Rules of the House of Representatives to require that reports accompanying certain bills and joint resolutions reported by committees contain computations of the potential tax impact of such bills and resolutions on the individual taxpayer; to the Committee on Rules.

By Mr. CORNWELL:

H. Res. 1065. Resolution expressing the sense of the House of Representatives with respect to the killing of some 1,000 dolphins by Japanese fishermen in February 1978, and encouraging the Government of Japan to

reassess its policy in permitting such killing; to the Committee on International Relations.

By Mr. WEISS:

H. Res. 1066. Resolution urging the Committee on the Judiciary to disapprove S. 1437; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

3190. By the SPEAKER: Memorial of the Legislature of the State of South Dakota, relative to the retired senior volunteer program; to the Committee on Education and Labor.

320. Also, memorial of the Legislature of the State of California, relative to the National Health Planning and Resources Development Act of 1974; to the Committee on Interstate and Foreign Commerce.

321. Also, memorial of the Legislature of the State of California, relative to aid to families with dependent children; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XX, private bills and resolutions were introduced and severally referred as follows:

Mr. HYDE introduced a bill (H.R. 11405) for the relief of Maryrose and Rosemary Evangelista, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII petitions and papers were laid on the Clerk's desk and referred as follows:

414. Mr. QUILLEN presented a petition of Giles W. Morrell, Erwin, Tenn., relative to repeal of the withholding tax law, which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 50

By Mrs. SCHROEDER:

Page 82, line 13, strike out "and", on line 20 strike out the period and insert in lieu thereof "; and", and insert immediately after such line the following new paragraph:

(3) insure flexi-time and part-time jobs for persons who are able, willing, and seeking employment but who are unable to work a standard workweek.

By Mr. CLEVELAND:

Page 71, line 10, strike out "and" and insert immediately after such line the following new paragraph:

"(G) recommendations for legislation and administrative reforms necessary to reduce or eliminate procedural requirements applicable to public works programs and projects in order that such programs and projects which alleviate unemployment will proceed as expeditiously as possible; and".

Page 71, line 11, redesignate subparagraph (G) as subparagraph (H).

Page 71, line 10, strike out "and" and insert immediately after such line the following new subparagraphs:

"(G) recommendations for legislation and administrative reforms necessary to improve the function of Federal agencies by requiring the completion of agency proceedings, including judicial review thereof, in a timely manner;

"(H) an analysis of the impact of government regulations, environmental and safety requirements, and crime on the productivity of the economy;

"(I) recommendations for legislation and administrative reforms necessary to reduce or eliminate procedural requirements applicable to public works programs and projects in order that such programs and projects which alleviate unemployment will proceed as expeditiously as possible; and

Page 71, line 11, redesignate subparagraph (G) as subparagraph (J).

Page 71, line 10, strike out "and" and insert immediately after such line the following new subparagraph:

"(G) an analysis of the impact of government regulations, environmental and safety requirements, and crime on the productivity of the economy; and".

Page 71, line 11, redesignate subparagraph (G) as subparagraph (H).

Page 71, line 10, strike out "and" and insert immediately after such line the following new subparagraph:

"(G) recommendations for legislation and administrative reforms necessary to improve the function of Federal agencies by requiring the completion of agency proceedings, including judicial review thereof, in a timely manner; and".

Page 71, line 11, redesignate subparagraph (G) as subparagraph (H).

By Mr. LUNDINE:

On page 86, immediately after line 25 insert the following new section:

LABOR-MANAGEMENT COOPERATION

SEC. 208. (a) The Congress finds and declares that economic policies and programs to combat structural unemployment and create conditions consistent with the goals of this Act can be complemented by cooperative efforts of labor and management.

SEC. 208. (a) To promote voluntary labor-management cooperation, the President may extend assistance to labor-management committees, organized jointly by management and the legally certified organizations representing labor at the plant, industry, community, regional, or national level. The purpose of such committees is to improve labor-management relations, job security, and organizational effectiveness. The committees may obtain public or private third party expert assistance as necessary to achieve these goals. Projects designed by such committees may involve workplace problem-solving and subjects of mutual interest outside the collective bargaining process, such as factors which inhibit the economic development of the area or industry, provided that no program shall be supported which conflicts with rights guaranteed by the National Labor Relations Act, and that either labor or management may terminate a project or dissolve a committee at any point.

In the table of contents of the bill insert immediately after the item pertaining to section 207 the following new item:

Sec. 208. Labor-Management cooperation.

By Mr. MARKS:

TITLE I—ESTABLISHMENT OF GOALS AND GENERAL ECONOMIC POLICIES

Sec. 102. Declaration of Policy.

Section 2(f)(1), page 63, line 10: Insert immediately after "structural policies" the following: ", including measures to encourage private sector investment and capital formation".

Sec. 103. Economic Report of the President and Short-Term Economic Goals and Policies.

Section 3(a)(1), page 64, line 10: Insert "capital formation," immediately after "production,".

Sec. 106. National Priority Policies and Programs Required for Full Employment and Balanced Growth.

Section 6(b)(1), page 71, line 5: Redesignate subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H), respectively, and insert immediately after line 5 the following new subparagraph:

"(E) proper attention to the need to formulate a fair and equitable tax policy that does not unduly burden individuals or businesses, and operates to increase consumer purchasing power and enhance private investment capital, in order to stimulate job creation and insure adequate economic growth;".

Sec. 111. Advisory Board or Boards.

Section 10(b), page 76, line 15: Insert "minority groups," immediately before "private nonprofit agencies".

TITLE II—STRUCTURAL POLICIES AND PROGRAMS, INCLUDING TREATMENT OF RESOURCE RESTRAINTS

Sec. 201. Statement of Purpose.

Page 77, line 7: Insert "capital formation," immediately after "production,".

Page 63, line 10, insert immediately after "structural policies" the following: ", including measures to encourage private sector investment and capital formation".

Page 64, line 10, insert "capital formation," immediately after "production,".

Page 71, on lines 6, 9, and 11, redesignate subparagraphs (E), (F), and (G) as subparagraphs (F), (G), and (H), respectively, and insert immediately after line 5 the following new subparagraph:

"(E) proper attention to the need to formulate a fair and equitable tax policy that does not unduly burden individuals or businesses, and operates to increase consumer purchasing power and enhance private investment capital, in order to stimulate job creation and insure adequate economic growth;".

Page 76, line 15, insert "minority groups," immediately before "private nonprofit agencies".

Page 77, line 7, insert "capital formation," immediately after "production,".

By Mr. NEAL:

Page 73, line 3, insert "(i)" after "relationship to", and on line 5 immediately before the period insert the following: ", and (ii) medium-term trends in employment, production, and prices for the 3 calendar years subsequent to the 2 years referred to in section 3(a)(2)(B)".

By Mr. QUIE:

Page 64, line 15, insert "farm income," after "real income,".

Page 64, line 22, insert after "productivity growth," the following: "full parity of income for farmers".

Page 66, line 11, insert ", and farm income at a rate not less than 100 per centum of parity at the market place," after "4 per centum".

Page 66, line 16, insert "and maintaining farm income at a rate not less than 100 percentum of parity at the market place," after "sentence,".

Page 67, line 25, insert "and the improvement of farm income," after "unemployment,".

Page 70, line 17, insert ", as provided for in section 4(b) and section 4(c) of this Act," after "income".

Page 97, line 5, immediately after the comma insert "farm income".

Strike out everything after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Employment Opportunity and Inflation Reduction Policy Act of 1978".

GENERAL FINDINGS

SEC. 2. (a) The Congress finds that Americans have suffered the cruel ravages of high inflation, an ever-increasing tax burden and substantial unemployment and underemployment, idleness of other productive resources, and inadequate productivity growth,

imposing numerous economic and social costs on the Nation.

(b) The Congress further finds—

(1) that unemployment is a personal tragedy, that the unemployed should be treated as people rather than just statistics and have adequate counseling and assistance looking toward retraining, if necessary, which will lead to permanent employment in the private sector of the economy;

(2) that maximum employment, reduced inflation, increased production and real income, and adequate productivity growth all accomplished under the free enterprise system are important national requirements that will promote the economic security and well-being of all citizens of the Nation;

(3) that business and industry are deprived, as a consequence of the circumstances described in subsection (a), of the production, sales, capital flow, and productivity necessary to maintain adequate profits, undertake new investment, create jobs, and contribute to meeting society's economic needs;

(4) that inflation is eroding the buying power of Americans, reducing their standard of living, and jeopardizing individual savings for family necessities and retirement;

(5) that an increasing tax burden coupled with high inflation places earnings in double jeopardy, as "tax bracket creep" moves wage earners into higher brackets and inflation erodes the buying power of aftertax income, and as a result earnings buy less and the Government takes more in taxes;

(6) that job creation and capital formation in the private sector is inhibited by tax disincentives and a Federal tax program which discourages the savings and investment necessary to stimulate economic expansion; and

(7) that excessive deficit spending by the Federal Government fans inflation, boosts interest rates, crowds the private sector out of the money market, and reduces capital formation for economic expansion necessary to create permanent, nonsubsidized jobs.

(c) The Congress further finds that an effective policy to promote maximum employment, reduce inflation, increase production and real income, and provide adequate productivity growth should be based on the development of explicit policies by the President and Congress for the full use of the resources and ingenuity of the private sector of the economy.

(d) The Congress further finds that any effort undertaken to reduce unemployment must have as a necessary first element the development of new approaches to the elimination of youth unemployment.

TITLE I—ESTABLISHMENT OF A PRESIDENTIAL TASK FORCE ON YOUTH UNEMPLOYMENT

GENERAL FINDINGS

SEC. 101. The Congress finds that—

(1) notwithstanding improved economic growth and a continuing reduction in the overall rate of unemployment, youth unemployment continues to represent nearly half of overall unemployment and the rate of such unemployment has not been reduced;

(2) existing structural policies have been ill designed and ineffective in reducing youth unemployment; and

(3) the reduction in the rate of unemployment among the young, but particularly minority youth, would greatly alleviate and reduce the overall rate of unemployment.

PRESIDENTIAL TASK FORCE ON YOUTH UNEMPLOYMENT

SEC. 102. (a) There is hereby established in the Executive Office of the President a Presidential Task Force on Youth Unemployment, hereafter referred to as the "Task Force", to furnish recommendations to the President pursuant to section 103, which shall consist of eleven members appointed by the President, by and with the advice and consent of the Senate. Two of the members shall be representatives of business but shall be selected on the basis of their experience and knowledge of the labor market problems of youth, particularly in regards to wage and employment standards, collective bargaining agreements, and other such factors, and who have worked with labor in developing employment and training efforts for youth. Two of the members shall be representatives of labor, but shall be selected on the basis of their experience and knowledge of labor-sponsored apprenticeship and other such youth programs, wage and employment standards, collective bargaining, and who have worked with business in providing employment and training opportunities for youth. Two members shall be representatives of State and local government, but shall have had experience in carrying out the provisions of section 327(a)(3), section 327(b), section 342(a)(3)(b), and section 352(3)(A) of the Comprehensive Employment and Training Act. Three members shall be from the public at large, but one will either represent youth and have a thorough knowledge and understanding of the labor market problems of youth or shall represent an organization which has a special understanding of the labor market problems of youth, and one who shall have a special understanding of the labor market problems of rural youth. In addition, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall serve as members of the Task Force.

(b) Except when six members of the Task Force shall vote to hold an executive session for a particular purpose, the Commissioner of Labor Statistics, the Director of the Bureau of the Census, the Chairman of the National Commission for Manpower Policy, the Chairman of the Council of Economic Advisors, the Chairman of the National Commission on Employment and Unemployment Statistics, or in each case a designee, shall assist and participate in the hearings, deliberations and preparations of Task Force recommendations.

(c) The President shall designate a Chairman from among the appointed members of the Task Force.

(d) The Chairman, with the concurrence of the appointed members of the Task Force, shall appoint an executive director, who shall be the chief executive officer of the Task Force. The executive director may appoint, with the concurrence of the Chairman, such professional, technical, and clerical staff as are necessary to carry out the provisions of this section. The executive director and staff shall be appointed without regard to the provisions of title 5, United States Code, governing appointments to the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate of GS–18 of the General Schedule under section 5332 of such title. The executive director, with the concurrence of the Chairman, may obtain temporary and intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. The Task Force may utilize such staff, with or without reimbursement, from the Department of Labor, the Department of Commerce, and such other appropriate Federal agencies as may be available to assist the Task Force in carrying out its responsibilities.

(e) The Task Force shall determine its own internal procedures, including the constituting of a quorum.

(f) The Task Force is authorized to accept and utilize voluntary and uncompensated services notwithstanding the provisions of section 665(b) of title 31, United States Code.

(g) Members of the Task Force who are not officers or employees of the Federal Government shall be paid compensation at a rate not to exceed the per diem equivalent of the rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, when engaged in the work of the Task Force, including traveltime; and, while serving away from their homes or regular places of business, shall be allowed travel expenses including per diem in lieu of subsistence, in the same manner as such expenses are authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently.

FUNCTIONS

SEC. 103. The Task Force shall—

(1)(A) identify the specific labor market problems of youth, but in particular minority youth;

(B) determine the extent to which existing structural policies of the government, including Federal, State, and local policies, work to mitigate such problems;

(C) identify the extent to which labor market barriers exist, including the effects of civil service, collective-bargaining arrangements, lack of education and training, and wage standards which create labor market problems for youth;

(D) identify the extent to which macroeconomic policies, such as tax and fiscal policy, have on labor market problems of youth, both nationally and regionally;

(E) identify long-range projections on labor market activity for youth;

(F) determine the extent to which the public education system relates youth to the labor market;

(G) determine the extent to which existing Federal programs, such as the Comprehensive Employment and Training Act, the Public Works Employment Act, contribute to alleviating the labor market problems of youth; and

(H) the extent to which federally mandated wage standards, such as those authorized under the Fair Labor Standards Act, the Davis-Bacon Act, Walsh-Healey, and the Service Contract Act contribute to the labor market problems of youth; and

(2) make a report to the President and the Congress within twelve months after the date of appointment of the first five members of the Task Force, which shall include:

(A) the findings of the Task Force under paragraph (1) and shall provide explicit programmatic recommendations to achieve the following:

(i) reduction of minority youth unemployment age sixteen to twenty-four to that of nonminority youth unemployment within five years; and

(ii) a reduction of youth unemployment age sixteen to twenty-four equivalent to that of adult males age twenty-four and over within five years;

(B) shall include recommendations for changes in macroeconomic and microeconomic fiscal and tax policies, in existing Federal and State employment programs;

(C) shall include a feasible schedule for the implementation of the Task Force recommendations, including a feasible schedule for their implementation, cost estimates and any appropriate draft regulations and legislation to implement such recommendations; and

(D) shall include recommended amendments to existing structural unemployment programs, such as those provided in the Comprehensive Employment and Training Act, the Public Works Employment Act of 1976, to redirect such programs to reducing the unemployment problems of minority youth in general.

ADMINISTRATIVE PROVISIONS

SEC. 104. (a) Each department, agency, and instrumentality of the Federal Government is authorized and directed to cooperate fully with the Task Force in furnishing appropriate information to assist the Task Force

in carrying out its functions under this section.

(b) The head of each department, agency, or instrumentality of the Federal Government is authorized to provide such support and services to the Task Force, upon request of the Chairman, as may be agreed between the head of the department, agency, or instrumentality and the Chairman.

(c) There are authorized to be appropriated such sums and eighty days after submission of its final report as required under section 105 of this section.

(d) The Task Force or, on the authorization of the Task Force, any subcommittee or members thereof, may, for the purposes of carrying out the provisions of this section, hold such hearings, take such testimony, and sit and act at such times and places as the Task Force deems advisable. Any member authorized by the Task Force may administer oaths or affirmations to witnesses appearing before the Task Force or any subcommittee or members thereof.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

REPORT

SEC. 105. (a) Upon submission of the final report, the President shall take steps to ascertain the views of each affected executive agency, and shall make a report, so at the time of the next submission of the Economic Report required under section 3 of the Employment Act of 1946, but in no event later than January 20, 1980, which sets forth the President's recommendations for reducing youth unemployment. Such report shall comment on—

(1) the desirability, feasibility, and cost of implementing each of the Task Force recommendations and the actions taken or planned with respect to implementation; and

(2) recommendations with respect to any legislation proposed by the Task Force, the need for any alternative or additional legislation to implement the recommendations of the Task Force, and any other proposals to strengthen and reach the goals delineated in section 103(2)(B).

(b) In no event shall the President alter the established goal as outlined in section 10(2)(B) and any change in the Task Force recommendations shall be made in furtherance of that goal. However, the President shall establish for both minority youth unemployment and youth unemployment in general a specific numerical goal which in terms of labor-market tightness is equal to 3 per centum adult unemployment.

TITLE II—AMENDMENTS TO THE EMPLOYMENT ACT OF 1946

ECONOMIC REPORT OF THE PRESIDENT

SEC. 201. Section 3(a) of the Employment Act of 1946 is amended to read as follows:

"SEC. 3. (a) The President shall transmit to the Congress not later than January 20 of each year an economic report (hereinafter called the 'Economic Report') setting forth (1) the effects of inflation on the income tax structure, the effect of inflation on marginal tax rates and percentage change of tax returns filed in each bracket, the levels of employment, production, real income, and purchasing power in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of marginal tax rates, inflation, employment, production, real income, and purchasing power; (3) a review of the tax structure and economic program of the Federal Government and a review of the economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon tax rates, inflation, employment, production, real income and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he or she may deem necessary or desirable.".

COUNCIL OF ECONOMIC ADVISERS TO THE PRESIDENT

SEC. 202. Section 4(a) of the Employment Act of 1946 is amended to read as follows:

"SEC. 4. (a) There is hereby created in the Executive Office of the President a Council of Economic Advisers (hereinafter called the "Council"). The Council shall be composed of three members who shall be appointed by the President, by and with the advice and consent of the Senate, and each of whom shall be a person who, as a result of his training, experience, and attainments is exceptionally qualified to analyze and interpret economic developments, to appraise programs and activities of the Government in the light of the policy declared in section 2, and to formulate and recommend national economic policy to promote a program to determine the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and the percentage change of tax returns filed in each bracket, the level of employment, production, real income, and purchasing power under free competitive enterprise. The President shall designate one of the members of the Council as Chairman.".

TAX IMPACTS OF INFLATION

SEC. 203. (a) Paragraph (2) of section 4(c) of the Employment Act of 1946 is amended to read as follows:

"(2) to gather timely and authoritative information concerning economic developments and economic trends, both current and prospective, including the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and percentage of tax returns filed in each bracket, the levels of employment, production, real income, and purchasing power, to analyze and interpret such information in the light of the policy declared in section 2 for the purpose of determining whether such developments and trends are interfering or are likely to interfere, with the achievement of such policy, and to compile and submit to the President studies relating to such developments and trends;".

(b) Paragraph (4) of section 4(c) of the Employment Act of 1946 is amended to read as follows:

"(4) to develop and recommend to the President national economic policies to foster and promote a program to determine the effect of inflation on the income tax structure, the effect of inflation on marginal tax rates and the percentage change of tax returns filed in each bracket, the level of employment, production, real income, and purchasing power and to promote free competitive enterprise, to avoid economic fluctuations or to diminish the effects thereof and thus to maintain employment, production, and purchasing power;".

EXTENSIONS OF REMARKS

AMBASSADOR LODGE ON THE PANAMA CANAL

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. SARASIN. Mr. Speaker, a great friend and statesman, Ambassador John Davis Lodge, has asked me to place the following article in the CONGRESSIONAL RECORD. The article appeared in the New York Times on November 29, 1977, and is authorized by Ambassador Lodge, I believe my colleagues will find this article of great interest:

[From the New York Times, Nov. 29, 1977]

THE CANAL: A RAMPART

(By John Davis Lodge)

WESTPORT, CONN.—The principal arguments vehemently raised in support of the Panama Canal treaties are not altogether convincing.

It is alleged in screeching tones, that we stole it. That is contrary to the record. It was an act of constructive statesmanship by one of our great Presidents, Theodore Roosevelt. It constitutes a notable public service by the United States to the entire world. We should not be apologetic but proud of this unprecedented engineering achievement. We succeeded where the French failed. But for us, the Panama Canal would not exist. In one way or another it has been paid for by us many times over.

Should we now say that the Louisiana Purchase, by which President Thomas Jefferson bought one-third of the United States from Napoleon for $15 million, was a steal and that therefore we should return this vast area to France? And how about Alaska? And Hawaii?

It is asserted that the Panama Canal constitutes an anachronistic vestige of colonialism in a decolonializing world. Certainly the British, French, Spaniards and Portuguese have been shedding their colonies. But how about the Russians and their satellites? Are these satellites not in effect colonies?

Moreover, the Panama Canal Zone is not a colony. It is inhabited by many thousands of Americans. True, it is not contiguous to the United States, as it is to Panama. Is contiguity then the criterion? Well then, how about Alaska, contiguous to Canada and close to Siberia. Should we hand Alaska over to Canada or perhaps to Russia? Alaska is a state as is Hawaii. Yes—and we could conceivably make a state out of the Panama Canal Zone.

It is declared that the Latin Americans resent the North American presence in the Canal Zone. Yet there are many others who fear Russian control of the canal by means of their control of Fidel Castro's Cuba and Castro's power and influence over Gen. Omar Torrijos Herrera, the current, temporary, unelected, left-wing, military dictator on Panama. And there are many others around the world who fear that the Panamanians, in spite of their threats and promises, will not run the canal as efficiently as we do. We run it very well indeed.

Argentina, Brazil, Chile, Bolivia, Uruguay, Paraguay and Ecuador have anti-Communist Governments and fear Communist infiltration of the Canal Zone. Many in these countries would dread our relinquishing control of it.

The principal argument advanced in favor of the treaties is that, as General Torrijos has warned us, if they are not ratified by the Senate there will be trouble in Panama—demonstrations, riots, bombs, guerrilla activity—and that therefore we must agree to

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

the treaties as an act of appeasement—a mini-Munich, if you will—but, in effect, a shot-gun arrangement.

We got tired of the Vietnam War, we refused to help in Angola, and so now it is proposed that 217 million Americans should cave in and run away before the ominous threat of 1.5 million people in Panama. This is the worst possible reason for ratification of the treaties, for it portrays us Americans as a supine pack of cowards, a paper tiger who will give in at the slightest threat of combat. It is succumbing to blackmail.

This is the argument that would cause us to lose face and friends and confidence in many parts of the world, particularly in South America, where our sanctimonious sermonizing about human rights has made us unpopular.

Certainly the treaties can properly be revised. However, let us recognize that in the normal struggle in which we are inextricably involved, for the United States to surrender control of the canal will, in this jungle world, present the enemy with an advantage. While in some ways the canal may be obsolete, in unfriendly hands it could present a difficult and dangerous problem for the United States, especially in the event of a showdown.

The overriding question is this: Is it in the interests of our national security, is it in the interest of the United States as leader of the non-Communist world to lessen our control of this vital waterway and rampart at a time when Russian imperialism, heavily and increasingly armed, is very much on the march? The national interest must be the determining factor. We should be governed by geopolitical considerations. If we move out, will the enemy eventually move in? ●

POLICE CHIEF RUSSELL FISHER'S RETIREMENT

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. RYAN. Mr. Speaker, Chief Russell Fisher of the Hillsborough, Calif., Police Department is one of those special kind of persons who has made a lifetime career of quietly effective law enforcement. That career has come to a premature close at the age of 56 with Chief Fisher's disability retirement following a heart attack last fall.

Before joining the Hillsborough Police Department as a captain in 1957, Fisher had served with the Oakland Police Department and the California Highway Patrol. He was appointed chief in 1962.

In his 15 years as Hillsborough's top law enforcement officer, Fisher was instrumental in starting the county's police training academy and was one of its first instructors. He was also one of the forces behind establishment of San Mateo County's Narcotics Enforcement Task Force.

It was primarily through Fisher's efforts that the first K-9 unit in the county was created after he had testified at numerous Senate hearings on the subject.

Development of an effective peace officer association was a long-standing project with the chief. He is the past president of the Bay Area Peace Officers Association and is still treasurer of the peninsula branch. He served 1 year as president of the Police Chiefs Association of San Mateo County.

Fisher, a native of San Pablo, has also been involved with the scholarship committee for police officer candidates at College of San Mateo.

His fraternal affiliation is with the Native Sons of the Golden West. He has held the statewide post of grand trustee and is the past president of the local chapter.

I join his many friends in Hillsborough and throughout San Mateo County in wishing him well in the years ahead, and hoping that they will be full, happy, and rewarding for him.●

IMPACT AID

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. STEERS. Mr. Speaker, the President recently proposed major changes in the impact aid program which include elimination of a broad category of students whose federally related parents are employed "out of county." This change is in addition to other cutbacks in impact aid made in the education amendments of 1974.

I would like to share a letter written by Elizabeth Spencer, president of the Montgomery County, Md., board of education, to Congressman CARL PERKINS, chairman of the House Education and Labor Committee, about the basic equity in the impact aid program which has been overlooked by the President's proposals.

BOARD OF EDUCATION
OF MONTGOMERY COUNTY,
Rockville, Md., March 1, 1978.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, Rayburn House Office Building, Washington, D.C.

DEAR MR. PERKINS: Today the news media indicated that you will chair a public hearing in the Alexandria (Va.) City Hall at 7:30 p.m. on Monday, March 6, concerning the education proposals set forth yesterday by President Carter. Although we have not received a copy of the proposals it is apparent from the news reports that they will have considerable influence on local education agencies throughout the country.

A contact with your staff indicated that your primary interest in this public hearing will deal with impact aid (P.L. 815 and P.L. 874). Therefore, although we would prefer to examine in detail the totality of the administration proposals in terms of program and fiscal implications, because of the importance of impact aid funds to this school system we hope you will make this letter a matter of record at the public hearing.

You are aware that P.L. 93-380, Education Amendments for 1974, made substantial changes in the Impact Aid Program. A major change was to eliminate from eligibility those students whose federally-related parents are employed "out of state." This removed some 14,000 students from eligibility in our school system which has a current enrollment of about 112,000 students. Since enactment of that law we have received impact aid funds through the hold harmless provisions.

The proposal by President Carter includes among other changes the exclusion of eligibility for those students whose federally-related parents are employed "out of county." Thus, it appears as though there is a constant eroding away of the basic concept upon which the Impact Aid Program was enacted in 1950. We have been pleased with action by the Congress over the years to blunt the intent of several presidents to severely curtail what we believe is a program with considerable equity in terms of federal impact in relation to the burden faced by local taxpayers.

To illustrate the importance of federal impact, there is $318.9 million of exempt federal property in this county. If this property was taxed (as is the case with other employers and home owners) the county would receive about $12.5 million in revenue. Under the current Impact Aid Program this year we will receive between $2.5 million and $4 million dependent on action to be taken by the Congress and President Carter on an FY 1978 supplemental appropriation.

Of the 112,000 students enrolled in our school system, approximately 25,000 students come from homes where one or both parents are in federal employment. This constitutes over 22 per cent of the student body. Obviously there is a considerable double negative effect when on the one hand so much federal property exists in an exempt status on the tax roll and on the other hand the only fiscal support to the school system is the tax paid by the home owner. The result negates the long-standing philosophy that local tax burdens should be split 50–50 between employer property and employee property. In the instance of so much federal property this equation is obviously distorted.

These data are cited to make a plea that the Impact Aid Program be continued in such a way that all federally-related students are eligible for impact aid funds. We believe that a sense of fair play and equity support this plea. Your committee has demonstrated considerable leadership and influence in attempting to keep the impact aid concept viable in the face of observable hostility from the executive branch and some members of the Congress. Therefore, we express much appreciation to you and your committee and also the hope that you will be instrumental in effecting those amendments which will result in continuation of the Impact Aid Program as it was before the serious inroads inflicted through P.L. 93-380.

We will be pleased to provide an additional documentation that you or any members of your committee need from a typical local school system which is adversely impacted by the presence of the federal government and the exemption of so much real property upon which most of our tax source must depend. As stated above, I will request that you make this letter a part of the record for the March 6 hearing.

Sincerely yours,

ELIZABETH W. SPENCER,
President.●

TELEVISING FLOOR ACTIVITIES

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. MAZZOLI. Mr. Speaker, the Rules Committee recommended that the House operate its own system for the televising of floor proceedings.

The Ad Hoc Subcommittee on Broadcasting suggested that television network professionals operate the system. I share the subcommittee's view.

Recently, Congress decided to more accurately represent its actions as reflected in the CONGRESSIONAL RECORD. Now, there is differentiation between statements actually presented on the floor and remarks which are merely in-

serted into the RECORD. The need for accuracy and completeness is important and I endorse it.

Television coverage of the floor action must be presented just as fairly and accurately and objectively as the printed coverage of floor sessions.

I think the most appropriate way to accomplish this is to establish a broadcasting pool consisting of the ABC, CBS, NBC networks and public broadcasting. Coverage would be made available to all broadcasters and the pool would supply the House with a complete record of its proceedings for archival purposes.

The Rules Committee proposal recommends that the House operate its own system for broadcasting. This means House employees or Members would be in a position to control what is fed outside the House Chambers.

Even though such control might never be exercised, I believe this system is deficient as compared to the system which would let television professionals control the television coverage.

Any kind of television coverage of House proceedings is a step forward in responsive government. But the better step would be to vest control in outside professionals.●

U.S.-SOVIET DÉTENTE A MYTH

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. BROOMFIELD. Mr. Speaker, I congratulate our distinguished minority leader for his perceptive analysis of postdétente realities before the March 7 Veterans of Foreign Wars convention. As Mr. RHODES so well stated:

It is a disappointment to many of us that we must be sadly disillusioned concerning detente. There was a time of high hope—that perhaps the Soviet Union really desired a lasting world peace—and that understanding between their government and ours was gaining ground. As much as we want detente to succeed—reality has intruded—and we find that for all practical purposes—detente between the Soviets and ourselves has become a myth.

I agree with my colleague. Not only has the word "détente," once a symbol of East-West dialog and mutual restraint, virtually dropped from our vocabulary, but far more important, the actions of the Soviet Union in many areas are incompatible with the meaning of the word.

While the Soviets are engaged in discussions to demilitarize the Indian Ocean, they are escalating a war in the Horn of Africa. While the Soviets are engaged in talks to reduce arms in Central Europe, they continue to build up the military in the Warsaw Pact. While the Soviets cooperated in their loss of a radioactive military satellite, they refused to pay damages as provided by two separate agreements to which the Soviets are signatories. While the Soviets speak of strategic arms control, they continue to improve their strategic strike capabilities.

I would like to point out to my colleagues that we are only deluding ourselves, if we believe that the Soviets are indeed sincere about reducing arms in all areas—including Africa. Despite American efforts to achieve Soviet cooperation in the demilitarization of the Indian Ocean, the Soviet Union continues to remain the dominant supplier of arms to the Horn of Africa and in particular, the most important supplier of destabilizing military equipment. Through impressive logistical efforts, the Soviets have significantly increased the number and the quality of military equipment in the Horn including the supply of sophisticated combat aircraft to Ethiopia. Moreover, it is reported that the Soviet Union has nearly 1,000 advisers and at least one general in Ethiopia at this time, in addition to nearly 10,000 Soviet-equipped Cuban troops.

As for Central Europe, the Soviets have continued to stall the Mutual Force Reduction Talks (MBFR), while at the same time improving their military numbers and capabilities within the Warsaw Pact whose 16,000 tanks now outnumber NATO tanks by almost 3-to-1. Since the MBFR talks began 4½ years ago, there have been absolutely no arms reductions—only increases and rhetoric—not to mention that the Soviets have failed to yet provide adequate information concerning the numbers and deployment of military forces in Eastern Europe.

I recognize that arms control with the Soviet Union could surely contribute to a spirit of détente. What is so distressing, at this time, however, is the lack of arms control progress with the Soviets in any area—be it Indian Ocean, MBFR, or SALT.

Of particular concern to me is the apparent absence of a Soviet commitment to progress in any of the arms negotiations thus far, as well as recent Soviet actions worldwide which are not conducive to the building of confidence and trust so sorely needed in the United States-Soviet relationship. The Soviet Union's unwillingness to cooperate—to participate more fully in arms restraint and the maintenance of worldwide security—not only is creating new anti-Soviet sentiment in America but also jeopardizes détente and its major cornerstone—United States-Soviet strategic arms agreements.

The Soviet Union continues to escalate its imposing military buildup, to export and foment revolution, and to dramatically increase the transfer of arms to radical states, including those of Africa and the Middle East. In the Middle East, the Soviets, through aggressive political and military support for such radical states as Iraq, Syria, and Libya continue to disrupt the prospects for peace, threaten the security of the moderate Arab States and our friend and ally, Israel, and jeopardize an important source of oil to the West. Meanwhile, the Soviets are reportedly violating the SALT I agreement. This manifest escalation in the arms race as well as this lack of good faith—this lack of Soviet sincerity—should make us all wary of Soviet intentions.

I agree with Minority Leader RHODES that—

We should not conclude any SALT II treaty—at least until we have definite proof that the Soviet Union is fulfilling the terms it agreed to in SALT I.

Also, we must be able to assure the American people that the Russians are cooperating on other issues worldwide, before we can, with confidence, conclude a new strategic arms agreement. I submit to my colleagues that if we do otherwise, détente becomes a "form of self-delusion" that could eventually jeopardize the survival of our Nation and our people.●

VIETNAM TO JOIN NUCLEAR COMMUNITY?

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. YOUNG of Florida. Mr. Speaker, for some weeks now I have been presenting information as to how American foreign aid has been getting to India but ending up in Vietnam.

Today, I report to our colleagues, Mr. Speaker, that not only has India been providing wheat and financial assistance to Vietnam, but this same India has now made it possible for Vietnam to join the world's nuclear community. The State Department today confirmed my belief that India has invited Vietnamese scientists to attend the Bhaba Atomic Research Center located near Bombay. This center will provide education and training in nuclear application for the Vietnamese scientists. I haven't been able as yet to determine if U.S. funds have gone directly or indirectly to this nuclear research center, but I will eventually.

Last year's authorizing legislation (Public Law 95-118) for the International Financial Institutions said in section 701:

Further, the Secretary of Treasury shall instruct each Executive Director of the above institutions to consider in carrying out his duties: (b)(3) Whether the recipient country has detonated a nuclear device or is not a State Party to the Treaty on Nonproliferation of Nuclear Weapons or both.

Despite this congressional directive, India is still receiving 37 percent of all commitments made by the International Development Association (IDA), even though India itself has detonated a nuclear device and has not signed the nonproliferation treaty. Despite the fact India refused President Carter's request for the opportunity to inspect India's nuclear operations—we are still going to send them nuclear fuel—continue our aid through the multilaterals and in fact institute a new bilateral direct aid program.

And now this latest revelation—India, a country which has already exploded a nuclear device—is actually going to provide a nuclear education to Vietnam. Mr. Speaker, this is totally unacceptable to me and I am sure to the American people. When this year's foreign aid bill comes before the House. I intend to thoroughly analyze this entire situation.●

VETERANS MEDICAL CARE NEEDS JEOPARDIZED

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. EMERY. Mr. Speaker, as many of our colleagues are aware, the Veterans' Administration is seeking through budgetary restraints to force a reduction of 3,132 beds in the Nation's VA medical facilities. In the State of Maine, the forced reduction will result in a loss of 60 beds at the Togus VA Center, a facility which serves the needs of 148,000 veterans in the State.

I am greatly concerned that veterans services appear once again to be the target of budgetary constraints, but I am equally concerned by an apparent lack of coordination within the VA system. While the administration's VA budget submission for 1979 will require Togus Center's hospital to eliminate 60 beds, that same numerical objective will be achieved through a 5-year modernization program partially funded in the 1979 budget. The administration seems to have ignored this fact in assigning an additional bed reduction requirement to the Center.

It is my belief that the administration's objectives and the medical needs of Maine veterans will best be served by an acceleration of the current 5-year modernization programs at the Togus Center. The VA central office has deferred funding of the major construction portion of the plan until 1983, a time frame which will place project completion too far in the future to meet the immediate bed loss requirements or the medical needs of the 23,000 World War II veterans in Maine who will reach the age of 62 in 1980. As the imposed bed reductions and assigned reduction of 31 job slots at Togus can only be viewed as indiscriminate if not alined with the planned modernization at the Center, I recommend that the reductions be coordinated within the framework of the modernization program.

Our situation at the Togus Center is perhaps exemplary of circumstances which will occur across the country under constraints of the 1979 VA budget submission. As House Veterans' Affairs Committee Chairman RAY ROBERTS and Ranking Minority Member JOHN PAUL HAMMERSCHMIDT stated to me in a recent letter on the subject:

> The inadequacies of this budget request for the VA medical care program are staggering and will adversely affect almost every VA facility in the country.

For the benefit of our colleagues who share this concern, the full text of the letter is reprinted here. I urge my colleagues to contact the Chairman or Committee staff to determine the impact of the budget request on their District and to register their support for assuring the medical needs of our worthy veterans will be met.

The letter follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., Feb. 28, 1978.

HON. DAVID F. EMERY,
U.S. House of Representatives,
Washington, D.C

DEAR DAVID: The analysis of the President's budget for fiscal year 1979 made by the Committee on Veterans' Affairs reveals that Maine will lose 60 operating beds in VA hospitals within the State. This loss will take place unless the funds are restored by the Appropriations Committee and the Budget Committee. Our deep concern that eligible veterans receive the best quality of medical care and treatment prompts this personal letter to you.

The inadequacies of this budget request for the VA medical care program are staggering and will adversely affect almost every VA facility in the country. The President's budget reduces the operating beds in VA hospitals by a total of 3,132 and will result in the reduction of the equivalent of 1,500 employees. Of this bed reduction, 2,500 were mandated by the Office of Management and Budget. The closing of these beds will reduce the number of veterans who would normally receive care in VA hospitals.

The Administration's efforts to contain expenditures are to be applauded. Our difference is in the priorities for such containment. Why is it always the American veteran who is the first to suffer when the budget is tightened?

The Committee's analysis of the budget would indicate that the veterans medical program requires $408.7 million more than the President requested. Unless these funds are restored by Congress, there is no question that the quality and quantity of medical care and treatment to which veterans are entitled under laws passed by the Congress will be reduced to an unacceptable level.

There is enclosed for your information a list of VA hospitals, arranged by State, reflecting the number of beds to be closed because of the President's budget reductions. Also enclosed is a list of programs and projects together with the funds required to maintain the veterans medical program at an acceptable level in both quality and quantity.

Knowing of your past support for our veterans, we thought you should be aware of the proposed reductions; and we seek your assistance in preventing the deterioration of our outstanding veterans medical program that will result if these cuts are allowed to stand.

Sincerely yours,

RAY ROBERTS,
Chairman.

JOHN PAUL HAMMERSCHMIDT,
Ranking Minority Member.●

DEBT LIMIT

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. CONABLE. Mr. Speaker, yesterday the House continued what is becoming an annual ritual of initially rejecting an increase in the debt limit and then a few days later passing a slightly modified version of the previously defeated bill. Since June 1975, the debt limit has come up for increase and renewal six times and, on four of those occasions it has suffered an initial defeat only to be later adopted in modestly varied form.

Quite frankly, while some seem to enjoy this charade, the implications are institutionally demeaning and only serve to prove that the debt limit legislation, taken alone, is meaningless. The debt limit, however, takes on significance when it is put in the real context of the budget process because there it is possible for Congress to affect the debt limit level by altering the spending and revenue totals which determine the debt level in any given fiscal year. In other words, a failure at the budget level comes when line adjustments thereafter are possible and the debt ceiling can have meaning.

Yesterday the House had an opportunity to incorporate the debt limit into the congressional budget process but, by a 277 to 132 vote, it refused to do so when it struck title II of H.R. 11180. The subsequent House action to defeat the debt limit increase verified the wisdom of title II. What we do from now on relative to the debt ceiling will further confirm that our current procedures are purely manipulative and not substantively significant.

I would have personally delivered this earnest message, if you Mr. Speaker, had not dispensed with 1-minute messages at the outset of today's session.●

BUSINESS WEEK TEACHES ECONOMIC FREEDOM

Hon. John E. "Jack" Cunningham

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. CUNNINGHAM. Mr. Speaker, for 3 weeks in July, the Association of Washington Business will again sponsor Business Week. During Business Week, held at Central Washington University in Ellensburg, high school students from throughout my State have the exceptional opportunity to learn of free enterprise from its practitioners.

Since coming to Congress, I have been aware that many Americans, some Government employees, and even some of my colleagues, are not convinced that the free enterprise system is working. They make the mistake of believing that the American worker and the American businessman are on "different sides."

We ought to emphasize what they have in common. The productive American workers keep America producing and the free American businessman keeps America free.

When either the worker or the businessman are stuck with high taxes to finance big Government programs, we all suffer. When either the employee or the employer is set upon by agents of various Government bureaus, the system has a shock run through it.

At Business Week, the AWB assembles an excellent faculty to teach highly motivated and dedicated young people about the ins and outs of our system. Each year, the State Superintendent of Public Instruction, Frank B. Brouillet, assists to see that the program has high educational standards as well. High school principals participate by recommending top students to take a part in the program.

These students spend a week at CWU, learning about every aspect of operating

a business today. They learn theory from those who put it into practice. There is still great opportunity for young people in the private sector of our economy.

I praise the Association of Washington Business for their leadership, as well as the officials of Central Washington University, and people from local school districts. In addition, the individual student who takes part in Business Week is to be commended for the public spirit that they show in attending this fine program.●

APPEAL FOR RESTORATION OF INDEPENDENCE TO ESTONIA

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. WALGREN. Mr. Speaker, February 24, 1978, marked the 60th anniversary of the proclamation of the independence of the Republic of Estonia. In commemoration of this historic date, I would like to draw the attention of my colleagues to an appeal for human and national rights in Estonia issued by the Estonian American National Council.

I have a great deal of admiration for the Estonian people and their noble struggle for national independence. The text that appears below reminds us of that quest:

APPEAL FOR RESTORATION OF INDEPENDENCE TO ESTONIA

(From the Estonian American National Council)

On February 24, 1918, Estonia proclaimed her independence, establishing thereby the basis for the free and independent Republic of Estonia. On the sixtieth anniversary of that historic event, it is appropriate to recall certain facts about the Estonian people and their land.

Since time immemorial, the Estonians have lived in their present geographic location on the east coast of the Baltic Sea. They belong to the Finno-Ugric race and speak their own language, Estonian, which is related to Finnish. The Estonians have no relationship to either the Slavic or Germanic peoples or their languages. Their strong sense of national unity and cultural distinction have carried them through all previous periods of foreign oppression and exploitation. In the latter part of the 19th century, their national consciousness became a particularly forceful element which eventually led to the creation of the independent state of Estonia.

The establishment of the independent Republic of Estonia was possible only after the Soviet Red Army was driven from Estonia in the War of Liberation, which lasted from November 28, 1918, to February 2, 1920, when a peace treaty was signed at Tartu, Estonia, in which Soviet Russia renounced forever any claims to the territory of Estonia. There followed several other basic treaties between Estonia and the Soviet Union:

1. The Pact of Non-Aggression and Peaceful Settlement of Conflicts, dated May 4, 1932.

2. The Convention of Conciliation, dated June 16, 1932

3. The Convention for Definition of Aggression, dated July 3. 1933.

The Soviet Union and Estonia were also parties to the Kellogg-Briand Pact on renunciation of war as an instrument of a national policy signed at Paris August 27, 1928, which is still on the list of treaties in force.

In spite of these solemn treaty obligations, the Soviet Union, without any scruples, decided to liquidate the independence of Estonia as well as of Latvia and Lithuania. On August 23, 1939, Stalin and Hitler agreed to divide Eastern Europe. In the first stage, the Baltic States were forced to agree to the establishment of Soviet military and naval bases on their territories and about 9 months later, Estonia, Latvia, and Lithuania were unilaterially declared Soviet republics and annexed to the Soviet Union.

To camouflage this takeover of an independent country, the Soviets staged so-called "elections," completely disregarding the Estonian constitution and election laws, and presented to this illegally elected body prepared resolutions about Sovietization of the entire country. Finally, a delegation of this body was ordered by the Soviet to be sent to Moscow to "request" the Kremlin to incorporate Estonia as a part of the USSR.

In the history of the world, there has never been a country that would voluntarily renounce its own freedom and independence and submit itself to the overlordship of a foreign ruler. But that is exactly what the Kremlin is trying to tell the world, claiming that the Baltic States joined the Soviet Union voluntarily. How ridiculous such a claim sounds when we observe scores of nations emerging from colonial rule and insisting on their right to self-determination and independence.

As far as the people of Estonia are concerned, they have suffered incalculable human and material losses since the start of the Soviet occupation. Tens of thousands of Estonians from all walks of life have been deported to remote areas of the Soviet Union or liquidated by secret execution squads. All of the freedoms enjoyed by the citizens of Estonia under their own constitution have been abolished, and the authority of the Soviet government and the secret police has become the rule of the land.

More than 75,000 Estonians have managed to flee from the Communist terror in their homeland and are now living in various parts of the free world. They are deeply concerned about the future of their ancestral homeland and they feel morally obligated to speak out on behalf of the people of Estonia.

Confirmed reports from Estonia show that Russianization of the country is proceeding with full force. Thousands of alien people are being brought in as "necessary workers" to mix with the local population. The Estonian language is being relentlessly pushed into secondary place. Communist literaturer and propaganda are trying to raise young Estonians as obedient servants of the Kremlin. However, the Estonian nationalist spirit is fighting back everywhere. In the last few years, there have been many occasions where the youth of Estonia have shown a strong national will of resistance through demonstrations and appeals to the free world. Many of them have been arrested and sentenced to hard labor as dissidents of the Soviet Union.

The Final Act signed in Helsinki declares that the inherent dignity and equal and inalienable rights of members of the human family lie at the foundation of freedom, justice, and peace in the world, and the right of self-determination for every nation is the goal of mankind.

Keeping these principles in mind, all freedom-loving Estonians are united in their determination for the restoration of the independence and national rights of Estonia. On the anniversary of the proclamation of Estonian independence, all Estonians appeal to world public opinion to support them in this struggle for freedom and justice.●

"PASSIVE" SOLAR SYSTEM PROVES COST EFFECTIVE IN HEATING AND COOLING BUILDING

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. MOAKLEY. Mr. Speaker, the Massachusetts Institute of Technology (MIT) recently revealed the completion of the Nation's first totally "passive" solar heated building.

This system incorporates the use of our most abundant resource—the sun. Passive solar structures are efficient, cost effective ways to heat and cool buildings. They have the ability to store energy where the sunlight strikes and can retain the Sun's warmth during the winter blocking the building from unwanted heat in the summer.

Jean Dietz of the Boston Globe wrote about MIT's advancement in solar development and I would like to share it with my colleagues:

MIT SYSTEM COULD PROVIDE TOTAL NEEDS—"PASSIVE" SOLAR HEAT A FIRST

(By Jean Dietz)

The nation's first totally "passive" solar-heated building—one with no moving parts and requiring no expensive support systems—was unveiled yesterday at the Massachusetts Institute of Technology. It is expected to derive 85 percent of its heating needs from sunlight.

The experimental building, already in use as a classroom, collects, stores and radiates heat using only its own building materials.

The building's new, "natural" approach to solar heating, which does away with mechanical equipment such as solar collectors, pumps and fans, will be "far less costly" than systems now in use, predicted Timothy E. Johnson of MIT's Department of Architecture, who heads the research project.

The building's solar heating components, including ceiling tiles with a chemical core, a new type of window and sunlight-reflecting louvers (venetian blinds), are expected to pay for themselves in five to 10 years by reducing heating costs.

Other solar-heat systems take 30 years to pay back the initial investment, Johnson said.

Sean Wellesley-Miller, the assistant professor of environmental controls who led the research team with Johnson, said, "the potential lies in these building materials that in an average year, you could get by with 100 percent solar heating."

A one-story building of 900 square feet, such as the new model, would cost approximately $28,000 to construct, Johnson said. Of this amount, approximately $1500 would pay for the investment in solar-heat materials. A structure the same size would need 400 square feet of flat plate solar collectors to provide the same heat, at a cost of about $5000.

Polymer concrete ceiling tiles, 2 feet square and 1 inch thick, are the most important component of building's heating system.

The tiles contain a chemical core—a combination of sodium sulphate and water, processed silica, and other chemicals—which stores a day's heat and then releases the retained heat as needed.

The core maintains a near-constant room

temperature of about 73 degrees. It gives off heat and freezes to a solid state during the night, then thaws to a liquid as it takes on heat during daylight hours.

The new ingredient in the core, the silica, known commercially as Cab-O-Sil, is produced in Billerica by a division of Cabot Corp., a Boston-based company.

The silica "prevents formation of ice crystals and maintains uniformity as the core contents alternate in freeze-thaw cycles," explained Kenneth A. Loftman, marketing manager for Cabot's Cab—O-Sil division.

The ceiling tiles, marketed under the trade name Sol-Ar-Tile, are made of waterproof polymer concrete readily colored and textured to resemble other building materials.

The tiles were developed at MIT with the assistance of Architectural Research Corp. of Livonia, Mich. Some of the heat-collecting tiles have also been installed in settees below the windows in the solar-heated building.

The new type of window used in the building loses one-fourth the amount of heat of ordinary double-pane glass but there is a 20-percent reduction in transparency.

"Most of the heat loss in any building is through the windows, especially at night." Johnson said. "The fact that the windows let in slightly less solar energy because of the 20 percent loss in transparency is insignificant when measured against the fact that you are losing much less heat than would normally be the case."

The thermal resistance of the newly developed window is achieved through plastic material called the Heat Mirror, developed and manufactured by Suntek Research Associates of Corte Madera, Calif. The window panes were supplied by PPG Industries of Pittsburgh.

The Rolscreen Co. of Pella, Iowa, provided the special window louvers that reflect sunlight directly into the ceiling tiles. Developed at MIT, the blinds are extremely narrow and mirrored on their upper surfaces to transmit the optimum level of solar energy for absorption by the tile cores.

"You adjust the angle of the blinds about once a month with a simple thumb-wheel to account for changes in the sun's position," said Johnson. That's the closest we come to having any mechanical element in the total system."

Supplemental heating is supplied by simple electric heaters, chosen because their output can be measured exactly. But Wellesley-Miller predicts the day will come when, even in New England, supplementary heat will not be necessary.

Porter said the building project represents more than five years of research.

Funds for construction, materials and labor were provided by MIT's Godfrey L. Cabot Solar Energy Fund, a gift made by the late industrialist in 1938 which has led to construction of five experimental houses over the years.

Participating companies supported the project by fabricating or supplying materials specifically designed for the experiment.

Dean William L. Porter of the MIT School of Architecture, described the project as a prime example of how universities and industry can collaborate in research and development to achieve an end product that might be beyond the capabilities of either one of the partners."●

TRIBUTE TO LA TRIBUNA

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. RODINO. Mr. Speaker, I want to pay tribute to a person who has meant a great deal to the Hispanic community in my home State of New Jersey. Mr. Carlos G. Bidot is the director and founder of La Tribuna newspaper, which he publishes from Newark. This Saturday, March 11, marks the 16th anniversary of that great newspaper.

On October 27, 1969, Carlos G. Bidot came to America from his native Cuba. He settled in Newark, N.J. and in less than 2 years began publishing La Tribuna, which is now the oldest Hispanic newspaper in New Jersey.

Throughout the last 16 years, La Tribuna—circulated state-wide—has enriched the lives of thousands of Hispanic Americans with its high caliber reporting and informative style.

As a friend, I know Carlos Bidot to be a dedicated publisher and a very sincere individual. He continues to live in Newark with his wife, Lidia, and his children, Gabriel and Salvatore. When one inquires why Carlos began La Tribuna in Newark and why he continues there, he replies simply:

I believe in Newark and I want to help make it better.

Those of us who are familiar with La Tribuna recognize Carlos's contributions, not only to his fellow Hispanic Americans, but to all citizens of New Jersey.

Mr. Speaker, I salute him and the entire La Tribuna staff for a job well done.●

JAPANESE PORPOISE SLAUGHTER, A BRUTAL TRAGEDY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. ANDERSON of California. Mr. Speaker, like so many Americans I was deeply shocked last month by the slaughter of 1,000 dolphins on Iki Island, Japan.

The U.S. Government in the past has shown a willingness to risk the economic health of our own tuna fishermen in order to save these same animals. Yet U.S. fishermen do not intentionally kill these animals—indeed, they take extreme measures to save them from drowning in their nets.

At Iki Island, the dophins were lured to the shore and then clubbed and stabbed to death. The only word of protest by the Japanese Government was a warning that dumping the bodies of the porpoises at sea violated a pollution law. Of course, the Government was hardly in a position to protest the slaughter—they pay a $12 bounty for each slain dolphin. And the fishermen are now trying to get that bounty increased.

Every U.S. environmental group has protested this act, and rightly so. While we try to conserve the porpoise—an animal that roams freely through the seas around the world—it seems incredible that other nations would systematically encourage their elimination.

U.S. tuna fishermen operate under strict regulations designed to protect the porpoise from harm. They compete against Japanese vessels for the same resource, and share the U.S. tuna market with them. It seems incredible to me that our Government can go on enforcing these regulations while ignoring policies by other nations that in effect cancel its effectiveness. For if the Japanese Government pays a bounty for dead porpoises at home, I cannot see how they can be very concerned with saving the porpoise in international waters.

Japanese seafood products, such as tuna, continue to arrive at our markets. Perhaps it is time that we take a hard look at our participation in purchasing that catch. This action should cut down on the number of porpoise currently being killed by Japanese fishermen and protect our domestic fleet.●

THE COAL STRIKE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for March 8, 1978, into the CONGRESSIONAL RECORD.

THE COAL STRIKE

It is good news to all Hoosiers that a negotiated settlement has been reached in the coal strike. Everyone hopes that the tentative agreement will be promptly ratified in the coal fields, and that the hardships Hoosiers have experienced may soon be at an end.

Indiana was hit hard by the strike because it ranks third among the states in dependence on coal. We all know what effects the strike has had in Indiana, but to understand why the strike took place and why it has been so difficult to resolve we must first understand the basic situation in the coal industry.

For decades coal operators and miners have felt that they were part of a dying industry. Prices were low, employment was dropping, consumers preferred gas and oil, management was often short-sighted and miners were restless. Then, the country discovered how much it needed coal. Along with nuclear power, coal became a keystone of the new energy policy. In order to meet the demand for coal, the operators wanted to reshape labor-management relations in the industry by strengthening their control over a fiercely independent work force. The miners, of course, were suspicious of the proposed change. Their union was weak and they wanted above all to preserve the unauthorized local strike as a weapon against arbitrary employer practices. The combination of factors was simply too much for the collective bargaining process to bear and contract negotiations became deadlocked.

At first, President Carter took a "hands-off" attitude toward the stalled contract talks. He obviously did not want to intrude into the collective bargaining process. But as the deadlock continued and the pressures for settlement mounted, the government posture shifted from one of mediation and conciliation to one of intense presidential pressure. The pressure culminated in the President's dramatic announcement on network television that the impasse had been broken.

In applying this pressure, the President was faced with three unappealing alternatives—a Taft-Hartley injunction, seizure of the mines or binding arbitration—to get coal production resumed. None of the alternatives was preferable to a negotiated settlement, but each was better than a prolonged stalemate. Under the Taft-Hartley Act the administration would seek an 80-day back-to-

work order from a federal court, and then hope that it would be granted by the court and honored by the 160,000 striking miners. This option was uncertain because a court might not have found a national emergency in the largely regional impact of the strike. Also the miners probably would have ignored a Taft-Hartley order as they have three times in the past. Under the second option the government would seize the mines and the miners would return to work while federal officials negotiated a contract on behalf of the coal operators. Delay would have resulted as Congress worked on complex legislation and a dangerous precedent of government involvement in labor-management affairs might have been set. The third option would require both sides to submit to a contract "dictated" by an impartial, independent party. Organized labor would have bitterly resented such intervention, and in any case there would have been a delay while Congress legislated the procedure.

The coal strike could have a major impact on the economy. Under the proposed agreement the price of coal will surely rise and anti-inflation policy will be dealt another blow. In addition, the basic problems of the coal industry have not really been resolved. Further efforts must be made to deal with the issues of benefits, work rules and health and safety standards. Labor-management relations in the coal fields must be improved and labor productivity must rise. Nonetheless, the negotiated settlement will be a victory for both collective bargaining and free enterprise if it is approved. It confirms the confidence many of us have that a voluntary process works best to resolve our most difficult labor-management conflicts. It also suggests that those voices urging government intervention, whether by invocation of the Taft-Hartley Act or seizure of the mines, were advocating a premature action which very probably would have led to resistance, violence and no increase in coal output. Of course, drastic action will be necessary if the miners fail to ratify the negotiated settlement.

The impact of the coal strike on energy policy is hard to judge since one of the basic aims of the energy legislation before Congress is to force many utilities and factories to switch from oil and gas to coal. If such a switch were made, the United States would be more vulnerable than ever to the effects of a disruptive coal strike Even so, American oil imports will continue to rise, thus exposing the nation to the grave risk of a supply embargo, unless industry does burn more coal. By dramatizing our vulnerability, the coal strike may shake the energy legislation from the congressional doldrums in which it has been stuck. The coal strike may also push the country toward a heavier reliance on nuclear power.●

LIMIT AMOUNT OF FINANCIAL SUPPORT

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. MARTIN. Mr. Speaker, while I had intended and was waiting to present this explanation to the Members, the lack of time under the 1-minute rule requires me to simply insert this under extension.

My purpose in earlier using the rules of the House to invoke a quorum call of the House was to disrupt the House Committee on Administration. That distinguished committee is trying to rush through, without hearings, a very partisan bill. They want to limit the amount of financial support the minority party may give its candidates to no more than that which the majority party can raise for its candidates.

They are greedy, Mr. Speaker. They now have a 2-to-1 partisan majority in the House and they are not satisfied. They want to crush the opposition by limiting its resources.

It would not be so bad if they proposed to limit the resources of both parties, but, no, they only pick on the few advantages which the minority has succeeded in gathering.

There is no tradeoff of giving us advantages in the majority parties' resources. They have access to enormous in-kind support from labor union efforts which run get-out-the-vote campaigns only in precincts which are favorable to the majority party. The majority in the Administration Committee does not propose to give up, share, or limit this advantage. They do not even want to report its magnitude.

Everybody knows that there "boiler-room" operations are effective in supporting the majority party. What we do not know is how large they are. How much dues money is spent and not reported?

The Administration Committee needs a bit more exposure for what it is trying to do to two-party politics.●

JEFF TECH BASKETBALL CHAMPIONS

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. APPLEGATE. Mr. Speaker, I am pleased to bring to the attention of the House of Representatives an event of which the people of Jefferson County, Ohio, can all be proud. For the second year in a row, the Jeff Tech basketball team of the Jefferson County Technical Institute has won the Ohio Technical College Athletic Association State championship. This is, indeed, an achievement to note.

This team's strength and talent is demonstrated by the fact that their record this year was 17 wins and 4 losses and that they have lost only 4 games to technical schools in the last 4 years. The young men who played this year are certainly worthy of recognition. The roster included John Paulowski, Jeff Hilt and Craig Anderson, who are the team's tri-captains; Dave Dittmar, most valuable player of the State tournament, John Hagerty, Clay Edgerly, Mark Valenti, Bill Delaney, Pat Ware, Jack Cagot and Rich Pompa.

As much as strong, talented players are necessary to earn a championship, so is a knowledgeable coaching staff. Head Coach Dennis Vince has completed 7 years as coach at Jeff Tech and has been very successful. He is assisted by Greg Antinone, a former Jeff Tech player, and Tim Trudo as statistician.

Mr. Speaker, these men have demonstrated what teamwork is all about. It has taken the efforts of all concerned to achieve this championship. What these men have learned on the basketball court will, I am sure, be very applicable to any situation they will face.

On behalf of the people of Jefferson County and the entire 18th Congressional District, I congratulate these men on their efforts.●

A TILT TOWARD WASHINGTON

HON. WILLIAM L. ARMSTRONG

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. ARMSTRONG. Mr. Speaker, the latest issue of the quarterly periodical published by the Advisory Commission on Intergovernmental Relations takes a look at Federal-State relations as they developed in 1977. Their conclusion is that actions taken last year or trends which became more apparent in that year, all indicate a title toward Washington in our federal system. For those who may have missed it, I recommend ACIR's article entitled, "The Unresolved Questions."

As passing reference, I must also note the irony of ACIR's position. While Commission provides us with a thoughtful discussion on the evolution of the American federal system and flags a trend toward recentralization, over the last few years ACIR itself has been unable to secure a more substantial contribution from the States and continues to rely almost totally on congressional appropriations to support its basic operations.

The article follows:

[From the Intergovernmental Perspective, Winter 1978]

THE UNRESOLVED QUESTIONS

From the standpoint of intergovernmental relations, 1977 will be remembered as a year of bold beginnings, unfinished work, and lingering uncertainties. After weathering a series of foreign and domestic crises, the federal system was put to a different test—dealing with a period of relative political stability and economic recovery. To be sure, critical problems existed—energy, environmental quality, and urban fiscal conditions—but they did not overwhelm the political agenda. Instead of being preoccupied with responding to various crises, the Nation's political leaders had the interest and time to consider reforms in basic governmental institutions and processes.

The initiatives taken during 1977 were largely in response to the high level of public expectations generated during the election campaigns the previous year. Particularly at the national level, the defeat of the incumbent President was considered by many observers to be a signal that citizens were no longer satisfied with "politics as usual," and that it was time for major change. The spotlight was turned on Washington, D.C.

Many of the changes which were launched during the year—reorganization, zero-based budgeting, sunset legislation, and merit system reform—went to the essential "nuts and bolts" of public management. Others—such as the Carter Administration's emerging urban policy and the fiscal 1981 balanced budget goal—sought to substitute systematic and coordinated policy development and implementation for "quick fix" solutions to the Nation's problems. These were significant ac-

tions, having potentially significant consequences.

While the President scored some successes on the budgeting, grant management, reorganization, and intergovernmental consultation fronts, expeditious action did not occur on many major domestic policy issues. Even where there was general agreement within the executive and legislative branches on what basically needed to be done to respond to certain national problems, there was little consensus on how to do it—and, in the process, "whose ox should be gored."

These differences, coupled with an absence of a severe crisis as a catalyst for decisionmaking, took a toll. The President's popularity rating in the polls dropped. The Congress as an institution was thought by many to be ineffective, even though in the view of others it has been the chief molder of the intergovernmental system for at least two years. The political parties remained practically invisible. And, the media expressed concern that the sheer abundance of Presidential initiatives had clogged the policy pipeline, and reflected on its earlier apprehensions about domination of the decisionmaking processes by a Congress and President of the same party.

In the absence of significant actions on proposals to make major changes in the status quo, uncertainties developed. Citizens wondered if the Social Security System would survive; whether income taxes would be raised or lowered; and if they would have to wait in lines at the gas pump, or would have adequate supplies of energy for home heating. Local government officials wondered what would happen if "temporary," federally funded employment, training, and public works programs were not extended; and if grants for other purposes would decline as federal deficits mount and the Administration seeks to achieve its balanced budget goal during the next two years. State government officials also wondered about the future of federal aid, and especially whether the recent growth in direct federal-local grants would continue to undermine their position as the overeers of local government. The Congress wondered why the President was not more willing to communicate, cooperate and compromise. The President wondered why the Congress was unable to move on his domestic legislative proposals in a timely manner. And, public employees wondered about the effects of proposed changes on the organizational, budgeting and personnel fronts on their tenure and turf.

These uncertainties are not inconsequential. Taken together, they indicate doubts in many quarters as to where the federal system is heading. Four basic questions which were raised in 1977, but not resolved, highlight these concerns.

Is Authority Being Decentralized or Recentralized?

Unlike the previous three national administrations, the first year of the Carter Administration did not reveal a clear preference or shift toward decentralization or centralization of decisonmaking authority. Instead, mixed signals were given. The President's memorandum urging departments and agencies to consult regularly with state and local governments in their policy, management and financial decisionmaking suggested that the decentralization thrust of the Nixon and Ford Administrations, would continue. Statements by Jack Watson, the head of the White House Intergovernmental Affairs Office, underscored this apparent commitment on the part of the Administration to genuine communication, consultation and coordination with state and local representatives. The fact that the President was a former Governor lent additional credence to this position.

On the other hand, actions taken by the Administration during the year raised some basic doubts about these developments. Soon after President Carter took office, an assessment of the Federal Regional Councils (FRCs) was launched; while the results indicated the need for some form of regional "presence" and FRCs were given an additional "probationary" year, neither state or local officials nor federal administrators were clear as to whether FRCs ultimately would be continued and, if so, what role they would play in federal aid administration. Of even greater concern to some observers was the action by the Secretaries of HEW, HUD and Labor to strip their regional offices of any real authority over grant decisions, and the moves by the Attorney General to close the LEAA regional offices and by the Secretary of the Interior to abolish the regional representative offices. These decisions, which for the most part were made without consultation with state or local officials, suggested a recentralization of authority at the national level.

The attachment of various across-the-board requirements to grant programs such as antidiscrimination, citizen participation, environmental quality, prevailing wage rates, uniform relocation, merit principles, A-95 review and comment, historic site preservation, and freedom of information also has complicated intergovernmental relationships. While, taken individually, some of these requirements may be desirable, their cumulative effect often has been to delay the implementation of programs, raise administrative costs, or force jurisdictions out of the federal aid business. These procedural strings represent further centralization of decisionmaking at the national level and, to some observers, reveal a basic distrust on the part of the federal government regarding the motivations and capabilities of state and local officials.

Are Local Governments Becoming Too Dependent on Federal Aid?

One of the major ironies of the 1970s is that despite avowed efforts to curb governmental growth at the national level, the number of federal programs and the dollar amounts of grants-in-aid have burgeoned. Although the grant system has been growing rapidly since the mid-1960s, it has taken a quantum leap in the past few years, largely in response to economic crises triggered by the recession and rising energy costs. As a result of this devolpment, federal aid now accounts for a substantial portion of the revenues of many governmental units. The intergovernmental "partnership" has been expanded greatly by the newer forms of assistance, especially general revenue sharing and countercyclical aid, so that virtually all states and localities now receive some federal financial assistance. And, the gap between the pleasure of spending and the pain of taxing has been widened considerably.

Particularly due to the Carter Administration's "stimulus package" programs, federal aid now accounts for about half of the own-source revenue of the large central cities of the country. To some, these jurisdictions increasingly are becoming the "creatures of the state and the fiscal wards of the federal government." In view of the political clout of these units in the Congress, there is ample reason to question whether the "temporary" stimulus programs can be phased out. If indeed this is the case, further doubts may be cast on the President's desire to achieve a balanced budget. Moreover, the direct dealings between Washington and city hall have placed the states in an awkward "odd man out" position. To some students of federalism, this phenomenon has stood traditional federal theory on its head.

Has the Recent Increase in Federal Aid Eroded The States' Power Position in the Federal System?

The states traditionally have occupied a pivotal position in the grant system; approximately 70% of all federal aid currently flows through the states, and state agencies have significant planning, fund disbursement, and administrative responsibilities in many federally assisted programs. While bypassing can be traced back to the 1930s, the "direct federalism" of 1977 has a number of distinctive features. First, substantial amounts of funds go directly to local governments—almost 30% of the FY 1976 aid total. Secondly, most of these monies are discretionary and highly fungible in nature, in the sense that recipients enjoy wide latitude in determining how they are to be used, both on paper and in practice. These two factors create management, as well as policy, headaches for the states, as coordination of plans and projects, monitoring of expenditures, development of statewide strategies, and accountability for the use of funds are greatly impeded.

Perhaps most troublesome—and ironic—is the fact that bypassing has accelerated at precisely the time that most states have modernized their executive and legislative branches along the lines advocated by reformers over the years. Even more frustrating is the fact that many of the innovative federal management approaches which command national headlines—reorganization, zero-based budgeting, and sunset legislation—were pioneered by the states.

One major outcome of this reform movement is a state government that is presumably more able to assist local governments—particularly in urban areas—in solving their problems. The record shows that a number of states have made significant strides to unshackle local governments, increase financial aid, establish departments of community affairs, and formulate urban development and conservation programs. Yet, these state actions seemingly have gone unnoticed by many in the Congress, the Carter Administration, and local government. Once again, the states appear to be on the defensive when it is time to justify their role as recipients and administrators of federal aid, and as the middlemen of the federal system.

Will the Courts Step In and Maintain "Balance" In the Federal System?

Over the years, the courts increasingly have become involved in the intergovernmental "political thicket." Reapportionment, school finance, service equity, land use, employment conditions, and other cases have underscored the growing role of an "activist" judiciary in policymaking and administration. This particularly has been true with respect to trial, district and appellate courts. At the same time, the U.S. Supreme Court under Chief Justice Warren Burger, has moved to reassert the judiciary's more traditional roles of arbiter and controller of conflict within, as well as between, the federal, state and local governments.

In this capacity, some of the Court's recent decisions have taken on a landmark significance for the federal system. The 1976 *National League of Cities vs. Usery* case is the foremost recent example. Here, the U.S. Supreme Court prohibited the extension of the *Fair Labor Standards Act* to cover state and local employees on the grounds that such action would impose extraordinary costs on these jurisdictions and would be a form of federal mandating that was incompatible with the Tenth Amendment of the U.S. Constitution. On the other hand, in December, a federal judge refused to block implementation of the *Unemployment Insurance Amendments of 1976*, which extended federal unemployment compensation to state and local employees, even though it was contended that this law was an unwarranted and costly intrusion on state sovereignty and would likely lead to curtailments in services and dismissals of employees.

Whether subsequent decisions will strengthen the states' position or undercut it remains to be seen. Although there has

been a marked trend toward judicial activism, partly in response to the tendency of policymakers to rely on the courts to resolve tough policy and political issues, the courts still remain the arbiters of the system. Recent developments regarding federal aid conditions, preemptive legislative and regulations, and mandating actions indicate that the dockets will be filled with cases of significance to the future of federalism.

A TILT TOWARD WASHINGTON

Our federal system never has been completely decentralized or completely centralized. Federalism, after all, involves a dynamic and delicate balance between these forces. This balance shifts in response to changing social, economic and political conditions and the philosophies of the Nation's political leaders.

Many observers of federalism believe that during the first half of the 1970s, power in the intergovernmental system seemed to shift more in the direction of decentralization than centralization. To be sure, there were major examples of action of the latter nature—such as the 55-mile-per-hour speed limit, air and water pollution standards, occupational safety and health regulations, and various energy conservation programs. But during these years, policymakers at all levels were concerned about how the system could be wound down—how power, funds and responsiblity could be returned to states and localities. General revenue sharing, block grants, and the Federal Regional Councils illustrate this desire to decentralize.

Today, there is evidence that a different intergovernmental balance is being sought. The increasing tendency to define "national interest" to include virtually any activity that was at one time the exclusive domain of state or local governments, the explosion of federal aid and attendant conditions, the leapfrogging of state governments, the recalling of authority from federal agency field offices, the involvement of a variety of new local participants in the grant system, and the tightening of strings associated with general revenue sharing, all have raised concerns about this development. While most of these trends began to emerge years ago, 1977 was the year in which their broader implications began to be recognized and understood.

Unquestionably, the role of the federal government in the day-to-day lives of most citizens and most state and local governments has grown. Fiscally and functionally, the federal government is becoming more and more the senior partner in intergovernmental relations, and grants-in-aid have become the cornerstone of the system. There is still a tremendous amount of interaction within and between the levels, and states and localities still play major roles in public service delivery. But there are clear signs of recentralization. While it is too early to determine how far it will go, the flow of intergovernmental power, funds and responsibility has begun to move in a different direction.●

COURT DECISION SHOWS NEED FOR FEDERAL TRUCK STANDARDS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. FINDLEY. Mr. Speaker, today I urged in a letter to the chairman of the Public Works and Transportation Committee, Mr. JOHNSON, that hearings be held soon on my bill to provide uniform Federal weight and size standards for trucks. This step is urgently needed, because a recent Supreme Court decision could lead to the end of all truck weight and size standards that State governments now enforce. State standards are not uniform, confuse truck drivers who try to adhere to them, and cost the Nation's consumers millions of dollars in unnecessary transportation costs. But conditions on our highways would be unbearable with no truck weight and size standards whatsoever. Following is the text of my letter to Mr. JOHNSON:

In a recent 8–0 decision the Supreme Court ruled that an attempt by the State of Wisconsin to outlaw twin trailers on trucks was an unconstitutional interference with interstate commerce.

The Supreme Court ruled that Wisconsin had not upheld its claim that twin trailer trucks present a safety hazard. The Court carefully avoided applying the Wisconsin case to other states as a precedent. But lower courts will be hard pressed to reject its logic in cases challenging truck regulation by other states. That decision makes my bill, H.R. 9369, to provide uniform federal truck weight, length, and width standards more desirable than ever. I hope you will be able to schedule hearings soon.

A breaking down of state regulations would have one benefit. The confusing checkerboard of truck regulations would be wiped clean. Transcontinental truckers would no longer need to reduce their load weight and truck length to travel on the roads of states with unreasonably low regulations.

But the Supreme Court decision, if applied generally, would result in no regulation of trucking at all. Few, least of all responsible truckers, want to open the highways to unlimited truck weight and size.

The obvious answer to the problems that existed before the Wisconsin decision and to the problems created by it would be for the federal government to establish uniform standards, as provided for by my bill. The time is right to move the bill forward in the legislative process.●

B–1 VOTE A MOCKERY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. DORNAN. Mr. Speaker, on many occasions I have addressed this House about the importance of the B–1 aircraft to our national defense. And on more occasions than not, I have been proud of the way in which this body stood its ground in the face of unrelenting pressure from the White House and the politicized military to cancel B–1 production. As most of us are well aware, that type of pressure—which promises political reprisal for noncooperation—is hard to resist when it comes from as powerful an adversary as the administration. Never has this been more true than during the last vote on the B–1, February 22.

But more onerous than the heavy-handed way the administration dealt with the Members who supported the aircraft, was the back-door method it used to give notice to them. Private telephone calls from Pennsylvania Avenue to Capitol Hill were frequent: "Don't forget that your district's pet project is in this supplemental bill, too. It would be a shame for it to be vetoed just because the B–1 rescission fails." It was just more pork-barrel politics as usual.

There may be a few people in the administration who think that the American citizenry is blind to this type of arm twisting, that it remembers only the campaign promises of "no more politics-as-usual," but those administration people are wrong. The American people will not be duped. They will not be fooled by the same old back-scratching tricks. They will not believe the White House rhetoric that this is a great victory for the prestige of the President. Nor will they believe that it shows how effective an administration he has.

The spirit of the American disillusionment, not only with the B–1 defeat, but with the means the President used to defeat it, was captured in a recent editorial in the Santa Monica Evening Outlook. I include it to be reprinted here as part of my remarks and as an example of what is in the minds of the American people who look behind the public relations pap the administration is doling out about its B–1 "victory":

B–1 VOTE A MOCKERY

(By Reed McClure)

That 234–182 vote of the House of Represenatives killing the B–1 bomber may represent a political victory for the Carter administration. But it does little credit to the White House.

The bill cutting off $462 million in funding for the fifth and sixth aircraft was a piece of political chicanery. What happened was that House leaders attached a measure banning further production of the B–1 to a totally unrelated appropriation bill which, among other things, included $4.5 billion for sewage plant construction, $1.5 billion for draught relief, $200 million to help the needy pay winter fuel bills, $18 million to retain some money-losing Amtrak passenger train routes and $103.3 million in relief for refugees from Indochina.

Obviously, it was difficult for many congressmen to vote against all those appropriations, even though a good number of them supported the B–1 in the past. So, the B–1 was sacrificed on the altar of pork-barrel politics. With it will go a lot of jobs—and time this nation can ill-afford to spare if it hopes to maintian anything approaching strategic equivalency with the Soviet Union.

On the other hand, the vote was not a total victory for the shortsighted and military naive Carter administration. The bill also contained $800 million for the Clinch River nuclear breeder reactor power plant in Tennessee—a facility Carter doesn't want.

President Carter therefore is in no position to gloat. On the contrary, he should feel chastened by the fact that he was able to have his way on the B–1 only because he approached the Congress through the back door. If the fate of the B–1 had been decided strictly on its merits, the outcome might have been different.

None of this, of course, reflects favorably on the congressmen who went along with the White House's devious tactics. Nevertheless, we would like to hope that the political need for such a strategy demonstrates that there still remains on Capitol Hill a strong reservoir of support for vital defense programs—and the B–1 still has a chance.

Perhaps Mr. Carter believes that the decision to scuttle the B–1 will cause the Soviet Union to take a more moderate stance during SALT negotiations. However, we suspect that this act of unilateral disarmament on the part of Washington only will encourage the Kremlin to demand further dangerous concessions from the United States.●

HUMPHREY-HAWKINS ILL ADVISED

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. BURGENER. Mr. Speaker, one of the most critical issues before us is the current debate on the Humphrey-Hawkins legislation. I want to share with my colleagues a most provocative and penetrating article by Dr. Raymond J. Saulnier, who is professor emeritus of economics at Barnard College, Columbia University. He was chairman of the President's Council on Economic Advisers in 1956–61. The article was published in the San Diego Union on February 26, 1978.

I fully subscribe to Dr. Saulnier's well-thought-out views and believe that the passage of this legislation would be a long step down the road to total Federal management of our economy, with its resulting loss of freedoms and economic growth.

THIRD TIME NO CHARM ON HUMPHREY-HAWKINS

(By Raymond J. Saulnier)

The Humphrey-Hawkins bill is before Congress now in a third revision, this time with White House support, and a considerable push is on to have it passed. Basically, it would commit the federal government to a goal of reducing unemployment within five years to not over 4 percent for all workers 16 and over (3 percent for those 20 and over)—rates not seen in peacetime since 1957—and would require all efforts of government, including those of the Federal Reserve System, to be directed to that end.

The President would be permitted under certain circumstances to modify the goal, but, barring that, it would be the overriding consideration in shaping public policy.

In my judgment, the bill should not be passed. It is not that its purpose is wrong—no one can argue with a resolve to reduce unemployment. What is wrong with it is the methods it would employ to achieve its purpose.

First, it is a pure and simple federal spending approach to the problem of reducing unemployment. Instead of trying to promote the increase of self-supporting jobs in private business and industry, it would meet the problem by supplying federal or federally supported jobs. A job paying what it calls "fair rates of compensation" would be declared a "right" of all Americans of qualifying age, with government the employer of last resort.

The effect would be to lodge large numbers of people more or less permanently in make-work federal jobs. More than that, the compensation standards of the bill are such that it would almost certainly aggravate the problem it is designed to solve by drawing people out of jobs in the private sector into one or another of the federal programs, and increasing the labor force over what it would otherwise be as individuals only marginally interested in paid employment were drawn into the job market. In short, any expectation that Humphrey-Hawkins would make meaningful progress toward reducing the unemployment rate except through an enormous increase in make-work jobs at massive federal cost is destined to be disappointed.

Second, it would be inflationary, not immediately but surely before long. If the bill were to do what it proposes to do, it would increase federal spending by massive amounts, swell federal budget deficits and cause money supply to increase still more rapidly. By increasing demand while making little or no contribution to the flow of consumable goods and services, an inflation-increasing effect would be inevitable.

It does not help for the bill to say, as it does, that "reasonable price stability" would also be a goal of the federal government. Nothing in it would strengthen the anti-inflation programs of government; on the contrary, it is a reasonable assessment that its effect would be to blunt such programs. Clearly, the unemployment reduction and price stability objectives, as they are approached in this bill, are essentially contradictory.

Third, the federal budget is already heavy with expenditures of the kind Humphrey-Hawkins would increase. Spending for "training, unemployment and labor services" is estimated to reach $13.3 billion in the present fiscal year; and under the budget President Carter put before Congress for the 1979 fiscal year it would increase to $14.7 billion.

However, the administration and effectiveness of these programs has been subject lately to serious and apparently warranted criticism. Obviously, what we need is not a new battery of public service job programs and more billions of expenditures; what we need is better results from programs already in existence.

Fourth, the most objectionable and potentially harmful feature of the bill is that it would give a big push to a system of centralized economic planning in the United States. Its approach to unemployment reduction can make sense only to those who believe that what our economy needs is more direction from Washington—it makes no sense to anyone who believes that the efforts of Congress should be directed toward invigorating the private, taxpaying, self-supporting side of the economy and enlarging the area of economic freedom.

Moreover, it is a safe forecast that Humphrey-Hawkins would lead to far more control and direction of the economy from Washington than is evident on its face. The reason is plain: If the bill were to cause a substantial increase in federal spending—as it certainly would—and if this were to have an inflationary effect—as it inevitably would—the federal government in all probability would attempt to acquit itself of its responsibility to maintain "reasonable price stability" by putting ceilings on prices; sooner or later this would lead to ceilings on wages and salaries; and an extension of controls to interest rates, with government allocation of credit, would follow not far behind.

The result would be to put the U.S. economy in a controls straightjacket just as awkward and counterproductive as emerged under Phases I through IV during the Nixon administration. It is a mystery why this implication of the bill has so far not been recognized by the trade union movement, which traditionally opposes wage controls. It is an additional mystery, why, except out of political expediency, an administration that says it wants to reduce the federal bureaucracy and lessen the deadening and often inflationary effect of government regulation on the economy supports a bill that would have the opposite results.

It is no defense against the criticism that Humphrey-Hawkins is a bill for centralized economic planning to say that it would merely set goals and "what is wrong with setting goals?" It is one thing for goals to be self-imposed by an individual or business to give direction to effort, provide incentive, and give basis for evaluating performance; it is another thing for goals to be put in numerical terms, incorporated in a federal law, and imposed by Congress on the executive branch of government. In that case the goal is necessarily transformed into a political commitment.

And because the economy can change in ways no one can accurately forecast, striving to "make the numbers come true" can cause policies to be adopted and pushed that are inappropriate in the circumstances and highly undesirable in its side effects.

That the President is said to have the right to modify the goals if, after three years, they seem impractical is not especially reassuring. Three years is a long time to defer making an adjustment that may be urgently needed, and because the President would naturally be reluctant to retreat from a goal unless the need is overwhelming there would be a tendency to "live with" policies that by any nonpolitical test would be judged objectionable. One can be sure that his political opposition would make the modification a sensitive issue. The whole procedure is obviously too inflexible, too compulsive and too politicizing of economic policy to be consistent with good public administration.

Clearly, the bill should be rejected. What it attempts to do can be done better under the Employment Act as it stands, with perhaps an amendment to make reasonable price stability a stated purpose of the federal government, alongside maximum employment, production and purchasing power, and by an improvement, and amplification if necessary, of manpower programs already in place.

Finally, and of the utmost importance, it would be particularly useful if Congress were to address itself specifically to various possibilities for reducing unemployment through incentives that would promote the creation of jobs in private business and industry.●

ALASKA D–2 LANDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. YOUNG of Alaska. Mr. Speaker, the proposed creation of national parks, preserves, and refuges from Alaska's d–2 lands promises to be at least as controversial a bill as President Carter's energy bill. The "d–2" legislation involves many of the same issues in the energy bill, in particular this Nation's increased dependence on the OPEC nations for crude oil.

The petrochemical industries dominate our economy and our lifestyles. They will continue to do so as long as we depend on hydrocarbon products for the necessities of life. We wear synthetic fabrics, use plastic products, and drive automobiles. While the OPEC embargo of 1973 has not been repeated, the OPEC nations remain volatile. Their control over the pulse of our economy mandates our independence from the OPEC crude oil imports. However, the United States can gain its independence only by conserving energy plus stepping up efforts to find additional domestic resources and by developing nuclear technology and other sources of energy.

Here, as on many other issues, the Carter administration is working at cross purposes and is getting nowhere. If this country needs oil and natural gas, why lock up the oil and gas potential in Alaska? If we need to develop alternative sources of fuel and energy, why take away Government funding for the fast breeder nuclear reactor?

President Carter's original energy package contains many conservation incentives and neglects the country's corresponding energy needs for economic development. The same criticism applies to his d–2 proposal offered by the Department of Interior for the State of Alaska. Much of Alaska's public lands have potential for oil and gas and yet the Carter administration proposes to make national parks out of these d–2 lands even before we know what minerals, oil, and natural gas are underneath.

The d–2 policy adopted by the Department of Interior commits as much public lands as possible to parks and wildlife refuges. Any future oil and gas exploration is limited to specific wildlife refuges and subject to the discretion of the Secretary.

Such drastic measures are premature when we know so little about Alaska's riches. Who we do know about Alaska certainly indicates that there is much more oil and gas there than the administration would have us believe. Furthermore, the mere exploration for minerals and oil does not endanger the natural beauty and wildlife in Alaska.

The oil from Prudhoe Bay that flows through the Alyeska pipeline represents 6 percent of our present domestic reserves. And yet this oil is possibly a small part of the potential oil and natural gas to be found in Alaska. Despite known reserves and potentials, there are many conservationists that would make certain the Alyeska oil is the only Alaskan oil to leave Alaska for the Lower 48.

Such a position is unrealistic. We are caught in the hard realities of an industrial economy. We cannot easily change our energy consumptive economy and lifestyle. The realistic solution is to discover more crude oil and natural gas and at the same time develop substitutes. It seems that Carter is not only ignoring the need to develop domestic oil resources, but he also fails to support the technological development of alternate sources of power, such as nuclear power. His veto of the Clinch River fast breeder reactor, allegedly for safety's sake, is both untimely and unwise. Foreign nations have already developed and are using fast breeder reactors. Moreover, these governments have refused to stop the nuclear development.

If we are to have power and energy in the future, we must plan now. The development of nuclear breeder reactors requires many years of reseach. Carter's plan to convert our factories and power plants to coal would incur high environmental and safety costs.

Nuclear power is often perceived in an ominous light. However, nuclear power represents an important source of energy that this country cannot afford to ignore. With the breeder, nuclear energy has the potential to provide more energy than our vast coal reserves. In addition, it is safer and environmentally superior to coal. For example, the accident rate in operating nuclear reactors if far lower than in other utility powerplants. The air pollution emissions from nuclear reactors are minimal when compared to coal. Moreover, the dangers associated with coal mining exceed those associated with the nuclear industry. Coal mining continues to have a high accident rate and the black lung disease still disables coal miners.

Finding sufficient oil and natural gas to fuel our economy in developing new ways to manufacture power present tough decisions to the Senate. But we cannot ignore them. These questions will not disappear. If we fail to resolve them, the imminent shortage of crude oil and natural gas will continue, to the detriment of this Nation's economy and lifestyle.

We must plan and prepare for the future now. Alaska will play an important role in those preparations. Alaska can take the lead role in decreasing our oil imports from OPEC countries. But if we never have the opportunity to discover the resources in Alaska's public lands then both the State and this Nation will suffer the consequences.●

A COMPETENCY TEST FOR HIGH SCHOOL STUDENTS THAT IS TOO EASY?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. BIAGGI. Mr. Speaker, in recent years this Nation has heard much about the virtues of testing students on all grade levels. I wish to offer another dimension to this issue in the form of a recent article which appeared in the New York Times discussing a competency exam for New York's high school students which is being blocked because it is too simple.

The controversy pits two of New York State's major educational agencies against one another—namely the New York State Education Department which constructed the test, and the State Board of Regents which is withholding its approval because of the simplistic nature of the exam.

I serve on the House Education and Labor Committee which is about to consider the extension of the Elementary and Secondary Education Act. The question of testing is certain to be discussed. The rationale behind testing is to provide some basis to measure educational achievement of a student. Our Nation's elementary and secondary schools have been abdicating their responsibilities to provide their students with basic skills and as a result, we have higher numbers of illiterate students. Testing can be an important component in education if it truly reflects a student's aptitude. A test such as the one in New York indicates little about a student's ability. I applaud the regents for demanding higher standards in testing. The full article follows:

REGENTS BLOCK TEST AS TOO EASY

(By Ari L. Goldman)

For the last four months, the New York State Board of Regents has withheld approval of a basic competency test for high school graduation because many of the Regents feel the exam's standards are ridiculously low.

The test—put together by the State Education Department—asks students, for example, to tell the time on the face of a clock reading 1:35 and to state how many pennies there are in $4. To each question, students are given a choice of four answers.

The reading section tests a student's ability to follow a recipe or to write a letter requesting a poster from a rock star.

The introduction of basic competency tests has become a national movement as state educational bodies have begun to demand academic standards, before they grant high school diplomas. Twenty-seven states have already adopted such standards, and many others are looking into the possibility. But several of the New York State Regents feel that having no test would be better than what they call the far-too-easy test developed by the State Education Department.

If the Regents approve the proposed regulation that has been before them since last November, tests in reading and mathematics will be mandatory for high school graduation as of June 1979. Tests in civics, health and writing will be added in June 1980.

At present no statewide test is required for high-school graduation. To get a state-approved diploma, the student must finish a four-year course of study in a registered secondary school. The requirements for graduation are four years of English, three years of social studies, including American history, one year of science and a half year each of health and physical education. There are no mathematics or foreign-language requirements.

To secure a Regents diploma, important for college-bound students, the student must also take a series of tests in several disciplines.

In anticipation of the regulation school districts across the state have been administering the competency test. The examination is given to ninth-grade students and then repeated through high school, if necessary, until the students pass all five sections.

Different versions of the test are developed each year, but the level of questions remains the same.

One of the students who took the examination recently was Jeffrey Meyer, a 14-year old freshman at Horace Greeley High School in Chappaqua. Jeffrey said he found the test "so easy it was dumb." One question, he recalled, asked what chlorine was used for in a swimming pool. Among the multiple-choice answers was, "it makes you float better."

Jeffrey said that he could have passed the test, which is required for high school graduation, three years ago when he was in the sixth grade.

SON TELLS FATHER

Jeffrey told his father, J. Edward Meyer, about the examination. Mr. Meyer, a Regent from Westchester obtained a copy of the test from the State Education Department and read some of the questions at the November meeting of the Regents' elementary, secondary and continuing education committee. At the meeting, the Regents were being asked to approve an amendment to the State Education Law mandating the competency tests.

"The test is laughable and deceptive," Mr. Meyer said. "It's telling kids like my son you don't need very much to get that high school diploma."

Mr. Meyer said that he would vote against adoption of the regulation, saying that no test would be better than one with such low standards.

Dr. Kenneth B. Clark, a Regent from New York City, said that the Regents would be "institutionalizing retardation" by adopting the basic competency examination.

Nonetheless, Dr. Clark added, he would vote to approve the test because it represented "a beginning" in moving toward a higher standard.

Mary Alice Kendall, a Regent from Rochester, said that the competency test was developed because there was a desire for "accountability" among the public. "We are

spending billions of dollars of public money on education and people deserve accountability," she said. "We want to demonstrate a level of achievement so that people will think it will have been worth it. But I doubt they will be persuaded with this test." Teachers have also expressed dismay about the competency examination.

In a letter to the Regents last week, the English faculty of Staley Junior High School in upstate Rome, wrote: "The standards of the test were lower than the lowest levels our school standards have reached. Yet, the scores will be used again to deceive parents and employers in regard to the value and meaning of a high school diploma."

The teachers added that the administration and scoring of the test "take away from classroom teaching time."

Dr. John W. Polley, the acting deputy commissioner for elementary, secondary and continuing education, said that the approval of the regulations was held up because of Regents' objections to the level of the test and because of a desire among the members to mandate remedial courses for those students who do not pass. He said that the staff of the Education Department was preparing a response to the requests.

Dr. Polley described the basic competency test developed by the Education Department as a "survival test."

"It is not aimed at grade level achievement," he explained, "but at one's ability to cope in adult situations."

In one version of the test, students are examined on their ability to understand a railroad schedule, the label on a medicine bottle, a restaurant menu and a traffic ticket.

Some of the questions require some reasoning. One question in the civics portion of the test reads as follows:

A man was arrested for yelling "Fire!" in a crowded store when there was no fire. At his trial, he claimed that he had the right of freedom of speech. This person should have realized that freedom of speech:

1. does not apply in public places.
2. assumes that permission to speak has been given.
3. carries with it a responsibility,
4. is a civil right rather than a criminal right.

Mr. Meyer, the most vocal critic of the examination, is not satisfied with a "survival test."

"We are gearing our exams to the percentage of kids we think should pass rather than gearing them to academic excellence," he said. "That is a totally backward way to build a good school system."

He said that the state should not be afraid to impose a test with high academic standards. Such a test would give high school students an important message, he said.

"As a citizen of this state, you have a right to a high school education," he said, "but you don't have a right to a high school diploma. You have to earn it."●

ROBERT W. PRESCOTT: A TRANSPORTATION PIONEER

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. CHARLES H. WILSON of California. Mr. Speaker, "We'll fly anything, anytime, anywhere." That slogan typified the attitude of the man and the successful company he founded over 30 years ago. Robert W. Prescott, who died Friday from cancer at his home in Palm Beach, Calif., pioneered the air cargo industry in the United States when he founded the Flying Tigers as the first airfreight carrier in 1945.

As a personal friend of Bob Prescott's, I was constantly amazed at his determination and courage. With little else, he built what has become one of the most successful companies in the business. Today, Flying Tigers is the world's largest all-cargo airline linking key cities throughout the United States and Asia and covering some 17,500 miles.

Bob Prescott is definitely a model example of the American dream. Starting out with only an idea and heavy competition from hundreds of other war flight veterans who had the same thought, he convinced some of his old flying buddies and a number of businessmen to invest $178,000 in a new kind of airline—designed specifically for cargo transport.

The name Flying Tigers is familiar to many. It is the popular name given to the famous American volunteer group (AVG) led by General Claire Lee Chennault. The volunteer pilots, one of whom was Bob Prescott, painted snarling jaws filled with sharp teeth on the noses of their P–40 fighters and gave free China an air defense against the Japanese during World War II. Bob took part in five major campaigns with the Flying Tigers against the Japanese, shooting down six enemy aircraft and finally becoming a flight leader.

When the Flying Tigers disbanded in 1942, Prescott returned to this country where he began flying with the Intercontinental Division of Trans World Airlines. While employed by Trans World, he served as copilot on the plane that took then Ambassador James E. Davies on his famous Mission to Moscow in 1942.

Later that year, he returned to China as a captain with the China National Aviation Corp., and was assigned to fly military supplies from India to China over the Himalayan mountains. He completed more than 300 of what became known as the famous "Hump" crossings.

For those of us who knew Bob and certainly based on his flight experience in the early 1940's, it is hardly surprising that he would undertake the task to form the Flying Tiger Line. Starting out with only four airplanes and 16 employees, he began flying a transcontinental route across the United States—an idea that he sold to the Los Angeles businessmen who helped him raise the initial capital.

After 4 years of flying, the company finally received official Government certification in 1949 and approval for the Nation's first commercial all-cargo route —No. 100. Twenty years later, in mid-1969, Bob was able to see his idea receive approval for the first scheduled transpacific all-cargo route that linked its U.S. domestic system with service to eight Asian nations and territories.

In 1970, the airline became a subsidiary of Flying Tiger Corporation, later renamed Tiger International. Prescott was also director of that corporation as well as the airline and Tiger Leasing Group, another subsidiary of Tiger International, which is engaged in transportation and equipment leasing and financing.

Prescott was born to a large, poor family in Fort Worth, Tex., where he tried, for a time, managing prize fighters. Later, he moved to California where he attended Compton Junior College. He then entered Loyola University to study law, but left in 1939 to enlist in the U.S. Navy as an aviation cadet. He was commissioned as an ensign in 1940, and served as flight instructor until he resigned to join General Chennault.

Being the hard-driving chief executive officer for a major company would seem to be enough for anyone. But Bob Prescott was not just anyone. He was also a member of the board of the Transportation Association of America and was a member of the Board of Directors of the Air Transport Association. Because of his outstanding contributions in the transportation field, the National Defense Transportation Association named him "Man of the Year" in 1973.

Bob was also very active in civic affairs. He was trustee of the City of Hope, held regional industrial chairmanships in the United Crusade and was an honorary member of the Air Line Pilots Association and the Wings Club of New York. Last year, Northrop University conferred an honorary Doctor of Science degree on him.

Bob Prescott was a man of personal courage who not only distinguished himself in combat, but in the business world as well. I think his own statement about his accomplishments exemplifies the type of person he was. "It is difficult to express the pride I feel at what has happened to a struggling idea I had so many years ago."●

AMTRAK, WE NEED YOU IN MINNESOTA

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. VENTO. Mr. Speaker, the esteemed columnist of the Saint Paul Dispatch, Oliver Towne, does a superb job of recalling for his readers some of the more admirable pieces of our history.

Last week, on the occasion of the dedication of the Twin Cities Amtrak Station, Oliver Towne wrote of the day when a famous train, the Winnipeg Limited, provided a very civilized mode of travel between Saint Paul and Winnipeg. His article from the Saint Paul Dispatch, March 3, 1978, follows:

[From the St. Paul Dispatch, Mar. 3, 1978]

AMTRAK, WE NEED YOU IN MINNESOTA

(By Oliver Towne)

Somewhere between Hillsboro, N.D., and Frand Forks, while driving to Winnipeg on Interstate 29 with nothing for two hours except prairie and an occasional snowbound hamlet, I suddenly wished I could have taken the train.

Not the plane, because I am a railroad buff—a vanishing breed. The last time I went to Winnipeg almost 15 years ago, it was on the old Great Northern's Winnipeg Limited and I have naught but fond memories of that dash from St. Paul to the Manitoba

capital, the conviviality in cafe-lounge car and comfortable roomette as we shot northward through the night.

Apparently I am not the only rail rider who misses that mode of travel between two cities that should be brought much closer together in economic, social and human relationships.

I have in my tattered briefcase, by coincidence, a just-published missive by the Minnesota Association of Railroad Passengers, urging the powers that be in the legislature, the Department of Transportation et al to restore this passenger rail link via Amtrak.

And the people with whom the subject was broached in Winnipeg a week ago were eager as well as willing.

"Take the train again to the Twin Cities? Ah, those were the days I remember well . . . you'd get on the old Winnipeger about 8 in the evening here, still time for a nice dinner in the diner," said my friend Charley Huot.

"And you'd sit in the lounge and meet people and get a good night's sleep and there you were in the morning for breakfast coming through St. Cloud and in St. Paul before the folks were opening the shops."

"Just get that train to the border and we'll figure how to bring it into Winnipeg the last 75 miles," said Rene Turenne, one of the leaders in the St. Boniface French community.

"You used to be able to spend all day buying or doing business in the Twin Cities, eat a leisurely dinner in a restaurant before getting back on the train for Winnipeg at night," said Marcel Martaine, the maitre d' in a Winnipeg restaurant.

The desk clerk in the Delta Marlborough Inn where we stayed was enthusiastic at the mere hint of talk about restoring the train.

The association has a couple of other thoughts I like.

They'd restore passenger train service from the Twin Cities to Omaha, via the Minnesota River Valley to Mankato, then through St. James, Mountain Lake, Windom and Worthington—route of the old "Omaha Line," which, in my youth, carried people in comfort and style aboard such classic trains as the "Nightingale," the "North American" and "Mondamin."

The "Nightingale" was the premier night limited, a string of "varnished" Pullmans, cafe-lounge and parlor car and one Pullman took you all the way to California.

I can still hear the call of the lonely diesel whistle on still nights in Mountain Lake, where I visited my grandparents years ago.

And I'd go right down the track with the proposal to revive streamliner service between here and Kansas City and south to Dallas-Fort Worth and Houston via the old Rock Island tracks—Northfield, Faribault, Owatonna, Albert Lea and South.

You remember the "Rockets?"

Alas, these may be like the shimmering mirages.

Rising off the bleak North Dakota landscape—pie in the sky, so completely out of step with current transportation thinking in high circles that they are almost laughable.

"Are you crazy?" they say. "We aren't even sure how long the Amtrak service we have will remain."

Now, if some of the millions that had been spent on an Army tank that didn't work had been channeled into more Amtrak service, our new Amtrak station in Midway—which is dedicated Saturday—might not be a spectre of what happened to Midway stadium.

What good is a railroad station without trains?

As the British Humor magazine "Punch" has oft said, "We may do to ourselves what we think the Russians will." ●

WHY I BECAME A JEW

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. DORNAN. Mr. Speaker, a column was recently called to my attention which I would like to share with my colleagues today. It was written by a man whose name will be instantly recognized by them. He is known to millions of people around the world as a great entertainer and upstanding man of character but I have been fortunate enough to know him also as a friend. His name is Pat Boone.

Pat has long since left behind his career as a rock-and-roll star and has let daughter, Debbie, take her place in the "pop" spotlight. Pat, Debbie, and the rest of the Boones now spend much of their time touring the country—singing of course—but also talking to Americans about their beliefs, their Christianity, and morality in the United States.

That Pat and his family are "born again" Christians, adamant in their faith and fervent in their proselytizing, is well known and widely admired. But it is less well known that Pat Boone also considers himself a Jew. This is the startling topic about which he writes in his article. Startling, that is, until one takes the time to read it and listen to his reasoning.

I ask that my colleagues take the time to read this column of Pat's. As one of the holiest seasons of the Christian calendar approaches, reading it should lead to a greater understanding of the bond which exists between the Old and New Testaments and between Christians and Jews.

The article follows:

[From the Daily Breeze, Jan. 7, 1978]

WHY I BECAME A JEW

By Pat Boone

DEAR PAT BOONE: More and more I hear you talking about Jewish things on television.

I know you have done TV spots with your daughter, Cherry, encouraging people to give to the United Jewish Appeal. I've also heard you say proudly that your daughter has learned to read and write Hebrew, and I have seen your television special that you did with your family, "The Pat Boone Family in the Holy Land." I also know that you wrote the words for "Exodus."

My question is, have you converted to Judaism?

Yours sincerely,

MYRON B.

DEAR MYRON: In a very real way, you could say that I've become Jewish.

This is true of my whole family. Obviously, none of us has been born in a racially Jewish family—but we do strongly identify with the ancient heritage of the people of Israel, and feel that we have been adopted into that "chosen" family.

My oldest daughter, Cherry, reads and writes Hebrew, and is married to Dan O'Neill, who not only is fluent in Hebrew, but who lived and worked on two Israeli kibbutzim during the time surrounding the Yom Kippur war.

Occasionally, we have special Hanukkah parties in our home, and attend services at a nearby conservative temple.

Why?

Aren't we Christians? Yes, we are. And that's why we're feeling so Jewish!

What so few people realize these days is that Christianity is a Jewish religion! In fact, as I have explained to a number of rabbis (who have most frequently agreed with me), I see Judaism as divided into four main branches: Orthodox, Conservative, Reformed—and Christian.

We're members of the Christian branch of Judaism.

After all, if Jesus was who He claimed to be—the Messiah—He didn't start some new religion He came as a Jew, and lived as a Jew, and made the statement, "I have not come to destroy the law, but to fulfill it." Many thousands of first century Jews, including rabbis, recognized Him as the fulfillment of all Messianic prophecy, and when they became His fervent disciples they were not giving up Judaism. In many cases, they were more Jewish than ever!

You know that several big-name entertainers have converted from Christianity to more orthodox Judaism. I think I understand why. They were looking for something real and relevant in their lives, a spiritual anchor and heritage, and must have been dissatisfied with the half-measures they'd encountered in organized religion. They were looking for roots, and contact with God.

Believe me, when you read that Old Testament and you take a look at Abraham and Moses and Joshua and Elijah and Gideon and David, you see people who had living, breathing relationships with the God of all Creation. And that's exciting!

I guess we'd all like to have that kind of experience with the One who put all this together, and who would talk to us and deal with us on a one-to-one basis, wouldn't we? Judaism, historically, has seemed to offer that.

But a lot of modern Jews are just as dissatisfied with their religion as modern Christians and Arabs. Somehow, "religion" as it is often practiced, is like an inoculation—it can give you a mild dose, and make you immune to the real thing. Earnest people are looking for more than that, and my family and I have insisted on experiencing "the real thing."

We want what Abraham had—and he wasn't born a Jew, either! Judaism didn't really begin as a religion or by name, until Abraham's grandson Jacob. After he wrestled with God (Genesis 35), God changed his name to Israel, and that's where the people of Israel began.

Abraham is the father of the Arab, the Jew—and the true Christian. God told him that through his offspring, He would bless all the people of the world. And He's done it.

God deliberately and lovingly chose that His Messiah should come through the Jew. The Redeemer of the world would spring out of this small tribe of rejected and oppressed people, in ways that would almost hide Him from all but earnest seekers.

He promised in Micah 5:2 that His Messiah would be born in Bethlehem; in Isaiah 7:14 that He would be born of a virgin; and Isaiah 53.6 through 9 that He would live a sinless life and be offered as a sacrificial lamb as the final atonement for sin; in Psalm 22 that He would die by crucifixion; and Isaiah 53 that He would be the final sacrifice for sin; and in Psalm 26 that He would arise from the dead!

When my family and I were in Israel a couple of years ago, we discovered that Jews everywhere in that land acknowledge that there was a historical Yeshua who lived around the Sea of Galilee, who performed wonderful miracles, who was crucified outside the city of Jerusalem, and who was a "wonderful teacher." Their faith in the reality of the man Jesus was stronger in most cases than many Christians in this country. But how could a man be a "wonderful

teacher" and a demented egomaniac at the same time?

He was either the Messiah, as He claimed—or He wasn't.

And if He was, then He was the fulfillment of God's promise to Abraham, to Isaac and Jacob, to Moses and the children of Israel, to Isaiah and Amos and every faithful Jew who ever lived. And He made it possible for me, a Gentile, to get in on it! He made it possible for every human being to have that kind of one-to-one relationship with God that Gideon and Joshua and Moses had!

Yes, I have become a Jew. My whole family have become Jews, following the Rabbi and Messiah Yeshua. We have placed our lives and destinies in the hands of the Carpenter from Nazareth who gave His life for us and about whom John proclaimed: "Behold, the Lamb of God, who taketh away the sins of the world!"

Yours in the brotherhood of Abraham, Moses and Yeshua.●

ANNETTE STRAUSS—THE SUPER-VOLUTEER, AND PR CAREER WOMAN

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. MILFORD. Mr. Speaker, I would like to share a feature story from the Dallas Morning News with my colleagues. It really shows how times have changed—and in this case for the better.

Today, we are seeing more and more outstanding women entering the professional ranks and into the business world. Furthermore, they are making a go of it. And why not? As Annette Strauss says, "It's (work) so rewarding."

Mrs. Strauss is deserving of public recognition for her dedication to her job and the example she provides for other women to enter the professional job market.

Annette Strauss is truly a woman on the move, and I believe she typifies what is happening in the United States today. Women are on the move, and this is one Congressman that is glad to see it.

Mr. Speaker, I would like to add that Annette Strauss is married and has two daughters. Her husband, Ted, works in a Dallas bank. She also has a brother-in-law, Bob, who works in Washington as a trade negotiator. I place this article by Nancy Smith in the RECORD.

RICH GIRL ANNETTE STRAUSS TAKES A JOB, AND THE PAYCHECK TOO, PLEASE

(By Nancy Smith)

When last September, super-fund raiser Annette Strauss stood atop a podium with Danny Kaye, having just raised more than $100,000 for the Dallas Symphony's pension fund through chairing the most gala of benefits, the last thing anyone would have suspected was that she was about to get a job.

In other areas of the country, it's becoming fashionable for volunteers to take on employment, paychecks and all, in the mode of Jackie Onassis' new position with Doubleday.

But in Dallas, it's widely considered something of a status symbol if a woman doesn't have to work for money because she has a husband who supports her well. Many women work as many as 40 hours a week, earning credits with the Junior League or planning balls and auctions for arts or charity beneficiaries. But not for a paycheck.

Thus it came as something of a grand surprise to many when Annette Strauss, wife of bank president Ted Strauss, and a woman who had managed projects raising a total $1,775,000 in the last five years, suddenly was hired by Glenn, Bozell & Jacobs advertising-public relations firm. The hiring has been called "the coup of the year" by many in the PR field.

But just as surprising to some who don't know her is her sincere dedication to her job, as genuine as her devotion to her civic activities. She considers herself a regular employee—she signs in and out, works an 8:30 a.m. to 5 p.m. workday three days a week, takes her job-related books home to study, and is interested in such "mercenary" things as her salary.

"I'm asking for a reevaluation at the end of my six months trial and I hope that includes a raise," she said.

For the several years that she had been raising money from corporate heads, many had a running joke with her that if she ever wanted to work, let them know.

Then last year, one company gave her a firm offer, and planted the seed in her mind. But it would have been a full-time position in investments, a field about which she knew comparatively little. And besides, she said, "My family was still the most important part of my life. I couldn't drop everything and do that."

Last May at a benefit, she was discussing the job offer with the man who'd given it to her, when along came GB&J President Lindeir Tomerlin, who overheard the conversation.

"You're not serious," he exclaimed.

"Yes, I'd like to work," she replied. "I'm ready for that now."

She had reached a time in her life when it was possible. Both her daughters were away from home, her community service work was not as pressing as in earlier years, and she wanted something else to inspire her.

But why would a woman who obviously doesn't need a job want to endure the rigors of working? "It's so rewarding," she said. "If I sound like a college student, it's that I'm learning so much."

Through her part-time job in special assignments, she said she "wears two hats." She solicits new accounts and serves as a liaison between her firm and the business and community leaders she has worked with for years.

Not bad for what she laughingly calls her first real job. She worked as a model and graded papers while she was in school, but she couldn't get a paying job associated with her field when she received her master's degree in psychology and sociology from Columbia. Most women back then were relegated only to sales clerk positions or the like, and thus were subtly encouraged to become housewives.

In spite of her new job, she is continuing her volunteer work on the side, which includes virtually every major arts or civic organization in Dallas.

Since she accepted her job, several of her friends have been seeking her advice on getting jobs themselves. Some even suggested they form their own public relations firm with her in charge.

So the dynamic Mrs. Strauss may be setting a trend by charting the course for all women, even civic and arts volunteers, into the business world.

"One thing I've always felt is that a person's reach exceeds his grasp," she said. "I've never been afraid to reach." ●

H.R. 11007

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. BEILENSON. Mr. Speaker, on February 21, I introduced a bill (H.R. 11007) which amends title X of the Public Health Service Act—the Family Planning Services and Population Research Act—originally enacted in 1970. I would like to share, with the Members of the House, a description of both H.R. 11007 and the need for such legislation:

THE COMPREHENSIVE FAMILY PLANNING SERVICES, RESEARCH IN HUMAN REPRODUCTION AND PREVENTION OF UNWANTED TEENAGE PREGNANCY ACT OF 1978: JUSTIFICATION AND SUMMARY

H.R. 11007, revises, extends and considerably expands Title X of the Public Health Service Act, the Family Planning Services and Population Research Act originally enacted in 1970. Title X is the core and major source of support for preventive family planning services and educational programs. It is supplemented by reimbursements under Medicaid (SSA, Title XIX) and, in some states, by funds under the Social Services program (SSA, Title XX) and the Maternal and Child Health program, (SSA, Title V). Allocations under Title X are spent for well-defined, preventive family planning activities directly administered by and accountable to the Federal government. Estimates of expenditures under the reimbursement programs are just that—estimates of varying levels of reliability and varying mixes of services (often including abortions) which are nonetheless labeled "family planning" in different states.

Aside from the reliability and accountability of Title X funds for preventive services, Title X gives local projects the ability to serve low-income patients not eligible under Medicaid or Title XX, thus offsetting in part the disparities in welfare-based programs in the different states. It is also the primary source of Federal support for building and expanding the system's delivery capacity, since reimbursement programs are rarely used to initiate a program in an agency that has not previously provided services or to open services at new sites. The institutional capacity built over the last 7 years by Title X, and the personnel needed, are to a large extent already in place. Therefore, if new initiatives are needed to solve the critical remaining problems of unregulated fertility, especially among adolescents, and in currently underserved areas, thereby reducing the need for abortion, Title X is the most suitable program for their development.

While the majority of Americans obtain medical care from physicians in private practice, there are still many whose fertility control needs are not adequately met by private medical practice as it presently functions because of financial or geographic barriers. Moreover, others, who are able to go to a private physician, are dissatisfied with the fertility control care they receive and turn to clinics instead, citing as major reasons a lack of adequate explanation of the effects of the varying modes of contraception and a tendency to reduce the encounter to the simple writing of a prescription.

In each of the last four years, 1.2 million women enrolled as new patients in clinics and between 400,000 and 500,000 re-enrolled in clinics after moving to new areas. Moreover, studies demonstrate that nearly half of all teenage users of the oral contraceptive obtain their first prescription from a clinic rather than a private doctor. For other health

services throughout the United States, the proportion of persons from all age groups who depend on clinics for services is typically less than one-fifth. The fact that such a large proportion of teenagers (and, indeed, of all low- and marginal-income women) secure contraceptive services from clinics dramatically documents the inability of private physicians to meet their needs and the continuing need for a system of publicly subsidized family planning clinics.

In short, the family planning clinic system carries out two critical functions: it serves as the initial entry point for obtaining contraceptive (and, often, other basic health) services for large numbers of young people and all low- and marginal-income women, and it provides even larger numbers of both groups with continuing care. Since the young and the lower socioeconomic groups contribute disproportionately to the nation's remaining problems of unintended fertility, the organized clinic system appears to offer the major available means through which these problems can realistically be confronted.

Title X is also the major source of support for the nation's biomedical and behavioral research effort in reproduction, contraceptive development, and the monitoring of contraceptive methods currently in use. Clearly, this effort must be upgraded if the need for abortions in this country is ever to be substantially reduced. Current contraceptive technology, despite its sophistication, is, for some women either medically unacceptable or incompatible with personal needs. Even the most effective of current methods have unacceptable failure rates in actual use: one out of three married couples fail to prevent an unintended pregnancy within five years of use. Moreover, there is growing apprehension about the long-range safety of some methods. The need to develop safer, more effective and more acceptable contraceptive methods—for men as well as women—is a public health issue of the first magnitude.

H.R. 11007 provides a rational and effective framework for a genuine initiative designed to solve the nation's remaining problems of unregulated fertility, among both teenagers and adults. It is also of relatively low cost compared to other programs holding the promise of comparable benefits to individuals and society. Since its inception less than a decade ago, the Federally-aided family planning clinic system has been remarkably effective. An NICHD-supported study recently estimated that between 1970 and 1975, the clinic program assisted low- and marginal-income patients to avert 1,098,000 unintended births (and higher-income teenagers to avert an additional 266,000). The total cost to the Federal government during this period was $584 million. However, the cumulative first year governmental savings in health and welfare costs alone that would have been associated with these averted births totalled at least $1.076 billion. Savings in subsequent years, of course, would have been substantially greater. In other words, one dollar invested by the Federal government in family planning services in Year 1 returned in Year 2 a minimum of $1.80—a short-term benefit/cost ratio unmatched in any public program. In a period of inflation and budgetary constraints, this fact is crucially important.

Currently, Title X authorizes a single project grant and contract mechanism, providing for the funding of direct project grants and contracts to public and private nonprofit agencies (health departments, hospitals, Planned Parenthood affiliates, family planning councils and similar regional "umbrella" agencies and community action agencies) for the provision, on a voluntary basis, of "a broad range of acceptable and effective family planning methods (including natural family planning methods)." H.R. 11007 continues that authority, with an authorization figure of $174.3 million for FY 1979. That figure was arrived at by taking the current appropriation (adjusted by six percent for inflation) and adding an additional $35 million, which would enable 500,000 new patients to be served (of the approximately 3 million low- and marginal-income women still in need). In addition, H.R. 11007 authorizes two additional project grant and contract programs: $35 million to enable voluntary family planning projects to provide to an additional 500,000 young people "comprehensive services appropriate to the needs of teenagers who are at risk of unwanted pregnancy" (of whom there are approximately four million); and $5 million for "demonstration projects aimed toward the alleviation of problems of infertility."

H.R. 11007 continues intact the current authority for grants to public and private nonprofit entities and contracts with entities and individuals to train personnel in family planning projects. $4 million is authorized for this purpose for FY 1970. ($3 million has been authorized for the current fiscal year.)

H.R. 11007 continues intact the current authority for grants to public and private nonprofit entities and contracts with entities and individuals to train personnel in family planning projects. $4 million is authorized for this purpose for FY 1970. ($3 million has been authorized for the current fiscal year.)

H.R. 11007 continues intact the current authority for Federal support for "research in the biomedical contraceptive development, behavioral and program implementation fields related to family planning and population." Such research is administered by the Center for Population Research, a subunit of the National Institute of Child Health and Human Development of NIH. CPR's program includes basic and applied research in reproductive biology and the development of new contraceptive methods; evaluation of the medical and other effects of contraceptive methods currently in use; social science research, including the behavioral and demographic aspects of fertility and population trends; training of research personnel; and core support for university-based population science research centers. Current spending for this program is $67 million. H.R. 11007 authorizes $100 million for FY 1979.

Title X currently authorizes a small project grant contract program designed "to assist in developing and making available family planning and population growth information (including educational materials to all persons desiring such information or educational materials)." H.R. 11007 continues that authority (proposing $3 million for FY 1979 compared with $.7 million currently being spent), but considerably expands it by authorizing an additional $5 million "to establish and maintain a network of community-based informational and educational services" using those materials. This program would authorize the Federal government to assist locally initiated programs (for example, in community centers, youth organizations and, if they so desired, schools) (1) in reaching adolescents to help them understand the risks and consequences of teenage pregnancy and childbearing, (2) in helping parents more effectively communicate about sexuality with their adolescent sons and daughters, and (3) in encouraging the use of preventive and supportive health and social service programs which are available and which are aimed at reducing the adverse consequences of adolescent pregnancy and childbearing.

H.R. 11007 basically restates current Title X language governing the conditions under which grants and contracts may be made to public and private nonprofit entities by HEW for family planning services. However, two new clauses have been added. The first requires that grants and contracts under the program (except research grants and contracts) be administered directly by the Deputy Assistant Secretary for Population Affairs in HEW. This is required because, while the Deputy Assistant Secretary and his Office of Population Affairs have statutory responsibility for the program, grants and contracts are currently administered by HEW's Bureau of Community Health Services.

Prior to 1973, the family planning program was administered directly by the National Center for Family Planning Services. Since the Center was dismantled during the second Nixon Administration, the program's expansion has been curtailed and its administration has suffered from inadequate staffing and lack of direction. Family planning services pograms are unique among BCHS programs. Because a variety of providers, often unrelated to each other, operate 4500 clinic sites under differing conditions, mandates and regulations, with financing pieced together from various sources, strong, centralized direction is essential. Clear lines of authority and tight monitoring procedures are needed and, according to most provider agencies, are not adequately forthcoming from BCHS. H.R. 11007 would simply empower the Deputy Assistant Secretary to fully discharge the authority and responsibilities already vested in him/her under the law.

The second new clause requires that grantees, as a condition of grant award, report to HEW on the number and characteristics of the patients they serve, with details on the services which are rendered to them. This information will lend increased accountability of the program to HEW and Congress.

H.R. 11007 reauthorizes intact the provision in current law requiring that family planning services be offered on an entirely voluntary basis.

H.R. 11007 reauthorizes intact the provision in current law which mandates that funds under the family planning progam be used entirely for preventive services. No abortions are provided with Title X funds, and only two percent of patients receive sterilizations in Title X programs.

H.R. 11007 extends and considerably tightens requirements on HEW that the accountability to Congress of family planning programs subsidized by Federal funds be maintained. Title X programs have a uniquely high level of accountability to Congress, because of a full-count reporting system whereby HEW can know, at any given time, exactly how much Federal money is being used to provide what specific services at what specific clinic sites. This may be contrasted, for example, with the Medicaid program which does not have a similar reporting requirement and, thus, can only estimate for Congress on a state-wide basis how much Federal money is being spent for "family planning" with no breakdowns as to what types of services are being provided, where they are being provided, or to what types of patients they are being provided. HEW is currently attempting to replace the full-count reporting system with a "sample" system on the grounds that a full-count system is too expensive. In fact, the full-count reporting system costs perhaps 50¢ per patient per year, or approximately one percent of total Title X expenditures. Costs of data collection for the National Reporting System have always been borne by the clinics themselves. The Federal government pays only for its analysis, which is central to determining the program's effectiveness and its future needs. Local projects will continue to collect data for their own needs, but without a uniform reporting requirement, that data may be meaningless for Congress. For example. prior to the institution of the National Reporting System, some projects

counted as "patients" anyone who have been enrolled since 1945, obviously resulting in highly inflated case-load estimates. At a time of increased concern over fraud, abuse and overexpenditures generally, it would be foolhardy for Congress to allow the National Reporting System for Family Planning Services to be replaced by a system which can provide Congress only with estimates of expenditures rather than the hard facts it needs to determine the effectiveness of the program.●

NITRITE IN MEAT CURING: RISKS AND BENEFITS—PART II

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. WAMPLER. Mr. Speaker, yesterday in my statement on the floor I called the attention of the House to a controversy regarding the safety of modern methods used to cure bacon and other meat products. For the purposes of further informing the House and the public on the subject, I also entered into the RECORD the summary of a technical report on "Nitrite in Meat Curing: Risks and Benefits" by the Council for Agricultural Science and Technology (CAST), dated March 1, 1978.

Today I wish to insert chapter 1 of the CAST report, a technical discussion on the background of the use of nitrate and nitrite in meat curing. The first chapter of the CAST report follows:

CHAPTER 1. BACKGROUND OF THE USE OF NITRATE AND NITRITE

EARLY USE

Historically the development of civilizations was made possible by food preservation. The capability to preserve food enabled agrarian societies to change to industrial societies in which food must be transferred from producers to consumers over considerable distances and over intervals of considerable time.

Preservation of edible flesh by salting evolved centuries ago. As early as 3,000 B.C., families enjoyed salted fish as part of their diets (Binkerd and Kolari, 1975). Salted flesh was relatively slow to develop foul odors, and it could be transported and stored for several days without fear of causing illness when eaten. These benefits were well known by the time of Homer (900 B.C.). Scientific understanding of the process, however, was not developed until many centuries later.

Climatic differences dictated to a great extent the processes used in salting. In warm, semiarid climates, uncooked edible flesh was salted and sun-dried. Such products were relatively stable due to the high salt content and the low moisture content. In colder climates, wood fires were used to dry the flesh. Hence, the products were incidentally smoked and cooked to some extent. Generally, products from cold climates were lower in salt than products from warm climates.

Recipes were handed down from generation to generation as the art of meat food processing evolved. These family practices formed the basis for development of a specialized commercial industry in more modern times.

DEVELOPMENT OF THE SCIENCE

Polenske (1891) and Haldane (1901) were interested in the fact that pure salt (sodium chloride) did not produce the "cured color" associated with the practical process of salting. They reported that the color was induced by the sodium and potassium nitrates present as a contaminant in the unpurified salt used in curing. The nitrate was converted by naturally occuring bacteria to nitrite and nitric oxide, which reacted with the flesh pigments under the influence of heat. The color phenomenon associated with salting is incidental to the preservative effect.

The term "curing" evolved to describe the use of nitrite or nitrate in the presence of salt to preserve edible flesh. Potassium nitrate (saltpeter) was frequently used alone or in combination with sodium nitrate or nitrite. A mixture of the nitrate and nitrite was called a "mixed cure." Such a mixture is still used to a minor extent.

The inconsistency in the residual nitrite and nitrate contents of U.S. cured meat was investigated by Hoagland (1908) and Kerr et al. (1926). From their studies, in 17 inspected meat plants located in 13 U.S. cities, they concluded that nitrate was converted to nitrite by microbial action in the meat and that direct addition of nitrite would eliminate the need for microbial conversion and would make the process more controllable and predictable.

The Bureau of Animal Industry of the U.S. Department of Agriculture (USDA) subsequently authorized the use of sodium nitrite in quantities not to exceed ¼ oz. per 100 lb. of chopped or comminuted meat (156 parts per million or ppm), with a residual level of sodium nitrite not to exceed 200 ppm in the cured product. This authorization was incorporated into the Meat Inspection Act of 1906 and subsequently became part of the Code of Federal Regulations (9 CFR 318 and 319).

When the use of sodium nitrite was restricted in 1926, the question of how to distribute ¼ oz. (7.1 grams) of sodium nitrite evenly through 100 lb. of meat was of practical concern. The practice of applying 4 oz. of a mixture containing 6.25% sodium nitrite and 93.75% sodium chloride per 100 lb. of meat evolved as a practical procedure. Another technique that evolved was to put the specified amount of sodium nitrite into a 10 to 13% solution of salt in water.

Although nitrate and nitrite have been used for curing meat and poultry for centuries (42 Fed. Reg. 44376 and 55626. 1977), the first documented use of potassium nitrate as a preservative for poultry was in the form of a patent issued in 1914 (Bullot, 1914). Besley and Marsden (1938) recommended, as a formula for curing turkey meat, a mixture of salt, sugar, saltpeter (potassium nitrate), and water. In the past decade there has been a marked increase in the use of poultry meat in cured products such as chicken frankfurters, turkey ham, turkey bologna, salami, and pastrami. Poultry products thus cured have been restricted to the same residual level of sodium nitrite (200 ppm) in the finished product as other meats.

From the 1920s through the 1950s, new methods of application were developed to reduce the time, inventory cost, capital, and labor required to manufacture cured meats. Levels of salt were reduced because widespread refrigeration was available as a means of preservation. New process controls with improved heat-transfer engineering paved the way for more economical, continuous, high-volume production systems.

Historically, time was a key factor in curing. Several hours to as much as several days were required. Natural components of meat were known to be capable of converting nitrite to nitric oxide, but Karrer and Bendas (1934) reported that vitamin C (ascorbic acid) would serve the same purpose. After extensive investigation, a patent was issued to Hollenbeck (1956), and USDA authorized the use of ascorbic acid, sodium ascorbate, or sodium erythorbate as an accelerator to shorten the time required for curing. The Code of Federal Regulations (9 CFR 318 and 319) specified that no more than ⅞ oz. can be used per 100 lb. of meat, and only 87.5 oz. can be used per 100 gallons of pickle solution for solid cuts of meat. The use of ascorbate was subject to the same restrictive labeling requirements as was nitrite in 1926.

The air incorporated during the grinding and chopping process was found to contribute oxygen to the mixture, with consequent loss of flavor (oxidation rancidity) and loss of the cured color. If oxygen was removed, less nitrite could be used in conjunction with refrigeration, salt, and vacuum packaging. Approximately 125 to 140 ppm of sodium nitrite are now being used in continuous, finely comminuted sausage products rather than the 200 ppm allowed.

THE ROLE OF NITRITE

Research has now documented the function of nitrite in the curing process. Details are discussed in Chapters 2 and 3. Suffice it to say here that work summarized by Jacobson (1973), the Food and Drug Administration (1972), the Meat Industry Research Conference Proceedings (1973–1977), and the U.S. Public Health Service (1964) characterizes the functions of nitrite as follows:

1. Proper levels of nitrite in the presence of sodium chloride in cured meats prevent development of the *Clostridium botulinum* bacteria and the potent botulinum poison they produce.

2. Nitrite (or the nitric oxide it generates in the meat) is the only single substance that selectively prevents botulinum toxin formation and acts as a general antimicrobial agent for preventing growth of yeasts and molds but does not mask evidences of spoilage (slime, mold, off odors, etc.).

3. Nitrite possesses antioxidant properties that delay the onset of rancidity.

4. Nitrite is essential to the development of the characteristic cured meat flavor and color.

More than 700 compounds have been tested to determine their suitability for meat curing and preservation, but no single compound has been found that produces all the effects of nitrite (American Meat Institute, 1978). To substitute for nitrite could require a combination of several substances. For example, a patent was issued to Sweet (1975) to simulate the effects obtained by nitrite in food products by use of a combination of the following five additives: tertiary butyl hydroquinone, methyl parahydroxybenzoic acid, propyl parahydroxybenzoic acid, F. D. & C. Red No. 3, and sodium acid pyrophosphate. This mixture might be suitable for comminuted meat products but not for bacon because it makes the fat pink.

THE CANCER HAZARD AND CURRENT DEVELOPMENTS

Lijinsky and Epstein's (1970) discovery that cancers were produced in laboratory animals by nitrosamines, which can be produced by interaction of secondary amines (normal protein breakdown products) with sodium nitrite, set off a chain reaction that is still incomplete. A series of popular articles quickly appeared under such titles as: "Researcher: Nitrites in Food May Cause Cancer"; "Cancer Linked to 3 Additives"; "Scientists Link Cancer to Meats"; "Headaches Linked to Nitrites in Hot Dogs and Cured Meats"; "New Findings Reported on Cancer Clue"; "Nitrite in Meat Fights Botulism"; "Don't Bring Home the Bacon"; and "Iowan Wins 'OK' to Sell His Bacon—Way Clear for Nitrite Free Products After Long Delay."

Just a few years before the information on nitrosamine formation was released, the U.S. public had been made aware of hearings on the proposed Food Additive Amendments to the 1938 Pure Food, Drug, and Cosmetic Act through stories with such titles as: "Poison in the Pantry; " "Peril on Your Food Shelf; " "Our Daily Poison; " and "The Hidden Assassins." Generally, the public reaction to the

sensationalized reporting seemed to be one of suspicion: How credible is the system? Can we really believe what we are told?

Of no minor importance in the conditioning of the public through the media has been the so-called Delaney Clause, which was attached to the Food Additives amendment in the latter stages of the legislative process. This proviso states "that no additive shall be deemed to be safe if it is found, after tests which are appropriate for the evaluation of the safety of food additives, to induce cancer in man or animal. . . ." The present interpretation of the Delaney Clause by the Food and Drug Administration (FDA) is that a substance is not allowed as a food additive if it is found to produce cancer in any strain of experimental animal when supplied to the animal in any amount, no matter how great.

The Delaney Clause has remained controversial ever since it became law 20 years ago. The scientific community points out that the Delaney Clause provides no room for scientific judgments related to risk, benefit, dose, and detectable level. Although the purpose of the Delaney Clause was to make food additives safe or free of risk of producing cancer, no additive is safe in the sense of zero risk. All additives, all chemicals, and all foods have detrimental effects on humans if the dose is great enough, and hence may be considered unsafe. Certain essential substances that are produced in the human body are carcinogenic to experimental animals in excessive doses. Certain natural substances that are required in the human food supply to prevent deficiency diseases are carcinogenic to experimental animals in excessive doses, and one of these (vitamin D) was made a legally required additive in milk before its carcinogenicity was discovered. Certain natural carcinogens that are not known to be essential in human nutrition are normal constituents of the food supply. Still others are almost certain to be discovered in time because the food supply is an aggregate of many chemicals, most of which have not been tested for carcinogenicity.

"The Council on Foods and Nutrition of the American Medical Association has stated, 'Technically this special cancer clause contributes nothing to the safe use of food additives since any hazardous use of an additive is already prohibited in the general provisions of the 1958 food additive amendments' " (Anonymous, 1966).

When the news about nitrosamines in meats was published in 1970, the cured-meat industry reacted promptly to establish research programs to re-evaluate the use of salt, nitrite, and nitrate in the curing process. At that time, analytical procedures and laboratory capabilities to determine trace concentrations of nitrosamines were inadequate. Nevertheless, published research began to appear in 1973 through the Meat Industry Research Conferences (annual conferences of professionals from academic, government, and industry sources).

Further, in 1973, the Secretary of Agriculture appointed a six-member Expert Panel on nitrites, nitrates, and nitrosamines to advise the Department on the safety and continued use of these substances. The Panel conducted 14 official hearings between September 1973 and September 1977, when the last meeting was held. Cured meats and the curing processes were reviewed on a product-by-product basis because the characteristics of individual cured products differ. The safety of cured meats and the potential hazard of poisoning from botulium toxin were reviewed and redocumented. Because of the possible carcinogenic hazard from nitrosamines, the recommendation was made that the 200 ppm limit for residual nitrite established by USDA in 1926 be reduced to decrease potential exposure to nitrosamines in cured meats. The recommendations (40 Fed. Reg. 5264, Nov. 1975) may be summarized as follows:

1. Nitrite should be restricted to use in dry-cured and/or fermented sausages pending further studies on the need for nitrate in these products.

2. Nitrite should be restricted to 156 ppm[1] rather than 200 ppm in cooked, cured sausages, in which no nitrosamines have been detected.

3. Nitrate and nitrite should not be used in infant and junior foods containing meat and poultry products.

4. In canned, sterile products (corned beef hash, potted meat, deviled ham), residual nitrite should be limited to 50 ppm.

5. In curing solid muscle cuts (hams, picnics, canned hams, beef plates, briskets, and rounds) and in canned, shelf-stable chopped meats, nitrite additions should be limited to 156 ppm.

6. Special attention should be given to bacon. The addition of nitrite should be restricted to 125 ppm in the presence of 550 ppm of sodium ascorbate or erythorbate.

Since 1975, much research on bacon has shown that this product, as commercially processed, does not contain nitrosamines. Small amounts of nitrosamines may be formed when bacon is cooked to the well-done state. Nitrosamines formation is encouraged by use of high temperatures and long cooking times, which produce a crisp product. Addition of sodium ascorbate or erythrobate greatly reduces the formation of nitrosamines during cooking.

The industry began voluntarily to adopt the 1975 recommendations even though the latter have not yet been adopted as regulations. Additional research on dry-cured and fermented sausage as well as on possible alternatives to nitrite was described at the June 1977 meeting of the USDA Expert Panel and at a subsequent Expert Panel meeting in September 1977.

A statement of policy and a request for data was published in 1977 by the Food Safety and Quality Service of USDA (42 Fed Reg. 5526, Oct. 11, 1977). The summary of this notice states that, "The Administrator has determined that nitrates and nitrites as currently used in manufacturing cured meat products have the potential of interacting with components of meat to form carcinogenic nitrosamines. As a result, he has established a program for obtaining from the industry information required to resolve definite questions about the safety of the continued use of nitrites in such products." A timetable for receipt of information was established by product category. Moreover, specifications were described for cooking bacon and for analyzing it for nitrosamines.

The Poultry Products Inspection Act of 1954 incorporated an inspection procedure for processed poultry products into the Meat Inspection Act. In 1970, both were consolidated into the Wholesome Meat Act. By 1977, cured poultry products had developed substantial consumer acceptance. Such products as chicken or turkey frankfurters, salami, bologna, pastrami, and ham were being marketed.

An FDA policy statement in 1977 (42 Fed. Reg. 44376, Sept. 2, 1977) requested data for poultry products on nitrosamine formation, nitrite levels safe for human consumption, and the nitrite level required to prevent botulinum toxin formation. The Commissioner stated that nitrite is considered a food additive under Section 201(s) of the Federal Food, Drug, and Cosmetic Act (21 USC 321(s)). He noted further that the same substances may be color additives under Section 201(t) of the Act (21 USC 321(t)) if used essentially for the purpose of affecting color. He entertained a request for factual information that could serve as a basis for an interim food additive regulation authorizing the use of nitrites and nitrates in poultry products.

While the USDA Expert Panel was holding meetings, representatives of the poultry products industry conferred with FDA and USDA about the specific protocol for testing cured poultry products. A petition to establish an interim food additive regulation was eventually filed with the FDA Commissioner (Special Poultry Research Committee, 1977). The petition presented the results of scientific studies showing that:

1. At an ingoing sodium nitrite level of 136±20 ppm in the presence of salt, botulinum toxin formation was effectively inhibited in chicken frankfurters and turkey ham.

2. None of the cured poultry products, raw or cooked, contained nitrosamines above the minimum confirmable level of 5 ppb.

3. The average residual nitrite after 6 weeks of refrigerated storage was 14 to 18 ppm.

From a study of the scientific and historical evidence, it becomes clear that the process of salting edible flesh developed primarily to preserve these highly digestible and nutritious sources of protein. Flavor and color effects of curing were of secondary importance to the preservation process.

The alternative of banning the use of nitrate and nitrite for curing edible flesh would have tremendous and immediate effects on meat processing practices and availability of products to consumers in the United States. If nitrite were eliminated from processed meats, there would be no kosher meat products such as salami, bologna, and hot dogs. There would be no regular frankfurters or wieners, no Vienna sausage, no corned beef, no deviled ham, no pastrami, no canned ham, no chopped luncheon meats, no cold cuts. These products would, in effect, disappear and would be replaced by a different group of food products resulting from altered processing and handling methods. Adoption of such an alternative in the United States would precipitate more difficult problems in less developed countries that might adopt the U.S. action. In countries that lack highly developed systems for mass refrigeration, transportation, and distribution. curing is a considerably less easily replaced means of processing meat, poultry, and fish products for consumers than it is in the United States.●

[1] In recommendations 2, 4, 5, and 6, the "nitrite" figures are for sodium nitrite.

JOHN K. GERHARD

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. MINETA. Mr. Speaker, it is with great pleasure that I rise today in honor of one of San Jose's outstanding public officials, Mr. John K. Gerhard, who is retiring as fire chief of San Jose.

John began his 31 year career with the San Jose Fire Department as a firefighter in 1947. Following a 17-month tour of duty during the Korean war, he was promoted to fire captain in 1955, battalion chief in 1961, and he became fire marshal a year later. On April 17, 1973, John Gerhard was named head of the San Jose department with its 27 fire stations, training center, and vehicle maintenance facility.

John has been active in professional organizations at the State and local level. His affiliations include membership in the International Association of Fire

Chiefs, California Fire Chiefs Association, Western Fire Chiefs Association, and the National Fire Protection Association. He has also served as chairman of the California Metropolitan Fire Chiefs.

In addition to his professional service, John has served as a member of the board of directors of the Salvation Army, a member of the Rotary Club of San Jose, and the San Jose Elks. He was honorary chairman of the Muscular Dystrophy Association for 1974–75 and 1975–76.

San Jose will miss John's fine leadership abilities, but I am sure he will remain an active part of our community.

With this in mind, Mr. Speaker, I ask you and all other colleagues in the House of Representatives to join me in honoring John K. Gerhard and say thank you for all his years of dedication and community service.●

GIRL SCOUTS OF THE UNITED STATES OF AMERICA "FROM DREAMS TO REALITY"

HON. WILLIAM H. NATCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. NATCHER. Mr. Speaker, during the week of March 12 to March 18, 1978, the Girl Scouts of the United States of America will observe their 66th anniversary, and it is again my pleasure to pay tribute to this outstanding organization. I must commend them for their many fine achievements during this past year of service to others.

Girl Scouts of the United States of America is the largest voluntary organization for girls in the world and the ideals fostered by this organization inspire its members toward high ideals of character, conduct, patriotism, and service so that they may become happy and resourceful citizens. Girl scouting gives a girl an opportunity to be herself, to grow in her own way, choose the personal values she wants to hold and lead the life she wants to live. Scouting is a challenge filled with a host of advantages and opportunities.

Scouting teaches values. It encourages democracy and cooperative action in the home and the community. It encourages individual and group involvement in helping achieve worldwide brotherhood; it encourages understanding between youth and adults; it encourages decisionmaking and responsibility. Girl Scouts learn to make decisions early in life by actually making them. All these goals are put into action when we consider the many projects the members have initiated in both your community, Mr. Speaker, and mine.

These activities are truly innovative. Many years ago Girl Scouts studied first aid, camped, hiked, and learned basic home management skills. They still do. However, Scouts now are participating in so many diversified projects that it is impossible to list them all. They assist in archeological digs, model self-governments, space tours, educational programs for the handicapped and mentally retarded, civic programs, playground supervision, historical building restoration, day camps, community beautification, library development, marine exploration, pioneer crafts, career exploration seminars, and human relations workshops. As a direct result of the 1976 career awareness exploration project, "Dreams to Reality," materials are being developed for wide distribution which stress the importance of exploring future careers and new opportunities awaiting American women in the decades ahead.

The services Girl Scouts perform are many and I am always amazed and delighted by the number of ongoing and new projects in which the Girl Scouts are involved. Girl Scouts are eager, spirited and fun loving and their activities reflect their enthusiasm for all facets of life.

I am proud and grateful that the Girl Scout groups are dynamic resources in the Second Congressional District of Kentucky, which I have the honor to represent. Kentuckiana Girl Scouts worked on a very special project this year. Working with the Department of Human Resources, Scouts sought out low-income senior citizens in need of food stamps. After taking a course in eligibility requirements and procedures, Girl Scouts set up information booths at apartment complexes for the elderly and distributed informative literature. They talked directly with the senior citizens answering questions on eligibility and application methods. This project served a dual purpose, Mr. Speaker. Many senior citizens were assisted at a time of need, and the girls gained and grew in understanding of the unfortunate world of poverty and anxiety. They acquired compassion but, more importantly, a mature understanding of the plight of many of our older Americans.

The cooperative effort between the Girl Scouts and communities takes on many different forms. Some projects meet a specific need on a local level, such as the Kentucky food stamp program, and others are national in scope and participation.

In January 1977 the Girl Scouts of the United States of America launched a new project—the Elliott Wildlife Values project. This was designed to help everyone understand the need to preserve our diminished stock of wildlife in the context of an overall conservation program. Scouts learned from experts in wildlife and environmental organizations and participated in environmental learning experiences. The Girl Scouts worked closely with the producer of the "Wild Kingdom" television series in the production of a show demonstrating Girl Scout activities and educational events concerned with wildlife preservation.

Mr. Speaker, we can look, but will not find, any organization that wants more the realization of our National dream—the dream that has challenged us for two centuries, that life in this great country should be, and can be, good and worthwhile. With their involvement with all Americans, Girl Scouts are, often, a vital force in establishing the principles and goals that are so much a part of our American heritage.

Resilient and determined, irrepressible and fun loving, our Girl Scouts of the United States of America are one of our greatest assets. As they go into their 67th year, I offer them my best wishes and pledge my continued support.●

RHODES WARNS AGAINST DISARMAMENT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. SYMMS. Mr. Speaker, I would like to commend my colleague from Arizona for his speech before the VFW convention on March 7 in which he warned against disarmament in the face of a Soviet military buildup. I wholeheartedly agree with Mr. RHODES when he says:

> We should not conclude any SALT II treaty, at least until we have definite proof that the Soviet Union is fulfilling the terms it agreed to in SALT I.

It is about time that we demand Soviet compliance with these agreements instead of unilaterally depleting our own forces. I ask all my colleagues to seriously consider what Mr. RHODES has to say:

FACING THE REALITIES OF THE POSTDÉTENTE ERA

In Section Eight of the Constitution, Congress is charged with the responsibility to "provide for the common defense and general welfare of the United States." During my 26 years in the House of Representatives, I have participated in many legislative battles waged over the question: How much defense do we need?

As we head into the closing years of the decade of the 1970s, the Halls of Congress ring with the rhetoric over the status of our preparedness. There are some who believe that military budgets represent waste; that the money should be diverted into more social programs. Theirs is a belief founded on fine motives, but divorced from the realities of a still-perilous world. Here's why.

A little over sixty years ago, the Bolshevists crawled out of a Moscow cellar and launched a campaign to take over the world. During those six decades, Communism has spread its tentacles over a large part of the globe. Theirs is a persistent, and undiminished, goal. In their Third International Program adopted in 1928, they state quite clearly that "The ultimate aim of the Communist International is to replace world economy by a world system of Communism." They have *not* abandoned that quest to rule all the peoples of the world.

It would be as unrealistic for us to underestimate the intensity of the desire for conquest by world Communism as it was to discount the aims Adolph Hitler expressed in Mein Kampf. Today we see a Soviet Union that has amassed an enormous military establishment—a Russia that is active worldwide in fomenting revolution, providing arms and technology and constant subversion to undermine existing governments, fishing in whatever troubled waters they can find.

It is a disappointment to many of us that we must be sadly disillusioned concerning detente. There *was* a time of high hope that perhaps the Soviet Union really desired a lasting world peace, and that understanding between their government and ours was gaining ground. As much as we want detente to succeed, reality has intruded and we find

that for all practical purposes, detente between the Soviets and ourselves has become a myth.

In almost every quadrant of the globe, we find freedom challenged by the pernicious threat of extension of Communist influence. If we were once lulled by our love of peace into complacency, based on our hope for detente, we have been awakened rudely by recent world events.

Just 90 miles from our shores is Communist Cuba—a willing proxy for Russian aggression anywhere in the world. While Soviet airmen fly security missions over Cuba, Fidel Castro's pilots and soldiers are exporting war to Africa. In Ethiopia, Libya and Djibouti—key to the Horn of Africa—Communism is busily engaged in support of disruption and revolt. In peril are the straits leading into the Red Sea, and the Gulf of Aden, important choke points through which passes much of the oil supply of the free world.

Communism is inclined to regard world relations as a chess game. Moves are made, always with one purpose: to advance toward the goal of weakening capitalism and freedom, and extending Communism with its tyranny.

So immense has been the buildup of Soviet forces over the past 15 years that even our own security has come into question. Only recently have the figures been recognized for their true meaning—a signal that the Soviet Union plainly intends to create the greatest military force on earth.

In his book "Inside Russia Today" John Gunther came to the conclusion that "Good faith is inconceivable to the Russian Communist." That basic philosophy of deception minimizes the impact of any agreements reached through negotiations such as SALT.

We are aware that wholesale violations of SALT I treaties *have* occurred. The Soviets have established clandestine facilities—heavily camouflaged. Equipment moves at night. Missiles of questionable legality under the treaties are being advanced as rapidly as possible. This lack of good faith is shocking to our American sense of decency, but it is the foundation of Communist strategy. Trying to make the Soviets honest approaches the area of impossibility described by Aristophanes—trying to teach a crab to walk straight.

Soon, we will be considering the results of SALT II. Many of us in Congress are deeply concerned. We have bargained in good faith. We have made concessions. The key concern is: will we really get any quid pro quo? Or are we being played for international rubes—promised disarmament—while the total buildup goes on at an accelerated pace?

In this light of well-founded revelations that SALT I has not been complied with by the Russians, many of us wonder if we are not putting false hope in SALT II. I feel that we should not conclude any SALT II treaty, at least until we have definite proof that the Soviet Union is fulfilling the terms it agreed to in SALT I.

Certainly, the present world climate simply cannot justify our making unilateral disarmament moves in areas of major weaponry. It is a deep worry to those of us who want a defense establishment second to none in the world that we have abandoned the B–1 bomber without securing any trade-off in terms of reciprocal Soviet disarmament. Likewise, it does not appear logical that we slow development of the MX missile which, because of its mobility is the next obvious generation of defensive rocketry, especially since the Russians already are deploying a mobile missile.

American technology has developed the CRUISE missile—a comparably inexpensive, but a deadly, easily mass-produced weapon. From the first, the Soviets launched a campaign to deter us from utilizing the fullest potential of CRUISE.

This break-through weapon can be effective only if delivered to the target.

One of the Russian demands at SALT II is that the range of the CRUISE missile be limited to 650 miles. Russia is a big country, so this would mean that launch vehicles must penetrate Russian borders to get to a cruise launch point to reach most targets. Yet, only a supersonic bomber like the B–1 has a chance to get through the Soviet air defenses. Certainly, the B–52 which looks like the Empire State Building on a radarscope, would have little if any chance of getting the CRUISE Missile to its launching point. Yet, we have scrapped the B–1. How silly can we get?

If we could realize the full potential of CRUISE, it could put us a long step toward parity in firepower.

Its great promise will be stifled if we consign it to an outmoded launch vehicle. It's somewhat like trying to shoot a bullet with a slingshot, or carrying a recoilless rifle into battle with a horse and buggy.

You all have been bombarded with information about the Panama Canal treaties and the current Senate debate. Let me ask you, who can really expect us to agree to withdraw your troops from the Panma Canal with Communist Cuba so near? The Cubans have shown a willingness to be running dogs for Russian territorial aggression and to send troops anywhere Communism decides to strike.

Yet, the treaties demand withdrawal of our troops. True, we can reinsert them if they are needed to defend the neutrality of the Canal, but they would probably have to land under battle conditions, with heavy casualties When we started negotiating with Panama, Cuba was relatively quiescent. She had neither the means, nor apparently the will, to use her own forces to commit aggression anywhere. Her military incursions into Africa have changed the situation completely. If Cuba commits aggression in Africa, who believes she could resist the temptation of seizing, or destroying, an undefended Panama Canal?

Let us for once look at the world the way it is not as we wish it were.

Rudyard Kipling described Russia as the Bear That Walks Like a Man, and warned of its menace to its neighbors. The menace today is global. Although they do not always telegraph their punches, we can gain some insight into their eventual intentions by looking at the kind of weapons they build, in ever-increasing numbers, sophistication and deployment. They constantly are prepositioning weapons in various parts of the world, ready to take advantage of outbreaks fanned by their expertise in subversion.

We are a Nation that has become dependent on vast amounts of raw materials from abroad, to fuel and feed our enormous productive free enterprise system. To assure that this flow continues, we must depend on freedom of the seas. It is in this area that the Soviet Union has taken giant strides. The figures themselves are ominous: 981 ships in the Russian Navy, and only 459 in ours.

If our own naval future is unclear, the direction of the Soviet is plain. They have 260 attack submarines to our 77, and 91 nuclear missile submarines to our 41. Intelligence reports indicate the Soviets are going nuclear, below and above the surface. I believe that our Navy must be equipped with the long-range operating capacity that only nuclear power can provide.

Clearly, the Soviets have a vast arsenal. These are weapons of attack, not of defense. They do not need 9,600 tanks to defend their borders against our defensive NATO forces. They do not need killer satellites to protect space over the Soviet Union. They do not need SS–20 ICBMs to defend their homeland. Backfire bombers are not a defensive weapon, nor are packs of killer submarines, and fleets of destroyers.

I share the wish of all Americans that peace was in some way a definite, easily-attainable goal. Such is not the course of events, nor has it ever been for long in the history of mankind Freedom, to be kept, must constantly be defended Certainly no one knows that better than you, who have answered the call for freedom's defense in all corners of the world.

Every generation of Americans has had to deal with the question of how much defense is enough. Each time that we have disarmed, the results have been tragic, a terrible price in blood and money. Certainly, we should not today repeat the errors of the past. Certainly, when the evidence is undeniable that an avowed adversary is committing itself to building a level of military capability unprecedented in history, we cannot lower our guard and pin our hopes on talking them out of future confrontations.

In 1905, a great American President, Theodore Roosevelt, outlined a defense policy that is as valid today as it was then. He said, "While ever careful to refrain from wronging others, we must be no less insistent that we are not wronged ourselves. We wish peace, but we wish the peace of justice, the peace of righteousness. We wish it because we think it is right, and not because we are afraid. No weak nation can have cause to fear us, and no strong power should ever be able to single us out as a subject for aggression." We must make it clear to the Russians that we do not intend to play games with them. If they want peace, and eventual disarmament, then so do we—and we will negotiate until we get them.

If they intend for us to put our heads in the sand and continue to negotiate while they, and their Cuban proxies, execute neat end runs and classical pincers movements in Africa and elsewhere, we will have none of it.

We remember the admonition of Patrick Henry to those who continued to cry, "Peace, peace, when there is no peace." If there is to be no real peace, then detente is just a form of self-delusion which we cannot afford to practice.

Our defense goal today is to back up our peaceful desires and our reasonable voices with a strong stick of military power that will deter miscalculations that could lead to open aggression and general war.

With God's help, we can walk this terrible tightrope to world peace and the salvation of mankind.●

WALLA WALLA COUNTY EXTENSION HOMEMAKERS COUNCIL

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. FOLEY. Mr. Speaker, March 8 will mark the date that the United States Postal Service introduces its newest commemorative stamp with ceremonies at Charleston, W. Va. This stamp is one of a unit of four featuring "basket" designs from a rare American quilt made in New York City in 1875. I would like to take this opportunity to congratulate the Postal Service and to take note of the activities being put on by the Walla Walla County Extension Homemakers Council to emphasize the historical and cultural significance of this commemorative stamp.

The Walla Walla County Extension Homemakers Council has taken the initiative in providing leadership in active programs that will emphasize the strong reawakening of public interest in

the craft of quiltmaking. The activities of the council symbolizes the strength of the American home and the contributions of American women to the artistic heritage of our Nation.

The combined efforts of the Walla Walla County Extension Homemakers Council and local eastern Washington post offices is an excellent example of citizen and government working together on behalf of maintaining essential American traditions.●

AMNESTY INTERNATIONAL DETAILS GOVERNMENT REPRESSION OF JOURNALISTS IN ARGENTINA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. DRINAN. Mr. Speaker, yesterday I inserted into the CONGRESSIONAL RECORD an excellent study by Amnesty International entitled "Argentina: Repression of the Media Since the Military Coup of 24 March 1976." This study describes the almost total suppression of the free press by Argentina's military government.

Amnesty International has also compiled a list of all journalists who have been detained or killed since the present regime came to power. The human rights organization has also listed all known instances in which journalists have disappeared, presumably at the hands of the government or government-sponsored military or paramilitary organizations. Finally, Amnesty International details all known interventions by the government into the operations of the press.

The sheer number of the incidents described above has had its intended chilling effect on the workings of the press in Argentina. The government has sent all journalists in that nation a clear warning that the publication of information or opinions critical of the government or the military (a criminal offense) could lead to the most drastic consequences.

Amnesty International, winner of the Nobel Peace Prize for 1978, is to be commended for the exhaustive research which led to their authoritative summary of the shocking extent and brutality of the government's campaign against a free press in Argentina. Hopefully, the results of this study will help to generate worldwide criticism of the military government in Argentina and motivate action to impose sanctions against that nation's military dictatorship until it restores to the people of Argentina their basic human rights.

The compilation of government action against journalists follows:

LIST OF JOURNALISTS CURRENTLY DETAINED IN ARGENTINA

Aguirre, David: Detained 8 February 1977; journalist from *La Hora*, Santiago del Estero.

Alfieri, Guillermo: Detained 24 March 1976; Secretary General of the Press Union of La Rioja. Editor of *El Independiente*.

Ciaravino, Norberto: Detained 25 March 1976; legal advisor to Press Union of Córdoba; wrote occasional articles on court cases for Córdoba newspaper *La Voz del Interior*.

Costa, Alberto: Detained on 3 May 1976 with his wife psychologist Galia Marchisso. Writer and editor of *Barrilete* (Buenos Aires.)

Cabiedes, Pablo: Detained 8 February 1977; worked for *La Hora*, Santiago del Estero.

Capellupo, Rafael: Editor of *La Razón*, Buenos Aires.

Cultelli, Andrés**: Former director of Uruguayan paper *El Sol;* condemned to 14 years' prison in Argentina.

Bonnardel, Jorge: Detained 23 November 1976; journalist from Mendoza paper *Los Andes*. Detained in La Plata.

Cazes Camarero, Pedro: Former director of paper *El Combatiente*.

Dessimone, Carlos: Detained 12 August 1976; journalist from Córdoba paper *Los Principios*.

Gaido Enrique del For: Detained 9 April 1976; crime reporter from *30 Días*, San Pedro, Buenos Aires province.

Gallengo, Angel A.: Detained April 1976; reporter for *Radio Nacional de Mendoza*.

Gonzalez, Ovidio: Detained April 1976; leader of the Mendoza press union.

Giolito, Ruben: Detained January 1977; worked for *Cartago*.

Garcia Hamilton, José: Director of *El Pueblo*, Tucumán.

Fernandez Miguel, Angel: Director of *Norte*, Resistencia, Chaco.

Jaroslavsky, Cesar: Journalist.

Jozami, Eduardo: Former Secretary General of the Buenos Aires Journalists' Union. In La Plata prison.

Lancillotta, Carlos: Detained 3 March 1977; La Rioja correspondent of *La Prensa* and Channel 2 of Viedma television, Río Negro.

Levin, Gregorio: Detained January 1977; director of *Cartago*.

Leiva Montiel, Ramón*: Detained April 1977; Paraguayan, writer and journalist.

Leon, Emilio: Detained 17 June 1976; journalist from Channel 2 of Viedma television, Rio Negro.

Mercado Luna, Ricardo: Detained April 1976; director of Jurisprudencia Riojena.

Namonde Carlos, Hugo: Writer; collaborated with Publicaciones Periodisticas.

Nicola, Felipe: Journalist with Los Principios.

Paoletti, Mario: Detained 23 March 1976; assistant director of El Independiente, La Rioja.

Perez, Ventura: Detained April 1976; with 6 others. Journalist from Mendoza; Secretary General of the Sindicato del Libro de Mendoza.

Rossi, Raul: Detained 21 September 1976; director of Paraná newspaper El Día.

Rodriguez Larreta, Enrique (Jr.): Detained 30 June 1976; Uruguayan journalist from El Cronista Comercial. Abducted with wife and children and handed over 6 months later to Uruguayan authorities.

Reina, Roberto: Leader of Graphics Union of Córdoba. Detained June 1974.

Sibila, Norma: Journalist from Los Andes, Mendoza.

Sappia, Jorge: Detained April 1976; legal advisor to Córdoba journalists' union.

Salomon, Juan Ramón: Detained 12 April 1976; journalist from La Estrella de la Mañana.

Smaller, Plutarco: Detained 24 March 1976; photographer from El Independiente, La Rioja.

Smith, Julio Federico: Writer and journalist; wrote under name of Federico Moreyra.

Timerman, Jacobo*: Detained 15 April 1977. Journalist, founder and director of La Opinión (Buenos Aires); Founder of Primera Plana, Confirmado and El Diario (Mendoza).

Tula, Jorge: Detained April 1976; editor.

Tarascone, Renee: Detained September 1976; journalist.

Vasquez, Nardo: Detained 8 February 1976; journalist from La Hora, Santiago del Estero.

Verdun, Ramón: Detained 12 April 1976; journalist from Los Principios, Córdoba.

*Case adopted by Amnesty International.
**Case under investigation by Amnesty International.

ARGENTINA: LIST OF DISAPPEARED JOURNALISTS

Alvarez, Lucina: Disappeared 3 May 1976; journalist from Barilete, Buenos Aires.

Amadio, María Elena: Detained 30 March 1976; journalist from magazine Barrilete, Buenos Aires.

Barros, Oscar: Disappeared 3 May 1976; writer; journalist from Barrilete; husband of Alvarez Lucina.

Bedoyan, María: Disappeared 25 June 1976; journalist from magazine Dinamis; wife of I. Ikonikoff.

Bustos, Miguel Angel: Disappeared 30 May 1976; journalist and writer.

Ceretti, Conrado: Disappeared 30 July 1976; journalist from El Cronista Comercial and La Opinion.

Comotto, Aldo: Disappeared January 1977; director of Respuesta Popular.

Conti, Haroldo*: Writer and journalist; see page (5).

De Fieri, Eduardo: Freelance journalist from Buenos Aires.

Demarchi, Héctor: Disappeared 5 August 1976; journalist from El Cronista Comercial; trade union delegate.

Dominguez, Mabel K.: Disappeared January 1977; journalist from El Mundo, Buenos Aires.

Dorigo, Pablo: Journalist from Channel 9, Buenos Aires TV.

Fernandez, Pondal: Disappeared 5 August 1977; joint director of Ultima Clave.

Fossatti, Ernesto Luis: Disappeared 26 December 1976; journalist from magazine Panorama.

Gelman, Marcelo: Disappeared September 1976; son of well-known poet Juan Gelman; worked for paper Noticias and magazine Gente.

Gleyzer, Raymundo*: Disappeared April 1976; film-maker.

Guerrero, Diana: Disappeared 30 July 1976; journalist from magazine Discussion, Buenos Aires.

Hica, Juan Carlos: Disappeared 25 June 1977; director of Japanese paper Akuko Nippo.

Hernandez, Mario: Disappeared July 1976; journalist from Militancia, Buenos Aires.

Iconikoff, Ignacio: Disappeared June 1977; well-known journalist from magazines Ciencia Nueva and Panorama; also paper Noticias Oceanofisico.

Idelman, Mario: Journalist.

Kolliker Freers, Alfredo: Disappeared 14 December 1976; from German Newspaper La Plata Ruff.

Lagorio, Carlos: Disappeared 27 January 1977; journalist from Prensa Libre.

Lizazo, Miguel: Disappeared April 1976; director of newspaper La Causa Peronista.

Loiseau, Carlos: Disappeared August 1977; cartoonist.

Lugones, Susana "Piri": Disappeared 24 December 1977; former journalist with La Opinion, Noticias, Crsis and Siete Dias.

Ferez, Carlos: Editor and journalist; former director of cultural supplement of newspaper Clarín. Disappeared April 1976.

Ferez, Marta: Disappeared April 1976; journalist from La Razon, Buenos Aires.

Pastoriza De Jozamin, Lila: Journalist from magazine Siete Días and newspaper Noticias. Wife of former Secretary General of Journalists' Union of Buenos Aires, Eduardo Jozami. Disappeared June 1977.

Perrota, Rodolfo: Disappeared June 1977 together with son Rafel Perotta Bengolea. Owned El Cronista Comercial, Buenos Aires.

Stival, Angel: Disappeared 7 August 1976; journalist from newspaper Córdoba; leader of Córdoba Journalists' Union.

Suarez, Eduardo: Disappeared 15 August 1976; journalist from El Cronista Comercial, El Munco and Noticias.

Soruco, Barba: Journalist from newspaper El Tribuno, Salta.

Sajon, Edgardo: Disappeared 1 April 1977; former president's press secretary (1971–73); head of graphics department of La Opinion.

Herrera, Mario: Disappeared November 1976; journalist from magazine Confirmado, Buenos Aires.

Villa, Patricia: Disappeared 14 August 1976; journalist from Inter-press Agency, Buenos Aires.

Walker, Enrique: Disappeared 17 July 1976; worked formerly for magazines Gente, Semana Gráfice, Nuevo Hombre and El Descamisado.

Wehner, Tile: Disappeared 26 March 1976; editor of El Actual, Escobar, Buenos Aires province.

Walsh, Rodolfo: Disappeared 26 March 1977; well-known writer and journalist of newspapers Mayoría, La Opinión and Noticias.

ARGENTINA: LIST OF JOURNALISTS KILLED SINCE THE MILITARY COUP

Bettanin, Leonardo: Journalist from magazines *Confirmado, Primera Plana* and *El Desacamisado*. Former national deputy.

Bettanin, Guillermo: May 1976; journalist from newspaper *Notices*, Buenos Aires. His mutilated body allegedly turned up in Ville Devoto prison.

Bettanin, Cristina: Killed 2 January 1977 along with brother Leonardo and her mother in Risario. Photographer from magazine *Ya, Le Descamisado* and newspaper *Noticias*.

Burnichon, Alberto: Journalist, poet and editor.

Cabo, Dardo: February 1977; detained 18 April 1975 and shot in an alleged escape attempt from La Plata prison. Journalist from magazine *Semana Gráfica* and director of *El Descamisado*.

Coulin Novillo, Hugo: 18 January 1977: his body was found in his flat after a fire. Journalist from newspaper *Prensa Libre*, Buenos Aires.

Einrich, Guillermo: June 1976; bullet-ridden body found.

Goldsman, Hugo: June 1977; Journalist from newspaper *Noticias* and magazine *Decamisado*.

Goldeberg, Mario: Journalist from Radio Bahía Blanca, Buenos Aires province.

Guitierrez Ruiz, Hector: 22 May 1976; his bullet-ridden body turned up with that of Zelmar Michelini. Journalist from La Opinion and former deputy of *La Camera de deputados de Uruguay*.

Dominguez, Eduardo: May 1976; Former Secretary General of Journalists' Union of Salta province.

Jaime, Luciano: Journalist from newspaper *El Intrinsigente*, Salta.

Loyola, Miguel Angel: 5 June 1976; graphics delegate from B..hía Blanca; body turned up with that of Einrich.

Ferreiros, Hector: April 1977; journalist from magazine *Primera Plana, Panoramo* and newspaper *La Opinion*.

Marin, Francisco: March 1977; journalis from *La Nación*.

Mastrogiacomo, Marta: November 1976; journalist from newspaper *Noticias* and magazine *El Descamisado*.

Michelini, Zelmar: 22 May 1976; journalistf from newspapers *Noticias* and *La Opinión*, Buenos Aires. Former national senator and presidential candidate of Uruguay.

Outes, Pablo: Allegedly assassinated in Villa Las Rosas prison, Salta. Journalist from *El Intransigente*, Salta.

Open, Daniel: Sociologist and journalist from magazine *Nuevo Hombre*.

Perler, Alicia: Journalist from newspaper Noticias.

Raab, Enrique: 16 April 1977: journalist from La Opinion and magazine Siete Dias.

Zavala, Rodriguez: January 1977: killed after home raided. Journalist from weekly El Autentico; former National Deputy.

INCOMPLETE LIST OF MILITARY INTERVENTIONS IN NEWSPAPERS

Date, publication, and intervention

26 March 1976: El Intransigente (Salta), closed for 24 hours.

28 March 1976: La Manana (Victoria Entre Rios), closed for 24 hours.

3 April 1976. El Independient (La Rioja), closed for 24 hours.

4 April 1976: La Arena (La Pampa), closed for 24 hours.

7 April 1976: Noticias Argentinas, out of action for 72 hours.

8 April 1976: Cronica, closed for 24 hours.

13 April 1976: La Estrella de la Manana, closed.

15 April 1976: El Independiente (La Rioja), closed for 48 hours.

6 May 1976: LU8, Radio Bariloche (Neuquen) closed for 72 hours.

20 May 1976: Posicion Nacional, closed.

June 1976: Sucesos, closed.

2 July 1976: Norte, (Chaco province), closed for 24 hours.

14 July 1976: Tribuna Popular, closed.

26 July 1976: La Yesca (PST publication), closed.

11 July 1976: 26 various political publications closed.

2 August 1976: LT8, Radio Rosario, administrative sanctions. LV6 Radio Mendoza, administrative sanctions. LV12, Radio Tucuman, administrative sanctions.

June 1976: Televiedma, Channel 2, television, Rio Negro, closed for 24 hours.

10 August 1976: LR3, Radio Belgrano, BA programmes interrupted.

3 September 1976: Epoca (Corrientes), closed for 27 days.

12 September 1976: Los Principios (Cordoba), closed for 5 days.

September 1976: Atalaya and Despertad, both closed. (Jehovas Witnesses publications).

* * * * *

14 January 1977: Fundamentos (CP magazine), closed.

14 January 1977: La Tacita Azul (children's publication), closed.

28 January 1977: El Tiempo Nuevo (Hare Krishna publication), closed.

29 January 1977: La Opinion (Buenos Aires) closed.

29 January 1977: Revista de Clas, No 259 prohibited. (Centro de Investigacion y Accion Social).

15 February 1977: La Secana (Buenos Aires), offices raided and copies taken away.

18 February 1977: El Independiente (La Rioja), closed for 5 days.

28 February 1977: Emanuelle, banned in provinces of La Rioja and Buenos Aires; postal circulation prohibited.

28 February 1977: El Raton, as above.

February 1977: Revista Padres, closed.

3 March 1977: Vatos al Tiempo Joven (BA), closed.

3 March 1977: Cinco Dedos (Children's Publication), closed.

8 January 1977: Revistas Casos, prohibited in Buenos Aire province.

3 July 1977: La Opinion (Buenos Aires), military intervention.

19 September 1977: Morte (Chaco), military intervention.●

INVITATION TO MEET IN HONOR OF MR. ALEXANDER HAY

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. MONTGOMERY. Mr. Speaker, I wish to remind my colleagues of the invitation they received recently from the 10 members of the former House Select Committee on Missing Persons in Southeast Asia. The invitation involves a coffee tomorrow afternoon (Thursday) in the Speaker's Dining Room from 4 to 5 p.m. in honor of Mr. Alexandre Hay, president of the International Committee of the Red Cross.

Mr. Hay's organization was most helpful in assisting American civilians to leave Saigon at the time of its fall and also in obtaining information on our missing American servicemen.

I want to encourage my colleagues to drop by the Speaker's Dining Room tomorrow afternoon to meet Mr. Hay.●

INTER-PARLIAMENTARY UNION TAKES ACTION TO PRESERVE RIGHTS OF PARLIAMENTARIANS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. FRASER. Mr. Speaker, I would like to insert in the RECORD a statement by the Inter-Parliamentary Union before the U.N. Commission on Human Rights, which recounts their recently adopted procedure for examining communications concerning the violations of human rights of parliamentarians. The procedure which went into force on January 1, 1977, has examined some 50 individual cases of violations of the rights of parliamentarians.

In many countries where violations of human rights are occurring, parliaments have been disbanded, and parliamentarians are frequently one of the initial groups singled out for detention. The IPU activity is a significant effort to ameliorate the situation of detained parliamentarians. I would encourage Members of Congress to utilize this procedure on behalf of detained parliamentarians.

The statement follows:

[United Nations Economic and Social Council, Commission on Human Rights, Thirty-fourth session]

ITEMS 10 AND 12(B) OF THE PROVISIONAL AGENDA

Question of the human rights of all persons subjected to any form of detention or imprisonment and in particular the body of principles for the protection of all persons under any form of detention or imprisonment; and

Question of the violation of human rights and fundamental freedoms in any part of the world, with particular reference to colonial and other dependent countries and territories, including:

Study of situations which reveal a consistent pattern of gross violations of human rights as provided in commission resolution 8 (XXIII) and economic and social council resolutions 1235 (XLII) and 1503 (XLVIII); report of the working group established by the Commission at its thirty-third session.

Written statement submitted by the Inter-Parliamentary Union, a non-governmental organization in category I consultative status.

The Secretary-General has received the following communication, which is circulated in accordance with Economic and Social Council resolution 1296 (XLIV). [12 January 1978].

Procedure concerning violations of the human rights of parliamentarians

1. In 1976 the Council of the Inter-Parliamentary Union established for an initial one-year period a "Procedure for the examination and treatment by the Inter-Parliamentary Union of communictaions concerning violations of the human rights of parliamentarians".

2. This Procedure, which is described in the attached annex, entered into force on 1 January 1977. A Special Committee of five members * is the body mainly responsible for examining and treating communications. It meets twice a year in camera.

3. The Special Committee examined some fifty individual cases at the two sessions it held in February and August 1977. It reported to the Inter-Parliamentary Council on a certain number of them. Some cases were maintained on the Committee's agenda for further confidential study, while others were declared inadmissible.

4. At its 120th session (Canberra, 15 April 1977), the Inter-Parliamentary Council (a plenary body comprising members of the 75 Parliaments represented in the Union) unanimously adopted resolutions on 8 cases in 4 countries (Argentina, Chile, Kenya, Uruguay).

5. At its 121st session (Sofia, 30 September 1977), the Council unanimously adopted resolutions on 9 cases in 5 countries (Argentina, Chile, Kenya, Singapore, Uruguay). It should be noted that certain of those cases had already been the subject of resolutions of the Council at its previous session.

6. Three parliamentarians whose cases were treated by the Council were subsequently released and exiled, namely Senator Hipolito Solari Yrigoyen (Argentina) and Senators Jorge Montes Moraga and Erick Schnake Silva (Chile).

7. At its 121st session, the Inter-Parliamentary Council decided that the Special Committee should continue its task for as long as the Council deemed it necessary and useful.

The first session of the Special Committee in 1978 took place from 16 to 19 January. The Committee will present a report to the Inter-Parliamentary Council at its next session (Lisbon, April 1978).

ANNEX

PROCEDURE FOR THE EXAMINATION AND TREATMENT BY THE INTER-PARLIAMENTARY UNION OF COMMUNICATIONS CONCERNING VIOLATIONS OF THE HUMAN RIGHTS OF PARLIAMENTARIANS

Scope of the procedure

The procedure shall be applicable to members of Parliament who are or have been subjected to arbitrary actions during the exercise of the mandate entrusted to them by their voters, whether the Parliament is sitting, in recess or has been dissolved as the result of unconstitutional or extraordinary measures.

Competent bodies

A Special Committee on Violations of the Human Rights of Parliamentarians appointed by the Council and assisted by the Secretariat shall be the body mainly responsible for examining and treating the communications; it shall report to the Inter-Parliamentary Council.

Sources of communications

(a) Any parliamentarian (or a person authorized by him to make such communication) who has been the subject of a violation of any of the rights set out in the instruments of reference;

(b) Any member of a National Group of the Union; any member of a Parliament; any former parliamentarian whose Parliament has recently ceased to exist through unconstitutional or extraordinary measures;

(c) Certain international organizations competent in the field of human rights (United Nations and Specialized Agencies, intergovernmental organizations, inter-parliamentary organizations, non-governmental international organizations competent in the field of human rights and having consultative status with the United Nations Economic and Social Council);

(d) Such other sources of information as the Special Committee may unanimously decide to accept.

Presentation of communications

In principle, communications shall be addressed to the Chairman of the Special Committee on Violations of the Human Rights of Parliamentarians, at the headquarters of the Inter-Parliamentary Union.

As far as possible, they should be complete, precise and succinct; a document listing the essential points on which it would be useful to supply information is available at the Secretariat of the Union.

Treatment of communications

I. The Secretary-General of the Inter-Parliamentary Union shall establish a file concerning any communication submitted to the Union. In order to do so, he shall be authorized, in consultation with the Chairman of the Special Committee on Violations of the Human Rights of Parliamentarians, to request relevant information from the sources of conmunications, as well as from the Authorities of the State concerned or, possibly, from third parties able to supply such information.

Such correspondence shall be treated confidentially by the Union.

II. These files shall be transmitted to the Special Committee on Violations of the Human Rights of Parliamentarians which is composed of five members and shall meet at least twice a year at the headquarters of the Union, several weeks before the latter's two annual statutory meetings.

The Special Committee, which shall meet in camera, shall carry out its functions in the following way:

(i) It shall examine each of the cases submitted to it, as well as the file prepared for that purpose by the Secretary-General taking into account.

(a) the following instruments of reference:

Constitution of the State concerned, as well as any other such item of domestic law as may be relevant to study of the case;

Universal Declaration of Human Rights;

International Human Rights Covenants;

Regional human rights instruments, where appropriate;

United Nations Declaration on the Protection of All Persons from being subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment;

Standard Minimum Rules for the Treatment of Prisoners;

Geneva Convention of 12 August 1949, on the Protection of Civilians in Time of War;

(b) standards and criteria of admissibility laid down by it.

(ii) The Special Committee shall, where necessary, communicate the complaint to the Authorities of the State concerned for comments and action, and at its next session shall continue the examination of the case in the light of the replies received;

(iii) The Special Committee shall consider the suitability of reporting to the Inter-Parliamentary Council. The report of the Special Committee, together with appropriate recommendations, shall be submitted to the session of the Inter-Parliamentary Council which immediately follows the meeting of the Special Committee at which the decision to seize the Council was taken.

The report shall be public.

Action and recommendations

The Inter-Parliamentary Council shall consider the Special Committee's report and decide, where appropriate, to make recommendations or take appropriate measures.

National Groups will be required to report to the next meeting of the Council on all action taken with respect to Inter-Parliamentary Union reports on human rights violations against parliamentarians.

* At the present time, the composition of the Committee is as follows: Mr. A. Chandernagor (France), Chairman; Mrs. C. Diop (Senegal); Mr. C. Canache Mata (Venezuela); Mr. B. Osolhik (Yugoslavia); and Mr. S. N. Sinha (India).

BALDUS REPORTS ON RESULTS OF SOLAR ENERGY HEARINGS

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

Mr. BALDUS. Mr. Speaker, the Energy, Environment, Safety, and Research Subcommittee recently completed field hearings around the country on problems of small businesses trying to survive in the solar energy and energy conservation fields. The hearings were legislative in purpose, to take grassroots testimony on bills H.R. 3981 and 3984, but in the process uncovered a great deal of evidence about the status of solar energy and related technologies among small businessmen, inventors, and energy-conscious homeowners.

The hearings were held in Sioux City, Iowa, Madison, Wis., Minneapolis, Minn., and San Diego, Calif. The hearings were held in preparation for mark-up hearings on these two bills, designed to provide funding for small solar and energy conservation businesses.

In general, we ran across several recurring themes:

1. Small businesses face a severe capital shortage. Loans and venture capital are very hard to come by for these small, struggling firms. One witness at the hearing in San Diego explained that his inability to attract loan money eventually led to the bankruptcy of his business. Others emphasized the difficulties of expanding without growth capital.

2. The Small Business Administration (SBA) is virtually a non-existent source of loan capital for these small businesses. In most respects, this can be traced to the requirement by most SBA local officials for a "track record of profitability" by the business before a loan application would be approved. Demonstration of a past record of profits is virtually impossible for a small business entering the new, emerging solar energy field.

3. Research grant awards from the Department of Energy (DOE) seem unavailable to small businesses. Nationally, small business accounts for less than 7 percent of these research funds, even though 97 percent of all U.S. businesses qualify as small business. Few witnesses cited success in getting these research awards, claiming the awards go to big companies who bid on large projects. Universities also account for a sizeable portion of these monies.

4. Excessive red tape requirements at DOE have frustrated and discouraged many small businessmen. It was apparent that small business does not lose these research funds for lack of trying; rather it seems that their efforts are persistently thwarted by a confused process, by excessive red tape, a mountain of paperwork and discourteous or indifferent treatment by officials at DOE.

5. Small businessmen are reluctant to obtain venture capital funding from giant private corporations which control such capital. The reason seems to be consistently that part of the price in the negotiations for such capital seems to be sacrifice of control of their own business. Most small businessmen have too much pride to sign away control of the business they built just for the sake of expanding it.

6. Small businessmen want very much to get into the energy conservation field—particularly solar. They recognize clearly the potentials and business opportunities that the expanding solar energy field offers. But they are consistently thwarted by the lack of support or even obstruction of their efforts by the Federal government.

7. Thousands of committed Americans are installing and using solar energy systems, even though solar energy has not reached its full cost-effectiveness in every area. This volunteer contribution to our nation's energy efforts is helping to buoy a tentative market demand for solar energy equipment.

8. The tax credit, proposed for individuals who install solar energy equipment and currently a part of the non-controversial aspects of the national energy package, would have the effect of increasing significantly the market demand for solar energy equipment. Unfortunately, a corollary and opposite effect is currently taking place. Citizens are waiting for passage of the tax credit before installing solar energy equipment, and market demand has substantially slowed to a standstill in recent months.

9. If passage of the tax credit increases substantially market demand for energy conservation equipment, especially solar, there will be a crushing need in the next year for a crash approach toward the manufacture, distribution, installation, and maintenance of solar equipment. Small businessmen repeatedly made the plea for federal funding support of all kinds to meet this expected demand.

10. Reliance on the solar energy alternative will also rise significantly with expected price increases of coal, oil, natural gas and electricity. The impression given by most witnesses is that solar energy, if considered by life cycle cost methods, is at or just below the break-even point in their local areas. Many witnesses were able to show considerable savings from solar equipment already.

11. Small business persons testified that there is a need to establish in the country an infrastructure of trained, competent installers and maintenance technicians. Plumbers, sheet metal contractors and employees, and electricians all testified to the additional training required to work with solar energy systems. Here again, federal funding support is needed to assure that development of these skills at the grass roots keeps pace with the anticipated increased demand. Demonstration programs, particularly those involving these types of small business persons, tend to provide such a function.

12. Additional funds for small businesses involved in energy conservation is likely to result in additional jobs and a significant plus in goods and services produced. The same cannot be said if the funds are given to large business. In at least one case, research performed by one large corporation resulted in a new glazing process for solar collector glass, but the corporation, according to testimony, has exercised monopoly-like control over the product. There is no question that the return for the dollar from small business, in terms of jobs and GNP is greater and more immediate than the return on federal funds to large companies.

13. Solar energy technology is here today, not a thing of the future, especially for space heating and hot water systems. Over and over again, witnesses stressed that the state of the art is "on the shelf," not "in the future." Witnesses stressed the need for a gentle federal push through added funding, for small business involvement in solar.

14. A crisis in standards for solar energy heating and cooling equipment is taking place in the industry. Small business, if it had its preference would rather have its own standards developed by persons of practical knowledge in the industry to be self-imposed on a voluntary basis. Consumers, however, are increasingly aware of the need for protection in this emerging area. The federal government, and particularly the Department of Energy, is rapidly moving toward drafting of standards of performance in the area. Whether these standards are imposed on the emerging industry depends largely on how well the industry succeeds in policing itself.

Based on the above principles established by small business persons and concerned citizens stating the case themselves, the subcommittee will be going to hearings on these bills, for the purpose of writing them and reporting them to the full committee, next Monday, March 13, through Thursday, March 16.

The subcommittee would like to here express its appreciation to the concerned citizens and small business persons who took the time to bring us to a fuller understanding of their commitments and their problems.●

UNITED NATIONS HONORS SENILITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. McDONALD. Mr. Speaker, it is not unusual for the United Nations to give high honors to Communists. However, on February 23, 1978, when the United Nations Special Committee Against Apartheid held a special commemorative meeting in honor of the 110th anniversary of the birth of W. E. B. DuBois a new low was reached. Among the participants were both foreign and American Communists who honored DuBois, a recipient of the U.S.S.R.'s Lenin Peace Prize, for his services to international communism.

None of the speakers mentioned that DuBois did not join the Communist Party U.S.A. (CPUSA) until he was 93 years old, although he had collaborated with them since the 1917 revolution in Russia. He was essentially a black racist who worked with the Communists, but understood what they really were. He did not join the Communist Party until he was totally senile. Years earlier when his mind was still functioning, DuBois had exposed the Communists' plan to manipulate blacks for Soviet purposes. In September 1931, in an article in the official NAACP magazine, the Crisis, DuBois pointed out:

The Communists, seizing leadership of the poorest and most ignorant blacks head them toward inevitable slaughter and jail-slavery, while they hide safely in Chattanooga and Harlem.

DuBois responded to the Communists' plan:

American Negroes do not propose to be the shock troops of the Communist Revolution, driven out in front to death, cruelty and humiliation in order to win victories for white workers.

DuBois pointed out further that the Communists only pretend to speak for white workers and actually serve to polarize tensions between black and white workers.

DuBois denounced the American Communists for being the mouthpiece of Moscow, and went on to say:

Unfortunately, American Communists are neither wise nor intelligent.

Commenting on the CPUSA's campaign to raise money ostensibly to defend the Scottsboro boys who were on trial for rape in Alabama, DuBois said:

If the Communists want these lads murdered, then their tactics of threatening judges and yelling for mass action on the part of white southern workers is calculated to insure this.

Those who gathered to honor DuBois' senile Communist membership and who studiously avoided mentioning his exposure of his Communist friends during his productive years were:

David Sibeko, UN observer for the Red Chinese controlled Pan-Africanist Congress (PAC), a revolutionary terrorist group with an armed wing called Poqo outlawed in South Africa. Sibeko said that "armed with unity and the skills of people's war," his group plans to conquer South Africa.

Walter C. Carrington, Executive Vice-President of the African-American Institute (AAI). Carrington noted that DuBois espoused socialism as the only effective antidote. The socialism he championed was Marxist and scientific rather than Fabian and democratic."

Fred Dube, UN observer for the Soviet controlled African National Congress (ANC), a revolutionary terrorist group outlawed in South Africa. Dube complained that the "Western Powers" were opposed to "radicalism and Communism."

Serge Elie Charles, a member of the Haitian U.N. Mission, complained that the "Western Powers * * * still refused to recognize the legitimacy of armed struggle in southern Africa by the liberation movements." The so-called "liberation movements" are in fact the Maxist terrorist groups backed by the Soviet Union and Red China that hope to gain control of South Africa, Rhodesia and Southwest Africa.

Peter Florin, a member of the U.N. Mission of the East German Communist regime, pointed out that DuBois had been made an initiator of the "world peace movement in the United Sttaes." Florin was referring to the World Peace Council, a Soviet-controlled Communist front which continues to provide logistical support to Soviet-backed terrorist movements around the world. He said rather little about DuBois, but used the occasion to try to drum up support for the current Soviet foreign policy line.

Anthony Monteiro, a CPUSA member who at this meeting represented the Communist Party front, the National Anti-Imperialist Movement in Solidarity with African Liberation (NAIMSAL), the vehicle for CPUSA support for the terrorist movements in southern Africa.

Christopher R. Thomas, a representative of Trinidad and Tobago.

Irving Davis, organizer of the black racist group called the Patrice Lumumba Coalition which is headquartered in the National Council of Churches complex at 475 Riverside Drive, New York, NY 10027. Davis called upon those assembled to support the political and economic warfare campaigns being conducted in the United States to aid the terrorist movements in South Africa.

Lazio Hadas, a member of the Hungarian Communist UN Mission, who emphasized DuBois Lenin Peace Prize award from the Soviet Union.

Esther Cooper Jackson, a functionary of the Communist Party, U.S.A., who represented the magazine *Freedomways*, which is controlled by the CPUSA. Freedomways serves as a vehicle for CPUSA penetration of the civil rights movement.

Greetings were received from Amadou-Mahtar M'Bow, Director-General of the United Nations Education, Scientific, and Cultural Organization (UNESCO). The chairman of the meeting was Leslie O. Harriman of Nigeria, who heads the U.N. Special Committee Against Apartheid.

The 1978 budget for the U.N. Special Committee on Apartheid is over $700,000. This does not include additional logistical support such as printing, and so forth, provided out of general United Nations funds. The United States pays 27 percent of the United Nations budget. This is one more example of the waste of U.S. taxpayers' money by the United Nations for advancing the cause of communism.●

ROBERTO PRADO WINS OKLAHOMA VOICE OF DEMOCRACY CONTEST

HON. GLENN ENGLISH

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. ENGLISH. Mr. Speaker, I was very pleased to learn recently that Roberto Prado of Ponca City, Okla., has been chosen as Oklahoma's winner of the V.F.W.'s annual Voice of Democracy speech contest. As one of the fifty chosen from the more than one-quarter million participating in the contest, Roberto will be vying for one of the five national scholarships which are awarded as top prizes, early in March, here in Washington, D.C.

I would like to take this opportunity to share Mr. Prado's speech, with my colleagues of the House:

America as a country is little more than a stripling compared to other countries. America as an idea is a symbol for mankind's oldest and fondest dream; a society where all men are equal under the eyes of man and his God.

Since the dawn of time great empires have risen and fallen, each to flare for one bright instant and retreat, just as quickly, into the past, where the brightest minds, the greatest leaders, and the finest artists and playwrights are remembered as dusty names or words, perhaps not at all.

Someday America too will be nothing more than a memory, a story to be read to children, but America as an idea will live on, as it has always done, under different names. Inspiring hope in the breast of one man to be passed on to another.

This is the responsibility I owe America. Not to let that dream, the faint glimmer of hope, die out. America today is far from perfect, today, mankind is far from free, but that dream urges us to strive for more and more improvements. That when America too fades into the dusty earth of ancient worlds and peoples it will be remembered, not necessarily as the civilization to reach man's goal but for its striving to improve itself continually. A country or should I say an epoch, in which every man fought with dogged determination to improve his lot, to try and reach a goal, or to pave the way for the footsteps of others to complete.

It is my responsibility to this concept to do all I can to improve America. Although I cannot possibly improve this country, or this concept, by myself, I can do my best by using the abilities I have and applying them where they will do the most good.

The Greeks and Romans taught us many lessons about how to improve a society. We have been shown the importance of the government in providing direction for its citizens. Through other civilizations we have been taught the shape and form of justice, and that idea, that all humans are equal and should be accorded equal rights, has formed the basic ideals with which this country has developed.

But one idea has gradually lost its importance in the confused tangle of bureaucratic rhetoric. The importance of an individual has been consistently neglected, and, in today's complex society the tendency to consider an individual as a cipher, a mere number to be counted, used and discarded, has become too commonplace.

People today are too busy battling for rights as blacks, women, and various and sundry oppressed minorities to stop and consider other people.

Human rights should not have to be advertised or fought for, they should be given freely with no one person having to ask for them.

It is my responsibility, and the responsibility of every man, to see that the individual is not lost, to make sure that the spirit of America, or the binding force of all mankind does not die.●

TRAPPING BY RESIDENTS OF NORTH CAROLINA OUTER BANKS

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

Mr. JONES of North Carolina. Mr. Speaker, yesterday I introduced H.R. 11334, a bill to permit trapping by residents of certain villages within the Cape Hatteras National Seashore Recreational Area on the Outer Banks of North Carolina.

Located within the boundaries of Cape Hatteras National Seashore Recreational Area are enclaves of nonpark land in which seven small villages—Avon, Hatteras, Buxton, Waves, Salvo, Rodanthe, and Ocracoke—are located. These villages existed years before the National Seashore was established. The villagers have traditionally been outdoorsmen, earning part or all of their livelihood from the sea and salt marshes.

When the National Seashore was established in 1937, there were guarantees that the villagers could continue to fish and hunt in the area. The authorizing law contained a specific assurance that the legal residents of the villages "shall have the right to earn a livelihood by fishing . . ." (16 U.S.C. 459a–1). In 1940 Congress amended the statute to make clear that hunting of waterfowl was to be allowed within the park. Both commercial fishing and hunting are permitted only under the strict supervision of the National Park Service.

Unfortunately, the law makes no specific reference to trapping. The National Park Service's own regulations allow trapping in similar areas as a general rule unless otherwise provided by regulation or statute (36 CFR 2.32(b)). The enabling law directs that Cape Hatteras National Seashore Recreational Area shall be reserved as a primitive wilderness and prohibits "development . . . incompatible with the preservation of the unique flora and fauna . . ." unless such activities are specifically allowed elsewhere in the statute. Based on this language, the National Park Service believes that it has no authority to grant trapping privileges to the villagers.

My bill amends the law to read:

The legal residents of the villages . . . shall have a right to earn a living by fishing and by trapping of fur-bearing mammals within the boundaries designated by the Secretary of the Interior, subject to such rules and regulations as said Secretary may deem necessary in order to protect the area for recreational use . . .

This bill is very limited in its impact. It grants trapping privileges only to legal residents of the seven small villages who trap as a means to earning their livelihood. The National Park Service retains the ability to set rules so that the trapping will not conflict with other uses and activities in the park. The effect on the environment, if any, will be minimal, but for those villagers who depend on trapping to supplement their incomes, passage of the bill would be a compassionate act. The legislation breaks no new ground since regulated trapping is allowed in other national seashore recreation areas. Efforts to obtain trapping rights administratively have not succeeded because, according to the National Park Service, only by amending the statute can this traditional privilege be restored to the villagers of the Outer Banks.

H.R. 11334 has been referred to the Interior and Insular Affairs Committee. I urge my colleagues on the committee and in the full House to take this necessary and compassionate step by approving this much-needed bill.

ALL-AMERICAN FOOTBALL PLAYER RANDY HOLLOWAY

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. MARKS. Mr. Speaker, this Saturday night, the 11th of March, citizens of my hometown will gather at Sharon High School to pay tribute to one of Sharon, Pa.'s, most outstanding sons, all-American football player, Randy Holloway.

Randy was a 1974 graduate of Sharon High where he was a 3-year letterman in football and basketball and was selected all-State in football.

Upon graduation from Sharon High he was awarded a scholarship to the University of Pittsburgh and started every game for the Pitt Panthers since his sophomore year. At 6 feet 6 inches and 228 pounds, Randy quickly distinguished himself as one of the outstanding defensive members of the Panthers' team at his position of defensive tackle. Former

Pittsburgh coach and Coach of the Year, Johnny Majors, has called Randy the best defensive lineman he has ever coached. I am sure these sentiments would be echoed by Randy's Sharon High School coaches, Cliff Smith and Web Forsythe.

As a junior in 1976, the year Pittsburgh won the national collegiate football championship, Randy made honorable mention on both the Associated Press and the Football News all-American teams and was selected to the all-East team by both the Associated Press and the United Press International.

During this past season Randy lived up to his preseason all-American status as selected by Football News and Playboy Magazine. In fact, the list of Randy's 1977 all-American honors seems endless.

At the end of the 1977 season Randy was selected as an All American by the Football Writers of America, the American Football Coaches Association, the Sporting News, the Football News, United Press International, and the Walter Camp Foundation. Naturally he made All East as selected by the New York Times, Associated Press, and United Press International.

Alumni of Sharon High and all the residents of Sharon are justifiably proud for Randy. Not only is he an outstanding athlete but a fine young man.

Earlier this month he was presented a key to the city of Sharon by Sharon Mayor Bob Price in an official ceremony in Sharon. I will have the privilege this Saturday evening of joining with hundreds of Sharon residents in paying tribute to a young man who has distinguished himself on and off the field, a man whom other young athletes can look up to and seek to emulate.

I know all of the Pennsylvania delegation would agree that Randy's accomplishments should be brought to the attention of this body and I am proud that I have the opportunity to do so.●

TITO: A DICTATOR WITH BLOODSTAINS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. ASHBROOK. Mr. Speaker, not all of us were applauding when President Carter hailed dictator Tito as a world leader. The Tito record is not a good one, in fact it is typically Communist—brutal, repressive, inhumane.

Many fictions have been created by the liberal press and liberal State Department types about Tito. Yugoslavia is not free, it is not independent, it is not a nonalined country.

Last summer I spoke to a visiting Yugoslavian who was wowing some of the home folk with the wonders of his Communist country. I referred to Yugoslavia as a "bloc country" which instantly got his denial. "We are independent," he proclaimed.

Trying to be as polite as I could, I said, "You will never know how really independent you are until you stand up to the Soviets some day. Poland and Hungary thought they were independent until they acted that way. When they did, the Russian tanks rolled into their country. Let's see what happens when you stand up to Russia—at that time we will know if you are truly independent."

That seemed to end the conversation. Independence by sufferance would best describe Yugoslavia.

Elemer Homonnay wrote the following letter to President Carter protesting the Tito visit. Mr. Homonnay spoke for the Council for Liberation of Southern Hungary. Here is his letter:

FEBRUARY 25, 1978.

President JIMMY CARTER,
The White House, Washington, D.C.

MR. PRESIDENT: As we have learned from the press, President Tito, the Communist dictator of Yugoslavia will be your guest at the White House in the near future. Do you know, Mr. President the true past of this bloody handed dictator?

We don't want to speak now about the tenthousands innocent victims—including womens and childrens—who were killed by his partisans during the war as they massacred the leaders or the whole population of the villages who didn't support them—just as the North-Vietnameses did it during the Vietnam War.

But we must speak about the hundredthousands who were killed by Tito's communist partisans during the last months of the war when the partisans following the Russian army occupied the Croatian and Hungarian territories attached to Yugoslavia only after the First World War against the expressed wish of the local population and against the Wilsonian principle of self-determination. These massacres were continued even after the end of the war. During the summer of 1945 over a hundredthousand Croatian war-prisoners were massacred by the partisans in the Bleiburg area, as they were handed over to the Communists by the English occupational forces in Austria. Over hundredthousand Germans died in the annihilation camps of the partisans in the years 1945–1948. More than 30,000 Hungarians became victims of these atrocities.

To give you a slight idea how Tito's Communist partisans operated during this period we are enclosing a short sketch of the atrocities committed by the partisans in the Southern-Hungarian territories which were more than thousand years integral parts of Hungary.

At the same time we would like to note that President Tito, as one of the most influential leaders of the so called Third World, uses his influence and the American dollars—so generously given to him after 1948—to propagate the Communist ideology in Southern-Asia, Africa and Southern-America and to line up these new or underdeveloped countries against the "American-imperialism", but never against the real imperialism of the Soviet-Union.

During the Hungarian national uprising in 1956 it was Tito, who broke his agreement concluded with Secretary of State Dulles, during his visit in Brioni on November 1955 as he betrayed the Hungarians and made it clear in his speech at Pula on November 11, 1956 that he is ready to accept, even to support the Russian military intervention if the Communist system is in danger.

The Communist regime of Tito oppresses even today the non-Serbian nationalities of Yugoslavia, just as the royal Yugoslavia did it between the two World Wars. In 1971, during the Croatian crisis, Tito personally intervened and removed by force the whole Croatian/Communist/leadership as they were fed up with the economic exploitation of Crotia by Belgrade and as they urged larger economic and political autonomy for Croatia.

Mr. President, the political and economic support of Tito's Communist and oppressive regime is in open conflict with your stand for human freedoms and for the right of selfdetermination of all oppressed peoples and at the same time is not congruent with the world wide interests of the United States.

Sincerely yours,

ELEMER HOMONNAY, M.A., E.E.●

JOHN AND YORKA LINAKIS BROTHERHOOD SUNDAY

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. ADDABBO. Mr. Speaker, the borough president of Queens, Donald Manes, has proclaimed Sunday, March 12, John and Yorka Linakis Brotherhood Sunday in Queens in recognition of their deep commitment to the cause of justice and their selfless service to the people of our borough.

In honor of Mr. and Mrs. Linakis I request unanimous consent to place the following press release by the National Conference of Christians and Jews, Inc., in the RECORD.

JOHN AND YORKA LINAKIS BROTHERHOOD SUNDAY PROCLAIMED IN QUEENS

Borough President Donald R. Manes has proclaimed Sunday, March 12, John and Yorka Linakis Brotherhood Sunday in Queens in recognition of "their deep commitment to the cause of justice and their selfless service to the people of our Borough." The Proclamation will be given to the Jamaica couple at a special dinner in their honor, sponsored by the Queens Region of the National Conference of Christians and Jews, on March 12 at Antun's Restaurant in Queens Village.

The announcement was made by Milton S. Byam, Chairman of the event. Mr. Byam, Director of the Queens Borough Public Library, was the Brotherhood Sunday honoree last year.

Yorka Condeles Linakis is a NYC Civil Court Judge. She previously served the City as a Justice in the Family Court. Endowed with an inquiring mind and a thirst for knowledge, she is a graduate of Brooklyn College, NY Law School and NYU Graduate School of Business Administration.

Mrs. Linakis has devoted her entire life to the pursuit of justice and equality for all people. She began her practice in the NYS Appellate Division and served in the U.S. Supreme Court and Tax Court, as well as in various District Courts; also the Board of Immigration Appeals. She has held leadership positions in numerous Bar and Lawyers Associations.

Yorka Linakis has been a noted speaker at many symposiums and conferences and an eloquent lecturer in a wide range of topics. She has been cited by a number of organizations and is proud of the recognition given her and husband John by the Mr. & Mrs. Club of St. Demetrios Greek Orthodox Church.

John S. Linakis is a well known Realtor and Insurance Executive who has been active throughout the Queens community since he began his career some thirty years ago. He served as excutive member of the 27th Assembly District for seven years and resigned in 1973 so that his wife could accept the appointment to the Civil Court (in accordance with the rules of the Bar Association of NYC).

Mr. Linakis holds leadership positions in many organizations, among which are Queensboro Council For Social Welfare; Jamaica Hospital; Jamaica Chamber of Commerce; Central Queens Y.M.C.A.; Queensboro Society for Prevention of Cruelty to Children; Lung Association, Queens County; Iris Hill Nursery School-Queens Children Psychiatric Center; National Multiple Sclerosis, New York Chapter; H.A.N.A.C. (Hellenic American Neighborhood Action Committee); Community Planning Board, No. 12.

He has been co-chairman of the Queens NCCJ since 1972; both he and Yorka are active members of the Board of Directors.

Mr. & Mrs. are devoted members of St. Demetrios Greek Orthodox Church of Jamaica and are involved in many interfaith projects through their church and in the community.

On March 19, John S. Linakis will be given a High Honor. In recognition of his services to the Greek Orthodox Church, John S. Linakis will be invested with the Patriarchal Title of Archon, bestowed by His All-Holiness Demetrios I, the Ecumenical Patriarch of the Eastern Orthodox Church, through His Eminence Archbishop Iakovos, Primate of North and South America at Holy Trinity Cathedral, New York City. He has also been cited by many organizations.

Reservations to the March 12 dinner in their honor can be obtained through the NCCJ office, 249–12A Jericho Turnpike, Bellerose, New York 11426. Telephone: 212–343–1383 or 516–437–1838.●

BALANCE(S) OF POWER—U.S. MILITARY READINESS

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, I wish to interrupt my ongoing Balance(s) of Power services to insert in the CONGRESSIONAL RECORD, selections from the Stars and Stripes newspaper on the United States-Soviet military balance.

The articles were jointly prepared by Mr. Fred Hoffman, a Pentagon and worldwide military reporter for the Associated Press for over 17 years, and Mr. Peter Arnett, a 10-year Associated Press reporter covering the Vietnam War and winning a Pulitzer Prize for his reporting efforts. In order to complete their articles, Mr. Arnett traveled extensively in the Pacific and Asia areas, including the west coast of the United States, while Mr. Hoffman visited Europe, the Eastern and Southern United States, and the Pentagon. Each reporter visited with troops in our Armed Forces for over a 2-month period—from the lowest recruit to four-star generals. Every aspect of our combat readiness posture was examined by these reporters during their investigation; pilots and crewmen of tactical air components; naval units, ashore and afloat; armor units in Europe; front-line units in Korea and Germany; command centers at the Pentagon and in the field. The interviewers, Mr. Speaker, even went so far as to visit with the soldiers in their off-duty areas of congregation. In short, both Mr. Hoffman and Mr. Arnett conducted an in-depth study of U.S. military readiness.

The articles appeared in the Stars and Stripes and are entitled, respectively, "U.S. Readiness—1, Is America Outgunned?" by both Mr. Arnett and Mr. Hoffman; "U.S. Readiness—2, Europe," by Mr. Hoffman, and the "Pacific," by Mr. Arnett; and "U.S. Readiness—3, the American Volunteer and the Soviet Conscript," by Mr. Hoffman.

Mr. Speaker, I should like to insert both Mr. Hoffman's and Mr. Arnett's observations in the RECORD,, and urge my fellow colleagues and the American people to study their thoughts and conclusions on our swiftly shrinking strategic and conventional military balance. Their first article appears below:

U.S. READINESS—1

(By Peter Arnett and Fred S. Hoffman)

America's ability to fight a major conventional land, air and sea war has been seriously weakened by shortages in key weapons and ammunition and by other critical deficiencies.

The Pentagon has started corrective actions, and it will take from two to six years to cure most of the major shortcomings, according to a two-month investigation by The Associated Press.

"Stated frankly and simply, our Army is outgunned and inadequately equipped," is the way one Army official put it.

"We have had to live with under-equipped tactical fighter units, shortfalls in airlift capability, an austere . . . air defense force . . . and persistent shortages of aircraft spare parts and some types of munitions," said Gen. David Jones, Air Force Chief of Staff.

It will take at least five or six years of concerted effort before the materiel condition of the entire fleet attains a sustainable satisfactory level," said the Defense Department, describing the Navy.

Unlike the conventional forces, the nation's strategic nuclear striking arms appear to be in very good shape. These long-range missiles and bombers and missile submarines are designed to deter any Russian nuclear attack on the United States. They get top priority.

In the past year, Congress and the Pentagon have shown mounting concern about the readiness of conventional U.S. land, air and sea forces to deal with a possible Soviet attack on Western Europe.

This concern grows from a belief that Russia, after more than five years of intensive modernization, may have developed enough hard-hitting, fast-moving ground and air power to attack Western Europe with little warning.

Readiness problems also undercut U.S. ability to use ground, sea and air forces effectively in the Far East. Middle East and the oil-producing Persian Gulf.

Information on readiness problems, like all information in the AP investigative report, comes from official sources, i.e., Pentagon officials and senior commanders in the field. No restrictions were placed on the use of the information, though many sources preferred not to have their names used.

The AP investigation in the United States, Europe and the Far East highlighted these significant weaknesses. Among others:

The Army has only 7,000 of the nearly 15,000 tanks planners believe it must have to defeat Soviet armor and replace anticipated heavy battle losses. The Russians outnumber Allied armies by about 3-1 in tanks in the crucial Central European sector.

The Army's War Reserve stocks of tanks, antitank missiles, self-propelled artillery, armored troop carriers and ammunition are low, particularly in Europe. In some types of weapons, the War Reserve depots in Europe are bare. Tank units cry for sophisticated night sights so they can hit Soviet tanks in the dark.

The Air Force is short about half the advanced air-to-air missiles it needs to duel Soviet fighter planes for control of the skies. It would need double its present long-range air-transport plane capacity to rush vital weapons and other equipment from the United States to the war zone, especially in the critical early stages of a war.

The Army National Guard and Reserve has few units rated ready for deployment. A senior Army general in Germany said "the Guard and Reserve do not figure very largely in our plans" for fighting the opening phase of European war. The Air Force, Marines and Navy are generally regarded as being in better shape.

The Reserve manpower pool is drying up. It has dropped from 1.6 million five years ago to 429,000. Because the draft is dead, this individual Ready Reserve would be the main source of replacements for battle casualties in the first weeks and months of a war.

Shortages of spare parts have grounded warplanes, and delayed overhauls have severely cut the operating effectiveness of warships. The Air Force and Navy cannibalize parts—stripping one aircraft to help another keep flying. Air Force officials say the cannibalization rate has doubled in the past three years, although they say they hope to start improving the situation in 1978.

Poor reliability of some new aircraft, ships and other complex weapons have caused major problems. During one recent period, for example, fewer than 50 per cent of the Atlantic Fleet's F14 fighter planes were ready to fly.

U.S. military professionals complain that the size of the armed forces has shrunk to a far greater degree than their responsibilities in protecting America's global interests.

The U.S. military services have about 2.1 million men and women in uniform—1.5 million less than the Vietnam War peak and the smallest number since before the Korean War in 1950.

The 468-ship U.S. Navy is very nearly the smallest since before the 1941 Japanese attack on Pearl Harbor. The fleet was reduced by retiring hundreds of older ships for economy reasons.

But there are pluses as well as minuses in the readiness state of the armed forces.

Gen. Frederick Kroesen, chief of the Army Forces Command which supervises readiness, said most of the 11 Regular divisions in the United States are classed as ready to deploy. The only exceptions, he said, are three new divisions gradually being put together.

Three divisions with equipment stockpiled for them in Europe can start moving overseas in 72 hours, Kroesen said.

The Air Force's Tactical Air Command, which is responsible for preparing U.S.-based fighters for deployment, seems set to get off the mark quickly in a crisis. TAC officers at their Langley Air Force Base, Va., headquarters claim they can just about double the nearly 600 U.S. fighters now based in Europe in 96 hours and have them in combat almost immediately.

The all-volunteer military concept has been under criticism from Capitol Hill since the draft ended more than four years ago. However, the AP found that military professionals from four-star rank down to sergeants and chief petty officers generally praised the quality and performance of today's breed of enlisted men and women. Many said they were suprised—they expected the worst after the draft ended.

With Western Europe the focus of about 75 to 80 percent of its mission, the Army has set in motion a $4.7 billion program to strengthen its "war-fighting" resources there over the next several years.

A special Army study of readiness in Europe concluded last year that "our force structure and plans must be capable of winning the short war—if we don't win that, the structure for the long war becomes academic."

A defense directive, issued after months of study, reinforces what has been the major focus U.S. military policy—to defend Western Europe as close to the Iron Curtain as possible, without yielding any more German soil than is necessary.

In its annual report to Congress, the Defense Department said that, for the first time, Russian ground and air power "may coincide with the longstanding Soviet doctrine of rapid offensive thrusts reminiscent of German blietzkrieg tactics in World War II."

That report stressed that a conventional Allied defense in Europe "must be based on the assumption that on attack with little or no warning by in-place Warsaw Pact forces is possible, that the attacking force could amount to half a million or more men, and that a forward allied defense is essential."

The reserve stocks in Europe are very important because the shortage of long-range airlift capacity makes it questionable whether enough fresh equipment and ammunition could reach Europe in time to influence the battle in the first 30 days.

A top Army logistics expert in Europe said, "We wouldn't have enough in war reserve stocks to fight for the first 30 days of a war."

The AP learned that the European war reserves stocks contain only about 25 per cent of the tanks required, about one-third of the ammunition, no armored personnel carriers, and no long-barrelled, self-propelled artillery, which division commanders say is vital to match the longer ranges of the Soviet field guns.

The Defense Department is making an effort to correct that problem.

As part of that effort, it plans to send more artillery tubes to Western Europe, where the Soviet Union's army is said by NATO intelligence to enjoy a 2–1 gun advantage over the Allied armies.

The Army has started building up its potent TOW-Cobra missile-firing helicopter fleet and by the end of October plans to have 210 of those machines in Europe. An additional 126 TOW-Cobras are scheduled for Europe by 1980. (TOW is an acronym for Tube-launched, Optically tracked, Wire-guided missile.)

The Marine Corps, traditionally oriented toward the Pacific, is receiving more tanks and antitank weapons to enhance its ability to fight the Russians in Europe.

The Carter administration has added $400 million to next fiscal year's budget to speed over-all readiness improvement, including more steel and concrete shelters for U.S. aircraft and ammunition stocks in Europe.

Army sources blame the shortages on three main causes: (1) increased estimates of the amount of ammunition and weapons that would be used up in a "high intensity" war; (2) withdrawal of equipment to replace Israel's losses during and after the 1973 Mideast war and (3) diversion of gear to build three new Army divisions authorized several years ago.

The short-war planning also diminishes the importance of the Army National Guard and Reserves because of their persistent lack of readiness, caused, say senior Army generals, by their declining strength and generally lower quality than the Regulars.

"We have not been able to recruit enough people to offset the losses of draft-motivated volunteers who enlisted six years earlier, and who have reached the end of their obligation," the Pentagon has reported to Congress.

At last report, the Army National Guard stood at 366,000 men and women, approximately 24,000 below the authorized level, and the Army Reserve was at 137,000, compared to a desired strength of 260,000.

(The Air National Guard and the Air Force Reserve are considered in first-class shape and the Marine Corps Reserves get fairly good readiness marks from senior Pentagon officials. Naval reserve—are highly regarded, but Defense officials are—enthusiastic about the surface elements.)

Different problems are blamed for some of the other shortcomings.

Production bottlenecks slowed the output of tanks for years, to as few as 30 a month. Output has gradually been raised and finally has reached 120 tanks monthly.

Sharply rising fuel costs cut the amount of flying hours in the Air Force and Navy. Inflation and cost overruns slashed the amounts of equipment, spare parts and maintenance work that could be purchased with the money Congress appropriated.

For about seven years, the Navy and Air Force, blaming tight budgets, have bought fewer airplanes than they felt they should have. But the military leaders have drawn return fire for preferring more complex, more expensive warplanes in place of simpler aircraft that could be bought in larger numbers.

For example, the new administration's Pentagon analysts have rapped the Navy for spending too large a share of its budget on the costly F14 fighter. As a result, the analysts said, the Navy in recent years was able to order only about one-third of all types of new planes it requires. They warned of an "excessive and eventual decline" in force levels of fighter and attack planes.

Defense Secretary Harold Brown has said that upkeep of equipment already in the force "was skipped very badly in the past five or six years" in favor of spending on glamorous new weapons.

In terms of immediately flyable aircraft the Tactical Air Command said its force usually stands about 50 percent ready because of a spare parts shortage because many planes are undergoing routine maintenance and other upkeep and because part of the command always is in training. But TAC said readiness for deployment could be raised to the required 70 percent in less than a day by hurry up measures, if necessary.

Shortages in April grounded 45 percent of the U.S. Navy's F4 aircraft and 53.5 percent of its F14's and Navy officials say it will not be until 1983 that the backlog on maintenance can be reduced to a "manageable level."●

NOMINATION OF LYNN COLEMAN

HON. BARBARA JORDAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Miss JORDAN. Mr. Speaker, I commend to you and submit for inclusion in the RECORD an article written by our colleague, BOB ECKHARDT, regarding the apointment of Lynn Coleman as General Counsel of the Department of Energy. This article appeared in Nation Magazine on February 18, 1978.

Mr. Speaker, what are the questions we should ask of a proposed public official? Is he qualified? Is he honest? Will he place the public interest above his own? Is he a person of integrity?

If those questions are answered affirmatively, there is no reason to deny the opportunity for public service.

The record reflects that in the case of Lynn Coleman, the answers to those questions are "yes."

The Senate, I trust, will confirm this nomination:

A GOOD WORD FOR THE REVOLVING DOOR

(By Rep. Bob Eckhardt)

In the issue of November 12, 1977, we criticized editorially James Schlesinger's appointment of a "registered oil lobbyist out of John Connally's Houston law firm to be general counsel of his [Energy] department." That man, Lynn Coleman, is now being considered by the Senate and we publish below an argument by Rep. Bob Eckhardt (D., Texas) for his confirmation.

At issue here is a weighing of the merits and hazards of the "revolving door" relationship that exists in this country between private business and public service. The government logically seeks to appoint to its agencies men and women who have substantial knowledge of the areas in which they would work. But such persons, almost inevitably, have associations with and attitudes toward the industries they will be expected to supervise. In this situation, the Senate must examine not only the candidate's ability and experience but his or her character or principles. Such, at least, is the theory.

Representative Eckhardt, who appears here as Mr. Coleman's defender, is known in Washington as a liberal Congressman with deep commitment to the public interest. He is the immediate past president of the Democratic Study Group, the liberal caucus of the House. He has always opposed deregulation of natural gas, and he drafted the Staggers-Eckhardt Amendment to the Oil and Conservation Act of 1975, which brought "new" oil under federal regulation, and was bitterly opposed by oil interests.

In view of this record, we believe readers will be interested in his reasons for thinking that the country will profit from the presence of Lynn Coleman in the Department of Energy.

Lynn Coleman, a young man, is in what are considered the most active years of a trial lawyer's career. President Carter appointed him to the position of general counsel to the new Energy Department, and his confirmation hearing before the Senate Committee on Energy and Natural Resources raises interesting ethical issues concerning the proper U.S. policy about movement from private to public life.

Of course, the government has frequently tapped law firms for public service, and there have been notable examples of this in Texas, the most striking occurring during Wilson's administration. The firm was Gregory, Batts and Brooks. Gregory was Wilson's Attorney General and Batts came to Washington to aid in prosecuting some of the major anti-trust cases during the great era of trust busting. The firm was small but distinguished, composed only of the three partners; though they had personally represented corporate clients, not a breath of criticism of either Gregory or Batts reflected on the quality of their public service.

Coleman has practiced with Vinson and Elkins, one of the largest and most prestigious law firms in Houston. There are 240 lawyers in the firm, and former Secretary of the Treasury John Connally is one of the senior partners. The firm is old, and Connally is relatively new in it. Two other firms in Houston, Baker and Botts, and Fulbright and Jaworski, employ from 200 to 250 lawyers each. Fulbright and Jaworski represents a number of oil and gas interests—as does Vinson and Elkins. (The former firm's revolving-door relationship with government is well-known, and I have not heard it urged that Leon Jaworski's predilections, developed through long association as a partner with that firm, disqualify him for public service.)

I think the public still envisages a law firm as small, like Gregory, Batts and Brooks, rather than huge, like Vinson and Elkins. When critics say Lynn Coleman is in John

Connally's law firm, they picture Connally, Coleman and a few other lawyers engaging together as comrades in arms in "often successful legal battles on behalf of such clients as Union Oil Company, Continental Oil Company, and other major oil and natural gas firms," as Sen. Howard Metzenbaum (D., Ohio) puts it. Although Metzenbaum fairly and accurately added that Coleman was never personally involved in handling cases on behalf of major oil companies, and that Coleman had asserted that his experience with smaller companies did not make him partial and biased in favor of oil and gas interests, criticism of the appointment did not diminish. Nor did Metzenbaum blunt his attack.

Perhaps a third of the young Texas lawyers graduating with high marks each year go to the Houston metropolitan area; another third, to the Dallas-Fort Worth area. Since the big Texas firms vigorously recruit talent from the law schools of the state and the top law schools throughout the conutry, it may be conservatively estimated that these big firms in the three cities get about half of the young lawyers with the highest marks entering practice in Houston, Dallas and Forth Worth. Are the very substantial number of lawyers who are in these firms or pass through them so tainted as to be disqualified for later public appointment?

Twelve years ago, Lynn Coleman was one of these promising young recruits. He had grown up in Vernon, Texas, and gone to the University of Texas Law School after graduating from Abilene Christian College. When he finished law school, he spent a year as a clerk with federal Judge John Brown and then went to Vinson and Elkins. Over the next twelve years he rose to the status of partner and then to head the firm's Washington office. Coleman has said—and none of his factual presentations were challenged—that about 3 percent of his time in his Washington practice had been spent advising major oil companies, about 50 percent had been spent working on matters for the government of Puerto Rico, and the rest involved representing a diverse assortment of clients, including Houston Natural Gas Company, an intrastate pipeline. This background raised suspicions in Senator Metzenbaum's mind about the new appointee.

Senator Metzenbaum is an astute and thorough man. His examination of witnesses in hearings and his performance in conferences between Senate and House conferees display his ability as an advocate. But he is able in other ways: he has a strong feeling that the broad public interest should be protected against narrower private interests. Therefore, he was less impressed that the twelve years during which Lynn Coleman had occasionally represented oil and natural gas interests would improve his skills as general counsel than he was fearful that such an experience might bias Coleman's legal judgment in important policy matters in favor of those former clients.

Moreover, Metzenbaum and Sen. James Abourezk (D., S.D.), who had strongly supported the President's program to contain gas prices within reasonable bounds, had been stung by the Presidential Whip when the Vice President and the leadership of the Senate killed their filibuster in order to hasten passage of energy legislation through the Senate in any form.

Against this background, it is understandable that Senator Metzenbaum approached the Coleman confirmation in, to say the least, an uncooperative spirit. He must have felt that the President had played into his hands by submitting the appointment of a Connally partner, an oil-and-gas fox to guard the people's chicken coop. What a ready-made forum this was to explore the threat of conflict of interest within the energy agency! And he exploited the situation.

The confirmation hearing afforded a good stage for a blistering attack, but there was not much substance for it. Coleman had arranged to sever all relations with his law firm permanently and to handle no cases in which it had been involved. Senator Metzenbaum, to his credit, began his examination of Coleman by saying: "In order to clarify the record, I intend to ask some specific questions about the issues I have raised." He then cited a series of cases in which Coleman had participated. It could be argued that they revealed a bias on Coleman's part in favor of oil and gas interests, to the detriment of the general public, and that they ought therefore to disqualify Coleman from appointment to the office for which he had been named. Despite his perhaps preconceived view of the Coleman confirmation, he conducted the hearing interrogation fairly.

There were no startling disclosures. Coleman, as a young lawyer, had participated on the brief in two typical examples of corporate representation, one involving United Gas Pipeline Company, concerning what should be the proper rate base for pipeline charges, and another involving Austral Oil Company, which sought to uphold in court the Federal Power Commission's grant of a gas price of 18.5 cents based on certain factors that went beyond "cost base pricing."

The latter case was the more important. The FPC had generally adhered closely to "cost based" pricing of natural gas at the wellhead. In the Austral case the FPC did not abandon cost as a basis of pricing but broadened the criteria for judging what costs are involved in production. The case importantly affected existing energy policy and law by significantly broadening the base and permitting higher prices.

Then Senator Metzenbaum brought up another case in which Coleman was more actively involved, the Trans-Ocean Oil Company case. There, the FPC was demanding information concerning gas reserves in the area where Trans-Ocean was drilling. Trans-Ocean sought to withhold this information, contending that to make it public would give its competitors important data for bidding on other "blocks" or areas in which it was also interested in bidding. The commission finally ordered the company to submit the data, but only after bids and sales on certain "off set blocks" had been completed. The case was a typical conflict between two commercial interests.

Then Senator Metzenbaum referred to the Montana Power case, the only one in which he found Coleman's advocacy to his liking. Senator Metcalf had previously praised Coleman's participation in this litigation, which he called a "very remarkable series of cases." Coleman had represented Montana producers against the Montana Power Company.

Finally, Senator Metzenbaum referred to the Puerto Rican case. Crude oil refined in Puerto Rico was unusually expensive because it consisted almost wholly of foreign oil. Under federal law, refiners are permitted to pass costs of crude oil on to the consumer in higher prices for products like gasoline, diesel fuel and heating oil. The extension of the refiner rule to Puerto Rico made subsidiaries of the United States refiners base the prices for their products on the nationwide refining cost of their parent companies rather than directly pass through the higher cost incurred in buying refiner products from the island refiner, Commonwealth Oil Refining Company, which accounted for 80 percent of Puerto Rican supplies for consumption.

Senator Metzenbaum found it "probably confirmable" that Coleman's successful defense of the rule saved consumers of Puerto Rico $144 million a year. But he claimed that the case was really a contest between Shell, on the one side, and Texaco, Mobil and Exxon on the other. Shell supported the Federal Energy Administration's position, which was favorable to Puerto Rican consumers.

This history of former law practice is not very revealing, except to show ability and experience. In the hearing, Sen. Bennett Johnston (D., La.) had said to Coleman:

We have been talking about a counsel's job here. It is just absolutely inconceivable to me . . . that we would deny you a spot of general counsel because you had experience in the private sector.

But the Louisiana Senator, who has been strongly pro-oil and gas on the Energy Conference Committee, was inclined to be friendly to a lawyer with oil and gas experience.

Senator Metzenbaum then very properly explored Coleman's lobbying activities for Houston Natural Gas Company. Since Houston Natural operates within the state, it is not a "jurisdictional pipeline": the Federal Power Commission does not regulate its rates with respect to its purchase, sale and transportation of gas. Thus, Houston Natural may buy gas in Texas and sell it to Houston Lighting & Power Company in Texas without having either the price of the gas or the cost of its transportation controlled by the FPC. But it may not buy gas for the interstate market and mix it with the gas it is transporting for use solely in Texas without making the total mix "jurisdictional," and thereby making itself a pipeline subject to FPC regulation.

The energy legislation now being considered would tend to move gas from use in industries in Texas, where it is produced, to homes throughout the country. This is the opposite direction to that toward which gas has moved in the past. It had been moving into the intrastate market, where it was sold at uncontrolled prices about three times those of gas going to interstate use. The proposed legislation would stop this trend. Further, it would phase out the use of gas for boiler fuel by both direct prohibition and taxes on certain uses not prohibited. Even with the increased prices permitted by recent FPC decisions and the even higher prices permitted under the proposed legislation, gas would still be a bargain compared to oil, and its value is further enhanced by its being the cleanest of fuels.

This movement of gas from the intrastate market to the interstate market would of course leave gas pipelines, that had previously carried only intrastate gas, functioning at less than capacity, thus inefficiently. It is as if a train of 100 railroad cars, each full of oil, should be compelled to operate half full, while another train was provided to carry oil to interstate users. It is obvious that it would be better and cheaper to use the excess capacity of the first 100-car train. But if, in order for the intrastate pipeline to use its excess capacity to carry interstate, gas, it must subject all its gas and all its carriage to FPC control, the pipeline will elect to operate with a less than full load. Thus, each 1,000 cubic feet of gas which makes up the less than full load will cost more, and the fuel bills will rise for both residential and industrial consumers in Texas. Also, if new interstate pipelines must be built to deliver gas that could have been handled through the excess capacity of the old intrastate pipelines, such will add an additional cost burden to interstate gas.

Coleman, as a lobbyist for Houston Natural Gas Company, brought this to my attention, and I drew an amendment, which became part of the House-passed bill, to permit intrastate pipelines to use their excess capacity to move gas into interstate commerce, without giving the FPC the power to control their gas that remains in intrastate use.

In the confirmation hearings, Senator Metzenbaum called the amendment "the Coleman Amendment" and characterized it as a loophole for moving gas at unregulated prices into the interstate market. What he failed to recognize was that the amendment required the FPC to pass on the arrangements and to approve them only if it were assured

that the prices involved were "fair and equitable."

Coleman's activity as a lobbyist throws more light on his character and ethics than does the history of his law practice. There are essentially three types of lobbyists in Washington: the old-fashioned beefsteak-and-bourbon lobbyist; the new-fashioned Washington emissary lobbyist, and the lawyer lobbyist. The first kind influences through affability, sometimes verging on bribery. The second compels by organizing support or opposition at home. The third persuades by showing ways of solving problems or reconciling differences.

Coleman is of the third type. The talents of such a person are of the kind most desired in a Congressional staff member or an attorney in an administrative agency. And when one having these talents is known to be a person of candor with a natural impulse to act in the public interest, such a person is a prime candidate for appointment and for confirmation in a job like that of general counsel of the Energy Department.

My experience with Coleman in matters such as the excess pipeline capacity question goes back a number of years. I have found him a useful adviser and confidant in other matters where his expertise and my interest coincided. His representation of Houston Natural is a good example. In that matter Coleman did not act improperly. He argued in support of the amendment, and its adoption was of course favorable to his client. But he made no misrepresentations and did not attempt to affect the legislative process by any improprieties. His lobbying efforts were limited to presenting legal and economic arguments.

Senator Metzenbaum's skeptical view of the amendment was also not at all improper. Though his criticisms were developed in a "stop Coleman" movement, they raised legitimate points. Generally, the FPC's standard is based upon the judgment that the price is "just and reasonable." Here the standard rested upon the language "fair and equitable." This might be construed to be a less rigid standard, but it was necessary to use language other than that of the Natural Gas Act because all the judicial baggage that "just and reasonable" carried could not practically be carried over to a determination respecting a pipeline whose economic structure would not be subject to total FPC scrutiny and control.

Senator Metzenbaum also raised this precaution: that we make sure that the amendment not be a vehicle for the intrastate pipeline to "broker" gas, thus drawing off a middleman's profit in addition to a reasonable profit for transportation. We are working on these points in conference now, and the Senator and I are in substantial agreement.

Sen. Henry Jackson (D., Wash.), who seemed generally favorable to Coleman, raised another question: Should a person of integrity and character, who clearly possesses a high level of competence and against whom there is no evidence of wrongdoing, nevertheless be disqualified from serving in a high public post if there were an appearance of taint because he had represented interests which he must control after his appointment? While assuring Coleman he did not personally question his probity, Senator Jackson worried about how the public could be convinced "that someone who has been so closely identified in a firm with the oil industry" could "really fulfill the important obligations that fall on the office of general counsel."

Sen. John Durkin (D., N.H.) asked Coleman in the hearing the following question which I paraphrase:

I have nothing but admiration for your ability and respect your integrity, but how do I tell the people of New Hampshire and New England that you, as general counsel for the Department of Energy, are going to solve the national energy problems for them when you have been an oil company lawyer?

How can such a question be answered?

It seems to me that Senators have an obligation to discover for the people of New England and the rest of the country whether in fact Lynn Coleman has become indelibly tainted by his oil and gas associations. Their obligation is the more serious when they deal with a man about whom they admit there is no evidence of wrongdoing and about whose ability and integrity there is substantial and unchallenged evidence. Further, they must examine each nominee on his or her individual merits. The Coleman case seems to me to demonstrate conclusively that no general rule can possibly be applied without seriously restricting the government in recruiting people sufficiently talented and experienced to deal with technical problems, such as those involved in regulating the oil and gas business.

The result of the Coleman confirmation proceeding described here will probably be final by the time this is printed. Whatever the result, the issues involved in it and the manner in which they were considered matter. People will inevitably move outward through the revolving door at the portal of public service. We should not deplore the fact that they sometimes move inward. The Senate should welcome those who are honest, qualified and well motivated to perform public service and bar those who are not. This should be the only rule or standard.●

TOGUS, MAINE, VA CENTER

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. COHEN. Mr. Speaker, Maine veterans' organizations and the veterans they represent are gravely concerned about the effect proposed reductions in the Veterans' Administration budget may have on the VA center at Togus, Maine.

The medical center at Togus is a vital facility for the 149,000 veterans now living in Maine. It is imperative that the quantity and quality of services at Togus be preserved. Eliminating dozens of beds and dozens of staff positions, as the fiscal year 1979 budget would do, is not in the best interest of the State of Maine or its substantial veterans population.

The American Legion in Maine has issued a position paper on the Togus situation which I would like to insert in the RECORD. This is an important issue for veterans in my State, and I urge my colleagues, particularly those who serve on the Veterans' Affairs Committee, to read this statement. The paper follows:

THE AMERICAN LEGION'S POSITION ON PLANNED REDUCTIONS AT TOGUS VA CENTER

The Veterans Administration reduction of 3,132 beds in FY 1979 across the nation is a matter of grave concern for The American Legion in Maine. We are concerned when the assignment of reductions to a Center fails to recognize an existing, planned modernization of that Center. The Center at Togus, Maine has been assigned a reduction of 60 beds. The assignment disregards the existing plan, which will achieve the numbered objective and will not impair the delivery of services to veterans in Maine.

The Togus Center has an ongoing modernization plan of ward areas in Buildings 206 and 207, Psychiatric and Intermediate bed areas. This plan would result in a 24 bed reduction without loss of services because of an effective outplacement program. The ongoing modernization plan at Togus will provide the care needed by Maine Veterans and when developed will achieve the assigned reduction of 60 beds. This can be accomplished by advancing the time schedule of the modernization program at the Togus Center. This, we feel, should be a prime concern of the Congress when considering the Veterans Administration budget requests.

A second concern and a major one, is the timetable for construction of stairwells at Building 200, Medical-Surgical bed area. If the stairwells are constructed prior to the construction of the requested addition, 36 beds in the Medical-Surgical bed area will be lost, 36 beds essential to the delivery of patient care services. Again if patient-privacy standards are implemented before the requested addition is constructed another 42 beds in the Medical-Surgical area will be lost.

The combined loss of 78 Medical-Surgical beds represents a 37 percent reduction (there are currently 254 beds) and portends a grim outlook for Maine's 148,000 veterans who may need Medical-Surgical care.

Therefore, we feel it is a matter of priority that the Congress approve the requested 14.8 million dollars requested for construction/addition of Building 200 at the Togus Center. We enlist your support.

Note that in 1980 approximately 23,000 veterans of World War II will reach the age of 62 in Maine. This is an age when the potential for medical-surgical care increases with resultant demands upon the Center at Togus.

A final concern is the assigned reduction of 31 job slots at the Togus Center for fiscal year 1979. Again an indiscriminate assignment, without plan, simply to achieve a numbered objective. The reduction of personnel translates into a $600,000 budget loss for the Center. The personnel loss will impact the employment situation in an area where unemployment exceeds national averages and has done so for an extended period of time.

Summarily if the Togus Center is to deliver essential services:

(1) The requested addition to Building 200 is a priority and should be accomplished before construction of stairwells and implementation of patient-privacy standards.

(2) The American Legion in Maine opposes indiscriminate reductions in beds and personnel at the Togus Center.

(3) Any assigned reductions should be within the planned modernization of the Center which addressed the needs of veterans in Maine in its development.

We urge citizens of Maine to voice opposition to planned reductions of beds and jobs at the Togus VA Center.

DANIEL E. LAMBERT,
Department Adjutant.
HOWARD EISMAN,
Department Service Officer.●

PERSONAL EXPLANATION

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. KILDEE. Mr. Speaker, I inadvertently missed rollcall 108 on March 7, 1977. This occurred because I was attending a meeting with representatives of the Michigan Governor's office and State transportation officials in room 1310 of the Longworth Building, where the warning bells could not be heard to ring. Had I been present, I would have voted "aye."●

RETURN TO RUSSIA: PART 3

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. McEWEN. Mr. Speaker, last fall Alan S. Emory, Washington correspondent of the Watertown, N.Y., Daily Times visited the Soviet Union for 2 weeks. Upon his return to this country, he prepared a series of articles for his newspaper in which he described his observations on the current conditions in that country. The articles appeared in the newspaper between October 10, 1977, and October 24, 1977.

I was very interested in his articles and recommend to my colleagues that they read them.

Yesterday, I brought to the attention of my colleagues the first two articles in that series and today I call your attention to the third article. I am pleased to insert in today's RECORD the third article in that series. The text of that article follows:

RETURN TO RUSSIA: PAST AND PRESENT MEET IN BYWAYS OF TASHKENT, SOVIET ASIA'S CAPITAL

(By Alan Emory)

TASHKENT, U.S.S.R.—The old man in the square black-and-white embroidered skull cap shuffles by in the hot, dusty street, his trousers tucked into black boots.

Another, his graying beard punctuating a seamed face, passes on a donkey, trotting along with automobiles and streetcars.

Women, garbed in colorful print dresses, some with printed cotton pants underneath—the two prints never match—wearing head scarves shot through with gold thread, move busily in the marketplace.

MEMORIES OF MONGOLS

This is Central Asia, where names like Bukhara, Samarkand, Ulugbek, Tamerlane and Gur-Emir evoke images of the 12th, 14th and 15th centuries and scenes of Mongol and Tartar hordes wiping out early civilizations.

It is also part of the Soviet Union and one to which more tourists are being attracted every year.

In Tashkent, a new-and-old city, the capital of Uzbekistan and now the fourth-largest city in the U.S.S.R., behind Moscow, Leningrad and Kiev, there are 1,840,000 residents, and the government would like to see more.

Inducements are being offered for Soviet families moving to the cotton-raising section of the country and prizes for families in the republic that produce children.

The region is Moslem, and both adults and children shy from the foreigner's camera lens.

Seventy thousand foreign tourists are expected to visit Tashkent this year alone.

Responding to the tourist influx, the government is building super-modern hotels on the dusty flatlands. They gleam from the outside and sport attractive Finnish design in the rooms, but the bathrooms' plumbing is nearly as ancient as the cities' history.

MARKETPLACE SCENES

Every city has its marketplace, awning-covered stalls and counters laden with dozens of varieties of fruit of every size and description, huge vegetables and even flowers.

The markets are partitioned, and in some the prices are chalked on boards. Farmers shovel up onions, shake them on an iron grate to remove some of the skin, then dump them on a stall floor.

Few of the old flat-roofed adobe houses remain in Tashkent, whose old city was destroyed by an earthquake in 1966, and they will be replaced by apartments.

Some residents want to stay in their old houses, but are denied permission. For those that still stand no windows face on the street in accordance with the Moslem tradition of keeping wives away from the public.

The shops abound in textiles. Deep-colored carpets of cotton are interwoven with silks of brighter hues.

In Bukhara, with only 150,000 people, history dates back 11 centuries.

At one time 11 caravan roads led to the city and there were 11 gates in the old city wall, the ruins of which still stand on a hot dusty plain.

In front of one picturesque wooden mosque is the Spring of Job, once thought of as a source of relief for the sick.

This is like so many other area legends, however. The spring was there before the days of Job.

Bukhara, destroyed by Genghis Khan and later rebuilt, a former center of Mohammedan learning and one-time seat of Islamic culture, receives only 100 millimeters of water a year.

The mausoleum of Ismael Samani is the first building of fired brick in all of Central Asia.

Another point of interest is the Kalyan Minaret, or "Tower of Death," from which prisoners were thrown when it was not being used as a lighthouse.

Storks nest at the top of some cathedral towers.

Construction signals the new day in Tashkent, known as "the strong city" and the "city of 1,000 fruit trees." A rebuilding plan, shown in model form at the Institute of Applied Sciences, is scheduled for completion by the end of this century, at which time Tashkent will be a fully modern city.

SUBWAY, HOTEL PLANS

A new subway, the seventh in the Soviet Union, is included in the plans. Another new hotel is under construction.

Tea houses are spotted through the Tashkent parks and are popular meeting-places for young people, many of whom forego the traditional Uzbek dress for western styles like jeans, flared trousers and tight-fitting shirts.

Bukhara features a factory where gold and silver thread—imported from Moscow, ironically—are embroidered on carpets, vests, caps and scarves. This had been men's work, traditionally, but now 98 per cent of the employes are women.

The shop is so noisy and hot the workers have a five-day week.

None of these goods, curiously, are sold at the factory, and they are almost unavailable in local shops or hard-currency stores.

OPEN-AIR MOVIES

Tashkent has an open-air movie theater, where people stroll in and out during the course of the show, rather than staying from start to finish.

Tashkent, Samarkand, which it replaced as Uzbekistan's capital, and Bukhara, all have airports and the flights across Central Asia soar above dun-colored steppes, only occasionally relieved by large green lakes.

Tashkent, nearly 2,000 years old, is in the Chirchik River valley, Samarkand in the valley of the Zeravshan.

The Soviets refer to Bukhara as the natural gas "storehouse," and an important pipeline runs from that ancient city to the Ural Mountain region.

Almost as common as the pomegranates that Uzbek citizens snack on are the medressehs, or Moslem religious schools, some of which are still operating in colorful ancient buildings.

The present and the past are inevitably intertwined in Tashkent. The Applied Arts Museum is a treasure trove of mosaics, wood carvings, embroidery and carpets, even old musical instruments, and not too far away is an oblisk to cosmonaut Yuri Gagarin or a massive bust of Karl Marx with his message to the workers of the world in several languages around its base.

Soviet authorities give their visitors a good look at the old, but their attention and effort are bent toward the new.●

FLEXIBLE WORKING HOURS

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. McKINNEY. Mr. Speaker, I was happy to note that the House Post Office and Civil Service Committee late in January reported out legislation which would encourage the use of alternative work schedules in the Federal Government. The use of "flexible working hours" can lead to real improvement in productivity as well as employee morale. Such improvements were outlined in a series of articles by Kathy Sawyer in the Washington Post during December and January. Last September, the General Accounting Office issued a report which also listed significant benefits derived from the use of flexible working hours.

Last November, I sponsored a Seminar on Alternative Work Schedules in Stamford, Conn. The seminar was sponsored in cooperation with the National Center for Productivity and Quality of Working Life and Pitney Bowes, which is headquartered in Stamford. This afternoon seminar was attended by over 100 people.

The purpose of this seminar was to learn about various alternative work schedules which several companies are now using. We learned that the flexible work hours program in many cases has reduced absenteeism and tardiness and increased employee morale and productivity. Additionally, we learned that flexible working hours are relatively inexpensive to implement.

The program included George Kuper, executive director of the National Center for Productivity and Quality of Working Life; Frank Morgan, vice president of Human Resources of the Berol Corp.; James Bast, vice president of finance of Pitney Bowes; and Robert Dawson, director of personnel research of the Equitable Life Assurance Society.

This was an excellent program. I was happy to have been able to bring together the organizations and people involved so that we could learn more about an area of which I am convinced we are going to hear more about in the future.

Mr. Speaker, I include for the RECORD at this point an article which discusses the seminar and the experience with flexible working hours which Pitney Bowes has had. The article appeared in Pitney Bowes' December–January issue of "PB News":

VP POINTS OUT THE MERITS OF FLEXIBLE HOURS

After three years in use, Pitney Bowes' flextime system is overwhelmingly favored by supervisors and employees alike, says James

Bast, senior vice president—finance and administration.

Bast reviewed the company's flextime program at a recent seminar sponsored by Rep. Stewart B. McKinney (R.-Conn.) in cooperation with Pitney Bowes and the National Center for Productivity and Quality of Working Life, an independent federal agency.

Addressing a group of 106 area company executives and labor leaders at Stamford headquarters, Bast said, "Employees have responded to flextime in a positive way, and we have achieved some measurable improvements in our operations."

Although flexible hours have been installed at some Pitney Bowes manufacturing and marketing locations abroad, Bast limited his remarks to the system adopted in 1974 for a group of about 800 headquarters-area employees in financial and data entry functions, and in some smaller departments.

"Managers have mentioned the virtual elimination of tardiness as a major advantage of flextime. Also, efficiency increases have been noted in some departments, particularly because employees have tended to shift their worktime schedules to match peak workloads," Bast said.

Flexible hours have shown most employees to be highly motivated. "Nearly half of the supervisors noted that employees developed more responsible attitudes toward their workload, and a new ability to manage their own work," he explained. "Supervisors themselves realized an improvement in their work planning, a requirement for functioning properly under flextime."

Employees credit flextime with improving the relationships with their supervisors, Bast said. "Flextime has helped to bring about increased cooperation, more exchange of information, greater delegation by the supervisor, less supervisory control and more informality. Employees also report that flextime has improved group cooperation, communication, motivation and job satisfaction."

In practice, Bast continued, "flextime has dispelled some old myths, such as: people won't work unless you watch them; given the choice, their own interests always come first; without regulation, discipline collapses; most people will cheat if given the chance; and people are not self-motivating where work is concerned."

The flexible workday has not presented any major problems but, the senior vice president added, "a few supervisors have experienced some scheduling problems. Employees dislike having to cover the office on Friday afternoon, but they all take their turn doing it."

One minor disadvantage to the manager or supervisor, Bast noted, is the need for periodic reminders to employees that flextime is a privilege that should not be taken for granted. "Flextime is a joint employee-management responsibility that mustn't be abused, and that calls for full cooperation."

ABSENTEEISM IS STUDIED

An exhaustive study of absenteeism and flextime has been initiated by Pitney Bowes. The senior vice president said results of the study are expected to support earlier findings that lateness and short-term absences diminish under flextime.

A recent informal check of attendance among 140 financial accounting employees on flextime showed that short-term personal absences decreased sharply in the past three years, and have so far sustained the improvement. "We believe we will gain reasonable cumulative savings from improved attendance and added efficiency made possible by the flextime program," Bast added.

"We have observed that people under flextime are willing to accept, without objection or comment, some modest loss of benefits they previously enjoyed under a fixed work schedule," he explained. "The employees' ability to arrange their own schedules automatically eliminated the need for most of the personal absences previously covered by the company's pay policy. As a result, employees in effect have lost some of their paid time off."

In explaining its limitations, he said flextime would be "prohibitively expensive if applied within our production or engineering functions because as a government contractor, we are required by law to pay time-and-a-half for all hours worked in excess of eight per day. Office jobs such as those in finance and data entry are covered by the Fair Labor Standards Act, which requires only that we pay time-and-a-half after 40 hours of work per week."

Bast told the group of executives: "There are some additional administrative requirements associated with flextime that companies should be aware of in advance."

Flextime, he pointed out, has complicated the company's administration of lost-time pay policies for absences, lunch periods and breaks, holidays and overtime, and company procedures during special occurrences such as shutdowns for bad weather or power outages. "This has led to a rather complex and constantly evolving body of flextime policies that try to, and do, cover all contingencies without penalizing employees in ways they would not be penalized under a normal fixed-hour workweek," he explained.

"Aside from a favorable response, flextime has confirmed something very important to us as a company; we have a very personalized employee benefit that meets real human needs," Bast said. "Employees are anxious not to lose a benefit that most now feel they would never want to part with." ●

YUGOSLAVIAN FOREIGN POLICY RECORD

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. DERWINSKI. Mr. Speaker, certainly we should support Yugoslav independence from the Soviet Union. However, it would be quite inaccurate to describe present-day Yugoslavia as a democracy. It is equally inaccurate to describe President Tito as a close friend of the United States. Therefore, Mr. Speaker, it is most appropriate to remind the Members of this fact in light of President Tito's visit to the United States.

Yesterday, I inserted a portion of an article by the former U.S. Ambassador to Yugoslavia, Laurence Silberman, and I will include the second part of his commentary following the close of my remarks. In doing so, I wish to emphasize the fact that we do not wish to see Yugoslavia fall under Soviet domination; but we must have no illusions as to the past foreign policy record of Yugoslavia, nor of the poltical restrictions vigorously maintained within that country.

The commentary follows:

BILATERAL RELATIONS

It is assumed by the Yugoslavs, and widely accepted in Washington, that the major purpose of U.S.-Yugoslav bilateral relations is to politically support Yugoslavia's relative independence vis-a-vis the Soviet Union. Specifically, Yugoslav internal economic developments should be aided by American efforts to facilitate trade, investment, and technological transfer. Indeed, all other aspects of our relations should be subordinated to this central objective. American diplomats assume an affirmative responsibility to assure that Yugoslavia's image in the United States is painted in attractive colors, so that the flow of investment technology and trade is not discouraged, and that, whatever the importance of other American concerns and interests, our bilateral relations with Yugoslavia not be harmed. This notion leads the Yugoslavs to act with confidence that the United States values bilateral relations more than they do themselves, and therefore the Yugoslavs are consistently tempted to treat American multilateral and bilateral interests as insignificant. Our relations are, for that reason, asymmetrical. A distinguished former ambassador to Yugoslavia once put it more graphically: "Yugoslavia sees the United States as a milk cow rather than a bull—all teats and no horns."

The entire State Department has not accepted this concept. In the last few years, we have on various occasions forcefully told the Yugoslavs that we would not concur in such a self-serving view of our bilateral relations. But, given its pull on virtually all of our own Yugoslav experts, pursuing a policy of credibly seeking symmetry in our relationship has been an uphill struggle.

Because of the relatively modest size of the Yugoslav market, our economic interest there is not now, nor ever will be, of great significance to us. But, conversely, Yugoslav interests in economic relations with the United States are of enormous importance to them. We are their fourth largest trading partner behind the Soviet Union, West Germany, and Italy, and increasing our share. Our trade is of disproportionate importance, however, because we are the only non-Communist industrialized country with which they have an approximately balanced account. (The European Community and Japan sell much more to Yugoslavia that they buy.) Further, American capital and technology play a significant role in developing the Yugoslav economy. Eximbank alone has approximately a billion dollars in outstanding loans, and there are more American joint ventures in Yugoslavia than those of any other country. But the Yugoslavs act as if the flow were reversed. They often dissemble or cut corners in dealing with us.

Thus, for purposes of the industrial world's export control program, which limits the sale of strategic goods to the Soviet Union and its satellites, Yugoslavia has been treated as a Western country. For years, high civilian technology of strategic significance has been sold to Yugoslavia, with the caveat that it not be resold to Eastern Europe. In the late 1960s, we began to learn that some Yugoslav firms had resold or diverted some of this sensitive equipment to restricted destinations. (Western firms have been known to do the same thing.) Faced with U.S. protests, Yugoslav authorities assured Americans in some detail that violators had been severely punished. The United States government, not wholly satisfied, sought for several years to allay lingering doubts and ensure no further lapses by gaining further information as to the exact methods of diversion. These efforts were consistently rebuffed until—quite by accident—it was discovered that the draconian punishments were fictional. Only after the United States refused to go forward with further shipments was a satisfactory resolution offered.

Similarly, in 1975, when Yugoslavia was hard hit by unfavorable balance-of-payments trends, import restrictions were secretly imposed and senior Yugoslav officials, undoubtedly concerned about their dubious legality, kept flatly denying their existence to Americans months after their imposition.

Yugoslavs justify such conduct in terms of the disparity in size of our two countries;

because we are a "superpower," reciprocal rules of fair dealing do not apply, and besides, it's ego-satisfying to so easily gull the supposedly sophisticated Americans. The risk of discovery is minimal, since Americans rarely respond anyway.

When negotiating with the U.S. government, Yugoslavs do not hesitate to employ whatever leverage is available to them bluntly, fully, even extravagantly. Early last year, the Yugoslav airline sought Civil Aeronautics Board certification to fly to the United States. Characteristically, they announced their intention by publishing the date for initial service before approaching the U.S. Government. Then, as negotiations started, they demanded that U.S. procedures be short-circuited. Various dire threats were made, including the ejection of Pan American World Airways from Belgrade (a marginal operation at best) and refusal to buy wide-bodied jets from U.S. companies if the announced date of service was not met.

Examples of this style of negotiating are legion; particularly revealing was the approach used by the Yugoslav government when seeking elimination of our armed forces broadcasting in Germany on the same wave length as Radio Sarajevo, which wanted to reach Yugoslav workers in Germany. Our U.S. Information Center in Sarajevo was held hostage to a satisfactory resolution. As long as the dispute pended, our center was threatened with closing and treated as unwelcome. The Yugoslavs assumed that our desire to gain understanding in Yugoslavia by access to our books, records, etc., could be used as leverage against us.

We have funded 90 per cent of a Fulbright program for the mutual exchange of scholars. The Yugoslavs have always seen this program as an opportunity to serve their aim of technology transfer to Yugoslavia; they would send only scientists and engineers to the United States, not social scientists. We have sought a balance because, although we sympathize with Yugoslav desires to train scientists, it is very much in our interest to have Yugoslav economists and political theorists see and study firsthand in the United States. Even if the government of Yugoslavia (or, more particularly, its secret police) carefully screens applicants so that only committed Communists are sent, the resulting increase in understanding is worth the cost. But, not atypically, in negotiations with the Yugoslavs to achieve a fair balance, the American Embassy found itself between resolute, unyielding Yugoslav negotiators and a fluttering State Department that has lost sight of the relative interests involved (we, after all, pay for the program) and has never learned the purpose of disagreement in reaching ultimately satisfactory agreements

Although the government-controlled Yugoslav press misses few opportunities to portray the United States in unflattering terms, viewed through a Marxist prism, the Yugoslavs continually complain to the State Department in Washington (and try to complain to the American Embassy in Belgrade) about articles by American reporters who expose Yugoslav government repression or even microfailures of the Yugoslav system. Since a favorable Yugoslav image in the United States has important economic and political dividends, the Yugoslavs are not content with sympathetic expressions from Washington diplomats. An enormously sophisticated effort to influence the American press is waged in Belgrade; "unfriendly" reporters are quickly cut off from all official and quasi-official sources, and subject to various kinds of unpleasant pressure to induce a positive slant. This technique predictably hardens the resolve of informed American reporters stationed in Yugoslav, but those who travel through in brief spurts are more vulnerable and susceptible, particularly since they often spend much time with Yugoslav correspondents working for Western press organs, whose job—and I use the term advisedly—is to influence visiting correspondents. (The efforts of these ancillaries to push disinformation on Western reporters reached new levels of frenzy during the recent flap caused by the ominous visit to Belgrade of the international terrorist Carlos.)

Of course, even if the Yugoslav government offered a reciprocal arrangement, such as it concluded with the Soviets a few years ago, whereby mutual press criticism would be eschewed, the United States could not constitutionally comply. And in light of the constant Yugoslav press attacks on the United States, effort by our State Department to color Yugoslav in artificially attractive hues is particularly anomalous.

Perhaps the most sensitive of all bilateral issues involves Yugoslav émigrés in the United States. The Yugoslavs have every right to bitterly complain about assaults and violence against their diplomats in our country. But the truth of the matter is that their objective has never been limited to the punishment of such acts or even to their prevention. Indeed, for Yugoslav purposes, an occasional incident provides a useful lever to press in pursuit of the larger objective—the marshaling of U.S. government efforts against all political activity (violent or not) aimed against the present regime.

Since, under their system, political dissent is qualitatively no less dangerous or illegal because it takes paths that, if followed in the United States, would be protected by the first amendment, there is no disposition to accept our constitutional distinctions. (After continuous prodding, the Germans and Swedes have actually banned certain Yugoslav émigré groups, making an appreciation of the American restraints doubly difficult.) And, from a propaganda viewpoint, émigrés' capacity to appeal to Western sympathies is undermined when they engage in violent conduct. For this reason, Croatian émigrés are always described as Ustashi (evoking memories of the World War II Croatian Fascist state), no matter what political views they espouse. Furthermore, senior Yugoslavs are either convinced or find it useful to claim that the American government sponsors the activities of these émigrés. Usually the charge is made elliptically. In June, when the Yugoslav Embassy in Washington was bombed and in September, when the TWA plane was hijacked by Croatian émigrés, the Yugoslav press and diplomats pressed the line that both acts were supported by "certain circles" in and out of the American government. After repeated questioning as to the identity of these circles, Yugoslavs alluded to such disparate groups as "the Jewish lobby," the FBI and CIA, and conservative political groups, all of which allegedly conspire to support this activity. But in conversation with non-American officials, senior Yugoslav foreign office officials with responsibility for American affairs were more direct and lurid—the American Embassy in Belgrade was accused of complicity in the Washington bombing, and nonaligned ambassadors were told that all of the passengers on the TWA flight were FBI agents.

Yugoslav frustration with their inability to prevent antiregime activity abroad, leads its security services to reach out for émigrés who travel back to Yugoslavia with new citizenship. Thus, Americans of Yugoslav birth are particularly vulnerable to police questioning pointed toward their behavior in the United States as well as the behavior of other émigrés who are targets of Yugoslav concern. Sometimes, when an American, such as Laszlo Toth, refuses to cooperate, arrest, and in his case lengthy imprisonment pursuant to a trumped-up charge, follows. Since Tito gives the Interior Ministry unchecked power to root out real or imagined enemies in Yugoslavia (and to pursue them in European cities), a case like Toth's presents great problems to our government, charged with the responsibility of protecting citizens abroad. The Yugoslavs claim that such persons (if they have not renounced Yugoslav citizenship and had that renunciation accepted by the Yugoslav government) are Yugoslavs and not within the jurisdiction of the American government if their "crimes" are political, and therefore refuse access or explanation as to the reasons for arrest. These cases arise with sufficient frequency so as to oblige the State Department to more effectively warn Americans of Yugoslav birth of the dangers in traveling to Yugoslavia and also, to more determinedly convey to the Yugoslav government the consequent deleterious impact on bilateral relations of a continuation of this practice.

It is crucial to an understanding of U.S.-Yugoslav relations to realize that Yugoslav U.S.-watchers perceive, or claim to perceive, anti-Tito actions of émigrés in the United States and unfavorable press articles as government-directed and conspiratorially harnessed to our foreign policy objectives. Thus, in February of last year, Foreign Minister Minic, in an incredible speech to senior military officers, said:

"There exist two problems in our political cooperation with Western countries: the acts of Yugoslav terrorists/Fascists and other anti-Yugoslav émigrés, and political pressure campaigns against Yugoslavia. . . . Fascist bands which fled our country together with Nazis enjoy the hospitality and enormous financial and material support of intelligence services and governments of Western countries with which we now have good relations. The intelligence services continue their cooperation with émigrés and they do not forgo using them whenever they need to exert pressure on Yugoslavia.

". . . Periodic campaigns with the aim of attempting to discredit the internal structure and foreign policy of Yugoslavia are also a characteristic form of pressure which comes from the West . . . the American press writes especially harsh things about Yugoslavia. All of it is synchronized. The direction comes from one place and then all the machinery goes into operation: intelligence, diplomatic, information, propaganda and so on—now, for example, during preparations for the fifth conference of nonaligned countries at Colombo, it is known that Yugoslavia will very actively participate in all of that, so it is necessary to exert pressure on Yugoslavia. Such things from the West will now become very frequent. . . ."[1]

Since Yugoslav leadership predicted that the West and particularly the United States would, through propaganda and "directed" activities of émigré circles, "pressure" Yugoslavia, the subsequent flaps over the Sonnenfeldt Doctrine in April, the bombing of the Yugoslav Embassy in Washington in June, American press attention to the Toth case in August, and the TWA hijacking in September, were seen by certain elements in the Yugoslav government as a fulfilled prophecy, a coordinated campaign to pressure Yugoslavia vis-à-vis the Colombo conference.

Of course, it is true that, in Yugoslavia, activities of foreign émigrés and a particular press line could not develop without guidance from central political control. Thus, it may well be that many Yugoslavs find it inconceivable that the same rules don't apply in the United States. This process of projection is buttressed by their a priori view of a capitalist society. On the other hand, I retain a lurking suspicion that senior Yugoslavs know their analysis of the United States is flawed, but find it useful to spread these outrageous canards for internal and external

[1] The speech was published in a restricted military journal, which accidentally fell into the hands of an Asian diplomat, which distributed it widely in Belgrade, but it has not yet been reported.

purposes. If they can blame the United States government for terrorist activity or unfavorable press reporting, it is easier to turn aside American complaints about real grievances arising out of Yugoslavia's multilateral activities or bilateral disputes.

A sound policy toward Yugoslavia must proceed from an accurate assessment of conflicting interests—the true extent of the clash of the two nations' respective goals and values as well as our mutual geostrategic concerns. Such an appraisal belies the facile and fatuous description of Yugoslavia as a friendly country. It is not. It is predominantly an adversary that shares with the United States a limited, but important, concurrence of interest. Of course, a traditional task of diplomacy is the attempt to widen the area of agreement between nations, but it is not helpful to fool ourselves as to the reality and it is positively harmful to lead the Yugoslavs to believe we are satisfied with the present relationship; it makes it easier for them to take the United States for granted.

All of that described above is well known to those in our government whose job it is to follow Yugoslav affairs—and a good deal more which cannot be revealed here. Why then is there such reluctance to admit the evident?

In an ironic twist, the Foreign Service's disastrous experience with China policy 25 years ago casts a shadow over Yugoslavia. Then Foreign Service officers, quite correct about what was happening in China, and correct also about the opportunities for U.S. policy there, were pilloried by politicians unwilling to recognize the subtle differences between Chinese and Soviet communism. So, in much of the Foreign Service, the fear persists that politicians will similarly perceive Yugoslavia as just another Communist nation, and therefore they overemphasize the degree of Yugoslav independence from the Soviet Union, and minimize the extent of Yugoslav opposition to the United States.

Furthermore, to Eastern European specialists, perhaps irretrievably scarred by irrational but understandable feelings of guilt and despair over U.S. impotence to aid Hungary in 1956 and Czechoslovakia in 1968, Yugoslavia represents a victory of sorts—although the extent to which American diplomacy or aid contributed to the victory is questionable. Victors never appreciate any tarnishing of their trophy. Our perception of Yugoslavia remains suspended in a 20-year-old glow of self-congratulation, while disquieting trends are dismissed as nothing new and attempts to refashion our approach are bitterly resisted.

A SUGGESTED POLICY TOWARD YUGOSLAVIA

The first step in this refashioning should be the rejection of the notion, put forward in various corridors in Washington, that we must support Yugoslavia's independence from the Soviets—such as it is—by providing that country with economic and political support without regard to Yugoslavia's treatment of our bilateral or multilateral concerns. This view, so firmly held in the Eastern European section of the State Department, is occasionally nourished—when American exaspiration and suspicion begin to threaten it—by clever Yugoslav whispers into credulous Western ears about exaggerated Yugoslavs confrontations with the Soviets. Not that the Soviets aren't always reaching, but both their alleged crudity and the fierceness of Yugoslav resistance is embroidered for Western and particularly American consumption. The purpose, of course, is to divert our attention from what the Yugoslavs are actually doing.

The weakness of this policy approach is that not only does it underrate other American interests, but, if followed, it also will have a perverse effect on U.S.-Yugoslav relations. Insofar as we have positively influenced Yugoslavia's distance from the Soviets, it is our strength which has been of significance, and a passive, supine defense of American interests does not convey an image of strength. Surely Tito, whatever he may say, knows that great nations that so behave are moving in the direction of becoming ex-great nations. It may well be that Tito no longer respects American strength as he once did, and this more than any other factor explains our increasing difficulties with Yugoslavia.

In any event, we have never really been able to affect Yugoslav-Soviet relations. Tito did not break with Stalin to please us: we didn't even know about it until after it happened, and he maintained his position for several years with no support from us. The degree of distance from Moscow sought by Yugoslav leadership has always depended and will continue to depend on their own drive for independence and their own appraisal of the Soviet threat. To take the extreme (which I do not recommend), even if the United States turned implacably hostile to Yugoslavia, it does not follow that Yugoslavia would return to the Warsaw Pact. Those who think in these terms, misconceive and indeed patronize Yugoslav independence. In fact, it may well be that the less support Yugoslavia gets from the United States the more they feel obliged to resist Soviet pressure, to maintain their relative autonomy. Of course, they do use the United States as a prop in their relations with the Soviets, but not necessarily to widen the distance from Moscow. We should concentrate our efforts on U.S.-Yugoslav relations rather than Yugoslav-Soviet relations—not because we are uninterested in the latter, but because of the limitations and unpredictability of our impact on that relationship.

In our bilateral relations, we should not hesitate to meet tough probes with equally tough responses. Naturally, we shouldn't look for disputes, but we should not give the impression that we must at all costs avoid them, or else the Yugoslavs cannot help but conclude we have a greater stake in our bilateral relations than they do—which is decidedly not so. Furthermore, we should not hesitate to link together various aspects of our relations, so that we are not without recourse when the Yugoslavs cause damage to our interests.

The Yugoslavs call such an approach "pressure," and although no country uses it more effectively than Yugoslavia, against any and all comers, they have psychologically disarmed American diplomats by making them guilty or uncomfortable about U.S. power. If Yugoslav support for a palpably offensive resolution in the United Nations on Puerto Rico elicits an American protest, the Yugoslavs will, with a straight face, contend that Yugoslav action stems from nonaligned principles which cannot be abandoned in the face of superpower pressure. Instead of defending the merits of any specific position, the Yugoslavs shrewdly obfuscate by asserting that any protest, no matter how narrow, is an attack on their whole nonaligned position. Since we foolishly and repeatedly express approval for Yugoslav nonalignment (on the false assumption that it is a kind of neutrality), they thus turn our own statements against us. Similarly, if an American citizen is capriciously arrested and we vigorously complain, the Yugoslavs will cynically contend that our protest is pressure designed to interfere in their internal affairs. In fact, in both instances, "pressure" is really coming from the Yugoslavs: It is their unjustified action that caused the clash.

One career diplomat explained to me that the present generation of foreign service officers came to maturity during a period when, because of our overwhelming military and economic power, it was not necessary for American diplomats to struggle for American interests; our enormous power cast its own implicit weight. Today we can no longer afford that luxury.

It is often said that Yugoslavia, on the eve—a long eve, one might add—of Tito's death, is understandably brittle; so concerned with imaginary hobgoblins and real dangers that it is too much to ask for reciprocal consideration for the United States, that we can best ensure a smooth transition to new leadership resolved to protect Yugoslav independence by turning the other cheek when our interests are transgressed.

But the new leadership in Yugoslavia, like the old Marshal, will carefully eye the United States for signs of will, political strength, and preparedness to defend our interests. We impress no one, we generate no confidence, and we do not advance our long-term goals by passively abandoning our immediate ones.●

USE OF NITRITES AND NITRATES

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. HAGEDORN. Mr. Speaker, along with Representatives MATHIS, WAMPLER, and VOLKMER, and 36 of our other colleagues, I am introducing legislation which would impose a 2-year moratorium upon the authority of the U.S. Department of Agriculture to further restrict the use of nitrites and nitrates as preservatives in bacon and other cured meat products.

The recent concern over the use of nitrites and nitrates in the production of bacon and other meat products stems from the possible formation of nitrosamines when bacon is fried at high temperatures. Nitrosamines, formed when N-nitroso compounds are added to a nitrogen atom in certain organic substances, have been shown to be carcinogenic in certain experimental animals. This has led to the presumption that a similar correlation exists with humans although no studies have proven that cancer in the United States is linked to the exposure of these compounds.

As a naturally occurring substance found in vegetables, water, soil, and even the air, sodium nitrate was originally discovered as an impurity in salt and has been used for thousands of years to cure meats. The chemical derivative of sodium nitrate is sodium nitrite which is an essental product in the manufacturing of bacon and other cured meat products.

Nitrites thwart the growth of very deadly food-borne botulism spores. Botulism poisoning is one of the deadliest diseases known to mankind, with death usually reuslting within 12 to 36 hours from respiratory paralysis.

Research studies have determined that one viable botulism spore is naturally present in every 1 to 7 pounds of meat products. (Prevot et al., 1953; Roberts and Smart, 1976a, 1976b, et al.) This means that, if the proper conditions were to exist in our processed meat supply for the growth of these spores and development of the toxin, all of the population of the United States that eats such meat could be killed by botulism. (CAST Report No. 74, March 1, 1978.)

The USDA recently concluded a study

of 2,500 households and found that 63 percent of those surveyed ran a high risk of becoming ill due to insufficient knowledge on handling and storing food safely.

Twenty-three outbreaks of botulism involving 40 cases and 5 deaths were reported in 1976. Of these, only two were attributable to animal products and both were traced to fish. When one compares the frequent outbreaks of botulism from home-cured meats in France and Spain (Sebald, 1970; Roberts, 1975) where nitrites and/or nitrates are either not used or are used under poor conditions, the low incident rate in commercially cured meat products in the United States speaks for itself. The amount of nitrite added and remaining after processing has proved to be a crucial factor affecting the microbiological safety of cured meats.

Aside from the potential health hazard of botulism, the flavor and appearance of bacon and other cured meat products as we know them today would be drastically changed. Bacon would be reduced to a salt pork and ham would become a salty pork roast with a warmed-over flavor. Furthermore, the shelf life of these products would be decreased along with a tendency toward unpleasant tastes and odors from rancidity. Nitrite is the only substance which will effectively prevent botulism, give bacon and other cured meat products their special flavor and appearance, and retard oxidation which causes the undesired warmed-over flavor, although over 700 substances have been tested as possible replacements.

There are no documented cases of human or animal cancer caused by the consumption of meats containing nitrate or nitrite. In a recent study conducted by the German Cancer Research Institute, rats were fed excessive amounts of nitrosamines during their lifetime and some of the rats who were fed doses at the highest levels developed liver tumors. However, a person would have to consume 15,415 pounds of bacon containing 10 parts per billion of nitrosamines each day for a lifetime to equal the level that produced the tumors in the laboratory rats.

A recently completed 3-year study in Canada revealed negative carcinogenicity findings in rats fed diets of 25-percent bacon containing high levels of nitrosamines.

More than 80 percent of the nitrite entering the human stomach originates in human saliva, most of which is indirectly attributable to consumption of fruits and vegetables and less than 20 percent comes from cured meat and poultry products. Dr. Steven R. Tannenbaum of the Massachusetts Institute of Technology has said:

> It would be essentially impossible for man to completely avoid nitrate in a normal diet, whether it consisted of processed or unprocessed foods, and the amount of nitrate consumed would almost certainly be higher in a vegetarian diet.

Prior to November 9, 1977, the Department of Agriculture accepted the "nondetectable level" for nitrosamines at 10 parts per billion, inasmuch as most private laboratories did not have the capacity to confirm below that level. However, on that date, USDA informed the industry that it could confirm the presence of nitrosamines down to 5 parts per billion and accordingly considered anything below that level to be undetectable. It is questionable why USDA lowered the level of detection from 10 parts per billion to 5 parts per billion just 4 months prior to the deadline for the industry to prove that nitrites and nitrates could be added to cured meats without the formation of nitrosamines. USDA's underhanded tactic of changing the rules in the middle of the game is a severe handicap to the pork-producing industry.

The impact of a total ban on nitrites and nitrates would be staggering. Hog producers would receive from $10 to $15 less per hog marketed with a total annual loss of $500 to $770 million inasmuch as 70 percent of the hog goes into cured products and only 30 percent of the hog is sold as fresh pork. The economics of this situation indicates that a decline in cash return to the producer will lead to fewer hogs being produced. Such a reduction would have a serious domino effect on cattle producers, grain farmers, equipment manufacturers, food processors and distributors and retailers. Hogs consume over one-third of the corn fed to livestock each year. Ten percent of beef goes into the production of cured meats. Women employees would be hard hit inasmuch as they comprise the majority of the labor force on the bacon-slicing lines. The loss of certain medical byproducts contributed by the hog industry such as heparin, insulin, ACTH and thyroxin would be seriously felt by our society. The annual retail value of pork production sold is estimated to be $15 billion with the farmers' cash receipts approaching $7.5 billion.

The controversy over the addition of nitrates and nitrites in the production of bacon and other cured meat products is not new. Back in September of 1973, the Secretary of Agriculture appointed a six-member Expert Panel on Nitrates, Nitrites, and Nitrosamines to evaluate the problem and to advise the department on the safety of continuing the use of these products. The Secretary of Agriculture accepted the recommendations of this panel and on November 11, 1975, the Animal and Plant Health Inspection Service issued the proposed changes in the regulations for public comment. However, during the drafting of the proposed regulations new information was brought to light and the panel requested an extension of time to further study the new evidence presented. In January 1977, the Carter administration added six new members to the expert panel. Nine months later the panel drafted a proposed final report recommending to SDA that meat processors be allowed to continue to use nitrites, but at lower levels than those permitted under existing regulations. The result of this broadly based panel who were appointed by both the Nixon and Carter administrations are still not accepted by the Department of Agriculture. The text of the final report on the Secretary's Expert Panel on Nitrites, Nitrates, and Nitrosamines follows at the end.

We regret Congress having to consider on a piecemeal basis such agency actions as those on saccharin, bacon, et cetera, but until basic changes are made in the operative laws on food safety testing, this sort of ad hoc legislation will continue to be necessary:

H.R. —

A bill to limit the authority of the Secretary of Agriculture to restrict or prohibit the use of nitrites or nitrates as preservatives in meat products for a period of two years, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That this Act may be cited as the "Botulism Prevention Act of 1978."

SEC. 2. The Congress finds that—

(a) botulism poisoning is one of the deadliest diseases known to mankind, with death usually resulting within 12 to 36 hours from respiratory paralysis. There is no satisfactory treatment;

(b) the Expert Panel on Nitrates, Nitrites, and Nitrosamines appointed by the U.S. Department of Agriculture has recently credited nitrite with responsibility for the "excellent safety record of commercially produced meats", particularly with respect to inhibiting the growth and spread of botulism;

(c) no preservative has yet been found which adequately substitutes for nitrite in such meat processing;

(d) the use of nitrites is indispensable to the safe processing of such meat products for human consumption as bacon, cooked sausages, lunch meats, hams, and other cured meats;

(e) more than 80% of the nitrite entering the human body originates in human saliva (most of which is indirectly attributable to consumption of fruits and vegetables), and less than 20% from processed meat products;

(f) the Expert Panel has recommended that meat processors be allowed to continue to use nitrite although at lower levels than permitted under current regulations (levels with which most meat processors have complied voluntarily);

(g) the Canadian government has completed a three year test on laboratory animals which concludes that rats fed diets of 25% bacon containing high rates of nitrosamines had no increased incidence of cancer;

(h) the only studies providing evidence of carcinogenicity in test rats would require the equivalent daily consumption by humans of more than 15,000 pounds of bacon;

(i) the processing of these meat products is vital to the economic health of hog farmers (with at least 60% of pork produced being used in processed meat products), as well as to meat packers, distributors, and retailers;

(j) such meat products are nutritious, inexpensive, and popular with consumers;

(k) the U.S. Department of Agriculture has been petitioned to ban entirely the use of nitrite in the processing of meat products, with officials there threatening to comply if tests evidence so much as one part per billion of nitrosamines in treated meat products.

SEC. 3. During the two-year period beginning on the date of enactment of this Act, the Secretary of Agriculture or any other official of the United States Department of Agriculture shall not issue any regulation, rule, or order, or take any other action which has one or more of the following effects:

(a) limiting, restricting, or prohibiting the use of nitrites or nitrates as preservatives in meat products to a greater degree than recommended by the final report of the Department of Agriculture's Expert Panel on Nitrates, Nitrites, and Nitrosamines;

(b) requiring labeling concerning nitrites or nitrates, or the provision of information concerning nitrites or nitrates on labels, or meat products or wrappers, containers, or packages of meat products which requirement is in addition to requirements in effect on January 1, 1978 concerning labeling, or the provision of information, on labels of such products or such wrappers, containers, or packages.

SEC. 4. As used in this Act, the term "meat product" means any product which is made wholly or in part from any meat or other portion of the carcass of any cattle, sheep, swine, poultry, or goat, except products which contain meat or other portions of such carcasses only in relatively small portion.

FINAL REPORT OF THE SECRETARY'S EXPERT PANEL ON NITRITES, NITRATES, AND NITROSAMINES

A majority of the members of the Expert Panel on Nitrites, Nitrates and Nitrosamines have agreed that the following recommendations be made to the Secretary of Agriculture. Some members disagree with one or more of the recommendations and/or wish to comment on them or suggest changes or additions. These are appended to the report.

Recommendation 1.—The Secretary should publish a recommendation in the Federal Register establishing the amounts of ingoing and residual sodium nitrite, sodium nitrate, and sodium ascorbate/isoascorbate to be used in each class of cured product. (See Table.)

Recommendation 2.—Not enough evidence has been produced to form a definite conclusion on the use of ascorbate/isoascorbate in any cured product, except bacon. Since these compounds have a proven blocking effect against nitrosamine formation in bacon, their use at the same levels should be made mandatory in other cured meats until data demonstrate a need to alter that level or discontinue its use.

Recommendation 3.—Because there are insufficient data on the presence or absence of nitrosamines in most of the meat products shown in the attached Table, USDA shall request that data on nitrosamine formation during processing or preparation for eating be accumulated and submitted to the Department on a regular basis for a period of approximately 2 years.

In the proposal, USDA should request the details of the protocol for the determination of nitrosamines, and the Department in the final rulemaking should then specify the official method for determining nitrosamines. At this time, the best method for analysis of nitrosamines uses gas chromatography. Confirmation of nitrosamines is by mass spectrometric analysis

Recommendation 4.—If there is *C. botulinum* outgrowth in any of the products, the Department shall take immediate steps to halt its production and will allow revised processing procedures or increased levels of nitrite to be tested. Data must be obtained to establish the current occurrence of Clostridia and *C. botulinum* organisms in commercial products at the retail level.

Recommendation 5.—For any product where carcinogenic nitrosamines are formed during processing or preparation for cooking or eating, the nitrosamine content should be closely monitored and reduced to an undetectable level as rapidly as possible; e.g., within 3 years.

Recommendation 6.—The Department should take no immediate action on nonvolatile nitrosamines, but should monitor the course of current research.

Recommendation 7.—USDA should monitor and support research on various other methods of preservation and propose adoption of their use when they have been adequately tested and approved.

Recommendation 8.—A positive program should be developed by the Department of Agriculture for obtaining epidemiological evidence relating consumption of bacon and other cured meats to cancer incidence.

THESE DAYS OF DANGEROUS LIVING

Every day we face a barrage of scare stories about how dangerous it is to be alive. We are told that eggs, butter, whole milk and other animal fats can kill us; nitrate, used to cure bacon and to preserve a variety of other meats forms nitrosamines, which are carcinogenic. Coffee raises our blood pressure (I suppose that also applies to colas and tea, which also contain caffeine. Hot dogs and other foods colored with Red Dye No. 2 cause cancer, too, they say Salt is bad; sugar is pure poison. Cattle and poultry are fattened on carcinogenic chemicals (now their feed is being supplemented with concrete dust, but, so far, no one has discovered what ailment that will cause).

Tobacco and alcohol can kill you; so can hair dyes. Fluorocarbon aerosols and supersonic planes destroy the radiation-shielding ozone, and burning fossil fuels increases atmospheric carbon monoxide. The oceans are dying and the earth is becoming a huge pile of garbage.

The "pill" causes blood clots and strokes. Our drinking water may contain as many as 72 harmful industrial chemicals. Leaded gasoline is poisoning the air. Fireproof clothing for children causes cancer. Liquid-protein diets can kill you. Bacteria are becoming resistant to antibiotics. Asbestos is bad stuff. Radiation is all around us—microwave ovens, television sets, dental and other X-rays, smoke detectors and so forth.

Depending on which story appeals to you, we are either entering a new ice age or the carbon monoxide we are pouring into the atmosphere will result in a "greenhouse" effect that will melt the icecaps and raise the level of the oceans, inundating half the land massses in the world. Either way, there won't be enough agricultural land to feed the projected world population, so we might as well eat, smoke, drink, dye our hair and be as merry as possible under the circumstances.

Excuse me, I think my bacon is burning.

VIRGINIA M. HAWKINS,

Washington.

LIST OF COSPONSORS

Rep. Alexander, Rep. AuCoin, Rep. Blouin, Rep. Corcoran (Ill.), Rep. Dan Daniel, Rep. Derwinski, Rep. Dornan, Rep. Duncan (Tenn.), Rep. Ertel, Rep. Evans (Ga.), Rep. Evans (Del.), Rep. Grassley, Rep. Guyer, Rep. Hagedorn, Rep. Harsha, Rep. Hillis, Rep. Hubbard, Rep. Ichord, Rep. Jones (Tenn.), Rep. Kelly, Rep. Ketchum, Rep. Kindness, Rep. McDonald, Rep. Madigan, Rep. Mathis, Rep. Myers (Ind.), Rep. Pressler, Rep. Quie, Rep. Rudd, Rep. Sebelius, Rep. Smith (Neb.), Rep. Stangeland, Rep. Thone, Rep. Volkmer, Rep. Walker, Rep. Wampler, Rep. Watkins, and Rep. Whitley.●

THE VISUAL ARTISTS' RESIDUAL RIGHTS ACT OF 1978

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. WAXMAN. Mr. Speaker, in 1976, the State of California enacted legislation which recognized for the first time the right of visual artists to a continuing economic interest and financial return on their work by providing for the payment of royalties on profitable resales of art. This right is known as *droit de suite*, or arts proceeds right, and has been incorporated for years into the laws of several Western European countries. Passage of this bill in California, which was sponsored by Senator Alan Sieroty, has prompted a vigorous and important national debate on the merits of this concept and its application.

I believe there is substantial justification for extending the concept of royalties to visual artists, and that this proposal deserves careful consideration by the Congress. However, at issue is not only the question of the fairness or justness of this principle, but the effect the payment of royalties will have on the art market. The benefits to be gained by visual artists by congressional recognition and enactment of royalties for them may be outweighed by the harm done the art market by virtue of their implementation.

In order to focus this debate more clearly, to provide a forum for its resolution on the national level, to enlist the guidance and resources of the National Endowment for the Arts, the U.S. Office of Copyrights, and all interested Government agencies, and to further discussion among affected constituencies on these questions, I am today introducing legislation that would provide for the payment of royalties to visual artists. Under this bill, visual artists would receive 5 percent of the price of a registered work which was profitably resold at over $1,000.

Although this proposal has been welcomed by many artists and legal scholars, there are difficulties which must be confronted before this legislation can be enacted. The bill's enjoyment of support of those directly affected by it—dealers, collectors, and other who would be paying royalties on visual art, no less than artists themselves—must be viewed as a precondition to approval by the Congress. I am committed toward working in good faith to develop such support. Similarly, this legislation must attract the endorsement of those who have traditionally extended their leadership, support, and encouragement to the arts—the patrons, both private and public, without whom art in America would languish. I urge them to give this proposal their fullest consideration.

This legislation represents a significant departure from measures which have previously received congressional approval. Rather than simply enhancing opportunities for support of the arts, or providing additional grants, or altering the incentives for the purchase or sale of art—rather than simply giving more to the arts, this bill would redistribute, from one party to another, financial proceeds from the sale of art.

The heightened political controversy over this legislation flows from this distinctive characteristic. It may well be that given the unique quality of this bill, with its potential for divisiveness among those concerned with the arts, that consideration should be deferred in favor of other, less controversial initiatives designed to aid visual artists, or provide incentives for the purchase of their work, in more traditional ways. On the other hand, its enactment would affirm a right many believe has been long due—and unjustly denied—visual artists.

There is strong justification for resale royalties. After the initial sale by an artist of a painting or sculpture, the artist does not participate in or enjoy any profits derived from the subsequent resale of the work. This places visual artists at a distinct disadvantage with respect to other artists—authors, composers, playrights, film makers, and others—who are able to receive copyright royalties for the commercial use of their work. These creators' works almost always appear in multiple, with financial returns attached to each copy which is commercially used. Although the visual artist may, of course, copyright any work—and thereby control publication and any unauthorized use of that work as any other artist—the singular quality of painting and sculpture inherently precludes the generation of royalties as a function of multiple reproduction.

Thus it may be said that the copyright laws, whose justness and utility were recognized by the framers of the Constitution, and whose purpose is to provide a reward for past endeavors and an incentive to future creativity, have afforded inadequate protection to the visual artist.

The basic rationale for providing royalties to visual artists, therefore, lies in the desire to secure for them a continuing financial interest in their work in a manner commensurate with that conferred on other artists by our copyright laws. It reflects the belief that it is only just that visual artists share the benefits of profitable resales, which would otherwise remain solely in the possession of sellers in the market.

Although artists can seek to secure these rights through contracts with purchasers of their work, in reality this can be resorted to only by the most successful artists; others can hardly hope to attach such conditions to the sale of their creations. Indeed, the point of droit de suite is that it is not a contractual matter but an inherent right outside the bounds of any other financial arrangement agreed to between artist and purchaser and secondary buyer.

The classic transaction justifying resale royalties was captured in a film which records the sale of Robert Rauschenberg's "Thaw." Originally purchased by collector Robert Scull in the 1950's for $800, it was auctioned 20 years later for $85,000. Rauschenberg, who was present, could only exclaim to Scull, "I've been working * * * for you to make that profit?"

Strenuous opposition to resale royalties—both on the principle and the effects its implementation will have—has been forcefully expressed by dealers, collectors, museum executives, and some artists as well. Many argue not only that the payment of royalties will not benefit visual artists, but will prove harmful to their livelihood. First, it is contended that art is property and, as in all property transfers, all rights are and should be relinquished to each purchaser with each sale. It is argued, moreover, that artists do already benefit from profitable resales as their unsold works automatically appreciate as the artist's popularity increases—to the artist's benefit. Third, it has been contended that artists are more than justly compensated for their work, and that the most successful are paid much more for their paintings than authors or poets are paid for their manuscripts. Fourth, many analysts of the art market believe that dealers and collectors are not unjustly enriched by their purchases and resales—that in fact the proportion of art which increases significantly in real value, discounting inflation, insurance, and other costs of ownership, is marginal.

The most serious reservation to resale royalties, however, even among those who otherwise acknowledge its fairness, is that the royalty will act as a tax, and that as with any tax, its imposition will depress the art market, which is by nature fragile and volatile. Not only will the royalty increase prices and decrease sales, it is argued, but it will also decrease dealers' profits, which are used to subsidize the exhibition of promising but unknown artists. Therefore, opponents of this legislation conclude that initial sales will surely be hurt and that opportunities for aspiring artists may also be compromised.

In these circumstances, it is clear that neither the need for legal recognition of the right of visual artists to resale royalties nor the economic arguments arrayed against it can be dismissed out of hand. Consideration of this concept is hampered by the lack of any authoritative data on critical aspects of the art market—such as even a rough estimate of gross primary sales and resales—by which to test these claims. Thoughtful evaluation of the merits must be accompanied by the development of relatively accurate economic information, which I very much hope will be generated in the coming months.

My purpose in introducing the Visual Artists' Residual Rights Act of 1978, therefore, is to have this proposal serve as a catalyst for this debate, which has already spread to several States throughout the Nation.

This draft bill is patterned after the law enacted in California in 1976. My legislation provides for the creation of a National Commission on the Visual Arts, which would administer the resale royalty program. Artists would register the works they wish to qualify for royalties with the Commission. Visual art is defined to include paintings, sculpture, photographs, prints, and other original works. Each seller of a work of visual art sold for $1,000 or more would transmit a copy of the bill of sale to the Commission along with a payment equal to 5 percent of the gross sales price provided the work was resold for more than it was originally purchased. The bill enumerates certain exemptions from these payments. The Commission is responsible for distributing payments to artists, and has enforcement powers in this regard. If after 7 years the Commission cannot locate the artist for payment of the royalty, it is kept by the Commission. The bill authorizes Federal appropriations by the Commission. The bill authorizes Federal appropriations to cover the Commission's operating expenses.

The $1,000 trigger for payment of royalties is motivated by two considerations. The paperwork involved in keeping track of all sales would be enormous and unduly burdensome. Moreover, a 5 percent royalty on anything less than $1,000 would approach the insignificant. To those who would argue that such a formula will benefit only well-established artists, it may be responded that today's most famed artists were yesterday's unknowns. The opportunity for all to receive a royalty is protected in this bill.

This legislation has removed the two most objectionable features of the California law. First, it is not retroactive, and does not apply to to any works sold before the date of enactment. The constitutionality of the retroactive nature of the California law is currently being reviewed by the courts. My legislation has no such provision, and therefore avoids this area of contention entirely. Second, enforcement of royalty payments resides with the Commission and not, as under the California law, with the artists themselves. In California, this has proved a severe impediment to effective compliance with the law. Artists rarely have the resources to pay for a legal challenge to secure payments due them. They should not, in my judgment, be handicapped in this manner.

Further, the California law applies only to residents of the State and to sales within it. It cannot pretend to be national in scope, although its enactment has prompted other States, including New York, Florida, and Texas, to consider similar legislation. However, the law may have had the effect of driving some portion of California's art market out of the State, to its competitive disadvantage. Clearly this is an issue, because of the effect of interstate commerce, which deserves resolution at the national level.

Finally, I wish to state that I consider all provisions in the bill open for modification. It may be desirable for this legislation to be administered not by a new, independent organization, but perhaps by the National Endowment for the Arts or the U.S. Office of Copyrights. Visual artists might also form an ASCP-like organization, which serves other artists under copyright, for the collection and payment of royalties. Such an organization, known as SPADEM, exists in France. The bill was drafted solely so that the implementation of resale royalties might be presented in its purest form.

Additionally, alternative formulas for the calculation of royalties due have been suggested. Many argue that payment of 15 percent of the profit of a resale, rather than 5 percent of the gross sales price, would be more equitable by allowing the seller to more fully take into account the cost of commissions payments to agents and other costs before extracting the royalty. This is an approach which deserves further consideration.

It is not my intention to seek enactment without the development of a firm and broad consensus among all affected by this bill. I look forward to this process, and welcome the involvement of my colleagues.

I also want to take this opportunity to thank the dozens of people who have worked with me and my office on this legislation, and especially Evan Kaizer, formerly of my staff, whose thinking was instrumental to the evolution of this bill.

Following is a section-by-section analysis of the Visual Artists' Residual Rights Act of 1978:

HOUSE OF REPRESENTATIVES,
Washington, D.C.

SECTION-BY SECTION DIGEST OF THE VISUAL ARTISTS' RESIDUAL RIGHTS ACT OF 1978:

Section 1. Short title.

Section 2. Defines "visual art" to include painting, sculpture, drawing, photograph, print, etching, or lithograph; defines "artist", "seller", "government agency"; and defines "interstate and foreign commerce" as trade between states or trade which affects commerce between states; and other definitions.

Section 3. Establishes a National Commission on the Visual Arts, which is to administer payments to the Commission by sellers of works of visual arts, and payments to artists by the Commission of residuals on resales.

The Commission is to be composed of five members, appointed by the President, and who are to be selected by virtue of their interest, expertise, support and appreciation of the visual arts. Commissioners are appointed for 6-year terms. The duties of the chairman, the pay and travel expenses of the Commission, allowance for staff, and general administrative provisions are described.

Information received by the Commission pursuant to the Act is deemed confidential; unauthorized disclosure is punishable by a civil fine. The Commission is to file annual reports to the Congress on its activities. Authority is provided for the Commission to promulgate regulations.

Section 4. Provides for payments by sellers of works of visual art. If a work of visual art is sold in interstate commerce for $1,000 or more, 5% of such sum shall be paid by the seller to the Commission within 30 days of the date of the sale.

If art is sold for money and property, or property alone, the 5% payment shall be based on the sum of the money and the fair market value of the property, such value as determined in good faith between buyer and seller. Within 60 days of a sale involving the exchange of art for property, the Commission may review whether the determination of the fair market value of the property between buyer and seller is reasonable, and if not, issue a notice to the seller for the difference.

Within 30 days of sales covered by this Act, the seller is to file with the Commission a statement describing the work sold, the name of the artist(s), and the amount of money and/or property received for the work.

The Commission shall initiate an action to recover any payment due, either on its own initiative or at the request of any person entitled to receive the payment under Section 5 (payments to artists). Such action must be brought within 3 years of the original sale at the latest.

If there is intentional avoidance of payments to the Commission, a court may award punitive damages of 3 times the payment due up to $5000, and reasonable attorney's fees. Failure to file the statement of sale is punishable by a civil fine of $1000. The district courts are given jurisdiction over these matters.

These provisions do not apply to

(a) the sale or resale of visual art by the artists of the work;

(b) resales 50 years after the artist's death;

(c) resales less than 105% of the original price;

(d) sales between art dealers within two years of the initial sale; and

(e) art that is an integral part of a building which is sold.

Section 5. Provides for payments to artists by the Commission. The Commission shall pay the artists of works covered under Section 4 the full 5% of the sale received by the Commission, and any punitive damages awarded by a court for intentional avoidance of payments by sellers.

For works by joint artists, the payment shall be the amount due divided by the number of artists of the work.

Artists shall be entitled to payments for the sales of a work of visual art only if the work has been registered with the Commission.

The Commission is to undertake reasonable efforts to locate artists entitled to these payments. After notifying the artist of eligibility for payment, the artist is to file a claim with the Commission, and the Commission is then to make the payment. Artists have seven years from the date of sale to claim the payment due. This entitlement may not be assigned or alienated, except to the artist's beneficiaries or heirs, as designated by will.

Section 6. Establishes in the Treasury a Visual Arts Fund to enable the Commission to make payments to artists under this Act and to pay the Commission's administrative expenses. There are authorized to be appropriated by the Congress such sums as may be necessary to pay the Commission's administrative expenses.

Section 7. Preempts all state legislation which provides for payments to artists on the basis of the sale of their work in interstate commerce (as defined in this bill).

Section 8. Provides that this Act shall be effective one year after enactment and shall apply only to work of visual art initially sold after the effective date.●

DOE'S STRATEGIC PETROLEUM RESERVE: INADEQUATE PLANNING IMPERILS ESSENTIAL ENERGY PROGRAM

HON. CHARLES A. VANIK
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. VANIK. Mr. Speaker, I have long been concerned with planning for our country's energy security and self-sufficiency. Over the past several months, I have attempted to examine the development of the Department of Energy's Strategic Petroleum Reserve (SPR) program.

From the responses I have received to my inquiries, it is apparent that the SPR program is riddled with uncertainties due to inadequate planning and bureaucratic squabbling. Delays in filling the reserves could result in vastly increased petroleum purchase costs, and thus a deterioration in the U.S. balance of payments.

The 1975 Energy Policy and Conservation Act established the Strategic Petroleum Reserve for the storage of up to 1 billion barrels of crude oil and petroleum products. According to DOE, the current plan for filling the SPR called for storage of 250 million barrels of oil by December 1978—a goal that DOE has already conceded it has had to cut in half—and 500 million barrels by December 1980. However, DOE's January 1978 Monthly Energy Review showed that the program contained only 7.5 million barrels by December 1977.

In a letter I received from DOE in December, Thomas Noel, acting Assistant Secretary for Resource Applications, explained:

The program is essentially on schedule with the exception of Bayou Choctaw [one of four reserve sites], where interim fill has been delayed from September to December. The delays have been encountered due to technical problems with some caverns at the site.

Problems have also been encountered at the West Hackberry reserve site.

Mr. Noel admitted:

Earlier purchases of oil for the SPR might save the United States some funds. The amount of any savings will depend on the extent of any OPEC price increases and the added storage facilities costs incurred in accelerating the storage rate.

He assured me:

We will be weighing these factors as we proceed with the program to help assure that we attain the maximum amount of protection at a reasonable cost, including oil purchase costs.

Despite this explicit concern for the fiscal effects of the SPR program, DOE does not seem to have planned adequately for its timely completion.

Included in a February 23 letter from George S. McIsaac, Assistant Secretary for Resource Applications, was a table listing the expected increases in the world price of oil. (The full letter will follow.) Prices are expected to jump $9 during the program, from $14.11 per barrel in the first quarter of fiscal year 1978 to $23.03 in 1985. These expected price increases do not seem to have induced DOE to coordinate the SPR program more effectively. To date, the program's progress has been hampered by planning and development difficulties.

DOE was unable to answer the main question of my letter concerning the effects of increased petroleum imports for the SPR or the U.S. trade deficit and our balance of payments. They referred my inquiry to the Department of Treasury, from whom I am now awaiting a response.

Mr. Speaker, the SPR program is of utmost concern to our national security and standing among foreign governments. We are trying to show that we will be prepared in the event of another emergency triggered by an oil boycott. This program is too important to allow bureaucratic mismanagement to imperil the achievement of its goals. I am frankly disappointed with the Department of Energy responses.

It is my hope that Congress will continue its careful scrutiny and oversight of this program.

The DOE letter follows:

DEPARTMENT OF ENERGY,
Washington, D.C., February 23, 1978.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: This is in response to your letter to Secretary Schlesinger on January 27, 1978, concerning the Strategic Petroleum Reserve.

In reference to the FY 1979 Budget, there appears to be some misunderstanding of the figures which appear in the Budget Appendix.

Enclosed is a copy of the FY 1979 Congressional Budget for the Strategic Petroleum Reserve (SPR) which provides the details of the material presented in the Budget Appendix.

Briefly, in FY 1977, the Department of Energy (DOE) outlayed $115.8 million under the SPR Program, excluding management and support costs. Of this amount, $4 million was paid to the Defense Fuel Supply Center (DFSC) for the purchase and transportation of crude oil. An additional $84.7 was transferred to the Army Corps of Engineers for the purchase of land for the SPR Program. Also, $24.8 million was paid for various construction activities related to the development of the first 250 million barrels (MMB) of underground storage capacity. Outlays for the SPR Program are estimated to be $2.3 billion in FY 1978 and $3.3 billion in FY 1979.

The budget authority (BA) requested in FY 1979 includes funds for the purchase and transportation of 250 MMB of petroleum. The BA shown for fiscal years 1977 and 1978 includes funds for the purchase of the first 250 MMB of petroleum.

The following answers address the specific questions contained in your letter.

1. Funding requirements for petroleum acquisition and transportation are determined by estimating the National Average Composite Price for crude oil. These cost projections which are on a per barrel basis take into account the United States' increasing use of imported oil and also include: (1) a projected annual 5.5 percent increase in world oil prices; and (2) the effect of the enactment of the proposed crude oil equalization tax. An allowance for increased transportation costs related to the use of U.S. tankers in compliance with the Cargo Preference Act of 1954, 46 U.S.C. is added to the National Average Composite Price in estimating SPR petroleum costs. Acquisition cost estimates for SPR crude oil are:

Fiscal year and quarter:	Dollars per barrel
1978:	
1	14.11
2	14.20
3	14.53
4	14.58
1979:	
1	15.75
2	15.85
3	16.21
4	16.31
1980:	
1	17.53
2	17.53
3	18.01
4	18.01
Calendar year:	
1981	18.72
1982	19.71
1983	20.76
1984	21.86
1985	23.03

2. The DOE is using the DFSC as purchasing agent for SPR crude oil. DFSC is currently competitively awarding contracts for delivery of oil between 3 and 9 months in the future. As additional SPR facilities become available, DOE and DFSC expect that longer term oil contracts will be awarded in order to ensure that a constant flow of oil will be available for the SPR.

In order to execute an oil acquisition order, the interagency agreement between DOE and DFSC requires that funds be obligated at the time an order is placed with DFSC. In FY 1977, DOE authorized DFSC to purchase 42 MMB of oil and in FY 1978 DOE expects to place petroleum acquisition orders for up to 208 MMB of oil. The FY 1979 Congressional Budget Request for the SPR is based on additional orders of 180 MMB in FY 1979 and 70 MMB in FY 1980.

3. Estimated FY 1979 costs for the SPR are shown below in thousands of dollars:

	Budget authority	Budget outlay
Fill and leach operations	----------	$30,000
Petroleum acquisition and transportation	$4,129,280	3,007,400
Standby operational storage	3,290	2,630
Site design and construction	75,000	197,300
Planning	12,200	12,200
Site acquisition	25,000	25,000
Total	4,244,770	3,274,530

These expenses are associated with completion of facilities for the first 500 MMB of SPR storage capacity, oil fill in fiscal year 1979, and site acquisition and initial design and construction efforts necessary to start development of the third 250 MME of the Reserve.

DOE is currently reviewing the SPR facility construction schedules in order to re-estimate the amount of oil storage which will be achieved in fiscal year 1978 and fiscal year 1979. Congress will be informed of the results of these reviews in the near future.

The SPR Program will impact U.S. petroleum imports. The Department of the Treasury has analyzed the ramifications of SPR oil purchases on our trade deficit and balance of payments, and your question has been referred to that Department for response.

We would be happy to discuss with you or your staff the SPR Program and our fiscal year 1979 budget request. We appreciate your continued interest in the Program.

Sincerely,

GEORGE S. MCISAAC,
Assistant Secretary, Resource Applications.●

REAUTHORIZATION OF THE ELEMENTARY AND SECONDARY EDUCATION PROGRAM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 8, 1978

● Mr. SOLARZ. Mr. Speaker, this week the Subcommittee on Elementary, Secondary, and Vocational Education has been holding hearings on the expiring elementary and secondary education program and the many issues surrounding the administration's proposed legislation.

As I have indicated in my testimony, there is much support among my constituents for the proposed increase in funding and emphasis on basic education skills, but there is a definite need for some new aspects in the legislation, particularly to deal with school security and the establishment of an office for the gifted and talented.

The testimony follows:

ESEA REAUTHORIZATION

Mr. Chairman and members of the Subcommittee on Elementary, Secondary and Vocational Education. I would like to thank you for the opportunity to testify before you on the legislation to extend the expiring elementary and secondary education program.

The Elementary and Secondary Education Act of 1965 has had a profound impact on the educational system of our country and has symbolized the concern of our government with the preservation and enrichment of the American way of life. It has sought to enhance the educational experience of our children, truly America's greatest natural resource, and to enlist the aid and support of the finest educational professionals, in a joint effort with local schools and concerned parents, to provide those compensatory educational services and programs that would give our nation's youth the opportunity to benefit from a quality education.

After ten years in elected office at the state and local level it has become increasingly clear to me that our public schools are the key element in maintaining our communities as healthy and attractive places to live. A strong public education system is essential to any urban area which hopes to maintain its middle class population. And that is why I have come before you to testify today.

I am happy to see that the Administration's proposal returns education to one of our top priorities, and that it has recommended a fifteen percent increase in the level of funding for elementary and secondary education programs. Many of my constituents would like to see an even greater level of funding for these programs.

To correct one of the inequities of the present legislation for allocating funds for Title I compensatory education programs, the administration has proposed a special targeting provision to allocate an additional $400 million for basic skills achievement programs under Title I to districts with high concentrations of poor children.

Under the present formula only schools whose percentage of poor children is equal to or greater than the district wide average of poor children may receive funds for Title I programs. Thus in a district with an average enrollment of 40% poor children, a school which has a 20% enrollment of poor children may not receive any funds for Title I programs. While in a richer district, where the average enrollment of poor children is 20%, an identical school with the same percentage of poor children would be eligible to receive Title I funds. As a result, many poor children in poor districts are deprived of the benefits of Title I.

The Administration's targeting proposal would allocate additional funds to districts where at least 20% of the total enrollment is poor, or where 5,000 of the children are poor. This would recognize the special and pressing problems poorer districts have in trying to educate large numbers of economically disadvantaged children, and provide them with some relief.

Another Administration proposal of great merit is the bill's provision for incentive funding. The provision would encourage states to spend money on compensatory education programs by matching every $2 of state funds with $1 of federal funds. The State of New York already provides New York City with $66 million for compensatory educational services. If the Administration's incentive funding proposal is adopted, more states will enact programs to meet the special needs of the underprivileged.

Other changes in the Administration's reauthorization proposal have already won support from some of my constituents who wish to strengthen the existing program and get more educational mileage out of every federal dollar spent. They have called on me to urge the Administration to consider funding programs for longer than one year. They have told me stories each year of beginning the school term not knowing whether or not Title I programs had been funded. When

funding was announced, these schools had to scramble to hire or reassign teachers and pupils to these programs. Such time constraints obviously hurt programs, teachers and students. The funding of programs for up to five years should substantially alleviate the administrative burden at the local, state, and federal levels, and should also improve the planning, implementation and evaluation of these programs.

Parents and teachers in my district are pleased that their requests to participate more fully in the planning and evaluation of these programs have been answered in part by the Administration's proposed legislation which will require that parents be involved in the preparation of the local grant application and be kept informed of the purposes and progress of the instructional programs in which their children participate. The administration's proposal also provides for greater flexibility in the design and implementation of programs at the local level by allowing some discretion in which schools would receive Title I funds and in some cases allowing Title I funds for total school plans.

Yet while the Administration's proposal is a significant improvement over existing law, much more needs to be done. A serious need of our school children is for a safe school environment. I know that several of my colleagues have introduced legislation, as I have myself, to add a new Title to the Elementary and Secondary Education Act to assist school districts to carry out locally approved school security plans to reduce crime against children, employees and school facilities. The National Institute of Education in a 1977 study for the Congress entitled "Violent Schools—Safe Schools" estimated that schools were five times more likely than stores to be broken into, and that acts of vandalism, which cost more per capita in the suburbs than in the cities, cost Americans $200 million a year. The Administration's National Crime Survey of 26 cities indicated that the risk of violence for teenagers is greater in school than on the street. Indeed, 68% of the robberies and 50% of the assaults on youths aged 12–15 occur in school although they usually spend no more than 25% of their time at school. Yet little has been done at a federal level to assist those school systems facing this violence to deal with it immediately.

Studies such as the ones I have previously quoted, stress the importance of training and supportive services for the administrators and faculties of schools experiencing problems of violence and vandalism, as well as the need for security guards and devices to create safer school environments. Nearly one-half of the junior high schools and, two-thirds of the senior high schools in our large cities employ security guards. But guards are not enough. Funds are needed to reduce class sizes so that teachers and students may come to know and respect one another. Special resources are needed by our school districts troubled with violence and vandalism to develop positive linkages between school and home, between students and teachers and administrators, between law enforcement officials and social service agencies, between the school and the broader community. Our nation's school children and our educators need assistance from the federal government to deal with the problem of violence and vandalism.

I urge you, Mr. Chairman, and the other members of your committee to give serious consideration to including in the reauthorization legislation that will emerge from this committee, a new title which will assist our local school districts in cities, suburbs and rural communities to curb violence and vandalism through a balanced approach of training, community education, improved school administration, additional personnel, and security devices.

Another problem which the Administration has failed to address in its proposed legislation is the special needs of the children of immigrants. This is a real need in my district, and, I am sure, in many other port of entry cities as well. These children and their parents have many major changes to face—language, customs, economics, political life and our different educational system. It would be most beneficial to these children if there could be some sort of immediate program of outreach, social and education services triggered when they reach a certain percentage of a school's enrollment. I firmly believe that funding special programs for the children of immigrants and their families is one way that a timely expenditure of even small funds would have a significant long range positive effect on these children and their families chances of success, both in school and in our economic and social systems.

Another idea of special merit which I recommend for inclusion in the committee's reauthorization legislation is the proposal of Mr. Pepper, Mrs. Chisholm, and Mr. Roybal to provide enrichment programs in the biomedical sciences for high school students from disadvantaged backgrounds. Studies have indicated that only by developing effective high school programs can we increase the numbers of disadvantaged students able to undertake professional training for such biomedical careers. This proposal relates well, I believe, to the Administration's proposal to devote more funds and attention to the needs of our disadvantaged high school students and to relate education to the work place.

Finally, I would like to add my voice to that of Congressman Quie and others who seek to improve services for our nations gifted and talented children by setting up and funding a special office in the Office of Education to direct and coordinate all government programs for the gifted and talented. The $2.5 million currently appropriated under the existing Elementary and Secondary Education act is not adequate to serve the special needs of these children who come from all ethnic, racial, and economic backgrounds. The majority of these specially gifted children attend schools and come from families which are unable to provide the special stimulation and enforcement that will enable these children to fully develop their natural talents—which would be a terrible waste for our society.

The rationale for creating an office for the gifted and talented is similar to the philosophy which created the elementary and secondary education program. As the commercial proclaims on television, "A mind is a terrible thing to waste." In the sixties many of you were in the forefront developing programs for the economcially disadvantaged and the handicapped. May 1978 be the year in which you are in the forefront to set up and adequately fund an office for the gifted and talented.

In conclusion, I would like to stress the importance of your work in reshaping the elementary and secondary education programs of the federal government which will have a vital impact on the future of public education in our nation. A democracy depends on an educated citizenry able to understand and chart its future. Let us see that our children are prepared to accept the challenge, let us equip them with a good foundation during their elementary and secondary education.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 9, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 10

9:00 a.m.

Agriculture, Nutrition, and Forestry

To continue hearings on the financial condition of American agriculture, including the impact of 100 percent of parity.

322 Russell Building

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings on S. 2478, FY 79 authorizations for the National Rail Passenger Corporation (Amtrak).

318 Russell Building

Governmental Affairs

Civil Service and General Services Subcommittee

To hold hearings on S. 990, the Federal Physicians Comparability Allowance Act.

357 Russell Building

Human Resources

Employment, Poverty, and Migratory Labor Subcommittee

To resume hearings on S. 2570, to extend the Comprehensive Employment Training Act (CETA).

424 Russell Building

*Human Resources

Handicapped Subcommittee

To hold hearings on S. 2600, vocational rehabilitation and developmental disabilities.

Until noon 4232 Dirksen Building

9:30 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for FY 79 for the Department of the Interior and related activities.

1114 Dirksen Building

Judiciary

Antitrust and Monopoly Subcommittee

To resume oversight hearings on ICC's price regulation in the motor common carrier industry.

2228 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on budget estimates for FY 79 for the Environmental Protection Agency and Council on Environmental Quality.

1318 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To continue hearings on budget estimates for FY 79 for the Department of the Treasury, and on supplemental appropriations for FY 78.

1224 Dirksen Building

Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To continue hearings on FY 79 authorizations for rural housing programs.
5302 Dirksen Building
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Energy and Natural Resources
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
3110 Dirksen Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on contributions to U.S. international organizations.
4221 Dirksen Building
Joint Economic
To hold hearings on the employment-unemployment situation for February.
5110 Dirksen Building
Select Indian Affairs
To continue hearings on S. 2502, to authorize the States and the Indian tribes to enter into mutual agreements respecting jurisdiction and governmental operations in Indian country.
457 Russell Building

10:30 a.m.
*Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings in S. 2553 and S. 2678, FY 79–80 authorizations for the Maritime Administration.
235 Russell Building

MARCH 11

10:00 a.m.
Judiciary
Separation of Powers Subcommittee
To resume hearings concerning congressional power to dispose of U.S. property in Panama.
1318 Dirksen Building

MARCH 13

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act
Until 12:30 p.m. 4232 Dirksen Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2354, to provide for equal access to courts.
2228 Dirksen Building

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
1224 Dirksen Building
Select Ethics
To hold closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol

10:00 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 2637, FY 79 authorizations to HUD.
5302 Dirksen Building

*Commerce, Science, and Transportation
To hold hearings on the nominations of James B. King, to be Chairman, and Elwood T. Driver, to be a member, both of the National Transportation Safety Board.
235 Russell Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 2478, FY 79 authorizations for the National Railroad Passenger Corporation (AMTRAK).
1202 Dirksen Building

2:00 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S–407, Capitol

MARCH 14

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue hearings on S. 2090, 2081, and 1919, to extend certain programs authorized by the Economic Opportunity Act.
6226 Dirksen Building
Handicapped Subcommittee
Handicapped Subcommittee
To resume hearings on S. 2600, vocational rehabilitation and developmental disabilities.
Until 12:30 p.m. 4200 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 1794, authorizing funds for FY 79 for the U.S. Fire Administration.
235 Russell Building
Foreign Relations
To hold a business meeting to consider pending treaties, nominations, and those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
4221 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
5110 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S–126, Capitol
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Forest Service, Department of Agriculture.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 2637, FY 79 authorizations for HUD.
5302 Russell Building
Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on the needs and uses of water for energy development in the Western States.
3110 Dirksen Building
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings to receive testimony from Treasury Secretary Blumenthal and OMB Director McIntyre on the extension of the temporary limit on the public debt.
2221 Dirksen Building
Select Indian Affairs
To hold hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
357 Russell Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To hold hearings on S. 2252, proposed Alien Adjustment and Employment Act.
228 Dirksen Building

2:00 p.m.
*Appropriations
Military Construction Subcommittee
To resume hearings on budget estimates for FY 79 for military construction programs.
S–146, Capitol
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Postal Service, and on supplemental appropriations for FY 78.
1224 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m S–407, Capitol

MARCH 15

9:30 a.m.
*Environment and Public Works
Transportation Subcommittee
To hold hearings on proposed funding for roads on Indian lands.
4200 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m S–407, Capitol

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up S. 2065, 2470, and 2546, to protect consumer rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building
Budget
To receive testimony from Federal Reserve Board Chairman Miller in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2552, FY 79 authorizations for the U.S. Travel Service.
235 Russell Building
Finance
Private Pension Plans and Employee Fringe Benefits Subcommittee
To hold hearings on S. 1587, to exempt certain State and local government retirement systems from taxation.
2221 Dirksen Building
Judiciary
Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building
Rules and Administration
To hold hearings on FY 79 authorizations for the Federal Elections Commission, to be followed by a business meeting on legislative and administrative business.
301 Russell Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 16

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building
Veterans' Affairs
To resume hearings on H.R. 5029, authorizing funds for hospital care and medical services for certain Filipino combat veterans of W.W. II, and S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government.
Until 11:00 a.m. 357 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorization for NASA.
235 Russell Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
6226 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Smithsonian Institution.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold oversight hearings on FDIC report on preferential bank lending policies.
5302 Dirksen Building
Budget
To continue hearings in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
Room to be announced
Select Small Business
To resume hearings on the SBA minority contracting program.
424 Russell Building

10:30 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for National Highway Traffic Safety Administration.
1223 Dirksen Building
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for certain functions of the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 17

9:00 a.m.
Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 408, to extend certain benefits to ASCS county employees.
357 Russell Building
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2094 and S. 2369, to provide access to the Federal courts for the redress of citizens' grievances.
5302 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on numerous pending nominations to the Metric Board.
318 Russell Building
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, the Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

10:00 a.m.
Budget
To receive testimony from Secretary of HUD Harris in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2444 and S. 2437, relating to a national program of dam inspection.
4200 Dirksen Building

2:00 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 18

9:30 a.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

2:00 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 20

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens grievances.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2616, FY 79 authorizations for the National Transportation Safety Board.
235 Russell Building
Environment and Public Works
Resources Protection Subcommittee
To hold oversight hearings on the implementation of the Solid Waste Disposal Act.
4200 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To hold hearings to review medical practices of obstetricians.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Mines.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Budget
To receive testimony from Representative Bolling in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Marine Protection, Research, and Sanctuaries Act (Titles 1 and 2).
318 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Select Small Business
To resume hearings on the SBA minority contracting program.
424 Russell Building

1:30 p.m.
*Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S–128, Capitol

MARCH 21

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To continue hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 258, the Children and Youth Camp Safety Act.
Until 10:00 p.m. 4232 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
318 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S–128 Capitol

Appropriations
HUD–Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Management.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2552, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the Defense Civil Preparedness Agency, CSC, Federal Labor Relations Council, and the FEC, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 22

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
318 Russell Building

Human Resources
To hold hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
5420 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2158, to permit the storing of foreign-caught shark fins at U.S. foreign trade zones for eventual exportation to foreign countries.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 991, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S–407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S–407, Capitol

MARCH 23

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2603, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the Office of Science Technology Policy.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed construction of a Federal interstate highway near Memphis, Tennessee.
1224 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on FY 79 authorizations for EPA research and development.
4200 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for fiscal year 1979 for foreign aid programs.
5–126, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 1010 and H.R. 2777, to establish a National Consumer Cooperative Bank.
5302 Dirksen Building
Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on the price differential between leaded and unleaded gasoline.
3110 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain Independent Agencies, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the impact of building codes on housing rehabilitation.
5302 Dirksen Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold oversight hearings on the Coastal Zone Management Act (P.L. 92-583).
235 Russell Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 4

9:30 a.m.
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol
Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and Government items, and on supplemental appropriations for FY 78.
S-126, Capitol

APRIL 5

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold oversight hearings into how the U.S. Coast Guard will benefit from two proposed Intergovernmental Maritime Consultative Organization treaties
235 Russell Building
Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
318 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AM-VETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6225 Dirksen Building

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings on S. 2224, to establish a national ocean policy, to set forth the missions of the National Oceanic and Atmospheric Administration.
318 Russell Building

APRIL 7

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings jointly with the Human Resource's Subcommittee on Education, Arts, and the Humanities on proposed FY 79-80 authorizations for the National Sea Grant College program.
235 Russell Building
Judiciary
Juvenile Delinquency Subcommittee
To hold hearings on S. 797, to provide that the first court to issue a child custody decree shall be binding on other courts in other States.
2228 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

APRIL 10

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 50, the Full Employment and Balanced Growth Act.
1202 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2549, FY 79 authorizations for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs.
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2253, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly

influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearing concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed federal aid highway legislation.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed FY 79 authorizations for the U.S. Coast Guard.
235 Russell Building

Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building

Select Indians Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

APRIL 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume markup of S. 50, the Full Employment and Balanced Growth Act.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 17

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2090 and S. 2081 proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume markup of proposed Federal aid highway legislation.
4200 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on H.R. 9370 and S. 2582, to provide for the development of aquaculture in the United States.
235 Russell Building

APRIL 18

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2090 and S. 2081, proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for fiscal year 1979 for the Urban Mass Transportation Administration.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

APRIL 20

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Financial, Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building

Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
318 Russell Building

APRIL 21

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

APRIL 24

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 25

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4332 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 26

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute for Building Sciences.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
235 Russell Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Transportation Safety Board and the ICC.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Commerce, Science, and Transportation
To continue oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
6226 Dirksen Building

MAY 1

10:00 a.m.
Banking, Housing, and Urban Affairs
To mark up proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
4200 Dirksen Building

MAY 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 17

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

CANCELLATIONS

MARCH 21

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on proposed legislation concerning confidentially of medical records relating to the Medicare and Medicaid programs.
2221 Dirksen Building

SENATE—*Thursday, March 9, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 12 noon, on the expiration of the recess, in executive session, and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Lord of our life and God of our salvation, under whom this Republic has lived from generation to generation, be to us now our guard, our guide, our strength. We dare not trust our own devices without Thy pervasive nearness holding us and judging us. So make our hearts be steadied and stilled, purged of self, emptied of strain and stress, filled with peace and poise, that by Thy grace we may be kept from falling or failing.

We remember before Thee the Nation's miners, the farmers, the cattlemen, and factory workers, and their families. And we hold before Thee the owners, operators, executives, investors, and the officials of our Government, beseeching Thee to guide by Thy higher wisdom all consultants for the effective ordering of our common life. Make us great enough and good enough for these harried days. Lead us to a higher life that we have yet known, for Thine is the kingdom to which the future belongs, and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U. S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 9, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon assumed the chair as Acting President pro tempore.

SPECIAL ORDER

The PRESIDING OFFICER (Mr. HASKELL). Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized as in legislative session for not to exceed 15 minutes.

USER FEES AND SUBSIDIES

Mr. DANFORTH. Mr. President, an argument is advanced by those favoring substantial user charges for the inland waterways that airlines and truckers pay for facilities constructed or maintained through Federal expenditures. It is also pointed out that the inland waterway system has been constructed and maintained with Federal dollars, while railroads maintain railbeds at their own expense.

The contention that rail transportation is at an unfair disadvantage because the barge industry benefits from Federal expenditures is false. Railroads also receive substantial benefit from various forms of Federal assistance.

The creation of Amtrak is a form of Federal subsidy. Amtrak has enabled the railroads to abandon their unprofitable passenger business. Presently, Amtrak is fully subsidized by the Federal Government.

ConRail is another form of Federal subsidy. When ConRail was organized in 1976 to take over the Penn Central and other bankrupt railroads, it was launched with over $2 billion in Federal loans and guarantees. ConRail has just submitted its newest 5-year plan of operation. It now says that it will require another $1 billion in federally guaranteed loans, plus $1.3 billion in direct Federal subsidies. Theoretically, the subsidies are to be returned when ConRail becomes profitable.

But, will ConRail ever become profitable without the Government waiving its right to repayment of these subsidies? In addition to these Federal subsidies to Amtrak and ConRail, the rail transportation industry receives interest subsidies for its solvent railroads, grants to railroads for State rail continuation programs, and Federal contributions to railroad retirement and social security obligations. Special Federal tax incentives are also available to the railroads.

The fact is that in a variety of ways, the Federal Government subsidizes both rail and barge transportation. The question is how much is the subsidy per ton-mile shipped on each mode of transportation?

The following chart, prepared by my staff from 1976 subsidies to railroads and inland waterway users, illustrates relative Federal subsidies per ton-mile: first, under present policy; second, under H.R. 8309—a 6-cent fuel tax when fully implemented; and third, under Senator DOMENICI's amendment to H.R. 8309, at full implementation.

Mr. President, at this point, I ask unanimous consent that the table which appears in the written text of my comments be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RELATIVE FEDERAL SUBSIDIES* PER TON-MILE FOR WATERWAYS AND RAILROADS UNDER (A) PRESENT POLICY, (B) H.R. 8309, AND (C) SENATOR DOMENICI'S AMENDMENT TO H.R. 8309

Waterways:
Present policy: 1.39 mills per ton-mile.
H.R. 8309: 1.18 mills per ton-mile.
Domenici amendment: 0.44 mills per ton-mile.

Railroads:
Present policy: 1.18 mills per ton-mile.
H.R. 8309: 1.18 mills per ton-mile.
Domenici amendment: 1.18 mills per ton-mile.

Mr. DANFORTH. The subsidies, today, slightly favor the barge industry. Under

*Railroad subsidies consist of investments in Conrail debentures and preferred stocks, interest subsidies to solvent railroads, grants to railroads for rail continuation, federal government pickup of railroad retirement and social security payments and tax expenditures. Amtrak appropriations are not included. The Waterway subsidies provide a toll free system for its users. The subsidies consist of expenditures for operations, maintenance and repair, and construction costs.

H.R. 8309 subsidies are identical. Under Senator DOMENICI's proposal subsidies are skewed very substantially toward rail transportation. These comparisons should give rise to serious concern whether in the years to come Federal subsidies for competing modes of transportation will be equitable.

Mr. President, I yield the floor.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of Executive N, 95th Congress, 1st session, which the clerk will state.

The legislative clerk read as follows:

Executive N, 95th Congress, 1st session, Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico (Mr. SCHMITT) is recognized for not to exceed 30 minutes.

Mr. SCHMITT. Mr. President, as the Senate is by now aware, it is my contention that our interests and those of the Western Hemisphere would be better served by hemispheric management and defense of the Panama Canal. There are more and more in this body and the country who are beginning to agree. Therefore, next week I will begin to offer amendments to the Neutrality Treaty and later to the Panama Canal Treaty that will give us an opportunity to provide guidelines to the President on how international management and defense could be implemented. These amendments will be based on a concept called Intersea.

In searching for an alternative to the proposed treaties, it appears that there are many analogies between the international utility of the Panama Canal and the international utility of global communication satellites. Foremost among these analogies is a clearly definable international need for continuous and equitable operation in the interest of all nations.

The political and technical management of a global communication satellite system, as manifested by the Intelsat Organization, is a unique new entry into the international scene. It is an organization that developed because of a coincidence of new technology and obvious international need. To the everlasting credit of the United States, we perceived this coincidence and guided the gradual trial and error development of Intelsat. To the everlasting credit of the Intelsat Organization, it has become an example of international cooperation that is not only remarkably successful, but is both utilitarian and profitable for its members.

"Could this Intelsat model of international cooperation be applied to the Panama Canal?" was the question I posed to Dr. Delbert Smith, a specialist in international law and international institutional arrangements. Not only was his answer yes, he formulated a theoretical framework using the Intelsat experience as a basis for an "Intersea Organization" to manage and protect the Panama Canal. Dr. Smith has used this framework to create an internally consistent draft agreement which could be implemented immediately once signed by appropriate parties. It is this agreement that is the basis of the amendments I shall offer.

Intersea goes beyond Intelsat in that it also incorporates modern trends toward regionalism by matching Western Hemisphere control of the canal with international users' participation in operational decisions. This is clearly more desirable than other proposals for international control which would have the well-known disadvantages of undue influence by those with the least definable contribution to make to the success of the enterprise. Intersea depends on the interests of the users of the facility.

It is my belief that Intersea would satisfy the most significant national and economic interests of the United States, the Republic of Panama, all of Latin America, and the user nations of the world. Most importantly, it would bring into the management and defense of the canal those nations with the greatest interest in insuring the successful implementation of that management and defense.

The Intersea concept is a concept of the space age and of an age of growing awareness of certain common international resources on this spaceship Earth. Intersea does not require that territorial sovereignty be given up, rather it requires that territorial sovereignty be shared.

Mr. President, the Senate has been debating these treaties for 3 weeks. During that time we have heard numerous and varied objections to the various provisions of the treaties. We have also heard numerous and varied, and sometimes strained defenses of those provisions. These objections and defenses, I believe, reflect a genuine concern for the future of the canal both by my colleagues and by the majority of the American people.

In my remarks yesterday, I spoke about the real emotional attachment that many if not the majority of Americans have to the canal. Most Americans have in some way been touched by the canal either directly or indirectly, even before the start of these debates. If for no other reason, that feeling which is shared by so many of our people is due to the great pride which we have in the achievement which the canal symbolizes, a truly American achievement.

During this debate, my colleagues have expressed concern about the effect this treaty and the accompanying treaty will have on the economic, political, and military position of the United States in the world. These concerns are shared by people throughout this country. There is a very strong concern in this country about the future of the United States, a concern that goes even deeper than the issue of Panama.

While some focus on a somewhat simplified approach that many Americans have: "We built it, it is our canal," the true feeling of Americans is not quite that simple. What is being said to us, as representatives of the American people, is that the canal is important to the American people, therefore, it is important to the United States. Most of the people to whom I have spoken cannot understand why we are so willing to trade a known quantity, that is, the efficiency and security which we now have with the canal, for an unknown quantity. The history and size and politics of that unknown quantity—the Republic of Panama—suggests that efficiency and security may disappear.

Mr. President, this view should be given full consideration by this body. In the past few days, a number of my colleagues have commented, both privately and in this Chamber, that the amendments proposed to this treaty have not been considered on their merits, and I would have to agree. It seems that the overriding factor in these debates is that any changes in the treaty, regardless of the need for them, would entail a new plebescite in Panama.

The U.S. Senate represents the American people and their interests. We have been elected to represent the best interests of the United States. We have a moral obligation to protect the best interests of the Western Hemisphere, particularly the users of the canal which we created. The inconvenience which the Republic of Panama may face in conducting another plebescite should not be the major factor, if a factor at all, in determining the voting on amendments. The economic needs and national security interests of the United States and our hemisphere must be foremost in our minds as we review these treaties.

The conduct of foreign policy is a difficult task. The treaty ratification process, particularly one which involves such an emotional issue as Panama, compounds the difficulty. I would enjoy nothing more, and I am certain all of my colleagues would agree, than to give the President my unqualified support on this and other foreign policy issues. But we would be negligent in our duty if we blindly did so, if we assumed that no amendment to a treaty was justified on its merits. The advise and consent obligation of the Senate prevents us from being a rubber stamp to the policies of this or any other administration. The role of the Senate in the treatymaking process is a check and balance on the process of creating "foreign entanglements"—the creation of which was a prime warning expressed by the Founding Fathers.

The role of the Senate in the treatymaking process requires the Senate to carefully study these treaties, looking for those aspects that may have been overlooked or did not come to the attention of the administration during the negotiating period. The collective wisdom of this body surely is as great as that of the negotiators. To argue, as some have, that no flaw in the treaties can be justified because Panama has already ratified them is not only completely illogical, but also fails to recognize our constitutional

duty to the American people. It is our obligation, therefore, to consider each article and amendment on its own merits and the interests of the United States and not by the reaction which will take place in the White House, the State Department, or in Panama. We must fulfill our constitutional obligation.

As I stated, Mr. President, there is nothing more I would like to do than to support the administration and vote for the ratification of these treaties. However, I would be shirking my responsibilities if I did not address the major problem with the treaties: they are bilateral. In any bilateral agreement, it takes only one party to violate the treaty provisions. The dispute must then be settled by the two countries involved, and no others. No third country can intervene, legally or morally, nor could we expect them to do so. The dispute may be resolved diplomatically. But, if history teaches us anything, the disputes between nations are more often resolved by rupture of relations and too often by military force. We must be certain today that the arrangement we set up will help guarantee peace in Central America and the Caribbean.

The advantages of sharing sovereignty via a multilateral treaty are clear in several ways. The current and potentially disastrous discontent over which nation should exert control over the Canal Zone could be alleviated. The provisions regarding U.S. rights to defend the canal could be better preserved in a regional organization than through bilateral understandings. A regional organization may prove to be the best arrangement to accommodate the various national interests in the canal, both in the hemisphere and in the world. Finally, the operational goals of the canal would be best assured through management by a regional organization.

With a multilateral treaty any one country would generally be more reluctant to violate the terms of the treaty since a dispute would affect all the other signatories to the treaty. To put it into the context of this situation, should Panama violate the terms of these treaties, then the only recourse the United States would have is to settle the dispute either diplomatically or militarily. There is no obligation for third parties, even those nations whose interests lie with the U.S. position, to become involved. In fact, many of the nations of Latin America, whose interests lie with the U.S. position of good management and nondiscriminatory use of the canal, would find it difficult to side with us publicly, even though it would be in their long-term self-interest to do so.

Mr. President, if the nations who depend on the canal were involved in its operation and defense, they would have a legal and moral obligation to publicly defend their interests. They would also be able to justify their involvement on legal and moral grounds.

During debate, both here in the Senate and across the United States, the moral obligation of the United States to return to Panama the land "we stole" has been argued. This is a view that is not borne out by history. The national pride which the Panamanians and all people feel is not diminished by our presence in the Canal Zone. The Panamanian people have participated in the building, the operation, and the defense of the canal. Even under the present arrangement, their support and cooperation is vital for the continued management and defense.

There is no foundation for the argument that Panamanians must have complete control of the canal to have pride and sovereignty over the Canal Zone. If, for instance, the canal were forced to close under Panamanian management, would that be a source of pride for Panama? Pride does not come from controlling everything or being able to do everything. Pride also arises from the ability to work with others toward a common objective.

Mr. President, I would, however, like to discuss another moral obligation which has received very little attention. Since the days of the Monroe Doctrine, the United States has had a close relationship with the countries of Latin America. We have shared interests and, as a result, the United States has taken an interest in the development of our southern neighbors.

Many of our actions in and with respect to Latin America have been unfortunate to say the least. However, with President John Kennedy we began a slow transition toward a better moral as well as practical relationship with the hemisphere. On the occasion of the announcement of his "Alliance for Progress," President Kennedy said:

> One hundred and thirty-nine years ago this week the United States, stirred by the heroic struggle of its fellow Americans, urged the independence and recognition of the new Latin American Republics. It was then, at the dawn of freedom throughout this Hemisphere, that Bolivar spoke of his desire to see the Americas fashioned into the greatest region in the world, "greatest," he said, "not so much by virtue of her area and her wealth, as by her freedom and her glory."
>
> Never in the long history of our Hemisphere had this dream been nearer to fulfillment, and never has it been in greater danger.
>
> We meet together as firm and ancient friends, united by history and experience and by our determination to advance the values of American civilization. For this New World of ours is not a mere accident of geography. Our continents are bound together by a common history, the endless exploration of new frontiers. Our nations are the product of a common struggle, the revolt from colonial rule. And our people share a common heritage, the quest for the dignity and the freedom of man.
>
> The revolutions which gave us birth ignited, in the words of Thomas Paine, "a spark never to be extinguished". And across vast, turbulent continents these American ideals still stir man's struggle for national independence and individual freedom. But as we welcome the spread of the American revolution to other lands, we must also remember that our own struggle—the revolution which began in Philadelphia in 1776, and in Caracas in 1811—is not yet finished. Our hemisphere's mission is not yet completed. For our unfulfilled task is to demonstrate to the entire world that man's unsatisfied aspiration for economic progress and social justice can best be achieved by free men working within a framework of democratic institutions. If we can do this in our own hemisphere, and for our own people, we may yet realize the prophecy of the great Mexican patriot, Benito Juarez, that "democracy is the destiny of future humanity".
>
> As a citizen of the United States let me be the first to admit that we North Americans have not always grasped the significance of this common mission, just as it is also true that many in your own countries have not fully understood the urgency of the need to lift people from poverty and ignorance and despair. But we must turn from these mistakes—from the failure and the misunderstandings of the past to a future full of peril, but bright with hope. (unquote)

John Kennedy's challenge echoes in this Chamber today.

Many countries of Latin America are heavily dependent on the canal. Their economies, which in many cases are fragile, are much more dependent on the efficient operation of the canal than is our own. If these nations are to continue to develop, if they are to emerge from the developing world into the developed world, then we must guarantee that the canal continues to operate and expand in as efficient as possible a manner. We have a moral obligation to insure this.

Mr. President, should we withdraw from the canal at this time or any time, we would jeopardize the future development of these nations as well as their present well-being.

Nations such as Panama, Colombia, Chile, Ecuador and Nicaragua and Mexico are developing. They need the canal. We are now relinquishing our moral obligation to provide them with one of the necessary means to complete their development. I know that the proponents of the treaty will argue that the continued operation of the canal in an efficient and fair manner will be guaranteed in the treaties. That, however, is simply not the case. Under the Panama Canal Treaty, the financial obligations of the Panama Canal Commission will be greater than those of the present Panama Canal Company. This will necessitate an even greater increase in tolls than would be necessary under the present arrangements. In his testimony to the Senate Armed Services Committee, the Governor of the Panama Canal Zone and President of the Panama Canal Company, H. R. Parfitt, stated that between now and 1984, a 20-percent increase in tolls will be necessary under the present arrangement. Under these treaties that increase will be 28.9 percent. Both estimates are under the best conditions. Between now and the year 2000, Mr. Parfitt testified that a cumulative toll increase of 94.8 percent will be needed under existing treaty arrangements. Under the proposed treaties, this increase will be 115.7 percent. Under this treaty, the United States will not even have a role in the determination of the tolls after the year 2000.

In addition, Mr. President, should the canal encounter financial difficulties, then the Republic of Panama could close the canal completely. These difficulties may be due to mismanagement or simply to the world economic situation which may be only of a temporary nature. Unless the situation changes dramatically between now and the year 2000, the Re-

public of Panama will not be able to subsidize the canal for even a short period of time should that be required. We, however, have shown that we can operate the canal efficiently and we can subsidize its operation for significant periods of time should that be necessary.

Mr. President, we are pursuing a contradictory policy. On the one hand, we give aid to many of these countries to improve their standard of living and to help them develop. I am certain that the intent of our aid is to help these countries help themselves. On the other hand, we have undercut that effort by possibly destroying a primary factor in the development of many of these countries. Certainly, the confidence these nations will have in the continued availability of the canal will decrease dramatically.

We cannot promise these nations that the canal will be operated fairly and be continuously available. I cannot make that statement knowing the political instability of Panama and the complexity of operating the canal. I see no evidence that the instability that has plagued Panama since its birth will change anywhere in the near future, although I hope that it will. The continuation of a stable source of income from a well-managed canal will be at least one major stabilizing force that we and other nations of the hemisphere can provide to Panama.

We cannot guarantee the hemisphere that the canal will be operated efficiently. Efficiency cannot be guaranteed by treaty. Efficiency is the product of many factors including experience and a social system that puts a premium on efficiency.

In other words, by ratifying these treaties, we are violating the trust which many nations of Latin America have implicitly placed in us as they learned to use the canal we created. We are shirking our moral obligation to most of our southern neighbors by not considering their interest simultaneously with the consideration of our own.

But proponents of the treaty argue that all the nations of Latin America support the treaties. Public statements made for political reasons do not necessarily reflect actual needs which are voiced only in private. After a number of personal meetings with the representatives of several Latin American nations, I am convinced that they want leadership from us that balances between the satisfaction of nationalism and the pragmatism of economics.

The countries of Latin America are clearly concerned about the treaties and their effects. These nations know that the United States has operated the canal in an efficient and a fair manner. We have kept the canal open and operated it as an international public service. These nations privately have doubts whether Panama can and will operate the canal either efficiently or fairly. In this sense, Mr. President, the nations of Latin America share the feelings of the majority of Americans. Why must we exchange a known quantity for an unknown one?

I suggest that each and every one of my colleagues, privately and confidentially, meet and discuss these treaties with representatives of Latin American countries. The private response will be far different than the public statements we have heard so much about. Nationalism is their primary short-term concern, but economics is their primary long-term fear.

The Panama Canal is the lifeline of the Western Hemisphere. To be sure, other countries use the canal. Japan, in fact, is highly dependent on it. But the canal is still a hemispheric canal, a hemispheric resource. While we may operate it today, it was never intended to be purely an American canal. The intent in 1903 and today is to provide a service for all the nations of this hemisphere. Since the time of the Monroe Doctrine, reemphasized by Kennedy with the Alliance for Progress, we have had a strong relationship and a stronger commitment to our southern neighbors.

The future potential of this lifeline is unlimited, not, as some have claimed, stagnate, and dying. The commerce of the world is increasing not decreasing; in energy, other raw materials, food, manufactured goods, and as yet undreamed of cargo. In the face of this potential lies the cordilleran backbone of the Western Hemisphere.

Mr. President, I have had an opportunity to see that backbone from space, and I wish my colleagues could share that experience. If they could have the opportunity to see the backbone from space, they would understand the importance of the Western Hemisphere to world commerce.

Across that backbone there is now only one significant but, in the light of the future, one very inadequate canal. The hemisphere and the world will need more: A sea level canal, possibly, or pipelines or major new railroads. We should not hamstring the future of world commerce by ill-advised bilateral treaties, such as those before the Senate today.

As caretaker of the canal, we have done an honorable job in administering it efficiently and fairly. If the time has come to relinquish that responsibility, it should not be relinquished to a nation that is, by any measure, so ill suited to handle the task and to meet the challenge.

Mr. President, in my remarks yesterday and in previous remarks, I have alluded to a proposed hemispheric organization, Intersea. This organization, based on the successful Intelsat international management system for global communications satellites, would involve most nations of this hemisphere in the operation and defense of the canal. As far as the Senator from New Mexico is concerned, this is the only alternative to the present situation. We cannot dispose of the present problems by simply giving away the canal and closing our eyes to what is happening. Mr. President, I submit that with ratification of the new treaties we will create even greater problems for ourselves, the nations of both North and South America, and the world.

Hemispheric operation and defense of the canal would combine the technology and management expertise which only the United States has, with the commitment of the developing and developed nations of this hemisphere to provide for their own economic well-being.

The Intersea Enterprise, like Intelsat, would share our capabilities and would show our southern neighbors that we are willing, indeed, anxious to embark on joint ventures with them. It would demonstrate our commitment to the hemisphere, its economic development, and its security. This approach would show our confidence in them, as well as ourselves.

At the same time, the defense of the canal would be shared by all nations of the hemisphere. If a threat to the canal arose, the United States with the cooperation of the countries of the hemisphere would challenge that threat. We would be immune from the type of criticism that has been leveled at the United States when we have countered a hemisphere threat unilaterally.

Neither ratification nor rejection of these treaties is acceptable. But the Senate, in its capacity of advising the President, can point the direction for a new relationship with our southern neighbors. The Senate can lead the way and help the President in forging a new road in international cooperation.

I intend to discuss the details of the Intersea organization at some length tomorrow. I hope that all Senators and their staffs will study the concept critically. Much work has gone into its development, but, like the treaties before us, it cannot be considered perfect. The amendment I will introduce next week would extensively revise the Neutrality Treaty so that the President will have the guidance of the Senate in his future negotiations with our friends in the Western Hemisphere.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess subject to the call of the Chair.

At 12:38 p.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 1:20 p.m. when called to order by the Presiding Officer (Mr. BENTSEN).

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the treaty.

AMENDMENT NO. 20

The PRESIDING OFFICER (Mr. BENTSEN). Under the previous order, the Senator from West Virginia is recognized to call up amendment No. 20.

Mr. ROBERT C. BYRD. Mr. President, I call up the leadership amendment to article IV and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself and the following Senators, calls up amendment No. 20:

Mr. Baker, Mr. Sparkman, Mr. Case, Mr. Allen, Mr. Anderson, Mr. Bartlett, Mr. Bayh, Mr. Bentsen, Mr. Biden, Mr. Brooke, Mr. Bumpers, Mr. Burdick, Mr. Chafee, Mr. Chiles, Mr. Church, Mr. Clark, Mr. Cranston, Mr. Danforth, Mr. DeConcini, Mr. Domenici, Mr. Durkin, Mr. Eagleton, Mr. Ford, Mr. Garn, Mr. Glenn, Mr. Goldwater, Mr. Gravel, Mr. Hansen, Mr. Hart, Mr. Haskell, Mr. Hatch, Mr. Hatfield of Montana, Mr. Hathaway, Mr. Heinz, Mr. Hollings, Mr. Hodges, Mr. Huddleston, Mrs. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. Laxalt, Mr. Leahy, Mr. Lugar, Mr. Mathias, Mr. Matsunaga, Mr. McClure, Mr. McGovern, Mr. Metzenbaum, Mr. Morgan, Mr. Moynihan, Mr. Muskie, Mr. Nelson, Mr. Nunn, Mr. Packwood, Mr. Pearson, Mr. Pell, Mr. Percy, Mr. Randolph, Mr. Ribicoff, Mr. Riegle, Mr. Roth, Mr. Sarbanes, Mr. Sasser, Mr. Schmitt, Mr. Schweiker, Mr. Stafford, Mr. Stevens, Mr. Stevenson, Mr. Stone, Mr. Talmadge, Mr. Thurmond, Mr. Tower, Mr. Wallop, Mr. Weicker, Mr. Williams, and Mr. Young.

At the end of Article IV, insert the following:

"A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of Understanding issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty, as follows:

" 'Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

" 'This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama'."

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Washington (Mr. MAGNUSON) for not to exceed 2 minutes, on a matter to be handled as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. I thank the Senator.

URGENT POWER SUPPLEMENTAL APPROPRIATIONS

Mr. MAGNUSON. Mr. President, there is being held at the desk, pursuant to unanimous consent, House Joint Resolution 746, which makes urgent power supplemental appropriations for fiscal year 1978 in the amount of $13,114,000.

Due to the urgency of the requirement of these funds as requested by the President, and their being no other alternative except to pass this joint resolution, which has been cleared on both sides, as in legislative session, I ask that the Chair lay before the Senate a message from the House on House Joint Resolution 746.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 746) making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration, for the fiscal year ending September 30, 1978.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the joint resolution be considered as having been read twice, that the Senate proceed to its immediate consideration, that it be considered as having been read the third time and be passed, and that a motion to reconsider be considered as having been made and tabled.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, the House of Representatives passed House Joint Resolution 746 on Wednesday, March 7 by a rollcall vote. The joint resolution provides $13,114,000 for the Southwestern Power Administration of the Department of Energy as requested by the President on February 14, 1978. The joint resolution is the same as the President's budget request contained in House Document 95-288.

These funds are urgently needed for the purchase of power to meet contractual commitments due to the insufficiency of hydroelectric power generation caused by low streamflows in the area served by the Southwestern Power Administration. The Southwestern Power Administration is the marketing agent designated to dispose of the power and energy generated at U.S. Army Corps of Engineers hydroelectric plants in the six-State area of Kansas, Oklahoma, Texas, Missouri, Arkansas, and Louisiana. Power and energy is delivered to municipalities, rural electric cooperatives, defense installations, and private utilities located in the six-State area through the transmission system of SPA and through the transmission system of others. SPA is responsible for marketing the output of 21 projects with a total capacity of 1,916,700 kilowatts.

The costs attributable to the production of hydroelectric power from Corps of Engineers projects are recovered over the life of the projects.

The costs of operation and maintenance are recovered in the year incurred. The proceeds from the sale of the power are deposited to miscellaneous receipts of the Treasury. The Southwestern Power Administration is not authorized to use these funds. Funds to finance their operation and maintenance program are provided by direct appropriation.

Due to low rainfall conditions, inflows to the reservoirs have been well below normal. For example, from February through September 1978, inflows are projected at 62 percent of the historical average. The Southwestern Power Administration, therefore, will have to buy increasing amounts of thermal energy to supply their customers. The funds included in the regular appropriation for 1978 have been exhausted.

It is necessary to provide funds sufficient to meet these most urgent requirements for 1978.

● Mr. JOHNSTON. Mr. President, this joint resolution provides an urgent supplemental appropriation for fiscal year 1978 in the amount of $13,114,000 for the Southwestern Power Administration of the Department of Energy. Appropriations for this agency come under the initial jurisdiction of the Subcommittee on Public Works of which I have the honor of being the chairman. The President submitted this appropriation request on February 14 and we agree that these funds must be provided on an expeditious basis.

The Southwestern Power Administration markets the power and energy generated at 21 U.S. Army Corps of Engineers hydroelectric power projects which are located in the States of Oklahoma, Texas, Arkansas, and Missouri. Power is marketed in those States plus my State, Louisiana, and Kansas. Reserve power or power in excess of load requirements helps to assure adequate and reliable supply of power and energy to meet Southwestern Power Administration's contract obligations. Nearly 2 million kilowatts of power and energy are sold annually to the municipalities, rural electric cooperatives, defense installations, and private utilities located in the six-State area through the transmission system of SWPA and through the transmission systems of other power companies. The revenues are deposited in the Treasury. However, the Southwestern Power Administration is not authorized to use these funds. Direct appropriations are provided to finance their operations. All costs of operation and maintenance are recovered in the year incurred. The power projects are recovered over the life of the projects.

This supplemental is urgently needed for the purchase power activity to meet contractual commitments because of low streamflows in the region. The regular appropriations for this purpose have been exhausted and it is now our responsibility to provide these supplemental funds. I thank the Members of the Senate for proceeding with this measure in this expeditious manner.●

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the treaty.

Mr. ROBERT C. BYRD. Mr. President, this amendment, offered by the joint leadership on behalf of the majority and minority leaders and 78 other Senators, deals with one of two critical points in the Neutrality Treaty concerning U.S. defense rights.

This amendment would reinforce article IV by adding language making clear that in defending against any threat to the regime of neutrality of the canal, we shall have the right to act against any

aggression or threat directed against the canal or against peaceful transit of vessels through the canal.

We will have the means to defend the canal after 1999, as our top military leaders have strongly affirmed—again and again. This amendment will leave no doubt that in addition to the means—the capability of defending the canal—we will also have the unchallenged right to defend the canal.

This amendment is straightforward and unambiguous in setting forth our right to defend the canal and to assure its accessibility and use after 1999. It is an important and meaningful addition to the treaty.

It states in clear language that either party will defend the canal against any threat to the regime of neutrality; and that either party shall have the right to act against any aggression or threat. There is no qualification, no exception to the right of the United States to act to insure that the canal will remain open, secure, and accessible.

This amendment does state that the United States does not have the right of intervention in the internal affairs of Panama. This is understandable and proper. We do not want to involve ourselves in the internal affairs of another nation.

A threat to the neutrality of the canal would not, however, be an internal Panamanian matter. It would be a matter of international consequence.

This amendment does not preclude the United States from using Panamanian territory to defend the canal. What it does say is that the United States will not take any action against the territorial integrity or political independence of Panama—period.

This provision is consistent with the United Nations Charter which prohibits "the threat or use of force against the territorial integrity or political independence of any state." And certainly this provision is consistent with the overall goals of our foreign policy. Our interest is in the security and the use of the canal. We have no intention of subverting the integrity of the nation of Panama.

A legal interpretation of this provision, prepared by the Department of Justice, elaborates on this point:

> A legitimate exercise of rights under the Neutrality Treaty by the United States would not, either in intent or in fact, be directed against the territorial integrity or political independence of Panama. No question of detaching territory from the sovereignty or jurisdiction of Panama would arise. Nor would the political independence of Panama be violated by measures calculated to uphold a commitment to the maintenance of the Canal's neutrality which Panama has freely assumed. A use of force in these circumstances would not be directed against the form or character or composition of the Government of Panama or any other aspect of its political independence; it would be solely directed and proportionately crafted to maintain the neutrality of the Canal.

It is also clear from this amendment that the United States has the right to act on its own, if need be, to protect the canal. This amendment states that each country shall, in accordance with its constitutional processes, defend the canal, and shall have the right to act against any aggression or threat.

This language is definitive; it is specific; it is clear. It does not state and it does not imply that the two countries must consult, or that they must act in concert, or that one country has veto power over the actions of the other.

It is to be hoped and anticipated that the two countries will, indeed, act on a cooperative basis, with consultation and concerted action. I believe that the approval of these treaties will increase the liklelihood of cooperation between the United States and Panama. So while cooperation is possible and desirable, this amendment does not preclude unilateral action.

Mr. President, this amendment incorporates relevant language from the October 14 joint statement agreed to by President Carter and General Torrijos.

It is in large measure a result of senatorial initiative. After first reviewing the treaties last September, I pointed out the need for clarification and amplification on this issue of defense rights and that of expeditious passage for our military vessels. I stated this need publicly on more than one occasion. Several other Senators, including the Senator from Idaho (Mr. CHURCH) and the Senator from Kansas (Mr. DOLE) were also emphasizing the need for clarification of these points at that time.

In discussions with President Carter I stressed the importance of clarifying these matters prior to the October 23 Panamanian plebiscite on the treaties.

On October 11, at the request of the Senate leadership, President Carter met with a bipartisan group of Senators, including the joint leadership and ranking members from the Foreign Relations and Armed Services Committee. The need for a joint statement of understanding was emphasized and the contents of such a statement were discussed at that meeting. Therefore, on October 14, President Carter and General Torrijos agreed to the statement of understanding clarifying these important points.

Subsequently, on October 20, General Torrijos had the text of the October 14 statement read to the people of Panama during his appearance on Panamanian national television to discuss the treaties. In asking that the document be read, General Torrijos said:

> Read the document, so that people know that when they go to vote on 23 October, everything will have been said. There is nothing, absolutely nothing, hidden.

The document was also published in four of the five major Panamanian newspapers prior to the plebiscite.

During the television program General Torrijos said, "I should have signed it," referring to the joint statement. He also told the viewers:

> . . . I would sign this right here if you want. If Carter asks, I would sign this because this is what our youth, our generations want.

In his discussions with the senatorial delegation which I led to Panama in November, General Torrijos stated clearly that he adhered to the agreement and would be willing to sign it if there should be any doubt. I know that he made similar statements to other senatorial delegations.

So, Mr. President, I do not believe there should be any question about the mutual understanding and acceptance of these provisions.

This amendment is fully responsive to legitimate concerns about our interests in securing the use of the canal after the year 2000. Point by point, it meets those concerns. It provides, specifically and unambiguously, that—

The United States shall defend the canal against any threat to the regime of neutrality;

The United States has the right to determine whether such a threat exists and how it will respond to such a threat.

The Senate now has the opportunity to rivet this language into the text of the treaty and to nail this matter down firmly and finally. By approving this amendment the Senate will have taken formal action to guarantee our defense rights after 1999.

Mr. President, with the inclusion of this amendment and the amendment to article VI proposed by the joint leadership, I am convinced that this treaty and the accompanying Panama Canal Treaty will serve the best interests of the United States.

Mr. President, that is the benchmark. That is the bottom line which those of us who reach our decisions in regard to the votes on these treaties, I am sure, will adhere to. No matter how we come down on the question, we are going to be deciding the question on the basis of what is in the best interests of the United States as we see those best interests based on the facts and the information that we have available to us.

This amendment is vital. It will represent a significant contribution by the Senate to the treaty and I strongly urge its approval.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. MCINTYRE's name be added as a cosponsor.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Tennessee.

Mr. BAKER. I thank the Chair.

AMENDMENT TO ARTICLE IV OF THE NEUTRALITY TREATY

Mr. BAKER. Mr. President, the Senate, for over 3 weeks, has been engaged in the consideration of these treaties. In the course of the initial statements and the discussion of amendments, I believe we in the Senate and the public at large have all benefited and acquired a clearer understanding of what these treaties mean and, indeed, do not mean to the United States.

It has been a long debate, and it is not yet over, but I think it has been time well spent and it has not nor will it be a wasted indulgence of the valuable time of the Senate. Because the Panama Canal is extremely important to the eco-

nomic and military interests of the United States, these treaties are extremely important. What we say here about them; our delineation of the issues in controversy; the offering of amendments concerning those issues; and the expression of the will of the Senate in passing or defeating the amendments and ultimately the resolutions of ratification themselves—becomes, in totality, the expression of what these treaties will, in fact, mean to the United States, to Panama, and to the world.

It is the exercise of that special role and responsibility of the Senate; and, whether we pass favorably or unfavorably on ratification, I am satisfied that from the moment of their submission in September, the Senate has exercised its responsibility fully, faithfully, and well.

In my mind, and I think in the minds of most of my colleagues both in favor and opposed to ratification, the most important issue involved in these treaties, the one that absolutely must be resolved and must be resolved favorably for the treaties to have even a remote chance of ratification, is whether these treaties considered in their totality, provide adequate assurance that the canal will remain open and secure to the peaceful transit of vessels—now, 20 years from now, and, if need be, 100 years from now.

It is clear, I believe, that for the next 22 years, the Panama Canal Treaty does provide that assurance. There may be other elements of it that should and will be modified, but the assurance that the canal will be open and accessible is, if anything, strengthened over the situation that would prevail should we insist on the continuation of the 1903 treaty.

First, the United States will continue to be primarily responsible for the operation, maintenance, and defense of the canal. Second, we not only retain the defense installations necessary for that purpose, we gain a far greater freedom or flexibility of movement in our actions to defend the canal than we possess under the 1903 treaty.

Third, we have the flexibility to maintain in Panama however many troops we need to meet the challenge presented by the circumstances. Finally, we have the opportunity to engender in the Panamanians a cooperative relationship with respect to the operation and defense of the canal to replace the confrontational relationship we now have.

It has been widely misperceived, I believe, that the motivation for changing our relationship with Panama is capitulation to threats of Panamanian hostility. For that reason, I think it should be clearly understood that, with or without ratification of these treaties, the United States intends to defend the canal and keep it open and that we have the will and determination to do this with whatever force and effort is required, and regardless of the outcome of this debate.

But let this also be clearly understood: If by ratification of these treaties, we can foster in Panama a spirit of willing cooperation in both operation and defense, then we welcome that cooperation, and we are better off with it than without it. We can defend the canal, alone if need be. We can, according to General McAuliffe, keep it from being destroyed. With the cooperation of Panama, however, we stand a much better chance of keeping the canal free from sabotage and disruptions to the free and constant flow of world commerce. The point of these treaties is to allow us to use the canal in cooperation with Panama rather than despite Panama.

As it is clear that the Panama Canal Treaty provides the necessary assurances, it is equally clear that the Neutrality Treaty, as written, does not provide adequate assurances that the canal will remain open and accessible after the year 2000. After the year 2000, we will no longer operate the canal, and unless the United States and Panama conclude an agreement not contemplated in these treaties, we will no longer have forces stationed in Panama.

It is legitimate, therefore, to ask how the United States can be certain of an open and accessible canal after the year 2000. I believe there are three interrelated and interdependent parts to the answer to that question.

The first lies within the treaty itself. The treaty establishes a regime of neutrality, the key elements of which are that, as set forth in article II, the canal "shall remain secure and open." By the words of the treaty, the maintenance of the security and the openness of the canal become a binding, legal commitment which may not be altered without the consent of the United States.

As we all know, Mr. President, article IV of the treaty commits the United States to maintain with Panama this regime of neutrality—commits the United States to maintain a secure and open canal. In a perfect world, that language would probably be sufficient to assure our use of the canal after the year 2000—but it is not and the language is, therefore, inadequate.

There remains the need to provide an additional guarantee to insure that both parties to the compact clearly understand in precise terms the true nature of our commitment to the regime of neutrality. There was an attempt to provide the guarantee in the joint declaration issued in October by President Carter and General Torrijos. The joint declaration was helpful, but it, too, was insufficient. The declaration has all the right words, but it is merely a statement of understanding between heads of state who almost certainly will not be in office in the year 2000. It provides interesting legislative history, but it is not intrinsic to the treaties. I believe that the words of the declaration must be a part of the treaties, formally and legally binding on the parties.

So, Mr. President, the second part of the answer is that the treaty must be amended to provide the guarantee that the United States may, by the words of the treaty, unilaterally act to insure that the Panama Canal remains both secure and open. By this amendment to the treaty which I am cosponsoring with the distinguished majority leader, and in which we have been joined in cosponsorship now, I believe, by 78 of our colleagues, it become the explicit position of the United States and Panama that the United States may act to meet any threat to the regime of neutrality whether it originates from without or within Panama. It should be clearly understood that a Panamanian decision to deny use of the canal to any nation constitutes as much a threat to the regime of neutrality as would an invasion of Cuban troops.

By this amendment we admittedly are guarding against the worst scenario that we can envision—one in which we would be forced to take action to keep the canal secure and open in the face of an action or even a failure to act by the Government of Panama. I fervently hope and optimistically believe that will never be necessary. With 22 years of preparation and training, I believe that the Government and people of Panama can develop the same sense of pride and ability in the operation, maintenance, and defense of the canal that has become the hallmark of the American operation of that facility. If that happens, and I truly believe it will, then the inclusion of this provision in the treaty will have been unnecessary. But that is a promise that must mature over the next 22 years and although I believe in its prospects, I am not willing to bet the future of our ability to defend the canal on its fulfillment. The passage of this amendment, therefore, is critical to ratification of the treaties, in my judgment.

Finally, Mr. President, there is a third part to that answer and it is as important, if not more so, than the other two. That is the will and the determination of the United States to fulfill its role as a partner and if necessary, the defender of the canal.

We have heard it said on many occasions that these treaties are worth no more than the paper they are written on and in a sense that is true, just as it is true for any other treaty that has ever been entered into by this country and any other nation. I hope and believe they will provide the framework for a mature and cooperative relationship between the United States and Panama in the operation and defense of the canal which will lead us to the ultimate best interests of both countries. Should that relationship not develop, the treaties provide a legal framework whereby the United States may act to insure the security and openness of the canal without the cooperation of Panama.

But the treaty means nothing unless the United States, the people, the Congress and the administration have the will and determination to take action necessary to foster the spirit of cooperation, or, if need be, to take action to defend the canal.

To complain that the United States should not give up the right to maintain forces in Panama after the year 2000 because we will not have the strength and determination to reenter is to complain of a symptom of an illness that the rejection of these treaties will not cure. I do not believe the United States suf-

fers so debilitating an illness, and I would be loath ever to make that admission in this Chamber. I believe that for as long as the use of the canal remains economically and militarily important to the United States, the United States will take whatever action is necessary to guarantee that use. Within the framework of those treaties, it will cooperate with the Republic of Panama if it can, it will act to defend the canal without Panama if it must. I believe the history of this debate should and will establish that is the clear intent of this country.

So, Mr. President, I urge my colleagues not only to support the amendment, but also to take this opportunity to express my unreserved support for the ratification of these treaties if these amendments are indeed adopted.

The PRESIDING OFFICER. Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized to make a point of order.

Mr. ALLEN. Mr. President, if I might raise this point first, I believe the Senator from Alabama is to be recognized generally for the purpose of making remarks and in the course of such remarks to make a point of order. I would not like to be required at this time to make my point of order without having made some introductory remarks.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. ROBERT C. BYRD. I hope the Senator's construction of the order would be observed by the Chair.

(The VICE PRESIDENT assumed the chair.)

Mr. ALLEN. I thank the distinguished majority leader for his unfailing graciousness and courtesy.

Mr. President, after more than 3 weeks of debate on possibly the most important issue that has come before the U.S. Senate in the last decade, we now come to the highly vaunted leadership amendments or at least the first of such amendments.

I say highly vaunted because, Mr. President, it is the contention of the leadership that the two amendments, amendment 20 and amendment 21, change a treaty or treaties that are wholly unacceptable to the Senate, that must be rejected by the U.S. Senate, into treaties that must be approved by the U.S. Senate without further amendment except the leadership amendments.

Would not that make these amendments highly vaunted if they can change unacceptable amendments into entirely acceptable amendments and to make them so acceptable that no further amendments should be accepted? Now, that is the role of the so-called leadership amendments.

These two amendments are necessary, it would seem, to make the treaties in the best interests of the United States.

But they are so highly vaunted and so highly recommended to us that it is felt that no further amendments are necessary, and that further amendments should be rejected; and furthermore, Mr. President, that if the Senate, in the exercise of its wisdom and judgment, should see fit to approve a substantial and constructive amendment, that would go to the very heart of the treaties and would defeat the treaties. That view has been expressed by the proponents of the treaties time and time again here on the floor.

Mr. President, I say categorically that no Senator can with certainty say that any particular amendment would kill the treaties. Who are we to say what Mr. Torrijos is going to do after the Senate finishes its action on the treaties? Who of us is to say that the treaties must be submitted to another plebiscite?

I say that no matter what we do here in the Senate, even if we were to approve every amendment that has been rejected here, it is my judgment that Mr. Torrijos would say, "This is in the spirit of the treaties, I accept them, and I exchange notes of ratification with the President of the United States."

Would our Government then say that Mr. Torrijos had not followed the Panamanian Constitution, and therefore the treaties are unconstitutional or invalid? I daresay not. I believe we are going to leave that up to Mr. Torrijos.

Mr. President, the distinguished majority leader has mentioned that some 79 or 80 Senators are cosponsors of the leadership amendments. The junior Senator from Alabama, now speaking, is a cosponsor of the leadership amendments, on the theory that if this is the best we can do, the Senator from Alabama will support the leadership amendments.

And I have great admiration and respect for our two outstanding and distinguished leaders, the majority leader (Mr. ROBERT C. BYRD) and the minority leader (Mr. BAKER). I recognize their great expertise, their great wisdom, their great patriotism, and their great qualities of leadership. I would like to be able to follow them all the way through with respect to these amendments and these treaties. But even though they are our leaders, Mr. President, they do not deprive us, or should not deprive us—and I assure Senators that they do not deprive me—of the right and the duty to exercise our independent judgment on what is best for our country, even though I have such deep admiration and personal affection for the two leaders, both of whom are fully capable of taking on the duties of even higher office in our Nation. I do not believe we would have to stretch our imaginations a great deal to visualize the possibility that in years to come our distinguished leaders might be vieing for the Nation's highest office; I have that high an opinion of our distinguished leaders.

I am certain it has been said aptly and accurately that of those to whom much is given much is required. So, as our leaders come forward with amendments which they say are so good, so in the interests of our country, that they remove all objections to these treaties, that is speaking pretty highly of these amendments, Mr. President. If these leadership amendments are able to remove all doubts and remove all needs for concern about our national security and our economic well-being, they are pretty good amendments.

But I must reject that thesis, Mr. President. They do nothing of the sort, and they leave much to be desired.

I daresay that amendment 21, which will be offered after this amendment has been agreed to—and it will be agreed to, and I daresay will not be amended in the slightest, because the leadership very properly, I would say, has great influence in shaping legislation, treaties, or any other matter coming before the Senate. That is right and proper, and I enjoy looking to the leadership for leadership. But they have a great responsibility as we look to them for leadership. As they tell us that no further amendments are needed or necessary, what a responsibility is placed on their shoulders. What a responsibility is assumed by our leaders; they have the power of life and death over amendments to these treaties here in this body. I recognize that. They could kill any amendment they chose; I recognize that.

That has not prevented some of us, however, from carrying out our duty of offering constructive amendments, amendments that would bolster our right to defend the canal and to maintain its neutrality, and to show that the leaders are cutting off, by their recommendations to Senators, all efforts to obtain what many feel are constructive amendments.

So they have a great responsibility, because the Members of the Senate, in all likelihood, are going to follow them.

Mr. President, our two distinguished leaders, and I have given my high opinion of them personally and of their great qualities of leadership, statesmanship, and patriotism, have hit on these two amendments as the answer to legitimate questions that are raised about the advisability of these treaties. Both of our distinguished leaders, as they had every right to do—and I admire them for taking the time to study this issue—wrestled with their consciences, with their good judgment, for weeks and months before they took a position with respect to the treaties. Then both of them independently reached the conclusion that the treaties, as submitted, should not be approved by the Senate and would not be approved by the Senate.

But then I know not what contributions the distinguished leader made to the wording of the memorandum between President Carter and Dictator Torrijos. I heard with pleasure from the distinguished majority leader. I give credit to the distinguished Senator from Kansas (Mr. DOLE) and the distinguished Senator from Idaho (Mr. CHURCH) for pointing out the defects in the treaties and to offer suggestions as to changes.

Although the distinguished majority leader does not go this far, I believe on the basis of their initiative, the memorandum between the President and dictator Torrijos resulted. However, I believe the distinguished Senator from Kansas (Mr. DOLE) went much farther than did the distinguished Senator from

Idaho (Mr. CHURCH), in that he felt that still more amendments were necessary and are necessary to protect our national interests.

Very well. No matter where the initiative came from, the President and dictator Torrijos entered into an unsigned memorandum. Then President Torrijos went home and had a lot to say about what had taken place with respect to the memorandum.

I read from a quote of Mr. Torrijos appearing in the Washington Star of October 21, 1977. Mr. Torrijos said this:

I don't want the Canal unprotected but I don't want them, the Americans, to overprotect us to the point of interfering with our lives. I want to establish a system where we press a button over here and a bell rings there when the attack is greater than our ability to handle it. I won't say it is a right the United States has. I would say they are obligated to come to the defense of the canal.

So, Mr. President, I do not believe that our construction, and when I say "our," I mean the United States construction of this memorandum coincides with Mr. Torrijos' construction.

Mr. President, it has not been called to my attention that Mr. Torrijos has recanted from this position. So far as I know, this is still his position, and this language of the leadership amendment is not going to overturn his position because it is the same language of the memorandum between President Carter and Mr. Torrijos.

We have a built-in difference of opinion, since the language of the memorandum is carried over into the amendment itself. So if he construed the memorandum differently from our construction, it automatically follows that he would construe from our construction the provisions of the leadership amendment.

Now let us consider, however, only amendment No. 20, because that is what is before us. This is one phase of the leadership amendments that would cure all defects of which the Senate should be concerned. Let us see how to go about curing it.

Reading from the amendment, and I am going to make a point of order a little later on that this is not an amendment but it is an understanding. Quoting from the memorandum:

The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama—

Many would be surprised to hear "and Panama," because we have been talking about the United States right to go to the head of the line. Well, let us read the amendment:

The vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the canal expeditiously.

Giving neither nation priority.

Mr. ROBERT C. BYRD. Will the distinguished Senator from Alabama yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Will the distinguished Senator cite the number of enemy warships that the Republic of Panama has?

Mr. ALLEN. I do not have that information.

This also includes auxiliary vessels.

Mr. ROBERT C. BYRD. Can I state for the Senator's information that the Republic of Panama has none?

Mr. ALLEN. Yes, sir.

As the distinguished majority leader knows, many steamship lines have their vessels registered down in Panama and I am not saying as of this time they are auxiliary vessels because there are 9,051 ships flying under the Panamanian flag. Nine thousand, fifty-one.

This information was supplied by the Embassy of Panama.

I see the distinguished majority leader getting to his feet. I say that these are not auxiliary vessels. We do not know what is going to take place during the next 22 years, but we do have 9,051 Panamanian registered ships.

Mr. ROBERT C. BYRD. The Senator has stated quite correctly that we do know that they are not auxiliary vessels, in the meaning of the term here.

Mr. ALLEN. Yes. I have not stated that they were; but I am talking about what might occur in the next 22 years. That being the case, I assume the distinguished majority leader would not object to striking Panama out of the amendment, if they have no warships that can qualify here, so I appreciate the distinguished majority leader's suggestion, and an amendment will be offered, inasmuch as they have no use for this provision.

I thank the distinguished majority leader for suggesting this amendment.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. The Senator is very clever, and I say this not only with respect to the tremendous admiration I have for him. I do not think I have seen the Senator's equal, much less anyone who can excel him. The Senator from West Virginia did not suggest that and the distinguished Senator from Alabama is not going to leave anyone here under any unusual impression that he has not thought about it, and that is to his credit; but if the Senator from West Virginia perchance, for one out of a million, did suggest something to the Senator for the first time, that is a credit which I had not anticipated and which I shall remember to the end of my days that the Senator has paid me.

Mr. ALLEN. Well, I thank the distinguished majority leader.

Mr. GRIFFIN. Will the Senator from Alabama yield?

Mr. ALLEN. Yes, I will be delighted to yield to the distinguished Senator from Michigan.

Mr. GRIFFIN. I feel as if I am operating more or less at the sufferance of the distinguished majority leader, because he was kind enough to suggest that I be allowed to make general remarks before raising a point of order, but I will play upon the indulgence of the distinguished Senator to the extent of addressing his remarks.

I say to the Senator from Alabama, I will withhold my comments at this point other than to say that a little earlier the distinguished Senator from Alabama focused on one other point of difference in construction, as between the United States and Panama, with respect to this particular amendment, and I know that he is aware of the fact that there are a number of other differences.

Mr. ALLEN. Oh, yes.

Mr. GRIFFIN. On other points where the spokesmen for the two countries completely disagree as to what this language means and at the appropriate time, and following the point of order, the Senator from Michigan will elaborate further in that respect.

Mr. ALLEN. I thank the distinguished Senator from Michigan.

Going on, as the Senator says, there are other defects in the amendment and in this amendment, and I have already pointed out the defects that we do not have priority over Panama. Well, let us say that Panama does not have any warships but auxiliary ships. Mr. President, auxiliary ships do not have to be warships. The treaty defines auxiliary ships as being ships owned or operated by the government of the nation and being on the exclusive duty or assignment of noncommercial government business. So it is not just warships, Mr. President, that the distinguished majority leader referred to and just a moment ago I gave the——

(Mr. NUNN assumed the chair.)

Mr. MATSUNAGA. Will the Senator yield at that point?

Mr. ALLEN. No. In just a moment I will be delighted to yield. I have not made that point yet. If the Senator will wait a moment——

Mr. MATSUNAGA. If the Senator will yield, I wanted to discuss the meaning of auxiliary ships.

Mr. ALLEN. It is defined in the treaty so there is no doubt about that. Let me read it for the Senator and there will be no doubt about it. See if I quote it correctly.

Auxiliary vessel means any ship, not a vessel of war—

So the fact they do not have any warships does not answer the question. This is in the annex and the treaty refers to it and says the definition is found in the annex:

Auxiliary means any ship, not a vessel of war, that is owned and operated by a state and used for the time being exclusively on government, noncommercial services.

I may have missed a word here and there, but that is the definition.

Also, Mr. President. we do not know what the condition of Panama is going to be 22 years from now. Is it going to be dominated by Cuba? Very likely. Is it going to be dominated by Russia? That would be the second bet.

They may have not only auxiliary vessels but warships 22 years from now. What we are talking about is having equal authority, I would judge from reading the so-called amendment, that we would have equal priority, to have access to expeditious transit of the canal.

Getting on to another vital omission of amendment 20—and this is the going-to-the-head-of-the-line amendment. That is what it has been called, and that is a pretty good statement. We have to fight off Panama, possibly, to get to the head of the line. We have no priority under the amendment over that—

This is intended, and shall so be interpreted, to assure the transit of such vessels—

That is, Panamanian and United States without priority—

such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the canal rapidly.

Who is going to determine what is an emergency? The amendment is silent.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I could not fail to yield to my distinguished leader.

Mr. ROBERT C. BYRD. The Senator has just admitted it is an amendment.

Mr. ALLEN. I have been using the term loosely, as the Senator knows. It is stated here. I have also stated in the course of my remarks that I am going to show that this so-called amendment is not an amendment.

Mr. ROBERT C. BYRD. The Senator——

Mr. ALLEN. What I say is not important, but what the Chair says is important.

Mr. ROBERT C. BYRD. He has just by his own words admitted that it is an amendment.

Mr. ALLEN. No, the Senator has not admitted it is an amendment. The word here says "amendment." Yes, we use the expression the leadership amendment, we certainly do, but we are going to put it to a test to find out if it is in fact an amendment.

Yesterday I called the attention of the distinguished Senator from West Virginia, my distinguished majority leader, to the point that just because the Senate might put a label on this desk and say it is a chair does not make it a chair. It is still a desk.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. No. Let me finish. Then, no matter if the word "amendment" is written up here on this, that does not make it an amendment, as I have told the distinguished Senator.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. What the Senator would have us believe is that our eyes deceive us, that what I see here as a desk is indeed not a desk but a chair.

[Laughter.]

Mr. ALLEN. Just the contrary.

Mr. ROBERT C. BYRD. No, it is exactly that, precisely that. He would have us believe that what is indeed an amendment to the text of the treaty is not an amendment but an understanding. So he says, in essence, "Do not believe your eyes. That piece of furniture in front of you is not a desk, it is but a chair."

Mr. ALLEN. Let me straighten out the Senator. The Senator can look at the desk and look beyond the label. He can look at the substance. What the Senator is doing here now is looking at the label and not the substance. I want the distinguished majority leader and other Senators to go beyond the label of the amendment. Just as I called his attention to the label on the desk that does not make it a chair.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. The Senator from West Virginia is going to say I will listen with great interest to the arguments the Senator is about to make, which will convince me and other Senators that this piece of wood furniture here is indeed not a desk but a chair.

Mr. ALLEN. The Senator has the cart before the horse as he frequently has in his interrogation of me. He is looking at a desk. It is a desk, but it would not change that character if the Senator had put a label on there saying it was a chair. Therefore, this reservation is a reservation even though the Senator has put this in great big letters, apparently thinking by wording it as an amendment it becomes an amendment. But I say we have to look beyond the outside clothing and go to the substance of it.

Just because the Senator might see some man in a woman's clothing out here, just because the man has on a woman's clothing, that does not make him a woman. If we look a little bit beyond the clothes we find out what he really is. So we are going to look beyond the word "amendment" here and find out what this really is.

Mr. ROBERT C. BYRD. The Senator is getting beyond my expertise at this point.

[Laughter.]

Mr. ALLEN. The Senator is going away from the point that I was making about who would declare the emergency to exist.

Mr. ROBERT C. BYRD. The Senator is getting beyond my expertise now.

Mr. ALLEN. I believe the Senator is making a specious argument.

Mr. ROBERT C. BYRD. I have not given up. I am just preparing to sit down on my desk.

[Laughter.]

Mr. ALLEN. I understand. The Senator has certainly proven my point. He thinks that is a desk he is sitting on just because he has called it a desk, but the Senator will find it has a cushion there just like a chair and it does not have the top on it that the desk has. I hope the Senator will look to the things on his desk rather than expect to find documents there in his chair, which is for another purpose, I say to the distinguished Senator.

The distinguished Senator has, as he sometimes graciously does, interrogated me on a point I was not making, obviously with the thought of diverting the Senator's attention to the fact that the leadership understanding called an amendment—if the Senator wants me to go through that each time I will be glad to do it—he seeks to divert attention from the fact that the understanding labeled an amendment says that Panamanian ships and U.S. ships may go to the head of the line in case of an emergency.

But the draftsman—I am sure the distinguished Senator from West Virginia did not draft this, even though he is giving full support to it. I know the distinguished Senator from West Virginia, if he drafted this understanding—right in the body of it, it refers to the understanding the President and the dictator had.

Excuse me, I do not think it says "Dictator." They do not use the word "Dictator." "Maximum Leader," they sometimes call him, and "General," I think the distinguished majority leader called him. They refer to the understanding that, without it being identified as being the understanding between the President and the dictator it actually was. I believe that the distinguished Senator from West Virginia would not have drafted this amendment in this fashion, because it does not say who can say that there is an emergency, opening the way for us to compete with Panama for the privilege of going to the head of the line. Who determines whether there is an emergency or not?

I am sure the distinguished majority leader—no, I am not sure of this. I am sure that he would not agree to an amendment, because this amendment, so-called, is being treated like the laws of the Medes and Persians that we read about in the Bible. They could not be changed. Once enacted, they could not be changed. So they are bringing this amendment in. It cannot be changed; it is the law of the Medes and the Persians. But I know that the distinguished majority leader, if he drafted this understanding, amendment, or by whatever name called, would put in there the right of the United States to say whether or not there was an emergency. So that is—this document, this understanding, amendment, what-have-you—is crying out for amendment at this point—not for an understanding. It is crying out for an amendment. I assure the distinguished Senator that that amendment will be offered.

Now, Mr. President, with regard to the point of order that I do plan to raise, the test of when an amendment, so called, is not an amendment logically is, as in this case, where it does not amend anything. Now, the distinguished majority leader is going to say, "Oh, it does amend something; it puts all these words in at the end of article IV. And look here, right here on the outside of it, it has the great big word 'amendment' so it has to be an amendment, because it says here it is an amendment."

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I will yield, but the distinguished majority leader has asked me to yield on some five or six occasions. He will have his opportunity. I will yield, of course.

Mr. ROBERT C. BYRD. The distinguished Senator has been very generous in yielding. I shall not ask him to yield at this time.

Mr. ALLEN. I did yield to the distinguished Senator if he has a question.

Mr. ROBERT C. BYRD. I know he has yielded. I think I have imposed on the Senator too much. I would rather listen to his argument and then get on with my motion.

Mr. ALLEN. I thank the distinguished majority leader.

Mr. CURTIS. Will the distinguished Senator yield?

Mr. ALLEN. Inasmuch as I have not

yet yielded to the distinguished Senator from Nebraska, I will yield.

Mr. CURTIS. This will be short.

It goes to the question of whether or not, if you call something an amendment, it is an amendment. We might look back at the experience of one of our great leaders, Abraham Lincoln. He asked one time:

If you call a calf's tail a leg, how many legs does it have?

A listener said, "Five." Lincoln said:

Oh, no, calling a calf's tail a leg doesn't make it so. The calf still has four legs.

Mr. ROBERT C. BYRD. If the Senator will yield, Mr. President, someone has also said that—

An ass is but an ass though laden with gold.

Mr. ALLEN. Quite obviously, Mr. President, words are being added to article IV and if the mere addition of words makes an understanding an amendment, then this is an amendment. But, Mr. President, getting back to the issue of the responsibility of the leadership in offering this so-called amendment proffered as an amendment, they are assuring the Senate and they are assuring the Nation—and I should hate to have that responsibility on my shoulder, to go before the Nation and say that these amendments—I am going to say that to give the distinguished majority leader some measure of pleasure—these amendments are shot full of holes. Mr. President, I have just pointed out two in the amendment before us. The other amendment, I shall say, is shot full of more holes than this one.

But I would hate to go before the American people, I should hate to have this responsibility. The distinguished Senator is fully confident that the amendment does what he and the distinguished minority leader think that they do. But I should hate to have the responsibility of assuring the American people that these are, in fact, amendments and that they cure the ills of the treaties to the extent that we ought to adopt them without any further amendments.

I never have offered an amendment here saying that, with this amendment, now, there are not further amendments needed; this takes care of everybody's interest. But that is what is being said, in effect—I might be asked to supply those exact words. It is being said, in effect, that these are all the amendments we need. And Senators are following the leaders in this area.

As I stated, I am one of the cosponsors and if we cannot do any better—I believe we can—I am going to vote for the leadership amendments. Then I am going to vote against the treaty, because I do not believe it is adequate.

This amendment—I shall continue to say "amendment," because Senators realize that, while it is labeled "amendment," there is no need of my saying, "understanding offered as an amendment." This understanding could be put in the form of an amendment, but this document does not amend a thing. Oh, yes, it adds words here; to that extent, it is an amendment. But it does not add a provision, a substantive provision, to the treaty. It does not incorporate a new phrase; it does not knock out words. What it does is say that, with the words already in the treaty, these words have a definite meaning, which is then ascribed to the wording of the treaty.

What kind of draftsmanship is that, Mr. President, if we work for 13 years negotiating a treaty and then have to come forward with the leadership amendment to say what the words are supposed to mean? Why can the words not speak for themselves?

That is the reason I say that this understanding, amendment, what have you, could be amended by knocking out these words saying that these words mean thus and so. Just put those words in there.

Again I say, Mr. President, that this leadership amendment, or the the leadership amendments, already have a built-in difference of opinion as between Mr. Torrijos and the United States on when we can come to the defense of the canal, not mentioning the fact that it gives us rights, but cuts off our means by the fact that all of our troops are out of Panama by the year 2000 when the Neutrality Treaty takes over fully on the defense.

Mr. President, why worry about what this document is, whether it is an understanding or an amendment?

There is a very simple reason, Mr. President, that under the Senate rules and precedents, understandings are not in order until we get to the resolution of ratification.

An understanding is not in order in the Committee of the Whole. We are still in the Committee of the Whole.

Is that me saying that? Or is that the book of precedents written by Dr. Riddick after years of observation?

I read from page 826:

Reservations are not in order while the treaty—reservations and understandings—reservations and understandings are treated as amendments . . .

To the treaty? Reservations and understandings are treated as amendments to the treaty? No. Or treated as amendments. So the Resolution of Ratification, that comes after we get through the amendments to the treaty.

And, in effect, synopsize what has been done in the Committee of the Whole, and at that time amendments are not in order, but reservations and understandings and declarations are in order.

"Reservations are not in order while a treaty is in the Committee of the Whole; they should not be acted on until the treaty" reaches the stage of the Resolution of Ratification:

Reservations are proposed to the resolution of ratification and voted upon prior to a vote on the resolution itself; they must be acted on before the adoption of the resolution.

Now, Mr. President, suppose we accept this amendment and Mr. Torrijos says, "I already gave my opinion of that, already gave my opinion with respect to the memorandum on which these amendments are based. I believe word for word, if not substantially the same. I have already said I disagree with the United States' interpretation, so why do they reiterate it after I have already told them I do not agree with that?"

Well, say that he has to accept this and have a note of ratification, and has to exchange notes. That is not going to erase his contention. I am not saying it is not designed to erase his contention, but just repeating the same words he has already given a different interpretation to.

I seriously doubt if in the Panamanian mind that difference of opinion will be erased by Torrijos signing a note of ratification. People would not have any right, they would not be given the opportunity to disagree. They could well say, "Well, I take Dictator Torrijos' interpretation."

By the way, Torrijos was giving his interpretation of what this memorandum said right after he went back.

Mr. President, here is a most important point on the plebiscite. It has been argued, Mr. President, and stated by Dictator Torrijos, that this memorandum between the President and the dictator was explained to the Panamanians; it was not in the treaty, it was explained to the Panamanians before the plebiscite.

The plebiscite was held on October 23. On October 21, Mr. Torrijos, 2 days before the plebiscite, was giving his difference of opinion regarding the memorandum, putting his interpretation on it, that it does not give us a right to intervene—I read it a moment ago, I am not going to take the time of Senators—that we will come in only when he presses the button.

How then, Mr. President, can it be contended now that the people of Panama have approved these changes when Torrijos was telling them that it did not mean what the United States claimed that it meant?

So this is an interpretation he gave, it is not me saying it. I am reading from a direct quote.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes; I will yield.

Mr. ROBERT C. BYRD. Would the distinguished Senator not also agree that he is putting his own interpretation on what Mr. Torrijos said?

Mr. ALLEN. Sir?

Mr. ROBERT C. BYRD. Would the distinguished Senator not say he is putting his own interpretation, the Senator from Alabama's interpretation, on what General Torrijos said?

I do not agree with that interpretation the Senator puts on it.

Mr. ALLEN. I am just reading a direct quote.

Mr. ROBERT C. BYRD. The Senator is interpolating, as he said I was doing yesterday, and including his own interpretation.

I do not agree with that interpretation.

Mr. ALLEN. Very well. I do not know that the Senator from Alabama is prohibited from interpolating. I will read it without interpolating, then.

Mr. ROBERT C. BYRD. Yes. Then I will——

Mr. ALLEN. Let me remedy the short-

comings the Senator found in my remarks, first, before we go to something else.

Mr. ROBERT C. BYRD. The Senator has no shortcomings.

Mr. ALLEN. I know the Senator feels that way about it, and I appreciate it. I wonder, then, why he points out so many shortcomings.

Mr. ROBERT C. BYRD. The Senator does not have any shortcomings. Apparently, the Senator wants to put his own interpretation on what Torrijos said. That is not a shortcoming.

Mr. ALLEN. I was pausing and giving, as the Senator from West Virginia says, an interpolation.

I will read the direct quote. I thought the Senator obviously noted when I departed from the text to give my interpolation. I guess others who heard had no trouble realizing that as well. Since the Senator called my attention to it, I will read the direct quote.

Mr. ROBERT C. BYRD. Please.

Mr. ALLEN. This is Mr. Torrijos talking, in direct quote:

I realized we both wanted the same thing.

That is Mr. Carter and Mr. Torrijos:

I don't want the canal unprotected but I don't want them—

Here is where the writer interpolated something, I say to the distinguished majority leader, because he puts in parenthesis "(the Americans)," so I suppose the Senator would not object to my interpolating to that extent.

I don't want them (the Americans) to overprotect us to the point of interfering with our lives. I want to establish a system where we press a button here and a bell rings there when the attack is greater than our ability to handle it. I wouldn't say it's a right the United States has—I'd say they are obligated to come to the defense of the canal.

So, Mr. President, that is a sharp departure from what the leadership amendment is supposed to accomplish.

I call attention to the fact that this interpretation was placed upon the language of the memorandum 2 days before the plebiscite, and the people of Panama, acting upon what their maximum leader said the memorandum meant, had every reason, in agreeing to the treaty in the plebiscite, to feel that the maximum leader was correctly interpreting the provisions of the memorandum.

So, Mr. President, this difference of opinion which appeared still exists. It has not been recanted by Dictator Torrijos, so far as I know.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Mr. Torrijos also said this——

Mr. ALLEN. Sir?

Mr. ROBERT C. BYRD. General Torrijos also said this:

I would sign this—

Mr. ALLEN When is this?

Mr. ROBERT C. BYRD. October 20, just 3 days before the plebiscite.

Mr. Torrijos said this:

I would sign this—

Parenthetical interpolation, meaning the statement of understanding, close parenthetical interpolation—

right here if you want. If Carter asks, I would sign this——

Mr. ALLEN. Sign what?

Mr. ROBERT C. BYRD. That was my parenthetical interpolation.

Mr. ALLEN. Sign what?

Mr. ROBERT C. BYRD. The Senator was not listening.

Mr. ALLEN. The unsigned memorandum?

Mr. ROBERT C. BYRD. The distinguished Senator was not listening. The joint statement of understanding.

Mr. ALLEN. You said "this." I did not hear "the general statement of understanding."

Mr. ROBERT C. BYRD. You did not hear my interpolation.

He said:

I would sign this if Carter asks, because this is what our youth, our generation, want, and this is the peace which I am going to take to my grave, that I do not leave a canal, which is greatly coveted by the whole world, without knowing that a great power is obligated to come to its defense.

The statement of understanding establishes the right, beyond any peradventure of doubt, that the United States shall act against any threat to the defense of the canal or to the transit of vessels through the canal.

So, while the Senator reads one statement and interprets it, I read another and interpret it.

Mr. ALLEN. I thank the Senator.

The Senator left out the rest—I am not saying it is there—but he left out the rest of the statement of Mr. Torrijos. I do not dispute that Torrijos said that he felt reassured that a great power would come to the defense of the canal. What he left out—I am not saying you failed to read something that is there—what he left out was Torrijos' views and the circumstances under which they would come to the defense of the canal—that is, when Torrijos would press the button, and that was a condition precedent to our coming to the defense of the canal, under Mr. Torrijos' interpretation.

Mr. ROBERT C. BYRD. The Senator may have left out something in his statement, also.

Mr. ALLEN. I was not reading the statement. I was merely stating my view of his statement.

Mr. ROBERT C. BYRD. But the Senator read a statement prior to that.

Mr. ALLEN. I did read from it. I would have been glad to read all, but it did not seem to be pertinent to the issue at this time. I would be glad to read it, if the Senator wishes.

Mr. ROBERT C. BYRD. The issue at this point is not the head of the line amendment, either. The Senator has been addressing his remarks in great measure to the second amendment which the joint leadership will offer. The amendment to article VI is not the issue, either, if the Senator wants to make that point.

Mr. ALLEN. Nevertheless, the amendment that is pending contains language that is part of the original memorandum.

Mr. ROBERT C. BYRD. Oh, yes.

Mr. ALLEN. So I could hardly fail to call attention to it. I had to call attention to the memorandum, because that is what the amendment is based on.

Mr. ROBERT C. BYRD. I know he had to call attention to the memorandum. What I am saying is that the Senator just said that the Senator from West Virginia was not addressing himself to the issue.

Mr. ALLEN. I did not say that. The Senator is misquoting me.

Mr. ROBERT C. BYRD. I digressed momentarily to say that the Senator from Alabama has not been addressing his remarks entirely to the issue before the Senate.

Mr. ALLEN. I thought the Senator was talking about having addressed the statement.

Mr. ROBERT C. BYRD. The amendment before the Senate is not the head of the line amendment, as the Senator knows. The amendment before the Senate, against which the Senator from Alabama is going to lodge a point of order, is the amendment to article IV.

Mr. ALLEN. It is the head of the line amendment. The Senator is in error. It is the head of the line amendment. Is that not correct?

Mr. ROBERT C. BYRD. That is to article VI. The amendment we have up now is the amendment which establishes the right, beyond any peradventure of doubt, that the United States shall take action, whatever action is necessary, to protect the canal or the transit of any vessel through the canal against any threat. That is what is before the Senate now. That is the amendment before the Senate now.

Mr. ALLEN. I thought the Senator was criticizing me because I did discuss the matter of the United States being allowed, under Torrijos' interpretation, to come to the defense of the canal. The two amendments are part and parcel of each other, generally referred to as the leadership amendment. So certainly the Senator from Alabama has a right to discuss the entire leadership amendment complex.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. SARBANES. The Senator, earlier in his discourse and again just now, said that Torrijos said that we could come to protect the neutrality of the canal only when he called for it. I would like to know where the Senator gets the word "only."

Mr. ALLEN. I will be glad to read it. The Senator from Maryland has asked me a question, and I will answer it, so the Senator will know.

I am reading from a newspaper article of October 21, 2 days before the plebiscite.

By the way, it was mentioned that I was not reading the whole statement so, if not, I had better read that.

Torrijos said now that he has returned—

And I pointed out this was an article in the Washington Star of October 21, and I assume the statement took place in between the agreement on the memorandum and the 21st of October, but—

Torrijos said now that he has returned from speaking with leaders in Europe he accepts their word that it is impossible for the Senate to play with the destiny of so many countries that use the canal.

I wonder if that is the basis for the proponents of the treaties calling for the defeat of every amendment that is before the Senate? That was an interpolation, I might add:

Torrijos refused to speculate on the outcome of either the U.S. Senate ratification fight or the national plebiscite to be held here Sunday. He made it very clear he was very satisfied with what he contributed to his visit with President Carter last week.

I guess so because one of the provisions of the leadership amendment and the memorandum was that in no event, as we intervene to protect the canal, would we interfere with the internal affairs of Panama. He accomplished a great deal there putting that in the memorandum. He had every reason to be proud of his accomplishment. Why? Because Panama, either under the present leadership or under control of Cuba or Russia or some other foreign power, may be the very country preventing our use of the canal or our defense of the canal. So he has a commitment that goes to the end of time, to the end of time, Mr. President, so we will not in any intervention in Panama in the defense of the canal interfere with the internal affairs of Panama.

Mr. President, that puts me in mind of President John Kennedy's commitment to Khrushchev when Khrushchev agreed to remove the launching pads there from Cuba, and he exacted a commitment from John F. Kennedy that we would not invade Cuba.

So here we are, Mr. President, under this Neutrality Treaty that has existence in perpetuity, to the end of time, and we pledge that we will not, in intervening to defend the canal, will not interfere with the internal affairs of Panama.

Suppose it is controlled by Cuba? Suppose it is controlled by Russia? Oh, no, they would meet the amphibious landing there on the beaches, I guess, and show them this leadership amendment and say, "Well, no, you all cannot interfere with our internal affairs. Here it says this in the leadership amendment."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes; I will yield for a question.

Mr. ROBERT C. BYRD. If the Senator will yield only for a question——

Mr. ALLEN. Very well, I will yield without losing my right to the floor. I want to accord the distinguished Senator every courtesy, as he did to me. I make no point about it.

Mr. ROBERT C. BYRD. I will respond on my own time. I thank the Senator.

Mr. ALLEN. Just in case it may be thought I was interpolating the wording of the leadership amendment, let us read here, this is to article IV this amendment we have under consideration, on page 3, line 3, when we talk about our having the right to defend the canal:

defend the canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal.

That is right before line 3:

This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama.

Well, how are you going to defend the canal and assert our right to defend it if Panama is the one that is preventing our use of it either under the present regime or under the regime of some foreign power between now and the year 2000, without just incidentally interfering with the internal affairs of Panama? If you are at war with them and you are on their soil I would think you are interfering with their internal affairs. We have pledged not to do that under the leadership amendment:

Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

Minister of Economics Barletta of Panama said Panama was going to skim off $2,262,000,000 in the 22 years. It does not take an expert in arithmetic to divide 22 into $2,262,000,000. It is $100 million plus they are going to be getting.

So I believe Dictator Torrijos will be able to perpetuate himself in office with this $100 million a year for spending money. So, Mr. President, it would seem to me that the contention of the proponents of the treaties and of Mr. Torrijos himself that since the people of Panama approved in a plebiscite the treaties after the memorandum was agreed to, unsigned memorandum was agreed to, between President Carter and Torrijos, therefore, they approved the memorandum as well—well, assuming that they did, assuming that statement is correct, with which I disagree, by the way, but assuming it is correct, they approved the treaties, let us assume they knew of the memorandum. How many Panamanians knew of the memorandum? Mighty few, I daresay, but those who did know of it did they not take Mr. Torrijos' interpretation of it? Why, surely they did.

They did not approve the U.S. interpretation. Torrijos says, "Oh, I talked to them about it on the radio, they knew all about it." If they knew anything about it they knew about Mr. Torrijos' interpretation and not the U.S. interpretation. Do you think he told the Panamanians, "Well, the people of the United States have this interpretation on it, but I do not believe that. I think this interpretation is what applies." Well, you know he told them only one side of the story. So if they did approve the treaties after the memorandum was agreed to, they did not approve the interpretation that the United States must place on the memorandum and its offspring, the leadership amendments.

Now, Mr. President, let us read a portion of the leadership amendment.

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. ALLEN. That is, of amendment No. 20.

Mr. SARBANES. Will the Senator yield?

Mr. ALLEN. Yes, I yield.

Mr. SARBANES. It is possible, before the Senator begins to read, for him to give us the quotation where Torrijos used the word "only," which the Senator cited within his quotation previously in this debate; cited with respect to the statement of Torrijos concerning his interpretation of the memorandum of understanding?

Mr. ALLEN. Yes, I will be glad to do that. I assure the Senator, as the Senator well knows, that in the interpretation of language—in the interpretation of the Constitution, for instance—where one interpretation, one course of action, is stipulated without any reference to another method, then the original method will be treated as being the sole method.

Mr. SARBANES. But what——

Mr. ALLEN. No, let me finish. He says nothing in his statement about any other system of defense. So why should I think that there is any other system of defense?

"I don't want the canal unprotected, but I don't want them (the Americans) to overprotect us to the point of interfering with our lives."

Mr. SARBANES. Is that a quotation?

Mr. ALLEN. Yes, this is.

Mr. SARBANES. All right.

Mr. ALLEN. I do not wonder that the Senator is worried about whether that is a direct quotation, because it gives him the answer he did not want, shall I say. "I want to establish a system"—not two systems.

Mr. SARBANES. Is that a quotation?

Mr. ALLEN. This is a direct quotation, yes, I will say to the Senator.

Mr. SARBANES. "Not two systems" is a quotation?

Mr. ALLEN. Yes. "I want to establish a system." The Senator knows what "a system" is.

Mr. SARBANES. Was "not two systems" a quotation, or was that the Senator's interpretation?

Mr. ALLEN. No, I am reading purely from a direct quotation of Mr. Torrijos.

Mr. SARBANES. Was the phrase "not two systems" part of the Torrijos quotation?

Mr. ALLEN. By implication.

Mr. SARBANES. All right. That is the Senator's interpretation.

Mr. ALLEN. I did not say that was a direct quotation. I was not reading from the quotation there. But if it authorizes "a system," that does not mean it authorizes two systems. The Senator realizes, I know, that "a" is singular; it means one.

Mr. SARBANES. If the Senator will yield, all I am trying to do is get clearly understood what the quotation is and what the Senator's interpretation upon the quotation is.

Mr. ALLEN. Yes.

Mr. SARBANES. And not intermix the two.

Mr. ALLEN. I have not tried to intermix the two. The other time I was giving my interpretation of the section. Now I am giving the Senator the pure lan-

guage, and I do not believe it is very pleasing to him.

Mr. SARBANES. No, if the Senator will permit me, earlier, in terms of quoting, the word "only" was used. Now I want to get to the point of whether the word "only" is in the quotation, or whether the word "only" is the Senator's interpretation upon the quotation.

Mr. ALLEN. The word "only" is the Senator's necessary implication from the use of the words "a system."

Mr. SARBANES. I appreciate, then, the Senator's responding to my direct question.

Mr. ALLEN. Yes.

Mr. SARBANES. That is the point I wanted to clarify, and I thank the Senator.

Mr. ALLEN. I thank the Senator, and I assure the Senator that I have not sought in any manner whatsoever to confuse the Senator, but sometimes I do not read from this clipping. At the time I gave my judgment, as a Senator has the right to do about any comment he wishes to make. I do not have to stand up here and read a quotation from beginning to end; I have a right to lay that aside and make my interpretation of it.

Mr. SARBANES. Well, if the Senator will yield——

Mr. ALLEN. No, let me finish, please. I have the floor, and my interpretation, which I gave, that it is only this one system which he foresaw, was based on a direct quotation, which the Senator wants to hear, I am sure: "I want to establish a system."

This is a direct quotation. But if it is "a system" that does not mean two systems, that means only one. "A system where we press a button here and a bell rings there when the attack is greater than our ability to handle it. I wouldn't say it's a right the United States has—I'd say they are obligated to come to the defense of the canal."

That is the interpretation Torrijos put on this memorandum, which is understood by all of us as well as the leadership, I am sure, and I daresay, unless he has changed his mind, and we have no indication of that, that is still his interpretation.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I yield to the majority leader.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Alabama has been interrupted a good many times by this Senator, so I hesitate to ask him how much longer he intends to speak before he lodges his point of order. The Senator from West Virginia and the Senator from Tennessee spoke briefly on the amendment. The Senator from Alabama has been speaking on the two amendments; he has been speaking on the head-of-the-line amendment, which is not before the Senate, and also addressing his remarks to amendment No. 20, I believe it is, which is now before the Senate.

But I wonder if the Senator would be kind enough, at this time, to indicate how much longer he would expect to retain the floor to discuss the amendment before he begins discussing the point of order. I am very much interested in discussing the point of order and getting on with the disposition of that one way or the other, and I ask the question with the admission that I have interrupted the Senator a number of times and caused him to take a considerable amount of time in responding to my questions. Could the Senator give us some idea, if he is not interrupted further, how much longer he would require to get around to the point of order and then to make his arguments in support of the point of order?

Mr. ALLEN. I thank the distinguished majority leader for making this inquiry. I will state to the distinguished Senator that I would have been through at least 30 minutes ago had the Senator, in seeking to bolster his argument, not interrupted me and had I not been interrupted by the Senator from Maryland on several occasions on rather minor points.

I had started discussing the point of order and was interrupted again and again. I have no objection to that, but I do want to point out to the distinguished majority leader that the Senator from Alabama is not wholly at fault in having talked a few extra minutes.

Mr. ROBERT C. BYRD. No, I agree with the Senator.

Mr. ALLEN. But I would state—and the Senator premised his inquiry on the fact that I not be interrupted again—I would state that if I am allowed to speak uninterrupted for 12 minutes—and I would be glad to put a time limit on there, if that would help the Senator feel that the Senator from Alabama is not abusing his right to further discuss this matter—I would say that if not interrupted further, I will conclude my remarks in not more than 12 more minutes.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. I would not want anyone to imply from my question that the Senator has abused his right to discuss his point of order. I am not implying that at all. I have no intention of narrowing the Senator's time down to 12 minutes, but if within 15 or 20 minutes the Senator could complete his arguments and make his point of order, then I would like to obtain the floor to respond to the Senator's remarks on the point of order.

Mr. ALLEN. Why, surely.

Mr. ROBERT C. BYRD. I will not interrupt the Senator further.

Mr. ALLEN. I must say that even though I have been interrupted from time to time, I have allowed such interruptions; and I might say further that I have benefited by those interruptions, because points have been elicited from me that incidentally have strengthened my position and the position of those of us who are opposing these treaties.

I think a very important matter that has been brought out, and was brought out by the questioning of some of those supporting the treaties, was the matter of the approval of the treaties in the plebiscite by the Panamanians at a time when Dictator Torrijos was putting an entirely different construction on the memorandum that had been entered into between him and President Carter.

So knocking into a cocked hat Mr. Torrijos' contention that agreeing to more amendments here in the Senate, even the leadership amendments will not require another plebiscite in Panama because Panamanians were familiar with the memorandum. They were also familiar with Dictator Torrijos' construction of that memorandum which varies 180 degrees from the construction placed on the memorandum and the leadership amendment by our Government. So this built-in difference of opinion still exists because the leadership amendments are spinoffs or offsprings of the memorandum.

And now I point out again, Mr. President, that the leadership amendment, amendment No. 20 to article IV——

Mr. ROBERT C. BYRD. Will the Senator yield?

I want to do this to protect the Senator.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senator may be allowed to proceed without further interruption for 15 minutes.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

Mr. ALLEN. I want to object to that, Mr. President, because I am not going to try to preclude questions from Senators.

So, I thank the Senator for his courtesy, but I do not insist upon it.

The PRESIDING OFFICER. Objection is heard.

Mr. ALLEN. Now, Mr. President, I pointed out that under the rules understandings are not in order in the Committee as a Whole to the treaty.

Is this document labeled "amendment"? Is it in fact an amendment, or is it an understanding? Well, it refers to the statement of understanding issued by the United States and the Republic of Panama.

Then, it proceeds to quote from the memorandum, giving it construction of existing provisions of the treaty. It has a lot of words.

The distinguished majority leader is going to say, "Well, yes, it is put in there. It is added to the treaty." But when you get through it—when it has been added, as it will be added, I do not have any idea that the Senate will sustain my position, but yet the point must be made. Is this an understanding or is it an amendment? If it is an amendment, then it is properly before the Senate and can be added, but after the smoke from the battle is cleared away, when you start looking at the forest and your side is not obscured by the treaties, and you analyze what we have done by adding this in the so-called amendment, we have added to the treaty, to article IV, an understanding and we have called it an amendment. That is the long and short of it, Mr. President.

Now, do you look to the form, in the final analysis? I am not talking about the admissibility of this document. You can put in there, I assume, under the nongermane it is true—most any statement he wanted to, but when we complete action on the treaty, and it is sent down there to Panama for such action as

Mr. Torrijos deems fit to apply to it, is he going to look at it and say, "They did not amend that treaty. They have still got that understanding that I told them I disagree with." It just leaves Mr. Torrijos one more opportunity to have the last laugh on the much-hated gringos, and that is what is going to result, Mr. President, when Mr. Torrijos looks at this understanding.

It is a direct quote shown here of the understanding. Knock out this language about the language of the treaty means thus and so. Put in the words that we say it means. That is the only way to handle this; not improperly add an understanding and call it an amendment. Add to this resolution for ratification where it should go, but in the meantime to protect our national interest, at least put this where the substance of it makes it an amendment and not just an understanding.

Mr. President, on the point of that, amendment No. 20 before the Senate is in fact not an amendment, and in fact is an understanding, because it adds nothing of substance to the treaty. It merely gives a construction of these existing provisions of the treaty, because under the Senate precedents understandings are not in order during the Committee as a Whole, they are not in order to the treaty itself; and therefore, Mr. President, I raise a point of order that so-called amendment No. 20 is in fact not an amendment. It is an understanding. It is not in order to offer an understanding to the body of the treaty.

I yield the floor.

The PRESIDING OFFICER. Under the previous order the Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from Alabama makes the point of order that the language of amendment No. 20 to Executive N 95–1 constitutes an understanding rather than an amendment to the treaty, and consequently should be offered to the Resolution of Ratification as an understanding.

The distinguished Senator, therefore, makes the point of order that amendment No. 20 is not in order.

Mr. President, before I proceed, may I ask the Chair if it is the Chair's intention to rule on this point of order, or is it the Chair's intention to submit it to the Senate for its decision?

The VICE PRESIDENT. The Presiding Officer intends to rule.

Mr. ROBERT C. BYRD. The Presiding Officer intends to rule.

I thank the presiding distinguished Vice President.

Mr. President, the Senator from Alabama knows my affection for him. I respect the Senator from Alabama. I believe that he is the foremost parliamentarian in the membership of this body. I respect him as a gentleman and a colleague—and I know that he understands that—even though from time to time we have rather sharp exchanges, that they are not meant to be personal. They are not personal, and they do not in any way erode or lessen my respect and high regard for him.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I want to assure the Senator, as he already knows, that I feel exactly the same about the distinguished Senator, and he knows of my great admiration and warm affection for him.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President—

The roses red upon my neighbor's vine
Are owned by him, but they are also mine.
His was the cost, and his the labor, too.
But mine as well as his the joy, their loveliness to view.

They bloom for me and are for me as fair
As for the man who gives them all his care.
Thus I am rich, because a good man grew
A rose-clad vine for all his neighbors' view.
I know from this that others plant for me,
And what they own, my joy may also be.
So why be selfish, when so much that's fine
Is grown for me, upon my Alabama neighbor's vine.

JIM ALLEN contributes immeasurably to the debate on this treaty which is before us, as he has contributed so many times and in so many ways to the debates of the Senate. He is a man of great wisdom, a man of superb logic and understanding, an articulate spokesman for his cause.

I find myself, therefore, rather surprised that he would raise a point of order against this amendment basing his point of order on his interpretation of the construction of the language as being the language of an understanding rather than an amendment. I cannot understand the logic of his argument.

Of course it is an amendment.

He says that it adds nothing of substance. He says that the test is whether or not it amends something. The test is whether it does amend something. He says that this amendment No. 20 does not amend a thing; that it does not add a new phrase; that the words are already in the treaty.

Mr. President, if a comma is added to the treaty where there was no comma, the text of the treaty is amended. This amendment adds, and I read line 1, page 2:

At the end of Article IV insert the following:

Something is being added. Something is being inserted.

What is being inserted?

A correct and authoritative statement of certain rights and duties of the Parties under the foregoing is contained in the Statement of Understanding issued by the Government of the United States of America on October 14, 1977, and by the Government of the Republic of Panama on October 18, 1977, which is hereby incorporated as an integral part of this Treaty.

That statement of understanding entered into between General Torrijos and President Carter is being incorporated into the text of the treaty.

An amendment is an amendment when it purports to change in any way the language of a bill, resolution, or treaty; if it purports to add or to take away even the slightest comma where there is one; if it purports to take away a semicolon where there is a semicolon; if it purports to make a change in the text of that bill, resolution or treaty. That is what an amendment is. That is the test of an amendment.

The Senate may vote it up or vote it down, but it cannot be said that it is not an amendment. The Senate may add language to a bill purporting to be the sense of the Senate.

Mr. BARTLETT. Will the Senator yield?

Mr. ROBERT C. BYRD. Not at this point. I will yield in a moment.

A Senator may offer language to a bill, language which purports to be the sense of the Senate, and even though that language may be toothless, and merely expresses the opinion of the Senate, if it is added to that bill, that bill is amended.

So, Mr. President, the language of this amendment states on its face that something is being inserted, it states what is being inserted, and it states that what is being inserted is the statements of understanding issued by the Government of the United States of America and by the Government of the Republic of Panama. It states that the statement of understanding is being incorporated as an integral part of the treaty.

Mr. President, I find myself at a loss to understand how the inimitable Senator from Alabama can argue against what to me is a signpost, the words of which are unmistakable and clear.

He said that the amendment does not add a new phrase; that the words are already in the treaty.

Mr. President, the Senator is inaccurate when he makes that statement. It does add words that are not already in the treaty.

Let me read article IV:

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties.

That is the language which is in the treaty in article IV. The Senator says that the leadership offspring, to use his very exact words——

Mr. ALLEN. No, not the leadership's offspring, I shall say, it was the memorandum's offspring.

Mr. ROBERT C. BYRD. The memorandum's offspring; all right. We shall not get into any discussion about offspring, then, at this point.

But he would have us believe that the leadership amendment does not amend a thing, does not add a new phrase; the words are already in the treaty.

Well, I have read the words in article IV of the treaty. Now let us read the words in the amendment. I shall just begin with line 9 on page 2:

Under the Treaty Concerning the Permanent Neutrality and Operations of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries—

This is new, Mr. President. These words are not in the treaty—

shall, in accordance with their respective constitutional processes, defend the Canal

against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vesels through the Canal.

Now, Mr. President, nowhere in this treaty do I find those words. So, indeed, the amendment is adding words and phrases, words that are not already in the treaty.

Mr. ALLEN. I thank the Senator for yielding.

The Senator says that the language here in the amendment is not in the treaty. He read the first sentence there:

Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations.

This is just a shorthand rendition of what the treaty says. That is proven by the fact that the next sentence says, "The correct interpretation of this principle." In other words, the principle is already in the treaty and this first sentence is a shorthand rendition of the whole body of the treaty.

Then it goes on and gives an interpretation of what this principle means, but it does not add any words. It merely adds an interpretation and not a basic change to the treaty.

Mr. JAVITS. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. JAVITS. Mr. President, I think I have labored over these words as long as anyone in this Chamber in connection with the consideration of this matter by the Committee on Foreign Relations, before whom the majority and minority leaders appeared. I beg the Chair, if the Chair would, to listen to me, because I think this is a key point.

I thoroughly agree with the Senator from West Virginia. May I explain why? This is really after a lot of study and some sleepless nights on this very point, because, first, I did not think this amendment was required. Now I believe that it is highly desirable.

The operative words of article IV are "to maintain." The operative words of the amendment are to "defend" and to "act." Those are the three operative situations in the amendment and in article IV.

Now, the difference is between passive and active; in short, "to maintain" can be construed as meaning that we will do nothing to change the neutrality. The action words mean that we will act against others to maintain the neutrality.

This is as different, Mr. President, as day and night. That is exactly why this amendment is here, because we wish to make it clear that not only will we maintain—to wit, we shall do nothing to compromise the neutrality—but that we will act against others if we choose. That is true. If we choose, we will act against others to see that the canal remains neutral.

It seems to me that this is so fundamental a difference as to represent a highly proper and an essential amendment.

Mr. ALLEN. Will the Senator yield?

Mr. JAVITS. I happily will debate it.

Mr. ALLEN. Will the distinguished majority leader allow me to answer the distinguished Senator from New York?

Mr. ROBERT C. BYRD. Yes; let me say first that I agree with the distinguished Senator from New York. He has put his finger on the gravamen of the operative words of article IV and the operative words that are in amendment No. 20. He has pointed out very clearly the great distinction between those operative words and the very meaningful distinction between them which is, in essence, the Senator is saying that amendment No. 20 is, indeed, adding something of substance to the treaty.

Mr. JAVITS. Exactly.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. The Senator says that action words have been added. Actually, is it not correct that what the understanding or amendment does is not to add these new words, but to say, in effect, that these words are embraced in the language that is already a part of the treaty? Is that not the effect of it?

Mr. JAVITS. Will the Senator yield to me?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. JAVITS. I have drawn a lot of contracts in my day, Mr. President. So have many Senators who are lawyers. How often have we encountered a situation where the other side will read the contract and say, "Well, now, what about so and so in this contract?"

We say, the lawyer who has drawn the contract, "Well, that is very clearly implied from the words."

They say, "Look, brother, as long as it is implied, let us say it."

So, even if you accept Senator Allen's argument, which I cannot accept for the reasons I have stated, it seems to me when you add, "Let's say it," that is an amendment, to, because, to satisfy us, rather than Panama, we say, "OK, if it means it, let's say it," and that settles all doubts.

I think that even that in this kind of treaty as if it were a demurrer, which Senator ALLEN says would justify this as an amendment.

Mr. ALLEN. The trouble with the Senator's argument is that these words are not added. All that is added is an interpretation saying that that is the meaning of words that are already there. No new words are added here. If the Senator will read, "The correct interpretation of this principle is that" these other things follow; not that they are adding new words, but that this interpretation is placed on words already in the treaty, embraced in the principle cited in the first sentence.

Is that correct?

Mr. JAVITS. Mr. President, if the Senator will yield to me again, it is not correct, because, however they may have described it as an interpretation, if in fact it is an amendment, then it is an amendment. That is what I am arguing. I am arguing that, in fact, it is an amendment, because "to maintain" is passive. We will maintain. But "defend" and "act" are active. Not only will we maintain, but we will act and defend against others. That is substantive. Whatever they may say about it, that is a substantive amendment.

Mr. ALLEN. But the document does not add these action words. What it says is that this is the interpretation we place upon existing words. It does not add any action words.

Mr. JAVITS. I respectfully submit, if the Senator will yield again, that the word "act" and the word "defend" are added words. They give us, if accepted on the other side, rights and duties which are now unquestioned. We have stated it in haec verba.

Mr. ALLEN. That is the interpretation given to existing words. The Senator will not face that point.

Mr. ROBERT C. BYRD. Mr. President, I think something like 219 words are being added by this amendemnt to the treaty. In article IV, as the distinguished Senator from New York has so aptly and correctly pointed out, the United States of America and the Republic of Panama agree to maintain a regime of neutrality established in the treaty. But the language that is being added by the leadership amendment provides that each of the two countries—each of the two countries—shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime of neutrality.

Now, that would mean any. Any is all-embracing. It leaves out nothing. It would mean any threat, externally or internally, to the canal.

Mr. BARTLETT. Would the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BARTLETT. I thank the distinguished majority leader very much for yielding.

Is the majority leader saying, on the one hand, that his amendment adds additional words to article IV and that those words constitute a substantive change in the meaning of article IV?

Mr. ROBERT C. BYRD. I am saying in response to the Senator from Alabama, who first said that they add no words, and obviously they add 219 words; he said they add no phrases, and they obviously add phrases; he said they add no substance, and I am saying that they add even to the substance.

Mr. BARTLETT. Well, I am asking the distinguished Senator if in his opinion his amendment, the leadership amendment, adds and makes a substantive change to article IV?

Mr. ROBERT C. BYRD. Yes. I think it does, and I have just stated why.

Mr. BARTLETT. I thank the Senator.

Mr. HATCH. Will the Senator yield?

Mr. ROBERT C. BYRD. I am not yielding further. I told the Senator earlier I would yield to him, but right now I would like to finish my argument, then I will be glad to yield.

Earlier it was pointed out by both the Senator from New York and myself, on the operative words that are used in article IV, that the operative word is "maintain." The operative word used in the amendment is "act." The words, "shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal."

Now, the language in article IV does not use the word "any" in that respect. It makes no reference to any threat. It does not say that the United States of America and the Republic of Panama shall act against any threat, and so, indeed, these words add substance.

Mr. BARTLETT. I think the distinguished Senator from New York also cited the words "to defend" as an operative action.

Mr. ROBERT C. BYRD. Yes, he did.

Mr. BARTLETT. So those together, and the meaning of all the words, makes a substantive change in article IV?

Mr. ROBERT C. BYRD. Well, in my view, they certainly strengthen the treaty—strengthen the treaty—and they would conform with the desires of Members of the Senate who have expressed concern on the two points, one having to do with the head-of-the-line movement of vessels, the other having to do with the right to act against any aggression or any threat to the canal.

These concerns have been expressed by Senators, and they were implied in the Gallop poll of not very long ago as being of concern to the American people, as well.

Mr. BARTLETT. Will the Senator yield?

Mr. ROBERT C. BYRD. I will yield to the Senator again in a moment, I will be delighted to.

In an October CBS-Time survey, there was a question asked of the American people:

Suppose you felt the treaties provided that the United States could always send in troops to keep the canal open to ships of all nations. Would you approve of the treaties? The results showed a complete reversal—from opposing the treaties by 49 per cent to 29 per cent, to favoring them by 63 per cent to 24 per cent.

In the January NBC News survey, this follow up question was asked: "Would you favor or oppose approval of the Panama Canal treaty if an amendment were added specifically giving the U.S. the right to intervene if the canal is threatened by attack?" Again the results abruptly reversed. The original question showed 62 per cent to 28 per cent opposed to the treaties among those who had heard or read about them, but the second question produced a 65 per cent to 25 per cent margin in favor of such amended treaties.

So the leadership amendment attempts to direct its thrust to the concerns that have been reflected by the American people in their answers to questions in the polls to which I have referred.

Mr. BARTLETT. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. BARTLETT. I thank the distinguished Senator very much.

I would just point out that further above, or earlier, in the leadership amendment, is another action word, and an operative word, "to assure"—To assure that the Panama Canal will remain open."

But I would ask the distinguished Senator, does not the word "amend" mean "to change?"

Mr. ROBERT C. BYRD. Yes.

Mr. BARTLETT. I thank the distinguished Senator.

Mr. LAXALT. Will the distinguished majority leader yield for a question or two?

Mr. ROBERT C. BYRD. May I yield first to Mr. Hatch? I have not completed my statement, but I will yield to him.

Mr. LAXALT. Of course.

Mr. HATCH. I am happy to wait until Senator Laxalt concludes his questions.

Mr. LAXALT. I thank the Senator from Utah.

In connection with wording used in the proposed amendment, we have the words "defend the canal against any threat to the regime of neutrality."

If we have a problem in connection with operation and maintenance of the Panamanian authorities, would that be covered by this language?

Mr. ROBERT C. BYRD. Would the Senator state his question agian?

Mr. LAXALT. Surely.

The proposed amendment provides that each of the countries, being Panama and the United States, would have the right—I will read line 16.

Mr. ROBERT C. BYRD. Yes.

Mr. LAXALT. I quote:

defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any agression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

It seemed to me if we developed, as has been expressed by a number of the Senators here, a problem in connection with the proposed operation and maintenance of the canal, for whatever reason, by the Panamanians after the year 2000, that this language may or may not cover it.

I would like the view of the distinguished majority leader in respect to my question.

Mr. ROBERT C. BYRD. I do not think there is any doubt but that the Panamanians have the ability—have the ability—to operate that canal efficiently after the year 2000.

Seventy-five percent of the employees at this time are Panamanians. It is contemplated that if the treaties are ratified the number of Panamanians who will be engaged in the operation and maintenance of the canal will increase. The United States will make every effort to train the Panamanians to take over the positions that require additional skill.

So we are looking down the road now 22 years away.

I hope the Senator by his question would not imply that the Panamanians within the next 22 years, under the training of the United States of America, will not be able to operate that canal efficiently and look after its maintenance properly.

It will be in the best interests of the Republic of Panama to operate that canal efficiently and to maintain it properly, because it is the country's most important resource.

What these treaties will do will be this: They will increase the stake of the Republic of Panama in the proper operation and maintenance of that canal, a stake which the Republic of Panama does not now have as completely and fully as it will have if the treaties are ratified.

So I have no problem with the proper operation and maintenance of the canal by the Panamanians. They have the inherent ability. They will have the desire all the more, they will have the good reason all the more, to operate that canal and maintain it properly. With the training they will be given by our own experts in these skills over the course of the next 22 years, I do not think that the situation which the distinguished Senator contemplates will become a reality.

Mr. LAXALT. May I reply to the distinguished majority leader?

Mr. ROBERT C. BYRD. Well, I did not think that my response would need a reply, but I will be glad to yield to the Senator.

Mr. LAXALT. I would not want the record to indicate that the Senator from Nevada has any present reservations about the ability of the Panamanians to operate and maintain this canal. I must confess that I came into this debate with some reservations. One of the byproducts of the debate has been to dispel that. That is not my concern.

My concern is a political concern that, despite the best intentions of the Panamanians, despite the fact that they have the capability and certainly will develop the remaining capability over a period of 22 years, what happens in the event of the type of political problem Senator GARN has spoken of so frequently during the course of this debate, that they attempt to siphon funds away from maintenance and eventually, through political dereliction, are not able to properly maintain the canal? Are we covered, by the wording in the proposed amendment, against that type of contingency?

Mr. ROBERT C. BYRD. The Senator wants to presume something that I do not want to presume. He wants to anticipate something that I do not want to anticipate, and I do not anticipate. He presumes by his question that it will not be in the best interests of the Panamanians to maintain this canal properly. I do not presume that at all. I presume just the contrary, that it will be in their best interests to properly maintain the canal so as to keep it running efficiently and operating well; because financially—the Senator talks about siphoning off funds and using them for something else—the Panamanians will recognize, as readily as the Senator from Nevada recognizes or the Senator from West Virginia recognizes, the importance of maintaining that canal properly; because with proper maintenance, the returns by way of revenues to the Republic of Panama will be enhanced rather than lessened.

I want to presume that the Panamanians see it as in their own best interests to properly maintain the canal. So I will not assume what the Senator assumes in his question.

If I may get on with——

Mr. LAXALT. May I ask another question or two? I do not want to prolong this.

I think we are at the point where a

number of basic procedural questions have arisen in the discussion that the Senator from West Virginia and the Senator from Alabama have had, as to what constitutes an amendment and what does not. In the position I occupy, in opposition, I am constantly asked by our colleagues as to what the difference is between an amendment and a reservation and an understanding.

At this point, and very quickly, under the terms of the time agreement, we are going to be considering items on this desk which are in the nature of reservations and understandings, and I would like very much to have the majority leader at this time tell me, on behalf of a number of our colleagues, what the essential differences are procedurally in terms of the quality of the particular instrument and, last, whether or not this amendment requires a plebiscite or whether the reservations and understandings on the desk presently would require an additional plebiscite.

Mr. ROBERT C. BYRD. As to the Senator's last questions first: I do not think that whether this amendment requires a plebiscite or whether other amendments require a plebiscite makes any difference, amounting to a hill of beans, as to what the question is before the Senate at this moment.

Why should I be drawn into a discussion here as to whether or not this amendment requires a plebiscite? The issue before the Senate is the one to which the Senator first addressed his question, and that was, I think, if I correctly understood him, that I attempt to explain the distinction betwen a reservation, an understanding, and an amendment—et cetera, et cetera.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MUSKIE. Mr. President, I have sat here for most of the afternoon, listening to this debate, and it seems to me, by and large, the debate misses the point.

Whether or not particular language is an amendment or an understanding or a reservation does not depend on anyone's definition of what an amendment or a reservation is. With respect to treaties, whether or not particular language is an amendment or an understanding depends upon whether or not it is a proposed change in the treaty or in the document of ratification.

I have in my hand a memorandum which was used in the Foreign Relations Committee which I think makes the point very clear, and I read this paragraph:

> Two types of changes, or additions, are possible: amendments to the texts of the treaties themselves, and amendments to the resolutions of ratification. The former take the same form as amendments to bills; language in the treaties can, for example, be stricken and other language inserted in lieu thereof. The latter are additions to the resolution of ratification which make advice and consent subject to certain conditions and are typically designated reservations, understandings, interpretations, declarations, and statements.

In other words, whether or not particular language—and it can be the same in either case—is an amendment or an understanding depends not on anybody's concept of the substance of such amendments but, rather, on the question of whether or not they are offered to the text of the treaty or to the resolution of ratification.

That is my notion of what the difference is. Since it has not been expressed by anybody else, I thought I would express it.

Mr. President, I ask unanimous consent that the entire memorandum be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM

To All Members.
From Norvill Jones.
Subject Treaty procedure; legal effect of changes.

This memorandum, prepared by Mike Glennon, the staff legal counsel, summarizes (1) procedure with respect to the Panama Canal Treaties; and (2) the legal status of amendments, reservations, understandings, etc.

PROCEDURE

Because two different treaties will be considered, two separate resolutions of ratification will be required, although the same Committee report will suffice for each treaty. The resolutions will be introduced by the Chairman prior to the beginning of markup on January 26 and will be referred solely to the Committee on Foreign Relations. (Each will provide, simply, that the Senate advises and consents to the designated treaty.)

Committee rules make no special provision for the handling of treaties. Thus, unless the Committee determines otherwise, the same procedure followed during the consideration of other measures will be followed in considering the treaties.

Two types of changes, or additions, are possible: amendments to the texts of the treaties themselves, and amendments to the resolutions of ratification. The former take the same form as amendments to bills; language in the treaties can, for example, be stricken and other language inserted in lieu thereof. The latter are additions to the resolution of ratification which make advice and consent subject to certain conditions and are typically designated reservations, understandings, interpretations, declarations, and statements. They may by implication amend the treaty without doing so explicitly, or they may not change the legal rights or obligations undertaken; in any event, whether amendments to the treaty or simply to the resolution of ratification, they are equally binding internationally and of full force domestically as "law of the land".

If it approves the treaties, the Committee will report two instruments to the Senate for each treaty: (1) the treaty itself, with or without amendments; and (2) the resolution of ratification, with or without amendments. Treaties are placed on the executive calendar of the Senate in the order reported and are taken up in that order.

Rule XXXVII of the Standing Rules of the Senate (see attached) governs the consideration of treaties. Under that Rule, two distinct sets of proceedings will take place on each treaty. First, the Senate will consider the treaty as in Committee of the Whole. (The Committee of the Whole procedure may be avoided only by unanimous consent or by suspension of the rules.) While in the Committee of the Whole the Senate will go through the treay article by article, at which time amendments may be offered. Amendments recommended by the Committee on Foreign Relation will be considered first and then other amendments may be offered. Only actual amendments to the text of the treaty will be in order at this time. Amendments to the resolution of ratification—reservations, understandings, etc.—are not then in order and cannot be offered until the resolution of ratification is presented.* At that time the Senate will vote on the amendments made by the Committee of the Whole. (It may do so en bloc only with unanimous consent.) Thus, amendments adopted in the Committee of the Whole must be voted on a second time. After the Senate has voted on amendments adopted in the Committee of the Whole, other amendments to the text of the treaty may be offered.

The second proceeding occurs with respect to the resolution of ratification. Following a wait of at least one calendar day, the Senate will take up the resolution of ratification for the treaty on which the amendment process has been completed. (Amendments which have been adopted to the text of the treaty are automatically incorporated in the resolution of ratification.) Amendments to the resolution of ratification—reservations, understandings, etc.—may be offered and voted on at this time. As is the case with amendments to the text of the treaty, amendments to the resolution of ratification must be approved by a simple majority. The vote on advice and consent, which requires the approval of two thirds of those present and voting, occurs after the Senate has concluded consideration of the resolution of ratification. All votes on amendments, reservations, understandings, etc. require only a majority vote for approval.

Given the above procedure, the consideration of amendments recommended by the Foreign Relations Committee would occur as follows: the resolution of ratification reported by the Committee will contain, in italics, any recommended amendments to the text of the treaty or to the resolution itself. Amendments to the text of the treaty will be acted upon first; under Rule XXXVII, when the article of the treaty to be amended is read, Committee amendments are considered before other amendments. Amendments proposed by the Committee to the resolution of ratification—reservations, understandings, etc.—cannot be offered until all floor amendments to the text of the treaty have been disposed of and the resolution of ratification is presented.

The Committee amendments to either the text of the treaty or the resolution of ratification may be considered en bloc by unanimous consent. They may also be moved separately. Thus, although the Committee may, hypothetically, recommend the addition of four understandings, the adoption of the amendments containing those understandings may be moved in four separate motions, and four separate votes would occur.

LEGAL EFFECT OF AMENDMENTS

As discussed above, there are two types of "amendments" (used generically): amendments to the text of the treaty itself and amendments to the resolution of ratification. Amendments to the resolution of ratification may be designated as follows:

(1) "Reservation." A reservation is a form of declaration by a state, when sign-

*The Senate Parliamentarian has indicated that his advice, based upon the most recent precedents, will be that amendments to the resolution of ratification will not be in order in the Committee of the Whole. The Senate has not invariably followed this procedure; on November 6, 1919, for example, during consideration of the Treaty of Versailles, Senator Lodge offered a reservation in the Committee of the Whole, against which a point of order was made. The Chair (Vice President Marshall, presiding) overruled the point of order, and the ruling was not appealed. *Cong. Rec.* 8022, Nov. 6, 1919.

ing, a ratifying, or adhering to a treaty, which modifies or limits the substantive effect of one or more of the treaty provisions as between the reserving state and other states party to that treaty. A true reservation asserts specific conditions of a character which (if the reserving state becomes a party to the treaty) effectively qualify or modify the application of the treaty and the relations between the reserving state and the other states party to the treaty. The condition, in effect, adds something of substance to the treaty or takes something of substance from it, and gives notice to other states concerned that the reserving state will not, in that respect, give effect to the treaty except on such conditions.

As noted above, the text of the treaty need not be amended explicitly in order to effect an amendment. An implicit, but equally effective, amendment may be effected through a reservation or understanding (see below). The Senate may provide by reservation, for example, that a certain provision will be without force and effect: such a reservation would be the functional legal equivalent of an amendment to the text of the treaty which strikes out the provision line-by-line. The latter, obviously, has greater political visibility, which may or may not be desirable inasmuch as that may be a principal determinant of whether a new Panamanian plebiscite is necessary.

(2) "Understanding." An understanding is a statement which is not intended to modify or limit any of the provisions of the treaty in its international operation but is intended merely to clarify or explain or deal with some other matter incidental to the operation of the treaty in a manner other than a substantive reservation. Sometimes an understanding is no more than a statement of policies or principles or perhaps an indication of general procedures for carrying out provisions of the treaty. Understandings are also on occasion called "interpretations".

(3) "Declarations" and other statements. These are used most often when it is considered essential or desirable to give notice of certain matters of policy or principle, without an intention of derogating from the substantive rights or obligations stipulated in the treaty. "Explanations", "clarifications", and "recommendations" are other designations which occasionally have been used.

Whatever label is attached to what is being done, it is the substance, and not the designation, that determine whether the material is a reservation or a declaration short of a reservation. Thus, a simple understanding, found on analysis to alter the substantive effect of the treaty, may in fact be a reservation. Conversely, material designated a "reservation" may in fact not modify or limit the substantive effect of the treaty and may thus constitute only an understanding. An amendment to the text of the treaty may, accordingly, constitute a reservation or something less, since it may or may not alter the treaty's substantive effect.

Whether material constitutes a reservation is determined by the non-reserving signatory. An amendment to the treaty or to the resolution of advice and consent is thus analogous to a counter-offer in the law of contracts. It may, if the "offeree" so chooses, require that negotiations be reopened, be rejected outright, or, if the offeree accepts it, bring a legally different agreement into effect. The addition of material which Panama chooses to regard as a reservation—or an amendment to the treaty which in the judgment of Panama alters its substantive effect—would therefore give rise to three options on Panama's part: (1) it could reject the modification, in which case the treaty would not take effect; (2) it could request that negotiations be reopened, in which case additional modifications could be proposed by Panama as a *quid pro quo;* or (3) it could accept the modification.

INTERNATIONAL LEGAL EFFECT

The act of ratification is not complete until "instruments of ratification" are exchanged. In order to be given international legal effect, amendments made by the Senate, or reservations, understandings, or declarations, etc., added by the Senate, must be incorporated in the instrument of ratification given to Panama. If they are so incorporated they will, as noted above, be of identical legal force and effect; the particular denomination attached to each by the United States will be legally irrelevant, since the substance of each will have been accepted by Panama.

In short, if the Senate elects to alter the substantive effect of the treaties, the label under which it chooses to do so—and there are many possibilities—will under domestic and international law be immaterial; each modification, if accepted by Panama, will have the same force and effect as the treaty itself. Whether Panama accepts is, of course, entirely within its discretion and the designation used by the Senate may be taken into account.

RULE XXXVII

EXECUTIVE SESSION—PROCEEDINGS ON TREATIES

1. When a treaty shall be laid before the Senate for ratification, it shall be read a first time; and no motion in respect to it shall be in order, except to refer it to a committee,[2] to print it in confidence for the use of the Senate,[2] to remove the injunction of secrecy, or to consider it in open executive session.

When a treaty is reported from a committee with or without amendment, it shall, unless the Senate unanimously otherwise direct, lie one day for consideration; after which it may be read a second time and considered as in Committee of the Whole, when it shall be proceeded with by articles, and the amendments reported by the committee shall be first acted upon, after which other amendments may be proposed, and when through with, the proceedings had as in Committee of the Whole shall be reported to the Senate, when the question shall be, if the treaty be amended, "Will the Senate concur in the amendments made in Committee of the Whole?" And the amendments may be taken separately, or in gross, if no Senator shall object; after which new amendments may be proposed.[3] At any stage of such proceedings the Senate may remove the injunction of secrecy from the treaty, or proceed with its consideration in open executive session.

The decisions thus made shall be reduced to the form of a resolution of ratification, with or without amendments, as the case may be, which shall be proposed on a subsequent day, unless, by unanimous consent, the Senate determines otherwise; at which stage no amendment shall be received unless by unanimous consent.

On the final question to advise and consent to the ratification in the form agreed to, the concurrence of two-thirds of the Senators present shall be necessary to determine it in the affirmative; but all other motions and questions upon a treaty shall be decided by a majority vote, except a motion to postpone indefinitely, which shall be decided by a vote of two-thirds.

2. Treaties transmitted by the President to the Senate for ratification shall be resumed at the second or any subsequent session of the same Congress at the stage in which they were left at the final adjournment of the session at which they were transmitted; but all proceedings on treaties shall terminate with the Congress, and they shall be resumed at the commencement of the next Congress as if no proceedings had previously been had thereon.

3. All treaties concluded with Indian tribes shall be considered and acted upon by the Senate in its open or legislative session, unless the same shall be transmitted by the President to the Senate in confidence, in which case they shall be acted upon with closed doors.

Footnotes not printed.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Maine. I think he has adequately answered the question.

But the Senator from Nevada also asked me the question. I would not attempt to answer it definitively, but in a general way I would say that it does not make too much difference what the label is, as to whether it is a declaration or an understanding or an interpretation or a statement or an amendment or a reservation. It is the substance of the language that counts. If it limits in any way or changes in any way the responsibilities, liabilities, and duties of the parties to the treaty, then, in effect, it amends the treaty.

A reservation can have the same substantive effect as can an amendment to the treaty, and a reservation would be offered to the resolution of ratification.

Language might be offered which would be denominated as an understanding when, in truth, it might be a reservation, depending upon the substance of the language. So it matters not so much what it is called as what it does. A rose by any other name smells just as sweet.

So it is an amendment. I maintain that the language that the leadership has offered here today is, without question, an amendment to the treaty and is in order.

Now, Mr. President, if I may proceed——

Mr. LAXALT. Mr. President, will the Senator yield for just a moment or two? These are very important questions to me and, I am certain, to a number of my colleagues. I know that the language does not make much difference whether it is contained in an amendment, a reservation, or an understanding. That is not my problem. My problem concerns the legal effect.

If a reservation or an understanding is tied to the document of ratification in terms of legal effect, does that change the terms of the treaty?

Mr. ROBERT C. BYRD. It could very well, depending upon the substance of the language that is in the reservation.

Mr. LAXALT. All right. If that be the case then, if they do, in fact, change the terms of the treaty, would that require another plebiscite from the country of Panama?

Mr. ROBERT C. BYRD. Well, now the Senator seeks to have me nibble at that bait, which I do not intend to do.

[Laughter.]

The Senator laughs, but I do not intend to respond to that question. I do not think that is the point at issue here. The point at issue is, right at the moment, whether or not this amendment No. 20 is indeed an amendment and is in order to be offered to the text here or whether as

an understanding it should have to await the resolution of ratification.

I maintain it is an amendment, and not only that but that it is a meaningful one.

The Senator from Alabama has said, "Well, this stuff is an interpretation and we are just inserting into the treaty the interpretation of the statement of understanding."

But be that as it may, I think it goes a long way toward alleviating the concerns of the American people as those concerns were reflected in the polls to which I have alluded, and it goes a long way toward relieving the concerns of a great number of Senators.

It writes into the text of the treaty language that assures the United States of its right to take any action it deems necessary against any threat to the canal or to the transit of vessels through the canal.

Mr. LAXALT. I might say to the distinguished majority leader the reason why I dwell on the possibility or necessity of an additional plebiscite is because this has been raised time after time by the colleagues who are proponents of this treaty; that a major factor in our deliberations as to whether our amendments will pass or not will be whether or not this will require another plebiscite, apparently resulting in rather serious and difficult political problems for Omar Torrijos. That is the reason I raise these questions.

Mr. ROBERT C. BYRD. Perhaps this will put the Senator's mind at ease. I merely remind him that this statement of understanding was a statement that was entered into between Mr. Torrijos and Mr. Carter. Furthermore, Mr. Torrijos made clear to the people of Panama before the October 23 plebiscite last fall the verbiage of this statement of understanding, and the people of Panama voted 2 to 1 in a turnout that, I suppose, was something like 95 percent of the eligible voters in support of the treaties, knowing full well the facts with respect to the statement of understanding which had been entered into between General Torrijos and the President of the United States.

So the leadership is incorporating that language into the treaties, believe that words chiseled in stone are more enduring than words written in sand or words written in water.

Now, the statement of understanding standing out there alone, I would depict that as words written in water.

Mr. LAXALT. I do not quarrel with that.

Mr. ROBERT C. BYRD. Words written in water.

Mr. LAXALT. I am a cosponsor of the amendment, and I agree with the approach, which I think is necessary.

But I want to extend the problem to these resolutions and understandings because we are going to be immersed in them, and it is a vital part of the debate.

I wanted in my own head at this time to draw the distinction and determine the legal effect of an understanding or reservation, whether or not it affects the treaty, whether or not it binds Panama. Those are the areas of concern of the Senator from Nevada and, as I indicated, shared by many, many of my colleagues.

I might say how these items are treated may well eventually decide, depending on what is accepted or not, how this treaty is going to finally be determined by the Senate. That is why it is terribly important to me and many of my colleagues.

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. President, I do not think there is any more I need to say. It is clear to me that the point of order is not well taken, and I yield the floor so that the Chair may rule.

The VICE PRESIDENT. The point of order having been made that the pending amendment is not in order because it is in the nature of an understanding and therefore is not in order to the treaty, the Chair wants to lay some background before ruling on the point of order.

The precedents the Senate itself has developed over the years on the question of amending treaties and resolutions of ratification, and adding declarations, reservations, and understandings, et cetera, to resolutions of ratification, are clear.

A treaty is amendable when being considered by the Senate as in Committee of the Whole and when before the Senate as such. The rules do not define the scope and nature of amendments.

Under the precedents, when a proposition is identified by the mover as a declaration, reservation, or understanding, it may not be offered to the treaty—the mover must wait until the resolution of ratification is before the Senate before offering the proposition.

Since the rules and the precedents thereunder do not define the scope and nature of amendments to a treaty, the Chair rules that the amendment is clearly in order and that the point of order is not well taken.

Mr. ALLEN addressed the Chair.

The VICE PRESIDENT. The Senator from Alabama.

Mr. ALLEN. Mr. President, I have great respect for the Chair, the distinguished President of the Senate, the Vice President of the United States. I respect his judgment, I respect his wisdom, I respect his sincerity, and certainly I would not wish to appeal the ruling of the Chair even though I feel that on this occasion the Chair is in error.

I never disagreed, I believe, with the distinguished President of the Senate since he has become President of the Senate. But on occasion I did disagree with him when he was a Member of this body.

But I believe the point has been raised, it has been well argued, I hope on both sides, and I feel possibly that the ruling of the Chair might have favorable respects in this way: that with the Chair's ruling that this purported amendment is, in fact, an amendment it might raise the understanding to the dignity of an amendment, and certainly that will be contended.

I certainly did not wish to have a mere understanding become part of the treaty and have Mr. Torrijos point out that he had disagreed with the memorandum, which was the forerunner of the leadership amendment, and then to define the understanding as a part of the treaty it might have given him more ground to disagree once again with the understanding.

The Chair having ruled that this is an amendment, I will certainly not wish to appeal the ruling of the Chair because I feel he has decided the matter on the basis of his studied consideration of the issue.

I thank the Chair for his ruling.

Mr. ROBERT C. BYRD. Mr. President, I also wish to thank the Chair for his ruling, and I thank the distinguished Senator from Alabama for accepting that ruling without appealing.

Mr. President, I wonder if I might inquire of the Senator from Alabama and other Senators as to whether or not we might be able to reach an agreement on voting on the leadership amendment to article IV, so that Senators will be on notice as to when to expect a vote. Might I inquire as to whether or not the Senator, or other Senators, have amendments to the leadership amendment?

Mr. LAXALT. I might state to the majority leader that we have pending, so far as I know, an amendment in the nature of a substitute to be offered by the Senator from North Carolina (Mr. HELMS), and he will be here momentarily. Other than that, we have an amendment in the second degree to be offered by the Senator from Kansas (Mr. DOLE). That is all that we have, so far as I know, at the present time.

Mr. ROBERT C. BYRD. Could we perchance get an agreement as to a time limitation either or both of those?

Mr. President, I ask unanimous consent that on the amendment by Mr. DOLE to the leadership amendment there be a time limitation thereon, when it is called up, of two hours, to be equally divided between Mr. DOLE and myself.

The VICE PRESIDENT. Is there objection?

Mr. DOLE. Mr. President, reserving the right to object, I might say that it probably will not take 2 hours, but I will be happy to abide by that agreement.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Would the Senator be willing to call up his amendment and dispose of it today?

Mr. DOLE. I can call it up about 6 o'clock.

Mr. ROBERT C. BYRD. Then we could vote on it today, because I would not take all my time.

May I inquire as to whether or not Mr. HELMS is on his way?

Mr. LAXALT. He is on his way.

Mr. ROBERT C. BYRD. He is on his way. Does the Senator from Michigan seek the floor?

Mr GRIFFIN. Yes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senator from Michigan (Mr GRIFFIN) yields the floor, Mr. HELMS may be recognized to call up his amendment.

The VICE PRESIDENT. Is there ob-

jection? The Chair hearing none, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I will seek, when Mr. HELMS reaches the floor, to ascertain if we can enter into a time agreement on his amendment. Hopefully, if the Senate would be able to dispose of both those amendments today—does the Senator from Alabama contemplate calling up an amendment?

Mr. ALLEN. As the Senator knows, I have none at the desk and I have none prepared for that matter; but I would like to review the situation from time to time and see if all the potential amendments have been offered, and even to see that the full provisions of the leadership amendment are scrutinized closely.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. ALLEN. I can provide amendments on short notice, I might say.

[Laughter.]

Mr. ROBERT C. BYRD. Oh, yes; the Senator can provide amendments on short notice. As a matter of fact, he can offer amendments that seek to construe the language of the treaties, as he did in offering amendment No. 61.

Mr. ALLEN. I thank the Senator for that suggestion. I think, with the latest ruling of the Chair, I might be able to offer more.

Mr. ROBERT C. BYRD. The Senator was attacking the leadership amendment earlier because, in his words, it attempted to interpret a construction. He offered an amendment that attempted to construe the words of the treaties; so he is not only versatile, but he is very resourceful, and I respect and admire that.

Mr. ALLEN. I appreciate the distinguished majority leader's resourcefulness in labeling and understanding an amendment and proving the point to the satisfaction of the Chair.

Mr. ROBERT C. BYRD. I thank the Senator. I yield now to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I seek recognition in my own right.

The PRESIDING OFFICER (Mr. KENNEDY). The Senator from Michigan.

Mr. GRIFFIN. Mr. President, the leadership amendment now before us raises the question as to whether and to what extent it actually resolves conflicts of interpretation as betwen the Republic of Panama, its leaders, and the United States.

It is asserted in the committee report and has been repeatedly stated on the floor of the Senate by proponents of the treaties that it clears up all the doubts, and that clearly with the adoption of this amendment, the United States will then be in a position, after the year 2000, to defend the canal against any threat whatever, including a threat from within Panama; that the United States can make the determination as to whether there is a threat unilaterally; that we would have the right to defend it, but not an obligation to do so; and yet my research and I would say the research of the Library of Congress indicates that this is not the understanding of the leaders of the Republic of Panama.

Just as calling a chair a desk does not make it a desk, as was related earlier here on the floor, calling an agreement an agreement does not make it an agreement if the two parties have not agreed.

I would invite the attention of my colleagues again to a rather comprehensive statement I have made on this subject—I deliberately laid it before the Senate early, on Monday of this week—in which I documented a statement made by General Torrijos and others speaking for the Republic of Panama, a public statement indicating that there is not agreement between the two governments on very vital points.

For example, Dr. Escobar, the chief negotiator for the Republic of Panama, said:

> United States intervention within the neutrality pact would take place only if another power attacked Panama.

When I could have his attention, I would like to direct a question to the distinguished majority leader, who is cosponsoring this amendment, and ask him whether or not he understands that his amendment, if adopted, would authorize the United States to defend the neutrality of the canal against an attack by Panama itself.

Mr. ROBERT C. BYRD. Against any threat. The words "any threat" are all-inclusive.

Mr. GRIFFIN. Including an attack upon the canal by the Republic of Panama?

Mr. ROBERT C. BYRD. The words include any threat.

Mr. GRIFFIN. Is the majority leader able to refer me to any indication that the Government of Panama would so interpret this amendment?

Mr. ROBERT C. BYRD. The people of Panama voted overwhelmingly in the plebiscite, understanding the words in the statement of understanding arrived at by General Torrijos and the President of the United States.

Mr. GRIFFIN. But insofar as the interpretation placed upon it by the majority leader, can he cite me any statement by General Torrijos or any spokesman for the Republic of Panama which indicates that they understand this language to authorize the United States to defend the canal against an attack by Panama itself?

Mr. ROBERT C. BYRD. I respond by quoting to the distinguished Senator from Michigan Dr. Escobar's words. He was the chief negotiator for the Republic of Panama in connection with the treaties. These words were uttered on October 18, 1977. They appear on page 456 of the Foreign Relations Committee hearings on the Panama Canal treaties, and I quote this extract therefrom:

> According to the Treaty on Permanent Neutrality and the Operation of the Panama Canal—in parentheses, the neutrality treaty—Panama and the United States have the responsibility of insuring that the canal will remain secure and open to ships of all nations. The correct interpretation of this principle is that each of the two countries, according to its respective constitutional procedures, will defend the canal against any threat to its neutrality and consequently will have the right to act in case of aggression or threat directed against the canal or against the peaceful transit of ships through the canal.

And that is the end of the extract which I have quoted from Dr. Escobar's statement.

Mr. GRIFFIN. Well, I thank the majority leader for that response.

Mr. ROBERT C. BYRD. He himself says that is the correct interpretation. It is exactly what I said it was.

Mr. GRIFFIN. It does not exactly——

Mr. ROBERT C. BYRD (reading):

> Each of the two countries, according to its respective constitutional procedures, will defend the Canal against any threat.

And any threat is precisely what the word means.

Mr. GRIFFIN. Now, Mr. President——

Mr. ROBERT C. BYRD. Any threat.

Mr. GRIFFIN. If I may resume the floor, the language quoted by the distinguished majority leader does not rebut or contradict necessarily the other statements made by Dr. Escobar which indicates their understanding; however, they do not recognize any right by the United States to interfere in the internal affairs of Panama, and in so interpreting that they are talking about the United States having the right to defend the canal against attack by a foreign power.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. GRIFFIN. Outside the Republic of Panama.

Mr. ROBERT C. BYRD. How does the distinguished Senator interpret the words in the amendment?

Mr. GRIFFIN. This Senator would say that the Carter-Torrijos statement, which is now the leadership amendment, is ambiguous, clearly ambiguous and it is subject to interpretations of two kinds and it is being interpreted in one way by Panamanians and in another way by the distinguished majority leader.

Mr. ROBERT C. BYRD. Will the distinguished Senator yield?

Mr. GRIFFIN. And if the majority leader would allow me to continue for just a moment or two, I might just cite that even researchers for the Library of Congress come to the same conclusion.

A report which was prepared October 19 by the Congressional Research Service concluded, and I quote:

> The Carter-Torrijos statement, while guaranteeing each party the right to act against threats directed at the canal, also specifies that the United States may not intervene in the internal affairs of Panama.

It is not altogether clear that the statement would permit the United States to intervene, in the event that the aggression or threat should result from a Panamanian action.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GRIFFIN. Well, if I could just continue for a moment then I will be glad to yield.

Mr. ROBERT C. BYRD. The Senator asked me a question, and I want to respond to the question.

Mr. GRIFFIN. If I may just continue for a moment. That is the crux of the point right there. Whether or not this language, which the leadership asks us

to adopt, would enable the United States to defend the canal from a threat from within Panama, the Panamanians consistently say no.

The Library of Congress says it is ambiguous, and that it is subject to both interpretations, and we are getting both interpretations, those by the Panamanians saying one thing and those by the distinguished majority leader and the committee report, and the administration saying the other.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. GRIFFIN. Yes, I will yield.

Mr. ROBERT C. BYRD. How does the distinguished Senator interpret the word "any threats"?

Mr. GRIFFIN. If those words had not been followed in the statement by additional words which say this: This does not mean nor is it to be interpreted as the right of intervention of the United States in the internal affairs of Panama, we probably would not have the situation of the ambiguity that now exists; but taking these two sentences together, the Panamanians say you cannot defend the canal against a threat if it is an internal threat from within Panama.

I want to say one thing.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. GRIFFIN. No. Just a moment. Let me say something.

In my humble opinion, the danger to the canal will not come from an attack by the Soviet Union or some foreign power. The danger to the canal, if it comes, will be from within Panama. If not a new and different Government of Panama itself, one that we cannot foresee at the moment, then perhaps from subversive activities within Panama.

Clearly and unfortunately, this language leaves the question in doubt. It does not clear it up as the majority leader contends, because the Panamanians do not say it means what he says it means.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. GRIFFIN. All right, I yield.

Mr. ROBERT C. BYRD. Well, the distinguished Senator is against the treaty, is he not?

Mr. GRIFFIN. I do intend to vote against them, yes.

Mr. ROBERT C. BYRD. Period.

Mr. GRIFFIN. I do not see what relevance that has at the moment, but go ahead.

One of the reasons I am against them, I would say, is that they are so riddled with ambiguities.

Mr. ROBERT C. BYRD. Well, Mr. President, I suppose one could look at the Bible or the Constitution of the United States, or the Declaration of Independence, and say they are riddled with ambiguities; but on the subject of intervention in Panama's internal affairs, is the Senator maintaining that we today have a right under international law to intervene in Panama's internal affairs?

Mr. GRIFFIN. I think the majority leader is trying very cleverly to avoid the issue. The issue is whether or not the United States——

Mr. ROBERT C. BYRD. I know that is the issue.

Mr. GRIFFIN (continuing). Has the right to defend the canal against a threat from within Panama.

Mr. ROBERT C. BYRD. The Senator has raised the issue.

Mr. GRIFFIN. Yes, I did.

Mr. ROBERT C. BYRD. The distinguished Senator said, if I understand it correctly, that if we are to be able to protect the canal against any threat, that we will meet ourselves coming backward because the language also says that we will not intervene in Panama's internal affairs.

May I say, that under the neutrality treaty we have the freedom of taking action to protect the canal against any aggression or threat so long as that action is to insure that the canal will remain open, secure, and accessible and such action would not constitute intervention in Panama's internal affairs.

We gave up that right in the 1936 treaty with Panama.

Mr. GRIFFIN. Well——

Mr. ROBERT C. BYRD. I see no problem with the words.

Mr. GRIFFIN. I thank the majority leader for his contribution, and I must, of course, register my sharp disagreement. The fact is, that while it is reassuring, perhaps, to have Senators here on the Senate floor declare over and over and over again that the language of this amendment means one thing and that it assures us of all these rights, the problem is that the Panamanians do not interpret it that way and they do not concede that this language gives us any right to defend the canal except against attack by a foreign power, and as long as that is the situation we do not have an agreement to ratify; and this is a very disturbing situation.

I think that we are only fooling ourselves if we do not recognize it. Now it is not only that point but that is a very crucial point. The Panamanians see that this language only allows us to defend the canal against an attack by a foreign power but there are several other points about which there is sharp disagreement. We say in the committee report that while we can defend the canal after the year 2000, we have the right to defend the canal after the year 2000 against an attack or threat to its neutrality, that we are not obligated to do so.

General Torrijos, in clear and unmistakable language, has said over and over again that is not true.

We interpret it that you have an obligation to defend the canal against any threat by a foreign power. When we ring the bell, you come.

This is documented over and over again.

In another respect there is disagreement. The committee report says that the United States unilaterally will determine when there is a threat to the canal. I am sure the majority leader thinks that this language means that. It means that to him. But the Panamanians say, "No, you must have our agreement that there is a threat to the canal before you can come in and use military force after the year 2000 to defend it."

On those key points the record indicates that we are in disagreement. We do not have an agreement. The Panamanians say this very language now before the Senate called the leadership amendment, which is the Carter-Torrijos amendment, means different things. It means one thing to the Panamanians and it means another thing to the United States. Here we are asked to adopt it because it is supposed to clear up all the problems.

Well, it does not. It only preserves the problems into the future, problems of a very, very vital kind, going right to the very core of the defense of the canal after the year 2000.

It is bad enough that we will be out of there, without any troops at all, no military presence, after the year 2000, but then we will be trying to assert our rights under an agreement which means different things to the two countries.

Mr. President, this amendment is not the solution, and because it is not, it should not be adopted by the Senate.

Despite the 77 cosponsors who have put their names to this amendment, I am going to vote against it.

Mr. ROBERT C. BYRD. Will the Senator yield at that point?

Mr. GRIFFIN. Yes, I yield to the distinguished majority leader and good friend.

Mr. ROBERT C. BYRD. I cannot understand why, even though he is going to vote against the treaty and has so stated a number of times, the Senator would vote against an amendment which clearly strengthens the treaty. The Senator from Alabama (Mr. ALLEN) who is opposed to the treaties has indicated he will vote for the amendment. He might vote for some changes in it. If it is not changed, he said he would vote for the amendment.

I cannot understand why the Senator from Michigan, who, even though I respect his position in being opposed to the treaty, would vote against an amendment which obviously strengthens the treaty from the standpoint of the interests of the United States. I say obviously. Seventy-nine Senators have joined in cosponsoring the amendment. Why would the Senator vote against something which strengthens the treaty, even though after the amendment is added he intends to vote against the treaty?

Mr. GRIFFIN. If I may have the floor again, I would be glad to tell the majority leader just exactly why I do not think this amendment should be adopted.

As I say, first of all, they do not clear up the misunderstandings and the conflicts; they only continue them.

Beyond that, if they did accomplish the purposes that the majority leader says they do—in other words, if they made substantive changes in the treaty giving the United States the right that the Senator says they do, under this interpretation—it bothers me very much, frankly, that these amendments are not

going to be submitted to a plebiscite of the Panamanian people so that we would have their approval.

Either they mean something or they do not. Of course, if they do not mean anything, then it does not matter. But if they do substantially change the treaty, and if they were given the interpretation placed on them that they would, then it is important to me that we have a treaty with the Panamanian people and not a treaty arrangement with a person who is in power only temporarily and will not be there very long.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. GRIFFIN. I will in just a moment.

I find it very interesting and disturbing that when these two leadership amendments were presented to the Committee on Foreign Relations as a package to be added to the neutrality treaty as a new article and the committee adopted it, we suddenly got a great deal of concern expressed because down in Panama General Torrijos apparently indicated that if we adopted them in that form, that then he would have to submit them in a plebiscite for approval by the Panamanian people. But the word came back through the State Department that if we would take this Carter-Torrijos statement and divide it into two pieces and attach one part of it to article IV and another part of it to article VI—in other words, spread it around a little bit—that then General Torrijos would make the decision that it would not have to be approved by the Panamanian people.

Well, how ridiculous can we get?

Then the Foreign Relations Committee went through the exercise of reconsidering its vote, rescinding its action, taking the same language, breaking it in two and then putting one amendment here, which is the one before us now, and the other one in the other place.

Mr. President, this amendment has been sold as the answer and as the solution to the ambiguities which are obvious in this treaty. This amendment does not solve them, does not cure them. It would only, it seems to me, be a disservice to the American people, in the opinion of this humble Senator, to adopt these amendments and let the American people believe that we then would have an agreement with the Panamanian people, which we would not.

What we ought to do is to reject these amendments and send the treaties back for renegotiation to clear up the ambiguities which Ambassador Linowitz and others have put into these treaties.

Mr. ROBERT C. BYRD. Mr. President, I wonder if I might inquire as to whether or not Mr. HELMS is going to come to the floor and call up his amendment.

Mr. LAXALT. Mr. President, I have been in contact with Senator HELMS. He will not be prepared to go forward with his amendment because of a conflict until probably tomorrow morning. We will next have available for action another amendment. That sponsor has an appointment and is not available until a later time. I would suggest at this time that, if there is nothing further, we have a quorum call for a few minutes.

Mr. ROBERT C. BYRD. Today is Thursday. A week from today, at no later than 4 p.m., under the agreement, the Senate will vote on the resolution of ratification on the Neutrality Treaty. There are four additional articles to this treaty.

Does the Senator have any recommendations as to a time limitation that might be agreed to on the amendments to the leadership amendment so that we could see our way out of the woods by next Thursday at 4 o'clock p.m.? I assume that there will be amendments to article V, article VI, and, possibly, amendments to the leadership amendment to article VI. I hope that Senators who have amendments will call them up.

I wonder if either of the Senators would mind another Senator calling up his amendment? Or have the amendments been printed, can the Senator advise me?

Mr. LAXALT. I might say that, as we have indicated previously, we have been in the process of culling and distilling the various amendments at the desk. We are at the point now that the total number has been drastically reduced—I would say by three-quarters. We have been working very carefully with the people at the desk. I would say that, despite the problem we have here in the next hour, the prospects look exceedingly good for having sufficient time to process the remaining amendments through Tuesday afternoon.

Mr. ROBERT C. BYRD. Tuesday at 4 o'clock?

Mr. LAXALT. Yes.

Mr. ROBERT C. BYRD. We have Friday, Monday, and Tuesday, during which we must complete action on five articles, including the present one, article IV.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HODGES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE COURAGEOUS STAND OF SENATOR McINTYRE

Mr. HODGES. Mr. President, having recently made what, for me, was a most difficult decision concerning the way I shall cast my vote on the Panama Canal treaties, I can understand and identify with the comments made before this body by my colleague, Senator THOMAS MCINTYRE. His decision, as mine, was made difficult by public opinion in his home State against the treaties and the certain knowledge that his stand would draw the criticism of some of the people he represents.

Considering the political circumstances that prevail in New Hampshire, the stand of Senator MCINTYRE is courageous—deserving the gratitude of all who revere statesmanship.

Mr. President, I ask unanimous consent that an editorial which appeared in the March 5 edition of the Arkansas Gazette commending Senator MCINTYRE be printed in its entirety in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR MCINTYRE TO THE "PRIMITIVES"

The speech by Senator Thomas McIntyre of New Hampshire announcing his support for the Panama Canal treaties was one of the noblest heard in the Senate for many a year, made all the more eloquent by McIntyre's low-key delivery.

New Hampshire is a small state but there are those who love it. Conspicuously absent from that company, apparently, are Governor Meldrim Thomson and Publisher William Loeb (the Manchester Union-Leader), who were the personal subjects of Senator McIntyre's scorn and defiance, though Loeb, especially is very influential indeed and McIntyre is one of those members of the Senate who are up for re-election this year. The corollary, naturally, is that Senators from small states can be made especially vulnerable to the unprincipled tactics of men such as Loeb and Governor Thomson.

The Senator knows his men, all right, and knows the certainty of a concerted retaliation attempt against him on their part, but he could have chosen no single-state pair that would be more truly representative of the recklessly destructionist tactics of the New Right, men, who, regardless of what they may call themselves, might as well be anarcho-syndicalists for all the positive contribution they have to make to any political party, much less to the American body politic as a whole. Together, they have pretty well destroyed the traditional Republican Party [Thomas McIntyre is a Democrat] in what once was possibly the most rock-ribbed Republican state in the Union and one of the most truly conservative. There is nothing whatever conservative about Loeb or Thomson or the people in New Hampshire or anywhere else who follow their examples on the Panama Canal or anything else.

Senator McIntyre scathingly talked from the Senate floor of the "loutish primitivism" of this unsavory duo, and he could not have chosen a more felicitous description. The office-holder Thomson specializes in running the Capitol flag down to half-staff whenever something or another occurs at Washington that he disapproves of, rather in the fashion of Gen. Edwin A. Walker at Dallas, running up the Rhodesian flag in front of his home in place of the Stars and Stripes. Thomson does not even have the consistency of his political affiliations, running once as an Independent, and the next time as a "Republican," new style. Both are great flag patriots, always whooping up more and bigger wars for someone else to fight, though neither has ever done an hour's time in military service himself (Thomas McIntyre has).

"My political fate is not my concern today," McIntyre said quietly. "My concern is the desperate need for people of conscience and good will to stand up and face down the bully boys of the radical New Right before the politics of intimidation does to America what it has tried to do to New Hampshire * * *. "I cannot believe that the loutish primitivism of Meldrim Thomson and William Loeb is what the American people want in their leaders, no more than I can believe the American people want the divisive politics of the New Right to determine the course of the nation."

Governor Thomson's reply was a characteristic one, demonstrating as it did the invincible ignorance of the kind of people who look upon him as a national exemplar of "conservatism"—ignorance, above all, of the Constitution and the very meaning of America and the political system so laboriously hammered out at Philadelphia so many years ago. Thomson said of McIntyre that he "re-

fuses to represent the will of the people of New Hampshire. Thus he attacks the very foundations of constitutional government."

On the contrary, McIntyre's decision was as constitutional as you can get, involving quiet acceptance of the risk of not being elected again, but also the determination not to be a postage stamp congressman.

If the voters of New Hampshire decide this year to retire him at the end of his constitutionally provided six-year term (the six-year term, as we wrote just the other day, was fixed at that length for a most compelling reason), why "I will go home to Laconia [N.H.] content in heart that I voted in what I truly believed were the best interests of my country."

This is all either the nation or the isolated fragment of it that is called New Hampshire can reasonably ask of a member of Congress, a man sworn to honor his oath of office rather than a random poll sampling—what the representative principle is all about. Else, all is chaos, and "mere" anarchy, as W. B. Yeats put it, rules the land.

The classic enunciation of the representative principle—in its basics as elemental to the British parliamentary system as to our presidential system—was Edmund Burke's famous "Letter To The Electors of Bristol," in which he said he had come to the House of Commons to represent them, not as a messenger boy, reserving the right to vote his own conscience and convictions on high matters of state rather than the popular fancy, a course most dramatically illustrated by his opposition to the British colonial war out of which our own country grew.

Burke used to be a darling of the Old New Right, the Bill Buckley school. In the early days of Buckley's National Review, no issue was quite complete without yet another tribute to Edmund Burke, usually by Russell Kirk. We don't know what happened to Burke, but it may be that he died with the birth of the New Old Right Senator McIntyre was talking about.

In any case, McIntyre's great speech—which was something right out of John F. Kennedy's "Profiles In Courage" and its meaning to us—was so nearly identical to Burke's Letter that the coming together at first glimpse seems almost spooky though no plagiarism was involved, needless to say. Both men, in their widely separated periods of time, simply managed to demonstrate that they at least did know what it was all supposed to be about, as of course so did all of Kennedy's "Profiles."

Our system, for its very survival, must presuppose that at least enough elected officials must be willing to go back to Laconia if need be, when the hard time comes to take a really hard stand.

Mr. HODGES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on the amendment by Mr. HELMS, when it is called up, there be a time limitation of not to exceed 2 hours, to be equally divided between Mr. HELMS and myself, it being an amendment to the leadership amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is contemplated that Mr. DOLE will return to the Senate after a while. In the meantime, Mr. GRIFFIN wishes to address some further remarks on the subject. I hope that when Mr. DOLE returns, we can reduce the time that has already been entered into—which is now 2 hours equally divided—by half. If that be the case, I shall not take over 5 minutes or 10 at the most. So it seems to me we could dispose of the amendment by Mr. DOLE this evening and go out and come in in the morning and take up the amendment by Mr. HELMS.

The Senate will come in at 9 o'clock and begin on the Helms amendment by 10, perhaps dispose of that, and move off article IV, hopefully, by a reasonably early hour tomorrow.

Mr. LAXALT. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. LAXALT. Senator SCHMITT has asked to be heard, I believe, at 9 o'clock. If the majority leader could work that in, I would appreciate it.

Mr. ROBERT C. BYRD. How long?

Mr. LAXALT. Not over an hour.

Mr. ROBERT C. BYRD. On the treaty?

Mr. LAXALT. Yes.

UNANIMOUS-CONSENT AGREEMENT—ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 9 a.m. tomorrow morning; that, after the prayer, the Senate resume consideration of the treaty; that Mr. SCHMITT be recognized at that point to speak; that he be recognized for not to exceed 1 hour; that, upon the conclusion of his remarks, no later than 10 a.m., the Senator from North Carolina (Mr. HELMS) be recognized to call up the other amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. So, Mr. President, I hope that both cloakrooms will alert Senators to the likelihood that the Senate will be voting on the amendment by Mr. DOLE before the close of business today. Undoubtedly, it will be a rollcall vote.

THE BYRD-BAKER AMENDMENTS WILL NOT RESOLVE CONFLICTING PANAMA-UNITED STATES INTERPRETATIONS

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. GRIFFIN. Mr. President, I have previously had the opportunity to deliver a speech on the subject of the differences of interpretation between the Panamanians and the American leaders with respect to the so-called leadership amendment. Because of time constraints, I was not able to deliver the entire text of the statement that I had prepared.

After documenting the statements made by General Torrijos, by Dr. Escobar, the chief Panamanian negotiator, and by a number of other spokesmen of the Panamanian Government, made before October 14, when the Carter-Torrijos joint statement was issued, and statements made after that but before the October 23 plebiscite of the Panamanian people, all indicate very clearly that there were and are differences, vital differences, of interpretation as between Panamanian officials and the United States in four significant respects.

Now, without any question, the committee report of the Foreign Relations Committee not only reflects the views of the majority of the committee, but I think it is fair to say that it reflects the views of the Carter administration.

The committee report says that the United States would have no obligation to act to defend the canal, but General Torrijos and his negotiators have told the people of Panama that the United States would have an obligation under the treaty when he, General Torrijos, rings the bell.

The committee report assures the people of the United States that we could introduce armed forces into Panama to defend the canal without first obtaining Panamanian consent. But time and time again, General Torrijos has told the Panamanian people otherwise. Repeatedly, Panamanian spokesmen have asserted that "Panama must agree to the participation of the United States in the defense of the canal."

The committee report maintains that the United States would have a unilateral right to determine the existence of a threat to the canal's neutrality, but Panamanian spokesmen deny this and persist and insist that disagreements would have to be resolved by consultation or arbitration.

Finally and most importantly, the committee report assures the American people that the United States would have the right to use military force against any threat to the canal's neutrality, including an internal threat or domestic Panamanian threat.

However, Panamanian spokesmen consistently assert that the United States could act in defense of the canal only against a foreign power, "an attack on the canal by a third power," or an attack by "some other empire with another language," as the language was used by General Torrijos.

As I said in the colloquy with the distinguished majority leader, the language of the Carter-Torrijos statement now proposed as the leadership amendment is ambiguous and is subject to the sharply conflicting interpretations which I recited.

Obviously, it matters not how many times we declare over and over again and repeat that the language means one thing to us if, in fact, the people and leadership of Panama believe and openly insist that it means something else. To the extent that that is the case, and it is the case, we do not have an agreement to ratify.

The view that the Carter-Torrijos statement is ambiguous and subject to the Panamanian interpretations is shared by experts from the Library of Congress, as I indicated earlier.

On October 19, 1977, a report prepared by Attorney Kenneth Merin, of the Congressional Research Service, concluded, and I quote:

The Carter-Torrijos statement—

Half of which is now the leadership amendment No. 1 before us—

while guaranteeing each party the right to act against threats directed at the canal, also specifies that the United States may not intervene in the internal affairs of Panama. It is not altogether clear that the statement would permit the United States to intervene in the event that the aggression or threat should result from Panamanian action.

Another Congressional Research Service report provided by the Library of Congress on December 12, 1977, discussed the Carter-Torrijos statement at length. Then, after noting that the joint statement rejected "the right of intervention of the United States in the internal affairs of Panama," and provided that "any U.S. action shall never be directed against the territorial integrity or political independence of Panama," the report concludes:

In view of this express interpretative qualification, a difficult issue of interpretation might arise if the canal neutrality regime were ever threatened by such action as, for example, internal Panamanian strife.

Well, that is what the whole ball game is about. That is what the question here before the Senate really is, That is, what do we do if the canal is threatened from forces within Panama? And that is the most likely threat. That is the most likely danger to the canal in this Senator's opinion.

The Senator from Michigan now speaking, I might say, is not the only one who recognizes the reality of these differing interpretations.

In addition to Panamanian spokesmen and the Library of Congress, there are some revealing statements by others. For example, a January 18, 1978, Reuters wire service story on the Panama Canal treaties reads as follows:

The October 14 Carter-Torrijos statement said the United States would have the right to use force to defend the canal against external threat.

In other words, Reuters as well as the Panamanians interpret the leadership amendment as allowing the United States to defend the canal against an external threat, saying in effect that it does not give us the right to defend the canal against an internal threat.

On February 2, 1978, a Gallup poll was taken, ironically, to determine how well informed the people are with respect to the Panama Canal issue. The question asked by the Gallup poll people was this:

The treaties would give Panama full control over the Panama Canal and the Canal Zone by the year 2000, but the United States would retain the right to defend the canal against a third nation. Do you favor or oppose these treaties between the United States and Panama?

The Gallup poll people did not interpret this leadership amendment as the majority leader and the committee report interprets this language. The Gallup people, like the Panamanian leaders, interpreted it only to give us the right to defend the canal against a threat by a third country, a foreign power.

That does not necessarily solve the question, but it only indicates the misunderstanding, the ambiguity, the differences of interpretation, and fully suggests that there is a basis for differences in interpretation because of the language used in the leadership amendment, which, of course, was not drafted by them. They did not have anything to do with the language that is now before the Senate. It was drafted in the White House or by the representatives of General Torrijos and President Carter somewhere.

On the basis of the record, however, these points are clear. Prior to the Carter-Torrijos October 14 statement, Panamanian officials believed and continually asserted that the Neutrality Treaty authorizes the United States to use military force to defend the canal only with the consent of Panama and only if the canal's neutrality is threatened by a foreign power.

After the Carter-Torrijos statement, Panamanian officials have continued to interpret these provisions of the treaty in exactly the same way.

When the Panamanian people voted in the October 23 plebiscite, they did not consent to or approve the treaty interpretations put forth by the administration or its spokesmen in the Senate. They approved the treaty interpretations as put forth by General Torrijos and representatives of the Panamanian Government.

If our defense rights are really important—and I think they are—the language proposed to be incorporated in the treaty by the leadership amendment is totally inadequate to protect our interests.

Furthermore, under the circumstances that exist, I think it is almost irresponsible to represent to the American people that the amendments, in fact, resolve the differences when the record indicates they do not. For both legal and moral reasons, we should be very interested in making certain that the Panamanian people understand the treaty as we do and that they approve our interpretations by a vote in accordance with their Constitution. Otherwise, we will have a treaty only with a dictator and not with the people of Panama.

I suggest that the moral concerned is somewhat important, particularly in light of the rhetoric we hear from time to time alleging moral shortcomings in connection with the 1903 Treaty. If we amend these treaties now and allow General Torrijos to ratify them by himself, without the approval of the Panamanian people, it is altogether possible that we could find ourselves, later, on even weaker moral grounds than was the case with respect to the 1903 Treaty.

In view of the seriously conflicting interpretations of key defense provisions, I think the Senate would be ill-advised to adopt these leadership amendments and then proceed to the ratification of the treaties as though our problems had been solved. I think that, instead, the Senate would be well advised to look again at something that our colleague Senator CHURCH said on the Senate floor. He said in the early stages of the hearings:

We began to get reports of differing interpretations. I thought that was intolerable. I said then that the Senate could not be expected to ratify these treaties if crucial provisions were being interpreted in one fashion in the United States and in another in Panama.

I think Senator CHURCH was right when he made that statement before the Carter-Torrijos statement was issued. Now, upon examination of the Carter-Torrijos statement as it is reflected in the leadership amendment, and in light of the differing interpretations by the spokesmen for the two parties, his advice is sound today, because the Senate should not be expected to ratify these amendments while crucial provisions are being interpreted in one fashion in the United States and another in Panama.

Mr. President, at this point I should like to address a parliamentary inquiry to the Chair.

The PRESIDING OFFICER (Mr. MORGAN). The Senator will state it.

Mr. GRIFFIN. I have an amendment in the nature of a substitute to the Resolution of Ratification pertaining to this Neutrality Treaty. Am I correct in assuming, first of all, that amendments to the Resolution of Ratification would not be in order until after Tuesday at 4 o'clock?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. Because at that time, as I understand it, under the unanimous-consent agreement, the Senate will have concluded its debate on the treaty, and the Resolution of Ratification will then be laid before the Senate. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. The text of the Resolution of Ratification, to my knowledge, is not available to the Senate in any printed form that is at the desk. Am I correct in that?

The PRESIDING OFFICER. The text will not be available until it is known how many amendments are adopted.

Mr. GRIFFIN. The committee report contains this language, "Text of Resolution of Ratification." It reads:

Resolved, two-thirds of the Senators present concurring therein. that the Senate advise and consent to the ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal, together with the annexes and protocol relating thereto, done at Washington on September 7, 1977, Executive N, 95th Congress, 1st Session.

Is it correct to assume that the Resolution of Ratification would recite that language together with the inclusion of amendments to the treaty that may be adopted?

The PRESIDING OFFICER. The Senator is precisely correct.

Mr. GRIFFIN. I thank the Chair.

When the Resolution of Ratification is before the Senate, will amendments be in order?

The PRESIDING OFFICER. Is the Senator asking about amendments to the Resolution of Ratification?

Mr. GRIFFIN. Amendments to the Resolution of Ratification.

The PRESIDING OFFICER. Or amendments to the treaty?

Mr. GRIFFIN. I am asking about amendments to the Resolution of Ratification.

The PRESIDING OFFICER. Yes, they would be in order.

Mr. GRIFFIN. Although it is not appropriate at this moment to send it to the desk or to have it printed, I would like the Senate to be on notice that, at the appropriate time, I shall offer an amendment in the nature of a substitute to the Resolution of Ratification pertaining to this treaty. My substitute resolution will read as follows:

Resolved, that the Senate return to the President of the United States the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, together with the annexes and protocol, et cetera, with the advice of the Senate that negotiations to develop a new treaty relationship with the Republic of Panama be resumed and continued until a treaty is agreed upon that better serves the interests of both nations.

The PRESIDING OFFICER. The Chair is of the opinion that it is appropriate to send it to the desk at this time and to have it printed.

Mr. GRIFFIN. I thank the Chair, and I am glad to have that understanding.

May I inquire further as to whether or not the Senate would be able to adopt, if it were the will of the Senate, such an amendment by a majority vote?

The PRESIDING OFFICER. The Resolution of Ratification requires a two-thirds vote.

Mr. GRIFFIN. However, on the question of amending the Resolution of Ratification, may I ask the Chair again, would that be by a majority vote?

The PRESIDING OFFICER. Any amendment may be adopted by majority vote.

Mr. GRIFFIN. I thank the Chair.

Mr. President, I will only take a few more moments to explain that, in my view, though I think these treaties are inadequate and ambiguous and do not adequately protect the security interests of the United States and should not be ratified, I also believe that a major revision in the treaty relationship of the United States with the Republic of Panama is desirable. I hope very much that, even if these treaties are not ratified, we will continue, despite the fact that we have had a long process already, and that we should persist in the effort to develop a new treaty relationship with the Republic of Panama that will serve the interests of both countries.

I think there are inequities that need to be corrected. I have compassion and sympathy for some of the complaints of the people of Panama with respect to the Panama Canal, but these treaties, after careful examination by the Senate, should not be ratified. I hope that the Senate might consider the substitute resolution that I will offer as a more constructive action to take than just to reject the treaties out of hand.

Now, obviously if the proponents of the treaties have the votes then they are going to go ahead and ratify them. But if the Senate is of a mind not to ratify the treaty before us, on which we will vote Thursday, it would be my hope, and I would urge on the Senate, to adopt a resolution along the lines of the one I have suggested, and which I will have printed and available to all Senators as an alternative course of action to the outright rejection of the treaty, because I believe, as the author David McCullough stated before our Committee on Foreign Relations, that it is important in terms of our relations with the people of Panama and the people of the other countries of this hemisphere how we say "yes" and how we say "no."

He said—and I do not have the words before me—in effect, that if we were to say "yes" in a very grudging way to these treaties, as though we were trying to get out of the corner we have painted ourselves into—and that is the way I suggest many of those who call for the approval of these treaties really feel—he said, in effect, that would be worse than saying "no" to the treaties in the right kind of way and saying to the government and the people of Panama, "Let us go back to the drawing boards and do it right."

That would be my appeal: Let us go back and do it right. These treaties do not provide the answer. They are fatally flawed; they are full of ambiguities; they do not protect the security interests of the United States, and many, many Senators realize that. Unfortunately some, I think, are going to vote for the treaties even though they are convinced that that is the case. On balance they see the approval of the treaties as necessary despite that.

I believe we need to renegotiate them, and I think that would be in the interests of everybody.

I yield now to the distinguished Senator from Utah (Mr. GARN).

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. I thank the Senator from Michigan, and I commend him for offering this substitute.

During the course of some weeks of debate many times as to those of us who are in opposition to these treaties, the attempt has been made at least to put us in a position where we favor the status quo, that we simply prefer to stay with the 1903 treaty with no changes whatsoever.

That certainly is not true, as the distinguished Senator from Michigan (Mr. GRIFFIN) has pointed out.

There are many of us who are totally opposed to these treaties who do not feel we should simply say "no" and slam the door in the faces of the people of Panama. But the responsible position would be to reject these treaties and return to the negotiating table, and this substitute would provide for.

There are a lot of reasons that have been discussed over and over again, and I will not take the time to go through them, defense portions, the economics, the financial difficulties in these treaties, what I consider an extremely unfair treaty to the United States and overwhelmingly in favor of the Republic of Panama. So it seems to me this is an entirely responsible course to take, to vote for the substitute measure with instructions to return to the negotiating table and say, "Let us work on it some more. Let us clear up some of the ambiguities. Let us clear up some of the unfairness; make it something that is responsible and favorable to both countries."

There are many ambiguities in these treaties. As a matter of fact, one of the people who testified before the Committee on Armed Services, one of the generals who has been spoken of so much, General Maxwell Taylor, testified in support of these treaties. But it was rather interesting in questioning him that he said to me one of the reasons why he favored these treaties was because they were so general and broad and would leave us plenty of room for interpretation.

Well, I find that very difficult to believe that that is a good reason to support the treaties, because they are ambiguous, because they are general. That is exactly one of the reasons why these treaties should be rejected, because there is so much left to interpretation.

As the Senator from Michigan has pointed out many times, there are great differences of interpretation between the way we feel they are written and the way the Panamanians feel they are written.

I happened to have the opportunity to travel through Panama with Senator BAKER, the distinguished minority leader, who is a coauthor of these amendments.

In our discussions with General Torrijos, Senator BAKER told General Torrijos that the treaties could not possibly pass in their present form, and they would require amendments. He told him very forcefully and very directly, and he told him at that time, that it would at least require the memorandum of understanding of last October be made a part of the treaty, and if it was not Senator BAKER would not be able to support these treaties.

At that time I told General Torrijos that I shared Senator BAKER's viewpoint that they could not be ratified, that I would support Senator BAKER in these amendments, and I have become a cosponsor of these amendments and will vote for them.

However, it does not change one bit my opposition to the treaties, because the Byrd-Baker amendments help—they do—in a very small way make the defense portions of the Neutrality Treaty better. But I emphasize in a small way.

I will vote for any amendments I consider will make the treaties better.

That is the only reason I will vote for the Byrd-Baker amendments, the only reason why I agreed to cosponsor them, which was because they do make it better in the eventuality the treaties are passed. But they do not even begin to address the major problems of these treaties. They do not even touch on the financial obligations the U.S. taxpayer is going to incur. They certainly do not

touch on the problem of defending that canal, do not touch on that at all.

Again the Senator from Michigan (Mr. GRIFFIN) has very adequately pointed out the differences in interpretation over what internal interference in the affairs of Panama is. I think that is a very big if on whether we really have the right to go back in and maintain that independence or that right to intervene to maintain the neutrality of that canal.

Again I emphasize they are helpful but the amendments do not go nearly far enough, and I would repeat that from the testimony we had in the Committee on Armed Services about basic military concepts and being able to defend the canal, it does not take any military experience, you do not have to have served in any of the armed services, to figure out that if you have a presence, if we were allowed to maintain troops there to guard the locks, to guard the dams, to guard the facilities against any intervention, either internally or externally in Panama, that you have a preventative. You deter people when they know the facilities are being adequately guarded, and you are on site to immediately respond.

One of the most fundamental flaws in the Neutrality Treaty is the fact that we are not allowed under any circumstances to maintain one ship, one airplane, one soldier, sailor, airman, or any American armed services personnel to defend that canal. So we withdraw our people to the United States. If it is an overt outside threat, I think the treaties are clear we can go back in, but I emphasize "go back in." That is an unbelievably more difficult task to make a decision after maybe the canal has been taken over, sabotaged, guerrillas, a larger armed force has gone in there.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GARN. I would be happy to yield to the Senator from Arizona.

Mr. GOLDWATER. The Senator just made to me a very important point, and one of the most important points to be made against the treaty the way it is now written. I use an old axiom of warfare: It is far easier to defend from within than from without.

We watched that happen in Vietnam; we watched it happen in other areas of war.

If we have troops down there, if we have aircraft, if we have equipment of war, I do not believe any other country is going to try to invade the Isthmus of Panama. I cannot think of a place in the world that would be easier to defend than Panama, providing we had troops there.

I have heard some of my friends in the military use the figure of 100,000. I do not know where you would put them. What we need down there in place on the ground is a good number of ground support aircraft like the A–7 that could take on any force that had to come in to try to attack from without, which is a very difficult thing to do.

I say to my friends who foresee great trouble if we do not ratify this treaty, if we do not vote for it, great trouble coming from unrest inside of Panama, I think you just have to remember that in the 8,500 men in the national guard there are only 1,600 trained as infantrymen, and I think you could put the entire mobilized equipment in this Chamber. They are not going to be adequate even to defend against student uprisings if the students want to get serious about it.

If we are really sincere about this amendment we are discussing—and I happen to be a cosponsor, but I am not going to vote for it, because it is not the amendment that I agreed we would do, nor is it the amendment I talked with General Torrijos about. I think he would have accepted the kind of amendment you and I and Senator GRIFFIN are interested in—in other words, an amendment that would allow us to be in a position to defend against anything that comes up in a dangerous way to that canal, particularly if it happens to be from an outside source; and I discount the outside source extremely. I cannot think of any country in the world that would be interested in attacking Panama except possibly Cuba, from its own public relations standpoint, if you call it that.

So I thank the Senator from Utah, who is experienced in the military, for pointing this out. I say to the members of the Foreign Relations Committee who prepared this amendment, if you want to see real loss of life, let us go down there and try to make beachhead landings against an entrenched Panama.

Mr. GARN. That is the point I was trying to make, that the difference between having a presence there and being called back in to invade, not only militarily, as the Senator has pointed out very well, to go back in and try to establish a beachhead, the difference between the number of troops needed to begin an invasion and the number needed to maintain the peace, which is entirely different.

I think the Senator from Arizona (Mr. GOLDWATER) probably knows better than anybody else, having gone through the 1964 campaign, the difficulty involved in moving into a country you are not already in.

I wonder what the political implications, forgetting the military implications, of this would be, what the American political view would be, and the view of the Senators who are here in the year 2000, which would probably not include many of us here now, what they would think about ordering troops to invade another country. I wonder if we could ever fulfill the terms of this treaty.

Mr. GOLDWATER. Let us make another point which we have already forgotten about. A few years ago, we very foolishly passed the War Powers Act. Let us say the President does order troops in. He is the only one who can do it. The Congress has the right, within 60 days, to pull them out. Unless the temper and the political courage of this body—both bodies—change drastically in the next 22 years, I am afraid that is what we will find, a President with courage and a Congress with no courage, listening to the voices from home rather than listening to what this country has to stand for if there is to be any possibility for peace in this world.

Mr. GARN. The Senator has made another good point I would like to comment on. Having 8,500 or 9,000 members of the Guardia Nacionale, most of those—the Senator mentioned 1,600 of them were combat troops. Most of them are policemen. Their civil police force in Panama is the Guardia Nacionale; there is not a separation of powers such as we have here, with Armed Forces, city policemen, State highway patrolmen, and so on. They are the police force, and most of them operate in that capacity.

So when we are required, under this treaty, to say we will jointly defend the canal, again there is a very one-sided situation, because with their 1,600 troops, even if they brought in all of their policemen to ignore their civil duty and fight someone coming in, they are not trained in that manner. They have some DeHavilands, a few helicopters, no jets. The Arizona National Guard or the Utah National Guard is better equipped. Our Army National Guard, in one small State, is bigger than the Guardia Nacionale, much bigger in terms of strength. They have tanks, they have planes, they have helicopters; our reserves are better equipped and better trained and have much larger numbers, in almost any of our single States in this country, than the whole so-called armed services of Panama.

Mr. GOLDWATER. The Senator is absolutely right. I recall that he was there in Panama at the same time I was there; I think he visited wtih General Torrijos twice and I saw him once. But we brought this point out, and I asked about Fort Sherman in Panama—because that is where we train our airborne troops—asked if he would oppose our seeing that we had troops stationed at Fort Sherman to work not alone but, as we do now, with the Guardia Nationale. He said no, he could see nothing wrong with that. In fact, I gathered he would welcome that situation.

So why we are so timid about guaranteeing the presence of our military by attaching proper language to the treaty I cannot understand. But I am certainly glad the Senator from Utah has brought these matters out, and I thank him for allowing me to join him in colloquy.

Mr. GARN. One more question. Is it not also true, since, as has been said many times on this floor by both the opponents and the proponents of the treaties, most of the training of the Panamanian troops is performed by the United States. and there has been cooperative training. and they do work together at the present time. would it not make sense. if we are jointly supposed to maintain the neutrality of that canal, that not only from the total aspect is it important that we have a presence, but to continue that joint training command interchange and working together on the defense of the canal. rather than, if something happens down there when we may not have had any people down there for 5 or 6 years, to call upon them to come back in, when there has been no coordination and no interchange, but we have to go back in? From a training standpoint. coordination of joint exercises, which is what I read this Neutral-

ity Treaty to say, that we would jointly defend it, how do you do that when you have not trained together?

Say you have air-to-air combat formation training, but you never fly together until someone calls you, can you suddenly go up and start flying in formation? I like to train with the people I am going to have to perform with.

Mr. GOLDWATER. I think the Senator has made an excellent point. That is another subject the general and I talked about. We, in fact, talked more about the military than anything else. I was particularly interested, and have been for many years, in Fort Gulick. This is one of the best foreign relations efforts that we make, that is little known: Fort Gulick has trained something between 40,000 and 50,000 officers and enlisted men of the military forces of South America, and it is a great asset to us to have men in the military of the South American countries, where governments are always in a precarious position, but where the military historically have come in and taken over weak governments and then turned them back when they became strong again; I even talked with him about that.

He is a graduate of that school. He graduated three times from Fort Gulick, and I said to him, in a facetious way:

If that is the way you become a leader in your country, I think I will come down and graduate three times, and then go back to the United States.

If you are going to have joint forces, the joint forces have to work together, which we have been doing. When we send the 82d Airborne and drop them from Fort Sherman and they go into the jungle, into enemy training for a month, they are joined by the members of the National Guard of Panama. I do not know how we are going to expect the National Guard of Panama to operate in a proficient way, even with our troops, when we do not train them together.

I gathered from the general's remarks that he would welcome that situation, that he felt that we should work together. So I would like to see the language of this amendment so understandable and so clear that it would assert what I think he wants and certainly what the Senator from Utah and the Senator from Arizona think is an absolute necessity if we are going to be able to protect them at all, whenever that time should come.

Mr. GARN. I am interested, too, and maybe General Torrijos told the distinguished Senator from Arizona the same thing he told me. It has certainly been discussed here on the floor at great length about how all of his military training has come from the United States and he mentioned how important the School of the Americas was and yet here we are not supposed to have American troops down there.

Now I think all of the South American countries expressed to me, those that Senator BAKER and I visited, that many of the Central and South American countries send their army personnel to the School of the Americas to be trained. So that American military presence again is very important, not only for the defense of the canal, but training the armed services of other Latin American countries so that they can defend themselves, have self-defense, and I would assume he told the distinguished Senator from Arizona the same story on that as well.

Mr. GOLDWATER. That is right.

I thank the Senator and commend him for his remarks.

Mr. GARN. I thank the Senator from Arizona for his contribution, and the Senator certainly has a great deal more military experience than I.

I do not think that it requires a great deal of military experience or any, for that matter, to determine the fact that it would be easier to defend the canal if we had a presence there rather than having to send the troops back in to establish the beach head. That hostile situation possibly has already deteriorated considerably prior to us having any right of intervention, plus the fact that we still have not addressed the problem of what are the internal affairs of Panama. Who is going to make that determination?

I think a lot of things can be obscured under that internal threat. Something we may perceive to be an external threat, they say, "No, it is an internal threat. You cannot come in," and we lose the canal.

So let me summarize by saying that although I have cosponsored these amendments and do think that they make them slightly better, but certainly they do not even begin to solve—do not even begin to solve the basic defense problems of the canal and maintaining the neutrality. So once again, I commend the Senator from Michigan (Mr. GRIFFIN). I thank him for letting me intervene and take some of his time, and I hope that the Senate will seriously consider what I think is a very responsible course to take, to not just reject the treaty outright, but accept Senator Griffin's substitute, return to the negotiating table and come back with something that is reasonable for both sides, and that the Senate of the United States could accept.

I again thank the distinguished Senator from Michigan.

Mr. GRIFFIN. I thank the Senator from Utah.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

(Mr. HARRY F. BYRD, JR. assumed the chair.)

Mr. MORGAN. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina (Mr. MORGAN) is recognized.

Mr. MORGAN. Mr. President, I wonder if the distinguished Senator from Michigan (Mr. GRIFFIN) would yield for a couple of questions on the amendment before the body at this time.

Mr. GRIFFIN. I am glad to yield to the distinguished Senator from North Carolina.

Mr. MORGAN. I am one of the cosponsors of this amendment; and I would also address my remarks to the distinguished Senator from Idaho.

There is a question concerning the amendment which bothers me and which I brought to the attention of the leadership, both on the majority side and the minority side prior to its introduction, and that is this:

Under the paragraph beginning on line 9 of the amendment it provides that:

Panama and the United States have the responsibility to insure that the Panama Canal will remain open and secure to ships of all nations.

The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the canal or against peaceful transit of vessels through the canal.

If we stop at that point, it appears perfectly clear to me that when this treaty becomes effective, in the event we, the United States, should decide that the security of the canal is threatened from any source, we could move, within the constitutional processes of this country, to protect the canal.

If the amendment stopped at that point, I would be perfectly satisfied with it.

The question which bothers me is that in the next paragraph there is a proviso which says:

This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

If we turn the canal over to Panama at the turn of the century, and if from some internal source the security of the canal is threatened, would we be permitted, because of the proviso which says we shall not have the right of intervention in the internal affairs of Panama, to protect the neutrality of the treaty against action from within Panama?

Mr. GRIFFIN. The Senator from North Carolina is putting his finger exactly on the major problem. It is true, I believe, that the ambiguity and the conflict of interpretation is raised by the additional language which refers to, "This does not mean, nor shall it be interpreted as, the right of intervention of the United States in the internal affairs of Panama."

I think we should all agree, of course, that nobody should think that the United States is going to intervene in the Government of Panama or try to direct the Government of Panama in its governmental functions. If the representatives of Panama so interpreted that language, I think everything would be fine. But the difficulty is that every expression on the part of Panamanian spokesmen since this Carter-Torrijos language has been formulated indicates that they give it a much broader inter-

pretation. They have said that this means that the United States cannot defend the canal except as against a foreign power. They are interpreting this to mean that we cannot defend it if the canal is threatened by a domestic or internal force.

Mr. MORGAN. If I can pursue this a little further for just a moment, assuming that after we turn the canal over to Panama in the year 2000 a dispute should arise between the Governments of the United States and Panama, and by governmental action by Panama it is decided that no U.S. vessels could pass through the canal, and, through its national guard, Panama undertook to prevent any American vessel from passing through it, would the Senator interpret this proviso as preventing us from taking action to enforce our right to pass through the canal? At that time, the action would be the action of the Panamanian Government.

Mr. GRIFFIN. I believe the answer, of course, does not really depend on how this Senator from Michigan would interpret it. I have no doubt that the Committee on Foreign Relations, and certainly the Senator from Idaho, the majority leader and the minority leader, would clearly say this would not prevent us from so proceeding.

The difficulty is that the Panamanians do not see it that way.

Furthermore, the situation is ambiguous, and the ambiguity is recognized not only by the Panamanians but by others, including the Library of Congress and others I have referred to.

It is fine to have your own interpretation of a contractual right, but if the other guy does not agree that that is what it means, then you have a lawsuit of some kind or you have a conflict on your hands.

It seems to me what we are trying to do in this treaty is to eliminate conflicts and disagreements, and to resolve our differences. If we recognize and see at the outset that we are not doing that, then we ought to take some steps to resolve it. That is the major point I was seeking to make.

Mr. MORGAN. I thank the distinguished Senator. I personally feel that world opinion might hold that the proviso would prevent us from intervening, since it would be the action of the Panamanian Government.

I wonder if the distinguished Senator from Idaho (Mr. CHURCH) will yield—I am not sure whose time it is.

Mr. GRIFFIN. I think the Senator from North Carolina has the floor.

Mr. MORGAN. Will the Senator from Idaho comment on this ambiguity which has troubled me a great deal?

Mr. CHURCH. I would be glad to comment on it. In the first place, I do not regard the final paragraph in the leadership amendment as a proviso. The Senator has correctly noted that the preceding paragraph makes very clear the United States may act to keep the canal neutral, open, and safe. There is no modification or qualification upon that language.

By the final paragraph the United States merely reaffirms the covenant we made in the United Nations Charter, a covenant that bound us as soon as we signed that document, to respect the territorial integrity and political independence of all governments which are signatories to that charter, including the Government of Panama.

As far as the interpretation of that paragraph goes, I can provide the Senator with first, the interpretation of the Foreign Relations Committee as stated in its report, second, the interpretation of our Justice Department, and, third, the interpretation of the President of the United States.

In that order, I quote from page 6 of the committee's report, the last paragraph. The committee refers to the clear right of the United States to act to protect the canal against any threat whether internal or external, and then, referring to the second paragraph, goes on to say:

> The above-described rights are not affected by the second paragraph of the amendment, which provides that the United States has no "right of intervention . . . in the internal affairs of Panama", and which prohibits the United States from acting "against the territorial integrity or political independence of Panama." The Committee notes, first, that these provisions prohibit the United States from doing nothing that it is not already prohibited from doing under the United Nations Charter, which proscribes "the threat or use of force against the territorial integrity or political independence of any state."

That is article II, section 4 of the United Nations Charter. Let me continue reading from the Foreign Relations Committee report:

> The Committee never supposed that the United States, in entering into the Neutrality Treaty, intended to obtain powers that it had previously renounced. The Committee thus does not believe that the provision in question substantively alters existing United States commitments to Panama.
>
> Second, the prohibitions set forth in the second paragraph do not derogate from the rights conferred in the first. The Joint Statement recognizes that the use of Panamanians territory might be required to defend the Canal. But that use would be for the sole purpose of defending the Canal—it would be purely incidential to the Canal's defense; it would be strictly a means to that end, rather than an end in itself; and it would not be carried out for the purpose of taking Panamanian territory. The concepts of the territorial integrity and political independence of Panama are, in short, an integral part of the treaty, so that action directed at preserving the regime of neutrality set forth in the treaty would never be directed against Panama's territorial integrity or political independence.
>
> For these reasons, use of Panamanian territory to defend the Canal would clearly be permissible under the portion of the Joint Statement incorporated in Article IV. This is made clear in an opinion presented to the Committee by the Department of Justice

—which appears in part 1 of the Foreign Relations Committee hearings on these treaties at page 332, and I quote:

> A legitimate exercise of rights under the Neutrality Treaty by the United States would not, either in intent or in fact, be directed against the territorial integrity or political independence of Panama. No question of detaching territory from the sovereignty or jurisdiction of Panama would arise. Nor would the political independence of Panama be violated by measures calculated to uphold a commitment to the maintenance of the Canal's neutrality which Panama has freely assumed. A use of force in these circumstances would not be directed against the form or character or composition of the Government of Panama or any other aspect of its political independence; it would be solely directed and proportionately crafted to maintain the neutrality of the Canal.

There ends the interpretation given by the Justice Department.

Finally, before the Senator asks his follow-up question, I want to quote what the President of the United States said on this particular issue when he spoke to the American people. With reference to this provision of the treaty he stated:

> It is obvious that we can take whatever military action is necessary to make sure that the Canal remains open and safe.
>
> Of course, this does not give the United States any right to intervene in the internal affairs of Panama, nor would our military action ever be directed against the territorial integrity or the political independence of Panama.

Mr. MORGAN. I say to the distinguished Senator that the opinion of the Committee on Foreign Relations, which he has read from the report, and the opinion of the Attorney General, which he has read from the report, and the the statement from the President's speech, is what I would hope that the interpretation of the language in the amendment would be. However, I think we would have to be governed by the language of the amendment and not the language of the accompanying report.

I also recognize, of course, the U.N. Charter which we adhere to, and which provides that we shall not intervene in the internal affairs of other nations. But it does trouble me when this particular language follows the paragraph which gives us a right to protect the neutrality of the canal with these words:

> This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama.

I repeat, if the prevention of an American ship passing through the canal were caused by governmental action after the year 2000, I really do not see how we could intervene and protect the neutrality of the canal without transgressing the actions of the Panamanian Government. That troubles me.

Mr. CHURCH. May I respond to the Senator? I would like to try.

Mr. GRIFFIN. Will the Senator yield and give me another opportunity to say something?

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. CHURCH. I would like to respond to the Senator in the hope I might ease his mind.

Mr. ROBERT C. BYRD. Before the Senator yields, will he allow me to get one unanimous-consent request in?

Mr. MORGAN. I yield to the distinguished majority leader.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, Mr. DOLE is in the Chamber and will call up his amendment shortly. He has agreed to cut the time in half on that. I ask

unanimous consent, therefore, that the time be cut to 1 hour, to be equally divided in accordance with the usual form.

The PRESIDING OFFICER. Is there objection?

The Chair hears none. It is so ordered.

The Senator from North Carolina has the floor.

Mr. MORGAN. I yield to the Senator from Idaho (Mr. CHURCH) and then to Mr. GRIFFIN of Michigan.

Mr. CHURCH. Let me say to the Senator that I think the final paragraph needs to be read in its entirety. If the first sentence is selected out and the second sentence is not read, then I can understand how it might give the Senator pause. But let me read the complete paragraph:

This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

I suggest to the Senator that one cannot read the whole paragraph without concluding that our right is based upon the purpose, and the purpose, in this case, is that the canal remain open, secure, and accessible. So, in the example that the Senator has given, if the Panamanians were to attempt to prevent passage of an American ship, then, clearly, we would have the right to use such force as is necessary to keep the canal open, secure, and accessible. The objective governs the right.

The United States, of course, has never sought, nor would the Senator from North Carolina want us to seek, the right to intervene for the purpose of interfering with Panama's internal political affairs or undermining its independence.

Mr. MORGAN. The Senator's remarks are encouraging, even if not entirely convincing.

I yield to the Senator from Michigan.

Mr. GRIFFIN. Mr. President, I commend the Senator from North Carolina for raising this question. He is a very good lawyer and it is unstandable that he would be troubled.

I respectfully suggest, however, that we do not resolve the question as to whether or not there is agreement between Panama and the United States by referring only to the interpretations, as the Senator from Idaho has done, of the Attorney General and the President of the United States and the Committee on Foreign Relations. I know what they think it means. I have no question about it. I am not questioning whether or not they believe it means a particular thing.

The difficulty here that I am focusing on is that that is not what the Panamanians say it means. The very day that General Torrijos signed this agreement on October 14, he walked out of the White House and made a statement that was reported in the Washington Star. Here is the report:

[T]he general said through an interpreter that he did not agree to anything that would permit a foreign country to intervene in Panama. . . . Torrijos indicated that the United States had a right to defend the canal if attacked by a great power.

That very same day, the chief Panamanian negotiator, a fellow named Mr. Royo, said:

The document doesn't even say that they (the United States) can take military action to avoid an attack on the neutrality of the Canal. . . .

The speech I gave the other day documents statement after statement as to what the Panamanians think this language means. This is what the Panamanian people thought it meant when they voted on October 23.

The point is, it does not matter what the Attorney General says if the Panamanians do not agree with it. The unfortunate fact is that we have this conflict of interpretation. The whole purpose of the Carter-Torrijos statement was to resolve the differences of interpretation. Unfortunately, it has not done that. The differences of interpretation continue and persist.

Mr. SARBANES. Will the Senator yield?

Mr. MORGAN. I am happy to yield to the Senator from Maryland (Mr. SARBANES).

(Mr. LEAHY assumed the chair.)

Mr. SARBANES. I want to pursue the exchange which the able Senator from North Carolina was having with the Senator from Idaho.

The regime of neutrality which the Neutrality Treaty provides, which will be entered into by the United States and Panama and to which other nations can join through protocol, that regime of neutrality is not, by definition, an internal affair of Panama, because it is framed and put into place by an international treaty. So, by definition, an international treaty between our two countries—and, of course, in this instance, there is also the provision for other subscription—but by definition, it is not an internal affair of Panama. Therefore, action to maintain the regime of neutrality is clearly a distinct matter from intervention in the internal affairs of Panama.

The regime of neutrality which is put into place by a treaty ceases then, under any view, to be an internal affair of Panama and action to maintain and support the regime of neutrality which, of course, encompasses a number of items under the Neutrality Treaty would not be intervention in the internal affairs of Panama.

What that section is designed to reach is, of course, this tremendous concern in Panama and in other Latin American countries that there will be intervention into their internal affairs and, in effect, the taking over of their government and of their country, as has happened in the past. That is what it is intended to make clear we will not do.

But action to maintain the regime of neutrality which is contained in this international treaty is separate and distinct entirely from intervention in the internal affairs of Panama.

Therefore, I think that is an additional reason in terms of the construction of this treaty and its provisions recognizing that the amendment, which has been proposed by the distinguished Senator from West Virginia and the distinguished Senator from Tennessee, and many other cosponsors, is designed to insure American rights to take what action we deem necessary to maintain the neutrality of the canal, and that this right does not conflict in any way with nonintervention in the internal affairs of Panama or not taking action against the territorial integrity or political independence of Panama.

Mr. MORGAN. The Senator's interpretation of international law may be entirely reasonable and plausible, and it is certainly logical. But, yet, it still bothers me. This clause, which I referred to, a proviso clause, following immediately the clause granting to us the right to intervene, still disturbs me.

It may say, in effect, that "this does not mean, nor shall it be interpreted as a right of intervention."

So it is not clear, and, Mr. President, to my mind, there certainly is an ambiguity. There are many ambiguities in this treaty which disturb me and which bother me. Yet, on the other hand, I am not sure but what it is not the best treaty that can be drafted and I think these are some questions that will have to be considered.

I wish it were possible for all of us to interpret the treaty alike. But unfortunately, as the Senator from Michigan pointed out, apparently Torrijos does not interpret it the way I would like it to be interpreted.

I will address myself to this provision later on in the debate, Mr. President, and I thank the Chair.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. PAUL G. HATFIELD). The Senator from Kansas.

AMENDMENT NO. 59

Mr. DOLE. Mr. President, I call up amendment No. 59 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 59 to the amendment numbered 20 proposed by Mr. ROBERT C. BYRD, of West Virginia, and Mr. BAKER, of Tennessee, and others:

On page 2, line 16, immediately after "defend the Canal against any threat" insert ", as determined by either Party,".

On page 2, line 17, immediately after "the right to act" insert ", unilaterally or jointly,".

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. Mr. President, I yield myself such time as I may consume out of the 30 minutes allotted.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I yield my time to my designee (Mr. CHURCH).

I thank the Senator for yielding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, when the text of the two Panama Canal treaties was first released last September, I recognized the weaknesses in article IV of the Neutrality Treaty, which reads as follows:

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty,

which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties.

It is the purported intent of article IV to insure full authority for the United States to continue to defend the canal and Canal Zone in perpetuity, from the date of treaty ratification and on beyond the year 2000.

But, of course, article IV does not clearly express our right to do that. It does not clearly state our right to take defensive action whenever we alone deem necessary, and to act unilaterally if necessary.

In fact, there is ample reason to expect that the Panamanian Government believes just the opposite—that we will only take defensive action in response to their request, and in tandem with their action.

CONFLICTING INTERPRETATIONS

My distinguished colleague from Michigan cited numerous quotes by Panamanian officials on Monday of this week illustrating their interpretations in this regard. The evidence is plentiful. In a notable comment made on nationwide television on October 20 of last year, Gen. Omar Torrijos explained the U.S. role under the Neutrality Treaty in this way:

(I)f we are attacked by superior forces, the United States is *obligated* to come to our defense.

(I)t is necessary for the United States to be committed so that *when we ring the bell* here, *when we push the button*, a bell rings over there, and the United States comes in defense of the Panama Canal . . . .

I repeat, *we push the button*, the bell rings, and the United States is *obligated* to come to our defense. (Emphasis supplied)

The distinguished Senator from Alabama made the same comment earlier today.

In other words, Panama determines when a threat to the canal's neutrality exists.

While in London last October, General Torrijos explained that:

What the new treaties allowed was *joint* operations by the United States and Panama against any power that wanted to harm the Canal. (Emphasis supplied)

In other words, the United States acts only in tandem with Panama to defend the canal.

The Senator from Kansas feels it important that these do not become the guiding interpretations of article IV. That is, the United States should not have to wait for Panama to "ring the bell" to go to the canal's defense. And we should not be constrained to take only joint action with the Government of Panama.

I do not think our top military officers interpret article IV as General Torrijos does. Certainly, Adm. James Holloway III and Gen. Louis H. Wilson—both treaty supporters—indicated different opinions in testimony before the Senate Armed Services Committee on January 24.

Admiral Holloway, our Chief of Naval Operations, stated his understanding that after the year 2000,

. . . the neutrality treaty guarantees the neutrality of the Panama Canal * * * and if that neutrality is violated then the United States has the responsibility to intervene in Panama and restore the neutrality regime of the Canal.

Compare that statement with remarks made by Panamanian negotiator Romulo Escobar at a news conference last October 18:

The scope of this right of defense at no time could be extended to mean the right to intervene within the Republic of Panama. (Emphasis supplied)

General Wilson, Commandant of the U.S. Marine Corps, told the Armed Services Committee that,

Presumably we have the right to go in and it is in the treaty, I have been assured, and if it is not in the treaty then it ought to get into the Treaty. That is the only reason I will be for it.

Well, the Senator from Kansas agrees with General Wilson that clear unilateral authority for the United States to defend the canal ought to be in the treaty, and so do the large majority of the American people. In a nationwide survey conducted only last month by Opinion Research Incorporated, 68 percent of those interviewed expressed support for a treaty amendment that would clearly guarantee the right of the United States to defend the canal without the permission of Panama. At the same time, only 18 percent believed that the Carter-Torrijos "understanding" is a satisfactory defense position.

The only way to resolve the ambiguity, and to resolve the concerns of the American people, is to clarify the treaty language as forthrightly as possible. The Senator from Kansas believes his amendment No. 59 will accomplish that.

DOLE AMENDMENT NO. 5

Last September 23, I offered an amendment which I felt could help resolve this problem. My amendment No. 5 to the Neutrality Treaty was designed to specifically guarantee our authority to intervene militarily on behalf of the canal whenever we alone determined its neutrality to be threatened. As I noted at the time, we cannot count on Panamanian concurrence in every instance where we may feel the operation of the canal to be in jeopardy. And, for all we know, the Panamanian Government itself could be consciously or unconsciously a part of that threat at some point. My amendment No. 5 reads as follows:

Nothing in this Treaty may be construed to prevent the United States of America, in accordance with its constitutional processes, from intervening militarily to maintain such regime of neutrality when determined to be seriously threatened by the President of the United States of America or, through the adoption of a concurrent resolution, by the Congress of the United States of America.

At the time, the administration complained that my amendment was unnecessary. They said that the intent of article IV was perfectly clear. They suggested that the Senator from Kansas was trying to be an obstructionist.

Within 2 weeks, there was ample evidence—including information obtained from the release of a confidential State Department cable—that the Panamanian Government did not agree with our administration as to the correct interpretation of article IV. Consequently, on October 14, the administration itself released a "joint statement of understanding" reached by President Carter and Gen. Omar Torrijos. That statement itself was patterned to some extent after the Dole amendment No. 5.

Senator SPARKMAN, in a letter dated December 27, forwarded to me a letter from the State Department dated December 7 commenting on amendment No. 5:

The Executive Branch, of course, has no objection to the substance of the Amendments, which are fully consistent with the present treaty language and conform with the agreed interpretation of both Governments, although it should be reiterated that the references in Amendment No. 5 to "intervening militarily" has unfortunate connotations in Latin America. While the Executive Branch appreciates the objectives of assuring that the understandings of the Parties are set forth in a clear and definitive manner, doing so in the form of Amendments to the Treaty is unnecessary from a legal standpoint, and extremely undesirable in terms of maintaining the overall agreement on the Treaties reached with Panama.

The agreed interpretation by the two governments in the October 14 statement of understanding is authoritative. It has been officially issued by the Government of Panama, and was widely disseminated and published in Panama prior to the October 23 plebiscite on the Treaties. It will also presumably appear on the record as an important predicate of the U.S. Senate's approval of the Treaties. Accordingly, as a matter of international law, Panama would not be in a position to assert a contrary interpretation at any future time.

I quote further:

To amend the treaty as proposed would not, therefore, improve upon the position of the United States. Such a step would, moreover, seriously complicate the ratification process.

That was last December 7, in the letter to Senator SPARKMAN. That was in response to the insistence of the Senator from Kansas that there needed to be some clarification in the treaties; the treaties were ambiguous. We did not have the right to intervene. We did not have the right to prior passage.

That was first expressed by this Senator as early as last September. Then came the Torrijos-Carter meeting.

DOLE AMENDMENT NO. 7

Even though the Senator from Kansas did not feel that the "Carter-Torrijos understanding" was a perfect answer to the problem; I took the administration at its word and proposed that the statement of understanding itself be incorporated as part of the treaty. I introduced treaty amendment No. 7 for that purpose. Again, the administration and other treaty proponents complained that the Senator from Kansas was trying to "kill" the treaties. This is one of those "killer" amendments we have heard about so often. They said it was unnecessary to put the statement of understanding directly into the treaty.

Well, the American people and many of my colleagues disagreed. Momentum in support of the amendment was building. The handwriting was on the wall. So, in January of this year, the admin-

istration capitulated and agreed to give its blessing to an amendment of this type.

The majority and minority leaders of the Senate agreed to introduce a new amendment No. 20 to that effect. The Senate Foreign Relations Committee endorsed the modification—not as the "Dole amendment," but as the "leadership amendment No. 20."

DOLE AMENDMENT OF THE SECOND-DEGREE

Mr. President, I am delighted that the administration gradually came to recognize the wisdom of amending article IV, and amending it it in a way advocated by the Senator from Kansas. I might add that at the time I believe the Senator from Idaho (Mr. CHURCH) also made the same reference in some of the committee hearings. This Senator is gratified, even though the proposal does not now carry his name.

At this time, Mr. President, I ask unanimous consent that my name be added as a cosponsor of amendment No. 20.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I think the amendment does strengthen the treaties. The amendment is a step in the right direction.

But, as I recognized last October, the "Carter-Torrijos statement" itself is not perfect. The "understanding," and now the amendment, reads that "each of the parties shall, in accordance with their respective constitutional processes, defend the canal against any threat to such regime of neutrality." But who defines the "threat?" What if Panama and the United States disagree as to whether or not a "threat" exists? I think that is a very serious question.

Going further, the amendment reads that both parties "shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal." But does each party have a "right to act" on its own, if necessary, against a threat? Or is it necessary that both parties act jointly against the threat? If the latter is the case, what happens when the two parties disagree about the nature of the threat, or a proper response to it?

All the Senator from Kansas seeks to do is to perfect that amendment, perfect the so-called Torrijos amendment, or the leadership amendment, whatever you want to call it—the Torrijos amendment, the Carter amendment, the Torrijos-Carter amendment, or the leadership amendment.

My perfecting amendment No. 59 to the neutrality amendment No. 20 would provide two very important assurances with respect to our rights to defend the canal and its neutrality.

IMPORTANT CLARIFICATIONS

Let me state them very quickly. It is very simple. I think it is easily understood and probably will be easily defeated. I understand that, too, because of the strategy to stonewall any amendment. Regardless of its merit, we cannot have any amendment because, as the distinguished Senator from Alabama indicated earlier, the leadership has decided what we shall have and they have decided what we will not have.

First, the perfecting language of my amendment insures that it will not be necessary for both the United States and Panama to agree that a threat to the canal or to its neutrality exists, in order for either of our countries to move to protect it.

Second, my amendment will insure that our two nations may act independently or jointly to protect the canal or ships transiting the canal.

Mr. President, let the Senator from Kansas make it as clear as possible. All this does to the so-called leadership amendment, on line 16, after the word "threat," is to add these words: "as determined by either party." So, starting on line 14, it will read: "in accordance with the respective constitutional processes defend the canal against any threat as determined by either party."

That is the first amendment—"as determined by either party"—only five words—"to the regime of neutrality," and consequently shall have the right to act; then I add three more words—"unilaterally or jointly"—against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal.

Mr. President, the Senator from Kansas simply has an 8-word amendment—5 words on line 16, 3 words on line 17—and it is offered to make the treaty a little better, to make the leadership amendment a little stronger, to make the treaties themselves a little more palatable to the American people.

The language of the Carter-Torrijos statement of understanding, which constitutes the basis for amendment No. 20, was itself a major improvement over article IV of the Neutrality Treaty. Article IV of the treaty is hopelessly broad and ambiguous with respect to our vital security interests.

But the Carter-Torrijos statement itself, and amendment No. 20 as well, still leaves critical points undefined and open to question. These uncertainties can, in turn, lead to serious misunderstandings and conflicts in the future over proper interpretation of our security rights.

I know some of my colleagues are going to maintain that the precise interpretation of article IV is understood. "Everybody understands that." They are going to say it is understood by Panama and understood by the United States. They will claim there is no need to perfect this amendment because all the subtleties will be implicitly recognized by both governments. But regardless of whether or not President Carter and General Torrijos "understand" certain subtle interpretations, problems are bound to erupt in future years if we do not have those interpretations stated explicitly on paper.

In fact, if both our governments already "understand" the details and ramifications of article IV and the associated joint statement, there really should not be any problem in adding clarifications to the amendment and the treaty itself.

It was exactly because provisions relating to our defense rights were unclear in the original treaty that the Carter-Torrijos statement of understanding became necessary last fall.

But that was not enough. It is necessary, first of all, to add that statement of understanding to the language of the treaty itself. Both the administration and the Senate leadership have finally come to share that point of view.

To go a simple step further, a simple step, eight words to be exact, we must now make absolutely certain that the statement of understanding itself creates no uncertainty or misunderstanding.

Let us clear up the problem once and for all.

Let us make it absolutely certain that precise details are spelled out for all the world to see to insure that the United States alone or Panama alone has the right to step in when necessary to protect the Panama Canal. That is really what it is all about.

We have heard the debate, we have listened day after day after day. The Senator from Kansas does not have the feeling that some have on sovereignty. I am not as concerned about who owns the canal. I am concerned about whether it is going to be maintained, operated, and controlled after the year 2000. I am concerned that we have that right as Americans, as friends of the Panamanians, not as a hostile force but as a right to make that judgment by ourselves, not in concert with the Panamanian leaders, but a right to make that judgment ourselves based on our information and our intelligence and our judgment. Then, if necessary to move unilaterally, to do what? Not to destroy the canal but to protect the canal. It seems to this Senator that is what the debate is all about.

To some of us who are striving mightily to improve the treaties so we might vote for the treaties we are being rebuffed time after time and maybe that is the best strategy.

Maybe the administration has the votes or maybe administration strategy is, "Let us have one vote. If we are a little short then we will go back and take some amendments." I do not know, this Senator does not know, the administration's strategy. But it seems to me if we are talking about protection of the canal, not any personality on either side, not anybody's prejudice on either side, if we are talking about the canal itself, how do we preserve that for the American people and all other countries that want to use that canal, then I think we have an obligation in the Senate not just to rubber-stamp what might come before us; we have our constitutional responsibility, and I know that everyone in this body is concerned about the treaty, everyone wants the best treaty. It just seems to this Senator if we do anything less than add these eight words we are inviting trouble.

Mr. CURTIS. Mr. President, will the distinguished Senator yield for a question?

Mr. DOLE. I would be happy to yield to the distinguished Senator from Nebraska.

Mr. CURTIS. Referring to amendment No. 20, which the distinguished Senator from Kansas seeks to amend, the Senator's amendment falls in the sentence that begins at the middle of line 13 and continues up through line 2 on page 3; is that correct?

Mr. DOLE. That is correct.

Mr. CURTIS. Will the distinguished Senator tell us what that sentence means without the additional language proposed by the Senator from Kansas?

Mr. DOLE. Well, as the Senator from Kansas reads it, it is very vague, it is ambiguous and I am not certain what it means. The Senator from Kansas is not certain what it means, but it would appear to mean that you have to have some agreement with Panama before we could act, we must have some agreement. We must act jointly, and the Senator from Kansas simply tried to clarify that by suggesting that we can determine or they can determine individually, separately; we can act jointly or unilaterally to protect the canal.

Mr. CURTIS. Without the language the Senator proposes is it clear at all that the United States could act to defend the canal against any threat without the concurrence of Panama?

Mr. DOLE. It certainly is not. In fact, I think the contrary would apply.

As I indicated earlier, General Torrijos understands it one way. He says it is necessary for the United States to be committed so that when "we ring the bell," we, that is Panama—"when we push the button"—that is Panama, a bell rings over there, that must be this country, maybe it is in the Senate Chamber, a bell rings over there, and the United States comes to the defense of the Panama Canal.

But it is when they initiate it, and the Senator from Kansas just suggested that is the wrong interpretation and he simply seeks to add eight words, eight words to clarify it.

Mr. CURTIS. Do these eight words change what the President of the United States believes the correct interpretation to be?

Mr. DOLE. I do not think so. Again the Senator from Kansas is not the best source on that because I am not clear what the President of the United States thinks about this particular amendment. But I can tell you what Admiral Holloway thinks and what General Wilson thinks.

Mr. CURTIS. What do they think?

Mr. DOLE. They have not looked at this amendment, but they think very clearly—let me have General Wilson's statement—and General Wilson said this, in testifying before the Armed Services Committee:

> Presumably we have the right to go in and it is in the treaty.

That is how he construes it.

> I have been assured, and if it is not in the treaty then it ought to get into the treaty. That is the only reason I will be for it.

That is General Wilson talking, Commandant of the U.S. Marine Corps.

It just seems to this Senator if we really want to be objective and fair we ought to add this amendment, this perfecting amendment.

As the Senator from Nebraska knows, I would just add after the word "threat" on line 16 the words "as determined by either party." And on line 17 after the word "act" I would add the words "unilaterally or jointly," and then the entire sentence would read:

> The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes defend the Canal against any threat as determined by either party to the regime of neutrality, and consequently shall have the right to act unilaterally or jointly against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

Mr. CURTIS. It is not far from Panama to Cuba, is it?

Mr. DOLE. Not far.

Mr. CURTIS. And Cuba at the present time has troops in several spots in Africa, is that correct?

Mr. DOLE. Yes, they have several, up to 20,000.

Mr. CURTIS. Without the Senator's amendment what would be the situation if there was a Cuban presence in the vicinity of the canal and Panama said, "Well, that is no threat"? Is it clear that we would have any right to act in accord with this language without the Senator's amendment?

Mr. DOLE. It is not clear to this Senator, although I know the argument is going to be made, "Well, if there is any danger there we are going to move in, treaty or no treaty. It is only a piece of paper."

But I have not seen that will expressed frequently around the world. We have not been exerting ourselves in many places. We have been backing away in many places. But I just suggest it would be very difficult, without some specific language, for any President to move because it is ambiguous, it is vague, and I would hope the amendment might be accepted.

Mr. CURTIS. Well, now, if it were to be contended by the proponents of the treaties that this language is not necessary, that would amount to a contention that it is already included in the right interpretation, would it not?

Mr. DOLE. Right. The argument is going to be that these are sort of words of art, and do not mean what the treaty says, because we have the right to move on our own. I do not find that in the treaties. I have read the treaties very carefully.

I raised this question last September and last October. It just seems to this Senator that we would not upset Torrijos—I do not want to upset Torrijos; nobody wants to upset Torrijos. He seems to have the upper hand around here, but this would not upset Torrijos, if we just added eight more words. That should not upset Torrijos.

Mr. CURTIS. I thank the Senator for his analysis.

Mr. DOLE. I reserve the remainder of my time.

Mr. CHURCH. Mr. President, the other day when the Senate was considering an amendment offered by the Senator from Virginia (Mr. SCOTT), I said that it gave new meaning to the term "redundancy." I would say that the amendment now being offered by the Senator from Kansas, raises redundancy to an art form.

I believe it was Al Smith who once said, "No matter how thin you slice it, it is still baloney."

The Senator from Kansas, again and again, says, "Why don't we just add eight words?"

Well, Mr. President, if those eight words are not needed, if they are unnecessary and redundant, then there is no reason to include them. But the Senator from Kansas well knows that changing the text of the treaty by using words to which the two governments have not agreed could easily kill the treaties.

After all, we are not dealing here with legislation. We are dealing with a contract entered into by two sovereign governments. When you mess with the words of a contract you force renegotiation, or you force a situation in which the Government of Panama must hold another plebiscite. This Senate cannot unilaterally change the treaties. A treaty is a contract, and it requires the consent of both parties. Panama, acting either through its government or through its people, must agree to the changes we make.

So let us not fool ourselves. The purpose of adding these words is not to clarify an ambiguous section of the treaty; the purpose of adding eight words, or six, or four, or two——

Mr. DOLE. Or one.

Mr. CHURCH. Or one—there, the Senator from Kansas confirms it—is to wreck the treaty.

Nor is there any basis for casting aspersions on the leadership amendment. My able friend from Kansas (Mr. DOLE), of whom I am genuinely fond, keeps referring to the leadership amendment as the Carter-Torrijos amendment. Well, the able Senator has just added his own name as a cosponsor, so should we not refer to it henceforth as the Carter-Torrijos-Dole amendment?

As a matter of fact, the Senator from Kansas was one of the first to suggest it months ago. He nods agreement. I, too, felt that it was necessary, and I joined with the Senator from Kansas in urging the adoption of this amendment.

Mr. DOLE. Will the Senator yield just briefly?

Mr. CHURCH. Yes, I am happy to yield.

Mr. DOLE. Somehow my name got lost there.

Mr. CHURCH. Well, you have added it now, and it belongs there, because this is the Carter-Torrijos-Dole amendment.

Mr. DOLE. Now I am back in action.

Mr. CHURCH. You are back in action indeed. And it satisfies everybody, every sponsor, except the man who originally proposed it, the able Senator from Kansas. He wants to add eight more words, or maybe only one.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. CHURCH. There is no ambiguity——

Mr. ALLEN. Will the Senator yield?

Mr. CHURCH. I will in a moment. There is no ambiguity in this language which has already been worked out by our Government and the Panamanian

Government. The language says that each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threat.

Each shall defend the canal against any threat. If there is a way to write the English language more precisely than that, I would like to see it.

We do nothing but violence to precise, clear, direct draftsmanship when we begin to insert phrases like "as determined by either party," or "unilaterally or jointly" in the text. It does not improve the treaty at all. On the contrary, it clutters it up with legalese.

So I would hope that the Senator would remember what good work he did as the original author of this amendment—the Carter-Torrijos-Dole amendment—and support it as the two governments agreed to it, and not jeopardize the treaties themselves. We have made a favorable bargain, fair and square, between the two governments; let us stand by it.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CHURCH. I promised to yield first to the Senator from Alabama.

Mr. ALLEN. I am happy to defer to the Senator from New York.

Mr. JAVITS. No, no; go ahead.

Mr. CHURCH. As the Senator knows, we are on limited time, so I yield for a question.

Mr. ALLEN. I thank the distinguished Senator.

The Senator seems to think, at least he has stated to the Senate, that the addition of one word or two words or eight words not contained in the leadership amendment would kill the treaty. I am wondering, then, why the leadership amendments, inasmuch as they contain substantial amendments, according to the sponsors of the treaties, if the addition of eight words would render unacceptable treaties otherwise entirely acceptable, why is it that these amendments would not kill the treaties by requiring a new plebiscite?

Mr. CHURCH. Well, the answer to the Senator is that the language used in the amendments offered by the leadership is the language already agreed to by the United States and Panama and voted on by the Panamanian people.

The Senator from Alabama is too good a lawyer not to know that a treaty is a contract between two parties, and therefore cannot be changed by one party alone.

Mr. ALLEN. But it is being changed by the leadership amendments. The Senator offers to change it by the leadership amendments; why not another change?

Mr. CHURCH. I again explain to the Senator that the leadership amendments offer to change the text of the original treaties in a way that already has been agreed upon by the two governments.

Mr. ALLEN. When was it agreed?

Mr. CHURCH. As I have said many times before, it was agreed when the Presidents of the two countries entered into their declaration last year. The Senator is familiar with the history. The language of the amendments follows the declaration. The declaration was explained to the people of Panama. A plebiscite was held and they approved it.

Mr. ALLEN. Oh, it was not explained to the people.

Mr. CHURCH. Well, that is the Senator's opinion.

Mr. ALLEN. Because Mr. Torrijos had a different construction.

Mr. CHURCH. That is the Senator's opinion.

Mr. ALLEN. It is part of his own statement.

Mr. CHURCH. The Senator has his own opinion. He has reiterated it over and over again on this floor, but I say to him that this amendment was carefully drafted. It conforms with the agreement that was reached between the two governments. The language used is so clear that any argument charging that it is ambiguous must fail.

The amendment offered by the Senator from Kansas does not improve the language. It adds nothing necessary and its only purpose is to change the text to create serious problems for the treaty itself.

Now, if you are against the treaty, you are for changing the text and doing anything to create a problem. But if you believe that these treaties are fairly struck and a good bargain for both countries, if you believe that these treaties protect the vital interests of the United States in the future, and you want to see them ratified, then you will stand with the leadership, not because you are obliged to do it, but because as free Senators making up our own minds, it simply makes sense to do so.

Now, I am happy to yield to the Senator from New York (Mr. JAVITS).

Mr. JAVITS. Mr. President, the Senator has made all of the arguments which I think need to be made which are relevant and has detected exactly the flaw in the amendment, which is that it adds to an agreement already made and, therefore, if adopted, nullifies the agreement.

And it is greatly contrary to the views of all the sponsors, 70 odd, if the agreement is nullified by the fact that we have made this change, unless it is necessary.

Now, question, and that is the only point to which I would like to address myself. Is it necessary? Now constantly in the testimony respecting this particular amendment that was reiterated and reiterated again and again that this is a unilateral right of the United States to defend the canal against any threat to the regime of the neutrality and to act against any aggression or threat directed against the canal. Nothing would ever in this language negate that unilateral right.

Now it is argued that when General Torrijos described this to the people of Panama he used the words about ringing a bell, et cetera, which might indicate that unless he animated the bell or pushed the button that we did not have the right to do this.

Well, Mr. President, it is hornbook law and hornbook debate that where a document is clear on its face, no matter what anybody says about it that does not change what is clear on its face, and Torrijos, and there is no dispute about this, read this to the people of Panama, this text, and it appeared in their papers in Spanish and in English, and it was widely discussed in Panama, not just by Torrijos but by others.

And I am reminded of an analogy which is very brief and it relates to the Non-Proliferation Treaty, a treaty which one would agree is at least as important as this one, and in respect of the Non-Proliferation Treaty we signed that treaty and we declared the day we signed it that if Europe was unified, in a defense sense, that the whole of Europe would be a nuclear power. And the Soviet Union, almost the same day, when it signed the very same agreement, said it did not agree with that interpretation; that it would not be a nuclear power when unified, and we all know about the details of the unity of Europe, and so forth.

Now that did not prevent us from signing or them from signing, and we will each adhere to our interpretation. We are like done because action is within our power. It does not depend on them. It depends on us.

So whether it is a unified Europe, we will treat it as a nuclear power. Similarly here, when the treaty is approved and ratified, we will have the unilateral right to intervene and hence there is no reason for disturbing the situation by the amendment, and I hope it is rejected.

Mr. CHURCH. The Senator is quite right. The relationship between the two countries will be determined by the language of the treaty. The rights of the United States emanate from it.

I yield to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I thank my colleague.

This might be an appropriate time to go back to fundamentals for a moment. What is the national interest of the United States regarding the canal? Are we interested in asserting rights of sovereignty? I do not think so. We are not trying to acquire more territory.

Our interest is not even in making money down there. This is not a money-maker at all. We have never operated the canal that way. Our interest is solely in having the use of the canal by all nations and certainly by the United States of America.

Now that is the fundamental thing. What we are attempting to do is try to insure a relationship and a partnership that will most assuredly serve this Nation's national security interests. Now what could interefere with that? Obviously, our rights could be interfered with if we could not move rapidly through that canal, as we have had to many, many times, and our rights could be impaired if anyone could interfere with the neutrality of that canal.

After visiting the canal, I came to the definite conclusion that under no conditions would I vote for approval of the treaties as signed by the President of the United States and General Torrijos. Under no conditions could I approve those treaties because I felt they were flawed in two fundamental areas. The statement President Carter later negotiated with General Torrijos addressed those two points.

However, many of us felt it was insufficient just to have a memorandum of understanding or a communique issued by the White House. Many of us told General Torrijos and advised the administration. Even if it required a new plebiscite, we would have to go back and change the language of the treaties themselves, to embody two principles: the right of U.S. ships to go to the head of the line in emergencies, and the unilateral U.S. right to defend the neutrality of the canal.

General Torrijos assured me that the people of Panama understood these principles prior to the plebiscite. Our American Ambassador assured me and many others that this right was fully understood and in fact wanted by the Panamanians. They certainly appreciate the power necessary to defend the canal against any and all threats, and if they are truly in a partnership with us, it is in their self-interest to assure our right to defend the neutrality of the canal.

As I look at the language which says that "each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal," that seems eminently clear. I do not know who could really dispute what that language truly means.

I think this colloquy has been extremely important. I have noted before in the Foreign Relations Committee the great contribution that Senator DOLE has made to this debate with his amendments. Some of those original amendments have done a great deal to sharpen our thinking about the treaties.

To me the language in the leadership amendment is adequate. I will stand by that language, and I believe it must be adopted by the Senate and incorporated as a part of these treaties for the Senator from Illinois to vote for the treaties. Not only this amendment, but also the amendment to article VI that will be considered, which assures the right of U.S. warships, when it is in our national interest to do so, to go to the head of the line.

Without those two amendments, the Senator from Illinois could not vote for the treaties, but with them, I think these treaties are in the national interest.

I thank my colleague for yielding.

Mr. CHURCH. I appreciate the remarks of the Senator from Illinois. As he knows, his position is the same as mine. I said several months ago that the treaty must be amended in these two ways or I would not be able to vote for its ratification. I strongly believe these amendments correct any defect. With this language, the two governments make it very plain that the United States shall have the right to defend the canal, not only until the end of the century but thereafter, and that in any future emergency our ships will have the right to go to the head of the line.

Mr. PERCY. Will the Senator yield for another observation?

Mr. CHURCH. Yes, I yield.

Mr. PERCY. There is just one other observation the Senator from Illinois would like to make. I have been troubled since the Armed Services Committee hearings that were held—and I commend them for holding these hearings—about the costs of the treaties to the United States. This is not money to be paid to Panama—we do not pay them a penny from the Treasury, those are all paid from toll revenues—but there are liquidation costs. There is a cost involving $20 million we are giving up in interest that we have been taking in since the 1950's. I would like to simply say that in subsequent conversations the Senator from Illinois will address himself to how we might recover at least part of the $700 million. I think we have an obligation to the taxpayer to try to find ways.

The Senator from Illinois has discussed this with Panamanian economic officials and I believe we can try to work toward finding a way to recover some costs without taking what looked to be a large part of it out of the U.S. Treasury. We have 22 years to do it. That is one of the saving graces of this set of treaties, that we do have 22 years to work out some of these arrangements.

Mr. CHURCH. I look forward to the statement of the Senator from Illinois with great interest.

Mr. President, how much time remains to each side?

The PRESIDING OFFICER. The Senator from Kansas has 4 minutes remaining, and the Senator from Idaho has 8 minutes remaining.

Mr. CHURCH. Mr. President, I reserve the remainder of my time.

Mr. DOLE. Mr. President, I yield 2 minutes to the distinguished Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator.

Mr. President, I support this amendment. I believe it is necessary in order to guarantee the United States the right when, in its judgment, it deems it necessary to take action in defense of the canal that it may do so unilaterally. Without the Senator's amendment, that right is not guaranteed.

I think, Mr. President, that it has never been as plainly stated on the floor of the Senate as it was a minute ago when the distinguished Senator from Idaho (Mr. CHURCH) stated that the addition of one word, two words, or eight words, would kill this treaty. By what authority is that statement made? How can any Senator categorically say that a change in the treaty would kill the treaty? We know from a practical point of view that Mr. Torrijos will accept any amendments we put on here in the Senate. Certainly, he has agreed to accept two amendments sponsored by the leadership which supposedly have changed unacceptable treaties into acceptable treaties.

For the leadership to say that the Senate shall not have the right to discharge its constitutional duty and constitutional right of advising and shaping this treaty certainly indicates a determination to stonewall against all amendments. It requires the Senate, as I see it, to abdicate its constitutional role.

The Senator speaks of free Senators, more or less feeling the pinch of the charge that the leadership is requiring Senators to vote against all amendments. He calls on Senators to act as free Senators but rubberstamp these amendments. That is what the Senate has been called upon to do. I believe the Senate ought to discharge its constitutional duty and shape these treaties and get them into the best possible shape.

I believe my time has expired. I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. DOLE. I believe the Senator from Idaho has 8 minutes. The Senator from Kansas has 2 minutes.

Mr. CHURCH. I yield to the distinguished Senator from Maryland.

Mr. SARBANES. Mr. President, the distinguished Senator from Alabama loses sight of the fact that it takes two parties to make a treaty, just as it takes two parties to make any agreement; that under the Panamanian Constitution a treaty involving the canal has to be approved directly by the people in a plebiscite. So when we consider proposals to amend the treaties we cannot simply send amended treaties back down to Panama and say, "General Torrijos can accept any amendment which comes along."

The leadership amendments which we are talking about were included in the electoral process in Panama prior to the plebiscite because the joint statement was presented to the people and, therefore, have already received the approval of the Panamanian people. The judgment that Senators have to make with respect to other amendments is do they deal with a point of such substance that we ought to require going through that electoral process again with all the risks attendant thereto in time of electoral approval of a revised agreement.

I submit that the treaties, as they will be perfected by the leadership amendments, which embody matters which were put before the Panamanian people in the plebiscite and approved in that plebiscite, protect American interests.

We have an opportunity now to close an agreement with the other party. We cannot impose the agreement upon them. An agreement requires the mutual consent of the two parties to the agreement. We have the opportunity to close that agreement with arrangements to which the Panamanians subscribe and which will give us the basis for a new relationship between this country and the people of Panama.

One of the problems we have had since 1903 was that the other party involved in that treaty never accepted the legitimacy of the arrangement. The legitimacy of this arrangement has been approved directly by the people of Panama in a plebiscite by a vote of 2 to 1, with 95 percent of the population participating in that vote.

If some Senators are going to upset or undercut that approved arrangement then they will have created an entirely new and difficult situation. The people who take that position ought to frankly state they do not want the treaties.

I, for one, think these treaties are as protective an arrangement for American interests as we are ever going to get by agreement with the other party, and that such argument is enormously important. The alternative for us, if we do not get an arrangement arrived at by agreement between the two parties, is for the United States to be placed in the position of imposing its concept of what ought to take place through the use of force and through the use of strength. We are far better off to reach an agreement, as we have the opportunity to do here, which, protects our interests. That is what we ought to do in this case.

Mr. CHAFEE. Will the Senator yield 2 minutes?

Mr. CHURCH. I am happy to yield whatever time remains to me to the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I wish to make one other point.

The point which has been raised by the opponents to this amendment which is now before us is that the present language is not clear, that it is confusing. I point out that the language is well understood. As a matter of fact, a good deal of the opposition vote in Panama, as will be recalled—the vote was not unanimous; the vote was 66 percent for and 34 percent against—that 34 percent against, was based upon the fact that they objected to this very provision. This was a tough one for the Panamanians to swallow, for the United States to be able to come in unilaterally to protect the neutrality of that canal.

We met with the opposition leaders there—I did, and I believe many others did; perhaps the manager of the bill will recall meeting with them—and met this same type of situation.

It just seems to me that by adding this language we are raising all the problems that the junior Senator from Maryland just pointed out.

I believe the language is perfectly clear, not only to us but also to the Panamanians, as evidenced by their position in the last plebiscite. I thank the Senator very much for yielding.

Mr. CHURCH. I thank the Senator.

Mr. DOLE. Mr. President, in the brief 2 minutes I have left, let me say these same arguments were made in the first place, before we had any amendments, that the Senator from Kansas is being an obstructionist, that it is a killer amendment. Then we came along and we now have a leadership amendment which is the same amendment.

I might say, with reference to the remarks of the distinguished Senator from Idaho, the amendment of the Senator from Kansas, offered last December 23, was quite clear, not equivocal like the Torrijos amendment now before us.

At least the people in Panama had a plebiscite. The American people do not have the right to vote. We do not have the right to amend the treaty. What rights do the American people have?

If I were a citizen and were told by someone, as we were told a few moments ago, "You cannot add one word to this treaty," I would make up my mind in 1 quick second.

We cannot add one word. Torrijos has a veto on this floor. If we add one word, it is dead. That is what we have been told by the distinguished Senator from Idaho.

What are we doing here? Why are we having this session? Why are we meeting at all, if we cannot add one word, not one word? If we added the word "America" I suppose he would be opposed. We would be told Torrijos does not like that.

I say to my undecided friends, and there are some: Read the record carefully. They had a plebiscite. We do not have any rights at all in this body. We cannot add one word to this treaty.

My amendment is a constructive amendment. I think it should be adopted. I think it should be accepted. This is not an effort to kill the treaty; it is an effort to clarify the treaty.

Mr. CHURCH. Mr. President, it does no good to attempt to twist positions taken or statements made. Why must we restate elemental propositions? Of course, the Senate has a right to amend this treaty. Of course, if the majority of the Senators so vote, they can amend any part, any clause, any section of this treaty; so the proposition we have just heard from the Senator from Kansas is absurd.

But if the Senate chooses to amend the treaty, we must do so knowing it endangers it. The opponents know that. Clearly, that is their motivation. That is why they want to change the words. They are against the treaty, and that is understandable.

But those of us who are for the treaty must resist these efforts to put the treaty at risk—not because the Senate lacks the power, but because, in the exercise of the wisdom of the Senate, changing the treaty would not serve the best interests of the United States.

On that basis, I now move, Mr. President, to lay this amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Mr. MATSUNAGA). The Senator from Kansas has 30 seconds remaining of his time, so I ask the Senator to withhold his motion.

Does the Senator from Kansas wish to use his 30 seconds?

Mr. DOLE. No, Mr. President, I yield it back.

Mr. CHURCH. I yield back the remainder of my time. I move to lay the motion on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. All time has been yielded back. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MORGAN (after having voted in the negative). On this vote I have a pair with the distinguished Senator from West Virginia (Mr. RANDOLPH). If he were present and voting, he would vote "yea." He is unable to be present. Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Georgia (Mr. HODGES), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from North Dakota (Mr. BURDICK) is absent because of death in the family.

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from North Carolina (Mr. HELMS), the Senator from Kansas (Mr. PEARSON), the Senator from Vermont (Mr. STAFFORD), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from North Carolina (Mr. HELMS). If present and voting, the Senator from Oregon would vote "yea" and the Senator from North Carolina would vote "nay."

The result was announced—yeas 45, nays 37, as follows:

[Rollcall Vote No. 46 Ex.]

YEAS—45

Baker	Hart	Muskie
Bayh	Haskell	Nelson
Biden	Hathaway	Packwood
Bumpers	Huddleston	Pell
Byrd, Robert C.	Humphrey	Percy
Case	Inouye	Proxmire
Chafee	Javits	Ribicoff
Church	Kennedy	Riegle
Clark	Leahy	Sarbanes
Cranston	Magnuson	Sasser
Culver	Mathias	Sparkman
Danforth	Matsunaga	Stevenson
Durkin	McGovern	Stone
Eagleton	Metzenbaum	Weicker
Glenn	Moynihan	Williams

NAYS—37

Allen	Goldwater	McClure
Bartlett	Griffin	Melcher
Brooke	Hansen	Nunn
Byrd, Harry F., Jr.	Hatch	Roth
Cannon	Hatfield, Paul G.	Schmitt
Chiles	Heinz	Schweiker
Curtis	Hollings	Scott
DeConcini	Jackson	Stevens
Dole	Johnston	Talmadge
Domenici	Laxalt	Thurmond
Eastland	Long	Tower
Garn	Lugar	Wallop
		Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Morgan, against.

NOT VOTING—17

Abourezk	Gravel	McIntyre
Anderson	Hatfield, Mark O.	Pearson
Bellmon	Hayakawa	Randolph
Bentsen	Helms	Stafford
Burdick	Hodges	Stennis
Ford		Young

So the motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that there now be a period for the transaction of routine morning business, with statements therein limited to 5 minutes each, and the period not to extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today, I say for the information of Senators.

PROGRAM FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 o'clock tomorrow morning.

Immediately after the prayer, the Senate will resume its consideration of the treaty, with Mr. Helms to be recognized at that time to call up his amendment, on which there is a time agreement.

SENATE JOINT RESOLUTION 119—APPRECIATION OF CONGRESS TO DR. ARTHUR F. BURNS

Mr. JAVITS. Mr. President, I send to the desk a resolution on behalf of myself, the Senator from Alabama, Mr. SPARKMAN; Senator MATHIAS; and Senator GOLDWATER. Any other Members who wish their names to be added as cosponsors will be more than welcome.

The PRESIDING OFFICER. Is the Senator submitting the resolution for referral or consideration immediately?

Mr. JAVITS. For consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 119) expressing appreciation of the Congress of the United States to Dr. Arthur F. Burns.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the joint resolution, which will be considered as having been read the second time at length.

Mr. JAVITS. Mr. President, I ask unanimous consent that the name of Senator MOYNIHAN be added as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, Senator SPARKMAN and I felt that it was only proper that Congress express its appreciation to Dr. Arthur F. Burns, who has just concluded 8 years as Chairman of the Federal Reserve Board.

I am deeply gratified that Senators GOLDWATER, MATHIAS, and MOYNIHAN have joined us.

Mr. President, I ask unanimous consent that the names of Senator SCHMITT and Senator LUGAR be added as cosponsors of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator add my name? I criticized Chairman Burns. I intend to do so in the future when he comes back to testify. But I have great admiration for him. Put my name on it.

Mr. JAVITS. Mr. President, I ask unanimous consent that the names of Senator PROXMIRE, Senator BAKER, Senator HEINZ, and Senator THURMOND, and Senator MATSUNAGA be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, this outpouring of feeling for Arthur Burns on the floor shows how we feel about him. Really, it is not necessary to read the words of the resolution. I hope they are worthy of the man. We pay tribute to him as one of the outstanding and dedicated public servants of our country and our people, who has had an unsurpassed record as an adviser and counselor to five Presidents, as well as a distinguished academic career. He had the unique combination of being one of the world's leading central bankers, is widely recognized by central bankers everywhere, and is considered one of the leading academicians who has ever served our country.

Mr. President, it is the only thing that we in our democratic society can give our great public servants—thanks and appreciation. Knowing Dr. Burns as I do, and as Senator SPARKMAN does and as all of us do, I know that is all he wants and that he will deeply appreciate this warmth and affection which is reflected for him by the resolution.

I know, too, that if we had circulated the resolution or if other Senators were in the Chamber, we could add a whole host of Senators to the resolution; but it is passed by the Senate, so it speaks for every Senator.

In the other body, it will be offered by Representative LUNDINE of New York and Representative STANTON of Ohio. There, too, it will represent, I know, a unanimous—if there ever can be such a thing—outpouring of feeling for this very gifted and very splendid man, an outstanding servant of his people and his country.

Dr. Burns has been a dedicated servant of the American people and as Chairman of the Board of Governors of the Federal Reserve System has provided outstanding leadership in dealing with the severe economic issues which have faced—and continue to face—the Nation.

Dr. Burns has had an unsurpassed record as an adviser and counselor to five Presidents as well as a distinguished academic career at Columbia University in New York City. This unique combination as one of the world's leading central bankers and an economics professor has served Dr. Burns well in his approach to dealing with our economic problems.

Under Dr. Burns, the Federal Reserve Board has maintained a responsible monetary policy which has balanced the need for economic expansion with a judicious concern for inflation.

More importantly, Arthur Burns has reflected the highest humanitarian ideals in his pursuit of economic policy. He understood the deleterious effect of inflation on the moral fiber of the American polity and, more specifically, in the erosion of business confidence.

Arthur Burns has been accused of letting his overriding concern for inflation overshadow the need for monetary expansion in order to stimulate the economy and create vitally needed jobs. On the contrary, Dr. Burns' concern for increased job opportunities, especially for minorities, was at the root of his tireless fight against inflation. Arthur Burns understood so well that without business confidence and capital investment, the jobs would simply not be there and that, in the final analysis, a working person is freer than one on unemployment compensation.

Dr. Burns may have concluded his tenure as Chairman of the Federal Reserve, but it is my hope that he has only begun a new career as senior world statesman in economic affairs.

Mr. President, I urge my colleagues to join Senator SPARKMAN and me in expressing our appreciation to Dr. Burns for his great service to the United States by adopting the following resolution:

I yield to Senator SPARKMAN.

Mr. SPARKMAN. I thank the Senator from New York.

I am glad to join our colleagues in offering this resolution. I have know Dr. Burns for a good many years. I have observed his work. The chairmanship of the Federal Reserve Board is one of the most important and perhaps one of the most arduous jobs in Government.

Dr. Burns has had a long service. I believe that only one previous Chairman of the Board exceeded him in length of service. He has done a tremendous job. The job he has done was recognized by President Carter when he appointed a replacement for Dr. Burns. Yesterday, when Mr. Miller was sworn in, President Carter again took advantage of the opportunity to pay Dr. Burns a wonderful tribute.

I am glad to have the privilege of joining in this resolution recognizing the tremendous job this man has done.

Mr. JAVITS. Mr. President, I would be derelict in my duty if I did not also emphasize the warmth of the exchange between President Carter and Dr. Burns, and I would not in any way wish to indicate that the President is not just as appreciative as we are, except we are legislators, and this is the way in which we can express our views.

I yield to the Senator.

Mr. ALLEN. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I thank the Chair.

Mr. President, we are ready for a vote.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the resolution.

The resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

The joint resolution was passed.

The preamble was agreed to.

The joint resolution (Senate Joint Resolution 119) together with the preamble is as follows:

S.J. RES. 119

Whereas Dr. Arthur F. Burns has concluded eight years as chairman of the Federal Reserve Board, a position ranked by many observers as second in importance only to the Presidency itself; and

Whereas Dr. Burns has served under five Presidents and has served them and the American people faithfully and well; and

Whereas Dr. Burns, by his tireless efforts to protect the integrity of the American dollar both at home and abroad, and by his counsel and advice in improving the international monetary system, has gained unequaled universal respect among the free nations of the world; and

Whereas Dr. Burns, as Chairman of the Federal Reserve has acknowledged to a greater degree than any of his predecessors that the Board is independent and a creature of Congress, and has also fought long and hard to show the wisdom of keeping monetary policy decisions in the hands of our central bank; and

Whereas Dr. Burns, as an individual, blessed with a high moral personal standards combined with a keen sense of humor, and by his courteous, thoughtful and forthright personality, has won the friendship and admiration of individual members of Congress and the American people; and

Whereas Dr. Burns has served this nation in various capacities since 1930—as president and chairman of the National Bureau of Economic Research, as chairman of the President's Council of Economic Advisers from 1953 to 1956, as a member of the President's Advisory Committee on Labor-Management Policy from 1951 to 1966, as Counsellor to the President in 1969, and as chairman of the Federal Reserve Board from February 1, 1970 through March 8, 1978, now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress herewith express its appreciation to Dr. Arthur F. Burns for his long and superb service to the United States of America and its people and does further express the hope that Dr. Burns will continue in his role as senior statesman in economic affairs, reflecting his qualities of economic integrity and stability.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Does the Senator from Wisconsin seek recognition?

CHAIRMAN OF THE FEDERAL RESERVE BOARD WILLIAM MILLER'S FIRST CONGRESSIONAL APPEARANCE

Mr. PROXMIRE. Mr. President, apropos what has been said about the former Chairman of the Federal Reserve Board, I would like to make a comment.

Mr. President, today marked the first appearance of the new Chairman of the Federal Reserve Board before Congress. Chairman Miller appeared before the House Banking Committee this morning to make the quarterly report on monetary policy for the Board required by congressional resolution.

Obviously in his first day in the office Mr. Miller cannot be held accountable either for the conduct of the Federal Reserve Board or of the economy in any degree at all. The statement could have been given by Arthur Burns just as easily. There is not much difference in either tone or style.

And the very disappointing aspects of this accounting by Mr. Miller are in no way his fault, but it was a disappointing statement, in my view.

Mr. Miller reported for instance that M–1, the basic money supply—that is currency and demand deposits—the monetary aggregate over which the Fed has the closest control grew by 7½ percent over the past year. This, of course, is sharply in excess of the 4 to 6½ percent which the Fed had set in its last appearance before the Congress—during the last quarter of 1977. It exceeds the top of the range set by the Fed at any time throughout 1977. And it is particular unfortunate, because throughout this period the Fed was coming before the House and Senate Banking Committees announcing consistently lower ranges at each appearance. In other words, each appearance would be lower than the one before.

Let me make it clear Mr. President, I do not fault the Federal Reserve for following the easier monetary policy that the 7½-percent increase represents. I think that was about right. But I do fault the Fed for telling the Congress they were going to follow a policy that would have represented a sharply greater degree of restraint, and then consistently departing from it as they have.

Frankly, I am concerned with the breadth of the range the Fed has chosen. A 4- to 6½-percent range of growth in the money supply is very nearly ridiculous. The Fed is telling the Congress almost nothing even if it stays within that range.

Obviously if the Fed had held money supply growth down to 4 percent, it would have been an extraordinarily restrictive policy. Credit would have been tight. Interest rates would have shot up. Housing starts would have dropped sharply, and interest rates would have been double digit with a vengency. Result: A recession brought on by Federal Reserve tight credit policies.

On the other hand a 6½-percent increase which was the other end of the range, would have been far different, a much more moderate restraint.

When the Fed told the Congress the range was to be from 4 to 6½ percent they told us very little indeed, except that restraint would vary from extreme to not-so-extreme. But it would still be strong credit restraint.

But the Fed stayed nowhere near its upper limit. They told us one thing and did something else.

Either the Fed is incredibly inept, unable to control even the most controlable monetary aggregate, or it deliberately deceived the Congress, that is, it paid no attention to its self-imposed goals and knew that it would not do so.

The other possibility—which I am sure the Fed would give—is that conditions changed during this period, and the Fed flexibly adapted to that change. Mr. President, I cannot buy that explanation, because every 3 months when the Fed came before the Congress it would reiterate a lower, I repeat a lower range, not the higher range the Fed kept hitting.

It may be the Fed feels that it would be too much for the business community or the international community to take to hear the Fed say they were going to ease up on monetary policy, even if they intend to do so.

But this policy of announcing a tight policy, appearance after appearance and following an easier one is going to destroy the Fed's credibility.

The announcement that the Fed will have the same goals for M–1 they had in the fourth quarter of 1977 and that M–3 will be tightened a notch is too strict a policy for an economy that is still operating at less than 82 percent of capacity and suffers more than 6 million unemployed. Because the Fed was above the goals last year, this latest announcement, if the Fed means it, means the credit screws are to be tightened sharply and the growth of the economy slowed down by higher interest rates and less investment, especially in housing. Do we need that? I do not think so, and I do not know anyone who does.

But in view of the Fed's past failure to observe its targets that announced restraint may not mean very much. And that failure to mean much should have Members of Congress as well as the business community worried.

At today's House Banking Committee hearings, Chairman REUSS submitted a very fine opening statement for the record which I would like to insert in full in the RECORD at the end of my remarks.

It raises certain questions about the Federal Reserve's policy plans and objectives that should be answered. It also calls into question the Federal Reserve's compliance with the Federal Reserve Reform Act of 1977:

That act requires the Fed to take into account past and prospective developments with respect to production, employment, and prices when it reports its plans and objectives for growth of the monetary and credit aggregates.

This means that the Federal Reserve is formally required to submit a statement of the rate of growth of real gross national product, of the rate of unemployment, and of the inflation rate that is compatible with their target ranges for the monetary and credit aggregates.

The act requires that the FOMC have a target range for aggregate credit supply. They have not done that and I think they should. We have a very large budget deficit projected for this year and next, plus business credit demand, consumer credit demands, demands for mortgage credit are all large and growing. There should be some indication from the Federal Reserve of the magnitude of those demands in the coming months and how they will be accommodated.

The legislative history of the Federal Reserve Act further requires the Federal Reserve to discuss fiscal policy, monetary

velocity, and interest rates in its statement to the Congress. Chairman REUSS is correct in calling upon the Federal Reserve to comply with this requirement and I strongly agree with his statement.

Chairman REUSS asked Mr. Miller for a written statement by March 21 that conforms with the Federal Reserve Reform Act. Mr. Miller agreed to accommodate that request, and I look forward to reading it.

The economic report of the President for a rate of growth of real GNP of between 4.5 and 5 percent this year and next, and a progress reduction of unemployment to between 5.5 and 6 percent at the same time:

These are reasonable targets and they should be recognized by the Federal Reserve and we should know from them how they intend to work monetary policy toward achieving those goals.

Last November the Senate Banking Committe reported on monetary policy to the Senate. It said that it believed the "Federal Open Market Committee should retain as much flexibility in conducting monetary policy as may be necessary to accommodate a real economic growth target of 5 percent as set by the administration." It is vitally important that monetary and fiscal policy work toward the same goals rather than at odds to each other. The only way we can know whether this is happening is for the Federal Reserve to be more explicit in its explanation of monetary policies.

Mr. President, I ask unanimous consent that the statement by Mr. Miller before the House Banking Committee be printed in the RECORD, and that an excellent opening statement by Chairman REUSS of the House Banking Committee be also printed in the RECORD at this time.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF CHAIRMAN HENRY S. REUSS

It is a pleasure to welcome you, Mr. Miller, as the new Chairman of the Federal Reserve, to our first hearing pursuant to the Federal Reserve Reform Act of 1977.

1. This Act requires that the Federal Reserve present a more complete statement than in the past of the basis on which monetary policy has been formulated and the objectives toward which it is directed. In the words of the Act, the Federal Reserve shall report its targets for the growth of the monetary and credit aggregates, "taking into account past and prospective developments with respect to production, employment and prices." Thus, a statement of the rate of growth of real Gross National Product, of the rate of unemployment, and of the rate of inflation that you believe is compatible with the target ranges of monetary growth you are announcing is now a formal requirement of the reporting system.

The Committee Report on this legislation further noted that to meet this requirement would "require discussion of such matters as fiscal policy, monetary velocity, and interest rates." In particular, as the legislative history of the Federal Reserve Reform Act of 1977 makes clear, a discussion of future trends in interest rates should be part of the Federal Reserve's quarterly report to Congress. In the Report (No. 95–774), I noted that since moderate long-term interest rates are stated as a goal of monetary policy, it is necessary for the Federal Reserve to present their view of prospective developments in interest rates. My colleague, Congressman Stanton, the ranking minority member, agreed "that in his view, as in that of Chairman Reuss, it is 'implicit' that interest rates be taken into account in the quarterly dialog, when moderate long-term interest rates are stated as a goal of monetary policy." (p. 5) We are not, of course, asking you to reveal your short-term targets for the Federal funds rate. Rather, you should tell us whether or not you expect interest rates, both short-term and long-term, to rise or fall, and whether the Federal Reserve expects that its planned money growth path will tend to accommodate or to oppose this trend.

2. Last year, growth of the basic money stock came to 7.4 percent. This figure, while the highest since 1972, was not excessive in context; it served to fuel a healthy rate of growth without exacerbating inflation. If anything, the Federal Reserve leaned slightly against the wind of economic growth in the latter part of the year.

Projections are for a somewhat slower real GNP growth rate in 1978. Consequently, a rate of money growth similar to last year's would imply a moderately more expansive monetary posture. Such a policy may be just what we need. Not pushed to excess, it would lower interest rates, encourage investment, and help us meet some of the important capital needs that may otherwise face us as bottlenecks a year or so hence. It would offset the bias toward consumption which has characterized policy in recent years. To keep the economy on a moderate overall expansion, we could offset such monetary encouragement with a little fiscal restraint—perhaps achieved by substituting a cost-effective direct attack on structural unemployment for some of the Administration's proposed tax cuts, as I have long advocated. Incidentally, your views on structural unemployment, and how we fight it, I find very similar to my own.

Your statement of the Federal Reserve's target growth bands for the year ahead will say much about the Federal Reserve Board's attitude toward such a trade-off of monetary ease and relative fiscal restraint. I hope the target band will be high enough to permit such a possible policy blend. Even if it is not, I would like your reaction, and that of the Federal Reserve, to this idea.

3. I wish you would also comment on the relationship of the new targets to the previously announced targets for the first and second quarters of 1978.

Last Summer and Fall, as you know, the actual money supply jumped far above the upper target band. Since this did not accompany any fall in interest rates, but rather a rise, it is my view that unusually strong credit demands, not an unusually eccentric monetary growth policy, was the cause of the divergence. But there is a consequence that remains to be dealt with. Since such rapid money growth took place last Summer and Fall, the targets set in 1977 for periods ending for the first two quarters of 1978 are now unrealistic. To meet the target for 1978, first quarter, money growth would have to be less than one percent per annum in the present quarter. It would have to be less than five percent per annum over the first two quarters of this year if the targets for second quarter 1978 are to be met. I do not advocate such recessionary growth rates, and I hope you agree.

The Federal Reserve Reform Act, of course, does not require that any particular set of targets for the monetary aggregates be met. However, it will be a matter of great interest to this Committee if the targets for the first and second quarters should now be disregarded, and we would appreciate your so saying.

4. Over a longer horizon, another question of targets arises. The Economic Report of the President for 1978 calls for a rate of growth of real GNP of between 4.5 and 5 percent this year and next, and a progressive reduction of unemployment to between 5.5 and 6 percent in the same time. In a recent speech, your colleague on the Board of Governors, Henry Wallich, concurred that these are reasonable goals and can be reached. I trust I do not presume too much in presuming that you are also broadly within this consensus.

For the period beyond 1979, however, the President and Governor Wallich part company. The budget projections presented in the Economic Report are for unemployment to continue falling to 4 percent by 1983. The Council of Economic Advisers admits this is a difficult goal: "for it would imply that actual GNP would exceed our present estimates of potential GNP". Nevertheless, with the aid of suggested structural and labor market policies, the Council of Economic Advisers prepares to do battle with this objective in mind.

Governor Wallich, for his part, denies the possibility of achieving 4 percent unemployment, "in the absence of an incomes policy of a sort that so far the nation has shown no willingness to apply". Mr. Wallich favors what he calls a "soft landing": sustained growth rates of real GNP between 3 and 3¾ percent from 1980 onward, with little or no decline in unemployment from the level of about 5.5 percent.

Where, in your own view, do the limits to the "art of the possible" lie? With what perspective on the prospects for long-range real GNP growth and employment do you plan to guide monetary policy over the next few years? How, if required to do so, would you plan to bring Federal Reserve monetary policy into the broader canvas of a unified economic strategy?

5. Discussion of long-range economic objectives leads to another important issue: the appropriate format and subject matter for Congressional oversight of monetary policy. This Committee takes its responsibilities on this question very seriously. We worked hard to pass the Federal Reserve Reform Act of 1977, to tighten the links between Federal Reserve reporting of long-range monetary targets and the discussion of real economic objectives—maximum production and employment, stable prices, and moderate long-term interest rates—which the operation of monetary policy is designed to achieve. In the past, getting forthcoming and open discussion of these questions has not always been easy. I am confident that we can start today to put our interchange on a less adversary, more open, and more informative basis than we have had in the past. The Humphrey-Hawkins bill, currently under debate in the House, will conduce toward this end.

6. Finally, the relationship between monetary policy and the international value of the dollar has become a matter of intense concern.

By law, the Federal Reserve may intervene in foreign exchange markets only at the direction of the Treasury. By long-established principle, intervention is called for only in response to "disorderly market conditions". In August, 1975, after joint hearings, the Subcommittees on International Economics of the JEC and on International Trade, Investment and Monetary Policy of the Banking Committees agreed on the following recommendation:

"The United States monetary authorities should intervene in exchange markets only to combat or prevent the emergence of disorderly conditions. Intervention should not attempt to influence the trend of exchange rate movements."

Lately, the Federal Reserve has intervened repeatedly to support the dollar. Although

it may be possible to maintain that on each such occasion "disorderly conditions" prevailed in the context of that day's trading, these conditions have shown a decided tendency to recur. Each time, the dollar's fall is made more severe, not less so, by the past efforts of the Federal Reserve and foreign central banks to support the dollar.

I want to distinguish two issues here. First, there is the use of swap agreements—under which the Federal Reserve borrows foreign currency from allied governments and uses it to purchase dollars, with repayment stretched out over weeks and months. The FRB now has swap lines totalling $20 billion with Germany, Japan, Great Britain, and a few others. Perhaps—and you can enlighten us on this point—some of those lines are now exhausted?

Swaps are an appropriate counter to truly disorderly market conditions. If disorder is the problem, intervention will be short-lived and successful. Swaps cannot, however, stall a declining trend. Twenty billion dollars, cast into a $500 billion market, can be lost in an afternoon. Speculators know that intervention cannot go on forever: so today's rise merely ups the stakes and the pressure for tomorrow's fall. The policy, in sum, is costly and ineffective.

I would specifically like your comments on the following questions:

(1) With whom does the Federal Reserve have swap agreements and in what amounts?

(2) To what extent have those agreements been used since January 1?

(3) Of the swaps effected, what portion have now been repaid?

(4) What has been the net profit or loss on each transaction? (I understand that these are then shared with participating foreign governments.)

(5) What evidence is there that the swaps have contributed to a stronger dollar over the past ten weeks?

Incidentally, I would appreciate from you, if not this morning, as soon as you review your testimony, a definition of "disorderly markets". I have a dark suspicion that disorderly markets are what happens when central banks intervene; when central banks fail to intervene, markets are not "disorderly". Cannot we do better than this?

The second issue is the manipulation of domestic interest rates—the Federal funds rate and the discount rate—to support the international dollar. On January 6, such a policy was explicitly invoked to justify a rise in the discount rate from 6 to 6.5 percent.

International objectives are also implicated in the rise of the Federal funds rate from 6.56 percent in December to 6.78 percent today. The Treasury bill rate leaped 42 basic points from December levels in the second week of January, and has maintained this high level ever since. Over the same time, the basic money stock has declined about $900 million. Are these the causes or effects of Federal Reserve use of domestic credit markets to support the dollar? If so, was this also done under explicit Treasury instruction?

I hope the answer is no. For such a policy, unlike swap agreements, does indeed work. Higher interest rates attract foreign capital, if there are not offsetting movements in foreign interest rates. Higher interest rates also slow our economy, including our demand for oil imports, which improves our balance of payments and hence relieves the real pressure on the dollar. The result: a healthy dollar and a sick economy.

In current conditions, the Federal Reserve should refrain from interest-rate intervention. If surplus countries want to hold the dollar up, let them lower their interest rates: such action tends to expand their economies, whereas if we do it the effect is contractionary. For our part, we should concentrate on real problems: controlling our use of oil and stepping up our exports. The Federal Reserve should abandon at once any use of domestic monetary policy in support of exchange rate objectives. Such objectives, under present circumstances, are inconsistent with the objectives prescribed by law for monetary policy: maximum production and employment, stable prices, and moderate long-term interest rates. I look forward to your assurance that in the future the Federal Reserve will adhere to these objectives and refrain from pointless, ill-fated foreign adventures.

STATEMENT BY G. WILLIAM MILLER

I am pleased to appear today, for the first time, to present the Federal Reserve's report on the conduct of monetary policy. This will also be our first report since passage of the Federal Reserve Reform Act of 1977, which originated in this Committee and which wrote into law the monetary oversight hearings that had been held quarterly in recent years. These hearings have provided a useful forum for discussion of economic and financial conditions and monetary policy. I have no doubt that they will continue to do so, and look forward to participation in them.

During the past year, the Federal Reserve continued to pursue the objective of fostering financial conditions consistent with expansion of economic activity and moderation of inflationary pressures. Gross national product—the broadest measure of economic activity—rose 5¾ per cent in real terms during 1977, about the same rapid pace as we experienced on average in the earlier stages of the current recovery. However, the rate of inflation remained disturbingly high.

Very recently, sales and production have weakened, but this seems to reflect mainly—if not entirely—the temporary effects of the unusually severe winter weather and the coal strike. While prolongation of the strike could lead to more extensive economic disruption, basically our economy is strong, and the year 1978 should see continued expansion in economic activity at a moderate pace and a further reduction in the unemployment rate. At the same time, recent trends provide little basis for optimism with regard to an abatement of inflationary pressures.

The brisk increase in production last year made it possible to reduce unemployment significantly despite further large growth in the size of the nation's labor force. In the past twelve months, the jobless rate has fallen more than a percentage point. Total employment has risen by more than 4 million, and the proportion of our population that is employed stands at the highest level in the postwar period.

The advance of production and employment during the past year was broadly based, with most of the major sectors of aggregate demand registering good gains. Consumer spending followed an uneven course during 1977, but for the year as a whole growth was substantial by historical standards. Residential construction continued to provide considerable impetus to expansion, with single-family housing starts reaching an exceptionally high level and multi-family building also posting appreciable gains from earlier depressed levels. Business fixed investment expanded somewhat more rapidly in 1977 than in earlier years of the recovery, although such investment continued to lag well behind its performance in previous cyclical upswings. The pace of governmental spending—at both the Federal and the State and local levels—also picked up last year.

As domestic activity expanded rapidly, our imports of goods from abroad continued their steep climb, boosted by our increasing appetite for imported oil. Meanwhile, the sluggish performance of economic activity in other major industrial countries limited the demand for our exports. As a result, our trade deficit deepened from about $10 billion in 1976 to more than $30 billion in 1977.

The widening of the trade deficit contributed importantly to the downward pressure on the exchange value of the dollar over the past several months. The Federal Reserve, in cooperation with the Treasury, has taken steps to counter disorder in foreign exchange markets and to emphasize U.S. concern about the integrity of the dollar. But the key to a sound dollar and a stable world financial system lies ultimately in the resolution of some of our fundamental, longer-range economic problems. In particular, we must establish an energy policy that promises to reduce our reliance on foreign sources of petroleum; we must create a better climate for business investment, so as to enhance labor productivity and to increase our international competitiveness; and most importantly, we must make progress toward the restoration of domestic price stability.

One of the great disappointments of the past year has been the lack of progress in reducing the pace of inflation. Wage increases have continued to outstrip gains in output per hour worked; unit labor costs in private industry have again risen substantially; and prices have been trending upward at about a 6 percent annual rate.

Prudent monetary management is, of course, an essential ingredient in the control of inflation over the longer run. Too much money growth would add to inflationary pressures and would tend to encourage still larger increases in wages, costs, and prices.

Confronted with very strong demands for money and credit this past year, the Federal Reserve took actions to moderate monetary growth and to help ensure that inflationary forces would not get out of hand. Although interest rates have risen, domestic financial markets have remained supportive of economic growth. Supplies of credit have been ample, with the total volume of funds raised in the nation's money and capital markets approaching $400 billion in 1977—a record both in dollar terms and as a percentage of GNP.

In the household sector, mortgage loans accounted for the bulk of an unprecedented increase in indebtedness. Families sought mortgage credit not only to finance the purchase of homes, but also to fund other expenditures and to add to their holdings of financial assets. Meanwhile, consumer installment credit grew very rapidly, especially during the first half of the year when sales of new cars were strongest.

Borrowing by nonfinancial business firms also rose sharply in 1977. The volume of new publicly offered bond issues fell off somewhat from the preceding year, as many of the larger, high-rated companies had completed the restructuring of their debt in 1975 and 1976. But low-rated firms continued to place large quantities of bonds privately with life insurance companies and other lenders. And companies of all types tapped financial institutions for increased amounts of mortgage and term loans, as well as for short-term credit.

Governmental demands for credit in 1977 remained exceptionally large by historical standards. Borrowing by State and local units surpassed previous levels by a wide margin. A substantial portion of the increase in tax-exempt bond issuance was for the advance refunding of debt obligations incurred in prior years when interest rates were higher, but States and municipalities also borrowed large amounts for current and future capital outlays. At the Federal level, the outstanding volume of Treasury debt rose by the third largest amount in history, as a consequence of the U.S. Government's large budget deficit. Financing of the continued Federal deficit

contributed to upward pressures on interest rates last year—a year in which private credit demands were especially strong.

In an environment of briskly expanding economic activity and credit demands, the monetary aggregates also tended to grow more rapidly last year. The public's demand for M–1—currency and checking account balances—strengthened considerably, and growth in this measure of money accelerated. Over the year as a whole, M–1 grew about 7½ per cent, well in excess of the range established by the Federal Reserve. The broader monetary aggregates—M–2 and M–3—grew at rates near the upper end of the ranges that had been adopted by the Federal Reserve in early 1977.

Knowing that a sustained, rapid monetary expansion would threaten a build-up over time of inflationary pressures, the Federal Reserve began in early spring to be less accommodative in its provision of reserves to the banking system. The adjustment of policy was a cautious one, in view of the possibility that the burst of monetary expansion that had developed might reflect simply a transitory swing in the public's demand for cash balances. But as relatively rapid monetary expansion continued, the Federal Reserve gradually exerted increasing restraint in the provision of bank reserves relative to the strong demands for them.

As a result, the Federal funds rate—the rate banks pay to borrow reserves from one another on an overnight basis—rose about 1¾ percentage points from April to October, reaching a level of about 6½ per cent. And the discount rate at Federal Reserve Banks was raised in two steps to 6 per cent by late October. Subsequently, in early January, the discount rate was increased to 6½ per cent and the Fed funds rate was moved slightly higher to help stabilize conditions in the market for dollars on international exchanges.

Over-all, since last April short-term market rates of interest have risen about 2 percentage points. Intermediate- and long-term yields have also risen, with increases largest in the market for Treasury securities, where rates have adjusted upwards by ¾ to 1½ percentage points over the last 10 months.

These increases in interest rates on longer-term securities may well have reflected some increase in the inflation premium, as investors reacted to the lack of progress in reducing inflation. Nevertheless, despite the increases of the past year, most short-term rates are still less than 1 percentage point above their levels at the beginning of the present economic expansion in early 1975, and corporate and municipal bond yields are significantly below their levels then.

Growth rates for all the monetary aggregates have slackened appreciably, on average, in the last few months. Growth in M–2 and M–3 has slowed in part because the rise in interest rates on market instruments has made them more attractive to some savers than interest-bearing deposits at banks and thrift institutions. At the same time, however, demands for loans at depository institutions have remained strong. Under the circumstances, these institutions have had to supplement their deposit flows by borrowing and by reducing their holdings of liquid assets.

Although these pressures may be causing depository institutions to become a bit more cautious in their lending policies, credit supplies still appear to be ample. Moreover, the financial condition of the key nonfinancial sectors remains generally strong. It is true that household debt burdens, as measured, for example, by the ratio of consumer and mortgage loan repayments to disposable income, are historically high, and they deserve careful monitoring. But to date, there has been no rise in delinquency rates, so that families appear thus far to be handling their increased indebtedness well. Businesses added further to their liquid assets last year, and corporate balance sheets on the whole appear to be strong, although there is considerable variation from firm to firm. And State and local governments, with record operating surpluses in 1977, appear in the aggregate to enjoy a healthy financial position.

Thus, financial conditions remain supportive of expansion in economic activity. As 1977 drew to a close, aggregate demands for final goods and services were strong. As I noted earlier, severe winter weather and the coal strike have caused some steep declines in economic indicators recently. However—assuming a reasonably prompt resumption of activity in the coal industry—we can expect favorable underlying trends soon to reassert themselves. Growth of employment and income has been substantial over recent quarters, and consumer confidence has remained high. Consumer spending, therefore, should grow at a reasonably good pace, and would be bolstered later this year by the proposed tax cuts. In the business sector, new orders for nondefense capital goods have continued the uptrend that began about three years ago, and presage further expansion in business fixed investment. In addition, the rate of inventory accumulation is likely to accelerate in coming months; inventory investment had slowed in the fourth quarter, and stocks are lean in many product lines. Moreover, with prospects for our exports improved by the likelihood of stronger economic growth abroad this year, it appears that our foreign trade deficit will not deteriorate further.

Over-all, it is the Federal Reserve's judgment that trends in the national economy favor continued expansion at a moderate rate in economic activity and a further reduction in the rate of unemployment over the course of 1978. There is, however, less reason to be sanguine about progress in curbing the rate of inflation. Food and material prices have risen substantially in recent months. And labor costs continue to rise at a relatively rapid rate. The decline in the value of the dollar on international exchanges is another cause for concern. It not only contributes to upward pressures on domestic prices but also threatens to erode business confidence here and abroad.

The monetary growth ranges that were adopted by the Federal Open Market Committee at its February meeting are expected to prove consistent with continued expansion in economic activity, as well as with a gradual winding down of inflation over the longer run. For the year ending with the fourth quarter of 1978, the M–1 growth range was set at 4 to 6½ percent. A range of 6½ to 9 percent was established for M–2, which includes, in addition to M–1, time and savings deposits other than large negotiable CD's at commercial banks. And a growth range of 7½ to 10 percent was adopted for M–3—which includes, besides M–2, deposits at nonbank thrift institutions.

The ranges for M–1 and M–2 are identical to those that the Committee previously had adopted for the year ending in the third quarter of 1978. The range for M–3, however, has been adjusted downward by ½ percentage point in light of the higher level of market interest rates now prevailing and the apparent effect of these rates in retarding growth in time and savings deposits at thrift institutions. All of the ranges adopted by the FOMC anticipate a deceleration of monetary expansion from the growth rates actually recorded in 1977. Progress over time in this direction is necessary to ensure the ultimate achievement of reasonable price stability.

Specification of growth rates for the aggregates is, of course, subject to considerable uncertainty. The rate of growth in money needed to support economic expansion depends in part on changes in the velocity of money—that is, on the rate at which the public uses the existing stock of money to finance transactions. In recent years, regulatory changes and financial innovations have encouraged increases in the velocity of M–1 by enabling the public to economize on demand deposits. However, the retarding effect of such changes and innovations on the demand for M–1 apparently diminished in 1977, when M–1 growth accelerated. Thus far in 1978, growth in M–1 has been quite moderate, but it is far too early to say whether this marks a slower trend in growth or is simply a transitory development in a highly volatile series.

The behavior of the broader aggregates—M–2 and M–3—will be affected in the year ahead by the constraint placed on the ability of depository institutions to attract funds under existing regulatory ceilings on deposit rates. Banks have adjusted to the recent marked slowing of inflows of deposits subject to rate ceilings in part by offering increased amounts of large-denomination time deposits, which are not subject to ceilings. Some of these deposits, mainly large-denomination deposits issued in non-negotiable form, are included in M–2 and M–3; they have tended to sustain growth in these aggregates, especially M–2, in recent months.

There are other factors that may work to sustain growth in the broader aggregates in the year ahead. To some extent, the recent slowdown in inflows of savings and also small-denomination time deposits may represent a one-time shift of highly interest-sensitive funds; if so, once the shift has been completed, deposit growth should strengthen somewhat. Moreover, the fact that longer-term time certificates, which are subject to heavy penalties for early withdrawal, account today for a larger share of interest-bearing deposits—especially at thrift institutions—suggests that overall deposit growth should be less volatile than in the past.

Nonetheless, if heavy demands for money and credit should place further upward pressure on market interest rates, deposits subject to regulatory rate ceilings will be placed at a substantial competitive disadvantage. In such a circumstance, growth in M–2 and M–3 could fall short of the ranges. Upward adjustments in the ceiling rates on some or all categories of time deposits may be required to avoid a potential distortion in the flow of credit through our financial system, to promote equity for small savers, and to ensure the availability of loans to home buyers and others who rely on institutional sources of credit.

We recognize, however, the considerable uncertainties surrounding the shorter-run relationship between growth rates of the monetary aggregates, on the one hand, and the behavior of output and prices on the other. The Federal Reserve will continue, therefore, to maintain a vigilant and flexible approach, putting the long run performance of the economy above the pursuit of any fixed monetary growth rates.

Economic and financial developments in the current year, it should be noted, will depend to an appreciable extent on governmental policies beyond the province of the Federal Reserve. The outcome of legislative action on energy policy and on taxation will have a considerable influence on the strength of business investment and on international confidence in the dollar. So, too, will this nation's ability to find a way to reduce the upward wage-price pressures that continue to plague our economy.

STALINISM ILLUSTRATES IMPORTANCE ON GENOCIDE CONVENTION

Mr. PROXMIRE. I have just one other matter, and I apologize to the Senator from South Carolina who has been very patient, and I will just take a minute.

Mr. President, certainly all of my colleagues would concur that the atrocities

which were carried out in Nazi Germany mark one of the darkest eras in this planet's history. The methodical slaughter of 6 million Jewish people is a vivid example of what a real and horrible crime genocide is.

But Hitler was certainly not the only violent antisemite of his day. In an article in the March 2, 1978, Washington Post, George F. Will recalls the "ferocious antisemitism" of the man whom he describes as "this century's most prolific killer."

The violence of the Stalin regime, though, was not meted out exclusively against the Jews. In the Great Purge of 1934, virtually anyone who had been associated with the Lenin government was exterminated. To enhance his own power, Stalin declared countless people to be "enemies of the people." Thousands upon thousands died in the course of his regime.

The Senate has the chance to act upon a treaty which would condemn the commission of genocide as an international crime. The Genocide Convention has been before the Senate since 1948, and I believe that our failure to ratify the convention is one of the major oversights in the history of this body. The article by Mr. Will recalls the terrible events of the first half of this century. The potential for genocide is real; it has happened in the past and we should welcome the chance to condemn it today. I call upon the Senate to ratify the Genocide Convention as soon as possible.

I also ask unanimous consent that the article by Mr. Will appear in full at this point in the RECORD. I yield the floor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPIRIT OF STALINISM ALIVE AFTER 25 YEARS

(By George F. Will)

WASHINGTON.—This century's most prolific killer, and one of its greatest achievers, has been dead 25 years. The Bolshevik state was provisional when Lenin died in 1924, but it was a clossus when Stalin died March 5, 1953. It still reeks of Stalin's spirit.

In the battle for Lenin's mantle Leon Trotsky, orator of the revolution and creator of the Red Army, was beaten by the consummate conspirator. Stalin pioneered a new form of tyranny by making the police the central institution of society—police whose primary purpose was not combating crime but arresting people designated by the regime.

Hitler said he had "unqualified respect" only for "Stalin the genius," and Stalin trusted only Hitler. But unlike Hitler, who used radio and pageantry to make government resemble a Black Mass, Stalin's regime of random terror has a gray face. In Hitler's Reich, most people were safe, if they were docile. In Stalin's Russia, insecurity was pandemic.

Stalin's chosen name meant "steel." His closest collaborator was Molotov ("hammer"). Together they pounded a population to dust, atomizing it in order to turn it into concrete, inert and weighty. Stalin created the industrial sinews for a modern military machine. It absorbed perhaps the greatest miscalculation in history—Hitler's invasion of Russia in June 1941.

British intelligence thought Russia could resist for 10 days, US intelligence said three months. German soldiers carried no winter clothes. But by December, the Wehrmacht, which had anticipated fighting fewer than 200 Soviet divisions, had identified 360 enemy divisions. When Eisenhower was saying that the invasion of Sicily would fail if opposed by two German divisions, Stalin was fighting 185 German divisions.

Stalin won the most savage battle in history at a city that bore his name: Stalingrad. He won the Second World War, and that is why, when he died, the western border of the Russian empire was where Marx, a century earlier, had predicted that, someday, it would be extended from Stettin on the Baltic to Trieste on the Adriatic.

When Hitler struck, Stalin came unglued for 10 days. Then he made his first radio speech to his people. The nation was startled by his thick Georgian accent.

Many men who have regarded themselves as fulfillers of their nations' destinies—Napoleon, Pilsudski, Ataturk, Hitler (who became a German citizen just 15 months before becoming chancellor)—were born outside tnose nations, or near frontiers. Stalin was another semi-outsider.

Hannah Arendt notes that when Stalin decided to rewrite the history of the Russian revolution, he did not just destroy the old books, he destroyed their authors and readers—the intellectuals. Stalin believed that Pavlov had found the key to man in the conditioned reflex: People could be manipulated by verbal stimuli.

According to Professsor Robert Tucker, Stalin's theory was that, "Of all monopolies enjoyed by the Soviet state, none would be so crucial as its monopoly on the definition of words. The ultimate weapon of political control would be the dictionary."

Stalin ("How many divisions does the Pope have?") had little respect for intangibles. Yet his regime, although ideologically materialist, was obsessed with manufacturing definitions and revising dictionaries, an obession that George Orwell captured in "1984." Khrushchev's horror of West Berlin and Brezhnev's horror of Solzhenitsyn reflected, in part, a Stalinist obsession with the state's monopoly of concepts. And Brezhnev's use of "mental hospitals" and "psychology" as instruments of torture is, in part, a continuation of Stalin's faith in absurd notions of human nature.

In Stalin's mild moments his antisemitism, like Brezhnev's, was just a continuation of old Russian policies. But Stalin's more ferocious antisemitic moods expressed his seething resentment of Trotsky and some other Jews among the early Bolsheviks, whose brilliance accentuated Stalin's crudeness.

While in exile in Venice, Paolo Sarpi, a 17th century critic of the papacy, was attacked by papal agents who hacked him fiercely and left him for dead. When the surgeon dressing the wounds commented on the crudeness of his attackers, Sarpi said: "Agnosco stylum Curiae Romanae"—"One sees the style of the Roman Curia."

Similarly, the assassination of Trotsky in exile expressed the nature of the Soviet regime, then and now, patient, implacable, cruel and brutal. Stalin, who was delicate only in stalking, surely found it amusing that, in Mexico of all places, Trotsky died with an ice-ax in his skull.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

AMENDMENT NO. 73

Mr. THURMOND. Mr. President, on behalf of Senators ALLEN, DOLE, HATCH, HELMS, LAXALT, and myself, I am submitting an amendment which will protect the honor and sanctity of the remains of Americans buried in the Panama Canal Zone.

There are two cemeteries in the Canal Zone containing the remains of American citizens. Mount Hope Cemetery on the Atlantic side of the canal contains the remains of 1,332 Americans, of whom 175 are veterans. The graves of 3,395 Americans, including 741 veterans, are located in the Corozal Cemetery on the Pacific side of the canal. Immediately upon ratification of the treaties now before the Senate, Mount Hope Cemetery will pass to Panamanian control. The Corozal Cemetery, however, will remain under U.S. control until the canal is completely turned over to Panama.

Mr. President, the sanctity of the American gravesites in the Canal Zone must be protected. The problem of what should be done to protect the honor of the American dead buried in the Canal Zone has been thoroughly aired in the House Veterans Affairs Committee under the chairmanship of the Honorable RAY ROBERTS of Texas. Congressman ROBERTS is to be commended for his foresight in bringing this issue of importance and interest to veterans and, indeed, all Americans to public light. On January 23, 1978, Congressman ROBERTS raised the issue in the House of Representatives as to what disposition should be made of the graves of the American dead in Panama. Mr. President, I request unanimous consent that the remarks of Congressman ROBERTS on this issue be inserted in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AMERICANS BURIED IN THE PANAMA CANAL ZONE

Mr. ROBERTS. Mr. Speaker, much has already been said about the proposed Panama Canal Treaty and there will be additional debate on the treaty within the next few weeks and months. I shall not dwell on the proposal except to say that I think it needs to be thoroughly reviewed and debated as there remain so many unanswered questions.

I am concerned about the disposition of two cemeteries in the Canal Zone, in which American veterans are interred. There are two American cemeteries within the zone—Corozal Cemetery on the Pacific side, and Mount Hope Cemetery on the Atlantic side. These cemeteries come within the jurisdiction of the Panama Canal Company, and according to the VA, they were initially established for the burial of employees of the Company. The Company is a corporate agency of the Government of the United States. It operates under the direction of a Board of Directors appointed by the Secretary of the Army. Management is by a staff comparable in selection and status to career personnel under the U.S. Civil Service and includes certain U.S. military officers assigned to the organization.

The mission of the Company is to "efficiently operate and maintain the Panama Canal as well as the business-type activities incidental to operations of the canal and to the Canal Zone Government."

Under the draft Panama Canal Treaty, the Corozal Cemetery would remain under U.S. control until the canal is completely returned to the control of the Government of Panama. The other, Mount Hope, would pass immediately to Panamanian control following ratification of the proposed treaty. I understand no provision was made in the treaty for maintenance or other disposition of Mount Hope.

Mount Hope contains the graves of 1,332 Americans, of whom 175 are veterans. It also contains the graves of 36,878 non-Americans,

all of whom were involved in some way in the construction or operation of the canal since the canal operation began in 1903.

The Corozal Cemetery contains the graves of 741 veterans. In each cemetery the graves are not restricted to an area set aside for veterans, but scattered throughout the cemetery.

The Panama Canal Company has received several requests for the disinterment of remains for return to the United States. I am advised by the State Department and the Department of the Army that they are considering, on a preliminary basis, several alternatives. They are:

First. Negotiating an agreement with Panama wherein the Government of Panama would agree to continue and maintain these cemeteries.

Second. Authorizing the American Battle Monuments Commission to assume responsibility for maintaining the graves of the 1,332 Americans, buried in the two cemeteries.

Third. Enactment of legislation that would provide for the disinterment and reinterment, in a national cemetery in the United States at Government expense.

Mr. Speaker, it was aptly stated many years ago by a British Prime Minister, "Let me see the way a nation reveres its dead, and I will show you with a mathematical certitude the quality of civilization of that nation." We are now in the process of ending over 74 years of official presence in the Canal Zone. One of the lasting memorials and reminders of that presence will be the cemeteries containing the graves of Americans, to which I have referred. While we must show proper reverence and respect to the graves of all Americans, I am particularly concerned about the future of the grave sites of the American veterans interred in these cemeteries. While these cemeteries are not in the United States, they nonetheless are a piece of America which will be a perpetual monument to those who served our Nation during the years of our exclusive operation of the canal.

These cemeteries must not be permitted to deteriorate, the graves must not be allowed to be desecrated, especially those who served in our Armed Forces. I have always been strongly committed to the principle that proper respect and honor shall be provided to veterans wherever they may be buried. The fact that these veterans' graves are far from their original homes in the United States should be the basis for a redoubling of our efforts to assure that the cause for which these veterans served in our Armed Forces shall live and that their grave sites will represent our Nation as a proud remembrance of their contribution to this great Nation and the successful operation of the Panama Canal during a crucial period of American history.

I have asked the chairman of our Subcommittee on Cemeteries and Burial Benefits to schedule early hearings on this matter so that we can be sure the remains of Americans buried in the Canal Zone shall not be desecrated and will continue to receive the same care and respect as presently prevails.

Mr. THURMOND. Mr. President, as is indicated in the statement by Congressman ROBERTS, three alternatives have been proposed for protecting our national interests in the American graves in Panama. The first alternative would involve negotiating an agreement wherein Panama would maintain the cemeteries in question. A second proposal would authorize the American Battle Monuments Commission to assume responsibility for maintaining the graves of the Americans buried in the two cemeteries. A third proposal would call for the disinterment of the remains of all Americans in the two cemeteries and for their eventual reinterment in a national cemetery in the United States. A fourth alternative, of course, and the one pursued by the Department of State in negotiating the treaties, would be to do absolutely nothing. As a matter of fact, Richard Wyrough, Deputy Director and Senior Advisor for Treaty Affairs with the Department of State, who testified before the House Subcommittee on Cemeteries and Memorials on this issue on March 1, 1978, indicated that the Department of State simply did not address the cemetery matter at the treaty negotiations. Although it is abundantly clear that the provisions of the treaties call for Senate abdication of its responsibilities in the area of national defense, the blatant failure of American negotiators to protect our Nation's interests in these graves raises speculation as to what other interests involving traditional American notions of human decency were not addressed or protected in the treaty negotiations.

Mr. President, the amendment which I propose offers the only rational course to pursue in this matter. It simply provides for the disinterment of the remains of the Amercan dead in the Mount Hope Cemetery and their reinterment in the Corozal Cemetery within 2 years from the effective date of this treaty. Next of kin of deceased Americans buried in the cemeteries who object to the removal of the remains of their kin may prevent such disinterment by registering their objection within 6 months of the effective date of the treaty with the American Battle Monument Commission. The amendment would further authorize the American Battle Monuments Commission to exercise jurisdiction over the American sector of the Corozal Cemetery in perpetuity without payment or taxation. A separate amendment which I am offering to the treaty would grant the United States the exclusive right to fly the United States flag over such American sector.

Mr. President, the amendment which I offer presents a scheme for caring for the remains of our American dead in the Canal Zone similar to that recommended by National Commander-in-Chief of the Veterans of Foreign Wars John Wasylik in his testimony before the Senate Veterans' Affairs Committee on March 7, 1978. The proposal also has the support of the American Legion. the Disabled American Veterans, AMVETS, the Non-Commissioned Officers Association, the Reserve Officers Association, numerous other veterans organizations, and also I am sure, that body whose opinions have been largely unheeded in all of the negotiations on the treaties—the great majority of the Amercan people. Finally, the amendment would assure the effectuation of a course of decency. It would not leave the protection of the sanctity and honor of these gravesites to future negotiations, the eventual occurrence of which would be extremely doubtful.

I hope that this proposal, one which is made without partisanship, receives the full support of my comrades.

I ask unanimous consent that the text of my amendments be printed at the conclusion of my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 73

Between article VIII and the signature clause, insert the following:

"ARTICLE IX

"The American Battle Monuments Commission is authorized—

"(1) to arrange for the removal of the remains of citizens of the United States of America from Mount Hope Cemetery to the American sector of Corozal Cemetery not later than two years after the date of entry into force of this Treaty, except that if the nearest living relative of any citizen of the United States of America whose remains would be moved objects in writing to the American Battle Monuments Commission not later than 6 months after such date, then the remains of such citizen shall not be moved; and

"(2) to operate and maintain, without compensation to the Republic of Panama, the American sector of Corozal Cemetery.".

THE 200TH ANNIVERSARY OF ENGINEERING EDUCATION

Mr. THURMOND. Mr. President, on June 9, 1978, the 200th anniversary of engineering education will be celebrated at Valley Forge in recognition of the origins of engineering education in America and the contribution of military engineering to our Nation's growth in the engineering field.

Mr. President, soon after Gen. George Washington assumed command of the Continental Forces on June 15, 1775, he advised the Congress that the Army had serious problems, including "a want of engineers to construct proper works and direct the men." The lack of engineers still persisted in the Revolutionary War when the Army established camp at Valley Forge on December 20, 1777.

On January 28, 1778, Gen. George Washington recommended to the Congress that an engineering department be organized in the Army. On May 27, 1778, the Congress passed a resolution establishing this engineering department, as a part of a general organization plan for the Army.

On June 9, 1778, Gen. George Washington issued a general order at Valley Forge, establishing an engineering department with three companies, each consisting of 1 captain, 3 lieutenants, and 68 enlisted men with the requirement that—

These companies to be instructed in the fabrication of field works. . . . The commissioned officers to be skilled in the necessary branches of mathematics.

Mr. President, this meager beginning became one of our Nation's most historical and significant origins of engineering education. However, it was not until October 25, 1791, that George Washington in his Presidential message advocated the establishment of a military academy which actually commenced at West Point in 1794. On March 16, 1802, after a fire destroyed the barracks at West Point, an act of Congress stationed the Corps of Engineers at West Point to constitute the Military Academy. After a very difficult beginning, it was not until 1817 that Sylvanus Thayer, at the time a captain in the Corps of Engineers and

Superintendent of the Academy, developed a formal and effective curriculum for engineering studies which became the pattern for technical education in America.

Mr. President, I join my distinguished colleagues in saluting those today who have been making extensive preparations to observe the 200th anniversary of that historical day of June 9, 1778, in recognition of the origins of engineering education. It is especially appropriate for the National Society of Professional Engineers, the Army Corps of Engineers, and the Freedoms Foundation to join together at Valley Forge on June 9, 1978, to remind America of this beginning of engineering and science which has now progressed to the technological age. The Corps of Engineers can be especially proud of its contribution to American engineering. However, the corps celebrates its 203d anniversary on June 16, 1978, in recognition of the appointment of Col. Richard Gridley, as the first Chief Engineer on June 16, 1775.

President Carter has been invited to make the principle address at the Valley Forge celebration on June 9, 1978. Honors will be extended by a combat engineer battalion of the U.S. Army; a Pennsylvania National Guard Artillery Battery will be prepared to fire the Presidential salute; and the U.S. Army Band and Chorus will participate.

Mr. Delbert A. Schmand, president of the National Society of Professional Engineers, will be the master of ceremonies for this important occasion. Prof. Carl F. Long, dean of the Thayer School of Engineering at Dartmouth College and Lt. Gen. John W. Morris, Chief of the Army Corps of Engineers, will speak at the luncheon held at the Valley Forge Military Academy. Gen. Bruce C. Clarke, U.S. Army, retired, former commanding general of the U.S. 7th Army in Europe, commander in chief of the U.S. Army-Europe, and the commander of CENTAG of NATO, deserves much of the credit for coordinating all the arrangements for the past 2 years for the celebration at Valley Forge.

Mr. President, it is appropriate for the Senate to extend recognition of this important event and the progress made in engineering education, since its beginning 200 years ago. In this regard, a very fine and brief history of this beginning of engineering education has been prepared by Dr. Lawrence P. Grayson, National Institute of Education, Washington, D.C. 20208, dated December 5, 1977. It is entitled: "George Washington's Order of June 9, 1778, and the Origins of Engineering Education." Doctor Grayson concludes that the 200th anniversary:

> Will be formal testimony by the engineering profession to the foresight of George Washington and a reaffirmation of the continuing importance of engineering education to the future of America.

Mr. President, I ask unanimous consent for Doctor Grayson's historical report to be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

GEORGE WASHINGTON'S ORDER OF JUNE 9, 1778 AND THE ORIGINS OF ENGINEERING EDUCATION

(By Dr. Lawrence P. Grayson)

Prior to the time of America's declared independence, there was little need for a school of engineering in the colonies. The military requirements that existed, such as those during the French and Indian War, were met by engineers educated in England who served in the British army or by colonists who served under them. The engineering needs of a civilian nature, which were reflective primarily of hand-craft technology, were met largely by ingenious or industrious men who were self-educated. With the beginning of war, however, America's requirement for qualified engineers became critical.

Shortly after assuming command of the continental forces on June 15, 1775, George Washington advised Congress that the army labored under numerous disadvantages, including "a Want of Engineers to construct proper Works and direct the Men". He continued "I can hardly express the Disappointment I have experienced on this Subject; the skill of those we have being very imperfect." Washington's concern, which he voiced on numerous occasions over the next few years, was shared by many other colonial leaders, including John Adams and Henry Knox.

The lack of a sufficient number of engineers in the army persisted throughout the Revolutionary War, and almost all of those who served as engineering officers were of foreign birth and education. It was recognized that most of these men would return to their native countries when the war ended. America required engineers, not only for the immediate military needs, but also to meet the future requirements of a civilian population when the nation would be independent and developing. These were the conditions and sentiments of the times when the army established winter quarters at Valley Forge, on December 20, 1777.

Shortly after encamping, Brigadier General Louis Duportail, a French volunteer who was serving as chief of engineers, drew up a plan for the establishment of an engineering corps as a permanent part of the Continental army. His plan dated January 18, 1778, called for the formation of enlisted men into companies of sappers headed by officers, and proposed that the companies might serve as a school of apprenticeship for the men. On January 28, Washington endorsed Duportail's plan and recommended to Congress that an engineering department be organized. This was done by a Resolution of Congress on May 27, 1778, as part of a general organization plan for the army. The engineering department was established with three companies, each to contain 1 captain, 3 lieutenants and 68 enlisted men, with the requirement that "These companies to be instructed in the fabrication of field works. . . . The commissioned officers to the skilled in the necessary branches of mathematicks".

Washington readily complied with the resolution, stating in the General Orders issued at Valley Forge on June 9 that:

"Three Captains and nine Lieutenants are wanted to officer the Companies of Sappers: As this Corps will be a school of Engineering it opens a prospect to such Gentlemen as enter it and will pursue the necessary studies with diligence, of becoming Engineers and rising to the Important Employments attached to that Profession as the direction of Fortified Places&c. The Qualifications required of the Candidates are that they be Natives and have a knowledge of the Mathematicks and drawing, or at least be disposed to apply themselves to those studies. They will give in their Names at Head-Quarters."

The need and sentiment for educating engineers in the United States was clearly present at this time, although almost a quarter of a century would pass before a formal school of engineering would be established. In the winter of 1778, General Knox, while camped at Pluckemin, N.J., established "an academy where lectures are read in tactics and gunnery". For the decade following the end of the war in 1783, numerous people, including Washington, Hamilton, Randolph, Knox, Duportail, Baron von Steuben, L'Enfant, Benjamin Lincoln and Timothy Pickering, both of whom served as Secretary of War, and numerous others, stressed the need for officers trained in engineering and the need to establish a military academy.

George Washington, in his Presidential message of October 25, 1791, advocated the establishment of a military academy, which actually commenced at West Point in 1794. The academy, in which much of the instruction was devoted to fortifications, continued until April 1796, when a fire destroyed the barracks. On March 16, 1802, an Act of Congress stationed the Corps of Engineers at West Point to constitute the Military Academy, which has continued to the present day. The engineers and cadets at the Academy were made available for such duty and service as the President of the United States might direct, thus allowing them to perform works of a public as well as a military nature. This availability was in keeping with the sentiment expressed in 1800 by James McHenry, the Secretary of War, that "We must not conclude that service of the engineers is limited to constructing fortifications. This is but a single branch of the profession; their utility extends to almost every department of war; besides embracing whatever respects public buildings, roads, bridges, canals and all such works of a civil nature".

The Military Academy as originally established was loosely organized, operated on meager resources, and had no definite or consistent system of instruction, examination or length of study. It was only as a result of the appointment of Sylvanus Thayer, at the time a captain in the Corps of Engineers, as Superintendent in 1817 that the academy developed. Following a trip to France to study its educational system, Thayer arranged the cadets into four annual classes, divided the classes into sections requiring weekly reports, developed a scale of marketing, attached weights to the subjects in the curriculum necessary for graduation, instituted a system of discipline and an honor code, and set a standard of high achievement. These characteristics have remained with the academy until the present time, and formed the pattern for technical education in America.

On April 29, 1812, a Congressional Act set further provisions for the Military Academy, including establishing the position of "professor of the art of engineering in all its branches." One of the most influential persons to occupy the position was Dennis Hart Mahan, who was appointed in 1832. His pioneering efforts in the preparation of textbooks on engineering subjects did much to break this country's dependence on the translation and republication of European works.

Alden Partridge, who was the first person to hold the title of professor of engineering in the United States and served as acting Superintendent at West Point, resigned from the army in 1818 and established the American Literary, Scientific and Military Academy at Norwich, Vermont. This institution, which later became Norwich University, was the first civilian school of engineering in the country. In 1824, the Rensselaer School was established and eleven years later granted the degree of civil engineer for the first time in America and Great Britain.

From these initial acts, engineering education in the United States has grown until

today there are almost 295,000 graduate and undergraduate students studying engineering on a full-time basis, and an additional 47,000 students studying part-time, at 289 institutions of engineering. In addition, there are some 58,000 full-time students and almost 20,000 students studying part-time at 119 institutions that offer programs in engineering technology.

As a single event, George Washington's call for a school of engineering is but a minor footnote in history. Taken, however, in a larger context as part of a continuing series of events, it is an act by the Commanding General of the Continental Army and future first President of the United States, recognizing the importance of engineering education to meet the needs of an independent and sovereign nation. The celebration of the 200th anniversary of the call, scheduled for June 9, 1978, at Valley Forge, will be formal testimony by the engineering profession to the foresight of George Washington and a reaffirmation of the continuing importance of engineering education to the future of America.

WHY WE MUST KEEP THE CANAL

Mr. THURMOND. Mr. President, an excellent article on the Panama Canal by M. Northrup Buechner, assistant professor of St. John's University, appeared in the March 1978 issue of the Officer magazine.

The article, entitled "Why We Must Keep the Canal," goes to the heart of the issues involved in this debate in the Senate and throughout the country. The author stresses that the American people are concerned by the general retreat by the United States throughout the world and they see the canal giveaway as symbolic of that retreat.

The American people are worried about our lack of concern over what is happening in Africa, our willingness to enter into unfavorable SALT treaties with the Soviets and the general willingness to accept a weak or marginal defense posture.

Mr. President, this is an excellent article and deserves the attention of the Senate. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY WE MUST KEEP THE CANAL

The abysmal level of the public debate over the Panama Canal was epitomized in a national interview with a prominent undecided senator. Asked what considerations he was weighing in making up his mind, the first thing he mentioned was the veto power the new treaties give Panama over a second canal. The public pondering of such details has spread the impression that only trivia is at stake in this debate. Nothing could be further from the truth.

The public advocates of keeping the canal, however, have missed the point almost as badly as that senator. The primary issue is not the military importance of the canal. It is not the economic importance of the canal. And it is certainly not the details of the new treaties. The primary issue is the right of the United States to exist.

The moral principle at stake is the right of the United States to keep her values, her achievements, her wealth, in the face of overwhelming global opposition. And since a country, like a man, cannot survive without values, at issue is the right of the United States to survive.

That is why the American people oppose the new treaties. That is the principle behind their desperate feeling that giving away the canal would be wrong in some way much more important than they know how to say. When they tell reporters "we have given away too much already," and "we have to stop letting them push us around," that is what they are trying to say. Though they lack the words, they see surrender of the canal for what it would be: a step in the direction of renunciating the United States' right to her values and her life.

Unfortunately, a national debate cannot be won without the words. It is not enough for people to be right. They must know why they are right. They must have the words and principles to defend their position. What happens when they do not has been most evident in the United States Senate.

Because they did not know how to oppose surrender of the canal in principle, a number of senators have tried to prevent its surrender by becoming enmeshed in debate over the details of the new treaties. In doing so, they have made several significant contributions to the other side.

They have accepted a context for debate where it is treated as already established that we should give up the canal and the dispute therefore, is only over the side conditions. They have trapped themselves in a position where, if the conditions to which they object are changed, they cannot vote against the treaties. And they have been diverted from giving any effective leadership or voice to their enormous support in the general population.

What position should they have taken? How should the new treaties be opposed? The most damning evidence against the treaties is the arguments that are given in their favor. Those arguments fall into two general categories: the practical arguments and the moral arguments; or the arguments from fear and the arguments from guilt.

THE PRACTICAL ARGUMENTS

The most extreme, and therefore the clearest, of the practical arguments holds that if the Senate rejects the new treaties, Panama will become "another Vietnam." In other words, we should give up the canal out of fear of a war with Panama or, even more disgraceful, out of fear of independent guerrillas.

This argument marks a new low in the level of political discourse in this country and not many have had the effrontery to make it openly. That it has been left largely to implication and innuendo is the only sign that our leaders retain any respect for the American people.

For example, it was argued explicitly before the Senate Foreign Relations Committee that the best way to retain access to the canal is to give it to Panama so they will be on our side if we should have to defend it. It is very revealing (and somewhat frightening) that this argument was taken at face value by all the news media, and its implications went completely unnoticed.

Militarily, observe the helplessness of the United States implied by so desperate a need for support, and from Panama of all places, as to justify giving away the canal.

Strategically, observe the absurdity of assuring access to the canal by placing all the complex, delicate machinery and equipment and controls for its operation in the hands of a potential enemy.

And, finally, since attacks by Panama are the only current danger to the canal's security, observe the threat implied by raising the issue of, and hence doubts about, our access to the canal. The real meaning of that argument was that if we try to keep the canal, Panama will deprive us of its use, and therefore we had better give it to them.

To spread this kind of thinking, an unforgiveable campaign has been carried on through the media for the last several months, specifically directed at undermining the self-confidence of the American people and frightening us into giving up the canal. Its most disgraceful element has been the effort by our own military leaders to leave the impression, again by hint, insinuation, and innuendo, that the United States is militarily impotent to assure the security of the Panama Canal.

The argument about access to the canal, for example, was repeated several times before the Senate Foreign Relations Committee by military leaders. When the Panamanian dictator was making thinly veiled threats of guerrilla war, the Chairman of the Joint Chiefs of Staff did not dismiss him as absurd. Rather he implied that the threat was serious by saying he could not defend the canal with 100,000 men.

In the face of this atmosphere of national self-abasement, when President Carter clearly stated that we can and will defend the canal, his declaration came like a breath of fresh air. Then, he threatened that it would be a major, difficult, dangerous undertaking, thus contributing to that atmosphere himself.

It is shameful that this kind of fear was a major factor in the negotiations for the new treaties. Fear is a disastrous motive on which to base policy in any case. But whatever consequences might have been expected from such a policy, ceding the canal out of fear of Panama would have been beyond anyone's ability to predict.

There is no way that Panama could become another Vietnam. Militarily, the two situations have nothing significant in common. Guerrillas could be even a minor problem only if we insisted on following the same insane policy we pursued in Vietnam of fighting effects rather than causes.

In this case, however, fighting of any kind can be avoided altogether. All that is necessary is a statement by the President that an attack on any part of the Canal Zone would be considered an attack on the United States, and that any country supporting such an attack would be considered an enemy of the United States and treated accordingly.

The practical argument also holds that surrender of the canal is essential for good diplomatic relations with the Latin American countries. But even if they were the great powers of this hemisphere, it would be obviously self-defeating to curry their favor by giving away our possessions.

Yet, blinded by a frantic, suicidal anxiety over the good opinion of the world in general and our southern neighbors in particular, that is the course insisted on by most of our political and intellectual leaders. The tragic failure of their leadership to be worthy of the American people was never more evident.

It would undoubtedly be pointless to remind those leaders that it is we who are the great power here, and if anyone should worry about good opinions, it is our southern neighbors who should worry about ours.

THE MORAL ARGUMENTS

But if the practical arguments are insulting, the moral arguments are worse, much worse.

It is said we stole the canal and our presence in the area represents a colonialist affront to the sensitive feelings of the Latin American people. We should give up the canal, it is implied, out of the guilt for these offenses.

The charge of colonialism, though repeated mindlessly by everyone, is a transparent fraud. A colony was a settlement of people, not an industrial engineering enterprise. A colony, by definition, was administered for the economic benefit of the mother country. The Panama Canal is not a colony, nor has the United States ever had a colony anywhere in the world.

But the vilest distortion in the whole debate is the charge we stole the canal. It is the exact opposite of the truth.

The opposite of theft is production. We did not steal the canal; we built it. The moral right of the United States to the canal is the right of any creator to what he has created. That right, however, is a property right, the root of all property rights, and it is not surprising that modern intellectuals and politicians are unwilling to defend anything based on that source.

It is their view that control of the canal by the Panamanians is a legitimate aspiration of the Latin American people. But there is no such thing as a "legitimate aspiration" by some to an achievement created by others.

Not only did the United States pay the costs of constructing the canal. It was her citizens who figured out how to conquer the previously unconquerable obstacles and then directed the construction in an enormously heroic effort. The Panama Canal was the greatest engineering feat in the history of many up to that time and we did it.

Nothing is more depraved than ridiculing the American people for their pride in their canal, a tactic adopted by some, not all, of the advocates of the new treaties. No people ever had a better right to pride in any national accomplishment. The Panama Canal is a reflection and embodiment of all that is best in the American character.

Whatever shenanigans were involved in getting sovereignty over the Canal Zone, and no one's account makes them very serious, they are nothing next to the incredible achievement of the canal itself. Without us, the Canal Zone would be just so much empty, deadly, malaria infested lakes and jungle—as would the rest of Panama.

If one considers what Panama would be like today without the canal, it is clear who has received a disproportionate share of the benefits, and if moral debts were to be collected, who would owe what to whom? Then consider that an agreement reached in conjunction with the new treaties calls for us to pay them some $345 million. This is over and above the negotiated increase in payments for use of the Canal Zone from $2.3 million to about $60 million a year.

WHY THEY WANT THE CANAL

There is no moral justification whatever for the demand that the United States give up the canal. What then is the cause of that demand? The same cause that is the leitmotiv [theme] in the treatment of the United States by most of the undeveloped world.

It is the motive behind the burning of American consulates, the attacks on American diplomats, the seizure of American fishing boats, the expropriation of American property, the constant attempts to humiliate us in the U.N., all of it accompanied by demands for more money, and lately, by claims of a right to a share of our wealth.

Stripped of the meaningless vicious jargon about colonialism, imperialism, and exploitation, the moral argument holds that we must give up the canal to satisfy the malice, hatred, and envy of the worst elements in the Latin American countries, and indeed, in the whole undeveloped world. Those are the "sensitive feelings" we are accused of affronting.

What is the cause of this global hostility toward the United States? It comes from two related sources.

First, whether communist, fascist, socialist, or nonideological, the undeveloped countries of the world are almost all dictatorships. As such, their hatred and fear of the United States has a purely practical element.

We are the last, best, shining example of the kind of life that is possible to man on earth when he is left free. We are the unavoidable proof that the brutality, torture, terror, and death they have imposed on their people are unnecessary.

But the more fundamental cause of their opposition is also the cause of tyranny as such. It is "envy" in its most vicious, virulent, destructive sense. It is what Ayn Rand has identified as 'hatred of the good for being good."

Today that motive is widely regarded as normal and natural. It is sympathetically explained, "Of course they hate us and would like to see us destroyed. After all, we are rich and they are poor; we are great and they are small; we have created achievements they cannot approach; we built a canal they could not conceive."

What that view sanctions and expresses is the ultimate evil in human psychology, the lowest and worst motive that is possible to man. It represents a hatred of every living human value, the same motive that sets up concentration camps, torture chambers, and dictatorships as ends in themselves.

The canal is a hatred symbol all right, but not of a nonexistent American colonialism. What the canal really symbolizes, and what the value-haters want symbolically to wipe out by making us give it up, is the overflowing abundance of energy, efficacy, and pride of a free people.

To surrender the canal in the face of such a motive is unthinkable. It would mean accepting their view of our virtues as vices and our achievements as stains on our national character. It would mean sanctioning hatred of the United States as natural and right and deserving a positive response. To what portion of our wealth and achievements could we claim a right after that and on what grounds?

That is the most important reason for keeping the Panama Canal. If there were no other reason whatever, that would be sufficient to hold on to it for dear life.

CONCLUSION

Those who think the Vietnam War demonstrated the unwillingness of the American people to fight for their values should think again. The only thing that war demonstrated was that the American people will not fight indefinitely for nothing.

The difference between Vietnam and the Panama Canal is the difference between fighting to save the house of a remote neighbor you have never met and fighting to save your own home.

The American people want to keep the Panama Canal. They are right to want it. And they will support the policies necessary to do so.

There is no practical reason for surrendering the canal. There is no moral reason. There is nothing but the pressure of a viciously irrational global opposition. The Senate should confound that opposition and assert the United States right to keep her values and her life by rejecting the new treaties.

LEGISLATIVE PROGRAM OF THE VETERANS OF FOREIGN WARS FOR THE 2D SESSION OF THE 95TH CONGRESS

Mr. THURMOND. Mr. President, yesterday the commander in chief of the Veterans of Foreign Wars of the United States, the Honorable John Wasylik, presented to the Senate Committee on Veterans' Affairs the priority legislative program of the VFW for the second session of the 95th Congress.

Accompanying Commander Wasylik before the committee were Cooper T. Holt, national executive director, and Don Schwab, director of the national legislative service.

During his presentation, Commander Wasylik emphasized the urgent need to protect veterans' programs against constant attack from antiveteran forces and social welfare planners. Also stressed were the need to maintain the Veterans' Preference Act of 1944 intact, the necessity of preserving the integrity and strength of the VA health care system, and an adequate budget for VA services and programs.

Commander Wasylik also emphasized the need for continued cost-of-living increases in the VA pension, compensation, and GI bill education programs. Also emphasized were the need to implement effectively veterans employment programs, the necessity of increasing budget funding for VA medical research, and the urgency of making adequate provision in the Panama Canal Treaties for the sanctity of the remains of veterans and other Americans buried in the two cemeteries in close proximity to the canal.

Mr. President, the membership of no organization has made more meaningful sacrifices to preserve our freedom than the VFW. Likewise, no organization and its leadership fought harder to preserve the Veterans' Affairs Committee as a separate and independent committee in the Senate.

Mr. President, in order to share Commander Wasylik's comments with my colleagues, I ask unanimous consent that they be printed in the RECORD following these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOHN WASYLIK

Mr. Chairman and members of the committee: It is indeed both an honor and a privilege for me to appear before this most distinguished Committee representing the more than 2.4 million members of the Veterans of Foreign Wars of the United States and its Ladies Auxiliary, to present our Priority Legislative Program for this Second Session of the 95th Congress. Appended to my testimony is a copy of our pamphlet entitled, V.F.W. Priority Goals—Legislative and Security—For 1978. Without objection, it is requested this pamphlet be made a part of the transcript of this hearing.

On behalf of our entire membership and all veterans, I wish to thank you, Mr. Chairman, and your colleagues on this Committee for having introduced and shepherded through Congress the First Session the many bills which became Public Laws improving veterans benefits. I would be remiss, also, in not commending the members of your entire staff for working in such close harmony with the Executive Director of our Washington Office, Cooper T. Holt, our National Legislative Director, Donald H. Schwab, and their staffs, and in particular, Jonathan Steinberg, Chief General Counsel, Edward Scott, General Counsel, former Congressman Garner Shriver, Minority Counsel, and Gary Crawford, Association Minority Counsel.

Accompanying me today are those who comprise the leadership of our great organization, our Past Commanders-in-Chief, national and state officers, and national committee members. Through their dedication and hard work the V.F.W. is enjoying its 26th consecutive year of increased membership, including more than 50,000 Vietnam veterans, all of whom served overseas in combat areas.

Mr. Chairman, as we are all well aware, veterans benefits have come under the heaviest attack ever by anti-veteran forces and social welfare planners this past year. You will recall following appointment, the Secretary of Health, Education and Welfare, the Honorable Joseph A. Califano, Jr., included the Veterans Administration's compensation and pension programs in his nationwide welfare reform study. The Chairman of the Civil Service Commission, the Honorable Alan K. Campbell, attacked the Veterans Preference Act of 1944, as amended, the very day he was sworn into office. The National Academy of Sciences submitted a report to Congress which cost the American taxpayer some $7.2 million, including support furnished by the Veterans Administration, which recommended in essence that the Veterans Administration's hospital and medical care system be integrated into some future national health insurance program, and that the seven replacement and one new VA hospitals approved by two Presidents not be built.

Finally, there are those who would turn the VA Home Loan Program over to the Department of Housing and Urban Development, and the VA Educational Programs over to the Department of Health, Education and Welfare or to a new Department of Education. The foregoing are all undeniable signs of the heavy hand of anti-veteran forces and social welfare planners, the great levelers, within our government. To such people no one is special and everyone equal, regardless of contributions to our nation or the total absence thereof. Our veterans and their survivors are very special, for because of them, and only because of them, we have a free nation where we, you and I, may live with dignity and honor in freedom and progress in accordance with our individual abilities and motivation. Today, as in the past, we look to this Committee and its counterpart in the United States House of Representatives to uphold the speciality, dignity and honor of our veterans.

Mr. Chairman, the starting point each year in providing the benefits and services to which our veterans, their dependents and survivors are entitled by law, by virtue of honorable service in the armed forces of the United States during periods of war and hostility, is the Veterans Administration budget contained within the HUD—Independent Agencies Appropriation.

The Administration's proposed Fiscal Year 1979 budget of $500.2 billion in outlays, over half a trillion dollars for the first time in the history of our great nation, has been variously described in editorials and news items as "lean and tight", "cautious", "restrained" and "bare-bones". Mr. Chairman, I am unaware of any appropriation or budget to which "bare-bones" more aptly applies than that of the Veterans Administration at $19.2 billion in outlays. For the first time in a decade the VA budget has fallen to 3.8 percent of the National Budget. In 1955, the VA budget was 6.9 percent of the National Budget and in the intervening twenty-three years, the veteran population has increased nearly 40 percent.

Mr. Chairman, according to economists, including the Director of the Government's Council on Wage and Price Stability, Mr. Barry Bosworth, inflation will increase at a rate between six and seven percent the next fiscal year. At least one economist, Mr. Lacy H. Hunt, Vice President and Economist of the Fidelity Bank in Philadelphia, Pennsylvania, estimates 7.2 percent. Predicated thereon, and at the close of the First Session of the 95th Congress, I recommended to you, Mr. Chairman, an increase in the VA budget of $2.3 billion in outlays or, based upon current estimates, $21.5 billion in outlays for the next fiscal year. This amount would permit at least a 6.5 percent increase in all the benefits programs amounting to $600 million, new legislative initiatives, to include restructuring of the pension program at a cost of $1 billion, staffing increases within the Veterans Administration and a needed increase in research funding totaling $400 million and money for major and minor construction in the amount of $300 million.

Mr. Chairman, the very heart and keystone of veterans benefits is the Compensation and Dependency and Indemnity Compensation Program, which in part, and only in part, remunerates our veterans for disabling injuries or diseases contracted in or aggravated by active duty in our armed forces, and the survivors of those veterans who expired due to service connected disabilities. As previously stated, my recommendation at this time is for at least a 6.5 percent cost-of-living increase in these programs, as opposed to the Administration's inadequate 5.8 percent. In addition, and as a new legislative initiative, the passage of legislation to authorize Dependency and Indemnity Compensation to the widows and orphans of 100% service connected disabled veterans regardless of the cause of death, and to insure that such DIC is not subjected to a needs test.

Mr. Chairman, the non-service connected and death pension programs have been a constant source of consternation to all concerned over the years due to inequities and the reduction or termination of pension six months following increases in Social Security benefits. In addition, one of the prime objectives of the President's Office of Management and Budget has been to greatly restrict the pension program long before whatever portion of the now living 13 million World War II veterans reach age 65. In our opinion, the vast majority of World War II veterans will never be able to qualify for such pension even under current law due to increases in Social Security benefits and both private and federal retirement programs.

However, pension reform legislation presently under consideration by both this Committee and its counterpart in the House, will greatly curtail the pension program for future applicants and their dependents. Granted, in the overall scheme of things, this may be necessary, but, believe me, we of the V.F.W. will never stand idly by and see any veteran or his survivors receive less benefits than those granted to aliens or welfare recipients. We have no doubt, you, as the veteran's champion in Congress, are with us one hundred percent in this respect. In addition, another of our priority goals is to support a separate pension for our World War I comrades and their widows. Some have claimed such would remove the pension program from one based upon need to an outright bonus. Perhaps. Perhaps these people are right. Let us just say such would be recompense for that which our government never did for these veterans.

Much to the credit of this Committee and the Congress of the United States, the current GI Bill has certainly proven its worth and success in that to date 64.3 percent of our Vietnam era veterans have received education or training thereunder, compared to 43.4 percent participation under the Korean GI Bill, and 50.5 percent under the World War II GI Bill. The Congress in its wisdom last session passed legislation which became Public Law 95–202, the "GI Bill Improvement Act of 1977," which not only granted a 6.6 percent cost-of-living increase to those undergoing education and training but further expanded benefits by increasing the undergoing education and training but further expanded benefits by increasing the maximum loan from $1,500 to $2,500 per school year, and included a "forgiveness of loan provision." The GI Bill, in its present form, is by far the most liberal of all GI Bills. Notwithstanding the foregoing, I was shocked that the Administration's budget, for the second consecutive year, contains not one cent for a cost-of-living increase for those taking advantage of education and training benefits under the GI Bill. Therefore, and in accordance with another of our priority goals, I am recommending at this time at least a 6.5 percent cost-of-living increase for those Vietnam veterans and dependents availing themselves of benefits under Chapters 31, 34 and 35, Title 38 of the United States Code.

While speaking of the Veterans Administration's education programs, it has come to my attention a number of bills have been introduced in both houses of Congress to establish a Department of Education, with considerable backing by the Administration. Although these bills do not specifically state the VA educational programs would be absorbed therein, should some of these bills become law, they contain authority for the President merely by Executive Order to include any federally funded educational program in a new Department of Education. We have, in writing, asked to testify when the Governmental Affairs Committee holds hearings thereon, at which time we will request a specific exclusion of the Veterans Administration's educational programs and I would urge you, Mr. Chairman, and all the Members of this Committee to do likewise.

The VA Loan Guaranty Program is, without question, the most used benefit by veterans. To date more than ten million loans have been approved under this program and nearly six million such loans have been paid in full, with only some 423,000 defaults since inception of the program. An enviable record, indeed. However, our younger Vietnam veterans, because of the high cost of real estate, which has outstripped every other form in inflation, find exceedingly great difficulty in securing loans for permanent housing. To alleviate this situation we now, as in the past, recommend that legislation be introduced and passed authorizing the Veterans Administration to subsidize interest rates in excess of six percent under the loan guaranty program. In addition, and in view of the foregoing, it would appear the time is at hand to increase the amount of guaranty entitlement available to veterans from $17,500 to $25,000, which has already been accomplished by law for those in need of specially adapted housing.

Veterans preference in federal employment in one form or another has been the law of the land for more than 113 years, when Congress passed the first law granting such in appointment to civil offices. The current Administration, through the Chairman of the Civil Service Commission, is bringing all possible pressure to bear to drastically curtail this benefit, if not entirely eliminate veterans preference using the wholly fallacious reasoning that such has discriminated against women and minorities. Last October the Subcommittee on Civil Service of the House Post Office and Civil Service Committee held oversight hearings with respect to veterans perference. It is my understanding that the tenor of questioning during these hearings was not at all sympathetic, if not hostile, to retaining veterans preference in its present form.

Subsequently, on December 20, 1977, a document announced in a title alien to American usage, known as the "Minute" was published by the Civil Service Commission which laid out a plan to effectively emasculate veterans preference and destroy the merit system, the very keystone of federal civil service. In January, I brought this paper to the attention not only of every member of this Committee, but the House Veterans Affairs Committee, the House Post Office and Civil Service Committee, the appropriate

Subcommittee of the Senate Governmental Affairs Committee, and the leadership of both the Senate and the House of Representatives. This plan would circumvent Public Law passed by the Congress of the United States by administrative fiat and not only make a shambles of federal employment but be completely demoralizing to all career employees, veterans or not. If there is to be any modification in the Veterans Preference Act of 1944, as amended, we look to you and all members of Congress, our elected representatives, to stand up and be counted this election year with respect to your position thereon. We do not, and I am sure you do not, intend to sit idly by and acquiesce to the Executive branch of our government usurping your prerogatives in carrying out the law of the land.

Another action by the Civil Service Commission is working an extreme hardship on those Civil Service employees who are also military retirees and the dependents of active duty armed forces personnel in Alaska, Hawaii, Puerto Rico, the Virgin Islands and Guam. By that which we believe to be a misinterpretation of Executive Order 10000, dated September 16, 1948, as amplified by Executive Order 11938, dated September 29, 1976, the Commission has directed a lesser cost-of-living allowance or eventual abolishment thereof in non-foreign areas for military retirees, their spouses and the spouses of active duty armed forces personnel. These people have earned their rights to military or federal housing, commissary and post exchange facilities. We believe the restrictive language in the Executive Orders was intended to reduce the cost-of-living allowances for those Civil Service employees who, as part of their hire, were granted housing, commissary and post exchange privileges to which they had no inherent entitlement.

Since both the Civil Service Commission and the Office of Management and Budget have remained adamant in their anti-veteran position, class action suits have been initiated in the federal courts in both Alaska and Hawaii by those adversely affected. Last October the Subcommittee on Compensation and Employee Benefits of the House Post Office and Civil Service Committee, chaired by the Honorable Gladys Noon Spellman, held oversight hearings with respect to payment of cost-of-living allowances to federal employees. S. 716 cosponsored by the Vice Chairman of your Subcommittee on Compensation and Pension, the Honorable Spark M. Matsunaga, is pending before the Governmental Affairs Committee and would resolve the cited injustice. I urge this Committee, in its oversight function, to encourage timely consideration and passage of this remedial legislation.

At this juncture, Mr. Chairman, I would like to register the continuing and deepening disenchantment of the Veterans of Foreign Wars with respect to the administration of veterans employment by the Department of Labor. Following the confirmation hearing by this Committee to appoint the Deputy Assistant Secretary for Veterans Employment last year, the present incumbent stated quite emphatically that the position of Director of the Veterans Employment Service would be retained under his stewardship. Such is not the case since this position has been abolished. The track record of the Department of Labor with respect to employment of Vietnam veterans is deplorable, illustrating most graphically what happens to a veterans program when not under the umbrella of the Veterans Administration. We believe the position of Director of Veterans Employment Services is essential if there is to be real, positive and dynamic leadership in this area.

Mr. Chairman, I am quite certain no one would attempt to dispute the fact that our Veterans Administration hospital and medical care system is one of our nation's greatest assets. However, the budget cuts in this area most glaringly reflect the Office of Management and Budget's unbelievable insensitivity to the needs of the veterans of this nation. To say that we were shocked to learn $98 million for the construction of the 480 bed general hospital in Camden, New Jersey was deleted from the budget is an understatement, indeed. President Carter had reaffirmed his previous decision initiated by his predecessor, former President Gerald R. Ford, to build this badly needed hospital and the Veterans Administration fully supported and again justified its need in response to the National Academy of Sciences' study recommending that it not be built.

Substituting an outpatient clinic in Camden, New Jersey and constructing a 120 bed nursing home care facility in Philadelphia, Pennsylvania will certainly not fill the void created by not constructing a 480 bed hospital. A nursing care bed resembles a hospital bed "only as the mist resembles rain." We are also no less concerned with the budget cut of $32 million by eliminating over 3,100 hospital beds for veterans. Average daily census reports furnished by the Veterans Administration indicate a rejection rate throughout the hospital system of 18 percent. However, and this reflects a most disturbing trend, there are twenty hospitals with rejection rates in excess of 31 percent, and five with much higher rates, for example: Buffalo, New York 51.7 percent; Shreveport, Louisiana 45.7 percent; Bronx, New York 44.3 percent; Durham, North Carolina 42.5 percent; Cleveland, Ohio 45.1 percent. We have stated for years that many veterans needing and seeking hospitalization are turned away by the Veterans Administration, who are subsequently hospitalized in community hospitals.

Another jolt in the VA budget for 1979 is the reduction of $7.6 million in the domiciliary construction program precluding planned new starts. This, again, in spite of the General Accounting Office's documented need for the expansion and replacement of antiquated facilities.

Although research funding has been increased by $264 thousand, we are advised monies allocated for this purpose are to be siphoned off and diverted to other projects. Research funding, as I am sure you are aware, has been "straightlined" for years resulting in a progressively regressive budget. Research is to be reduced or terminated in fifty-three hospitals with the concurrent reduction of some thirty-four positions. Under the theory that you always exploit a success, one would think that even the most callous administration would beef up a program in which two of their physicians won Nobel prizes this past year, but such is not the case. Along with other deficiencies, professional shortages continue in the areas of American trained physicians, nurses and paramedical personnel. Still another short-fall in the VA budget is the fact that there is no money whatsoever included for cost-of-living increases for VA employees, which will have to be absorbed in the overall budget.

Another subterfuge is the projected savings in the budget predicated on the passage of legislation terminating benefits never seriously considered by Congress. For example: authorization for private insurers and other third parties to reimburse the VA for medical treatment of non-service connected illnesses; elimination of flight and correspondence school training; and elimination of reimbursement for travel expenses required by veterans being treated on an outpatient basis for a non-service connected illness.

Another of our priority goals is that "States without an open national cemetery will be given top priority after the completion of the seven cemeteries already authorized by Congress, until all states have a national cemetery." In view thereof, we are pleased indeed, the budget contains necessary funding for the maintenance and operation of the existing 141 cemeteries, and that the cemetery at Riverside, California will open for interments in November, 1978, and in September of this year, those at Bourne, Massachusetts and Calverton, New York. In addition, development of acreage at Quantico, Virginia and Indiantown Gap, Pennsylvania will continue, as will site selection planning for two new cemeteries in regions IV and V.

The V.F.W. has contended for years, Mr. Chairman, that there should be an open national cemetery in every state so that our veterans may be interred in close proximity to their survivors. While speaking of cemeteries, the V.F.W. is deeply concerned about the graves of those American veterans in the Panama Canal Zone, should the treaties be ratified. As you are aware, there are some 1,332 Americans, of whom 175 are veterans, interred in the Mount Hope Cemetery on the Atlantic side of the canal, and 741 veterans intered in the Corozal Cemetery on the Pacific side of the canal.

Inasmuch as the Mount Hope Cemetery would pass immediately to Panamanian control if the treaties are ratified, and the Corozal Cemetery would remain under U.S. control until the canal is completely turned over to the government of Panama, an early decision with respect to these honored dead should be made. It has been recommended that an agreement be negotiated, wherein the government of Panama would agree to continue to maintain these cemeteries, that the American Battle Monuments Commission assume responsibility of maintaining the graves of Americans interred therein, or that legislation be enacted to provide for the disinterment and reinterment of our veterans in national cemeteries within the United States at government expense.

Last week the Subcommittee on Cemeteries and Burial Benefits of the House Veterans Affairs Committee held hearings with respect to this most pressing problem. Our recommendation to the Subcommittee was that all the Americans, veterans or not, interred in the Mount Hope Cemetery, be disinterred and reinterred in the Corozal Cemetery. In addition, that provision be made in the treaties, or by supplemental amendment after the treaties become effective, for the American Battle Monuments Commission to have jurisdiction over the American Sector of the Corozal Cemetery in perpetuity without payment or taxation and that the right be granted by the Panamanian Government to fly the Flag of the United States over the American Sector of the Corozal Cemetery. Further, that, if so requested by the next of kin, the remains of veterans in either of the cemeteries be disinterred and reinterred in a national cemetery within the United States at government expense. I urge you, Mr. Chairman, to see that this Committee and, you, personally, as the Majority Whip of the Senate, take timely action to assure the continued sanctity of the remains of our veterans and other American interred in Panama.

Mr. Chairman, there is another area of growing concern within our organization. That is the continuing failure of government agencies, and in particular, the Veterans Administration, to timely submit reports to Congress mandated by Public Law. The cavalier attitude with which reports are submitted months late, ostensibly due to dilatory tactics by the Office of Management and Budget, works undue hardship on both this Committee and those who must testify with respect to pending legislation. It is hoped, Mr. Chairman, action will be taken to rectify this situation.

Mr. Chairman and Members of the Committee, I trust each of you will be with us

tonight on the occasion of our annual Congressional Banquet at the Sheraton-Park Hotel. We will be honoring the Honorable John J. Rhodes of Arizona, the Minority Leader of the House of Representatives, with our 15th Annual V.F.W. Congressional Award. The reception will begin at 6:00 p.m., with dinner promptly at 7:00 p.m. I assure all of you, our program will conclude at approximately 9:15 p.m.

Thank you, Mr. Chairman and Members of the Committee.

Mr. THURMOND. I yield the floor, Mr. President.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting the nominations of Dennis R. Smith, of Massachusetts, and Andrew H. Kenopensky, of New Jersey, to be members of the U.S. Metric Board, which were referred to the Committee on Commerce, Science, and Transportation.

MESSAGES FROM THE HOUSE

At 12 noon, a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 9179) to amend the Foreign Assistance Act of 1961 with respect to the Overseas Private Investment Corporation; agrees to the conference requested by the Senate on the disgreeing of the two Houses thereon; and that Mr. ZABLOCKI, Mr. FOUNTAIN, Mr. FASCELL, Mr. BINGHAM, Mr. RYAN, Mr. SOLARZ, Mr. CAVANAUGH, Mr. BROOMFIELD, Mr. FINDLEY, and Mr. WHALEN were appointed as managers of the conference on the part of the House.

ENROLLED BILL SIGNED

At 6:14 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

S. 773. An act authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. ALLEN).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 222. A bill for the relief of Dr. Nazeeh A. L. Abdul-Hadi (Rept. No. 95-675).

S. 391. A bill for the relief of Brigitte Marie Harwood (Rept. No. 95-676).

S. 513. A bill for the relief of Denno Chung-Sang Li, Nicholas Lit-Yung Lam, and Augustine Ka-Cheung Wu (Rept. No. 95-677).

S. 1079. A bill for the relief of Russell Warren Howe (Rept. No. 95-678).

S. 1135. A bill for the relief of Young-soon Choi (Rept. No. 95-679).

S. 1399. A bill for the relief of Kwan Do Sun (Rept. No. 95-680).

H.R. 1432. An act for the relief of Mrs. Desolina Sciulli (Rept. No. 95-681).

H.R. 1939. An act for the relief of Meda Abilay Florin (Rept. No. 95-682).

H.R. 2761. An act for the relief of Sun-Hwan Choe (Rept. No. 95-683).

H.R. 3081. An act for the relief of Mrs. Chong Sun Yi Rauch (Rept. No. 95-684).

H.R. 4401. An act for the relief of Kwi Sok Buckingham (nee Kim) (Rept. No. 95-685).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment, but with a preamble:

H.J. Res. 715. A joint resolution proclaiming May 3, 1978, "Sun Day" (Rept. No. 95-686).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 219. A bill for the relief of Samy Ennabe (Rept. No. 95-687).

S. 511. A bill for the relief of Tin Foo Chan (also known as Michael Chan) (Rept. No. 95-688).

S. 958. A bill for the relief of Ernesto Garcia, Jr. (Rept. No. 95-689).

S. 1639. A bill for the relief of Shenn-Song Theresa Lee (Rept. No. 95-690).

S. 1933. A bill for the relief of Anwar (Rept. No. 95-691).

H.R. 1552. An act for the relief of Oh Soon Yi (Rept. No. 95-692).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment and an amendment to the title:

S. 1335. A bill for the relief of Myong Nyo Sin Purdom (Rept. No. 95-693).

S. 1418. A bill for the relief of Mr. and Mrs. Blaine Johnson, of Salt Lake City, Utah (Rept. No. 95-694).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 337. A bill for the relief of Mariama Jones (Rept. No. 95-695).

S. 1476. A bill for the relief of the estate of Harry Eugene Walker, deceased, formerly of Anniston, Alabama (Rept. No. 95-696).

By Mr. SASSER, from the Committee on Governmental Affairs, without amendment:

H.R. 6975. A bill to amend title 5, United States Code, to provide that hearing examiners shall be known as administrative law judges, and to increase the number of such positions which the Civil Service Commission may establish and place at GS-16 of the General Schedule (Rept. No. 95-697).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Dwayne W. Gilbert, of Georgia, to be U.S. Marshal for the Middle District of Georgia.

(The nomination from the Committee on the Judiciary was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON:

S. 2694. A bill to amend chapter 55 of title X of the United States Code to exclude any prohibitions relating to the provision of abortions; to the Committee on Armed Services.

S. 2695. A bill to amend the Social Security Act to ensure that no provision of such act be construed as prohibiting financial support for abortions; to the Committee on Finance.

S. 2696. A bill to amend title 5 of the United States Code to provide that health benefit plans of certain Government employees shall not contain any prohibitions relating to the provision of abortions; to the Committee on Governmental Affairs.

S. 2697. A bill to amend the Public Health Service Act to exclude any prohibitions relating to the provisions of abortions; to the Committee on Human Resources.

S. 2698. A bill to amend the Indian Health Care Improvement Act to exclude any prohibitions relating to the provisions of abortions; to the Select Committee on Indian Affairs.

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. ABOUREZK, Mr. EASTLAND, Mr. KENNEDY, Mr. WILLIAMS, Mr. HASKELL, and Mr. YOUNG):

S. 2699. A bill to amend the act of June 27, 1960 (74 Stat. 220) as amended by act of May 24, 1974 (88 Stat. 174, 176; 16 U.S.C. 469) relating to the preservation of historical and archeological data; to authorize appropriations under sections 3(b) and 4(a) for fiscal years 1979 through 1983, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. INOUYE:

S. 2700. A bill to amend the Export Trade to encourage increased utilization of the act, to expand exemptions provided under the act, to clarify U.S. Government policy with respect to the administration of the act, to assist American exporters in international trade competition, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRAVEL (for himself and Mr. DOMENICI) (by request):

S. 2701. A bill to amend the Water Resources Planning Act (75 Stat. 244, as amended); to the Committee on Environment and Public Works.

By Mr. DECONCINI (for himself, Mr. CANNON, Mr. DOMENICI, and Mr. PAUL G. HATFIELD):

S. 2702. A bill to authorize the disposal of up to 45,000 long tons of tin from the national stockpile and the supplemental stockpile and to utilize a portion of such tin, or the proceeds from the sale thereof, to obtain up to 225,000 short tons of copper for the national stockpile, and for other purposes; to the Committee on Armed Services.

By Mr. SPARKMAN (by request):

S. 2703. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Relations.

By Mr. GRAVEL (for himself and Mr. DOMENICI) (by request):

S. 2704. A bill to promote a more adequate and responsive national program of water research and development, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HATCH (for himself and Mr. GARN:)

S. 2705. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Morman Pioneer Trail in the National Trails System as a National Historic Trail, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. NELSON:

S. 2706. A bill to designate certain lands in the State of Wisconsin as wilderness; to the Committee on Energy and Natural Resources.

By Mr. LEAHY (for himself, Mr. MATSUNAGA, Mr. RIEGLE, Mr. MELCHER, Mr. DOLE, Mr. ABOUREZK, Mr. CLARK, Mr. BELLMON, Mr. DECONCINI, Mr. STAFFORD, and Mr. PELL):

S. 2707. A bill to amend title 5, United States Code, to promote proper and efficient activities of the Government, and to protect Federal employees disclosing situations in which such activities are not proper or efficient; to the Committee on Governmental Affairs.

By Mr. MORGAN (by request):

S. 2708. A bill to extend the authorizations for rural housing programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 2709. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SASSER:

S. 2710. A bill to create a National Academy of Medicine, under the direct supervision of the Surgeon General, for the education and training of doctors of medicine, and other medical specialists who shall serve in the Regular Corps of the Public Health Service as commissioned officers thereof, to amend the Public Health Service Act, as amended (42 U.S.C. 201 et seq.), and for other purposes; to the Committee on Human Resources.

By Mr. WILLIAMS (for himself, Mr. RIEGLE, Mr. MAGNUSON, Mr. CHILES, Mr. DOMENICI, Mr. KENNEDY, Mr. HAYAKAWA, Mr. RANDOLPH, Mr. MARK O. HATFIELD, Mr. HATHAWAY, Mr. MCGOVERN, and Mr. DECONCINI):

S. 2711. A bill to revise and extend the community education program, and for other purposes; to the Committee on Human Resources.

By Mr. ABOUREZK (for himself, Mr. DOMENICI, Mr. BURDICK, Mr. MATSUNAGA, Mr. KENNEDY, Mr. DECONCINI, Mr. INOUYE, and Mr. HART):

S. 2712. A bill relating to the evaluation and assessment of Indian programs and needs, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. HATHAWAY:

S. 2713. A bill to suspend for 18 months the duty on imported insulation; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. ABOUREZK, Mr. EASTLAND, Mr. KENNEDY, Mr. WILLIAMS, Mr. HASKELL, and Mr. YOUNG):

S. 2699. A bill to amend the act of June 27, 1960 (74 Stat. 220) as amended by Act of May 24, 1974 (88 Stat. 174, 176; 16 U.S.C. 469) relating to the preservation of historical and archeological data; to authorize appropriations under section 3(b) and 4(a) for fiscal years 1979 through 1983, and for other purposes; to the Committee on Energy and Natural Resources.

AMENDMENT OF THE RESERVOIR SALVAGE ACT

Mr. MAGNUSON. Mr. President, today I am introducing legislation, along with seven of my colleagues, to amend the Reservoir Salvage Act of 1960.

The purpose of this bill is to expand and continue the programs authorized in the 1974 amendment, under the direction of the Secretary of the Interior, for fiscal years 1979 through 1983. The program consists of the scientific recovery, preservation and study of significant archeological or historic materials and data which might be irrevocably lost or destroyed during Federal or federally-related, permitted or licensed construction activities.

The 1960 law required the head of any Federal agency engaged in or licensing dam construction to notify the Secretary of the Interior of any plans for water resource development that might threaten archeological resources. The Secretary was authorized to undertake archeological salvage investigations in such project areas.

In 1974, the interagency archeological investigations and salvage program was extended to all Federal, federally assisted, and federally permitted or licensed projects that might impact adversely on archeological and historic resources. As much as 1 percent of the total amount authorized to be appropriated for a Federal project could be applied to the recovery of archeological materials and data by the Federal agency responsible for a Federal construction project or federally-licensed project, activity, or program. These funds are available after the Federal planning process is completed and a decision to proceed with a given project has been made. The 1974 amendment also provided funding to the Secretary of the Interior—for fiscal years 1974 through 1978—for purposes of programs' administration and for investigations and salvage with regard to Federal or federally-related projects in which the responsible Federal agency has no authority to fund salvage costs itself; has not received the appropriation or reprograming of the authorized 1-percent funding; or, requires additional assistance to satisfactorily salvage the resource. The proposed bill extends these funding situations for 5 more years, for fiscal years 1979 through 1983.

Mr. President, the program is administered by the Heritage Conservation and Recreation Service. It has accomplished outstanding results in preventing the irretrievable loss of significant data and artifacts that otherwise would have been destroyed as a result of Federal or federally-related construction activities. The program has also contributed to the expansion of scientific knowledge for the intellectual nourishment of the American people. Educational institutions, scientific organizations, and museums have directly contributed to the success of this program and are vitally concerned for its continuation.

The cost of this program is estimated as follows: To continue section 3(b) programs for fiscal year 1979, $500,000; fiscal year 1980, $1 million; fiscal year 1981, fiscal year 1982 and fiscal year 1983, $1,500,000 each year; and to continue section 4(a) programs for fiscal year 1979 and fiscal year 1980, $3 million each year; fiscal year 1981, $3,500,000; fiscal year 1982, $3,500,000, and fiscal year 1983, $4 million; all such appropriations shall remain available until expended.

Mr. President, I ask unanimous consent that a position statement of several archeological societies be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

POSITION STATEMENT CONCERNING THE REAUTHORIZATION OF PUBLIC LAW 93-291 BY THE COORDINATING COUNCIL OF NATIONAL ARCHAEOLOGICAL SOCIETIES, THE SOCIETY OF PROFESSIONAL ARCHAEOLOGISTS ACTION COMMITTEE, THE SOCIETY FOR AMERICAN ARCHAEOLOGY, NATIONAL ARCHAEOLOGICAL POLICIES AND INFORMATION COMMITTEE, AND COMMITTEE ON PUBLIC ARCHAEOLOGY, AND THE STATE HISTORICAL PRESERVATION OFFICE OF THE STATE OF WASHINGTON

We unanimously recommend the reauthorization of the Archaeological and Historical Preservation legislation (P.L. 93-291) because we feel that the benefits of reauthorization to the people of our nation far outweigh the problems and costs that it would generate. The problems evolving from operations of the legislation at present have been due primarily to lack of the appropriations authorized by Congress and secondarily to the usual difficulties besetting any new program.

In our judgment adjustments necessary to make the program work have already been made by many of the federal agencies heavily involved in construction activities that affect our archaeological and historical sites; for example, most of the U.S. Corps of Engineers Divisions and Districts have instituted reasonable means of dealing with the problem of management, interpretation and preservation of archaeological and historical resources.

Our overall opinion concerning P.L. 93-291 is that the problems and criticisms in regard to operations conducted under its auspices are not due to deficiencies in the legislation, but to misinterpretation of the intent of Congress by Federal agencies. In addition, the law has not been given a fair trial because funds authorized by Congress were not appropriated.

Implementation of P.L. 93-291 has made it possible to save a reasonable portion of our national heritage and at the same time save federal dollars. Money invested in archaeological and historic preservation programs sponsored by the legislation will bring a high interest return. Unnecessary work has been and will continue to be eliminated through proper evaluations of projects supported. Such evaluation will make certain that significant non-renewable resources—our cultural heritage from the past—is preserved and interpreted for the enhancement of the lives of future generations.

By Mr. INOUYE:

S. 2700. A bill to amend the Export Trade Act to encourage increased utilization of the act, to expand exemptions provided under the act, to clarify U.S. Government policy with respect to the administration of the act, to assist American exporters in international trade competition, and for other purposes; to the Committee on Commerce, Science, and Transportation.

AMENDMENT OF THE EXPORT TRADE ACT

● Mr. INOUYE. Mr. President, today I am introducing a bill which would amend the Export Trade Act of 1918, more commonly known as the Webb-Pomerene Act, to make it more useful in expanding American exports. The bill would do three things. First, it would provide a clear and unequivocal statement of Congress intent to encourage use of the act. Second, it would authorize the forma-

tion of associations to sell services abroad. Third, it would direct the Federal Government agencies to promote utilization of the act and to coordinate their regulation of export associations.

If enacted, the bill would make the act a more integral part of our export promotion effort. It is similar to legislation which the Senate passed in the 94th Congress but which was not acted upon by the House. It differs from that 1975 bill only in its more detailed section on congressional findings and purpose, its clarification and emphasis that agricultural goods and products are among those exports for which associations can be formed, and in removing any preclearance requirement from the Federal Trade Commission. The antitrust exemption provided in the act would still be limited to narrowly specified goods and services.

In 1977 the United States suffered a merchandise trade deficit of $36.6 billion on a c.i.f. basis, which is the accounting method used by most other nations and which is more accurate than the $26.6 billion deficit more commonly reported in the media. Both figures, however, show a deterioration in our trade position of approximately $21 billion from the 1976 deficit, a serious decline under any circumstances.

The size of this startlingly high deficit has been a major factor in the devaluation of the dollar, which in 1977 tumbled 18 percent against the Japanese yen, 10.9 percent against the German mark, and 18.4 percent against the Swiss franc, and has declined even further since the beginning of the new year. Although the administration and theoretical economists have tried to comfort the public by pointing out that on a trade-weighted basis the dollar declined only 5.5 percent in 1977, the fact remains that the currency markets have given an unequivocal signal of no confidence in America's internal economic politics.

Executive economists, academics, and news commentators have argued that the deficit and resulting devaluation are signs of strength rather than weakness and that the deficit will shrink as the devaluation restrains imports, an energy policy is put into effect and the economies of the other countries improve. However, as Hobart Rowen wrote in the Washington Post:

> The much touted energy legislation isn't tough enough to put a real crimp in imports. After legislation is passed, petroleum imports still will run around 9 million barrels a day, or $45 billion a year at present prices.

The Organization for Economic Cooperation and Development holds out little prospect that the world economy will grow significantly more rapidly than it did last year. Hence the prospect for a better American export performance is poor.

It would be a mistake for us to rely unduly on the devaluation of the dollar as a stimulus to American exports. Mr. Rimmer de Vries, vice president of Morgan Guaranty Trust Co., pointed out in a recent Business Week interview:

> Devaluation is basically a way of buying time. It is not a final solution to a payments problem * * * If you need to depreciate your currency because of inflation or structural factors like big oil imports, it has to be backed up by other policies. Now the U.S. does not have any backup policy to go with the depreciation of the dollar.

The Morgan Guaranty world financial markets newsletter also noted that—

> Inadequate competitiveness—price and non-price—appears to have been another cause of the U.S. current account deficit.

Soothing statements from Government economists notwithstanding, disquieting figures from the Department of Commerce provide strong support for the bank's expression of concern. The U.S. share of world exports of manufactures declined from 27.7 percent in 1958 to 23.3 percent in 1967 and to 19.9 percent in the first quarter of 1977. I have attached a table which illustrates the magnitude of that decline and a comparison of the export shares of West Germany and Japan.

In 1969, manufactured exports for the United States, Germany, and Japan were as follows: $27.1 billion, $26.2 billion, and $15 billion, respectively. In 1976, they were $78.5 billion, $90.7 billion, and $64.6 billion. Thus, despite two devaluations and floating rates, the exports of manufactured goods from Japan and Germany expanded at a much faster rate than ours.

The odds for another massive trade deficit of a similar magnitude as in 1977 appear to be high without significant changes in the world or domestic economy. Other than a proposed increase in Eximbank authorizations, the Executive has not offered any positive programs to stimulate exports. Indeed, its decision to terminate Domestic International Sales Corporations (DISC) raises serious questions as to its comprehension of the gravity of our competitive position in international trade and the sincerity of its commitment to promoting U.S. exports.

I have long been concerned about the trade deficit and have watched in dismay the apathy of the last three administrations. I have observed a consistent policy of according export expansion very low priority. As chairman of the Subcommittee on Foreign Commerce and Tourism of the Senate Commerce Committee, I attempted to focus greater attention on export promotion and to publicize the need to make the Government's programs more responsive to our exporters' needs. I am pleased that during that time, the State and Commerce Departments improved their policies and became more conscious of the exporting community's problems. Nevertheless, as the 1977 trade deficit so graphically illustrates, we still have not developed an export policy which adequately exploits our resources and comparative advantage.

The question of why we should be concerned about exports in view of our continental-sized economy has often been asked. Prof. Paul McCracken, former Chairman of the Council of Economic Advisers, writing in the Wall Street Journal, noted that the trade deterioration between 1975 and 1977 amounted to approximately $39 billion. Using rough calculations, this could have meant the creation of 2 million domestic jobs if this demand could have been satisfied at home. Moreover, he pointed out that since 1976 the rate of increase in our export trade has slowed and that had it continued at its previous rate, our exports would have been $20 billion higher, or the equivalent of 1 million jobs. While he admits that his figures undoubtedly overstate the benefits, this exercise makes it clear that trade and jobs are issues which touch the very essence of our economic and political lives. Unless our trade performance improves, the specter of protectionism will continue to haunt us.

Our country is unique among the industrialized nations in applying antitrust laws so harshly against exporters. Other countries, conscious of the importance of trade to their economies and less fixated by ideological considerations, are far more realistic of the need for national export policies. I would hope that the poor trade figures and consequent currency turmoil will shock policymakers into realizing how critical exports are to our economy.

The dominant fact of the postwar world is the emergence of an interdependent global economy. The large multinational corporation is both a catalyst for and creature of that development, but all American businesses of sufficient size should be encouraged to compete globally. The penalty for not doing so will be a shrinking market share, loss of international competitiveness, and inevitably a collapse into protectionism.

I am pleased to note that Congressman JOHN JENRETTE, of South Carolina, who shares my deep concern about our export policies, will be joining me today by introducing a companion bill in the House of Representatives.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Findings.—The Congress finds and declares that:

(1) In 1977 the United States suffered the largest merchandise trade deficit in its history, amounting to more than $36 billion (c.i.f. basis) with the prospect for a 1978 trade deficit of a similar order of magnitude;

(2) The trade deficit has contributed to the decline of the dollar on international currency markets and has led to widespread public concern about the strength of the dollar:

(3) The export sector of the American economy is responsible for creating and maintaining millions of jobs and for earning revenues which enable the United States to import those goods and materials required by the American economy; and

(4) The United States share of total world exports of manufactures has steadily eroded from 25.3 percent in 1960 to 21.3 percent in 1970 and to 20.0 percent in the first half of 1977.

(b) Purposes.—It is therefore declared to be the purpose of Congress in this Act to encourage American exports through increased utilization of the Export Trade Act by clarifying its provisions and by increasing the number of exports eligible for inclusion within the Act, particularly in trade with the

centrally planned economics and governmental entities and in competition with those foreign firms which are not subject to home-country antitrust laws in international trade.

SEC. 2. Section 1 of the Export Trade Act (40 Stat. 516; 15 U.S.C. 61) is amended to read as follows:

"As used in this Act—

"(1) 'Antitrust laws' means the laws defined as such in sections 12 and 44 of title 15, United States Code, the Federal Trade Commission Act (15 U.S.C. 41–58), and other laws of the United States in pari materia, including State laws on antitrust and unfair methods of competition, and all amendments to the foregoing.

"(2) 'Association', wherever used in sections 1 through 5 of this Act, means any combination, by contract or other arrangement, of two or more persons who are citizens of the United States or which are created under and exist pursuant to the laws of any State or of the United States.

"(3) 'Export trade' means exclusively trade or commerce in manufactured goods and products, agricultural goods and products, merchandise, or architectural, engineering, construction, training, financing, insurance or project or general management services or the licensing for distribution or exhibition of motion pictures or television films or tapes or similar services which are exported, or in the course of being exported, from the United States to any foreign nation. The term does not include—

"(A) the production, manufacture, or sale for consumption or for resale within the United States of such goods, products, merchandise, or services, or any act in the course of such production, manufacture, or sale for consumption or for resale;

"(B) any act, practice, agreement, or course of conduct a substantial effect of which is to constitute a restraint of trade or commerce, including foreign commerce, in the United States; or

"(C) trade or commerce in patents, licenses, or know-how except as incidental to the sale of such goods, products, merchandise, or services;

"(4) 'United States' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

"(5) 'Trade within the United States', wherever used in sections 1 through 5 of this Act, means trade or commerce between two or more States.".

SEC. 3. Section 2 of such Act is further amended by adding at the end thereof the following two new subsections:

"(b) The Secretary of Commerce shall establish within the Department of Commerce a program to promote and maximize the formation of associations and the use of the provisions of this Act in a manner consistent with this Act and the antitrust laws.

"(c) The Chairman of the Federal Trade Commission and the Attorney General of the United States and their duly authorized representatives shall meet and discuss periodically as necessary to avoid conflicting positions regarding the oversight of associations and shall meet periodically with members of the private sector to review the policies of the Commission and Department of Justice which affect the congressional policy of stimulating American exports and improving the international trading competitiveness of American exports." ●

By Mr. DECONCINI (for himself, Mr. CANNON, Mr. DOMENICI, and Mr. PAUL HATFIELD):

S. 2702. A bill to authorize the disposal of up to 45,000 long tons of tin from the national stockpile and the supplemental stockpile and to utilize a portion of such tin, or the proceeds from the sale thereof, to obtain up to 225,000 short tons of copper for the national stockpile, and for other purposes; to the Committee on Armed Services.

● Mr. DECONCINI. Mr. President, on behalf of my distinguished colleagues, Senators CANNON, DOMENICI, and PAUL HATFIELD, I am introducing legislation which both meets our national security requirements and which provides desperately needed assistance to the American copper industry.

The legislation has the full endorsement and support of the Carter administration. We worked closely with the administration in developing the language to suit the priorities and procedures they are anxious to follow in matters affecting the treatment of copper and the strategic stockpile. We believe, and the administration concurs, that this legislation is in the best interests of the Nation.

The thrust of the bill is to provide the Administrator of the General Services Administration with the authority to dispose of certain items in the national stockpile of which there is an excess over the established goals and to allow him to add materiel that is deemed necessary for national security reasons but which is currently not held. It should be noted that this approach was originally suggested by S. 2167, introduced during the first session by Senator DOMENICI.

Under our bill, the Administration is authorized to dispose of up to 45,000 long tons of tin for the purposes of obtaining copper. As the legislation is written, the Administrator is empowered either to sell or barter the tin. He may also use the proceeds from the sale of excess tungsten (which he already has the authority to dispose of) for the purchase of copper. Since the legislation also contains safeguards against any potential disruption of the tin market, the Administrator will be able to choose, given market conditions, whether it is more advantageous to barter tin directly for copper or whether tin should be sold. In the latter case, we anticipate that the Administration will require authority from the Appropriations Committee to actually purchase the copper. Because of the flexibility built into the bill, the Administrator, in all likelihood, will combine both methods.

The legislation further empowers the Administrator of the General Services Administration to purchase copper in an amount not to exceed 225,000 tons. This figure represents the best thinking of the administration at this point as to the real needs of the Nation in an emergency. I do not believe that any of us wish to see the national stockpile subject to the sort of abuse and manipulation that has occurred in the past. To prevent that, it is better to be cautious. This administration, while anxious to assist Arizona and the other copper-producing States, has wisely chosen to purchase only the absolute minimum amount of copper necessary.

I believe, Mr. President, that if enacted quickly this legislation will not only serve the needs of national security; it will measurably and significantly benefit the American copper industry. That industry has been beset by a series of difficulties that have left many mines closed and thousands of workers unemployed. In my own State, Mr. President, approximately 8,000 persons have been laid off, some permanently. Some of the immediate hardship has been relieved by trade adjustment assistance, but that is not a solution, only a palliative.

Although there is a surplus of approximately 1 million tons on the world copper market, the long-term outlook for copper is good. Demand is growing following the recent worldwide recession. If the administration is able to purchase the full amount of copper authorized in this legislation within a reasonable period of time, I believe that it will have a very significant impact on the price of copper. Among other possibilities, it will reverse the tendency among buyers of copper to withhold purchase orders in the anticipation that the price will drop further. Clearly, with the U.S. Government as an active purchaser of copper, the present market psychology will change.

The President of the United States has, by endorsing this legislation, discharged his obligation to protect the national security while simultaneously demonstrating keen sensitivity to the unique problems facing the Western States. I know I speak for my colleagues on both sides of the aisle in applauding this action.

I ask unanimous consent, Mr. President, to have the text of our legislation printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2702

Be it enacted by the Senate and House of Representatives of the United States of America in Congresss assembled, That notwithstanding any other provision of law, the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, up to 45,000 long tons of tin now held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) and the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 456, as amended by 73 Stat. 607).

SEC. 2. (a) Subject to the provisions of subsection (b), up to 26,000 long tons of the tin authorized to be disposed of under this Act, or the proceeds from the sale thereof, shall be used to obtain a quantity of copper up to 225,000 short tons.

(b) (1) The proceeds from the sale of the first 5,000 long tons of tin sold under authority of this Act in fiscal year 1978 and the proceeds from the sale of the first 10,000 long tons of such tin sold in fiscal year 1979 shall be covered into the Treasury as miscellaneous receipts.

(2) Four thousand long tons of tin authorized to be disposed of under authority of this Act, or the proceeds from the sale thereof, shall be used to purchase strategic and critical materials which are needed on a priority basis to meet stockpile goals established under section 2 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98a).

(c) The Administrator of General Services is authorized to use any quantity of tung-

sten, or the proceeds from the sale thereof, which is available for disposal under the provisions of Public Law 91-325 or the Defense Production Act of 1950, as amended, to aid in the acquisition of the quantity of copper referred to in subsection (a) of this section, except that (1) proceeds from the sale of the first 3,000,000 pounds of such tungsten disposed of in fiscal year 1978, and (2) proceeds from the sale of the first 3,000,000 pounds of such tungsten disposed of in fiscal year 1979 may not be used for such purposes.

(d) Copper obtained under authority of this Act shall be added to and made a part of the national stockpile referred to in the first section of this Act.

SEC. 3. The time and method of tin disposals made under authority of this Act shall be fixed with due regard to the protection of the United States against avoidable loss and the protection of producers, processors, and consumers against avoidable disruption of their usual markets.●

GOVERNMENT STOCKPILE OF DOMESTIC COPPER

Mr. PAUL HATFIELD. Mr. President, I am pleased to join in cosponsoring S. 2702 which provides for the purchase of approximately 225,000 short tons of domestic copper by the U.S. Government for our national stockpile. This will be accomplished through the sale of 45,000 long tons of tin and a quantity of tungsten both of which are excess to the national and supplemental stockpile requirements. The purchase of this copper will take place over the next 12 to 18 months.

I would like to have seen the acquisition of a larger amount of copper for our national stockpile. However, this action represents a compromise between the quantity of purchase I consider desirable and the amount which is realistically attainable at this time.

It is clear that this bill does not provide a solution to all of the problems affecting the domestic copper industry. Such problems result from a combination of depressed prices, inflated production costs, and foreign competition over the last few years. But despite its limitations, the bill does represent a logical and important first step to ameliorate the situation. Moreover, I think that it sends a healthy signal to the copper industry, its dedicated employees, and the business community in the United States and abroad about the Government's determination to turn things around and to seek improvements. I would also hope that this action will strengthen the market conditions and help forestall further layoffs and mine closures.

Last week, I met in Butte, Mont., with representatives of the labor unions, the mining industry, and local and State government to discuss the problems that have plagued copper producers and workers since 1974. The consensus expressed during this meeting was that the Government must take some action to protect the American copper industry and the people who work in the mines and plants from excessive foreign competition. The participants at the meeting agreed that a stockpile program, while not a complete or final solution, would be a step toward alleviating the current economic problems of crisis proportion in the copper industry.

Accordingly, as a member of the Senate Armed Services Subcommittee on Military Construction and Stockpiles I will urge early consideration of this bill by the subcommittee and will work for its expeditious passage.

There are many other actions which need to be taken to bring about the desired improvement in our domestic copper industry. I will continue to work toward achieving such measures. For example, the Carter administration has established a goal of 1,299,000 short tons of copper for our national stockpile. The amount of copper included in this bill will still leave us over a million short tons below that objective. In my view we should undertake a positive and definitive acquisition program which will lead to the attainment of this stockpile goal. Such action would be consistent with our national security posture and with our economic objectives. It would also be beneficial to the copper industry and to thousands of workers in Montana and other States.

In short, we have a long way to go; however, enactment of this bill is an important first step on the road to improvement.

By Mr. SPARKMAN (by request):

S. 2703. A bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations; to the Committee on Foreign Relations.

● Mr. SPARKMAN. Mr. President, by request, I introduce for appropriate reference a bill to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations.

The bill has been requested by the President of the United States and I am introducing it in order that there may be a specific bill to which Members of the Senate and public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the President of the United States to the President of the Senate dated March 2, 1978, and the letter from the Acting Director of the Arms Control and Disarmament Agency dated February 27, 1978.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 2703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, Section 49 (a) (22 U.S.C. 2589(a)) of the Arms Control and Disarmament Act, as amended is further amended by deleting "and" at the end of subparagraph (1) and adding the following new subparagraphs at the end of subparagraph (2):

"(3) for fiscal year 1979, the sum of $16,395,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs); and

"(4) for fiscal year 1980 such sums as may be necessary to carry out the purpose of this Act:".

THE WHITE HOUSE,
Washington, D.C., March 2, 1978.

Hon. WALTER F. MONDALE,
President of the Senate.

DEAR MR. PRESIDENT: I transmit herewith for consideration of the Congress proposed legislation to extend the appropriation authorization for the U.S. Arms Control and Disarmament Agency, together with a letter from the Acting Director of the Agency in support of this legislation.

Stopping the arms race, both the nuclear arms race and the spread of increasingly more advanced technology in non-nuclear arms, may well be the single most important task we must accomplish to ensure national security and the survival of mankind. The U.S. Arms Control and Disarmament Agency plays a very important part in accomplishing this goal.

Through the Strategic Arms Limitation Talks, in which it has the leading role, the Agency is engaged in preventing a nuclear arms race with the Soviet Union. And at the Comprehensive Test Ban Talks, the Agency is working to control the spread of nuclear weapons through measures that will inhibit their further development. The Agency is also involved in researching techniques for preventing the unintended spread of nuclear weapon materials through the nuclear fuel cycle and in controlling the transfer of conventional weapons and advanced technology.

Additionally, the Agency engages in research which supports on-going arms control negotiations and explores possibilities for further progress and new initiatives in arms control.

Current authorization and appropriations for the U.S. Arms Control and Disarmament Agency expire September 30, 1978. I am transmitting the attached draft bill in order that the Congress may begin its consideration of future authorizing legislation for the Agency. I urge the early enactment of this legislation.

Sincerely,

JIMMY CARTER.

WASHINGTON, D.C.,
February 27, 1978.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Enclosed for your approval and transmittal to the Congress is a draft bill to amend the Arms Control and Disarmament Act to extend the authorization for appropriations for the U.S. Arms Control and Disarmament Agency.

The Agency's current authorization expires on September 30, 1978. The proposed legislation would authorize appropriations for fiscal year 1979 of $16,395,000 (plus such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law and other nondiscretionary costs).

The funds to be authorized by this legislation will be devoted primarily to the anticipated third phase of the Strategic Arms Limitations Talks with the Soviets, negotiations for the development of a comprehensive nuclear test ban, work on techniques and agreements to prevent the further proliferation of nuclear weapons and the spread of nuclear weapons material through the nuclear fuel cycle, exploration of new possibilities in the limitation of conventional weapons, and work on other negotiations as may arise from the study groups agreed to with the Soviet Union in Moscow last spring.

In addition, support for other arms control activities, including those at the United Nations, the Conference of the Committee on Disarmament in Geneva, and other multilateral fora, as well as supporting research for all of these activities, will also be funded under this authorization. The early enactment of this legislation is essential to per-

mit Congressional consideration of the Agency's 1979 budget.

Sincerely,

SPURGEON M. KEENY, Jr.,
Acting Director.●

By Mr. GRAVEL (for himself and Mr. DOMENICI) (by request):

S. 2704. A bill to promote a more adequate and responsive national program of water research and development, and for other purposes; to the Committee on Environment and Public Works.

WATER RESEARCH AND DEVELOPMENT ACT OF 1978

● Mr. DOMENICI. Mr. President, I am pleased to join with the chairman of the Water Resources Subcommittee (Mr. GRAVEL) in sponsoring this bill, by request.

One of the significant tasks that the Committee on Environment and Public Works must undertake this spring is the development of new water research and saline water legislation. This is an important program. This administration's proposal will be most helpful to that process.

While I am in general support of this approach, I feel compelled to point out that there is one significant omission in this legislation. My concerns are focused on the fact that this bill would repeal the Water Research and Conversion Act of 1977 (Public Law 95–84). Section 2 of that law directed the Secretary of the Interior "to study, design, construct, operate, and maintain desalting plants demonstrating the engineering and economic viability of membrane and phase-change desalting processes at not more than four locations in the United States . . . provided, that at least two such plants shall demonstrate desalting of brackish ground water."

A total of $40,000,000 was authorized for the section 2 program, beginning in fiscal year 1978, with additional sums to be available "as are necessary to defray operations, maintenance, and energy costs for demonstrating plants during the periods of Federal responsibility for such activities."

This important 1977 initiative must not be put aside. As I understand it, the bill being introduced today includes the following sums related to saline water research:

$1,700,000 for membrane research;
$300,000 for freezing research;
$400,000 for new concepts research;
$3,000,000 for membrane development;
$700,000 for freezing development;
$2,150,000 for water reuse development;
$400,000 for test facilities; and
$150,000 for demonstration studies.

It does not, however, contain any 1979 authorization to undertake the demonstrations envisioned by the 1977 act.

It would be my hope that section 205 of the new bill can be augmented to strengthen the saline water program to assure effective demonstrations, and that section 402(a) is expanded to assure that money is available for demonstrations. I shall do what I can to sustain last year's initiative.

Mr. President, I hope that my colleagues will study this bill and my proposal, which I will submit later as an amendment. I ask unanimous consent that the bill, the transmittal letter, and section 2 of the 1977 act be printed at this point in the RECORD.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 2704

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

SECTION 1. This Act may be cited as the "Water Research and Development Act of 1978".

FINDINGS

SEC. 2. The Congress finds and declares that:

(a) providing for the protection of the Nation's water resources, assuring an adequate supply of water of good quality for the production of food, materials, and energy for the Nation's needs and increasing the efficient use of the Nation's water resources are essential to national economic stability and growth, and to the well-being of our people;

(b) the Nation's capabilities for technological assessment and planning and for policy formulation for water resources must be strengthened at both the Federal and State levels;

(c) there should be a continuing national investment in water-related research and technology which is commensurate with growing national needs; and

(d) the manpower pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

STATEMENT OF PURPOSE

SEC. 3. It is the purpose of this Act to assist the Nation and the States through water resources science and technology:

(a) to provide a supply of water sufficient in quantity and quality to meet the Nation's expanding needs for the production of food, materials, and energy;

(b) to preserve and enhance our water resources and the water related environment;

(c) to promote conservation and efficient use of the Nation's water resources;

(d) to promote research and development, demonstration, and technology transfer dealing with both quality and quantity of water resources;

(e) to identify and find practical solutions to the Nation's water and water resources related problems;

(f) to promote the training of scientists, engineers, and other skilled personnel in the fields related to water resources;

(g) to foster and supplement present programs for the conduct of research, technology development and transfer, and innovative water resources management, conservation, and operating practices;

(h) to provide for research, development, technology demonstration and transfer with respect to converting saline and other impaired waters to waters suitable for municipal, agricultural, industrial, recreational, or other beneficial uses;

(i) to disseminate information through the maintenance of a water resources scientific information center with adequate information bases so that the Nation's water research community, by utilizing the center, can be fully informed of on-going research, completed research, and other types of information necessary for them to effectively conduct their work;

(j) to better coordinate the Nation's water resources and development programs; and

(k) to enhance the capacity of the Federal water establishment, and of water interests nationwide, for recommending to the President and the Congress changes in national water resources research and technology policy as appropriate.

TITLE I—WATER RESOURCES RESEARCH AND DEVELOPMENT

SEC. 101. (a) The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is hereby authorized and directed to assist in carrying on the work of a competent and a qualified water resources research and technology institute, center, or equivalent agency (hereinafter referred to as "institute") at one college or university in each State, which college or university shall be a college or university established in accordance with the Act approved July 2, 1862 (12 Stat. 503, 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts" or some other institution designated by Act of the legislature of the State concerned: *Provided,* That: (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1962, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the Secretary's determination that such college or university has, or may reasonably be expected to have, the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums assignable to all of the cooperating States shall be paid to such institute; (3) a designated college or university may arrange with other colleges and universities within the State to participate in the work of the institute.

(b)(1) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated or other colleges or universities within the State, to conduct competent research and development including investigations and experiments of either a basic or practical nature, or both, in relation to water resources, to promote dissemination and application of the results of these efforts, and to provide for the training of scientists and engineers through such research, investigations, and experiments:

(2) the research, investigations, experiments, and training may include, without being limited to, aspects of the hydrologic cycle; supply and demand for water; saline water conversion; conservation and best use of available supplies of water and methods of increasing such supplies; water reuse; and economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of water problems; scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems; and providing means for improved communication of research results, having due regard for the varying conditions and needs of the respective States, for water research and development projects now being conducted by agencies of the Federal and State Governments, and for the need to avoid undue displacement of scientists and engineers elsewhere engaged in water resources research and development;

(3) the annual program submitted by the State institutes to the Secretary for approval shall include assurances, satisfactory to the Secretary, that such programs were developed in close consultation and collaboration with leading water resources officials within the State to promote research, training, and other work meeting the needs of the State. Additionally, it shall be the duty of each

State institute to provide the Secretary with periodic information, at the Secretary's discretion, on water resources research and development activities, needs, and priorities within the State which shall be coordinated with State, local, regional and river basin entities, and to cooperate with the Secretary in preparing periodic reports of on-going research within the State and its funding by both Federal and non-Federal organizations. Institutes are required to see that notices of research projects are submitted to the Center referred to under Title III, Section 302;

(4) the designated State institutes shall cooperate with the Secretary in the development of 5-year water resources research and development goals and objectives; and

(5) the designated institutes will receive and review all research and development proposals from the academic community for technical merit and relevance to priorities and forward all such proposals to the Secretary for consideration and funding.

(c) There is further hereby authorized a program of technology transfer to be carried out by the State institutes. Such funds, as are appropriated for this purpose, shall be made available on a competitive basis to the State institutes, based on the merit of project or program proposals submitted to the Secretary, for the purpose of transferring research and development results to other organizations for further development, demonstration and practical application.

SEC. 102. Funds appropriated pursuant to this title, in addition to being available for expenses for research and development experiments, and training conducted under authority of this title, shall also be available for printing and publishing the results thereof in the furtherance of technology transfer and for planning and direction. The institutes are hereby authorized and encouraged to plan and conduct programs financed under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the water problems involved, and funds appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

SEC. 103. (a) The Secretary is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, may prescribe such procedures, rules, and policies as may be necessary to carry out its provisions. He shall require a showing that institutes designated to receive funds have, or may reasonably be expected to have, the capability of doing effective work. He shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated by the institutes under this title, indicate to them such lines of inquiry as to him seem most important, and assist the establishment and maintenance of cooperation among the institutes, other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) The Secretary shall develop a 5-year water resources research program in cooperation with the institutes and appropriate water entities, indicating goals, objectives, priorities and funding requirements.

(c) The Secretary shall annually ascertain that the requirements of subsection 101(b) have been met as to each institute, whether it is entitled to receive its share of the annual appropriations for water resources research and development under section 401 (a) of the Act and the amount which it is entitled to receive.

SEC. 104. Nothing in this title shall be construed to impair or modify the legal relation existing between any of the colleges or universities under wnose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

SEC. 105. The Secretary is authorized to make grants to, and finance contracts and matching or other agreements with qualified educational institutions; private foundations or other institutions; and with private firms and individuals whose training, experience, and qualifications are adequate in his judgment for the conduct of water research and development projects; and with local, State, and Federal Government agencies to undertake research and development concerning any aspect of water-related problems which he may deem desirable in the national interest.

SEC. 106. Water resources research and development programs carried out in accordance with this title may include, without being limited to: water use conservation and efficiencies; water and related planning; saline water conversion; water reuse; management and operations; legal systems; protection and enhancement of the water-based environment; institutional arrangements; salinity management; and economic, social and environmental impact assessment. Due consideration shall be given to priority problems identified by water and related land resources planning, data acquisition and like studies conducted by other agencies and organizations.

SEC. 107. As used in this title, the term "State" includes the Commonwealth of Puerto Rico, the District of Columbia, and the territories of the Virgin Islands and Guam.

SEC. 108. Contracts or other arrangements for water resources work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary, advance payments of initial expenses are necessary to facilitate such work.

SEC. 109. (a) The Secretary is authorized to study, design, implement, operate, and maintain water resources programs and activities demonstrating the technical and economic viability of processes, systems, or techniques for the purpose of improving the water or water-related environment and to demonstrate the application of water resources research and development results and technology for beneficial purposes.

(b)(1) Funds appropriated pursuant to the authority provided by Sections 401(c) and 403 for use under this Section may not be expended until thirty calendar days (including days on which either the House of Representatives or the Senate are not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the Chairman of the Committee on Interior and Insular Affairs of the House of Representatives and the Chairman of the Committee on Environment and Public Works of the United States Senate.

(2) Such report shall present information that includes, but is not limited to, the location of the demonstration activities, the characteristics of the water and water-related problem, the processes or concepts to be demonstrated, the estimated initial investment cost of the demonstration, the estimated annual operating cost of the demonstration, the source of energy for the demonstration and its cost, environmental consequences of the demonstration; and the estimated costs associated with the demonstration considering the amortization of all components of the demonstration.

(3) Such report shall also be accompanied by a proposed contract or agreement between the Secretary and a duly authorized Federal or non-Federal public or private entity, in which such entity shall agree to share cost to the extent deemed important to the purposes of the activity as determined by the Secretary. Such proposed contract or agreement may provide that either the contractual entity or the United States will develop the activity described in the report and that the United States will either operate and maintain the activity or may participate in the operation and maintenance during which, in either case, access to the activity and its operating data will not be denied to the Secretary or his representatives.

(4) The Secretary is authorized to include in the proposed contract or agreement a provision for conveying all rights, title, and interests of the Federal Government to the Federal or non-Federal, public or private entity, subject to a future right to re-enter the activity for the purpose of financing at Federal expense modifications for advanced technology and for its operation and maintenance for a successive term under the same conditions as pertain to the original term.

TITLE II—WATER RESEARCH AND DEVELOPMENT FOR SALINE AND OTHER IMPAIRED WATERS

SEC. 200. Consistent with the Federal responsibility for water resources development and conservation by means of comprehensive planning, water resources development projects, protection of water quality standards and other measures for the beneficial use of water from various sources, the Congress finds it necessary to provide for the development of technology for the conversion of saline and other impaired waters for beneficial uses. It is the policy therefore to assist and encourage the development of practical means to ultilize saline water technology to convert impaired waters of any type from any source to a quality suitable for municipal, industrial, agricultural, and other beneficial uses to transfer research and development results.

SEC. 201. The Secretary is authorized and directed to—

(a) conduct, encourage, and promote basic scientific research and fundamental studies to develop effective and economical processes and equipment for the purpose of converting impaired water into water suitable for beneficial uses;

(b) pursue the findings of research and studies authorized by this title having potential practical applications, including application to matters other than water conversion, and to other supply sources such as brackish waters, staged development, and use with energy sources;

(c) conduct engineering and technical work including the design, construction, and testing of various processes, systems, and pilot plants to develop saline water conversion processes to the point of demonstration;

(d) study methods for the recovery, beneficial uses and disposal of residuals and marketing of byproducts resulting from the improvement or conversion of impaired water in an environmentally acceptable manner;

(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial purposes in various parts of the United States by saline water conversion processes and, by means of models or other methodologies, prepare and maintain information concerning the relation of such conversion processes and systems to other aspects of State, regional, and national comprehensive water resources planning.

SEC. 202. (a) The Secretary is authorized to conduct preliminary investigations and explore potential cooperative agreements with non-Federal utilities and governmental entities in order to develop recommendations for Federal participation in the design, con-

struction, operation, and maintenance of demonstration and prototype plants utilizing advanced saline water technologies for the production of water for beneficial use.

(b) In carrying out the provisions of this section, the Secretary shall utilize the expertise of the water and power marketing agencies of the Department of the Interior or of other Federal agencies to insure that the recommended project and the supporting agreements are fully integrated and compatible with the water and power systems of the region.

(c) The Secretary is authorized to accept financial and other assistance from any State or public agency in conection with studies or surveys relating to impaired water and facilities and to enter into contract with respect to such assistance.

SEC. 203. The Secretary may issue rules and regulations to effectuate the purpose of this title.

SEC. 204. As used in this title—

(a) the term "saline and other impaired water" includes but is not limited to seawater, brackish water, mineralized ground or surface water, irrigation return flows, and other similarly contaminated waters;

(b) the term "United States" extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, the Virgin Islands, and other locations under the jurisdiction of the United States;

(c) the term "pilot plant" means an experimental unit of sufficient size used to evaluate and develop new or improved processes or systems and to obtain technical and engineering data;

(d) the term "demonstration" means a plant of sufficient capacity and reliability to demonstrate on a day-to-day operating basis that the process or system is feasible and that such process or system has potential for application to water system improvement;

(e) the term "prototype" means a full-size. first-of-a-kind production plant used for the development and study of full-sized technology, energy, and process economics.

SEC. 205. (a) The Secretary is authorized to study, design, construct, operate, and maintain water resources projects demonstrating the feasibility of utilizing saline water conversion processes or systems for the purpose of processing saline or other impaired water to a quality for municipal, industrial, agricultural, and other beneficial uses, and to demonstrate research and technology for other beneficial purposes.

(b)(1) Funds appropriated pursuant to the authority provided by Section 402(a)(3) of this Act for use under this section may not be expended until thirty calendar days (excluding days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the chairman of the Committee on Interior and Insular Affairs of the House of Representatives and the chairman of the Committee on Environment and Public Works of the United States Senate.

(2) Such report shall present information that includes, but is not limited to, the location of the demonstration project, the characteristics of the water to be processed, the process or processes to be utilized, the water supply problems confronting the area in which the project will be located, alternative sources of water and their probable costs, the characteristics of the project, the estimated initial investment cost of the demonstration project, the estimated annual operating cost of the demonstration project, the source of energy for the project and its cost, environmental consequences, and the estimated unit cost of water, or other costs associated with the demonstration project considering the amortization of all components of the demonstration project.

(3) Such report shall also be accompanied by a proposed contract or agreement between the Secretary and a duly authorized Federal or non-Federal, public or private entity, in which such entry shall agree to share cost to the extent deemed important to the purposes of the project as determined by the Secretary. Such proposed contract may provide that either the contractual entity or the United States will construct the project described in the report and that the United States will either operate and maintain the project or may participate in the operation and maintenance during which, in either case, access to the project and its operating data will not be denied to the Secretary or his representatives.

(4) The Secretary is authorized to include in the proposed contract a provision for conveying all rights, title, and interest of the Federal Government to the Federal or non-Federal, public or private entity, subject only to a future right to re-enter the facility for the purpose of financing at Federal expense modifications for advanced technology and its operation and maintenance for a successive term under the same conditions as pertain to the original term.

TITLE III—TECHNOLOGY TRANSFER AND INFORMATION DISSEMINATION

SEC. 300. The Secretary is authorized to conduct a research assessment and technology transfer program which transfers research and development results to other organizations and individuals for further development and practical application to water and water-related problems. The Secretary may enter into agreements with the State and local governments and with other public and private organizations and individuals, including cost-sharing or cost-participation agreements, for the transfer or application of research results for the solution of water-related problems and to further the transfer developed by programs authorized under this Act. The Secretary may issue publications and may conduct seminars, conferences, training sessions, or use other such techniques as he deems necessary to expedite the transfer of research results and technology development. The technology transfer activities will be coordinated with activities undertaken under Titles I and II of this Act.

SEC. 301. The Secretary is further authorized to maintain a national center for the acquisition, processing, and dissemination of information dealing with all areas of water resources research, technology development, and demonstration. Each Federal agency engaged in water resources including research, technology development, and demonstration, shall cooperate by providing the center with documents and other pertinent information. The center shall: (a) maintain for general use a collection of water resources information provided by Federal and non-Federal government agencies, colleges, universities, private institutions, and individuals; (b) issue publications or utilize other media to disseminate research, technology development and demonstration information for the purposes of this Act and enter into agreements with public or private organizations or individuals to stimulate acquisition and dissemination of information, thus contributing to a comprehensive, nationwide program of research and development in water resources and the avoidance of unnecessary duplication of effort; (c) make generally available abstracts and other summary type information concerning water resources activities including research accomplished and in progress by all Federal agencies and by non-Federal agencies, private institutions, and individuals, to the extent such information can be obtained, and reports completed on research projects funded under provisions of this Act; and (d) in carrying out the information dissemination activities authorized by this section, the Secretary shall to the extent feasible use the resources and facilities of other agencies and of the clearinghouse for scientific, technical and engineering information, established in the Department of Commerce pursuant to sections 1151 through 1157 of Title 15, United States Code.

SEC. 302. There shall be established, in such agency and location as the President determines to be desirable, a center for cataloging current scientific research in all fields of water resources. Each Federal agency doing water resources research shall cooperate by providing the cataloging center with information on work underway. The cataloging center shall classify and maintain for general use a file of water resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of government, colleges, universities, private institutions, firms, and individuals as voluntarily may make such information available.

TITLE IV—GENERAL PROVISIONS

SEC. 400. (a) As used in this Act, the term "Secretary" means the Secretary of the Interior.

(b) In carrying out his functions under this Act, the Secretary may:

(1) make grants to educational institutions and scientific organizations, and enter into contracts with institutions and organizations and with industrial or engineering firms;

(2) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

(3) utilize the facilities of Federal scientific laboratories;

(4) establish and operate necessary facilities and test sites to carry on the continuous research, testing, development, and programming necessary to effectuate the purposes of this title;

(5) acquire, processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation pursuant to the Federal Property and Administrative Services Act (40 U.S.C. 471) as amended, where applicable;

(6) assemble and maintain pertinent and current scientific literature, publications, patents, licenses, land and interests in land (including water rights thereto);

(7) cause on site inspections to be made of promising projects, domestic and foreign, and in the case of projects located in the United States, cooperate and participate in their development when the purposes of this title will be served thereby;

(8) foster and participate in regional, national, and international conferences relating to water resources;

(9) accept financial and other assistance from any local, State, Federal, or other agency or entity in connection with studies or surveys relating to water problems and facilities, and enter into contracts with regard to such assistance;

(10) coordinate, correlate, and publish information with a view to advancing the development of practicable water conversion projects; and

(11) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

SEC. 401(a)(1) There are hereby authorized to be appropriated for the purposes of implementing Section 101(a) of this Act such sums annually as are sufficient to provide an amount not to exceed $110,000 to each participating institute, on a cost-sharing basis, for the fiscal year ending September 30, 1979, and such sums as are necessary for the fiscal year ending September 30, 1980;

(2) there is further authorized to be appropriated an amount not to exceed $750,000 on a cost-sharing basis for the purpose of implementing Section 101(c) of this Act for the fiscal year ending September 30, 1979, and such sums as are necessary for the fiscal year ending September 30, 1980, all such sums to remain available until expended;

(3) cost sharing under Sec. 101(a) and 101(c) shall be on the basis of two Federal shares to not less than one non-Federal share. Federal funds made available under this Section shall not be used for support of indirect costs as defined by current Federal regulations; however, such indirect costs may be credited as a non-Federal contribution to the total cost of activities to be carried out pursuant to the Federal grant or contract.

(b) There is authorized to be appropriated for carrying out the purposes of Section 105 of this Act for the fiscal year ending September 30, 1979, the sum of $4,000,000 and such sums as are necessary for fiscal year 1980, to remain available until expended, to match, on a dollar-for-dollar basis, funds made available by non-Federal sources to meet the necessary expenses of specific water resources research and development projects which could not otherwise be undertaken. Federal funds provided under this subsection shall be available on a competitive basis and shall be available to any organization or individual.

(c) There is authorized to be appropriated for purposes of carrying out the research, development and demonstration activities authorized by Sections 105 and 109 of this Act for the fiscal year ending September 30, 1979, the sum of $3,200,000, and such sums as are necessary for fiscal year 1980, available until expended, which shall be available on a competitive basis to any organization or individual to finance grants, contracts, matching grants or other arrangements which equal 100 per cent or any lesser per cent, of the total cost of the projects involved.

SEC. 402. (a) There is authorized to be appropriated to carry out the provision of Title II of this Act or the fiscal year ending September 30, 1979, the sum of $8,800,000, and such sums as are necessary for Fiscal Year 1980, to remain available until expended. The categories for which such funds are authorized are as follows:

(1) research,
(2) development, and
(3) demonstration.

The funds appropriated pursuant to such authorization shall be distributed to the foregoing categories as determined by prevailing budgetary priorities.

(b) Not more than 5 per cent of the funds to be made available in any fiscal year for research under the authority of this title may be expended for foreign activities subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, in cooperation with public or private agencies in foreign countries for research useful to the programs in the United States.

SEC. 403. There is authorized to be appropriated the sum of $4,464,000 for the fiscal year ending September 30, 1979, and such sums as are necessary for fiscal year ending September 30, 1980, to carry out the sections of Titles I, II, III and IV of this Act other than those for which special specific authorizations are made.

SEC. 404. Each application for a grant, pursuant to this Act, shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the water problem it addresses, the qualifications of the personnel who will direct and conduct it, the importance of the project to the water related economy of the Nation, the need for and expected utilization of the results, the region and the State concerned, its relation to other known research projects previously conducted or currently being pursued, the procedures by which the results can be disseminated, and the extent to which it will provide opportunities for the training of water resources scientists and engineers. No grant shall be made except for projects approved by the Secretary and all grants shall be made upon the basis of the merit of the project, the need for the knowledge it is expected to produce when completed, and the opportunities it provides for the training of water resources scientists and engineers.

SEC. 405. (a) Sums appropriated pursuant to this Act may be paid at such times and in such amounts during each fiscal year as determined by the Secretary and upon vouchers approved by him. Except as may be otherwise specified by this Act, funds received pursuant to such payment may be used for any allowable costs within the meaning of the Federal procurement regulations that establish principles for determining costs applicable to research and development under grants and contracts with educational institutions.

(b) Each State institute operating pursuant to Title I of this Act shall have an officer appointed by its governing authority who shall receive and account for all funds paid to the institute under the provisions of this Act and who shall provide to the Secretary an annual statement of the amounts received under any of the provisions of this Act during the preceding fiscal year, and of its disbursement. If any of the moneys received by the authorized receiving officer of any State institute under the provisions of this Act shall, by any action or contingency, be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced and until so replaced no subsequent disbursement of Federal funds shall be made to any institute of such State.

SEC. 406. (a) The Secretary shall cooperate fully with, and shall obtain the continuing advice and cooperation of, all agencies of the Federal Government concerned with water problems, State and local governments, and private institutions and individuals, to assure that the programs conducted under this Act will supplement and not duplicate other water research and technology programs, will stimulate research and development in neglected areas and will provide a comprehensive, nationwide program of water resources research and development. In order to further these purposes, as well as to assure research undertaken by the Secretary on wastewater treatment and treatment of water for potable use is most responsive to needs in implementing the Federal Water Pollution Control Act, as amended (P.L. 92–500), and the Safe Drinking Water Act, as amended (P.L. 93–523), the Secretary will consult with the Administrator of EPA in developing and implementing programs in these areas. The Secretary will encourage utilization of the center referred to in Title III, Section 302 for cataloging current research projects in order to assure that programs conducted under this Act will supplement and not duplicate other research and technology programs and will encourage other Federal agencies to do likewise.

(b) The President shall, by such means as he deems appropriate, clarify agency responsibilities for Federal water resources research and development and provide for interagency coordination of such research, including the research authorized by this Act. Such coordination shall include (1) continuing review of the adequacy of the Government-wide program in water resources research and development and identification of technical needs in various water resources research categories, (2) identification and elimination of duplication and overlaps between two or more programs, (3) recommendations with respect to allocation of technical effort among the Federal agencies, (4) review of technical manpower needs and findings concerning the technical manpower base of the program, (5) recommendations concerning management policies to improve the quality of the Government-wide research effort, and (6) actions to facilitate interagency communication at management levels.

SEC. 407. (a) Property acquired by the Secretary under this Act for use in furtherance of the purposes of this Act may be conveyed to a cooperating institute, educational institution, or nonprofit organization in accordance with the Federal Property and Administrative Services Act of 1949, as amended.

(b) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this Act shall be paid into the Treasury as miscellaneous receipts except where such operations may be undertaken as a part of a Federal reclamation project in which case the financial provisions of the reclamation laws (32 Stat. 388 and Acts amendatory thereof and supplementary thereto) shall govern.

SEC. 408. With respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this Act, and notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research and Development Act of 1974 (Public Law 93–577; 88 Stat. 1887, 1891; 42 U.S.C. 5908, 5909); *Provided, however,* That subsections (l) and (n) of section 9 of such Act shall not apply to this Act.

SEC. 409. The institutes shall submit a summary report to the Secretary on or before January 31 of each year which highlights: research and development work accomplished during the preceding fiscal year, the status of projects underway, and recommended, future projects. This report is in addition to such other reports as may be required by sections 101(b) and 405(b) of this Act. The Secretary shall submit a summary report to the President and the Congress on or before April 1 of each year which summarizes program activities of the preceding fiscal year and projects for the future.

SEC. 410. (a) The Water Resources Research Act of 1964 (Public Law 88–379, 78 Stat. 329; 42 U.S.C. 1961 et seq.), as amended, the Saline Water Conversion Act of 1971 (Public Law 92–60, 85 Stat. 159; 42 U.S.C. 1959 et seq.), as amended, and the Water Research and Conversion Act of 1977 (Public Law 95–84), are hereby repealed.

(b) Nothing elsewhere in this Act is intended to repeal, supersede, or diminish existing authorities or responsibilities of any agency of the Federal Government concerning water resources.

(c) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

DEPARTMENT OF THE INTERIOR,
Washington, D.C., February 21, 1978.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is enclosed a draft bill "To promote a more adequate and responsive national program of water research and development, and for other purposes."

We recommend that the bill be enacted.

The bill would repeal and replace the Water Resources Research Act of 1964 (P.L. 88–379; 78 Stat. 329, 42 U.S.C. 1961, ff) as amended, the Saline Water Conversion Act of 1971 (85 Stat. 159; 42 U.S.C. 1959, ff) as amended, and the Water Research and Con-

version Act of 1977 (P.L. 95–84). The bill would consolidate the three Acts and would re-enact or renew portions of them, but with new provisions to provide greater emphasis on technology development and demonstration, coordination of research and development, and dissemination, transfer, and practical applications of research and technology development results, than provided under existing authority. The bill would authorize appropriations for Fiscal Year 1979 consistent with the President's budget request. Such sums as are necessary would be authorized for Fiscal Year 1980.

Programs under Title I of the 1964 Act would be continued with some alteration. Funds would be provided to the institutes on a cost-sharing basis at a ratio of two (2) Federal shares for every one (1) share provided by the participating institute. In addition to these funds, the new bill would authorize $750,000 for Fiscal Year 1979, allocated at the discretion of the Secretary on a competitive basis with a similar two-to-one cost sharing ratio, to support a technology transfer program to be carried out by State institutes, to enable transferring research and development results to other organizations for further development, demonstration, and practical application. This is a new feature of the institute program.

Title I of the bill also broadens the institute program by requiring the state institutes to cooperate with the Secretary in the development of 5-year plans of research goals and objectives, and clarifies the responsibility of the institutes for reviewing R&D proposals from the academic community.

Section 105 of the proposed bill would continue the matching grant program, found in Section 101 of the Water Resources Research Act of 1964, but would more closely associate it with the program under Title II of this same act. It provides a matching grant authorization of $4 million, and would make the funds available to any organization or individual on a competitive basis. The bill authorizes $3.2 million for award on a competitive basis to any organization or individual at the discretion of the Secretary, who may fund 100 percent or any lesser amount of an approved project.

Title II of the proposed bill provides authority for saline water research, development, and demonstration. It broadens the scope of the program to saline and other impaired waters. Section 205 of the bill authorizing demonstration activities is essentially an adaptation of provisions of P.L. 95–84. This is also true of the demonstration authority in Section 109 of the bill pertaining to Title I research programs. The demonstration provisions allow for cost-sharing on the part of participants in construction and operation of demonstration facilities, and for transfer of those activities to other entities by the Secretary. Other Federal as well as non-Federal entities are eligible participants with the Secretary in this program. Expenditures for demonstration purposes under Title II (and Title I) must be preceded by 30 days notice to the Congress, in the manner as provided by P.L. 95–84.

Title III of the proposed bill contains important new provisions for technology transfer and information dissemination. Excellent progress has been made during the last decade in research directed toward a better understanding of the many complex biological, physical and sociological elements which comprise our water resource systems. There is, however, less certainty of the effectiveness with which these excellent and innovative research results have been interpreted and converted into practical applications. The technology transfer deficiency was noted by the National Water Commission in its 1973 report. Technology transfer and information dissemination are, therefore, significant objectives to be achieved by the proposed bill. Broad authority is provided for these purposes. This program would complement, and be coordinated with activities under the new transfer activities provided by Title I of the proposed bill.

Section 301 of the bill authorizes the Secretary to maintain a national center for information related to water resources research, development, and demonstration. This provision recognizes and provides additional authority for the Water Resources Scientific Information Center (WRSIC) already established within the Interior Department pursuant to authority previously provided under the 1964 Act. This center would be a crucial element in the continuing efforts of the Department and the Executive Branch as a whole to improve dissemination of water research and technology results, to communicate within the water resources community, to avoid unnecessary duplication in research efforts, to identify neglected areas, and to provide for a more comprehensive and coordinated effort in water research and information dissemination and exchange.

These activities would be coordinated with the Smithsonian Institution to assure that Departmental efforts under Title III of this bill would not overlap and would be consistent with Smithsonian efforts now conducted pursuant to Presidential designation under section 304 of the 1964 Act, which authority would be renewed by section 302 of the new bill.

The bill adopts a patent policy provision which would assist the effort to promote transfer, practical applications, and commercial development of research and technology achievements. Section 407(d) of the proposed bill would adapt to the programs undertaken pursuant to this bill the patent provisions contained in sections 9 and 10 of the Federal Nonnuclear Energy Research and Development Act of 1974 (P.L. 95–577). This provision is also similar to that adopted in P.L. 94–316, which was applicable to both the Water Resources Research Act of 1964 and the Saline Water Conversion Act of 1971, which this bill would replace.

The patent policy would allow sufficient flexibility so that patent clauses in Department of the Interior water research and development contracts could be readily adapted to the individual contracting situations. The policy generally requires the Government to take title to inventions resulting from the R&D but makes it possible for the Secretary to waive all or part of the public rights to inventions and grant those rights to the inventor, contractor, or developer, to stimulate development where desirable, but with careful guidelines to protect the public interest.

Other provisions of the bill provide for coordination among Federal agencies and include a requirement that the Secretary cooperate fully with other Federal agencies concerned with water problems to avoid duplication or confusion of efforts and to obtain a coordinated Federal effort dealing with water problems.

Disclaimers are included in the bill to the effect that nothing in the bill would alter existing law respecting ownership and control of water, and nothing in the bill, other than the repeal of the three acts mentioned previously, is intended to repeal, supersede, or diminish existing authorities of any Federal agencies concerning water resources.

The programs conducted under authority of this bill will be coordinated with other Federal and non-Federal agencies to assure that programs carried out would not duplicate those of other agencies.

The bill further provides for flexibility in engaging necessary personnel and contracting for assistance, and in promoting cooperation with State and private entities. Also, the Secretary is provided the authority to make rules and policies pursuant to the Act.

The proposed bill would effect important Administration objectives in water resources and would provide much needed new vitality to the affected Federal programs. The bill provides a comprehensive framework for carrying out this important, coordinated water resource research and technological development effort, and we strongly recommend enactment of the bill.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely,

(Sgd) GUY R. MARTIN,
Assistant Secretary.

SECTION 2 OF P.L. 95–84

SEC. 2. (a) The Secretary of the Interior is authorized and directed to study, design, construct, operate, and maintain desalting plants demonstrating the engineering and economic viability of membrane and phase-change desalting processes at not more than four locations in the United States, including Puerto Rico, Virgin Islands, and Guam; provided, that at least two such plants shall demonstrate desalting of brackish ground water.

(b) Funds appropriated pursuant to the authority provided by this section may not be expended until thirty calendar days (excluding days on which either the House of Representatives or the Senate is not in session because of an adjournment of more than three calendar days to a day certain) have elapsed following transmittal of a report to the Chairman of the Committee on Interior and Insular Affairs of the House of Representatives and the Chairman of the Committee on Environment and Public Works of the United States Senate. Such report shall present information that includes, but is not limited to, the location of the demonstration plant, the characteristics of the water proposed to be desalted, the process to be utilized, the water supply problems confronting the area in which the plant will be located, alternative sources of water and their probable cost, the capacity of the plant, the initial investment cost of the demonstration plant, the annual operating cost of the demonstration plant, the source of energy for the plant and its costs, the means of reject brine disposal and its environmental consequences, and the unit cost of product water, considering the amortization of all components of the demonstration plant and ancillary facilities. Such report shall also be accompanied by a proposed contract between the Secretary and a duly authorized non-Federal public entity, in which such entity shall agree to furnish, at no cost to the United States, necessary water rights, water supplies, rights-of-way, power source interconnections, and brine disposal facilities. Such proposed contract will further provide that the United States will construct the plant described in the report at no cost to the non-Federal public entity and that the United States will provide all costs of operation and maintenance of the plant for a term of at least two but not more than five years, during which access to the plant and its operating data will not be denied to the Secretary or his representatives. The Secretary is authorized to include in the proposed contract a provision for conveying all rights, title, and interest of the Federal Government to the non-Federal public entity, subject only to a future right to re-enter the facility for the purpose of financing at Federal expense modifications for advanced technology and for its operation and maintenance for a successive term under the same conditions as pertain to the original term.

(c) There is authorized to be appropriated, to remain available until expended, for the fiscal year ending September 30, 1978, and thereafter the sum of $40,000,000 to finance

the construction of demonstration plants authorized by this section. There are also authorized to be appropriated such additional sums as are necessary to defray operations, maintenance, and energy costs for demonstration plants during the periods of Federal responsibility for such activities, under this section.●

By Mr. HATCH (for himself and Mr. GARN):

S. 2705. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Mormon Pioneer Trail in the National Trails System as a National Historic Trail, and for other purposes; to the Committee on Energy and Natural Resources.

NATIONAL HISTORIC TRAILS ACT OF 1978

● Mr. HATCH. Mr. President, I am pleased today to introduce a bill for myself and Mr. GARN to amend the National Trail System Act to include the Mormon Pioneer Trail as a National Historic Trail. This particular trail from Nauvoo, Ill., to Salt Lake City, Utah, covering a distance of 1,300 miles, is of major significance in the history of the United States of America in opening up and developing the West. It was over this same trail that many of the "gold rush" miners and the settlers of the Northwest Territory and the colorful Southwest traveled.

The development of this trail by the Mormon pioneers marks a very poignant episode in the 200 years of this Nation's independence. The Mormons were forced out of the city of Nauvoo, which they had established, because their religious beliefs were not acceptable to the majority of the population. Over this trail many citizens, including 10,000 Mormon faithful and tens of thousands of other pioneering Americans left the established boundaries of the United States and carved new homes, new towns and productive lives out of an unknown and often hostile environment. The results of their efforts are evidenced by the vast metropolitan and rapidly growing areas of the Western United States.

The Mormon Trail, of course, has particular significance to the people of the State of Utah. Of the tens of thousands that reestablished their homes in the Territory of Deseret, which later became the State of Utah, literally thousands died due to hardships along the way. Mormons, drawn by a hope for new beginnings in Salt Lake City, actually pulled handcarts like human draft animals, carts heaped with all of their belongings across the Central Plains and over the Rocky Mountains to practice their beliefs without hostility from the outside. Mr. President, I am sorry to say history indicates that the United States itself was guilty of some of this persecution. It forced the Mormon people, who sincerely believed that the Constitution of the United States was inspired by deity, to leave their country and live outside its confines.

Two of the handcart companies were late in starting during the 1850's. The onset of winter trapped one company in Wyoming and the other in Nebraska. Together, over 400 lives were lost. I think it is apparent that this Mormon Trail was literally paid for in enormous human sacrifice and even death.

In each of the States through which the Mormon Trail passes, there are monuments and markers telling portions of the pioneer story. The rest stops along our Interstate Highway System in Iowa, Nebraska, and Illinois recount various stages of the trek and, in some cases, display artifacts from the travels. At the end of the famous trail in Salt Lake Valley, there is a large monument and State park dedicated to the pioneers. The State of Utah recently purchased portions of the trail which cross over the rugged Wasatch Mountain Range into Utah from Wyoming, to be preserved as a lasting memorial of the westward march.

As described in my remarks. my colleagues I am sure immediately recognize that there is nothing very scenic about the Mormon Trail, though manmade developments and the vast agricultural growth of the Midwest, through which the Mormon Trail travels, are very beautiful. And though the Mormon Trail passes by some important and significant recreation areas, it would not be classified as a recreational trail. With this explanation I am, therefore, introducing legislation to establish a special category of trails to be known as historic trails with a bill entitled the "National Historic Trails Act of 1978."

The major function of the bill will be, of course, to establish criteria for national recognition of the Mormon Trail. I recognize this as a specific interest to a small segment of the population primarily composed of the 1.5 million people in the State of Utah and the additional 3.5 million members of Church of Jesus Christ of Latter-day Saints (Mormons) in the United States and around the world. In a greater sense, however, this bill provides a mechanism whereby our great heritage will not be lost due to a lack of legislative designation and obliterated from our remembrance with the exception of a few words in historical documents or an all too infrequent mention in a grade-school textbook. The bill provides for other significant pathways and byways which have specific historical significance to be designated and marked for future study, recreation, and enjoyment for our people. This measure, I believe, can help our citizens understand the significance of our existence on this continent and the close connection we have with people in all parts of the country through historical links that made this Nation a whole—stretching from ocean to ocean, East to West. It can give us a moment to reflect on this Nation as a people connected not only physically by rail, air, and highways, but also by history.

In conclusion, I ask unanimous consent, Mr. President, that this bill, sponsored by myself, Senator GARN, and others, appear in the RECORD following my remarks and introduced for consideration by the Senate.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2705

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241) is amended as follows:

(a) In section 2(b) delete "and scenic" and insert "scenic and historic".

(b) In section 3 redesignate subsection "(c)" as "(d)", and insert prior thereto a new subsection (c) as follows:

"(c) National Historic Trails, established as provided in section 5 of this Act, and designated in accordance with the criteria in section 7 of this Act, which will be extended trails that follow as closely as possible the original trails or routes of national historical significance. Although designation of such trails or routes shall be continuous, an established or developed trail may not be continuous."

(c) In the new section 3(d) delete "or national scenic" and insert ", national scenic, or national historic".

(d) In the heading of section 5 "SCENIC" insert "AND NATIONAL HISTORIC"; in the first sentence of section 5(a) after "scenic" insert "and national historic"; and in section 5(b) after "national scenic" wherever it appears insert "or national historic".

(e) In section 6 delete in the first sentence "or national scenic" and insert ", national scenic, or national historic"; and in the second sentence delete "or scenic" and insert ", scenic, or historic".

(f) In section 7 in the first sentence of subsection (a) after "Scenic" insert "and National Historic"; in subsection (b) and in the first sentence of subsection (c) after "scenic" wherever it appears insert "or national historic"; in the penultimate sentence of subsection (c) delete "and scenic" and insert ", scenic, and historic"; in subsection (d) delete "or scenic" and insert ", scenic, or historic"; in subsection (e) after "scenic" wherever it appears insert "or historic"; in the first sentence of subsection (h) delete "or scenic" and insert ", scenic, or historic"; in the second sentence of subsection (h) after "scenic" insert "or historic"; and in the first sentence of subsection (i) delete "or scenic" and insert ", scenic, or historic".

(g) Section 7 of such Act is further amended by adding at the end thereof the following new subsection:

"(j) To qualify for designation as a National Historic Trail, a trail must meet all three of the following criteria:

"(1) It must be a trail established by historic use and historically significant as a result of that use. The trail need not exist as a trail at present to qualify, but its location must be known sufficient to permit evaluation of public recreation potentials.

"(2) It must be of national significance with respect to any of several broad facets of American history such as trade and commerce, migration and settlement, or military campaigns. To qualify as nationally significant, historic use of the trail must have had a far-reaching effect on broad patterns of American culture. Trails significant in the history of native Americans (Indians, Aleuts, and Eskimos) may be included.

"(3) It must have significant potential for public recreational use based on historic interpretation and appreciation. The potential for such use generally is greatest along cross-country segments developed as historic trails, and at historic sites associated with the trail. The presence of recreation potential not related to historic appreciation is not sufficient justification for designation under this category."

(h) In section 8(a) at the end of the first sentence insert the following sentence: "The Secretary is also directed to encourage States to consider, in their comprehensive statewide

historic preservation plans and proposals for financial assistance for state, local, and private projects submitted pursuant to the Act of October 15, 1966 (80 Stat. 915), as amended, needs and opportunities for establishing historic trails."

SEC. 2. (a) The Mormon Pioneer Trail, a trail of approximately one thousand three hundred miles from Nauvoo, Illinois, to Salt Lake City, Utah following the primary route of the Historic Mormon Trail depicted on the map, identified as, "* * *" in the Department of the Interior Mormon Trail study report dated * * *: is hereby designated a national historic trail within the National Trails System. The Mormon Pioneer National Historic Trail shall be administered by the Secretary of the Interior.

This Act hereby provides: (1) that while this Act will commemorate the entire route of the Mormon Trail along its historic alinement by designation as the Mormon Pioneer National Historic Trail, only those suitable cross-country segments of the Mormon Trail which are within the exterior boundaries of federally administered areas and which meet the national historic trail criteria established in this Act, are established initially as components of the Mormon Pioneer National Historic Trail; and (11) that the Secretary of the Interior may designate lands outside of the exterior boundaries of federally administered areas as segments of the Mormon Pioneer National Historic Trail upon application from state or local government agencies or private interests involved if such segments meet the national historic trail criteria established in this Act and such criteria supplementary thereto as the Secretary may prescribe, and are administered by such agencies or interests without expense to the United States."

SEC. 3. The responsibility for overall coordination of National Historic Trail matters shall rest with the Secretary of the Interior, in cooperation with the heads of other Federal and State agencies where lands administered by them are involved. Such responsibility shall include:

(a) establishing the specific trail route, as provided for in section 7(a) of the National Trails System Act;

(b) identifying those segments of the trail within the exterior boundaries of federally administered areas that are suitable for establishment as the initial components of the Mormon Pioneer National Historic Trail; and

(c) preparing an overall plan for development and management of the trail within three years after enactment of this Act: *Provided*, That the responsibility for the development and management of trail segments located within the boundaries of lands administered by another Federal department or agency shall lie within the head of that agency and shall be exercised consistent with the overall concept, route, and plan for the trail established by the Secretary of the Interior.

SEC. 4. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

● Mr. GARN. Mr. President, it is a pleasure for me to join in sponsoring legislation to create a National Historic Trails System, and to include as the first historic trail the Mormon Trail.

It is hard for those of us in this day to understand the sacrifices made by the Mormon pioneers who left their homes and farms on the banks of the Mississippi and made the long and difficult trek across the plains to the Salt Lake Valley in 1847 and later. As a child I heard stories of my own ancestors, and we laughed, sang, and cried to relive experiences of almost unbearable hardship. We heard stories of births and deaths along the road, of Indian dangers, of thirst and hunger. Above all, we heard stories of faith in God, a faith that led these brave men and women to follow their inspired leader to a home in the tops of the mountains, where they would be free to practice their religion as they saw fit, and as the Lord dictated.

As we drive across the Nation today, we take Interstate 80, and the contrast with that earlier trek could not be more complete. If we are not to be cut off from our roots, it is essential that we recall those ancestral experiences, and the Mormon Historic Trail will help us do that. What the Historic Trails would be is a series of trails of particular significance which would be marked for the edification of this generation. For instance, on the Mormon Trail, wherever it crosses major traffic arteries, historical markers would be erected, explaining the significance of this part of the trail. We do not contemplate, Mr. President, the establishment of anything like a national park or monument, with infringements on other uses of the land. The Historic Trails would not involve any taking, though we would like to encourage State and local governments to preserve what signs and artifacts of the Mormon exodus as may exist along the way. I understand that in Wyoming there is even a place where the ruts of the covered wagons can still be seen in the sand. Certainly such places should be protected.

Modern life is hectic, Mr. President, and often seems to be cut off from its historic roots. A system of national historic trails would be a welcome corrective to our rootlessness, and speaking for my own people, there could be no better place to begin than by establishing a Mormon Historic Trail. I urge the Energy and Natural Resources Committee to act speedily on this legislation.●

By Mr. NELSON:

S. 2706. A bill to designate certain lands in the State of Wisconsin as wilderness; to the Committee on Energy and Natural Resources.

WILDERNESS LANDS

● Mr. NELSON. Mr. President, today I am introducing legislation to designate Blackjack Springs and Whisker Lake, two areas of the Nicolet National Forest, as part of the National Wilderness Preservation System.

This office has worked very closely with the Forest Service at Rhinelander over the past few months in evaluating the characteristics of both areas and establishing reasonable boundaries. The proposal embodied in this bill is noncontroversial. In fact, it closely resembles the original proposal in the RARE II review.

Blackjack Springs is located in the northwestern portion of the Nicolet National Forest in Vilas County. There are no private lands included within the proposed wilderness area that consists of 5,886 acres. The Whisker Lake area, located in the northeastern corner of the Nicolet near the Wisconsin-Michigan border, includes 7,315 acres.

There is no question that these two areas meet the criteria of the Wilderness Act. They ought to be preserved in their natural ecological state. By protecting them as wilderness, we preserve them for future generations.

It is important to understand that wilderness designation does not preclude use. It does not "lock the land up." If Congress adds these sections of the National Forest to the National Wilderness Preservation System they would remain open for hunting and fishing, subject only to Wisconsin law. They would be open to other recreational activities, such as hiking, camping, canoeing, and skiing. Only logging, mining, motorized recreation and intensive management would not be permitted. About a mile and half of the Florence-Tipler snowmobile trail, which runs through the lower section of Whisker Lake, would be closed because of the restriction on the use of motorized recreation vehicles. The Forest Service, however, has assured us that if Whisker Lake is included in the wilderness system, the trail would be rerouted around the area. However, there are over 500 miles of snowmobile trails in the Nicolet National Forest that would be affected by the wilderness designation.

In the case of a private in-holding within the boundary of a wilderness area, again, the land would not be "locked up" from private use. Land owners may continue their present activities as long as the land is not managed in a way that would conflict with the surrounding wilderness. For example, a farmer could continue to work his field and tend his crops as he has done in the past, prior to wilderness designation.

The two additions to the wilderness system in Florence and Vilas County would have a positive economic impact on the people living there. They will attract tourists and visitors especially to Phelps, Eagle River, and Florence. Moreover, wilderness designation would not reduce the amount of moneys the counties receive from the National Forest Receipt Fund—25-percent fund—or the in-lieu of taxes payment. The 25-percent fund is calculated to include all the forest receipts from timber sales, mining activities, recreation receipts, and any other payment to the forest, and then prorated to the counties on the basis of national forest acreage within each county. For fiscal year 1977 Vilas County received $20,244.62 from the Forest Service and Florence County received $34,420.06, and those counties would continue to receive the 25-percent payment based on Forest Service lands within the county regardless of wilderness designation. The in-lieu of taxes payment would also not be affected as the payment is computed on federally owned acreage within a county whatever the land is designated. Vilas County received $20,659 and Florence County received $22,248 for fiscal year 1977. If wilderness is designated in Florence or Vilas County both counties will continue to receive the annual payments from the two funds.●

By Mr. MORGAN (by request):

S. 2708. A bill to extend the authorizations for rural housing programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 2709. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING LEGISLATION

● Mr. MORGAN. Mr. President, I am introducing today two bills by request, the first to extend the authorizations for rural housing programs, and the second to amend title V of the Housing Act of 1949 to create a new low-income homeownership program for rural people.

The Subcommittee on Rural Housing of the Committee on Banking, Housing, and Urban Affairs, which I chair, will hear tomorrow from the Farmers' Home Administration on both these bills. We heard earlier today from several groups active in the field of rural housing.

The subcommittee anticipates making some changes in both bills based on the testimony we have heard.

I ask unanimous consent, Mr. President, that the text of each bill be printed in the RECORD, along with Secretary Bergland's letters of transmission to the Vice President.

There being no objection, the bills and letters were ordered to be printed in the RECORD, as follows:

S. 2708

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Housing Act of 1949 is amended as follows:

1. Clauses (b), (c), and (d) of section 513 are amended by striking out "September 30, 1978" wherever it appears therein and inserting in lieu thereof "September 30, 1981".

2. Clauses (b) and (c) of section 513 are amended by striking out "not to exceed $105,000,000" and inserting in lieu thereof "such sums as may be necessary".

3. Subsection (d) of section 514 is deleted and subsections (e) and (f) of said section are redesignated as (d) and (e), respectively.

4. Paragraph (b)(5) of section 515 is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1981".

5. Paragraph (a)(1) of section 517 is amended by striking out "September 30, 1978" and inserting in lieu thereof "September 30, 1981".

6. Subsection (f) of section 523 is amended by striking out "October 1, 1978" and inserting in lieu thereof "October 1, 1981", by striking out "September 30, 1978" and inserting in lieu thereof September 30, 1981", and by striking out "not in excess of $10,000,000 for any such fiscal year,".

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill "To extend the authorizations for rural housing programs."

The Department of Agriculture recommends enactment of this draft bill.

The draft bill would amend Sections 513(b), 513(c), 513(d), 514(d), 515(b)(5), 517(a)(1), and 523(f) of Title V of the Housing Act of 1949 to extend the expiration dates of the rural housing authorizations in those sections. The present legislative authority for the sections cited expires, generally, on September 30, 1978. This proposed bill would extend these authorizations, generally, to September 30, 1981. The bill would delete the current specific amount authorized to be appropriated under Sections 513(b) and (c) and Section 523(f) and authorize appropriations in such sums as may be necessary. It would also delete the $25 million limitation on the amount of loans which may be insured under Section 514 in any one fiscal year.

The authorizations of the following rural housing programs are affected:

1. Low-income repair loans and grants (Section 513(b))—assistance for very low-income owner-occupants to make repairs to remove health and safety hazards.

2. Low-rent housing for domestic farm labor (Sections 513(c) and 514(d))—financial assistance to broadly based nonprofit organizations, nonprofit organizations of farmworkers, and public agencies to buy, build, or repair housing and related facilities for domestic farm labor.

3. Research and study programs (513(d))—to develop, demonstrate, and promote the construction of adequate farm dwellings including the use of new methods and materials, and to develop data on existing rural housing and future rural housing needs, through grants to land-grant colleges or other organizations.

4. Rural rental housing loans (Section 515(b)(5))—financial assistance to corporations, cooperatives, public agencies, individuals, and partnerships to buy, build, improve or repair rental or cooperatively owned multifamily living units for occupancy by low- to moderate-income families and persons age 62 or older.

5. Rural housing loans (Section 517(a)(1))—financial assistance to low- and moderate-income families to buy, build, improve or relocate homes of their own in rural areas.

6. Mutual and self-help housing loans and grants (Section 523(f))—loans to purchase and develop sites and acquire building materials, and grants to provide technical and supervisory assistance to families who carry out self-help home building efforts. The loans and grants are available to public agencies or nonprofit organizations.

The Farmers Home Administration, acting under the direction of the Secretary of Agriculture, provides a variety of credit services in rural areas. Supervised credit and grants for rural housing needs is a major function. Some of the authorities under which Farmers Home Administration operates terminate on specific dates, while others have no termination date. The draft bill would extend the expiring authorities cited above for 3 years.

Section 102(2)(c) of P.L. 91-190 does not apply to this legislation; therefore, an environmental statement is not attached.

An identical letter has been sent to the President of the Senate.

The Office of Management and Budget advises that there is no objection to the presentation of this report and that enactment of this proposed legislation would be in accord with the President's program.

Sincerely,

BOB BERGLAND.

S. 2709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 517(j)(4) is amended by striking "(2)" following "section 521(a)".

SEC. 2. Paragraph (1) of section 521(a) is amended by—

(a) renumbering paragraph "(1)" as subparagraph "(1)(A)", changing the comma following "one-eighth of 1 per centum" to a period, and striking the balance of the sentence.

(b) inserting the following new subparagraphs:

"(B) From the interest rate so determined the Secretary may provide the borrower with assistance in the form of credits so as to reduce the effective interest rate to a rate not less than 1 per centum per annum for such periods of time as the Secretary may determine for applicants described in subparagraph (A) if without such assistance such applicants could not afford the dwelling or make payments on the indebtedness of the rental or cooperative housing.

"(C) For persons of low income under section 502 or 517(a) whom the Secretary determines are unable to afford a dwelling under subparagraph (B), the Secretary may provide additional assistance, for such periods of time as the Secretary may determine, which may be in an amount not to exceed the difference between the amount determined by the Secretary to be necessary to pay the principal indebtedness, interest, taxes, insurance, utilities, and maintenance and 25 per centum of the income of such applicant pursuant to amounts set forth in appropriation acts.

"(D) For borrowers under section 502 or 517(a) who have received assistance under subparagraphs (B) or (C) the Secretary may provide for the recapture of all or a portion of the assistance rendered upon the disposition or nonoccupancy of the property by the borrower. In providing for such recapture, the Secretary may make provisions to provide incentives for the borrower to maintain the property in a marketable condition, and the Secretary in appropriate cases may make provision for the borrower to receive from the sales proceeds a relocation allowance. Notwithstanding any provision of law to the contrary, any assistance whenever rendered shall constitute a debt secured by the security instruments given by the borrower to the Secretary to the extent that the Secretary may provide for recapture of such assistance.

"(E) Except for Federal or State laws relating to taxation, the assistance rendered to any borrower under subparagraphs (B) and (C) shall not be considered to be income or resources for any purpose under any Federal or State laws including, but not limited to, laws relating to welfare and public assistance programs.

"(F) Loans subject to the interest rates and assistance provided under this paragraph (1) may be made only when the Secretary determines the needs of the applicant for necessary housing cannot be met with financial assistance from other sources including assistance under section 235 or 236 of the National Housing Act.

"(G) Interest on loans under section 502 or 517(a) to victims of a natural disaster shall not exceed the rate which would be applicable to such loans under section 502 without regard to this section."

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 2, 1978.

Hon. WALTER F. MONDALE,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of the Congress is a draft bill "To amend Title V of the Housing Act of 1949." The bill would authorize the Secretary of Agriculture to provide assistance to enable more low-income families to obtain an adequate home of their own. The bill would also provide for the recapture of part or all of the assistance rendered should the family sell or cease to occupy the assisted housing.

The Department of Agriculture recommends that the draft bill be enacted.

The bill would continue the presently active interest credit program which permits the Secretary to subsidize the effective interest rate down to as low as 1 percent. The bill would also authorize the Secretary to provide additional assistance when he determined that persons of low income are unable to afford a dwelling with interest credit assistance. The additional assistance would be for such periods of time as the Secretary may determine and may be in an amount

not to exceed the difference between the amount determined by the Secretary to be necessary to pay principal and interest on the loan, plus taxes, insurance, utilities, and maintenance and 25 percent of the family's income. Present programs do not reach families with the lowest incomes. A recent rural housing study reveals a real need to target housing assistance to the lower-income families.

The bill authorizes the Secretary to recapture all or a portion of the assistance provided under the interest credit or additional assistance provisions referred to above. Any assistance rendered would constitute a debt secured by the security instruments and would be recoverable upon disposition or nonoccupany of the property by the family. This recapture provision would prevent families from selling their homes and obtaining a windfall profit. However, some incentive will be provided to encourage the borrower to maintain the unit and his commitment to the loan. Also, the funds recaptured would reduce program costs and enable other families to be assisted.

Assistance rendered to any borrower under these provisions would not be considered to be income or resources for any purposes under any Federal or State law or program other than those relating to taxation. This clarifies that the assistance would not be considered income for Federal and State welfare or pubic assistance programs.

An identical letter has been sent to the Speaker of the House of Representatives.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program. Enactment of this legislation would be consistent with the objectives of the Administration's program.

Sincerely,

BOB BERGLAND,
Secretary.●

By Mr. SASSER:

S. 2710. A bill to create a National Academy of Medicine, under the direct supervisison of the Surgeon General, for the education and training of doctors of medicine, and other medical specialists who shall serve in the Regular Corps of the Public Health Service as commissioned officers thereof, to amend the Public Health Service Act, as amended (42 U.S.C. 201 et seq.), and for other purposes; to the Committee on Human Resources

NATIONAL ACADEMY OF MEDICINE ACT OF 1978

● Mr. SASSER. Mr. President, today I introduce a bill to create a national medical school to relieve the shortage of doctors in the rural and inner city areas of this country.

It is my hope that this bill will be fully considered as Congress attempts to set national health policy in this and in future sessions. The cost of medical care continues to rise, and we must provide relief to the citizens of America, who, as a matter of right, are entitled to adequate medical care at a reasonable cost. This approach is one which should be considered as all alternatives are debated.●

By Mr. WILLIAMS (for himself, Mr. RIEGLE, Mr. MAGNUSON, Mr. CHILES, Mr. DOMENICI, Mr. KENNEDY, Mr. HAYAKAWA, Mr. RANDOLPH, Mr. MARK O. HATFIELD, Mr. HATHAWAY, Mr. MCGOVERN, and Mr. DECONCINI):

S. 2711. A bill to revise and extend the community education program, and for other purposes; to the Committee on Human Resources.

COMMUNITY SCHOOLS AND COMPREHENSIVE COMMUNITY EDUCATION ACT OF 1978

● Mr. WILLIAMS. Mr. President, I am introducing today the Community Schools and Comprehensive Community Education Act of 1978.

Over the years community schools have been most effective in reducing the fragmentation of local educational services and in assuring citizen confidence in educational and community service efforts. The Federal Government now has literally thousands of separate programs to help improve the quality of life of our citizens. These efforts are in many instances the bulwark of human resources programs in States and local communities. The Community Schools and Comprehensive Community Act of 1978 would, therefore, extend to States and localities the much needed capacity to bring education and related community services into an effective working partnership. In providing this assistance we have continually urged a better working Federal/State partnership. This is particularly true in education where the Federal role is a mere 10 percent of the burden carried by State and local education agencies. Key to that partnership is a Federal responsiveness to locally determined needs, priorities, and preferences.

We have also urged the coordination of education and other human resource programs in order to promote effectiveness and to prevent waste and duplication. The most recent report of the Senate Appropriations Subcommittee for the Departments of Health, Education, and Welfare and Labor strongly urged a better connection between community health services and schools. Key to such coordination is the ability to bring community service programs into the proximity of educational delivery so that the recipients understand and have access to such services when they need them.

The bill will provide grants to State educational agencies enabling them to put the pieces of State level community service programs into coordination with current education programs. States would be expected to develop working arrangements so that human resource programs do not compete and clash for local citizen attention. Under this bill States would be required to devise working relationships among bureaucracies that feature the whole person, the whole family, and the whole community in their educational and social service delivery.

This legislation would also provide grants to local educational agencies when their respective States can not support them in this 5-year effort. Local educational agencies would use community education funds from Federal or State sources and guide their existing and often surplus school facilities into centers for use by the entire community. Building upon local preferences and priorities of residents served by a qualifying elementary, high school or community college, a variety of health, child development, recreation and cultural services for youngsters, adults and older Americans can be located in and operated from schools in conjunction with the delivery of educational services. Nonprofit organizations contracting with local educational agencies would also qualify for grants.

Mr. President, we cannot let the Federal Government continue to pursue fragmentary policies and programs when we are at the same time asking the States and localities to bring their education and community service programs into coordinated action. Thus, the Community Schools and Comprehensive Community Education Act of 1978 requires the Education Division of the Department of Health, Education, and Welfare to formulate and disseminate plans for coordinated Federal efforts in education-related human resource programs. Working in close consultation with the appropriate congressional authorizing and Appropriations Committees, the Education Division must translate coordination plans into budgetary devices and integrate past and current evaluation products. In this way, the Congress will have a forward view and a window into education and human service coordination.

This legislation would also require direct program evaluation. In the past, the Congress has continually questioned the cost, the management, and the utilization of evaluation efforts. Unfortunately we have only been successful in this endeavor when the Congress poses the questions and directs the evaluation organizations to provide the answers. Therefore, the evaluation required in this bill will be conducted in close consultation with the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives.

Finally, Mr. President, this legislation addresses the issue of jobless teachers—one of the most paradoxical and haunting specters of recent years. The bill would provide training and retraining for teachers who have been laid off or have been unable to find teaching jobs. Teachers wishing to convert from one area of education to community education could also avail themselves of assistance. Teacher's aides would also qualify for training as community education personnel once the demand from jobless teachers is satisfied.

The Community Schools and Comprehensive Community Education Act is a means to consolidate government and nonprofit efforts in a coherent operational effort underpinned by local initiatives and priorities. It is an example of the social policy needed by this Nation to bring into working contact the important programs created during the past 20 years.

Mr. President, I now ask unanimous consent that the text of the Community School and Comprehensive Education Act of 1978 along with a factsheet and summary, be included in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Elementary and Secondary Education Act of

1965 is amended by adding at the end thereof the following new title:

"TITLE X—COMMUNITY SCHOOLS

"SHORT TITLE

"SEC. 1001. This title may be cited as the 'Community Schools and Comprehensive Community Education Act of 1978'.

"STATEMENT OF FINDINGS AND POLICY

"SEC. 102. (a) The Congress finds that—

"(1) the school is the primary institution for the delivery of services and may be the best instrument for the coordination of frequently fragmented services including benefits obtained by energy savings and parental involvement in the delivery of such services; and

"(2) community education promotes a more efficient use of public education facilities through an extension of school buildings and equipment;

"(3) as the primary educational institution of the community, the school is most effective when it involves the people of that community in a program to fulfill the educational needs of individuals of the community;

"(4) community schools provide a great potential for the use of needs assessment as a basis for human resources policies.

"(b) It is the purpose of this title—

"(1) to provide educational, recreational, cultural, and other related community services, in accordance with the needs, interests, and concerns of the community through the expansion of community education programs;

"(2) to coordinate the delivery of social services to meet the needs and preferences of the residents of the community served by the school;

"(3) to provide for an efficient, energy-conserving use of school facilities; and

"(4) to provide for a research and development emphasis in community education which can contribute to an improved formulation of Federal, State, and local policy.

"DEFINITION OF COMMUNITY EDUCATION PROGRAM

"SEC. 1003. For the purpose of this title, a 'community education program' means a program in which a public building, including but not limited to, a public elementary or secondary school, or a community or junior college (or a related extension center), is used as a community center operated by a local educational agency in conjunction with other groups in the community, community organizations, and local governmental agencies, to provide educational, recreational, health care, cultural, and other related community services for the community that the center serves in accordance with the needs, interests, and concerns of that community.

"STATE PROGRAMS FOR COMMUNITY EDUCATION

"SEC. 1004. (a) The Commissioner is authorized to make grants to State educational agencies in accordance with the provisions of this title, to pay the Federal share of the cost of planning, establishing, expanding, and operating community education programs.

"(b) There are authorized to be appropriated to carry out the provisions of subsection (a) of this section $40,000,000 for the fiscal year 1979, $50,000,000 for the fiscal year 1980, $60,000,000 for the fiscal year 1981, $50,000,000 for the fiscal year 1982, and $40,000,000 for the fiscal year 1983.

"ALLOTMENT

"SEC. 1005. (a)(1) From the funds appropriated pursuant to section 1004, the Commissioner shall allot not more than 1 per centum among Guam, American Samoa, the Virgin Islands and the Trust Territory of the Pacific Islands according to their respective needs.

"(2) From the remainder of such sums the Commissioner shall allot to each State an amount which bears the same ratio to such remainder as the population of the State bears to the population of all States except that no State shall receive less than $50,000 in any fiscal year. For the purpose of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands and the Trust Territory of the Pacific Islands.

"(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Commissioner determines will not be required for the period such allotment is available, for carrying out the purposes of this title shall be available for reallotment from time to time on such date during such period as the Commissioner may fix, to other States in proportion to the original allotment to such States under subsection (a) for such year, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum which the Commissioner estimates will be needed in such State and will be used for such period for carrying out applications approved under this title, and the total of such reduction shall be similarly reallotted among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

"USE OF COMMUNITY EDUCATION PROGRAMS FOR NON-FEDERAL CONTRIBUTION IN CERTAIN FEDERAL PROGRAMS

"SEC. 1006. (a) Notwithstanding any other provision of law any State or local public agency may use the fair value of any community service program assisted under this title as part or all of the non-Federal contribution required under any program set forth in subsection (b) of this section, if—

"(1) a portion of any program set forth in subsection (b) is implemented in any building conducting a community education program assisted under this title, and

"(2) there is a necessary relationship between such portion of the program set forth in subsection (b) and any element of the community education program assisted under this title.

"(b) Programs to which subsection (a) applies are—

"(1) the Public Health Service Act,

"(2) the Headstart-Follow Through Act,

"(3) title XX of the Social Security Act relating to child care and day care services,

"(4) the Comprehensive Employment and Training Act of 1973, especially the youth employment demonstration programs authorized under that Act,

"(5) the Older Americans Act of 1965,

"(6) the Vocational Education Act of 1963,

"(7) the Adult Education Act,

"(8) title I and title X of the Higher Education Act of 1965, relating to community services and continuing education programs and community college programs,

"(9) titles I through IV and V through IX of the Economic Opportunity Act of 1964 (also known as the Community Services Act of 1974),

"(10) the Legal Services Corporation Act,

"(11) Safe Streets and Omnibus Crime Control Act of 1968,

"(12) science education programs assisted under the National Science Foundation Act of 1950;

"(13) the Rehabilitation Act of 1973, and

"(14) such other community service programs as the Assistant Secretary deems appropriate.

"USES OF FUNDS

"SEC. 1007. Payments made under this title to any State educational agency and to any local educational agency, either directly by the Commissioner under section 1009 or in accordance with a State plan approved under section 1008, may be used by such State and local educational agencies for the Federal share of the cost of planning, establishing, expanding, and operating community education programs including—

"(1) educational, cultural, recreational, health care and other related community services whether or not in the form of formal courses,

"(2) activities making the school or other public facility and equipment available for use by individuals and groups in the community,

"(3) preventive health, dental care, and nutrition,

"(4) special programs for particular target groups such as older persons,

"(5) services designed to eliminate the high incidence of suspension, expulsion, and other disciplinary action involving chronically maladjusted students,

"(6) services for students who withdraw from school before completing secondary school requirements regardless of age or time of withdrawal,

"(7) services for mentally or physically handicapped individuals or other health impaired individuals, and

"(8) rehabilitation purposes for juvenile and adult offenders.

"(9) Parent education and care, development and education of handicapped children.

"STATE PLAN

"SEC. 1008. (a) Any State desiring to participate in the program authorized by this title shall submit through its State educational agency to the Commissioner a plan, in such detail as the Commissioner deems necessary. Each such plan shall provide satisfactory assurance—

"(1) that payments made under this title will be used for community education programs described in section 1007, and to the extent practicable such payments will be used to expand community education programs of the schools of local educational agencies within the State;

"(2) provide, after consultation with the appropriate State agencies, for a 10-year plan for the coordination of education programs with all relevant community services;

"(3) provide that 80 per centum of the amounts received by the State from its allotment will be distributed among local educational agencies within the State with due regard for such factors as the density or sparsity of the population to be served by the community education program of the local educational agency, the need for assistance and current and historical rates of youth and adult unemployment;

"(4) that community education programs assisted under this title—

"(A) will serve the school attendance area of the appropriate local educational agency except where special circumstances warrant serving a smaller or larger community,

"(B) will include where appropriate satellite and mobile facilities for the provision of community education program services.

"(C) will to the extent feasible serve all age groups within the community including preschool children, children and youth in school, out of school youths, adults and senior citizens as well as groups in the community with special needs for community education program services such as individuals with limited speaking ability, mentally and physically handicapped individuals and other health impaired individuals;

"(5) that the community education program will include procedures for the systematic and effective identification and documentation of the needs and concerns of the community;

"(6) that the community education program will provide for the identification and use, to the fullest extent possible, of educational, cultural, recreational, health care and other resources outside the school or other public facility (including the services of

volunteers) and will contain provisions to encourage the use of cooperative arrangements with public and private agencies to make the maximum use of existing resources within the community;

"(7) the community education program will contain provisions to assure the active and continuous involvement in an advisory basis of institution groups and individuals in the community to be served by the program;

"(8) provide assurances that the State educational agency will provide procedures for submitting applications by local educational agencies within that State for payments under this title, for approval by the State educational agency, including appropriate procedures to assure that the State educational agency concerned will not disapprove an application of any local educational agency without notice and opportunity for a hearing;

"(9) that the State will pay from non-Federal sources the remaining cost of carrying out the State plan;

"(10) the State educational agency from the funds received by it under section 1004 for any fiscal year will receive 20 percent of such funds for the administration of the State plan, technical assistance to local educational agencies, the conduct of conferences and dissemination activities among local educational agencies within the State and other community service agencies, the coordination between local educational agencies, community colleges and other institutions of higher education in the State with respect to the coordination of the delivery of social services with particular emphasis on the application of section 1006 and the training and conversion activities authorized by section 1012 of this title; and

"(11) that effective procedures will be adopted to evaluate the effectiveness of the community education programs assisted under this title (including where possible payments made directly under section 1009).

"(b) The Commissioner shall approve a State plan which meets the requirements of subsection (a), and he shall not finally disapprove a State plan except after reasonable notice and opportunity for a hearing to the State educational agency.

"GRANTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 1009. (a) The Commissioner is authorized to make grants to local educational agencies and to community colleges for the Federal share of the cost of planning, establishing, expanding, and operating community education programs including any use described in section 1007, whenever the Commissioner determines that, pursuant to an application filed under subsection (b), the local educational agency is not receiving assistance under a State plan approved under section 1008, and the community education program for which application is made under subsection (b) holds reasonable promise of success and is in substantial compliance with the requirements of the State plan as set forth in section 1008 (a)(4), (5), (6), (7), and (9).

"(b) No grant may be made under this section unless an application is made to the Commissioner at such time, in such manner and containing or accompanied by such information, as the Commissioner may reasonably require.

"(c) There are authorized to be appropriated $20,000,000 for the fiscal year 1979, $25,000,000 for the fiscal year 1980, $30,000,000 for the fiscal year 1981, $25,000,000 for the fiscal year 1982, and $20,000,000 for the fiscal year 1983 to carry out the provisions of this section.

"GRANTS TO NONPROFIT ORGANIZATIONS FOR DELIVERY OF COMMUNITY SERVICES THROUGH COMMUNITY EDUCATION

"SEC. 1010. (a) The Commissioner is authorized to make grants to nonprofit private organizations to encourage the use of school facilities and other facilities eligible to receive assistance under this title for the efficient and coordinated delivery of community services set forth in section 1006(b) through contractual arrangements with the local educational agency concerned.

"(b) No grant may be made under the provisions of this section unless an application is made to the Commissioner at such time, in such manner and containing or accompanied by such information, as the Commissioner may reasonably require.

"(c) There are authorized to be appropriated $5,000,000 for the fiscal year 1979, $7,000,000 for the fiscal year 1980, $10,000,000 for the fiscal year 1981, $7,000,000 for the fiscal year 1982, and $5,000,000 for the fiscal year 1983 to carry out the provisions of this section.

"FUNCTIONS OF THE ASSISTANT SECRETARY

"SEC. 1011. (a) In order to implement more fully the coordinated delivery of social services set forth in section 1006(b) in the community education program setting, the Assistant Secretary is authorized and directed to—

"(1) develop two publications on the standards for and the methods of operation of successful community education, community service, and parental involvement programs and activities;

"(2) formulate and publish the policies and methods of operation for using the surplus of teachers in community education programs and relating higher education activities to the community education program in order to cut waste, eliminate duplication and improve the quality of the community education program;

"(3) hold not less than two national conferences on community education in an urban, suburban, and rural setting and prepare and publish a publication of the proceedings of such conferences; and

"(4) develop a 10-year community education program plan in accordance with the provisions of subsection (b).

"(b) In consultation with the Assistant Secretary for Health in the Department of Health, Education, and Welfare, the Assistant Secretary for Human Development in the Department of Health, Education, and Welfare, the Assistant Secretary for Planning and Evaluation in the Department of Health, Education, and Welfare, the Assistant Secretary for Employment and Training in the Department of Labor, the Assistant Secretary for Planning and Evaluation in the Department of Labor, the Administrator of the Occupational Safety and Health Administration, the Director of the Community Services Administration, the President of the National Legal Services Corporation and any other Federal official having responsibility for any community service set forth in section 1006(b) the Assistant Secretary shall develop, publish and implement a plan for comprehensive community education programs. The plan developed under the provisions of this subsection shall be submitted to the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives together with such supporting documentation as is necessary not later than January 20, 1980.

"(c) There is established in the Education Division a Deputy Assistant Secretary of Education whose functions shall be the development and implementation of the plan required to be developed and submitted under subsection (b) of this section.

"(d)(1) In initial and continuing consultation with the Committees on Human Resources and Appropriations of the Senate, and the Committees on Education and Labor and Appropriations of the House of Representatives, and with the assistance of the Comptroller General, the Assistant Secretary shall establish a mission budget for all education programs. The mission budget shall—

"(A) specify the needs and objectives for each education mission;

"(B) summarize the findings of evaluations and of cost/benefit assessments and other information pertaining to the effectiveness of programs contributing to each mission;

"(C) present an analysis of the implications of the findings and assessments summarized under clause (B) of this paragraph with respect to changes in administration, regulation, authorization or appropriation of the programs contributing to each mission; and

"(D) be presented in draft form, including mission definitions and program components to such committees for consultation for a period of not less than 30 days prior to the preparation of the final draft.

"(2) The Assistant Secretary shall submit to the committees specified in paragraph (d)(1) of this subsection a draft of mission budget definitions for consultation 30 days prior to continuing to develop the draft mission budget.

"(3) The mission budget shall be published and submitted in final form to the committees specified in paragraph (1) of this subsection not later than January 20, 1979.

"(c) There are authorized to be appropriated for the fiscal year 1979 and for each fiscal year ending prior to October 1, 1983, $5,000,000 to carry out the provisions of this section.

"TRAINING OF COMMUNITY EDUCATION PERSONNEL; CONVERSION OF DISPLACED AND UNEMPLOYED TEACHERS

"SEC. 1012. (a) (1) The Commissioner is authorized to make grants to institutions of higher education for the purpose of assisting full-time and part-time training for personnel who are engaged in or who intend to engage in community education programs.

"(2) In awarding grants under this section the Commissioner shall give priority, in the order specified, to—

"(A) retraining teachers who have been laid off due to the financial crisis of the local education agency in which they were employed,

"(B) training teachers who have been unable to find jobs teaching although they are recently graduated from institutions of higher education with a degree and the intention to teach elementary or secondary education,

"(C) training personnel who intend to undertake to serve as a teacher's aide in community education programs who have a bachelor's degree from an institution of higher education, and

"(D) training individuals who intend to serve as a teacher's aide and who do not have such a degree.

"(b)(1) No grant may be made under the provisions of this section unless an application is made at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

"(2) No grant may be entered into under the provisions of this section unless a provision is included in the application to require the institution of higher education to consult with appropriate State and local educational agencies.

"(c) There are authorized to be appropriated $5,000,000 for fiscal year 1979, $10,000,000 for the fiscal year 1980, $15,000,000 for the fiscal year 1981, $10,000,000 for the fiscal year 1982, and $5,000,000 for the fiscal year 1983 to carry out the provisions of this section.

"RESEARCH AND EVALUATION

"SEC. 1013. (a) Notwithstanding the second sentence of section 405(b)(1) of the General Education Provisions Act, the National Institute of Education shall in accordance

with the terms and conditions of section 405 of such Act, carry out a program of research on a sample selection basis to examine the impact of the community education program together with an evaluation of such program. The evaluation shall emphasize the satisfaction of individuals served by such a program, the nature and quality of parental involvement, the quality of the delivery of services under the community education program, the incidence of vandalism and school violence, the effectiveness of the relationship between the schools and other community agencies in identifying and delivering community services to children in the schools, and to delivering community services set forth in section 1006(b), the use of needs assessment to improve the community education program priorities, and the impact of the requirement of the contribution of non-Federal sources under section 1015.

"(b) In carrying out the provisions of subsection (a) the National Institute of Education is authorized and directed to use a comparison model involving different kinds of community education programs and to use interviews and other methods of direct observation. The National Institute of Education is required in carrying out the functions of this section to consult continuously with the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives and to prepare and submit a final report of the research and evaluation activities under this section not later than January 1, 1982.

"(c) There are authorized to be appropriated $1,000,000 for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983 to carry out the provisions of this section.

"ADMINISTRATION

"SEC. 1014. (a) The Commissioner shall establish or designate a clearinghouse to gather and disseminate information received from community education programs, including but not limited to, information regarding new programs, methods to encourage community participation, methods of formulating and conducting needs assessments, and the ways of coordinating community education programs with other community services, with particular emphasis upon the coordination of delivery of community services described in section 1006(b). The Commissioner is authorized to contract with public and private agencies or organizations to establish and operate the clearinghouse.

"(b)(1) There is established, subject to part D of the General Education Provisions Act, in the Office of the Commissioner, a Community Education Advisory Council (referred to in this section as the 'Advisory Council') to be composed of eleven members. The members of the Advisory Council shall be appointed by the Secretary.

"(2) A substantial number of the members of the Advisory Council shall be individuals experienced in the operation of community education programs and the training of such individuals. The Council shall include participation and consumers of community education programs.

"(3) Appointments to the Advisory Council shall be completed within three months after enactment of this title. Individuals serving in any predecessor Community Education Advisory Council may be appointed under this subsection.

"(4) The Commissioner shall make available to the Advisory Council such staff, information, and other assistance as it may require to carry out its activities.

"(5) The Advisory Council shall advise the Commissioner on policy matters relating to the interests of community schools and the community education program authorized by this title.

"(6) The Advisory Council shall advise the National Institute of Education with respect to the evaluation of community education programs. The Council shall present to Congress a complete and thorough assessment of the programs and operation of this section for each fiscal year.

"(c)(1) There are authorized to be appropriated for the fiscal year 1979 and for each fiscal year ending prior to October 1, 1983, $500,000 to carry out the provisions of subsection (a) of this section.

"(2) There are authorized to be appropriated for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, $500,000 to carry out the provisions of subsection (b) of this section.

"(3) There are authorized to be appropriated for the fiscal year 1979 and for each succeeding fiscal year ending prior to October 1, 1983, such sums, but not to exceed $1,000,000 in any fiscal year, as are necessary to provide for the administration of this title.

"FEDERAL SHARE

"SEC. 1015. (a) The Federal share of the cost of the State plan approved under section 1007 shall be 80 per centum for the fiscal year 1979, 70 per centum for the fiscal year 1980, 50 per centum for the fiscal year 1981, 30 per centum for the fiscal year 1982, and 20 per centum for the fiscal year 1983.

"(b) The Federal share of the cost of applications of local educational agencies approved under section 1008 shall be 90 per centum for the fiscal year 1979, 90 per centum for the fiscal year 1980, 80 per centum for the fiscal year 1981 and each of the two succeeding fiscal years.

"(c) The Federal share of the cost of grants to nonprofit organizations under section 1009 shall be 90 per centum for the fiscal year 1979, 90 per centum for the fiscal year 1980, and 80 per centum for the fiscal year 1981 and for each of the two succeeding fiscal years.".

SEC. 2. (a) Section 402(b)(3)(C) of the Education Amendments of 1974 is repealed.

(b) Section 405 of the Education Amendments of 1974 is repealed.

FACT SHEET AND SUMMARY

SUMMARY

This legislation is an extension and expansion of the Community Schools Act, Sec. 405, P.L. 93-380, the Elementary and Secondary Education Act of 1965 as amended 1974.

Its purpose is to prevent further fragmentation of community services at the local level by vesting in State and local school agencies the capacity to coordinate educational and human resources programs. Its purpose is to promote coordination and eliminate duplication in concert with local needs and preferences.

This legislation is aimed at establishing patterns of human resource program coordination using school facilities at the initiation and direction of States and local communities.

SUNSET PROVISION

This Act is structured to "sunset" itself at the end of five years.

GRANTS TO STATES

This bill provides allocations to the States on a proportionate basis of total population thus removing the current centralization of community education funding from the Office of Education. Authorizations of appropriations would be established as follow: $40 Million in 1979; $50 Million in 1980; $60 Million in 1981; $50 Million in 1982; $40 Million in 1983.

The current authorization is $17 Million. The current appropriation is $4 Million, an entirely discretionary grant program.

A floor would be established so that nc State would receive less than $50,000 if it opted to develop a Statewide plan for community education.

State and local matching money would graduate from 20 percent in 1979 to 80 percent in 1983.

GRANTS TO LOCAL EDUCATION AGENCIES

This bill would also provide money directly to local education agencies not benefitting from a State plan. Grants would be made by the Commissioner of Education upon application by local education agencies. Authorizations of appropriations would be established as follow: $20 Million in 1979; $25 Million in 1980; $30 Million in 1981; $25 Million in 1982; $20 Million in 1983.

The activities supported under this legislation would be similar to those currently authorized under the Community Schools Act

Use to the fullest extent possible of regular and surplus school facilities.

Provision of services to all age populations in the area served by a school.

Use of community education coordinators to facilitate schools use and comprehensive community service delivery.

Involvement of residents in determining community education priorities in each area served by a community school.

FEDERAL COORDINATION REQUIRED

Because service fragmentation is pronounced at the Federal as well as the Local level, this bill would require the Education Division of the Department of Health, Education and Welfare, or its successor in case of reorganization, to coordinate activities at the Federal level with a community education policy plan so as to facilitate the efforts of local agencies. Besides publications and conferences, the Education Division would be required to create a mission budget for education as a means to assist coordination and to connect with that budget results of the millions of dollars of evaluations conducted in the relevant education and community services over the past several years. Cost benefit assessments would also be conducted.

ROLE OF CONGRESS

In order to further Congressional decision-making, all planning and mission budgeting required of the Education Division would be conducted in close consultation with the Authorizing and Appropriations Committees of the Senate and the House of Representatives.

EVALUATION

A thorough evaluation of community education would be required of the National Institute of Education. There has been much criticism of educational evaluation recently, some of it well deserved. However, when the Congress has ordered specific evaluation to assist it timely with its legislative duties, such as the recent NIE study of compensatory education, the results have been useful.

The evaluation would seek answers to basic questions:

Does community education effectively coordinate services for school children and their families?

Does community education improve educational quality?

Does community education promote effective engagement of parents with schools and their children's education?

Does community education result in increased confidence of residents in schools and community services?

Does community education reduce school violence?

ROLE OF CONGRESS IN EVALUATION

In order to assure timely evaluation keyed to Congressional questions and concerns, the planning and reporting of evaluative research by the National Institute of Education World would be conducted in close consultation with the Authorizing Committees of the Senate and the House of Representatives.

MATCHING INCENTIVES

As incentives to local education and community services to coordinate efforts, this legislation would authorize local education agencies to use community education grant money as the non-Federal share required of human resources programs in qualifying for related community service grants from the Federal government. The authorizing legislation of health, child development, older Americans, employment and volunteer programs, thus, would be brought into program exchange locally.

This matching provision could only go into effect when a related community service is connected to a school program in a school facility. In most cases the amount available to a local education agency from a community education grant would be small—estimated at $30,000 on the average. Its multiplier effect could be a useful stimulus, however, in relating services to schools.

TRAINING

In order to counteract one of our modern paradoxes—teachers unable to find positions or laid off due to financial crises—this legislation would provide training money to institutions of higher education to train and retrain educators as community education personnel. Some 15 centers in colleges and universities currently provide such instruction. This provision would encourage other Schools of Education and Community Service to apply. Authorizations of appropriations would be established as follows: $5 Million in 1979; $10 Million in 1980; $15 Million in 1981; $10 Million in 1982; and $5 million in 1983.

MISCELLANEOUS PROVISIONS

The legislation would re-enact the National Advisory Council on Community Education, currently in operation and appointed by the Secretary of HEW and would continue the Information Clearinghouse, the dissemination arm of the community education program. Each would be authorized for appropriations at its current level.●

● Mr. RIEGLE. Mr. President, today I am pleased to introduce along with Senator WILLIAMS a bill to revise and extend the community education program, entitled the "Community Schools and Comprehensive Community Education Act of 1978."

Community education is not a new concept in education to the Congress nor to myself. In 1971 and 1973 I introduced the Community School Center Development Act in the House of Representatives. A few things, though, have changed since then. Problems within our schools and communities, particularly in urban areas, have continued to increase. The problems are manifold—outdated curriculum and teaching materials; an inability to attract and keep good teachers; a lack of public support and willingness to pay for improvements; the dilemma of community participation and control; an inadequate tax base, the unfair financing reliance on property taxes; an education experience not adequately personalized to the needs and potential of the individual child; vandalism; and so forth.

One response to these problems was pioneered in Flint, Mich., over 40 years ago under the leadership and direction of Charles Stewart Mott of the Mott Foundation. Mr. Frank Manley, of Flint, first conceived the concept which the Mott Foundation carried forward.

The concept of community education has grown significantly since the early days of the movement under the leadership of the Mott Foundation. In 1973, over 600 school systems had community education programs. Currently, there are 1,400 school districts that have developed these programs. Ten million people across the country participate in community education activities yearly.

In the past 40 years, we have witnessed the increasing interest in the need for community education programs. We have witnessed improvements within the classroom. The classroom performance of children within these programs has increased, and, in conjunction with growing family and community involvement within the school system, it has been shown that the child's attitude toward his school day is significantly strengthened and his potential and motivation for learning correspondingly enhanced.

Under the community school program, the school becomes a neighborhood community center by providing services from morning to night not only to schoolchildren, but also to the elderly, adults, and other community groups. A wide variety of services may be offered at these centers, including adult education, dental and health care, recreation, cultural activities, enrichment programs, and numerous other activities designed to meet the needs of the local area.

The community education program is a bargain in this age of energy conservation. We have found that we can increase the utilization of current education structures by 150 percent, accompanied by a minimal increase in operating costs.

In summary, the time is ripe for the Federal Government to reaffirm its faith in community education. Americans of every ethnic origin are striving to get back to their roots, and our roots as a nation and as a people lie within those strong close-knit neighborhoods that once thrived in this country.●

● Mr. CHILES. Mr. President, I am pleased to join Senator WILLIAMS as a cosponsor of the Community Schools and Comprehensive Education Act of 1978. I commend the chairman of the Human Resources Committee for taking two major initiatives in the bill.

The first initiative is to create a better vehicle for coordinating human services at the community level. Our schools offer a tremendous potential as a location for a whole variety of health and social services. In my work on the Labor-Health, Education, and Welfare Appropriations Subcommittee, I have become aware of the great need for local coordination of these services. We have also been trying to create new service locations when schools offer a perfect opportunity to do things like health screening, dental treatment, and immunization.

The second initiative is to vastly improve congressional oversight of education programs by requiring annual presentations of program evaluations to Congress in the framework of a mission budget. A mission budget allows us to sort out all the hundreds of education programs by major objectives. We can then evaluate which programs are best able to meet mission objectives and see where we have duplications of effort or gaps in coverage. If we evaluate programs one by one, we lose sight of alternatives and comparisions. By setting forth explicit objectives, we improve accountability of the programs both to Congress and the public.

We have been experimenting with mission budgeting at the Labor-Health, Education, and Welfare Appropriations Subcommittee, and have found it very useful, particularly in the area of health. We have used this approach to mount a comprehensive immunization program across several different grant programs, to improve child health services in both medicaid and community grant programs, and to improve nutrition programs across Health, Education, and Welfare and the Department of Agriculture.

I hope this new initiative and involvement of the Senate Human Resources Committee will produce the same kind of achievement in the area of education.

This bill provides us an excellent opportunity to develop the potential of the local schools as a focal point for problem identification and problem solving in the community.

The need for this type of Federal direction in education is clearly demonstrated by changes in community structure over the last two decades. Greater mobility of the population has broken down many of the traditional communication ties in neighborhoods. We are recognizing that our resources—human, financial, and physical—are not unlimited. There is also a growing recognition of the waste involved in attacking the problems and challenges that face communities in a hit-and-miss fashion, dependent upon one group or another identifying a problem and trying to solve it single-handedly.

Community education builds on the principle that learning is a lifelong process and that core curriculums can be based on the lifetime concerns of people. This represents a tremendous potential for the involvement of local citizens of all ages in the learning and problem-solving process. Through the development of "whole life" skills and resources, we can be in a better position to cope with changing social, economic, and political patterns over the years. When we take this approach we avoid the waste of thinking of "education" as something that only takes place between ages 6 and 17, as well as benefit from the active participation of post school age population.

Yet community education is more than keeping the schoolhouse open at night. It provides a valuable opportunity for efficiently utilizing all community resources—human, physical, and financial. The systematic involvement of community members opens the door for interagency coordination and cooperation. What better way to resolve local problems and meet local needs can there be than to draw together members of business, educational, governmental, and social service agencies to identify goals, develop plans for reaching them, and mobilize available community resources in the effort?

Federal involvement in community education can be quite cost-efficient because of the increasing awareness that what is needed to meet many challenges at the local level is not a new program, another regulation, or even more dollars but leadership training to efficiently make use of existing resources. It establishes a process, not a new program. Being firmly committed to get the most benefit from Federal expenditures, I cannot think of a better mission to undertake than to assist local areas in developing and training the leadership potential they desire.

Once again, I commend Senator WILLIAMS for introducing this bill, and I look forward to the cooperative oversight process which he has proposed.●

● Mr. DOMENICI. Mr. President, I am pleased to cosponsor and support S. 2711, the Community Schools and Comprehensive Community Education Act of 1978.

Our public schools throughout the country have been built from public funds to serve their communities. The prime service offered by our schools is obviously the education of the children of the community. It is my belief, however, that the schools can play a vital role in providing educational, recreation, and social services to the community at large, and that public school facilities can serve as a focal point for the integration and coordination of many community services.

At the present time many schoolbuildings are totally or partially unused due to declining enrollments. In addition, schoolbuildings that are used often stand empty for 16 hours of every 24 hour day. I believe it is in the interest of efficient government to make full use of public facilities.

The concept of community education which seeks to use the schools are a source of services to the community as a whole is not new. It has been effectively demonstrated in a number of localities. I believe it is now time to assist State and local education agencies in their efforts to integrate services provided by the schools such as education, recreation, nutrition and meal service, transportation, and so forth, with services of this nature which serve the community at large or specific populations within the community such as the handicapped, senior citizens, and parents.

I congratulate my distinguished colleague from New Jersey, Senator HARRISON WILLIAMS, chairman of the Human Resources Committee for the fine work that has resulted in this important piece of legislation. I am happy to join him in support of community education.●

By Mr. ABOUREZK (for himself (Mr. DOMENICI, Mr. BURDICK, Mr. MATSUNAGA, Mr. KENNEDY, Mr. DECONCINI, Mr. INOUYE, and Mr. HART):

S. 2712. A bill relating to the evaluation and assessment of Indian programs and needs, and for other purposes; to the Select Committee on Indian Affairs.

INDIAN PROGRAM EVALUATION AND NEEDS ASSESSMENT ACT

● Mr. ABOUREZK. Mr. President, I am today submitting a bill which would require all Federal agencies which administer special programs and services for Indians to provide an annual report to Congress which would contain information critical to the Congress in evaluating the effectiveness of Indian programs, the efficiency and fiscal accountability of the agencies administering the programs. and the fluctuating status of Indian lands. In addition. the bill would require that a comprehensive needs assessment be done every 5 years so that the Congress can more realistically evaluate the actual unmet needs of Indians throughout the country. The bill would also establish a Federal Interagency Council on Indian Affairs to coordinate Federal Indian programs, policy, and budgetary planning so as to facilitate the efficiency and effectiveness of the programs.

The lack of reliable or, in many cases, of any statistics and data concerning the conditions of Indians, the manner in which Federal program dollars are expended, the current status of Indian lands, and the lack of any realistic assessment of Indian needs and reservation potential have been discussed and documented by the American Indian Policy Review Commission, the Congressional Research Service, the various committees and subcommittees of Congress, several reports of the Comptroller General which were released last month, and numerous other public and private studies.

This lack of information has in the past severely hampered the Congress in evaluating the effectiveness of Federal Indian programs, the efficiency and performance of the Federal agencies administering them.

The periodic needs assessment called for in the bill would greatly assist the Congress as well as the Indians in developing long-range plans and making critical budgetary and appropriations decisions based on a realistic assessment of what the needs are.

At the present time, there is very little, if any, coordination of Federal Indian programs between the various Federal agencies. The effectiveness of the programs and the well-being of the Indian people often suffer needlessly as a result. The Federal Interagency Council proposed in this bill could go a long way in developing consistent program policies and facilitating coordination of Federal Indian programs between agencies.

Most of the data collection and reporting requirements which would be imposed on the agencies by this bill could be built into existing management information systems of the agencies and should not require any significant increase in administrative costs or time.

In my view, the bill would only require information which the agencies and the Congress should maintain as a matter of good management practices which could be used by the agencies in more effectively administering the funds appropriated for Federal Indian programs and by the Congress in evaluating the same.●

By Mr. HATHAWAY:

S. 2713. A bill to suspend for 18 months the duty on imported insulation; to the Committee on Finance.

● Mr. HATHAWAY. Mr. President, today I am introducing legislation to suspend for 18 months, the duty on imported insulation.

This bill closely parallels an amendment which I added to the energy tax bill on October 29, 1977. The House and Senate conferees accepted my amendment with a minor modification suggested by the Treasury Department. I have incorporated the modification in this bill.

I hope that we will resolve the impasse on the energy bill shortly. Our country needs a comprehensive national energy program.

There are some noncontroversial and inexpensive programs which can begin immediately however.

Insulation cannot be installed in the dead of winter in many parts of the country. People in Maine put in insulation from the late spring to early fall. Last year the market was so restricted the manufacturers and wholesalers rationed supplies.

I believe we must do all we can to build up supplies now. Stockpiling should be underway to assure that supplies are available when we can begin installation.

Giving a tax credit to encourage people to insulate accomplishes little if the insulation is not available. My bill will help the supply side of the current tight market.

This legislation is supported by the Department of Commerce. I ask unanimous consent that their letter on the suspension be printed in the RECORD, together with the text of the bill.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2713

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled,

(a) Subpart B of part 1 of schedule 9 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting after item 905.31 the following new item:

" 907.50	Boric acid (provided for in item 416.10, part 2B, schedule 4).....	Free	No change	On or before 6/30/79. "

(b) Such subpart B is amended by inserting after item 909.01 the following new items:

" 909.10	Mineral wool, in bulk, or in batts, blankets, or similar forms, whether or not lined, backed, or supported with paper, paperboard, or similar materials (provided for in item 522.81, part 1J, schedule 5).....	Free	No change	On or before 6/30/79
909.12	Glass fibers in bulk; glass fibers in the form of mats, batts, blankets, felts, pads, casings and boards, all the foregoing, of a density not over 4 pounds per cubic foot, whether or not coated, impregnated, or bonded with glue, plastics, or other substances, or lined, backed, or supported with paper, paperboard, fabrics or similar materials, or with metal mesh or foil (provided for in item 540.71, part 3A, of schedule 5).....	Free	No change	On or before 6/30/79

(c) (1) The rate of duty prescribed in rate column numbered one of the Tariff Schedules of the United States, as amended by this section, shall be considered to have been proclaimed by the President as necessary or appropriate to trade agreements to which the United States is a party, not as a statutory provision enacted by the Congress.

(2) The amendments made by this section apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.

WASHINGTON, D.C.,
November 11, 1977.

Hon. WILLIAM D. HATHAWAY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATHAWAY: This is in response to your request for the views of this Department on unprinted amendment No. 1004 to H.R. 5263 (to provide duty suspension on certain bicycle parts), which you proposed October 29 on the Senate floor. Amendment No. 1004 would provide for the temporary suspension of the duty on imports of certain insulation materials used in building construction.

If enacted, amendment No. 1004 would amend the Tariff Schedules of the United States (TSUS) to suspend for an eighteen month period, beginning on the date of enactment, the column-1, most-favored-nation duties applicable to imports of glass fibers in bulk, as well as mineral wool used as insulation materials, and boric acid. Imports of glass fibers in bulk are currently dutiable under TSUS item 540.71 at a column-1 duty rate of 11 percent ad valorem; imports of mineral wool are currently dutiable under TSUS item 522.81 at a column-1 duty rate of 7½ percent ad valorem; and imports of boric acid are currently dutiable at a column-1 duty rate of 0.4 cents per pound (2.4 percent ad valorem equivalent based on 1977 import data). The column-2 rates of duty applicable to imports from communist countries, except Poland, Yugoslavia, and Romania would not be affected by the bill.

The Department of Commerce has no objection to the enactment of amendment No. 1004 since there is currently insufficient domestic production of insulation materials to meet domestic demand.

Domestic demand for insulation materials has greatly increased in recent years as a result of rising energy costs, increasing consumer awareness of the need for energy conservation, and the boom in housing starts. In addition, demand is expected to increase even more over the next eighteen months if the home insulation tax credit provided for in the proposed Energy Act becomes law.

With respect to boric acid, duty free entry would help to control the production costs of cellulosic insulation, the major product competing with fiber glass and mineral wool as an insulation material. Boric acid is used as a fire retardant in the manufacture of cellulosic insulation materials.

As a matter of policy, this Department believes that duty reductions should be accomplished through trade negotiations in which the United States has the opportunity to obtain reciprocal concessions of value to U.S. exporters. In this case, however, we do not believe that the proposed temporary duty suspension would alter the negotiating value of these items. In fact, expanded U.S. production, which is projected to be in place by the expiration date of this bill, would alleviate the current domestic shortage of insulation materials and, therefore, could strengthen the negotiating value of possible permanent duty reductions in the Multilateral Trade Negotiations.

In the event this legislation were enacted it would have no impact on the revenues to, or the administrative costs of this Department.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this report to the Congress from the standpoint of the Administration's program.

Sincerely,

C. L. HASLAM,
General Counsel.●

ADDITIONAL COSPONSORS

S. 123

At the request of Mr. INOUYE, the Senator from Minnesota (Mrs. HUMPHREY) and the Senator from Maine (Mr. HATHAWAY) were added as cosponsors of S. 123, a bill to amend the Social Security Act to provide for the payment of services by psychologists, and for other purposes.

S. 224

At the request of Mr. INOUYE, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 224, a bill to amend title 5, United States Code, to allow credit for civil service retirement purposes for time spent by Japanese-Americans in World War II internment camps.

S. 514

At the request of Mr. RIBICOFF, the Senator from Maine (Mr. HATHAWAY) was added as a cosponsor of S. 514, a bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care.

S. 2306

At the request of Mr. RIEGLE, his name was added as a cosponsor of S. 2306, a bill to establish a national system of reserves for the protection of outstanding ecological, scenic, historic, cultural, and recreational landscapes, and for other purposes.

S. 2400

At the request of Mr. BAYH, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 2400, a bill to establish a National Alcohol Fuels Commission.

S. 2528

At the request of Mr. DOLE, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of S. 2528, a bill to amend the Internal Revenue Code providing for issuance of educational assistance bonds.

S. 2546

At the request of Mr. RIEGLE, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 2546, the Electronic Fund Transfer Consumer Protection Act.

S. 2564

At the request of Mr. DOLE, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 2564, a bill to amend the Child Nutrition Act of 1966.

S. 2583

At the request of Mr. DOLE, the Senator from Nebraska (Mr. CURTIS) was added as a cosponsor of S. 2583, a bill to provide for the temporary transfer of the hospital ship U.S.S. *Sanctuary* to *Life International.*

S. 2598

At the request of Mr. JAVITS, the Senator from Florida (Mr. STONE) and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 2598, a bill to amend title XI of the Public Health Service Act.

S. 2608

At the request of Mr. BENTSEN, the Senator from Georgia (Mr. TALMADGE), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the Senator from Nebraska (Mr. CURTIS) were added as cosponsors of S. 2608, a bill to amend the Internal Revenue Code of 1954 to provide a graduated exclusion from gross income for long-term capital gains and a graduated nonrecognition of long-term capital losses for individuals.

S. 2680

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 2680, a bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977.

SENATE JOINT RESOLUTION 72

At the request of Mr. MATSUNAGA, the Senator from Idaho (Mr. MCCLURE), and the Senator from Utah (Mr. GARN) were added as cosponsors of Senate Joint Resolution 72, authorizing the President to proclaim annually a week during the first 10 days of May as Pacific/Asian American Heritage Week.

SENATE JOINT RESOLUTION 101

At the request of Mr. DOMENICI, the Senator from Florida (Mr. STONE), the Senator from Maryland (Mr. MATHIAS), and the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Joint Resolution 101, to authorize the President to issue a proclamation designating a memorial Sunday for firefighters who have been disabled or killed in the line of duty during the preceding year.

SENATE CONCURRENT RESOLUTION 62

At the request of Mr. MCGOVERN, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Concurrent Resolution 62, requesting the United Nations to convene a World Alternate Energy Conference and establish an International Alternate Energy Commission.

SENATE CONCURRENT RESOLUTION 70—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO RHODESIA

Mr. CASE (for himself, Mr. SPARKMAN, Mr. STONE, and Mr. JAVITS) submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 70

Whereas; the Government of Rhodesia and representatives of Rhodesia's Black majority population have reached an agreement looking towards free elections and majority rule in Rhodesia by the end of 1978, and

Whereas; the agreement adopted in Salisbury looks toward both recognition of ma-

jority rights and protection of minority rights;

Resolved by the Senate (House of Representatives concurring), that it is the sense of the Congress of the United States that—

(1) the Congress urge the President to assist the process of reconciliation in Rhodesia and oppose efforts in the United Nations and elsewhere to undermine the dual objectives just mentioned;

(2) the agreement reached in Salisbury should have the serious and impartial consideration of the United States Government and other governments interested in a peaceful settlement of the conflict;

(3) the President of the United States should instruct the United States Ambassador to the United Nations to lend his efforts toward ensuring the agreement is so considered and is not rejected out of hand by the United Nations; and

(4) the role of the United States should be to join with like-minded parties in providing its good offices to bring about a peaceful solution: an orderly transition to genuine majority rule, and the enduring protection of minority rights.

● Mr. CASE. Mr. President, the resolution we are submitting today is an expression of support for the efforts to bring about a peaceful settlement of the Rhodesian conflict, one which contains a cease-fire and a peaceful and orderly transfer to genuine majority rule with the enduring protection of minority rights.

It also is an appeal to those directly and indirectly involved in the Rhodesian conflict to take a cooler and more considered look at the agreement signed in Salisbury last Friday by three black Rhodesian leaders and the Smith government. Thus we express opposition to the efforts to get the United Nations to reject the agreement out of hand.

We also are expressing our backing for the efforts by the American, British, and other governments to broaden participation through negotiations rather than fighting.

The agreement signed in Salisbury was a very significant and welcome step in the long struggle toward free elections and majority rule. Obviously it is not enough for some, as shown in the instant reaction by some African leaders—and even some of our own officials.

In this resolution, we are not embracing the Salisbury agreement—this is not the time or place to try to reach any consensus on that, and that is not my intention today.

But we do say that the agreement deserves serious and impartial consideration and we are concerned about the consequences of outright rejection.

The consequences could have an impact beyond the settling of the Rhodesian conflict—affecting not only Rhodesia but the neighboring countries, possibly the Russians and Cubans, and also attitudes in the United States and Congress toward the United Nations and those who would automatically reject the settlement.

Already there is a sharp and often bitter gap between those who signed the internal settlement last Friday and the Patriotic Front and its backers outside. Leaders and supporters of the Patriotic Front have sharply and quickly denounced the Salisbury agreement and predicted it will only lead to renewed fighting. There also have been suggestions that they might bring in Cubans and Russians.

Mr. President, this may be so, but it also has the earmarks of a potentially self-fulfilling prophesy.

If Zambia and the neighboring states want to follow that route, of course they can do so.

But—and I ask this as one who has sympathized with the aspirations of African nationalism, and supported foreign assistance to those countries—is it in their real and long range interest to do so?

It is the Africans themselves who will be hurt the most if what started as an effort to end white minority government turns into an escalating power struggle and perhaps civil war between various factions.

And it is the Africans in neighboring countries who may also suffer if the conflict widens, not only through border strikes but the exploitation of the situation by the Russians and Cubans for their own purposes. Not only are their countries in danger of further damage from being drawn into a possible whirlpool of stepped-up fighting, but their own economic development is likely to be hindered by the impact on foreign assistance, investment and education and training programs.

There are other potential consequences—the rejection cannot help but tend to harden attitudes among those who have been more directly involved in the conflict on the other side.

Moreover, I think a word should be said about the consequences on the attitudes of those outside, in the United States and in Congress, and I say this in all friendship.

There is, I believe, a great deal of sympathy for those who feel that the white minority rule has been unjust and should be replaced with majority rule. The Salisbury agreement, as imperfect as it may be in the eyes of some, is an important part of this process. It could turn out to be the key. A continued rejection of an agreement worked out by black Rhodesian leaders who by most accounts represent a majority of the black Rhodesians is unlikely to gain sympathy for the rejectionists. It will be hard for many Americans and Members of Congress to accept the idea that an agreement worked out in peaceful negotiations should be abruptly dismissed out of hand. For the United Nations to be used in this process can only add to the further erosion of the United Nations itself.

The American and British governments, and perhaps others, are trying to bring the various factions together this week in another effort to bridge some of the gaps.

This process should be encouraged, and I hope that the rejectors will take an opportunity coolly to reassess the situation.

This could be the last chance to achieve peacefully, an orderly transition to genuine majority rule, with the enduring protection of human rights—the creation of a Zimbabwe which could be not a ruined country, but a revitalized nation.●

AMENDMENTS SUBMITTED FOR PRINTING

COMPREHENSIVE EMPLOYMENT AND TRAINING AMENDMENTS OF 1978—S. 2570

AMENDMENT NO. 1716

(Ordered to be printed and referred to the Committee on Human Resources.)

Mr. CRANSTON (for himself, Mr. RIEGLE, Mr. BAYH, Mr. HATHAWAY, and Mr. ANDERSON) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2570) to amend the Comprehensive Employment and Training Act of 1973 to provide employment and training services, to extend the authorization, and for other purposes.

● Mr. CRANSTON. Mr. President, I am pleased to submit today an amendment No. 1716 to S. 2570, the Comprehensive Employment and Training Amendments of 1978, the administration's CETA extension legislation which I joined in cosponsoring. This amendment would direct the Secretary of Labor to provide financial assistance to enable prime sponsors, public agencies, and private nonprofit organizations to carry out the multipurpose service projects designed to provide employment opportunities and training and support service to displaced homemakers.

Joining me as cosponsor of this amendment is the Senator from Michigan (Mr. RIEGLE), a fellow member of the Human Resources Committee's Subcommittee on Employment, Poverty, and Migratory Labor, who has demonstrated his real concern and interest in this area by chairing hearings during the 1st session of the 95th Congress on the problems facing displaced homemakers, and who has worked closely with me in developing this legislation.

Also joining with me is the distinguished Senator from Indiana (Mr. BAYH) who has demonstrated such strong support for initiatives designed to deal with the problems of displaced homemakers by introducing legislation in the Senate—S. 418, the Displaced Homemakers Act. His contributions to the development of this amendment and his support have been invaluable. Additional cosponsors include the Senator from Maine (Mr. HATHAWAY), who is also a member of the Human Resources Committee's Subcommittee on Employment, Poverty, and Migratory Labor, and the Senator from Minnesota (Mr. ANDERSON), both of whom are also cosponsors of S. 418.

BACKGROUND

Mr. President, displaced homemakers are individuals in their middle years who have been working as homemakers for a substantial number of years and who find themselves "displaced" from their family role through widowhood, divorce, or loss of family income. As older women they face special problems in trying to enter the workforce and becoming economically self-sufficient. They are ineligible for social security benefits either because of age or the 10-year marriage

requirement. They are ineligible for Federal welfare because they are not disabled. They are ineligible for unemployment insurance because they were engaged solely in unpaid labor in the home. They are ineligible for Federal welfare because their children are over 18 years old. They are ineligible in many cases for jobs targeted for older workers (over 55) because they are too young. Clearly, they are a group of potential workers whose needs have been neglected in the past. It is past time for us to grant them the attention and support they deserve.

The movement to bring the plight of the displaced homemaker into national focus began in Oakland, Calif., in May of 1975 when two women—themselves displaced homemakers—Laurie Shields and Tish Sommers, formed the National Alliance for Displaced Homemakers.

THE CALIFORNIA EXPERIENCE

Laurie Shields is a widow in her mid-fifties. A midwesterner by birth, she was a journalism major who headed for New York to pursue a career in advertising and merchandising. In the late 1960's she began work with her husband on a book dealing with Ireland's Abby Theatre and the acting careers of her husband, Arthur Shields, and his brother, Barry Fitzgerald. Following her husband's death in 1970, she moved to Ireland and continued working on the book. Late in 1974 her mother's illness brought her back to the United States. Needing to supplement her income, she experienced firsthand the barriers many older women face when they try to reenter the labor market after years of homemaking.

Tish Sommers, also in her fifties, became a displaced homemaker through divorce. She and Shields met when Sommers was national coordinator of the task force on older women of NOW—the National Organization for Women. The first project of the Alliance was to work for enactment of California legislation S.B. 825, the first displaced homemakers bill which was introduced in the California State Senate on April 10, 1975. It called for setting up one multipurpose center geared to meet the needs of older women who had found all existing programs ineffective and particularly deficient in job placement. The bill called for testing a theory of creating new jobs within communities—jobs that would fill unmet community needs. A provision for a well-women health clinic was added, since preventive care during middle years cuts down the incidence of illnesses often termed chronic in old age.

The California 2-year test program was to be funded for a total of $200,000, a figure based not on experience, since there was no precedent for this innovative legislation, but on the practical "we'll make do" philosophy of these former homemakers who had dealt with tight budgets all their married lives.

S.B. 825 was passed in California by a nearly unanimous decision in each of the committees, by a large majority in the assembly, and unanimously in the full senate. In 121 working days after its introduction, S.B. 825 was signed by Gov. Jerry Brown on September 25, 1975.

On May 15, 1976, the first center opened on the campus of Mills College in Oakland, Calif. The average age of women served by the center is 52. Workshops such as money management, skills assessment, divorce counseling, assertive training, and job hunting are offered.

Women finding employment through the Mills College program include a divorced woman who is developing a job for herself as a lay advocate guiding persons going through divorce, a twice-widowed woman who has an internship at gerontology institute, a woman with a mechanical bent who is now apprentice to a printer, and a woman, 65, who is a community worker in the California Department of Social Services.

Since the start of the Mills College program, displaced homemakers legislation has been introduced in 28 State legislatures. However, there are only about 10 operating programs throughout the country.

While the exact number of displaced homemakers cannot be pinpointed, we do know that the recent census data records 3,164,000 widows aged 35 to 64, and 2,435,000 divorced women. In the past decade, female-headed households have grown 10 times as fast as two parent families. These women have skills which can be transferred to the paid-work environment. Providing a means for them to become employed contributes to the tax flow, saves on welfare costs, and addresses a vital community need.

But the displaced homemaker needs to gain self-confidence, before she can be prepared for paid employment. She needs to be shown that her years as a homemaker have produced skills which can be transferred to a paying job. She needs "job readiness training" as well as job training.

DESCRIPTION OF AMENDMENT

The amendment we submit today, by authorizing the establishment under title III of CETA of projects designed to provide employment, training, and support services to displaced homemakers is designed to give proper recognition to the special employment-related needs of these women.

The Subcommittee on Employment, Poverty, and Migratory Labor heard testimony last week from both Arthur Flemming, Chairman of the U.S. Commission on Civil Rights, and Tom Bardley, of the employment task force of the ad hoc coalition of national organizations concerned with older Americans, pointing out the very low levels of service provided under CETA to older workers—particularly older women. Specifically, Dr. Flemming noted:

> The comprehensive Employment and Training Act training and public service employment programs restrict participation of older persons because these programs rely for their "success" on the public and private employment markets, which often discriminate in employment on the basis of age, and which often maintain compulsory retirement policies which encourage discrimination in employment on the basis of age.

Mr. President, our amendment is an amendment to title III of CETA—special Federal responsibilities—for two reasons.

First, it is felt that prime sponsors, who are carrying out programs under other titles of the act, are not providing adequate assistance or service to this identifiable segment of the population. The participation of women in CETA has been historically low and it is suspected—although statistics are sadly lacking to confirm this—that when women are served, they tend to be younger, and consequently easier to place. In addition, it is likely that women are generally placed in traditional jobs or job training slots—such as clerical or secretarial opportunities—rather than developing more nontraditional or "new" jobs for these women. The special needs of these displaced homemakers—particularly for identifying and enhancing those skills they have acquired in the home and translating those skills to experience of value in the labor market—require more time and individualized attention than is generally available under programs operated under other titles of the act.

In addition, a study by the women's equity action league on the job-related problems of women over age 40 found that from January to November 1975, out of 14,284 participants under the CETA title I programs, only 3 percent were older workers, either male or female, over the age of 40. The report also found that while 13 percent of those running CETA programs considered older women in a positive way, 73 percent either had no contact with them or described them as people very difficult to place in jobs after training.

Second, the administration has already recognized the special nature of need within this segment. The proposed legislation submitted by the administration, S. 2570—in section 301(a)(1)—identifies displaced homemakers as a group to receive special assistance under title III. My amendment would expand the administration's provision in the bill and make clearer the Secretary's responsibilities in this regard.

Mr. President, this amendment has been developed so as to focus primarily on the employment aspects of the problem and enhance the employability of the people it is designed to serve. However, this does not mean that the other training and support services would not be provided. As I have described, these services are an integral part of making last placements of these individuals in meaningful and productive jobs which will substantially improve their lives.

In addition, Mr. President, this amendment is designed to avoid duplication of existing services and initiatives in the community. These projects can function best if they are a well integrated component of the larger structure and take maximum advantage of available community resources. The amendment gives the Secretary great flexibility in determining who will run projects—prime sponsors, public agencies, or private nonprofit organizations. In this way, the Secretary can determine—based on the merits of each project through a com-

petitive process—what the best structure is for the community being served. It would be the intent of the amendment that the Secretary would fund projects by a mix of entities—experimenting to see which projects are more successful and applying that experience in making subsequent funding decisions.

Mr. President, I will be working hard, with my fellow members of the Human Resources Committee, for the approval of this amendment in S. 2570. I look forward to enactment of effective legislation in this area.

Mr. President, I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1716

On page 79, after line 8, insert the following new section:

"DISPLACED HOMEMAKER EMPLOYMENT ASSISTANCE PROGRAM

"SEC. 307. (a) The Secretary shall make available financial assistance to enable such private nonprofit organizations and public agencies, including prime sponsors designated under section 101(c), as the Secretary determines will best serve displaced homemakers to establish multipurpose projects designed to provide employment opportunities and appropriate training and support services to displaced homemakers. Such training and support services shall include, but not be limited to—

"(1) job training, job readiness services, job counseling, job search, and job placement services;

"(2) outreach and information services, including information on available educational opportunities; and

"(3) referrals (through cooperative arrangements, to the maximum extent feasible) to health, financial management, legal, public assistance, and other appropriate support services in the community being served.

"(b) To the maximum extent feasible, activities supported under this section shall be coordinated with and supplement, but not supplant, activities supported under other titles of this Act and shall emphasize training and other employment related services for participants that are designed to enhance their employability and earnings. Projects shall concentrate on creating new jobs in the private sector for displaced homemakers in order to meet identified needs within the community.

"(c) To the maximum extent feasible, supervisory, technical, and administrative positions within the projects shall be filled by displaced homemakers.

"(d) No funds available under this section shall be used for the construction or major rehabilitation of facilities, nor to pay stipends or wages and fringe benefits in excess of $10,000 to any project participant.

"(e) For the purposes of this section, the term 'displaced homemaker' means an individual who—

"(1) has not worked in the labor force for a substantial number of years but has, during those years, worked in the home providing unpaid services for family members;

"(2)(A) has been dependent on the income of another family member but is no longer supported by that income, or (B) is receiving public assistance on account of dependent children in the home but is within six months of no longer being eligible for such assistance;

"(3) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment; and

"(4) has attained an age at which discrimination on account of age is likely or entry or re-entry to or advancement in the labor market is difficult.

"(f) Priority for participation in projects supported under this section shall be given to displaced homemakers who have attained forty years of age.

"(g) For the purpose of carrying out this section, the Secretary shall reserve from funds available for this title in each fiscal year an amount equal to not less than one-half of one percent and not more than one percent of the amount allocated pursuant to section 202(a)(1) in such year."●

● Mr. RIEGLE. Mr. President, today Senators CRANSTON, BAYH, myself, and a number of our colleagues are submitting an amendment to the Comprehensive Employment and Training Act which would authorize funding for multipurpose projects to serve the special needs of displaced homemakers. The amendment would add a new section, "The Displaced Homemakers Employment Assistance Program" to title III of CETA.

This amendment is based in part on hearings of the Human Resources Subcommittee on Employment, Poverty, and Migratory Labor which I chaired last September. During the hearings it became very clear that this group of women who have been forced out of the home, because of the death of a spouse or separation or divorce have unique needs and problems that are not being met by current government and private sources. These women—or men—have worked in the home for many years and suddenly find themselves thrust into finding a job. Many times they have no resources such as pensions, social security, or job skills and they do not qualify for Federal assistance.

During those hearings we also heard excellent testimony about several "Displaced Homemakers Centers" that have been established in California, Maryland, and elsewhere. These successful centers are run by nonprofit community groups staffed largely by former displaced homemakers.

We also heard from several State legislators who have introduced and helped pass legislation in their own States that would assist displaced homemakers. The greatest need at this point is for funding to help run these projects.

The amendment we are introducing today would set aside a certain percentage of the CETA title III funding—approximately $8.5 to $17 million—to fund displaced homemaker self-help projects around the country. I hope my colleagues will consider joining with us in this important legislation.●

AMENDMENT ON DISPLACED HOMEMAKERS TO S. 2570

● Mr. BAYH. Mr. President, it gives me great pleasure to join my colleagues Mr. CRANSTON, Mr. RIEGLE, and Mr. HATHAWAY, in submitting an amendment to the CETA reauthorization legislation which mandates a comprehensive program for displaced homemakers under title III of the CETA program.

On January 30 of this year, I along with 21 of my colleagues, including Senators ABOUREZK, ANDERSON, BENTSEN, BIDEN, CHURCH, CLARK, HATHAWAY, HATFIELD of Oregon, INOUYE, LEAHY, PERCY, PELL, RIBICOFF, SARBANES, STONE, KENNEDY, HART, CASE, MATHIAS, MCGOVERN, and HUMPHREY introduced legislation which would have established a displaced homemakers program under CETA very similar to the amendment we are introducing here today. That legislation was referred to the Subcommittee on Employment, Poverty, and Migratory Labor on which my colleagues Senators CRANSTON, RIEGLE, and HATHAWAY serve. Because of their interest and commitment to help older women seeking gainful employment, who have traditionally worked in the home, we have been able to draft legislation which embodies all the major principles of our earlier bill, and at the same time, meets the objections raised as to the rigid requirements of our earlier draft.

Briefly, our amendment will require the Secretary of Labor to set aside from $9 to $17 million from title III moneys under CETA for the establishment of multipurpose projects designed to give displaced homemakers various training and support services to assist them in entering or reentering the labor market. These services shall include but not be limited to, first, job training, job readiness services, job counseling, job search, and job placement services; second, Outreach and information services, including information on available educational opportunities; and third, referrals to health, financial management, legal, public assistance, and other appropriate support services in the community being served.

Funds made available under the displaced homemakers program would be awarded by the Secretary of Labor to community-based private, nonprofit organizations and to public agencies, including prime sponsors under title I of the CETA program, whom the Secretary determines best meet the needs of displaced homemakers. Those of us who have worked for this legislation for the last several years hope that this provision will insure the same kind of quality employment assistance to displaced homemakers as is currently being provided by the Baltimore Center for Displaced Homemakers.

Mr. President, in order to more fully expand on the need for this important legislation, I ask unanimous consent that my testimony before the Senate Subcommittee on Employment, Poverty, and Migratory Labor be included in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BEFORE THE SUBCOMMITTEE ON EMPLOYMENT, POVERTY AND MIGRATORY LABOR

Mr. Chairman and Members of the Subcommittee. I am very grateful for the opportunity to appear here this morning to testify at your hearings on the reauthorization of the CETA program. While I know that this Subcommittee is addressing the larger question of the CETA program in general, I would like to take a few minutes of your time today to address one particular aspect of the President's legislation on CETA, and that is the inclusion of displaced homemakers under Title III of the Administration's proposal.

As the author of the legislation to address the employment problems of this group of older workers known as "displaced homemakers", I wish to thank this Subcommittee for holding two days of hearings on my legislation, S. 418, last fall. I am grateful for the interest in helping this category of disadvantaged job seekers expressed by you Mr. Chairman, and particularly by Senators Cranston and Riegle.

I. Who are displaced homemakers?

A displaced homemaker is defined as a person over the age of 40 who has worked in the home for a substantial number of years and suddenly, due to death or divorce, finds herself thrown into the labor market without the necessary job training or skills. There is an estimated minimum of three million of these women across the nation. They span the spectrum from former welfare recipients who no longer qualify for benefits because their children have just turned 18, to middle class women who after divorce find themselves left with a family to support and no tangible income. One displaced homemaker from Detroit summed it up this way, "We are too young for social security but too old to find a decent paying job."

With all the advances we have made in the area of employment for women over the last decade, what have we done to assure the financial security of those 15 million married women who have chosen to be full time homemakers? The answer is not nearly enough. To begin with, we have never adequately recognized the value of the homemaker's contribution to our Nation's economy. We have neglected the homemaker's contribution despite the fact that as early as 1918, the National Bureau of Economic Research estimated the value of the homemaker's work as one-fourth of the gross national product.

For the homemaker, who has spent a substantial number of years providing unpaid services to family members, we have provided little, if any, assistance to become a productive member of the labor force when faced with sudden financial insecurity due to the death of her spouse, divorced, or loss of traditional family income.

What happened to these displaced homemakers once they lost their traditional source of income? Many of these women try to re-enter the work force without marketable job skills or training. Unable to secure employment on their own, some of these women turn to the Federal Government for assistance. Sadly, the eligibility criteria for most Federal programs do not cover displaced homemakers.

In terms of social security wives are unable to collect on their husband's benefits until the age of 60. For the wife of a civil servant, she may get no benefits at all if she is divorced or if her husband does not elect to take a reduced benefit at the time of retirement.

The predicament of the displaced homemaker is best illustrated by two examples. Take Mrs. Hill, a 53-year-old widow who has just lost her husband. After paying all the funeral expenses and the hospital bills for his illness, she started looking at her financial situation. Mrs. Hill called the social security office to find out approximately how much she would receive in widow's benefits. Since Mrs. Hill was not disabled, the social security office said that she would not be eligible for anything until she reached the age of 60. Mrs. Hill also inquired about the new supplemental security income program but those benefits are only available to individuals who are blind, disabled, or over 65. So before the age of 60 social security offers no coverage for an able-bodied widow.

Mrs. Hill was out of work and had lost her job as a homemaker. She was ineligible for unemployment insurance benefits because homemakers are not paid. Her other options were paid employment or welfare. Having been out of the labor force for over 30 years, Mrs. Hill experienced the following barriers: no recent work experience, age and sex discrimination which is still a reality in employment practices. She also went to the welfare office to see if she would be eligible for any assistance and found that she would be eligible for around $115 a month and food stamps, if she met the requirements. To meet those requirements she would have had to sell her home and move into a house or apartment or public housing with a maximum housing payment of $96. Mrs. Hill really did not want to move from her home and she did not want to have to take welfare assistance. She wanted to be a productive member of society.

Or what happens to a women like Mrs. Adams, who has not worked since her marriage to Mr. Adams 19 years ago, when her marriage ends in divorce? She begins to look at existing programs to see if there is any assistance available. Going first to social security she finds that her marriage had to have lasted 20 years in order for her to be eligible for benefits on her former husband's earnings record. Had Mr. Adams been a Government employee, she would not have had a right to pension benefits no matter how long their marriage had lasted. Assuming Mr. Adams would have had the opportunity to take out an individual retirement account for Mrs. Adams, she would have had to have been 59½ years old in order to receive her retirement account payments. Mrs. Adams was awarded alimony by the court; however, she was unable to collect it regularly.

Mrs. Adams is not unique, according to a recent poll of 1,522 women conducted by the National Commission on the Observance of International Women's Year, about 86 percent of divorced women are not awarded alimony. Of the 14 percent who are, less than one-half of them collect it regularly. One might suggest that the Congress should enact legislation to increase the enforcement of court-awarded alimony and child support payments. However, from the results of this poll that 86 percent of divorced women are not awarded alimony, such a proposal would not assist the large majority of divorced women.

In the case of divorced mothers, the Commission poll reported that 44 percent were awarded child support by the courts. Again, less than half of all divorced mothers were regularly collecting these child support payments and these payments would end when the minor child reached the age of 18.

II. CETA and displaced homemakers

How can we best address the employment problems of this group of disadvantaged workers? I strongly feel that the needs of these women can be addressed through the special programs under Title III of the Comprehensive Employment and Training Act.

Under Title III, the Secretary of Labor is authorized to provide special programs for segments of the community who are in need of services beyond that offered by the prime sponsorship program under Title I. Among those groups already being served under Title III at the present are youths seeking summer employment, older workers, ex-offenders, and persons with limited English speaking ability. Under the Administration's proposal, as I understand it, these target groups would be expanded to include handicapped workers, single parents and displaced homemakers. I understand that there are those who question whether displaced homemakers are best served under Title III programs as opposed to under the prime sponsorship program of Title I. I don't think there is any question that the possibility exists theoretically of serving more women under Title I than Title III. The larger authorization of funds would clearly argue for Title I as compared with 20 percent limitation on the total funds for Titles III and IV combined.

While on the surface it would appear that more women could be served by funding displaced homemakers under Title I, there are several problems with relying solely on this approach. The first problem one encounters with Title I funding is the eligibility criteria. My understanding is that the Administration and several members of this Subcommittee are interested in placing a greater emphasis on the requirement of "economic disadvantage" in order to qualify for Title I funding. For displaced homemakers, this may present a particular problem in that many of these women, while being cash poor, possess assets such as the family home which would make them ineligible for funding under Title I. Given the trauma these women have experienced in terms of death or divorced, I do not feel it serves any purpose to require the selling of the family home before such women can receive employment training which may keep them off the welfare rolls.

One other major concern with Title I has been the history of the treatment of both women and older workers under the prime sponsorship program in the past. In 1976, the Women's Equity Action League released a report of their study of the job related problems of women over 40. According to the statistics from that report, from January to November 1975, out of 14,284 participants under the Title I prime sponsorship program, only three percent were older workers, either male or female, over the age of 40. The report also found that while 13 percent of those running CETA programs considered older women in a positive way, 73 percent had either no contact with them or described them as people very difficult to place in jobs even after training.

The last concern I would like to raise with the Title I programs is the limited ability of a prime sponsor to respond most effectively to the needs of these older women. The very nature of the prime sponsorship programs makes it less flexible to be able to address the issues of employment training and job creation than community based non profit organizations. The fear that I hear continually expressed to me, particularly from my state's own displaced homemakers program in Fort Wayne, Indiana, is that these women do not want to be put into a training program which limits their skills to being a clerk-typist. They need most a program which can address the unique problems of women who may have been traumatically forced out of the home. This can best be done through innovative resources and flexible staffing patterns. I would like to quote from the testimony of Richard Batterton, Director of the Maryland Human Resources Department, delivered before this Committee last fall:

The Displaced Homemaker, by definition, is a person who has spent a substantial number of years in the family home, and as such is not prepared emotionally to enter the job market and yet is forced by circumstance to make the attempt. The displaced homemaker has often suffered a traumatic experience, i.e. the loss of a spouse. Additionally our experience is that she has little idea about what is available, what her skills and abilities are, and what she wants to do. It is this lack of focus and this fear that existing programs cannot address and what is so crucial to meeting the goal of self-sufficiency.

III. Centers

This brings up one other point I would like to address. I know that some members of the Subcommittee have a concern over the concept of funding "centers".

The Administration, in its proposal, did not spell out the need to fund centers, and I feel this is a mistake. Current experience in treating the employment problems of displaced homemakers has shown that the greatest success has been through the establishment of displaced homemakers centers, such as

the one in Baltimore, Maryland. The Maryland Center, open since 1976, has served close to 400 persons, 90 percent of whom have incomes under $6,000 a year. Those who have run this highly successful program feel that its effectiveness has come in no small part from the fact that it is a centralized place where the displaced homemaker can go for a variety of services.

It is not my intention, nor the intention of the other 21 co-sponsors of this legislation, that these centers duplicate existing programs or services. I strongly feel these centers must coordinate and utilize existing services and resources wherever possible. Nor is it our intention that monies be used to build or buy vast new buildings or complexes to serve these women. The Baltimore Center, I understand, operates in an old townhouse in the downtown area where it can best serve the needs of its clients, fifty percent of whom are from minority groups.

Statistical evidence indicated clearly that women are entering the labor force in increasing numbers for basic economic reasons. Older women, whether to support their children or themselves, are often ill prepared to enter the job market. If they do breach the barriers of age and sex discrimination they are still likely to be employed at menial, low-level occupations which provide only marginal income. This cycle can be broken only by supplementing their inadequacies of earlier education and training with counseling and training programs designed to provide better paying job opportunities. It is this need which would be addressed by the Displaced Homemaker Act.●

PANAMA CANAL TREATIES, EX. N, 95–1

AMENDMENT NO. 70

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI (for himself and Mr. FORD) submitted an amendment intended to be proposed by them, jointly, to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 71

(Ordered to be printed and to lie on the table.)

Mr. GRIFFIN submitted an amendment intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 72

(Ordered to be printed and to lie on the table.)

Mr. CURTIS submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 73

Mr. THURMOND (for himself, Mr. ALLEN, Mr. DOLE, Mr. HATCH, Mr. HELMS, and Mr. LAXALT) submitted an amendment intended to be proposed by them, jointly, to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

(The remarks of Mr. THURMOND when he submitted the amendment appear earlier in today's proceedings.)

UNDERSTANDINGS SUBMITTED FOR PRINTING

PANAMA CANAL TREATIES, EX. N, 95–1

UNDERSTANDINGS NOS. 7 THROUGH 8 AND 10

(Ordered to be printed and to lie on the table.)

Mr. SPARKMAN submitted three understandings intended to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95–1.

UNDERSTANDING NO. 10

(Ordered to be printed and to lie on the table.)

Mr. SPARKMAN submitted an understanding intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

● Mr. SPARKMAN. Mr. President, today I am submitting four understandings—one to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and three to the Panama Canal Treaty—on behalf of the Committee on Foreign Relations.

These four understandings were recommended by the committee in order to clarify certain legal and constitutional issues arising from the treaties. The understandings do not change the obligations of the two nations in any way. The understandings are, I believe, noncontroversial. I hope they will be supported by every Member of the Senate.

I ask unanimous consent that the texts of these understandings and the relevant portions of the committee's report which explain their purposes be printed in the RECORD.

There being no objection, the understandings and material were ordered to be printed in the RECORD, as follows:

UNDERSTANDING NO. 7

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the following understanding:

Any agreement concluded pursuant to article IX, paragraph 11 with respect to the transfer of prisoners shall be concluded in accordance with the constitutional processes of both parties".

C. Understanding regarding the requirement to conclude a prisoner transfer agreement (article IX (11), Panama Canal Treaty)

The Committee recommends that the resolution of artification to the Panama Canal Treaty be amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to the following understanding:

"Any agreement concluded pursuant to article IX, paragraph 11 with respect to the transfer of prisoners shall be concluded in accordance with the constitutional processes of both parties."

STATEMENT OF INTENT

Article IX (11) of the Panama Canal Treaty provides as follows:

"11. The Parties shall conclude an agreement whereby nationals of either State, who are sentenced by the courts of the other State, and who are not domiciled therein, may elect to serve their sentences in their State of nationality."

The Committee intends, through the above understanding regarding this provision, to make clear (1) that any agreement negotiated on this subject be submitted to the Senate as a treaty for its advice and consent to ratification; and (2) that should the Senate not give its advice and consent to the ratification of such an agreement, the United States will not be in violation of this provision.

As paragraph 11 of article IX is drafted, it can be construed as authority for the President to enter into a prisoner transfer agreement with Panama as an executive agreement. This, in the Committee's judgment, would be undesirable; United States practice with respect to such agreements, limited though it is, has been that they be concluded as treaties. Sound policy reasons underlie this procedure. Prisoner transfer arrangements are significant international agreements; they involve important foreign policy judgments regarding the criminal justice systems and human rights practices of the countries proposed as parties to such arrangements. The Treaty Clause requires that, normally, significant international commitment be made with the concurrence of two-thirds of the Senate. Acting on the basis of his sole constitutional authority, the President would be without the power to enter into such an agreement. By removing any possibility that this provision may be relied upon as a source of authority for the conclusion of such an agreement, and by requiring that the agreement be entered into "in accordance with the constitutional process" of the United States, this addition to the resolution of ratification will state the understanding of the Senate that any such agreement must be submitted to the Senate as a treaty, which is the mode contemplated by our "constitutional processes".

The understanding will, moreover, clarify the international commitment undertaken by the United States in this provision. As paragraph 11 has been drafted, it could be construed as requiring the United States to enter into a prisoner transfer agreement, and would thereby place the United States in violation of this treaty should the United States elect not to do so. Obviously, the authority of the Senate to advise and consent to a treaty is meaningless if it is required to be given; the authority to disapprove is implied if our "constitutional processes" are to be upheld. The effect of the reference to "constitutional processes" is thus to make clear that a right of choice is maintained. Although this understanding should not be interpreted as suggesting a disinclination to advise and consent to such a treaty, paragraph 11 should not be construed, pursuant to it, as circumscribing the authority of the Senate to exercise the full measure of its constitutional discretion.

UNDERSTANDING NO. 8

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the following understanding:

The United States does not construe article XII, paragraph 2, clause b as precluding the President from exercising his constitutional authority to confer with any State regarding an interoceanic canal route or option in the Western Hemisphere; but, pursuant to such provision, the United States will not conclude with a third State a treaty for the right to construct an interoceanic canal on any other route in the Western Hemisphere, except as the two Parties to the Panama Canal Treaty agree".

D. Understanding regarding the prohibition against certain negotiations (Article XII (2)(B), Panama Canal Treaty)

The Committee recommends that the resolution of ratification of the Panama Canal

Treaty be amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to the following understanding:

"The United States does not construe article XII, paragraph 2, clause b as precluding the President from exercising his constitutional authority to confer with any State regarding an interoceanic canal route or option in the Western Hemisphere; but, pursuant to such provision, the United States will not conclude with a third State a treaty for the right to construct an interoceanic canal on any other route in the Western Hemisphere, except as the two Parties to the Panama Canal Treaty agree."

STATEMENT OF INTENT

Subparagraph (b) of article XII(2) of the Panama Canal Treaty provides as follows:

"(b) During the duration of this Treaty, the United States of America shall not negotiate with third States for the right to construct an interoceanic canal on any other route in the Western Hemisphere, except as the two Parties may otherwise agree."

The Committee intends, through the above understanding regarding this provision, to make clear that the provision may not be construed as precluding a future President from exercising his constitutional power to confer with other governments. "[H]e [the President] alone negotiates," the Supreme Court has said. "Into the field of negotiation, the Senate cannot intrude; and Congress itself is powerless to invade it." *United States* v. *Curtiss-Wright Corp.*, 299 U.S. 304, 319 (1936). A President may voluntarily commit himself not to enter into certain negotiations, but he cannot circumscribe the discretion of his successors to do so, just as they may not be limited in so doing by treaty or by law. As this Committee said in 1816, the President "must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success." U.S. Senate, Reports, Committee on Foreign Relations, vol. 8, p. 24. The recommended understanding would resolve this constitutional difficulty without doing violence to the substantive provisions of the treaty, the purpose of which in the Committee's judgment, is to ensure that the United States not, during the duration of the treaty, *enter into* an agreement to construct an interoceanic canal on any other route in the Western Hemisphere without the agreement of Panama.

UNDERSTANDING No. 9

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the following understanding:

The President shall include all amendments, reservations, understandings, declarations and other statements incorporated by the Senate in its resolution of ratification respecting this Treaty in the instrument of ratification exchanged with the Government of the Republic of Panama."

E. Understanding requiring the inclusion of Senate actions in the instrument of ratification of the Neutrality Treaty

The Committee recommends that the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal be amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to the following understanding:

"The President shall include all amendments, reservations, understandings, declarations, and other statements incorporated by the Senate in its resolution of ratification respecting this Treaty in the instrument of ratification exchanged with the Government of the Republic of Panama."

(See statement of intent regarding recommendation F, below.)

UNDERSTANDING No. 10

Before the period at the end of the resolution of ratification insert a comma and the following: "subject to the following understanding:

The President shall include all amendments, reservations, understandings, declarations and other statements incorporated by the Senate in its resolution of ratification respecting this Treaty in the instrument of ratification exchanged with the Government of the Republic of Panama."

F. Understanding requiring the inclusion of Senate actions in the instrument of ratification of the Panama Canal Treaty

The Committee recommends that the resolution of ratification of the Panama Canal Treaty be amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "subject to the following understanding:

"The President shall include all amendments, reservations, understandings, declarations and other statements incorporated by the Senate in its resolution of ratification respecting this Treaty in the instrument of ratification exchanged with the Government of the Republic of Panama."

STATEMENT OF INTENT

The Committee intends, through the above understandings which it recommends be added to the resolutions of ratification of each treaty, to make clear that any material included by the Senate in its resolution of ratification for each treaty be included in the instrument of ratification for that treaty given to the government of the Republic of Panama.

This understanding has its origins in assertions made by representatives of the Department of State, following Senate approval in 1976 of the resolution of ratification respecting the Treaty of Friendship and Cooperation Between the United States and Spain, that the President possessed the authority to exclude from the instrument of ratification respecting that treaty the five-part declaration attached by the Senate to that resolution of ratification. (Members of this Committee advised that, in their judgment, no such discretion existed the declaration was incorporated by reference in the instrument of ratification, although its text was set forth in an annex to the instrument.)

It remains the position of the Committee that the President is without such authority. Although the Treaty Clause of the Constitution does not expressly address this question, neither does it expressly authorize the Senate to condition its advice and consent to treaties. Traditional United States practice has nevertheless been that the Senate may grant its approval conditionally, just as traditional United States practice has been that, when conditions are attached, those conditions are transmitted as an integral part of the instrument certifying Senate and Presidential approval. That such conditions must be so included is as much a part of customary constitutional law in this country as the right of the Senate to grant conditional consent.

Accordingly, it is not the intent of the Committee to recommend the inclusion of an understanding such as this as a part of the resolutions of ratification respecting future treaties. The Committee was pleased to receive the assurance of the Department of State that the United States instruments of ratification of the Panama Canal Treaties would include all amendments of the treaties and of the resolutions of ratification that the Senate includes in the resolutions of ratification (letter from Douglas J. Bennet, Assistant Secretary for Congressional Relations, to John J. Sparkman, Chairman, Committee on Foreign Relations, January 26, 1978; hearings, part 5). The Committee does not doubt the Administration's good faith; it hopes that future presidents will adhere to this Administration's position, and thus wishes to establish no precedent with the recommended understandings. Nevertheless, the Committee believes that these understandings should be added to the resolutions of ratification respecting both treaties as a firm demonstration that the Senate will not countenance any interference with its constitutional prerogative of advice and consent and will take steps to counteract such interference on the part of any future Administration.●

NOTICES OF HEARINGS

CONGRESSIONAL TENURE

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution of the Committee on the Judiciary will hold 2 days of hearings, March 14 and 16, 1978, on proposed constitutional amendments to limit the number of terms of service for Members of Congress (S.J. Res. 27 and S.J. Res. 28). The hearings will commence at 9 a.m. on both days rather than 9:30 a.m. as previously reported; March 14, 1978, in room 5110, Dirksen Senate Office Building, March 16, 1978, in room 6226, Dirksen Senate Office Building.

Anyone wishing to submit testimony for the hearing record should send his or her statement to or contact Mary K. Jolly, Subcommittee on the Constitution, 102–B Russell Senate Office Building, Washington, D.C., 20510.●

WITNESS PROTECTION

● Mr. ABOUREZK. Mr. President, I wish to announce that the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary will hold oversight hearings on the witness protection program on March 20 and 23. Hearing on March 20 will begin at 9:30 a.m. in room 6226 Dirksen Senate Office Building and the hearing on March 23 will begin at 9:30 a.m. in room 5110 Dirksen Senate Office Building.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

● Mr. CHURCH. Mr. President, for the information of the Senate and the general public, the Energy and Natural Resources Subcommittee on Energy Research and Development has scheduled four hearings to examine the fiscal year 1979 Department of Energy authorization request. Department of Energy witnesses will present testimony on the following dates in room 3110 of the Dirksen Senate Office Building:

March 8, 10 a.m.: Energy Conservation.
March 13, 10 a.m.: Solar and Geothermal Energy.
March 20, 10 a.m.: Magnetic Fusion, Inertial Fusion, and Basic Research.
March 21, 10 a.m.: Environment.

Anyone wishing additional information with regard to the hearings should contact the subcommittee staff director, Willis Smith, at (202) 224–4431.●

ADDITIONAL STATEMENTS

BLACK LUNG BENEFITS REFORM ACT

● Mr. CLARK. Mr. President, earlier this month, President Carter signed into law the Black Lung Benefits Reform Act of 1977. This new law is welcome relief for thousands of retired coal miners and survivors of coal miners across the Nation, including about 1,500 Iowans.

This legislation had my full support, because it addresses the serious administrative problems and eligibility questions that have plagued the black lung benefits program.

I know of no Federal program that has so miserably failed in fulfilling its stated purpose as has the black lung program. Criteria for eligibility for benefits has been imprecise and, therefore, inequitably applied. Furthermore, the program has been characterized by delay, prolonging the agony of former coal miners and their families.

It is most important that we implement the new law in an effective and timely manner. Every potential beneficiary in the country should be informed of the changes made by the law, so that previous errors are quickly and efficiently corrected.

I am attaching at the end of this statement a copy of the U.S. Department of Labor's summary of the major provisions of the Black Lung Benefits Reform Act of 1977. This is intended as one part of the process of informing Americans about the act. I sincerely hope this process leads to a much-improved black lung benefits program, one that Americans can be proud of.

I ask unanimous consent that the description of the Black Lung Benefits Reform Act of 1977 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

MAJOR PROVISIONS OF THE BLACK LUNG BENEFITS REFORM ACT OF 1977

Congress has again amended the Federal Coal Mine Health and Safety Act of 1969 (FCMHSA). The Black Lung Benefits Reform Act of 1977 has removed certain eligibility restrictions that have prevented many coal miners with black lung disease (and survivors of coal miners) from obtaining benefits. As a result, more people will be eligible. Also, coal mine operators will assume a greater share of the cost for financing the Black Lung Benefits Program.

The following are several important changes to the law which affect both claimants and coal mine operators:

1. Any coal miner or dependent survivor whose claim for black lung benefits has been previously denied, or is still pending a decision by the *Department of Labor* (DOL), will have their claim *automatically* reviewed. This review will consider the evidence already in the claim file in light of the 1977 amendments and will be done *without filing a new claim*. If the claim is not approved on review of the evidence already in the claim file, the claimant will be given an opportunity to submit additional medical or other evidence to support the claim. If the claim is approved by DOL on review, benefits may be paid retroactively to the date the black lung disability began, or when that date cannot be determined, to the date the claim was filed with DOL. However, no benefits will be paid for any period prior to January 1, 1974.

Any coal miner or dependent survivor whose black lung claim has been previously denied, or is still pending a decision by the Social Security Administration (SSA), will be notified by the SSA that *upon request of the claimant*, the claim will either:

a. be reviewed by SSA for a determination based upon the evidence already in the file (approvals will be considered as initial determinations of eligibility with the DOL; nonapprovals will be referred to DOL for determinations with an opportunity for claimants to present additional medical or other evidence); or

b. be referred directly to the DOL for determination, with an opportunity for the claimant to present additional medical or other evidence.

If the claim is approved by SSA under (a) above, benefits may be paid retroactively to January 1, 1974. If the claim is approved by DOL under (b) above, benefits may be paid retroactively to the date the black lung disability began, or when that date cannot be determined, to the date of request for DOL review. No benefits will be paid for any period prior to January 1, 1974.

2. Pneumoconiosis (black lung disease), which was defined simply as a chronic dust disease of the lung arising out of coal mine employment, now includes any other respiratory and pulmonary impairment which arises out of employment in or around the Nation's coal mines.

3. The term "miner," which was defined as any individual who is or was employed in a coal mine (underground or surface) and who performed duties in the preparation or extraction of coal, has been amended to include:

a. any individual who works or has worked in or around a coal mine or coal preparation facility in the extraction or preparation of coal,

b. any individual who works or has worked in coal mine construction or transportation in or around a coal mine and is or was exposed to coal dust in such employment, and

c. self-employed miners.

4. The term "total disability" has been amended in regard to coal mine employment to provide that:

a. a deceased miner's employment in or around a coal mine or preparation facility at the time of death cannot be used as conclusive evidence that the miner was not totally disabled;

b. if a living miner's employment conditions are changed indicating the miner's reduced ability to do usual coal mine work, such employment cannot be used as conclusive evidence that the miner is not totally disabled.

A working miner may now file a claim and obtain a benefit determination while still working in coal mine employment. However, in order to receive black lung benefits, generally the miner must terminate coal mine employment within one year after the determination of eligibility is made.

5. A dependent survivor may now be entitled to black lung benefits if the miner died on or before the date of enactment of the 1977 amendments and worked at least 25 years in coal mine employment prior to June 30, 1971, unless it is established that the miner, at the time of death, was not partially or totally disabled due to black lung disease. The survivor must supply the Department of Labor with whatever medical evidence is available.

6. Chest x-ray reports will now be accepted as valid evidence without further review, if there is other evidence that the miner has or had a pulmonary or respiratory impairment, and if the x-ray film:

(a) is of acceptable quality;

(b) was taken by a qualified person;

(c) was interpreted by a qualified radiologist; and

(d) there is no reason to believe that fraud is involved.

7. All coal miners whose claims are reviewed by DOL may request a complete pulmonary evaluation to substantiate their claims. The U.S. Department of Labor will authorize payment for this if such evidence is not already in the file.

8. For survivor claims, where there is no medical or other relevant evidence, affidavits will now be considered as valid evidence in support of eligibility.

9. A widow or other survivor may now file a claim for black lung benefits regardless of when the miner died. There is no longer a 3-year time limit.

10. Under the old law, a miner could be "presumed" to be totally disabled due to black lung disease if the miner worked for at least 15 years in the coal mines prior to June 30, 1971. However, a living miner had to file a claim for benefits within 3 years after last coal mine employment and a dependent survivor had to file a claim within 15 years after the deceased miner's last coal mine employment.

There are no time limits now, and the presumption may be used without regard to when the 15 years occurred or when the claim was filed.

11. If a claimant was approved for black lung benefits prior to death, dependent survivors no longer need to file a new claim for benefits. However, they are required to notify the Department of Labor of the miner's death.

12. Miners receiving monthly black lung benefits from the Social Security Administration may now apply for medical benefits, for treatment of their lung disorders, through the Department of Labor. Such miners will be notified of this by the Social Security Administration and will have 6 months from the date of notification to file a claim for medical benefits with the Department of Labor.

13. The new law establishes a Black Lung Disability Trust Fund, supported by excise taxes on coal producing companies, to finance the cost of black lung claims (a) where the coal miner's last employment was before January 1, 1970, or (b) where no responsible coal mine operator has been identified, and (c) for administrative expenses.

14. Where the miner's last coal mine employment was January 1, 1970, or later, coal mine operators are individually responsible for payment of monthly and medical benefits.

15. Coal mine operators must secure benefits through a private insurance carrier or self-insure their liability in accordance with regulations prescribed by the Department of Labor. The Department of Labor may impose penalties of up to $1000 a day on coal mine operators who fail to secure benefits.

16. The Black Lung Benefits Reform Act of 1977 eliminates the 1981 termination date previously in the law, thus making the Black Lung Benefits Program permanent.●

HOW TO USE TAX REFORM TO RAISE TAXES ON MIDDLE-INCOME TAXPAYERS

● Mr. CURTIS. Mr. President, the distinguished chairman of the Senate Budget Committee recently brought to our attention some information prepared by the Treasury at the Senator's request that shows that 21 out of 69 tax breaks that the Congress has legislated

over the years provide over half of their benefits to taxpayers earning $50,000 and more. I am certain that neither the Treasury nor my distinguished colleague means to suggest that, as a result of these tax breaks, upper-income taxpayers do not pay any taxes, or do not pay their fair share.

To balance this information, which has been brought to our attention, on the distribution of tax breaks that shows that 30 percent of the breaks go to the upper income taxpayers, I want to call the attention of my colleagues to an article in the March 1978 issue of Harper's magazine. This article is a prominent publication by a well-known economist, Dr. Paul Craig Roberts, shows the distribution of the tax burden. When the distribution of tax breaks is considered in the context of the distribution of the tax burden, we are not likely to make the mistaken inference that upper-income taxpayers do not pay any taxes because of tax breaks.

Dr. Roberts' article points out that the top 1 percent of taxpayers pay 187 times more in taxes than the bottom 10 percent of taxpayers. Moreover, the top 1 percent of income earners pay almost three times the total taxes that are paid by the bottom 50 percent of income earners. Taxpayers whose incomes place them in the top 10 percent—those earning $23,420 or more in 1975—paid almost half of the total income taxes collected. Since the distribution of the tax burden is borne so disproportionately by the higher earners, it does not surprise me that Congress over the years decided to give these heavy taxpayers a few tax breaks.

What concerns me about the tax reformers, however, is that 70 percent of the tax breaks go to people who are not in the upper brackets. The distinguished Budget Committee chairman pointed out that 68 percent of the benefits of the tax treatment of so-called capital gains go to upper-income taxpayers, and that 85 percent of tax-free municipal bonds are held by people in the upper brackets. But the Senator did not remark on very many of the other 69 tax breaks, or tax preferences, or tax expenditures on his list. I think we should be grateful to the budget chairman and to the Treasury for providing this information on the distribution of the benefits of all these tax breaks, because it will keep us from being fooled by people who claim that they mainly benefit the rich.

Let us look at some of these tax expenditures that our distinguished colleague did not emphasize. One of them is social security benefits. Seventy-one percent of untaxed social security benefits go to people whose incomes are less than $15,000 per year. Seventy-one percent of dependents and survivors benefits, which are untaxed, go to people with less than $15,000 in annual income. Seventy-one percent of disability benefits, also untaxed, go to this same income group. In these three items, we have $3.6 billion in tax preferences or so-called tax expenditures that go to people with below-average incomes.

Employee medical insurance paid by employers is another tax break. Eighty-seven percent of the break goes to people earning less than $50,000. Here we have a tax expenditure of $4.9 billion. Who wants to close this tax loophole and the social security tax loopholes? I do not. And I am sure that most of my distinguished colleagues do not either. The tax reformers may, but fortunately for the American people, the so-called tax reformers do not make the tax laws in this country.

I think it is instructive to look at some more of these alleged tax loopholes and see where the benefits go. I am sure that the distinguished budget chairman would not want the Congress to eliminate them thinking that it was making the rich pay taxes.

Workmen's compensation benefits is another tax preference. Seventy-one percent of these tax breaks go to people with incomes of $15,000 or less. Going down the Treasury's list of tax breaks, the upper brackets get only 16 percent of the tax breaks from employer pension plans. Does anyone want to eliminate this tax loophole, when 84 percent of the tax break goes to middle- and lower-income people? Who is so opposed to the rich getting 16 percent of the benefit that he wants to close this loophole?

Employer-paid premiums on group term life insurance and on accident and disability insurance are two more loopholes on the Treasury's list. Only 13 percent of these tax breaks go to the upper brackets. We have a total here of $8.7 billion in untaxed income, 87 percent of which goes to people who are not in the upper brackets. Are we in the Congress so opposed to rich people that we are willing to greatly increase the tax burden on all taxpayers just in order to squeeze a few more dollars out of the rich?

The exclusion of military disability pensions is another tax loophole on the Treasury's list. Eighty-six percent of this break goes to people with income under $20,000. About 50 percent of the benefits go to people with less than $10,000 in income, and disabled people at that. The more I look at the Treasury's list of loopholes that the Budget Committee chairman has brought to our attention, the more I see the good sense and purpose that the Congress had in establishing those preferences.

Let us look at some more of these loopholes that we hear so many complaints about. One is the tax exclusion of scholarships and fellowships. Seventy-three percent of these benefits go to people with below-average incomes. Only 2 percent go to the upper brackets. Another so-called loophole is deferral of capital gain on home sales. Here 81 percent of the benefits go to people earning under $30,000. Only 5 percent of the benefits go to people earning $50,000 or more. Another loophole, one that people have traditionally thought of as benefiting the rich, is the dividend exclusion, but according to the Treasury's figures, 81 percent of this tax break goes to people earning less than $50,000.

Another loophole is the tax credit for the elderly. All of this tax break goes to people with less than $50,000, and 65 percent of it goes to people with $10,000 or less in income. Another loophole is the additional personal exemption for the aged. Here we have over $1 billion in so-called tax expenditures, only 12 percent of which go to people in the upper brackets. More than half of the benefits of this tax break go to people with less than $15,000 in income.

The earned income credit is another loophole on the Treasury's list. Here we have tax expenditures of about $1.3 billion, all of which goes to people with $10,000 or less in income. Veterans' disability compensation is another loophole. Only 3 percent of these benefits go to the rich. GI bill benefits, the exclusion of sick pay, the exclusion of unemployment benefits, and the exclusion of public assistance are additional loopholes on the Treasury's list where the tax breaks go mainly to the lower-income groups.

So, Mr. President, what I have learned from this list of loopholes is that people who speak so derisively of loopholes as if they were something we did for the benefit of the rich are well meaning, perhaps, but uninformed.

When I see that the great majority of these benefits go to people who are not rich, I wonder what the tax reformers are up to. Dr. Roberts, in his article about tax reform in Harper's, says that the reformers are out to raise taxes on everybody. He says that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. The reformers are talking about three-martini lunches, but they are refashioning the tax net to catch those they pretend to protect. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions.

Dr. Roberts points out that the people who brought us the income tax talked then the same way tax reformers talk today. It was something, they said, that would only affect the rich. When the income tax was put on, only one-half of 1 percent of the population had to pay—only people with above-average incomes. But it was not long before it was brought down to middle incomes and to lower incomes, because that is where most of the income is. Before long the tax rate on people with below-average incomes was twice as high as the initial tax rate had been on people with multi-million-dollar incomes. It will be the same way with the fringe benefits and the deductions. They will not raise much money from taxing three-martini lunches, so they will go for the fringe benefits in the union contracts.

They will go for nonmonetary forms of income such as insurance protection, and the average person will have to cut back on his living standard in order to pay taxes on the insurance coverage that his employer provides. People may say no! no! But it is right here on the Treasury's list of loopholes: Employer

contributions for medical insurance, a tax expenditure of $5.56 billion; premiums on group term life insurance; premiums on accident and disability insurance; employer pension plans; individual pension plans; and so forth. Closing all these loopholes is the same thing as raising tax rates on existing wage and salary levels. As Dr. Roberts says—

> You can't pay the IRS with part of your parking space, employer-subsidized meal, employee discount, or employer-paid health insurance and pension premiums.

We should all understand that eliminating the so-called tax preferences does not mean that only the rich will pay more taxes. For example, if we knock out the deduction for mortgage interest, the deduction for real estate taxes, the deduction of interest on consumer credit, and the deferral of capital gains on home sales, the effect will be to raise taxes on people with average income and below-average incomes by about $3 billion.

Two loopholes that we hear so much about are the deductions for mortgage interest and for interest on consumer credit. According to the Treasury, together they make up $8.7 billion in tax expenditures, only 12 percent of which goes to people in the upper brackets. I fail to understand how it can be said that these deductions benefit the rich when 88 percent of the benefits go to people who are not rich.

President Carter has obviously been influenced by the tax reformers. On January 21, 1978, the President proposed $9 billion in revenue-raising tax reforms along with tax cuts for lower- and middle-income earners that increase in the progressivity of the income tax. Under Carter's proposals, $6 billion in tax revenues would be raised from the taxation of unemployment benefits and the elimination of deductions for sales, gasoline, and personal property taxes and medical expenses.

Mr. President, the elimination of these deductions will reduce the tax advantage of itemized deductions for homeowners. Carter also proposed replacing the $750 personal exemption with a $240 tax credit on the grounds that this would benefit those who presently have below-average incomes. I emphasize presently, because after inflation pushes them into higher brackets, the change works to their disadvantage. I also want to point out something that has escaped everyone's notice. Take for example a married taxpayer with two children. The personal exemption lets him deduct $3,000 before he figures his taxes. But if we replace the exemption with a credit, his income on which he has to pay taxes is $3,000 greater. That throws him into a higher tax bracket before he gets to use the credit. When we take this into account, we see that this change would mean, after some years of inflation, higher taxes on lower incomes as well as on higher incomes. It looks to me that Dr. Roberts may be right that these reforms are designed to make everyone pay higher taxes.

In closing I want to come back to the distinguished Budget Committee chairman's concern that capital gains are escaping taxation and costing the Government revenues and also to his concern that tax-free municipal bonds mean higher incomes for the rich. I want to make one point about the tax-free bonds and two points about capital gains. First, the tax-free bonds. They do not mean higher incomes for the rich. Take someone in the 50 percent marginal tax bracket. If he makes an investment paying 10 percent, his after-tax rate of return is only 5 percent. If there is any risk associated with this investment, he will obviously prefer to buy a tax-free bond paying 5 percent rather than to make the investment that would pay 10 percent before tax. It does not mean that he gets any more after-tax income. It just means that more of the Nation's savings go into the growth of municipal government and less into the growth of the economy. In other words, a person buys the tax-free bonds only because the after-tax rates of return are the same in either case. So the rich are not gaining anything or getting away with anything.

As for capital gains, Dr. Roberts points out that to tax capital gains as ordinary income during periods of inflation is really to redefine assets as income, and in addition to taxing the income from the asset, to also confiscate part of the asset. Suppose, he says, that you invest $10,000 in an income-producing asset and that inflation drives the price of that asset to $15,000. Suppose that family educational or medical expenses force you to sell the asset. Even though its replacement cost of $15,000, and the $15,000 you receive will not buy any more than the $10,000 you paid, the IRS will say that you have a $5,000 capital gain and tax it. Suppose you are in the 50 percent bracket. That means $2,500 of your assets will be confiscated. I want to quote Dr. Roberts on this point:

> The greatest loophole of all in our income tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not only on the wealthy. Whereas a rich man owns more assets than one who is not rich, the nonrich collectively own many assets.

Mr. President, the distinguished chairman of the Senate Budget Committee is concerned that the Government loses $6.9 billion a year as a result of not taxing capital gains as ordinary income. He is concerned that 67 percent of these benefits go to taxpayers earning $50,000 or more. But as to whether or not the Senator's concerns are justified depends upon how sophisticated we are when we calculate who benefits and figure our revenue estimates. As the members of the Finance Committee know, the Senate has not been able to get accurate revenue estimates. The estimates have been made in simplified ways that do not produce an accurate figure.

According to the Washington Post on March 3, Data Resources, Inc. has just completed a study which shows that the budget chairman's concerns are unjustified. As our distinguished colleague knows, Data Resources, Inc. is not a spokesman for the rich. The Budget Committees of the Congress themselves rely on the Data Resources model when they formulate the economic policy contained in the budget resolutions that they bring to the floor. The Senator must think that Data Resources is reliable or he would not rely upon the firm.

Data Resources, Inc. has the following to say about taxing capital gains. Their study shows that the effects of taxing capital gains as ordinary income would be to reduce GNP by $115 billion over the next 5 years, to cause more than 1½ million additional people to be unemployed, and to reduce Federal tax revenues by $25 billion. So if we eliminate the tax preference for capital gains, we are not going to increase Federal revenues over the next 5 years by $34.5 billion, as the budget chairman might think, but reduce them by $25 billion. That shows us that the concept of "tax expenditures" may be more dangerous than it is worthless. The capital gains preference is not a tax expenditure at all, but a revenue-raiser.

Indeed, the Data Resources study shows that if we want to increase the Government's tax revenues, then we must entirely eliminate the taxation of capital gains.

The study finds that the effect of eliminating all taxes on capital gains would be to increase the GNP by $199 billion over what it would otherwise be. Business investment would climb an additional $81 billion. An additional 3.1 million jobs would be created. And tax revenues to the Government would increase by $38 billion. Obviously, the tax expenditure consists in the taxation of capital gains. Taxing capital gains even at the existing so-called preference rate is costing the Federal Government $38 billion over the next 5 years. It also means that we are going to have 3.1 million less jobs, $81 million less business investment, and $199 billion less GNP. That is what the taxation of capital gains, even at preference rates, is costing us. If we increase, rather than eliminate, the capital gains tax, the cost in terms of higher unemployment, lower GNP, lower tax revenues and higher deficits will be even greater.

Mr. President, according to Data Resources, the reason for the results being the opposite of what is implied by the concept of "tax expenditures" is that, and I quote from the study, "improving capital mobility through the tax system and encouraging savings and investment can improve economic growth to such an extent that both more investment and more consumption are achieved." The Data Resources study says that "current tax policy discourages savings and investment through the imposition of multiple taxes on investment income at several levels." As Dr. Roberts has explained, the effect of the high taxes is to encourage people to choose additional leisure and current consumption instead of additional current and future income. As a result, work

effort and savings and investment are all less than they would be. If we remove, or just reduce, the tax barriers, the greater incentives will produce greater GNP, more employment, and more tax revenues.

I realize that the big spenders in the Congress want more tax revenues. I just hope they can understand the only way to go about getting them. If they stay under the illusion that they can get them by closing loopholes and eliminating so-called tax expenditures, then they are going to wreck the economy and reduce the living standard of the poor as well as the rich. The Government cannot raise revenues by taxing so-called capital gains as ordinary rates. Once we try that, the amount of investment will fall. People are not going to invest if there is no pay-off or if their assets are confiscated. Only an uninformed person can believe that it is possible to increase tax revenues by lowering the after-tax rate of return to investment.

Dr. Roberts' article in the March 1978 issue of Harper's is titled "Disguising the Tax Burden." Since it contains startling and valuable information and makes many points that the Congress needs to take into account, I ask unanimous consent that it be made part of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DISGUISING THE TAX BURDEN

(By Paul Craig Roberts)

Even when they appear singly, major tax increases have a way of slowing down the legislative process. It has to be worked out how to disguise the tax so everyone thinks it is falling on someone else. Then the Congress and the Administration have to work out among themselves who gets to hand out how much to which spending constituency. This is what is known as politics, and ordinarily the politicians can think of enough new rhetoric to explain the levying of new taxes. But by the end of his first year in office President Carter had proposed so many tax increases (the energy tax, the Social Security tax, and the tax-reform tax) that the system temporarily collapsed.

It was more new taxes than could be negotiated, and the major tax-reform proposals of last September have been withdrawn but not discarded.

From the standpoint of the government's interest, tax reform is a necessity. The rich are a depleted resource, and so it is inevitable that the government will come up with a new source of revenue in tax reform. As is customary in these matters, tax reform will be justified on the grounds of "equity," that is, closing loopholes and helping the poor. Tax reform to help the poor is easy, because the poor don't pay any taxes. Therefore, it doesn't cost the government anything. Look at the table prepared by the Tax Foundation from data published by the Internal Revenue Service in Statistics of Income, and be amazed at the distribution of the tax burden.

Half of the taxpayers, those whose adjusted gross incomes place them in the bottom 50 percent, account for only 7 percent of the total personal-income-tax collections. Taxpayers in the lowest 25 percent account for less than half of 1 percent of the personal income tax collected by the government. That's why the government likes to cut taxes for lower-income groups. It doesn't cost much to buy half the votes, and what guilt-ridden upper-income taxpayer would complain about compassionate government?

Beside, "everyone knows" that the bulk of the taxes is paid by lower-income earners, while the rich largely escape taxation. Public citizens' tax-reform organizations, peoples' tax lobbies, and other sheltered spokesmen for organized welfare groups have no difficulty getting out their well-packaged, public-spirited message. Meanwhile, the true facts pass unnoticed in the IRS's Statistics of Income.

The table shows that taxpayers with incomes in the top 5 percent—those with adjusted gross incomes of $29,272 or more—paid over one-third of the total personal income taxes collected by the federal government in 1975. The top 10 percent of taxpayers—those earning $23,420 or more—paid nearly half the total tax bill. In contrast, the lowest 10 percent of taxpayers paid only one-tenth of 1 percent of the total tax bill. Taxpayers earning $15,898 or more—those in the top 25 percent—paid 72 percent of total personal income taxes. Taxpayers whose incomes placed them in the top 1 percent paid more than two and a half times the total taxes collected from the bottom 50 percent.

PERCENT OF TOTAL TAXES PAID BY HIGH- AND LOW-INCOME TAXPAYERS, 1970 AND 1975

Adjusted gross income class	Income level		Percent of tax paid	
	1970	1975	1970	1975
Highest 1 percent	[1] $43,249	[1] $59,338	17.6	18.7
Highest 5 percent	[1] 20,867	[1] 29,272	34.1	36.6
Highest 10 percent	[1] 16,965	[1] 23,420	45.0	48.7
Highest 25 percent	[1] 11,467	[1] 15,898	68.3	72.0
Highest 50 percent	[1] 6,919	[1] 8,931	89.7	92.9
Lowest 50 percent	[2] 6,918	[2] 8,930	10.3	7.1
Lowest 25 percent	[2] 3,157	[2] 4,044	.9	.4
Lowest 10 percent	[2] 1,259	[2] 1,527	.1	.1

[1] Or more.
[2] Or less.

Source: Tax Foundation computations are based on Internal Revenue Service. Statistics of Income.

An income of $59,338 may qualify for the top 1 percent, but what about the really rich? The latest Statistics of Income shows that the 1,149 taxpayers earning $1 million or more in 1975 paid an average tax of $1,011,317. The total tax paid by these few high-income taxpayers added up to $1.15 billion. All of us might pause to ask what public services a taxpayer receives for a million dollars in income taxes.

The table reveals another interesting fact. Since 1970 the tax burden has shifted further away from the lower brackets. In 1970 the bottom 50 percent paid 10.3 percent of total income taxes, and the top 50 percent paid 89.7 percent. By 1975 the bottom's share had declined to 7.1 percent, while the burden carried by the top had risen to 92.9 percent. In addition, the Tax Foundation reports that "several million taxpayers disappeared from the tax rolls altogether as a result of legislative changes benefiting those with lower incomes during the period 1970–75." Many of the untaxed receive transfers in kind, such as food stamps and housing subsidies, together with earned-income credits (negative income tax) and welfare checks, so that their real income exceeds that of many taxpayers.

Most people think that tax reform means making the rich pay taxes. They do not realize that the purpose of closing loopholes is to enlarge the tax base by redefining personal income to include fringe benefits and capital gains and by reducing deductions. Enlarging the tax base will raise everyone's taxes, but it will have the most severe effect on middle-income earners. The government is refashioning its tax net to catch those it pretends to protect. Fringe benefits are a larger percentage of a $15,000 salary than they are of a $100,000 salary, and so are itemized deductions. The government, of course, will give reassurances that it is only after the rich, just as it did when it brought in the income tax in 1914. Initially the personal-income-tax burden rested on only 357,515 people—less than one-half of 1 percent of the population. Only people with incomes much greater than average were subject to the tax. The rates ranged from 1 percent to 7 percent. Only income in excess of $117,000 in today's dollars encountered the first surtax bracket of 2 percent. The top tax bracket of 7 percent was encountered only by income in excess of $2.9 million in today's dollars. The personal income tax soon found its way into the lower brackets. The income thresholds were lowered and the tax rates raised. The bottom bracket today, an income level not subject to taxation in 1914, is taxed at 14 percent—twice 1914's top rate.

The tax rate today on the first $500 of taxable income is twice as great as the tax rate on a multimillionaire's income in 1914. This does not mean that things got better for the millionaire. The rate in his bracket today is ten times greater, and his average tax rate is 11.4 times greater. In 1914 the total tax on a million-dollar income was $60,000. Today it is $685,000. Since, as a result of inflation, the value of money today is only about one-sixth of what it was in 1914, today's millionaire's after-tax income of $315,000 is equivalent to a 1914 purchasing power of $53,800. He has only one-seventeenth of the purchasing power of his 1914 counterpart. During a period that has seen a rise in the average standard of living, the millionaire's has declined drastically.

It is an interesting story to trace the growth of the personal income tax, but it can be summarized in the following way: Between 1914 and 1975 the population grew 120 percent, but the number of individual-income tax returns grew by 23,800 percent.

Hailed everywhere as loopholes for the rich, deductions are the primary income shelter for those in the middle to lower tax brackets, where most of the income is. The percentage difference between adjusted gross income and taxable income is greater the lower the income bracket. For example, in the under-$10,000 adjusted-gross-income class, deductions come to 48.9 percent of adjusted gross income. In the $10,000-to-$24,999 class, deductions are 31.1 percent of adjusted gross income, and in the over-$25,000 class they are only 22.8 percent. The higher the income, the less it is sheltered by deductions.

According to the latest Treasury figures, the upper-income groups benefited from about $16 billion in deductions, exclusions, and other privileges, about half of which resulted from recognizing the difference between capital gains and ordinary income. Lower- and middle-income groups benefited from about $50 billion in deductions and exclusions, such as the exclusion of unemployment benefits, Social Security payments, workers' compensation benefits, pension contributions and earnings, employer-paid medical insurance premiums and medical care, the deduction of interest on consumer credit and home mortgages, property taxes, medical expenses, and state and local taxes, and the deferral of capital gains on the sale of a home plus credit for the purchase of a new home. For every dollar of upper-bracket tax savings, $3 went to the lower and middle brackets.

Dr. Roger Freeman, former White House aide and Hoover Institution Fellow at Stanford University, summed up his book on tax loopholes (Tax Loopholes: The Legend and the Reality) as follows:

"The literature of the tax reform drive usually asserts that most of the loopholes

were designed for and work for the benefit of the rich, that poor and middle income taxpayers are taxed on all of their income, with no escape possibilities, and that most of the income that avoids taxation is to be found in the very high income brackets. The facts, however, suggest the opposite: much or most of the untaxed income is in the low and medium brackets."

That neatly sums up why the government's tax reformers are interested in reducing deductions. You can't raise revenues for the government unless you go where the untaxed income is.

Untaxed income also means fringe benefits. The President says that taxing fringe benefits means "the three-martini lunch." But the unions are concerned rather than fooled. They know where the untaxed benefits are that would yield substantial tax revenue. Sen. Orrin G. Hatch (Rep.-Utah), a member of the Joint Economic Committee, has calculated that taxing fringe benefits as personal income "would mean an increase in taxes of $240 on the average taxpayer." With the 76 million tax returns filed in 1975 that reported wage and salary income, that would come to $18.21 billion, a tidy sum for government. That's why the unions are supporting the resolution introduced by Senator Hatch and Rep. Jack Kemp (Rep.-N.Y.) against the taxation of fringe benefits. They know that taxing fringes is the same as raising tax rates on existing wage and salary levels. You can't pay the IRS with part of your parking place, employer-subsidized meal, employee discount, or employer-paid health insurance and pension premiums.

The third plank of the tax reform redefines assets as income, and in addition to taxing the income from the asset confiscates part of the asset. Suppose you invest $10,000 in an income-producing asset, and inflation drives the price of that asset to $15,000. Suppose that family educational or medical expenses force you to sell the asset. Even though its replacement cost is $15,000—the $15,000 you receive will not buy any more than the $10,000 you paid—the government will claim that you have a $5,000 capital gain and tax it. Suppose you are in the 25 percent bracket. That means $1,250 of your assets will be confiscated by the government. The greater the inflation, the longer you hold the asset, and the higher your tax bracket, the more will be confiscated. The reformers are even talking about taxing the "capital gain" on an accrual basis whether or not you sell the asset.

The tax reformers showed how far they want to go by proposing to tax homeowners on the rental value of their homes. It's called taxing imputed rent. The reasoning is that owning a home provides income in kind (shelter). The value of that income is the rental value, so up goes your taxable income by the rental value of your home—even though it is not rented and you are living in it. This reform is especially valuable to the government as it pushes homeowners into higher tax brackets, which means they pay higher tax rates on the same money incomes. It is valuable also because it establishes a new principle of taxation that can be applied to home vegetable gardens and to the services of housewives. Cooking services, sexual services, cleaning services, child-rearing services, and laundry services are also income in kind. The imputed value of a housewife who is good at all of these tasks would exceed the salaries and wages of many husbands. The government could then take your house and make you hire out your wife to cover the unpaid taxes you couldn't pay.

So many major tax-increase proposals indicate runaway greed in Washington. It's not as if the government hasn't had a raise. The government gets an automatic increase in tax revenues every year as a result of inflation. Look at what happens to the real tax burden on a person whose income rises with the rate of inflation over the course of his working life. To show that it is not just the upper-income taxpayers who are harmed, let's take for an example someone who is today earning only $6,240 a year. In 1976 he would have paid no taxes. Instead, he would have received a check from the Treasury for $155 as a result of the earned-income credit. But after 45 years of 5 percent inflation he would be earning $56,077 a year, on which he would have to pay $17,019 in taxes (at present rates). His after-tax money income would have risen from $6,395 in 1976 to $38,058 in 2021, or by substantially less than the rates of inflation. His after-tax income in 2021 would have a purchasing power equal to only $4,345 in 1976 dollars. In spite of his much larger money income, this person would have experienced a decline in his living standard of nearly one-third. This is the result of progressive income taxation plus inflation, which together cause taxes on the same amount of purchasing power—$6,240 in 1976 dollars—to rise from a refund of 2.5 percent in 1976 to a tax of 30 percent in 2021. The higher the inflation, the worse it would be for him, because the faster he would reach the higher brackets.

Indexing the tax structure (adjusting it to offset inflation) would prevent this deterioration in the living standards of all Americans. One might think that this would make indexing an important issue of tax reform. Yet, it is not part of the tax reformers' proposals. The reformers argue that inflation causes government's costs to rise, so it also needs more revenues. However, the way it is now, the government's revenues don't simply rise by the amount of the inflation, they rise by 1.65 times the rate of inflation. A 10 percent rate of inflation means a 16.5 percent increase in government revenues. That is why governments prefer to fight unemployment.

The claim that inflation hurts the lower income brackets more than the upper income brackets is deceitful. What inflation really does is to push everyone into higher tax brackets. As average incomes rise, more and more people will experience the woes of being nominally rich. One of the woes is that the higher your nominal or money income, the harder it is to stay even with inflation. As the tax bill gets bigger on every raise, your income has to increase progressively faster than the rate of inflation in order to stay even. This is another reason government prefers to reduce the tax rates in the lower brackets. Inflation soon moves the people out of them and into the higher brackets that were not cut.

Dale W. Sommer in the September 26, 1977, issue of Industry Week presents some interesting statistics from the U.S. Department of Commerce's National Income and Products Accounts that illustrate the extent to which American incomes have been undone by taxflation. Over the past ten years the average wage has risen 77.3 percent, whereas the consumer price index has risen 75.4 percent. So the average worker has kept up with inflation. But the tax burden has risen 144 percent during the same period. On a per capita basis, Americans paid $2,261 in taxes in 1976 compared with $1,014 in 1966. The 144 percent growth in the tax bite exceeded the 126.6 percent growth in total production of goods and services (GNP) and the 119.2 percent growth in total national income.

Last year Americans paid $16.7 billion more in taxes than they spent on the three basic necessities of food, clothing, and housing. The total tax bill came to $486.4 billion, whereas the total spent on food, clothing, and housing came to $469.7 billion. Compared with the $2,261 per capita expenditure on taxes, $1,048 was spent on food, $354 on clothing, and $780 on shelter. Added together the three necessities are still $79 less than per capita taxes paid.

Taxes far outpace the growth in real income. In 1976 federal taxes grew 20.8 percent. The entire economy grew 11.6 percent, and 5.3 percent of that growth was the result of inflation rather than an actual increase in the production of goods and services.

The greatest loophole of all in our income tax system works for the benefit of government. It is the loophole that allows government to use inflation to increase taxes on constant and even declining levels of purchasing power without having to legislate higher tax rates. The central issue of tax reform is closing this loophole. But in their proposal to tax capital gains as ordinary income, the tax reformers show every intention of opening this loophole wider. The widening of this loophole allows government to establish a wealth tax in the guise of an income tax—wealth meaning asset. A wealth tax is not a tax only on the wealthy. Whereas a rich man owns many more assets than one who is not rich, the nonrich collectively own many assets.

We have come a long way from the time three decades ago when F. A. Hayek said something about the road to serfdom. A serf was a person who did not own his own labor. Although he was not himself owned by another—that is, he could not be bought and sold like a slave—the feudal nobility, the state of that time, had rights over the serf's labor. When we say that a peasant was enserfed, we mean that he owned a certain amount of his working time to the state. Over time and regions this obligation averaged about one-third of a serf's working life.

The serf's position provides a perspective that lets us sum up the success of reactionary forces in this century in simple economic terms. In 1929 government in the U.S. had a claim to only 12 percent of the national income. By 1960 government had a claim to 33 percent of the national income. By 1976 government had extended its share to 42 percent. In relative terms our position today is worse than that of a medieval serf who owed the state one-third of his working time.

Many may reject this parallel. They may say that we have a democratic government controlled by the people, and that high taxes and big government merely reflect the voter's demands for public goods in the public interest. Such an argument is reassuring but problematical. The income tax was voted in under one guise and retained under another.

Furthermore, it was the action of a past generation. For us it is an inherited obligation, as were feudal dues, and it is seen that way by the Internal Revenue Service. All of us have been born to the statist gospel that government is the instrument of social progress. Any clamors for tax reduction are translated into proposals for tax reform, which are further transformed into proposals for securing more revenues for government. As we hear the talk about tax reform and "equity," we might pause to consider, if our cultivated progressive image will allow, that "equity" means more taxes on the productive to provide the revenues that build the spending constituencies of Congress and the federal bureaucracy. What is operating is not equity, but the government's self-interest.

The advent of several major tax increases in tandem will destabilize the economy, but from the government's perspective that is desirable. There will have to be more government programs to deal with the consequences of instability. Every sophisticated person is aware of how special interests use the legislative process for their own benefit, but the same sophisticate is badly schooled in how the legislative process furthers the special interests of those in government. Inflation leads to the imposition of wage and price controls and credit allocation, all of which

increase the spoils, money, and influence divvied up in Washington. Unemployment means more CETA jobs and public works, and what member of the government class is hurt by that? Put simply, instability increases the demand for the services of bureaucrats and for pork-barrel legislation that builds the spending constituencies of both Congress and the Executive branch. It advances the careers of academics and technocrats who move back and forth from their think tanks and universities and in and out of government.

Perhaps all of this won't come to pass all at once. Government might so engorge itself with Social Security and energy taxes that it can't reach the tax-reform dish. Or perhaps in a last-gasp effort the vested interests of old will flex their flabby biceps and hammer through a tax cut that will stave off enserfment and economic stagnation for a while longer.●

ARMS CONTROL

● Mr. HART. Mr. President, in an editorial entitled "Arms Control: You Don't Have to Trust the Russians," Stephen S. Rosenfeld expresses superbly a point that others of us have repeatedly, if less eloquently, made. Namely, that the periodic allegations of flagrant Soviet cheating on arms control were inaccurate on two scores. They presented a sensationalized and inaccurate view of Soviet activities; but perhaps more importantly, they underestimated the quality of U.S. monitoring procedures and thus cast unwarranted doubt over our verification capabilities. As Mr. Rosenfeld points out, the administration report on SALT I and ABM compliance released by the Senate Foreign Relations Committee on February 28 goes a long way toward redressing that unbalanced view of the issues. It demonstrates our verification capabilities and satisfies many of the concerns of those who question our ability to enforce a SALT II agreement.

I ask unanimous consent that Mr. Rosenfeld's article be printed in the RECORD at the conclusion of my remarks.

Mr. President, if the SALT I compliance report can be characterized as "good news" about SALT II, a second editorial from the pages of the March 3 Washington Post, "Son of Linkage," aptly summarizes concerns of many of us about some less encouraging signs. It has been a hallmark of this administration's policy on SALT that strategic arms limitations were vital on their own merits. They were not a "reward" to the Soviets for "good behavior" in other situations; or another cog in the machinery of détente. Instead, as this policy has emphasized, meaningful arms limitations are themselves a means of enhancing our national security. We sometimes forget that arms limitations agreements must, by their very nature, involve negotiation between rivals, if not outright antagonists. And such negotiations are inevitably difficult, and inevitably are carried out in an atmosphere of tension and distrust.

This is why the pronouncements of recent days, seeming to link resolution of conflict in the Horn of Africa with continued pursuit of SALT II, are a matter of concern. The situation in Africa is unquestionably serious, and a legitimate source of concern. But the driving force of SALT negotiations—reducing the chance of nuclear warfare—existed before the problems in the Horn and will persist long afterward. Linking the African settlement with SALT II seems to hold little promise for speeding the resolution of either.

There being no objection, the editorials were ordered to be printed in the RECORD.

[From the Washington Post, Mar. 3, 1978]

ARMS CONTROL: YOU DON'T HAVE TO TRUST THE RUSSIANS

(By Stephen S. Rosenfeld)

Supporters of a sensible SALT agreement may take a dollop of encouragement from fresh American and Russian statements on the politically volatile question of verifying strategic-arms agreements.

The statements suggest that the verification procedure written into the SALT I treaty of 1972—physically, verification is done by spy cameras in the sky and fancy radars—provide well the assurances of compliance required by American security and American politics; that a similar procedure in the SALT II agreement, now under negotiation, will do the job there; and that the Russians have their own self-interest in seeing that verification is serviceable and strong.

It's an uphill struggle. The administration reports of Feb. 24 and Feb. 28 and the Soviet commentary of Feb. 11 are unlikely to have the effect on grass-roots American opinion that was produced, say, by former Defense Secretary Melvin Laird's intimidating, one-sided December Reader's Digest article, "Arms Control: The Russians Are Cheating!"

People who aren't content to be banged on the head with exclamation points, however, will see that the new material makes the politically crucial point that verification does not require us to trust the Russians—something Americans generally hesitate to do. It provides an alternative to trusting them.

The administration report of Feb. 28 reviewed Soviet and American recourse to the joint committee set up by SALT I to quietly raise questions about each other's compliance. It was interesting that Moscow had gone to the committee five times, despite the supposedly lesser interest in formal verification it would have by virtue of the fact that it can count on much American strategic information emerging anyway, on its own, from the open American society. Washington went to the committee eight times. In all cases, either the questioned activity ceased or additional information allayed the initial concern.

Not everyone in the U.S. government was equally happy. There's enough room in the crevices of the 1972 agreement, and probably even in a more tightly drafted new agreement, for overly literal Soviet interpretations to spawn suspicions of the sort that sent Laird up the wall. And surely he has his Soviet counterparts. But such serious, as against hysterical, complaints as there are about SALT I and II do not arise in any substantial way from the verification question. That seems to me to be saying quite a lot.

Everyone knows SALT II, involving weapons harder to count, will be harder to verify. So this necessarily renders less persuasive the administration's claim of Feb. 24 that although "some undetected cheating" would be possible, it would not alter the strategic balance since the United States could respond in good time with programs of its own.

[From the Washington Post, Mar. 3, 1978]

SON OF LINKAGE

"Linkage" is back, kind of, under the patronage of Zbigniew Brzezinski, seconded yesterday by his chief, Jimmy Carter. We refer to the doctrine that holds, in its most common variant, that if the Russians act badly in third countries, the United States will withhold its cooperation in some other policy area in which the Russians have special interest. Endorsed by the previous administration until it became impractical to apply, this doctrine was formally repudiated at the outset by this administration. But Mr. Brzezinski and Mr. Carter, watching with growing dismay the Soviet intervention in Ethiopia and being no more able than anyone else to figure out a way to stop it, have now doubled a long way back.

The Soviet intrusion, Mr. Brzezinski says, "will inevitably complicate" both the negotiation and ratification of a new strategic-arms agreement. "The two are linked because of actions by the Soviets," adds Mr. Carter. "We don't initiate the linkage."

We wish the White House had let sleeping linkages. Analytically, it's right that Moscow's Ethiopia operation nourishes hard-line American sentiment and hurts SALT. But analysis, when it comes publicly from the president and his national security adviser, becomes policy, their no-hands pose notwithstanding. To remark on the connection is to endorse it, to lend some of the administration's authority to making it come true.

That, we submit, is unnecessary, even foolish. The Kremlin's Ethiopian power play presents problems to Washington, but those problems are properly defined and necessarily worked out in terms of policy in Africa. The situation in Ethiopia has deteriorated so far, from the American viewpoint, that there may be no way to restore it. What can be done is to limit the damage: to see to it that Somalia's integrity is protected, to find the slow path back toward normal relations with Ethiopia, and to try to avoid "another Ethiopia" in Rhodesia. To hitch SALT to Ethiopia is to burden SALT without helping in Ethiopia. How, later will the administration back off?

American hard-liners may be glad to hear the White House talking tough to the Russians, though if the talk fortifies them in their resolve to oppose an arms-control agreement, the administration may have occasion to think twice. People in the middle may also be glad, for another reason: They are already extending themselves to vote for the Panama Canal treaties, and they cannot welcome being called upon twice in an election year to support an extremely controversial international agreement. So in effect if not intent, the White House warning may be an exercise in bone-throwing to the right and the center alike.

The fact remains that SALT is in plenty of trouble without Ethiopia's being dragged in. We do not see how the new declarations add to either the United States' leverage on the Russians or the administration's leverage on its Senate critics. Of course, the administration may be raising the Ethiopia issue to distract the Russians, and perhaps the American public, from its failure so far to negotiate an arms-control treaty. But frankly, we doubt it. We don't think the president and Mr. Przezinski are being devious. We think they're mixed up as to their purposes. Instead of supplying grist to the anti-SALT mill, they should be protecting the abiding American interest in SALT from the fallout of a third-country flareup in which the Russian presence, however troubling in its implications, supports a principle—territorial integrity—dear to the United States' own heart. A good arms-control agreement is far too important to the United States to be held hostage to the Ethiopian dispute.

But more is involved that the sort of weapons to be counted. If you think as the Carter administration generally does, that the existing strategic balance is even and relatively stable, then you won't lose excessive sleep over Soviet cheating and you will be content to rely on the United States' great technological capacity to do what catching up is required. But if you think, as some SALT critics do, that the United States is poised on the brink of a strategic precipice, you'll take a more alarmed view. (If, by the way, you believe that the Russians are questing for strategic superiority by means fair or foul, regardless of cost and risk, then you have already decided the arms talks are a snare and you should be under your bed.)

Critics sometimes fail to note, though, that the SALT II item most commonly cited as difficult to measure—the range of cruise missiles—covers a weapon that the United States alone is deploying and one in which Russia evidently is years behind. Giving the Russians the option to develop (and cheat on) cruise missiles is worth it, the administration argues, for the flexibility thereby bestowed on our own cruise program.

The argument does not end, of course, just because the administration, supporters of its SALT policy and the Russians declare that verification is a proven and useful tool. Suspicions of the Russians exist, and verification won't quell them all. People will have to be shown repeatedly that verification—meaning the cameras, the consultation and the catchup capacity—works.

But if its two recent reports are a guide, the administration is on the ball. It's putting the verification record out for public inspection and explaining the procedure contemplated for a new agreement. It's refining intelligence techniques and keeping up the R and D that would allow it to compensate for Soviet cheating. It's trying to negotiate an agreement that will represent a substantial enough improvement over the status quo, and over a stalemate or breakdown in SALT, to make the risks of such cheating seem tolerable.●

WATERWAY USER CHARGES: HOW MUCH WILL THEY COST?

● Mr. DOMENICI. Mr. President, my colleagues are probably continuing to hear a good deal about what the barge industry terms the "severe" or "disastrous" impact of a waterway user charge at any level above 6 cents a gallon.

To put that fallacy to rest, the Department of Transportation recently examined the cost impact of several levels of fuel taxes—including taxes far higher than those contemplated by my amendment No. 1460 in 1991—on a variety of commodities.

My amendment, of course, will have some marginal cost impact on the big barge companies, although user charges can never, under my proposal, exceed 1 percent of the value of the commodity being shipped.

But what will the Congress buy with an investment eventually costing 1 percent or less? We buy greater balance in transportation. We reduce the likelihood of billions in subsidies to the rail lines. We buy more rational transportation planning. We buy, for the first time, a sense of responsibility and discipline among the barge companies. And we buy a break for the American taxpayers.

That is a good deal.

Mr. President, I ask unanimous consent that these new figures be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

COAL PRICE IMPACT OF FUEL TAX—OHIO

Tax (cents per gallon diesel fuel)	Regional Impact [1]		Waterway impact [2]	
	Per ton	As percent of commodity value	Per ton	As percent of commodity value
4	0.007	0.03	0.024	0.1
6	.01	.05	.03	.2
15	.025	.13	.08	.45
42	.07	.35	.24	1.2
68	.11	.57	.38	1.97

[1] Fuel tax impact averaged over all regional coal shipments.
[2] Fuel tax impact averaged over waterborne coal shipments.

PETROLEUM PRICE IMPACT OF FUEL TAX—OHIO

Tax (cents per gallon diesel fuel)	Regional Impact [1]		Waterway impact [2]	
	Per ton	As percent of commodity value	Per ton	As percent of commodity value
4	0.03	0.03	0.05	0.05
6	.05	.05	.09	.09
15	.12	.12	.21	.21
42	.34	.34	.61	.61
68	.55	.55	.98	.98

[1] Fuel tax impact averaged over all regional petroleum shipments.
[2] Fuel tax impact averaged over waterborne petroleum shipments.

WHEAT PRICE IMPACT OF FUEL TAX—OKLAHOMA

Tax (cents per gallon diesel fuel)	Regional impact [1]		Waterway impact [2]	
	bushel (cents)	As percent of commodity value	bushel (cents)	As percent of commodity value
4	0.015	0.006	0.375	0.15
6	.02	.01	.5	.25
15	.05	.02	1.25	.5
42	.16	.06	4	1.5
68	.25	.1	6.25	2.5

[1] Fuel tax impact averaged overall regional wheat shipments.
[2] Fuel tax impact averaged over waterborne wheat shipments.
Note: Average wheat price per bushel equals $2.50. Average barge haul equals 940 mi.

DERIVATION OF USER CHARGE IMPACT

1. Fuel tax per ton = (barge share of commodity's traffic) × (fuel required per ton mile) × (commodity's average length of haul on Ohio River) × (fuel tax per gallon).

2. Fuel tax as % of commodity value = fuel tax per ton ÷ estimated market price.

Fuel required per ton mile = BTU's required per ton mile/BTU's per gallon diesel fuel. 450/138,000 = .003261 gallons.

For coal, user charge of $.42 per gallon; Average length of haul = 173 miles; Barge share of traffic = .29; Price per ton = $20.00.

1. Fuel tax per ton = (.29) × (.003261) × (173) × (.42) = .07 dollars/ton.

2. Fuel tax as % of commodity value = .07/20.00 = .0035 or 0.35%.

For petroleum products (gasoline and residual and distillate), user charge of $.42 per gallon; average length of haul = 447; barge share of traffic = .56 *; price per ton = $100.

* Weighted average share for gasoline, distillate, residual.

1. Fuel tax per ton = (.56) × (.003261) × (447) × (.42) = .34 dollars per ton.

2. Fuel tax as % of commodity value = .34/100 = .0034 or 0.34%.●

ABBA EBAN INTERPRETS 242

● Mr. RIBICOFF. Mr. President, some of Israel's most prominent and respected leaders have reminded us that dissent and disagreement are as much a part of political life in the Israeli democracy as in our own.

Two outstanding and heroic figures in the life of the Israeli nation are former Prime Minister Golda Meir, and former Foreign Minister Abba Eban. Their dedication and devotion to the State of Israel and strong and harmonius relationship with the United States is known throughout the world and to the Jewish people everywhere.

In recent days a controversy has arisen concerning the meaning of Security Council Resolution 242. Both Golda Meir and Abba Eban had deep responsibility for the adoption and interpretation of this resolution. Justice Arthur Goldberg, who was the then U.S. Delegate at the United Nations, had an important and key role in the drafting of this resolution.

If there was ever a time when the proper perspective must be kept by everyone, Americans and Israelis and Arabs, it is now. Peace in the Middle East hangs by a thread. It is an absolute necessity that to the grave problems and controversies there be brought understanding, intelligence, and good will so that the people of the Middle East and mankind everywhere can live in a world of peace and friendship.

Former Prime Ministers, Golda Meir, Yitzhak Rabin, and Yigal Allon have also expressed their historical interpretation. Their interpretation is similar to that expressed by Abba Eban.

Mr. Eban recently wrote an article covering resolution 242 in the Jerusalem Post which was reprinted in the New York Daily News on March 8, 1978. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Daily News, Mar. 8, 1978]

PEACE OR THE LIKUD PLATFORM?

(By Abba Eban)

JERUSALEM.—An Israeli government under Labor leadership would have no difficulty in declaring that the Security Council's resolution 242, including its withdrawal clause, applies to Judea, Samaria and Gaza, as well as to other sectors.

It would then be feasible to reach an agreed "statement of principles" with Egypt. This in turn would enable Jordan to join the negotiations. The work of the two committees established at Ismailiya could be resumed and broadened, the disrupted peace momentum would be given a new lease.

Even then we should still face a controversy about the scope of the withdrawal and the location of the peace boundary. An Israeli government that was willing to return the majority of the West Bank and Gaza Arabs, and their territories, to Jordanian rule would have a totally different stance in world opinion and in the negotiating process from that in which our present leadership has confined itself.

Arab governments have falsely interpreted the resolution as requiring the evacuation of "all the territories" occupied in the 1967 war. Those of us who were involved in the diplomatic history of the resolution know that this is not true.

In August, 1970, the Israeli government gave clarity to its interpretation of 242 in the Jordanian-Palestinian context. It presented a memorandum to Jordan, through the UN representative, Ambassador Gunnar

Jarring, calling for discussions on "a binding and contractual peace agreement" based on 242, that would include "withdrawal of Israeli armed forces from territories occupied in the 1967 conflict to secure, recognized and agreed boundaries to be determined in the peace agreement." This text was elaborated by Moshe Dayan, the then defense minister, and myself, with the full assent of the National Religious Party ministers. The intention to offer this formula to Jordan and, separately, to Egypt, had been adopted by the cabinet on Aug. 4, 1970, as part of its acceptance of the U.S. peace initiative. It was confirmed by the Knesset the next day.

Mr. Menachem Begin, in explaining on the same day his resignation from the cabinet, told the Knesset that the cabinet's decision to carry out Resolution 242 meant that Israel had committed itself to the transfer of most of the administered territories in Judea and Samaria to Jordan under a peace agreement. Mr. Begin's disquiet at the government's action was perhaps understandable, even though its consequences were unhappy.

For most of the past decade Israeli policy has been anchored in the idea of a peace treaty under which substantial areas west of the Jordan River would be transferred to Jordan after territorial changes essential for Israel's security were made and the aim of the cession would not only be to facilitate a peace settlement. There is the additional motive of safeguarding Israel's Jewish character and democratic integrity which would be prejudiced by the addition of a million additional Arabs to our permanent population.

Thus if the present Israeli government now seeks to interpret 242 as having no application to the West Bank and Gaza, it will come into conflict not only with the policy of the entire world community, but also with established Israeli jurisprudence. While all Israeli governments have taken positions that are politcally controversial, none of them has ever espoused a doctrine as juridically frivolous as the assertion that Resolution 242 requires Jordan to conclude a permanent peace with Israel, without Israeli withdrawal from any part of the territories taken from Jordan during the 1967 hostilities.

The present government's acceptance of 242 last June facilitated a friendly dialogue with the U.S. It enabled Mr. Begin to announce that, contrary to some expectations, there was "no confrontation" with the U.S. It created a favorable international climate around Mr. Begin's personality and policy. It opened the possibility of a consensual approach to foreign policy in Israel itself. Mr. Dayan won goodwill at home and abroad by accepting a working paper on Oct. 5, 1977, which endorsed 242 without any distinction between Judea, Samaria and other territories taken in 1967.

It follows that an evasion of that acceptance today would undermine the government's international credibility and disqualify it from general domestic support.

There has never been a probing, meticulous exploration of the principle of continuity in Israel's international obligations. In calling for arms supplies, I presume that our government will invoke undertakings between previous American and Israeli administrations as obligatory on their successors. The question whether the Likud can act with cavalier indifference to the commitments of its predecessor deserves a passing reflection.

The attempt to exclude the West Bank and Gaza from any application of 242 is by far the most salient and drastic difference between the Labor alignment and the present government. The fact that the Likud list obtained 39% of the election votes does not constitute a national endorsement for the "no-foreign-rule-west-of-the-Jordan" principle.

Why the DMC (Democratic Movement for Change, a partner in Begin's coalition) acquiesce silently in this tangential deviation passes any rational understanding. Nor is there any evidence that all National Religious Party voters were capivated by the new dogmatism at the expense of their party's empirical traditions. And where do the liberals in the Likud get the idea that their voters wanted them to embrace the paradox of peace on our eastern frontier without any territorial price? Those in all parties who understand the weakness of this new doctrine should concert their action to enforce a parliamentary consensus in keeping with our interests and commitments.

For over four decades there has been only one essential debate in Zionist and Israeli diplomacy. It is the debate between the partition logic and its opponents. It was only by the device of partition that Zionism broke out of gallant fantasy into a world of concreto achievement: sovereignty, mass immigration, military sufficiency, international recognition and Jewish democracy.

The same painful logic is an essential condition for the ultimate achievement of peace. Since there are two nations, not one, west of the river, any unitary solution is bound to be illusory, corecive and fragile. If Israel recoils from the burden of eventually sharing sovereignty and territory between the river and the sea, we shall pay the cost of a unique hour of opportunity.

It is no answer to say that this prospect might, in any event, be frustrated by Arab insistence on a return to the pre-1976 lines, which none of us would accept. If the peace effort fails through Arab insistence on total withdrawal—from the western wall of Jerusalem onward—we shall be sustained by domestic unity and a measure of international understanding. If it fails through an Israeli insistence on excluding the option of territorial compromise west of the Jordan, we shall face our crisis divided and alone.

The searchlight comes back in the last resort to Prime Minister Begin. He has to give something up, either part of the Likud platform or his hope of leading our nation toward its cherished peace. One of these renunciations is inexorable. A statesman must build a bridge between his experience and his vision, between ancient fidelities and new hopes, between the echoes of the past and the call of the future.

Beyond his own turbulent and confused party ranks there are many, especially in the Labor movement, who would sustain him in a responsible choice. But no national harmony can be constructed around policies or definitions that violate the most ardent hopes of Israel, of the Jewish world and of peace-loving mankind.●

A FINE TRIBUTE TO SENATORS METCALF AND HUMPHREY

● Mr. PAUL HATFIELD. Mr. President, as those who served with him in the House and Senate know, Lee Metcalf had little use for the flowery words that are sometimes employed in memorializing the good works of public servants. Indeed, he found such praise for his own accomplishments embarrassing in the extreme, and it was at his express request that no memorial services be held here at his death.

But I have become aware of an appreciation of his work toward making Congress more accessible to the average citizen—the working man and housewife who are ordinarily unable to afford a trip to the Nation's Capitol—which I am sure he would have liked.

I refer, Mr. President, to a forthcoming report entitled "Videoconferencing via Satellite: Opening Congress to the People," which is dedicated to Senator Metcalf and Senator Humphrey for their efforts over the years to bring Congress "closer to the people."

Published by the George Washington University's Program of Policy Studies in Science and Technology, the report describes a legislative hearing conducted last June by the Senate Subcommittee on Science, Technology and Space, sitting in Washington, with witnesses hundreds of miles away.

So that my colleagues can share this fine tribute to Lee Metcalf's vision and leadership, I ask unanimous consent that the report's dedicatory page be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEDICATION

This report is dedicted to two members of the U.S. Senate who over the years have been leaders in working for an open Congress and the use of modern communication methods in bringing Congress closer to the people.

HUBERT H. HUMPHREY (1911–78)

"Any nation is in trouble when its citizenry feels alienated from its government and suspicious of it; but this is by far a worse disease when it afflicts a democracy.

"There are some justifications for this lack of esteem for public officials. . . . But one of the reasons is popular ignorance of what government is and how it functions. That condition as a basis of the public's judgment of us is not acceptable, and its results are not justified. We must act to overcome it, to the extent we are able.

"I believe that the measures I have proposed (e.g., opening the Senate and House floors to radio and TV coverage, opening committee and subcommittee activities to news media coverage, use of a modern information and communications system within Congress to assist members in performing their work) would go far toward fulfilling our duty.

"I believe that an open Congress would be a Congress understood and respected."—February 20, 1974.

LEE METCALF (1911–78)

"For too many years the Federal government has been seen to be remote, unresponsive, insulated and untrustworthy. All of us sense the feeling of distrust whenever we are able to return to our home States, visits which have become more and more infrequent over the years as congressional sessions have steadily lengthened and the workload has continued to expand.

"In these circumstances, there are compelling reasons for us to be looking for new ways of relating the work of the Congress to the people, for bringing more citizens into our hearings as participants, for listening to voices other than those of the professional witnesses we tend to hear year after year in the development of legislation.

"I believe these experimental demonstrations of congressional video conferencing open the prospect for a new era in representative democracy. I hope all Senators and Representatives and the public at large will consider the implications of this important experiment and encourage further exploration of methods of improving the exchange of information and ideas between the U.S. Congress and the American people whom it serves." ●

WISCONSIN'S LARGEST EFT NETWORK ENDORSES S. 2546, THE EFT CONSUMER PROTECTION ACT

● Mr. RIEGLE. Mr. President, I am extremely pleased to report that Wiscon-

sin's largest electronic fund transfer system, the TYME Corp., has formally endorsed S. 2546, the Electronic Fund Transfer Consumer Protection Act. This legislation is designed to provide fundamental consumer rights and safeguards in EFT systems.

The TYME Corp. is a statewide EFT network consisting of 212-member financial institutions located throughout Wisconsin. During 1977, TYME customers completed approximately 1 million electronic fund transfers through the TYME system. These transactions ranged from 24-hour teller machine transactions, withdrawals from cash dispensing machines, and true point-of-sale transfers in which the consumer's bank account is instantaneously debited for the amount of a purchase and the merchant's account credited. Their terminals have been placed in a wide variety of retail locations, including supermarkets, clothing stores, and hardware stores.

The TYME Corp., endorsement of S. 2546, which I recently introduced, is important for several reasons. First, it demonstrates that the provisions of this bill are reasonable and workable. But, in addition, it shows that those provisions of the bill which I have adopted from Wisconsin's EFT law are supported by the financial institutions in Wisconsin that operate under them. Examples of such provisions are a $50 limit on liability should a consumer's EFT card or access code be lost or stolen, and the consumer's right to reverse transfers for $50 or more within 3 business days.

Mr. President, I ask unanimous consent that the text of TYME's letter of endorsement be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS.,
March 3, 1978.

Sen. DONALD W. RIEGLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR RIEGLE: On October 5, 1977, while testifying before your Sub-Committee on the "Electronic Fund Transfer Consumer Protection Act", I stated that:

"Since the application of such legal and regulatory protections are presently only applicable to customers utilizing EFT systems within the State of Wisconsin, I am very pleased to see that S. 2065 appropriately addresses these very fundamental issues and thereby expands the basic safeguards provided in Wisconsin to all other states . . .

"Having stated our very strong support for the conceptual consumer protections provided in S. 2065, I feel compelled to address myself to some technical, mechanical problems which the bill as presently drafted would create for operating EFT systems and their consumers."

Since October, the Tyme system has experienced continuing satisfactory growth and gained additional experience in dealing with the potential problems of operating an EFT system under statutory and administrative consumer protection rules similar to those provided in your bill.

I am pleased to state that ensuing months have verified our initial support for the conceptual consumer protections addressed in Senate Bill 2065, and that the subsequent redrafting done by members of your Committee and staff, as reflected in Senate Bill 2546, have successfully addressed many of the technical and mechanical problems we made reference to in my testimony last fall.

While there are still some minor language changes that we urge your Committee to consider during its mark-up, we feel that the bill as presently drafted adequately balances the need for (1) meaningful consumer protections, and (2) adequate operating flexibilities for EFT service providers. We further believe that legislation dealing with these issues is essential for the implementation and growth of EFT systems throughout the United States.

As a participant in the "Wisconsin Experiment", we thought you might be interested in a capsule review of our experience and the impact that the Wisconsin Statutes and Administrative Rules (which are similar to those established in Senate Bill 2546) have had on them during the past 15 months.

The Tyme System began operations on December 1, 1976, with approximately 75 member financial institutions and one automatic teller machine. Since that time, we have grown to a membership of 212 financial institutions whose customers may conduct EFT transactions at 158 point of sale terminals and automatic teller machines throughout the State of Wisconsin.

During the past year, our customers completed approximately 1,000,000 transactions through the terminal network. Our present estimates indicate that within the coming 12 months, the number of terminals available for utilization will increase to approximately 250, and the number of transactions to 1,700,000 annually. These terminals have been placed in shopping centers, grocery stores, garden centers, clothing stores, hardware stores, and other merchant or free standing locations throughout the State.

To date, none of our customers have found the need to avail themselves of their right to reverse an EFT transaction for the purchase of goods or services in excess of $50.00. We believe that the provision of this right is an appropriate transfer of the right of stop payment from the paper based system to an electronic fund transfer system, and that the provision of same has in no way hindered our ability to attract merchants willing to place EFT terminals within their business establishments.

Some have noted that in the "Wisconsin Experiment" no POS terminals have been installed by major chain retailers. The lack of terminal placement with major chain retailers probably reflects the belief of our member institutions that the most logical merchants to approach for EFT terminal placement are those merchants who are already accepting bank issued charge cards, rather than major chain retailers who have no present bank card affiliations. These merchants, after all, have a familiarity with the operation of bank sponsored plastic card programs and the benefits that such activity can bring to their businesses.

We are confident that as our system matures and our activity increases, we will be able to successfully place some point of sale terminals with major chain retailers and prove to their satisfaction that the right of reversal will not be detrimental to their operations.

The Wisconsin customers who have availed themselves of EFT services have also been provided with the protection of a $50.00 liability limit on the unauthorized use of their EFT cards. Initially as system providers and card issuers, our member institutions were very concerned about the potential losses which could be incurred by such limited liability. However, our experience to date indicates that these concerns were largely unfounded and that the losses incurred are neither excessive or burdensome.

We further believe that our EFT cardholders are exercising care in the handling of their cards and are notifying their financial institutions of card disappearance more rapidly than the average bank credit cardholder, and thus contributing materially to controlling the losses resulting from lost or stolen cards.

The Wisconsin Statutes and Administrative Rules do not establish either specific time frames or procedures for error resolution. However, in practice we have found that error resolution for our statewide system has been completed well within the time frames outlined in your bill. Whether or not these time frames and procedures will be adequate for participants in a nationwide EFT system, only time will tell, but we believe, based on our experience, that the ground rules you have established are reasonable and should neither unduly burden the customer or system providers.

We noted with interest that under certain circumstances your bill will allow financial institutions to issue either an EFT card or PIN number prior to the customer signing an agreement with the issuing financial institution for the use of EFT services. While we do not strenuously object to this provision, we do believe that all parties concerned will be better served with an absolute prohibition on the issuance of unsolicited cards or PIN numbers.

In closing, we would like to reiterate our support for Senate Bill 2546 and the substantive consumer protections provided therein. While we would continue to encourage you to make some language and technical changes in the bill, we feel that the bill as presently drafted is timely and essential to the national development of electronic funds transfer systems.

If we can be of any further assistance to your Committee, please feel free to call on us.

Sincerely,

J. FREDERIC RUF,
President.

RETURN TO LINKAGE?

● Mr. McGOVERN. Mr. President, in yesterday's Washington Star, Columnist Garry Wills summed up in exceptional fashion both the folly of linkage in our relations with the Soviet Union and the danger of pursuing a hard line abroad in the hopes of placating the right wing at home.

I hope this superb column was read widely on Capitol Hill. I hope even more that it was read carefully in the White House. And I ask unanimous consent that Mr. Wills' column, entitled "Here Comes Linkage Again," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HERE COMES LINKAGE AGAIN

(By Garry Wills)

Messrs. Carter and Brzezinski forswore Kissingerian "linkage" when they took their respective offices. But now they are telling Russia that the future of SALT is linked to Russia's restraint in the war of Ethiopia with Somalia.

Explaining why this was not a case of Nixon-era linkage, Secretary Brzezinski hinted that the real obstacle to SALT was not only Russia but American hawks on Capitol Hill. They will not agree to a new treaty if Russia is edging toward control in the Horn of Africa.

This is a shortsighted approach. America does not question the right of Ethiopia to repel the Somalian invasion. You may not like to see Russia scoring points (but that is what they are doing) by giving aid to our old ally against their old ally. But what can we do? Take the wrong side in the dispute?

We are told that the Russians may put themsselves in the wrong by chasing the Somalians back into their own territory. Perhaps. In that case of two wrongs, are we to take any old side and call it right? Besides, what do we intend to do? Fight for tho Somalians? That would be as foolish as trying to fight for the Vietnamese.

Tho Somalians would be an even weaker reed than the forces of Diem and Thieu proved themselves. Let the Horn be Russia's Vietnam. Talk of oil routes and other matters depends upon too many tricky and potentially backfiring steps that lie ahead, and Russia's record in Africa is a very good one from our point of view. They seem as surefooted there as we were in Southeast Asia.

But the shrewder commentators wink at us, and say that the rumbling is not really aimed at the parties to dispute in the Horn. We are just talking tough to take the wind out of Scoop Jackson's sails. Once we have talked tough for a while, we can negotiate without having critics at our own back calling us soft on communists.

Now that is a remnant of the old diplomacy in (and before) the Nixon era. It might be called "reverse linkage." It's a matter of sending tough signals to ourselves. The classic instance is the Christmas bombing of 1972, which was not meant to force Hanoi to the bargaining table, but to bring Saigon in on the deal. We were trying to show how tough we were to President Thieu.

The fact that we are putting on a tough act, at this moment, for fellow Americans is nothing new either. Walter and Eugene Rostow have for years defended Cold War initiatives as meant to assuage the super hawks in America with "moderate" responses (like two wars and a nuclear ultimatum over Cuba).

In the same way, President Truman's defenders say his internal security and loyal programs (stricter than anything enforced in World War II itself) were meant to head off the crazy anti-communists with our "rational" plan.

But these preemptive toughnesses do not head off extremism. They legitimate it. Senator Joseph McCarthy could go to extremes from a base laid and defended by Truman and Acheson themselves.

It is easy to see how this process can be made to work for the enemies of SALT. Now that Carter has made a further treaty depend on Russian cooperation in Africa, he has given SALT's enemies a very powerful weapon. They will be the ones defining Carter's success or failure.

What is Russian cooperation or restraint? Stopping at Somalia's borders; reducing troops in the area; sending back Cuban troops from Africa; total withdrawal? Anything less than the last (unlikely) response will be called noncooperation by the Jackson forces in the Senate. Carter will be accused of backing off a stand he took in the first place.

The doctrine of "reverse linkage" is less defensible than the overt linking of gains and losses with a putative foe. It is a shame to see Brzezinski forswear the lesser evil only to embrace the greater.●

A PRESIDENTIAL DISPUTE

● Mr. MATHIAS. Mr. President, Marylanders take justifiable pride in the fact that John Hanson, a citizen of Frederick County, was the first person to serve as President of the United States. Admittedly, John Hanson did not bear the title "President of the United States of America" which all agree was first borne by George Washington. Instead, John Hanson was designated "President of the United States in Congress Assembled."

Still, to Marylanders those three little qualifying words "in Congress Assembled" cannot dim the luster of a native son's claim to the title of "First President." They have, however, given rise to a historical and lexical dispute which burned brightly at the beginning of this century and still flares up every now and then.

The latest spark in the smoldering dispute was an article which appeared in the Brockton (Mass.) Daily Enterprise recently entitled "Who was first president of this United States?"

Although the article was printed on February 14, it was not much of a valentine for Maryland supporters of John Hanson's claim. Still it provides a concise and well-written account of the facts of the case and I would like to share it with my colleagues. I ask unanimous consent that the Brockton Daily Enterprise article, which was called to my attention by a former Marylander, Mrs. Ralph A. Hanson, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHO WAS FIRST PRESIDENT OF THIS UNITED STATES?

(By Ralph G. Johnson)

Not everyone believes that George Washington was the first president of the United States. There are still some Americans who think it was John Hanson of Maryland, who was "President of the United States in Congress assembled" for one year, starting Nov. 5, 1781, some eight years before George Washington took office.

The Continental Congress first met on Sept. 5, 1774, in Philadelphia, and unanimously elected Peyton Randolph of Virginia as its first president. But no one seriously contends that he was the first president of the United States. In fact, there were eight persons, including our own John Hancock, who served between 1774 and 1781 as presidents of the Continental Congress, but none was designated "President of the United States in Congress assembled."

In fact, six other men held a similar title following John Hanson—Elias Boudinot of New Jersey, Thomas Mifflin of Pennsylvania, Richard Henry Lee of Virginia, Nathaniel Gorham of Massachusetts, Arthur St. Clair of Pennsylvania and Cyrus Griffin of Virginia. All are little known, with no claims made that they served as president of this infant nation before the election of George Washington.

That last statement is not quite true, for Rep. Boudinot, a deeply religious man who was a founder and first president of the American Bible Society, helped establish Thanksgiving Day as a national holiday, thus giving him a true title to some fame. On Sept. 25, 1789, the annals of the House disclose, he delivered a speech, saying he "could not think of letting the session pass over without offering an opportunity to all the citizens of the United States of joining, with one voice, in returning to Almighty God their sincere thanks for the many blessings He had poured down upon them." His resolution requesting that the president set aside "a day of public thanksgiving and prayer" was signed by Washington.

The specific intent to exalt Hanson over Washington took shape in 1925, when Herbert J. Stoeckel and another Washington reporter treated the title "President of the United States in Congress assembled" as synonomous with "President of the United States" and described Hanson as a full-fledged national executive.

Then, in 1932, a book was published—*John Hanson, Our First President*—charging that "history had entered into a blind conspiracy against John Hanson, the man, and it nearly succeeded with the same conspiracy against John Hanson, the president.

The academic dispute which followed was settled for some—but not for all—by a State Department ruling that George Washington was in fact the first president of the United States. The department historical adviser pointed out that, under the Articles of Confederation, presidents were merely presiding officers without the powers of the presidency as we know them under the Constitution. "Hanson's office was that of 'President of the United States in Congress assembled' and not the office of 'President of the United States of America,'" the department ruled.

Although John Hanson has no legitimate claim to the highest office in the land, he certainly does have a claim to revolutionary renown. Like many of the colonial leaders who came from landed aristocratic families, he studied in England and then returned home to a life in politics, serving in the Maryland House of Delegates from 1757 to 1780 and in the Maryland Convention that voted in 1775 to approve the use of arms against the British.

He died in 1783, but he is not forgotten. A junior high school near his home and an expressway in his state are named for him, and his statue is one of two from Maryland on display in the National Capitol's Hall of Statuary. Furthermore, a plaque in his honor graces the walls of the Frederick County Court House, and a granite monument nine feet tall rises from the lawn of the estate on which he once lived.

Surely honor enough for a man who never knew he would be caught up in a national dispute on semantics.●

MY RESPONSIBILITY TO AMERICA

● Mr. McCLURE. Mr. President, all of us should be grateful to the Veterans of Foreign Wars for continuing the Voice of Democracy contest at a time when most other organizations are abandoning all vestiges of patriotism. I take heart in the fact that young people all over the country are writing about their personal feelings for their country; it bodes well for the Nation's future.

One of those young people is Loralee Stevens of Hayden Lake, Idaho. Her essay, entitled "My Responsibility to America" was chosen to represent the State of Idaho in the national competition. It is an excellent statement and I commend it to the attention of my colleagues in the Senate.

Mr. President, I ask that Loralee Stevens' statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MY RESPONSIBILITY TO AMERICA

(By Loralee Stevens)

I am unique. I am an individual. I am blessed with talents and attributes that set me apart from others. My character and features are different than my fellow human beings. I am unique. I am an individual. I am an American. Since I am a unique, individual American, I have duties to perform, goals to set and achieve, and many responsibilities to fulfill.

I have an obligation to America. My task is in accordance with this quote by William

Tyler Page: ". . . I therefore believe it is my duty to my country to love it, to support the Constitution, to obey its laws, to respect its flag, and to defend it against all enemies." Such is my responsibility and goal.

Loving America is not difficult for me. No other major country has a democracy such as ours. We can print any material, or hold any meeting we wish. We can own as much land, or make as much money as our ambitions dictate. Its beautiful scenery and abundant natural resources are unmatched by any other country.

Supporting the Constitution and obeying laws is something all of us need to be more dedicated in. I can write letters to our Senators and Representatives, thereby taking an active part in government. I can vote for the people whom I think will do the best jobs in their respective offices. I can uphold and support this country's leaders in the decisions they make. I can gain a knowledge of the laws and my rights and respect and obey them.

". . . to respect its flag, and defend it against all enemies." This in itself is not a subject to take lightly. This charge should be taken with the utmost soberness and dedication. Our ancestors believed in this land enough to fight and die for its liberty. Don't we then have a duty to reverence this country and indeed defend it with our lives? Do we not owe it our lives, our liberties, and our fortunes?

In this country, peace, prosperity, and freedom abound. We have a government of, by and for the people. We are not responsible to a dictator or monarch who would have no respect for our wants and rights. We are a free people in a land choice above all others.

There is something I can do. I represent today's generation—the future leaders of America. To make sure our rights and freedoms are not put in jeopardy, I must render my services in the fullest capacity.

John F. Kennedy said; ". . . ask not what your country can do for you—ask what you can do for your country." In a sense, we are indebted to all America offers us. We have a duty to serve, honor, and protect it. We should not take for granted that our country will serve us. We should serve our nation willingly and diligently.

I am unique. I am an individual. I am a young American with responsibilities such as loving my country, supporting its Constitution, obeying its laws, respecting its flag, and defending it against all enemies to fulfill. A unique, individual American who will challenge and meet these goals.●

ESTATE AND GIFT TAX REFORM

● Mr. HATHAWAY. Mr. President, my colleagues are well aware, the changes in the estate and gift tax laws which were made by the Tax Reform Act of 1976 have generated considerable controversy.

There were some technical difficulties with the carryover basis rules as originally adopted. I have therefore introduced legislation (S. 2461) to make needed changes in the carryover basis rules. Other Senators have done likewise.

The Senate Finance Committee has reported to the Senate the Technical Corrections Act. This bill (H.R. 6715) contains a 3-year deferral of the effective date of the carryover basis rules.

I opposed a simple deferral. I favor a "cleanup" of the technical rules on carryover basis. However, I would be willing to support a combination of these approaches.

A great deal has been reported about the role of various professional organizations in the debate on carryover basis.

I have just received a letter from Arthur J. Dixon, chairman of the Division of Taxation, American Institute of Certified Public Accountants.

I have also received a copy of a letter from Ira Lustgarten, Esq. and William Warren, Esq. of the Committee on Taxation, Trusts and Estates Law Section, New York State bar.

I would like to take a brief moment to commend the AICPA and the New York State bar for these fine statements. I know some members of these organizations do not agree with the carryover basis provisions.

The correctness of the 1976 changes is a matter of judgment for each of us, individually.

What impresses me about the men and women of the AICPA and the New York State bar is their appreciation of their professional responsibilities. They have recommended that the deferral and the "cleanup" be adopted. It is a recognition of the political fact that carryover basis is in the law. It is an acknowledgment that we should now try to make it workable.

When other professional groups are silent, the AICPA and the New York State bar have grasped the reins of leadership in improving our estate and gift tax laws.

While I do not agree with every suggested modification recommended by the New York State bar, I commend both the bar and the AICPA. I look forward to working with the members of both these fine organizations.

I ask unanimous consent that the text of these two letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
March 1, 1978.

Hon. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: At a meeting on February 18, 1978, the Executive Committee of the Federal Tax Division of the American Institute of Certified Public Accountants determined that the AICPA should modify its position on carryover basis.

For several years, the AICPA has been on record as opposing carryover basis. Our position was detailed in Statement of Tax Policy Number 4, "Estate and Gift Tax Reform", which was approved by the Executive Committee of the Federal Tax Division in 1974. We have expressed this position before the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance at a hearing on October 28, 1977.

Our opposition to carryover basis has been based, in part, on our conclusion that the current law is unworkable. We now believe, however, that the provisions of S. 2461, introduced by Senator Hathaway on 1/31/78, if amended by certain other proposals which have been made by the Department of the Treasury and which we shall make, would change that conclusion. We recommend, therefore, that the Senate support a deferral of the effective date of carryover, as has been passed by the Senate Finance Committee, and the enactment of S. 2461, as appropriately amended, to become effective at the end of the deferral period. We also recommend that further hearings be held in the near future.

We will be happy to work with you and to testify at any hearings your Committee holds on this subject.

Sincerely,

ARTHUR J. DIXON.

MARCH 6, 1978.

Re H.R. 6715—Carryover Basis Provisions.

Senator HARRY F. BYRD, Jr.,
Rayburn Senate Office Building,
Washington, D.C.

DEAR SENATOR BYRD: As a result of your interest and concern (which we appreciate greatly) and at your urging, the Senate Finance Committee has voted that the effective date of the controversial carryover basis provisions of the Tax Reform Act of 1976 be postponed until January 1, 1980.

The members of the Trusts and Estates Law Section of the New York State Bar Association* are keenly interested in this legislative development. Representatives of this Section have prepared and filed submissions to Mr. Ullman's Committee on the subject of carryover basis; the undersigned have testified before his Committee on behalf of the Section; and we have corresponded with Mr. Lubick's office and Senator Moynihan's staff in connection with carryover basis and related problems.

In the Section's statement filed with Mr. Ullman's Committee on October 6, 1977, we expressed our position on carryover basis as follows:

"We believe that carryover basis should either be repealed in its entirety or be substantially modified to make it workable and equitable. For the reasons set forth below, we oppose AET, capital gains tax at death and suspension of the effective date."

Nonetheless, as things have developed since the filing of that statement, we welcome the proposed moratorium. However, we consider it unfortunate that upon the expiration of the postponement, H.R. 6715 in its current form would be effective.

We believe that the carryover basis provisions of the Tax Reform Act, even as modified by H.R. 6715, fall far short of providing a workable and equitable carryover basis rule. On the other hand, the proposed amendments to carryover basis introduced by Senator Hathaway in S. 2461 may, with certain modifications, provide workable and equitable solutions to the most serious deficiencies in the existing carryover basis provisions. We understand that the Administration is content that the Hathaway Bill be passed. Accordingly, we believe that it would be in the best interests of both the Congress and the taxpayers if the Hathaway Bill with modifications were incorporated into H.R. 6715 as a floor amendment or in such other manner as would be feasible procedurally.

If the Hathaway Bill is not enacted, the 1976 legislation will be permitted to stand even though in the view of both the Administration and the great majority of professional commentators, it is seriously deficient technically and will result in harsh and expensive burdens on taxpayers. Because of the ever-mounting pressure of Congressional business, there is a very real danger that there will be no opportunity to reform these defects in the sessions which occur between now and 1980. Surely, it is neither wise nor effective legislative policy to leave clearly defective legislation on the books. The opportunity should now be taken to enact a vastly improved carryover basis rule by adoption of a modified Hathaway Bill together with the moratorium.

Briefly stated, the provisions of the Hathaway Bill which we consider to be the most

*There are currently approximately 2,900 members of the Section.

substantial contributions to the reform of the carryover basis rules are:

(1) The exclusion from carryover basis of estates having a fair market value of $175,000 or less. This provision will have the salutary effect of relieving estates which can least afford it from the burdens and expenses of complying with the carryover basis rules without significant revenue loss;

(2) The increase from $10,000 to $25,000 of the value of personal and household effects that will not be subject to carryover basis treatment. One of the major objections to carryover basis has been the inordinate time and expense that would be required in record searches to establish the acquisition date and cost of personal and household effects. This increase will make a substantial contribution toward alleviating the problem;

(3) The increase from $60,000 to $175,000 of the minimum basis adjustment. As in the case of the two improvements discussed above, this amendment would greatly decrease the burdens of carryover basis for small estates;

(4) Uniformity of basis for purposes of determining gain and loss. We have long urged that there should be no distinction between basis computations for purposes of gain and loss. We welcome the Hathaway Bill's adoption of a uniform rule;

(5) "Fresh Start." The often arbitrary and artificial results of the "fresh-start" formula for nonmarketable securities are greatly ameliorated by the Hathaway Bill and we believe that the fresh-start formula set forth in the Bill will lead to far more equitable results;

(6) Adjustment for Death Taxes. The basis adjustment for Federal death taxes based on the marginal Federal estate tax should clarify and simplify one of the most complex and difficult to administer carryover basis rules; and

(7) Capital Loss Carryover From Decedents. We have earlier urged adoption of such a measure as being a necessary concomitant of carryover basis.

The foregoing is a partial list of the improvements made by the Hathaway Bill. The modifications we would suggest are that:

(1) Assets held by a decedent on December 31, 1976 be "grandfathered"—that is, not considered to be carryover basis property; and

(2) Section 303 be expanded to permit non-dividend treatment when stock is redeemed for the purpose of paying income tax precipitated by a stock redemption to pay estate tax.

The enactment of the Hathaway Bill, even if not so modified, would go far to putting to rest the most frequent criticisms of the present carryover basis rules which have centered around the burdensome record searching and recordkeeping requirements in cases involving property of relatively little value. Further, taxpayers and their advisers would be in a much better position to plan estates if the Hathaway Bill were passed. If the Bill is not passed, they would be faced with what is clearly an inequitable and unworkable statutory scheme involving many unresolved questions of construction and effect. If the Hathaway Bill as modified were to be adopted now, even if the pressure of legislative business makes it impossible to return to consideration of carryover basis prior to its effective date, there will at least be the assurance of a workable and comprehensible statute coming into play in 1980.

For these reasons, we urge adoption of a combined Byrd-Hathaway Bill as a part of H.R. 6715 and we hope that this will be passed during this session.

Very truly yours,

IRA H. LUSTGARTEN,
WILLIAM B. WARREN,
Vice-Chairman of the Committee on Taxation of the Section.●

THE ROLE OF BUSINESS IN AMERICAN SOCIETY

● Mr. McCLURE. Mr. President, at the February 24 graduation banquet for the Presidential Classroom for Young Americans, Marshall Hahn, president of Georgia-Pacific Corp., gave a speech titled, "The Role of Business in American Society." It is a thoughtful lesson in economics and government, and most appropriate for the classroom graduates. It has a message for a larger audience, and I ask unanimous consent that the speech be printed in the RECORD. I commend this message to my colleagues for their careful consideration.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE ROLE OF BUSINESS IN AMERICAN SOCIETY

It's certainly a pleasure to be here tonight, and I am delighted to have the opportunity to speak at this graduation banquet of the national student body.

I welcome this opportunity for a number of reasons.

First of all, by your very presence here you evidence your membership in a critically important group. Not only are you capable and talented young people, but also you demonstrate you care enough about our government to want to learn more about the way it operates.

You represent a precious national asset. It is you and others like you across the nation who largely will determine the strength and effectiveness of our government in the years to come. It is a privilege to share my views with a group of such potential influence.

I am also pleased to be able to express my support for such a worthwhile undertaking as the presidential classroom. Its goals of promoting a better understanding of American democracy and a deeper feeling of citizen responsibility are important indeed.

And finally, while I will do so from the perspective of the world of business, I welcome the opportunity to comment on the government.

You have been studying. I yield to no one in the strength of my support for our democratic form of government. It stands as a beacon of hope for the entire free world.

But I also believe strongly it is possible to have too much of a good thing, and we have reached that point in government, with too much government, too much control over too many aspects of our lives. I hope some of the examples I will provide you will lead to your shared concern on this point.

My topic for tonight is, "The Role of Business in American Society".

What is that role?

If I asked you what is the role of the American farmer, you would probably answer it is to produce food and fiber.

If I asked you what is the role of a factory worker, you would probably answer it is to produce manufactured goods.

If I asked you what is the role of a TV repairman, or a worker in a dry-cleaning establishment, or a waiter or chef in a restaurant, you would probably answer it is to provide a service.

If these were your answers to those questions, I would say you were correct.

Now, suppose I ask you what is the role of business. Studies have shown you are most likely to answer it is to make money. It may surprise you to learn that answer is incorrect.

A farm, factory, TV repair service, restaurant, or dry-cleaning establishment is a business. In each case, we agreed the role of that business was to provide goods or services. That clearly is the role of every business.

We can then define the role of business in American Society as that of producing needed goods and services. There are many corollary benefits, such as jobs and payment of taxes, but the basic role of business is to provide goods and services.

Why then when we ask about the role of business are we most likely to hear it is to make money. The answer, of course, is that in our free enterprise system, a business must make money. It must generate profits if it is to survive. Thus, there is an emphasis on profits, or the bottom line, but the basic role still must be to provide needed goods or services.

Let's consider a typical business; perhaps it is that of manufacturing some needed item in our society which we will call a widget. What are the required ingredients for that business?

First of all, we need the necessary machines to manufacture the widgets, a building to house the machines, and land on which to locate the building. This is our plant, property, and equipment, which of course, cost money.

How is that money provided? It is provided in two ways: by the owners of the business and by borrowing. The owners may be few in number, as in a proprietorship or a partnership. In many cases, however, the cost of the plant, property, and equipment is so great that many owners are required. Stock is sold in the business to raise the large amount of money needed, and the stockholders are the many owners.

The money provided by the stockholders is, of course, called equity, and the remaining funds necessary obtained from borrowing are called debt.

Workers must be employed to operate the machines, and they must be paid wages. The material from which the widgets are made must be purchased, again costing money. The widgets are sold by sales people, who must be paid. The widgets must be delivered, requiring equipment and more workers and more money.

The requirements for money for the business go on and on. The utility bills must be paid. The machines must be properly maintained, requiring more people to be paid, and tools and supplies to be purchased.

There must be a sufficient supply of widgets on hand to meet order requirements. This supply of finished products is called inventory, which, of course, ties up more money. The inventory must be stored, requiring warehouses, costing still more money.

As the widgets from our imaginary business are sold, the income first must be used to pay all of the current bills. The workers must be paid, as well as the current costs of their life insurance, retirement benefits, medical programs, social security, unemployment insurance, worker's compensation insurance, and any other fringe benefit programs provided.

The bills for materials, supplies, utilities, and all the other costs of operating the business must be paid. Interest on the money borrowed must be paid. Both real estate and income taxes must be paid.

After all of these bills are paid, what is left after the sale of the widgets produced represents our profits. From these profits still more needs for money must be met. The owners or stockholders must be paid dividends, representing payment for the use of their money. It is the anticipation of receiving dividends that encourages purchase of stock, whether by housewives, wealthy businessmen, students, bank trust departments buying for widows and orphans, union pension funds, or countless others.

After the dividends are paid, the remaining profits must be utilized for curtailment of debt, that is paying back some of the borrowed money, and for reinvestment in the

business, to provide for expansion to meet the growing need for more widgets.

So while the role of business is to provide needed goods and services, we see business must make money to survive.

What level of profits should we expect; what level is appropriate? Here again, you may be in for some surprises.

Studies have shown that most people when asked express the view that business profits are too high, but that profits in the range of 25 percent to 40 percent would be appropriate. Actually, it is a very successful business that has profits as high as only 6 percent or 7 percent.

Let me use as an example the company for which I work, Georgia-Pacific Corporation, considered to be perhaps the most successful of all the companies in the forest products industry. We completed in 1977 the best year in our history, with sales of 3.675 billion dollars and after-tax earnings of 262 million dollars.

Those figures mean that for every dollar of sales, the cost of operating the business was 88 cents. Income taxes took another 5 cents, leaving a profit of only 7 percent or 7 cents. Of that 7 cents, 3 cents was paid out to the stockholders in dividends, and 4 cents went for capital expenditures, to add and enlarge plants, and to keep existing plants up to date. I hope this example makes clear how limited profits are as well as how essential they are if business is to provide the goods and services needed by society.

The major beneficial impact of business on society was emphasized in a recent essay in the "Fort Worth Star-Telegram", written by Norwood P. Dixson, formerly a partner of Ernst and Ernst, and now a faculty member at Texas Christian University. That essay listed the things business does besides provide goods and services. The list is impressive, including:

Provide more than 90 million jobs.

Pay dividends, benefitting directly or indirectly nearly every American.

Pay all unemployment taxes.

Pay one-half of all social security taxes.

Pay all of worker's compensation insurance.

Provide retirement income to millions of Americans.

Pay income taxes to help finance government and its many welfare programs.

Provide wide range of benefits to employees such as health and life insurance, and paid vacations and holidays.

Contribute more than 1 billion dollars annually to worthwhile charitable and educational causes.

Invest billions of dollars in research, to enhance the standard of living of American citizens.

Obviously, the health of Amercian business is of vital concern to every citizen. The state of that health determines our economic opportunities and the quality of life we can enjoy. Fortunately, business is healthy today. Unfortunately, there are major signs of serious illness developing.

The plants and equipment in many industries are old and less efficient than newer plants in other countries. Tremendous investments are necessary to modernize and expand these plants. Yet the dividends available to stockholders discourage investment.

At the same time, the Federal Government and the Federal budget deficit continue to grow. No individual, family, company, or nation can continue for long to spend at a level in excess of income without disastrous results. We must move toward a balanced Federal budget.

When our Federal Government operates at a deficit, it, in effect, prints more money, eroding the value of the dollar, with resulting inflation. It must borrow to meet current needs, competing with business borrowings. This "crowding out" effect makes it more difficult for business to obtain needed funds by borrowing. When combined with investor uncertainty about the dividends or return investment may be anticipated to generate, it is clear why problems of capital formation exist today.

That is why the stock market is so low today, when current business conditions and the immediate outlook for the future are so good. But investors are worried about the future health of business, so we see low stock prices.

This uncertainty or concern centers on our Government. Profit, despite it being essential for survival of business, has become a dirty word.

Dividends are viewed as money somewhat tainted compared to wages. They are taxed at higher rates than wages, even though they are paid from business profits which have already been taxed. It would appear our government is actually attempting to discourage investment, necessary if goods and services and jobs are to be available.

The proportion of our total population engaged in the production of goods, food and fiber, and services, has been declining. This year, the number of our citizens on welfare, social security, various government roles, and governmental payrolls now exceeds the total private sector labor force who must generate the taxes which provide this flow of governmental funds, in short, the majority is being supported by the minority.

This imbalance not only results in massive economic drag, but also in extreme governmental risks. The majority are tempted to press for greater benefits, for further redistribution of resources, for an ever-increasing load on the shrinking, productive minority. Elected representatives in our democratic form of government seek to represent majority views of their constituencies, so there are increasing pressures for governmental actions, laws, and regulations that tip the scales still further.

This free-ride philosophy, this something-for-nothing mentality, manifests itself in many ways, soaring governmental deficits and the collapsing social security system are but the most glaring examples. The tendency for every piece of legislation to become a Christmas tree bill, with a gift for everyone, is more subtle, but just as dangerous. The increasing trend toward governmental regulations and intervention is even more dangerous, causing further harm to a severely strained economic system.

More and more government workers in an increasingly complex alphabet soup of government agencies seek to add more and more regulation every day. Business increasingly is told what to manufacture, how to manufacture it, where to manufacture it, how to sell it, how to advertise, who to employ, the wages to be paid, even how high the fire extinguishers should be mounted from the floor. Examples of this trend are endless, ranging from the President's proposed energy program to his tax reform program.

Yet it should be clear that no one individual has the wisdom required to make all of the decisions and choices for us. Free market forces, which made our free enterprise system great, still provide the best mechanism for determining what goods and services should be available, and how they should be made available.

So let me close by urging that you continue to think about how we can strengthen our democratic form of government. How can we make it better rather than bigger? How can we make it more responsive rather than more restrictive? How can we make it an ally rather than an adversary of our free enterprise system?

If young men and women like you, who are talented and interested in government, will work for better government by seeking answers to these questions, then I believe we can be optimistic indeed about the future.●

BUYING AMERICAN: WHAT DOES IT REALLY COST?

● Mr. HEINZ. Mr. President, last November I cosponsored S. 2318, the Buy American Act Amendments of 1977, which was introduced by Senator BAYH. In the next 2 weeks, the Subcommittee on Federal Spending Practices, of which I am privileged to be the ranking minority member, will hold hearings on this bill. As part of the hearing record, I asked the Congressional Research Service to estimate the tax effects of purchasing goods from American suppliers rather than foreign suppliers.

Last week I received a response to my request which I believe is startling. The Congressional Research Service estimates that when the Federal Government spends $1,000 on a product manufactured in our own American plants, $552 is returned to Federal, State, and local treasuries in the form of additional taxes.

I think this report should give us all reason to wonder why public tax moneys are still used to purchase foreign goods.

Mr. President, I ask unanimous consent that both my letter to the Congressional Research Service and their report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., January 24, 1978.

Mr. GILBERT GUDE,
Director, Congressional Research Service, Library of Congress, Washington, D.C.

DEAR MR. GUDE: In November 1977, the attached bill to amend the Buy American Act (S. 2318) was referred to the Subcommittee on Federal Spending Practices and Open Government of the Committee on Government Affairs. The subcommittee intends to hold hearings on this bill in March 1978. We therefore request your assistance in preparing for these hearings.

The area of concern to the subcommittee is the economic effect the proposed bill will have on federal procurement, state procurement and the nation as a whole. Specifically, it is necessary to assess the following effects. First, what is the tax effect of purchasing goods from American suppliers rather than foreign suppliers? That is, how much of a domestic procurement is returned to federal, state and local treasuries in the form of payroll, income and sales taxes; versus that portion of a foreign purchase?

Secondly, what would be the effect of a foreign purchase if it resulted in the loss of American jobs? That is, how much would be paid in primary (i.e., unemployment compensation) and secondary (Medicaid, welfare, etc.) benefits by federal, state and local sources?

Thirdly, what is the effect of a domestic versus foreign procurement on the Gross National Product?

Finally, what additional cost would be incurred by federal, state and local governments if the bill were enacted?

For purposes of your response, we ask that you address the issues in terms of an average procurement or in terms of "per $1,000."

Since hearings have been scheduled for March 22 and 23, we request your earliest reply but, in any event, by March 1, 1978. Please contact Joe Robinson of the subcom-

mittee staff (224–6740) for greater detail and to answer any questions pertaining to this request.

Thank you for your assistance.

Sincerely,

H. JOHN HEINZ III,
Ranking Minority Member.

CONGRESSIONAL RESEARCH SERVICE,
February 28, 1978.

To The Honorable John Heinz III.
Attention Mr. Joe Robinson.
From Economics Division.
Subject Analysis of S. 2318, the Buy American Act.

In reference to your letter of January 24, 1978, we have carefully examined the data regarding the effects of the Buy American Act. Regarding your first question, "What is the tax effect of purchasing goods from American suppliers rather than foreign suppliers," we have roughly estimated the ultimate tax effect using the following assumptions:

1. $1,000=the amount of the original domestic procurement;

2. 1.7=the multiplier (how many times the original expenditure increases the GNP). Estimates of the GNP multiplier vary from 1.5 to 1.7; we used the high estimate for this analysis;

3. 10%=non-farm business profits before tax as a percent of sales;

4. 48%=the marginal corporate federal income tax rate;

5. 20%=the average federal personal income tax rate;

6. 65% of non-farm business profits are taxed at the corporate rate and 35% at the personal income tax rate (about the percentages that corporate profits and non-farm proprietors' income represent);

7. About 90% of the total procurement minus corporate profits represents wage and salary payments (the remainder is rental and net interest);

8. 11.7%=social security tax on both employers and employees;

9. 4%=average state sales tax; and

10. Since states and localities do not collect sales taxes on their own procurements, state sales taxes apply only to the multiplied effects of the procurement ($700 in our example). Also, only about 70% of expenditures bring in sales tax revenues (due to exemptions by many states and localities on food purchases, certain services, etc.).

Calculating the tax revenues for a $1,000 procurement:

$1,000×1.7 (the multiplier) =$1,700
$1,700×10%=$170 non-farm business profits before taxes
$170×65%×48%=$53 corporate profits taxes
$170×35%×20%=$12 taxes on unincorporated non-farm business income
$1,700−$170=$1,530
$1,530×90%×11.7%=$161 social security tax payments
$1,530 × 20% = $306 personal income tax payments on wages, salaries, rent and interest
$700 × 70% × 4% = $20 state sales tax

Summarizing:

Corporate profits taxes	$53
Taxes on unincorporated non-farm business income	12
Social security tax payments	161
Personal income taxes on wages, salaries, rent and interest	306
State sales taxes	20
Total taxes per $1,000 domestic procurement	552

The $552 in tax revenue added per domestic procurement of $1,000 is probably an overestimate because the foreign procurement it replaces often contains many American-made components, which are currently being taxed. For example, a Portuguese firm recently was awarded a contract for railroad cars, but only the shell was made abroad—all the components were U.S.-produced.

Your second question was, "How much would be paid in primary (i.e., unemployment compensation) and secondary (medicaid, welfare, etc.) benefits by federal, state and local sources if a foreign purchase resulted in the loss of American jobs?" The variation in unemployment compensation, medicaid and welfare payments among states, as well as the virtual impossibility of knowing how many of the unemployed qualify for these benefits, made it impossible to estimate the amount of government payments made to the unemployed if a foreign purchase resulted in the loss of American jobs.

Regarding your third question, "What is the effect of a domestic versus foreign procurement on the Gross National Product," the effect would depend on whether or not the economy is at full employment. If the economy were at full employment, a domestic purchase would only increase price levels, leaving the real GNP (the GNP in constant-dollar terms) unchanged. If, however, unemployment and idle capacity were widespread, the real GNP would increase by $1,700 for a $1,000 domestic procurement ($1,000 × the multiplier of 1.7 discussed previously). In reality, the change in GNP would probably be somewhere between these two extremes.

In answer to your fourth question, "What additional cost would be incurred by federal, state and local governments if the bill were enacted," we have no data on which to base an estimate, nor have we been able to discover any aggregate data in any other government agencies.

ARLENE WILSON,
Analyst in International Trade & Finance.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business having expired, morning business is closed.

PRIVILEGE OF THE FLOOR—PANAMA CANAL TREATIES

Mr. THURMOND. Mr. President, I ask unanimous consent that Mr. Emory Sneeden of the staff of the Committee on the Judiciary be accorded the privilege of the floor during the consideration of the Panama Canal Treaties and all votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SARBANES. Mr. President, I ask unanimous consent that Ned Massee of Senator RANDOLPH's staff be allowed the privileges of the floor during the debate and votes on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nominations on the Executive Calendar under new reports.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I note that on my calendar, under new reports, are two nominations, one to the Department of Justice and one under the heading Department of Housing and Urban Development.

I would advise the majority leader that both those nominations have been cleared for action on our calendar, and we have no objection to their consideration at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF JUSTICE

The assistant legislative clerk read the nomination of James V. Serio, Jr., of Louisiana, to be U.S. Marshal for the eastern district of Louisiana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The assistant legislative clerk read the nomination of Gloria Cusumano Jimenez, of North Carolina, to be Federal Insurance Administrator.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. ROBERT C. BYRD. I ask unanimous consent that it be in order to move, en bloc, to reconsider the votes by which the nominations were confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that motion.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I would anticipate several rollcall votes tomorrow, and I would hope that we could complete action on the leadership amendment and on article IV, proceed to the consideration of article V, and possibly have some votes on article V. "Hope springs eternal in the human breast."

RECESS UNTIL 9 A.M.

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, I move that the Senate, in executive session, stand in recess until 9 o'clock tomorrow morning.

The motion was agreed to; and at 7:44 p.m. the Senate, in executive session, re-

cessed until tomorrow, Friday, March 10, 1978, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 9, 1978:

U.S. METRIC BOARD

The following-named persons to be members of the U.S. Metric Board for the terms indicated (new positions):

Dennis R. Smith, of Massachusetts, for a term of 2 years.

Andrew H. Kenopensky, of New Jersey, for a term of 6 years.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 9, 1978.

DEPARTMENT OF JUSTICE

James V. Serio, Jr., of Louisiana, to be U.S. marshal for the eastern district of Louisiana for the term of 4 years.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Gloria Cusumano Jimenez, of North Carolina, to be Federal Insurance Administrator, Department of Housing and Urban Development.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Thursday, March 9, 1978*

The House met at 11 o'clock a.m.

Dr. William F. B. Rodda, senior minister, Morrow Memorial United Methodist Church, Maplewood, N.J., offered the following prayer:

Gracious God of the nations, Thou, the source of our life; the strength of our pilgrimage; the goal of our journey,

We praise Thee for life's intangibles:
The lift of a loving voice dear to us,
The warmth of a child's confidence,
The excitement of a noble and shared purpose.

So help us to look for Thee in the life we live and in the work we do.

Indeed, make Thyself real to those who here serve the judicial process, who believe that justice partakes of the Eternal, and who labor in that light despite apathy and antagonism.

Grant to these Thy servants the patience needed to contend with the clamor of competing voices, and the ability to hear that clamor as the voice of democracy.

And grant them that satisfaction, and sense of direction, which belong to those who serve, and who work for Thee and Thy cause in this world.

We ask in the name of Thy great love for us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Is there objection to the approval of the Journal?

Mr. ASHBROOK. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

The question is on the approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 386, nays 15, answered "present" 5, not voting 28, as follows:

[Roll No. 123]

YEAS—386

Abdnor	Conte	Gudger
Addabbo	Corcoran	Guyer
Akaka	Corman	Hagedorn
Alexander	Cornell	Hall
Allen	Cornwell	Hammer-schmidt
Ambro	Cotter	Hanley
Ammerman	Cunningham	Hannaford
Anderson, Calif.	Daniel, Dan	Hansen
Andrews, N.C.	Daniel, R. W.	Harkin
Andrews, N. Dak.	Danielson	Harrington
Annunzio	Davis	Harris
Applegate	de la Garza	Harsha
Archer	Delaney	Hawkins
Ashbrook	Dellums	Heckler
Aspin	Dent	Hefner
Badham	Derrick	Heftel
Bafalis	Derwinski	Hightower
Baldus	Devine	Hillis
Barnard	Dickinson	Holland
Baucus	Dicks	Hollenbeck
Bauman	Dodd	Holt
Beard, R.I.	Dornan	Holtzman
Beard, Tenn.	Downey	Horton
Bedell	Drinan	Howard
Beilenson	Duncan, Oreg.	Hubbard
Benjamin	Duncan, Tenn.	Huckaby
Bennett	Early	Hughes
Bevill	Eckhardt	Hyde
Biaggi	Edgar	Ireland
Bingham	Edwards, Ala.	Jacobs
Blanchard	Edwards, Calif.	Jeffords
Blouin	Edwards, Okla.	Jenkins
Boggs	Eilberg	Jenrette
Boland	Emery	Johnson, Calif.
Bolling	English	Johnson, Colo.
Bonior	Erlenborn	Jones, N.C.
Bonker	Ertel	Jones, Okla.
Bowen	Evans, Colo.	Jones, Tenn.
Brademas	Evans, Del.	Jordan
Breaux	Evans, Ga.	Kasten
Breckinridge	Evans, Ind.	Kastenmeier
Brinkley	Fascell	Kazen
Brodhead	Fenwick	Kelly
Brooks	Fish	Kemp
Broomfield	Fisher	Ketchum
Brown, Calif.	Fithian	Keys
Broyhill	Flippo	Kildee
Burgener	Flood	Kindness
Burke, Calif.	Florio	Kostmayer
Burke, Fla.	Flowers	Krebs
Burke, Mass.	Flynt	Lagomarsino
Burleson, Tex.	Foley	Latta
Burlison, Mo.	Ford, Tenn.	Lederer
Burton, John	Fountain	Le Fante
Burton, Phillip	Fowler	Lehman
Byron	Fraser	Lent
Caputo	Frenzel	Levitas
Carney	Frey	Lloyd, Calif.
Carr	Fuqua	Lloyd, Tenn.
Carter	Gammage	Long, La.
Cavanaugh	Garcia	Long, Md.
Cederberg	Gaydos	Lott
Chappell	Gephardt	Lujan
Chisholm	Giaimo	Luken
Clausen, Don H.	Gibbons	Lundine
Clawson, Del	Gilman	McClory
Clay	Ginn	McCloskey
Cleveland	Glickman	McCormack
Cochran	Goldwater	McDade
Cohen	Gonzalez	McDonald
Coleman	Goodling	McEwen
Conable	Gore	McFall
	Gradison	McHugh
	Grassley	McKay
	Green	McKinney
	Madigan	Pattison
	Maguire	Pease
	Mann	Pepper
	Markey	Perkins
	Marks	Pickle
	Marlenee	Pike
	Marriott	Poage
	Martin	Pressler
	Mathis	Preyer
	Mattox	Price
	Mazzoli	Quie
	Meeds	Quillen
	Metcalfe	Railsback
	Meyner	Rangel
	Michel	Regula
	Mikulski	Reuss
	Mikva	Rhodes
	Milford	Richmond
	Miller, Calif.	Rinaldo
	Miller, Ohio	Risenhoover
	Mineta	Roberts
	Minish	Robinson
	Mitchell, N.Y.	Rodino
	Moakley	Roe
	Moffett	Rogers
	Mollohan	Rooney
	Montgomery	Rose
	Moore	Rosenthal
	Moorhead, Calif.	Rostenkowski
	Moorhead, Pa.	Rousselot
	Moss	Roybal
	Motti	Rudd
	Murphy, Ill.	Runnels
	Murphy, N.Y.	Ruppe
	Murphy, Pa.	Russo
	Murtha	Ryan
	Myers, Gary	Sawyer
	Myers, John	Scheuer
	Myers, Michael	Schroeder
	Natcher	Schulze
	Neal	Sebelius
	Nedzi	Seiberling
	Nichols	Sharp
	Nix	Shipley
	Nolan	Shuster
	Nowak	Sikes
	Oakar	Simon
	Oberstar	Sisk
	Obey	Skelton
	O'Brien	Smith, Iowa
	Ottinger	Smith, Nebr.
	Panetta	Snyder
	Patten	Solarz
	Patterson	Spellman
		Spence
		St Germain
		Staggers
		Stangeland
		Stanton
		Stark
		Steed
		Steers
		Stockman
		Stokes
		Stratton
		Studds
		Stump
		Symms
		Taylor
		Thompson
		Thone
		Thornton
		Traxler
		Trible
		Tsongas
		Ullman
		Van Deerlin
		Vander Jagt
		Vanik
		Vento
		Volkmer
		Waggonner
		Walgren
		Walsh
		Wampler
		Watkins
		Waxman
		Weaver
		Weiss
		Whalen
		White
		Whitehurst
		Whitley
		Whitten
		Wiggins
		Wilson, C. H.
		Wilson, Tex.
		Winn
		Wirth
		Wolff
		Wright
		Wydler
		Wylie
		Yates
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Mo.
		Zablocki
		Zeferetti

NAYS—15

Armstrong	Forsythe	Sarasin
Brown, Mich.	Leach	Steiger
Collins, Tex.	Mitchell, Md.	Treen
Coughlin	Pritchard	Walker
D'Amours	Quayle	Wilson, Bob

ANSWERED "PRESENT"—5

Butler	LaFalce	Rahall
Ichord	Livingston	

NOT VOTING—28

Anderson, Ill.	Fary	Santini
Ashley	Findley	Satterfield
AuCoin	Ford, Mich.	Skubitz
Brown, Ohio	Hamilton	Slack
Buchanan	Krueger	Teague
Collins, Ill.	Leggett	Tucker
Conyers	Mahon	Udall
Crane	Pettis	Young, Tex.
Diggs	Pursell	
Dingell	Roncalio	

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

So the Journal was approved.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 773. An act authorizing the Wichita Indian Tribes of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2093. An act to provide that the Exchange Stabilization Fund shall not be available for payment of administrative expenses; and for other purposes; and

S. 2370. An act to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972.

PERMISSION FOR SUBCOMMITTEES ON ECONOMIC DEVELOPMENT AND INVESTIGATIONS AND REVIEW OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY AND TOMORROW UNDER THE 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Subcommittees on Economic Development and Investigations and Review of the Committee on Public Works and Transportation may be permitted to sit today and tomorrow while the House is operating under the 5-minute rule.

Mr. Speaker, we have discussed this matter with the ranking minority member, the gentleman from Ohio (Mr. HARSHA), and there is no disagreement on the part of the minority.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REV. WILLIAM F. B. RODDA

(Mr. MINISH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

● Mr. MINISH. Mr. Speaker, it is with very great pleasure that I rise, this morning, to welcome to the House Rev. William F. B. Rodda, minister of the Morrow Memorial United Methodist Church of Maplewood, N.J.

The gentleman who delivered today's opening prayer is known throughout the Maplewood area as a man of compassion and sensitivity for the needs of the community he serves.

The Reverend Mr. Rodda received a bachelor of arts degree from Moravian College, a bachelor of divinity degree from Drew University and did his doctoral work at New York University.

In addition to the fine work Mr. Rodda performs as pastor of the Morrow Memorial Church, he has also been active in community affairs during his 13-year association with the people of Maplewood. At present, he is the township's chaplain and is a member of the local Chamber of Commerce and Kiwanis Club, of which he is a past president. Mr. Rodda also serves as a trustee of two New Jersey schools: Drew University and Centenary College.

In conclusion, Mr. Speaker, may I say that Rev. William F. B. Rodda is a man who has realized and accepted the challenge of serving his fellow man. It is extremely gratifying to welcome him to the House today.●

RESIGNATION OF MARK SIEGEL DENOTES A STAND FOR PRINCIPLES AND CONSCIENCE

(Mr. STARK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STARK. Mr. Speaker, Mark Siegel has resigned. It is the first protest resignation we have seen from the White House in years.

Mr. Speaker, it has been a long time since we have seen a public servant let his conscience be his guide and make that very personal decision that he or she is not indispensable and must stand up for what he or she believes.

While I agree with Mr. Siegel on the substance of the Middle East issue, I want also to add that the other side of the coin merits plaudits; it has been a long time since we have seen an administration willing to accept dissent without embarrassment, willing to act openly, without malice, without vindictiveness, and more important, willing and able to recognize its loss.

I applaud the strength of both parties to this dispute—Mark Siegel for living by his principles and President Carter for accepting them, despite adverse publicity, with grace.

PERMISSION FOR SUBCOMMITTEE ON COAST GUARD OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Coast Guard of the Committee on Merchant Marine and Fisheries may be permitted to proceed during the 5-minute rule today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is that just for today?

Mr. BIAGGI. Yes.

Mr. ROUSSELOT. Which bill?

Mr. BIAGGI. It is the authorization bill. There is no controversy.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

A PROTECTIONIST CONGRESS IS NEEDED NOW

(Mr. DENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DENT. Mr. Speaker, last Friday I arrived home from a tramp steamer trip in the Mediterranean. When we left our ship loaded to the gunnels with perhaps 90 or 95, or possibly the whole 100 percent, American goods and foods under one or another of the foreign aid programs. When we arrived in Houston last Friday, we did not have 1 pound of freight on that ship. That was its second straight voyage without a return load.

I just received a call a few minutes ago from the Port of Houston. Their mass transit system there has purchased 500 double-decker buses from Germany. The first load arrived in Houston on a Russian ship. We were held in the Port of Morocco 9 days, out on the quay, at $4,500 waiting time cost to the American company, the Lykes Co., while they let Russian ships go in and out past our noses. I saw them take flour from the American ship, load it on to a truck and go to the end of the pier and load it on to a Russian ship.

I want to tell the Members, if they do not pass some kind of protection legislation, this country will not long survive. Twenty years ago, I told you. For 20 years I pleaded with you, and I am quitting the Congress now for many reasons—but one reason is that I could not convince you, of the dangers of this crazy "free trade" policy. But, I am going to the public.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

A PROTECTIONIST CONGRESS IS NEEDED

(Mr. PHILLIP BURTON asked and was given permission to address the House for 1 minute.)

Mr. PHILLIP BURTON. Mr. Speaker, I yield 30 seconds to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. I am going to go as far on this issue as my resources allow. I am going to travel this country and I am going to tell the people that unless we get a protectionist Congress, this Nation will not survive.

Mr. PHILLIP BURTON. Mr. Speaker, I take back the time I have remaining.

I think it appropriate to note that among other things our distinguished friend, the gentleman from Pennsylvania (Mr. DENT), is celebrating his 70th birthday.

JOHN, we love you and wish you many happy returns.

Mr. DENT. Mr. Speaker, I just want to announce that between 3 o'clock and 5 o'clock I will have in my office the nicest, freshest cold water mix Members will ever taste.

HONORING MR. ALEXANDRE HAY, PRESIDENT OF INTERNATIONAL COMMITTEE OF THE RED CROSS

(Mr. Montgomery asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker. I wish to remind my colleagues of the invitation they received recently from the 10 members of the former House Select Committee on Missing Persons in Southeast Asia. The invitation involves a coffee today (Thursday) in the Speaker's Dining Room from 4 to 5 p.m. in honor of Mr. Alexandre Hay, President of the International Committee of the Red Cross.

Mr. Hay's organization was most helpful in assisting American civilians to leave Saigon at the time of its fall and also in obtaining information on our missing American servicemen.

I want to encourage my colleagues to drop by the Speaker's Dining Room this afternoon to meet Mr. Hay.

AMERICAN FOREIGN AID DOLLARS BEING FILTERED THROUGH INDIA AND ENDING UP IN VIETNAM

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, the gentleman from Pennsylvania (Mr. DENT) has just made an interesting point about protecting the future of our Nation. During the last several weeks I have presented to our colleagues reports indicating how American foreign aid dollars are being filtered through the World Bank, trickling down through India and ending up in Vietnam. One of the examples I reported was how in the last year 122,000 tons of American wheat went to India under the food for peace program, and 100,000 tons of wheat were then shipped from India to Vietnam.

During this same period I have suspected that India was making it possible for Vietnam to join the world's atomic community. Of course, India has already exploded a nuclear device.

On yesterday the State Department confirmed my suspicions. They confirmed to me that, in fact, the Indian Government has invited Vietnamese scientists to attend the Bhaba Atomic Energy Research Center in Bombay, India, where India's nuclear technology is available to them. This is totally unacceptable to me, and when the foreign aid program comes on the floor again this year we ought to analyze this situation very thoroughly.

THE ATTORNEY GENERAL'S ARROGANCE

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, on July 13, 1977, I wrote to Attorney General Griffin Bell, raising serious concerns about his intentions to prosecute former FBI Special Agent John Kearney.

In that letter, I informed Mr. Bell that I was aware of inconsistencies between his position now, and that of former Attorneys General, with respect to intelligence-gathering policies and activities of the Department of Justice.

I raised serious concerns about the implications of what appears to be a selective vendetta against one man, John Kearney, who was acting under orders from superiors.

To date, almost 8 months since I sent my letter to the Attorney General, he has refused personally to acknowledge my letters or my concerns.

Through an assistant, in a letter to my assistant, I have learned that his excuse for not responding to my letters is that he will not discuss this matter while it is still under inquiry within the Justice Department.

Since when, Mr. Speaker, can an appointed Cabinet official assume such a posture of unresponsiveness, arrogance, and unaccountability in dealing with legitimate inquiries by Members of Congress?

THE UNITED STATES IS PLAYING THE SPOILER'S ROLE IN RHODESIA

(Mr. HAGEDORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAGEDORN. Mr. Speaker, how much longer is our Nation going to play the spoiler's role in Rhodesia? For months, our temporizing and moralizing has stood as a barrier to an internally negotiated settlement in this troubled land. At every turn, we have chosen to promote the interests of those with a vested interest in discord, and those whose visions for Rhodesia are the visions of our adversaries.

The so-called Salisbury accord would bring majority rule to Rhodesia, and establish a biracial, interim government until national elections could be held on December 31. That this is a satisfactory settlement for the three leaders who represent an estimated 90 percent of the Rhodesian black population seems not to concern the administration. Clearly, the higher priority is to gain favor with certain other African leaders for whom elections remain a slightly alien concept.

It is time for the United States to disassociate itself from its close identification with the Nkomos and Mugabes, and to stop its hectoring of the moderate element within Rhodesia. It is unconscionable that we are risking further bloodshed there merely to assuage the despots who predominate in so much of Africa.

If Rhodesians can achieve some form of majority rule on their own, with adequate protection for minorities, I believe that we ought to express our fullest support, rather than continuing to carp at them. It is time the Carter administration cease its support of economic and military sanctions placed upon this nation.

DR. ARTHUR F. BURNS HAS MADE GREAT CONTRIBUTIONS TO OUR ECONOMIC WELL-BEING

(Mr. STANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

● Mr. STANTON. Mr. Speaker, yesterday, Dr. Arthur F. Burns ended 8 years as Chairman of the Federal Reserve Board, a position which many observers rank second in importance only to the Presidency itself. Arthur Burns has served the American people faithfully and well. In fact, he has been an almost unique public servant. We must not let him leave the Fed chairmanship without taking note of the great contributions he has made to our economic well-being.

Perhaps Dr. Burns' greatest contribution is that as Fed Chairman he has raised the country's consciousness of the causes and consequences of inflation. He has succeeded in convincing us, slow as we were to learn, that credit can be liberalized only at the risk of later inflation. He has taught us that credit is liberalized only through the creation of more money, which sooner or later shows up in increased prices.

Of course, there are times when the economic situation is so desperate that we may choose to pay a price in inflation in order to deal with severe unemployment. When, for example, the sudden, massive increase in world oil prices brought on a sharp, steep recession in this country. Burns did not move to wring out the economy. Recognizing the obsolescence of a large part of our industry, Burns did not sit on his hands. He did what he could, in cooperation with the administration, to put America back to work again. But Burns did not let us think we had done this without cost. He steadfastly pointed out that inflation continued to be an enemy that must be defeated lest we destroy our productivity altogether.

Burns has been tireless in warning this country of the dangers of evermounting Government deficits, the inordinate pressures these deficits put on our capital markets, and the suffocation of investment that follows.

The current business expansion is now nearing its third anniversary, making it one of the longest expansions of the postwar era. Price increases have steadily slowed, the number of jobs is at an all-time high, and employment continues to bound upward. For the last year and more, the real gross national product has been increasing at rates well in excess of the postwar average and this shows no signs of ending. At the same time, the unsustainably high growth rate of the first quarter of 1977 has moderated, as inflation has slowed.

We should not imagine that these things have just happened—that we owe none of this to Dr. Burns. On the contrary, it was Burns who was arguing 2 and 3 years ago against demands for substantial increases in the money supply. Burns raised his voice in warning at a time when even very conservative economists were calling for rates of money creation that by this time would have resulted in double-digit inflation. It was Burns who, almost alone among economists and entirely alone among Government policymakers, predicted the extraordinary surge in monetary velocity we experienced in 1976 and 1977. Burns' clairvoyance in just this one area is enough to justify his life's work.

Dr. Burns has served this Nation in various capacities since 1930, when he was named president and chairman of the National Bureau of Economic Re-

search. He was Chairman of the President's Council of Economic Advisers from 1953 to 1956, a member of the President's Advisory Committee on Labor-Management Policy from 1961 to 1966 and Counsellor to the President in 1969. On February 1, 1970, he became Chairman of the Federal Reserve Board.

Dr. Burns has helped to guide our economy toward soundness, although as he himself has said before the House Banking Committee, much remains to be done. That it has not already been done merely indicates that no one man can do it alone. Dr. Henry Kaufman has described Arthur Burns as "more than any other person in the United States, the symbol of economic integrity and stability." Let us now hope that Dr. Burns will expand his role as senior statesman in economic affairs.

If, as Dr. Milton Friedman says, Dr. Burns can persuade the public that "continuing inflation can only lead to higher, not lower, unemployment," then we can safely conclude that Arthur Burns is not really leaving public service.●

FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978

Mr. HAWKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 50) a bill to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 50, with Mr. NATCHER (chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee rose on Wednesday, March 8, 1978, all time for general debate on the bill had expired.

Pursuant to the rule, the Clerk will now read by titles the committee amendment in the nature of a substitute recommended by the Committee on Education and Labor now printed in the reported bill as an original bill for the purpose of amendment. Immediately after title III of the committee amendment in the nature of a substitute is read, it shall be in order to consider as an amendment in the nature of a substitute the amendment recommended by the Committee on Rules now printed on page 95, line 12, through page 103, line 7, of the bill in boldface roman. If the amendment in the nature of a substitute recommended by the Committee on Rules is agreed to, it shall be in order to consider the amendments informally recommended by the Committee on Rules to title I of the substitute now printed in part II of House Report 95–895.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. This Act and the following table of contents may be cited as the "Full Employment and Balanced Growth Act of 1978".

TABLE OF CONTENTS

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Sec. 207. Formation of public and private capital.
TITLE III—POLICIES AND PROCEDURES FOR CONGRESSIONAL REVIEW
Sec. 300. Timetable.
Sec. 301. Review of Economic Report by Joint Economic Committee; establishment of short-term congressional goals.
Sec. 302. Amendments to Budget Act.
Sec. 303. Exercise of rulemaking powers.
TITLE IV—GENERAL PROVISIONS
Sec. 401. Nondiscrimination.
Sec. 402. Labor standards.
Sec. 403. Definition.
Sec. 404. Authorizations of appropriations.

Mr. HAWKINS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of section 1 be dispensed with, that it be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Reserving the right to object, I wonder if the gentleman from California can tell us what plans those managing the bill have for the program today. It is my understanding that ordinarily on this day we would be adjourning at 5:30. It does not appear that with the number of amendments, we would be able to finish tonight. I wonder if the gentleman could give us any thoughts on that.

Mr. HAWKINS. If the gentleman will yield, the best that I can say is that if we are within a reasonable distance of completing the bill by the time that we reach the hour of, let us say, 5 o'clock, we will attempt to do so. If it appears at that time that it will be unreasonably late—and by that I mean 8 o'clock or thereafter—then we would adjust to that time. It is not the thought that we will just continue to work indefinitely today.

Mr. BAUMAN. I wonder if the gentleman will tell us if a reasonable position is not reached at 5 o'clock when the bill would be considered again.

Mr. HAWKINS. If the bill is not completed today?

Mr. BAUMAN. Yes.

Mr. HAWKINS. I would defer to the leadership on that. My own suggestion would be that it not be continued Friday, but let me defer to the leadership.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

That decision would depend upon how near we had come to completing the bill. That has not yet been made and must await determination of the progress we make on the bill. It would be our hope that we might complete the bill today. If it is possible to do so within a reasonable time following the 5:30 hour, as the gentleman from California has said, we would intend to continue in session and try to finish the bill. If it appears that it would be entirely too late, then we would rise and continue its completion on a subsequent day. Whether that would be tomorrow, next Tuesday, or next Wednesday, that decision has not yet been made, and we will have to await determination of how far along we are on the bill.

Mr. BAUMAN. So the gentleman is saying we might be here until 6:30 or 7:30 if completion is within grasp.

Mr. WRIGHT. I think it is altogether possible today that we may be in until 6:30 or 7:30.

Mr. BAUMAN. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

Mr. HAWKINS. Mr. Chairman, I ask unanimous consent that the consideration of amendments to the table of contents of the bill proposed by the Committee on Rules be referred until the conclusion of consideration of amendments to title III of the bill proposed by the Committee on Rules.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to H.R. 50, known as the Humphrey-Hawkins bill. Passage of this legislation would provide a foot in the door for total Government control of the economy. It would also expose our citizens to the risk of runaway inflation.

About the only good thing that can be said about the bill before us today is that it is not as disastrous as the original version of H.R. 50. Many of the most obnoxious features have been eliminated or at least toned down. Nevertheless it is still a dangerous bill which should be adamantly opposed by all those who believe in the free enterprise system.

H.R. 50 can perhaps best be described as a threshold bill. Once enacted it would, over time, lead to policies that are extremely harmful to the Nation. It would throw open the door for more and more Federal domination of all facets of our economic life.

I want to emphasize this point. H.R. 50 is not an innocuous piece of legislation which should be lightly passed as a memorial to the late Senator Hubert Humphrey. It is a dangerous threshold bill which would inevitably lead to increased Government interference in our free enterprise system.

The Humphrey-Hawkins bill would institute a program of centralized economic planning. Numerical goals would be set for such items as full employment, production, and purchasing power. The President would be required to set forth what policies and programs are needed to achieve the short-term and long-term annual goals. Furthermore, the President's budget must be consistent with these numerical goals.

The Federal Reserve Board would be drawn into this planning process. The Board would be required to disclose 1 year in advance how its intended policies would relate to the unemployment and other goals in the bill. In addition, the legislation specifies that "Congress shall then take such action as it finds necessary to assure closer conformity" to those goals. The traditional independence enjoyed by the Federal Reserve Board would be placed in jeopardy.

The Humphrey-Hawkins bill is indicative of liberal thinking. It reflects a tremendous faith in the ability and wisdom of the Federal Government. It is based on the naive belief that the Government can successfully manipulate the market place so as to create a perfect economy. Such a view is completely fallacious.

Nationally syndicated columnist James J. Kilpatrick hit the nail on the head when he stated:

> Even in its remodeled form, the Humphrey-Hawkins bill embraces all the bankrupt notions of conventional liberalism.
>
> Let me dwell upon the most fallacious notion. This is the notion that in a free society, the most fundamental forces of human nature and of the marketplace can be successfully manipulated by the power of government. It simply is not so . . .
>
> No matter how its purpose is camouflaged, the sole idea of Humphrey-Hawkins is to impose The Plan. The sponsors cling to the naive, simplistic notion that a few bureaucratic wise men can devise a Plan that will bring us an economic millenium.

Despite the hopes of its sponsors, neither the original nor the later version of the Humphrey-Hawkins bill will produce an economic panacea. The British, after all, have been practicing the same kind of centralized planning envisioned in H.R. 50 for years. Their reward has been double-digit inflation, huge budget deficits, staggering tax rates, and sputtering industry. We should learn something from the British experience.

H.R. 50 offers no economic miracles. It will not lead us to an "economic millenium." What the bill will do, however, is open the door for more Government control of the economy and less personal freedom.

Also disturbing is that the bill ignores other important economic goals. As the Washington Star has noted:

> Under the Humphrey-Hawkins bill, Congress begins by dictating an unemployment figure, making it the be-all and end-all of economic planning.

In particular, the bill fails to adequately address the problem of inflation. Instead the emphasis is on attaining a 4-percent unemployment level at all costs.

The 4-percent unemployment goal, however, cannot be attained without a substantial risk of inflation. Even liberal economist John Kenneth Galbraith has stated:

> At a four percent unemployment rate, there is no question, the American economy can be disastrously inflationary . . . I must specifically and deliberately warn my liberal friends not to engage in the wishful economics that causes them to hope that there is still undiscovered fiscal or monetary magic that will combine low unemployment with a low level of inflation.

In short, the bill has a great inflationary potential. It commits our Nation to a 6-percent rate of inflation or worse. That is why I supported an amendment in committee emphasizing the need to reduce inflation. The amendment would have established a 3-percent interim goal and a long term goal of zero percent. Unfortunately the liberal majority rejected this important amendment.

Despite the changes, H.R. 50 is still a bad piece of legislation. It should be defeated.

The CHAIRMAN. The Clerk will read the next section.

The Clerk read as follows:

GENERAL FINDINGS

SEC. 2. (a) The Congress finds that the Nation has suffered substantial unemployment and underemployment, idleness of other productive resources, high rates of inflation, and inadequate productivity growth, over prolonged periods of time, imposing numerous economic and social costs on the Nation. Such costs include the following:

(1) The Nation is deprived of the full supply of goods and services, the full utilization of labor and capital resources, and the related increases in economic well-being that would occur under conditions of genuine full employment, production, and real income, balanced growth, and reasonable price stability.

(2) The output of goods and services is insufficient to meet pressing national priorities.

(3) Workers are deprived of the job security, income, skill development, and productivity necessary to maintain and advance their standards of living.

(4) Business and industry are deprived of the production, sales, capital flow, and productivity necessary to maintain adequate profits, undertake new investment, create jobs, and contribute to meeting society's economic needs.

(5) Unemployment exposes many families to social, psychological, and physiological costs, including disruption of family life, loss of individual dignity and social conflicts.

(6) Federal, State, and local government budgets are undermined by deficits due to shortfalls for unemployment compensation, public assistance, and other recession-related services in the areas of criminal justice, drug addiction, and physical and mental health.

(b) The Congress further finds that:

(1) High unemployment often contributes to inflation by diminishing labor training and skills, under-utilizing capital resources, reducing the rate of productivity advance, increasing unit labor costs, and reducing the general supply of goods and services.

(2) Aggregate monetary and fiscal policies alone have been unable to achieve full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability, and therefore must be supplemented by other measures designed to serve these ends.

(3) Attainment of these objectives should be facilitated by setting explicit short-term and medium-term economc goals, and by improving coordination among the President, the Congress, and the Board of Governors of the Federal Reserve System.

(4) Increasing job opportunities and full employment would greatly contribute to the elimination of discrimination based upon sex, age, race, color, religion, national origin, and other improper factors.

(c) The Congress further finds that an effective policy to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and price stability should (1) be based on the development of explicit economic goals and policies involving the President, the Congress, and the Board of Governors of the Federal Reserve System, with full use of the resources and ingenuity of the private sector of the economy; and (2) include programs specifically designed to reduce high unemployment due to recessions, and to reduce structural unemployment within regional areas and among particular labor force groups.

(d) The Congress further finds that full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability are important national requirements that will promote the economic security and well-being of all citizens of the Nation.

Mr. HAWKINS. Mr. Chairman, I ask unanimous consent that section 2 of the bill be considered as read, that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SARASIN. Mr. Chairman, reserving the right to object, I would ask the chairman of the subcommittee whether this request is for section 2 and title I to be considered as read and open to amendment?

Mr. HAWKINS. Mr. Chairman, that is true, that would be included.

Mr. SARASIN. Mr. Chairman, on that basis, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, is the request that all of title I be considered as read?

The CHAIRMAN. The rule, as the gentleman from Maryland knows, provides for the reading of the bill by title and all this does is to put section 2 in with title I for consideration.

Mr. BAUMAN. Mr. Chairman, then the request is that it not be read by sections within title I, is that the request?

The CHAIRMAN. The rule does not provide that the bill be read by sections, but by titles, but section 2 precedes title I and must be read separately absent unanimous consent.

Mr. BAUMAN. Mr. Chairman, the gentleman from Maryland understood the request as the reading of sections 1 and 2 to be waived.

The CHAIRMAN. That would mean the section 2 preceding title I, along with title I.

Mr. BAUMAN. I see. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

PARLIAMENTARY INQUIRY

Mr. SARASIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SARASIN. Mr. Chairman, is it my understanding that we have opened section 2 and title I to amendments?

The CHAIRMAN. The gentleman is correct.

Mr. SARASIN. I thank the Chair.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Title I of the bill is as follows:

TITLE I—ESTABLISHMENT OF GOALS AND GENERAL ECONOMIC POLICIES

STATEMENT OF PURPOSE

SEC. 101. It is the purpose of this title—

(1) to declare the general policies of this Act;

(2) to provide an open process under which economic goals and policies are proposed, reviewed, and etsablished;

(3) to provide for yearly review of national economic policies to ensure their consistency with these goals to the maximum extent possible; and

(4) generally to strengthen and supplement the purposes and policies of the Employment Act of 1946.

DECLARATION OF POLICY

SEC. 102. Section 2 of the Employment Act of 1946 is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. (a) The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means (consistent with its needs and obligations and other essential national policies, and with the assistance and cooperation of industry, agriculture, labor, and State and local governments) to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions which promote useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priority needs, and reasonably stable prices as provided for in section 5(b) of this Act.

"(b) The Congress further declares and establishes as a national goal the fulfillment of the right to full opportunities for useful paid employment at fair rates of compensation of all individuals able, willing, and seeking to work.

"(c) The Congress further declares that inflation is a major national problem requiring improved Federal policies relating to food, energy, improved fiscal and monetary management, the reform of outmoded Federal rules and regulations, the correction of structural defects in the economy that prevent or seriously impede competition in private markets, and other measures.

"(d) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to improve the coordination and integration of the policies and programs of the Federal Government toward achievement of the objectives of such Act through better management, increased efficiency, and attention to long-range as well as short-range problems.

"(e) The Congress further declares that, although it is the purpose under the Full Employment and Balanced Growth Act of 1978 to seek diligently and to encourage the voluntary cooperation of the private sector in helping to achieve the objectives of such Act, no provisions of such Act or this Act shall be used, with respect to any portion of the private sector of the economy, to provide for Federal Government control of production, employment, allocation of resources, or wages and prices, except to the extent authorized under other Federal laws.

"(f) The Congress further declares that it is the purpose of the Full Employment and Balanced Growth Act of 1978 to maximize and place primary emphasis upon the expansion of private employment, and all programs and policies under such Act shall be in accord with such purpose. Toward this end, the effort to expand jobs to the full employment level shall be in this order of priority to the extent consistent with balanced growth—

"(1) expansion of conventional private jobs through improved use of general economic and structural policies;

"(2) expansion of private employment through Federal assistance in connection with the priority programs in such Act;

"(3) expansion of public employment other than through the provisions of section 206 of such Act; and

"(4) only when recommended by the President under section 206 of such Act and subject to the limitations in such section, the creation of employment through the methods set forth in such section.".

ECONOMIC REPORT OF THE PRESIDENT AND SHORT-TERM ECONOMIC GOALS AND POLICIES

SEC. 103. (a)(1) The heading preceding section 3 and section 3(a) of the Employment Act of 1946 are amended to read as follows:

"ECONOMIC REPORT OF THE PRESIDENT AND SHORT-TERM ECONOMIC GOALS AND POLICIES

"SEC. 3. (a) The President shall transmit to the Congress during the first 20 days of each regular session an economic report (hereinafter in this Act referred to as the 'Economic Report'), together with the annual report of the Council of Economic Advisers submitted in accord with section 11 (c)(2) of this Act, setting forth—

"(1) the current and foreseeable trends in the levels of employment, unemployment, production, real income, productivity, and prices, and a review and analysis of recent developments affecting economic trends in the Nation;

"(2)(A) annual numerical goals for 5 years for employment and unemployment, production, real income, and productivity; and

"(B) goals for the calendar year in which the Economic Report is transmitted and for the following calendar year, designated as short-term goals, which shall be consistent with achieving as rapidly as feasible the goals of full employment, production, and real income, balanced growth, adequate productivity growth, and proper attention to national priorities; and

"(3) the program and policies which the President deems necessary to achieve the goals of paragraph (2) of this subsection, and to achieve reasonable price stability as rapidly as feasible as provided for in section 5 (b) of this Act.".

(b) For all of the purposes of this Act, the percentage rate of unemployment at any given time shall be the rate of unemployment as a percentage of the civilian labor force as set forth currently by the Bureau of Labor Statistics in the Department of Labor.

FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

SEC. 104. The Employment Act of 1946 is amended by redesignating sections 4 and 5 as sections 11 and 12, respectively, and by inserting a new section 4 as follows:

"FULL EMPLOYMENT AND BALANCED GROWTH: MEDIUM-TERM ECONOMIC GOALS AND POLICIES

"SEC. 4. (a) In each Economic Report submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978, the President shall incorporate (as part of the 5-year numerical goals in each such Economic Report) medium-term annual numerical goals covering the same items and for the same purposes as the goals specified in section 3(a)(2), but for the 3 calendar years subsequent to the 2 years referred to in section 3(a)(2)(B), and shall include the programs and policies the President deems necessary to achieve such medium-term goals and to achieve reasonable price stability as rapidly as feasible as provided for in section 5(b) of this Act.

"(b)(1) The medium-term goals in the first three Economic Reports submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978 shall include (as part of the 5-year goals in each such Economic Report) the interim numerical goal of reducing unemployment among individuals aged 20 and over in the civilian labor force to not more than 3 per centum and to reduce unemployment among the entire civilian labor force aged 16 and over to not more than 4 per centum within a period not extending beyond the fifth calendar year after the first such Economic Report, counting as the first calendar year the year in which such Economic Report is issued. Upon achievement of the 3 and 4 per centum goals specified in the preceding sentence, each succeeding Economic Report shall have the goal of achieving full employment as soon as practicable and maintaining full employment after it has been reached.

"(2) In the third Economic Report submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978, the President shall review the numerical goals and timetable for the reduction of unemployment, report to the Congress on any obstacles to their achievement, and, if necessary, propose corrective economic measures toward achievement of such goals and timetable, except that, beginning with such third report and any subsequent reports, if the President finds it necessary, the President may recommend modifications in the numerical goals or timetable, or both, for the reduction of unemployment, and the Congress may take such action as it considers desirable in accordance with the provisions of title II of the Full Employment and Balanced Growth Act of 1978.

"(c)(1) In taking action to reduce unemployment in accordance with the numerical

goals and timetable established under subsection (b), every effort shall be made to reduce those differences between the rates of unemployment among teenagers, women, minorities, the elderly, and other labor force groups and the overall rate of unemployment which stem from any improper factors, with the ultimate objective of removing such differentials to the extent possible.

"(2) Insofar as the differences specified in paragraph (1) are due to lack of training and skills, occupational practices, and other relevant factors, the Secretary of Labor shall—

"(A) take such action as practicable to achieve the objectives of this subsection;

"(B) make studies, develop information, and make recommendations toward remedying these differences in rates of unemployment, and include these in the annual Employment and Training Report of the President under section 705(a) of the Comprehensive Employment and Training Act of 1973; and

"(C) if deemed necessary, make recommendations to the Congress related to the objectives of this paragraph.

"(3) For purposes of this subsection, the term 'elderly' means any individual 55 years of age or older.".

PROVISIONS APPLICABLE TO SHORT-TERM AND MEDIUM-TERM GOALS

SEC. 105. The Employment Act of 1946 is amended by inserting a new section 5 as follows:

"PROVISIONS APPLICABLE TO SHORT-TERM AND MEDIUM-TERM GOALS

"SEC. 5. (a) To aid in determining the short-term and medium-term goals for employment, production, and real income, analysis shall be presented in the Economic Report with respect to major aspects of the appropriate composition or structure of each goal, and with respect to the appropriate apportionment of total national production among its major components (private investment, consumer expenditures, and public outlays) as affected by relative income and other factors, in order to promote balanced growth, reduce cyclical disturbances, and achieve the other purposes of this Act and the Full Employment and Balanced Growth Act of 1978.

"(b)(1) The objective of achieving reasonable price stability as soon as feasible, as set forth in section 3(a)(3) and section 4(a), shall be sought through administration of section 9 of this Act, other applicable provisions of this Act and the Full Employment and Balanced Growth Act of 1978, and by such other means as the President may find necessary, including recommendations to the Congress.

"(2) In choosing means to achieve the goal for the reduction of unemployment and in choosing means to achieve the goal of reasonable price stability, those means which are mutually reinforcing shall be used to the extent practicable.".

NATIONAL PRIORITY POLICIES AND PROGRAMS REQUIRED FOR FULL EMPLOYMENT AND BALANCED GROWTH

SEC. 106. The Employment Act of 1946 is amended by inserting a new section 6 as follows:

"NATIONAL PRIORITY POLICIES AND PROGRAMS REQUIRED FOR FULL EMPLOYMENT AND BALANCED GROWTH

"SEC. 6. (a) To contribute to the achievement of the goals under the Full Employment and Balanced Growth Act of 1978, the Economic Report shall include priority policies and programs to encourage productive nonwasteful jobs, to help reorder national priorities, and to employ the jobless in the production of goods and services which add to the strength of the economy, the wealth of the Nation, the well-being of the people, and the restraint of inflation. Such policies and programs shall be set forth only in sufficient detail to furnish an integrated perspective of the needs and capabilities of the Nation and as a long-run guide to relevant national economic policies and programs.

"(b)(1) The national priority policies and programs contained in the first Economic Report submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978 shall include—

"(A) development of energy, transportation, small business, and environmental improvement;

"(B) proper attention to the needs of rural areas, including (i) nationwide food and fiber requirements, especially as these bear upon the avoidance of hunger, and the labor force and capital needed to meet these requirements; (ii) the income needs of farmers to encourage production in accord with the requirements specified in clause (i) and moving farm families toward parity of income; (iii) encouragement of supplementary nonfarm work and income for farm families; and (iv) other policies and programs for individuals residing in rural areas who are not engaged in agriculture;

"(C) proper attention to the relationship between Federal programs and policies and the problems and needs of urban areas, especially inner cities and the employment problems of their residents, especially teenagers;

"(D) proper attention to the quality and quantity of health care, education and training programs, child care and other human services, and housing, essential to a full economy, and to moving gradually toward their availability for all individuals at costs within their means;

"(E) Federal aid to State and local governments, especially for public investment and unemployment related costs;

"(F) national defense and other international programs; and

"(G) such other priority policies and programs as the President deems appropriate.

"(2) In Economic Reports subsequent to the Economic Report specified in paragraph (1), the President may deal more selectively with the priorities listed in such paragraph, omitting any such priorities if earlier treatment of them makes unnecessary any additional treatment at the time of such subsequent Economic Reports.".

THE PRESIDENT'S BUDGET

SEC. 107. The Employment Act of 1946 is amended by inserting a new section 7 as follows:

"THE PRESIDENT'S BUDGET

"SEC. 7. (a) The President's Budget shall recommend levels of outlays and receipts which shall be consistent with the short-term economic goals of section 3(a)(2)(B).

"(b) The President's Budget shall provide 5-year projections of outlays and receipts consistent with the medium-term goals of section 4(a).

"(c) The basic elements in the President's Budget shall be set forth briefly in each Economic Report, toward the end of making clear the relationship between the President's Budget and the goals and policies set forth in such Economic Report. Both the expenditure and revenue elements of the President's Budget, as set forth briefly in the Economic Report, shall be developed to promote the purposes of the Full Employment and Balanced Growth Act of 1978 and the policies and goals of this Act. The size of the President's expenditure and revenue proposals, and the relationships between such proposals, shall be determined in a manner which pays due attention to the needs of the economy and the people in the priority areas set forth in section 6, and the relationship between the President's expenditure and revenue proposals shall be guided accordingly.".

MONETARY POLICY

SEC. 108. The Employment Act of 1946 is amended by inserting a new section 8 as follows:

"MONETARY POLICY

"SEC. 8. The Board of Governors of the Federal Reserve System shall transmit to the Congress, within one month after the transmittal by the President of the Economic Report, an independent statement setting forth its intended policies for the year ahead, and their relationship to the short-term goals set forth in the Economic Report pursuant to section 3(a)(2)(B). The Congress shall then take such action as it finds necessary to insure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1978.".

OVERCOMING INFLATION

SEC. 109. The Employment Act of 1946 is amended by inserting a new section 9 as follows:

"OVERCOMING INFLATION

"SEC. 9. (a) The Congress hereby determines that the objective of achieving reasonable price stability as soon as feasible, as set forth in section 3(a)(3) and section 4(a), shall be pursued by the methods and subject to the requirements of section 5(b).

"(b) The Congress finds that, in addition to the coordinated use of fiscal and monetary policies to combat inflation, structural measures are also needed. The President shall initiate as appropriate, including recommendations to the Congress where necessary, and include within the Economic Report to the extent practicable without excessive delay, structural policies to reduce the rate of inflation, including but not limited to—

"(1) an effective information system to monitor and analyze inflationary trends in individual economic sectors, so that the President and the Congress can be alerted to developing inflation problems, especially those caused by bottlenecks inhibiting the flow of goods and services;

"(2) programs and policies for alleviating shortages in the supply of goods, services, labor, and capital, with particular emphasis on food, energy, and critical industrial materials;

"(3) the establishment of stockpiles of agricultural commodities and other critical materials to help stabilize prices, meet emergency needs, and promote adequate income to producers;

"(4) encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements;

"(5) recommendations to strengthen and enforce the antitrust laws and such other recommendations as are necessary to increase competition in the private sector;

"(6) removal or proper modification of such Federal restrictions and regulations as add unnecessarily to inflationary costs; and

"(7) such other administrative actions and recommendations for legislation as the President deems desirable, to promote reasonable price stability.".

COUNCIL OF ECONOMIC ADVISERS

SEC. 110. Section 11 of the Employment Act of 1946 (as redesignated by section 104 of this Act) is amended—

(1) in the second sentence of subsection (a), by inserting "full" immediately after "promote";

(2) in subsection (c)(4), by inserting "full" immediately after "maintain";

(3) in subsection (e)(1), by inserting immediately before the semicolon a comma and the following: "and shall consult with the board or boards established under section 10"; and

(4) in subsection (e), by inserting after paragraph (2) the following:

"In its work under this Act and the Full Employment and Balanced Growth Act of 1978,

the Council is authorized and directed to seek and obtain the cooperation of the various executive and independent agencies in the development of specialized studies essential to its responsibilities.".

ADVISORY BOARD OR BOARDS

SEC. 111. The Employment Act of 1946 is amended by inserting a new section 10 as follows:

"ADVISORY BOARD OR BOARDS

"SEC. 10. (a) The President shall establish, not less than 3 months prior to the first Economic Report after the date of the enactment of the Full Employment and Balanced Growth Act of 1978, an advisory board or boards to advise and consult periodically with one or more of the following: the President, the Council of Economic Advisers, and such other departments and agencies of the executive branch of the Federal Government as the President shall determine.

"(b) Such advisory board or boards shall include appropriate representation of labor, industry, agriculture, consumers, private nonprofit agencies concerned with unemployment or other aspects of human welfare, or both, State and local officials, and the public at large, and shall advise and consult with respect to matters related to this Act, the Full Employment and Balanced Growth Act of 1978, and other appropriate matters related to national economic programs and policies. The President shall take the steps necessary to provide appropriate compensation to the members of such advisory board or boards.".

AMENDMENTS OFFERED BY MR. SARASIN

Mr. SARASIN. Mr. Chairman, I offer amendments and ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. SARASIN: Page 58, line 3, strike out "reasonable price stability" and insert in lieu thereof "the absence of inflation".

Page 59, strike out line 1 and everything that follows through line 5, and redesignate the following paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

Page 59, line 10, strike out "reasonable price stability" and insert in lieu thereof "the elimination of inflation".

Page 59, line 25, strike out "price stability" and insert in lieu thereof "the elimination of inflation".

Page 60, line 5, strike out "and", and on line 8, insert immediately before the period the following "; and (3) include programs and policies specifically designed to eliminate inflation".

Page 61, beginning on line 20, strike out "reasonably stable prices as provided for in section 5(b) of this Act" and insert in lieu thereof "the elimination of inflation".

Page 64, line 16, insert ", and the elimination of inflation" immediately after "productivity".

Page 64, line 22, insert "the elimination of inflation," after "productivity growth,".

Page 65, immediately after line 8, insert the following new subsection:

(c) For all purposes of this Act, the term "inflation" shall be based on the rate of increase in consumer prices as measured by the Consumer Price Index as determined by the Bureau of Labor Statistics in the Department of Labor, and the term "the absence of inflation" or "the elimination of inflation" means a rate of increase in such Consumer Price Index of zero per centum.

Page 65, beginning on line 25, strike out "and to achieve" and everything that follows through line 2 on page 66.

Page 66, line 14, insert immediately before the period the following: "and the interim numerical goal of reasonable inflation at a rate not exceeding 3 per centum per annum".

Page 66, line 17, insert "and the absence of inflation" immediately after "full employment".

Page 66, line 18, insert "and the absence of inflation" immediately after "full employment".

Page 66, line 23, insert "and the elimination of inflation" immediately after "unemployment".

Page 67, line 5, insert "and for the elimination of inflation" immediately after "unemployment".

Page 68, line 6, redesignate paragraph (3) as paragraph (4), and immediately after line 5 insert the following new paragraph:

"(3) In moving to eliminate inflation in accordance with the numerical goals and timetable established under subsection (b), the President shall not, with respect to the private sector, utilize any policy or program which provides for government control of wages and prices."

Page 68, line 16, insert "and for the elimination of inflation," immediately after "income,".

Page 68, strike out line 25 and everything that follows through line 6 on page 69, and on line 7 strike out "(2)" and insert in lieu thereof "(b)".

Page 68, line 9, strike "reasonable price stability" and insert in lieu thereof "eliminating inflation".

Mr. SARASIN. Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SARASIN. Mr. Chairman, the Government's new index of finished goods prices for February, a key measure of inflation in our economy, was announced this morning. According to these official government figures, prices in February were up an average of 1.1 percent.

This translates into an annual inflation rate of over 13 percent.

We could not have had a more timely reminder of how essential it is that we address the problem of inflation within the context of the Humphrey-Hawkins Full Employment and Balanced Growth Act before us today. The magnitude of this increase should instruct us that we need a strong and definitive statement on inflation, including specific goals, just as we have for reducing unemployment.

A vague and insubstantial approach to the problem will not provide the kind of assurance to our constituents which will stand up in the face of a 13-percent annual inflation rate for February. We must act, today, to put this Congress firmly on record as opposed to the ravages of both unemployment and inflation.

Double-digit inflation cannot be allowed to become a trend, encouraged by evidence of congressional apathy to the hidden tax of inflation.

Let us not forget these facts:

More than 6 million Americans suffer from unemployment;

More than 215 million Americans suffer from inflation;

The burden of unemployment falls most heavily upon the unskilled, the undereducated, minorities, and youth;

The burden of inflation falls most heavily on the elderly, the disabled, anyone forced to live on a fixed or reduced income—including the unemployed;

Unemployment is acute, visible, and dramatic—like an auto accident;

Inflation is insidious, painful, and debilitating—like cancer;

Neither should be accepted as a routine condition in our economy.

The fact is that H.R. 50, as reported from committee, virtually ignores the problem of inflation. Its bland endorsement of "reasonable price stability" is fine, but what does it mean? In some countries, the accepted rate of inflation is 20 percent per year. I dare say, our constituents would not consider that reasonable in America. That is why it is essential for the House of Representatives to amend H.R. 50 to include a policy the bill purports to set forth. Only through such a change will we assure the public that we recognize their problems and that we are charting a truly balanced course to alleviate them.

Anything less would be a disservice to all 215 million Americans, employed and unemployed, but it would be particularly insensitive to the needs and desires of the 90 million working Americans who are too often ignored in our legislative considerations.

H.R. 50 currently has us unalterably opposed to unemployment. To be effective, it must also put us on record as being equally opposed to inflation.

Today, I am offering an inflation amendment because I sincerely believe that it is essential. I also believe that we can reduce both unemployment and inflation at the same time without the imposition of controls of any kind. Accordingly, my amendment will call for the establishment of an interim 5-year goal of no more than 3 percent inflation, while specifically prohibiting wage and price controls—controls which in the words of Time magazine, "are widely recognized as a palliative at best or, at worst, counterproductive quackery."

The ultimate goal, of course, would be zero percent inflation, as Dr. Charles Schultze, Chairman of the President's Council of Economic Advisers suggested in his testimony on the bill.

But we have to establish a reasonable interim goal. Admittedly, it will not be easy. The time has come, however, for us to stop running away from our problems—particularly difficult ones such as inflation and unemployment. The time has come to admit that we have a deplorable record in this area and that we are willing to do an about-face. It will be painful. Once and for all, particularly if we are going to be honest with the American public, we have to admit that we have been taking the easy way out, that we have been following policies that have taken a terrible toll on our

people and on our economy. Inflation has pushed our citizens into higher tax brackets, increasing their tax burden while diminishing the people's actual purchasing power.

In short, money taken from the hides of our taxpayers—people and businesses—in the form of inflation, has been funding programs that cost a fortune but result in little gain.

H.R. 50 should be committing us to follow a new course, one that will not be easy, that will not allow us to rest on the crutch of political platitudes. It will force us to face up to the fact that inflation is an enemy and that it directly causes unemployment. Dr. Schultze and Alice Rivlin of our Congressional Budget Office were not the only ones to testify that the best way to fight unemployment is to fight inflation.

Some have alleged that if we failed to achieve our inflation goal, all efforts embodied in H.R. 50 to reduce unemployment would cease. This is not only untrue, it is ridiculous. We have dozens of programs presently on the books which focus exclusively on unemployment. These certainly would not stop. H.R. 50 calls for even more programs. It does not, however, mandate anything, which means that any new efforts to reduce unemployment would have to be enacted by the Congress. I assure you that my amendment does not read that "should we fail in our inflation objective, all legislation ever enacted to combat unemployment will cease."

We can keep working toward our goals on a coequal basis. We in the Congress will always have the opportunity to adjust either objective, each independent of the other, to suit the needs of the times. However, the right hand must know what the left is doing. Without a provision to protect against rampant inflation, we will be operating in the dark, groping for solutions that might have severe consequences for all our people. This is not intelligent legislating.

Perhaps the most important thing we must keep in mind, however, is that H.R. 50 assures employment opportunities for all who are willing and able to work, and that they will work for decent wages. If inflation continues to rise, we might be able to provide make-work jobs for the unskilled on whom H.R. 50 focuses, but we could also end up giving them jobs in which their salary will not amount to a plugged nickel. Is this what we really want to do? Do we really want to address these serious problems with window dressings? In good conscience, I do not know how anyone could support this legislation without being certain that it was going in the right direction, that it was in the best interest of all Americans.

No one can dispute that we have an ineffective inflation policy at this moment. No one can dispute that the dollar is in trouble, that investors have lost faith in the market, and that current situations such as the coal strike do not bode well for our national growth and prosperity.

As I said yesterday H.R. 50 is borderline "wishboning," which might be described as the effete cousin of jawboning. It need not be. Today we have the opportunity to correct the serious shortcomings of the bill. We have the opportunity to present to the American public a piece of legislation that will honestly place us on the road to full employment, reduced inflation, and balanced growth.

AMENDMENTS OFFERED BY MR. WRIGHT TO THE AMENDMENTS OFFERED BY MR. SARASIN

Mr. WRIGHT. Mr. Chairman, I offer amendments to the amendments.

The Clerk read as follows:

Amendments offered by Mr. WRIGHT to the amendments offered by Mr. SARASIN: On line 2 of the Sarasin amendment, strike all that follows the word "thereof" and insert in lieu thereof the following: "the effective control of inflation.".

Page 64, line 16, strike out "and productivity" and insert in lieu thereof "productivity, and reasonable price stability".

Page 64, line 22, before "and" insert "reasonable price stability,".

Page 69, after the period in line 6 add the following new sentence: "Beginning with the third Economic Report submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978, the President shall set forth in each Economic Report the programs and policies being used to reduce inflation and the degree of progress made.".

Strike out line 13 on page 73 and all that follows down through line 5 on page 75, and insert in lieu thereof the following:

"SEC. 9. (a) The Congress determines that reasonable price stability as described in section 3(a)(3) and sections 4(a) and 4(b)(2) will be achieved under the procedures and requirements of section 5(b).

"(b) The Congress determines that inflation is of the most regressive economic force, bearing disproportionately upon the aged, the disabled, the small business entrepreneurs and farmers who are unable to charge the higher prices reflecting their higher costs, and the many workers who receive salaries not tied to the cost of living. Medical and utility costs to the consumer have escalated to almost prohibitive heights.

"(c) The Congress finds that sole dependence upon fiscal or monetary policies or both to combat inflation can exacerbate both inflation and unemployment. The Congress determines that fiscal and monetary policies which are utilized prudently and in conjunction with specific targeted policies dealing with structural measures are badly needed.

"(d) The President must initiate specific policies to reduce the rate of inflation, and with respect to such policies he shall make recommendations to the Congress where necessary and include recommendations within the Economic Report where practicable. Such policies should include but not be limited to—

"(1) programs and policies for alleviating shortages of labor, capital, and materials, especially in emergency dislocations and to aid in stabilizing prices;

"(2) encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements;

"(3) an effective information system to monitor and analyze inflationary trends in individual economic sectors, so that the President and the Congress can be alerted to developing inflation problems, especially those caused by bottlenecks inhibiting the flow of goods and services;

"(4) removal or proper modification of such Federal restrictions and regulations as add unnecessarily to inflationary costs;

"(5) recommendations to strengthen and enforce the antitrust laws and such other recommendations as are necessary to increase competition in the private sector; and

"(6) such other administrative actions and recommendations for legislation as the President deems desirable, to promote reasonable price stability.".

PARLIAMENTARY INQUIRIES

Mr. MICHEL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. MICHEL. Mr. Chairman, do I understand the majority leader's proposal is an amendment to the amendment or is it in the form of a substitute?

The CHAIRMAN pro tempore. The Chair would like to advise the gentleman from Illinois (Mr. MICHEL) that the gentleman from Texas (Mr. WRIGHT) offers an amendment to the amendment of the gentleman from Connecticut.

Mr. MICHEL. Mr. Chairman, I have a further parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. MICHEL. Would a substitute not be in order for an amendment to an amendment?

The CHAIRMAN pro tempore. The Chair would like to advise the gentleman that that would not be in order; it would be in the third degree.

Mr. MICHEL. It would not be in order; a substitute to an amendment in the second degree is not in order; is that correct, Mr. Chairman?

The CHAIRMAN pro tempore. The Chair will state that that is correct.

Mr. MICHEL. I thank the Chair.

The CHAIRMAN pro tempore. The gentleman from Texas (Mr. WRIGHT) is recognized for 5 minutes.

Mr. WRIGHT. Mr. Chairman, all of us want to halt inflation. I am sure there is not a person in this room who does not recognize the dangers of inflation to the American economy and to those most vulnerable to its ravages.

The amendment I offer is a workable amendment. It does not establish unrealistic or unattainable goals. It does not prevent moving in the direction of full employment until we have first attained certain numerical goals against inflation. Rather, it proceeds upon the historical premise that this Congress can effectively fight inflation and unemployment at the same time.

Mr. Chairman, I believe history demonstrates the validity of this premise. The theory held by some on the other side seems to be that the only effective way to combat inflation is through very restrictive monetary policies, low rates of economic growth, and high levels of unemployment. History belies that contention.

If we look at the country's economic history since 1950, marked off by 5-year segments, we discover that in the years from 1950 to 1955, we effectively reduced unemployment, and inflation came down.

From 1955 to 1960, during the years of President Eisenhower and a tight money policy, unemployment went up by 1.1 percent, and inflation went up substantially.

During the years of 1960 to 1965, in the first Kennedy-Johnson years, we brought unemployment back down by a full percentage point, and inflation remained stable, well below 2 percent.

Mr. KEMP. Mr. Chairman, will the gentleman yield for a question?

Mr. WRIGHT. Yes; of course, I will yield to the gentleman.

Mr. KEMP. Mr. Chairman, could the gentleman tell us how the 5-year Kennedy strategy for reducing unemployment and keeping inflation low actually happened? Can the gentleman give us some idea of what President Kennedy did?

Mr. WRIGHT. I think we can talk about that in a few minutes, but first I want to establish the truth of my basic premise, that inflation is not necessarily a handmaiden of high employment and that we do not have to have a low economic growth rate and a lot of unemployed people in order to curb inflation.

In the following years, from 1965 to 1970, as we can see, during the escalation of the Vietnam War, inflation went up and unemployment went up.

From 1970 to 1975, during the period in which policy was enforced by Simon, Greenspan, and Burns, tight, restrictive monetary policy aimed ostensibly at holding down inflation had the reverse effect; and inflation went up to its highest level since World War II. At the same time, unemployment was going to its highest level since World War II.

Happily, since 1975 we have brought down unemployment, and inflation also has come down.

Let me tell the Members exactly what this amendment does. I want every person to understand exactly what it says. I think it is responsive and responsible, and a statement that all of us can, in good conscience, embrace.

First of all, it amends section 103 by requiring the President to establish annual numerical goals in his economic report, not only for unemployment and employment and for production, but also for reasonable price stability.

Second, it requires the establishment of price stability goals, both in the 5-year projections and in the annual projections.

Third, it mandates the President to set forth specific programs and policies being used to reduce inflation and to report to the Congress on the degree of progress being made.

It contains a formal determination by Congress that curbing inflation is indeed one of the official goals of this Nation. Beyond that, it contains specific directives not contained in the original legislation, and enumerates several specific illustrations of anti-inflationary policy.

This amendment as offered contains the following language:

The President must initiate specific policies—

Not may—must—

to reduce the rate of inflation, and with respect to such policies he shall make recommendations within the Economic Report where practicable.

The CHAIRMAN pro tempore. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. WRIGHT was allowed to proceed for 5 additional minutes.)

Mr. WRIGHT. From the language of this amendment that I offer today in behalf of the leadership, I continue to quote:

Such policies should include but not be limited to—

(1) Programs and policies for alleviating shortages of labor, capital, and materials, especially in emergency dislocations and to aid in stabilizing prices;

(2) Encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements;

(3) An effective information system to monitor and analyze inflationary trends in individual economic sectors, so that the President and the Congress can be alerted to developing inflation problems, especially those caused by bottlenecks inhibiting the flow of goods and services;

And now consider something that should appeal to a lot of our colleagues:

(4) Removal or proper modification of such federal restrictions and regulations as add unnecessarily to inflationary costs;

(5) Recommendations to strengthen and enforce the antitrust laws and such other recommendations as are necessary to increase competition in the private sector;

And then any such other recommendations as the President finds would halt inflation.

I believe this is a realistic program. To establish specific goals and state that we are going to achieve a certain level of price inflation by a given period of time probably could be achieved with certainty only by the Government's rigid control of wages and prices. We do not believe in that. What we are trying to create in this bill is not a situation in which the Government becomes the employer of every American; not at all.

We do not proceed on the assumption that the Government owes everybody a living, but we do proceed on the assumption that the Government and the country owe to every American the opportunity to earn a living.

Mr. KEMP. Mr. Chairman, will the gentleman yield now?

Mr. WRIGHT. I yield.

Mr. KEMP. I appreciate my friend yielding to me. Would our distinguished colleague from Texas like to tell us now what the policies were that President Kennedy instituted in 1962 and 1963 to get the rate of unemployment down by 1½ percentage points, and keep inflation at about 1.6 or 1.7?

Mr. WRIGHT. Yes. One of those policies was to work toward full production; lowering interest rates; allowing the private sector to move out and expand.

One of the policies was the accelerated Public Works program.

One of those policies, of course, was the initiation of the investment tax credit. One of those policies was a lowering of taxes.

One of the policies was a direct Presidential appeal to cancel an announced increase in steel prices, and another was to try to hold wage increases to productivity increases.

All of those policies must have contributed.

But the main point I want to make is that the history of the last 27 years clearly demonstrates that steady, balanced growth with a low level of unemployment tends to result not in inflation but in price stability.

When our American industrial machine is operating at somewhere near 90 percent capacity, the per unit cost of overhead is a lot less than when it is forced through restrictive monetary policy to operate at about 60 or 65 percent capacity, which raises unit costs of production and brings on price inflation.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, is the gentleman suggesting that a stable moderate growth of the money supply is inflationary in and of itself? Is that what the gentleman's thesis is?

Mr. WRIGHT. I do not think so. I certainly have not said anything which I interpret as leading to that conclusion.

Mr. KEMP. The gentleman said a tight money policy leads to inflation. I would like the gentleman to explain to the House how keeping the money supply moderate can lead to inflation.

Mr. WRIGHT. The tight money policy curbs private business expansion for one thing. It restricts the economic growth, and by doing that it causes unemployment. It tends to lower rates of production, and increases costs of production, and that in turn increases prices.

Let me answer the gentleman's question very directly: Why does a high-interest-rate policy cause rather than curb inflation? I think the answer is very simple. The answer was given by Leon Keyserling, former Chairman of the President's Council of Economic Advisers. On one occasion that economist said this:

If the price of steel increases, that is much more inflationary than if the price of artichokes increases, because steel is used in the production of more end commodities than artichokes. But what product is used in the production of more commodities than any other? The answer is obvious: Money.

When you borrow money at increased interest rates you increase the cost of doing business.

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 3 additional minutes.)

Mr. WRIGHT. Mr. Chairman, I shall not ask for any additional extension of time. I am grateful, and I do think it is important that we follow this colloquy to its conclusion.

When we increase the price of money we increase the cost of doing business at every level of the marketplace: The manufacturer, the wholesaler, the retailer, every one of them operates on borrowed money. When we increase the price of borrowed money we increase the cost of doing business.

When we increase the price of money, we increase the price of homes. We already seem to have reached a point where a young family, going out to purchase a home to be amortized over a 30-year period, must pay more than twice as much for the borrowed money than for the land and labor and materials and the home itself. Let us face it: We have priced that home out of the range of that young family.

Mr. KEMP. For sure. Will the gentleman yield further?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. KEMP. Will the gentleman define for us his concept of inflation? Is it not too many dollars chasing too few goods?

Mr. WRIGHT. In some cases, of course it is. Inflation is any general increase in the cost of living, is it not? When we increase the cost of living, that is inflation, is it not?

I do not know how we can raise the cost of living and contend it is not inflationary to do so.

Mr. KEMP. If the gentleman will yield further, what is the classic definition of inflation?

Mr. WRIGHT. Of course the classic case has been described as too many dollars chasing too few goods. But it does not necessarily follow that the best solution is always to reduce the number of available dollars. What we are trying to do is to produce more goods, through the productive employment of the Nation's idle plant capacity. And this in turn employs more people in productive work in such a way that we do not have too many dollars chasing too few goods. When Erik Johnson was President of the U.S. Chamber of Commerce, he defined the most desirable future of American business as consisting of ever lower units of profit and ever higher volumes of sales.

Mr. KEMP. I share the gentleman's desire to get an increase in production without inflation.

Mr. WRIGHT. I agree, and that goal can be achieved.

Mr. KEMP. I am sorry I have lost my voice over this but I share the gentleman's central thesis that unemployment is inflationary and that full employment is not necessarily inflationary if it is promoted in the private sector of the economy.

What President Kennedy did in 1962 and 1963 to achieve full employment or get going toward full employment without inflation was to reduce the personal income tax rates by one-third right across the board.

Mr. WRIGHT. If the gentleman can withhold, I would like to suggest that the gentleman can get his own time.

I do want to say to the gentleman, I think that what he says is basically correct, and that what President Kennedy did was right. In the last year we have not had a bad record. It has been, in fact, a very good record. We have reduced unemployment from 8.1 percent to 6.3 percent, which is a very substantial reduction. We put to work 4 million additional Americans, and 3.7 million of these have been put to work in the private sector. By reason of that we have not triggered off a new round of inflation. It has been good steady economic growth.

The policy which the gentleman attributes to President Kennedy is exactly the kind of thing President Carter is recommending today—to reduce taxes in such a way as to help in the formation of capital investment, and in such a way as to help those in the lower and middle economic spectra, to assist their buying power, which is always the oil that lubricates the machinery of prosperity.

I think the gentleman is right when he says this is a good approach, that we need high employment in productive work, and that this will in and of itself help curb inflation. And that goal, among others, is the thrust of my amendment.

Mr. SARASIN. Mr. Chairman, I rise in opposition to the amendments offered by the gentleman from Texas (Mr. WRIGHT) to my amendments.

Mr. Chairman, let me say first of all that I am extremely honored and I feel quite humbled by the fact that my modest amendment has brought out the majority leader, the gentleman from Texas (Mr. WRIGHT), who has appealed as a matter of purity of Democrat policy to defeat the Sarasin amendment which merely poses a target, in this case, of 3 percent for inflation.

I really feel pretty good about this. I did not think the amendment was worth all that kind of effort by the distinguished majority leader. This is certainly a big day in my life and I will send the gentleman a letter later.

But, Mr. Chairman, I, too, would like to quote the patron saint of economics to which the gentleman has referred, Dr. Leon Keyserling, who was of such great help to this country in World War II. I would like to refer to a statement made by him during the hearings on this bill when it was more involved with centralized economic planning and when the thrust of Humphrey-Hawkins, as originally presented, was centralized planning; that big brother in Washington will control all levels of production, employment, pricing, and everything else. Dr. Keyserling in support of centralized economic planning said:

> We reduced unemployment from 17 percent in 1939 to about 1 percent in 1944, with great short-term and long-term benefits on all scores. It was harder to do this under conditions of total war, when we were burning up half of our GNP in destructive combat and when about 15 million potential production workers were drawn into the armed forces.

Well, Mr. Chairman, there is no magic to that. If you would let me put 15 million potential production workers in the Armed Forces, I would solve the unemployment problem and if you were to let me destroy half of our production, it is a great way to keep up demand, but I do not believe it is a great way to help us out in our problem today. But that is the economic thinking of the individual who has been referred to in this situation as the authority.

I do not disagree with the figures presented by the majority leader, obviously they are accurate, but they indicate we have been able to sustain low inflation and low unemployment at the same period of time. To me that is what we are talking about in this bill, and that we should be setting economic targets and an inflation target of 3 percent at the same time we set a 3-percent unemployment target.

Mr. HAWKINS. Mr. Chairman, if the gentleman will yield, I believe the gentleman has agreed with us that there is no tradeoff, and I am a little surprised that the gentleman's amendment would attempt to knock out on page 59 the language in lines 1 through 5 because it seems to me that that goes down the line with your point of view because the language says:

> (1) High unemployment often contributes to inflation by diminishing labor training and skills, underutilizing capital resources, reducing the rate of productivity advance, increasing unit labor costs, and reducing the general supply of goods and services.

I am a little amazed, as I say, that the gentleman would knock that language out which I think, if anything, supports his view, and of what the gentleman has just said that in situations of low unemployment that we are not jeopardized and that in periods of high unemployment that those periods tend to bring about more inflation. The gentleman seems to be moving in the opposite direction in this amendment.

Why is that language stricken?

Mr. SARASIN. Certainly I agree that there is no tradeoff, and all we are doing is codifying the language and adding some additional language to it. We have not changed the language as it is on page 59.

Mr. HAWKINS. If this is only codification, then why knock it out?

Mr. SARASIN. We are taking the language and making it the goal which is the purpose of the bill.

Mr. HAWKINS. I do not understand it, I must confess.

Mr. SIMON. Mr. Chairman, I move to strike the last word, and I rise in support of the amendments offered by the gentleman from Texas (Mr. WRIGHT) to the amendments offered by the gentleman from Connecticut (Mr. SARASIN).

Mr. Chairman, I rise in strong support of the Wright amendment and in opposition to the Sarasin amendment. I am not a newcomer to concern about inflation. My colleagues on the Budget Committee know that right now I am trying to work out something—the chairman of the Budget Committee is here—so that the Congressional Budget Office can have an inflationary impact statement with any bill that comes before this body.

When President Carter delivered his message to this House and Senate, I described to the reporters the anti-inflation portion of that message as "anemic." I think the Wright amendment puts muscle into the anti-inflationary campaign, and I think that is all to the good. In fact, it does it much more effectively than the Sarasin amendment.

Let me say, however, that even without the Wright amendment, the legislation which our colleague, the gentleman from California (Mr. HAWKINS), presented to us is loaded with anti-inflationary devices and instruments, but the Wright amendment just adds one more thrust to it. I think my colleague, the gentleman from California, in the dialog just a few minutes ago also pointed out what seems to me to be the philosophical thrust of the Sarasin amendment when he knocks out the language on page 59.

Let me use this illustration—and I did this once before, and I do not recall

what the bill was. I will use this pen as an illustration. If there are 10 pens produced and $10 in circulation, each pen will cost $1. Traditionally, we have had inflation in most countries because we have printed too much money. If we print $12 and then produce 10 pens, each pen costs $1.20. This money-printing problem is one of the reasons we have to let the Federal Reserve Board continue as an independent body, even though from time to time we disagree. There is another way of having inflation. That is, if we keep $10 in circulation but produce only 8 pens, we have inflation, and that is where our economy has been.

We have 20 percent idle plant capacity, and the Humphrey-Hawkins bill zeroes in on that, and it zeroes in effectively in soft spots.

The weakness of the approach of the distinguished gentleman from New York (Mr. KEMP)—and yesterday, last night, in general debate he said something I agree with completely: He said 'unemployment is inflationary." That is absolutely correct—the weakness of just the cutting-tax approach he advocates is that it does not target in to soft spots. There are areas in our labor market that are tight, and if we just spread money out through tax cuts, we cause an inflation factor in the tight labor market.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. SIMON. In just a moment I will be happy to yield.

Mr. KEMP. The gentleman mentioned my name.

Mr. SIMON. I will yield to my colleague, the gentleman from New York, and he can say whether I quoted him accurately or inaccurately.

Mr. KEMP. I thank the gentleman for yielding.

The gentleman did not quote me accurately. When I talk about lowering tax rates, I am not talking—nor is this side of the aisle talking—just about shoveling money out into the economy by cutting taxes rather, we propose to lower the tax rates by 30 percent to restore the reward, after taxes, for working, saving, investing, and producing. Basic economics tells us that in any economy if we increase the reward for something, we get more of it. We want and need today to get more production, more work, more savings, and more entrepreneurial activity. I suggest that is exactly what President Kennedy used in the 1960's to get the economy moving again. And today if we really want to get the economy moving again, we must work on the supply and production side of the economy, not just the demand and consumption side. We have had demand management policies for 30 years or so and spending does not create prosperity as England and New York City are finding.

Mr. SIMON. I am going to have to take back my time.

Let me point out one major defect of the Sarasin amendment—and I speak for myself and not the sponsor of the measure before us. The Sarasin amendment absolutely prohibits, with respect to the private sector, the utilizing of any policy or program which prohibits Government control of wages and prices. I happen to disagree with our friends in both labor and management. I think the President of the United States ought to have standby controls on wages and prices and 80 percent of the American people believe in that. But whether one agrees or not, what we should not do is adopt a major policy like this without one moment of testimony; not 1 hour, not 1 minute of testimony on this.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.)

Mr. SIMON. So I would ask the Members to reject the Sarasin amendment also because it makes a major thrust in policy without having a moment's consideration for that new thrust in policy.

The Wright amendment, I think, adds more to the anti-inflation effort. I think it is a step in the right direction. I hope the Wright amendment will be adopted.

Mr. KEMP. Mr. Chairman, will the gentleman yield for a question?

Mr. SIMON. I yield to my colleague, the gentleman from New York.

Mr. KEMP. Mr. Chairman, is it the gentleman's thesis that if the Federal Government through monetary and fiscal policy reduced interest rates, that there would automatically be a concomitant growth in the economy? Is that the gentleman's thesis?

Mr. SIMON. I do not say that it is automatic. I do believe we have to use greater imagination, that we should not be divided into Friedman camps and Heller camps.

Mr. KEMP. Mr. Chairman, if the gentleman will yield further, I am not looking to divide us.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. KEMP, and by unanimous consent, Mr. SIMON was allowed to proceed for 1 additional minute.

Mr. KEMP. Mr. Chairman, if the gentleman will yield further, I want to remind my colleagues that by reducing interest rates artificially through expansion of the money supply, we ultimately end up not with lower interest rates, but higher ones. During the Depression we had low-interest rates, and no economic growth; lower interest rates do not automatically translate into growth. We must encourage the incentive of people to invest, work, and save.

Mr. SIMON. The gentleman's assumption is partially correct and partially incorrect. It is not automatic that we have to have an increase in the money supply to have lower interest rates. It is also true that if we could have a 2-percent drop in the interest rate right now, the stock market would take off and we would see business investment like nothing we have observed in the last couple of years.

AMENDMENTS OFFERED BY MR. JEFFORDS AS A SUBSTITUTE FOR THE AMENDMENTS OFFERED BY MR. SARASIN

Mr. JEFFORDS. Mr. Chairman, I offer amendments as a substitute for the amendments offered by the gentleman from Connecticut (Mr. SARASIN).

The Clerk read as follows:

Amendments offered by Mr. JEFFORDS as a substitute for the amendments offered by Mr. SARASIN: Page 64, line 16, strike out "and productivity" and insert in lieu thereof "productivity, and reasonable price stability".

Page 64, line 22, before "and" insert "reasonable price stability, which shall be set at a rate which would, within five years, bring the annual rate of inflation, as measured by the Consumer Price Index as determined by the Bureau of Labor Statistics in the Department of Labor, to not more than 3 percent."

Page 69, after the period in line 6 add the following new sentence: "Beginning with the third Economic Report submitted after the date of the enactment of the Full Employment and Balanced Growth Act of 1978, the President shall set forth in each Economic Report the programs and policies being used to reduce inflation and the degree of progress made.".

Strike out line 13 on page 73 and all that follows down through line 5 on page 75, and insert in lieu thereof the following:

"SEC. 9. (a) The Congress determines that reasonable stability as described in section 3(a)(3) and sections 4(a) and 4(b)(2) will be achieved under the procedures and requirements of section 5(b).

"(b) The Congress determines that inflation is of the most regressive economic force, bearing disproportionately upon the aged, the disabled, the small business entrepreneurs and farmers who are unable to charge the higher prices reflecting their higher costs, and the many workers who receive salaries not tied to the cost of living. Medical and utility costs to the consumer have escalated to almost prohibitive heights.

"(c) The Congress finds that sole dependence upon fiscal or monetary policies or both to combat inflation can exacerbate both inflation and unemployment. The Congress determines that fiscal and monetary policies which are utilized prudently and in conjunction with specific targeted policies dealing with structural measures are badly needed.

"(d) The President must initiate specific policies to reduce the rate of inflation, and with respect to such policies he shall make recommendations to the Congress where necessary and include recommendations within the Economic Report where practicable. Such policies should include but not be limited to—

"(1) programs and policies for alleviating shortages of labor, capital, and materials, especially in emergency dislocations and to aid in stabilizing prices;

"(2) encouragement to labor and management to increase productivity within the national framework of full employment through voluntary arrangements;

"(3) an effective information system to monitor and analyze inflationary trends in individual economic sectors so that the President and the Congress can be alerted to developing inflation problems, especially those caused by bottlenecks inhibiting the flow of goods and services.

"(4) removal or proper modification of such Federal restrictions and regulations as add unnecessarily to inflationary costs;

"(5) recommendations to strengthen and enforce the antitrust laws and such other recommendations as are necessary to increase competition in the private sector; and

"(6) such other administrative actions and recommendations for legislation as the President deems desirable, to promote reasonable price stability.".

Mr. JEFFORDS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments offered as a substitute be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Vermont?

Mr. HAWKINS. Mr. Chairman, I reserve a point of order on the amendments.

The CHAIRMAN pro tempore. The gentleman from California reserves a point of order on the amendments.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. Mr. Chairman, as the gentleman from Vermont has already made the request that the amendment be considered as read and that request was granted, therefore I think the point of order comes too late.

The CHAIRMAN. The Chair would advise the gentleman from Maryland that the point of order can still be made or reserved before the gentleman proceeds with his remarks. Therefore, the reservation is in order.

Mr. HAWKINS. Mr. Chairman, may I request of the gentleman in the well that we be supplied with a copy of the amendment?

Mr. JEFFORDS. Mr. Chairman, I am sorry. I presumed that had been done.

Mr. Chairman, I will state exactly what it does.

Mr. JEFFORDS. Mr. Chairman, what this amendment is, is the Wright amendment with the addition of these words:

Page 64, line 22, before "and" insert "reasonable price stability, which shall be set at a rate which would, within five years, bring the annual rate of inflation, as measured by the Consumer Price Index as determined by the Bureau of Labor Statistics in the Department of Labor, to not more than 3 percent.".

In other words, my position is this. I have read the Wright amendment. I think there is some excellent language there which really emphasizes that we should and must do something about inflation; but what it fails to do is to give equal status to inflation by focusing the attention of the American people on a specific goal. We have done that in the area of unemployment. We have said that we want to reduce unemployment down to 3 or 4 percent. Why not do the same thing for inflation? Why not have a specific goal for inflation.

There is no reason, as has been pointed out, why we cannot do both, lower inflation and lower unemployment. It is perfectly good and sound policy to do so. It occurred back in the 1950's when we had a Republican President and a Republican Congress. It could happen again under the same circumstances. Whether it will happen in the present circumstances is not certain, but there is no reason we cannot focus on a specific goal of 3 percent and, hopefully, to zero percent later.

But it seems to me that the American people are going to look at this bill for what it means to them, and 3 percent means a lot to them when inflation is presently at a 6 percent level. I understand the recent statistics show that this month we are experiencing as much as 14 percent inflation.

Mr. Chairman, it seems to me important that we focus on a specific goal to reduce inflation.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I am interested in the gentleman's comments about the rate of inflation on an annualized basis. It is going back up.

The distinguished majority leader made the statement on the floor a little earlier in explaining his amendments that we are achieving strong economic growth.

Is there any Member in this Chamber who believes that with the dollar being devalued, with the dollar dropping as opposed to the yen and the mark by almost 9 percent in the first 6 months of the year, with inflation going back up, and with the stock market going down to about 50 percent of what it was during the Kennedy administration we are experiencing strong economic growth? I think that is preposterous on its face, and there is no empirical that we can use to support that point.

The gentleman from Vermont (Mr. JEFFORDS) is making an important contribution to the debate by bringing these substitute amendments to the floor.

Mr. JEFFORDS. Mr. Chairman, I thank the gentleman from New York for his comments, and I certainly endorse what he said.

I think it is very critical that we do focus attention on specific goals that people can understand, not language that sounds genuine but does not really emphasize what we are trying to do, which is to reduce inflation and give that goal a coequal status with the goal of reducing unemployment. Let us give them a specific goal that average Americans understand.

Let us face it, there are a great number of people who are unemployed, but there are many more who are suffering from the ravages of inflation. I believe it is important that we give equal emphasis to the group that is suffering from inflation.

The CHAIRMAN pro tempore. Does the gentleman from California (Mr. HAWKINS) insist on his point of order on the substitute amendment?

Mr. HAWKINS. I withdraw my point of order, Mr. Chairman, but I do wish to be recognized.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, I rise in opposition to the substitute amendments.

Mr. Chairman, I think the fact we are getting this flood of amendments is becoming rather amusing.

I am a little surprised that although this bill was introduced in 1974 and has been here during each session since then while this body, as well as the other body, has conducted a series of public hearings on this subject, until 3 weeks ago the sponsors of these amendments did not say one thing in this body about inflation. It is a strange fact that their great concern with inflation has come with a death bed confession of their opposition to full employment.

The fact is that H.R. 50 and S. 50 are the only proposals in this session that have the basic objective of controlling overall price inflation. Why have those who are concerned with inflation waited until these bills were called up for consideration to express their great concern and to attempt to do something about inflation?

Short of controls or intervention in the private sector, these proposals are by far the strongest yet suggested. A defeat of these bills would leave us without a workable and certainly a constructive approach to the problem.

I think the shallowness of the amendments is further indicated by the fact that they contain not one single mechanism or not one single program to reduce inflation. They, therefore, depend entirely on the provisions of H.R. 50 to achieve their target. If H.R. 50 is this strong as an anti-inflation program without these amendments and the Sarasin amendments which add no new programs, why then should we jeopardize what we already have to fight inflation with an unworkable and a defective amendment?

Mr. Chairman, this is a case of a dog with a bone in his mouth seeing his reflection in a pond of water and thinking that the reflection is more substantive than the bone that the dog has in its mouth.

And how will those who piggyback on this proposal, on H.R. 50, be able to profit politically from such piggybacking?

Since this amendment covers only consumer prices, that is, housing, new cars, appliances, and other consumer products, what happens to these consumer prices when industrial raw material prices, such as lumber and fuel, for example, which are not targeted by the amendment, increase? The answer is obvious. Fewer houses are going to be built under their amendment, fewer cars are going to be manufactured under their amendment, and fewer durable goods will be made available to the American public. Supplies will dwindle with increased prices.

So what is being sold to us today as an anti-inflation amendment could in reality become the strongest process for increasing prices. I say that this is a jeopardy that we do not want to impose on the American public, and these amendments certainly should be rejected.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman is making a very good case against the Wright amendment and not necessarily against the amendments of the minority.

Mr. HAWKINS. Mr. Chairman, if the gentleman did not hear me, I am sorry. I indicated that I was as opposed to one minority amendment as I was to the other, that it is tweedledee, tweedledum.

Mr. KEMP. Mr. Chairman, I am glad to hear the gentleman say that.

Mr. HAWKINS. I think both of them should be voted down and the WRIGHT amendment should be supported.

Mr. KEMP. If the gentleman will yield further, the gentleman said that the minority is offering no program to reduce inflation. I want to correct the gentleman's statement by saying we are and that I plan to offer an amendment to implement President Kennedy's strategy for reducing both unemployment and inflation that he used in the early 1960's, and which reduced unemployment from 5.6 percent to 4.1 percent and kept inflation low.

I am going to offer that amendment, and I hope the gentleman will support it in the interest of a bipartisan strategy for full employment without inflation.

Mr. HAWKINS. They have not offered a solution in all of the hearings we have had since 1974. We do not have a single economist who supports the gentleman's amendment and we do not have a single group that is willing to support this intervention into the private sector.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. HAWKINS) has expired.

(On request of Mr. SARASIN and by unanimous consent, Mr. HAWKINS was allowed to proceed for 2 additional minutes.)

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Connecticut.

Mr. SARASIN. I thank the gentleman for yielding.

Mr. Chairman, obviously I disagree with many of the gentleman's statements, but I would raise one issue with regard to the statement that was made concerning this deathbed proposal for inflation, as if it had not been brought to the gentleman's attention before.

I would ask if it were not the case that not only were a number of questions directed during the course of the hearings on H.R. 50 with regard to inflation, but whether an inflation amendment setting the target of 3 percent as an interim goal was not offered in the subcommittee and in the full committee and lost in each case on a partisan basis.

Mr. HAWKINS. Three weeks ago, I think the gentleman will recall, when the bill was marked up—approximately 3 weeks ago; it could have been 2 or 3 days beyond 3 weeks, but certainly it has been within a month—you did offer the amendment during that time, during the markup. That was too late, obviously, to get any testimony one way or the other.

Mr. SARASIN. If the gentleman will yield further, Mr. Chairman, as I understand it, that is the time to offer amendments, during markup. And, of course, the bill had changed so many times.

Mr. HAWKINS. Yes, but we had many economists appearing before the committee during all of this time since 1974, and at no time was this discussed. Can the gentleman suggest one witness who has appeared, who has even discussed the issue in committee, even prior to markup?

Mr. SARASIN. I certainly would, Mr. Chairman. I would suggest that Alice Rivlin, the economist of the Congressional Budget Office, and any number of others, have discussed this before us.

Mr. HAWKINS. Mrs. Rivlin did not support in any way the contention of the opposition. As a matter of fact, Mrs. Rivlin, in a letter to me, which is included in the majority remarks in the report, said that we could reduce unemployment below 4 percent, even to 3 percent, provided we included the structural programs that are contained in H.R. 50. That is what she said.

The CHAIRMAN. The time of the gentleman from California (Mr. HAWKINS) has again expired.

(On request of Mr. WEISS and by unanimous consent, Mr. HAWKINS was allowed to proceed for 1 additional minute.)

Mr. WEISS. Mr. Chairman, will the gentleman yield for a clarification?

Mr. HAWKINS. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I believe that in response to a question from the gentleman from New York (Mr. KEMP) when he asked if the objection of the gentleman in the well did not apply as well to the Wright amendment, the gentleman in the well may have misunderstood.

I understand that the gentleman is actually supporting the Wright amendment and is opposed to the Sarasin and Jeffords amendments; is that correct?

Mr. HAWKINS. That is correct. If I implied anything else, I am sorry. I strongly support the Wright amendment. I think it goes beyond what the bill presently stipulates; and it goes much beyond the two amendments that have been presented, the one being the Sarasin amendment and the other being the neo-Sarasin amendment, which has just been presented.

May I say also—and I hope the gentleman will agree with me—that he used the name of Charles Schultze in the testimony as though Mr. Schultze is supporting the position of the opposition.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. HAWKINS) has expired.

(On request of Mr. SARASIN and by unanimous consent, Mr. HAWKINS was allowed to proceed for 2 additional minutes.)

Mr. HAWKINS. Mr. Chairman, I would like to clarify that point.

Did not Mr. Schultze support the present provision in H.R. 50 and did he not say that he was opposed to the idea of a numerical goal for inflation, that he hoped that we could achieve zero inflation, but he doubted that we could do that easily, but that he would support the present position? Is it not true that Mr. Charles Schultze in no way supports the opposition's amendment?

Mr. SARASIN. If the gentleman will yield, Mr. Chairman, it is my recollection of the testimony that when I asked him specifically about a number, he said that the reason we should not suggest a number is that we are looking for the ultimate. We want to get to zero. Anything less than zero would not be acceptable.

The gentleman from Vermont (Mr. JEFFORDS) at one point asked, "Is it so hard to pick a number for inflation?"

Dr. Schultze said again, "My point with respect to inflation is that any number greater than zero would be misleading."

We have emphasized that question, but I do not think 3 percent is acceptable. A 3-percent interim goal, which is flexible as an unemployment goal, is something we should be shooting or targeting for, and that is the reason for the amendment.

Mr. HAWKINS. Would the gentleman tell us just how he arrived at the 3-percent figure? Just where did the 3 percent come from? We are talking about a 4-percent unemployment goal in 5 years.

Mr. SARASIN. We are talking about 3 percent. The 3 percent is not a number that comes up just for convenience.

Mr. HAWKINS. Is it arbitrary, or does the gentleman have anyone who supports the idea that it should be 3 percent?

Mr. SARASIN. It is no more arbitrary, if the gentleman will yield further, than the 4-percent unemployment figure or the 3-percent adult unemployment figure as a goal.

Mr. HAWKINS. The 4 percent was formerly acceptable. For example, during the time about which the gentleman from New York (Mr. KEMP) spoke in saying that we made all of this progress, the 4 percent was acceptable to the Council of Economic Advisers and to the Republican administration of Mr. Nixon.

Furthermore, the 4 percent has sound and strong support as we gleaned from the hearings which we have conducted.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. HAWKINS) has again expired.

(On request of Mr. SARASIN and by unanimous consent, Mr. HAWKINS was allowed to proceed for 1 additional minute.)

Mr. SARASIN. Mr. Chairman, will the gentleman yield further?

Mr. HAWKINS. Yes, I am glad to yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, the 3-percent figure is a target. It is a goal. It is a place we are trying to get to in the 5-year period between now and 1983.

I do not think we should be somehow accepting 6 percent, 7 percent, 8 percent, or 13 percent, as February's figures would indicate, as utopia.

What we are saying is, "Let us try to keep an eye on that target and see if we can get there. It is flexible. It can be changed just as the figure on unemployment can be changed. If conditions tell us that we just cannot achieve it, let us at least try and let us not say that anything over that is acceptable at all."

Mr. HAWKINS. I do not know. Maybe the gentleman is right in saying that; but I am simply asking, Where did it come from? Is it out of the gentleman's imagination? Is it arbitrary? Would the gentleman consider it to be reasonable? Who suggested this? Can the gentleman name just one witness in any of the hearings or one individual, one economist, who has told him that 3 percent is reasonable?

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. HAWKINS) has again expired.

Mr. ARMSTRONG. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Jeffords amendment and in opposition to the bill.

Mr. Chairman, we are debating here today a bogus solution to a tragically genuine problem.

Unemployment is an economic and human concern of the utmost seriousness. More than 5½ million Americans who want jobs are unable to find jobs. Fifteen percent of all Americans between the ages of 16 and 20 cannot find work. In some areas, more than 35 percent of young people who belong to minority groups are without jobs.

More than 3 million people who work part time would like to work full time. Two million Americans have been out of work for more than 3 months. Another 1 to 2 million have been unable to find jobs for so long that they are no longer even listed in the Government's unemployment statistics.

Another set of figures suggests why unemployment remains so high.

In the last 10 years, the productivity of the American worker has increased at the dismal annual rate of 3.4 percent. The United States now has the lowest rate of savings and capital formation of any country in the industrialized world. Wholesale prices have doubled in the last 10 years, and inflation has averaged more than 8 percent a year since 1973.

The total taxes paid by the average family have more than tripled since 1967. The minimum wage rate has gone from $1 in the mid-1960's to $2.65 this past January. Finally, last year's Federal Register contained more than 60,000 pages of new rules and regulations with which business will be compelled to comply.

Both the unemployed and the businessmen who would like to employ them are crying out for a responsible, realistic, effective program that will create real, permanent, productive jobs.

Instead, we are proposing to give them the Humphrey-Hawkins bill. That would be the economic equivalent of throwing an anchor to a drowning man.

The Humphrey-Hawkins bill is the prototypical example of legislation that is long on sentiment, but very, very short on sense. In theory, it would give every able-bodied American who wants to work an opportunity to work. In practice, it would be either a cruel hoax, or the trigger of a new depression.

Title I of the Humphrey-Hawkins bill would give the Federal Government power to make whatever economic plans are deemed necessary to obtain and maintain "full employment," which in the current version of the bill is defined as a 4 percent unemployment rate.

This provision would, in effect, transfer most economic decisionmaking from the free market to Federal bureaucrats in Washington.

I can think of no quicker way to stifle initiative, stagnate economic growth, and accelerate inflation.

The Federal Government has been trying to "fine-tune" the economy through various monetary and fiscal tools for decades. So far, it has succeeded only in increasing the annual deficit, saddling the Nation with an 8-percent rate of inflation, boosting unemployment to 7 percent, and tripling tax rates.

The other major provision of the Humphrey-Hawkins bill would mandate a massive public jobs program to bring the unemployment rate down to the 4 percent target. These would be mostly make-work, dead-end jobs of the leaf-raking variety. They would contribute nothing to the economy, but would drain a great deal from it. The potential cost of the public jobs programs has been estimated to be as high as $28 billion. Less than a third of that would go to the unemployed.

These public jobs are supposed to be "temporary" jobs, which would provide the currently unemployed with the training and skills they need to find jobs in the private sector. Sponsors of H.R. 50 blithely assume that there will be jobs in the private sector waiting, like some big rock candy mountain, for the alumni of the various public jobs programs that would be created by the Humphrey-Hawkins bill.

The experience of the real world indicates otherwise. At present, job training programs created and funded by the Comprehensive Employment and Training Act are able to place no more than 10 to 20 percent of their "graduates" into meaningful private employment. There are at present some 750,000 people in CETA and other public employment programs. Labor Secretary Marshall estimates an additional 2-million public service jobs would have to be created to meet the requirements set forth in the Humphrey-Hawkins bill. Perhaps poets and hashish smokers may imagine that we will be able to find 2 million private sector jobs when we have been unable to find 750,000. But it would be highly irresponsible for legislators, who are supposed to have some understanding of the real world, to entertain such outlandish notions.

I said at the outset of my remarks that in practice, the Humphrey-Hawkins bill would be either a hoax or an economic catastrophe. Whether it is the one or the other depends on whether or not the administration and the Congress seriously attempt to implement the goals set forth in the bill.

When the Humphrey-Hawkins bill was first proposed in 1974, it was a clear-cut command to the administration to drive down the unemployment rate to 3 percent and to provide a job on the public payroll to anyone who said he wanted work but was unable to find it.

That was a prescription for disaster, but at least it had the virtue of charity.

The current version of the Humphrey-Hawkins bill does not possess even that. True, it sets a goal of a 4 percent unemployment rate to be reached within 5 years. But at the same time it insists on "restraint of inflation," "adequate productivity growth," "high rates of capital formation," and so forth.

This is like telling the economy to sit down and stand up at the same time. It is in the nature of politicians to try to be all things to all men. But to put these conflicting goals into a single bill only muddies the intent of Congress and causes people to wonder whether the measure is to be taken seriously or to be treated simply as act of legislative cosmetics.

The unemployment problem in this country is far too serious to be powdered over. We must take decisive action that will lead to the creation of real, permanent, productive jobs for the people who need them.

If we are to expand job opportunities, we must expand the private economy which alone can provide meaningful new jobs.

At a time when it costs business $40,000 in investment to create each new job, lower taxes, fewer regulations, and incentives for greater capital formation would seem to offer the best promise for creating new jobs.

The Humphrey-Hawkins bill would provide none of these. Instead, it proposes even more regulations, and would mandate even higher taxes to pay its enormous price tag. This would exacerbate, not ameliorate, the problem of unemployment.

If what we wish to do here today is to promise pie-in-the-sky to all and sundry, or to erect a flimsy memorial to a great man, the Humphrey-Hawkins bill will do as well as any.

But if we are serious about wanting to solve the problem of unemployment, the first thing we should do is to set aside this well-intentioned, but seriously flawed bill.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I will be pleased to yield to my friend from New York.

Mr. KEMP. I appreciate the gentleman yielding to me. I just want to suggest that the previously mentioned fact that no leading American economist who testified on this bill stated a desire to reduce inflation to at least 3 percent or less as an interim goal, make the Sarasin-Jeffords amendment highly desirable and advisable. This Congress must cut itself free from the type of demand management economic theory, that has been followed in the last 30 years. The American people want inflation reduced, as the gentleman from Colorado stated so well, and do the people of western New York share his concern. So, I rise in support of the amendment and mention once more that we must also remove the bias

against work, saving, and investment that exists in America today.

Mr. ARMSTRONG. I thank the gentleman.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield.

Mr. JEFFORDS. I would like to point out that if my memory serves me correctly, and perhaps the chairman can correct me if I am wrong, but as I sat in the Rules Committee he was asked by Mr. BOLLING whether 2.8 percent was reasonable, and my understanding is that the chairman said yes, he did consider 2.8 percent as reasonable price stability. It might not have been Mr. BOLLING, but he was asked for his comment as to whether the specific figure of 2.8 was reasonable price stability. I would also point out that it was pretty close to 3 percent. I believe that is correct.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first I want to say that I rise in strong support of the Humphrey-Hawkins legislation. I think it is essential; I think it is necessary; I think that setting goals and trying to do something about unemployment is long overdue, and that we should do something now. I want to address myself, however, to the issue of inflation. We can argue that there is too much or not enough language in the bill, or about the impact of the language, but let me say to the Members, as one who works on budget matters all year long here, that I am terribly concerned about inflation in the United States, and so are the American people.

We have to be certain—we must be certain—that we get inflation under control, or we are going to bring down the great American economy of $2 trillion—which provides employment for almost everyone, and hopefully will provide for all—and negate everything else that is worthwhile in the world. I want to be sure that I understand clearly what the Wright amendment is tied to. I believe I understand what the Sarasin amendment provides. We can debate whether or not 3 percent is the correct figure; we can also debate whether or not 4 percent for unemployment is the correct figure, but I think that the Sarasin amendment tries to give equal status to the importance of combating inflation in this legislation, and I believe that this must be done.

Now, the Wright substitute portends to do that, and I wanted to make sure of that. I asked for the author of the amendment to be here, but unfortunately he was detained. Perhaps some of the gentlemen at the committee table could enlighten me. As I understand the Wright amendment, the burdens that it imposes are put upon the President of the United States. Please correct me if I am wrong, but I do not see that it compels Congress to do anything. It states what the President is to do, that he shall establish numerical goals in his economic report for employment, production, and also for price stability. That mandates him to provide measures to control inflation. But, if Members will go to page 96 of the bill, the committee amendment, title III, makes very clear what the Joint Economic Committee is to do.

The Joint Economic Committee must make a report setting forth as the short term congressional goals of national economic policy, annual and numerical goals for employment and unemployment, production, real income, and productivity for the calendar year. There is no mention of inflation. We do know what the report and what the resolution of the Joint Economic Committee will say as to those features, as to those items: the goals of unemployment, production, real income productivity.

As I read the amendment offered by the majority leader, the anti-inflation amendment seems to specify only what the President will do. I would like to know, and I will yield to the gentleman from Illinois if he will respond, what it compels Congress or the Joint Economic Committee or anyone else to do.

Mr. SIMON. Mr. Chairman, will the chairman yield?

Mr. GIAIMO. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, the language of the Sarasin amendment is almost all hortatory in nature, just kind of a very general vague statement, with the exception of a couple of places where it has specifics.

Mr. GIAIMO. One could say that for the bill.

Mr. SIMON. Except that it does call for some specific goals and calls for some specific recommendations and actions by the President to Congress, and that is precisely what the Wright amendment does.

If the gentleman will look on page 2 of the Wright amendment, he will see that it says under subsection (d):

> The President must initiate specific policies to reduce the rate of inflation, and with respect to such policies he shall make recommendations to the Congress . . .

So then congressional action is necessary.

Mr. GIAIMO. But let me back off now. We are going to come forth with a recommendation, a resolution if you will, from the Joint Economic Committee which is going to be debated and adopted on this floor. It is going to address itself to topics I mentioned earlier.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. It is going to address itself to numerical goals for employment and unemployment, for production, for real income, for productivity. Now there is nothing about inflation. I assume it is the purpose of the gentleman from Connecticut to have something said about inflation in the resolution. Am I correct?

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Connecticut (Mr. SARASIN).

Mr. SARASIN. Mr. Chairman, the Sarasin amendment does provide for adding the word "inflation" after the word "unemployment" on page 67, line 5.

Mr. GIAIMO. Exactly.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I cannot speak for the sponsor of the bill, but I think that would be welcomed by our side. The report of the Joint Economic Committee can include inflation. I do not think there is opposition to that over here.

But I think the Wright amendment is generally more specific as to what the President must do in the request he makes to the Congress. So I think in line with what the gentleman has been saying, and as he knows, I concur with him in this concern, I think the thrust of his statement is that we ought to be approving the Wright amendment.

Mr. GIAIMO. I would hope there would be some discussion of this by some other speakers here today.

Let me say this: I am firmly committed to the Humphrey-Hawkins bill, and I approve of what it is trying to do. It is trying to reduce unemployment. But I am equally concerned about the struggle against inflation in this land of ours. Inflation is threatening to destroy our economy, and I must insist that we mandate strong action in this legislation to equally combat that issue.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Chairman, is the gentleman aware of the fact that in the annual numerical goals for 5 years for employment, real income, productivity, and so forth, that the Wright amendment adds inflation at that point?

The gentleman seemed to be laboring under the misapprehension that the Congress was not involved. I would just simply point out that the Wright amendment does involve Congress, not only in several other places but specifically in the same place that the numerical goals for unemployment are also involved.

Mr. GIAIMO. I am aware of that. I will say to the gentleman from California that what disturbs me is that in the action that we are taking under this legislation, there is nothing mandated under the law as to what we will do in the area of inflation.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me make it clear from the outset that my opposition to the Sarasin amendment and to the Jeffords amendment is not predicated on any newspaper reports about how those two strategies were arrived at.

If my colleagues in the House will recall, there was a newspaper report saying that the Sarasin amendment was developed in a strategy session, a strategy session in which it was decided that

in order to hurt the full employment bill the Republicans would have to come up with a gimmick "to embarrass the Democrats." I do not believe that.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. Not at this point. When I finish my statement I will be delighted to yield to the gentleman.

As I said, Mr. Chairman, I do not believe that the newspaper report which indicated that in the strategy session of the Republican Party on this bill, a decision was made to produce amendment after amendment knowing full well that those amendments would have no impact on inflation or unemployment. I do not believe that. I believe that the Jeffords amendment and the Sarasin amendment are well motivated.

But I oppose both of those amendments, and I strongly support the Wright amendment.

The problem it seems to me is at least three-fold in terms of both the Sarasin amendment and the Jeffords amendment. The first problem is that, under the Sarasin amendment, when you try to target a specific figure for inflation it means, beyond any shadow of a doubt, it means beyond any question, that to do so you have got to take into account all of the variables that enter into the flow of goods into the marketplace. You have got to take into account the flow of goods, the level of production, capital formation, possibly reduction of plant capacity, possibly increase of it. I submit to my colleagues there is no way in the world that you can control those host of variables without ultimately coming to the point where you have to impose price controls in order to achieve a 3-percent figure. We do not want price controls. It is obvious this House does not want them. But the inevitable result of the Sarasin amendment—and I am amazed that this has not been thought through on the other side—the inevitable result will lead to price controls. It is for that reason and for that reason alone that I believe we have sufficient justification to vote down the Sarasin amendment.

Let me deal with a second problem associated with both the Jeffords amendment and the Sarasin amendment.

All of us in this House seek to control inflation. It devastates our communities almost as much as does the high rate of unemployment, but there is a difference between attempting to control inflation and attempting to control fiscal policy. Fiscal policy differs, as my colleagues know, from monetary policy and monetary policy is much more complex, much more difficult to control than is fiscal policy.

Here in the Congress when we institute fiscal measures to try to deal with unemployment we can be reasonably accurate in terms of predicting the outcome of those fiscal measures. On the other hand, even the Federal Reserve Board itself admits to an inability to make accurate or even halfway accurate predictions with regard to monetary policies.

Mr. Chairman, I will yield to the gentleman from Connecticut when I finish my statement.

Mr. Chairman, by way of illustration, last year Arthur Burns, then the Governor of the Federal Reserve Board, came before the Banking Committee in this House and we accepted some targets from M–1 and M–2. We accepted a 4½-percent floor for M–1 and M–2 and a 6½-percent ceiling for M–1 and M–2.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for an additional 3 minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, when the Congress accepted those money-growth figures, it was on Mr. Burns' recommendation, but he was the first to say that, because of the intricacies of monetary policy, he could not make a flat prediction how it would come out, and he was right to say it. By the time we got to September of last year we had exceeded the 6½ percent to where we were dealing with a 9½ percent rate or better in terms of M–1 and M–2; so it is almost impossible, it seems to me, to apply the same rigid criteria to monetary policy which is central to the control of the inflation question. It is almost impossible to apply the same criteria there as we apply to fiscal policy.

If anyone has looked at the legislation before us, threaded throughout H.R. 50 are expressions of major concerns about inflation. The bill recommends that productivity of both labor and management be improved. The bill recommends that the President report on poor performance of specific industries and regions. The bill recommends that specific critical shortages be given critical attention. The bill recommends that regulatory procedures be scrutinized to insure that production is not retarded. The bill recommends that inflation in all of its general and specific aspects be the concern of the executive, as well as the legislative arm of Government.

Now, this Member felt that that was a more than sufficient addressing of the problem of inflation in H.R. 50. However, in retrospect, I see it was necessary to make some additions to strengthen the fight against inflation, as proposed in the Hawkins bill. Therefore, it makes sense to support the Wright substitute amendment, which does not try to tinker with setting specific targets, when even such an august person as Arthur Burns has suggested that this was almost virtually impossible to do.

Let me make one or two other brief statements. I want to close by reiterating what I said initially. I do not believe everything that appears in the newspapers. I do not believe that the Sarasin amendment was put forth merely to "embarrass Democrats." I do not believe that the strategy developed in a Republican strategic meeting was to come forth with innocuous amendments, merely to wreck the legislation we now consider.

The CHAIRMAN. The time of the gentleman from Maryland has again expired.

(By unanimous consent, Mr. MITCHELL of Maryland was allowed to proceed for 1 additional minute.)

Mr. MITCHELL of Maryland. Mr. Chairman, I do not believe that the strategy was that the Republicans were so fearful of the fact that they could not attack the fight against unemployment, they could not do that, therefore they decided on a strategy of slowing down, eroding, weakening, but at the same time trying to hide those efforts under the guise of inflation so that they could win the approval from Mr. DOLE as he endeavors to get more black people to come into the Republican Party.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding.

I think the statements of the gentleman from Maryland (Mr. MITCHELL) are right on. I just want to point out, in relation to the 3-percent arbitrary figure, which is the gentleman's point, that we do not control OPEC prices on that basis; we do not control many elements in the picture that impact on the economy.

I do not think we should attempt to do that, because the economy in this country is the freest economy in the world. However, we do have a responsibility in this country with respect to employment, and I think we ought to maintain that particular responsibility.

I do not propose that we make efforts to try and control inflation by virtue of Government programs. I think we must do it on a voluntary basis, through productivity and through other means.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for his comments, and I urge support for the Wright substitute and the defeat of the other amendments.

Mr. SARASIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to advise the gentleman from Maryland (Mr. MITCHELL), who does not believe any of those terrible things he reads. I am not playing games with an amendment. I am trying to get the Congress to focus its attention on the problem of inflation. It is a problem, however, that plagues the elderly, the poor, and the minorities, and it affects all 215 million Americans. The gentleman is right. He is absolutely right, and he should not believe those reports.

I do not believe that Humphrey-Hawkins is a hoax either. I believe it could be made into a good bill, a balanced bill, but I do not believe the Wright amendment accomplishes that objective at all. They allow the Congress to continue to ignore the problem of inflation.

The gentleman from Maryland (Mr. MITCHELL) makes the argument that we have to use all these other mechanical devices to manage the economy and control inflation, interest rates, production, and everything else. In order to keep our eye on inflation, we do not have to do that at all, and the chart introduced by

the gentleman from Texas (Mr. WRIGHT) proves it. We do not have to do that.

We can have low inflation, we can have low unemployment, but we do have to keep our eye on the economy. It means that this Congress has got to pay as much attention to inflation as it pays to unemployment or we are all going downhill. And the guy who gets hurt the most, if we do not do that, is the individual the gentleman from Maryland (Mr. MITCHELL) is most concerned about, as I am: the young, black, inner-city individual who cannot get a job, the young minority individual who cannot work because of what inflation is doing to deny him that opportunity.

Mr. Chairman, we can do this, but we must keep our eye on both sides of the problem.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. SARASIN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I would like to share with my colleagues a few facts as to what the yearly average 5 or 6 percent inflation rate has done to factory worker's wages in the State of New York in the last 10 years. In 10 years the average per capita factory wage of the worker in New York State after adjustment for inflation and taxes is exactly what it was in 1967.

In other words, the working people of New York and in fact of the country have literally been working for 10 years without any real increase in their net disposable income and purchasing power. I say this is outrageous. Highly progressive tax rates combined with inflation destroy the reward for working and investing thus diminishing incentive, initiative, and economic growth.

This minority amendment is an attempt to set a goal by working on monetary policy. I plan to offer an amendment to work on the fiscal side of the issue by lowering the tax rates and restoring the reward for working, saving and investing after taxes, and thus bring about growth in the economy, jobs and price stability.

Mr. Chairman, that is the No. 1 goal of this Member, and of this side of the aisle.

Mr. Chairman, I thank my friend, the gentleman from Connecticut, for yielding.

Mr. SARASIN. Mr. Chairman, from what the gentleman from New York (Mr. KEMP) has said, it is as if someone went to the American people 10 years ago and said, "We have a program for you that will guarantee that in 10 years you will be no better off than you are today." On that basis a lot of politicians have been elected, and the country has gone on, but the people have gone nowhere. They have been working very hard, but they are standing still. That is what inflation is doing.

I do not believe this Congress is going to say, "We don't care for 215 million Americans." I just cannot believe that. I cannot believe that this Congress is going to say that we are going to engage in more platitudes and not attempt to set a specific goal for inflation as we do for unemployment.

Mr. Chairman, are these 215 million Americans of as much concern to us as the number of people who are unemployed?

Mr. KEMP. Mr. Chairman, if the gentleman will yield, may I ask one more question?

Mr. SARASIN. I yield to the gentleman from New York.

Mr. KEMP. The gentleman makes a very strong point about the fight against inflation. I want to make it clear again that inflation in and of itself is not the total problem. It is inflation pushing nominal incomes up higher and higher and higher through the steeply progressive income tax rates that exist today in this country that have taken away the reward and the incentive for not just the investor and not the entrepreneur, but the worker, as well. And it is strangling the growth of our economy. If we really want to help the worker, if we really want to help expand the productive output of the American economy, not only must we hold down the rate of inflation, but we must reduce that very steeply graduated and progressive income tax rate schedule, as President Kennedy did in 1963 when he cut every single tax rate right across the board, not just for the wealthy, not just for the people of middle income, but he cut every bracket by 30 percent. And we achieved the type of growth that is reflected in those years.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that the comments that were made by the distinguished chairman of the Budget Committee were very well taken, and I would like to yield him some time at this point. I would like to preface it with a question.

Did I understand the gentleman to suggest that if page 97, line 5, were to be amended to add the words "and rate of inflation" after the word "productivity" that that would give the Budget Committee the tools with which to focus on dealing with problems of inflation?

Mr. GIAIMO. If the gentleman will yield, let me clarify. Does the gentleman mean the Joint Economic Committee, rather than the Budget Committee?

Mr. WEISS. Yes.

Mr. GIAIMO. Let me say to the gentleman that I have an amendment to page 97, line 5, of the bill, adding, after the word "productivity", the words "rate of inflation."

When it submits its resolution to the House of Representatives, the JEC would propose goals for employment, unemployment, production, real income, productivity, and the rate of inflation. Then we could have a full-scale debate in this House, debating the tradeoffs between inflation and unemployment, and all of the other noble goals that we are trying to reach. If the gentleman would accept that amendment, I would be disposed to offer it when we get to title III. It would make it possible for me, and I suspect many others, to support the Wright amendment, which would go a long way toward solving our problem.

Mr. WEISS. Mr. Chairman, I think the statement is not only well taken, but it is more than appropriate. I have had some discussions with the chairman of the subcommittee, and the indication is that there would be no objection from that quarter, and I expect that in fact there would be a great satisfaction with and approval of the gentleman's amendment.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Connecticut.

Mr. SARASIN. I thank the gentleman for yielding, and I would say to the gentleman from Connecticut (Mr. GIAIMO) that I certainly would support that kind of an amendment if we get to title III without having adopted the Sarasin amendment, because my amendment does insert the language requiring JEC to set a goal and to set out the goal for inflation, as well as the other items.

But I would suggest that the way to solve this, initially, more properly, and to get us targeting in the right direction, would be to defeat the Wright amendment and accept the Sarasin amendment.

Mr. WEISS. Mr. Chairman, I appreciate the comment of the gentleman from Connecticut (Mr. GIAIMO), the chairman of the Budget Committee, and his very constructive suggestion. I think, of course, that it fits in exactly with other language which already exists in H.R. 50, which some of the people on the other side of the aisle have pretended do not exist. As a matter of fact, their suggestion is that, were it not for the so-called Sarasin amendment, there would be nothing in H.R. 50 to deal with inflation. Of course, that is contrary to fact.

The legislation, from beginning to end, is replete with references to dealing with inflation and the effects and the cause of inflation. In the very beginning of the bill itself, in the "general findings section," there is, in section 2, page 4, the statement that high unemployment often contributes to inflation by diminishing labor training and skills, underutilizing capital resources, reducing the rate of productivity advance, increasing unit labor costs, and reducing the general supply of goods and services and thereby generating cost-push inflation.

That is the very beginning of the legislation.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am pleased to yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, granting the gentleman's point that there is some underutilization of plant capacity and underutilization of the resources of this country, the gentleman from New York (Mr. WEISS), tell me how this bill addresses the restoration of the full utilization of plant capacity and unused resources?

Mr. WEISS. To answer the gentleman, Mr. Chairman, as a matter of fact, it is spelled out in the legislation.

At section 109, for example, on page 17, that whole section is on overcoming inflation.

There are additional specific means that can be utilized to implement the legislation such as:

First, training in certain skills, countercyclical measures, and other structural programs;

Second, removal of obsolete government restrictions and regulations;

Third, increased production of goods and services where shortages exist;

Fourth, reduction of discriminatory employment bars.

These are much more effective means of dealing with inflation than setting an unworkable numerical rate of inflation in the bill itself.

Mr. MAGUIRE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for quite a long time we had a rather superficial notion that there was a direct tradeoff between inflation and unemployment.

I think it is perhaps moving a bit in the other direction now and we have instead a superficial notion that somehow we are going to be able to accomplish both of these desirable goals—significantly reducing unemployment and inflation—easily, in tandem.

Mr. Chairman, the fact is that the relationship is very complicated and mixed. Most economists seem to feel that we can get down to 5 or 5.5 or 6 percent unemployment by using aggregate fiscal and monetary measures without heating up inflation a great deal, and that beyond that point, we have problems with aggregate measures. Most people also recognize that the inflation which we have had in the last few years at least, while it has come in tandem with high unemployment, has really been nonlabor related to a very significant degree. There have been raw material price increases, oil price increases, agricultural commodity price increases, and so on, which raises a question about the appropriateness of setting up tandem goals in this particular piece of legislation, which focus on employment.

Mr. Chairman, the important thing about the bill and the Wright amendment, as I see it, is that both provide tools for dealing with this new kind of inflationary problems. Tools are explicitly provided in the law, really for the first time, which say that in addition to the aggregate measures, if we are going to move below a 5- or 5.5-percent unemployment rate down to 4 percent unemployment, we have to look at structural strategies such as increasing agricultural stockpiles and stabilizing agricultural prices; encouraging voluntary labor-management cooperation so that we can increase productivity and assure production incentives. Similarly, we must more vigorously enforce our antitrust laws so that we pay attention to the impact of administered or quasi-administered prices which drive up costs.

And we must invest in the employability of the work force itself through manpower training, vocational and career education, and tax measures to encourage hiring and teaching the disadvantaged. As more of the structurally unemployed are brought into the economic mainstream, the increased number of skilled workers will exert downward pressure on wages, and thus on prices.

With respect for Government redtape, the Wright amendment also specifically says we should work at "removing or modifying Federal restrictions and regulations which add unnecessarily to inflation." It also emphasizes an information system to monitor and analyze inflationary trends, so that bottlenecks, dislocations, and shortages can be dealt with in ways which will stabilize prices.

These are all very constructive proposals for anybody who is serious about moving against inflation; and the significant thing about them is that when we move below a 5- or 6-percent unemployment rate, these are exactly the tools we need to avoid regenerating inflation.

Therefore, Mr. Chairman, this bill as it is written and amended by Mr. WRIGHT addresses this issue in a serious fashion, really for the first time. I think it would be illusory, however, for us to think that we could establish a specific numerical goal for inflation and with facility achieve that goal when we do not know what the weather is going to bring, or what OPEC is going to do, or what additional outside events are going to occur.

Mr. Chairman, we have to have the flexibility to deal with such matters, while pursuing these major new directions in dealing with inflation.

I would suggest that the bottom line on this amendment is whether we are prepared to mortgage the jobs of workers in this country to those outside influences which we really cannot predict or fully control.

Mr. Chairman, let us all join together to do the very best job we can on the inflation problem. Let us use the tools that will bring us those additional increments of employment without heating up inflation; and then let us say we are committed to putting people to work in this country.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield to the gentleman from Connecticut.

Mr. MOFFETT. Mr. Chairman, I would like to applaud the gentleman from New Jersey (Mr. MAGUIRE) for his statement and say that as far as I know, the gentleman is the first one in a long time to bring up the inflationary impact caused by economic concentration of power.

We hear a lot of talk about inflation from the other side, but when do we get serious about looking at the economic concentration of power in our society and the inflationary impact of it, and when do we get serious about looking at energy inflation and the inflationary impact of it?

We talk about inflation from the deficit caused by oil imports. We have turned the other cheek on trying to do something about the OPEC cartel in our foreign policy, in joining in a real alliance with other consumer nations.

What about the inflationary impact of decontrolling home heating oil and the impact of that in New England, in Connecticut and in New York? The gentleman from Connecticut is talking about the people being concerned about inflation. They are at least as concerned about their high energy bills.

What about the needless defense expenditures we make that do not receive any opposition from many people on the other side of the aisle, where we all know that, in addition to need, some of our defense expenditures are made because a certain general thinks it is important, or not really on the basis of national security.

The CHAIRMAN pro tempore. The time of the gentleman from New Jersey has again expired.

(On request of Mr. MOFFETT and by unanimous consent Mr. MAGUIRE was allowed to proceed for 2 additional minutes.)

Mr. MOFFETT. Those people in the ghetto that the gentleman from Connecticut was talking about feeling so sorry for cannot eat those missiles and those planes. They are being hurt by inflation. I am glad to hear the gentleman from New Jersey talk about getting into that part of it.

Recently, we had 7,000 farmers in this town. I think they made some very good points. I think they wanted us to start to look at economic concentration in the agricultural community as it affects them, and what happens as farm products pass between those farmers who are not even making a living in many cases, and consumers. We need to look at those.

Mr. Chairman, I applaud the gentleman on his remarks.

Mr. MAGUIRE. I thank the gentleman.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. MAGUIRE. I yield.

Mr. MILLER of California. I also want to commend the gentleman for his statement, because I think he takes the issue apart as it properly is; that is, that the Wright amendment gives us all the tools necessary to deal with that part of inflation that can possibly be fueled by the actions of this Congress, of the administration of the Government.

But, to set a specific target is to suggest that all inflation comes only from governmental actions when, in fact, that is not true, as the gentleman from Connecticut has so clearly pointed out. We find that a great deal of inflation is brought about by actions that are not within the control of this Government. I think the gentleman's argument is very good.

I think the gentleman from New Jersey makes a very telling argument that the Wright amendment provides all of the tools necessary for this Congress and this administration to address the problems of Government-inspired inflation, but the target suggested that is the only responsible party for inflation, that simply is not so.

Mr. WEISS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. The Chair will count.

Seventy-one Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 124]

Anderson, Ill.	Harsha	Richmond
Archer	Kastenmeier	Risenhoover
Ashley	Kostmayer	Russo
Brown, Ohio	Krueger	Satterfield
Buchanan	Leggett	Scheuer
Collins, Ill.	McCloskey	Slack
Davis	McDonald	Steed
Dent	McKinney	Steiger
Diggs	Mahon	Stockman
Drinan	Martin	Symms
Early	Mathis	Teague
Edwards, Calif.	Mikva	Thornton
Fary	Milford	Tucker
Gephardt	Minish	Udall
Gibbons	Ottinger	Waxman
Goldwater	Pressler	Yatron
Hansen	Pursell	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 50, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 384 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that this is perhaps one of the most extraordinary and important pieces of legislation to come before this House during this session of Congress.

There are a number of issues to which I wish to speak. I will only take the well one time during this important debate, so I will take this opportunity to make several statements.

Last evening during the general debate I listened very carefully and diligently to the arguments both for and against this legislation. I would now like to address the various arguments made in opposition to the legislation, and I will begin with the argument propounded by my distinguished colleague, the gentleman from Connecticut (Mr. SARASIN).

On page 6099 of yesterday's RECORD, the gentleman from Connecticut (Mr. SARASIN) states in the general debate in his opening statement:

> Right now, H.R. 50 is borderline "wishboning," but it need not be. Tomorrow we will have the opportunity to correct the serious shortcomings and to present to the American public a piece of legislation that will honestly place us on the road to full employment, reduced inflation, and balanced growth—if we do not make these changes, we will be handing the American public a sack of empty promises—and we will be handing our economy a can of worms.

Mr. Chairman, I would not challenge that statement, but I have listened very carefully to determine what alternative the gentleman proposes in order to make this legislation speak to the needs of the American people who are unemployed. Rather than proposing a comprehensive alternative to H.R. 50, the full employment bill, the gentleman from Connecticut (Mr. SARASIN) seeks to add an amendment.

What would the amendment do? The amendment would establish specific goals, and it would work toward the alleviation of inflation in our society. But then if you read further in the gentleman's statement, in the colloquy between the gentleman from Connecticut and the gentleman from New York (Mr. KEMP), the gentleman states that he specifically rejects the trade-off notion, that is, the concept that there is a relationship between unemployment and inflation. So it would seem to me rational to raise the question with the gentleman: Why pose an inflation mechanism in the legislation if he rejects the relationship between unemployment and inflation?

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. Mr. Chairman, I will be more than happy to yield to the gentleman in a moment, and then the gentleman can respond to all my criticisms.

Let us look at the proposal that the gentleman makes. He seeks to establish specific targets for the alleviation of inflation built into this legislation.

I would like to read a paragraph from a letter to the chairman of the subcommittee who reported the legislation to the floor, from the Secretary of Labor, with respect to this provision:

> I believe that the goals of H.R. 50 can be attained through a combination of fiscal and structural policies. The addition of a specific inflation goal, as some have suggested, is unnecessary and undesirable. There is no way to assure the attainment of a numerical goal for inflation without Government control over private price and wage decisionmaking. The bill rejects this, as does the Administration. It must also be borne in mind that many changes in the price level result from weather conditions affecting food supplies, the availability of imports and other factors not subject to U.S. Government influence. This bill does require the President to set forth fully his proposed programs and policies to achieve reasonable price stability.

I cannot believe that the gentleman from Connecticut (Mr. SARASIN) is serious about this mechanism to fight inflation.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 5 additional minutes.)

Mr. DELLUMS. Mr. Chairman, I cannot believe that the gentleman from Connecticut (Mr. SARASIN) really believes in this mechanism that he has proposed to this particular piece of legislation, because I do not believe he would take the floor of the House and propose that this legislation be designed in such fashion as to provide the Government with the necessary tools to intervene into the private economy. I do not believe that the gentleman is prepared to make that assertion. I do not believe he is prepared to make that statement, because in his legislation he specifically alleviates the most rudimentary mechanism for bringing stability in prices, and he says in his amendment that we shall not use wage and price controls, the most rudimentary mechanism, for bringing stabilization in the pricing market.

Mr. Chairman, I would like to make 5 additional points.

First, the goal and timetable for the reduction of unemployment are accomplished in the bill only by policies and traditional responsibilities of the Federal Government without being supplemented by Federal policies to force private actions toward the same objective.

I do not believe the gentleman wants to do that, and I do not believe that he will take the well to do it. If we were to do this, it would put us in a position where we would either be ignoring in practice the very goal and timetable that we established in the legislation or would progressively intrude upon the private economic action in order to achieve quantitative objectives. I do not believe the gentleman is prepared to do that.

Second, Mr. Chairman, even when the direct controls were needed and used during World War II, the Congress did not attempt, in general, to set numerical standards for price behavior; but, instead, entrusted the immensely complicated task to administrative bodies, necessarily involving a far-flung organization beyond any which would be contemplated by this Congress, the President, or the American people or, I would dare to say, by the distinguished gentleman from Connecticut (Mr. SARASIN).

Third, establishment of the quantitative goal and timetable for price behavior would need to deal with consumer, industrial, and wholesale prices, all of which are interrelated, and to deal also with the need for a variety of price trends with respect to each of them.

The gentleman does not address that issue.

Fourth, the proposition for a quantitative goal and timetable for prices is based upon the recognition that employment and unemployment, on the one hand, and price fluctuation on the other, are not at all comparable to the degree implicit in the gentleman's proposition.

Mr. Chairman, the level of employment involves a condition of human beings and is thereby a human and political consideration, no less than a purely economic one. The question of low unemployment is an issue about which the American people must make a decision, and Government is the collective expression of the people's will.

Mr. Chairman, if we are going to talk about price trends, general and specific, overall and segmental, as means by which we seek to achieve certain objectives, I do not think the gentleman's proposition contemplates the magnitude of what he proposes.

Fifth and finally, Mr. Chairman, if the proposition were to be accepted that the quantitative goal and timetable in the Humphrey-Hawkins bill for the reduction of unemployment were to be accompanied by others for the reduction of inflation and the achievement of price stability, the tendency would be to use the same figure in both instances or to explain why different figures were used.

Mr. Chairman, we sought a 4-percent and 3-percent figure with respect to un-

employment for sound reasons. The question is, What is the sound basis upon which we establish the same figure for fighting inflation?

If events over which we have no control occur, such as Arab oil action which affects price behavior enormously, should we correspondingly change our unemployment figures and goals? I would like to hear someone say that in public.

Mr. Chairman and members of the committee, very few people have taken this well to speak to many other issues that affect inflation or the issue of the tremendous stranglehold that a few human beings have on the wealth of this country, the corporate power which dominates and controls the flow of an extraordinary amount of wealth. That also is inflationary.

Very few people have taken this well to talk about the effect a bloated, wasteful, misdirected, misguided, inept, and overly expansive military budget has on the American people.

The CHAIRMAN pro tempore. The time of the gentleman from California (Mr. DELLUMS) has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 5 additional minutes.)

Mr. DELLUMS. To continue, Mr. Chairman, very few people have accepted the fact that 55 percent of the scientific geniuses in our country are directly or indirectly related to our military machine. I consider that inflationary.

Very few have taken the floor to talk about the pricing policies and practices of corporate America, which are indeed inflationary. We ought to be talking about that as well.

Mr. Chairman, I think we ought to reject the Sarasin amendment. I would now like to applaud my colleague from New York (Mr. KEMP) who in his own words made a very radical statement for Members on the other side of the aisle when he said that there is no relationship between inflation and unemployment per se, or the gentleman made the statement that unemployment is indeed inflationary. I applaud that. He proposed an alternative, which was to call for tax reduction. I would simply say to my colleague that tax reduction is fiscal policy, and if he will read the legislation it says that the President may use monetary, structural, and fiscal policies in order to achieve the objective set forth in H.R. 50, and that is a respective 4 percent and 3 percent unemployment.

I would simply suggest to my distinguished colleague that his amendment is not necessary, and if he proposes a 30-percent cut across the board, I would suggest that that is regressive taxation, and we really ought to make our tax situation progressive and not regressive.

Mr. KEMP. Does the gentleman want to debate, or does the gentleman want to engage in a statement where no one can challenge him in his remarks?

Mr. DELLUMS. I will yield in a short time.

Finally, Mr. Chairman, on the argument of some Members in opposition indicating that this is a jobs bill, it is not a jobs bill. The gentleman who has been the inspiration for this legislation, Mr. HAWKINS, stated clearly many times that yes, that is correct, this is not a jobs bill. It is a declaration of policy, and the debate ought to occur not on whether it is a jobs bill, but on whether or not the declaration of policy that embodies the principle that every human being who wants to work should have the opportunity for meaningful and dignified employment is a principle around which we all should rally.

It is now time to do that. This is a principle we ought to embrace. I think it is now time for the American people to understand that this country will rally all of its resources, all of its policies and programs, to try to deal with one of the most devastating problems of human beings—that is, unemployment—which creates havoc across our entire society in terms of programs we do not need, crime, mental health, physical health, and so on.

I suggest that we reject the Sarasin amendment and vote for the Wright amendment, and go forward and pass H.R. 50 in the strongest and most unequivocal terms we can.

Mr. SARASIN. Will the gentleman yield?

Mr. DELLUMS. I will be very pleased to yield.

Mr. SARASIN. I thank the gentleman, after 15 minutes of saying what a terrible guy I am.

Mr. DELLUMS. I think you are a nice person. I mean your amendment is objectionable.

Mr. SARASIN. I thank the gentleman for his editorial comment, which will not appear in the RECORD.

Mr. DELLUMS. I will leave it in.

Mr. SARASIN. I agree with the gentleman that there is no trade-off here. I think if the gentleman from California (Mr. DELLUMS) will look at the chart, it shows that there is no trade-off. What we are trying to do with the Sarasin amendment is simply to put in perspective the responsibility of this body and the responsibility of the man at 1600 Pennsylvania Avenue; that is, to address the joint problems of inflation as well as unemployment. We cannot disregard that.

We can have low unemployment and have low inflation. We have done it in the past. Let us look at the policies that have given us that particular status. We have the tools in this bill to do that. We do not need another set of tools. There is no provision at all, and no allowance in my amendment to go to wage and price controls. That is the worst thing we could do, and would be absolutely counterproductive. We do not need to intrude in the private sector.

But, with my amendment's prohibition against wage and price controls, and amendments which will be offered by others this afternoon, they are designed for one purpose. It is not to gut H.R. 50. I want to support it. I want a bill that is truly a bill which balances growth and full employment. We can do it. We do it by accepting the Sarasin amendment.

Mr. DELLUMS. I appreciate the comment of the gentleman. My only response is this: Other very thoughtful persons, including the Secretary of Labor and other economists, believe that in order to achieve what the gentleman wants to achieve, we have to intrude into the private sector, I am not going to suggest that I will oppose that, but I do not believe the gentleman wants to support such an intrusion.

The CHAIRMAN pro tempore. The time of the gentleman from California has again expired.

Mr. KEMP. Mr. Chairman, I ask unanimous consent that the gentleman have 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BRADEMAS. Mr. Chairman, reserving the right to object, I do hope that we can move expeditiously toward a vote on this bill. We have been waiting on this side also to hear the gentleman from Missouri give the windup speech on our side.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. KEMP. Mr. Chairman, I would like to further reserve the right to object.

The CHAIRMAN pro tempore. The gentleman would object to his own request.

Without objection, the gentleman from California is recognized for 2 additional minutes.

There was no objection.

Mr. DELLUMS. I would simply say to my distinguished colleague that there are other very thoughtful persons who feel that in order to bring about the kind of stability the gentleman is talking about with respect to inflation, we would have to intrude profoundly into the private sector. I am not sure that I would oppose that but I do not think the gentleman wants to do so.

Mr. SARASIN. There is no tradeoff. The gentleman rejects that and I reject it. We agree. There is nothing in the Sarasin amendment that is designed to do that.

Mr. DELLUMS. We have a fundamental disagreement.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I hope the same opportunity will be given to this side for expanding this debate when our time comes to speak. That is the point I simply wanted to make earlier in my reservation of the right to object. Incidentally I thought the unanimous-consent request was that of another colleague.

I appreciate this debate. It is a healthy one. But I wanted to ask: If we do not lower the tax rates, is the gentleman aware that by definition he then would be in favor of raising taxes? Taxes and tax rates are not set in concrete. They are not static. They will either go up or down by the actions of this Congress.

He is saying that in rejecting my amendment to reduce the tax rates that he is in favor of raising them. Does he not agree?

Mr. DELLUMS. I am saying the bill already provides a mechanism for the President to act.

You would propose a 30-percent across-the-board cut. That would mean for some people that money would go into savings. At the lower end of the economic picture people would spend the money. The richer people would not spend the money, they would save it. The poorer people would spend the money.

Mr. KEMP. If the gentleman will yield, does the gentleman wish to see the tax rates continue to go up higher and higher and higher?

Mr. DELLUMS. No, not at all.

Mr. BOLLING. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I have listened to all of this debate and it has been a good debate. I think both sides have done well.

There is only one issue really involved, and I am not going to argue with anybody or criticize anybody, although I have heard some rather extraordinary statements about the causes of inflation. The problem of inflation is one of the most oversimplified things that I have ever seen: The notion that the only way we can get inflation is from money chasing goods, too much money, not enough goods.

I thought that went out with Hoover. It is an element, but inflation is infinitely more complicated than that. When Big Steel raises its prices, when it is using only 60 percent of its capacity, we can hardly say that there is too much action going on.

We have all kinds of problems. That is why I am very glad that our majority leader, the gentleman from Texas (Mr. WRIGHT), offered a substantive amendment and that it will be supplemented by an amendment to a different section, to title III, by Mr. GIAIMO, the gentleman from Connecticut, chairman of the Budget Committee, which will harden up the balance already existing in the Humphrey-Hawkins bill between the search for full employment and the search to control inflation.

That means I am for two amendments and I am against two.

The Sarasin amendment sets a specific figure, and it has been extraordinarily well said here before by one or two Members that it is impossible to have a specific goal for inflation.

Inflation and unemployment are totally different in terms of their controllability. We have remarkably little influence today on inflation in this country in terms of the overall problem. Witness what OPEC did to us and we still do not have an energy policy; witness a whole series of other events. Unemployment can be dealt with in a macroeconomic way and in a microeconomic way. Inflation is infinitely more difficult. One of the forms of inflation control is wage and price control which is so unsatisfactory to so many people.

I know that Members are ready to vote, and I want them to vote, just be sure to vote for the Wright amendment. Be sure to vote against the Jeffords substitute amendment if by any misfortune we get to that amendment. Then when the gentleman from Connecticut, BOB GIAIMO, offers his amendment to title III, vote for that.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Texas (Mr. WRIGHT) to the amendments offered by the gentleman from Connecticut (Mr. SARASIN).

The question was taken and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SARASIN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 277, noes 143, not voting 14, as follows:

[Roll No. 125]

AYES—277

Addabbo	Dicks	Jenrette
Akaka	Diggs	Johnson, Calif.
Alexander	Dingell	Jones, N.C.
Allen	Dodd	Jones, Okla.
Ambro	Downey	Jones, Tenn.
Ammerman	Drinan	Jordan
Anderson, Calif.	Duncan, Oreg.	Kastenmeier
	Early	Kazen
Andrews, N.C.	Eckhardt	Keys
Annunzio	Edgar	Kildee
Applegate	Edwards, Calif.	Kostmayer
Ashley	Eilberg	Krebs
Aspin	English	Le Fante
AuCoin	Ertel	Lederer
Baldus	Evans, Colo.	Leggett
Baucus	Evans, Ga.	Lehman
Beard, R.I.	Evans, Ind.	Levitas
Bedell	Fascell	Lloyd, Calif.
Beilenson	Fenwick	Lloyd, Tenn.
Benjamin	Fisher	Long, La.
Bennett	Fithian	Luken
Bevill	Flippo	Lundine
Biaggi	Flood	McCormack
Bingham	Florio	McFall
Blanchard	Flowers	McHugh
Blouin	Foley	McKay
Boggs	Ford, Mich.	Maguire
Boland	Ford, Tenn.	Mann
Bolling	Fountain	Markey
Bonior	Fowler	Marks
Bonker	Fraser	Mathis
Bowen	Fuqua	Mattox
Brademas	Gammage	Mazzoli
Breckinridge	Garcia	Meeds
Brinkley	Gaydos	Metcalfe
Brodhead	Gephardt	Meyner
Brooks	Giaimo	Mikulski
Brown, Calif.	Gibbons	Mikva
Burke, Calif.	Gilman	Milford
Burke, Mass.	Ginn	Miller, Calif.
Burleson, Tex.	Glickman	Mineta
Burlison, Mo.	Gonzalez	Minish
Burton, John	Gudger	Mitchell, Md.
Burton, Phillip	Hall	Moakley
Byron	Hammer-schmidt	Moffett
Carney		Mollohan
Carr	Hanley	Montgomery
Cavanaugh	Hannaford	Moorhead, Pa.
Chappell	Harkin	Moss
Chisholm	Harrington	Mottl
Clay	Harris	Murphy, Ill.
Collins, Ill.	Hawkins	Murphy, N.Y.
Conyers	Heckler	Murphy, Pa.
Corman	Hefner	Murtha
Cornell	Heftel	Myers, Michael
Cornwell	Hightower	Natcher
Cotter	Holland	Neal
D'Amours	Holtzman	Nedzi
Daniel, Dan	Howard	Nichols
Danielson	Hubbard	Nix
Davis	Huckaby	Nolan
de la Garza	Hughes	Nowak
Delaney	Ichord	Oakar
Dellums	Ireland	Oberstar
Dent	Jacobs	Obey
Derrick	Jenkins	Ottinger
Panetta	Russo	Ullman
Patten	Ryan	Van Deerlin
Patterson	Santini	Vanik
Pattison	Scheuer	Vento
Pease	Schroeder	Volkmer
Pepper	Seiberling	Waggonner
Perkins	Sharp	Walgren
Pickle	Shipley	Watkins
Pike	Sikes	Waxman
Poage	Simon	Weaver
Preyer	Sisk	Weiss
Price	Skelton	Whalen
Rahall	Smith, Iowa	White
Rangel	Solarz	Whitley
Reuss	Spellman	Whitten
Richmond	St Germain	Wilson, C. H.
Rinaldo	Staggers	Wilson, Tex.
Roberts	Stark	Wirth
Rodino	Steed	Wolff
Roe	Steers	Wright
Roncalio	Stokes	Yates
Rooney	Stratton	Yatron
Rose	Studds	Young, Alaska
Rosenthal	Stump	Young, Mo.
Rostenkowski	Thompson	Young, Tex.
Roybal	Traxler	Zablocki
Runnels	Tsongas	Zeferetti

NOES—143

Abdnor	Forsythe	Moorhead, Calif.
Andrews, N. Dak.	Frenzel	Myers, Gary
	Frey	Myers, John
Archer	Goldwater	O'Brien
Armstrong	Goodling	Pettis
Ashbrook	Gore	Pressler
Badham	Gradison	Pritchard
Bafalis	Grassley	Pursell
Barnard	Green	Quayle
Bauman	Guyer	Quie
Beard, Tenn.	Hagedorn	Quillen
Breaux	Hamilton	Railsback
Broomfield	Hansen	Regula
Brown, Mich.	Harsha	Rhodes
Broyhill	Hillis	Robinson
Burgener	Hollenbeck	Rogers
Burke, Fla.	Holt	Rousselot
Butler	Horton	Rudd
Caputo	Hyde	Ruppe
Carter	Jeffords	Sarasin
Cederberg	Johnson, Colo.	Sawyer
Clausen, Don H.	Kasten	Schulze
	Kelly	Sebelius
Clawson, Del	Kemp	Shuster
Cleveland	Ketchum	Skubitz
Cochran	Kindness	Smith, Nebr.
Cohen	LaFalce	Snyder
Coleman	Lagomarsino	Spence
Collins, Tex.	Latta	Stangeland
Conable	Leach	Stanton
Conte	Lent	Steiger
Corcoran	Livingston	Symms
Coughlin	Long, Md.	Taylor
Crane	Lott	Thone
Cunningham	Lujan	Treen
Daniel, R. W.	McClory	Trible
Derwinski	McCloskey	Vander Jagt
Devine	McDade	Walker
Dickinson	McDonald	Walsh
Dornan	McEwen	Wampler
Duncan, Tenn.	McKinney	Whitehurst
Edwards, Ala.	Madigan	Wiggins
Edwards, Okla.	Marlenee	Wilson, Bob
Emery	Marriott	Winn
Erlenborn	Martin	Wydler
Evans, Del.	Michel	Wylie
Findley	Miller, Ohio	Young, Fla.
Fish	Mitchell, N.Y.	
Flynt	Moore	

NOT VOTING—14

Anderson, Ill.	Mahon	Teague
Brown, Ohio	Risenhoover	Thornton
Buchanan	Satterfield	Tucker
Fary	S.ack	Udall
Krueger	Stockman	

The Clerk announced the following pair:

On this vote:

Mr. Krueger for, with Mr. Fary against.

Mr. MARLENEE changed his vote from "aye" to "no."

So the amendments to the amendments were agreed to.

The result of the vote was announced as above recorded.

Mr. JEFFORDS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will be very brief. All I want to do is explain to the Members what the next vote is. The House has just rather overwhelmingly adopted the Wright amendment. What my amendment does, by way of a substitute, is to take the amendment which the House just adopted, which I think all of us would agree immensely improves the existing bill in the area of inflation, and adds to it a very simple thing, which we have been talking about all day. The Members will have an opportunity, having adopted the language of the Wright amendment, which does more in the area of focusing on inflation, to set a specific goal in this bill of reducing inflation within a period of 5 years, as an interim goal, to 3 percent.

Therefore, in essence, what we are saying is that we ought to give equal treatment to inflation, not more, not less. We ought to say to the American people, "We recognize that inflation is as bad a problem with respect to unemployment as anything else is, and that in order to bring the economy around and help reduce unemployment, we should have a specific goal in the area of inflation as we have a specific goal in the area of unemployment."

Mr. Chairman, that is all this amendment does. It takes the Wright amendment and adds a specific goal of 3 percent during an interim period of 5 years.

Mr. MILFORD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendments.

Mr. Chairman, having voted for the amendment offered by my friend from Fort Worth—as a matter of personal courtesy—I regret that I must now rise in opposition to this bill and in opposition to all other amendments—both Democrat and Republican—offered to this bill. The reason is simple. I believe this is a dishonest bill in that it misleads the American public. I believe these amendments are also dishonest because they are misleading and are false promises. Neither this bill nor these amendments, accomplish anything.

I am certain there is not a Member of this body or of the Senate, not the President or any employee of the Federal Government, who believes we should have unemployment. None feel that inflation is good for our economy. None believe we should consider taxes, energy, unemployment, inflation, budget deficits, the farm problem, the problems of capital formation, transportation, alternative technologies, minorities, urban decay—in essence, the manifold problems the people of the United States face and the subject of this bill and particularly the amendments—in a vacuum. If we have learned anything from the age in which we live, it is that these problems must be considered together. They are complex and each, in some way, affects all the others.

I studied this legislation in depth, read these amendments carefully, and I am greatly disturbed. I am disturbed because the bill is a great and wonderful Christmas tree, made only of smoke. The amendments are Christmas tree ornaments made of vapor.

This bill is, in truth, a "sense of Congress" resolution stating that we are opposed to unemployment and believe that the Federal Government should be involved in a coherent program to end unemployment, bring down inflation, assist the farmer, help private industry in capital formation, address our transportation, minority and urban problems, and so on ad infinitum.

Mr. Chairman, we are already engaged in trying to solve these problems, through concrete programs. We do not need this bill to convince the American public that we are attempting to find solutions to unemployment and the many other economic problems our Nation faces. They already have their own opinions on whether we are trying or not.

Most of my constituents who have contacted me regarding this bill simply do not buy it. They are not fooled by it. They can see through the smoke and observe that there is nothing of substance there. It does not add one job; it does not take one concrete step in stopping inflation; it does not solve any of our problems.

To some of my constituents, this bill is a cruel joke. They believe that this bill will create jobs for them. They believe the bill has substance.

Thinking people are frightened to death because they do not know what will result. "What is it?" they ask me. "Is this another large-scale Government program that is going to come up behind me and choke me to death in a year, 2 years, 5 years?" I cannot answer them. These are questions that none of us can answer because there is nothing specific in this bill.

Let us be honest, both among ourselves and with our constituents. We care desperately that millions of people cannot find jobs. Instead of a smoky Christmas tree bill let us find positive, concrete, and specific solutions to these problems and not try to convince ourselves and our constituents that we have gone a long way toward that goal by passing this bill.

Mr. Chairman, the original Humphrey-Hawkins bill began as an honest piece of legislation. It was a bill whose goal was not only to reduce unemployment but one containing specific programs—concrete ways of reaching the goal of full employment through programs instituted by the Federal Government. Although I did not support that original bill, it was at least honest. It was a direct, straightforward attempt to solve a serious problem through positive programs.

Many of my Democratic colleagues have tried to make this bill a partisan affair. Well I believe I am as good a Democrat as any here. I believe in the Democratic Party and the principles which it supports. I deeply regret that this bill has become a measure bearing a Democratic Party label. Instead of becoming a milestone and accomplishment in solving our unemployment and other problems, I think it will return to haunt us because of the false perceptions held by our citizens.

I simply cannot participate in this kind of exercise. It is my deep belief that we are doing a great injustice to ourselves and the people we represent, by not being more straightforward. It is, therefore, my intention to oppose the amendments, the bill itself and in doing so, the concept that we can solve our problems in this fashion.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not think the choice before us is quite as simple as the gentleman from California (Mr. HAWKINS) describes it.

We have debated for 2 hours on these two different approaches to fighting inflation. We have debated extensively with few Members here during a great part of the time.

Mr. Chairman, what this boils down to is the question of whether or not the House is going to actually adopt a definite approach in trying to hold back inflation or whether we are going to adopt a meaningless wishful-thinking approach.

That meaningless approach is what is embodied in this bill and the Wright amendment.

I listened to all of the debate. I am pleased that the majority leader finally noticed that inflation is a serious problem in this country. Until Members on our side of the ailse raised the inflation issue, there was no Wright substitute. The majority leader knew he was in trouble. He knew he had to offer something to head off a specific goal in fighting inflation, so he offered what was essentially a watered-down stand that sets no specific goal at all.

Mr. Chairman, the question before us right now is simply this, a goal of 3 percent inflation to go along with the goal of 4 percent unemployment. If this Congress can measure the goal of 4 percent unemployment as desirable, we can measure what should be done about the rate of inflation. I think we can do that with the Jeffords amendment.

Mr. Chairman, Members can vote for window dressing all they want through adopting the Wright amendment, but the Jeffords amendment including a 3-percent goal for inflation is a valid stand.

Mr. Chairman, if this bill is to mean anything at all, we ought to put teeth in it. We ought not to go through the exercise of meaningless votes.

Make no mistake, those who vote for the Wright amendment unalloyed, without a 3-percent anti-inflation goal in it, are voting for a nebulous statement of being against inflation but voting for allowing all kinds of spending for programs which can be found in the rest of this bill, most of which are highly inflationary.

That is the real secret as to why the majority leader wants the Wright amendment with no real inflation limit in it, because their policies in the rest of the bill call for inflation. They are in-

herently inflationary. Everybody knows that, but once we put a 3-percent lid on inflation, the President of the United States, whoever he or she may be, if we believe the words of the bill, will then have to stick to that 3-percent goal.

Therefore, Mr. Chairman, if the Members are mindful of the folks back home and really want to show that they are against inflation, they should vote for the Jeffords amendment, and that is the right amendment.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I urge the committee to vote down this substitute amendment. The bill sets forth a goal for unemployment. As the gentleman from Missouri indicated, it is somewhat easier to establish a goal for unemployment than it is for inflation.

The Jeffords substitute would set forth a numerical figure for inflation, which would not, in any way, control inflation. Members should vote for the amendment which I will offer to title III. It would require the Joint Economic Committee to set forth annual numerical goals for employment and unemployment, production, real income, productivity, and the rate of inflation. My amendment goes much further than just setting forth amending the purposes portions of the bill.

The only thing that we are really going to do in this legislation, my friends; the only thing we are going to do is to act positively or negatively on a recommendation by the Joint Economic Committee that we should adopt goals for unemployment and inflation and other things. I recommend to the Members that with the adoption of my amendment, which will come later, we will then set numerical goals for unemployment and inflation. They may be 3 percent; they may be 4 percent; they may be higher or they may be lower, depending upon a great many economic considerations which this body will have to make.

So, we should not nail ourselves down to something that sounds good now, but really does not accomplish the purpose.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield.

Mr. BROWN of Michigan. The gentleman, I am sure, is aware that in a recently passed measure where this Congress, supported primarily by the majority, requires the Federal Reserve Board to come before the Committee on Banking and Currency of the Senate and the Committee on Banking and Currency of the House and report on estimates of unemployment and inflation. He is well aware of that, is he not, and that each is required—the gentleman is also aware, I am sure—that in connection with the presentations by the administration and the Council of Economic Advisers when they come before the Joint Economic Committee, in each case they are required to estimate unemployment and inflation. Can the gentleman tell me why, if that is the custom of always requiring both estimates to be made, that for some reason it is proper to statutorily set one goal, but not the other goal numerically?

Mr. GIAIMO. I submit to the gentleman that with the adoption of the Wright amendment and the Giaimo amendment, he will be dealing responsibly with both inflation and unemployment.

Mr. BROWN of Michigan. Will the gentleman yield further?

Mr. GIAIMO. I yield.

Mr. BROWN of Michigan. Is the gentleman willing to take the numerical figure out with respect to unemployment then?

Mr. GIAIMO. If the gentleman will offer such an amendment, the gentleman from Connecticut might consider it.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Vermont (Mr. JEFFORDS) as a substitute for the amendments offered by the gentleman from Connecticut (Mr. SARASIN), as amended.

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. JEFFORDS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 223, not voting 13, as follows:

[Roll No. 126]

AYES—198

Abdnor	Fenwick	McDonald
Ambro	Findley	McEwen
Andrews, N. Dak.	Fish	McKinney
Applegate	Fisher	Madigan
Archer	Fithian	Mann
Armstrong	Flippo	Marks
Ashbrook	Flynt	Marlenee
AuCoin	Forsythe	Marriott
Badham	Fountain	Martin
Bafalis	Frenzel	Mathis
Barnard	Frey	Michel
Bauman	Gammage	Miller, Ohio
Beard, Tenn.	Gibbons	Mitchell, N.Y.
Bedell	Gilman	Montgomery
Bevill	Glickman	Moore
Breaux	Goldwater	Moorhead, Calif.
Brinkley	Goodling	Mottl
Broomfield	Gradison	Myers, Gary
Brown, Mich.	Grassley	Myers, John
Broyhill	Green	Neal
Burgener	Guyer	Nichols
Burke, Fla.	Hagedorn	O'Brien
Burleson, Tex.	Hamilton	Panetta
Butler	Hammer-schmidt	Pettis
Byron	Hansen	Pike
Caputo	Harkin	Pressler
Carter	Harsha	Pritchard
Cederberg	Heckler	Pursell
Chappell	Heftel	Quayle
Clausen, Don H.	Hillis	Quie
Clawson, Del	Hollenbeck	Quillen
Cleveland	Holt	Railsback
Cochran	Horton	Regula
Cohen	Huckaby	Rhodes
Coleman	Hyde	Rinaldo
Collins, Tex.	Jacobs	Robinson
Conable	Jeffords	Rogers
Conte	Jenkins	Rousselot
Corcoran	Johnson, Colo.	Rudd
Cornwell	Jones, Okla.	Runnels
Coughlin	Kasten	Ruppe
Crane	Kazen	Santini
Cunningham	Kelly	Sarasin
Daniel, Dan	Kemp	Sawyer
Daniel, R. W.	Ketchum	Schulze
Derwinski	Kindness	Sebelius
Devine	LaFalce	Sharp
Dickinson	Lagomarsino	Shuster
Dornan	Latta	Skelton
Duncan, Tenn.	Leach	Skubitz
Edwards, Ala.	Lent	Smith, Nebr.
Edwards, Okla.	Levitas	Snyder
Emery	Livingston	Spence
English	Long, Md.	Stangeland
Erlenborn	Lott	Stanton
Evans, Del.	Lujan	Steiger
Evans, Ga.	McClory	Stockman
Evans, Ind.	McCloskey	Stratton
	McDade	Stump
Symms	Walker	Winn
Taylor	Walsh	Wirth
Thone	Wampler	Wydler
Treen	Watkins	Wylie
Trible	Whitehurst	Young, Alaska
Vander Jagt	Whitley	Young, Fla.
Waggonner	Wiggins	
Walgren	Wilson, Bob	

NOES—223

Addabbo	Ford, Tenn.	Nix
Akaka	Fowler	Nolan
Alexander	Fraser	Nowak
Allen	Fuqua	Oakar
Ammerman	Garcia	Oberstar
Anderson, Calif.	Gaydos	Obey
Andrews, N.C.	Gephardt	Ottinger
Annunzio	Giaimo	Patten
Ashley	Ginn	Patterson
Aspin	Gonzalez	Pattison
Baldus	Gore	Pease
Baucus	Gudger	Pepper
Beard, R.I.	Hall	Perkins
Bellenson	Hanley	Pickle
Benjamin	Hannaford	Poage
Bennett	Harrington	Preyer
Biaggi	Harris	Price
Bingham	Hawkins	Rahall
Blanchard	Hefner	Rangel
Blouin	Hightower	Reuss
Boggs	Holland	Richmond
Boland	Holtzman	Roberts
Bolling	Howard	Rodino
Bonior	Hubbard	Roe
Bonker	Hughes	Roncalio
Bowen	Ichord	Rooney
Brademas	Ireland	Rose
Breckinridge	Jenrette	Rosenthal
Brodhead	Johnson, Calif.	Rostenkowski
Brooks	Jones, N.C.	Roybal
Brown, Calif.	Jones, Tenn.	Russo
Burke, Calif.	Jordan	Ryan
Burke, Mass.	Kastenmeier	Scheuer
Burlison, Mo.	Keys	Schroeder
Burton, John	Kildee	Seiberling
Burton, Phillip	Krebs	Shipley
Carney	Le Fante	Sikes
Carr	Lederer	Simon
Cavanaugh	Leggett	Sisk
Chisholm	Lehman	Smith, Iowa
Clay	Lloyd, Calif.	Solarz
Collins, Ill.	Lloyd, Tenn.	Spellman
Conyers	Long, La.	St Germain
Corman	Luken	Staggers
Cornell	Lundine	Stark
Cotter	McCormack	Steed
D'Amours	McFall	Steers
Danielson	McHugh	Stokes
Davis	McKay	Studds
de la Garza	Maguire	Thompson
Delaney	Markey	Traxler
Dellums	Mattox	Tsongas
Dent	Mazzoli	Udall
Derrick	Meeds	Ullman
Dicks	Metcalfe	Van Deerlin
Diggs	Meyner	Vanik
Dingell	Mikulski	Vento
Dodd	Mikva	Volkmer
Downey	Milford	Waxman
Drinan	Miller, Calif.	Weaver
Duncan, Oreg.	Mineta	Weiss
Early	Minish	Whalen
Eckhardt	Mitchell, Md.	White
Edgar	Moakley	Whitten
Edwards, Calif.	Moffett	Wilson, C. H.
Eilberg	Mollohan	Wilson, Tex.
Ertel	Moorhead, Pa.	Wolff
Evans, Colo.	Moss	Wright
Fascell	Murphy, Ill.	Yates
Flood	Murphy, N.Y.	Yatron
Florio	Murphy, Pa.	Young, Mo.
Flowers	Murtha	Young, Tex.
Foley	Myers, Michael	Zablocki
Ford, Mich.	Natcher	Zeferetti
	Nedzi	

NOT VOTING—13

Anderson, Ill.	Krueger	Teague
Brown, Ohio	Mahon	Thornton
Buchanan	Risenhoover	Tucker
Fary	Satterfield	
Kostmayer	Slack	

The Clerk announced the following pair:

On this vote:

Mr. Krueger for, with Mr. Fary against.

Messers WAGGONNER, DERWINSKI, RINALDO, and WALGREN changed their vote from "no" to "aye."

Mr. GORE and Mrs. LLOYD of Tennessee changed their vote from "aye" to "no."

So the amendments offered as a substitute for the amendments, as amended, were rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Connecticut (Mr. SARASIN) as amended.

The amendments, as amended, were agreed to.

AMENDMENT OFFERED BY MR. THOMPSON

Mr. THOMPSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMPSON: On page 65, after line 3, insert the following new subsection to read as follows:

"At the time of the submission of the Economic Report to the Congress, the President shall transmit copies of the Report to the Governor of each State and to other appropriate State and local officials. On or before March 1 of each year, the Governor of each State may submit to the Joint Economic Committee a report containing findings and recommendations with respect to the priority policies and programs proposed in the Economic Report. A Governor may, as deemed advisable, submit at any time to the Joint Economic Committee such additional reports or information with respect to matters placed by this Act within the responsibility of the Joint Economic Committtee."

And redesignate the following subsection accordingly.

Mr. THOMPSON (during the reading). Mr. Chairman, since this amendment has been widely circulated and printed in the RECORD, I ask unanimous consent that it be considered as read and printed at this point in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON. Mr. Chairman, the amendment I am offering to H.R. 50 is one which I believe will strengthen the bill, by broadening the pool of knowledge from which the Congress will draw when it votes on the economic policy goals and timetables called for in the bill.

The Rules Committee has reported a substitute for title III of the bill, known as the Bolling substitute, which sets forth the procedures for congressional review, and for approval or modification, of the goals and timetables in the President's economic report.

Under this substitute title III, which I fully expect to be adopted, the President would submit the annual economic report called for in the bill within 15 days after the Congress convenes. The Federal Reserve Board would submit its annual statement of intended monetary policies by March 1. In addition, the legislative committees of both Houses would submit recommendations to the Joint Economic Committee by March 1. The Joint Economic Committee would then submit its recommendations to both Houses by March 15 in the form of a concurrent resolution.

My amendment simply broadens the scope of participation in the economic policy decisionmaking process. Our Nation's Governors, and other interested State and local officials, should have the opportunity to submit their views on these questions to the Joint Economic Committee.

The needs of our Nation vary from region to region and State to State. Many States operate significant economic development programs, and their human services, welfare, employment and training, education, and community development programs can have a significant impact on our nationwide effort to achieve full employment while maintaining reasonable price stability.

My amendment provides that when the President submits his economic report to the Congress, the President shall transmit copies of the report to the Governor of each State and to other "appropriate State and local officials."

It then provides that by March 1, on the same day that our legislative committees submit their recommendations to the Joint Economic Committee, the Governors may, and it is not mandatory, submit findings and recommendations with respect to the priorities proposed in the economic report. My amendment then goes on to say that the Governors may submit additional reports or information at any time during the year.

This will provide a formal process for other units of Government to be drawn into the formulation of our national goals for full employment and balanced economic growth. It is possible that regional councils, or other bodies, may be the most appropriate "other" State and local officials. That is left to the discretion of the President.

But I do believe that broadening this important decisionmaking process will be helpful in our own deliberations, and I believe will strengthen the bill.

I urge my colleagues to support my amendment.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from California.

Mr. HAWKINS. I thank the gentleman for yielding.

Mr. Chairman, I understand there is no controversy on this amendment. Certainly we accept it on this side.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Connecticut.

Mr. SARASIN. I thank the gentleman for yielding.

Mr. Chairman, we have no problem with the amendment on this side. I will be happy to accept it.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, I was just wondering how the gentleman interpreted the phrase "appropriate State and local officials." They would not be all State and local officials, I assume, but a limited number.

Mr. THOMPSON. The amendment allows the Governors to submit additional reports or information any time during the year, and there is a formal process for other units of government to be drawn into the formulation. It is possible that regional councils or other bodies may be the most appropriate other State and local officials. That is left to the discretion of the President. But they will have the opportunity of input, which I believe they should have.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New Jersey (Mr. THOMPSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GILMAN

Mr. GILMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILMAN: Page 67, line 13, insert "handicapped individuals," after "minorities".

Mr. GILMAN. Mr. Chairman, I rise to call to my colleagues' attention that the handicapped should be covered under the Humphrey-Hawkins full employment legislation. At a time when our Federal Government is committing itself to significantly lowering the unemployment rate among Americans, and is dedicating itself to a goal of full employment for all Americans who are willing and able to work, we should consider the handicapped, who traditionally, have been and are willing to work for a living. Unfortunately, jobs are scarce, poor-paying and unrewarding for many of our handicapped. Studies have found the handicapped to be good and loyal workers and they should have been afforded all of the opportunities due them from the start.

The Humphrey-Hawkins legislation is idealistic in that it captures the spirit and intent of the late Mr. Humphrey, and our colleague, the gentleman from California (Mr. HAWKINS) and sums up one of the most important rights that Americans have been granted—the right to a job.

The handicapped population in America is a unique broad-based segment of our society cutting across all social strata, and encompassing all economic and social classes. The handicapped population includes our disabled veterans, our diabetics, epileptics, individuals with cystic fibrosis as well as including the individuals whom we have traditionally called the handicapped. At any time in our life, we can become handicapped—and in this way, this particular segment of the population is very different from "the other labor forces" included in the language of H.R. 50, one cannot "become" a minority, and everyone does grow old; but an individual may wake up one morning with the signs of a disability that he or she never suspected. Accidents and illness can permanently disable a person, and disability should not be considered an obstacle to work.

There is a phrase in the Humphrey-Hawkins legislation which sums up the population which this bill is designed

to accommodate: "Those who are willing and able to work." The handicapped have traditionally been perceived as "unable" to work, but recent experiences with hiring the handicapped have disproved this perception. The handicapped have amply demonstrated that they are more than willing to work for their livings.

Mr. Chairman, I wish to share with my colleagues some rather discouraging figures which undeniably underscore the plight of the handicapped in securing employment.

Information supplied by the President's Committee on Employment for the Handicapped points out that a 5-percent sampling survey of handicapped employees done for the 1970 census reveals the following: First, while there was a 76-percent rate of adult males in the American labor force, only 58 percent of handicapped adult males were a part of the labor force—an 18-percent differential between handicapped and nonhandicapped; second, of adult women, 42 percent nonhandicapped; but only 24 percent handicapped were part of the work force—a similar 18-percent differential. The 1970 census further revealed that the handicapped had a more difficult time in grossing the $7,000 per year income barrier than nonhandicapped individuals; the differential here being 14 percent.

Accordingly, I urge my colleagues to join with me in supporting this amendment to ask the President to lower the unemployment rate among the handicapped in addition to minorities, women, the elderly, and teenagers.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, the gentleman from New York, in offering this amendment, is absolutely correct. It was an oversight. I think the amendment is certainly a desirable one, and we accept it on this side.

Mr. GILMAN. I thank the Chairman for his remarks.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. GILMAN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. REUSS

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS:

SEC. 108. The Employment Act of 1946 is amended by inserting a new section 8 as follows:

"MONETARY POLICY

"SEC. 8. The Board of Governors and the Federal Open Market Committee of the Federal Reserve System shall transmit to the Congress, within 15 days after the transmittal by the President of the Economic Report an independent statement setting forth its intended policies for the year ahead, and their relationship to (1) the short-term goals set forth in the economic report pursuant to subsection 3(a)(2)(B) of section 3 and (11) medium-term trends in production, employment and prices. The House Committee on Banking, Finance and Urban Affairs and the Senate Committee on Banking, Housing and Urban Affairs shall consult with representatives of the Board of Governors and the Federal Open Market Committee of the Federal Reserve System with respect to such intended policies, and each of these committees shall submit to the Joint Economic Committee, pursuant to section 302(c) a report containing their views and recommendations with respect to the Federal Reserve's intended policies. Nothing in the Act shall be interpreted to require that policies proposed by the Board of Governors of the Federal Reserve System be followed if the Board of Governors and the Federal Open Market Committee determine that they cannot or should not be followed because of changing conditions. After submission of such views and recommendations to the Joint Economic Committee, the Congress shall take such action as it deems necessary to insure closer conformity to the purposes of the Full Employment and Balanced Growth Act of 1978".

Mr. REUSS (during the reading). Mr. Chairman, this is also a very simple amendment, and I believe it is generally agreed to.

It is the joint handiwork of the gentleman from Ohio (Mr. STANTON), the gentleman from Maryland (Mr. MITCHELL), and the gentleman from North Carolina (Mr. NEAL); and my task was to put it all together on one piece of paper.

Here is all in the world it does: First, it gives the House and Senate Banking Committees 15 days, without in any way disrupting or deranging the overall schedule, to take a look at the monetary policy recommendations of the Fed, so it can all channel into the Joint Economic Committee at the same time.

Second, it requires that the Federal Reserve take a look at the medium-term trends in production, employment, and prices. As a matter of fact, that is what both the retiring chairman, Dr. Burns, and the new chairman, Mr. Miller, have recently testified they want to do. It makes sense to look not at just the next 6 months, but at the next 2 or 3 or 4 years.

Mr. Chairman, the third and last change is to make sure that there remains in this act what is already in the basic law as a result of the action taken by the Congress last November. That language simply says that if the Federal Reserve finds that having adopted a given course of action, and then finding conditions have changed, it, too, after giving proper reasons, may make a change.

That is the very essence of commonsense because to ask the Fed, like so many lemmings, to continue their course to the sea after conditions have changed would be foolish indeed.

Therefore, Mr. Chairman, I would hope that the amendment would be generally agreed to.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Maryland, who was so instrumental in working this amendment out.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the distinguished chairman for yielding.

I want to commend him and my colleague, the gentleman from North Carolina (Mr. NEAL), for their draftsmanship of this amendment.

In no way does it encroach upon the independence of the Fed. It simply strengthens ongoing mechanisms which assist the accountability of the Congress and of the Federal Reserve.

Again, I want to commend my chairman and my distinguished colleague, the gentleman from North Carolina (Mr. NEAL).

Mr. REUSS. Mr. Chairman, I thank the gentleman.

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from California.

Mr. HAWKINS. Mr. Chairman, may I say that we have seen the amendment. We think that it is a good one, and we certainly accept it.

Mr. SARASIN. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Connecticut.

Mr. SARASIN. Mr. Chairman, we have reviewed the gentleman's amendment on this side of the aisle and also feel it is a good amendment. We will accept it.

Mr. REUSS. Mr. Chairman, I thank each gentleman for his support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. REUSS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. M'CORMACK

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: Page 70, line 8, after the word "energy", insert the following words: "sources and supplies, with appropriate recognition of the demand for increased energy production required for increased employment.".

Mr. McCORMACK. Mr. Chairman, as I stated in debate yesterday, the purpose of this amendment is to emphasize the importance of our recognizing, and of the President's recognizing, that since there is a direct correlation between employment growth and energy production growth, any plan to increase employment—or to reduce unemployment—must be accompanied by a positive program to produce the energy these new jobs will require.

Since the end of the Second World War there has been a striking 1 to 1 relationship between employment growth and growth of energy consumption in this country. Since 1960, for instance, employment has grown from about 63 million jobs to about 92 million today—a growth of about 29 million jobs.

During the same time, since 1960, energy consumption has grown from about 22 million barrels of oil equivalent/day to about 37 million barrels at this time—an increase of about 15 million barrels of oil per day/equivalent.

So we have a ratio of 2 jobs per 1 barrel of oil a day/equivalent, or a requirement of 1 barrel of oil a day/equivalent for each 2 new jobs.

If we wish to reduce unemployment from 7 to 3 percent—this would require about 4 million new jobs during the coming years and, according to these historical figures, it would require the production of an additional 2 million

barrels of oil a day/equivalent, which is, in turn, equivalent to 60 to 70 1,000-megawatt nuclear or coal plants or the mining of 600,000 tons of coal a day, along with the facilities to convert the coal to safe products for burning.

We recognize that the basic wealth-producing industries are the ones in which employment must be increased. These industries are energy-intensive: Steel, aluminum, petroleum products, plastics, cement, glass, chemicals, agriculture, and transportation.

It can easily be seen that if we are really serious about reducing unemployment, especially among the youth in our central cities, we must plan for significantly increased energy production, and we must do it soon. My amendment calls for recognition of this fact.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will probably take far less time than my 5 minutes. I simply want to state my personal opposition to this particular amendment. I think that it is really an around-the-barn kind of way of trying to get the House of Representatives to add another trade-off kind of provision to this piece of legislation. The next thing we are going to be hearing—and indeed, there have been some references to it—is how essential nuclear power is, and therefore there ought to be a development of additional nuclear powerplants to provide jobs in this country.

It seems to me that the genius of America has been that until recently we have worked to develop new kinds of energy resources. But in the past quarter of a century the very people who now are claiming that what we need desperately is nuclear power are the same people who have stifled the research that would have been necessary to provide alternative sources such as, for example, solar energy.

It seems to me that this amendment is almost as bad, as the efforts that were being made by those on the other side of the aisle earlier on the inflation issue. I just want it clearly stated on the record that as far as I am concerned, I am not buying this kind of misdirection, which only appears to be an effort to tie this Congress in to energy policy which should not be in this kind of legislation.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. McCORMACK).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

Mr. PHILLIP BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Page 64, line 10, insert after "unemployment," the words "private sector employment,".

Page 64, line 15, insert after "unemployment," the words "private sector employment,".

Page 65, line 4, insert after "Act," the words "except as set forth in section 4,".

Page 65, beginning on line 16, strike out subsections (a) and (b) through line 8 on page 67 and insert the following:

"SEC. 4. (a)(1) In each Economic Report after enactment of the Full Employment and Balanced Growth Act of 1978, the President shall incorporate medium-term annual numerical goals (for the three calendar years subsequent to the two years referred to in section 3(a)(2)(B) with respect to unemployment to clearly differentiate between the goal of providing maximum employment in the private sector through the creation of a healthy economy, and the goal of providing a work opportunity for every American desiring employment, including employment in public service employment as defined herein.

"(2) These medium-term goals shall be set forth as follows:

"(A) In order to insure the success of the primary goal of this Act to provide maximum employment in the private sector, the Economic Report shall include the interim numerical unemployment goal, without resorting to public service employment as described herein, of reducing unemployment among Americans aged 20 and over in the civilian labor force to not more than 3 per centum and to reduce unemployment among the entire civilian labor force aged 16 and over to not more than 4 per centum within a period not extending beyond the fifth calendar year after the first such Economic Report, counting as the first calendar year the year in which such Economic Report is issued. For the purpose of measuring the success in attaining this goal, persons employed in public service employment jobs as described herein shall be considered as members of the work force seeking employment.

"(B) In addition to the goal of providing maximum employment in the private sector, the Economic Report shall include the goal of making a job opportunity available to every American seeking employment. Therefore, the Economic Report shall include a separate numerical goal for the purposes of section 3(a)(2) which shall set forth the further reduction in unemployment to be accomplished through public service employment as described herein.

"(3) In order to more clearly set forth the goals, and to more accurately measure the status of unemployment and the health of the economy, the Economic Report shall—

(A) specify the number of jobs that are intended to be generated in the private sector, and the number of jobs to be created through public service employment as described herein, and the effect each is expected to have on the unemployment goals set forth in subsection (a)(2) above; and

(B) set forth any changes in the Bureau of Labor Statistics method of reporting employment and unemployment figures after the date of enactment of the Full Employment and Balanced Growth Act of 1978, and the effect these changes have on the figures and goals set forth in the Economic Report, compared first to the Bureau of Labor Statistics method of reporting at the time of passage, and, secondly, the Bureau of Labor Statistics methods utilized in the report for the previous year.

(b)(1) Upon achievement of the goals as specified in subsection (a)(2) (A) and (B), each succeeding Economic Report shall have the goals of achieving maximum employment in the private sector through a healthy economy, and overall full employment, as soon as practicable, and maintaining these two goals after they have been reached.

"(2) Each statement of the remaining medium-term economic goals of the Act (as part of the five-year numerical goals in each Economic Report) shall cover the same items and same purposes as the economic goals specified in paragraph (2) of section 3(a), and such after policies as the President deems necessary to achieve such medium-term goals and to achieve reasonable price stability as rapidly as feasible as provided for in section 5(b) of this Act.

"(3) In the third Economic Report after enactment of the Full Employment and Balanced Growth Act of 1978, the President shall review the numerical goals and timetables for the reduction of unemployment and the achievement of a healthy economy, report to the Congress on any obstacles to their achievement, and if necessary propose corrective economic measures toward achievement of such goals and timetables: *Provided*, That beginning with such third report and in any subsequent reports, if the President finds it necessary, the President may recommend modifications in the numerical goals or timetables, or both, for the reduction of unemployment and the achievement of a healthy economy, and the Congress may take such action as it sees fit by the method set forth in title III of the Full Employment and Balanced Growth Act of 1978.

"(4) The term public service employment as used in this section includes employment in any public service employment or training program authorized by an Act of Congress, such as the Comprehensive Employment and Training Act of 1976, or any other new program or training authorized by this or any other Act of Congress which provides employment or training in the public sector in excess of the permanent public work force.

Page 70, strike out lines 8 and 9 and insert in lieu thereof the following:

"(A) promotion of small business development, stimulation of alternative modes of transportation, aggressive development of alternative energy technologies and conservation, and heightened environmental quality through programs, such as a beverage container deposit system, all of which provide meaningful private sector employment;".

Page 71, line 10, strike out "and" and everything that follows through line 12, and insert in lieu thereof the following:

"(G) the implementation, through financial assistance, of programs already established by law as major national priorities, such as the removal of architectural barriers to the handicapped.

"(H) such other priority policies and programs as the President deems appropriate.".

Mr. JEFFORDS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. JEFFORDS. Mr. Chairman, this amendment has been printed in the RECORD. Both sides are well aware of it. I have offered an amendment substantially similar to it in both the subcommittee and the full committee. I hope it is accepted as an attempt to make a constructive improvement in the bill, because it is offered in that sense. I believe it will do that. We have discussed numbers rather extensively today, and now I would like to focus on our national figures for unemployment and the goals for unemployment which are established herein, of 3 percent and 4 percent.

This "truth in reporting" amendment insures that any report submitted by

the President as required by this act will accurately reflect changes in the economic health of this country. It does this by clarifying the numerical goals in the bill and by specifying that the public must know how these goals are being met.

As you know, the bill requires the President to establish goals for reducing unemployment, and to submit annual reports on methods and progress toward attaining the goals. The bill says the emphasis should be on private sector employment, rather than public service jobs such as those created under CETA.

However, the bill emphasizes the goals of 3- and 4-percent unemployment, without providing a careful analysis of how the goals should be met or how the percentages are to be derived. In theory, "success" could be attained in meeting these goals entirely through creation of new public service employment jobs, without any improvement in the economy. This could prove to be very misleading to the public.

Another extremely confusing area is the measure of unemployment. We take the monthly unemployment figure, as computed by the Bureau of Labor Statistics, as an accurate reflection of the number of unemployed persons in our country, and base many important policy decisions on that number. However, a closer inspection of the method used to derive this figure shows that it is grossly inaccurate; even Secretary Marshall agrees with this statement. A special Presidential commission has been established to improve the unemployment figure, and its recommendations will undoubtedly change our curent estimate of the number employed. Such changes could have the effect of reducing the unemployment percentages, without any actual changes in the economy. As a hypothetical example, if people looking for part-time work were excluded from the statistic, the unemployment rate would drop a full percentage point without creating a single new job.

My amendment will insure the accurate measurement of the health of our economy in two ways. First, it would require clear and accurate reporting of improvements in employment differentiating between now private sector jobs and permanent public sector jobs and new public service employment positions. Two sets of statistics would be reported. One would measure progress in creating new jobs in the private sector, to accurately reflect improvement in the Nation's economic health. The second, as in the present legislation, would measure overall improvement in employment, including public service jobs. The second provision of my amendment would require adjustments in the economic report to accommodate any changes in the methods by which the unemployment rate is computed by the Bureau of Labor Statistics. This would prevent the public from being misled by improvements which exist only on paper.

This amendment will strengthen the bill and make the annual economic report meaningful to the public by eliminating any opportunity for misuse of statistics. I urge my colleagues to support this amendment.

In other words, if they do, for instance, not consider a person with a part-time job as being employed, and this decreases unemployment by 1 percent, that would be clearly reflected in the report. The public would understand that the change was in form, not substance. This amendment lets the American people know what is happening, so the bill does not mislead them into thinking that we have had improvements in employment, in the health of the economy, when in fact we have none. Having two goals in this bill, one indicating the health in the private sector and one for measuring unemployment after consideration of public service employment will make it clear to the public as to what has happened. What is the health of the economy. How far have we gone toward insuring that every American who desires employment, is working.

Mr. WEISS. Mr. Chairman, if the gentleman will yield, does not the gentleman agree that the basic principle and basic concern of this legislation is and ought to be to provide jobs for every American who is willing and able to work?

Mr. JEFFORDS. Yes, and that is what this amendment attempts to do, and it merely clarifies that to make sure we understand the state of the economy.

Mr. WEISS. Will the gentleman further agree that in the order of priorities which are set forth private sector employment is very important?

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(On request of Mr. WEISS and by unanimous consent, Mr. JEFFORDS was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, if the gentleman will yield further, does not the gentleman agree that in fact the highest order of priorities is for private sector jobs and then if private sector jobs are not available that some certain form of assistance is needed; that it is only in the last resort when in fact there is no possibility of private sector jobs that the public service jobs become involved?

Mr. JEFFORDS. That is not what the language does. I would like to explain what it does.

Mr. WEISS. Let me continue and make my final point.

Mr. JEFFORDS. It is my time.

Mr. WEISS. I appreciate that and I just want the gentleman to yield a little bit further.

The CHAIRMAN pro tempore. The Chair will state that the time is controlled by the gentleman from Vermont.

Mr. WEISS. I appreciate that, Mr. Chairman. I was hoping the gentleman would yield further so I could make my final point.

Mr. JEFFORDS. Mr. Chairman, I would like to say that what appears to be last resort jobs are going to be used as the first resort to be used to reach the goal of 3 and 4 percent. The American people ought to be aware of this. The American people ought to know that the administration is going to increase such public employment by nearly 2½ million jobs—which will bring us down to 4 percent. The American people should know that the unemployment rate is not being reduced by improvements in the health of our economy, not because we have more private sector jobs available, more people in the private sector jobs. I believe we ought to let the American people know exactly how these goals are being met.

If you vote yes for the amendment then you are voting for accuracy in reporting to the American people, but if you vote no, then you vote for deceptive information that will not let the American people know what is going on.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I certainly agree with the gentleman's stated objective which is to get the maximum number of people employed in the private sector, but I wonder the reason for the inclusion by the gentleman from Vermont (Mr. JEFFORDS) of certain language in his amendment, which I will refer to.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(On request of Mr. WRIGHT and by unanimous consent, Mr. JEFFORDS was allowed to proceed for 1 additional minute.)

Mr. WRIGHT. Mr. Chairman, if the gentleman will yield further, let me continue with what I was stating. I wonder why the gentleman has this language in his amendment:

> For the purpose of measuring the success in attaining this goal, persons employed in public service employment jobs as described herein, shall be considered as members of the work force seeking employment.

In other words, they would be considered as unemployed. You would number them as unemployed if they are working on public service jobs.

Mr. JEFFORDS. For the purpose only of first determining what the real unemployment rate is in the private sector of our economy.

Mr. WRIGHT. Why would the gentleman count them as unemployed?

Mr. JEFFORDS. For the sole purpose of indicating the actual unemployment rate without regard to those that have been provided jobs because they are unemployed, temporary public service jobs. In other words to give us a truer measure of unemployment, a truer measure of the health of the economy. If you give jobs to people who cannot find jobs in the private sector, we want the goal to be zero, to have every American who wants a job to have a job. And thus the second goal, although I did not specify any number, would be a goal lower than the 3 to 4 percent, close to zero. There, of course, would still be people in transition between jobs.

Mr. HAWKINS. Mr. Chairman, I rise in opposition to the amendment. The amendment in part, I think, seeks to do

what the bill already does, and I think is in accord with the purposes of the bill. That is to give primary emphasis to private sector employment.

In the bill on page 63 for the first time we set out an order of priority which is not currently in existence. In other words, there is no limitation or no direction for us at this time. For the first time we are saying that in the order or priority the expansion of conventional private jobs should be placed first, and then we say after that the expansion of private employment through Federal assistance jobs should be second. It is only when we get down to the third order that we get into the question of public employment. To place a limitation on, or not to count those in public jobs as being employed, is, in my mind, not only ridiculous, but I think it is very difficult to ascertain in terms of the programs that may be advocated. Even public service employment itself through the multiplier effect will lead to private sector jobs, and many times only private sector jobs because the expansion of the private economy will lead to public jobs.

Is the gentleman suggesting that teachers, that policemen, that firemen, that public officials and others should not be counted?

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. Yes, I will be glad to yield to the gentleman from Vermont.

Mr. JEFFORDS. The amendment, if the gentleman reads the definition with respect to public service employment, only includes those jobs such as CETA or those that are specifically created to give people who are unemployed temporary employment. It does not include the more permanent public sector jobs, the bureaucracy, teachers, and such. That is not within the definition. I have no intention of distorting the issue. All I want to do is provide clarity for the goals established, which the gentleman has already mentioned.

Mr. HAWKINS. Then the gentleman's amendment is very defective, because it does not read that way when the gentleman begins to separate them for the purpose of determining two separate goals, so I would say to that effect it is highly defective.

Mr. JEFFORDS. Will the gentleman yield?

Mr. HAWKINS. I will be glad to yield.

Mr. JEFFORDS. I thank the gentleman for yielding.

The last paragraph in the amendment which is paragraph 4 defines very specifically the term public service employment:

> The term public service employment as used in this section includes employment in any public service employment or training program authorized by an Act of Congress, such as the Comprehensive Employment and Training Act of 1975, or any other new program or training authorized by this or any other Act of Congress which provides employment or training in the public sector in excess of the permanent public work force.

Mr. HAWKINS. In my opinion, that does not exclude public persons employed in public service jobs. It certainly would not include those who in any way would receive Federal assistance, and it does not include any other individuals that I have enumerated. I do not think that language accomplishes what the gentleman is suggesting should be accomplished, is bad for the purpose of the amendment, and if I go back to the original intent, which is to give emphasis to private employment, I say that it is redundant, that the bill already does it, and does it, I think, in a much better way than the gentleman does.

As to his question of statistical information, I will say that this will lead to unlimited administrative difficulties—certainly more bureaucracy than what we have at the present time. I will agree that the present system is defective. I have certainly agreed with the gentleman heretofore that the present method is defective, but it is the best that we have. The gentleman and I know that there is a commission that is presently studying this proposition and that they will make a report to the Congress. However, that commission has not yet been named, and they will not make the report to this Congress for 18 months after they have been confirmed, so we are talking about something 2 or 3 years distant. The bill presently says that these statistics that we now have will be those which will be used certainly until some change is made, and when a change is made, then obviously adjustments must be made not only in this bill but throughout the entire economy, so I do not think there is any problem with respect to that.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Jeffords amendment. As we read the definition that the gentleman from Vermont (Mr. JEFFORDS) has in the amendment, the term public service employment means those jobs that are established, because of programs such as the Comprehensive Employment and Training Act. The only purpose of those jobs which are paid for by the Federal Government is to take people off the unemployment rolls. To count those, that means you would have Federal employment just to give them temporary jobs and then consider that as no longer a problem of unemployment in the country. The problem of unemployment in the country stems from whatever programs are used to pay for them, whether it is welfare, public service, or unemployment compensation.

I think it is very clear that if we are going to go after the problems of unemployment or unemployment of any kind, we had better make certain that we are talking about jobs in the private sector, permanent jobs in the private sector.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I rise in strong support of the Jeffords amendment. This amendment goes right to the heart of the unemployment issue. In setting our goals for full employment, we must place maximum emphasis on job creation in the private sector and we must have truthful reporting of the unemployment statistics that accurately reflect the difference between the private and the public sector and the changes in the economic health of the country.

We must always remember a very basic and fundamental fact of life: Private sector jobs produce revenue for the Treasury and public sector jobs consume revenue from the Treasury. If you carry this to the full extent, it has the potential of being self-defeating—unless there is a strong private sector there simply will be no revenue base for the public sector. Too few people understand this and it is imperative that we can be assured that the reporting requirements of this bill reflect the difference between new private sector jobs and new public service employment positions.

This is not to suggest that public sector jobs are not necessary in our society. They definitely play a role and can even help the private sector in such areas as purification of water, the prevention of erosion, construction of harbor navigation improvement, flood control projects and low-cost housing. These areas show where the public sector can create jobs in the private sector, provide security to property and people, and enhance the overall economic environment as the private enterprise system creates permanent and long-lasting jobs.

It is clear from statements by the administration that the centerpiece of the Federal Government's efforts to reduce our unemployment to 4 percent will be these public service jobs and, in fact, this is why I am opposing H.R. 50—as presented by the Committee, because it merely legislates a good intention and misses the whole point of how to create jobs that last and reduce inflation—through the right kind of reductions, reforms, and revisions which will release funds back into the private sector and generate confidence for investors and consumers. This is where the Government can most effectively complement the private sector—

By tax incentives to encourage the formation of capital investment, which will lead to more jobs;

By a massive reduction in the scope and volume of Federal rules and regulations which have literally hamstrung our business community;

By a slowdown in unnecessary Federal spending programs, since such spending can only create and/or worsen inflation; and

By a maximizing of economic flexibility that will utilize the full resources and ingenuity of the private sector of the economy.

This is where our emphasis should be, not on a program which ducks the entire unemployment issue. As the New York Times editorial of February 21, 1978, points out:

> H.R. 50 plays a cruel hoax on the hard-core unemployed, holding before them the hope—but not the reality—of a job. For that reason alone, Humphrey-Hawkins should be rejected.

H.R. 50 is just one more case of empty rhetoric. It is nothing more than a

springboard to more Federal programs, more inflation and a higher Federal deficit. Its prescribed employment targets are simply not on target. By mandating that the Federal Government should be the employer of last resort the eventual effect will be that the Federal Government could become the employer of first and only resort. It cannot help but make people even more dependent on the Federal lifeline since, if they do not like their job in the private sector, they can seek out that "last resort" in the public sector.

The bill does change the way decisions on the economy and unemployment are made—at least superficially, which could have profound implications. And, it does imply that the Government does have the responsibility and indeed, the capability to direct the economy to a certain goal. The crucial point here is that the failure to reach this goal might lead to greater and greater Government interference.

The bill is open to a thousand interpretations—all of which beg the fundamental question—whether or not this measure will lead to capricious centralized Government economic planning and control of the private sector. Quite frankly, I question the wisdom of a program which puts the Federal Government into the business of guaranteeing jobs. Our entire form of Government is based on the premise that the least Government is the best Government, but if we put the Federal bureaucracy in the business of controlling each person's "employment destiny" we will only further erode the few freedoms we still enjoy.

Mr. WEISS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is one of the most perplexing amendments that has been presented in the course of the debate today, and probably of all those yet to come.

The very purpose of this legislation is to recognize that this country must do some very serious thinking and planning about eliminating unemployment to make sure that all those Americans willing and able to work have a chance to work.

Indeed, the gentleman from Minnesota (Mr. QUIE) will be offering an amendment, or at least the gentleman has indicated that he will be offering an amendment later on by way of a substitute to deal with one of the very chronic areas of unemployment. The gentleman goes overboard, because he has indicated that it is his intention that it be a substitute for the entire bill. It is in the area of minority youth unemployment. I cannot understand what is going through the minds of people who seem to suggest that if there are not enough jobs that the private sector with all our priorities can provide, that there is something wrong or dirty about helping to put people to work in Government employment. What is wrong with us?

I must tell this House that I am absolutely stunned and shocked. I do not understand why that kind of thinking would creep into the mind of the gentleman from Vermont, who usually is very humane and compassionate.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I just say to the gentleman that while the gentleman has given a very eloquent statement, I think the gentleman from New York has misread the amendment of the gentleman from Vermont (Mr. JEFFORDS). That is not the purpose. It is specifically for the purpose of reporting, so that if this bill, H.R. 50, has a purpose, we will know what it is.

Mr. WEISS. Mr. Chairman, the purpose, though, is to suggest to people that the Government is deceiving the world, because there may be some people who are employed by the Government which has helped them to be trained for jobs and then put them to work, because the private sector could not; that is the purpose of it.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, this demonstrates, first of all, that CETA jobs are supposed to be demeaned. Actually, those jobs are for training purposes and frequently, although not frequently enough, to move people into the private sector; but to call it pernicious and demeaning is the crowning insult that people can give.

Finally, though, I must point out that there is nothing deceptive, as bad as these employment statistics have been, and I have criticized BLS across the years. But the fact of the matter is that nobody has any trouble separating out for purposes of this debate and our committee work who is in the public sector and who is in the private sector. With all the faults of BLS, that is not one of them. Nobody has ever misplaced a person in the private sector who was in the public sector or vice versa.

So, Mr. Chairman, I agree with my colleague, the gentleman from New York (Mr. WEISS) that this is a perplexing and probably a pernicious amendment, one that ought to be voted down.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I would like to make a statement on that last point about being able to break out the figures on the public sector.

It took the Bureau of Labor Statistics several weeks to give me figures on public service employment for the last 3 years. It is not an easy thing to do, because the statistics are not. They are not broken down readily, kept this way.

We could literally under this bill have 100 percent employment in the public sector and have everybody raking leaves. Then we could say that we have reached our goal, but if that is the kind of specificity we get, that is ridiculous.

Mr. WEISS. Mr. Chairman, if the gentleman's amendment were only offered for reporting purposes, I do not think he would find any trouble with it on this side of the aisle, but he is asking for more than that. He is asking that these other figures not be included.

Mr. JEFFORDS. That is not correct.

Mr. WEISS. The gentleman is asking for more than that, and that is a different kettle of fish.

Mr. JEFFORDS. That is not correct at all.

Mr. WEISS. Mr. Chairman, will the gentleman tell me, then, what he is asking?

Mr. JEFFORDS. Mr. Chairman, I think the gentleman ought to read the amendment.

Mr. WEISS. We have done that. I wish the gentleman would go ahead and tell us.

Mr. JEFFORDS. Mr. Chairman, the amendment says, No. 1, that there ought to be two goals. One is that there ought to be a good healthy economy, and that as for unemployment in the private sector, and the permanent public sector, that the goal ought to be 3 and 4 percent. That is the first goal we have, and that is what the goal ought to be.

Mr. WEISS. For what purposes? Is the gentleman talking about reports as to who holds what kind of a job, or is it to affect a numerical goal of 3 or 4 percent, as the case may be?

Mr. JEFFORDS. Let me tell the gentleman what the amendment says.

Mr. WEISS. Go ahead.

Mr. JEFFORDS. The amendment goes on to say in addition to that, it is important that every American have a job, and the goal is to get as many people as possible employed in the private sector. But for those not so employed, they should have public service jobs available to them. How can you disagree with that goal?

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. WEISS) has expired.

(On request of Mr. SIMON and by unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I join with the gentleman from New York (Mr. WEISS) in his objectives.

It seems to me that we classify two different types of work, suggesting by implication that public service work is not productive, but, in addition, I think there is a major defect in the gentleman's definition of "public service employment."

The gentleman says that—

the term public service employment—

And I am quoting from his proposal now—

as used in this section includes employment in any public service employment—

And then he mentions CETA.

And here is the significant language:

or any other new program or training authorized by this or any other Act of Congress which provides employment or training in the public sector in excess of the permanent public work force.

In other words, if this Congress decides that we are going to have teacher training programs, if we are going to have additional interns, or if we are going to have people to check the productivity of coal mines or anything else, all that goes into the public sector employment that we are talking about.

In addition to the massive bookkeeping he is asking for, I think he is implying something that I really do not think on reflection the gentleman from Vermont (Mr. JEFFORDS) wants to imply.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am happy to yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, again the gentleman is raising objections here which diverge from the intent of the amendment.

The amendment is offered only to provide clarity to insure that if we release a figure which says unemployment has been reduced to 4 percent we have reached the goal, and we have reached it by the first priority, not the last. And that means jobs in the private sector.

If we could not create enough jobs in the private sector, but we do reduce the unemployment figure to 6 percent, we can say, in addition to that, that we have reduced it through public service employment by another 3 percent, so the total unemployment is only 3 percent. That is the intent, just truth in reporting.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to speak in favor of the amendment.

It seems to me that on this particular amendment the majority has perhaps stretched a little further than necessary to try to think of some reason not to permit amendments to be accepted. The comments that have been made do not reflect at all on the reality of what is contained in the amendment.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I think the gentleman from Oklahoma (Mr. EDWARDS) is right, and I think is is very important.

Let us face facts. We know the problem exists. Despite all the rhetoric on the other side, they want to be able to say that they reached the goal set forth in this act, when, in fact they have not, not is there a serious intent to create a healthy private sector.

Now they know they can. They can report to the people that we have done great things. We can create 2½, 3 million public sector employment jobs, reduce our unemployment, and say, "We have solved the problems of our economy." They do not want to have to state clearly what they did. They do not want to say to the American people, "we did nothing to improve the economy; we deceived you with numbers." When the people see a lower unemployment rate, they think of that as a thermometer registering a healthier economy. Starting in 1975, we started creating massive public service employment from 55,000 jobs in December 1975 to practically 700,000 jobs now. It will reach 2.5 million jobs under the President's program. That is going to reduce unemployment. People are going to say, "Hey, the economy is in great shape." But have we done anything? No, we have not, if that is all that has occurred.

All my amendment says is, "Let's take a look at the economy and let's take a look at the man who wants a job and make sure we have done something for him." The amendment sets two goals. One, a job for every American who wants employment; and, two, the primary purpose and reason for those jobs, to put these people into the private sector as soon as practicable.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I want to ask the gentleman from Vermont (Mr. JEFFORDS) a question. As I understand the objections to the gentleman's amendment, they are pointing out that there is something demeaning about distinguishing a public service job from a job in the private sector. It just seems to me that since we have set as the highest priority the private sector jobs, the most obvious distinction is that private sector jobs produce revenue and public sector jobs consume revenue. So it is not important for Americans to know how well we are solving the problem of unemployment, whether we are solving it by stimulating the private sector to produce revenue, or by putting large numbers of people on the public payroll to consume revenue? Is that not what the gentleman's amendment is all about?

Mr. JEFFORDS. Yes. It is to let the American people know what is going on in the economy and not to try to deceive them.

Mr. HYDE. In other words, we are getting a blizzard of graphs and estimates and proposals. Would it not be nice to know how we are solving the problem, whether we are stimulating the private sector or whether we are bankrupting the American people by putting a lot of people on public service jobs?

Mr. JEFFORDS. That is exactly right. To report what is going on.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, this discussion reminds me of a cartoon which I had on my desk some time ago about one of the Pharoahs of ancient Egypt who had invited some of his friends for lunch. This was during the construction of the pyramids. When they finished their lunch, they went out on the balcony and looked at row after row of antlike slaves, who were carrying the stones to construct the pyramids, and the Pharoah raised his arms to the heavens and said, "By the god Osiris, I have done it: Full employment."

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, the gentleman, I am sure, has read the amendment. Just to refresh his recollection, I will read one sentence:

> For the purpose of measuring the success in attaining this goal, persons employed in public service employment jobs as defined herein shall be considered as members of the work force seeking employment.

Therefore, they will not be considered as people who are employed? Right? So talk about deception or trying to deceive the public, what you say you are trying to do is set forth and report the facts?

The CHAIRMAN pro tempore. The time of the gentleman from Oklahoma (Mr. EDWARDS) has expired.

(By unanimous consent, Mr. EDWARDS of Oklahoma was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of Oklahoma. Mr. Chairman, may I say that we are not talking about an amendment that is casting sociological reflection. We are talking about an amendment specifically relating to H.R. 50 and providing for some means of accurately assessing whether in fact the bill is proceeding toward accomplishing its goals.

Toward that end, it is necessary to have some delineation between whether we are putting people to work in honest, really productive jobs with long-term security or whether they are merely makeshift jobs picking up paper in the park.

Mr. WEISS. If the gentleman will yield further, does the gentleman consider a CETA job as being a dishonest job? Is that his view?

Mr. EDWARDS of Oklahoma. That is not the case, no; I would say to the gentleman that that is not the issue here. Those jobs are honest jobs. The question is whether we have given people long-term, security-providing employment. That is the purpose of this amendment—to insure that we are proceeding toward a goal of real private sector jobs.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, what I am doing is emphasizing that the purpose of CETA is to train people for private-sector jobs.

If the gentleman disagrees with that purpose of temporarily training and employing people to get them in the private sector, then he is going against the very philosophy of H.R. 50.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I shall take less than 5 minutes.

No. 1, one can get the gross figures right now from the Bureau of Labor Statistics.

No. 2, my colleague from Illinois (Mr. HYDE) is correct. The primary emphasis of this bill and of all legislation, I think, should be addressed to improvement of the private sector. However, there is an implied something in here that I think we have to recognize. It is in trying to take us back to an era that we have to recognize is an era of the past. That is an era in which private employment took

care of the employment needs of this Nation.

We seem to be reluctant to face the reality that we can produce—and I mentioned this last night and I mention it again—more cars, more refrigerators, more everything with fewer and fewer people. Consequently, we are going to have to give people in the public sector an opportunity to plant trees, to do some things to be productive in our society and enrich our society.

I do not want to put them down as second-class citizens. I do not want to put what they are doing down as any less useful to this Nation than are people who produce refrigerators.

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I am pleased to yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank the gentleman for yielding.

As I recall, the gentleman very courageously took the well in support of his amendment to provide for a youth differential to our minimum wage.

Mr. SIMON. That is correct.

Mr. HYDE. The gentleman from Illinois (Mr. SIMON) was interested in tearing down obstructions between people and jobs.

I ask the gentleman, if he is interested in that sort of thing—and I commend him for it—why can we not know what the facts are on real employment?

We are trying to cut down on the bureaucracy, on Government jobs, at least. I thought that was the stated purpose of the President.

Are we not saying that we are going to create jobs simply because there are unemployed?

Mr. SIMON. If that is the conclusion of the gentleman and of the gentleman from Vermont, one phone call—and if there is a pay telephone in the Republican cloakroom, I will pay for the phone call—one phone call to the Bureau of Labor Statistics can get the gentlemen the gross figure.

Mr. JEFFORDS. Mr. Chairman, if the gentleman will yield, that is not true.

Mr. SIMON. Furthermore, it is going to take a massive bookkeeping job to put people to work to take care of the books. Some more public employment figures can be added there.

Mr. SARASIN. Mr. Chairman, I move to strike the requisite number of words.

I shall be very brief.

I rise in support of the amendment. It seems to me that we are talking simply about a truth-in-reporting amendment to tell the American people what the true state of the employment and unemployment figure is, and nothing more than that. We are not denigrating any particular occupation.

We are just saying to the people that we as Members of Congress, after a few phone calls and perhaps many weeks of gathering and checking certain statistical information can obtain this information, we ought to be free enough and responsible enough to tell the American people what those statistics are, right up front. That is all the amendment does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JEFFORDS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 239, noes 177, not voting 18, as follows:

[Roll No. 127]

AYES—239

Abdnor	Frenzel	Montgomery
Ambro	Frey	Moore
Andrews, N.C.	Fuqua	Moorhead, Calif.
Andrews, N. Dak.	Gammage	Moorhead, Pa.
Applegate	Gaydos	Myers, Gary
Archer	Gephardt	Myers, John
Armstrong	Gibbons	Neal
Ashbrook	Ginn	Nowak
Ashley	Glickman	O'Brien
AuCoin	Goldwater	Pease
Badham	Goodling	Pickle
Bafalis	Gradison	Pike
Barnard	Grassley	Poage
Baucus	Gudger	Pressler
Bauman	Guyer	Pritchard
Beard, Tenn.	Hagedorn	Pursell
Bedell	Hall	Quayle
Bennett	Hamilton	Quie
Biaggi	Hammer-schmidt	Quillen
Boggs	Hanley	Railsback
Bonker	Hansen	Regula
Bowen	Harkin	Rhodes
Breaux	Harsha	Rinaldo
Breckinridge	Heckler	Robinson
Brinkley	Hefner	Roe
Broomfield	Heftel	Rogers
Brown, Mich.	Hightower	Rousselot
Brown, Ohio	Hillis	Rudd
Broyhill	Hollenbeck	Runnels
Burgener	Holt	Ruppe
Burke, Fla.	Horton	Russo
Burleson, Tex.	Huckaby	Ryan
Butler	Hughes	Sarasin
Byron	Hyde	Sawyer
Caputo	Ichord	Schulze
Carter	Ireland	Sebelius
Cederberg	Jacobs	Sharp
Chappell	Jeffords	Shuster
Clausen, Don H.	Jenkins	Sikes
Clawson, Del	Johnson, Colo.	Sisk
Cleveland	Jones, N.C.	Skubitz
Cochran	Jones, Okla.	Smith, Nebr.
Cohen	Jordan	Snyder
Coleman	Kasten	Spellman
Collins, Tex.	Kazen	Spence
Conable	Kelly	Stangeland
Corcoran	Kemp	Stanton
Coughlin	Keys	Steers
Crane	Kindness	Steiger
Cunningham	LaFalce	Stockman
D'Amours	Lagomarsino	Stratton
Daniel, Dan	Latta	Stump
Daniel, R. W.	Leach	Symms
de la Garza	Lent	Taylor
Derwinski	Levitas	Thone
Devine	Livingston	Traxler
Dickinson	Lloyd, Tenn.	Treen
Dornan	Long, Md.	Trible
Duncan, Tenn.	Lott	Tsongas
Edwards, Ala.	Lujan	Vander Jagt
Edwards, Okla.	Luken	Waggonner
Emery	McClory	Walgren
English	McCloskey	Walker
Erlenborn	McDade	Walsh
Ertel	McDonald	Wampler
Evans, Colo.	McEwen	Watkins
Evans, Del.	McHugh	White
Evans, Ind.	McKay	Whitehurst
Fenwick	McKinney	Whitley
Findley	Madigan	Whitten
Fish	Marks	Wiggins
Fisher	Marlenee	Winn
Fithian	Marriott	Wirth
Flippo	Martin	Wolff
Flowers	Mathis	Wydler
Flynt	Mattox	Wylie
Forsythe	Mazzoli	Yatron
Fountain	Michel	Young, Alaska
Fowler	Miller, Ohio	Young, Fla.
	Mitchell, N.Y.	Zeferetti

NOES—177

Addabbo	Anderson, Calif.	Beard, R.I.
Akaka	Annunzio	Bellenson
Alexander	Aspin	Benjamin
Allen	Baldus	Bevill
Ammerman	Blanchard	Bingham
	Blouin	Boland
	Bolling	Bonior
	Brademas	Brodhead
	Brooks	Brown, Calif.
	Burke, Calif.	Burke, Mass.
	Burlison, Mo.	Burton, John
	Burton, Phillip	Carney
	Cavanaugh	Chisholm
	Clay	Collins, Ill.
	Conte	Conyers
	Corman	Cornell
	Cornwell	Cotter
	Danielson	Davis
	Delaney	Dellums
	Dent	Derrick
	Diggs	Dingell
	Dodd	Downey
	Drinan	Duncan, Oreg.
	Early	Eckhardt
	Edgar	Edwards, Calif.
	Eilberg	Evans, Ga.
	Fascell	Flood
	Florio	Foley
	Ford, Mich.	Ford, Tenn.
	Fraser	Garcia
	Giaimo	Gilman
	Gonzalez	Gore
	Green	Hannaford
	Harrington	Harris
	Hawkins	Holland
	Holtzman	Howard
	Hubbard	Jenrette
	Johnson, Calif.	Jones, Tenn.
	Kastenmeier	Kildee
	Kostmayer	Krebs
	Le Fante	Lederer
	Leggett	Lloyd, Calif.
	Long, La.	Lundine
	McCormack	McFall
	Maguire	Mann
	Markey	Meeds
	Metcalfe	Meyner
	Mikulski	Mikva
	Milford	Miller, Calif.
	Mineta	Minish
	Mitchell, Md.	Moakley
	Moffett	Moss
	Motti	Murphy, Ill.
	Murphy, N.Y.	Murphy, Pa.
	Murtha	Myers, Michael
	Natcher	Nedzi
	Nichols	Nix
	Nolan	Oberstar
	Obey	Ottinger
	Panetta	Patten
	Patterson	Pattison
	Pepper	Perkins
	Preyer	Price
	Rahall	Rangel
	Reuss	Richmond
	Risenhoover	Roberts
	Rodino	Roncalio
	Rooney	Rose
	Rosenthal	Rostenkowski
	Roybal	Santini
	Scheuer	Schroeder
	Selberling	Shipley
	Simon	Skelton
	Smith, Iowa	Solarz
	St Germain	Staggers
	Stark	Steed
	Stokes	Studds
	Thompson	Udall
	Ullman	Van Deerlin
	Vanik	Vento
	Volkmer	Waxman
	Weaver	Weiss
	Whalen	Wilson, Bob
	Wilson, Tex.	Wright
	Yates	Young, Mo.
	Young, Tex.	Zablocki

NOT VOTING—18

Anderson, Ill.	Krueger	Satterfield
Buchanan	Lehman	Slack
Carr	Mahon	Teague
Dicks	Mollohan	Thornton
Fary	Oakar	Tucker
Ketchum	Pettis	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Fary, against.

Mr. Teague for, with Mr. Mollohan, against.

Messrs. BRECKINRIDGE, STRATTON, GLICKMAN, RINALDO, and HOLLENBECK changed their vote from "no" to "aye."

Mr. KOSTMAYER changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENTS OFFERED BY MR. QUIE

Mr. QUIE. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. QUIE: Page 64, line 15, insert "farm income," after "real income,".

Page 64, line 22, insert after "productivity growth," the following: "full parity of income for farmers.".

Page 66, line 11, insert ", and farm income at a rate not less than 100 per centum of parity at the market place," after "4 per centum".

Page 66, line 16, insert "and maintaining farm income at a rate not less than 100 per centum of parity at the market place," after "sentence.".

Page 67, line 25, insert "and the improvement of farm income," after "unemployment,".

Page 70, line 17, insert ", as provided for in section 4(b) and section 4(c) of this Act," after "income".

Mr. QUIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD and considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Chairman, as we know, this bill has a goal of 3-percent unemployed for those 20 years of age and over and 4-percent unemployment goal for those 16 years of age and over.

The Wright amendment now says that the President shall set numerical goals for inflation. There is nothing in here for a goal on bringing agriculture up to a certain level. My amendment sets a goal of 100 percent of parity, 100 percent of parity in the marketplace for American farmers. This means that when the President sets his policies, both in operating the Federal Government and how it affects the private sector of the economy, he will have to take into consideration, if this amendment is adopted, reaching the goal of 100 percent of parity at the same time as we reach the goal of 4-percent unemployment.

What this means is that we will then give an opportunity for farmers to have a better income. Right now when we look at farm incomes last month at 65 percent of parity, this is the lowest we have seen farm income since 1933 when we were in the worst part of the depression. 100 percent of parity is not an unattainable goal at all, because in 1973 we did reach 100 percent of parity; in fact, 106 of parity, in August of 1973.

We have seen from the beginning of this session of Congress people in the American agricultural movement here on the farm strike in the Halls of Congress. I have talked to a number of them and they have told me they have gone into most congressional offices.

I said to them that the problem is that there are not enough people in Congress from the rural part of the country. They report that city Congressmen say, "We are for 100 percent parity."

I say we will give them an opportunity to vote for 100 percent parity in this legislation. This legislation is setting, economic goals for the country at large and we ought to be setting agricultural goals if unemployment goals are set.

Look at some of the Federal policies that are made, policies of increasing production of palm oil in foreign countries in competition with soybean farmers. The President ought to take that into consideration and not support that competition.

We look at the importation of live beef to the American market, coming in from Canada. That was not even counted in the beef quota last year and it had a detrimental effect on the price of beef in this country. The beef industry has been down for years. The President and the Congress will have to take a look at that and govern accordingly so farmers will secure 100 percent of parity in the marketplace.

Look at the proposed Federal policy of taking away nitrites in the food industry. What is that going to do to the consumption of agricultural products and the cost of agricultural products? If bound, the estimated loss per head of value of live hogs will be $10 to $20 million.

There are policies that are made in the use of insecticides and pesticides which enable farmers to raise more for the needs of the people not only of this country but all over the world. Are we going to deny the use of those chemicals, insofar as they are not proven to be unhealthy to human beings, in the production of agricultural products?

These are the policy decisions that will have to be made in the light of my amendment if adopted.

We saw in the budget of the Department of Agriculture a reduction in the amount of money from last year that is going to be spent for supporting prices, on the assumption that evidently there are going to be poor crops this year. At the same time the Federal budget has a reduction in the disaster aid funds to the farmers compared to last year, assuming there may be poor weather and poor crops and yet they will not have any disaster impact on the farmers. That is really the phoniest budget for agriculture I have seen in all the years I have been in Congress.

My amendment will require that by the policy decisions that are made by the President and the Congress will have to plan for improved farm income reaching 100 percent of parity in the marketplace.

For these reasons and many others, Mr. Chairman, I urge my colleagues to support this amendment which would set a goal of 100 percent of parity in the marketplace for American farmers.

Mr. SIMON. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, our distinguished colleague, the gentleman from Minnesota (Mr. QUIE), is offering us "apple pie," but let us be careful. There is economic arsenic in this apple pie.

The bill without this amendment very properly takes a look at rural poverty, because one of the reasons for urban poverty is that the people have had to flee rural areas because of economic problems. The bill on page 70 talks about "income needs of farmers to encourage production" and "moving farm families toward parity of income."

But let us suppose we do precisely what my colleague, the gentleman from Minnesota (Mr. QUIE), suggests we do. What would the impact be?

Well, the U.S. Department of Agriculture says this would be the impact in one year: The average retail price of food would rise 20 percent; the price of beef would rise approximately 50 percent; the price of pork approximately 40 percent ;the price of broilers approximately 30 percent; wheat exports would be down by 30 percent; feed grain exports would be off 34 percent; and rice exports would be 45 percent lower.

Mr. HIGHTOWER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. Let me finish this, and then I will yield to the gentleman.

In addition, soybean exports would be down 4 percent.

At the end of 2 years, they say the adverse impact on our GNP would be approximately minus one-half percent and unemployment would be up one-half percent.

And what would happen to land prices? My colleague, the gentleman from Iowa, and I were just talking about that subject a few minutes ago. We would see the price of land go out of the sky.

American farmers—particularly, America's family farmers—need help. But this is not the way to help.

I heard a lot of oratory here just an hour or two ago about fighting inflation. If we are serious about that, let us do something right now. Let us bite the bullet. Let us not talk one way 2 hours ago and another way now; let us not vote one way now and talk differently 2 hours later.

Mr. Chairman, let us do the sensible, solid thing. Let us vote down the Quie amendment.

Mr. HIGHTOWER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. HIGHTOWER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to find out what the source of the gentleman's information is as to this disastrous effect he would predict for the economy of the Nation if the farmers should start receiving 100-percent parity. The gentleman cites something that says food prices would go up 20 percent, and he gave us a long list of things that are predicted.

What is the gentleman's source of that?

Mr. SIMON. Mr. Chairman, the source of that is the issue brief paper of the U.S. Department of Agriculture issued March 3, 1978.

If I may just add one other thing that I did not mention—and this gets into the gentleman's territory; it is a good illustration of why this is not sensible—right now polyester sells for about 50 cents; cotton sells for 50 cents also. A 100 percent of parity on cotton is 75 cents. Now, if we say by law that cotton is going to sell for 75 cents, who is going to buy cotton?

And what happens to our exports? And what are we going to do with the mountains of cotton in this country?

Mr. HIGHTOWER. If the gentleman will yield further, let me tell him about those figures.

Mr. SIMON. I yield to the gentleman.

Mr. HIGHTOWER. We have heard those figures before. We have heard the Chase econometric group quoted as to what the effect of 100-percent parity would be. But they are always talking about maximum production, a maximum

situation that would never exist, that no one in the agricultural industry would predict would exist. It is not the effect of many of the bills the agricultural committee now has under consideration. We can move to 100-percent parity without having this. I hope our colleagues will have an opportunity to address this question.

Mr. SIMON. Mr. Chairman, let me respond to my colleague, the gentleman from Texas, for whom I have the highest regard. If we are not talking about maximum production, we are talking about limiting production and we are talking about even higher prices.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Texas.

Mr. PICKLE. I thank the gentleman for yielding.

Mr. Chairman, there is good reason to wonder whether we should really go to 100-percent parity. I have reservations about setting concrete figures in this bill. But if we are going to do it, I do not see why, on the one hand, we do not say at least within 5 years we could reach 100-percent parity, or the best we can, just as we are looking for 3-percent unemployment, or the best we can.

In other words, if we are going to set 3 percent, or 4 percent unemployment as a goal in 5 years, why not 100 percent parity for farmers? If we set goals, why not let all sectors of the economy be part of the game plan?

I know deciding what parity is might be difficult. But, if parity means the farmer gets the same return for his work as the urban worker, then 100 percent parity is fair.

Many say 100-percent parity would cost the consumers too much, but I say that we should not sacrifice the farmers' well-being for other sectors of the economy.

The CHAIRMAN pro tempore. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(By unanimous consent, Mr. SIMON was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, let me just add that I think we have kept in this bill, thanks to the leadership of the gentleman from California (Mr. HAWKINS) realistic figures. If we start putting 100-percent parity in here, if we start measuring what that would do to the balance of payments of this Nation, why, it is incalculable.

There is no question that farmers face problems. I think we have to move on those problems, and I have been voting for moving on those problems; but I do not think we ought to hold out promises that cannot be fulfilled, promises that would be very detrimental to the farmers and the economy of this Nation.

Mr. BLOUIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it is with a little reluctance that I rise in opposition to the amendment offered by my good friend, the gentleman from Minnesota. But I firmly believe that this amendment could well lead, if implemented in its fullest intent, to 100 percent Government control of agriculture in this country, which is, quite frankly, the last thing on Earth the farmers really want or really need.

Mr. Chairman, I have a district that probably has as good a mixture of rural and urban people as any in the country. As a matter of fact, it is my understanding it is one of only two that is classified, depending upon what department you are talking to, as both urban and rural, as meeting both standards. I find a tremendous amount of sympathy and frustration with the problems that farmers face today. But at the same time I think people are beginning to realize that 100 percent parity, as we understand it, is probably an obsolete concept—probably not terribly relevant to the kind of international situation we find ourselves in. There probably are not more than a dozen or so of us who really understand what 100 percent parity is. But effectively, if we can boil it down, it means guaranteed profits. And the comment that my colleague, the gentleman from Illinois, made about land prices escalating is precisely on the number. If profits are guaranteed by Government, no matter what the cost of production, there is absolutely no incentive to even begin to turn the corner on land prices in this country. I fear for the family farmers' very existence if every speculator in this country could buy up every farm that is out there, not caring one iota about the cost or quality of the food or way of life that is so very dear to the heart of this Nation. I think we have to do a great amount as a Congress to respond to the plight of the farmers. I think it is essential that we do things internally, in terms of what the farmer is getting, to increase exports, to decrease production modestly, and to begin to get ourselves into a policy that makes some sense based on the facts of farm costs and the economic situation that confront us.

It is a great goal to strive for, but not as a Government policy that might well be construed as a mandated guaranteed profit, regardless of what happens to costs.

Mr. BRINKLEY. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Chairman, I thank the gentleman for yielding.

I would like to make a brief response, if I may, with reference to his interpretation of a guaranteed profit.

My interpretation of parity is that it does not go to profit at all, but, rather, to the product itself. That is to say, that an incompetent, extravagant, ignorant farmer would have no guarantee at all.

It is the competent, honest, hard-working farmer who produces that bushel of corn who would be given the degree of markup on a bushel of corn which would give him a profit. Even then, in times of bad weather, where there were too few bushels produced, he would get no profit.

Mr. BLOUIN. I would agree with the gentleman's assessment if parity was naturally arrived at. However, if he is talking about an artificially mandated price level that today guarantees effectively a substantial profit sufficient enough to bring speculators back in and to force prices of land into an escalation, then he is going to compound the problem by fueling the fires of inflation, driving up the meaning of parity in terms of its dollar translation, and eventually leading back to a profit guarantee.

If it is naturally evolved, I do not object to it, and as a philosophy I think it is something we all ought to be striving toward. However, to set a plan that locksteps it in or attempts to——

Mr. BRINKLEY. It does not set a plan.

Mr. BLOUIN. It attempts, in 4 or 5 years, to achieve 100 percent parity of farm "income." That Government goal may well mean Government control and guarantees—the precise thing that will bring the speculators running.

The CHAIRMAN pro tempore. The time of the gentleman from Iowa (Mr. BLOUIN) has expired.

(On request of Mr. QUIE and by unanimous consent, Mr. BLOUIN was allowed to proceed for 2 additional minutes.)

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. BLOUIN. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, in 1973 parity went up 100 percent. In fact, it went up to 106 percent of parity. Farmers had a net of $33 billion that year. Now it has dropped down to $20 billion.

What is wrong if the policies of the Federal Government try to get us back to 1973?

Mr. BLOUIN. To respond to my friend, the gentleman from Minnesota, Mr. Chairman, it was not the policy of the Government as much as it was the act of God and world drought which brought about the shortage of crops in some parts of the world which created the demand and caused those prices to rise. It was a natural evolution, and I see nothing wrong with profit from that kind of exchange.

However, to make it a mandated policy and ignore the world marketplace which we have to depend on for an increasing profit is in itself a dangerous road to take.

Mr. QUIE. Still, the question is, Was it bad in 1973 and is it wrong for the Federal Government to help God out a little bit?

Mr. BLOUIN. Mr. Chairman, I think the gentleman answered his own question.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is interesting at this time to take a few moments to see what history tells us about 100 percent of parity and unemployment. As I look at these figures, I find them quite startling, so I am not afraid to support the amendment of the gentleman from Minnesota.

In fact, I actively support the amendment of the gentleman from Minnesota

because history tells me that when we have very low unemployment, we have 100 percent of parity.

Mr. Chairman, let me go through some of the figures in history. During the 67 years since 1910, when parity has averaged 100 percent and above, employment averaged 3.6 percent, while inflation averaged 3.4 percent.

This compares with the average unemployment of 7 percent and an average inflation of 2.2 percent during the entire 67 years since that time.

Also, let me describe the direct correlation between low parity and low employment. When parity was at its lowest level, 58 percent in 1932, unemployment averaged 23.6 percent. Only during 1933 was unemployment higher than the 1932 level, when it averaged 24.9 percent. Parity averaged 64 percent, in 1933, the second lowest level since 1910.

Highest unemployment coincided with the lowest parity levels throughout the time known as the Great Depression.

Full parity was last achieved in 1952, when it averaged exactly 100 percent. That year, unemployment averaged only 3 percent while inflation was held to 1.7 percent. Only in 1953 did unemployment drop lower, when it averaged 2.9 percent. Parity averaged 92 percent that year, while inflation averaged 0.6 percent.

Records since 1952 indicate that both unemployment and inflation decline as parity increases.

Since 1952, parity has averaged 79 percent, with unemployment at an average of 5.2 percent and inflation averaging 3.8 percent.

Parity has averaged 70 to 79 percent during 11 of the past 24 years since 1952.

During those 11 years unemployment averaged 5.4 percent and inflation averaged 5 percent.

In 12 of the last 24 years, parity averaged 80 to 98 percent, while unemployment averaged 5.2 percent and inflation dropped to 3 percent.

In the 1 year that parity exceeded 90 percent since 1952, as indicated earlier, unemployment dropped to 2.9 percent and inflation dropped to 0.6 percent. Those levels are considered exceptionally low by many economists.

The correlation is also demonstrated in 1973, when parity rose to 88 percent, its highest level since 1970. That year, unemployment dropped to 4.9 percent, its lowest level during the last 8 years.

Statistics indicate that parity for farmers and ranchers will not cause adverse reactions with unemployment or inflation.

Instead, the increased purchasing power parity would provide for farmers and ranchers would spread throughout the economy, bringing benefits to both the rural and urban economy.

The reason is simple. As the farmer's purchasing power increases by having additional income, he would increase his purchase of goods and services such as tractors, equipment, insurance, and so on. More goods and services would have to be produced and provided to meet the increase in demand. More people would have to be employed to produce these goods and services. Everyone would benefit as a result. The farmer would benefit by having increased income and purchasing power, the economy would benefit by moving closer to full employment, and the consumer would benefit by having ample supplies of food at stable prices.

This clearly indicates to me that the historical record supports our adoption of this amendment.

That is, when we have low unemployment, we have high parity. When we have low parity, we have high unemployment. What we want to do is to give the farmers of this country fulfillment for their work in the marketplace, and have the kind of income they deserve and the kind that they are demanding.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding to me. I think the gentlemen on the other side of the aisle who have spoken against this amendment misread the amendment. I had some concern and I talked to the gentleman from Minnesota before he offered it.

This amendment does not mandate by subsidies or by Federal setting of prices 100 percent of parity. Members should read the pages involved, 64 through 66, which establishes economic intermediate and long-term goals. The amendment would allow policies, whatever may be chosen by the administration, to bring about a situation in which farmers receive something comparable to 100 percent parity for their products in the marketplace. That might be a policy of foreign exports or any number of other policies. This amendment does not guarantee anybody 100 percent of parity by Government subsidy or setting prices.

We have set a 4 percent unemployment goal. We refused to set a 3 percent inflation rate, and we say that we are against inflation. It seems to me that this is a very important group of Americans that has been badly damaged by low prices for their products. As one of our goals, we ought to consider this objective. It may or may not be fulfilled, but since this bill is the Sears wishbook, we ought to add something for a group which has suffered a great deal of economic difficulty.

Mr. JEFFORDS. I thank the gentleman. No other group in this country is having more difficulties than the American farmers. They are the ones who have been here pleading for us to do something.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield.

Mr. COLEMAN. Is it not true that the present Secretary of Agriculture has said that one of his goals, one of the goals of agriculture in this country, is 100 percent of parity?

Mr. JEFFORDS. That is my understanding.

Mr. COLEMAN. Without going through a particular bill or a particular program that has been suggested by either American agriculture or anybody else, he has consistently said that this is one of the goals of his farm program. I think all of us perhaps agree that that is a goal, and that is all we are talking about, a goal.

Mr. JEFFORDS. That is correct.

Mr. COLEMAN. Are we also talking about the government not knowing what one hand is doing? For example, we contribute 23 percent to the support of the World Bank. The World Bank just last week gave a $100 million loan to Argentina to help them produce more wheat. Is that not one of the types of things the President could consider with this particular piece of legislation?

Mr. JEFFORDS. That is correct.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

(On request of Mr. HAGEDORN and by unanimous consent Mr. JEFFORDS was allowed to proceed for 1 additional minute.)

Mr. HAGEDORN. I think what we have here is a badly needed case for at least establishing this as a national goal to be developed over the next 5 years. Clearly, it is in the interests of the nation. The wealth of this country comes from its natural resources, the productivity of its lands and seas, and to deny people legitimate income and profit for what they are producing in the most efficient sector of our society today, American agriculture, is to suggest that this Congress does not understand what the basic foundation of our economic system is.

A goal of less than 100 percent of parity, I think, is to deny them their fair and just due. I urge the Members of this body to adopt this goal. It is not being mandated, but is simply a goal. It is clearly not too much to ask of this body on behalf of the American farmer.

Mr. HIGHTOWER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am disappointed in my friend, the gentleman from Iowa. I am sure he has studied this bill very carefully. When we come down to doing something for the farmer in the bill and making a statement about parity, the gentleman from Iowa says we are mandating a particular approach or a particular way we could achieve this worthwhile goal.

A lot of people do not understand the very technical term "parity." I am not sure I always understand it, but I can understand when we are talking about making it possible for someone to recover a reasonable profit for their capital and labor, and that is all that the farmers of America are asking for.

We are often reminded in this body that the world is round and that our problems are not always the same as the problems for some other part of the country. I have to frankly say, and I am sure it comes as no surprise to the sponsors of this particular bill, that the Humphrey-Hawkins bill is not popular in my district. Yet I am going to vote for it. I am going to support it.

The reason I will vote for it is because I cannot in good conscience stand in this place and ask the urban Members and the people who are so affected by unemployment to help us when we have very desperate situations in agriculture, if I am not at least going to pay attention and do

what I can to help them move toward their goals of total employment.

I think that full employment will have a great positive effect for the economy of this Nation, but at the same time we cannot have full employment in towns and have people leaving the farms because they cannot make a living.

You can call it 100 percent of parity or whatever you want to call it. I believe that it is thoroughly proper, and I appreciate the gentleman from Minnesota offering this amendment, to say that we ought to address the plight of this part of our Nation's economy. We are not mandating any particular way that we achieve parity. All we are saying is: Let us use the system, let us use the legislation that is already there. Just as we are saying in the other parts of the bill, let us do what we can to help the farmer to make a living, to get a fair return on his capital and labor. That is all he is asking for, 100 percent of parity, and it is thoroughly proper that it be addressed at this time in this bill.

I ask our colleagues from the urban areas, the people who are so very concerned about addressing the total problem of employment, to help us address the problem of unemployment in the rural areas, as we are trying to help them here today.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. HIGHTOWER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, another factor is that consumption by our agricultural interests is another factor in our economy. Steel, automobiles, farm equipment, many parts of our economy are kept alive in large part by agricultural parts of the country. There is a correlation between farm prices and unemployment.

Mr. HIGHTOWER. How very true. We know very many of our farm equipment manufacturers have already closed their doors and those people are affected by the agricultural economy very severely.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is the way we look at the Quie amendment. Either we should vote for the Quie amendment or else strike all reference to agriculture from this bill.

I move to strike the last word because I would like to speak very generally about agriculture's treatment in this bill. Quite frankly the language of section 6 is extremely unclear and thus so is the intent behind it. Section 6(b) talks of paying proper attention to rural areas. Since I first took office Congress has never paid the attention to rural areas that rural citizens deserve. To the extent though that rural areas do not receive their fair share of Federal dollars and programs designed specifically for them, then this language represents a step in the right direction.

But the language suddenly shifts direction to a discussion in section 6 of nationwide requirements of food and fiber. The drafters of section 6 seem to suggest that rural policy be oriented toward providing the needs of nonrural residents. If this language means that our policies toward rural America should in fact focus on cheaper food, then I would remind the drafters that there are hundreds of thousands of upset farmers all over this Nation who cannot understand why their income today is so low. Is cheaper food going to raise the incomes of those farmers? No, it will not. The language further states that we should encourage production to meet certain goals, such as avoiding hunger. With production levels at near alltime highs, which is largely responsible for the depressed prices of recent years, how can we, I ask, possibly do more to deal with the problem of hunger?

Frankly, it is not clear whether or not hunger refers to domestic hunger or it refers to hunger in foreign countries. Is the language of section 6 just another way of advocating the creating of an international food reserve, with the United States being the chief food source for the less developed nations of the world? Have the drafters yet to learn that such reserves bear a great degree of responsibility for already low farm prices, and the problems that many rural residents have in making ends meet today?

The language also talks of encouraging supplementary non-farm work and income. Certainly, to the extent that the Government attempts to stimulate the economy it ought to look at rural communities as well as urban centers. But the language of section 6 suggests that an effort will be made to encourage farmers to engage in less farming. That is the movement of rural people to urban areas that the programs of the Department of Housing and Urban Development propose to stop. This is both inconsistent with the goal of meeting food and fiber requirements and, indeed, smacks of the sort of mandated taking of particular jobs which is the basis of employment policies in countries with planned economies.

If Congress wants to focus more attention on the needs of rural areas then again I say it is about time. But if the point of section 6, as I sense, is to force rural areas to comply with central planning goals, intended to promote the welfare of urban cheap food advocates, and every less developed nation in the world, I think the drafters will find that every farmer, no matter what their income, will be adamantly opposed to such a proposition.

So, Mr. Chairman, I believe that we ought to either vote for the Quie amendment or strike all of the references to the rural areas from this bill

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me say I think the remarks just made by the gentleman in the well, the gentleman from Minnesota (Mr. NOLAND), are 100 percent correct, as were the remarks just made by the gentleman from Iowa (Mr. GRASSLEY). Certainly if there is one group of people that we want to be productive under this administration, it is the farmer. Every place we go we are hearing about farm problems. We have heard them in the halls of this Congress in the last several weeks. Here is a group of people that are hard workers. They are not asking for a handout. They are just asking for a fair return for their hard labor, and I think they are entitled to it.

I think while we are talking about doing something for farmers, we ought to be talking about doing something about expanding our markets. We still have a lot of people around the world who are hungry and as long as we have people hungry we have a potential market for farm products. It think this Agricultural Department downtown ought to be expanding those markets as rapidly as possible. Certainly we should do everything we can if this legislation passes to help the farmer.

Mr. Chairman, I agree with the gentleman from Iowa who said, "Either put up 100 percent of parity or take them out completely."

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to my colleague from Ohio.

Mr. DEVINE. Mr. Chairman, I thank the gentleman from Bowling Green, Ohio, for yielding.

Mr. Chairman, I would also like to reiterate the remarks the gentleman made about the gentleman from Ohio (Mr. GRASSLEY). If there was ever a champion of the farmer, it is the gentleman from Iowa (Mr. CHARLES GRASSLEY). I have never seen a bill on the floor of the House on agriculture that involved the farmer when Mr. GRASSLEY was not there. I commend the gentleman from Iowa for the gentleman's interest in the American farmers.

Mr. ALLEN. Mr. Chairman, I move to strike the requiste number of words.

Mr. Chairman, over 90 percent of my district is urban, about 10 percent is rural, but I must rise in support of the Quie amendment.

To start with, it has been said by the distinguished gentleman from Illinois that undertaking to establish 100 percent of parity for farm production would raise prices of groceries 20 percent at the stores.

That depends on how you go about trying to handle it. Surely if we undertake to do it in the manner in which previous agricultural programs have been framed, that will happen. We have heretofore undertaken to guarantee prices through a guaranteed loan program. Obviously, if we are going to guarantee to a wheat farmer, say, $5 a bushel for his wheat, and if he cannot get it and he can go and borrow money at that rate, that is, on a note that has no recourse, he is not going to sell it for less than that.

The only way you are going to solve your city problems is to solve your rural problems.

This profound truth was given expression in the first sentence of a white paper on "Rural Migration," emceed by newscasters Edwin Newman and Garrick Utley, back in 1971.

Seven and one-half years have since passed, and we are no nearer solving either the city problems or our rural problems than we were then.

We must have affirmative action that must come from the President and the

Congress of the United States, including your Congressman from the 5th Congressional District. I believe that a new approach should be adopted, being careful to avoid the mistakes of previous agricultural programs. The Government can simply set the percent of parity the farmers would be guaranteed for their produce, then permit them to sell their produce to the processors for whatever it will bring on the open market, and get certified bills of sale showing what they received for their produce. ASCS county offices would pay the farmers the amount by which they fall short of getting the support price.

This would guarantee farmers a fair price for their produce. But it would not affect the prices the processors pay. They would still pay fair market prices—and no more—so the prices of food on the grocery shelves would not be affected.

Certain safeguards and protections obviously would have to be written into the law, to prevent fraud and other foreseeable problems. But if the lawmakers and farm leaders work together, we can design a program that will be fair to both farmers and consumers.

Farming is indeed the business of America, and the bedrock of our economy. Let us nurture and prize it as America's most precious asset.

I would suggest that as a goal, in fairness to the farmers of this country, we should support the Quie amendment, which merely sets as a goal a fair price for the farmers and their produce within the next 5 years.

Mr. NOLAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Quie amendment in support of 100 percent of parity as a goal to be contained in this proposal. First of all, sometimes our urban friends have a hard time understanding what parity is, and to put that in proper perspective, it is just a simple formula for determining the cost of production, plus a reasonable profit—not an unreasonable profit, but a reasonable profit. Unfortunately we now have a farm pricing system in this country that is probably responsible for more inflation and more unemployment than anything I can think of.

In the last 40 years under our so-called market oriented farm program for agriculture, we have seen 27 million people from the small towns and farms all across rural America migrate to the cities in search of jobs and opportunities and hopes that simply were not there. That, Mr. Chairman, is the largest migration of people anywhere ever in the history of humankind, and when other societies have experienced that kind of migration, it had absolutely totally catastrophic effects on those societies.

Let me explain to the Members how our so-called market-oriented farm program has done this. It has been characterized as a seesaw, roller coaster system. Anyone who will take a look back at our agriculture pricing can see some farm prices just several years ago that were 150 percent of parity, even 200 percent of parity. What has happened is that every time the farm prices rise quickly, all the major industrial users, the processors, the speculators take their profit. The high farm prices last only long enough to raise consumer prices; when they drop there is never a corresponding decrease in consumer prices. We then go through a period of 2 or 3 or 4 or 5 years where the prices are down around 60 percent of parity, below even the cost of production, and tens of thousands of the small family-sized farm operators are run out of business because they cannot write their farm losses off against their nonfarm income because they are not a big corporation, and they cannot write their farm losses off against their trucking operation or their supermarket operation. We have a system that has given the consumers of this country food prices that are 150 to 200 percent of parity—given our farmers about 60 percent of parity. We have run them off the land. The only profit takers in the process have been the middlemen, speculators, processors, tax loss farmers, and big farm corporations.

Now, for us to establish a goal of 100 percent of parity can do more than anything I can think of to provide meaningful jobs and opportunities, both on and off the farm, in the rural communities across the country and to take the speculation out of our food pricing system that has been responsible for so much inflation in this country. We can do it with 100 percent of parity.

Mr. FINDLEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as a nonfarmer, but one interested in farming, I am inclined to support the gentleman's amendment; but I want to have a little clarification from the author as to the meaning of the language in the amendment. I have listened to some of the remarks here in the last few minutes. It does make me wonder if I should support the amendment, but I have known the gentleman from Minnesota for a good many years. I believe that I am correct in my understanding of the amendment that the gentleman has offered to set forth as a goal or as a national policy the attainment of 100 percent parity income by farmers through marketplace income; am I correct on that?

Mr. QUIE. Mr. Chairman, if the gentleman will yield, that is correct. The amendment says in the marketplace.

Mr. FINDLEY. The gentleman is not offering a new role for the U.S. Government under which the Commodity Credit Corporation or some other similar institution would become the dominant merchandiser of farm products?

Mr. QUIE. No. As the gentleman knows, I do not want the Federal Government to be the dominant merchandiser. In fact, I do not want it to be a merchandiser any more than they have to. I want to keep it in the hands of the farmers and those that deal with farm groups and farmer cooperatives.

Mr. FINDLEY. A further point, the gentleman is not suggesting by implication that we turn to protectionism in any form as the means of driving up farm income, but rather through market expansion overseas?

Mr. QUIE. Mr. Chairman, I would like to see us sell as much overseas as we possibly can. In fact, when we look at 1973, we find that we had an expansion of sales overseas. We saw the prices go above 100 percent of parity on the average, and we saw the whole economy change. The only thing that was bad in 1973 was the fact that the OPEC nations embargoed oil, so the price of oil went up, but the rest of the economy was good.

That was 1 good year out of 25 that the farmers had. It was a good year for agriculture. There is no sense in the idea that farmers should have to wait 25 years to have just 1 good year.

I know the policy of this Government has been to have low farm prices in order to provide the consumer a low price in the marketplace, but that has been a shortsighted policy.

Mr. Chairman, the best way to have a good economy is to help the farmers achieve 100 percent of parity, and I urge support for my amendments.

Mr. FINDLEY. Mr. Chairman, on the assurances the gentleman from Minnesota (Mr. QUIE) has given me I am glad to give my support to his amendments.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Missouri.

Mr. COLEMAN. Mr. Chairman, we have been talking about farmers a good bit, but we are also talking about the unemployed.

Is it not true that one out of two or perhaps one out of three jobs in America is directly or indirectly tied to agribusiness or agriculture?

Mr. FINDLEY. I believe the gentleman is correct.

Mr. COLEMAN. Then we are talking about more than farmers; we are talking about people who transport farm products and people who sell farm products or who have some connection with them. We are talking about jobs for more than just farmers.

Mr. Chairman, if we were truly interested in the unemployed in this country, we would first start with a strong agricultural sector in order to assure these jobs.

Mr. FINDLEY. And, Mr. Chairman, if my friends on the other side of the aisle will permit me to make this observation, the last time the people on farms in rural America had a per capita income measuring up to the per capita incomes of people in urban areas was during a Republican administration.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Minnesota (Mr. QUIE).

RECORDED VOTE

Mr. QUIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 264, noes 150, not voting 20, as follows:

[Roll No. 128]

AYES—264

Abdnor	Foley	Murtha
Addabbo	Forsythe	Myers, John
Akaka	Fountain	Natcher
Alexander	Fowler	Neal
Allen	Frenzel	Nichols
Ambro	Frey	Nolan
Anderson, Calif.	Fuqua	O'Brien
	Gammage	Oberstar
Andrews, N.C.	Garcia	Obey
Andrews, N. Dak.	Gaydos	Panetta
	Gephardt	Perkins
Applegate	Ginn	Pettis
Archer	Glickman	Poage
Armstrong	Goldwater	Pressler
Ashbrook	Goodling	Preyer
Aspin	Gore	Pritchard
Badham	Grassley	Pursell
Bafalis	Gudger	Quayle
Baldus	Guyer	Quie
Barnard	Hagedorn	Quillen
Baucus	Hall	Rahall
Bauman	Hamilton	Railsback
Beard, Tenn.	Hammer-schmidt	Rangel
Bennett		Regula
Bevill	Hansen	Rhodes
Biaggi	Harkin	Risenhoover
Boggs	Harsha	Roberts
Bonior	Hefner	Robinson
Bonker	Heftel	Roe
Bowen	Hightower	Rooney
Breaux	Hillis	Rose
Breckinridge	Holland	Rosenthal
Brinkley	Holt	Rudd
Brooks	Horton	Runnels
Broomfield	Hubbard	Ruppe
Brown, Mich.	Huckaby	Sawyer
Brown, Ohio	Hughes	Scheuer
Broyhill	Hyde	Schulze
Burgener	Ichord	Sebelius
Burke, Fla.	Jacobs	Sharp
Burleson, Tex.	Jeffords	Shipley
Burlison, Mo.	Jenkins	Shuster
Burton, Phillip	Jenrette	Sikes
Butler	Johnson, Calif.	Sisk
Byron	Johnson, Colo.	Skelton
Caputo	Jones, N.C.	Skubitz
Carney	Jones, Okla.	Smith, Iowa
Carr	Jones, Tenn.	Smith, Nebr.
Carter	Kasten	Snyder
Cavanaugh	Kastenmeier	Spence
Cederberg	Kazen	Staggers
Chappell	Kelly	Stangeland
Chisholm	Keys	Stanton
Clausen, Don H.	Kildee	Steed
	Kindness	Steers
Clawson, Del	Lagomarsino	Steiger
Cleveland	Latta	Symms
Cochran	Leach	Taylor
Coleman	Leggett	Thone
Collins, Tex.	Levitas	Traxler
Conable	Livingston	Treen
Cornell	Lloyd, Tenn.	Trible
Crane	Lott	Udall
Cunningham	Lujan	Vander Jagt
Daniel, Dan	McClory	Vento
Daniel, R. W.	McCloskey	Volkmer
Davis	McCormack	Walker
de la Garza	McDade	Walsh
Devine	McDonald	Wampler
Dickinson	McEwen	Watkins
Dicks	McFall	Weaver
Dornan	McKinney	White
Downey	Madigan	Whitehurst
Duncan, Tenn.	Mann	Whitley
Edwards, Ala.	Marks	Whitten
Edwards, Okla.	Marlenee	Wiggins
Emery	Marriott	Wilson, Bob
English	Martin	Wilson, Tex.
Erlenborn	Mathis	Winn
Ertel	Mattox	Wirth
Evans, Colo.	Meyner	Wright
Evans, Del.	Michel	Wydler
Evans, Ga.	Miller, Ohio	Wylie
Evans, Ind.	Mitchell, N.Y.	Yatron
Findley	Moffett	Young, Alaska
Fithian	Montgomery	Young, Fla.
Flippo	Moore	Young, Mo.
Flood	Moorhead, Calif.	Young, Tex.
Flowers		Zeferetti
Flynt	Murphy, Pa.	

NOES—150

Ammerman	Ford, Mich.	Murphy, N.Y.
Annunzio	Ford, Tenn.	Myers, Gary
Ashley	Fraser	Myers, Michael
AuCoin	Giaimo	Nedzi
Beard, R.I.	Gibbons	Nix
Bedell	Gilman	Nowak
Beilenson	Gonzalez	Ottinger
Benjamin	Gradison	Patten
Bingham	Green	Patterson
Blanchard	Hanley	Pattison
Blouin	Hannaford	Pease
Boland	Harrington	Pepper
Bolling	Harris	Pike
Brademas	Hawkins	Price
Brodhead	Heckler	Reuss
Brown, Calif.	Hollenbeck	Richmond
Burke, Calif.	Holtzman	Rinaldo
Burke, Mass.	Howard	Rodino
Burton, John	Ireland	Rogers
Clay	Jordan	Roncalio
Cohen	Kemp	Rostenkowski
Collins, Ill.	Kostmayer	Roybal
Conte	Krebs	Russo
Conyers	LaFalce	Ryan
Corcoran	Le Fante	Santini
Corman	Lederer	Sarasin
Cornwell	Lent	Schroeder
Cotter	Lloyd, Calif.	Seiberling
Coughlin	Long, Md.	Simon
D'Amours	Luken	Solarz
Danielson	Lundine	Spellman
Delaney	McHugh	St Germain
Dellums	McKay	Stark
Derrick	Maguire	Stockman
Derwinski	Markey	Stokes
Diggs	Mazzoli	Stratton
Dingell	Meeds	Studds
Dodd	Metcalfe	Stump
Drinan	Mikulski	Thompson
Duncan, Oreg.	Mikva	Tsongas
Early	Milford	Ullman
Eckhardt	Miller, Calif.	Vanik
Edgar	Mineta	Walgren
Edwards, Calif.	Minish	Waxman
Eilberg	Mitchell, Md.	Weiss
Fascell	Moakley	Whalen
Fenwick	Moorhead, Pa.	Wilson, C. H.
Fish	Moss	Wolff
Fisher	Mottl	Yates
Florio	Murphy, Ill.	Zablocki

NOT VOTING—20

Anderson, Ill.	Long, La.	Slack
Buchanan	Mahon	Teague
Dent	Mollohan	Thornton
Fary	Oakar	Tucker
Ketchum	Pickle	Van Deerlin
Krueger	Rousselot	Waggonner
Lehman	Satterfield	

The Clerk announced the following pairs:

On this vote:

Mr. Krueger for, with Mr. Fary against.

Mr. Teague for, with Ms. Oakar against.

Mr. Mollohan for, with Mr. Lehman against.

Mr. Pickle for, with Mr. Dent against.

Messrs. LEVITAS, KELLY, RANGEL, DOWNEY, BAFALIS, McDONALD, RAHALL, Mrs. CHISHOLM, Messrs. GARCIA, NEAL, BONIOR, ROSENTHAL, KILDEE, HUGHES, and RAILSBACK changed their vote from "no" to "aye."

Mr. ECKHARDT changed his vote from "aye" to "no."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. MIKULSKI

Ms. MIKULSKI. Mr. Chairman, I offer two amendments and I ask unanmious consent that they may be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Maryland?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, I do so only for the purpose of asking what the program for the remainder of the evening is with regard to this bill.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, in reply to the inquiry of the gentleman from Maryland, let me say that it is the present purpose of the manager of the bill, the gentleman from California (Mr. HAWKINS), as I understand it, in conjunction with the leadership, that we will continue tonight until about 6 o'clock, or perhaps a little thereafter.

It now appears impossible for us to conclude title I today. Earlier we had hoped we could finish the bill itself. In mid-afternoon we still hoped we could finish title I, but now we believe that to be an unobtainable g l and we will not attempt to do so.

As I say, we will rise at 6 o'clock or a little bit thereafter depending on the parliamentary situation and the judgment of the manager of the bill, the gentleman from California (Mr. HAWKINS).

It will then be our purpose to ask consent to meet on this bill on Wednesday next from 1 p.m. until 6 p.m. We will take this bill up again at that time, with no other intervening bills for that day. We would hope to conclude the legislation on that day, but if we do not, we will take it up the following day on Thursday.

Mr. BAUMAN. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

The Clerk read as follows:

Amendments offered by Ms. MIKULSKI: Page 71, line 2, insert immediately after "care" the following: "(especially if it affects the availability of single heads-of-households to participate in the workforce)".

Page 76, line 13, insert immediately before "Such advisory board" the following new sentence: "Such advisory board or boards shall include representation of women and racial and ethnic minorities commensurate with their representation in the overall workforce."

Ms. MIKULSKI. Mr. Chairman, the first of my amendments directs the focus of the economic report section on child care to the needs of single heads of households.

Child care is a necessity for all single heads of households who are willing and able to work. It is often needed before people can seek work.

Although women and children may be the prime beneficiaries of additional child care, it is important to realize that the patterns of society are changing. Many men are assuming the full responsibility for raising their children. A single head of household is any single individual with children—people who are single, widowed, divorced, or deserted.

Presently, there are only 1 million slots available in licensed day care programs and there are 7 million preschool children whose mothers work. But child care is not only for preschool children. A parent's working hours are often from 8 to

4 or 9 to 5, and it frequently takes the parent 45 minutes or more to commute each way. There are also school vacations, "snow days," and sick days when child care is needed for the entire day.

Grandparents are often not available to care for their grandchildren. Either they are working to supplement their meager social security or they live a 1,000 miles away.

I worked as a trained social worker for 20 years in Baltimore. I have seen the effects of "latch key care." The kids "OD" on sugar-coated cereals and cartoons.

Many people think that women work because they want to earn some "pin money" or are bored at home. Forty-three percent of all women workers are either single, widowed, or divorced. Another 16 percent have husbands who earn less than $7,000 annually. Women are in the labor force because of economic necessity.

As a social worker, I have seen the patterns. Men usually are forced to institutionalize their children and see them only on weekends if adequate child care is not available. Women usually go on welfare. Both of these patterns are seriously detrimental to all of society, but in particular to our children—the resource that we claim to treasure so much but for whom our legislation often does not match our words.

I urge adoption of this amendment so that the single heads of households who want to work can work. It is simple justice.

My second amendment, Mr. Chairman, deals with the advisory board or boards to be established under this bill.

First, I want to commend the committee for the makeup of the advisory board or boards as stated in the bill. It is truly a people's board—with representation from labor, consumers, and business. I believe strongly that for boards to really work, grassroots people must be the participants. This is a major populist breakthrough.

However, with only job classifications, I fear that the appointments will be made in a stereotypical fashion—that women, minorities and ethnics will be appointed only as tokens or in traditional job classifications. For example, the women will be the consumer and the ethnics will be the steel workers.

Women are welders, communications workers, auto workers, as well as sales clerks and secretaries. The man who runs a restaurant in "little Italy" is a small businessman, as is the black entrepreneur who owns a dry goods store.

We must begin to change our stereotyping. This amendment would insure full representation to all segments of our society. It would require that women and racial and ethnic minorities be represented on the advisory board or boards commensurate with their representation in the overall work force.

Mr. Chairman, I urge the adoption of these amendments.

Mr. HAWKINS. Mr. Chairman, if I had not been distracted, I would have indicated to the gentlewoman from Maryland a commendation for the excellent amendment that she has presented, and we accept that amendment on this side.

Mr. SARASIN. Mr. Chairman, will the gentlewoman yield?

Ms. MIKULSKI. Certainly I will be happy to yield to the gentleman from Connecticut.

Mr. SARASIN. I thank the gentlewoman for yielding.

We will accept the amendment on this side as well and commend the gentlewoman for offering it.

Ms. MIKULSKI. I thank the gentleman. I consider that a compliment from the gentleman from Connecticut.

The CHAIRMAN. The question is on the amendments offered by the gentlewoman from Maryland (Ms. MIKULSKI).

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. ASHBROOK: Page 59, line 8, insert "and a balanced Federal budget" immediately after "balanced growth".

Page 59, line 24, insert "and a balanced Federal budget" immediately after "balanced growth".

Page 61, line 19, insert "and a balanced Federal budget" immediately after "balanced growth".

Page 64, line 15 insert "balancing the Federal budget," immediately after "real income,".

Page 64, line 22, insert "and a balanced Federal budget" immediately after "balanced growth".

Page 66, line 7, insert "of balancing the Federal budget and" immediately after "interim numerical goal".

Page 66, line 17, insert and a "balanced Federal budget" immediately after "full employment".

Page 66, line 18, insert "and a balanced Federal budget" immediately after "full employment".

Page 66, line 23, insert "and balancing the Federal budget" immediately after "reduction of unemployment".

Page 67, line 5, insert "and balancing the Federal budget" immediately after "reduction of unemployment".

Page 68, line 22, insert "and a balanced Federal budget" immediately after "balanced growth".

Mr. ASHBROOK. Mr. Chairman, I ask unanimous consent that the 11 amendments be considered en bloc since they all deal with the same subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Chairman, the purpose of my amendment is simple. It establishes as a goal that the United States have a balanced budget by 1983.

Such a policy is certainly needed. The tremendous deficits over the past decade have left us burdened with inflation, unemployment and high interest rates. We cannot afford to continue these irresponsible budgetary practices. We must reduce Federal spending and move toward balancing the budget.

This was made even more clear by the recent jump in consumer prices. The Consumer Price Index rose a whopping 0.8 percent in January alone, an annual inflation rate of nearly 10 percent. Moreover, the average worker's buying power dropped by 3 percent from that of December, the sharpest 1 month decline in 14 years. Inflation, created and fueled by massive deficit spending, must be brought under control.

My desire to bring about a balanced Federal budget is not a partisan issue nor is it an unachievable goal. The committee majority, for example, apparently believes that under H.R. 50 a balanced budget is clearly an attainable objective. Let me read you page 5 of the committee report:

> Looking to the years ahead, it is conservatively estimated that, with successful operations under the Full Employment and Balanced Growth Act of 1978, the average annual Federal deficit during the fiscal years 1978–1983 inclusive would be immensely less than with a continuation of a "roller-coaster" economic performance. This would offer the prospect of a balanced Federal Budget in fiscal 1983 and a small surplus in calendar 1983.

In addition, I would point out that my amendment is in line with the thinking of President Carter. As you will recall, President Carter has promised the American people that we will have a balanced Federal budget by the end of his first term in office. According to Carter:

> There's no doubt in my mind that before I go out of office the budget will be balanced. (Los Angeles Times, June 19, 1976)

Carter's pledge to balance the budget by the end of his first term has been repeated on several occasions, including an August 16, 1976, education and domestic policy press briefing and a May 1977 meeting where, according to the New York Times, he told Democratic congressional leaders that his top priority was a balanced budget by 1981. Adoption of the amendment I am offering will help make President Carter's promise a reality.

The American public also realizes the importance of a balanced budget. In a Gallup poll taken approximately 6 months ago, almost two out of every three Americans, 65 percent, stated they believe it is very important to balance the budget. Another 24 percent think it is fairly important. Only 7 percent view it as not so important.

Nor was the response partisan. Fully 61 percent of the Democrats and 67 percent of the independents joined 71 percent of the Republicans in stating their belief in the importance of a balanced budget.

Reckless deficit spending has created our current economic problems. It is time to put our economic house in order. I urge the adoption of my amendment.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has expired.

(At the request of Mr. WEISS, and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I do not have a copy of the gentleman's amendment before me. I wonder if the gentle-

man will tell me, is there a mandate for the balanced budget? How does the interrelationship work?

Mr. ASHBROOK. In 11 places where we in H.R. 50 are mandating the President to achieve the goals we have stated, all we have done is add "balanced budget."

Everywhere that we have talked about employment growth, everywhere general guideline in this bill, every other mandate, I would say the words "balanced budget" have been added to those priorities that we would achieve in this bill; so, yes, to that extent, it is being mandated.

Mr. WEISS. So that if, in fact, we achieve a 3 percent or 4 percent, as the case may be, unemployment level, we would have to at the same time have achieved a balanced budget?

Mr. ASHBROOK. Well, I think we all know they are goals. I do not believe as I have looked at the bill and as I have studied the debate and listened to the witnesses, there is no sanction in here. I do not believe we are going to put the President in jail if he does not achieve those goals. All these are targets. They are goals that most of us think are achievable if they are properly the policies and properly carried out. It is a mandate, just like unemployment. Inflation would be added in and now a balanced budget would be added in as a goal; but to answer honestly, there is no penalty section in the bill. We are adding it to the top priority, to the goals we feel are achievable in H.R. 50, a balanced budget by 1983.

Mr. WEISS. Mr. Chairman, will the gentleman yield for another question?

Mr. ASHBROOK. Yes.

Mr. WEISS. How does this fit into the overall goal and intent of this legislation, which is to try to create balanced growth and full employment?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(At the request of Mr. WEISS, and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 1 additional minute.)

Mr. WEISS. Mr. Chairman, if the gentleman will yield further, what is the rationale of the gentleman's argument, the timing of the budget; is the gentleman saying we can only have full employment and balanced growth if we have a balanced budget?

Mr. ASHBROOK. No. I am saying if we are going to set out targets, one of those targets is to eradicate unemployment and one of those targets is to bring inflation under control. All this amendment says is that this is to bring out something most of us want, that is a balanced budget by 1983; so it is added among the goals of H.R. 50. Those targets would have to be developed to eradicate unemployment and to hold inflation under control and balancing the budget at the same time.

Some people may think that is impossible. Maybe it is; I do not think it is.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, do I understand the gentleman is saying that if we balance the budget by 1983, we will not have unemployment or that we will not have inflation?

Mr. ASHBROOK. I have not said that. I have not said that if we are setting this out as a goal, by 1983 we will have a reduction or eradication of unemployment.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. ASHBROOK) has expired.

(On request of Mr. VOLKMER and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, to continue, I do not believe I am saying that, any more than the gentleman from California (Mr. HAWKINS) says that by 1983 H.R. 50 will bring about the desired effect as far as eradicating unemployment is concerned. I am merely saying that a balanced budget is certainly one of the important things that ought to be set as a goal, and policies ought to take that into consideration, not just inflation and not just unemployment.

Mr. VOLKMER. But different things may have to be accomplished in order to arrive at a balanced budget, and they will differ from the procedure in arriving at low inflation or low unemployment.

Mr. ASHBROOK. Absolutely, and that is one of the reasons this language should be in here. I think most of us want that to be a major consideration.

If it is not a consideration, then we probably could achieve some of the other goals. It would be a little bit more difficult to achieve those goals if we have our eye on all the important facets: unemployment, inflation, and a balanced budget.

I do not think we want a lopsided policy that merely addresses one of these categories; I think we want all three categories covered.

Mr. VOLKMER. But sometimes we do have problems of conflicts as to how to accomplish these ends.

Mr. ASHBROOK. That is true.

Mr. VOLKMER. And again we have conflicts as to whether or not by expending money we may be reducing inflation or may be reducing unemployment but, on the other hand, we may be increasing the deficit.

Mr. ASHBROOK. Mr. Chairman, I think those very definitely are problems, and I think President Carter recognizes now as the President that it is a little bit harder to achieve these goals than to talk about them as a candidate. However, I do not think that means we should not try.

Mr. VOLKMER. Yes, we all recognize that.

Mr. ASHBROOK. We should try to achieve these goals, and I am saying that is one of the things that should be considered. I think that is one of the targets the American people want us to have in H.R. 50. The American people want us to strive toward a balanced budget, and they certainly want us to address ourselves to the question of deficit spending.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. ASHBROOK) has again expired.

(On request of Mr. WIRTH and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 1 additional minute.)

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I have two quick questions.

Is it the gentleman's understanding that the President would have the option of pulling off from this goal, just as he could on the goal of unemployment?

Mr. ASHBROOK. As I said earlier, I have studied this legislation, and we at best are setting economic policy.

We at best are setting out a guideline that we want the President or the administration and the Congress to gear into. There are no penalty sections, and I do not know of any President who is going to be thrown out of office if he did not attain the goal.

Mr. WIRTH. So he would have the option of pulling off from the goal?

Mr. ASHBROOK. Yes, just as he would have the option of missing the goal of unemployment, missing it by 1 percent or one-half percent.

The whole bill is a goal. It does not set out the machinery by which we can accomplish those goals, and certainly deficit spending is one of the subjects we should address.

Mr. WIRTH. Mr. Chairman, let me ask the gentleman this question:

Is there any difference between the amendment he is offering and the text of the report found on page 5 that reads as follows:

> This would offer the prospect of a balanced Federal Budget in fiscal 1983 and a small surplus in calendar 1983?

Mr. ASHBROOK. Mr. Chairman, I stated that before. I said that the committee itself or the majority of the committee clearly indicates that it is a goal that is attainable.

However, I think what we are dealing with here is big print and small print. We certainly put things in big print in H.R. 50, and we put certain things in small print in H.R. 50. I think a balanced budget is one of the things that ought to be put in big print.

Mr. WIRTH. Then there is no difference between the content of the gentleman's amendment and the language of the report?

Mr. ASHBROOK. There is no difference in the intent. There may be a difference in the priority.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio (Mr. ASHBROOK) has again expired.

(On request of Mr. MITCHELL of Maryland and by unanimous consent, Mr. ASHBROOK was allowed to proceed for 1 additional minute.)

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I have not seen the gentleman's amendment, but let us say we achieved a balanced budget. Then under the language of the amendment, would

that mean that from that point on and in perpetuity America would operate in terms of a balanced budget?

Mr. ASHBROOK. Mr. Chairman, I think what we are talking about in H.R. 50, as I understand it, is basically a 5-year plan. I think we would be taking a look at it down the line, and who knows?

Do we want to accomplish the goals of H.R. 50 without a balanced-budget amendment in it? If we do, I assume we would be continuing those goals, and we would have exactly the same answer.

Mr. MITCHELL of Maryland. I think there is a little bit of a difference between the goals that are set in the bill as far as reducing unemployment. I think once we reach a point where we have a balanced budget, it is almost inherent, under the gentleman's amendment, that, having achieved that status, that would be where we would remain for the rest of the time America is America. Is that not correct?

Mr. ASHBROOK. I do not really think so. I am one of those who believes that a balanced budget ought to occur over a cycle of years. I think the American people want to find out if we can ever balance the budget, and maybe under this 5-year plan we will find out if we can really balance the budget. There are many people, including the gentleman from Ohio, who have serious doubts that we will ever balance the budget.

Mr. WEISS. Mr. Chairman, I, move to strike the requisite number of words.

Mr. Chairman, the concern that I have with this amendment really goes beyond the amendment itself. After many years of effort on the part of a great many people, most prominently the chairman of our subcommittee, the gentleman from California (Mr. HAWKINS), and the late Senator Humphrey, we finally have arrived at the point where we have completed action in both subcommittee and the committee and favorably reported this legislation the Humphrey-Hawkins bill, which addresses itself to full employment and balanced growth, to the floor of the House. And now we find ourselves today talking about everything under the sun within the confines of this legislation; we are talking about provisions which do not belong within the confines of this legislation. We started out spending a great deal of time today talking about inflation. As was pointed out repeatedly, there has been ample time for those who are concerned about economic planning to curb the inflation problem to introduce and promote their own legislative initiative. Then we spent a great deal of time talking about how public service employees should really not be considered as being employed even if they are employed because in some strange and mysterious fashion they really do not count as being employed. Then we adopted an amendment to this legislation which accepted a goal for 100 percent of parity. What that is doing in this legislation I am still somewhat baffled by. Now we are talking about a balanced budget. Each of these efforts and each of these aims are perfectly legitimate efforts and legitimate aims, but they do not belong in this legislation. Someone has likened this legislation, as they have others, to a Christmas tree. Now a great many of people who had a great deal of enthusiasm for Humphrey-Hawkins to begin with are using unemployment as nothing but a framework on which to hang their favorite themes and theories.

Mr. ASHBROOK. Mr. Chairman, will th gentleman yield?

Mr. WEISS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, could I say to my colleague, the gentleman from New York, who I think is making a very fine statement, that there is only one point I would add, and that is that my colleague, the gentleman from California (Mr. HAWKINS) has clearly indicated this is an economic policy bill. If it is going to be an economic policy bill, almost of necessity it has to go into these areas, including the area the gentlewoman from Maryland (Ms. MIKULSKI) got into. Certainly a balanced budget and inflation are a part of this. If we look at the preamble, it is about as broad as it possibly can be. I can certainly understand the gentleman's concern, but it is an economic policy bill, and these are economic questions we are discussing.

Mr. WEISS. Mr. Chairman, with all due respect, the amendments the gentlewoman from Maryland (Ms. MIKULSKI) offered dealt with work, with employment and with employment opportunities. They dealt with an advisory council for this legislation. But the other amendments—and especially the amendment that the gentleman has offered—really are quite separate and apart from the major thrust of this bill which all of us had thought, for many years, was going to address itself to one of the major concerns of this country: the fact that we have a great many Americans who want to work, who are able and willing to work, cannot because there are no jobs for them. And so a determination was made that there ought to be a policy for job creation. And where I guess anything under the sun has an impact on job creation, it is sometimes very difficult for those of us who were for the concept of Humphrey-Hawkins, to begin with, to understand where some of these amendments are coming from. I suppose, theoretically, we could bring in political redistricting also and talk about that within the concept of this legislation. But I do not think it would be germane. I really think it is not even necessary to take on the substantive aspect of the gentleman's proposal. I think it is probably a nice idea about setting goals and balancing the budget.

However, I think if we do not stop, what we are going to end up with is a piece of legislation which lends itself to a half dozen or a dozen major concerns.

I gather that we are now amending the title as well.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, if, in fact, we are now going to be amending the title of this legislation as well, I would not be at all surprised to find, as we work our way through this bill—and there is still a long, long way to go before we will be at the very end with all the amendments which are being presented—we will be saying that employment policy and a balanced budget policy are not germane to this legislation anymore, and we ought to delete those. I think we may very well be heading down that path.

Mr. Chairman, it seems to me that if, in fact, people want to dilute or to distort what the legislation is about, they have the right to do it; but I would like to think that the better part of legislative action would be to vote this bill up or down with its major provisions and major thrusts intact. Otherwise, I think we may indeed be creating a great deal of confusion throughout this land. We may, in fact, be justifying the suggestion of those who say that this legislation is a hoax. It will be a hoax, not because of the legislation as it came to us on the floor, but it will be a hoax on the basis of what we dealt with and what we will ultimately end up with.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I know that the gentleman from New York (Mr. WEISS) is one who has worked very hard on this legislation and is very concerned about the employment and economic picture of this country.

However, in listening to the gentleman, I got the impression that perhaps the gentleman was going to develop a particular train of thought, and that is that we have in the bill, as it came before the House originally, a statement of policy as to how we are going to effect or try to effect jobs for people to work both in the private and public sectors basically; is that correct?

Mr. WEISS. That is absolutely correct.

Mr. VOLKMER. And that is the purpose or goal; is that correct?

Mr. WEISS. That is likewise correct.

Mr. VOLKMER. Mr. Chairman, I do not think there is anybody here who believes—and I have not heard anybody say on this floor in the last 2 days—that the goal of producing jobs to strengthen the economy so that we will have full production and we will have people working, is a bad thing. I have not heard anybody say that that is a bad thing, yet.

Mr. WEISS. Everybody agrees except that some people think this is the wrong approach.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has again expired.

(On request of Mr. VOLKMER and by unanimous consent, Mr. WEISS was allowed to proceed for 1 additional minute.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield further?

Mr. WEISS. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, does the gentleman say that some people object to this concept?

Mr. WEISS. Nobody objects to the concept, but some have objected to some people being counted as being employed even if they are not employed.

Mr. VOLKMER. But as to the goal itself of having greater production, greater economic growth, and lower unemployment, whether it is in the private or public sector, I have not heard anyone object to that. If anyone should object, I would appreciate it if those who do would stand and say that they object to that.

Mr. WEISS. Everyone is in full agreement. As a matter of fact, I think we have a broad general consensus to the effect that everyone agrees that all Americans who want to work and are able and willing to work ought to be given that chance.

Mr. VOLKMER. Now we have before us an amendment in which it seems that they say in addition to that, though, we should have such things as inflation and a balanced budget and that sort of thing.

I would assume in the logical course, in the event those kinds of things were adopted, such as what we have as goals in the bill and these other things, in that event, the Members would automatically have to overwhelmingly support the ideals and the goals of this country; is that not correct?

Mr. WEISS. I would assume that the people who are proposing these amendments would end up voting for this piece of legislation, if they were to be logically consistent, whether or not their amendments carry.

Mr. VOLKMER. Yes. I thank the gentleman.

Mr. HAWKINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me begin with the last question that seemed to be injected into the discussion.

It seems that many individuals in this House never thought of goals until H.R. 50 was presented to this body. Now, suddenly, everybody wants a goal for everything except that I have not heard anyone call for a reduction in the rate of crime yet. I am sure that someone may.

Mr. Chairman, I thought that would come from the gentleman from Maryland (Mr. BAUMAN).

Mr. Chairman, I am quite pleased that the gentleman from Ohio has stated quite accurately the position of the majority and has certainly in more than one instance pointed to the fact that we, too, are looking ahead to the time when we can balance the budget and that this, certainly, is part of the expectations of H.R. 50 in its original thrust, if it is adopted.

Mr. Chairman, I would hope that those who have these goals will join with us in implementing their goals, including both the balanced-budget goal and the unemployment goal through proper programs.

Now, I think the gentleman from Ohio, in quoting us that we expect a balanced Federal budget in fiscal year 1983, did not tell the Members that it was based upon the fact that we would reduce unemployment, and that we would do the other things necessary to stimulate economic growth to get the country moving ahead. Since the time of President Truman, we have not had a balanced budget. It began during the Eisenhower administration when unmeployment went from 2.9 to 7.7 percent, and when we had very low economic growth. That is when the Federal deficit began.

It began with a very modest one of $2.5 billion. It went down, however, somewhat during the early part of the Kennedy-Johnson administration, when unemployment also went down and when we had reasonable price stability. But, beginning in 1965, I think it is pretty obvious that when we got into the Vietnam situation, regardless of what one thought of that one way or the other, that inflation escalated and we began then to build up a deficit.

But, by the time that President Johnson left office the deficit was still only $6.4 billion. However, beginning in 1969, when we deviated very far from anything approaching a full-employment economy, and when we were actually using unemployment as the weapon to fight inflation on the mistaken idea that a tradeoff was necessary, it was then that we began to build huge deficits.

Now, it is true that we have engaged, in this body, in what may be called excessive spending, and I think the gentleman from Ohio refers to it as "reckless excessive spending," but this began under the administration of President Nixon, and it was due to the fact that unemployment went up to double-digit rates when the factories were at only 65 percent of capacity. As a result of that, revenues fell off. It was not really due to the excessive spending, because in the last two decades Federal spending as a percentage of the gross national product has remained rather constant, at about 22 percent of the gross national product.

If we had not diminished production as we have—as a matter of fact, $200 billion today is the gap between what we are actually producing and what we are capable of producing at something near full employment—that $200 billion gap, if we were to remove that, we could reasonably balance the budget very soon.

The CHAIRMAN pro tempore. The time of the gentleman from California has expired.

(By unanimous consent Mr. HAWKINS was allowed to proceed for 2 additional minutes.)

Mr. HAWKINS. As President Ford said in his 1976 budget—and I think this is a very significant observation made by President Ford—

> If the economy were to be as fully employed in 1976 as it was in 1974 we would have $40 billion in additional tax receipts, assuming no change in tax rates, and $12.7 billion less in aid to the unemployed.

Now, this was when the unemployment rate in 1974 was 5.6 percent. If we could have saved in 1976 over $50 billion under President Ford, if we had had a 5.6-percent unemployment rate, we can then project what we would have if the unemployment rate was 4 percent. We would not be worried about a balanced budget.

What I am saying is that we have said this. It is in the majority report, and I am glad that the gentleman has read it. But, we have said that we can do this assuming we do the right things; assuming that we do not do all the wrong things; that we do not begin to use unemployment as a means of balancing the budget; assuming that we do not stagnate economic growth as a means of reducing unemployment; assuming that we transfer in the budget we approve now a reduction of employment, a reduction of employment compensation, unemployment benefits, welfare payments, and things of that nature, which are, indeed, excessive. But they are excessive because we are stagnating the economy, we are not employing people, and what do we expect but a rising welfare load which is a drain on the taxpayers of this Nation?

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. HAWKINS was allowed to proceed for 1 additional minute.)

Mr. HAWKINS. Mr. Chairman, what I am saying is that I would agree with the gentleman from Ohio completely in his goal. I think it is attainable. I think the testimony indicates that. But it also indicates at the same time that we must do the right things. If I felt we were in some way assured that is what we intended to do in trying to achieve this balanced budget, and that just the balanced budget alone is not going to be the goal, and not the rest of it, then obviously we could agree on this position.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Chairman, I would like to ask my friend and colleague a question to see if we cannot identify what is the difference between the approach of the gentleman from California and mine. As I understand it, my colleague indicates, or rather page 5 of the report indicates that if we vote H.R. 50 as it is put together we will be achieving a balanced budget sometime by 1983 in all probability. But the thing I guess I do not understand is that my colleague goes on from there to say that if we mandate it or put it in a little bigger print, as I have, we will not achieve it.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. ASHBROOK, and by unanimous consent, Mr. HAWKINS was allowed to proceed for 1 additional minute.)

Mr. ASHBROOK. Mr. Chairman, if the gentleman will yield further, I guess that is what I get out of the statement. I think the gentleman used the words, if we tinker with H.R. 50 we will not achieve the objective.

Mr. HAWKINS. I do not see it interwoven to the point where we would let us say definitely prohibit or make unnecessary the idea of a trade off. Let us assume that by 1981 we will be reason-

ably near both the 4 percent, let us say 5 percent, and we would slash the budget deficit in half, and we will get closer to attaining both goals. I do not see in the amendment that the gentleman has offered, as it is throughout the entire bill when as a matter of fact it seems we go way ahead of the goal of reducing inflation that we have adopted today. So I see in this amendment the possibility that what we will do is say we have got to balance the budget at all costs, and that cost would mean to the detriment of putting people to work, of keeping our factories operating, of really a modest tax reduction, and the other things I have mentioned.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield on that point?

Mr. HAWKINS. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I would ask my friend and colleague if he believes it is fair to say we would be putting the balanced budget ahead of everything else? It was my intention only to put it in as an intermixing of the goals. As my colleague has indicated, and as indicated by the President putting it in, he would be putting that ahead of the goals of achieving an economic policy that would result in unemployment. That is not my intention.

Mr. HAWKINS. I did not think it was. But I do believe the amendment, if it was redrafted, just slightly, could accommodate both views. I saw the statement of the gentleman in his "Dear Colleague" letter, but I do not have a copy. And as I read through the amendments it seems they are quite complex but in several places they lead me to believe that the gentleman is putting this ahead of the rest of the bill. If we could have them interwoven I think we could really do both.

Mr. ASHBROOK. If my colleague will yield further, they are clearly worked into each place as just comment and in no way do they or does it take precedence.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(On request of Mr. ASHBROOK, and by unanimous consent, Mr. HAWKINS was allowed to proceed for 1 additional minute.)

Mr. HAWKINS. Mr. Chairman, may I say this, that the title of the bill indicates that in addition to reducing unemployment that we also attempt to achieve balanced growth and this has not been dealt with.

Balanced growth means what? It means a combination of three things: That we deal with the question of investment, private investment. Second, we deal with the question of the public economy, and that would include the Federal budget. And, third, we deal with the question of the consumers and the private economy. Balance growth means all three of those put together, and when they are put together that balanced growth is then defined. The gentleman in a sense sets that over to one side and brings in the question of a balanced budget. I think that you would have eliminated or sacrificed a balanced growth, which I think balances these three items, including private investment, and I think that that result is lost by this amendment which I think is unfortunate.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(On request of Mr. WATKINS, and by unanimous consent, Mr. HAWKINS was allowed to proceed for 1 additional minute.)

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from Oklahoma.

Mr. WATKINS. Mr. Chairman, I would inquire of the gentleman from California (Mr. HAWKINS) whether his definition of balanced growth means to include maybe the same or an equivalent amount of investment for rural America as in the urban inner city areas?

Mr. HAWKINS. Very definitely. And we have already discussed and agreed to an amendment by the gentleman from Kentucky (Mr. BRECKINRIDGE) which will spell out in detail the rural program in much more implementation than the bill itself. We have tried to include in every place that we spoke about the urban problems to also speak to the problems of the rural areas. It may be that it has not been seen in that light, but in order to make sure that that is done, we have agreed to that amendment. Further there are several other amendments which will address the problems of the rural areas in very specific ways.

So what I am saying both now and what we intend to do in the balance of the discussion on this bill, is to make that plain and clear.

Mr. WATKINS. If the gentleman from Kentucky (Mr. BRECKINRIDGE) and I can agree to such wording then it would be all right with you, in the bill?

Mr. HAWKINS. I would certainly be glad to strengthen that section of the bill because, being one from the city, and the city slums, I do not wish to be seen as a "city slicker."

Mr. ERLENBORN. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, I am pleased that my friend the gentleman from California (Mr. HAWKINS) seems to understand that striving to achieve a balanced budget is also a legitimate goal. I think the gentleman fears that if we consider that as a legitimate goal at the same time that we look at the problem of unemployment that we might consider a balanced program rather than legislating with blinders on as some people would like to do. I believe we ought to have learned that we cannot legislate with blinders on. That is what we used to do with our budget process. We used to take up each of the appropriation bills singly, expand them on passage with additional spending for the particular group that was interested in that appropriation bill. Then when the year was over and the last appropriation bill had been adopted, we would finally add them all up and say, "Why, my goodness, we have gone over the budget. Imagine that? We have appropriated more than we thought we were going to."

You see, that is what happens when you legislate with blinders on.

I thought that the Congress was showing some good sense a few years ago when we started the new budgetary process. We said before we pass any of those appropriation bills, we are going to look at all of them and the proposed total, and at the same time the projected revenue inflow, so that we have some idea whether we are going to have a balanced budget or not. I know that is not very pleasant in some respects because it introduces a discipline—a discipline that makes us think about each appropriation bill in the context of its impact on the overall budget and the question of whether we are going to have a deficit or not.

For us to legislate any one of these several goals we have been talking about here today, unemployment being one of them, without any concern about what the impact of that action will be on the other things that we have talked about would be to legislate with blinders. It would be rather like going to a doctor and asking him to take care of a problem. Let us say one has an overweight problem, and the doctor says, "why, I can in a very short period of time take off 25 pounds." So what does he do? He amputates one's leg. He was not worrying about one's mobility, but he would take care of one's overweight problem. That is what we would be doing, I think, if we looked at any one of these single issues like inflation, unemployment, a balanced budget without considering what impact the solution to that problem might have on the others.

I applaud the gentleman from Ohio for introducing this. I think it once again, by the way, puts us Republicans in the position of trying to help the President achieve one of his promises during the campaign. One of the things the people of this country have applauded the President for in his campaign was his repeated assertion that he was going to get us a balanced budget. If he can do that in the context of reducing unemployment to the irreducible minimum, and contain inflation, and bring us a balanced budget, more power to him. I hope that all of these goals can be attained, but I surely hope that we keep our eye on each one of them as we deal with the others.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding.

The only point I would add, as my good friend, the gentleman from California (Mr. HAWKINS) indicated, is that we were in fairly close substantial agreement but we obviously had some differences. But one point he made, I believe the record should show, needs to be corrected. He indicated that as a part of developing policy for balanced growth, by putting my amendment in on a balanced budget, it would be like separating them. All of a sudden we would have balanced growth and all the policies going to achieve that goal in one pile, and my

balanced budget amendment would be in another pile, making the first thing impossible.

If the Members read the bill, as I am sure all the Members will do, that is not the case. They are all together. We are stating that a balanced budget is certainly one of the economic goals that the American people want, and, as my colleague, the gentleman from Illinois, has correctly stated, an economic goal and a fiscal goal that certainly the President of the United States has indicated his overwhelming interest in. I do not believe it is fair to say that the balanced budget amendment throws everything out of kilter. It is just one of those economic goals that I think should be considered with all of the policies that would be enacted if H.R. 50 becomes the law of the land.

Mr. ERLENBORN. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

● Mr. ROYBAL. Mr. Chairman, I rise in support of this bill. I am proud to be a cosponsor of the Full Employment and Balanced Growth Act of 1977. We all know the provisions of this bill. We have been told about these ideas for years. But perhaps that is the problem. It is time to turn our convictions into law.

Unfortunately the full employment of our people seems to be a controversial issue. Opponents of this bill, for example, argue that the monetary cost of this landmark legislation is too high. My response is that the cost of unemployment is too high. Billions of dollars in revenue are lost each year through uncollected taxes. Millions more are paid out in welfare benefits and in unemployment compensation. More importantly what figures can be attached to the human suffering that is caused by unemployment? What figures can be attached to the cost of crime, poverty, and illness—both physical and mental—which result from unemployment? Our society is too complex and interdependent for us to address the issues of unemployment with the policies of decades past.

Let this legislation not be misunderstood though. H.R. 50 is not a massive Federal job creation bill. It merely offers the President options from which to choose in reaching our publicly stated employment goals and requires him to consider the private sector before creating Federal jobs. Too frequently unemployment goes unchecked, because, while the Congress pursues one policy, the executive branch pursues another, and the Federal Reserve Board yet a third policy. A major feature of H.R. 50 is that it sets forth a procedure whereby these three major determinants of our country's economic well-being must cooperate in determining and following a consistent and mutually determined policy of economic progress. Of particular interest to me, Mr. Chairman, is the fact that this bill would require the reduction of the gap between the national unemployment average and the unemployment rate differential of women, minorities, and teenagers.

Mr. Chairman, I will not go over familiar statistics, but will instead concentrate on the impact that unemployment has had in one of our Nation's largest and most ignored minority communities—the Hispanic population. Few realize that Hispanics constitute a significant segment of our labor force and unfortunately an equally significant portion or our Nation's unemployed. The latest figures from the Department of Labor indicate that there were 3.94 million Hispanics in the work force. They held approximately 3.4 million jobs and close to half a million were unemployed. Thus figures show that for the last year that we have data, Hispanics comprised 4.2 percent of the civilian labor force and 13.2 percent of the unemployed population. It is a sad fact of life that Hispanic unemployment is one and a half times greater than national unemployment figures.

Disproportionate representation among the unemployed also conceals the larger numbers of Hispanics that have dropped out of active employment seeking and the underemployment that is also prevalent in our Hispanic communities.

Worse, in times of economic recession, Hispanics are also disproportionately affected. During the 1969–70 recession, employment decreased overall by approximately 66,000. Figures given to me indicate that Hispanics absorbed nearly one-half of the entire recession induced decline in jobs attributable to Hispanics and whites.

Thus economic progress for our Hispanic community is inextricably intertwined with the overall advancement of our national economy. The legislation we are addressing recognizes this fundamental economic fact—that all groups benefit by the continued growth of our economy.

Concomitant with economic growth, this legislation also takes into account the structural problems of segments of our population. Thus countercyclical employment programs are made an integral component of the policies and programs that our Government should follow in achieving full employment. Among our Hispanic population the continuation and implementation of these programs is vital. For example, one of every five Hispanic adults in the work force is of limited English-speaking ability, thus severely decreasing his chances of meaningful employment. Job development programs, that are a component of title II of this legislation, are the mechanisms that are needed to provide meaningful employment skills for those segments of the population that are so in need.

I fully support this legislation and urge all my colleagues to do likewise. This legislation is a major landmark in the development of this country's economic policy.●

● Mrs. BURKE of California. Mr. Chairman, today we have the opportunity to pass one of the most important pieces of legislation to come before us in recent years. That H.R. 50 is before us is primarily due to the untiring efforts of two great leaders for civil and human rights: Senator Hubert Humphrey, who even in death continues to lead and inspire the Nation, and our colleague, AUGUSTUS HAWKINS, who has made the pursuit of economic justice for all Americans his primary objective in Congress.

We are deeply indebted to you and the scores of unnamed individuals and organizations who have recognized the tremendous problem of unemployment and who have labored to present the Nation with a solution to that problem. I also would like to commend President Carter for giving his support to the Full Employment and Balanced Growth Act of 1978. Now, it is time for this esteemed body to act.

Let me make it clear, if I have not done so already, that I fully and without reservation support H.R. 50.

Fragmented economic and social policies have proven to be totally ineffective in removing Americans from the unemployment lines, now estimated to include 6.2 million of our citizens.

What we need, and what H.R. 50 provides, is a comprehensive, coordinated national economic policy which clearly states that full employment is our goal, that zero unemployment is the only tolerable level of unemployment for the American people.

Although numerous arguments have been offered in debate, I urge you to consider whether we can afford our continuing rate of unemployment.

Let there be no mistake about it. Unemployment is costly. In terms of permanent imprints upon the victims of unemployment due to social aberrations and civil discontent, the costs have been incalculably high. Each 1 percent of unemployment costs Government $14 billion in tax revenues. Unemployment compensation costs $23 billion for each 1 percent of unemployment. And a number of States compensation plans are depleted.

The cost of unemployment can be measured—and must be measured—by the increase in crime, suicides, alcoholism, physical and mental health problems which accompany joblessness, the decay of our cities, civil discontent, and at times, overt unrest.

The cost of unemployment can also be measured by the impact on the Federal budget. First, tax revenues go down and second, expenditures automatically go up for programs such as unemployment compensation, food stamps, and other income maintenance programs.

During the 5 years before the Humphrey-Hawkins bill was introduced—I am speaking of the years 1970–75—we experienced a mere one and one-half percent growth rate compared to a historical average of 4 percent. That is only one-half the improvement in productivity and prosperity that the country has traditionally experienced. As a result, the loss in production of goods and services has been about $600 billion during those 5 years.

By not maintaining full employment and full production, between 1953 and 1977, we forfeited more than $5.2 trillion—in 1977 dollars worth of total national production—GNP. We lost more than 72 million work years of employment. In 1977 alone, the GNP deficit came to almost $358 billion.

Conservative projections for the period 1978–83, tell us that measured in 1977

dollars, total national production of goods and services will be more than $1.15 trillion lower than if we moved toward full employment and production as called for in the Humphrey-Hawkins bill. Private business opportunity will be close to $316 billion lower, wages and salaries more than $762 billion lower, and median family income about $4,800 lower. Tax receipts at all levels will be more than $250 billion lower, with resulting adverse impact upon service of the great national priorities which depend on Federal, State, local, or private action.

Clearly, a continuation of an economic policy which is not progressing toward full employment and full production, as outlined in H.R. 50, will have a deleterious impact on the economy.

We know from past experience that deficiencies in production and in employment mean a growing deficit in the Federal budget. The average annual deficit from 1972 to 1978 has been about $36.8 billion, rising from $23.4 billion in fiscal year 1972 to an estimated $58.4 billion for fiscal year 1978. Assuming developments in the national economy through 1983 remain constant, an average annual Federal budget deficit in the neighborhood of $35 billion to $52 billion is estimated for the 6 fiscal years 1978–83.

But under the provisions of H.R. 50, it is estimated that the average annual deficit in the Federal budget during the same fiscal years would be only $28 billion to $31 billion with the likelihood of a balanced budget in fiscal 1983.

We cannot afford a continuation of national policies which produce social and economic damage of such severity to our citizens.

The evidence is overwhelming; we cannot afford the costs of unemployment.

H.R. 50 combines economic progress with economic justice. It is responsive to the terrible experiences of the past few years.

We need this realistic reordering of our national priorities.

We need this bill.●

● Mr. FORD of Michigan, Mr. Chairman, I rise in support of H.R. 50, the Full Employment and Balanced Growth Act of 1978.

For the millions upon millions of people willing, able, and seeking work in the United States who are unable to find it, this bill is an absolute necessity. High unemployment remains America's most tragic social disease, afflicting not only the poor but also disrupting the lives of many working people. Every unemployed wage earner is a walking, breathing American tragedy, not a cold, gray government statistic.

While the January 1978 Michigan unemployment rate of 8.2 percent and the rate of 8.1 percent in my home county of Wayne are totally unacceptable, it is the personal story told in the hundreds of letters I have received from Michigan workers that is so moving. Continued joblessness squanders the talents and energies of these workers, places untold burdens upon their families and saps the strength of our Nation. For each 1 percent of unemployment, the Nation loses $50 billion in unproduced goods and services. A decrease of even 1 percent in unemployment will reduce our Federal budget deficit by $17 billion.

This bill is backed by the administration, the Democratic leadership, the UAW, the AFL–CIO, and most major unions, the National Education Association, the League of Women Voters, the National Urban League, the National Conference of Senior Citizens, the U.S. Conference of Mayors, the National Association of Counties, the National Farmers Union, National Council of Churches, U.S. Catholic Conference, American Jewish Committee, and others too numerous to mention.

It is a bill which embodies the heart and soul of the great traditions of the Democratic Party, and harkens back to the days when Franklin D. Roosevelt and the Democratic Party tried to get America back to work again in the midst of the Great Depression.

Many opponents of this legislation have based their opposition on an unclear understanding of the purpose of this bill. It is not a massive public jobs bill, but rather an attempt to bring some rationality to our economic policymaking. Presently, our economic policies are the result of haphazard, piecemeal approaches with the various Government agencies often finding themselves at cross purposes with each other. For the first time, the administration, the Congress and, most importantly, the Federal Reserve Board will be required to coordinate their efforts and to work in closer harmony to achieve our economic goals. H.R. 50 provides for an end to patchwork, economic policies that seek to quell sudden financial crises with hastily contrived Band-Aids and establishes in their place long-term goals and policies.

The bill specifically sets a 1983 unemployment rate goal of 3 percent for those 20 and older, and 4 percent for those 16 and over. It requires the President, in his annual Economic Report, to establish yearly numerical goals for employment, production, real income, and productivity. Now, by requiring every President to state his goals annually, we will be able to focus our attention on how to achieve these goals every year, on a regular basis, instead of just reacting to crisis situations.

The bill establishes a new relationship between the Federal Reserve System and the President and Congress. The Federal Reserve will have to submit to Congress, within 30 days of the Economic Report, a statement of its intended policies over the next 2 years and their relationship to the short-term goals set forth in the Economic Report. The Federal Reserve will be required to say whether its money policies are adequate to support the President's economic targets. And if they are not, they will have to explain why.

The Humphrey-Hawkins bill recognizes the overriding importance of the private sector in carrying out successful economic growth. While the President is required to initiate programs or legislation aimed at reducing employment, the emphasis is placed on providing jobs in the private sector wherever possible. If Federal assistance is necessary, priority will be given to further stimulating or subsidizing jobs in the private sector. Only when the private sector and traditional types of public employment are unable to provide adequate employment opportunities will the Government make available last resort jobs.

A strong emphasis on an anti-inflation program is also a key element of this bill. The President is required to initiate, or, where necessary, recommend programs to fight inflation incuding programs establishing an effective information system to monitor inflation, increasing supplies, encouraging increased productivity, strengthening antitrust laws and enforcement, and curtailing costs caused by Government regulations and procedures.

Passage of this legislation will certainly be a fitting memorial to a great American and compassionate human being, Hubert H. Humphrey; but, I believe that this bill, which represents many years of hearings, study, negotiations, and refinements can stand on its own merits. It is no panacea or miracle cure, but it is the first, but indispensable step, toward an era of full employment, steady economic growth, and reasonable price stability.●

● Mrs. HOLT. Mr. Chairman, the Budget Reform and Impoundment Control Act of 1974 provided Congress with the process necessary to control Federal spending. Many of us supported that legislation with great enthusiasm. There was overwhelming support from the general public, desperate for relief from inflation.

Congress has not seen fit to use this system for the intended purpose—frugal and responsible budgeting. There have been only token efforts at restraint. We have had successive budget deficits of $66 billion in fiscal 1976, $45 billion in 1977, an estimated $60 billion this year, and the $60 billion deficit proposed by President Carter for next year. We are awash in debt and inflation.

However, I continue to believe that the budget system we created in 1974 is a good one. What is lacking is the will of Congress to use the system for self-discipline.

Today we are asked to approve legislation that would absolutely demolish the budget system itself. H.R. 50, also known as the Full Employment and Balanced Growth Act of 1978, would require the Federal Government to use fiscal and monetary policy to achieve an unemployment rate of 4 percent by 1983. What is envisioned here are huge doses of stimulus spending to induce a hyperactive economy.

The President would be required to submit an annual Economic Report setting forth the policies necessary to meet the goal. The Joint Economic Committee of the Congress would review the President's report and recommend enactment of an annual joint congressional resolution on national economic policy to meet the goal. The Budget Committees of the Senate and the House would be obligated to base their budget decisions on that policy.

To summarize the situation, we will have national economic planning by the President and the Joint Economic Committee, and the budget system will become nothing more than a mechanism

for achieving a mandated employment goal requiring vast deficit spending and creation of literally millions of government-funded jobs.

Worse yet, this legislation threatens the independence of the Federal Reserve Board and its ability to adjust monetary policy to fight inflation. The liberal spenders of this Congress are assaulting the final barrier that could protect us from economic chaos.

I cannot imagine how the authors of this legislation arrived at the goal of a 4-percent unemployment rate. I have not heard of a single reputable economist who believes that is possible without suffering a wild inflation rate.

Given the current makeup of the labor force and the existing methodology of computing the unemployment rate, many economists use a 5-percent unemployment rate as the pivot point. It was the estimate given by Walter W. Heller and Alan Greenspan in a joint appearance before the House Budget Committee last July. Mr. Heller was the chairman of the Council of Economic Advisers for the late President John F. Kennedy, and Mr. Greenspan served as the chairman under President Ford. Charles L. Schultze, the current chairman, told the Budget Committee last July that a full employment economy would show an unemployment rate of about 4.8 percent. He said that a 4.5-percent unemployment rate would be "an ambitious target."

Therefore, it is impossible to accept the 4-percent goal set forth by H.R. 50 unless we are also prepared to accept extremely high levels of inflation. This legislation does not set any target for reducing inflation. It just vaguely deplores inflation.

What is an acceptable level of inflation? I was shocked recently when Barry B. Bosworth, Director of the President's Council on Wage and Price Stability, estimated the inflation rate at 6 to 7 percent over the next several years. He also warned that it could go higher.

What Mr. Bosworth would not admit was that the inflation rate was being driven up by the fiscal policies of the Carter administration. The inflation rate is currently running at an annualized rate of more than 9 percent.

The administration seems to be telling us to accept a high inflation rate to create more jobs. This is terrible economic theory dreamed up in some fantasyland. The truth is that inflation will destroy economic growth and kill jobs. At some point, inflation destroys consumer demand and forces cutbacks in production. We experienced that in 1975.

I am reminded of the profound remarks made 3 years ago by Friedrich A. von Hayek, the world-famous economist. At the very depths of the recession, he said:

> The probable course of events is that inflation will be resumed as supposedly necessary to restore employment, that the intolerable effects of such inflation—which will come even if it does not succeed in removing unemployment—will lead to price controls, and that in this way the market system will be destroyed for the time being.

The first part of the prediction is coming true, the only question being how high the inflation rate will climb. Government policy committed to outrageous floods of cheap money to reduce unemployment is driving us toward fearful economic consequences.

Dr. von Hayek warned us that every effort to finance employment with inflation will inevitably produce a worse recession:

> By creating employment through inflation, we lay the foundations for a future period of worse unemployment.

And what are we to think about Dr. von Hayek's forecast of price controls? Do not dismiss the possibility. The politicians who are reckless enough to drive inflation to intolerable heights, are also capable of the great and dangerous foolishness of price controls.

Price controls have been a favorite of desperate politicians for literally thousands of years, being the next step after the politicians have attempted to create wealth on printing presses. Price controls have never failed to cause economic damage.

For price controls to mean anything, they must set prices below the level that would be attained by the normal interplay of demand and supply. The inevitable results are shortages of the controlled products and/or illegal operations in which products are sold at free market prices.

Another result is rising unemployment because price controls choke off the supply of investment capital necessary for economic growth.

Mr. Chairman, H.R. 50 is a blueprint for economic ruin. There is no other way to describe it.●

● Mr. OTTINGER. Mr. Chairman, I am proud to be one of the cosponsors of H.R. 50, the Full Employment and Balanced Growth Act, and am pleased that the House will have the opportunity to act on the measure this week.

This country has lacked the kind of overall employment policy contained in the Humphrey-Hawkins bill for far too long. H.R. 50 provides a coordinated system of economic policymaking among the various governmental institutions at the Federal level—the Executive, the Federal Reserve Board, and the Congress. The President will be required, as part of each annual Economic Report, to establish numerical goals for employment, unemployment, production, real income and productivity. H.R. 50 also provides that our national economic policies will be reviewed on an annual basis to insure that they are consistent with the unemployment target and other economic goals.

The bill sets unemployment goals of 4 percent among all workers (aged 16 and over) and 3 percent among adult workers (aged 20 and over). These targets are to be reached within 5 years of H.R. 50's enactment into law.

In order to achieve a "full employment" society, the legislation emphasizes private sector job expansion, with last-resort public job programs to be implemented in the event that private sector jobs and existing public employment programs do not meet the goals of the act.

Job opportunity is a basic human right—one which we as policymakers must defend and not ignore. As our colleague, Mr. HAWKINS, and Senator MURIEL HUMPHREY note in a recent analysis of H.R. 50:

> Above all, we must develop an enlarged nationwide awareness that the attainment of full employment is basically a moral issue of transcendent importance. The adverse impacts of unemployment upon human beings, upon their incomes and living standards, upon their sense of security, upon their health and well-being, upon their civil and social behavior, upon their attitude toward our economic system and free public institutions—in short upon their very lives—is so great that full employment must become at long last the top domestic priority of national policy and nationwide thought and action.

The Humphrey-Hawkins bill focuses the national eye on the serious problem of unemployment and solutions to it. I am proud to have the opportunity to support this fine piece of legislation.●

Mr. HAWKINS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 50) to establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to combine full employment, production, and purchasing power goals with proper attention to balanced growth and national priorities; to mandate such national economic policies and programs as are necessary to achieve full employment, production, and purchasing power; to restrain inflation; and to provide explicit machinery for the development and implementation of such economic policies and programs, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3161 TO IMPROVE THE BASIC WORKWEEK OF FIREFIGHTING PERSONNEL OF EXECUTIVE AGENCIES

Mr. BOLLING from the Committee on Rules submitted a privileged report (Rept. No. 95-934) on the resolution (H. Res. 1067) providing for the consideration of the bill (H.R. 3161) to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes, which was referred to the House Calendar and ordered to be printed.

TRIBUTE TO THE LATE WILLIAM FELLS, OF QUEENS COUNTY, N.Y.

(Mr. ADDABBO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. ADDABBO. Mr. Speaker, New York City has lost one of its most dedicated

civic workers with the death of William Fells of Queens. Bill was one of my most dear friends and I, along with the hundreds of persons and organizations in Queens that he gave his help and kindness to, will miss him dearly.

At his death, he was chairman of planning board 10 in Queens, and he had served for 12 years in that post, having assumed it at its creation by the city in 1966.

It was typical of Bill that although he had retired from active business affairs 4 years ago that he continued to devote as much time and effort to community matters as he had done before.

It is the Bill Fells of this world who help turn cold cities into livable communities and who helped the poor and disadvantaged seek the assistance they need to become involved and influential in the areas in which they live. No city can afford to lose a man of the capability and character of Bill Fells. In its present condition, New York City suffered a serious setback to its dreams and aspirations for its people with the death of Bill Fells. My prayers are with him and his son, Gene.

Mr. Speaker, the New York News summarized his activities well and I now include that article in the RECORD:

WILLIAM FELLS DEAD AT 66

A Mass for William Fells, 66, of South Ozone Park, chairman of Planning Board 10 will be offered at 9:30 a.m. Saturday, at St. Anthony of Padua Church, South Ozone Park. He died Tuesday night at his home of an apparent heart attack.

Fells, who was active in numerous civic and political groups, was the last of the original planning board chairmen elected in 1966 and serving continuously in that post. A carpenter who operated his own firm, Fells Contracting, in the South Ozone Park area for 35 years until his retirement four years ago, he was Republican state committeeman for the 32d A.D. and treasurer of the Queens County Republican Party.

He was also president of the Civic Council of Southern Queens, a founder and 25-year member of the Federation of Civic Councils, and active in the Atlantic Civic Group and the Wakefield Civic Association, both in South Ozone Park. Fells, whose involvement in community groups and politics began with school PTAs and scouting, made only one try for public office when he ran for a State Senate seat in 1968 and lost.

MANES' TRIBUTE

"I am deeply saddened by the death of William Fells, one of the most dedicated and hard-working board chairmen we have ever had in Queens," Borough President Donald R. Manes said yesterday. "Throughout his long and distinguished period of service, Bill ably served his community and board and he will be sorely missed." Board 10 covers the area of Ozone Park, South Ozone Park and Howard Beach.

Born in Greenpoint, he lived in the South Ozone Park area for 57 years. His wife, Clara, died last year.

He is survived by a son, Gene; a sister, Anna Schipini, and four brothers; Charles, Richard, John and George. Burial will be in Lutheran Cemetery, Middle Village, under the direction of the Leo Kearns funeral home, Richmond Hill.●

LEGISLATION INTRODUCED TO PERMIT NEW ENERGY TECHNOLOGY DEVELOPMENT

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, it has been said about fear both that "taking a new step is what people dread most" and that "fear is the foundation of safety."

I am introducing legislation today designed both to allay fears and to provide that foundation in safety to permit a new energy technology to be developed in our national interest. This technology involves the transportation and storage of liquefied natural gas, or methane, in the marine mode at a temperature of minus 260 degrees Fahrenheit, compressed to 600 times its natural volume.

In a recent report entitled "Transportation of Liquefied Natural Gas," the Congressional Office of Technology Assessment projected that as much as 15 percent of our total natural gas consumed could be transported as LNG by the period 1985 to 1995.

Questions have been raised about the reliability of supply of LNG, in light of the 1973 Arab oil embargo; about the cost of LNG facilities; about its price—and what method of pricing, incremental or rolled in, should apply to its use by utilities. However, the pernicious issue—central to the debate over LNG, remains the question of safety.

The Subcommittee on Coast Guard and Navigation has considered these issues since 1973 when it held hearings on the safety of LNG tankers. The Coast Guard, in turn, has been concerned with the movement of hazardous products by barge and vessel since the 1950's.

Beginning in 1964, the Coast Guard required that all ships, domestic and foreign, operating from U.S. ports, submit their plans for cargo containment and other safety systems prior to entry into operation.

By 1967, the Coast Guard approached the Intergovernmental Maritime Consultative Organization (IMCO) for the purpose of implementing its letter of compliance program internationally.

In 1975, IMCO substantially adopted the Coast Guard's submission, entitled "A Code for the Construction and Equipment of Ships Carrying Liquefied Gases in Bulk." The U.N. body recommended expeditious ratification of the code by member nations.

In 1972, Congress passed the Ports and Waterways Safety Act,

. . . in order to prevent damage to, or the destruction or loss of a vessel, bridge, or other structures on or in the navigable waters of the United States, or any land structure or shore area immediately adjacent to those waters.

In order to implement the policy thus established, Congress directed the Secretary of the Department in which the Coast Guard is operating,

. . . To control vessel movements in ports, establish procedures, methods and standards for the handling, loading, discharge, storage, stowage, and movement of . . . dangerous articles or substances and to prescribe minimum safety equipment requirements for structures. . . . to assure adequate protection from fire, explosion, natural disasters, and other serious accidents or casualties.

Last July, the subcommittee journeyed to the Port of New York to inspect Coast Guard port safety activities. The subcommittee found contingency planning, applicable to the movement of hazardous cargoes, to be grossly inadequate. At that time, I indicated my intention to replace "the illusion of safety with real safety." My response is the Liquefied Gas Marine Transportation Safety Act of 1978.

This statutory scheme is designed to correspond to the Ports and Waterways Safety Act, much as the 1976 Coastal Energy Impact Program Amendments relate to the landmark 1972 Coastal Zone Management Act. In this sense, the proposed bill addresses and amplifies a specific area of ports and waterways safety—requiring a precise regulatory approach.

Both the Office of Technology Assessment's report and the already controversial General Accounting Office study on LNG safety emphasize the need for moderate, deliberate congressional action addressing the LNG safety issue.

The purpose of this bill is to amend the Ports and Waters Safety Act of 1972; to regulate the safety and siting of liquefied bulk gas facilities; to establish a comprehensive liability and compensation fund for such facility; and to provide for the licensing of such facilities beyond the limits of the territorial sea, subject to the jurisdiction of the United States.

The approach taken with respect to onshore facilities is circumspect; limited to the promotion of safety in the transportation, handling, and storage of LNG from the vessel through the facility to its ultimate change in form from liquid to gas; up to, but not including, its subsequent movement by pipeline in interstate commerce. In this sense, it merely requires the Coast Guard to regulate LNG safety specifically, in accordance with authority already conferred more generally.

The Federal Energy Regulatory Commission—formerly the Federal Power Commission—inherits a weak case-by-case decisionmaking procedure, lacking both competence in assessment of LNG safety and a mechanism for deriving standard safety criteria to be used in the siting of LNG facilities. In essence, this regulatory proceeding constitutes an economic—and, more recently, environmental—survey of specific proposals for compatibility with the public interest.

The certificate procedure contained in the bill addresses this void without imposing an additional tier of review for present and planned liquefied bulk gas facilities. Moreover, only large, base-load facilities fall within the ambit of review.

The certificate is designed to be incorporated in the certificate of convenience and necessity granted by the Secretary of the Department of Energy. Transportation safety of LNG would continue to be concentrated in the Department of Transportation, with the Coast Guard overseeing the marine mode, transfer operations, terminal facilities construction and operation, and the Office of Pipeline Safety Operations (OPSO) which regulates transportation of natural gas by pipeline.

Criteria for safety, with respect to siting, are specific and include:

First. Requirement for buffer zones around reception facilities;

Second. Maximum population density surrounding such facilities;

Third. Requirements for consideration of safe navigation in land-side siting;

Fourth. Consideration of synergistic risk in the location of facilities adjacent to other hazardous activities, and enhanced risk for natural hazards near public facilities; and,

Fifth. Adequacy of local firefighting and disaster response capabilities.

Wide discretion is vested in the Coast Guard to establish uniform minimum construction standards required for safety and, wherever necessary, to establish stricter standards on a site-specific basis.

Standards are established for terminal operations, complementing Coast Guard responsibilities for crude oil terminal facilities, including the use of Coast Guard-certified tankermen in all handling operations, requirements for contingency planning and adequate equipment to respond to LNG accidents, as well as the adequacy of security procedures.

A companion section of the bill would authorize and regulate the location, design, construction, and operation of offshore liquefield bulk gas facilities, subjecting them to comprehensive Coast Guard safety and environmental review. In addition, the bill would establish a policy to encourage—wherever technologically feasible—the offshore siting of such facilities which pose significant safety and environmental hazards to persons, property, and the natural environment.

This section, recognizing that industry must begin now to plan for the second generation of LNG facilities, establishes an atmosphere of approval and jurisdictional framework for such undertakings.

The license to operate such a facility would be exclusive as to safety and environmental factors in its location, design, and construction of operations.

Other uses of the high seas—including navigation, fishing, oil and gas exploration and exploitation—would be accommodated.

The Governor of each adjacent coastal State would have veto power over the siting of such facility.

In addition, any adjacent coastal State could apply for Federal financial assistance under the coastal energy impact program, included in amendments to the Coastal Zone Management Act of 1972.

The administration of this section is designed to be self-supporting from fees collected in its administration.

The Secretary of the Department in which the Coast Guard is operating must consult with the Secretary of the Interior and the Administrator of the National Oceanic and Atmospheric Administration (NOAA) in issuing safety and environmental regulations pertaining to the siting of such facilities.

The Coast Guard would establish safety zones and engage in marine traffic management and water area surveillance wherever necessary.

The facilities would legally resemble Federal enclaves within the boundaries of a State in the application of Federal law where applicable—and State law as appropriate in the absence of Federal law.

Foreign-flag vessels would be deemed to have consented to all safety and environmental standards applicable to the facility before utilizing it.

The final section of the bill would—using my "super fund bill" (H.R. 6803), which was passed by the House of Representatives last year, as a model—establish a comprehensive liability and compensation fund for all liquefied bulk gas facilities, wherever located.

The corpus of the fund would be comprised of fees collected on the throughput of such facilities. The fund would be maintained at a level of between $50 and $100 million.

Damage claims for injuries to persons and property, real and personal, may be brought initially against the vessel or facility, with the owner or operator entitled to limit his liability to $50 million per accident in the absence of gross negligence, willful misconduct, or privity.

Defenses to liability include acts of war, acts of God, or negligence of the complainant. The fund would cover all damages not compensated by the owner or operator subject to similar defenses, save in the event of natural occurrences.

Evidence of financial responsibility would be required to be on file with the Secretary prior to the entry into operation of a vessel or facility covered by this provision.

All other present and prospective damage funds or requirements of evidence of financial responsibility, applicable to this type of activity, would be preempted under the bill's provisions.

I believe congressional action on legislation establishing a policy governing safety of LNG vessels and facilities is imperative. In the 20 years that we have been regularly handling liquefied bulk gases, albeit, in peakload facilities, we have learned much from the lessons emanating from the Cleveland disaster of 1944.

I believe, in the energy context, that both production and conservation of energy resources must be encouraged if we are to sustain economic growth and promote full employment.

A corollary transportation policy must encourage a moderate level of LNG importation, carried in the marine mode on safe vessels; handled and stored safely at marine terminal facilities, under competent, respected, and experienced supervision.

LNG base-load technology can be demonstrated to be safe and reliable, involving acceptable levels of involuntary risk associated with its marine movement. This bill will facilitate such activity, onshore and offshore, while protecting persons and property, subject to increased risks by virtue of the economic decision to import LNG to meet domestic energy needs.

INDEXING PERSONAL INCOME TAX TABLES FOR RATE OF INFLATION

(Mr. GRADISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GRADISON. Mr. Speaker, today I am reintroducing with a bipartisan group of cosponsors my proposal to index the personal income tax tables and the standard deduction for the rate of inflation. Effective January 1980, this bill would provide automatic adjustment of individual income tax rates to stop taxpayers from being pushed into higher brackets by inflation. Joining me in support of this measure are Mr. TUCKER, Mr. CONABLE, Mr. MOORHEAD of Pennsylvania, Mr. BROWN of Ohio, Mr. LEVITAS, and Mr. FRENZEL.

Our progressive personal income tax system was designed for a world of stable prices. We levy taxes on the dollar amounts of income with no regard to the purchasing power of those dollars. Whenever our economy experiences inflation, the Government reaps the benefit as incomes are pushed up into higher tax brackets. This unlegislated, unvoted, unsigned tax hike can be stopped once and for all by the adoption of indexing. The Federal Government has been taking advantage of this destructive economic phenomenon long enough, and it is time to leave in the pockets of the American taxpayer permanently money he should never have had to pay in the first place. On the outgo side of the budget, we automatically adjust food stamps, social security, supplemental security income, and even civil service and congressional salaries for the loss of purchasing power; the time has come to treat taxpayers by the same standard.

Without indexing, any tax cuts passed by this Congress will be a sham. At best, they would just offset the tax increases caused by inflation. And a year after these so-called cuts go into effect, the taxpayers would once again fall behind due to the relentless impact of inflation. This has been happening for years. In the decade from 1965 to 1975, the cumulative effect of inflation and all the legislated tax cuts left taxpayers worse off than if we had not cut taxes but had merely indexed our system.

Consider the taxpayer who maintains $10,000 of real purchasing power over the next 10 years in the face of 6 percent annual inflation. In addition to his rightful tax liability, this taxpayer will pay $1,166 on top: $1,166 real dollars solely because his income is pushed into higher tax brackets.

This Congress must never give in to inflation, but as we seek ways to stop inflation, we should do what we can to protect our citizens from its impact. Our Canadian neighbors have indexed their tax system since January 1974 and their experience shows that indexing slows down the growth in Government spending and provides a strong incentive to fight inflation and promote real economic growth.

This reform legislation is permanent, fair, and just. I invite my colleagues from both sides of the aisle to join us in supporting this idea whose time has come.

RESTRICT OIL IMPORTS AND INCREASE DOMESTIC PRODUCTION OF OIL AND GAS

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, this present Carter energy bill solves nothing. The energy crisis can be solved by firm action on two issues. First, it must stop the $45 billion import oil flow into the United States. Second, it must increase domestic production on oil and gas.

Oil imports into the United States have risen from $5 billion in 1972 until they are $45 billion today. From being a self-sufficient United States, we have now slipped into being dependent for half of our oil from the Arab OPEC countries.

Huge oil imports have our country staggering under a $24 billion negative balance of payments. The dollar weakens as foreign nations lose confidence in U.S. leaders' failure to reduce oil imports.

Another serious result is the tremendous cash flow into the Arab OPEC countries. These large new cash funds accentuate the sensitive Middle East tensions.

There are two alternative solutions for oil imports. President Carter should put it in his plan. The first choice is to tax $10 on a barrel of imported oil with no Federal tax on domestic oil.

The second alternative would be an oil import quota that would set a $40 billion limit for 1978, $30 billion limit for 1979, $20 billion imports for 1980, and down to $5 billion oil imports in 1981 which would be the final qualified level.

Oil and gas account in the United States today for 74 percent of our basic raw energy resources. Plant and machinery requirements are such that we will be on the 74 percent basis for the next 10 years until we can make a transition to more coal and nuclear energy.

U.S. oil reserves are dropping. On the front page of Sunday's Dallas Times Herald, a story pointed out that Texas crude oil reserves have dropped from 14.5 billion barrels in 1968 to 9.2 billion barrels in 1977. There is much more oil to be found, as the world reserves today are 650 billion barrels.

The Texas annual oil production has dropped despite 100 percent flow. In 1972 Texas pumped 1,263 billion barrels whereas in 1977 Texas only had 1,101 billion barrels. Oil is depletable and old wells are fading.

The solution for oil and gas is complete oil and gas price deregulation. Oil and gas are the only commodities in the United States under price control. Price control has never worked in history and has caused the U.S. oil and gas shortage.

To find more oil, we need to encourage more and more drilling and reinvestment of capital. Major oil companies make only 1 cent a gallon on gasoline in profits. In order to generate more capital, Congress should pass a plowback credit tax law. This would specify that on any oil income which exceeded 1978 net income, that a tax credit of 100 percent would be allowed for all profits reinvested on drilling, refinery, and pipeline of oil and gas exploration and development.

Within 4 years, strong production results would meet domestic demands.

RETIRED SENIOR VOLUNTEER PROGRAM

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 5 minutes.

● Mr. GILMAN. Mr. Speaker, it has come to my attention that recent budget proposals call for a 24-percent decrease in the retired senior volunteer program (RSVP). This budget decrease would significantly impair the activities of this worthwhile and necessary program, and would be detrimental to our older Americans. This program was designed to enable senior volunteers to actively participate in the community, and would enable other seniors to experience the companionship and hospitality that this program afforded.

Recently, I submitted testimony to the House Committee on Labor-HEW Appropriations opposing this cut. I am submitting this testimony in order to share my views with my colleagues and urge them to join in opposition to this arbitrary deletion of funds.

I have also written individually, and have joined my colleagues in expressing our opposition to the proposed RSVP budgetary cuts to James McIntyre, the Director of the Office of Management and Budget, in the following letter:

This letter serves to express our deep concern for the proposed budget cut in the Retired Senior Volunteer Program (RSVP).

This program has the highest cost-benefit ratio with millions of people being served by 220,000 RSVP volunteers at a cost of $80 per volunteer per year. To suggest to cut such a valuable program when Action Director, Sam Brown admitted that "there is no formal evaluation of the programs to support the decision to cut RSVP at this time" is intolerable.

You must realize the value of a program which offers a means for older citizens to remain active at a time when the adjustment to retirement can be extremely difficult. Statistics have shown that when individuals retire there is often swift mental, physical and emotional regression that can lead to long term care. RSVP not only respects the skills, talents and experience of the retired population, but in doing this has offered millions of hours of work to the communities in all forms of valuable service.

Because RSVP has been level funded for the past several years, there have already been limits to program growth and to the number of volunteers, agencies and areas being served by this worthwhile program. The proposed budget cut would result in the elimination of federal funds to approximately 135 of the 682 RSVP programs. This process could begin as early as this spring. This means that there will be 30,000 fewer RSVP volunteers in fiscal year 79 than there are this year. To expect the federal portion to be assumed by private concerns in the community in such a short time is unrealistic.

We are strongly opposed to this budget proposal and intend to request that the funds be restored in the appropriations process. We hope the Office of Management and Budget will see fit to reconsider this budget decision.

STATEMENT OF THE HONORABLE BENJAMIN GILMAN, BEFORE THE HOUSE APPROPRIATIONS COMMITTEE, SUBCOMMITTEE ON LABOR-HEW APPROPRIATIONS, FEBRUARY 22, 1978

Mr. Chairman, I would like to take this opportunity to express my opposition to the proposed 24 percent cut in the R.S.V.P. (retired senior volunteer program) budget, and the shifting of these funds to other programs within ACTION. I would like to inform the chairman, and my colleagues, that eleven hundred letters have been written in my district, and sent to the President and to the chairmen of the Appropriations Committees in the House and the Senate. This substantial showing of support for the R.S.V.P. program, and against the proposed cuts—these letters from the older Americans in my district—indicate to me that this is a very serious proposal, and should not be treated lightly. I am certain that I do not have to stress the importance of this program to many thousands of our older Americans, and that each member of the Appropriations Committee is fully aware of the good and vital work that has been accomplished by our retired senior volunteers.

ACTION is a program which was designed, and which has come down to us, as an organization which helps people. I can think of no other segment of our population more in need of help that our older Americans. These individuals depend upon the R.S.V.P. program in many instances for food, companionship and other basic necessities of life. They will be severely hurt if the R.S.V.P. cuts are allowed to happen, and they will, and rightfully so, believe that our Government does not care for them, does not listen to their needs.

In my district, the 26th of New York, our R.S.V.P. program has proven beneficial to all the people involved: the people served, and the people who serve. In Orange County alone, one of the three counties that comprises my district, this cut would prove disastrous, and would leave many older Americans without the conveniences and necessities that they have come to depend on.

During 1977, R.S.V.P. volunteers served a total of 23,355 hours. They served 91,878 meals, and provided services in connection with the senior citizen discount program, day care centers, and aided the staff of the Orange County Office for the Aging, nursing homes, schools, libraries, museums, the Social Security Administration, and local police departments. Ms. Ann Cortese, director of the Orange County Office for the Aging, has estimated that if a minimum wage were attached to these hours, and to the services that have been performed free of charge, a total of $53,716 would have been paid. This I see as a significant savings to our counties, and many of the services performed can have no price tag attached to them.

You cannot translate the worth of companionship and meals into dollars and cents; you must take it on faith that these services are vital to our older Americans, and that it would be likely that these services would not be performed if it were not for the R.S.V.P. program. Our older Americans, have, for the past several years, become the victims of cutbacks in favor of programs aiding others, and bearing a financial return. The older American population cuts across all social lines: Some are wealthier than others, some are handicapped, some are black and some are white. It is fact of life that our older population is growing larger each year, due to increased life spans and new medical techniques which have lengthened the expectations of our senior citizens. But what

purpose is served by increasing a life expectancy if the remaining years must be spent without companionship and without dignity? The Government has a responsibility to its older Americans, and when these individuals are willing and able to assist their community because they are healthy and welcomed into the community, everyone will benefit.

This proposed cut is little over $4 million. This figure does not seem significant to me in comparison to the vast expenditures for other federally sponsored programs. It does not seem so inordinate an amount that it could not be readily reinstated into the ACTION budget. I accordingly, urge this committee to reconsider this shift in emphasis, and to look favorably upon this program which benefits our older American population.

Thank you.●

LEGISLATION TO AUTHORIZE APPROPRIATION OF $450 MILLION FROM FEDERAL HIGHWAY TRUST FUND TO IMPROVE GRADE SEPARATION STRUCTURES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. JOHNSON) is recognized for 5 minutes.

● Mr. JOHNSON of Colorado. Mr. Speaker, today I am introducing legislation which is designed to address a serious national problem which is a direct result of the stated national energy policy which proposes to almost double the amount of coal produced in this Nation by 1985. The resultant problem spoken to in this legislation concerns the substantial socioeconomic disruptions and public health and safety problems which will continue to increase as a result of increased unit coal train traffic through many of the cities and towns represented by me and many of my colleagues.

A task force of senior Department of Transportation (DOT) officials, established last May by Secretary Brock Adams, has completed the initial phase of its job of evaluating the ability of the existing transportation system to move the greatly increased volumes of coal projected to be produced by 1985, as well as looking at the potential near-term problems and possible solutions, and long-term policy regarding the ramifications of such increased domestic coal production.

The DOT task force report, which every Member of the House should have received by now, points out that if the goals of the administration's national energy plan are to be realized, coal will indeed become a national fuel. The Nation's railroads will carry the large majority of this increased coal production. Those 100-car unit coal trains will crisscross the Nation, delivering the coal from its source to its end-use destination and back again.

The DOT task force report states that in 1975 the railroads transported 405-million tons of bituminous coal, or about two-thirds of total domestic production. Coal production estimates for 1985 indicate that coal transportation by rail will increase two-thirds over current levels. The Western region's share of total production is expected to increase 300 to 400 percent. The task force report goes on to state:

> The substantial increase in unit coal trains required to transport new coal production will result in major social and environmental disruptions in many communities through which they move. While many different parts of the country will see more unit trains, the primary growth and the resulting impacts will occur along the Western coal routes.

In a survey conducted by the Federal Highway Administration, the States which anticipated increased coal train traffic were asked to indicate the funding needs for grade separations and for by-pass routes for 1985 coal traffic projections. Costs for individual grade separations ranged from $500,000 to $1 million or more, with total rail-highway grade crossing needs exceeding $200 million. The States expressing needs were Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, North Dakota, and Wyoming.

Although existing Federal highway and highway safety program funds may be used for construction of grade separations, limitations on the use of the funds, inadequate levels of funding, and other existing State highway priorities, allow for but a small portion of the funds to be used for expensive rail-highway grade separation projects. The DOT task force report states that existing programs are not now adequate to fund a significant number of grade separation structures. The report states:

> It is clear that expanded coal production, with the resulting increases in unit train traffic, will magnify grade crossing problems. While there are several grade crossing programs in existence today, they must be examined to determine whether additional funds or programs are needed in light of anticipated increases in coal traffic.

I am advised that the Department of Transportation is now involved in a specific analysis of two sample railroads—one in the West and the other in the East—to better determine the present and future scope and magnitude of the impact of unit coal train traffic. That analysis is expected to be completed within the next few months.

In the January 1978 Office of Technology Assessment (OTA) assessment of coal slurry pipelines, the OTA confirms the socioeconomic, air and noise pollution, and safety problems identified and addressed by the authors of the DOT task force report. In addition, the OTA assessment states:

> In communities that are divided by railroad tracks, the increased train traffic, without grade separations, could yield unquantifiable problems. Thus, grade separations should be considered where this type of problem is significant.

In my own State of Colorado, a State commissioned study revealed that with only a moderate increase in western coal production, unit coal train traffic just along the front range of Colorado will increase from 14 to 25 trains per day by 1985. According to the Colorado State Department of Highways, such an increase would represent a sevenfold growth over present conditions. Not only would such an increase result in socioeconomic disruptions of major significance in several front range cities and towns, coal train traffic growth of that magnitude would severely aggravate already serious air pollution problems in several Colorado cities which the Environmental Protection Agency (EPA) recently listed as being in violation of existing clean air standards. Many cities and towns in other States, East and West, will also feel the crunch if it has not already occurred. The Colorado coal train assessment report which I refer to concludes:

> Existing local and State resources and federal programs are entirely inadequate for the apparent needs along the front range corridor. The amount of money available is small considering the magnitude of the statewide need.

Colorado has a program which has identified the most critical rail-highway crossing problems and the available alternatives, including grade separations, to resolve those serious problem areas. However, as the Colorado coal train assessment report points out, and as the most recent DOT task force report and the OTA assessment report confirm, existing programs and funding are simply not adequate to meet this existing and growing need across the Nation.

The legislation I am introducing today seeks to provide a framework to address the problem by authorizing a separate and distinct program to provide Federal matching funds to assist States with construction of rail-highway grade separation structures to relieve the serious socioeconomic, public health, and safety problems which have been identified and confirmed in the three reports I have mentioned. The bill amends chapter I of title 23 of the United States Code to authorize the Secretary of Transportation to apportion funds to States from the Federal highway trust fund for the purpose of necessary construction of grade separation structures where rail facilities have incurred a substantial increase in use as a result of coal transportation activities to meet national energy programs, resulting in substantial delays in highway travel and associated environmental and safety impacts.

The legislation authorizes an appropriation of $450 million from the highway trust fund over a period of 3 consecutive fiscal years, beginning with fiscal year 1979. The Federal funds would be provided under specific approval criteria to be determined by the Secretary on a 90 to 10 Federal/State matching basis.

Mr. Speaker, if this Nation is to embark on a program and policy of shifting our domestic energy consumption away from the more scarce energy resources such as oil and natural gas, and toward the more immediately plentiful energy resources, such as coal, to meet our near-term domestic energy requirements, the Congress and the administration should

and must be willing to address and resolve the burdens which are to be borne by those towns, cities, and States which are, as a result of that national policy, being directly and immediately affected by the inherent adverse aspects of such a national policy. The legislation which I have introduced attempts to speak to one of the many problems which exists in our efforts to develop a reasonable, responsible, and realistic national energy program. I hope my colleagues will support this legislation.

Thank you.●

LONG-TERM CARE ADVOCACY PROGRAM

The SPEAKER. Under previous order of the House, the gentleman from Maine (Mr. COHEN) is recognized for 5 minutes.

● Mr. COHEN. Mr. Speaker, it is a pleasure to introduce legislation with my colleague, Mr. PEPPER, chairman of the House Select Committee on Aging, to establish a long-term care advocacy program. One of the first legislative priorities I set for myself upon being elected to the Congress in 1972 was the protection of the rights of institutionalized persons, particularly those in nursing homes.

Many here today will recall the phenomenal growth in the nursing home industry following the 1965 enactment of medicare and medicaid, which today consume $5.8 billion from Government coffers. Likewise, in the last decade, the number of residents in nursing homes has doubled to over 1 million persons. Unfortunately, Government's regulation of the industry has not kept pace with this growth. The litany of nursing home abuses led to the release of a Senate Subcommittee on Long-Term Care report in 1974 which called standards governing nursing homes "grossly inadequate" and concluded that "long-term care of older Americans stands as the most troubled and troublesome component of our health care system."

As our investigations into those instances of resident abuse continue, we have found that the nursing home industry does not stand alone. For example, the same types of resident abuses have been documented in adult care homes which house an estimated half million elderly persons. This suggests that our experiences with eradicating abuse in long-term care facilities are woefully inadequate.

In this regard, many Members of the House have joined me in pushing for the enactment of a bill of rights for persons in long-term care facilities. The need for that legislation was discussed most recently on the House floor in conjunction with the passage of the medicare and medicaid antifraud and abuse amendments late last year. Mr. ROGERS and Mr. ROSTENKOWSKI at that time promised to hold hearings, and I expect them to be scheduled later this year.

In the meantime, one of the most vexing aspects of the bill of rights legislation has been the matter of enforcement. At present, the Government's only legal remedy in dealing with violations of residents' rights in facilities which receive medicare and medicaid is to cut off Federal reimbursement to the offending facility. Federal law also requires that SSI payments to residents in substandard facilities which are not subject to Government regulation be reduced in an attempt to improve the quality of these facilities. Both responses have failed, in my opinion, to produce the desired result and in many cases, if applied, would serve to compound the problems already faced by the residents.

On the other hand, the one successful effort by the Federal Government to focus attention upon the troubles of institutionalized persons began in 1973. That year, the Department of Health, Education, and Welfare established seven nursing home ombudsman State demonstration projects. Following the evaluation of these projects, the nursing home ombudsman program became a project of the Administration on Aging, designed to develop State programs to resolve resident complaints and stimulate community action and nursing home reform. In 1975, the Older Americans Act was amended to designate funding for nursing home ombudsman programs under the model projects of title III, section 308. However, most States received no more than $18,000 to pay for an ombudsman developmental specialist charged with developing ombudsman efforts in States.

Despite such minimal funding, the States developed projects which have served to respond to citizen complaints, resolve resident grievances, and initiate meaningful nursing home reform. A survey of nursing home ombudsman programs completed last month by the National Paralegal Institute through an AOA grant revealed that these projects have been extremely active. Their accomplishments include: developing complaint mechanisms for residents; participating in development of nursing home regulations and health care planning; conducting research in issues about nursing home care; identifying those issues requiring State regulatory and legislative resolution; conducting surveys of nursing homes and the care they offer; developing special programs such as citizen coalitions, resident councils, consumer education; and training staff. The programs serve to insure that nursing home residents' rights are maintained by representing those residents in instances where those rights have been infringed upon either by Government, the industry, or the community.

In addition, States collect date from their complaint investigations and collate that data to identify and resolve problems in nursing home regulation and administration. The ombudsmen use any available, reasonable means of advocacy to resolve residents' grievances or to improve the quality of care in nursing homes.

In my own State of Maine where the nursing home ombudsman program has been operational since 1974, we have one full-time nursing home ombudsman and eight local volunteers who have investigated nearly 400 resident complaints including, for example, financial problems, food complaints, and physical abuse. They have resolved complaints from my constituents which were directed to my office. The project has published a consumers' guide to nursing homes in Maine and has been instrumental in changing State policies regarding the reimbursement and regulation of Maine's nursing homes.

In addition, the project has documented complaints serious enough to warrant the closing of one nursing home and has presented and seen enacted legislation regrading reimbursement of rehabilitative services, physician certification of nursing home deaths, guardianship, income maintenance for institutionalized elderly, and wage scales for nursing home staff.

The ombudsman program, then, works directly with nursing home patients, their friends and relatives, and the staffs of these facilities and documents the complaints received. If documentation on a State level results in such reform as I have seen in Maine, I contend that the Federal Government and its billion-dollar expenditures could be well served by giving statutory authority to this discretionary program and by developing a national system of data collection about mechanisms which have aided the resolution of resident problems.

My legislation would change the character of the ombudsman model projects program.

First, it would recognize in the title of the new program established by this legislation the role of advocate that ombudsmen have begun to play.

Second, the long-term scare advocacy program would become a requirement of the State plan mandated under section 305 of the Older Americans Act in order for a State to be eligible for grants. This change would insure the continued existence of these worthwhile programs and encourage their development in the one State and several trust territories which currently lack such a program.

Third, the bill would redefine the goal of the program from one limited to program development to one charged with operating statewide systems for receiving, investigating, and resolving complaints received from residents of long-term care facilities or others in their behalf.

Fourth, Federal funds available for the program would be increased fourfold from $1 million to $4 million. In a recent survey of State ombudsmen, they expressed their need for more adequate funding to support staff and broader programing. Three-fourths of those responding identified lack of funding as a major prohibitive factor in their program initiatives.

Fifth, the same survey identified the need to protect the autonomy of the advocate program from the strong lobbying interests of the nursing home industry and others in State legislatures or the unwillingness of States to have advocacy groups challenge their bureaucracy. The advocacy program would be housed with the State unit on aging, or with the approval of the Commissioner on Aging, another public or private nonprofit or-

ganization which would not be accountable to regulatory agencies, the industry, and special interests groups, but to the older people AOA is charged to serve.

Sixth, in addition to supporting strong State programs, this bill assures a continuum of advocacy from the individual local complaint to major Federal policy reform by compelling AOA either directly or through contracts to existing national resources to develop a data collection and issue identification system.

Finally, it is clear to me that the Federal Government must provide technical assistance, consultation, research, and training support to expand and improve the States' programs. Recommendations presented by the seven original ombudsman reports in 1974 and recent recommendations of the National Association of Ombudsmen/Advocates for the Elderly highlight this need.

As our demographics change and the older segment of our population continues to grow, more attention will focus on the needs of those in institutions. It is our responsibility to help meet the needs of those older people who without the help of a local advocate risk a diminution of their rights and a degradation of their dignity as active community members. For many residents of long-term care facilities, confinement in institutions deprives them of their strengths and their links to and roles within their communities. For some, the advocate is their only recourse against bureaucratic redtape which can deny rights and free choices, against inferior medical care, and physical and mental abuse. It is not enough to decry the problems experienced in the past by institutionalized persons. We must respond with strong resolutions to end and ameliorate problems and to insure a continually improved quality of care for these persons. I believe that the establishment of a long-term care advocacy program as envisioned by this legislation is our most reasonable first step.●

MEDICAL FREEDOM OF CHOICE, A SERIOUS, SUPPLEMENTAL PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. SYMMS) is recognized for 30 minutes.

● Mr. SYMMS. Mr. Speaker, I rise today to announce that I am introducing legislation which supplements the original medical freedom of choice bill. As many of my colleagues are aware, I have been greatly concerned about the increased delays and the rapidly mounting costs which have been attendant to the introduction of new, potentially life-saving pharmaceutical products in this country. In comparative terms, we are far behind many Western European countries in providing our physicians with the most complete, up-to-date armamentarium of drugs with which to relieve the illnesses and distress of their patients. This is especially true in the field of cardiovascular products. The documentation for this finding has been unusually thorough and well-presented by a number of scholars involved in pharmacology.

As I have pondered the problems both facing and being caused by current Food and Drug Administration regulatory policy, the questions uppermost in my mind have been these:

How do we in the Congress legislate in such a fashion so as to eliminate much of the unnecessary red tape now existent in F.D.A. drug review and approval?

How do we in the Congress ensure that F.D.A. drug reviewers recognize the public good to be served by expeditious approval of truly helpful new drugs and convey to these reviewers the urgency of the American patients' needs?

How do we in the Congress provide for the best possible scientific judgments about the merits and drawbacks of a given new drug?

How do we in the Congress establish a system which is respected for its scientific quality, for its evenhandedness and fairness, by both the regulated industry and so-called consumer groups?

How do we in Congress re-establish competition—with its advantages such as lower costs and better products to the consumer—in an industry which has been markedly overconcentrated in the past fifteen years?

Finally, how do we in the Congress dispel the aura of repression in an agency which attempts to decide complex issues with a "yes" or "no" answer, when in fact there is no consensus among the experts?

In connection with the last question posed, I commend to the readership of the CONGRESSIONAL RECORD and my colleagues an article entitled "Consensus Among Experts: The Unholy Grail," which appears elsewhere in today's RECORD. The article appeared in "Perspectives in Biology and Medicine," published by the University of Chicago in the summer of 1976.

To simplify, in an admittedly complex area affecting the health of all Americans, I set forth the 13 provisions of the supplemental legislation as follows:

(1) EFFICACY. Repeal of the "effectiveness" provisions from the 1962 Amendments to the Food, Drug, and Cosmetic Act.

(2) LABELING. The supplemental legislation contains a provision which, in conjunction with the original Medical Freedom of Choice bill providing for repeal of the "efficacy" requirements of the 1962 Harris-Kefauver Amendments, would permit the F.D.A. to clearly label that a drug had not been reviewed by the agency to determine its efficacy.

(3) CERTIFIED SUMMARIES. The deluge of paperwork invited by the F.D.A. is extremely costly and constitutes a grave danger to prompt approval of new drugs. Last year, the Chairman of Eli Lilly Company recounted how his firm, in connection with only one drug application, had been required to submit 2,038 pounds of paper to the F.D.A. Only 25 percent of that massive amount was directly pertinent to the evaluation of the new drug. The rest included unbelievably detailed reports on each patient who used the drug during clinical investigatory trials—as much as 200 pages and more per patient.

My legislation, therefore, requires that pharmaceutical firms submit only certified clinical summaries of their investigation into a new drug. The raw data underlying the summary would of course, be available on-site if F.D.A. felt further investigation was warranted. It is my feeling that a tremendous amount of waste—and increased costs to consumer-patients—are the only tangible results of requiring that huge amounts of paperwork be submitted as a matter of course to the F.D.A.

The legislation also requires that F.D.A. get its document control system in order. Many companies are asked to resubmit their earliest reports—recounting their "invitro" and animal studies of a new drug—at the time that they submit their reports on human clinical trials. These early reports average around 3,000 pages in length and must be submitted in triplicate. F.D.A.'s excuse for requiring resubmission of these early reports is that they are not "readily retrievable" at F.D.A. I can only assume this means they are lost. I submit that it makes far more sense to require F.D.A. to put its documents in order than to require consumers to pay the costs of pharmaceutical firms' extensive photocopying. The bill requires F.D.A. to maintain documents which are no more than four years old in "readily retrievable" form.

(4) A POSITIVE CONGRESSIONAL MANDATE. Current emphasis on avoiding drug toxicity in our present Food and Drug laws may have contributed much to the delays all Americans face in obtaining new, improved medicaments. For a Food and Drug Administration drug reviewer to approve a New Drug Application requires that he stick his neck out. His action might be labeled by many F.D.A. critics as precipitous and ill-considered. If that same drug reviewer procrastinates and maintains a low visibility, his decision will not be criticized. The Journal of the American Medical Association carried an article in April, 1975, which characterized the situation thusly:

"Is there any merit in the posture of disgruntled F.D.A. physicians? To be sure. Some of them have served the public well by their concern about drug toxicity. However, the question is really a bigger one: how *best* to serve the public *overall?* All of therapeutics is based on a cost-benefit analysis, and in the opinion of many, F.D.A. has far too long been constrained by the idea that the public is best protected if one worries primarily about drug toxicity. The ultimate application of that principle is to eliminate all drugs—*no drugs, ergo no toxicity.* It seems more rational to help the public by *optimizing* their therapy. Every benefit carries a risk in this world, and for big benefits, one may be willing to assume big risks. John Locke, centuries ago, pointed out that the physician at the bedside cannot practice agnosticism. *Every clinical decision is an active one,* including the *decision not to treat.* Therein lies a *fundamental problem: The bureaucrat can engage in the luxury of abstract speculation, the practicing physician cannot.* It is natural and reasonable that the practitioner should resent a limitation of therapeutic options for himself and for his patients by regulatory employees whose sights are too limited."

This, of course, relates to the question I posed earlier. How do we in Congress ensure that F.D.A. is made aware of the urgency with which American patients—many of them suffering from life-threatening disorders—await the approval by F.D.A. of many important new drugs? We can't have these patients brought into direct contact with F.D.A., it seems. The next best thing is to make our Congressional policy very clear. The language of my supplemental bill would incorporate into existing drug laws the following statement of policy:

"It is the policy of this Act that the Secretary, in order to make promptly available to persons in the United States safe and ef-

fective drugs which are available in other parts of the world, shall take all possible steps to avoid unnecessary delays in the review and approval of an application."

(5) ECONOMIC IMPACT STATEMENTS. Far too sketchy economic impact analyses are being conducted prior to the promulgation of new regulations by F.D.A. Such studies simply estimate the cost of implementing the regulations themselves and the cost of new employees who will be needed to see that individual pharmaceutical firms comply with the regulations. My supplemental legislation calls for studies which will be more revealing as to the long term impact for business and consumers of new regulations.

When interviewed last year about overregulation in general, Professor Murray Weidenbaum of Washington University in St. Louis engaged in the following colloquy:

PROF. WEIDENBAUM. Finally, regulations are also reducing the flow of new and better products, and this is one of the things that really worries me.

Q.: Where do you see that slowdown occurring?

PROF. WEIDENBAUM. Especially in the pharmaceutical area. Unsafe drugs are to be kept off the market. That sounds fine, and I agree with it. Ineffective drugs are also to be kept off the market, and I *guess* that's O.K. too. But the corollary is that it takes longer for safe and effective drugs to get into the market."

The economic impact analysis called for in my supplemental legislation would require greater depth. Not only would administrative cost be discussed, but the following: (a) decreased competition and continued economic overconcentration in a few large firms, (b) the "hidden" costs of regulation which are passed on to the consumer, (c) and the effect of the new regulations upon research and innovation and length of time required by the F.D.A. for new drug approval.

(6) AGENCY REPORTING REQUIREMENTS. A number of clinical pharmacologists and others in the field, as well as a number of consumer groups, have commented on the secrecy shrouding the actions of the F.D.A. Coupled with these comments are exhortations for greater public accountability of the agency. Although the recent report of the Review Panel on New Drug Regulation, headed by Prof. Norman Dorsen of New York University Law School, contained some conclusions which are at variance with my own regarding drug regulation, the Panel did note that the agency's drug regulation is "unnecessary closed to public review."

The sixth provision of the supplemental bill, therefore, calls for twice yearly reports with information about the following: (1) action taken on IND filings and NDA submissions of all new chemical entity drugs, (2) the chemical name of the drug and the name of its sponsor, (3) a list of those foreign countries which have already granted marketing approval for the drug, and (4) justification for agency actions taken in connection with each IND and NDA.

(7) TIME LIMITATIONS. Prior to the 1962 Amendments, drugs were automatically approved unless the F.D.A. filed objections within a certain number of days. Mr. Speaker and colleagues, I do not entertain the illusion that the suggestion that we return to such a system of drug approval would not meet with substantial opposition from a number of groups and the F.D.A. itself. Indeed, it would. However, the existing system allows the F.D.A. to prolong decision-making too much. The agency may extend and reextend the 180 days allotted for drug review indefinitely. Indeed, the average length of time for a drug to obtain approval is seven years. Half of this is in the IND stage and the other half is time spent awaiting NDA approval.

I therefore propose the following timetable for drug approval. The statutory review period of 180 days would remain in effect with an allowance for ONE extension for an additional 180 days. Secondly, the NDA sponsor would be permitted to request a status review of his application at some time between 90 to 120 days after submission of the application. The sponsor would also be permitted to include a member of the standing advisory committee at the status review meeting. F.D.A. could also exercise the option of requesting the presence of an advisory committee member.

(8) TRADE SECRETS MODIFICATION. This provision goes hand in glove with my earlier statement that the F.D.A. shrouds too much in secrecy, away from public scrutiny. While I believe that information regarding manufacturing and synthesizing processes are the legitimate subject of trade secrecy rules, I do not see any reason why preclinical and clinical summaries should be so classified. My supplemental bill calls for release of the latter information at the time of NDA approval. This will promote beneficial and open dialogue in the academic community.

(9) ADVISORY COMMITTEES. This section of the bill relates directly to the question I posed about how we can ensure that the best scientific judgment is brought into the process of drug review. Professor Norman Dorsen of the Review Panel of New Drug Regulations as well as Dr. Richard Crout of the Bureau of Drugs have remarked that F.D.A. suffers some problems in the recruitment of soundly trained scientific personnel. The language used by Professor Dorsen was that "the agency's scientific capacity is inadequate. and unless corrected, likely to deteriorate further."

Mr. Speaker and my colleagues, I question whether the brightest scientists will *ever* be attracted to F.D.A. No amount of monetary inducement, it seems to me, will ever be able to make up the lack of innovative research opportunities at F.D.A. The personnel of the National Institutes of Health are well-qualified because the work involves a good measure of creative responsibilities. Dr. Crout acknowledged this, in essence, on April 19, 1976, when he testified before the Panel as follows:

"F.D.A. has a long-term problem with the recruitment of personnel, good scientific personnel. F.D.A. staff is not strong in the same scientific sense that the staff of the NIH is. *So, it is a fundamental societal concern as to whether, over the long term, F.D.A. can operate solely with an in-house staff, or what the role of the advisory committees will be* because I don't think we will ever solve the problem of a totally strong in-house staff.

I propose that the role of the advisory committees be made even stronger. However, not in their present form, with members chosen by the F.D.A. Commissioner, and therefore, made subject to charges of "special interest" or of being used by the Commissioner to support a decision which is different from that of in-house F.D.A. staff. My proposal therefore structures the selection and operation of the advisory committees in the following manner. Seven drug advisory committees will be set up in the following fields:

Cardiopulmonary renal; Neuropharmacological; Metabolic endocrine. Anti-infective; Oncologic and radiopharmacological; Surgical-dental;

Miscellaneous committee, dealing with drugs not classified in any of the other six, categories.

The manner of selection will also differ from the present mode, where the Food and Drug Commissioner selects advisory committee members. This practice has, in some instances, led critics of F.D.A. to discredit the reports of the committees—especially where one or several committee members had no expertise in the field for which a drug was designed for use. Therefore, my proposal calls for nomination of potential advisory committee members by medical speciality organizations and societies whose members have the greatest expertise in the six specifically enumerated categories of drug development and by the American Society of Clinical Pharmacologists. Of the five-member committees, one member must be a pharmacologist, one may represent the general public and the other three shall be chosen from the list of nominees selected by medical speciality societies. No committee member shall serve more than three years in any six year period.

One further step taken by this provision is a modification of the existing conflict of interest rules. As they are currently enforced, virtually anyone with a good deal of expertise is barred from serving on an advisory committee! The present rules somehow seem to hope that a doctor or pharmacologist is going to go off to a far corner of the world, sit around for 10 years, and then return to serve on an advisory committee. This is something of an overstatement, I freely admit, but I think that the conflict of interest rules need to take into account the real world in which we live.

Under my proposal, no one could serve on an advisory committee if he had a pecuniary interest in the particular drug under review or if he had a pecuniary interest in the manufacturer or sponsor of such a drug. However, doctors and scientists who have used or tested the drug under review may sit on the committee. Such expertise in the drug, *without* any financial interest in the drug, might add to the sophistication of the drug review process. And to the soundness of the decision reached.

(10) SMALL PHARMACEUTICAL FIRMS. Several small drug manufacturers have contacted me in the past year to complain that they had developed a new product and had located a medical school or other non-profit, scientific institution which was interested in conducting the clinical investigation into the new drug—but these small businesses were stymied in their efforts by the current F.D.A. regulations. For one innovator, the cost of obtaining an I.N.D. was prohibitive. But the medical school could not proceed without the I.N.D. and could not, itself, obtain it. Therefore, the supplemental bill directs that modified procedures shall govern I.N.D applications by small businesses and also directs that F.D.A. shall establish an office to provide technical and other nonfinancial assistance to small drug manufacturers to assist them in complying with regulatory requirements.

(11) CONGRESSIONAL APPROVAL OF NEW REGULATIONS. This section of the bill empowers the Congress to pass a resolution disapproving new F.D.A. regulations within sixty days of their submission to Congress. If a resolution passed by either body of Congress disapproves new regulations, they shall not go into effect at the close of the sixty day period.

Of course, the precedent for this provision can be found with the procedure which Congress adopted Title IX sex discrimination regulations. With so many admired voices in medical research speaking out against F.D.A. regulations, and not so much against the vague laws themselves, it seems that the least we can do is to oversee new regulations and be assured that they comply with the spirit of the food and drug

laws and with the intentions of the Congress which passed those laws.

(12) SUNSET LAW. My legislation does not call for the abolition of the Food and Drug Administration at the close of a certain period of time. However, it does call for broad review by Congress of the manner in which the F.D.A. is enforcing and interpreting the laws we pass.

The purpose of this provision is really twofold. One, Congress should periodically review the food and drug laws to see if they are working properly, and if not, to suggest revisions in a comprehensive fashion. The F.D.A., with its vast impact upon the health of Americans, should not be the subject of piecemeal legislation as has been the case in the past. The second purpose of this proposal is to allow the F.D.A. sufficient time to perform its tasks under the law. As things now stand, it is difficult for the agency to do anything because it is constantly under attack from Congress, consumer groups, the industry, and the media.

For six months after Senator Kennedy held hearings to investigate charges that the drug industry exercised enormous influence over the personnel at F.D.A., no new drugs were given marketing clearance. Plainly, the people who really lost out during that time were American patients, in dire need of new drugs which were under review. I am hopeful that the certain knowledge that comprehensive hearings will be held at stated times will do much to avoid disruptive, spasmodic investigations into the F.D.A.

Every American is vitally concerned with news about the food he eats and the drugs he may be taking. This fact, standing alone, arouses public interest and the media's attention to any proceeding involving the F.D.A. I believe that the only way that the F.D.A. will be able to function properly is to assure all parties concerned that they will have a chance to air their gripes in comprehensive review hearings. Of course, this more tranquil state of affairs can only be brought about if the measures I've outlined previously for greater openness and public accountability on the part of F.D.A. are adopted by the Congress and fulfilled by the F.D.A.

(13) PATENT LAW REVISION. The fact that American pharmaceutical firms' research dollar has been going overseas has already been well-documented in Congressional hearings over the last two years. I need not elaborate upon this fact. The unfavorable regulatory climate may have much to do with this trend. The other consideration may be the length of time now required to process an NDA and its effect upon the patenting of a new drug. Many firms want to provide as much evidence as possible—gained overseas—to ensure that the NDA period does not extend so long as to seriously impair the profitable length of their patent period.

Because the House Judiciary Committee has jurisdiction over legislation revising the patent laws, a separate item of legislation has been drafted to govern drug patents. But this separate legislation is an integral part of the objectives of the supplemental bill.

Simply put, this revision calls for a delay of the patent period until an NDA is approved by the F.D.A. And then the patent period will start to run once approval has been granted. It seems quite unfair, under the present system, that manufacturers *must* obtain a patent by the time they submit an NDA, or else risk losing valuable protection of their research product and yet, at the same time, these drug manufacturers must await a decision by F.D.A. which may take several years and during that time they enjoy no return on investment as they lose valuable patent life.

The critics of the industry point to alleged windfall profits and, I am sure, may well oppose this particular provision. But the fact is that each new drug application is a multimillion dollar proposition. Without sufficient returns on investment, research does dwindle.

I also do not feel that this provision amounts to any sort of favoritism. In fact, no other manufacturer or businessman governed by the patent law must allow valuable patent life to expire while he awaits government action. Most, if not all, businesses outside the field of pharmaceuticals enjoy marketing soon after a patent is granted . . . or even while a patent is pending. None must file a patent and then await government action for a period of time in which their product is barred from the market, enjoys no return on investment, and loses valuable patent life.

I know that the supplemental legislation I propose is considerably more involved than my original bill to simply repeal the 1962 Harris-Kefauver Amendments. However, I feel it merits the serious consideration of the Subcommittee on Health and the Environment—serious consideration which has not yet been given the simpler and more direct legislation known as the Medical Freedom of Choice Act. I strongly urge that the more than 100 Members of Congress who now co-sponsor the original legislation focus their attention on this legislation as well, with an eye toward possible co-sponsorship. The original bill and this supplemental legislation would go a long way in resolving many of the problems within the F.D.A. which forced the President's Biomedical Research Panel to comment:

"There is a clear impasse arising between society's desire for new and better drugs and the barriers society is erecting to their development and introduction. These barriers, based on a valid desire to improve the standards of safety and efficacy and to assure ethical control in clinical evaluations, increase developmental costs. *There is a real danger of bringing the development process and access to clinical resources to a halt.* Many feel that the American public is being denied new drugs currently available abroad because of *excessive F.D.A. requirements* . . . there is a different kind of *hazard to public health* posed by the prolonged delays and great costs of developing new and potentially useful drugs *which the F.D.A.'s own protective systems have produced.* In some respects, the agency has become a formidable roadblock.●

PROPOSED WISCONSIN WILDERNESS AREAS

The SPEAKER. Under a previous order of the House, the gentleman from Wisconsin (Mr. CORNELL) is recognized for 5 minutes.

● Mr. CORNELL. Mr. Speaker, I am introducing today legislation to designate approximately 13,000 acres in Wisconsin's Nicolet National Forest as part of the National Wilderness Preservation System. The bill proposes two wilderness areas—Blackjack Springs, near Eagle River, and Whisker Lake in Florence County in northern Wisconsin.

Mr. NELSON is introducing identical legislation in the Senate today. My office, the Forest Service, and Senator NELSON have worked together in reviewing the Blackjack Springs and Whisker Lake areas. We believe that we have proposed reasonable boundaries that protect thousands of acres of excellent northern mixed hardwood forest.

The bill proposed 5,886 acres for the Blackjack Springs Wilderness Area, and 7,315 acres for the Whisker Lake Wilderness Area. It is our belief that these areas should be perpetually kept in their natural ecological state. By protecting them as wilderness, we preserve them for the future.

Virtually all of the land to be included in the two new wilderness area is already managed by the U.S. Forest Service as a part of Nicolet National Forest, so there will be little or no change in local tax rolls. Indeed, these additions to the National Wilderness Preservation System will have a positive economic impact on the local economy, especially in Eagle River, Phelps, and Florence, Wis. They will attract visitors and tourists since they would remain open for hunting, fishing, hiking, camping, and skiing. Moreover, they will not affect the Federal payment in-lieu-of-taxes now received by local governments, nor will the wilderness designation reduce the county receipts from the Forest Service's 25 percent payment program.

Mr. Speaker, I urge my colleagues on the Committee on the Interior, to whom I understand this bill will be referred, and in the entire House, to join me in supporting this needed legislation to preserve these limited areas of northern Wisconsin in their natural state.●

LEGISLATION TO ESTABLISH LONG-TERM CARE ADVOCACY PROGRAMS UNDER THE OLDER AMERICANS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 10 minutes.

● Mr. PEPPER. Mr. Speaker, I have today joined my colleague, Mr. COHEN of Maine, in proposing legislation to revise and strengthen the nursing home ombudsman program which has been carried out under the Older Americans Act. This bill will broaden its scope so that it can become a long-term care advocacy program.

In 1975, Congress added to the act a requirement that the Commissioner on Aging give special consideration to projects designed to enable State agencies on aging and other organizations to promote and develop ombudsman services for residents of nursing homes. Consistent with this action, the Administration on Aging has made available through its model projects program (under title II of the act) annual grants to the States for these activities.

Currently the States receive annual amounts averaging approximately $20,000. With this modest amount of funding, 49 States have developed a mechanism to respond to complaints by nursing home residents and to take steps to improve the conditions which exist in long-term care facilities through State law and regulatory practices. Strong evidence exists that the very modest annual expenditure of about $1 million from AoA has reaped great benefits in terms of improving the lives of nursing home residents.

Currently the nursing home ombudsman program is subject to the discretion of the Commissioner on Aging. It lacks statutory authority and a guaranteed place in the appropriations process.

The Select Committee on Aging and the Subcommittee on Health and Long-Term Care, both of which it is my privilege to chair, have monitored the development of this program, and it is our belief that it should not only be continued but expanded to address the problems of elderly citizens who reside in long-term care hospitals and adult care homes, as well as nursing homes.

For that reason, Congressman COHEN, who serves very capably as ranking minority member of the subcommittee, and I have today introduced legislation which would assure the continued existence of this program through statutory authority in the Older Americans Act, provide for the commitment of additional resources to this effort, and assure the provision of adequate technical support at the national level in order to enhance the efforts of State programs.

The bill we introduce would amend title III of the Older Americans Act to establish a long-term care advocacy program. Under the terms of this legislation, the Commissioner on Aging would make grants to State units on aging to establish statewide long-term care advocacy programs. We have recommended that the Administration on Aging have the authority to award these grants or contract with a public or nonprofit private agency or organization when this approach would be more likely to achieve the goals of the program. No long-term care advocacy program however, would be placed in an agency which is responsible for the licensing or regulation of long-term care facilities.

Advocate programs established under this authority would be required to provide for the establishment and operation of a statewide system for receiving, investigating, and resolving complaints received from residents of long-term care facilities or other persons acting in their behalf which relate to actions by persons or institutions providing services to these residents, or actions by Government agencies which might adversely affect the health, safety, welfare, or rights of such residents.

Moreover, the advocate programs would be required to have in place a statewide uniform reporting system to record, collect, and analyze data relating to complaints and conditions in long-term care facilities for the purpose of identifying significant problems which affect these residents and mechanisms to resolve these problems. Data collected by the State advocate programs would be forwarded to the Commissioner on Aging semiannually.

Our bill provides that authorized long-term care advocates participating in this program will have appropriate access to long-term care facilities and to the medical records of residents of these facilities, with their consent or the consent of their legal representatives, and subject to applicable Federal and State law regarding access to these records. Files maintained with regard to the advocate program would be allowed to be disclosed only at the discretion of those with proper authority, and the identity of a complainant or resident of a long-term care facility may only be disclosed with the consent of that person or their legal representative or if it is required by court order issued in connection with a judicial proceeding.

In addition to these functions, the statewide long-term care advocacy programs will be required to monitor the development and implementation of Federal, State, and local laws, policies, and regulations which relate to long-term care facilities, and to provide for the training of volunteers and the development of citizens organizations to participate in the advocacy program.

These programs will be required to take other actions which may be necessary or appropriate to improve the quality for life for residents of long-term care facilities and to make available to the public and to agencies or units of Government information which relates to the problems of these residents.

The bill we have proposed authorizes $4 million for this important program for fiscal year 1979. The Commissioner on Aging would be authorized to reserve 12.5 percent in any fiscal year in order to carry out certain required supportive functions at the national level. The Commissioner would be required to see that a uniform system for collecting and disseminating the data received from advocate programs is in place. Moreover, the Commissioner would be required to assure that technical assistance, consultation, research and training support are provided to advocate programs. Finally, the Commissioner would be required to submit to the Congress an annual report reviewing the operation of the advocate programs established under this new section. Under the terms of our legislation, all the States and territories would be entitled to funds to build on their existing ombudsman programs or to establish them where none currently exists.

Mr. Speaker, as many of my colleagues are aware, our committee has among its principal goals the expansion of noninstitutional services for the elderly. We have recently begun again to press for congressional action on legislation to expand home health care under the medicare program. But we also view as our ongoing goal the improvement of care that is available to the elderly in long-term care facilities. Over 1 million elderly citizens reside in nursing homes and even more experience stays in adult care homes or long-term care hospitals. The nursing home industry alone accounted for $10.6 billion in expenditures by the American people in fiscal year 1976. We are all aware of the abuses which have been known to take place in some of these institutions. These abuses have been widely reported in the press, and they threaten to destroy our people's faith in our health care system.

For these reasons, it is urgent that we make it possible for expanded citizen involvement the resolution of problems which are brought to light by residents of these facilities or persons acting in their behalf. Many placed in long-term care facilities are without an effective voice to articulate their needs. We must be sensitive to them and to the problems they encounter. We can ill afford the human cost of doing less than our utmost to protect the rights and the well-being of residents of long-term care facilities. I believe the legislation we propose will take us a long way toward our goal of assuring that improved care is available to all elderly residents of long-term facilities throughout the Nation. It is my hope that the Subcommittee on Select Education, which is so ably chaired by my distinguished colleague, Mr. BRADEMAS, will give careful consideration to this proposal during its work on legislation to extend the Older Americans Act.●

CETA AND THE EMPLOYMENT SERVICE: COORDINATING MANPOWER POLICY

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, we all realize that unemployment, which remains at intolerably high levels, is one of the gravest problems which faces this country and this Congress. A number of measures have been proposed or discussed at length which seek to compensate for the cyclical economic fluctuations which can create high unemployment.

However, it is vital that we address not only the cyclical nature of unemployment, but other causes of temporary joblessness as well. We must try to ease the "frictional" unemployment experienced by those changing jobs or entering the labor market for the first time. Our highest priority, of course, must be to tackle the difficult problem of structural unemployment, in which job skills and work experience are lacking or are inappropriate to the opportunities available.

The problem of frictional unemployment can be dealt with by providing job placement and referral services for employers and prospective employees. Congress authorized such efforts in 1933 with the Wagner-Peyser Act, which created the U.S. Employment Service (ES) under the Department of Labor. Its purpose was to coordinate and provide standards for State employment services in providing a labor exchange. However, in the ensuing years dozens of other specialized functions were assigned to ES, with the result that its original clear purpose has now become blurred.

The most significant shift in the emphasis of ES came during the decade of the 1960's. The social legislation which characterized that era was directed primarily at helping the poor and disadvantaged. It is not surprising, given the tenor of those times, that ES was pressed into providing special services for this special clientele. However, other agencies which were created during those years, particularly the Office of Economic Opportunity (OEO), contended that all programs directed at the poor, including manpower programs, fell within their purview. This bureaucratic struggle over jurisdiction may well have detracted from the actual delivery of services. In any case, what developed was, in a sense, a dual manpower sys-

tem, with OEO and ES performing overlapping functions.

The death of OEO under the Nixon administration seemed to have eliminated this "duopoly," but the legacy of special concern for the poor and disadvantaged remained with ES. Even today, the vast bulk of ES placements are of low-skilled workers in low-paid jobs. This emphasis has caused many employers and jobseekers to lose faith in ES as a resource when it comes to higher-skill positions. I and 37 Members of Congress have sponsored legislation, H.R. 4067, which would broadly amend the Wagner-Peyser Act—for the first time in its 45-year history—in order to clarify the role of ES in today's economy and revitalize it as an efficient, dependable, and comprehensive labor exchange.

However, the problem of conflicting manpower programs was created again by the passage of the Comprehensive Employment and Training Act of 1973—CETA. CETA was designed to provide complete evaluation, training, placement services, and public service employment for those lacking in job skills, thus directly addressing the critical problem of structural unemployment. However, CETA's relationship with the ES system was left deliberately vague. Because CETA is administered by local "prime sponsors" rather than the States, and because no deliverers of manpower services, including State employment services, can be "presumptively" utilized by CETA, there exist no obvious or formal channels for cooperation between CETA and ES. As one speaker stated at last year's Interstate Conference of Employment Security Agencies:

CETA succeeded in scrambling interorganizational relationships at all levels.

In some States and areas satisfactory cooperation has been achieved. In others, bureaucratic battles have begun again, with CETA claiming comprehensive jurisdiction over its clients from training to placement, while ES insists that the referral function is rightly theirs.

Logic dictates that CETA should emphasize job training and other comprehensive services for the unskilled and hard to place, while ES should serve as a simple labor exchange for job-ready workers. In any case, Congress has an obligation to clarify the role and purpose of both CETA and ES. It is obvious that these two programs must be examined together, and the relationship between them defined by statute, in order to eliminate the confusion, duplication, and conflicts which now exist. This coordinated approach is favored by groups such as the National Governors' Conference and the National Research Council.

The Education and Labor Subcommittee on Employment Opportunities, under the able leadership of my friend and colleague from California (Mr. HAWKINS), is in the process of holding hearings on the President's proposed rewrite of the Comprehensive Employment and Training Act. I hope that the committee will not miss this opportunity to also consider H.R. 4067 and related legislation dealing with ES and its relation to overall manpower policy. Only by considering CETA and ES simultaneously can we achieve the kind of coordinated national manpower strategy which is essential if we are to successfully confront the challenge of reducing both frictional and structural unemployment.●

TRIBUTE TO A GREAT AMERICAN

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

● Mr. WOLFF. Mr. Speaker, it is with great pride but also with sadness that I rise today to pay tribute to a dear friend, and one of the State Department's most distinguished career diplomats, Philip C. Habib, Under Secretary of State for Political Affairs.

Characterized as a devoted, intense worker, committed to tough bargaining and bluntly honest language, Philip Habib's contributions to the integrity and strength in all aspects of foreign affairs are both significant and enduring.

Unparalled in his experience and knowledge of Asia, his expertise has been exhibited by his service as chief counselor for political affairs at Seoul (1962–65), political officer in Saigon with the personal rank of minister (1965–67), senior advisor to the U.S. delegation at the Paris peace talks on Vietnam (1968–71), Ambassador to the Republic of Korea (1971–74), Assistant Secretary of State for East Asian and Pacific Affairs (1974–76), and until his recent resignation due to illness, Under Secretary of State for Political Affairs.

Philip Habib's record speaks for itself. But I cannot let this time pass without conveying my own experience of working closely with him in my capacity as chairman of the International Relations Subcommittee on Asian and Pacific Affairs.

I have observed, and deeply feel that he has demonstrated a remarkable capacity to focus on essential aspects of a problem while maintaining flexibility in the face of quickly changing circumstances. He has a unique ability to resolve difficult and divisive issues while achieving consensus without losing sight of the vital underlying principles and practical solutions.

I feel a sense of personal loss at his announced retirement and hope that those of us who have trusted and respected his professional judgement can call on him from time to time.

Too often, those who serve our country are criticized for their decisions while in office, and too quickly do we forget their contributions and accomplishments. For that reason I am delighted to take this opportunity to salute Philip C. Habib, for the RECORD, and to thank him for so ably and wisely serving our country.●

WAYNE STATE UNIVERSITY HONORED BY AMERICAN COLLEGE THEATER FESTIVAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

● Mr. DIGGS. Mr. Speaker, it is with great pleasure that I announce to my colleagues that Wayne State University in Detroit has been chosen as one of only seven colleges from across the country to participate in the 10th annual American College Theater Festival in Washington, D.C.

In addition, in an almost unprecedented selection, the University of Detroit at Marygrove was also selected for this honor. Selections are made by region, and two from one region—let alone one city—are extremely rare.

The play being presented by Wayne State University is "The Amorous Flea," a musical adaptation of the Moliere play "The School for Wives." Under the direction of Mr. Robert T. Hazzard of Wayne State's Hilberry Theater, it will be given at the John F. Kennedy Center for the Performing Arts on April 17 and April 18, 1978. The cast will include Erick Devine, George Christopher Kappaz, Gerald B. Roe, Rhonda Smith, Cynthia Dozier, Bruce Matley, Andrew Leo Dunn, and John Morgan Lund.

This is the second time that Wayne State University has been accorded the honor of participation in the national event, which is presented by the Kennedy Center and the Alliance for Arts Education. The competition is produced by the American Theater Association, which judges the 13 regional festivals, and sponsored by the Amoco Oil Co. Now in its 10th year, the American College Theater Festival gives annual recognition to the 2,300 college and university theaters across the country and more than 150,000 students enrolled in formal classes in theater arts. They and their 4,500 teachers annually produce more than 10,000 productions.

Given this vast competition, the excellence of Wayne State University's performing arts program is clear by its repetitive inclusion among the winners. I salute this fine university in the 13th Congressional District of Michigan, and commend their production of "The Amorous Flea" to my colleagues for their enjoyment.●

CONGRESSIONAL BLACK CAUCUS URGES PRESIDENT CARTER TO REJECT RHODESIAN "INTERNAL SETTLEMENT"

(Mr. DIGGS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DIGGS. Mr. Speaker, the Congressional Black Caucus today sent to President Carter a letter, urging him to reject the so-called internal settlement announced by Rhodesian Prime Minister Ian Smith, and denounced by liberation groups and African nations as unacceptable as a resolution to the growing conflict in that nation.

I would like to share the text of that letter with my colleagues:

WASHINGTON, D.C.,
March 9, 1978.

The PRESIDENT,
The White House, Washington, D.C.
Washington, D.C.

DEAR MR. PRESIDENT: We strongly urge you to condemn publicly the internal settlement

in Southern Rhodesia and take concrete steps to create the necessary environment for accelerated negotiations on the basis of the Anglo-American plan or any other proposal acceptable to all the principal Zimbabwe nationalists as a basis for negotiations.

Not to do so will erode the credibility and good will your administration has established in Africa and make us accomplices in what will be a protracted Black on Black war in Southern Rhodesia which could become internationalized.

We believe that a rejection of the internal settlement is in our nation's best interests for several reasons.

1. The settlement negotiated between Ian Smith and Rev. Sithole, Bishop Muzorewa and Chief Chirau does not include all parties involved in the nationalist struggle, particularly the fighting forces responsible in large measure for the pressure that brought Smith to the negotiating table;

2. The settlement entrenches white privilege through the institutionalization of a blocking third of white votes in the Parliament and the retention of white Rhodesian control over the army, the internal security apparatus and the civil service;

3. None of the major 8 points embodied in the Anglo-American plan are incorporated into the agreement;

4. Acceptance of this plan will encourage South Africa to seek an internal settlement in Namibia and increase the chances for major conflict in South Africa's borders;

5. Failure to denounce the Smith plan will be tantamount to condoning the recent Rhodesian raids into Zambia. As you recall Ian Smith launched a major raid on Mozambique when he announced the opening of talks on the internal settlement and then launched the attack on Zambia two days after the announcement on agreement on an internal settlement. These are not the actions of a man who is seeking peace and reconciliation. Indeed these raids further narrow the possibility that the fighting forces will accept the Smith plan; and

6. This is the eve of your visit to Nigeria and failure to uphold a policy you have advocated the Anglo-American plan, could affect the cordial relations you have been able to establish with our most important trading partner in Africa.

Mr. President, the United States must recognize that it has vital interests in Africa. And similar to the approach to its Israel policy must act independently of its allies if necessary. It appears that Britain neither has the political, nor the economic will to make hard decisions, or assume its just responsibilities in Southern Rhodesia. Every effort should be made to encourage the prepared to take appropriate measure within the context of the Security Council action.

Mr. President, the United States government's Africa policy has come under close scrutiny in the past few weeks. There has been talk of aiding Somalia despite its overt aggression against Ethiopia, and of allowing Morocco to use military equipment against the Polizaro as it fights to obtain independence for the Sahara. We must not allow East-West concerns to interfere with our support of basic principles of the conduct of nations, respect for territorial integrity and the right of self-determination.

Black Americans want peace with justice and complete decolonization in Africa. As long as any people of African descent are subjected to minority rule and repression, our existence is also in jeopardy.

We urgently request a meeting with you to discuss the situation in Southern Rhodesia and the overall directions of U.S. policy toward Africa.

Sincerely,

PARREN J. MITCHELL,
Chairman, Congressional Black Caucus.
CHARLES C. DIGGS, JR.,
Co-Chair, International Affairs Subcommittee.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GILMAN (at the request of Mr. RHODES), for March 10, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HANSEN) and to revise and extend their remarks and include extraneous matter:)

Mr. CONTE, for 5 minutes, on March 13.
Mr. JOHNSON of Colorado, for 5 minutes, on March 9.
Mr. COHEN, for 5 minutes, on March 9.
Mr. JEFFORDS, for 45 minutes, today.
Mr. JEFFORDS, for 20 minutes, on March 13.
Mr. SYMMS, for 30 minutes, on March 9.

(The following Members (at the request of Mr. FLIPPO) and to revise and extend their remarks and include extraneous matter:)

Mr. CORNELL, for 5 minutes, today.
Mr. LE FANTE, for 5 minutes, today.
Mr. REUSS, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ROGERS, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. PEPPER, for 10 minutes, today.
Mr. BRINKLEY, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. WOLFF, for 5 minutes, today.
Mr. DIGGS, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. LATTA asked and was given permission to revise and extend his remarks following Mr. GRASSLEY today.)

(The following Members (at the request of Mr. FLIPPO) and to include extraneous matter:)

Mr. D'AMOURS.
Mr. OTTINGER.
Mr. KASTENMEIER.
Mr. HARRIS in two instances.
Mr. EDWARDS of California.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. CLAY.
Mr. STARK.
Mr. EDGAR in two instances.
Mr. JACOBS in two instances.
Mr. ROE in two instances.
Mr. BENNETT in two instances.
Mr. BONKER.
Mr. LEGGETT.
Mr. BRECKINRIDGE.
Mr. ST GERMAIN.
Mr. BRODHEAD in two instances.
Mr. WALGREN.
Mr. MINISH.
Mr. MAZZOLI in two instances.
Mr. WIPTH.
Mrs. SCHROEDER.
Mr. MCDONALD.
Mr. RAHALL.
Mr. DOWNEY.
Mr. ROYBAL.
Mr. STUMP.
Mr. KRUEGER.

(The following Members (at the request of Mr. HANSEN) and to include extraneous matter:)

Mr. HAGEDORN.
Mr. O'BRIEN.
Mr. DERWINSKI.
Mr. MILLER of Ohio in three instances.
Mr. ASHBROOK in two instances.
Mr. HARSHA.
Mr. ABDNOR.
Mr. WAMPLER.
Mr. MCCLORY.
Mr. STEIGER.
Mr. MOORE in two instances.
Mr. MCEWEN.
Mr. GILMAN in two instances.
Mr. ANDERSON of Illinois.
Mr. DORNAN in three instances.
Mr. SYMMS.
Mr. HANSEN in five instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2093. An act to provide that the Exchange Stabilization Fund shall not be available for payment of administrative expenses; and for other purposes; to the Committee on Banking, Finance, and Urban Affairs; and

S. 2370. An act to remove the limitation on the amount authorized to be appropriated under the Volunteers in the National Forests Act of 1972; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 773. An act authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes.

ADJOURNMENT

Mr. FLIPPO. Mr. Speaker, I move that the House do now adjourn.

The resolution was agreed to; accordingly (at 6 o'clock and 9 minutes p.m.), the House adjourned until Friday, March 10, 1978, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3519. A letter from the Chairman, District of Columbia Law Revision Commission, transmitting a draft of proposed legislation to revise and codify the basic substantive criminal laws relating to the District of Columbia, pursuant to Public Law 93–379; to the Committee on the District of Columbia.

3520. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3521. A letter from the Chairman and the General Counsel, National Labor Relations Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3522. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3523. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1977 on receipts and expenditures in connection with the administration of the Outer Continental Shelf Lands Act of 1953, pursuant to section 15 of the act; to the Committee on Interior and Insular Affairs.

3524. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Alfred L. Atherton, Jr., and by members of his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

3525. A letter from the Secretary of Energy, transmitting the 1977 annual report on electric utility rate design and energy management initiatives, pursuant to section 206 of the Energy Conservation and Production Act; to the Committee on Interstate and Foreign Commerce.

3526. A letter from the Executive Secretary, National Mediation Board, transmitting the 42d annual report of the Board, covering fiscal year 1976 and the transition quarter, including the report of the National Railroad Adjustment Board, pursuant to sections 4, Second, and 3, First (w) of Public Law 442, 73d Congress; to the Committee on Interstate and Foreign Commerce.

3527. A letter from the Chief Justice of the United States, transmitting the recommendations of the Board of the Federal Judicial Center to the Judicial Conference of the United States on the Federal court library system, pursuant to 28 U.S.C. 623(b); to the Committee on the Judiciary.

3528. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to establish the position of Administrator, Economics, Statistics, and Cooperatives Service, Department of Agriculture at Executive Level V; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee in Interstate and Foreign Commerce. Report on the activity of the Committee on Interstate and Foreign Commerce, House of Representatives, for the 1st session, 95th Congress (Rept. No. 95–933). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 1067. Resolution providing for the consideration of H.R. 3161. A bill to amend title 5, United States Code, to improve the basic workweek of firefighting personnel of executive agencies, and for other purposes (Rept. No. 95–934). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Illinois (for himself, Mr. BEDELL, Mr. BEILENSON, Mr. BEVILL, Mr. BLOUIN, Mr. BOWEN, Mr. BROWN of Ohio, Mr. COHEN, Mr. CORCORAN of Illinois, Mr. ERTEL, Mr. FISHER, Mr. FITHIAN, Mr. GOODLING, Mr. GUYER, Mr. HUGHES, Mr. JEFFORDS, Mr. JOHNSON of Colorado, Mr. KRUEGER, Mr. LAFALCE, Mrs. LLOYD of Tennessee, Mr. LOTT, Mr. MITCHELL of New York, Mr. MURPHY of Pennsylvania, Mr. PERKINS, and Mr. REGULA):

H.R. 11406. A bill to amend title XIV of the Public Health Service Act to provide Federal grants for small public water systems to meet national primary drinking water regulations; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of Illinois (for himself, Mr. ROE, Mr. SKELTON, and Mr. STANGELAND):

H.R. 11407. A bill to amend title XIV of the Public Health Service Act to provide Federal grants for small public water systems to meet national primary drinking water regulations; to the Committee on Interstate and Foreign Commerce.

By Mr. BAFALIS (for himself, Mr. ANNUNZIO, Mr. BADHAM, Mr. BEVILL, Mr. CAPUTO, Mr. DOWNEY Mr. DORNAN, Mr. FITHIAN, Mr. GARCIA, Mr. KEMP, Mr. MICHAEL O. MYERS, Mrs. MEYNER, Mr. MURPHY of Pennsylvania, Mr. ROUSSELOT, Mr. RUNNELS, Mr. RONCALIO, Mr. SPENCE, Mr. WAMPLER, and Mr. WATKINS):

H.R. 11408. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 11409. A bill to extend indefinitely the period during which certain dyeing and tanning materials may be imported free of duty; to the Committee on Ways and Means.

By Mr. COHEN (for himself, Mr. PEPPER, Mr. ANDERSON of California, Mr. BLOUIN, and Mr. CARNEY):

H.R. 11410. A bill to amend the Older Americans Act of 1965 to require the Commissioner on Aging to establish a special grant program to enable States to establish community long-term care initiatives to assess the needs of chronically ill or disabled older persons for services and to provide for the efficient delivery of such services to such older persons; to the Committee on Education and Labor.

By Mr. COHEN (for himself and Mr. PEPPER):

H.R. 11411. A bill to amend the Older Americans Act of 1965 to establish an advocate program for residents of long-term care facilities; to the Committee on Education and Labor.

By Mr. CONYERS (for himself, Mr. ASHLEY, and Ms. MIKULSKI):

H.R. 11412. A bill to translate into practical reality the right of all Americans who are able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation; to assert the responsibility of the Federal Government to use all practicable programs and policies to promote full employment, production, and real income, balanced growth, adequate productivity growth, proper attention to national priorities, and reasonable price stability; to require the President each year to set forth explicit short-term and medium-term economic goals; to achieve a better integration of general and structural economic policies; and to improve the coordination of economic policymaking within the Federal Government; to the Committee on Education and Labor.

By Mr. GRADISON (for himself, Mr. TUCKER, Mr. CONABLE, Mr. MOORHEAD of Pennsylvania, Mr. BROWN of Ohio, Mr. LEVITAS, and Mr. FRENZEL):

H.R. 11413. A bill to amend the Internal Revenue Code of 1954 to provide for automatic cost-of-living adjustments in the income tax and withholding rates; to the Committee on Ways and Means.

By Mr. HAGEDORN:

H.R. 11414. A bill to amend the Federal Water Pollution Control Act relating to clean lakes; to the Committee on Public Works and Transportation.

By Mr. HANSEN:

H.R. 11415. A bill to prohibit the transfer or other disposal of any veterans' cemetery located in the Canal Zone without the specific authorization of Congress; to the Committee on Veterans' Affairs.

By Mr. JOHNSON of Colorado:

H.R. 11416. A bill to amend title 23 of the United States Code, relating to highways, to authorize a program to separate rail-highway crossings in certain impacted cases; to the Committee on Public Works and Transportation.

By Mr. KEMP (for himself and Mr. LUJAN):

H.R. 11417. A bill to provide for permanent tax rate reductions for individuals and businesses; to the Committee on Ways and Means.

By Mr. KILDEE:

H.R. 11418. A bill to revise and extend the community education program, and for other purposes; to the Committee on Education and Labor.

By Mr. MARRIOTT:

H.R. 11419. A bill to establish National Historic Trails as a new category of trails within the National Trails System, to include the Mormon Trail located in portions of Illinois, Iowa, Nebraska, Wyoming, and Utah in the National Trails System as a National Historic Trail, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MEEDS:

H.R. 11420. A bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes; to the Committee on Ways and Means.

By Mr. MITCHELL of New York:

H.R. 11421. A bill to amend title 38, United States Code, to increase from 1 year to 7 years the period after a veteran is separated from military service during which development of Parkinson's disease will be presumed to be service-connected; to the Committee on Veterans' Affairs.

By Mr. MURPHY of New York (for himself, Mr. ANDERSON of California, Mr. MCCLOSKEY, Mr. ZEFERETTI, Mr. BIAGGI, and Mr. LEGGETT):

H.R. 11422. A bill to authorize the formation and implementation of closed confer-

ences and shippers' councils in the foreign oceanborne commerce of the United States, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, the Judiciary, Merchant Marine and Fisheries, Public Works and Transportation, and Ways and Means.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 11423. A bill to authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11424. A bill to authorize the disposal of diamond dies from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11425. A bill to authorize the disposal of iodine from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11426. A bill to authorize the disposal of aluminum oxide crude from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11427. A bill to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11428. A bill to authorize the disposal of bismuth from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11429. A bill to authorize the disposal of antimony from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11430. A bill to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

H.R. 11431. A bill to authorize the disposal of castor oil-sebacic acid from the national stockpile; to the Committee on Armed Services.

H.R. 11432. A bill to authorize the disposal of silver from the national stockpile; to the Committee on Armed Services.

By Mr. REUSS (for himself, Mr. ST GERMAIN, Mr. LAFALCE, Mrs. SCHROEDER, and Mr. COHEN):

H.R. 11433. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by establishing within the National Credit Union Administration a Central Liquidity Facility for Federal and State credit unions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. FLORIO, Mr. MAGUIRE, Mr. MARKEY, Mr. WALGREN, Mr. CARTER, Mr. MADIGAN, Mr. CONTE, Mr. HARRINGTON, Mr. WALSH, Mr. YOUNG of Alaska, Mr. HOLLAND, and Mr. JEFFORDS):

H.R. 11434. A bill to amend title VIII of the Public Health Service Act to extend for two fiscal years the program of assistance for nurse training; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H.R. 11435. A bill to amend the Internal Revenue Code of 1954 to eliminate the adjusted gross income limitation on the credit for the elderly, to increase the amount of such credit, and for other purposes; to the Committee on Ways and Means.

By Mr. STANGELAND (for himself and Mr. HAGEDORN):

H.R. 11436. A bill to amend title 23, United States Code, relating to utility facilities on highway rights-of-way; to the Committee on Public Works and Transportation.

By Mr. CORNELL:

H.R. 11437. A bill to designate certain lands in the State of Wisconsin as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. Mr. FLIPPO (for himself, Mr. AMMERMAN, Mr. BAUCUS, Mr. EDGAR, Mr. ERTEL, Mr. HEFTEL, Mr. HUGHES, Mr. JENKINS, Mr. KEMP, Mr. LENT, Mr. MCCLORY, Ms. MIKULSKI, Mr. SIMON, Mr. STOCKMAN, Mr. WAXMAN, Mr. WHITEHURST, and Mr. WON PAT):

H.R. 11438. A bill to provide for a research, development, and demonstration program to determine the feasibility of collecting in space solar energy to be transmitted to Earth and used to generate electricity for domestic purposes; to the Committee on Science and Technology.

By Mr. GILMAN:

H.R. 11439. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide for a reserve stock of agricultural commodities for use when sufficient quantities of agricultural commodities are not otherwise available to carry out agreements under that act; jointly, to the Committees on Agriculture and International Relations.

By Mr. KEMP (for himself and Mr. MCDONALD):

H.R. 11440. A bill to protect communications among Americans from interception by foreign governments, and for other purposes; jointly, to the Committees on International Relations, the Judiciary, and the Select Committee on Intelligence.

By Mr. MATHIS (for himself, Mr. POAGE, and Mr. FASCELL):

H.R. 11441. A bill to protect American producers of fruits, vegetables, and other crops from unfair competition relating to the use of pesticides; to the Committee on Agriculture.

By Mr. MATHIS (for himself, Mr. POAGE, Mr. WAMPLER, and Mr. BAUMAN):

H.R. 11442. A bill to strengthen the economy of the United States through increased sales abroad of American farm products; jointly, to the Committees on Agriculture, and International Relations.

By Mr. PRESSLER:

H.R. 11443. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 crops; to the Committee on Agriculture.

By Mr. RAHALL (for himself and Mr. PERKINS):

H.R. 11444. A bill to increase the amounts authorized to be appropriated for the fiscal year 1979 and succeeding fiscal years to carry out the purposes of section 507(c) of the Surface Mining Control and Reclamation Act of 1977; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Iowa (for himself, Mr. CONTE, Mr. DINGELL, Mr. ADDABBO, Mr. CARTER, Mr. ST GERMAIN, Mr. CARNEY, Mr. BUTLER, Mr. LAFALCE, Mr. RICHMOND, Mr. COHEN, Mr. BALDUS, Mr. NOLAN, Mr. KASTEN, Mr. ICHORD, Mr. NOWAK, Mr. QUAYLE, and Mr. LE FANTE):

H.R. 11445. A bill to amend the Small Business Act and the Small Business Investment Act of 1958; to the Committee on Small Business.

By Mr. SYMMS:

H.R. 11446. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide that drugs will be regulated under the act solely to assure their safety, to promote the efficient and fair treatment of new drug applications, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 11447. A bill to amend title 35, United States Code, to extend the patent term for new drugs and new animal drugs; to the Committee on the Judiciary.

By Mr. UDALL (for himself, Mr. BAUCUS, Mr. LUJAN, Mr. MARRIOTT, Mr. MCKAY, Mr. RUDD, Mr. SANTINI, and Mr. STUMP):

H.R. 11448. A bill to authorize the disposal of up to 45,000 long tons of tin from the national stockpile and the supplemental stockpile and to utilize a portion of such tin, or the proceeds from the sale thereof, to obtain up to 225,000 short tons of copper for the national stockpile, and for other purposes; to the Committee on Armed Services.

By Mr. ZABLOCKI (for himself and Mr. BROOMFIELD) (by request):

H.R. 11449. A bill to amend the Arms Control and Disarmament Act in order to extend the authorization for appropriations; to the Committee on International Relations.

By Mr. LONG of Louisiana:

H.J. Res. 783. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. STANTON (for himself and Mr. ASHLEY):

H.J. Res. 784. Joint resolution to express the appreciation of the Congress of the United States to Dr. Arthur F. Burns; to the Committee on Post Office and Civil Service.

By Mr. KEMP:

H. Con. Res. 504. Concurrent resolution urging the Canadian Government to reassess its policy permitting the killing of newborn harp seals; to the Committee on International Relations.

By Mrs. SPELLMAN (for herself, Mr. DRINAN, Mr. WHITEHURST, Mr. MURPHY of Pennsylvania, Mr. BONIOR, Mr. VENTO, Mr. PATTISON of New York, Mr. GILMAN, Mr. LEDERER, Mr. HARRINGTON, Mr. BLANCHARD, Mr. EILBERG, Mr. PEASE, Mr. BINGHAM, Mr. NIX, Mr. HARKIN, Mr. BAUCUS, Mr. APPLEGATE, Mr. BEARD of Rhode Island, Ms. HOLTZMAN, Mr. OTTINGER, Mr. AUCOIN, Mr. STARK, Mr. WEISS, and Mr. FLOOD):

H. Con. Res. 505. Concurrent resolution expressing the sense of the Congress that coffee containers available for retail distribution should be labeled to specify the percentage of coffee which has been purchased from Uganda; to the Committee on Interstate and Foreign Commerce.

By Mr. RONCALIO:

H. Res. 1068. Resolution expressing the sense of the House with respect to a reorganization of the Internal Revenue Service; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of title XXII,

322. The SPEAKER presented a memorial of the House of Representatives of the State of Arizona, relative to repetitive appeals of criminal cases; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GUDGER:

H.R. 1450. A bill for the relief of Stencel Aero Engineering Corp.; to the Committee on the Judiciary.

By Mr. KETCHUM:

H.R. 11451. A bill to establish the true location of a portion of northerly boundary of the Angeles National Forest, located in Los Angeles County, Calif., on the common line between sections 16 and 17, township 4 North, range 10 West, San Bernardino meridian, and to establish the center quarter corner of said section 16; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

CARMAN SCHOOL FOLLOW THROUGH PROGRAM CITED BY U.S. OFFICE OF EDUCATION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. McCLORY. Mr. Speaker, I have long been a proud and staunch supporter of the Follow Through program at the Carman Elementary School in Waukegan in my 13th Congressional District.

Just yesterday, a fine feature article on the Carman Follow Through program done by the U.S. Office of Education reached my desk. It magnificently spells out why I have done what I could when asked to help keep this program going, and why it was cited as one of about 40 national Follow Through centers last year.

I commend this Education in Action article to my colleagues and I again congratulate the Waukegan School District administrators and those who have so creatively administered the Carman School Follow Through program:

What is Follow Through? Some say—

It's following your friends . . . working with a pencil . . . going to the pumpkin farm to pick out a pumpkin . . . having a cheese snack when you're hungry . . . waiting for the bus to take you to get your teeth fixed.

This is what Follow Through means to children in grades K through 3 at Gertrude M. Carman Elementary School in southeast Waukegan, Illinois.

Actually, Follow Through is a top flight education program which also brings social and psychological, dental and medical services to disadvantaged youngsters. Funded by the U.S. Office of Education, it focuses on helping children from Head Start and similar preschool programs through third grade. At Carman School nearly 530 children participate.

There are 18 Follow Through classrooms, using two different incentive techniques—one involving tokens, the other involving contracts. Children in grades K through 2 participate in a token economy in which they are rewarded for good work and good behavior. Third graders complete contracts to earn their rewards.

In each K through 2 class, there is a certified teacher, a trained aide who has had at least 30 hours of college classes, and at least one parent assistant who, along with the aide, has received a week of intensive training prior to entering the classroom.

Together these adults form a teaching team, using individualized instruction. At any one time, the children might be found gathered in small groups, with the classroom teacher instructing them in reading, the aide working with them on math, and the parent assistant helping with handwriting and spelling. The assistants also supplement reading instruction with activities like "spill and spell," a bean bag toss with sound cards, and "fish" in which the youngsters pull magnetized fish out of a bucket and then read the word written on the fish.

As the younger children perform these tasks successfully, they receive tokens and praise for their achievement. "It's important for young children—especially children from low-income families—to know success in school," says Mrs. Merle Holzman, Follow Through coordinator. So every time a child does well, the teacher, aide or parent assistant praises him. "That's good, Johnnny. You sounded out the word just right." And with the compliment may come a token which the child will use later to "buy" a special privilege.

Children in kindergarten wear plastic aprons in which to pocket their tokens. First and second graders each have their own token cup.

Tokens are "earned" during the morning classes which focus on basic skills. Shortly before noon, the youngsters get to spend them. At that time, the teacher lists on the board six activities which they may buy. Each, besides being fun, is a learning experience. For example, the choices may be fingerpainting (art), reading bingo, math bowling, popping corn (science), outside play (sportsmanship), and the doll corner (creative play and role playing).

The more popular the item, the higher the token price. Usually, it's "outdoors" that commands the greatest number of tokens.

But sometimes the children prefer to buy time in the classroom. "Reading, writing, and math actually become exciting for these youngsters," Mrs. Holzman says. "Sometimes they can't wait to continue their work—even though it's free time."

By the time the children have reached third grade, they have outgrown the token economy, and it is replaced with contracts. Each morning the third graders sign contracts which specify the amount of work they will do that day—for instance, 5 pages of reading, 2 pages of math, 10 spelling words. When the contract has been completed, the teacher signs off and the children can work on educational games and activities in the classroom.

These two incentive programs—the tokens and the contracts—have produced good results for the children in Waukegan's Follow Through program. Before the program began here in 1969, second and third graders were scoring below grade level. At the end of second grade, they were only at 1.4 grade; at third grade they had achieved only 2.0 grades. Follow Through has raised these scores at or above national norms. The children now advance one year each year—something rarely achieved by disadvantaged children.

Because of its success in stimulating achievement, the Waukegan Follow Through program has been cited by HEW as one of fewer than 200 exemplary education programs across the country worthy of duplication by other school districts.●

CITIZENS SPEAK OUT FOR DECENCY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. DORNAN. Mr. Speaker, during my many months here in Congress, I have become increasingly aware of a phenomenon well known to those of my more senior colleagues. I am speaking of the mass mailings by interest groups to individual Congressmen. As each new issue hits the headlines, we can all be certain that—as the night the day—the mass mailings are sure to follow.

Most of these mailings concern themselves with issues which bear directly on the senders' desires. Rights they want protected. Regulations they want blocked. Federal interference they want stopped. Bills they want passed. And, all too frequently, handouts they want given or prerogatives they want guaranteed.

For this reason, I was particularly impressed and moved by the recent flood of mail I have received from citizens across this country who support the fight for decency in America. They are not asking for handouts or for special treatment. They are not asking for things which benefit only themselves. They simply want to see this Nation cleansed of the plague of pornography and immorality which has settled on it.

I have received more than 2,800 cards and letters urging me—and my colleagues—to act in Congress to see that decency again prevails in America. These fine people do not request Federal moneys or unnecessary Federal interference. Their message is clear and simple—and therefore all the more moving:

We are part of the fight for decency. We just want the chance to bring up our children in a moral environment. Stop protecting pornographers. Let our communities and our families decide if the pornography peddlers can have access to our children and entrance into our lives.

These 2,800 people are, I believe, the tip of the iceberg. Many times this number are getting sick and tired of the Congress, the courts, and the bureaucracy protecting the very people who are undermining our social structure. And they are absolutely right All they are asking for is to be left alone to raise their children in a decent environment. It is a simple request—far easier to meet than the many other requests for aid and legislation with which we are showered.

I hope that we will listen to them and join them in the grassroots fight for a return to basic principles and morality.●

TRIBUTE TO MAYOR JAMES BALENTINE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. EDWARDS of California. Mr. Speaker, I want to bring to my colleagues' attention the outstanding record of community involvement and support of Mayor Jim Balentine of the city of Newark. Jim has been serving the residents of Newark for over 20 years, first as a police officer, then as a Parks and Recreation Commissioner and City Councilman. In 1972 Jim became the first direct-

ly elected mayor for the city and has held that post since then.

Newark has thrived during Jim Balentine's tenure of service and much of the credit must be given this extraordinary public servant. Many millions of dollars of commercial and industrial development has taken place in Newark, capped by development of a regional shopping center of over 1 million square feet. All of the development has been marked by excellent planning and balance as evidenced by a citywide system of parks comprised of over 100 acres of land.

Perhaps Jim's greatest contribution to the people though has been an advocate of Newark's interest outside the city. His strong determination and unceasing personal effort played large roles in securing funds for replacement of the Dumbarton Bridge and, in halting an airport development south of the city which would have devastated portions of the city by noise from aircraft. These two decisions will have a lasting impact on every resident of the city now and in the future.

Mayor Balentine is not running for reelection this year. Nobody doubts that he would have been reelected easily, but he has decided to leave public office so that others may also serve. While this is sure to be a great loss for the Newark council, I am sure that Jim will continue to serve and participate in the community's affairs as private citizen Jim Balentine. I know that everyone in Newark joins me in extending Jim wishes of success in his future time spent in service of Newark.●

STATE OF ISRAEL

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. BURKE of Massachusetts. Mr. Speaker, this year marks the 30th anniversary of the founding of the State of Israel. Americans share in the great joy of this occasion, for Israel is our closest friend and ally. The goals of the Israeli people are close to our hearts; their desire for security and peace is our desire.

Despite repeated State Department assurances of America's lasting commitment to Israel's security, this administration proposes the sale of sophisticated weaponry to Egypt and Saudi Arabia, far beyond their legitimate defense needs. Despite the President's policy to curb the flow of military technology to less-developed nations, the State Department testifies of Saudi Arabia's need for 60 F–15 fighters. Despite our traditional and avowed special relationship with Israel, the three arms sales are lumped together in a take-it or leave-it package deal. The administration's efforts to bring the parties together for the first time toward an Arab-Israeli settlement have been commendable. Yet now we propose a sale that serves to potentially disrupt peace negotiations and escalate tension in the Middle East.

The Saudi air base at Tabuk is 125 miles from Israel's major port at Eliat. Within clear range of the F–15, this presents the threat of an aerial strike against Israel. The sales of lethal weapons to Egypt and Saudi Arabia endorse a balance of power theory in the Middle East. I cannot support this new policy.

I believe that this administration wants lasting peace in this volatile region of the world, and I firmly believe that both President Sadat and Prime Minister Begin deeply share in this same goal. It therefore makes little sense to enter into new agreements to provide weapons of war to a region searching for peace. We should not trade weapons for the promise of continued negotiations. To gamble that political benefits will outweigh military risks does not take into consideration the future safety and our long-time allegiance to the Israeli people.●

THIRTY YEARS OF TORMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. BIAGGI. Mr. Speaker, it is with high esteem for the Czech and Slovak people that I rise in their honor on this the 30th anniversary of the Communist coup d'etat.

In 1948, the Czechoslovak Communist Party, induced and supported by the Soviet Government, engineered the overthrow of a government committed to freedom and democracy. Ever since, the oppressive rule of the Communist Party has been able to silence all but the prayers of the people.

Czechoslovakian people have been arrested and tortured for their defiance of Communist directives. Exploitation of industrial resources continues to the present hour. The harsh realities of Soviet domination in Czechoslovakia were displayed before an astonished world when, in August 1968, Soviet tanks invaded the country.

Although the subjugation of the people, at the hands of the Communist Party, has continued for 30 years, the spirit of the Czechs and Slovaks refuses to submit. Democratic values, purged from the public domain during the violence of the 1948 coup d'etat, remain enshrined in the hearts of a resolute people.

Only the support of the United States, at a time when we have announced our commitment to human rights, will sustain the fire of freedom still ablaze in Czechoslovakia. Only the intervention of the United States at Belgrade will bring relief to the captive nations. Only the pressure of the United States in its negotiations with the Soviet Union will effect change behind the Iron Curtain.

Mr. Speaker, fellow Members of Congress, let us stand firm in our commitment to all people willing to sacrifice for the sake of freedom. Let us pledge anew our support to the people of Czechoslovakia.●

CONGRESSIONAL SALUTE TO LOCAL 248, AMERICAN FEDERATION OF MUSICIANS UNION UPON THE CELEBRATION OF THE 75TH DIAMOND JUBILEE ANNIVERSARY OF THEIR FOUNDING

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. ROE. Mr. Speaker, on Sunday evening, March 12, Local 248 of the American Federation of Musicians Union will celebrate the 75th diamond jubilee of the founding of this most prestigious musicians organizations. I know you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to the membership upon this most historic observance.

Mr. Speaker, may I also commend to you the officers and directors of Local No. 248, American Federation of Musicians, who throughout the years have served their membership and the people of our community with their leadership endeavors on behalf of the highly esteemed musical profession. The current officers and directors as well as a roster of the former presidents of the local are, as follows:

List of officers and directors:

OFFICERS

The Honorable: Fred Dittamo, President; Joseph Sellitti, Vice-President; Al Cimiluca, Secretary; Vincent Piccolo, Treasurer.

DIRECTORS

The Honorable: Henry Czyzewski, Helen Moldoch, Vincent Vacante, Anthony Neclia, Anthony Donato, Walter Furst, and William Padula.

FORMER PRESIDENTS

The Honorable: William J. Woolley, John W. Johnson, Philip Leve, Robert Provan, John W. Peason, George H. Woolley, Thomas Jowett, George Remig, John Wilson, Albin D. Shaeffer, John Hennessey, William Peason, re-elected, Thomas Jowett, re-elected, Ralph H. Adams, Thomas Jowett, re-elected, Fred H. Kinnaird, George A. Schevon, Ernest Zanetti, Ernest Del Prete, Harry Bloom, Pete D'Agelo, Joseph Carafiello, Milton Riger, Neal (Saxie) Solimene, Joseph Carrafiello, President Emeritus, and Fred Dittamo.

Mr. Speaker, Local No. 248, American Federation of Musicians was incorporated on December 10, 1893 by a group of musicians whose talented artistry and artistic performance brought joy and happiness to our people. Their organization as a unit has preserved the dynamic and energetic talents of their founders which has encouraged and brought forth spontaneous participation and delightful relaxation and recreation to their audiences throughout three-quarters of a century.

The local's noble purpose in ever seeking fair and reasonable wage scales and improved working conditions has achieved just recognition of the musician's training, personal commitment and hard work which enables the musical artist to bring refreshment, joy and listening pleasure to our people.

The elected president of the Musical Mutual Protective and Benevolent Union was Phillip Leve. In 1902, the Union became affiliated with the American Fed-

eration of Musicians who issued a charter to the organization. George Woolley was elected president and Dayton Vreeland was elected financial secretary. Their membership has continued to flourish under the direction of these and many other exemplary community leaders and highly reputable citizens, some of whom are mentioned above. Today, we are proud to boast that they are the 16th largest local in the American Federation of Musicians and their membership is still growing.

Mr. Speaker, it is a privilage and pleasure for me to seek this national recognition of our musicians' union and their outstanding contribution to the American way of life and the American dream. Their standards of excellence and outstanding service on behalf of our musicians in their pursuit of spreading joy, happiness and recreation to their audiences have truly enriched our community, State and Nation. We do indeed salute local No. 248, American Federation of Musicians upon the celebration of their 75th diamond jubilee anniversary.●

PRO-LIFE BATTLE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. DORNAN. Mr. Speaker, much attention has been focused on the Hyde amendment and the growing number of abortions in our country.

John T. Noonan, Jr. is a professor of law at the University of California at Berkeley and the author of the books, "The Morality of Abortion," "The Antelope," and "Masks of the Law." He has stated the key issue in the Hyde amendment debate:

> The real stakes were 300,000 human lives—the number of unborn human beings who, if past practice was a guide, would be aborted this year at government expense if federal welfare funds were provided for abortions.

It is not discrimination against the poor because they are not being offered free abortions by the Federal Government. They—the poor—are not being denied equal protection by denying them free abortions. Certainly, all things which are legal are not provided by the state. There are better things, we can do for the poor than to use Federal funds to pay for the destruction of their unborn.

Professor Noonan has written a perceptive article on the legal background of the abortion/pro-life controversy which appeared in the March 3, 1978, issue of National Review. He raises a number of interesting points about the key issues in this debate. I urge my colleagues to read "Abortion: New Phase in the Battle" which I ask be reprinted in the RECORD at this point:

ABORTION: NEW PHASE IN THE BATTLE

(By John T. Noonan, Jr.)

("Is it not delightful to contemplate that we might dispose of this thing and not have to confront it month after month as we go campaigning next year?"—George Mahon (D., Texas))

The "thing" to which the Chairman of the House Appropriations Committee was referring on December 7, 1977 was the federal financing of abortions. For almost six months Congress had struggled over the issue; the House and Senate had repeatedly confronted each other, both parties had been seriously split, and the $60-billion appropriations bill for Labor, and Health, Education, and Welfare (to which a ban on abortion funding had been tacked) had hung suspended. The real stakes, however, were not the *amour propre* of House or Senate, the unity of the parties, or even the fate of an appropriations act that was certain to be passed eventually anyway. The real stakes were 300,000 human lives—the number of unborn human beings who, if past practice was a guide, would be aborted this year at government expense if federal welfare funds were provided for abortions.

As of December 7 a weary House and Senate risked being responsible for giving Labor and HEW employees a payless Christmas unless they managed to come to an agreement. A compromise was put forward which pleased no one: it restricted abortion funding severely and so was unacceptable to those who thought the federal subsidy should be coexistensive with the almost unbounded constitutional liberty to have an abortion; it contained an exception, "severe and lasting physical health damage," which violated the cardinal principle of the foes of abortion that life not be sacrificed for less than life. Yet after six months of struggle the appropriations bill, it seemed, had to be passed. The "thing" was disposed of at least until January.

To understand what was going on in Congress it is necessary to look at what had been happening in the federal courts since 1973, when the Supreme Court created a radical new liberty of abortion which made unconstitutional the criminal law protecting unborn life in every state of the Union. Traditional American liberties—freedom of religion, of speech, of the press have always been thought of as giving each individual scope to do as he or she thought right, but not to have the state pay for it. No one has supposed that because a rich man can afford to own a newspaper and a poor man cannot, the poor man has a constitutional right to have his purchase of a printing plant funded by the public. No one has argued that because the government encourages some forms of the free press by postage subsidies to magazines, it has a duty to provide subsidies to those who want to communicate in another fashion. But almost every lower federal court which considered the abortion liberty in the light of the abortion cases (*Roe* and *Doe*) found that the government must fund its exercise.

Around the country—in Connecticut, Minnesota, Missouri, New York, Pennsylvania, South Dakota, Utah—federal judges commanded whole communities to discard their own rules or laws and to supply or fund abortions for those unable to pay for them. Outstanding in its naked statement of the federal judiciary's understanding of what was involved was the opinion of Jon O. Newman, the federal district judge in Hartford: "The view that abortion and childbirth, when stripped of the sensitive moral arguments surrounding the abortion controversy, are simply two alternative medical methods of dealing with pregnancy may be gleaned from the various opinions in *Roe* and *Doe*." Of course this view may be gleaned from *Roe* and *Doe*, although it is a bit like saying, "Stock fraud and speculation in stocks, when stripped of the sensitive moral arguments surrounding them, are simply two alternative financial methods of dealing in the stock market." When moral sensitivities are eliminated, how do you distinguish good procedures from bad? Jon O. Newman, at any rate, did not see how you could, and, behaving with all the missionary zeal appropriate for a federal satrap enforcing his masters' will on the disenfranchised local population, Newman and his colleagues held that Connecticut had a constitutional obligation to fund any abortion a woman could not afford.

The prize example of a federal judge strutting in swollen rage and imposing his imperial will upon a community was afforded by Donald Ross of Nebraska. To his Circuit Court came the case of the City of St. Louis, which had declined to make its municipal hospitals available for elective abortions. To Judge Ross this was monstrous defiance. Not only was St. Louis behaving unconstitutionally, as he read the Constitution. It was apparently behaving unconstitutionally even to presume to litigate the issue. At least with no more evidence than a brief challenging the duty to provide abortions, Judge Ross characterized the conduct of the mayor of St. Louis, John Poelker, as "wanton" and "callous" and finally as "obdurate." A form of fine was levied by the judge on the mayor, who was ordered to pay over $3,000 in attorneys' fees incurred by the other side. The string of epithets and the fine were tangible proof of Donald Ross's devotion to the abortion liberty.

For over four years Newman, Ross, and their colleagues on the federal bench went on educating everyone to think that the abortion liberty, unlike every other liberty, carried with it a right to governmental funding. As it turned out, all these imperial judges were wrong. In their zeal for abortion they had outrun their masters. On June 20, 1977, in *Poelker* v. *Doe* and two companion cases, the Supreme Court held that there was no constitutional obligation on the government to fund non-therapeutic abortions. Speaking for the majority, Justice Lewis Powell even went so far as to grant that the government could try to make childbirth a "more attractive" option than abortion. And quoting Holmes, he put forward a principle which, if it were squarely applied, would lead the Court to reverse the abortion cases themselves:

"When an issue involves policy choices as sensitive as those implicated by public funding of non-therapeutic abortions, the appropriate forum for their resolution in a democracy is the legislature. We should not forget that (as Holmes said 'legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts.' "

What denial of the chance to play platonic guardian meant to the pro-abortion judges may be gauged by the passion of the three dissenters. Thurgood Marshall was the most excited. The opponents of abortion, he announced, "have attempted every imaginable means to circumvent the commands of the Constitution and impose their moral choices upon the rest of society." The phrase "circumvent the commands of the Constitution" was wonderfully alliterative. It must have flowed easily from the pen of the Justice; but what did it refer to? It referred to the right to abort, invented in 1973 by seven members of the Supreme Court. Any attempt to narrow, palliate, or treat as less than absolute that right was what Justice Marshall viewed as "circumventing the commands of the Constitution."

In this spirit he continued: "The present cases involve the most vicious attacks yet devised." Elective abortion had been criminal everywhere in the United States until January 22, 1973. No state or municipality had ever permitted such a practice, much less paid for it. But when a state or city had failed to do a flip-flop and treat as desirable what yesterday was criminal, it was said to

have engaged in "the most vicious attacks yet devised." The intemperateness of Justice Marshall could scarcely be excelled.

But he did excel himself. Among the evils he pictured as flowing from the denial of free abortions was the birth of poor children who "will sadly attend second-rate segregated schools." His implied remedy for this misfortune was a unique, novel, and terrible contribution to the law on school desegregation. Dare one follow his logic and put it in words? He said, No free abortions, then segregated, second-rate schools. He implied, Free abortions, then no segregated, second-rate schools. And why would there be no such schools? Because their potential pupils would be dead.

The impassioned and naive tone of Marshall's dissent continued to its very end, where he indulged in wild fantasy as to the forces he was opposing. Public officials, he declared, were under pressure by "well-financed and carefully orchestrated lobbying campaigns" to restrict abortion further. His imagery was enough to draw a smile from anyone familiar with the citizens struggling to restrict the liberty of abortion to its 1973 level. If they had a twentieth of the resources of Planned Parenthood of America, or of the American Civil Liberties Union, or of the *New York Times*, it would come as a great surprise to those working to eliminate *Roe* and *Doe* as the law of the land.

Justice Marshall concluded with a reference to elected leaders who "cower before public pressures." He was referring to Connecticut, where Ella Grasso ran on a platform favoring a constitutional amendment eliminating *Roe* and *Doe* and to St. Louis where Mayor Poelker was elected on a pledge to stop optional abortions in the municipal hospital. Ella Gasso and John Poelker were, perhaps, the first public officials ever to be described as "cowering" for living up to their campaign promises.

William Brennan, also dissenting, was only a modicum more restrained than his brother Marshall. He cited as controlling precedent a case that addressed merely the procedural question of the plaintiff's standing to complain—a gross confusion of procedural and substantive law for which he was duly taken to task by Justice Powell writing for the majority. He cited as sound law Jon O. Newman's amoral account of the nature of abortion and added to it: "Pregnancy is unquestionably a condition requiring medical services. . . . Treatment for the condition may involve medical procedures for its termination, or medical procedures to bring the pregnancy to term, resulting in a live birth." Was this so far from writing, "Life is unquestionably a condition requiring medical services * * * Treatment for the condition may involve medical procedures for its termination or its continued support"?

The most striking feature of this dissent was its apparently deliberate ignoring of the rationale of the opinion of the majority justifying a state's preference for encouraging childbirth. Why has a state an interest in not funding abortions? Justice Brennan asked. Is it to save money? No, because if an abortion is not had, it will cause an "increased welfare bill incurred to support the mother and child." Is it the mother's health? Justice Brennan answered negatively here, too. But he never mentioned the reason Justice Powell had given—"the potential life of the fetus." The life of the unborn child, which was at least potential life to Justice Powell, remained invisible to Justice Brennan.

The shortest and comparatively most restrained dissent was that of the author of *Roe* and *Doe*, Justice Blackmun. In his view, the Court was letting the states accomplish indirectly what he had said they could not do directly, that is, restrict the right to abort. He exaggerated, of course; but his sense that the old pro-abortion majority had crumbled was clear and understandable enough. He let fly a little invective at the Court: what it had accomplished was "punitive and tragic." But his strongest words were reserved for those who were not before him, but who had plainly struck a raw nerve: he sneered at public officials bowing to "the demonstrated wrath and noise of the abortion opponents." These were strong words for a justice of the Supreme Court, entering the political lists and taunting those who had challenged his imaginative interpretation of the Constitution. He made no acknowledgment of the fact that public officials, like judges, occasionally act from reason and conscience.

Unlike Justice Marshall, moreover Justice Blackmun not only pictured political leaders as cowering, but took offense at their running for office on anti-abortion platforms. Mayor Poelker was "one whom the record shows campaigned on the issue of closing public hospitals to non-therapeutic abortions." The majority of voters who elected him were described, strangely, as a "presumed majority." The majority was declared to have acted "punitively." "This," Justice Blackmun declared with hauteur, "is not the kind of thing for which our Constitution stands."

The most consistent notes in the three dissents were their distrust of democracy, their sense that if the people as a whole had a voice their cause would lose, and their conviction that the consciences of the abortion-seekers alone were to be respected. That members of the majority had consciences, too, escaped them.

Congress in 1976 had passed a rider to the Labor-HEW Appropriations Act banning the use of welfare funds for abortions other than those necessary to save the mother's life. Named for its author, Representative Henry Hyde (R., Ill.), the rider had passed easily, with a number of senators no doubt voting for it in the belief that the courts would knock it out as unconstitutional. A single federal judge in Brooklyn, John Dooling, had promptly fulfilled these expectations. He enjoined enforcement of the rider. Article I of the Constitution has generally been understood to give to Congress alone the power of appropriating money from the Treasury, but this single federal judge, ordering the United States to pay for abortions, made his own appropriation from the Treasury. He was inhibited by nothing until *Poelker* v. *Doe* sent him a new signal. Suddenly the Hyde amendment appeared constitutional. Judge Dooling allowed it to go into effect in the closing days of the voting on the 1976 appropriations.

Attached to a law which expired in September, the Hyde amendment, to have continuing effect, had to be reenacted for 1977 appropriations. On June 17, 1977 the House passed it, attached to the Labor-HEW appropriations bill. The vote was 201 to 155, a solid margin. Twelve days later the Senate defeated, 55 to 39, Senator Schweiker's attempt to salvage it, a solid margin the other way. From that date to December 7, the House and Senate failed to agree on language, and the appropriations bill languished.

The Republican leadership tended to be for the Hyde amendment, the Democratic leadership against. John Brademas, the Majority Whip in the House, steadily opposed it, and Robert Byrd, the Majority Leader, voted against it. John Rhodes, the Minority Leader in the House, and Robert Griffin, who preceded Howard Baker as Minority Leader in the Senate, were pro-Hyde.

In the Senate, the opposition to the amendment was led by the Republican Edward Brooke, ably seconded by the Democrat Warren Magnuson. The amendment's champions were Richard Schweiker, Ronald Reagan's designated running-mate, and Jesse Helms, the Republican from North Carolina. In the House, the amendment was opposed by Republicans such as William Cohen of Maine and Democrats such as Elizabeth Holtzman of New York. The leaders opposing funding were the Republican Hyde himself and a Democrat, Daniel Flood of Pennsylvania.

Not only were the parties split, so were the intraparty factions and the geographic regions. In general, "coast" senators, whether East Coast or West Coast, were against the Hyde amendment. But there were notable exceptions: Hatfield of Oregon, Durkin of New Hampshire, Biden of Delaware. In general, the Middle West was pro-amendment, as were Eagleton and Proxmire, but Percy and Stevenson of Illinois were anti. Newly elected Republicans like Danforth and Lugar were pro-amendment, but Hayakawa was opposed.

A number of senators must be assumed to have voted their consciences, rather than the will of their constituencies. Oregon produced Packwood and Hatfield: at opposite poles, one of them must have been exercising rare independence. Massachusetts produced Kennedy and Brooke: on the same side, they took a stance quite different from legislators far closer to the grassroots in the Massachusetts legislature, which was militantly opposed to abortion funding. Similarly, Ribicoff and Weicker, anti-amendment, did not reflect Connecticut opinion. Congressman Hyde was no doubt more representative of sentiment in Illinois than the two Illinois senators who opposed his bill. Such disparities between popular opinion and senatorial conduct reflect the time lag, which tenure in the Senate assures, before the Senate fully responds to community demands.

The battle ended in unsatisfactory compromise; but, on the basis of what happened, three political conclusions may be drawn:

First. There now exists skilled and professional political leaders for the anti-abortion cause in the Congress. They include Schweiker, Helms, Flood, and the author of the lifesaving amendment, Henry Hyde.

Second. There now exists an effective coalition against abortion in the House. Although on the last roll call, with the House leadership going all out to enact the $60-billion bill before Christmas, a few members shifted to produce the compromise, there was basically a pro-Hyde majority. Those who stayed with the amendment through thick and thin are a bloc large enough and committed enough to have a major say in any legislation touching on abortion. Behind them is a constituency spread throughout the nation, transcending any party, any religious grouping, any sectional bias, a constituency which is a majority of Americans. That constituency represents power. It is a power which can be exercised.

Third. The abortion issue has come to stay. It has shredded party, regional, factional lines. It is not what any politician would have wanted. But it is an issue which is so divisive, whose roots are so deep, that it will not go away until it is faced and cleanly grappled with. The issue which Congressman Mahon wished himself rid of centers on the deliberate taking of human life. His colleagues will not be able to go campaigning in 1978 with "the thing" disposed of.●

SMALL TOWN SAFE DRINKING WATER ASSISTANCE ACT

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. ANDERSON of Illinois. Mr. Speaker. today I am reintroducing the Small Town Safe Drinking Water As-

sistance Act with a bipartisan group of 27 cosponsors. This bill would provide $100 million in Federal grants over 3 years to assist small communities in implementing the new safe drinking water regulations being promulgated by EPA. Towns which cannot otherwise obtain financial assistance for construction or modification of their drinking water system would be eligible for grants up to 75 percent of their total costs. While EPA is now focusing its efforts on larger communities, the burden will soon fall on smaller towns to bring their drinking water system into conformity with the new standards. And while the larger towns and cities will be able to absorb the additional costs of meeting these standards with little difficulty, a disproportionate burden will fall on the smaller towns with fewer users to absorb the costs of expensive new equipment and treatment techniques.

Mr. Speaker, under the Safe Drinking Water Amendments of 1976 we mandated EPA to study the problems of implementing these standards, with special attention to the problems small towns will have in financing changes. It is my hope that the approach I am offering today will be seen as a limited yet necessary means of meeting the special needs of our small towns.

At this point I include a list of the cosponsors of my bill:

COSPONSORS

Mr. Anderson of Illinois (for himself and Mr. Bedell, Mr. Bellenson, Mr. Bevill, Mr. Blouin, Mr. Bowen, Mr. Brown of Ohio, Mr. Cohen, Mr. Corcoran, Mr. Ertel, Mr. Fisher, Mr. Fithian, Mr. Goodling, Mr. Guyer.

Mr. Hughes, Mr. Jeffords, Mr. Johnson of Colo., Mr. Krueger, Mr. La Falce, Mrs. Lloyd, Mr. Lott, Mr. Mitchell of N.Y., Mr. Murphy of Pa., Mr. Perkins, Mr. Roe, Mr. Skelton, and Mr. Stangeland).●

REV. JAMES. L. CUMMINGS

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. CLAY. Mr. Speaker, St. Louis is proud of the high caliber of ministers in whose care her spiritual well-being is placed.

One such shining star in our lives is the Reverend James L. Cummings, pastor of the Lane Tabernacle CME Church.

We have been blessed with the presence of Reverend Cummings since 1966 when he came to us from the Trinity CME Church in Indianapolis, Ind.

As noted in Ebony magazine in 1959, he was the first black minister in America to initiate dial-a-prayer in church. This is the quality of leadership Reverend Cummings has exhibited with consistency since becoming one of St. Louis' distinguished leaders.

His other contributions to the religious community include membership on the board of the National Council of Churches of Christ. Additionally, he served as the chairman of the nominating committee for this group.

Reverend Cummings has made many valuable contributions to the St. Louis community. He served 6 years on the St. Louis Board of Education, presiding for the year of 1975. He served on the East-West Gateway Coordinating Council from 1969 to 1973. Reverend Cummings has worked closely with the youth of our city and has been a constant source of inspiration and guidance for them.

Included among the numerous awards and honors Reverend Cummings has received are the Indianapolis Alpha "Man of the Year" in 1960; Crispus Attucks High School "Hall of Fame" in 1962; named Indiana "Mason of the Year" in 1965; Lane College "Certificate of Merit"—1967; Sigma Gamma Rho Religious Community Award—1970; Who's Who in Black America; Homer G. Phillips Chaplaincy Award—1977; Distinguished Public Service Award by the Culinary Art Club in 1977; and the St. Louis Argus Newspaper Distinguished Public Service Award—1977.

Additionally, Rev. Cummings is a 33d-degree Mason and holds a life membership in the NAACP.

I am pleased to have this opportunity to honor my good friend and one of the St. Louis ministers of distinction.●

MEDICAL FREEDOM OF CHOICE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. SYMMS. Mr. Speaker, the following article examines the result of a survey which gathered the views of a number of experts in various medical fields. The article helps to exploit the myth of a consensus. As I read the article, I was mindful that yesterday's medical orthodoxy often becomes today's old wives' tale. For that reason, I question a governmental drug regulatory system which attempts to find a consensus—when in fact none may exist—and enshrines that artificial consensus in regulations and laws.

In the interests of promoting medical progress and individual patients' self-determination, I suggest that we heed the conclusions reached by the author of the article. The article is entitled "Consensus Among Experts: The Unholy Grail," and it appeared in the summer 1976 issue of Perspective in Biology and Medicine, published by the University of Chicago.

The article follows:

CONSENSUS AMONG EXPERTS: THE UNHOLY GRAIL

(Mr. GORDON. I felt a cold coming on sometime ago and I dosed myself with a lot of vitamin C, but it did not stop the cold from coming. I must confess, however, that after I got the cold, I took some of my wife's chicken soup. It did a much better job than the vitamin C.

(Dr. KATZ. Well, there is no question, Mr. Gordon, that hot chicken soup is very good. Hot drinks of any sort, hot tea, hot cocoa, hot chocolate, hot milk, hot toddy, anything hot is of great value in upper respiratory infection. . . . [Hearing before the Submittee on Monopoly of the Select Committee on Small Business, Washington, D.C., December 5, 1972]

(. . . the uncertainty, under which we still remain, in regard to the virtue of the waters of Bath. Few medicines have been more repeatedly tried under the inspection of such numerous and able judges; and yet we have had in the present age a dispute between those who by their experience and sagacity were best qualified to decide this question, in which one side asserted that paralytic patients were cured, and the other that they were killed, by the use of these waters. Such contrary decisions, so disreputable to phyisicians, and so perplexing to the sick, could never have happened after so long a trial, if a very small part of those, whose practice had afforded them frequent opportunities of observing the effects of Bath waters, had told the public what in their judgment was to be hoped or feared from them. It is probable that in some cases it would have been almost unanimously determined they do good: in others, that they do not harm, though it might be doubtful whether they be of much use: in a third sort they would be generally condemned: and in a fourth class of disease, some might judge them to be beneficial, and others detrimental. [William Heberden, *Commentaries on the History and Cure of Diseases*, 1802]

(A century ago the Swiss historian Burckhardt foresaw that ours would be the age of the great simplifiers, and that the essence of tyranny was the denial of complexity. . . . It is the great corruptor, and must be resisted with purpose and with energy. [Daniel Moynihan, farewell speech to the president's cabinet, 1970])

It is not surprising that experts disagree. We are accustomed, in almost every walk of life, to hear amazingly discrepant opinions and recommendations. Every week we read in our newspapers that the recession is over and that it is not. Economists provide little comfort for the average citizen when they make diametrically opposite judgments about why the world faces fiscal chaos.

The news media also carry abundant evidence of such disagreement among experts in the field of science and medicine. We are told that saccharine and cyclamates are carcinogenic and that they are not (and the government bars the latter but not the former); that we are an overmedicated society and that we are undermedicated; that U.S. medical care is unexcelled and that it is seriously defective when compared with other, less affluent nations; that research and training support is seriously inadequate and that it is excessive; that physicians are generally hard working and competent and that they are greedy, unfeeling, irresponsible, and therapeutically Cro-Magnon in orientation.

Two editions of a fascinating book, *Controversy in Internal Medicine*, have been built around the ease with which experts can be found to debate the pros and cons of a series of vital issues in the diagnosis and treatment of some of our most common and important ailments. The Food and Drug Administration (FDA) is taken to court simultaneously for being too lax and too strict in its regulation of drug usage. The list of examples is almost endless.

Let us, then, grant the existence of the phenomenon: experts not only *can* disagree, they can be *expected* to disagree. So what? The answer to that question is the reason for this essay. It is my purpose first to document, in data from an actual survey, the extraordinary extent of disagreement about a number of therapeutic agents and then to discuss the implications of the data. It is, further, my contention that there are increasing tendencies in our society to regu-

late the practice of medicine as if "the experts" were often unanimous in their recommendations and as if disagreement either did not exist or was trivial in extent and consequences. It will, finally, be argued that the practice of medicine and its regulation call not for dogma and authoritarian straitjackets but for a fallibilistic and pluralistic approach which is consonant with the real world.

THE EXPERT JUDGMENTS [1]

The investigation that follows was conducted several years ago, to solicit and compare the opinions of a group of physicians about some commonly used, well-known, and somewhat controversial drugs: Ritalin (methylphenidate), Equagesic (a fixed-ratio combination of aspirin, ethoheptazine, and meprobamate), injectable B-12, Chloromycetin (chloramphenicol), and oral contraceptives. For all except the last, the questionnaires supplied both the trade and generic names. (By error, the aspirin ingredient was omitted from the questionnaires for Equagesic. Only one of the cooperating physicians pointed this out to me; whether others spotted the omission is an interesting question to which I have no answer.)

For all the medicaments covered, there were certain reviewers in common—five nationally eminent clinical pharmacologists and five internists in practice in Baltimore who had academic appointments at the Johns Hopkins University School of Medicine. In addition, each product was reviewed by four to six experts chosen from among the panel members who had reviewed drugs in that specific area for the Drug Efficacy Study conducted under the auspices of the National Academy of Sciences—National Research Council under contract with the FDA.

For each product, a series of conditions was listed. Each respondent was asked to check a response to the product's use in regard to each item, choosing one point on a five-point scale as follows: "strongly approve," "mildly approve," "uncertain," "mildly disapprove," and "strongly disapprove." The items chosen for such judgment were specifically listed in the product package insert at the time of the study as either an indication of a contraindication. Although several respondents complained that some of the simplistic language (taken from the official insert and used in the Physician's Desk Reference [PDR]) made responses difficult, only rarely did anyone fail to check a response.

RITALIN (METHYLPHENIDATE)

Pooling the response of the 16 experts who were sent the questionnaire on this drug, the following "consensus" emerges, based on the mean response for each item: it was considered (1) a drug for which few uses were considered acceptable (only narcolepsy was "mildly approved" as an indication, with childhood hyperkinesia rated partway between "uncertain" and "mildly approve"); (2) a drug whose use for "psychoneurotic or senile apathy or withdrawal," childhood stuttering, or "chronic fatigue and lethargy associated with convalescence or senility," was rated as "uncertain"; (3) a drug whose use for "fatigue," "chronic fatigue and lethargy associated with illness or concurrent ingestion of other drugs such as tranquilizers, barbiturates or anticonvulsants," "severe emotional depressive states," "appropriate indications for patients with glaucoma or pregnant or lactating women," or for any reason by patients with arthritis or rheumatism was mildly disapproved; and (4) a drug whose use for marked anxiety, tension, or agitation, or as a placebo, or by any patients with hypertension or epilepsy (except to relieve drug-induced sedation) was strongly disapproved.

As might be expected, however, this "consensus" masks certain intergroup differences. The internists, for example, were uncertain about Ritalin's use in hyperkinetic children (presumably because of lack of knowledge about, and experience with, this syndrome), whereas the mean score for the clinical pharmacologistss was halfway between "uncertain" and "mild approval," and the psychiatrists' mean was halfway between "mild" and "strong" approval. Regarding use of the drug for "fatigue" or by arthritis, the psychiatrists' mean reflected uncertainty, whereas the other two groups' means were "mildly disapproving."

The psychiatrists' mean score showed the strongest disapproval of Ritalin's use in epilepsy and severe drepression, while the clinical pharmacologists were the most strongly disapproving group in regard to Ritalin's use by glaucomatous individuals and by pregnant and lactating women. In regard to hypertensive patients, the psychiatrists' mean indicated less strong disapproval than did the other two.

So much for the mean scores. Taking the individual responses, however, there is even more disagreement, whether one considers the individuals within a specialty subgroup or all the doctors surveyed. For none of the 22 items in the Ritalin questionnaire was exact concordance achieved by the 16 doctors. Indeed, there was no item which had a range for the 16 that was less than two scale units. For seven of the 22 items, there was either at least one doctor who checked "uncertain," while at least one other checked "strongly approve" or "strongly disapprove" or at least one physician who checked "mildly approve" while another checked "mildly disapprove." For seven other items, the 16 doctors were apart by three scale units; and, for each of five items, at least one respondent checked "strongly approve' while at least one other checked "strongly disapprove."

Since there were 22 items, there was a total of 66 occasions available for seeing how much agreement there was within each specialty group. Total agreement was seen on only eight of these 66 occasions. The members of the subgroups differed by three scale units on 21 items and by four scale units (the maximum) on four items. Thus, even within a given area of expertise, considerable disagreement was manifested.

EQUAGESIC

The questionnaire for Equagesic was the shortest and did not solicit opinion about the drug's major approved indication, uncomplicated painful muscle spasm associated with anxiety or tension. Hence the results were bound to be negativistic. The most strongly disapproved items by the total of 14 physicians (including four analgesic experts) were those pertaining to the drug's use by p tients with known intolerance or allergy to the combination's ingredients and to its use by patients operating dangerous machinery or for pain associated with skeletal-muscle spasm, anxiety, and tension in pregnant or lactating women. Mildly disapproved was Equagesic's use in the treatment of alcoholics or former drug addicts or of pain associated with skeletal-muscle spasm without anxiety or anxiety and tension without skeletal-muscle-spasm pain.

Despite the relatively straightforward questions, however, the 14 experts did not agree exactly on any item, and on only two of the 18 possible occasions did all the members of a given specialist subgroup agree exactly with each other. The 14 doctors were apart by two scale intervals on three of the six items and by three scale units on the other three.

CHLOROMYCETIN (CHLORAMPHENICOL)

Enormous publicity has been given to this antibiotic's capability of inducing (very rarely, to be sure) fatal aplastic anemia, and for many years now the PDR and the drug's package insert and advertising have carried dramatic warnings. In contrast to the two products discussed above, some amazing unanimity was seen on at least some of the items on the questionnaire for this drug.

There was, for example, unanimous disapproval among the 15 infectious-disease experts, internists, and clinical pharmacologists of the drug's use for sore throats, colds, and influenzas and for chemoprophylaxis. All but one of the 15 strongly endorsed the drug's use to treat typhoid fever or severe infections resistant to other antibiotics but susceptible to chloramphenicol.

Using the entire group's mean scores as a basis for judgment, the survey elicited mild disapproval of the use of chloramphenicol in cystic fibrosis regimens and in treatment of Salmonella gastronenteritis and "uncertainty" about its use for Hemophilus influenzae meningitis in infants, meningitis due to gram-negative organisms, lymphogranuloma venereum, psittacosis and rickettsial infections, and for elimination of the typhoid-carrier state.

A look at the mean scores for the specialist subgroups reveals considerable heterogeneity of response. For pediatric H. influenzae and other gram-negative meningitis and gram-negative sepsis, for example, the three subgroups' mean responses ranged from mild approval to mild disapproval, with the clinical pharmacologists being the most negativistic. For Salmonella gastroenteritis, the subgroup means ranged from strong disapproval (the infectious-disease experts) to uncertainty (the internists) and, for treatment of the typhoid-carrier state, from mild disapproval (infectious disease experts) to uncertainty (clinical pharmacologists).

Taking the total sample of 15 physicians, the individual respondents disagreed markedly on six of the 14 questionnaire items, with at least one doctor voting strong approval and at least one voting strong disapproval on each of these.

B-12 INJECTIONS

As might be expected concerning a drug with both impeccable indications and highly unorthodox ones, the 15 respondents (including five hematologists) voted strong approval or disapproval of different items on this questionnaire. The group strongly endorsed B-12 as treatment for pernicious anemia and gave only slightly less strong endorsement for its use as a "flushing dose" of vitamin in performing the diagnostic Schilling test. The group's mean constituted only mild approval for B-12's use in treating "other macrocytic anemias (sprue, gastrectomy, fish tapeworm, blind gut loop, etc.)," uncertainty about its use for nutritional anemia due to poor diet, mild disapproval of its use for nonspecific neuropathies and neuralgias, and stronger disapproval of its use to stimulate growth rate in infants, as a placebo, or as a "tonic."

Taking the mean scores for the three expert subgroups, however, one finds that the judgments on the indication "other macrocytic anemias" ranged from uncertainty to approval midway between mild and strong, on nutritional macrocytic anemia from uncertainty to mild approval, and on B-12 use in the Schilling test from mild approval (internists) to strong approval (hematologists, the group with the most experience and expertise here).

For all 15 individuals, exact agreement was obtained for one item and disagreement by one or two scale intervals for two items, by three scale intervals for four items, and by four scale intervals (the maximum) for two items. Even within the three specialist sub-

[1] The data referred to in this section were collected as part of a study of physician prescribing by Marshall Becker, Lois Sloan, Paul Stolley, and myself. My colleagues bear no blame for any opinions expressed herein.

groups, the five members of the group were apart by three scale intervals on six occasions and by four scale intervals on two occasions.

ORAL CONTRACEPTIVES

The oral-contraceptive questionnaire contained 32 items, all related to possible contraindications. It was completed by the same clinical pharmacologists and internists who answered the other questionnaires, plus four specialists in obstetrics or endocrinology.

The mean scores for the entire group of 14 physicians showed strong disapproval of the use of oral contraceptives by women with thrombophlebitis, thromboembolism, cerebrovascular accident (CVA), papilledema, a past history of thromboembolism, CVA or retinal thrombosis, and suspected breast cancer. Only slightly less strongly disapproved was their use by women with a past history of thrombophlebitis, migraine headache, or jaundice during pregnancy, serious liver disease, cancer of the breast or of the uterine corpus, diplopia, sudden loss of or decrease in vision, or migraine. There was only mild disapproval of their continued use by women with two consecutive missed periods while on the Pill, by patients with epilepsy, heart or kidney failure, diabetes mellitus, hypertension, optic neuritis (or history of same), utrine fibromatosis, ovarian cancer, or a history of emotional depression, and by young girls with open epiphyses.

Midway between mild disapproval and uncertainty was scored the use of oral contraceptives by women with cervical cancer, benign ovarian tumor, and abnormal vaginal bleeding.

The three subgroups of experts varied significantly on some of the questionnaire items. Optic neuritis, for example, was considered a strong contraindication by the internists and an uncertain one by the obstetrician-endocrinologists. The use of oral contraceptives by women with uterine fibromatosis or abnormal vaginal bleeding received subgroup ratings ranging from mild disapproval to mild approval. Their use in cases of migraine received mean subgroup ratings from uncertain to mild disapproval, and, by women with a history of two missed periods, ratings from strong disapproval (clinical pharmacologists) to uncertain (obstetrician-endocrinologists.) Heart failure, hypertension, and the presence of open epiphyses in young girls were considered strong to mild contraindications by the internists and clinical pharmacologists but uncertain ones by the obstetrician-endocrinologists.

Of the 32 items, on only one (thromboembolism) did all 14 respondents agree exactly. The entire respondent population was one scale unit apart on six other items, two apart on 10, three apart on 10, and four apart on five items.

Looking at intragroup agreement, the picture is substantially better: on 26 occasions, the subgroup members were in total agreement and only one scale unit apart on 25 other occasions. On 34 occasions, however, subgroup members were apart by two scale units. They were three apart on nine occasions and the maximal four units apart on two occasions.

DISCUSSION

Given professionals of good will and expertise, how can one explain these kinds of disagreement?

To begin with, experts may be speaking from different data bases. Academic physicians, for example, often have a clinical exposure different from that of the man in practice not only numerically but in the mix of patients seen as well. The university medical center is often a place where problem cases are refered—complex problems in diagnosis or treatment that have often failed to be handled satisfactorily outside the hospital. Inpatients certainly differ from outpatients in important ways. Furthermore, specialty practice will confer a data base that is also idiosyncratic: internists are faced with patients who differ considerably from those who go to psychiatrists or obstetricians. (A special occupational hazard for the expert is the Irwin Corey ["the world's greatest expert"] phenomenon, which is referred to by Alvan Feinstein as the "Mickey Mantle phenomenon" [in which a great baseball player is hired to teach tennis].)

Furthermore, one's personal data base includes information gleaned from one's colleagues, from one's reading of the literature, and from meetings attended. In these respects as well there is the possible genesis of disagreement.

But there is another major source of disagreement: different value judgments, given the same data base. The first quotation at the head of this article illustrates this nicely. Scientists who can be extremely critical and demanding about one therapeutic maneuver can be permissive about another, despite a comparable lack of evidence for both remedies. This is typified by the Chicken Soup Dogma. There are, to my knowledge, no controlled clinical trials that document the putative merits of chicken soup (or any other hot drink) in the treatment of infections. Thus everyone has the same experimental data base, that is, none. Yet one finds such critics as Senator Gaylord Nelson, his influential staff man Benjamin Gordon, and a number of distinguished clinicians blissfully content to agree at a Senate hearing on the remarkable benefits to be obtained from chicken soup. Why? The answer is at least in part attributable to personal bias and background, to the nontoxic character of most generic and brand-name versions of this remedy (so far as it has been tested, i.e., not at all), and to the fact that it is generally considered a food and not a drug. One does not have to deny the possibility of therapeutic merit in chicken soup to acknowledge these other sources of input to the individual value judgment. One could certainly find at least a few physicians who would scoff at the merits of chicken soup in the absence of a controlled trial.

One can use much more dramatic examples of disagreement, given the same data base. I recently discussed coronary-bypass surgery with an old friend whose anesthesiologic experience in this area is as extensive as anyone's in the world. It was his view, despite an operative mortality of 5 percent, that anyone with multiple-coronary-vessel disease should have such surgery, "because he's got nothing to lose." There are a good many cardiologists (and perhaps even a few surgeons) who would strongly disagree with such a view, while being perfectly willing to accept such an operative risk in a patient with intractable angina pectoris.

In 25 years of teaching and research, I have come to the conclusion that physicians differ dramatically on what might be called the efficacy-risk continuum. Given a set of therapeutic options ranging from mildly effective but very safe to very effective but highly risky, physicians will select options that fit in with the degree of therapeutic derring-do with which they are comfortable.

Patients, too, will differ in their propensities for different therapeutic options. I recall a woman who telephoned me some years ago after a newspaper carried an account of a talk in which I described the thromboembolic risks of oral contraceptives (then a very disputed topic). She asked whether it was possible for a user of the Pill to suffer a stroke. I said yes, but that the risks were very slight, the benefits of the Pill considerable, and that pregnancy carried risks too. None of this made any difference—the possibility of a contraceptive technique causing a cerebrovascular accident was too painful for her to live with, and she preferred to return to other techniques which, while less "effective," carried for her "only" the risk of pregnancy, a state not considered a disease and not associated in her mind with serious risk of any kind, let alone a stroke.

Even a hasty look at the medical literature is sufficient to pose a series of diagnostic, propyhylactic, or therapeutic questions that physicians will answer differently. Here are just a few:

1. Is it proper to treat sore throats with antibiotics in the absence of a positive bacteriological culture?

2. Should small, medium, or large doses of insulin be used to treat diabetic coma? By what route should the insulin be given?

3. Is propranolol safe enough for widespread use in the treatment of angina pectoris?

4. What importance should be attributed to carcinogenicity from a medicine in one species of mouse?

5. Should flour and bread be routinely fortified with iron?

6. Does vitamin C in large doses have any impact on upper-respiratory infections? Is such treatment hazardous?

7. Is amphetamine less defensible as a treatment for obesity than for narcolepsy?

8. What kinds of diet should be advised for patients with various gastrointestinal diseases?

9. Are prophylactic antibiotics justified in certain kinds of surgery? Which ones? What about chemoprophylaxis in patients with chronic bronchitis?

10. When are anticoagulants justified in myocardial infarction? In postoperative patients?

11. What routine screening tests are useful and economically defensible?

12. How much "workup" is indicated in the "average" hypertensive?

13. Are lipid-lowering drugs useful?

14. Are opiates sufficiently indispensable to medical practice to justify the continued cultivation of opium poppies?

15. Are most advanced "solid" tumors worth treating with the available (and very toxic) oncolytic drugs?

16. Which is to be preferred in the treatment of hyperkinesis in children, amphetamines or methylphenidate?

The judgments of the experts in the survey reported on in this paper will strike different readers differently. For myself, I find it incomprehensible that anyone could doubt the appropriateness of trying methylphenidate in hyperkinetic children or seriously disapprove the selective use of chloramphenicol in such entities as H. influenzae meningitis or other serious infections. The risks of chloramphenicol are so low compared with those of the diseases in question that the risk-benefit analysis poses no problems for me. (Nor, it should not be forgotten, are other, alternative antibiotics free of risks.) Those curious about such matters might like to compare the expert judgments described above with either the 1970 or the 1976 approved package inserts for the drugs studied; there are interesting discrepancies that have obvious implications for medical practice and litigation. (Diazepam used to be contraindicated for epileptics; it is today the drug of choice for status epilepticus, a life-threatening ailment.)

What, then, is our society to do? It is possible that we can neither live with our experts nor live without them? Is there no right and wrong? Are not certain practices so clearly right or wrong that we can so characterize them?

The answer, in my view, is neither to legitimize (or ignore) error nor to impose a procrustean Lysenkoism on the practice of medicine. It is always tempting for the pedagogue as well as the politician, regulator, and religious leader to embrace simplicity as

opposed to complexity. Many people seem to prefer simple falsehood to complicated truth. But socially such a philosophy is both reprehensible and shortsighted.

Furthermore, there is often no need for yes-no verdicts. The practice of medicine is different from a court case, or a contest, or an election. It is said that some years ago a World Health Organization (WHO) group, asked to judge whether oral contraceptives had thrombogenic potential, voted seven no and six yes, but that, because WHO regulations insisted on unanimous recommendations, the report represented the decision as unanimous. Whether the story is true or apocryphal makes no difference—it is typical of what all too often happens in regard to public display of "what the experts say."

Ingelfinger, commenting on "medical Delphination," has aptly observed, "Committee decisions, whether reached by face-to-face discussion or by mailed iteration and feedback, are bound to be compromises, with extreme ideas discarded. . . . The several rounds of the Delphi routine tend to silence mavericks injudicious enough to stand up for their position in spite of the panel's majority" [1, pp. 158–159].

Anyone who has worked in academic circles has seen one persuasive committee member carry the day in regard to a given faculty appointment, grant approval, or curricular change. This is increasingly a problem in governmental-committee deliberations, both because of the desire of government for a decision by vote and because of the tendency to have representation of social groups (consumers, general practitioners, women, blacks, etc.) as well as more traditionally chosen "experts." It is an ancient truism that a committee can be devised to come up with any decision desired, if it is constituted with such Machiavellian purposes in mind. The current tendency carries other risks, however, including those of majority decisions made by groups whose members do not speak the same language, who differ in their ability to comprehend the problems or data, whose priorities and value judgments are irreconcilable, and in which vigor of stand need bear no relation to scientific defensibility.

Such conflicts are not necessarily harmful. Indeed, one could argue that committees should be so constituted as to ensure heterodoxy. It is not disagreement that is bad but the false semblance of orthodoxy that results from yes-no decisions. Why not, instead, aim for a procurement which takes account of the two characteristics almost always applicable to the practice of medicine: pluralism and fallibilism?

Since it is more often true than not that doctors and patients will disagree on what is "best" or "proper" and since individual judgments are both necessary and desirable in most of medicine, the appropriate goal should be a clear exposition of the facts (such as they may be, including what is not known) to doctors and patients, with the probabilities (where they exist and updated as necessary) of benefit and harm for the various options available. Then the individual can make his own judgment.

An example of this approach would be in the field of contraception. There are many available techniques: abstinence, rhythm, oral contraceptives (of several types), injectable contraceptives, the condom, the diaphragm, the IUD, etc. Each has a reasonably well documented list of advantages and disadvantages. Factors affecting choice will include convenience, cost, comfort, aesthetics, religion, personality, and sexual habits. Since there is no "right" or "wrong" way for all women each candidate for contraception deserves a fair exposure to the contraceptive smorgasbord before making a choice.

This recommended approach does not rule out certain "large" decisions being made by regulatory agencies or professional groups. A given drug or device may be so dangerous or minimally effective that it deserves to be banned or its use severely restricted. So be it, provided that we can be sure that such large decisions are being wisely made. (Of necessity, they will be of the yes-no type.) The majority opinion—even of the experts—is often wrong. Indeed, much scientific progress can be equated with proving the expert majority to have been wrong. It was "the experts" who told us that the Pill was "safe," that strict and prolonged bed rest was required for all patients with myocardial infarction, that calcium carbonate was the antacid of choice, that all digoxins or tetracyclines were alike, and that major tranquilizers could not possibly be antidepressants. In most of these cases, it was the poor benighted practitioner who was ahead of the experts and whose wisdom was eventually acknowledged. Our society wants to rely on experts, knowing (forgetting?) that they have been wrong in the past or that they may change their minds, or that they often disagree.

It is not easy for experts to be humble or to accept fallibilism as a philosophy. An expert is by definition more knowledgeable (in some way) than a nonexpert, and his opinion should (in some way) carry more weight than that of the nonexpert. Yet the expert should appreciate better than most the disagreements and errors of the past as well as the honest controversy of the present.

The expert might well hang up on his wall the following quotations:

"I beseech you, in the bowels of Christ, think it possible you may be mistaken.

[Oliver Cromwell]

"My own suspicion is that the universe is not only queerer than we suppose, but queerer than we can suppose.

[J. B. S. Haldane]

REFERENCE

1. F. J. Ingelfinger. New Engl. J. Med., 292: 158, 1975.●

LENINGRAD FAMILY DENIED EMIGRATION VISAS

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. D'AMOURS. Mr. Speaker, It is now more than 5 years since Mihail Kozanevich, a dissident Soviet Jew, first sought permission from Soviet authorities to emigrate with his family to Israel. That is an unconscionable length of time for this family to be denied the right to exercise a basic and internationally recognized freedom—the right to emigrate.

I first learned of Mihail's plight more than a year ago from Mrs. Gladys Margolis of Manchester, N.H. Our subsequent efforts to obtain exit visas for this family have so far been to no avail.

I am grateful that there are no new reports of Mihail suffering harrassment and abuse from the KGB, such as he was subjected to last year, because of his role as a founder of the Club Shalom in Leningrad.

It is also encouraging that in recent months, some of Mihail's friends and associates in Leningrad have received permission to emigrate to Israel. This is a hopeful sign for the Kozanevich family that their long wait may soon be over. But in another respect this is a discouraging development for the Kozanevich's, because they are now left with few close friends in Leningrad.

The Soviet Government has made clear its opinion that Americans who speak out on behalf of Soviet Jews are only troublemakers who are meddling in Russia's internal affairs. I could not disagree more strongly.

Human rights do not start and stop at national borders. They are universal rights, as the Soviet Union has acknowledged by signing the 1975 Helsinki Accords. It is a human tragedy that the Soviets violate that agreement every day that Mihail Kozanevich is denied the right to emigrate to Israel.●

CLEAN LAKES ACT OF 1978

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. HAGEDORN. Mr. Speaker, today I am introducing legislation, the Clean Lakes Act of 1978. The bill transfers from the Environmental Protection Agency the administration of the clean lakes program which is authorized under section 314 of the Federal Water Pollution Control Act. The act directs the Corps of Engineers to assume responsibility for this program, and also establishes a demonstration program to test and evaluate procedures for cleaning our lakes.

I regret the necessity of having to transfer this program from EPA. When Congress enacted Public Law 92–500, the Federal Water Pollution Control Act, the logical choice to undertake and administer a clean lakes program was the agency responsible for cleaning up the rest of the Nation's waters—EPA. However, the Agency has consistently opposed the intent of Congress when it comes to solving the pollution problems of our lakes.

In the 6-year period following passage of the original act, not one penny has been requested by EPA for this program although $300 million has been authorized for appropriation. When Congress has placed funds into EPA's budget for the clean lakes function, the Agency has attempted to transfer them to other "high priority" programs. To date, only $17.6 million has been obligated by the Agency, less than 6 percent of the authorized amount.

While I am encouraged that, for the first time, the fiscal year 1979 budget request asks for funds for the program, EPA has requested only $14.7 million, 75 percent less than the authorized amount of $60 million.

Last fall, the Clean Water Act of 1977 authorized an additional $230 million for the clean lakes program. Strong statements were made in committee and on the floor when this bill was being debated concerning the importance of the clean lakes program. EPA has apparently not received the message.

Mr. Speaker, I believe that the record speaks for itself. It is time to give the

clean lakes program to an agency which not only can do it, but is willing to do the job. Regrettably, it is simpler to transfer the entire program than to insure that EPA abides by the decisions of this body.

The U.S. Army Corps of Engineers can, and is willing to do the job mandated by Congress. They have a long and distinguished service to the country as the Nation's builder, and know-how to get jobs done properly. This is what the clean lakes program needs, and what this bill will get started.●

THE OLGUINS OF SAN PEDRO * * * AND THE SEA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. ANDERSON of California. Mr. Speaker, earlier this year, on January 19, I told my colleagues of John Olguin, and how he was named citizen of the year in San Pedro. I said that he was a special person. The Washington Post thinks he is pretty special also. This past Sunday, March 5, they published an article on John and Muriel Olguin. Let me share that article with you, and you will see once again how special the Olguins, with their dog Pica, really are:

[From the Washington Post, Mar. 5, 1978]

"JUST REMEMBER TO SLEEP WITH YOUR HEAD AWAY FROM THE WIND"

(By Ursula Vils)

SAN PEDRO, CALIF.—Muriel Olguin was uncharacteristically indignant.

Oh, she liked the newspaper story about her husband, John, and his achievements, yes. But there was that line that the Olguins "still occasionally row to one of the Channel Islands. . . ."

"We do not go rowing occasionally," she said. "We go every chance we get."

When the Olguins say they go rowing, they do not mean a glide across the lake at MacArthur Park in downtown Los Angeles. They mean they row about 25 miles to Catalina . . . to all of the Channel Islands off Southern California . . . from one Pacific Coast marina to the next. They row winter and summer, rain or shine. They even eat and sleep at sea in their 15-foot rowboat.

They have shipped their boat, the Pico Maru (Pico is Spanish for small, Maru is Japanese for boat), to Fiji and rowed it there—also the Greek Islands and the Amazon. This year they plan to row in the Leeward Islands in the Caribbean.

A few weeks ago the Olguins—he's 57, she's 55—rowed about San Pedro Harbor of an evening, found a safe space amid the pilings and slept the night in the rowboat, awakening only "to see this great big white ship with all her lights on" slipping into port and to hear a harbor patrol officer's recognition of "Oh, it's okay—that's Olguin."

The Olguins grew up by the sea, he in his native San Pedro, she in Seal Beach. They have gone swimming and sailing together since he was 14 and she was 12.

Olguin is associate director for the Cabrillo Marine Museum, a San Pedro facility that draws 150,000 visitors a year, largely because of the programs Olguin has initiated. Muriel Olguin is an artist and art teacher.

But traversing water—in canoe, kayak, rowboat—always has geen their particular joy. When their three children, Viola, 28, Monica, 26, and John Cabrillo, 23, were young, the Olguins took canoeing vacations in several Western states and Canada.

"Every year we had a month of adventure," Olguin said, savoring the memories.

"I remember once," said Muriel Olguin, "we got into a storm on a river and had to paddle 10 or 12 hours in a row. The kids vowed to burn the canoe. They didn't. Now they really love camping, canoeing."

The Olguins are outdoors even at home. A decade ago they moved their bed outside onto a patio deck and there they sleep, regardless of season or weather.

"We just put a tarp over the bed when it rains," Olguin said.

"We have a lightweight down blanket that keeps us toasty warm and cozy," Muriel Olguin added.

"And we can see the whales from here," he said.

"We also can hear the seals barking," she said. "It's a good sound—the seaweed is coming back, and so are the seals."

"Once a storm came up and we were so anxious to get out in it," Olguin said. "We rushed down to the ocean, got out the rowboat and sat on the bottom. We used an oar for a mast, rigged a small sail and went along the coast for 45 minutes, riding the storm all the way. Then we called our son, and he picked us up in the truck."

One of their most exciting voyages was to Catalina Island one February when they got caught in a storm with winds of up to 35 miles per hour.

"We put out a sea anchor," Olguin said. "The boat was filling up with water, and we had to keep bailing. The whole ocean was white, and we were in total darkness. So Muriel got in a sleeping bag and went to sleep."

Muriel Olguin smiled disarmingly. "I used a bit of self-hypnosis, but I slept warm. I knew there was nothing to do until the storm died down."

Whether boat at sea or bed at sea or bed at home, their companion is their dog, Pica, female successor of a mixed poodle named Pico, who also shared their voyages. The pets often determine the length of an ocean trip: "We can go as far as one dog bladder," Mrs. Olguin said, "about 20 miles for Pica."

The Olguins, who can brew coffee in their rowboat, eat snacks or sandwiches or row to shore to cook a hamburger, put two pieces of plywood across the boat's seats to make a 6-foot sleeping platform.

"You always sleep with your head away from the wind," Olguin said. "When you put out a sea anchor, the boat heads into the wind, and if you're facing the wrong way, the wind goes into your sleeping bag."

One pleasure of rowboating, Muriel Olguin said, is encountering wild life—whales, porpoises, sharks, birds.

"The whales go by at 4 to 4½ knots, and we can't keep up with them," she said. "But once, in the middle of a school of porpoises, one came up, looked us in the eye and squeaked at us.

"Seals come up and bark—and either the dog or John barks back."

Occasionally they meet well-meaning but ill-advised humans.

"Often in the Catalina channel, people come to rescue us," Mrs. Olguin said. "They think we're a little boat off a big boat and that we're in trouble. We just drink coffee—nobody sits there drinking coffee if they're in trouble."

The Olguins are enthusiastic about their sport—"You can be in the water in 20 minutes and back an hour later," Olguin said. But they emphasize they take every available precaution.

"We make it sound great," Olguin said, "but you have to know what you're doing. We have a compass charts, three anchors, sleeping bags, food for a week, warm clothing, foul-weather gear.

"But most important is seamanship. You have to know what to do, to run with a storm, not fight it."

The Pico Maru weighs 187 pounds, has flotations that Olguin says make it unsinkable and removable wheels that enable the Olguins to launch or beach it easily. The white fiberglass hull is rounded so it lifts when a wave hits, and the sharp bow deflects water away from the boat.

"This boat is easy for us to manage, and I figure we'll be rowing into our 80s," Olguin said.

"From then on, we'll sail."●

REAGAN REBUTTAL TO CARTER'S FIRESIDE CHAT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. DORNAN. Mr. Speaker, on Tuesday, March 7, I addressed the House of Representatives on the topic of Mr. William Buckley's misdirected thinking on the Panama Canal Treaties. At that time I commented on his incorporation into his magazine of a collection of his errors in criticizing Governor Reagan on the disposition of the Panama Canal. I further offered my own critical evaluation of the Buckley arguments.

Today, I would like to give space to Governor Reagan's own arguments.

On February 8, Governor Reagan spoke on national television in rebuttal to President Carter's fireside propaganda show. Since the arguments used by the President, his State Department, and Mr. Buckley are so similar, I offer Governor Reagan's remarks as an additional rebuttal of Mr. Buckley and for the information of my colleagues who may have missed the broadcast.

I ask that the major portion of Governor Reagan's response to the President be reprinted in the CONGRESSIONAL RECORD at this point:

IN RESPONSE TO PRESIDENT CARTER'S "FIRESIDE CHAT" ABOUT THE PANAMA CANAL TREATIES PRESENTED BY CITIZENS FOR THE REPUBLIC

Good Evening.

I appreciate this opportunity to discuss President Carter's television talk on the Panama Canal and the treaties he has proposed which are now before the United States Senate for debate.

A great deal has been said and written about the Panama Canal in recent months. Despite many different points of view about many different aspects of the issue, on one point virtually everyone seems to agree: the continued smooth and secure operation of the Panama Canal is vital to our national security interests and those of the entire Western Hemisphere.

Some of our Latin American neighbor states depend on the Canal to such an extent that more than two-thirds of their commerce goes through it every year. We ourselves will depend on the Canal for the smooth flow of Alaskan oil, by tanker, to our Gulf Coast ports for refining. Our naval ex-

perts agree that with our Navy shrunken in size to its smallest point since before World War II, mobility is critically important and the Canal is a vital factor in maintaining that mobility.

In his talk, President Carter said, "What we want is the permanent right to use the Canal." I agree with that, as I'm sure you do. We have that permanent right—right now, but will we effectively have it if the Carter-Torrijos treaties are ratified? I have very serious doubts that we will.

The President, in his fireside chat, discussed the background of this issue so briefly (perhaps because of the press of time) that he left the mistaken impression that we acquired the Canal Zone by some underhanded means; that the Canal was somehow forced on Panama. Nothing could be further from the truth.

Panama, a province of Colombia prior to 1903, had attempted repeatedly to become an independent nation—without success. Separated by mountains and jungle from the capital of Colombia, the people of the Isthmus of Panama felt neglected and forgotten—and maybe they were in their disease-infested swamps and jungles.

Colombia had given a French company permission to build a canal through the province of Panama. When the French failed and gave up, our Congress authorized the President to negotiate a treaty with Colombia and to buy out the French interest for $40 million. Seeing a chance to get the $40 million for itself by stalling, the Colombian government rejected our proposals. The Panamanians saw their chance and rebelled, notifying the United States at the same time that the new Republic of Panama would sign a canal treaty. The revolution was bloodless . . . and successful.

President Carter made the point that our 1903 treaty was not even signed by a Panamanian, as if this somehow indicated we had forced Panama to accept it. Well, the treaty was signed by a Frenchman named Philippe Bunau-Varilla, but only because the Panamanians themselves named him as Minister Plenipotentiary, for the purpose of negotiating the Canal treaty with us, which he did. The people of Panama were so pleased with what he had done they erected a statue in his honor.

We were also told the other night that "the people of Panama have never been satisfied with the treaty." Yet, the first President of Panama, at his inauguration, said he was about to preside over a great economic boom and "the end of centuries of plague." The Panamanian legislature immediately and unanimously ratified the treaty. It took our own Senate three months and the vote was not unanimous. To top it off, every town council in the new Republic of Panama voted its endorsement of the treaty. You might say the Republic of Panama and the Canal are Siamese twins—one couldn't have been born without the other. The Canal is so vital to Panama's economy that the Panamanians have the highest per capita income in Central America and the fourth highest in all Latin America.

Our relationship with Panama has been an evolutionary one. Accommodations have been made to fit changing times. We entered into additional treaties in 1930 and again in 1955. And, each time the accommodations benefited Panama.

Negotiations for another treaty began under the late President Johnson, but in very recent years the nature of the talks shifted toward a treaty that would take us from our steady, evolutionary course to the uncertainty of radical change in our relationship. The treaties that the Carter administration announced last August are the result of that sharp change of direction in our negotiating approach.

The new treaties would, in a single stroke, eliminate the foundation on which our right—and our ability—to permanently use the Canal has been based for more than six decades. Until recently, the United States Government had always taken the position that we could discuss and negotiate virtually any matter that would enhance our relationship with Panama, except the rights of sovereignty we hold in the Canal Zone. That was not negotiable.

The negotiations leading to the treaties now under discussion were carried out by two Democratic and two Republican administrations. This is an American, not a partisan, issue.

Let's take a look at what these treaties would do.

As you know, there are two of them. The first one is called the "Panama Canal Treaty;" the second is titled "Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal."

If the first treaty is ratified, the existing 1903 treaty will be cancelled entirely. Unlike the 1936 and the 1955 treaties, these new ones do not simply adjust or amplify the basic treaty. They eliminate it and it is the one that gives us the right we now have to permanently operate and use the Panama Canal.

Once ratified, the first new treaty goes into effect six months later, at which time the Canal Zone ceases to exist.

While we would be granted the right to manage, operate and maintain the Canal till the end of 1999, the rights of sovereignty we presently have would be eliminated.

There has been a lot of confusion over this matter of "rights of sovereignty" and the fireside chat the other night didn't reduce that confusion. In trying to answer the question, "Why are we giving away the Canal Zone?", President Carter said, "We do not own the Panama Canal Zone. We have never had sovereignty over it. We have only had the right to use it." That is not quite accurate.

What we have (and this is very important to us) are the rights of sovereignty. That 1903 treaty is very explicit (as the new treaties are not). Listen to this:—"The Republic of Panama grants to the United States all the rights, power and authority within the zone . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power and authority." Now, that isn't hard to understand, is it?

The Canal Zone is unique. We did not acquire it under precisely the same circumstances as we did the Louisiana Purchase or Alaska, but there can be no doubt our government intended to acquire a firm, unshakable legal basis for building, operating and defending the Canal.

The Canal Zone is not a "last vestige of colonialism." It has never been a colony. We didn't acquire it for the purpose of exploiting mineral wealth or harvesting crops or engaging in trade. It has been a single-purpose enterprise.

Only one nation can exercise sovereignty over a given piece of territory at a given time. Historically, there have been a few special exceptions to that rule. In this case, the 1903 treaty makes it clear that the United States and not the Republic of Panama exercises sovereignty in the Canal Zone. The President, however, said on television that we are only paying rent for the Canal Zone. Read the 1903 treaty a thousand times and you'll never once see the words "rent" or lease." We paid Panama $10 million outright and annual payments beginning nine years later and, according to the treaty, that was "The price for the rights. powers and privileges granted in this connection."

We did more. Went into the Zone and bought, in fee simple, every privately owned piece of property, including homesteads and squatter's rights. We not only have the rights of sovereignty, we are the owners of the real estate.

The President told us that our Supreme Court has "repeatedly acknowledged" that Panama has sovereignty over the Canal Zone. Not so. The United States Supreme Court in 1907 (in the Wilson versus Shaw case) said, "It is hypercritical to contend that the title of the United States is imperfect and that the territory described does not belong to this nation." In 1971, the U.S. Court of Appeals ruled, "The Canal Zone is an unincorporated territory of the United States."

Why are the rights of sovereignty important? Well, for one thing, they make it impossible for a government of Panama to expropriate the Canal. And, they give us the unquestioned right to operate, maintain and defend it. We can be proud of the way we have used that right. For 64 years, we have run the Canal at no profit and kept it open to all peaceful shipping of the world.

Through four wars it has been an important link in our Hemispheric defense. We have established bases in the Zone where our own forces receive training and where we have given training to the soldiers of our allies in the Hemisphere. As a matter of fact, that's where Gen. Torrijos received his training.

Through four wars there has been no sabotage and we have successfully kept the ships of our enemies away from the Canal. Yet, the new treaties would give enemy ships the same right of access to the Canal that we have.

We've been warned there will be trouble if we do not ratify these treaties. Indeed, these treaties were negotiated under threat of bloodshed and rioting. Just recently. Col. Noriega, representing Torrijos, told Senators Baker and Garn during their recent visit to Panama that he "knows the weak spots in the Canal and our military does not."

Before we get frightened into ratifying these treaties, let us remember, there are no guerilla bands roaming the jungles of Panama. It is Gen. Torrijos' National Guard which has the guns in Panama. And, as the President himself pointed out, the Canal's continued operation is vital to the economy of Panama. They aren't about to blow it up. Nor can a lone terrorist with a stick of dynamite under his coat sabotage the Canal. Experts on Canal operations say it would take a trained demolition squad, with access (which is not now possible) and an extended period of time to do any real damage.

George F. Kennan, the eminent scholar and former diplomat has said, ". . . one can only quail at the prospect of attempting to operate and protect the Canal in some sort of partnership with the Panamanians. An arrangement of this nature would weaken the American position without giving permanent and complete satisfaction to the Panamanians. It would be replete with possibilities for disagreement and minor conflict."

We're not talking about a partnership in a mountain cabin. We are talking about our national security, and where that is concerned we must always be skeptical and on guard against the worst that might happen. In his book, "The Treaty Trap," Laurence Bellenson documents that treaties down through history have been broken more often than not.

The so-called partnership of which President Carter speaks and of which Ambassador Kennan is worried, is almost certain to build up pressures in Panama. We had a portent of these just a few days after the new treaties were announced last August. The government-sponsored Panamanian Student Federation said it would support the treaties, but its secretary general declared. ". . . this struggle will be continuous and prolonged

until the last invading soldier leaves." Those "invading soldiers" are, of course, American G.I.s.

Panama, a nation with a history of unpredictable politics, could find the pressures building to the point where its ruling regime might one day respond by declaring the new treaties obsolete; declare the Canal is a national asset and tell us, "Yanquis, go home." Short of that, there could be disruptions of support services such as police, fire protection traffic management and garbage collection—all of which we provide now but which we will be getting from Panama if the treaties are ratified (and for which we will pay $10 million a year). Or, there might be a quiet request for us to withdraw most of our troops so that they are not a provocative symbol to potential rioters.

Of course we do not know whether these or similar "scenarios" will come to pass if the new treaties are ratified. But we do know they can't come to pass under the 1903 treaty. If the Senate ratifies the new Panama Canal treaty, we'll be exchanging a sure thing for a mere hope that all will go well.

If, one day, we were told to get out, we would of course consider that breaking of the treaty. But, with recent events in mind, would we risk a confrontation or would we comply? Or, suppose, at some point we declared that the Canal's neutrality had been violated, but Panama said it hadn't? If we sent our armed forces in, would we be violating that part of the treaty which says we can't intervene in Panama's internal affairs? If what is now the Canal Zone becomes part of the Republic of Panama, how can whatever happens there be anything but part of the internal affairs of that country?

The President told us, "We can take whatever military action is necessary to make sure that the Canal always remains open and safe." Doesn't this bring up the possibility that one day after the Canal Zone has been eliminated by the new treaty, an American President might be faced with having to order airborne and amphibious action there? And, what of the U.N. Charter which prohibits member nations from using force except in self-defense? We sternly reminded Britain, France and Israel of that in 1956 when Egypt's Nasser seized the Suez Canal.

The so-called Neutrality treaty is so ambiguous in its wording that while the administration in Washington was telling us that it gave our naval ships the right "to go to the head of the line" in case of emergency, Panamanian officials repeatedly denied this to their own people. For example, Romulo Escobar Bethancourt, Panama's chief treaty negotiator and Torrijo's chief adviser, said in Panama, "If . . . the gringos with their warship say, 'I want to go through first,' then that is their problem with the other ships waiting there."

President Carter pointed to the treaty phase "expeditious passage." Escobar, on the other hand, has said he had given us the word "expeditious" after refusing the term "privileged." He said "expeditious" was meaningless and intended only to help the U.S. negotiators sell the treaties to the Pentagon.

This caused quite a flap, as you'll recall. The President and Gen. Torrijos met in Washington and gave out a joint statement supposedly confirming our right of priority passage and our unilateral right to defend the Canal after the turn of the century. The other night in his talk, President Carter tried to give the impression that this statement somehow has the same force as the treaty. It does not. It is not legally binding. It is simply the announced opinion of two heads of state and it was signed by no one. Gen. Torrijos, when he got home to Panama, even boasted that he had signed nothing, as if it was all a public relations exercise to help the White House sell the treaties to the American public.

Many Senators are deeply concerned about this problem and the Senate Foreign Relations committee voted to recommend a new article in the Neutrality treaty to take care of it. That was on a Friday, not quite two weeks ago. The following Monday, the State Department sent a spokesman to the committee asking that the changes be made in existing paragraphs of the treaty rather than by adding a new one. It turns out that the Panamanians had burned up the telephone wires over that weekend, urging the change.

It doesn't sound all that important. Why were they so concerned? Well, on close examination, it reveals a deep difference in interpretation between ourselves and Panamanians. It shows also why we can't afford to take anything for granted where treaties are concerned. Our Senate has been talking consistently about "amendments" to the treaties. But, the Spanish word for "amendment"—"enmienda"—has a different meaning.

Professor Cesar Quintero, the dean of law and political science at the National University of Panama, put it this way in a television interview on January 20: "The word 'amendment' in English is a substantive reform. In Spanish, we speak of 'correcting' something ('enmendar la plana'). The word 'amendment' does not have the same strength in Spanish as it does in English."

So, in Panamanian eyes, adding the changes to existing paragraphs amounts to a minor change, but adding a new paragraph or article would be a major change. This would mean the treaties would have to be submitted to Panamanian people for another plebiscite. And that, Torrijos doesn't want to do.

If there can be such misunderstanding in one area, what lies ahead in this uncharted course President Carter has told us we must take in our relationship with Panama? And, speaking of that relationship, let us be reminded of a few things.

In the process of building what has been called the Eighth Wonder of the World, we wiped out diseases that had plagued Panama and had killed more than 20,000 workers when the French attempted to build a Canal. We gave Panama a lower death rate than we had in the United States. We built sanitation, power and water systems for Panama. We built schools, hospitals, bridges and highways.

The value of what we are proposing to give away is estimated to be as high as $6–10 billion, depending on whose estimate you choose. We are debating over treaties by which we not only will give the Canal away, we'll also pay a considerable amount to the government of Panama for taking it off our hands! We also promise to turn it over debt-free to Panama, after operating it for them for the next 22 years, during which time we will pay all operating and maintenance costs.

In addition to some hundreds of millions of dollars in loans and aid, we would pay the $10 million a year I mentioned for municipal-type services; another $10 million for Canal operations each year; plus 30 cents a ton on cargo going through the Canal. Estimates on the total range up to $70—even $80—million a year. And, to top it off, under the new treaties we would give up the right to build another canal elsewhere without Panama's permission.

The President says we aren't paying Panama, that the payments would come from tolls paid by ships using the Canal and not from tax dollars. But, the law says the Canal must be self-supporting, so an increase in tolls is almost a certainty.

Industry Week's magazine says that it is estimated tolls must rise between 25 and 46 per cent above the current level of $1.29 per ton. Note that that current rate already reflects sharps toll increases that went into effect in 1974 and 1976. The publication quotes a consultant to the Panama Canal company as saying that the payment provisions of the treaty give him "little optimism" that the Canal "will be financially viable."

Shippers who use the Canal are worried, too. The Gulf Ports association, representing 23 U.S. ports through which move nearly 40 per cent of our waterborne commerce, warns that such toll increases may price some American exports—"notably grain and machinery to eastern and Pacific markets"—out of world competition. I'm sure I don't need to remind you what that would mean to American jobs.

If Canal tolls can't be increased because of worries over driving business away, or if they are increased and result in that, who will pay Panama its share of revenues as promised in the treaties? And, what about the $43 million the Army says it will cost to rearrange our military bases if the treaties go into effect? Then there is some $16 million in interest paid to the U.S. Treasury annually because we've never recovered the original cost of building the Canal. Won't the American taxpayer have to come up with all of that?

Since Gen. Torrijos came to power, Panama's national debt has climbed steeply, the country's economy is in serious difficulty and Panama is having trouble meeting its loan obligations to banks in New York and elsewhere. Perhaps this explains why our negotiators felt they had to pay Panama to take the Canal.

We are talking here about a huge and complex public enterprise; one that is difficult to operate and maintain. Yet, we have done so efficiently for more than 60 years. But, the government of Panama, operating much smaller utilities (some of them expropriated) does not have an encouraging record of public management. It is not a matter of skill, it is a matter of effective, honest management.

The President made one other point in his talk which deserves comment, namely, that these treaties giving up the Canal "have overwhelming support throughout Latin America." The fact is, only a few states neighboring Panama have ever actively supported treaties which would have us turn over the Canal to the government of Panama. Many others have repeatedly expressed in private their concern.

Now we have very convincing evidence of that concern. Last week, Lt. Gen. Gordon Sumner, Jr., chairman of the 19-nation Inter-American Defense board, the only group specifically charged with defense of the Western Hemipshere, testified before the Senate Armed Services committee. He told the Senators he had talked with high level officials of all the 18 Latin American nations in the organization. He said "All express a very grave concern about the treaties. They see the possibility there for conflict. They also see the possibility for mischief-making by the Communists. And . . . there is not one of these countries that does not have some type of Communist subversion or terrorism going on . . . (And) They are very concerned about the economics of the Canal. It is my impression that some of them were in favor until they got a copy of the treaties and looked at the economic prospects. When they look at what this is going to cost them, they have very serious reservations. Almost without exception they have expressed their opinion that the way the United States (has) . . . operated the Canal . . . has been fair . . . Because they are faced now with an unknown situation, they are concerned that the Torrijos government will be unable or unwilling to keep the Canal in operation."

The General then asked for permission to retire from active duty.

The President made much of the support for the treaties by the Joint Chiefs of Staff. Well, our military is under civilian control. The President is Commander-in-Chief. The military must accept his policy decisions or resign. It is significant that more than 300 former top-ranking generals and admirals, now retired and free to speak their minds, are strongly opposed to ratification of the treaties, while only seven are in favor.

Many distinguished veterans of the military and the diplomatic service have expressed their concern that our friends and allies worldwide would see our giving up the Canal as another indication of American weakness; a retreat from the free world leadership which is our responsibility. Can we afford this in today's world?

In making a case against ratification of these treaties as they have been proposed, I want to make one thing clear before my time is up. I believe these treaties contain fatal flaws—especially the Panama Canal treaty which would eliminate our basic right to operate, maintain and defend the Canal. Ratification of the proposed treaties would not be in our national interest.

There are some features of the proposed Panama Canal treaty which have merit. It would permit us to embark on the Third Lock modernization program. This would take about 10 years and one to two billion dollars to complete. Its construction could directly benefit the people and economy of Panama and, once completed, the Canal would be able to handle all but a few of the world's largest ships.

Isn't it time for us to take a collective deep breath? To realize that our negotiators took a wrong turn some months ago, but that the mistakes can be corrected?

We do not have to plunge into a series of fresh mistakes; to replace a workable, sensible and time-tested system with a bundle of uncertainties.

Greatness may be measured in many ways. Carrying out our responsibilities as a nation is one of them. Being the middle point—the vital center—of the free world is not an easy responsibility. We have shown in recent years that we can get very weary of shouldering our burdens. But, if not us, then who? The Panama Canal is vital to the free world and that world depends on us. It is part of our rendezvous with destiny. We must not shrink from it, for the ultimate price we pay may one day be our own freedom.

Thank you . . . and good night.●

JUNK MAIL

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. JACOBS. Mr. Speaker, I take pride in the fact that David D. Lamm is a constituent of mine whose concise writing is so persuasive.

The letter follows:

INDIANAPOLIS, IND.,
February 19, 1978.

Rep. ANDREW JACOB, Jr.
House of Representatives, Washington, D.C.

DEAR SIR: Attached you will find a representative sample of 32 pieces of mail (which in some circles has been labeled "junk") that was delivered to my residence during the month of January 1978. One month. Thirty-two pieces of unsolicited paper.

My purpose in writing is not to get into an esoteric discussion of what is or is not junk. Nor am I contesting the good intentions of the sending organization. I would like you to look very closely to the postage affixed thereto. Of the 32 pieces I received, 9 are Bulk Rate (at 7.9 cents), 20 are Nonprofit (at 2½ cents) and 3 were first class (at 13 cents).

Twenty-nine pieces of mail that pay less than 13 cents for delivery.

If we assume 29 pieces arriving per month at the rates outlined above, then the revenue lost to the Post Office for my residence per month is $2.559 or $30.708 per year.

If we assume the population of the United States to be approximately 220 million and if we also assume that there are 3.5 persons per household, then there are approximately 62,857,000 households.

If the average household receives 29 pieces of unsolicited mail per month that results in a loss of $2.559 per month (of $30.708 per year) in postage revenue, then approximately $1,930,200,000 is lost in revenue to the Post Office yearly by not charging these users first class rates.

In summary, I don't appreciate sending cards and letters at first class rates of 13 cents per letter, yet hear pitiful cries of reduced service and higher first class rates from Post Office officials when the major mail users pay a great deal less.

I suggest that Congress ought to insist that the Post Office "tap" the lost revenue outlined above before considering other foolishness. Perhaps if mail solicitors had to go first class they would be more selective in their mailings . . . which wouldn't bother me at all.

I would like to hear your views on these points.

Very truly yours,

DAVID D. LAMM.●

MOBIL OIL'S RESPONSE TO CONGRESSMAN HANLEY'S CRITICISM OF ADVERTISING CAMPAIGN

HON. JAMES M. HANLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. HANLEY. Mr. Speaker, on October 20, 1977 I addressed this body concerning certain aspects of Mobil Oil Corp.'s advertising campaign and the corporation's acquisition of Continental Can Co. and Montgomery Ward Co. using windfall profits garnered from the Arab oil embargo of 1973. Since that time Mobil has responded to my remarks and in the interest of preserving debate on this issue I am inserting a copy of Mobil's remarks. This in no way implies my acceptance of their position.

MOBIL OIL CORP.
New York, N.Y., November 3, 1977.

Hon. JAMES M. HANLEY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HANLEY: We were deeply concerned to read your remarks entitled "Distortions in Mobil Oil Corp. Advertising Campaign" in the October 20 Congressional Record. Your comments on several issues are seriously misleading and we would like to set the record straight.

Your central criticism of Mobil is that Mobil spent less on "exploration" in 1973–76 than on acquisition of Marcor, and you draw conclusions that "Mobil's hypocrisy is transparent" etc. In reply, I suggest we review the figures.

Mobil's capital and exploration expenditures for the years 1973 through 1976 were as follows:

[In millions of dollars]

	1973	1974	1975	1976
U.S. petroleum operations:				
Exploration expenses	67.7	91.0	118.0	116.1
Producing-offshore lease bonuses	384.4	479.1	13.1	147.3
Other [1]	113.6	140.5	209.3	231.4
Total	529.7	710.6	340.4	494.8
Foreign petroleum operations:				
Exploration expenses	80.3	98.7	124.8	91.4
Producing	97.3	132.8	243.6	188.0
Total	177.6	231.5	368.4	279.4
Total worldwide capital and exploration outlays for petroleum operations	707.3	942.1	708.8	774.2

[1] Includes development drilling, offshore platforms, equipment and construction for improved recovery, gas processing plants, and capital equipment including gathering lines.

As you will see from the above table, your own statement gives only a fraction of Mobil's total expenditure for exploration and producing operations within the United States and overseas. Not only do we conduct "exploration" but we pay tremendous sums in lease bonuses to the U.S. government just for the privilege of looking (and no guarantee of finding anything). Once we find oil in commercial quantities, we must still pay out huge sums for further drilling, for offshore platforms if the wells are in deep water, and for all kinds of other equipment. And as the search for oil has moved increasingly into the new frontier areas—Alaska and the Outer Continental Shelf—expenditures have skyrocketed.

We have spent more than $3 billion in 1973–76, rather than the $725 million you credit us with, for these operations. We would, indeed, have spent more if Federal lease sales had not been delayed (and our future spending would be severely restricted if the proposed OCS legislation goes through.) From these considerations, I think you will agree that Mobil has nothing to apologize for when it comes to making maximum efforts to find oil and gas for the American consumer. In this connection, I would like to make two points:

One, oil companies should not be blamed for spending more or less on foreign as against domestic exploration in any given year. International oil companies look for oil wherever they have the opportunity. And, while the United States is dependent on foreign oil, the U.S. consumer benefits from foreign exploration as the supply and variety of source of foreign oil expand.

Second, exploration and producing of oil in the United States is limited by price controls, by a maze of red tape, and by lawsuits and other delays which present us from developing new reserves. In addition, Congress is constantly threatening to break up the oil industry or otherwise penalize it. Is there any wonder that companies seek to diversify their operations? To do otherwise, I suggest, would be to neglect the legitimate interests of our stockholders, without whose money and trust we would be unable to carry on our petroleum operations.

Let me make some other comments on your statement, going through it in order.

Mobil's "new advertising campaign" is not designed "to enhance the media image Mobil has been pursuing since the Arab oil embargo." Our concern was to make it clear to the American public that the House-passed energy bill contained serious deficiencies—a fact since recognized by the Senate. Incidentally, we began to take advertising space to explain the energy facts to the American people long before the Arab embargo.

The House-passed version of the energy bill will not, as you state, give the oil industry

"substantial additional revenues", if by this you mean funds adequate to do the job. The petroleum production goals on which the House bill is based would require a substantial increase in capital investment for exploration and development. Over the three years, 1973–75, oil companies' annual expenditures for exploration and development in the U.S. averaged about $10 billion. By way of comparison, oil companies would have to spend an estimated average of $23.3 billion per year (in 1976 dollars) between 1977 and 1982 in order to meet the 1985 production goals for oil and natural gas implicit in the House-passed omnibus energy bill. This average spending level would be more than double the petroleum industry's 1973–1975 average for exploration and development and 94 percent higher than 1976's $12 billion. Yet the House-passed bill could actually have the effect of reducing the amount of capital currently available to oil companies.

As for natural gas, the House decision to extend Federal controls to intrastate markets, which up to now have been free not only of controls but of serious shortages, would result in a net decrease in funds available for exploration and development, according to a study for the industry's Natural Gas Supply Committee. The House's proposed control price of $1.75 Mcf would therefore have the effect of increasing the need for imports of foreign crude oil and of natural gas in liquefied form, both at much higher prices.

Your comments on coal suggest that Mobil is unwilling to do its part in restoring the environment after strip-mining operations. This is emphatically not the case. But we were concerned that legislation could result in cancellation of our permit processing and force us to reapply under a new permit system. Even more significant, we were and are concerned about the myriad of permits which must be obtained, and the lengthy procedures involved in satisfying state, local and federal requirements, all of which delay the start of actual mining.

A final comment. On rereading your letter, I was struck by your use of highly emotional terms—"highway robbery", of such terms contributes to the national debate on energy. I hope we can get away from such terms, get rid of prejudices, and look at facts—all the facts. If we do this, we have a chance together to get this country on the road to a sounder national energy position.

I am enclosing copies of Mobil's 1976 Annual Report and Financial and Operating statistics. I hope you will agree that this letter should be placed in the Congressional Record to set that record straight on this important issue.

Sincerely,

HERBERT SCHMERTZ.●

WHY THE ABORTION ISSUE WILL NOT GO AWAY

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. O'BRIEN. Mr. Speaker, the following column from the Chicago Tribune, March 6, 1978, by Joan Beck entitled "Even Backer of Abortion Hates to See Its Reality," clearly illustrates the problem this Congress and the Nation as a whole will face:

EVEN BACKER OF ABORTION HATES TO SEE ITS REALITY

(By Joan Beck)

Is it all right for a physician to try to end the life of an unborn baby by saline abortion in the morning—but first degree murder for that doctor to kill the same infant by strangulation 13 hours later when she has survived the abortion and is alive in a hospital nursery?

Is it legal for a city to pass an ordinance requiring that women who want an abortion must be informed about the development of their unborn child and of possible maternal consequences of the procedure?

Both of these nasty current controversies point up two facts about abortion: (1) It's still far from being settled as a legal and moral issue in our society; And (2) even abortion supporters are exceedingly reluctant to face up to precisely what occurs in "terminating a pregnancy."

The first controversy centers on the current murder trial of Dr. William B. Waddill in Superior Court in Orange County, Cal. An obstetrician-gynecologist, Dr. Waddill is accused of strangling a 2½ pound baby girl born alive to the 18 year old daughter of a local high school principal following a saline abortion in Westminister Community Hospital on March 2, 1977.

A nurse assisting the mother found the infant alive, breathing, moving, and making weak cries and took her to the newborn nursery. There, JoAnne Griffith, a nurse experienced in neonatal intensive care, began giving the infant oxygen and attempted to speed up her heartbeat.

Another nurse telephoned Dr. Waddill who, according to testimony, ordered the hospital staff not to do a goddam thing. Just leave the baby the hell alone"

When Dr. Waddill arrived at the hospital, according to witnesses, he ordered all attempts at helping the baby stopped and insisted he be left alone with the infant.

At about that time, Dr. Ronald J. Cornelsen, a pediatrician, telephoned the nursery to check on another infant and was asked by Dr. Waddill for help with a premie having difficulty breathing.

Dr. Cornelsen checked the baby's heart rate and respiration. Then, he has testified, he saw Dr. Waddill make four separate attempts to choke off the baby's breathing, pressing down so hard on the infant's throat her head and chest came up in a "v" position.

Dr. Cornelsen has also testified that he heard Dr. Waddill say, "I can't find the goddamn trachea [windpipe]" and that when the baby continued to breathe, Dr. Waddill suggested poisoning her with an injection of potassium chloride or filling a sink or bucket with water and drowning her.

He managed to dissuade Dr. Waddill from either of these actions, pointing out they would be detected at autopsy, Dr. Cornelsen said.

After agonizing for several days, Dr. Cornelsen contacted police in Westminister, a Los Angeles suburb. Dr. Waddill's trial has been underway since late January and defense testimony is expected to last until mid-March. According to pathologist's testimony, the baby was between 29 and 31 weeks in gestational age, lived between about 30 and 60 minutes, had obvious bruises on her neck, showed little of the horrendous internal and skin damage typical in saline abortions, and died from lack of oxygen.

In addition to criminal charges, Dr. Waddill also faces a suit for $17 million just filed by the dead infant's mother. Among other charges, she claims she did not give informed consent to the abortion because she was not told about the possibility of giving birth to a living child.

Ironically, whether mothers must be warned of this possibility is part of an abortion controversy in Akron, O. There, the city council has just passed an ordinance effective May 1 requiring physicians to so inform mothers, to describe the development stages of unborn infants, and to report that hemorrhage, infertility, or emotional distress can follow abortion.

If Mayor John Ballard signs the ordinance, efforts will almost certainly be made to overturn it, as the American Civil Liberties Union, the National Organization for Women, and Akron's abortion clinics have already promised.

For even those who support abortion don't want to face up to what it really involves, what it does to unborn human beings. When we do have to see it, as allegedly in the Westminster newborn nursery, then we have to call it murder.●

THE BEST HOPE FOR MOVING OUT STAGFLATION

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. BRODHEAD. Mr. Speaker, the House is today considering the Humphrey-Hawkins Full Employment and Balanced Growth Act. I am one of the original cosponsors of this landmark legislation, which calls for concerted Federal action to insure useful employment opportunities for every American.

We pay a high price for unemployment—in lost production, in lost tax revenues, in unemployment insurance, in welfare payments, and in social problems which afflict our society. Perhaps the greatest cost, however, is the loss to human dignity which results when people cannot support themselves. There are today millions of Americans who are out of work through no fault of their own. It is time we take bold action to address this problem.

On March 6, 1978, the New York Times published two letters to the editor on the Humphrey-Hawkins bill that I believe clearly and concisely point out the purposes and goals of this legislation. One of these letters was written by my distinguished colleague, Congressman RICHARD BOLLING, who is the chairman of the Joint Economic Committee. I commend his remarks to the attention of my colleagues:

LETTERS: ON HUMPHREY-HAWKINS—THE BEST HOPE FOR MOVING OUT OF STAGFLATION

To the Editor:

I must take exception to your editorial which labeled the Humphrey-Hawkins Full Employment Act "a cruel hoax" [Feb. 21].

The act would expand and strengthen the Employment Act of 1946, which provided a usefull framework for developing and coordinating, in the legislative context, a program to promote full employment and growth. That act has provided the nation with a charter for the practice of constructive political economy for the past 31 years.

The essential feature of the Humphrey-Hawkins Bill is to strengthen and develop the processes for promoting the objectives of the Employment Act. It is made necessary by the great increase in the complexity and international interdependence of the United States economy. We can no longer rely on fiscal and monetary policy alone to achieve high employment in a balanced, noninflationary environment. We need to employ a variety of structural measures to improve employment, avoid bottlenecks, stimulate investment and the like.

To do this requires a great deal of patient effort by the private and public sectors. Indeed, we are trying to do it now, but the effort is hampered by the lack of sufficient cohesiveness and coordination in our policies, and it is these deficiencies that promote the lack of will that you complain of.

Far from setting visionary goals, the bill reaffirms the 1946 dedication to full employment. Your editorial is, in my opinion, off the mark in its failure to see this historical continuity and for overlooking the fact that the proposed legislation represents primarily an improvement of process rather than the establishment of a new "unattainable target." It offers the nation the best hope for moving out of the stagflation that now affects us.

RICHARD BOLLING.

WASHINGTON, *February 22, 1978.*

(Representative Bolling is chairman of the Congressional Joint Economic Committee.)

To the Editor:

Your editorial entirely misses the point of the legislation officially known as "The Full Employment and Balanced Growth Act."

The purpose of the bill is not to "promise" full employment, and its backers are fully aware that it will "not create one new job." However sad some of us may be that it was necessary to change earlier versions of the bill to gain broader support for its passage, this does not transform it into a "cruel hoax."

The bill should be judged on the basis of what it now intends to accomplish, not on what some of us wish were still its purposes. The legislation commits this country and its Government to a principle, the right to a job for anyone willing and able to work, and to the means to implement this principle, a comprehensive and coherent planning process.

One can argue that we can do very nicely without more high-sounding principles, but the same cannot be said for comprehensive and coherent planning.

In almost every area of public policy we care to look at where there is an enormous gap between professed principles and performance, the lack of systematic and careful planning is evident. The state of our cities, our dysfunctional health-care system and employment program which train people for nonexistent jobs all grow out of the remnants of a laissez-faire mentality which has caused the United States to lag far behind other industrialized nations in the development of humane and compassionate social policies.

Humphrey-Hawkins is only a beginning and needs to be followed up with specific measures to create more jobs. Yet it does provide us with the tools to launch a sustained and systematic attack on unemployment.

KEITH D. MARTIN.

WASHINGTON, *February 22, 1978.*

(The writer is associate director of the Churches' Center for Theology and Public Policy.) ●

MONETARY ASSISTANCE TO SMALL COAL OPERATORS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. RAHALL. Mr. Speaker, I am today introducing legislation to increase monetary assistance to small coal operators in meeting the requirements imposed by the recently enacted Surface Mining Control and Reclamation Act of 1977 (P.L. 95–87).

Small coal mine operators have not failed to remind me of the fact that with the imposition of the regulations set forth by the Department of Interior for enforcement of Public Law 95–87, the coal mining operations producing less than 100,000 tons per year would be forced out of business. Specifically, it is my concern that the present authorization will be insufficient to cover laboratory costs necessitated by the surface mining regulations, that is "determination of probable hydrological consequences" and the "statement of the result of test borings or core samples" as called for in section 507(c) of the act.

The current authorization for the aforementioned purposes is over 10 million per year for the next 15 years. Yet, the Department of Interior has projected that during the next 2 fiscal years, this amount will not be enough. In fact, the officials of the Office of Surface Mining have indicated the need for additional money.

Since the average cost for the small coal operator to accomplish the required work mandated by the law has been estimated at $25,000 per operation, it is my feeling that an increase in the authorization to $25 million for the next 2 years is justified. ●

LEFTIST EDUCATORS ARE TRYING TO EXCUSE THEIR FAILURE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. ASHBROOK. Mr. Speaker, there has been a grotesque and tragic failure in our educational system over the past 14 years. It is a failure due to liberal policy and liberal experimentation. Their theories are the ones that have been tried, and theirs are the theories that have deprived millions of young people of their education. The left-wing NEA has blamed it all on the tests, a special panel under Mr. Wirtz has tried to weasel out of the blame to a lesser extent. Liberals who are more concerned with truth and good citizenship than with ideological purity have taken the blame like men and insist that we learn a lesson from that failure. In this latter category I am happy to see that undeniably liberal stalwart, the Washington Post.

A Post editorial for August 25 says:

. . . Throughout the country the words and sentences got shorter. Absenteeism rose, and teachers increasingly tolerated it . . . From the Sputnik reaction of the late 1950's, with its emphasis on physical sciences and foreign languages, the schools—in the great national tradition—swung heavily to the other extreme. It was suddenly a time of romantic and experimental ideas; what counted were feelings and experience, rather than information and reasoning . . . The time has come to begin moving in another direction, and our sense of it is that the march is already under way . . .

If more liberals were that honest in admitting their failures, liberalism would not be the disaster it is. It would be real social experimentation instead of a secular religion.

Contrast the Post's honesty with the snivelling excuses of the National Education Association. Referring to the SAT tests which showed the failure of NEA's educational methods, NEA President John Ryor said:

Tests of this kind don't serve students, parents, or teachers . . . They ought to be dispensed with once and for all.

Comments Post staff writer Bill Peterson on this response,

The NEA has long resisted most moves to give the public a way to measure the performance of its teacher members.

Mr. Wirtz' panel gave the NEA's excuse the brushoff it deserved. The panel squarely rejected the idea that the tests themselves were responsible for the decline. It said tests were actually doing a better job than ever before of predicting how high school students would do in college. The Post was more specific:

The test is a cultural weathervane of exquisite sensitivity, picking up all sort of currents—both in the classroom and far beyond it.

The Wirtz panel was a disappointment in that it gave prominence to excuses, such as TV watching and the changing composition of students entering college and taking the SAT tests, before getting to the real cause of the declines. TV would be a good excuse if it were new, but it was old by the time the SAT score declines began. The composition of students taking the tests did change, but the decline in scores went right on unabatedly after that change was pretty well complete around 1970.

The National Education Association has shown once again that it could not care less whether students learn anything, so long as the educational establishment can keep growing. Nothing is more repugnant to that organization than that the Americans who entrust their children to the educational system should have any right to expect results. Even the Wirtz panel, though obviously trying to camouflage a catastrophic failure, rejected the NEA's excuse outright.

But one thing good has come out of this educational tragedy. It is good to see that some liberals are willing to face the facts and cut the Gordian knot, as did the editors of the Post. I congratulate the Post and others who share their attitude that our children's education is more important than ideological purity. ●

CALL IT IRRESPONSIBLE

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. JACOBS. Mr. Speaker, our colleague, ALBERT GORE, JR., is obviously a friend of the taxpayer.

We might ask, by the way, just why President Nixon ordered this $10 million coupon printed in the first place.

[From the Indianapolis Star, Mar. 4, 1978]

CALL IT IRRESPONSIBLE

The United States government a few years ago spent $10 million to print gasoline rationing coupons in anticipation of shortage. If you've wondered what happened to the coupons join U.S. Rep. Albert Gore Jr. (D-Tenn.)

At a House subcommittee meeting Gore asked Secretary of Energy James R. Schlesinger about the fate of the coupons. Schlesinger replied that although gasoline rationing was not out of the question the government did not intend to use the coupons.

"Have the coupons become part of the biomass program?" Gore asked, referring to a program in which trash could be burned for energy. "We are keeping them under control of our anti-counterfeit department," Schlesinger replied.

"Why, if we are not going to use them?" Gore asked. "Because they are very similar to dollar bills," Schlesinger said.

Gore persisted. "Can they be used?" he asked. Schlesinger, resignedly, admitted, "They may become part of the biomass program."

If so, it would mean the U.S. taxpayer spent $10 million to print coupons to be burned as "trash" for energy.

That's part of our energy policy? It sounds more like an old Laurel and Hardy script, except that it's stupid without being funny.●

AMNESTY INTERNATIONAL'S POLITICAL BIAS EXAMINED

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. McDONALD. Mr. Speaker, on several previous occasions I have reported on the political bias of Amnesty International in favor of Communist-sponsored terrorist groups and against governments defending their people from such attacks. Now in the March 1978 issue of Commentary magazine, Stephen Miller has examined Amnesty International and found numerous examples of actual and de facto bias.

Amnesty International expresses its bias by extensively publicizing allegations of human rights abuse in free world nations and with few exceptions glossing over the widespread abuses of human rights by the Communists. Furthermore, as Stephen Miller points out, Amnesty International routinely challenges the human rights statements of anti-Communist leaders, but carries in its annual report for 1977 the claims of the Communist regime in Hanoi and Fidel Castro without challenge.

Critical evaluation of Amnesty International by the press is long overdue. Stephen Miller's article is a step in the correct direction and I recommend it highly to all my colleagues concerned with the protection of human rights.

POLITICS AND AMNESTY INTERNATIONAL

(By Stephen Miller)

Amnesty International is an independent human-rights organization which issues regular reports on violations of human rights throughout the world and works for the release of what it calls Prisoners of Conscience (political prisoners who have neither used nor advocated violence). The organization, which boasts an overall membership of 168,000, is based in London but has national sections in 33 countries and individual members in 107. In this country, Amnesty International USA has chapters in 32 states and last year had a budget of $750,000.

According to AI, in the sixteen years of its existence it has helped secure the release of more than 13,000 prisoners. But it is only in the last few years that the organization has itself attained international prominence, culminating in the award to it of the Nobel Prize for Peace in 1977. As the Nobel Committee said in its citation: "In a world of increasing brutality, internationalization of violence, terrorism, and torture, Amnesty International used its forces for the protection of human values." No doubt the luster of a Nobel Prize will enable AI to increase its membership and to increase as well the amount of money it raises.

A widely respected organization, AI has emerged in recent years as the most powerful lobbying group in the world for human rights, and has earned the support (at least in the United States) of persons of all political persuasions. Though some of its findings have been disputed, its reports are generally regarded as impartial and reasonably accurate. But now that it has come of age and promises to become even more influential in the future, AI would seem to deserve a closer look—a task that is aided by the recent publication of a 352-page annual report that is the most extensive in the organization's history.[1] For there may be serious problems, both with the theory by which AI operates—particularly on the issue of what it includes under the rubric of human rights—and with its practice.

II

At first glance it might seem impossible to arrive at any universal agreement about what constitutes a violation of human rights. Many people believe, for instance, that because Western legal and cultural traditions differ fundamentally from non-Western traditions, no consensus can be reached on the definition of human rights. In China, John K. Fairbank points out, the notion of civil liberties does not exist. "Habeas corpus, presumptive innocence, right of counsel, no self-incrimination, jury trial, and other civil liberties depend on the supremacy of law," he writes, "but Chinese tradition and practice do not accept the supremacy of law. . . ." And what about the Islamic law that condemns persons to death by stoning for committing adultery, fornication, or sodomy? (According to AI, three men were executed in this manner in Saudi Arabia last year.)

Against such views, Peter L. Berger has argued that some actions are indeed universally considered as violations of human rights ("Are Human Rights Universal?" Commentary, September 1977). Among those he lists are genocide, torture, forced labor, the forced separation of families, and religious persecution. According to Berger, in condemning these as violations of human rights "we can call upon a consensus far wider than that of Western civilization. That consensus emerges from all the major world cultures, especially in their religious foundations. . . ."

Berger's list is one that most people in the world would accept—one, moreover, that AI has generally followed in husbanding its limited resources. Thus, a good deal of its time and money is devoted exclusively to the question of torture. Last year, AI's Campaign for the Abolition of Torture, which is a major part of its overall program, published pamphlets on "Evidence of Torture: Studies by the Amnesty International Danish Medical Group" and on "Professional Codes of Ethics," the latter dealing in part with the responsibilities of the medical profession in connection with torture. Moreover, AI often issues reports on torture in particular countries. It is hard to say whether the campaign has been effective in reducing torture throughout the world; but it is clear that the fact that torture has come to be recognized as an international problem is in large part due, as AI justifiably says, to "Amnesty International's years of campaigning on the issue."

In addition to its preoccupation with torture, however, AI is also on record as opposing "by all appropriate means the imposition and infliction of death penalties. . . ." In this, AI follows the language of the Universal Declaration of Human Rights, adopted by the United Nations in 1948. But AI does not merely pay lip service to the UN Declaration; it is quite insistent about its opposition to the death penalty. Martin Ennals, AI's Secretary General, says that "Amnesty International's opposition to torture and the death penalty is absolute and embraces all cases regardless of the nature of the offenses involved" (emphasis added). And, as if to stress the seriousness of its commitment, AI has planned a year-long educational and publicity campaign on the death penalty—an effort that began last December with an international conference in Stockholm.

Now, the death penalty is clearly a very different matter from the practice of torture. Many countries have laws that authorize the death penalty for certain crimes, whereas there are no laws authorizing torture. Torture by its very nature is outside all legal systems, something that is practiced clandestinely and arbitrarily. As known law, the death penalty is subject to debate, adjudication, amendment, even abolition; torture is not. It is thus one thing for AI to protest against the widespread practice, in Ethiopia, of "extra-judicial execution," another name for mass terror. It is another thing to intervene, as AI did in France, to try to commute the sentence of a man convicted of "attempted rape and murder of an eight-year-old girl," or to mount an Urgent Action campaign—massive letter-writing and telegrams—to prevent the execution of Gary Gilmore, a covicted double murderer, in Utah last year. One need not be in favor of the death penalty to recognize the elementary distinction here between cases of criminal behavior which no society can leave unpunished and cases of government injustice that are acknowledged as such by most of the human community.

AI seems determined to move into other areas that, as with the death penalty, are only tangentially related to its original concerns. In the United States, where, as AI admits, there is no overt political imprisonment, it nevertheless suspects that "many people may be 'framed' on criminal charges because of their political activities or ethnic origin. . . ." By "political" AI seems to mean racial, for AI has intervened almost exclusively on behalf of blacks and American Indians. A recent article in the Washington Post took a close look at the case of these so-called political prisoners cited by AI, and it does seem that in several instances there were serious abuses in the handling of the trial. Yet here too questions may be raised. Some—perhaps many—criminal trials in the United States may not be "fair," but any number of reasons may account for this,

[1] *Amnesty International Report 1977*, Amnesty International Publications, $3.95.

having nothing whatever to do with politics. Furthermore, the case of someone convicted of criminal charges in a country which knows the right of further legal appeal, and even of petition to political authorities, is miles apart from the case of sometone convicted of clearly trumped-up criminal charges in a country where Western legal traditions are nonexistent or exist on paper only. As with its blanket opposition to the death penalty, AI's argument ignores such important distinctions.

AI's intervention in a number of criminal trials in the United States is in line with the very broad view it takes of Prisoners of Conscience, whom it defines as persons who "are imprisoned, detained, restricted, or other wise subjected to physical coercion or restriction by reason of their political, religious, or other conscientiously held beliefs or by reason of their ethnic origin, color, or language, provided that they have not used or advocated violence." That this definition applies to an Anatoly Shcharansky is obvious, but it has also led AI to spend time on behalf of Jehovah's Witnesses, who in many countries go to jail not because they refuse induction into the military but because they refuse even to apply for conscientious-objector status. Aside from the fact that the Jehovah's Witnesses themselves apparently resent AI's intrusion into their affairs, it seems plain that in calling such people Prisoners of Conscience the organization is willfully overstepping the line between perscuted "beliefs" and those negative actions—a refusal to serve in the army or to pay an income tax—which the state surely has a right to punish.

III

The increasingly indiscriminate attitude AI has been taking toward the question of what constitutes a violation of human rights has resulted, in turn, in the emergence in its literature of a strange picture of the landscape of injustice. A country that has a strong tradition of respect for human rights in general and civil liberties in particular may look bad in AI's eyes if it executes a number of convicted criminals in any given year. Conversely. a country with an "enlightened" criminal code—i.e., no death penalty—may escape AI's censure while quietly doing away with countless political undesirables. In AI's annual report for 1977, Switzerland rates two paragraphs for violations of human rights whereas North Korea rates only one. In the United States, where even the existence of the category itself is open to question, AI has "adopted" 14 Prisoners of Conscience; in Cuba, where thousands rot in prison camps, AI has a mere 25.

If its indiscriminate application of central concepts has led to a distortion in AI's work, the curious fact about that distortion is that, with an important exception, it obeys the logic of Left and Right. The world that confronts the reader of AI's recent literature—its newsletter, pamphlets, news releases, and the latest annual report—is one in which the regimes that seem to be the most scandalously repressive are usually of the rightest variety, with Chile, the Philippines, Argentina, and Uruguay leading the pack, while those on the Left receive by comparison higher marks. The important exception is Communist Eastern Europe, and especially the Soviet Union and Czechoslovakia, countries to which AI pays very close attention indeed.

The fact that AI has received the support of Andrei Amalrik and Vladimir Bukovsky, and earned the public displeasure of the Soviet Union and Czechoslovakia, certainly underlines its commitment in principle to exposing human-rights violations wherever they occur. Still, there are realities that AI must live with—realities subsumed under what might be called Moynihan's Law, after Daniel P. Moynihan's observation that the more voices we hear in a particular country protesting injustice, the less repressive that country is likely to be. AI is stuck with the news it can get, and it usually finds it easier to get news from countries that have rightist, authoritarian regimes—not to speak of countries that are democratic—than from countries whose governments are leftist and totalitarian. The consequence is that in AI's latest annual report, the same number of pages (four and a half) is devoted to Singapore as is devoted to China. Four pages are devoted to human-rights violations in West Germany, only two and a half to East Germany; three and a half pages to Chile, only two and a half to Cuba; four and a half pages to South Korea, only two to Cambodia.

The number of pages on each country obviously only tells part of the story; more important is the nature of the news being recounted. Here too the reports often "favor" leftist regimes, since the information available on their practices is usually very vague, whereas the information on rightist regimes is often detailed. About Cambodia, for example, AI says that reports of widespread killings, amounting really to genocide, have been denied by the foreign minister and "remain unverifiable because foreign journalists are not allowed to visit and information leaving the country is severely restricted." Needless to say, the reports on torture in the Philippines, Chile, and Uruguay—where the absolute numbers of victims are by comparison minuscule—are graphic and full.

The effect of AI's reports is thus to make rightist, authoritarian regimes look worse than leftist, totalitarian ones. Whether intentional or not, this is certainly in conformity with the view of things that prevails in the court of international public opinion, where rightist regimes suffer a kind of obloquy that leftist regimes rarely have to endure. Yet it should not need to be stressed that by a truly impartial yardstick, it is the regimes of the Left whose records are by far the more heinous. The Washington *Post* recently reported, for example, that for several days prior to President Pinochet's plebiscite in Chile, "Several thousand young people wound through downtown streets shouting 'no' and chanting slogans last heard more than four years ago during the government of leftist President Salvador Allende."

And the New York Times recently reported that in South Korea, more than 500 people packed a Christian center in downtown Seoul for 90 minutes of prayers mixed with denunciations of the suppression of human rights by the government of President Park Chung Hee." Can anyone imagine such demonstrations being allowed to take place in the Soviet Union, China, Cambodia, Rumania, Vietnam or North Korea? Or even for that matter, in Hungary—the "model" leftist state? Yet it is Chile that remains the *bete noire* of "enlightened" opinion and this is faithfully reflected in the literature of AI.

IV

Has AI, then, become politically biased? There is some evidence that this may be so. AI's literature tends to exhibit an automatic distrust of all rightist governments, and an equally automatic desire to give leftist governments—with the execption of the Soviet Union and Czechoslovakia—the benefit of the doubt. Thus, in its latest annual report, AI provides a rather low figure for the number of political prisoners in Vietnam—200,000—and then quotes without comment from a broadcast by Hanoi Radio which, in effect, justifies the current regime's program of "reeducation." According to Hanoi's Radio, those who undergo prolonged "reeducation" in the new Vietnam include "members of the Green Berets, the rangers, the paratroops, marines, policemen, prison guards, district officials, village chiefs, and secret agents who were trained by the United States." In other words they are only getting what they deserve. It is unclear why AI chose to let the government of Vietnam give its own explanation of the reasons for there being so many political prisoners in that country, but one thing is clear: AI *never* fails to question any statement by government officials of rightist regimes.

In its rundown of the situation in Cuba, to take another example, the way AI speculates about the number of political prisoners borders upon the evasive. "The figure of 4,000–5,000," it says, "put forward in Amnesty International Report 1975–1976, applies only to those prisoners whom the Cuban authorities . . . recognize as being detained on political charges. This category of prisoner appears to have become smaller in the last year; the total now lies between 2,000 and 3,000." This figure, according to AI, was "confirmed by Fidel Castro in a televised interview with the American journalist Barbara Walters in June 1977." Why, one wonders again, should Fidel Castro be allowed to confirm anything, when AI would never let the likes of a Pinochet or a Marcos or a Park Chung Hee do the same? But it is the misleading statistics that are more troubling here.

In a recent article in Christian Century—one that is in the main favorable to Castro—Dean Peerman has quite a different story to tell. "Exile groups in Florida," he writes, "claim that there are more than 100,000 [political prisoners], but this is probably a highly inflated figure just as the figure cited by Castro—2,000 to 3,000 (in his interview with Barbara Walters)—is no doubt deflated. Latin Americanist Roger Fontaine of Georgetown University insists that Cuba's political prisoners number between 40,000 and 60,000, but most of the responsible estimates seem to range from 10,000 to 20,000." [2]

The language in which AI describes the situation in Cuba is remarkably restrained and diplomatic—as if AI wanted to reassure the Cubans that basically it thinks well of them. We learn that AI has "continued discussions" with Cuban officials, mainly through the UN, the purpose of which is "to explain the organization's concern—especially its concern over the situation of human rights in Cuba." AI also speaks of "lengthy discussions with officials" whom it met at a UN-sponsored conference in Cuba in 1976. In the analysis of Chile, on the other hand, the language is very different; instead of lengthy discussions, there is a worldwide publicity campaign, whose aims are "to arouse international opinion, to get from the Chilean authorities precise details about what had happened to these people and to demand an end to the 'disappearances'. . . ."

The attitude AI takes toward Chile is very much the attitude it takes toward other rightist governments. In a lead article on Argentina in the Winter 1977 issue of Matchbox, the newsletter of AIs American section, the 1,300 persons said to have been killed by government security forces there are categorized as those who "opposed the totalitar-

[2] In the February Encounter, Hugh Thomas, the noted authority on Cuba, reminds us that Castro himself fairly recently admitted the existence of some 23,000 political prisoners in Cuba. Thomas comments. "Rarely publicized by the world's philanthropic agencies, these half-forgotten prisoners continue their terrible travail, many of them in unspeakable conditions and without hope of release."

ian regimes now in power in Uruguay and Argentina. . . ." Even aside from the fact the current Argentine government is not totalitarian, it is amazing that an article on terror in Argentina should gloss over in one sentence, as this one does, the widespread incidence of left-wing terrorism there.

But such "exposés" of rightist regimes are not uncommon in AI's newsletters, despite the organization's proud insistence on its political neutrality. In the Fall 1977 issue of Matchbox, an article entitled "Manila Folder" attacks the government of the Philippines for holding an international conference on human rights when, in fact, the government systematically practices torture and detains people without trial.

The author makes much of the contrast between the elegant hotel where the conferees were staying and the awful slum of Hondo, only a thirty-minute drive away. Where, one wonders, is a similar article on the International Conference in Support of the Peoples of Zimbabwe and Namibia held in Maputo, Mozambique, and attended by AI? According to AI's own statistics, approximately 100,000 persons are languishing in "reeducation" camps in that country. And where is the article on another UN-sponsored international conference (on apartheid) that AI attended in Havana, Cuba, in May 1976?

It is true that in its literature AI does not begin to approach the notorious bias of the Human Rights Commission of the United Nations, which has claimed that the only nations consistently employing torture, suppressing dissidents, and imprisoning political foes are Israel, South Africa, and Chile. But neither does AI stray far from that body's view of the world. "AI concerned at Arab prisoners' hunger-strike in Israel," went one news release last year. "AI concerned at Democratic Kampuchean [Cambodian] government's lack of response to appeals" went another—the sole release on Cambodia last year (as opposed to five on Chile). According to Jean Lacouture, the Cambodian government is carrying out "the bloodiest revolution in history," yet AI shows no more concern about it than about a prison hunger-strike in democratic Israel. It is hard to resist the conclusion that some policy, or at least some conscious set of attitudes, is at work behind AI's increasingly frequent practice of whispering softly when it comes to Vietnam, Cuba. China, and Cambodia but shouting vehemently when it comes to Argentina, Chile, the Philippines, and South Korea.

The specter of the possible politicization of AI is brought home dramatically in a letter that recently appeared in the New York Review of Books. Signed by two members of the governing board of the American section of AI as well as by many others, the letter brands President Carter's human-rights policy as hypocritical, condemns repression in Eastern Europe, and also castigates the regimes of Iran, Chile, Brazil, South Korea, Argentina, South Africa, the Philippines, and Indonesia. Nothing is said about repression in Cambodia, Cuba, Vietnam, and China. But this is not all. The letter goes on to dwell on all manner of human "rights" that are, it says, violated by the American government: the "right" to abortion, the "right" to child-care facilities, the "right" to affirmative action in employment, education, and housing. This blatant enlistment of the language of human rights in the service of a partisan political position is a truly ominous sign. If it were an aberration from AI's habitual practice, there would be little cause to remark upon it. It seems more likely, however, that the organization as a whole is moving away from its original purpose, a concern with violations of human rights all over the world, to a selective and predictable partisanship. If this is really so, it will mark the ruination of an enterprise that has brought hope to many.●

RETURN TO RUSSIA: PARTS 4 AND 5

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. McEWEN. Mr. Speaker, last fall Alan S. Emory, Washington correspondent of the Watertown N.Y. Daily Times visited the Soviet Union for 2 weeks. Upon his return to this country, he prepared a series of articles for his newspaper in which he described his observations on the current conditions in that country. The articles appeared in the newspaper between October 10, 1977, and October 24, 1977.

I was very interested in his articles and recommend to my colleagues that they read them.

Earlier this week, I brought to the attention of my colleagues the first three articles in that series, and today I call your attention to the fourth and fifth atricles. I am pleased to insert in today's RECORD the fourth and fifth articles in that series.

The text of those articles follows:

[From the Watertown (N.Y.) Daily Times, Oct. 14, 1977]

LEGENDS OF SAMARKAND LIVE ON FOR CITY'S VISITORS

(By Alan Emory)

SAMATKAND, U.S.S.R.—At dusk the mosques and towers of this fabled Central Asian city stand as a mysterious tribute to those who ruled an empire six centuries ago.

In brilliant daylight the blues, greens and gold of the mosaics that color the domes and towers bring the storied fairyland of the past into the 20th century.

Legend has it that the architect who was building a mosque for Bibi-Khanym, the Chinese wife of warlord Tamerlane, fell in love with her and slowed down the building pace so he could press his amorous intentions.

Concerned about her husband's reactions, Bibi-Khanym rejected all advances, even a kiss, but when the architect persisted, she allowed one quick kiss—upon a hand held up to protect her cheek.

This kiss, it is said, was so filled with ardor the imprint of the young man's lips passed through to the cheek, and, when Tamerlane returned and saw it he ordered the architect executed.

The architect, however, when he found his master was coming back to Samarkand, rushed the mosque through to completion, raced to the top and flew off on a pair of wings that had magically appeared for his salvation.

Just a legend, of which Samarkand has many.

Tamerlane, for example, was not a Tartar or a Mongol warlord from the lands of the East, but a local boy whose father was from a town just outside Samakand. His name is a corruption of Timur the Lame.

This city of 400,000, including 53,000 students, one of the most picturesque in the world, has been reorganized for tourism.

The Hotel Samarkand, as modern as they come, has advertising in English and French, the latter language promoting on posters each of the 15 Soviet republics, and the lobby has a lighted map of the city.

Moslems are expected to make an annual pilgrimage to Mecca, but, as a substitute, they are permitted to worship twice at one of the leading mosques in Samarkand.

A former capital of Uzbekistan, Samarkand was a trading center for cotton rice, silk and gold. In 329 B.C., when it was known as Maracanda, Alexander the Great destroyed it.

Tamerlane chose it as his capital.

No one really knows what Samarkand means, but locally one of the tags is City of Shadows.

The temperature ranges all the way from 113 at its hottest to 20 below zero.

The city's market sprawls over a huge area, with lots of room between the stalls, fruits sold in one area, vegetables in another. Families eat on flat platforms, cooking fish in fat right in the marketplace.

Samarkand, which recently celebrated its 2,500th anniversary, survived not only Alexander the Great, but Genghis Khan and 35 years of warfare under Tamerlane.

Its architectural monuments are magnificent beyond description, and the names are as mystical as the history—Shakhi-Zinda, Shir-Dor, Registan, Gur-Emir.

Gur-Emir, reached by a stone stairway of 32 steps, is a network of spectacular mosques on either side of a path that leads through arches.

Unlike the foreign visitors who jam the walk areas, the Uzbeks enter the various temples to pray, many of the older women wearing white turbans and fabric pants under their dresses.

The complex was built as the final resting place for Tamerlane's family and friends, and in one building lie tombstones of the storied ruler—a solid block of dark jade—and his sons and grandsons. The bodies are actually buried elsewhere.

Although he was not Tamerlane's favorite grandson, history will probably look most kindly on Ulugbek, the astronomer-ruler who was beheaded in 1449 by Moslem fanatics who feared his learning.

Ulugbek's observatory, mostly rebuilt, is a landmark on the city's outskirts, and part of the 130-foot sextant he used to chart the stars with fantastic accuracy remains.

Employing a device with iron rails, Ulugbek cataloged more than 1,000 stars, and, according to one report, his calculations of the annual movement of Mars and Venus differed from current estimates by a matter of seconds.

Soviet archeologists opened the graves of Tamerlane and Ulugbek 36 years ago to confirm their authenticity and found Tamerlane's skeleton crippled and Ulugbek's skull severed from the body.

Although Tamerlane was fabled as a warrior and proclaimed himself a descendant of Genghis Khan, he died peaceably 672 years ago.

The old city of Samarkand is now a graveyard of ancient and modern burial places and is being restored slowly.

The central square, or Registan, which means "sandy place" is surrounded by large 15th century buildings covered with colored mosaics and paintings and recognized as one of the finest assemblages of architecture in the Eastern world.

Although it is against Moslem tradition to depict live animals or humans, one building shows tigers and a human face in the center of sun's rays.

A research institute in the city specializes in karakul sheep whose curly wool is generally called Persian lamb in the west. One more legend about Samarkand.

It says Tamerlane warned that disaster would strike if his grave were opened.

It was opened on June 21, 1941, and the next day Hitler's forces invaded the Soviet Union.

[From the Watertown (N.Y.) Daily Times, Oct. 18, 1977]

COLORFUL NAMES OF TALLINN TOWERS ADD TO STORYBOOK ATMOSPHERE

(By Alan Emory)

TALLINN, U.S.S.R.—This capital city of Estonia has the atmosphere of medieval Europe and is as far removed from imparting a sense of being part of the Soviet Union as its language—close to Finnish—is from Russian.

It is a city of narrow streets, ancient churches and storybook structure names.

One tower is called Tall Herman, another Stout Margaret.

There is a church dedicated to St. Nicholas, the patron saint of Christmas, known locally as Niguliste.

Another tower is called Kiek in de Kok (pronounced, colorfully, "keek in der kerk"), which means look down in the kitchen.

In the old town square is a pharmacy more than 500 years old and still operating, a pointed tile roof for a cover and a forged iron frame around the traditional emblem of pharmacists, a cup and a snake, out front.

A visitor strolls from the upper part of the old town to the lower, near the Baltic Sea port, by cobblestoned Long Leg Street. There is a Short Leg, too.

This is a truly medieval city, with its curved streets and stone buildings, some with slight touches of color, but most varying shades of gray.

From the oldest part of the city, called Toompea (accent on the first syllable) Hill, there is a dramatic panoramic view of the whole of Tallinn and ships anchored in the harbor.

Tallinn was known as Koluvan in the 12th century, its first reference in history, because the widow of the ancient Estonian king, Kalev, was reportedly carrying stones to her husband's grave there when her apron strings broke and the stones tumbled out.

The legend has it that the widow wept so copiously that her tears formed a large lake around the stones, and the city is squeezed between the Baltic and the Gulf of Finland, on one side, and the lake on the other.

Now a city of 400,000, Tallinn, and Estonia, have a history of existing under the rule of alien conquerors.

First it was the Germans, then the Danes, next the Swedes and, in the early 18th Century, the Russians, led by Peter the Great. The Germans reoccupied the country in World War I, and Estonia became a free nation again following the war, but in 1940 it joined the Soviet Union as the Germans and the Russians battled each other.

Back came the Germans in 1941, but after the Second World War Estonia returned to the Soviet Union as a republic.

As in many places in the Soviet Union, the government here is having a difficult time deciding what to keep of old Tallinn and what to tear down to make place for the new.

The spires of the old churches form an historic skyline, and throughout the city the roofs are decorated with distinctive and imaginative weather vanes.

The earliest vane—a common soldier armed with a sword—tops the spire of the town hall.

The story says that a man named Thomas used to gather the local children around him every day and tell them stories, but one day Thomas did not show up.

Rather than sadden the youngsters with the news of Thomas' death, the city fathers made the weather vane, put it atop the town hall and informed the children Thomas had climbed to the new outpost as a means of protecting them.

Estonians appear relatively well off compared with residents of other parts of the Soviet Union. One local authority says the average wage locally is about 15 per cent higher than the national average.

The outskirts of the city contain attractive homes, but their owners have to drive to work because, one resident confessed with uncharacteristic Soviet candor, public transportation was so unreliable.

Almost every family in the area has a summer house, she said—the actual figure may be closer to 45 per cent—and they were in such demand that any one desiring to sell could find a ready customer.

Estonia is discovering cheap energy from oil shale to fuel its industry. Raw materials are shipped to the republic from other parts of the Soviet Union for transformation into manufacured goods.

Sailing, naturally, is a favored sport here, but there are city tennis courts, also, a relatively rare sight in those cities visited on a two-week swing through Russia, Uzbekistan, and Estonia.

Tallinn is blessed with a well-appointed modern hotel, the Viru, which is kept in far better shape than the hostelries in other Soviet cities.●

HUBERT HUMPHREY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. DOWNEY. Mr. Speaker, today the House considers the Humphrey-Hawkins bill. It is still hard to accept that Hubert Horatio Humphrey—with the political "body English" that only he could muster—will not, by the mere fact of his presence, be helping to guide our actions from across the Capitol.

Hubert Humphrey was a great champion of the people. His boundless energy, enthusiasm and political skill allowed him to have a hand in more major legislation than any other public figure of this era. He was genuinely concerned with human suffering. No better indication of this is the full employment bill being considered today.

The political life of Hubert Humphrey reflected American idealism, which is so often interchangeable with true American pragmatism. He was the driving force behind the civil rights bills of the 1960's, the Peace Corps, and medicaid. All reflected the basic ideals of this country and, at the same time, addressed glaring problems at home and throughout the world. One is astounded by the diverse number of issues and initiatives which Humphrey spearheaded. Above all, however, the people were his concern.

While Humphrey, the politician, affected our lives, Humphrey the man touched our hearts. One can still see him in the midst of a crowd, sleeves rolled, face smiling, hand shaking, as he stepped among his people. They were his people, for he loved what he was doing and they knew it. He had a rare camaraderie with the public. The man's heart—quickly hurt, quickly healed—endeared him to the people through good times and bad. They identified with him. No hazy mystique kept him hidden. The public man and private man were one.

He was admired and respected by his colleagues on both sides of the aisle. He attacked injustice, not people. Ideas such as prejudice and selfishness were his only foes. He lived Kipling's definition of a man, for he walked with kings but never lost the common touch. His death has created a void which will deeply affect us all. We miss him dearly.●

TRIBUTE TO GOVERNOR WESLEY BOLIN OF ARIZONA

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. STUMP. Mr. Speaker, I was extremely saddened by the passing of a good friend, a great man, a person whose service to the State of Arizona is hard to match—Gov. Wesley Bolin.

Wes was born to D. S. and Margaret Combs Bolin on July 1, 1909, on a farm near Butler, Mo. and moved to Arizona with his family in 1917. He always regretted that he was not born in the State of Arizona.

Wes Bolin's service to the people of the State of Arizona began in 1938 when he was elected constable of the West Phoenix precinct. From 1943 to 1949 Wes served as justice of the peace. In 1949 he was elected secretary of state.

Wes attained a record that no other secretary of state in Arizona ever equaled. He served as secretary of state for 29 years. As secretary of state, Bolin served under seven governors. Whether the governor was Republican or a Democrat made no difference to Wes Bolin. He worked smoothly with both parties and his counsel and assistance was respected and sought after. Bolin was a man of the people, not of the party system.

Both Democrats and Republicans trusted Wes with the office of the Governor when they were out of the State on business. The respect they had for Wes was shown by their presence as honorary pallbearers at Governor Bolin's funeral. Governors Howard Pyle, Ernest McFarland, Paul Fannin, Sam Goddard, Jack Williams, and Raul Castro were all in attendance.

This distinguished Governor and kind friend gave of his many talents, without sparing himself, toward the good of the people of his State and of this country. He leaves his memory here with us, in Arizona, as one who in the highest degree deserves the respect and gratitude of his fellow citizens.

At this time I want to underscore a point about this dedicated man, Wes Bolin, that greatly enhanced my admiration for him—his human kindness. Others have said it, and I will repeat it, Wes was one of the rare persons of this world—he did not have a single enemy.

Governor Bolin considered Arizona to be his family. He served that family well.●

EVERY PENNY COUNTS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. ABDNOR. Mr. Speaker, again this year, there is not going to be a member of this body who does not go home to his district and give speeches about the evils of inflation. Not one of us.

Yet, despite all our at-home rhetoric, as a collective body we continue merrily allowing inflation to go on and on, sometimes raging out of control. We tend to take a 6- or 7-percent annual inflation rate as a matter of fact, refusing to come to grips with economic reality and our responsibility.

Senior citizens cannot ignore inflation, however. They know you have got to make every penny count when you are living on a fixed income. They must take advantage of every opportunity to save. To that end I commend to their attention a revised list of itemized income tax deductions, because it is important they save on their taxes as well as in every other way possible:

PROTECTING OLDER AMERICANS AGAINST OVERPAYMENT OF INCOME TAXES

(A Revised Checklist of Itemized Deductions for Use in Taxable Year 1977)

CHECKLIST OF ITEMIZED DEDUCTIONS FOR SCHEDULE A (FORM 1040)

Medical and dental expenses

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3 percent of a taxpayer's adjusted gross income (line 31, Form 1040).

Insurance premiums

One-half of medical, hospital, or health insurance premiums are deductible (up to $150) without regard to the 3 percent limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3 percent rule.

Drugs and medicine

Included in medical expenses (subject to 3-percent rule) but only to extent exceeding 1 percent of adjusted gross income (line 31, Form 1040).

Other medical expenses

Other allowable medical and dental expenses (subject to 3 percent limitation):

Abdominal supports (prescribed by a doctor).
Acupuncture services.
Ambulance hire.
Anesthetist.
Arch supports (prescribed by a doctor).
Artifical limbs and teeth.
Back supports (prescribed by a doctor).
Braces.
Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. Taxpayer should have an independent appraisal made to reflect clearly the increase in value.
Cardiographs.
Chiropodist.
Chiropractor.
Christian Science practitioner, authorized.
Convalescent home (for medical treatment only).
Crutches.
Dental service (e.g., cleaning, X-ray, filling teeth).
Dentures.
Dermatologist.
Eyeglasses.
Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).
Gynecologist.
Hearing aids and batteries.
Home health services.
Hospital expenses.
Insulin treatment.
Invalid chair.
Lab tests.
Lipreading lessons (designed to overcome a handicap).
Neurologist.
Nurses services (for medical care, including nurse's board paid by you).
Occupational therapist.
Ophthalmologist.
Optician.
Optometrist.
Oral surgery.
Osteopath, licensed.
Pediatrician.
Physical examinations.
Physical therapist.
Physician.
Podiatrist.
Psychiatrist.
Psychoanalyst.
Psychologist.
Psychotherapy.
Radium therapy.
Sacroiliac belt (prescribed by a doctor).
Seeing-eye dog and maintenance.
Spech therapist.
Splints.
Supplementary medical insurance (Part B) under Medicare.
Surgeon.
Telephone/teletype special communications equipment for the deaf.
Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.).
Vaccines.
Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health).
Wheelchairs.
Whirlpool baths for medical purposes.
X-rays.

Taxes

Real estate.
State and local gasoline.
General sales.
State and local income.
Personal property.

If sales tax tables are used in arriving at your deduction, you may add to the amount shown in the tax tables only the sales tax paid on the purchase of five classes of items: automobiles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables add to your adjusted gross income any nontaxable income (e.g., Social Security, Veteran's pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, recovery of pension costs, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

Contributions

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20 percent of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible). Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7 cents per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Costs and upkeep of uniforms used in chartiable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in taxpayer's home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

Interest

Home mortgage.
Auto loan.
Installment purchases (television, washer, dryer, etc.)
Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.
Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).
Penalty for prepayment of a mortage—deductible as interest.
Revolving charge accounts—may deduct the "finance charge" if the charges are based on your unpaid balance and computed monthly.
Other charge accounts for installment purchases—may deduct the lesser of (1) 6% of the average monthly balance (average monthly balance equals the total of the unpaid balances for all 12 months, divided by 12) or (2) the portion of the total fee or service charges allocable to the year.

Casualty or theft loses

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses to nonbusiness property—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use by the $100 limitation. You may use From 4684 for computing your personal casualty loss.

Miscellaneous

Appraisal fees for casualty loss or to determine the fair market value of charitable contributions.

Union dues.
Cost of preparation of income tax return.
Cost of tools for employee (depreciated over the useful life of the tools).
Dues for Chamber of Commerce (if as a business expense).
Rental cost of a safe-deposit box for income-producing property.
Fees paid to investment counselors.
Subscriptions to business publications.
Telephone and postage in connection with investments.
Uniforms required for employment and not generally wearable off the job.
Maintenance of uniforms required for employment.
Special safety apparel (e.g., steel toe safety or helmets worn by construction workers; special masks worn by welders).
Business entertainment expenses.
Business gift expenses not exceeding $25 per recipient.
Employment agency fees under certain circumstances.
Cost of periodic physical examination if required by employer.
Cost of installation and maintenance of a telephone required by the taxpayer's employment (deduction based on business use).
Cost of bond if required for employment.
Expenses of an office in your home if employment requires it.
Payments made by a teacher to a substitute.

Educational expenses required by your employer to maintain your position or for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—Taxpayers may now claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for nomination or election to any Federal, State, or local office in any primary, general or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, a $25 ceiling ($50 for couples filing jointly).

Presidential election campaign fund

Additionally, taxpayers may voluntarily earmark $1 of their taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

Additional information

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

Other tax relief measures

Filing status:	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Personal Exemption for Age.—Besides the regular $750 exemption allowed a taxpayer, a husband and wife who are 65 or older on the last day of the taxable year are each entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1978, you will be entitled to the additional $750 personal exemption because of age for your 1977 Federal income tax return.

"Zero Bracket Amount" (Standard Deduction).—The former standard deduction has been replaced by a flat amount the law calls "zero bracket amount." This amount depends on your filing status. It is no longer a separate deduction as such; instead, the equivalent amount is built into the new simplified tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, taxpayers who itemize deductions will need to make an adjustment. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

New Tax Tables—New simplified tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Now, even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you no longer need to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

General Tax Credit.—The general tax credit has been revised to take into consideration the exemptions for age and blindness. Married taxpayers filing separate returns will now be limited to a credit based on $35 per exemption.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10 percent of the mutual dependent's support, but only one of them, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence by Elderly Taxpayers.—A taxpayer may elect to exclude from gross income part or, under certain circumstances, all of the gain from the sale of his personal residence, provided:

1. He was 65 or older before the date of the sale, and

2. He owned and occupied the property as his personal residence for a period totaling at least 5 years within the 8-year period ending on the date of the sale.

Taxpayers meeting these two requirements may elect to exclude the entire gain from gross income if the adjusted sales price of their residence is $35,000 or less. (This election can only be made once during a taxpayer's lifetime.) If the adjusted sales price exceeds $35,000, an election may be made to exclude part of the gain based on a ratio of $35,000 over the adjusted sales price of the residence. Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded by an elderly taxpayer when he sells his home.

Additionally, a taxpayer may elect to defer reporting the gain on the sale of his personal residence if within 18 months before or 18 months after the sale he buys and occupies another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence or (2) you were on active duty in the U.S. Armed Forces. Publication 523 (Tax Information on Selling your Home) may also be helpful.

Alimony Paid.—Payments for alimony are now adjustments to income. You no longer have to itemize deductions to claim a deduction for alimony you paid.

Credit for the Elderly.—An expanded and simplified credit for the elderly has replaced the former more complex retirement income credit.

A taxpayer may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if the taxpayer is:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

To be eligible for this credit, taxpayers no longer must meet the income requirement of having received over $600 of earned income during each of any 10 years before this year.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If a taxpayer maintained a household that included a child under age 15 or a dependent or spouse incapable of self-care, a taxpayer may be allowed a 20-percent credit for employment related expenses. These expenses must have been paid during the taxpayer year in order to enable the taxpayer to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—A taxpayer who maintains a household for a child who is under age 19, or is a student, or is a disabled dependent, may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if a taxpayer reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, the taxpayer may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040), line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.●

NITRITE IN MEAT CURING: RISKS AND BENEFITS—PART III

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. WAMPLER. Mr. Speaker, for the past several days I have been calling the

attention of the House to the dispute between Ms. Carol Foreman, Assistant Secretary of Agriculture for Food and Consumer Services and the farmers, ranchers, and meat processors as to whether or not cured meats can be safely produced using nitrites and nitrates.

Today, I wish to continue my efforts to inform the House and the public on this matter by inserting chapter II of a March 1 Report on Nitrite in Meat Curing: Risk and Benefits, prepared by the Council on Agricultural Science and Technology (CAST). Chapter II is a scientific discussion of the chemistry of meat curing. The second chapter of the CAST report follows:

CHEMISTRY OF MEAT CURING

Meat cured with nitrite differs in several respects from fresh meat or salted meat. The more evident differences include: (1) development of the "cured" color, which remains relatively stable; (2) modification of fresh-meat flavor to a flavor that seems unique to cured meats; (3) a decrease in rate of development of rancidity that extends the potential storage time before spoilage and helps prevent "warmed-over" flavors; and (4) inhibition of growth of microorganisms, an effect that will be treated in detail in the following chapter.

CHEMICAL REACTIONS

Most of the added nitrite disappears (Greenberg, 1972; Cassens et al., 1974) as a result of various chemical reactions. One of the reactions that occurs following addition of nitrite to meat is the formation of nitrate by oxidation of some of the nitrite (Mohler, 1967). This reaction explains the presence of nitrate when only nitrite is added for curing (Herring, 1973). Gases such as nitrogen dioxide, nitrous oxide, and nitrogen can be formed and subsequently lost during curing (Walters and Casselden, 1973). Nitric oxide gas also is formed in curing, but most of it is consumed in further reactions, one of which produces the cured color that will be discussed in the next section.

Sulfhydryl (—SH) groups on muscle proteins also react with nitrite (Kubberod et al., 1974), as does the oxidation-reduction system of muscle mitochondria (Walters et al., 1967). Nitrite reacts with lipids (Sebranek, 1974; Goutefongea et all, 1977), proteins (Woolford et al., 1976), and low-molecular-weight compounds not yet completely identified (Sebranek et al., 1978). The microbial inhibition resulting from nitrite addition is suspected by some to be due to a combination of nitrite during heating with a component of the meat (Perigo et al., 1967).

Nitrite combines with reductants such as ascorbate or erythorbate, and this helps develop the cured color more rapidly. The rate and extent of depletion of the residual nitrite are increased by addition of ascorbate or erythorbate (Cassens et al., 1974). These reductants are effective inhibitors of nitrosation reactions (Mirvish et al., 1972), including the combination of nitrite with amines to form nitrosamines. Although the consumption of nitrite in formation of nitrosamines is quantitatively insignificant, the possible qualitative significance is responsible for the special consideration given to this reaction in Chapter 4.

COLOR

The formation of the cured meat color, which results from the reaction of nitrite with muscle pigments, is the most immediately obvious effect of adding nitrite to meat. Nitrite was established as the cause of the cured meat color in the first application of science to meat curing (Lehman, 1899; Haldane, 1901). This observation was reconfirmed by Fox (1966). Determination of the need for heat to stabilize the color (Hoagland, 1914) and determination of the amount of nitrite needed to develop the color (Kerr et al., 1926) then followed. Research efforts in the 1950s and 1960s showed that fading of the cured color was caused by exposure to light and air (Draudt and Deatherage, 1956; Walsh and Rose, 1956) and could be avoided by proper packing systems. Other variables examined included pH (Fox and Thomson, 1963) and use of reductants like ascorbate and erythorbate, which accelerate color development and make possible high-speed production lines (Reith and Szakaly, 1967; Fox et al., 1967).

Meat products processed without nitrite have been judged by consumer panels to be less acceptable in color and appearance than those conventionally processed with nitrite (Eakes and Blumer, 1975). The degree of color acceptability to consumers generally decreases as nitrite concentrations decrease (Eakes and Blumer, 1975; Sebranek et al., 1977). However, it is impossible to establish a single level of nitrite addition below which color would be unacceptable because the required amount varies with the product and the process.

The possibility that other compounds may duplicate the effect of nitrite on color has been considered, and many compounds have been evaluated (Dymicky et al., 1975). Substituted pyridines and isoquinoline were found the most effective among several substances that would produce a reddish color. These compounds, however, are not approved for use in foods and would require extensive evaluation before being recognized as food additives. Pigments from red beets have been tested (Von Elbe et al., 1974), but the flavor and stability of these products were less acceptable than those of conventionally cured meats.

FLAVOR

Another change in meat brought about by the addition of nitrite is modification of the fresh-meat flavor. This effect was first documented by Brooks et al. (1940). They reported that characteristic bacon and ham flavors were due to the addition of nitrite. Addition of nitrite has been shown to alter significantly the flavor characteristics of pork loins (Cho and Bratzler, 1970), frankfurters (Wasserman and Talley, 1972; Sebranek et al., 1977), and comminuted pork products (Hadden et al., 1975). With some cured products, however, nitrite does not seem to be so clearly related to flavor. Products processed with and without nitrite have been difficult to differentiate in tests with salami (Skjelkvale and Tjaberg, 1974) and bacon (Mottram and Rhodes, 1974; Wasserman, 1977). The observation on bacon contradicts the original findings by Brooks et al. (1940).

Attempts to identify the specific constituents responsible for the cured flavor have been unsuccessful (Piotrowski et al., 1970; Cross and Ziegler, 1965). Wasserman (1974) suggested that the cured flavor may be due to the absence of certain oxidation products that are produced in uncured meat.

OXIDATIVE RANCIDITY

Nitrite delays the development of oxidative rancidity (Watts, 1954). This effect is observed even though sodium chloride, which is included in cured products, tends to encourage oxidation of lipids (Rust and Olson, 1973).

The effect of nitrite on rancidity is probably due to the same reaction that is responsible for color development. Iron heme compounds from muscle are active as catalysts of lipid oxidation when in the oxidized (Fe^{+++}) form. Reaction with nitrite to form cured pigments retains the iron heme in the reduced (Fe^{++}) form, which is inactive as a catalyst for lipid oxidation (Tarladgis, 1961). This same reaction probably accounts also for the prevention of "warmed-over" flavor in cured meats, which leads to decreased acceptability of uncured products when reheated (Bailey and Swain, 1973; Westerberg, 1973).●

SENATOR HUBERT HUMPHREY: THE HAPPY WARRIOR IS AT PEACE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. GILMAN. Mr. Speaker, In January, one of the greatest statesmen in our Nation's history passed forever from our midst.

Hubert Horatio Humphrey, a gentleman who loved life; who loved this wonderful country; who loved to help the less fortunate, died in Minnesota. We are a better Nation, thanks to his untiring gift of patriotism and pride. We miss him already.

When I heard of the Senator's death, I was in Teheran, with a delegation from our International Relations Committee. We were in the middle of a seven nation trip through the Mideast seeking peace for that part of the globe. The Senator's prayers were with us, I know, because no American desired peace in the Middle East more than Hubert Humphrey. He was a friend of Israel, and never waivered in his loyalty. But the reason for that was easy to understand. HHH was a friend of all nations who desired liberty and democracy.

Our delegation was, of course, saddened by the tragic, but expected news from distant America. The people of Teheran knew of Mr. Humphrey, and knew that America had lost one of its greatest individuals. We grieved for the man who never achieved the Presidency, but whose influence and spirit made him a winner.

Hubert Humphrey epitomized everything which was good about America. He was so positive, so optimistic, so wonderful to be around. The people of Minnesota were fortunate, as were the Members of the Congress who were blessed by the Senator's service in Washington. There are many men and women that I look up to. Senator Humphrey was right at the top of the list.

I had the pleasure of working with the good Senator several times during my 5 years in the Congress. He had a keen grasp for issues and he knew how to cut to the very heart of an issue. He knew what legislation could do to help the people, and that was the underlying code which he carried to the grave. Hubert Humphrey worked every day of his adult life for the betterment of his fellow human beings.

How fortunate we were.●

INTERNATIONAL SHIPPING ACT OF 1978

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. MURPHY of New York. Mr. Speaker, the Committee on Merchant Marine and Fisheries has been seeking to enact legislation that will carry out our national shipping policy as stated in the Merchant Marine Act of 1936 and the Shipping Act, 1916. That is, to establish and maintain a strong merchant fleet, owned by American citizens, manned by American crews, and capable of serving as a naval and military auxiliary in time of war or national emergency.

This national policy also specifically provides that we have a merchant marine sufficient to carry a substantial portion of our commerce in our foreign trades.

The Federal Maritime Commission is the regulatory agency charged by Congress with the statutory responsibility for regulating both U.S. and foreign shipping lines engaged in carrying our Nation's import and export trade in foreign commerce. The Shipping Act, 1916, as amended still provides the basic pattern of Federal regulation of the ocean freight industry.

Since enactment of the 1916 Shipping Act, revolutionary, worldwide changes have taken place in the technology and philosophy underlying world ocean trades in general and the liner conference system in particular. The industry has grown vastly more complex. The advent of containerization has introduced demands for extraordinary capital investment—further compounded by what now appears to be permanent inflation—and, above all, as more and more countries have moved actively into economic interdependence, ocean commerce has expanded exponentially, both bilaterally and in cross trading. Creative adaptation to change and flexibility of response have been fundamental qualities in the management of carriers that have survived.

Yet the Shipping Act, 1916, was never intended to deal with these circumstances nor the changing dynamics of world shipping trade caused by the emergence of maritime nationalism whereby national considerations at the government level take precedence over economic considerations in the world marketplace.

The FMC has provided lengthy testimony before the Merchant Marine Subcommittee during the past year on legislation to strengthen its powers to combat malpractices including rebating.

It is clear from the hearings on H.R. 9518, the antirebating bill, that the open conference system now in effect has its shortcomings. For one thing, our "come one, come all" concept of participation in our ocean commerce, coupled with the volume, value and predictable availability of cargo to and from the United States, has attracted cross-traders away from less lucrative routes. This "freedom of entry" almost guarantees that the U.S. ocean trades will be overtonnaged to some degree. And in an overtonnaged trade, malpractices such as rebates, absorption of inland charges, short weight or short measure declarations, and other malpractices spring up quickly.

The issues of containerization, intermodalism, bilateral agreements, and cargo preference were unknown to the Congress that drafted the Shipping Act, 1916.

In addition, the problems of overtonnaging are further excerbated by the rapidly and increasing penertation of our liner trades by State-controlled fleets which establish their position by predatory rate practices. The Merchant Marine Subcommittee is conducting hearings on legislation addressing this particular issue. In order to establish a coherent national maritime policy and deal effectively with the overtonnaging problem, I am introducing legislation today which would authorize the formation and implementation of closed conferences and shippers' councils in the foreign oceanborne commerce of the United States, and for other purposes. Joining with me in introducing this landmark legislation are Mr. ANDERSON of California, Mr. MCCLOSKEY, Mr. ZEFERETTI, Mr. BIAGGI and Mr. LEGGETT.

As the title indicates the bill for the first time would authorize the formation of closed conferences and shippers' councils in our foreign trades and would permit the use by closed conferences of deferred rebate systems as a means of strengthening the conferences. In addition, this legislation would authorize carriers and conferences of carriers, under FMC jurisdiction to enter into agreements involving intermodal services with carriers and bureaus thereof operating under ICC jurisdiction. Finally all agreements filed with the FMC would become lawful and effective upon filing.

This bill contains some of the most significant changes to our maritime regulatory system since the Shipping Act became law in 1916. It is designed to remedy three basic problems in our maritime industry today. First, the authorization of closed conferences and the use by them of deferred rebate systems would tend to resolve the severe problems of overtonnaging in our trades in recent years. Shippers' councils would be authorized in order to offset the economic power of such conferences. Second, agreements between conferences of water carriers and bureaus of inland carriers would greatly assist development of through, intermodal services. Third, the problem of administrative delay in the approval of agreements in our liner industry would be eliminated by permitting all such agreements to become effective upon filing with the FMC. The Commission could thereafter disapprove any such agreement it found detrimental to commerce, contrary to the public interest or otherwise in violation of the Shipping Act.

We believe that this legislation will serve as an excellent framework for our committee to conduct comprehensive hearings and fashion a new national maritime law which will both solve the overtonnaging problem and permit a strong, competitive, and prosperous U.S.-flag merchant marine.●

PROPOSED BUDGET CUT FOR RSVP PROGRAM

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. HARRIS. Mr. Speaker, in the budget submitted to Congress in January, the request for RSVP funds for fiscal 1979 has been drastically cut by 23 percent. This serious cut would certainly affect the Alexandria RSVP program, as well as many of the other RSVP programs in the United States.

Currently in Alexandria, some 400 RSVP volunteers are giving of their time, talent, and experience to over 40 community service agencies. Just last year alone, these senior citizens—ranging in age from 60 to 92—provided more than 33,000 hours of volunteer service. Hours spent:

Helping non-English-speaking adults adjust to their new lives here;

Visiting sick and lonely patients in hospitals and nursing homes;

Tutoring youngsters in special reading programs;

Distributing library books to men in jail;

Making puppets for children in hospitals: and

Sewing clothes for needy families, and blankets for day care centers—making laprobes for geriatric patients, homebound and in institutions.

This impressive performance was made possible in large part by one of the program's most valuable services: transportation for volunteers. Without RSVP-provided transportation, many senior volunteers would themselves be homebound, unable to participate in the ongoing life of their community, unable to use their time as they themselves would like to: productively.

Obviously, any sizable cut in RSVP funds would make it impossible for many of these individuals to continue volunteering. And those who would be affected most directly, and most adversely, would be those senior citizens with limited means and limited mobility—the very people the RSVP program can and should serve.

It is important that funds for RSVP be restored. An increase is justified to meet the expanding needs of the program. The retired senior volunteer program has a tremendous potential for good and I hope we can help realize some of that potential now.●

THE U.S. DOLLAR

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. REUSS. Mr. Speaker, the decline of the dollar to record lows last week brought forth a renewed spate of demands from several Europeans that the U.S. aggressively step up its intervention operations immediately. The Carter administration is being called upon, not only to make extensive use of its existing swap lines with foreign central banks, but to undertake additional borrowing as well in support of its intervention operations. Indeed, the Germans are demanding that the United States sell $5 billion to $10 billion worth of bonds denominated in German marks and Swiss francs to generate the requisite additional foreign exchange needed to support the dollar

To date, these demands have been given a rather cool reception by the Carter administration. In the first place, President Carter's view seems to be that normal market forces will soon arrest the decline of the dollar and perhaps even reverse it. At the question and answer session last Thursday, the President offered three reasons in support of this view: First, the attractiveness of investment in our own country compared to that of other nations is rapidly increasing; second, the rate of increase in our consumption of oil will be less rapid in the current year; and third, the differential rates of growth between the United States and her trading partners will be substantially less in 1978. According to the President, "these basic principles that assess the legitimate value of the dollar have not been adequately observed yet."

There is a second reason for the administration's cool response to European demands. Given the magnitude of the dollar holdings by foreigners, variously estimated at between $500 and $600 billion, and the dollar holdings of U.S. residents, there is virtually nothing that the United States or any other country can do to stem a significant attack on the dollar. Realistically, it is a bottomless pit. As a result of this fact, the Carter administration has steadfastly resisted pressures to undertake the kind of massive intervention operations deemed appropriate by many European governments. The cost to the American taxpayer of such a policy initiative could potentially run into the millions of dollars.

All evidence to date suggests that the United States will not intervene for the purpose of attempting to influence what it believes to be trend movements of exchange rates: It is the official policy of the United States to intervene only to combat or to prevent the emergence of disorderly market conditions. But even that commitment is not unlimited. Moreover, as the record of U.S. intervention activities over the past 5 months seems to indicate, the Carter administration's approach has been one of extreme caution; by comparison with the intervention operations undertaken by Germany and Japan, United States foreign exchange operations in support of the dollar have been relatively modest.

Operationally, the most difficult problem faced by the Federal Reserve and the Treasury is that of defining a disorderly market. Loosely, such a market has been defined as follows:[1] "Disorder emerges in exchange markets when for any reason dealers are unable to form reasonably firm expectations about direction or extent of exchange rate movements in the immediate future. In effect, fear overwhelms normal expectations upon which the ability to do business is based. Disorder is manifested by unusually wide spreads between bid and asked prices for currencies and by a severe drop in the volume of transactions from normal levels."

The practical difficulty with this definition is apparent. How does one distinguish a disorderly market precipitated by a sharp change in basic trends from one caused by purely transitory factors? If the U.S. Government errs and intervenes in support of the dollar in the face of a change in basic market trends, it will ultimately suffer the inevitable loss of taxpayers' money. In addition, it is not at all obvious that the U.S. Government will not incur money losses if it intervenes for the purpose of offsetting what in retrospect turn out to be transitory movements in exchange rates. If the swap borrowings and loans entered into between the Federal Reserve and foreign monetary authorities are reversed before the transitory factors causing the exchange rate movement are reversed, the United States could well incur a loss. Obviously, the magnitude of the losses sustained will depend on the rates at which the swaps or loans are negotiated (including the interest rate, and the spot and forward rates of exchange), and the size of the foreign exchange intervention position itself. There is a moral to all of this that applies to our present intervention activities: If the dollar continues to remain at its current low level, or declines further still, the United States could sustain relatively large losses even though its foreign exchange intervention position is, as mentioned earlier, relatively modest.

In my view, the Carter administration is to be commended for the cautious and reasoned approach which it has taken in regard to recent declines in the value of the dollar. The dollar is not in trouble. Nor is it "sickly," "anemic" or "suffering from an incurable illness" as many foreign and domestic press people would have us believe. Put bluntly, the dollar is no more in trouble than is the German mark, the Swiss franc or the Japanese yen. Moreover, it is frequently charged in Europe that the fall in the dollar reflects the inability or unwillingness of the United States to provide firm global economic leadership. In the United States, that charge has been turned around 180 degrees into one claiming that the fall of the dollar reflects the inability or unwillingness of several European countries to follow the lead set by the United States. Unfortunately, these charges and countercharges have generated much more heat than they have light on the central issues surrounding the dollar's decline. Intelligent policymaking demands that we take a more dispassionate view of the causes underlying this renewed pressure on the dollar.

In large measure, the continued decline of the dollar in recent months can be attributed to a number of basic market trends. The three trends most commonly cited by the administration include:

First, the huge current account imbalances between the United States, on the one hand, and a number of our international trading partners (most notably Germany and Japan), on the other;

Second, the more rapid growth experienced in the United States in comparison with the rather sluggish performances turned in by the vast majority of the major Western governments; and

Third, a rate of inflation in the United States that exceeds those experienced by many of our major Western allies.

Under a system of flexible exchange rates, it is quite natural to expect these differences to put downward pressure on the dollar and upward pressure on foreign currencies like the German mark, the Swiss franc, and the Japanese yen. The decline of the dollar, under these circumstances, is not a sign that the dollar is sickly. On the contrary, its decline reflects the healthy operation of our foreign exchange markets. This is precisely the way flexible exchange rates are supposed to operate. This means, of course, that if: First, more investment funds are attracted home; second, our consumption of oil is slowed; and third, the differential rates of growth between the United States and her trading partners are narrowed (as the Carter administation believes will be the case), the downward pressure on the dollar will slacken and its decline possibly reversed.

In very recent weeks, a number of other pressures have been exerted on the dollar which contributed in a major way to the sharp decline registered last week. The first was a report suggesting that Iran will join with Kuwait to call for the establishment of a new pricing system for oil based on a whole group of currencies instead of just the dollar. Second, there seems also to have been some recent acceleration in the rate at which a number of foreign governments have been selling off their dollar reserves in favor of the German mark as a refuge currency. Third, although the growth prospects for Western Europe and Japan in 1978 are generally believed to be brighter than they were for 1977, it is now a widely held view that the initial

[1] The Joint Economic Committee, "Exchange Rate Policy and International Monetary Reform," Report of the Subcommittee on International Trade, Investment and Monetary Policy, 94th Cong., 1st sess., August 1975, p. 6.

growth forecasts were overly optimistic. And finally, the concern which has been expressed in recent weeks over the latest inflation and monetary base figures in the United States has caused a number of foreign exchange market analysts to revise upward their expectations regarding the future course of prices in the United States for 1978. All of these factors, of course, have the effect of putting further downward pressure on the dollar. And although the magnitude of the decline last week was a source of alarm in Western Europe and elsewhere, it is hardly startling that the decline took place given the combined impact of all of the above-enumerated causes.

The question that naturally arises then is: What should be the appropriate U.S. response? In my view, there are some things we can do to arrest the dollar's decline, but there are also some things that we should not do. Under no circumstances should we be persuaded to step up our foreign exchange intervention operations. Nor should we be talked into issuing any foreign currency denominated bonds. We have already made more of a commitment in support of the dollar than is desirable, and we ought not to throw good money after bad. Given the events of the recent past, the foreign exchange markets are behaving about as expected. If Western European governments want to intervene to stem the dollar's decline, that is their prerogative. But we should not be party to such a potentially costly venture.

One can, of course, be sympathetic to the plight of the German economy under the existing circumstances, but that should not be allowed to so color our vision that we make the huge and costly mistake of aggressively stepping up our intervention activities. Flexible exchange rates are good for the U.S. economy, good for the German economy, and good for the world economy generally. Given present world conditions, it is not possible for Germany to both retain its huge export surplus and to keep its money supply from expanding more rapidly than it desires. Either Germany can let the dollar's value fall against the mark and see their exports become less competitive, or they can intervene to buy dollars and risk an inflationary increase in their domestic money supply. They cannot have it both ways. It is not difficult to understand why they would like the United States to step in in support of the dollar, but we should recognize, that by doing so, we will bear at least some of the burden of Germany's adjustment costs.

Germany is proud, as it has every right to be, that it has slowed significantly its internal rate of inflation. The same is true of the rates of inflation experienced by a number of other Western countries. But inflation, as the No. 1 issue of concern in the Western World, has given way to problems of unemployment and sluggish growth. But, just as Germany and her Western allies are anxious not to expand their economies too rapidly for fear of setting off another burst of inflation, the United States has to be concerned that it does not fall off from its expected growth path. Flexible exchange rates are an important means whereby each country can pursue its own objectives with some degree of autonomy from the policies pursued by its trading partners; fixed or managed exchange rates rule out this kind of autonomy. In short, flexible exchange rates can insulate an economy from the major brunt of business fluctuations in the rest of the world.

If Germany and her Western allies do not want to import more rapid growth and inflation from the United States and elsewhere, it need only allow its currency to appreciate in the foreign exchange market. If the United States does not want to import sluggish growth from abroad, it must not step in to stem the dollar's decline. There are, of course, a number of costs associated with these strategies. In the case of an appreciating currency, the costs are reduced international competitiveness, reduced output and higher unemployment. A higher inflation rate is the cost paid by a country with a depreciating currency.

But given each country's stabilization goals, these costs are best viewed as the inevitable costs of any successful stabilization policy. Put differently, a depreciating dollar, by insulating us from the sluggish growth policies pursued by many of our trading partners, actually acts in support of our more expansionary stabilization policy. We pay a cost in the form of a higher rate of inflation than otherwise, but that cost is best viewed as the cost of expansion. Likewise, an appreciating mark, by insulating the German economy from the more rapid growth policies pursued in the United States, actually helps to slow her inflation in a way similar to a contractionary stabilization policy. The problem with intervention is that it reopens the fixed exchange rate channels whereby sluggish growth or inflation is passed from country to country.

Many Europeans would like to blame the depreciation of the dollar on actions or inactions taken by the United States. But in a world of well-informed speculation—a world in which speculators can sense the inevitability of the real forces that would lead to the eventual depreciation of the dollar—it is also true that speculators could force the dollar down on the basis of their perceptions that many Western countries are unwilling to pursue more rapid expansionary policies. Real forces—the more rapid expansion of the U S. economy in comparison with her European trading partners—have a natural tendency to cause the dollar to depreciate. And speculators know it.

There ought never to be any ambiguity with respect to the position of the United States in regard to flexible exchange rates. We will not return to the Bretton-Woods system of fixed par values or any variant thereof. That system may have served us well in an earlier era, but in today's world economy it would only court disaster. Floating is the only exchange rate regime that permits each country the kind of flexibility it needs to realize its domestic goals without at the same time creating major problems for other trading partners. Intervention constitutes a step backwards toward that earlier era. We must not take any more steps into that past than we already have.

None of this is to deny that Germany faces today a rather unique set of problems. I find it disturbing, for example, that a number of foreign countries are eschewing the dollar in favor of the mark as a refuge currency. This only compounds Germany's difficulties. But the matter of dollar reserves, and the apparent unwillingness of many governments to continue holding dollars, ought not to be placed squarely on the doorstep of the United States. This issue should be settled through international negotiation and cooperation, not through U.S. intervention in foreign exchange markets.

I am somewhat hopeful that the dollar will turn around in the very near future. I was encouraged by the reports coming out of the most recent OECD meetings in Paris which suggested that most delegates had come to an agreement in favor of a more concerted growth policy on the part of all 24 member countries. And while the new concerted growth policy is still far from being implemented by the governments involved, it could serve as an optimistic prelude to proposed summit meetings in Bonn this July. In addition, the recent initiatives undertaken by the Japanese Government to eliminate some of its trade restrictions augurs well for the future reduction of that country's huge export surplus.

This leads me, finally, to the steps which can be taken by the U.S. Government that can give, as a desirable side effect, a significant boost to the dollar on the world's foreign exchanges. Foremost should be the rapid enactment of a strong energy bill. Our failure to enact such a bill has apparently played havoc with the dollar to the detriment of those countries against whose currencies the dollar has depreciated. We have stalled long enough; a strong energy bill needs to be enacted now.

We also need to do more to reverse the flow of investment spending abroad. Not only would such a return flow cause a step up in investment domestically, it would also help to push up the dollar. Under the circumstances, it seems entirely appropriate to urge American banks to reconsider their lending policies in a way that would reduce their foreign lending operations somewhat in favor of more generous lending policies to domestic business. Only a moderate shift in bank portfolios in the recommended direction would take a great deal of pressure off the dollar and it would help to finance the capital spending we so badly need. It would also take considerable pressure off the Federal Reserve because it would permit interest rates to be brought down without excessively rapid growth in the money supply.

This is a reasonable request to make of our banking system. Interest rates are very favorable in the United States and

lending opportunities surely abound. Further, with the putting in place of the new Witteveen Facility, foreign credit demands should be eased and it will then make sense for our banks to look homeward to a larger extent than they are presently doing.●

FEDERAL BUREAUCRACY

HON. WILLIAM H. HARSHA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. HARSHA. Mr. Speaker, dealing with the Federal bureaucracy can be a frustrating experience, when one expects appropriate and expeditious action and gets instead, unnecessary delay and meaningless buckpassing.

My latest experience in this regard began on January 24, when I asked the Secretary of Housing and Urban Development to halt construction on a controversial 65-unit low income housing project in my district until a further review could be made.

Objections to the proposed Oakwood apartment project in Milford, Ohio, had been voiced by the county commissioners, township trustees, local school board, and others.

The Commissioners of Clermont County, in which the section 8 federally subsidized and insured housing project is located, originally sanctioned the development, thinking that it would consist of only 15 units. Minds changed quickly on learning that the project would contain 65 units.

The Miami Township Trustees had opposed the development project from its very inception, and its annexation to the Village of Milford even now is far from certain.

A number of local citizens are not satisfied with the actions of HUD's Cincinnati office and have raised questions regarding the adequacy of school facilities, roadways, sewage facilities, power availability, and other aspects.

These citizens have every right to have their questions answered. They are important questions and certainly germane to the issue at hand.

I also find it highly significant that all locally elected officials have expressed opposition to the facility.

In my letter to Secretary Harris, I said that if a review reveals that existing facilities such as sewage works, schools, power, et cetera, are inadequate to support the project and insufficient notice was given to interested parties so they could voice their objections and point out the many problems associated with the project, then it should be terminated.

On February 9, I received a brief response from HUD's Washington headquarters, advising me that the Department was asking its Cincinnati insuring office to prepare a report on the project. In other words, the matter was being referred for review to the office where the problem developed in the first place. That is tantamount to allowing the fox to check out the henhouse.

After the passage of almost a full month without hearing further from HUD, I can only conclude that the agency does not share the widespread community concern about the Oakwood project and is content to drag its feet on the matter.

Therefore, I am asking the Comptroller General to intervene and halt construction on this project until an adequate review can be made, so that the rights of all parties concerned will be insured.

As I had earlier advised Secretary Harris, I requested that the project be terminated if facilities are found to be inadequate and insufficient notice was given to those concerned so they could voice objections.

It is unfortunate that such action by the General Accounting Office is necessary, but I see no alternative in the face of bureaucratic unconcern and inaction.●

DELIA DENTON ELECTED FIRST LADY PRESIDENT OF OREGON, WASHINGTON, IDAHO CHAMBER MANAGERS

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. LEGGETT. Mr. Speaker, 20 years ago when I first declared for public office in Vallejo, Calif., a young lady who operated the local "Welcome Wagon" volunteered her services in my campaign. The girl, Dee Denton I had known for years, but her talented public relations effort gave my political career a real sendoff.

Dee later migrated to Lake Oswego, Oreg., where her talented husband is vice president of Far West Assurance Co.

Not content to be a homebody at the lake, the young lady applied to organize the growing Oswego Chamber of Commerce. She did a marvelous job for the past 16 years.

Dee works not only in chamber work but also on the Columbia Region of Girl Scouts, Oregon Society of Association Executives, Lake Oswego Community Theatre, and is a member of Who's Who of American Women.

Dee has raised a lovely family, Mike III, Dennis, and my goddaughter, Patrice, plus four wonderful grandchildren.

Chamber Manager Denton has worked vigorously at her chosen profession, has annually attended western management institutes at the University of Santa Clara and Mills College.

In 1966 Dee was named Lake Oswego Woman of the Year. She currently serves as vice president of the Oregon Chamber of Commerce Executives.

With her public and community background it came as no surprise to me or her many friends to hear last week that Mrs. Michael (Dee) Denton, Jr., was elected the first lady president of the Oregon, Washington, Idaho Chamber of Commerce Managers.

Delia and the Oregon, Washington, Idaho Chamber Managers, the Congress of the United States salutes you.●

ARMS SALES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. DOWNEY. Mr. Speaker, yesterday I testified before the House International Relations Committee because I am concerned about major loopholes in the Arms Export Control Act. I include my testimony at this point in the RECORD:

TESTIMONY OF REPRESENTATIVE THOMAS DOWNEY

Mr. Chairman, I appreciate this opportunity to testify on the need for reform of the Arms Export Control Act to better control sales of police-type weapons, equipment and services.

I am appearing today as the Chairman of the Arms Control and Military Affairs Committee of Members of Congress for Peace Through Law (MCPL). While I am not speaking for any other Members of Congress, that Committee chose reform of the Arms Export Control Act as one of its legislative priorities. I am here to help implement MCPL's legislative agenda.

Mr. Chairman, our newspapers have been filled recently with the debate over the dramatic items of arms sales—advanced fighter aircraft to the Middle East. Each of the F–15's and F–16's involved costs millions of dollars. These aircraft weigh heavily in the regional military balance and in U.S. bi-lateral relationships with each recipient country. These sales are highly visible, controversial, and will be subjected to a possible Congressional veto.

While the spotlight has been fixed on the Middle East package, this weapon that I hold in my hand was having a dramatic impact on political issues and human rights in Nicaragua. On January 27th, just a few weeks ago, this tear gas cannister and dozens of others like it were dropped on students at the National University, in Managua, Nicaragua, who were protesting nonviolently the authoritarian one-man rule of President Somoza. This cannister was produced in the United States by Federal Laboratories, a private firm in Pennsylvania. It was retrieved from the campus and brought back to the United States by an American citizen.

Unfortunately, the U.S. helped to equip the Nicaraguan police and National Guard forces with armored cars, helicopters and rifles through the Foreign Military Sales (FMS) program. President Carter has not requested any new FMS credits for Nicaragua, but the regime will still be able to purchase this type of tear gas shell and other weapons and equipment through the Commercial Sales program. Between 1973 and 1976, Nicaraguan purchases included 1,713 revolvers and pistols, 40,000 rounds of ammunition, 12 gas guns and 200 tear gas grenades.

What is happening in Nicaragua is by no means an isolated incident. In Iran, demonstrations in the student and Moslem communities began in November and have disrupted the Shah's regime. The Iranian forces used to crush this opposition, including the SAVAK or secret police and the

Imperial Iranian Gendarmerie, have acquired U.S.-produced weapons for their repressive function. Recent FMS government-to-government sales to Iran included over 350,000 M17AI gas masks, 11,554 CS-gas riot grenades, $285,000 worth of "riot control munitions" plus riot control training films. Iran has bought directly from U.S. commercial firms recently such items as 4,300 small revolvers and pistols and 810,000 rounds of ammunition.

These examples of an undemocratic regime using U.S.-produced and often U.S.-supplied police-type weapons to repress legitimate political dissent form a disturbing pattern. They show that our country is still involved in the internal affairs of other countries despite the efforts we have made in Congress to end such interventions.

I believe it should be a high priority to reform the Arms Export Control Act to close off the pipeline of repressive weapons and equipment abroad so that, in the future, the people of Nicaragua will not have to fear the United States as the merchant of these tear gas cannisters.

The items of police weaponry—the small pistols, tear gas grenades, shot guns, etc.—are not as costly or glamorous as the combat aircraft to the Middle East. They are not as controversial and often Congress does not have an opportunity to disapprove their sale or export. However, they deserve our attention because they involve fundamental political and moral issues.

First, sale of police weapons raises an important foreign policy issue because it perpetuates the practice of making American alliances with authoritarian regimes to represent our interests. Second, it directly involves the United States in major violations of human rights and runs counter to President Carter's major human rights initiative. Third, it denies the U.S. any moral leadership in the world because it identifies the U.S. with repression in the eyes of many people. Fourth, it appears to evade the intent of Congress to end U.S. support for police agencies engaged in denial of liberties abroad.

This Congressional intent was expressed clearly in the 1974 amendment to the Foreign Assistance Act of 1961 which prohibited funds "to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces of any foreign government. . . ." Similarly, Sec. 502B of the same Act states that, except in certain circumstances, it is the policy of the United States that "no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights." Included within the definition of "security assistance" are sales and export licenses of defense articles under the Arms Export Control Act "to or for the armed forces, police, intelligence, or other internal security forces of a foreign country."

The reporting requirements necessary to get a firm grip on the sale or export of police-type equipment were weakened by the Arms Export Control Act. Under Section 414e of the Mutual Securities Act of 1954, the Congress received weekly listings of all commercial licenses granted by the Office of Munitions Control for the export of arms valued at $100,000 or more. But under the current Act, the Congress receives only quarterly reports on major defense equipment worth $1,000,000 or more.

The problem is that typical sales of police-type equipment are relatively small and do not meet this threshold reporting requirement. As a consequence, the trade in this type of weaponry is not as visible as it should be:

Here are several typical export licenses granted under Sec. 38 of the Arms Export Control Act:

1,000 shotguns to the Rio de Janeiro police department in February, 1976. Cost: $119,000.

Crowd control equipment to the Ministry of the Interior, Special Security Forces, Saudi Arabia in October, 1975. Cost: $256,566.

Riot control equipment (unspecified quantity) to the police department of Bangkok, Thailand, in February, 1976. Cost: $185,960.

Night vision equipment to the Ministry of National Defense in Chile in March, 1975. Cost: $283,866.

Chemical agents to Brazil in February, 1976. Cost: $103,201.

These licenses were obtained from reports submitted under the now-superceded 414e reporting requirements.

The Field Foundation recently published a study of the arms trade by Michael Klare, entitled "Supplying Repression," which summarizes the author's findings on 675 export licenses obtained under the Freedom of Information Act. The following chart indicates the scope of the private arms trade. Few countries have not obtained at least some item of police hardware from U.S. firms:

U.S. ARMS SALES TO THIRD WORLD POLICE FORCES, 1973–76

Direct sales and via export firms

Includes sales by the following U.S. firms:
Smith & Wesson (handguns, MACE, tear gas, etc.)
Colt Industries (handguns, M–16 rifles)
Cadillac-Gage (V–150 armored car)
Federal Laboratories (chemical weapons)

Via export firms only

High Standard (rifles, shotguns, etc.)
Remington Arms (rifles, etc.)
Winchester International (rifles, etc.)
Federal Cartridge (ammunition)

Export firms

Polak, Winters & Co.
Fargo International
Jonas Aircraft & Arms Co.

Source: Export licenses issued by U.S. Office of Munitions Control.

Region and country	Revolvers and pistols	Sub-machine-guns and rifles	Ammunition (thousand rounds)	Tear gas granades	Gas guns	MACE[1]	V–150 armored cars
LATIN AMERICA							
Argentina	186	3	1				
Bermuda		6	16	78			
Bolivia	17			48		12	
Brazil	20	30	11		658	1,326	
Chile	22		500				
Colombia	333	100		3,500	235		
Costa Rica			6			24	
Dominican Republic	200		50				
Ecuador	10,000			6,500	2,000	950	
Guatemala	1,120						
Haiti							6
Honduras	469						
Jamaica				446			5
Mexico	1,850		20	24		300	
Netherland Antilles			58	635	1	35	
Nicaragua	1,713		40	200	12		
Panama				4,500	10		
Paraguay	731						
Peru	1			2,760			
Trinidad				524	64		
Uruguay	1,134		2				
Venezuela	6,606	7	10	2,500	22	380	
Total	24,402	146	730	21,715	3,002	3,027	11
NEAR EAST AND SOUTH ASIA							
Bahrain	80		32				
Dubai	72		12				
Egypt				5,000	100		
Greece	872				100		
India				65,000	600		
Iran	4,300		810				
Israel	15		6			70	
Lebanon	2,500						
Nepal	25		12.5	150		10	
Pakistan				48,026	267	850	
Qatar	14	5	6				
Saudi Arabia	6,969	375	1,680	600	6		
Sri Lanka	320						
Turkey							34
Total[2]	15,169	382	2,559	118,776	1,073	930	34
AFRICA							
Algeria	2,506						
Ethiopia	480		53				
Kenya						200	
Morocco	260					120	
Tunisia				1,000			
Zaire	500						
Total[2]	3,766	2	58	1,000		370	
EAST ASIA							
Hong Kong	550			7,500	5	140	
Indonesia	1,429		1,426		60	6	
Malaysia	813	40	500		10	2,000	211
Papua				102			
Philippines							20
Singapore	1,713		90	3,550			
South Korea	1,230		922.5		50	60	
Thailand	864	8,700	1,305	3,210	1,024	100	20
Total	6,599	8,740	4,243	14,362	1,149	2,306	251
Grand total	49,936	9,270	7,590	155,835	5,224	6,633	296

[1] Includes Federal Streamer, a similar product.
[2] Includes small quantities for other countries.

Source: "Supplying Repression," by Michael T. Klare, Field Foundation, New York, 1977, p. 44.

Commercial Sales licensed for export have been rising in importance. Commercial Sales averaged $100 million per year between 1950–69, increased to a yearly average of almost $450 million between 1970–75 and for 1976–78 are expected to average $1.35 billion each year. Clearly, Commercial Sales must be brought under more strict controls if we are to decrease the traffic in police arms. Unfortunately, the Carter Administration's May 19 Arms Sales Policy Statement explicitly exempt Commercial Sales from its provisions.

The relatively small size of most police-type sales which hinders the reporting features of the Arms Export Control Act similarly hinders the veto provisions of the Act. The veto provision in Sec. 36(B) is limited in application to defense articles and services exceeding $25,000,000 or more or any major defense equipment for $7,000,000 or more. While this covers adequately the sale of jets to the middle east, it does not cover most of the pistol, MACE, tear gas, barbed wire, or shotgun orders which make up the bulk of the police weapons trade.

I recommend that this Committee explore two avenues of reform to reduce significantly and even halt the sale or export of repression abroad. The first gets at the heart of the issue. Police sales tend to inevitably involve the United States in the internal affairs of other nations just at the time when we should be seeking to establish relationships based on non-interference and on respect for human liberty. We cannot build the new relationships and permit the old practices at the same time. Hence, this Committee should consider amending the Act with a broad and flexible proviso that could preclude the sale or approval for the export of any sort of weapon, equipment or service intended for the police or internal security forces of another government.

This Committee should also consider restating policy provisions and closing loopholes in the Arms Export Control Act which would make more visible and reduce the volume of police-type sales and exports I offer the following recommendations:

1. *Diminish the "internal security" purpose of arms sales.*

According to Sec. 4 of the Act, "internal security" is one of the major purposes for which defense articles and services may be sold. Too often, however, "internal security" has been used as a justification to obtain weapons which ultimately are used to suppress dissent or to establish authoritarian rule. I believe it should be made explicit within Sec. 4 that "internal security" does not include the suppression of civil liberties, denial of democratic freedoms or the stabilization of martial law regimes.

2. *Reaffirm Congressional policy on human rights.*

A Sense of the Congress statement should be added to state that it is the policy of the United States not to sell or permit the export of any weapon, equipment or service for use by police or other internal security agency of any government which is engaged in a consistent pattern of gross violations of human rights. The statement already in Sec. 1 refers only to the arming of "military dictators" and thus might be construed in an overly narrow fashion. At the very least, the existing statement in Sec. 1, which applies only to the FMS program, should also apply to the Commercial Sales program in Sec. 38.

3. *Terminate indirect U.S. support for foreign police agencies.*

The Foreign Military Sales Credit Program in Sec. 23 of the Act authorizes the President to finance procurements of defense articles and services by friendly foreign governments. As of October 1, 1977, the Defense Department was guaranteeing 117 loans with an unliquidated value of $3.1 billion. When the FMS Credit program supports purchases of police-type weapons, the full faith and credit of the U.S. is extended to the benefit of the recipient country in violation of the spirit of the ban on aid to foreign policy agencies in Sec. 660 of the Foreign Assistance Act of 1961. I recommend that Sec. 660 language—no support for police, prisons, or other law enforcement forces of any foreign government—should be applied to the FMS Credit Sales program.

4. *Review the U.S. Munitions List regulation.*

The operation of the Munitions List has an impact on the entire Act and especially on the Commercial Sales program. Sec. 38(a)(1) of this Act authorizes the President to designate for the U.S. Munitions List those items to be considered as defense articles and services and to regulate their import and export. It is time for this Committee to thoroughly study the export controls. The Munitions List should be examined to insure that it covers exported items used by police agencies. For example, electric shock batons or prods are listed on the Commerce Department's Commodity Control List rather than on the Munitions List. In addition, the Committee should obtain copies of all export licenses granted under Sec. 38 for the past 5 to 10 years to examine the pattern of commercial sales in general and police-type sales in particular. Finally, attention should be given to the problem of how "dual use" equipment, such as light aircraft, aircraft engines, computers and radars, which have civilian as well as police or military applications, should be listed and controlled in cases where the "end user" is a police-type agency.

5. *Create a new "police weapons" category.*

The relatively smaller size of typical police-type sales and exports creates unique reporting and veto provision problems. Stated simply, the sale of police-type equipment should be controlled, but controls applicable to police-type sales would be unworkable if applied to all arms sales under the Act. The solution may be to create on the Munitions List a special category of "Police-function weapons, equipment and services" for which new reporting and veto provisions would be developed. The following types of items should be included on the special list: small-caliber pistols, revolvers and ammunition; patrol cars and armored cars; gas guns, tear gas grenades, MACE, pepper fog and other riot-control munitions; electronic shock batons, riot sticks, riot shields and helmets, handcuffs and other riot gear; certain types of counter-insurgency helicopters and light aircraft (e.g., Rockwell International OV–10 "Bronco" and Fairchild AU–23A "Peacemaker" counter-insurgency planes); barbed wire; certain types of surveillance devices, communications gear and computers; etc.

6. *Strengthen reporting and veto provisions for FMS Sales.*

If the previous recommendation for a special "police functions" list were adopted, it would be feasible to lower the threshold for reporting and veto provisions of FMS Sales under Sections 36(a) and 36(b) of the Act without swamping this Committee under a deluge of paperwork. The dollar amount threshold for notification to Congress for items on the special list could be lowered to $100,000 and weekly reports could be required for FMS letters of offer or license applications. This would return police-type items to the stricter provisions of the now-superceded Section 414e of the Mutual Securities Act of 1954 while leaving other types of defense articles and services under current notification provisions.

Similarly, Congress should be empowered to veto items on the special list beginning at a $100,000 threshold while leaving defense articles not on the special list under the current $7 million and $25 million thresholds.

7. *Improve Human Rights considerations in consideration of export licenses.*

Decisions on whether to issue export licenses, according to Sec. 38(a)(2) of the Act, shall be made in coordination with the Director of ACDA so that his views may be taken into account concerning the impact of a weapons export on a local arms race or on prospects for an arms control agreement. Since sales of police-type weapons involve often major violations of human rights, and since major human rights violators have purchased in the past large quantities of police weapons, this section should be amended so that the views of the Coordinator of Human Rights and Humanitarian Affairs should also be taken into account prior to the licensing of a police weapons export.

8. *Institute stronger controls on export licensing.*

A special "police functions" list in the Munitions Control List would improve prospects for controlling commercial sales of these weapons. The Secretary of State could be instructed, by amending Section 42(e)(2)(A) of the Act, to deny licenses for items on the special list to countries which violate human rights. Alternatively, license applications involving items on the list for $100,000 or more could be made subject to a Congressional veto provision. In either case, applications for export licenses to the greatest extent possible should be required during the negotiation of the sales agreement rather than, according to current procedure, *after* the agreement has been consummated This new procedure would minimize commercial disruptions to a greater extent if new export controls were instituted than would the old procedures.

Mr. Chairman, I submit these recommendations for the consideration of this Committee because I believe they would help us close the lid on the sales and export of police-type weapons, equipment and sales. Our government should not be in the business of supplying repression devices either directly through government-to-government sales or indirectly through approval of commercial exports. There are compelling reasons of national interest and international morality to bring this traffic to a halt once and for all.●

NEED FOR THE CANAL TREATIES: REFLECTING A NEW SPIRIT OF COOPERATION

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. EDGAR. Mr. Speaker, a letter to the editor written by a future diplomat, who presently is a student at Harriton High School, appeared on February 27 in the Philadelphia Bulletin. I would like to share this letter with my colleagues:

[From the Evening Bulletin, Feb. 27, 1978]

TREATIES REFLECT BETTER SPIRIT

(By Andrew Henshel)

As the United States Senate approaches a decision on President Carter's Panama Canal treaties, the issue must be given a proper perspective. The treaties signed Sept. 7 by the leaders of Panama and the United States, in the presence of many of our hemisphere's

leaders reflect a new spirit of cooperation, mutual respect, and harmony between our nation and Latin America.

In his State of the Union address to Congress in January, President Carter said, "Ratifying the Panama Canal treaties will demonstrate our good faith to the world, discourage the spread of hostile ideologies in this hemisphere, and directly contribute to the economic well-being and security of the United States."

Former President Gerald Ford, a strong supporter of the canal treaties, has said, "I'm absolutely convinced that the treaties will enhance, improve and solidify U.S. foreign relations with 26 Latin American nations. And I think that's important from the point of view of the United States and for the future."

Clearly, our nation's vital interests in the canal are served, and served well by the new treaties. The treaties ensure the efficient operation of the canal and enable the United States to protect its neutrality and security permanently.

Beyond this, our new relationship with Panama will remove a major obstacle in the way of our other policy objectives throughout the world. The leaders of nearly all nations consider ratification of the treaties very important to world stability. Ratification will enable us to pursue with respect and credibility our broad national goals in foreign policy and world leadership.

I urge our senators to vote for ratification of President Carter's Panama Canal Treaties.●

HEARINGS ON MERIT SELECTION OF U.S. ATTORNEYS AND MARSHALS

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. KASTENMEIER. Mr. Speaker, an important item of debate in the 95th Congress has been whether Federal judges, magistrates, U.S. marshals, and U.S. attorneys should be appointed pursuant to merit selection procedures.

President Carter focused interest on this subject when he stated during the election campaign that:

> All federal judges and prosecutors should be appointed strictly on the basis of merit without any consideration of political aspect or influence.

Shortly after his inauguration, the President issued an Executive order establishing merit selection panels for the appointment of courts of appeal judges.

In addition, the administration (through the Department of Justice) has not opposed merit selection of U.S. magistrates. The House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, which I chair, recently amended the "Magistrates Reform Act of 1977 (S. 1613) to provide explicit merit selection procedures for magistrates. These proposed procedures have met with favorable comment from diverse sources.

The debate over merit selection of U.S. attorneys, U.S. marshals, and Federal district judges has been more heated. I am pleased to announce, as to appointment of U.S. attorneys and marshals, that my subcommittee will commence legislative hearings on March 13, 1978. The Honorable Griffin B. Bell will be the first witness and two legislative proposals (H.R. 5576 (Drinan) and H.R. 10514 (Edgar) will be considered by the subcommittee.

As to appointment of U.S. district judges, the House version of the omnibus judgship bill (H.R. 7843) contains a merit selection provision. Whether this proposal becomes law depends on the Senate and House conferees.

In a recent speech to the Rule Day Club in Baltimore, former Senator Joseph D. Tydings dealt with the latter issue. Because these comments were made by the ex-chairman of the Senate Judiciary Subcommittee on Improvements in Judicial Machinery and the present chairman of the D.C. Circuit Judicial Nominating Commission, I recommend Senator Tydings thoughtful comments to my colleagues:

MERIT SELECTION COMMISSIONS FOR FEDERAL JUDGES A PRACTICAL APPROACH

Merit selection of judges is a concept which I have supported since my days as a member of the Niles Commission to provide a Missouri plan in Maryland. I was able to include merit selection of all D.C. Superior Court judges as a part of the D.C. Court Reorganization Plan which I authored. I chaired President Carter's task force on judicial machinery during the transition period, which recommended the inception of merit selection plans for the Federal Judiciary. And, I have been most fortunate to participate in the first national steps toward merit selection of federal jurists in my capacity as chairman of the Presidential commission which selects the panel nominees for federal judges for the District and U.S. Circuit Court of the District of Columbia.

I might add that President Carter was receptive to merit selection since he had instituted a similar plan for the Georgia state judiciary while Governor. Moreover, Attorney General Bell was a member of our transition task force on judicial machinery, and his proclivity for merit selection was very evident during his confirmation hearings before the U.S. Senate.

As I am sure you all know, merit selection of judges began formally with the adoption of a plan by the State of Missouri in 1940. For obvious political reasons, Missouri's sister states were slow to follow, and it wasn't until the late 60's that the "Missouri Plan" began to catch on. Today there are state judiciary merit selection plans of varying degrees of effectiveness in 28 states, including, of course, our own state, as well as the District of Columbia, Guam, and Puerto Rico.

In the federal arena, there has been less enthusiasm for merit selection. Nomination of U.S. District judges is the traditional sole preserve of the U.S. Senate. It was not until 1974 that the first plan was instituted—that one by Florida Senators Richard Stone and Lawton Chiles. Since then, Senators from 13 other states have established formal procedures for merit selection of U.S. District Court judges. All of these plans have been voluntarily established by the participating senators of the several states.

As of the date of President Carter's Executive Order establishing Merit Selection Panels, senators no longer have jurisdiction and control in the selection of Circuit Court judges. President Carter appointed 13 commissions around the country—one commission for each of eight of the circuits as well as the District of Columbia; two commissions each for the fifth and ninth circuits. The Commission in the District of Columbia is the only such panel which also selects a panel of nominees for the U.S. District Court.

There was little senatorial opposition to the creation of the Circuit Court merit selection commissions since patronage in Circuit Court appointments has never been the sole prerogative of U.S. Senators.

District Court judges, however, are viewed with a highly proprietary prospective. Senators traditionally have had domain over District Court benches in their States, and the Federal judgeship is the most prestigious office a Senator can offer a loyal supporter. It is considered the ultimate patronage plum.

The present patronage or "green bag" system works rather simply;

(1) The Senator or Senator from the State involved, if of the President's party, suggest his candidate or candidates for the bench to the attorney general and the President. (If the State has no Senator of the President's party, the suggestions come from the congressional delegation or other political allies of the President.)

(2) The Department of Justice does a limited amount of screening for competence, and the FBI conducts a background check.

(3) The 12-member ABA Committee on the Federal Judiciary investigates and reports on the qualifications of the nominee in confidence to the Attorney General.

(4) In most instances, the Attorney General then submits the senatorial nominee to the Senate for confirmation.

(5) The Senate Judiciary Committee holds a hearing if the Senators from the nominee's State have returned their blue slips indicating approval. The power of any Senator from a nominee's State to kill a judicial nomination lies in his discretionary return of the blue slip. As long as Jim Eastland is Chairman, the Senate Judiciary Committee will not hold hearings until the slip is returned by his Senators.

The present system, for the most part, has worked well over the years, producing a sound judiciary with some balance of input from the legislative and executive branches. It has produced, however, a number of totally unfit Federal judges.

The merit selection procedure response is fundamentally sounder from the standpoint of judicial excellence, as well as practical politics.

The pending omnibus judgeship bill, S. 11, will create more than 100 new Federal judgeships. Unless an individual Senator has been an active practitioner of the law, personally knowledgeable with respect to the capabilities of competing nominees, he and his staff will have to devote a tremendous amount of time to screening qualified candidates and evaluating them. Moreover, the train of "political IOU collectors," campaign contributors, etc., will start to appear at the Senator's door in ever increasing numbers reminding him of services rendered in past campaigns, etc. For every person nominated, a Senator makes one friend and countless enemies.

A Senator with a Merit Selection Panel need not absent himself entirely from the process. He may make the final recommendation to the President from a list of five (5) names given to him by his panel. There is no logical reason why he and his staff should screen every application or make himself available to the continuing political pressures; this work can be done with far greater efficacy and much greater objectivity by a Merit Selection Panel.

I would like to report to you some of the real advantages in merit selection, as I have seen them "in action".

Aggressive recruitment of outstanding talent to the Federal bench is a very real advantage.

When our commission began work on selecting the nominees to fill the vacancies left by the retirement of Judges Sirica and Corcoran, we not only advertised in the local legal periodicals, but the Chairman wrote a personal letter soliciting nominations to every law firm with more than three lawyers, to every law school, bar association, consumer groups, civic organizations, community groups, etc. We received about ninety nominations. To every prospective nominee we mailed a rather detailed questionnaire which we prepared. Over sixty persons returned our questionnaire, and the responses in some cases ran to over forty pages. From this group, we began our investigations, committee meetings and full day commission meetings to select twelve candidates for a personal interview. On the basis of all our deliberations, including the personal interviews, we selected seven nominees to send to the President. Two people on that final list were total strangers to me. I had never heard of them prior to our work. Moreover, they both told members of the panel that they nearly hadn't applied because, in their words, they had no "political" connections. The fact is that they are both exceptionally well qualified in my judgment, and would make superb judges.

Merit selection thus opens the door to persons who should be considered, but generally aren't in the present system because they lack political ties or legal "clout".

Merit selection as it is publicized gives greater confidence to the general public in the integrity of the judicial process. The openness and objectivity of this selection process, judgement on merit alone, goes a long way toward strengthening citizen support of our judicial system.

A senator operating, as I once did, within the limitations of the traditional selection process, is never able to totally dispel the aura of patronage and party loyalty. A senator cannot have the entree into as many areas of the community as a well-chosen merit plan. Moreover, a senator would benefit from just knowing about these talented people. If they are not ultimately selected for the bench, they certainly could serve in some other capacity.

Another major attraction of merit selection is the diversity it will bring to the bench without a loss in quality. A well-balanced merit selection committee reflecting the citizenry of a state will make certain that all qualified lawyers are considered.

(1) Seven of our eleven member commission are lawyers, five with extensive trial experience. Among them are myself, a securities lawyer, a criminal lawyer, a labor lawyer, a professor at Georgetown Law School, a former solicitor general and Dean of Harvard Law School, and a Jack—or in this case—a Jacqueline of all trades. Among the lay members are a vice president of a university, the Executive director of the Urban League, the assistant superintendent of schools in Maryland and the founding partner of a respected securities brokerage firm.

(2) The male/female ratio is six to five.

(3) Six members of the panel are black, while five are white.

Such diversity on the panels will put an end to the days when a successful senior white male partner of one of the cities' leading law firms could practically write his ticket to the bench, provided he was of the right political persuasion and had made appropriate contributions. Each panelist, while adhering to objective standards of excellence, will naturally want to see a judge from his or her race or sex, or his or her legal background, given the same consideration as the senior partners of the "establishment", "blue ribbon" law firms.

Our panel is not alone in the diversity of its composition. The Kentucky federal merit selection panel includes a minister and a newspaper editor. A farmer and a housewife sit on the panel which selects federal judges in Iowa. In fact, many of the senate's voluntary panels have one short of a majority of lay members.

With the judges in Boston having run the school system, and the judges in Alabama in charge of the prisons, it is becoming increasingly apparent that citizens other than lawyers should have some input in deciding which lawyers or judges should be considered for elevation to the Federal bench. Administrative capabilities, a sensitivity toward community problems and willingness to make prompt decisions are becoming traits as important as an ability to write long and learned opinions.

I have not found the lay people of our panel deficient in any aspect of evaluation of candidates. Moreover, they are often unimpressed with the unanimity of lawyer members that John or Jane Doe is a "lawyer's lawyer", and are somehow innately superior. It has become as important in our panel to know about the candidates' work in civil rights, neighborhood legal services programs and their work on behalf of their community.

This diversity, as I said earlier, has not resulted in any lack of emphasis on a candidate's legal excellence. Most of the panels have a majority of lawyers as ours did. The Colorado, Indiana, Iowa, Kentucky, Florida and Ohio panels have seats reserved for representatives chosen by the state bar.

I might add that while I urge senators, including Paul Sarbanes, to adopt a merit selection system for their states, I would not like to see the administration appoint the panels and establish the procedures as it has done on the circuit court level.

There can and should be flexibility among the various plans. An example of this is the question of the senators' involvement in the selection process. Senator Bayh's panel sends five names to him, from which he selects one to send on to the White House. The Florida senators operate similarly. On the other hand, the senators from Kentucky, Iowa, Colorado, and Senator Byrd of Virginia, absent themselves completely by sending all names to the President and giving him the final say.

Senator Bayh has a separate panel for each district in Indiana; Senators Cranston and Hayakawa have one for the entire State of California.

Each Senator should be able to fashion the panels as he (or she, now that Mrs. Humphrey has become a senator) sees fit, as long as the basic goal remains unchanged.

Let me conclude by saying that I see the adoption of merit selection plans as good politics, and therefore, inevitable. An open process which produces top quality candidates and which eliminates the unfit will become something the voters will demand of their senators. As the judiciary becomes more involved in voters lives, the voters will want to know who it is making those decisions and how he or she got there.●

HOUSE FAIR EMPLOYMENT PRACTICES COMMITTEE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mrs. SCHROEDER. Mr. Speaker, the House Fair Employment Practices Committee is having a meeting Friday, March 10, at 3 p.m. in room 1324 Longworth.

We have a couple of reasons for calling everybody together. First, over the next few weeks we will be holding a special election to replace Colleen O'Connor on the grievance panel, so we want to explain the when, what, where, and how of the election procedure. Two staffers have been nominated so far: Bruce Kriegman of TED WEISS' staff, and Bernie Schroeder of BOB CARR's staff. Since the HFEPS has grown to over a hundred offices, it makes sense to meet the nominees and let them explain their reasons for running.

Secondly, the meeting offers us a good opportunity to take a look at where the HFEPC has been since 1976, and where it is going. The meeting gives us the chance to talk about some of our problems, and I hope, to get suggestions on ways to improve it.

I encourage all members and staff to attend.●

ESTABLISHING AN EMERGENCY AGRICULTURAL COMMODITIES RESERVE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. GILMAN. Mr. Speaker, I am today introducing legislation giving the President the authority to establish and maintain an emergency food reserve. This measure amends the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) by providing for a reserve stock of agricultural commodities which may be used when sufficient quantities of agricultural commodities are not otherwise available to carry out Public Law 480 agreements. Thus, this legislation would help protect against unexpected shortfalls in agricultural commodities needed to meet current and future Public Law 480 commitments—in essence, it provides a Public Law 480 backup.

I am hopeful also that by plugging this reserve into the existing administrative and institutional framework of Public Law 480, the concept of an emergency food reserve can more quickly become a reality than if our task were establishing new and more complicated institutional apparatus to administer such a reserve.

This bill calls for a reserve composed of an aggregate quantity of agricultural commodities not exceeding 6 million metric tons. The quantities of individual commodities within the reserve shall be determined by the President with due consideration to the availability of such commodities and the possible marked effect of assigning such commodities to this reserve.

My measure also anticipates the possible emergence from the current International Wheat Council talks in Geneva, of a wheat agreement calling for the establishment of an international wheat reserve. Contained in the legislation I am proposing is a provision affording the United States the oppor-

tunity to fulfill its commitment to this international reserve following congressional approval of the international agreement.

In testimony before the House Committee on International Relations on February 23, 1978, Secretary of Agriculture, Bob Bergland, asserted:

A priority concern of U.S. policy the past year has been to develop a workable reserves program—one that would avoid any repetition of 1974, when a U.S. crop shortfall caught us with storage bins already depleted by the 1972 world crop failure.

I was encouraged by that part of Secretary Bergland's testimony in which he indicated his intent to forward to Congress legislation outlining the administration's commitment to establish an international emergency wheat reserve. I am hopeful that early congressional consideration of the urgent need to establish an emergency food reserve can provide us an effective strategy for assuring that needed food supplies are available to the world's hungry during periods of crop shortfall.

The exigent need for Congress to focus its attention on this issue is obvious. Even as we recall how the global food crisis of the early 1970's exacerbated the already grim plight of the hundreds of millions of the world's hungry and malnourished, and even though various proposals have been made for establishing an emergency food reserve, we still lack a national reserve, and an international reserve system.

While I realize that an emergency reserve alone will not be equal to the task of alleviating the suffering accompanying hunger and malnutrition—and I look forward to those recommendations for combating world hunger emerging from the soon to be established Presidential Commission, whose establishment I have long worked for—I remain convinced that an emergency reserve can significantly assist in reducing the adverse effects of short-term periods of inadequate food supply. Moreover, the time could hardly be more auspicious for establishing an emergency food reserve as we today are experiencing a period of comparative abundance of important agricultural commodities.

In an April 1977 article entitled "International Food Security: The Issues and the Alternatives," Harry E. Walters, assistant executive director of the United Nations World Food Council, asserts that:

For the first time since 1972, the question of grain reserves can be taken up in atmosphere in which the stocks from which reserves must be built exist.

We must seize this opportunity now, however, recognizing that the specter of food shortfalls is still with us; for as Walters points out, "world carryover stocks" at the end of the 1976–77 crop year were "less than 4 percent of total world production." While this amount would equal approximately 50 million tons above the disaster year of 1973–74, much of such an increase could easily be lost to production restrictions or world weather fluctuations. Walters concludes that by "converting some current stocks into reserves" we can assure that "the price convulsions and supply distortions of 1973–74 will not be repeated." I am hopeful that my measure will serve as an initial step toward an ultimate goal of eliminating such vagaries in the world food supply system.

I recall here those words of the 1974 World Food Conference held in Rome which bravely declared by 1985, "No child will go to bed hungry * * * no human being's future and capacities will be stunted by malnutrition." Unfortunately, there are already those summarily rejecting the claim that this ambitious goal can be achieved.

I admit that there are few—if any—who would predict with any great degree of certainty whether this supremely commendable goal can be achieved. I submit, however, that all responsible efforts in that direction will in any event, put us closer to realizing the age old hope of all civilized men that the scourge of hunger and malnutrition will be eradicated.

We currently enjoy a propitious opportunity to erect our strategy for securing this noble goal. It is my hope that we can take the necessary initial steps to assure that during this period of relative abundance our food stocks will be such that unanticipated shortfalls in the future will not spell the magnitude of calamity they have in the past.

Mr. Speaker, I request that the complete text of this legislation be inserted at this point in the RECORD:

H.R. 11439

A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide for a reserve stock of agricultural commodities for use when sufficient quantities of agricultural commodities are not otherwise available to carry out agreements under that Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 401 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1731) is amended by adding at the end thereof the following new subsection:

"(c)(1) The President shall establish and maintain a reserve stock of agricultural commodities which will be available to carry out agreements under this Act whenever the agricultural commodities otherwise available for disposition under this Act are insufficient, because of the limitation contained in the last sentence of subsection (a) of this section, to carry out such agreements. The aggregate quantity of agricultural commodities in the reserve at any time may not exceed six million metric tons.

"(2) Agricultural commodities may be acquired for the reserve through purchases from private stocks or by designation of Commodity Credit Corporation stocks, whenever the quantity of such commodities which are available under subsection (a) of this section exceeds the quantity needed to carry out agreements under this Act.

"(3) The Secretary of Agriculture shall provide (A) for the storage of the agricultural commodities in the reserve, and (B) for the periodic rotation of the stocks of such commodities in order to avoid spoilage and deterioration. In carrying out clause (B), the Secretary may use the programs authorized by this Act or by any other provision of law relating to disposition outside the United States of stocks of agricultural commodities held by the United States Government.

"(4)(A) Except as provided in subparagraph (B), agricultural commodities in the reserve authorized by this subsection may be distributed only outside the United States, in accordance with this subsection.

"(B) If, after the date of enactment of this subsection, the Congress approves (as a treaty or executive agreement, as appropriate) an international agreement providing for a system of national reserves of an agricultural commodity, stocks of that agricultural commodity which are in the reserve authorized by this section may be used to meet United States commitments under that international agreement." ●

TAXATION: THE BRITISH DISEASE

HON. JACK F. KEMP
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. KEMP. Mr. Speaker, an excellent article in yesterday's New York Times points out the importance of why this country needs massive tax rate reduction, lest the United States go the way of Great Britain.

Mr. Andrew Knight, editor of the Economist, points out that with the tax rates in Great Britain, which go up to 98 percent, it is no longer worth his while to work. Thus, he notes, he refuses all freelance work, including lucrative television work, and does nothing to increase his income above the present level, which has put him into the 83 percent tax bracket. So who loses? The British people as a whole lose not only the value of the work he would have done but the tax revenues which would have resulted as well. This is why I believe that tax rates which are too high actually reduce government revenues in the long run.

The article follows:

[From the New York Times, March 8, 1978]

TAX ME, I'M BRITISH

(By Andrew Knight)

LONDON.—A friend of mine recently wanted to rewire his house in Bracknell (a large London dormitory town). My friend received two estimates for his wiring job. One was a regular quote for payment by check. The other was for not much more than half the amount—nothing said, nothing written, you understand, payment strictly in cash.

In Britain, penal rates of tax have started lately to turn this mild and even engaging international malady, where individuals collude to cheat their own welfare states, into a roaring epidemic. Every conceivable personal service in Britain, from babysitting and cleaning ladies to bricklaying and plumbing, is operated on a double basis; a check-paying taxable one and a cash-paying untaxable one.

Ironically for the corporate-state socialists who introduced the high-tax way of life, it is the British blue-collar shiftworker, his wife and his girl friend who have been most adept at finding ways around tax. For it is they, as inflation has catapulted them through tax brackets never designed for them, who have

most quickly exploited minicab driving and other moonlit jobs paid *en noir*.

But of course the professional classes play the game, too. Many journalists nowadays write their freelance articles, wherever possible, for cases of wine or other payments in kind. A television personality of my acquaintance recently made a guest performance: payment, two dozen tailored silk shirts for her husband. Most psychiatrists will charge their private patients less if they are paid in cash—a proposal that rarely disturbs the patients. Dentists, doctors, lawyers, ar-

For salaried business the ways around tax free ropes when it comes to negotiating a job for Arab or other foreign clients.

For salaried business the ways round tax are available but limited. Stock options are now caught in the net. It is said that if the Government stopped company cars, which carry a limited tax advantage over salary, British Leyland (Britain's main car company) would at least really go bust. Lunches and dinners are chargeable. A suit of clothes a year, club memberships—these are normal perks, in most cases tax free.

One big company has started renting carpets, curtains and furniture to its senior executives, writing them off over four years and then selling them to the executive for naught.

House mortgages get tax relief only up to $50,000 and cheap company mortgages will be taxed as income from this April; some companies are buying their executives' houses from them at market price, then renting them back cheaply with an option for the executive to repurchase at cost ten years hence.

Twelve years ago it would have been frowned on had I done a legitimate reporting job in Rome and then tacked on a week of my annual holiday entitlement. Pay freezes and high tax makes such travel on the firm usual practice nowadays.

The latest tactic in the very big companies is to set up educational trust, awarding, er, scholarships to clever boys . . . who are usually, er, the sons of company executives.

In many countries the taxman himself would have been turned crooked by all this. In Britain there is no evidence that he has been. Instead he is the chief sufferer. He is loaded by politicians with a massive weight of regulation (self-assessment is not British) and discriminatory decisions—this company perk is allowable, this one is not. When, last fall, the present Labour Government changed (yet again) all the personal tax scales, many tax offices understandably ignored ministers' requests to process them in time for Christmas shopping. Worse still, the overpressed, honest British taxman has had to rely increasingly on private accountancy firms to operate the law for him; reputable tax firms are expected to advise both the tax-collecting arm of government and their company and individual clients trying to minimize their, and their employees', tax liability.

Just for the record, I am being paid a pittance by The New York Times for this article. Why did I not chisel The Times for more? Because 83 percent of the money will already go in taxes to pay for other people's false teeth and spectacles, so why bother? I refuse all freelance, including lucrative television work, for the same reason. On a gross annual salary of about $45,000 my marginal tax rate is 83 percent. Still, I'm lucky. A friend of mine who has built one of Britain's most successful businesses pays 98 per cent: This is because the dividends on his shares in the business are regarded as "unearned."●

WASHINGTON'S VOICE OF DEMOCRACY WINNER

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. BONKER. Mr. Speaker, I am proud to announce that Lars Peter Adolf Wulff, a constituent of mine from Olympia, Wash., has been honored as the Washington State winner of the Voice of Democracy essay contest sponsored by the Veterans of Foreign Wars. Lars' thoughts on our responsibilities as American citizens are both timely and timeless; we are reminded that there can ultimately be no freedom without such responsibilities. I commend his statement to all of my colleagues:

1977–78 V.F.W. VOICE OF DEMOCRACY WASHINGTON WINNER

(By Lars Peter Adolf Wulff)

As a citizen of the United States, my essential responsibilities are two: first to participate fully in our democratic system and second to uphold that government which I, through my participation, have helped to shape.

It is the privilege of those who have chosen to live in America—and all American citizens, whether emigrants or natives, have, if merely by their decision not to leave, chosen—to exist under a government which is not a government of the select few, but a government of all. That privilege is only valuable, however, if the citizenry of our country take advantage of it. This government of all can obey the wishes only of those who make their wishes known. Therefore it is my responsibility to formulate answers to the questions of the day, confident that my fellow countrymen are doing the same, and to make my answers—my wishes—known.

The formulation of such answers requires three things: first, it requires an education. I must strive to obtain the best education my country's and my own resources make available to me. Second, it requires an open mind. I must keep my mind free of biased assumptions and be willing to accept and to assimilate the ideas of others. And third, it requires the desire to think. I must constantly apply my powers of reason to the problems confronting our country so that I may create the best solutions I am capable of creating.

Having created these answers, it is my responsibility to use them to shape the government in the manner I feel best for its people. In the first place I must use them in the most apparent way possible—to vote. But my responsibility does not end there. If ever I should disagree with a decision made by the voters or by the government, it is my responsibility to bring my own decision to the people. No method necessary to achieve this end is too great a sacrifice, whether it be discussion with other voters, speech making, or running for elected office. The final decision lies in the hands of the American people, but it is my responsibility, as it is every other American's responsibility, to make the questions and answers known.

I, having helped to mold this government through my involvement, am then responsible to defend it from foes within and without. Hence it is my duty to help to uphold the laws against those who would do otherwise. It is my responsibility to defend the right of each man, regardless of race, religion, sex, or political dogma, to pursue happiness in his own manner, insuring, however, that in pursuing happiness he interferes with no other man's right to do the same. I must set an example of tolerance and compassion, the better of which I would expect from no man. I must treat each of my fellow men with the respect he or she deserves, not on the basis of previous action, but purely as a member of the human race.

And I must defend our country from foes outside our borders. If there exist those who would try to still the tintinnabulation of the bell of liberty, it is my responsibility to stay their attempts for the sake of my own continued freedom and that of my children.

My responsibility, then, to these United States is to help mold a government of freedom and of equality and to uphold and defend that government and our country for myself and the generations of Americans to come.●

BALANCE(S) OF POWER—U.S. MILITARY READINESS

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, yesterday I inserted the first of a series of three articles by Associated Press reporters Fred Hoffman and Peter Arnett regarding the state of U.S. military readiness around the world and in the United States.

The first article entitled, "Is America Outgunned?" appeared in the March 8 CONGRESSIONAL RECORD, page 6167. I should like to insert the second article dealing with U.S. military readiness in Europe, written by Fred Hoffman, and our readiness in the Pacific, written by Peter Arnett. The article follows:

U.S. READINESS—2

(By Fred S. Hoffman)

Generals have circled 1981–82 in their plans for defending Western Europe against a possible massive Soviet ground-air attack. That is when they expect Russia to finish re-equipping its Army divisions and Air Force squadrons with new weapons and warplanes.

"What do they intend to do with all that new weaponry?" a senior American general reflected recently. "We don't know. But we'd better be ready."

U.S. commanders have set 1979–80 as the goal for recovery from weaknesses in firepower, shortages and poor location of vital ammunition stocks, inadequacies in wartime support resources, and vulnerability of some U.S. bases, supply depots and command centers.

Some programs, costing billions of dollars, are underway with increased backing in the past year from the Pentagon and Congress.

Efforts are being made to get Germany, Belgium, the Netherlands and other Allies to provide major wartime, rear-area support for U.S. forces in transportation, ammunition handling, repair of bomb-damaged roads and bridges, traffic control, etc.

How do present U.S. Army forces, totaling nearly 195,000 men and women in Europe, stack up against the current threat from Soviet-led armies?

"I know we have a good capability to slow them," said a top American general. "I believe we have the capability to stop them."

Soviet military theory reportedly envisions Warsaw Pact forces overwhelming Western Europe and reaching the English Channel in eight days.

As for driving the attackers from NATO territory, the American general said: "I don't think we have that capability without reinforcements from the outside."

Current strategy calls for U.S., German and other Allied armies to meet the enemy as close as possible to the border, with maximum force. It rejects the old concept of a fighting retreat, of giving up West German territory to buy time for mobilization and later counterattack.

Key Allied strategists now are convinced that the Russians could mount a major offensive into Western Europe with as little as five to seven days of preparation. That would give the Allies much less warning than the 23 days formerly assumed by NATO planners.

U.S. Army and Air Force generals have urged, therefore, that the United States station substantially more firepower, particularly more big guns, antitank and antiaircraft missiles, and possibly more ground attack fighter-bombers in Western Europe.

Some recommendations have been approved, others are under study in the Pentagon.

The manpower of five Army mechanized infantry and armored division equivalents and some other combat units in Germany will be fleshed out over the next two years. There is a strong likelihood that an additional brigade will be sent from the United States in the future

In line with the forward defense strategy, U.S. Army generals stress training to move major fighting units up to the border faster.

"Within 48 hours, I'll have forces in position along the front with their necessary ammunition and weapons," said one senior officer responsible for defending hundreds of miles of territory along the East German and Czechoslovakian borders.

Critics argue that the peacetime U.S. garrison complexes are too far back and should be relocated.

American generals agree this would be desirable, but say it is unlikely for two reasons: (1) German opposition to giving up any more scarce land for U.S. military bases and (2) the cost of building new barracks and other facilities.

With German military police helping to clear the roads, U.S. troops practice moving to their main defensive positions at least once every three months. Army chiefs also call surprise alerts, sometimes on weekends, to test how fast they can muster their troops in an emergency. In one such recent drill, they said, they got 70 percent back on duty within three hours.

Another part of the program to enhance quick reaction involves bringing ammunition up to tank battalions and artillery batteries from depots well in the rear. This will give the fighting units their basic supplies for immediate combat.

Ironically, this reverses action taken six years ago when, U.S. officials said, the German government became concerned about the risk of possible explosions near their population centers and asked that the ammunition be removed to remote depots.

Meanwhile, there is a sense of urgency about rebuilding two kinds of weapons stockpiles which has fallen to dangerously low levels in recent years.

One of the stockpiles contains equipment intended for two full armored and mechanized infantry divisions, plus 10 separate battalions. This equipment is supposed to be on hand at all times for issue to troops flown from the United States in Air Force transports and civilian passenger planes during a crisis.

These "pre-positioned" stocks were milked during and after the 1973 Mideast War to replace Israeli battle losses and their recovery has been slow.

The other stockpile is composed of War Reserve supplies of ammunition and major arms. Units fighting in Europe would require these supplies within close reach to replace huge amounts that would be fired and destroyed in the first month or so of a major land war.

Both types of stockpiles have become increasingly important because a severe shortage of long-range, military cargo-carrying planes raises strong doubts about the Air Force's ability to resupply U.S. units from America in the opening stage of a major war.

Gen. Bernard W. Rogers, Army Chief of Staff, reportedly has given the "pre-positioned" stocks priority over some units in the United States which are awaiting new equipment.

As a result, sources said, the full complement of tanks has been placed in those depots. The stocks still lack about 1,000 armored personnel carriers and self-propelled guns, as well as about 3,000 trucks. "But we'll be up to our elbows in tracked and wheeled vehicles by next summer," a logistics expert said.

The War Reserve stocks will take at least two years to fill, Army officers said. They are short about 75 per cent of the tanks and two-thirds of the ammunition and have none of the personnel carriers or long-barreled, self-propelled artillery they should have, according to the calculations of war planners.

The strengthening of Russia's tactical air force and its conversion from a largely defensive to an offensive ground attack role has sharply increased concern about the vulnerability of U.S. air bases, radar stations, supply depots and command centers.

This has stimulated construction of hundreds of concrete-and-steel shelters for U.S. warplanes and repair shops, as well as reinforced igloos to shield ammunition and weapons from surprise attack. Precious fuel is going into extensive underground storage tanks.

Plans have been made to remove nuclear weapons from closely guarded storage sites at the onset of a crisis.

Radar stations are increasingly mobile and arrayed in depth.

Blast walls are going up around important buildings, particularly command posts and communication complexes. A below-ground headquarters has just been opened for the multi-nation Allied Air Forces Central Europe.

The U.S. Air Force, which seems farther advanced than the Army in cooperative arrangements with the Germans and other Allies, has access to more than 50 NATO military airfields for dispersal of its fighters and other warplanes, including those deployed from the United States.

The Air Force is short of air-to-air missiles, but supplies are being taken from other commands to assure that F15s and other fighters in Europe have enough. A logistics specialist said, "We see get well dates on the horizon."

American fighters are on alerts ranging from only five minutes to an hour. Squadrons stage several practice scrambles a day.

Air Force generals said their fighters have never in recent times failed to meet the NATO standard requiring that 70 per cent of the force be ready with fuel and weapons to meet missions assigned them within 12 hours.

Germany's dense air traffic, often-bad weather and heavy population make it difficult for U.S. air and ground units to practice. Most Army tank units are able to shoot during only three periods a year. To improve the situation, the United States is negotiating for additional flight training and firing ranges in the Mediterranean area.

(By Peter Arnett)

Warplanes blast off from the pitching flight deck of the aircraft carrier Constellation as it cruises the Pacific sea lanes. Elsewhere on the ocean, combat Marines float in cramped quarters, prepared to land within a few hours. U.S. Air Force jets monitor the skies.

These are the cutting edge of American military power in the Pacific and Indian Oceans. But increasing numbers of military men fear that while these forces are at the forefront of United States defenses in a region covering nearly half the world's surface, they are less effective than in the past because of the Pentagon's preoccupation with Western Europe.

In interviews with senior commanders, officers and men in their island bases and operating areas, The Associated Press found these major concerns:

The emphasis in U.S. military strategy has swung decisively away from Southeast Asia to the defense of Western Europe. Informed sources said that contingency plans provide for about half the 218-ship U.S. Pacific Fleet and part of its attendant ground forces to be switched to the European theater if hostilities with the Soviet Union break out there. Not only would this leave America's forward-deployed forces vulnerable to Soviet flanking action, it would also, in the words of one highly placed observer, "mean writing off the western Pacific."

Strategically, the sea lanes have become far more important than many of the countries they pass. Particularly important is the Indian Ocean, where at any given moment, more than half the world's seaborne oil is in transit. But senior American Navy men, noting the continuing shrinkage that has reduced the U.S. Pacific Fleet to pre-Korean size, concede that the United States may already have lost its mastery of the seas and that in a conventional war with the Soviet Union it would be unable to keep the Pacific and Indian Ocean sea lanes open. One senior Navy man commented: "Either redefine our mission or give us more ships."

The legacy of the Vietnam War in terms of public and congressional disenchantment with foreign military involvement helped lead to a redefinition of America's vital interests in Asia, limiting them essentially to the security of Japan and the Korean approaches to that island nation. The capabilities of American forces also have been diminished, however, due to delays in repairs, postponed in favor of spending on future weapons systems, and necessary economies because of soaring fuel prices.

"We don't keep telling ourselves that the Russians will attack at midnight. We would wear ourselves out," said Vice Admiral Robert B. Baldwin, the U.S. Seventh Fleet commander, after a briefing aboard his flagship, the light cruiser Oklahoma City, on the capabilities of the Soviet fleet in the Pacific.

Twenty years ago, Baldwin said, "We ruled the seas and it was just a question of how much leverage we needed to apply." Today, he said, the Seventh Fleet is down "to a bare-bones level of around 50 ships." (In the 1960s, it averaged about 100 ships.) Baldwin said the Russian naval threat is similar to that posed by the Japanese Navy in World War II.

The new U.S. Navy emphasis was apparent aboard the 83,000-ton carrier Constellation which was leading the Seventh Fleet's southern carrier task force in a training operation in the South China Sea near the Philippines recently. Vietnam was just beyond the horizon, but it was no longer of any concern to the more than 5,000 men who ran the ship, and launched and flew the sleek jet bombers and patrol planes that nestled on the flight deck.

"We are back to our primary mission of control of the seas," said the task force commander, Rear Admiral H. P. Glindeman.

Basically, that mission is to keep international sea lanes open to commercial and military shipping. It also includes observing the Soviet naval flotillas that have shown up all over the Pacific, including off Diamond Head, Hawaii. The Constellation sends up

jet fighters to escort the inquisitive, long-range Russian aircraft which sometimes peek at fleet exercises.

Most important. the carrier and its escort ships operate 24-hour-a-day surveillance against the Soviet Union's increasingly capable submarine fleet, which now has an estimated 100 craft operating in the Indian and Pacific Oceans. About 50 U.S. submarines operate in the Pacific.

While control of the sea lanes may dominate strategy on the Indian and Pacific Oceans, there are still requirements for the possible use of American forces in the dozens of countries in Asia and Africa where the United States has direct interests.

Bring on the Marines.

The crewcut Marine "grunts" on immediate action duty in the Pacific were aboard the amphibious assault ship New Orleans off Okinawa. About a thousand young men were sleeping beside their helicopters by night and exercising on the decks by day as they waited out their four-month stretch of sea duty.

The Marines have become increasingly sophisticated. An AV8 Harrier jet bomber hovered in midair over the New Orleans and gently lowered itself to the deck, then rose again, like an elevator, and roared off. Assault helicopters now routinely fly at night to avoid surface-to-air missiles.

And the muddy-faced Marine reconnaissance teams carry sophisticated radio equipment "because this is an age when the secretary of state may want to talk to a recon squad leader on the ground," said one Marine officer.

But no matter how gung ho the Marines, the geographical realities of the vast Pacific and Indian Oceans swallow up these assault forces. U.S. Air Force officials believe they can partially compensate for the lack of bases by refueling fighter aircraft in the air with tanker planes.

"We are just 12 hours from the east coast of Africa and it's mostly over the open sea and you don't have to ask anyone to fly over it," said a senior officer at Clark Air Force base in the Philippines. He said America could resupply Israel by the "back door" of the Indian Ocean base of Diego Garcia.

Like the other services in the Pacific, the Air Force is making the best of what it believes is a bad situation. "When we had to get bases out of Thailand a couple of years ago, it was seen as a disaster. It is not seen that way now," one Air Force man said.

This view also seemed to prevail when it comes to the Philippines, which is the southwestern anchor for American forces in the Pacific, with Clark air base and the Subic Bay Navy yards. Commenting on recent haggling over the future of these installations, one senior American said: "These places are really important to us, but if necessary, we could do without."

Where would the United States go? "The billion-dollar costs would prevent building elsewhere," he said. "I guess we would move right back to the West Coast of the United States."

Just as political realities seem to be catching up with the U.S. military presence in the Pacific, so are the economies. The Pacific Fleet stays anchored more because of fuel costs. And while the average ship might still be at sea about 50 percent of the time, it will steam more slowly to conserve fuel.

The Air Force has cut the length of its air sorties by about one-third and turnaround time by two-thirds. Planes taxi with only one engine.

Ammunition costs have risen so less is fired. Of the 27 aircrews of the latest model F14 jet fighters on the Constellation, only three had fired the sophisticated Phoenix air-to-air missile. Crews fire two sidewinder missiles each year.

"Sure we would like to fire more, but we have to settle for simulators," an officer said.

Air Force pilots are similarly constrained. They are limited to firing 100 rounds of 20 mm ammo per mission—out of guns capable of firing 6,000 rounds per minute.●

ADM. THOMAS H. MOORER TESTIFIES IN FAVOR OF NUCLEAR AIRCRAFT CARRIER

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. BENNETT. Mr. Speaker, last Friday, March 3, 1978, Adm. Thomas H. Moorer, former Chief of Naval Operations and former Chairman of Joint Chiefs of Staff and now president of the Association of Naval Aviation. Inc., testified before the Seapower Subcommittee of the Armed Services Committee.

Admiral Moorer appeared before us at our invitation to give us his assessment of the sea-based air platform study just completed for the Secretary of the Navy. Admiral Moorer came out foursquare in favor of nuclear aircraft carriers. His testimony was most convincing.

At this point, I insert his statement in full in the RECORD as follows:

STATEMENT OF ADM. THOMAS H. MOORER, USN (RET.) FORMER CHAIRMAN, JOINT CHIEFS OF STAFF, AND PRESIDENT, ASSOCIATION OF NAVAL AVIATION, INC., BEFORE THE SEAPOWER SUBCOMMITTEE, COMMITTEE ON ARMED SERVICES

Mr. Chairman, Members of the Subcommittee: You have requested that I appear before this Subcommittee and present an evaluation that I and other members of the Association of Naval Aviation have conducted of the recently completed Assessment of Sea Based Air Platforms, a study directed by the Congress and forwarded to the Congress by the Secretary of the Navy and the Deputy Secretary of Defense. I am happy to comply with your request and welcome the opportunity to appear before you on this particular subject. I can think of no more significant decision facing our leadership today on the issue of sea based aviation than the one now before you and covered in the subject study. The decision on what sea based air platform we shall have in the future is a decision that we will have to live with for 30–40 years. The decision itself can have considerable impact on the perceptions our allies and potential adversaries have about the future policies and objectives of the United States. So I would like to prefix my specific comments on the study with a brief review of our national objectives and the role the Navy and sea based air will play in achieving those objectives.

NATIONAL OBJECTIVES

The broad national objectives of the United States have consistently included: to remain a free and viable nation and to advance the cause of peace throughout the world. But, in any particular era, the environment of the time will operate in diverse ways to frustrate the achievement of these broad objectives. The environment is driven by hostile and friendly alliances and, in particular, by the goals and military capabilities of hostile alliances.

Specific national objectives are derived and become goals as a result of the current environment. Today's environment is dominated by the aggressive attitudes and aspirations of the USSR and their ever-increasing military forces. These forces provide them with the capabilities and opportunities for actions that threaten our broad objectives and most vital interests. These specific national objectives—along with the military strategies and forces to underwrite them—have the purpose of focusing on what immediate objectives must be achieved in light of the current environment, in order that our broad national objectives will remain secure. These specific (or immediate) objectives/strategies/forces are then the cornerstone for planning for military forces.

In the current environment, military strategies and forces must underwrite at least the following specific national objectives:

Support the viability of the NATO Alliance:

Have the capability to contain a Soviet thrust on the Central Front by deploying ground forces and air forces in Germany and the U.K. along with a capability for rapid augmentation of these forces;

Maintain the capability for appropriate defense in the Northern and Southern Flanks;

Protect the sea lanes of communications from the U.S. to Europe and from the Persian Gulf to the U.S. and Europe so that it will be evident that time is on the side of the Alliance after containment of any Soviet campaign designed to overwhelm Western Europe;

Insure that our allies have use of and access to the seas worldwide and that key geographical choke points remain secure.

Maintain our strong ties with Japan and Korea:

Maintain air and ground units in Korea;

Maintain naval forces in the East Asian area;

Assist in protecting the sea lanes of communication from the U.S. to Asia, and from the Persian Gulf to Japan, Australia and other Asian allies.

Deter and counter any Soviet actions (direct or by other means) designed to deny the flow of oil from the Mid-East to the U.S. our NATO allies or Japan.

Underwrite this objective with naval forces deployed in the area of the Persian Gulf and the Western reaches of the Indian Ocean.

Deter and counter any Soviet actions (direct or indirect) designed to deny the flow of commerce to and from Japan.

Underwrite with naval forces deployed to protect the sea lanes of communications.

Deter and counter Soviet intervention in the Third World where our national interests are involved.

I note with great pleasure that the current Secretary of Defense agrees with the thrust of these objectives as they pertain to the Middle East and the Persian Gulf. In recent remarks prepared for the Los Angeles World Affairs Council he is quoted as follows:

"Because the area is the world's greatest source of oil, the Middle East and the Persian Gulf cannot be separated from our security and that of NATO and our allies in Asia.

We intend to safeguard production of oil and its transportation to consumer nations without interference from hostile powers."

MILITARY/NAVAL STRATEGIES

The military strategies for underwriting the specific national objectives set forth above will vary but the general pattern for naval forces seems very clear. Naval forces make a substantial contribution in underwriting *all* the national objectives and will be relied upon almost *solely* in underwriting the critical objectives of deterring and countering the Soviets from denying the flow of oil from the Middle East and ensuring the flow of commerce to and from Japan. I cannot see that the future will dc anything but force us to rely more on naval forces, not less. It is therefore, most important that the correct decisions be made, particularly as they relate to sea based aviation platforms. I believe it was in recognition of the impor-

tance of these decisions that the Congress directed the Navy to conduct a study of the critical aspects of the issue and provide some answers to decision makers. I would now like to comment on some of the answers that have been provided.

FORWARDING LETTER

I note that in his letter forwarding the study to the Congress, the Secretary of the Navy states "we should avoid making the easy assumption that our children and grandchildren will be called upon in the 21st century to refight the wars of the recent past, such as the WWI battle of the Atlantic, Vietnam, or any other." I heartily concur with that statement. It seems obvious that the tasks of the Navy of the future will be related to the national objectives listed above, particularly the guaranteeing of the flow of oil from the Middle East and ensuring the flow of commerce to and from Japan. These tasks may not be directly relatable to WWII, but we can rely on the lessons of the past to help us determine the kinds of naval forces that will be required for the tasks of the future. I want to use some of those lessons in the evaluation I present today. It is interesting to note that the study itself relies heavily on scenarios of the past to reach its findings.

I note also that the Secretary forecasts a "dimly perceived future" calling for "flexibility and ability to adapt to uncertainty." I agree that the future is always difficult to perceive, but it seems to be very clear in regard to energy, specifically oil. Oil must come from the Middle East and it must flow to Europe, Japan and the United States—in ever-increasing quantities. And that flow must be guaranteed. I would think that the best way to answer the Secretary's call for flexibility and ability to adapt to uncertainty is to equip ourselves with qualitative forces, those that can deter any potential enemy from overt action to defeat our objectives—not forces of questionable threat to the opposition—forces that might tempt the opposition to gamble. It will take qualitative forces of high order to guarantee the economic and energy lifelines of the United States and her allies.

I agree with the view expressed in the forwarding letter that the CVN is the more survivable and effective platform. I cannot agree, however, that it is also the more expensive, by a ratio of about 3 to 2 with any feasible alternative, and I will address that point in some detail.

Finally, I note that while the study arrives at some findings, it is very careful not to make any specific recommendations or hard conclusions aimed at urging a decision maker to select one specific air platform over another. However, in his forwarding letter, the Secretary states a preference for the CVV (the 60,000 ton conventional powered carrier) vs. the CVN or CV (nuclear/conventionally powered 90,000 ton carrier). While I appreciate the budgetary constraints under which the Secretary must operate, my preference would differ from his. I would like to provide the rationale for my preference by referring to the study itself.

THE STUDY

The study undertakes a detailed analysis of potential combat scenarios under the most likely threats to the specific national objectives that I have outlined previously. The engagements listed in some detail in the study itself are to test:

(1) our defense against the Soviet Backfire bomber with anti-ship missiles in the Greenland-Iceland-United Kingdom gap;

(2) our sea-based air strike and ground support capability in a Korean type conflict;

(3) our defense against a Soviet surprise attack on our forces in the Mediterranean;

(4) our convoy protection capability against Soviet submarines in the North Atlantic, and

(5) our sea lines of communication protection capability against Soviet surface forces in the Indian Ocean.

The scenarios all address the present CVN (NIMITZ) class carrier with certain improvements, a new smaller class carrier—oil fired but with catapults and arresting gear—referred to as a CVV, and an even smaller air capable platform without catapults or arresting gear referred to as a VSS. The CVN/CVV will be equipped with either Future Conventional Take-Off and Landing aircraft called CTOL or future Vertical Short Take-Off and Landing aircraft called V/STOL. The VSS will be equipped only with future V/STOL. The scenarios also assume that the mix of sea based platforms (carriers) and embarked aircraft will be limited over a 30-year life cycle to what can be purchased or maintained within a total fiscal limit of 217 billion dollars, plus R&D and procurement costs for future CTOL or V/STOL aircraft.

One of the most glaring aspects of the study is the assumption that it is feasible to develop V/STOL aircraft in the time frame represented by the scenarios that are equally capable with future CTOL aircraft. This is a dubious assumption from all the aeronautical engineering data currently available on V/STOL potential. It is also a false premise to assume that with a given power plant the extra weight, thrust and fuel consumption required just to get the V/STOL aircraft airborne will result in an air platform equivalent in performance to a companion CTOL aircraft when both are launched. For example, Mr. George Spangenberg, one of the most reputable aeronautical engineers in the world and most familiar to this Committee, reports that an ASW version of the V/STOL will weigh over 50,000 pounds, have a three-hour station time at 150 miles from its carrier, and still be reduced in ASW capability compared to the current S–3 aircraft which has 4 hours station time at about 400 nautical miles.

It appears that this assumption in V/STOL capability was made to support the thrust of the study argument that high research/development and procurement costs for the V/STOL aircraft are justified. This assumption, however, also generates fewer platforms of CVN (NIMITZ) capability within the 217 billion dollars budgetary constraint which, in turn, forces a higher number of cheaper platforms labeled CVV or VSS equipped with an equivalent total number of V/STOL aircraft.

This synthetic generation of forces is subsequently matched in the scenarios against CVN forces with CTOL or V/STOL airwings. The extra R&D costs for future V/STOL aircraft alone are estimated to be as high as 18 billion dollars or 9 billion dollars more than future CTOL development costs. This cost must be borne outside the 217 billion dollar envelope.

Of the five scenarios outlined previously, the study gives a clear edge to the CVN force with future CTOL aircraft in the anti-air barrier engagement in the North Atlantic. It is evaluated as the most cost effective in ratio of enemy bombers destroyed to U.S. loses, and in lifetime cycle cost per bomber killed. (Page V–4 and Table V–1 of the Sea Based Air Assessment Study.) However, the Executive Summary overlooks this point and assesses the CVN force and CVV force as about equal on the basis of enemy bombers killed to residual fighters remaining after the engagement. The conclusion made is that the CVV force can be procured at a rate of 3 to 2 over the CVN force, thus making a total of six CVV's available vice only 4 CVN's. What is not made clear is that the effectivenes of the CVV on a one for one basis as opposed to the CVN in this scenario is so low that at least two CVV's always operate together.

In an effort to improve the relative performance of an even less capable and less seaworthy platform than the CVV, termed the VSS, the study makes further unreal assumptions.

First, it is assumed that all ships arrived on station in the North Atlantic without opposition prior to day one of the engagement, and that all ships commenced the engagement following transit to the area fully topped off in fuel and ordnance. Thus all the advantages of nuclear power in extended steaming through low threat areas to reach the scene of action were completely discounted. Further, the less seaworthy and less capable VSS platform, with a V/STOL airwing embarked, was termed virtually equal to the CVN in ratio of U.S. losses to enemy bombers destroyed (with dispersal) by assuming that a number of sea based air platforms would be sent into the battle arena partially loaded—that is, without a full complement of embarked aircraft—simply to act as receiving ships for retiring U.S. aircraft when their own ships had been sunk or damaged.

In the Korean scenario, the study rates the CVN behind the CVV and the VSS in combat effectiveness in strike operations against targets ashore, again by the use of unrealistic assumptions. It maximized the advantages of a higher cycle rate for the V/STOL aircraft by moving the platform (carrier) to within 150 miles of the target, far closer than would be acceptable with any enemy opposition. It then evaluated the ordnance delivery capability of V/STOL/VSS combination and the CVN/CTOL or V/STOL combination, without properly allowing for the limitations on ordnance handling capability of the smaller platforms.

It clearly states on Page V–8 of the assessment report that over a five-day period the CVN force would not require ordnance resupply, while the CVV/V/STOL combination would require 75% resupply and the VSS/V/STOL combination would require 127% resupply. The report further acknowledges that the VSS delivery capacity would most likely exceed ordnance handling capability. The Executive Summary glosses over this point and makes the statement that a 3 CVV force with either V/STOL or CTOL aircraft is the best option. It seems clear to me, however, that in order to maximize the higher sortie rate attributed to the V/STOL aircraft in this phase that the ordnance handling capability and higher manning of the CVN would be a prerequisite over a five-day period of continuous operations. Under such a scenario the CVN would then emerge as the most cost effective platform.

In the Mediterranean scenario the study ranks the CVN highest in survivability.

The CVN is not used in the convoy scenario, and although preferred in the Indian Ocean scenario, is assumed not available for future use in such a role. The VSS with V/STOL then wins this engagement over the CVN by a hypothetical default.

In summation, where the CVN is rated best by the study in 4 out of 6 scenarios, what is not made clear in either the report or the Executive Summary is that the CVN is assumed not deployable in two scenarios in which it would be clearly preeminent, i.e., the Indian Ocean with either future CTOL or V/STOL aircraft. The recapitulation would then be the CVN best in 6 out of 8 scenarios. Should the ordnance handling capability of the CVN be matched against that same capability in the CVV or the VSS over a continuous 5-day strike period without retirement for rest and rearming, the CVN would emerge as the best option with either CTOL and V/STOL aircraft, making it the best option

in 8 out of 8 scenarios. If you add still another scenario, normally considered but not addressed in the study, that of peacetime presence, the CVN with either CTOL or V/STOL is preeminent in both, making it the clear victor in 10 out of 10 scenarios in which it appears.

One need not look beyond the recent statements of the Secretary of Defense to discern the next iteration of this study and the impact it would have on Navy air/sea programs and force deployment. Secretary Brown has been quoted as concluding that land based air can substitute for sea based air in both the North Atlantic and in the southern flank of NATO. The overwhelming evidence to the contrary that has been ignored includes, but is not limited to:

The unreliability of territorial bases at the scene of the conflict;

The lack of logistic capabilities to support the volume of land based air required—even to the extent of prepared aircraft parking space on the ground;

The billions of investment that would be required for emplacement of the necessary support systems that could be denied to us by political defection on the eve of conflict.

Should we accept Secretary Brown's assumptions, it is obvious that the thrust of this study's conclusions would leave us, some years hence, with naught but under-powered, sea based air platforms of doubtful capability.

Although the Executive Summary accepts the need for maritime air in the Indian Ocean, its option in support of this least capable air platform, i.e., the VSS, completely ignores the most basic strategic considerations that we face in that area. Having lost potential bases along both the east and west coasts of Africa as well as the Cape, having been pushed out of the Horn of Africa, being called upon to plan air/sea operations at the farthest point conceivable from our home ports in a hostile environment without access to a reliable source of supplies, this study assumes that we can maintain working control of a vast ocean area with the shortest-legged, least capable air platform conceived since well before World War II. In any scenario that interdicts our oil lifeline from the Middle East I am confident that only a CVN with its embarked airwing and with nuclear powered escorts would be effective in neutralizing Soviet sea and land based air power in actual combat.

AIRCRAFT VERSUS THE AIR PLATFORM

I have one final point on this study, which I believe is quite basic but often overlooked by the analyst or amateur as they attempt to define the characteristics we should have in sea based aviation. There is a common tendency to start with a given ship of a certain cost, size, and other characteristics. Attempts are then made to fit to that ship some kind of airplane. If a proper airplane does not already exist, attempts are made to force something out of technology that will operate from the given platform. The result is something less than desirable. A classic example is the many attempts and millions of dollars spent on the infamous TFX, trying to make it carrier suitable.

The proper procedure is to start with national objectives and determine the type of aircraft needed to defeat the best aircraft possessed by those who might oppose our national objectives. If the aircraft chosen must be based at sea, the next step is to design a ship that will support the aircraft in terms of size, stability, vulnerability, logistics capability, sustained staying power and so on. Some modifications may have to be made to the aircraft, but basically you start with the aircraft and then design the platform from which it will operate, not the other way around. A sea platform supporting an aircraft wing required to guarantee the flow of oil from the Middle East is far different from that required to defend Chesapeake Bay.

It seems to me that in the study we are addressing today, the common mistake was made again. A figure of 217 billion dollars was established as the fixed life cycle cost of the platform and embarked aircraft V/STOL aircraft were fashioned with large R&D and procurement dollars. To pay for the aircraft, the sea based platform was degraded to conventional vice nuclear power; two shafts vice four; two elevators vice four; 28 vice 33 knots maximum speed; 16 vice 26 knots with one engine down; 6 radars vice 8; 60 days vice 75 days stores endurance; reduced mobility, stability, and reliability with increased vulnerability and a higher accident potential. The result is a combination of platform and aircraft that have questionable capabilities to meet the objectives and strategies we need to support.

ANOTHER STUDY

As members of this Subcommittee are well aware, the subject of sea based aviation platforms has been debated in the Halls of the Congress since Billy Mitchell was suggesting large sea based airdomes to Chairman Vinson of the House Committee on Naval Affairs in 1921. The study we are addressing today is but the latest in a long series.

There is another study on the subject to which I would invite the Subcommittee's attention and that is one completed about two years ago. It was prepared by a CVNX characteristics group at the direction of the Chief of Naval Operations. It was attempting to define alternative nuclear powered aircraft carrier conceptual models suitable for procurement in FY 1979. While the study dealt exclusively with nuclear powered carriers, its conclusions are most appropriate to these hearings. I commend the report of the study to this Subcommittee and request that it be inserted in the Record. In addition, I wish to repeat here the most significant conclusions of the study as I believe they will help this Committee in its deliberations. The CVNX characteristics study group report dated 1/26/76 (unclassified) concludes as follows:

Nuclear powered carriers using existing nuclear reactor designs and suitable for operation of modern naval aircraft across all Navy mission areas can be designed in sizes that range upward from about 56,000 tons standard displacement. However, when compared to NIMITZ size carriers, at feasible force levels, smaller carriers would result in a significant reduction in operational capability (aircraft, aviation support, catapults, elevators, ship speed, reliability, etc.) for a relatively small reduction in investment and operating costs.

To a great extent, unit life cycle cost reduction options inherent in smaller carriers with smaller air wings can be applied to NIMITZ size carriers with the added advantage that full air combat potential can be relatively quickly restored by increasing the aircraft inventory.

Overall, for the foreseeable future it is more cost effective to procure improved design NIMITZ class nuclear powered carriers. The principal reasons are:

Projected funding levels will support a force level of not more than 13 or 14 fully capable carriers.

At force levels of 13 or 14 carriers, high individual carrier capability is required to meet tactical requirements.

Carriers significantly smaller than the NIMITZ class cannot support the practical minimum number and types of aircraft required to perform missions alone in the presence of an air threat. NIMITZ size carriers provide more than twice the combat capability of the smallest practical nuclear powered alternative.

NIMITZ size carriers have more flexibility to incorporate changes in characteristics (aircraft, missiles, and equipment) that may be required during the life of the ship due to changes in the threat and new technological developments.

For a 3 carrier procurement program, the cost of 3 modified NIMITZ size carriers is about the same as the cost of 3 of the smallest sized carrier concepts developed.

Practically all design to cost, reliability, maintainability, and operability options for a new design carrier can be incorporated in a modified design NIMITZ class carrier.

Safety.

Advantages of nuclear power.

I cannot believe that there have been any significant changes in ship-building or aircraft production techniques during the past two years that would invalidate the above conclusions. Further, as the national objectives become clearer, it is evident that the strategies and forces we will require for our sea based platforms will require greater quality, not less. Implementing the 1976 study would head us in that direction.

CONCLUSION

In conclusion, Mr. Chairman, while I have great respect for the effort devoted to the study you have asked us to evaluate, and while I can agree with many of the findings, I believe there should be considerable doubt about the validity of any preference for a 60,000 ton conventionally powered carrier, with 2 catapults, 2 shafts, 2 elevators, and other limitations at a time when the roll of the Navy will call for more qualitative performance, not less. I strongly recommend your approval of a nuclear powered carrier of the improved NIMITZ class as the next step in the Navy's sea based aviation platform program. In making this statement, I believe I speak not only for myself but also for the many professional members of the Association of Naval Aviation. Most importantly, I believe I am representing the true feelings of the majority of the professional naval officers on active duty, qualified to address this subject, and having responsibility for implementing the decisions made by this Committee and other elements of our civil authority—not to mention participating in combat when the time comes.

Thank you, Mr. Chairman.●

LITHUANIAN INDEPENDENCE

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. WALGREN. Mr. Speaker, I would like to join my colleagues in honoring the 60th anniversary of Lithuanian independence on February 16, 1978. Throughout the years, the struggle of the Lithuanian people to regain their independence has been an inspiration to all freedom loving people in the world.

Lithuania became a sovereign state in 1251. After 100 years of domination by Russia, it reasserted its nationhood in 1918. This sovereignty was short lived, however, as the Soviet Union invaded Lithuania in 1940 and imposed a new regime. Even though Lithuania has lost its autonomy, Lithuanians have sought to express their own culture and determine their own future.

As the Belgrade Conference comes to a close, we are all reminded of the suppression of human rights in Lithuania,

Latvia and Estonia, as well as the denial of self-determination for the Baltic peoples.

In honor of Lithuania's anniversary of independence, I salute all Lithuanian people and offer my heartfelt support for their cause.●

ALARMING PATTERN OF VIOLENCE AGAINST ABORTION CLINICS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. OTTINGER. Mr. Speaker, during the past few weeks there has been a rash of fires and property damage at many of this country's abortion clinics. Actions of this nature which are directed at the health care facilities are represensible and it is my hope that those responsible will be duly punished.

The nature of these violent incidents directed against abortion clinics is develcping into an alarming pattern that indicates there may be a concerted conspiracy of violence involved. I have therefore requested the Department of Justice and the Judiciary Committees of the House and Senate to initiate investigations of these activities. I have also asked them to ascertain whether any tax-exempt entities may be involved.

The National Abortion Rights Action League has issued a report on these incidents of violence which I would like to share with my colleagues. Also included is an Associated Press story which ran on March 2.

[News release from the National Abortion Rights Action League, Washington, D.C.]

CLINICS BURN ACROSS AMERICA: VIOLENCE ON THE RISE

The National Abortion Rights Action League released an in-depth report on a series of burnings and attacks conducted against clinics across the country within the past year. Six clinics have been burned, and many more have been badly vandalized, posing severe dangers to patients and staff. When an incident happens in a single clinic, clinic personnel often think the attack is isolated and unusual; but, according to NARAL's findings, attacks against clinics are well thought out, well planned, and exhibit a systematic pattern of callous disregard for person and property.

Vandalism against clinics ranges from threats against people's children, to direct bombings, to firebombings of all sorts, to throwing gasoline in the face of a clinic staffer and temporarily blinding her, to bullets fired into buildings . . . and so on, a list of some of the worst politically-motivated violence of the decade. And attacks have been mounted against clinics which just provide birth control assistance, as well as clinics which provide both birth control and abortions.

A new group has emerged in 1978, just as the violence against clinics has taken a swing upwards. The group calls itself "PEACE"—People Expressing A Concern for Everyone. The so-called "PEACE" group is rabidly opposed to women's right to choose abortion, and has taken credit for another six clinic invasions, coordinated nationwide, which all occurred January 6, 1978.

During the June, 1976 National Right to Life Convention in Boston, a NARAL observer taped a workshop on "How to Disrupt an Abortion Clinic." Copies of the tape were sent to clinics across the country to prepare them for anti-choice activist harassment. The next year, the burnings began.

"These are serious, horrible crimes being committed by those who oppose women's right to choose," said Karen Mulhauser, Executive Director of the National Abortion Rights Action League. "Even in wartime, an enemy hesitates before bombing the clinics and hospitals of the other side. Anti-choice fanatics are so callous, so cruel, that they bomb only the clinics."

NARAL keeps in close touch with clinics across the country, and will be monitoring for further acts of violence.

NARAL is the largest national-membership lobbying organization whose sole purpose is working for women's right to choose safe and legal abortion, regardless of their ability to pay.

[Report From the National Abortion Rights Action League, Feb. 24, 1978]

VIOLENCE AGAINST THE RIGHT TO CHOOSE

I. BURNINGS

1. St. Paul, Minnesota, Planned Parenthood Clinic, February 23, 1977—

In St. Paul, Minnesota, unknown persons broke into the second floor of Planned Parenthood Administrative Offices on February 23, 1977. Evidence showed that they had tried to break into the floor in the same building that housed the abortion clinic, but were unsuccessful. They soaked the floor with an inflammable liquid and ignited it. The entire administrative floor was destroyed; the clinic on the floor below suffered water and smoke damage as did the library above. Damage estimated at a quarter of a million dollars. The investigation is still open.

Since then, there have been the usual acts of vandalism suffered by so many clinics: jammed locks, picketing, harassment of staff and patients, and so on. But anti-choice activists have also broken $5,000.00 worth of windows through the past year—and have fired bullets into the building. Board members have received threats that their children would be kidnapped. For several weeks, one Board member had to have police protection 24 hours a day because the threats were so persistent—and so chilling. One child had to be taken out of school and sent elsewhere because of threats on his life at the school. Director Tom Webber's life has also been threatened.

And just last week—February 15, 1978—the police found a professionally-constructed bomb outside the clinic, in front of a plexiglass window. Apparently, according to police, someone had thrown it at the window, and it had bounced back and rolled into a snowbank. The mechanism was faulty, and the bomb did not explode.

2. Burlington, Vermont, Vermont Women's Health Center May 1, 1977—

On May 1, 1977, a fire destroyed the entire building that housed the Burlington, Vermont, Women's Health Center. Also in the building were Planned Parenthood Administrative Offices, a restaurant and a movie theater. The clinic reopened elsewhere in December, 1977. The questions of how the fire started, if (and who) someone set it, and which of the tenants were the targets, are still unresolved.

3. Omaha, Nebraska, Ladies Clinic, August 18, 1977—

In the middle of the night, Omaha, Nebraska, on August 18, 1977, a man passing by Ladies Clinic heard breaking glass, voices, and the sound of people running away. A fire had started in the clinic. He called the fire department, but $35,000 worth of damage was done to the clinic. The fire had been set, according to authorities, by at least four bottles of gasoline and detergent thrown through a window.

The local newspaper and "several groups" received letters hours after the bombing. Allegedly some of the letters were signed—although not the one sent to the newspaper, which read approximately, "You'd bomb a concentration camp—why not abortion centers?" This is a reference to the standard anti-choice argument that women's right to choose abortion is somehow the equivalent of Hitler's concentration camps. (In fact, historical documents show that Hitler was consistently against abortion and family planning both, that the Nazi regime harassed doctors who performed abortion, and that some of these doctors ended up in concentration camps.) In addition to the signed letters, clinic personnel found that someone had bought gasoline in a container from a 7-Eleven store close to the clinic the evening that the clinic had burned—and paid for it by check.

Despite the presence of all these leads, police have come up with no suspects, and are no longer investigating.

4. Cincinnati, Ohio, Planned Parenthood of Cincinnati, November, 1977—

No abortions are performed at the Cincinnati Planned Parenthood clinic, but family planning services are provided. The clinic is in the Christ Church Medical building. A man entered the clinic before it opened, and set fire to a crib in the reception area, which spread to a limited area. Fortunately, only about $4,000 worth of damage was done to the clinic.

Another Cincinnati family planning clinic, the Price-Hill clinic, which also does not provide abortion services, suffers another form of daily harassment. They are picketed daily by anti-choice activists who take down the license numbers of cars belonging to all staff and patients. No one knows what the pickets intend to do with the numbers; perhaps just try to intimidate people coming to the clinic for family planning services.

A clinic which does provide abortion services in Cincinnati, the Margaret Sanger clinic, was the recipient of a failed firebombing attempt. Fortunately, the fire bomb hit a window air-conditioner and did not explode.

5. Columbus, Ohio. Northwest Women's Center, January 8, 1978—

On January 8, 1978, a still-unidentified arsonist broke into the Columbus, Ohio Northwest Women's clinic and set ten paper fires throughout. Not all of the fires caught—but an estimated $200,000.00 worth of damage was done nonetheless, chiefly in the reception area. Police are still investigating.

6. Cleviand, Ohio, Concerned Women's Clinic, February 15, 1978—

In Cleveland, Ohio during the night of February 15th, 1978, the Concerned Women's clinic was broken into and all upholstery was slashed, phone lines were cut, centerfuge lines were cut, and Betedine, similar to iodine, was thrown on walls, floors, and ceilings. The clinic was closed Thursday, the 16th, for repairs, and reopened Friday and Saturday. Police were called but declined a request for an investigation.

Saturday, February 18, 1978, the anti-choice activists returned to finish the job and burn the clinic. At approximately 11:30 a.m., a man in a blue delivery uniform entered the clinic after clinic activities were well underway. He went to the back of the clinic, to the laboratory room where instruments are sterilized.

In this same general area were several procedure rooms, and approximately twenty patients were in the back area. Because the man was wearing a uniform, a lab technician opened the door when he asked her to let him in. He threw gasoline over her, straight into her eyes, and over the rest of the room. She was temporarily blinded, and according to one patient's account, ran into the hall saying, "I can't see! I can't see!" The man then ignited the gasoline-soaked room. The man fled, and has not been found. A descrip-

tion, however, has been given to police. There was a procedure going on when the fire began which had to be interrupted and continued later at another clinic. At least one patient had to flee the building wearing only a hospital coat, since she was waiting for the procedure to begin—the fire apparently spread that quickly in the back area of the clinic. All patients and staff, however, were unharmed except the lab technician, who was treated at a Cleveland hospital and released. The clinic was completely destroyed. Another clinic below Concerned Women's Clinic, the National Health Care Services, suffered smoke and water damage.

II. OTHER

1. Cincinnati, Ohio, Women's Center, February, 1978—

In February of this year, a chemical bomb and packets of literature were thrown through a plate glass window into the Cincinnati Women's Center clinic. The bomb's key ingredient was an acid reportedly on the government's list of chemical warfare agents, and as a result the bomb was so potent that the clinic had to be closed for nine days, all rugs and upholstered furniture had to be replaced, and general cleaning costs ran to $3,000.00. Not to mention the broken window . . .

2. Washington, D.C., Planned Parenthood, February 15, 1978—

Just at the end of the working day of February 15, 1978 unknown assailants smashed the glass doors at the Planned Parenthood office in Washington, D.C. Staff was still there, but fortunately all patients had gone home. The police are investigating; apparently no one knows what was used to smash the doors, rocks, gunshots, a stick—all are possibilities.

III. JANUARY 6, 1978 INCIDENTS

(Clinic Invasions by "People Expressing A Concern For Everyone" (PEACE) and other anti-choice activists)

1. New York, N.Y., Center for Reproductive Health—

Demonstrators entered the clinic N.Y. City Center for Reproductive Health, distributed literature, sang anti-choice songs and sat-in in the procedure rooms. Police arrested seven persons, charging them with trespass and resisting arrest. They were arraigned January 31, 1978, and will go to trial March 13, 1978.

2. Minneapolis, Minn., Midwest Health Center for Women—

Demonstrators entered the clinic, Midwest Health Center for Women, distributed literature, sang anti-choice songs and sat down in front of the procedure room doors. Police arrested them and charged them with trespassing. Trial sometime in April.

3. Baltimore, Md., Hillcrest Clinic of Baltimore—

At the Hillcrest Clinic of Baltimore, demonstrators barged past a staff person who had just unlocked the back door to the clinic. The clinic was totally empty, since staff were just opening up for the day. Ten people were arrested and charged with trespassing. Trial date is set for April 14, 1978.

4. Anchorage, Alaska, Alaska Clinic—

Four people barged into the Anchorage Alaska Clinic and chained themselves to a procedure table. The security guards cut the chains and escorted the people from the clinic. The people returned and sat down in the clinic, refusing to move. The police were called, the people arrested, and the trial is set for March 29, 1978.

5. Omaha, Nebraska, Ladies Clinic—

In Omaha, demonstrators entered the Ladies Clinic with patients at 8:45 am, and sat down in front of the procedure room doors, while another group picketed outside. Police arrived after a long delay, and then called in the Deputy Chief of Police to convince the demonstrators to leave. The demonstrators papers were processed, in the meantime. The demonstrators were removed from the clinic, but apparently the Deputy Chief of Police offered to drive them in his car, rather than putting them in the police vehicle, and a few blocks from the clinic, he let them go. However, since the papers had been processed, the clinic's attorney called police and demanded that the demonstrators be prosecuted. They were: one pled guilty and received a $1.00 fine; five went to trial, using the "defense of necessity," and were convicted by a Catholic judge, interestingly. They were sentenced to 90 days unsupervised probation with conditions.

6. Fairfax, Virginia, Northern Virginia Women's Medical Center—

Northern Virginia Women's Medical Center was the victim of one of the January 6 incidents; but they have been victimized by an entire series of illegal harassments:

On January 8, 1977, around fifteen demonstrators entered the clinic—six remained to be arrested after police were called. Because of a mix-up in paperwork, charges were dropped.

On May 14, 1977, between ten and fifteen demonstrators entered the clinic and refused to leave. Police were called. Six were arrested.

On October 17, 1977, these six people were tried before Judge Lewis Griffeth in the General District Court in Fairfax. The Judge allowed the defense to use the "defense of necessity" and acquitted the six demonstrators on the grounds that they believed they had to enter the clinic to save lives.

On November 12, 1977, four more demonstrators were arrested in the clinics.

On January 6, 1978, four same demonstrators were arrested in the clinic, as part of the coordinated activities across the country.

On February 10, 1978, demonstrators went to trial in the General District Court of Fairfax before Judge Mason Grove, charged with trespassing on November 12, 1977, and on January 6, 1978. Judge Grove acquitted them on the grounds that the Virginia statute which allows first trimester abortions is unconstitutional.

On February 11, 1978, demonstrators returned to the clinic, and exhibited very violent and aggressive behavior: they pushed and kicked staff, knocked down a staff person who was 6½ months pregnant, knocked down the administrator and a policeman. The owner of the clinic had to be treated at a hospital for injuries. Police came and arrested the demonstrators. The magistrate set a bond of $1000 on each of them, but after a call from Judge Griffeth, reduced the bond to personal recognizance. Commonwealth Attorney Robert Horan told the police not to respond to the clinic's calls, because the courts were obviously not going to prosecute these cases.

fore Judge Albert Bryan in the US District

On February 15, 1978, the ACLU went be-Court in Alexandria and got a temporary restraining order against the eleven demonstrators and their friends. Attorney Horan and the attorney for the police also argued for a temporary restraining order. A full hearing for a permanent injunction is scheduled for 9:30 a.m. today, February 24, 1978.

VIOLENCE AGAINST AKRON, OHIO, WOMEN'S CLINIC

Only five days after the National Abortion Rights Action League's release, February 24th, of an in-depth report of nationwide burnings of abortion clinics in the past year, another clinic burned—the Akron Women's Clinic at 515 W. Market St., in Akron, Ohio.

According to Norma Goldberger, clinic coordinator, the clinic was open late Wednesday night, March 1, 1978, as usual. Around nine o'clock that night, Diane Linsenmayer, the recovery room nurse, Goldberger, and three patients were still back in the recovery room—far from the front reception area of the clinic. All other staff and patients had gone home, including the receptionist.

They smelled smoke around 9:10 p.m., and running out to the front of the clinic, found that the bathroom off the reception area had been set on fire. The Akron Police and Fire Departments were called.

Fortunately, clinic personnel were able to put out the fire after a while, using the clinic fire extinguisher. When the Police and Fire Departments arrived, they stated that the fire was arson. The area suffered severe scorching and some smoke damage, and plastic materials used in the construction of the walls and floor apparently melted in the heat. According to Goldberger, no one was hurt.

Goldberger mentioned that she had been on the air on a newscast from the University of Akron earlier that day. The newscast concerned the Akron City Council vote (7–6) Tuesday night, February 28, 1978, which passed a highly restrictive city ordinance thought to be a major unconstitutional invasion of the privacy of women seeking abortions in Akron. Goldberger stated in that newscast that, should the Akron mayor not veto the ordinance, her group had already spoken with the Cleveland ACLU about filing a request for an injunction against the ordinance. She was identified on the air as coordinator of the Akron Women's Clinic. That night—just twenty-four hours after the vote—her clinic was set on fire.

[From the White Plains, (N.Y.) Reporter Dispatch, Mar. 2, 1978]

VIOLENCE HITS ABORTION CLINICS

WASHINGTON.—For some "fanatics," the weapons in the war on abortion have changed from strident debate to bombs, arson and guns, says a pro-abortion group that cites attacks at clinics in 13 cities.

The National Abortion Rights Action League, a lobbying organization, says in a report released Wednesday that the attacks on clinics follow a pattern.

About two weeks ago, Aurelia E. Elliot, a worker at the private Concerned Women's Clinic in Cleveland, answered the clinic door and a man threw a bag at her.

She was temporarily blinded when it hit her in the face and burst. The contents were thought to have been gasoline. The man ignited the liquid and the fire caused $30,000 damage.

A few days earlier, vandals threw iodine around the clinic and cut telephone cords.

A clinic in Cincinnati was hit last month when a chemical bomb and packets of literature were thrown through a window. The report claims that the substance in the bomb is listed by the government for use in warfare.

Recently, demonstrators who had been protesting repeatedly outside a Fairfax, Va., clinic roughed up staff members and knocked a pregnant worker to the ground. There have been 20 arrests at the clinic during the last 15 months, according to the report.

There also have been threats against the children of abortion clinic workers, the report adds.

In St. Paul, someone broke into the Planned Parenthood offices a year ago, soaked the floor with a flammable liquid and ignited it. Water and smoke damage was estimated at $250,000.

The clinic director's life was threatened and board members have received threats that their children would be kidnapped. One board member sought police protection because of persistent threats. A bomb was heaved through the clinic window late last month, but it did not go off, the league said in its report.

A group calling itself People Expressing A Concern for Everyone (PEACE) has claimed responsibility for six coordinated clinic incidents on Jan. 6. The group disrupted clinic

activities around the country, with members being arrested in New York, Minneapolis, Baltimore, Anchorage, Omaha and Fairfax.

"These are serious, horrible crimes being committed by those who oppose women's right to choose," said Karen Mulhauser, NARAL executive director.●

TIME MAGAZINE REPORTS ADMINISTRATION BUNGLING OF SUGAR PROGRAM

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. MOORE. Mr. Speaker, many of our colleagues, and certainly every sugarcane or sugar beet farmer knows of the ineptitude the Department of Agriculture and the administration have displayed in mishandling the sugar program now in force. More and more, information is finally reaching consumers, as well as farmers, of how administration indifference has cost us all much more in terms of economic stability and stable sugar prices because the congressionally-mandated program was ignored and later dismembered by USDA.

The March 13, 1978, issue of Time magazine contained an article alluding to the administration's connection with large industrial sugar users, such as the Coca-Cola Co., and it definitely makes one wonder just how independent the administration is, and if it can muster enough credibility to support America's sugar producers in the future. To me, Mr. Speaker, this article points out the need for this body to take action to provide the U.S. sugar industry with a long-range legislative program. The text of the article is as follows:

FARMERS: BEET-RED, RAISING CANE—THE SWEETS AND SOURS OF THE ADMINISTRATION'S SUGAR PROGRAM

The retail price of sugar in the U.S. has careened between 17c and 63c per lb. during the past four years, a statistic well known to the often riled housewife. It is the cost at the supermarket that makes the headlines. But behind those prices can be multimillion-dollar battles between commercial and political rivals that escape public notoriety. And in this case there are. The very bitterness of the sugar-pricing controversy can be seen in one of the last official acts by the late Senator Hubert Humphrey, who in a statement accused the Carter Administration of "bungling and ineptitude" and acting "contrary of the expressed intent of Congress" in its sugar policies.

Pending before the Senate now is an international agreement that would stabilize sugar prices through voluntary limits on exports to the U.S. by foreign producers, chiefly the Philippines and the Dominican Republic. But the Senators, reflecting the anger with the President felt by Congressmen from farm states, are in no mood to support the pact until the Administration establishes a policy ensuring that U.S. sugar producers will not be hurt by foreign competition.

Sugar has been a sticky problem for Congress for years. As the world's biggest importer (11 million tons a year), the U.S. used to control its vast imports by doling out quotas to exporting nations. That system broke down in 1974 when the price of sugar shot up, partly because of crop failures, to a record 64.5¢ per lb. Overproduction then sent prices dropping again. By the time Carter took office, they had fallen to about 10¢ per lb., some 3½¢ below the break-even point for domestic growers. Recalled Agriculture Secretary Robert Bergland: "The sugar situation was an economic disaster."

Both Bergland and the U.S. International Trade Commission urged Carter to reimpose import quotas, but the President refused, arguing reasonably enough that quotas would be too protectionist. Instead, he ordered a 2¢-per-lb. subsidy which was supposed to enable efficient domestic producers to make a profit on their crops. But the nation's 5,000 sugarcane and 15,000 sugar-beet growers found that world prices were continuing to drop so fast that even with the subsidy they were losing money. At the same time, the major sugar-user firms, such as the Coca-Cola Co., General Foods Corp. and Nestlé Alimentana, were more than happy with Carter's program because it kept prices low and increased their profits.

Many farm-state Senators and Congressmen muttered, perhaps unfairly, that Carter's policy was chiefly intended to benefit Atlanta-based Coca-Cola, which is the nation's biggest commercial sugar user, accounting for about 10 percent of annual U.S. consumption, and is headed by his longtime friend J. Paul Austin. At a Senate hearing, Louisiana Democrat Russell Long told Bergland, "I would call the existing sugar program a Coca-Cola program." Replied White House Aide Lynn Daft: "The Coca-Cola charge is an outrage." Still, in a July 7 memo to Carter, White House Assistant Stuart Eizenstat recommended that the President indicate his "willingness" to raise tariffs, at least to cool off Congress. Carter's reply: "Not yet—but keep me informed."

Then on July 28, the House overwhelmingly approved an amendment to the 1977 farm bill ordering the Administration to impose tariffs on foreign sugar and establish a loan or purchase program that would support prices at 55 percent of parity or 14.3¢ per lb.

The next day Bergland warned Agricultural Committee Chairmen Thomas Foley in the House and Herman Talmadge in the Senate that the President would veto the farm bill if a joint conference committee did not drop the amendment. Three days before Bergland passed along the veto threat, the leading sugar-user spokesman, Coca-Cola's chief purchaser, John Mount, remarked to a group of colleagues while they were having drinks at the bar of Washington's Sheraton-Carlton Hotel: "If we cannot prevail in conference, we will just have to call in a few chits and have the President veto the farm bill." Mount told TIME Correspondent Greg Wierzynski last week that the comment—which he does not remember making—was nothing more than an idle boast. Said he: "I apparently violated an old rule, never to discuss business at the bar."

Whatever Mount's role, Bergland and Long worked out a compromise. The price-support level was established at 13.5¢ per lb., and Bergland pledged to begin setting up the support program before the bill became law on Oct. 1. But Bergland was unable to persuade Carter to back the plan. Said Bergland: "The President and his advisers were more comfortable with the payments scheme."

Sensing a doublecross, Republican Senator Robert Dole of Kansas angrily accused Bergland of being in "open conflict with what the Congress has directed him to do." Finally, in early November the Administration imposed the tariff and established the support program. For no apparent reason, however, the regulations omitted refined sugar from the tariffs and were otherwise ineffective in curtailing the import of raw sugar before the Jan. 1 deadline. While the Administration delayed closing the loopholes for ten weeks, foreign sugar flooded the U.S. In December alone, nearly 2 million tons of sugar was imported, about six times the normal amount. With warehouses still bulging with surplus sugar, prices are expected to be depressed for months, a fact that may make housewives smile but is of no solace to the still beset U.S. sugar grower.●

WHOSE BUSINESS IS THE BUSINESS LUNCH

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. STARK. Mr. Speaker, I came across a letter to the editor in the Washington Star of March 7, 1978 which dealt with the issue of the "three martini lunch." This topic has graced the attention of the Ways and Means Committee in recent weeks, and I am sure that it has been hotly debated over many three martini lunches.

The major arguments that I have heard in support of the business lunch deductions have centered around the notion that a liquid lunch is essential to the Nation's business, and that for the sake of the economy these lunches must continue to be subsidized by the taxpayer. The letter that I am inserting is apparently from one such taxpayer, Mr. Joseph E. Tracy of Silver Spring, Md., but I think that he speaks for a majority of people who do not have access to expense accounts and other deductible fringe benefits.

Mr. Tracy makes the inescapable point that business will continue to be conducted, regardless of the tax benefits involved. The average taxpayer has a large stake in this portion of the President's tax reform plan, for the only way that we can cut tax rates—across the board—is through the elimination of special preferences. In this way, everyone can share the wealth, instead of the select few under the current system.

It is indeed a sobering thought that our economy hinges on the deductibility of the three martini lunch, for Heaven help us should Prohibition return.

BUSINESS CAN LIVE WITHOUT MARTINIS

My intelligence is insulted by the arguments the proponents of the "three-martini lunch" and other ridiculous business expenses proclaim. They want the public to believe that the procuring of a million-dollar contract depends on a $50 lunch at an exclusive restaurant. I always thought that a good businessman wanted a contract for the best quality at the cheapest price. The people who wine and dine at the taxpayers' expense play no part in the procuring of business, or at best have a small impact on it.

Elimination of these deductions would have no effect on procuring business. Maybe it would make the salesmen work a little harder. Would a business executive give up his golf and membership in a country club if the deduction were eliminated? The big jets going to the Super Bowl and free tickets and lunches, would these stop if the deductions were eliminated? I think the answer is obvious: business as usual.

The man on the W–2 Form is being beaten into poverty by inequitable taxes and unfair tax loopholes for the chosen few. The good

businessmen in our country can readily see that the elimination of these gimmicks and the closing of loopholes would allow tax relief for everyone and would create more consumer buying, with an increase in business and profits. The ones who would suffer by the elimination would be the free-loaders.

I think that the motor companies would still buy steel even if the martini and country club deductions, etc., were done away with. The American people will pay their taxes. All they want is a fair shake and everyone carrying his share of the tax dollar. In *McCulloch* vs. *Maryland*, Chief Justice Marshall said, "The power to tax implies the power to destroy."

Let's all demand a just tax code—one that is fair for all Americans.

JOSEPH E. TRACEY.

SILVER SPRING.●

ALL ISRAEL IS RESPONSIBLE ONE FOR THE OTHER

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. BRODHEAD. Mr. Speaker, the case of Anatoly Scharansky has focused the attention of the world on the Soviet Union's harassment of Soviet Jews seeking to emigrate to other nations. This has included firings from employment, disruption of mail service, arbitrary emigration decisions that are sometimes delayed for years, and arrests, detainments and other forms of intimidation.

Scharansky was imprisoned early last year by Soviet authorities on charges of being a CIA agent. He was one of the major figures in an organization established by a group of dissidents monitoring Soviet compliance with the human rights provisions of the Helsinki Final Act. The Soviet Government has tried every means to dissolve this group. As the March 8 editorial on the Scharansky case that appeared in the Washington Post stated, "It is shameful that the Soviet police found it necessary to organize a political charade to smear a few Soviet citizens and perhaps also to undercut détente."

Anatoly Scharansky's young wife, Avital, has traveled around the world seeking support for her husband's cause. Her efforts, and those of other concerned individuals and organizations, have resulted in an overwhelmingly outpouring of sympathy from around the world.

As a show of solidarity with Anatoly Scharansky, the members of Adat Shalom Synagogue, which is located in my congressional district, adopted his cause as their own. I had the opportunity to speak with Avital Scharansky last weekend at ceremonies I attended at Adat Shalom. I would like to share with my colleagues the proclamation that was offered on this occasion by Rabbi Seymour Rosenbloom:

The proclamation follows:

ALL ISRAEL IS RESPONSIBLE ONE FOR THE OTHER

(A Proclamation)

The conviction that "All Israel Is Responsible One for the Other" demands that Jews everywhere labor for the freedom of oppressed brethren in whatever land they may be found.

Our brother Anatoly Sharansky has been imprisoned in the Lefortovo Prison in Moscow because of his desire to exercise his human right of emigration to join his family in Israel. As a gesture of solidarity, Adat Shalom Synagogue, led by its Men's Club, has adopted Anatoly Sharansky, and joins with him in his quest for freedom. Each Bar and Bat Mitzvah is presented a Medallion of Conscience in his name, and urged to join this heroic struggle.

Adat Shalom Synagogue welcomes Avital Sharansky, wife of Anatoly Sharansky, who has come to worship among its members as part of her Journey of Conscience to call all Americans to support the cause of freedom.

On this sacred occasion, we confer the privilege of membership in Adat Shalom Synagogue to Anatoly and Avital Sharansky as an expression of our solidarity with them in their continuing struggle for liberty.

We call upon the authorities of the Union of Soviet Socialist Republics to release Anatoly Sharansky and permit him to be reunited with his family.

And we pray to the God of our ancestors for compassion for our brother Anatoly Sharansky who suffers persecution and torment. May He speedily bring him relief from distress and deliver him from the darkness of servitude to the light of freedom. Amen.●

TITO: FIGHTER FOR AN INDEPENDENT YUGOSLAVIA

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. OBERSTAR. Mr. Speaker. In our common struggle against the forces of Nazi Germany, Josip Broz Tito stood as one of our bravest allies.

My predecessor in the House and our former distinguished colleague, John A. Blatnik, parachuted behind enemy lines in Nazi-occupied Yugoslavia as Chief of the U.S. Military Mission during World War II, and fought alongside Tito's partisan units during the campaign to liberate Yugoslavia from foreign occupation. Blatnik came to know firsthand the fierce independence, unrelenting determination, and iron will of Marshall Tito to free Yugoslavia from foreign domination—regardless of political persuasion, whether Nazi Germany or Stalinist Russia.

Only an understanding of the bitter war-torn years can explain Tito's proud nationalism and courageous and unprecedented defiance of Stalin which shook the entire world in 1948.

Yugoslavia's independence from Russian domination through Tito's leadership has stabilized the Balkans, which for centuries have been torn by internal ethnic fragmentation and domination by external political forces.

That extraordinary courage in the face of overwhelming odds, first of Nazi occupation and later both Stalinist and Soviet Communism, together with his relentless quest for peace as leader of the non-aligned nations have earned Marshall Tito extraordinary respect throughout the world, respect that certainly is all the more unusual, considering Yugoslavia's size in comparison to the world superpowers.

I would like to share with my colleagues an article from the June 22, 1977, New York Times which analyzes and puts in rare perspective the highlights of President Tito's remarkable career. Though written over a year ago, this piece is as relevant and timely as if it had been written on the eve of President Tito's current official visit to the United States. In fact, the title of the article, "The Last of the Giants," is the very expression which President Carter used to introduce President Tito at Tuesday night's White House dinner in honor of the visiting President of Yugoslavia:

THE LAST OF THE GIANTS

(By James Reston)

BELGRADE, June 21—If you think you're confused about the politics of New York or Washington, you should come to Belgrade. It breaks every rule in the political book. It sounds like Moscow and works like Pittsburgh. Everything runs upstream in the bustling valley but the Sava and Danube Rivers.

It has a controlled press, but you can buy not only Moscow's Pravda and Izvestia here every day but the Paris Herald Tribune and other papers of the capitalist West. Officially, it is militantly atheistic, but it is full of bell-ringing churches. It has at least its share of political prisoners, but its planes fly nonstop every day to all the other capitals East and West, and its citizens are more free to leave and return than in any other capital of the Communist world.

Accordingly, it is prudent to check your assumptions and prejudices at the airport when you come to Yugoslavia. This country is sort of a halfway house between the political East and West—defiantly independent, part Communist and part capitalist. The popular description is that of a country with seven frontiers, six republics, five nationalities, four languages, three religions and two alphabets—all held together by one boss, Marshal Tito, now in his 86th year, who is around here somewhere, but nobody knows quite where.

There is a theory that Tito is not immortal but little evidence to prove it. He is the last of the political giants of this century and has spent a good deal of time in recent years going to the funerals of former distinguished enemies who hoped to bury him.

It is interesting that, after all these years, we know very little about the parents, friends, women, wives, teachers, comrades or children who influenced his life and career. All we know is that somehow he survived, and is still one of the last of the phantoms of world politics.

His record is well known but still unbelievable. He was conscripted into the Austrian Army in his early 20's during the First World War, deserted and participated in the Russian Revolution 60 years ago. He led the partisan guerrillas against the Nazis in the Second World War, broke with Stalin in 1948, and has run this country for over 30 years.

He is an even-handed sort: He takes from everybody and is beholden to nobody, and outlives them all. Like Mao Tse-tung, his only competitor for the 20th-century political endurance medal, he moves here in mysterious ways from his mansions in Belgrade to his retreat on the island of Brioni; and like Mao in his latter days, nobody quite knows whether his power is based on myth or reality.

In the early days of the Nazi invasion of this beautiful and pugnaciously independent country, the question was: Who is Tito? Later, as he made his way against his internal and external enemies in savage battles and brutal massacres, the question was:

Where is Tito? And now the 64-billion-dinar question is, What after Tito?

Everybody is guessing, nobody knows the answer, and it's a little ghoulish to press it too far, but it's easy to understand why so many people are asking. Geographically and strategically, Yugoslavia is either a highway or a barrier to the Soviet Union's ambitions to extend its European empire and growing naval power into the Adriatic and the Mediterranean. Tito has been the barrier to their southern thrust for more than a generation but after him, what? This is what the other European powers and the Pentagon would like to know, for Yugoslavia could be the hinge in this sweep of Soviet power toward Africa and the West.

Politically, it may be more important. For Yugoslavia or Yugo-Communism is regarded by many observers in Europe as proof that a Communist state can be independent of Moscow, and therefore a symbol and argument for Eurocommunism—for Communist influence and participation, if not domination, in the coming struggle for political power in France and Italy in next year's elections.

Tito is playing the middle game, listening to everybody and joining nobody, and getting what economic aid he can get from both sides. It is a remarkable political performance. He celebrates everything. His long life is now a succession of anniversaries: recently his 85th birthday, soon the anniversary of his break with Stalin, then the 60th anniversary of the Russian Revolution, and his coming visit to Moscow and Peking.

In short, he has mastered the politics of the middle. He is clearly not a man you would hand your hat to by mistake. In the coming struggle for power between left and right in Europe, and even in the larger world political battle, East and West, North and South, Tito will obviously have a major part to play even in the declining years of his long career.●

EXPLANATION OF RECORDED PAIR ON WRIGHT SUBSTITUTE TO SARASIN AMENDMENT

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. KRUEGER. Mr. Speaker, although my presence is required in Texas today, I have attempted to monitor developments during House consideration of the proposed Humphrey-Hawkins bill, H.R. 50. I had originally expected to support the Sarasin amendment to H.R. 50, because I believed it both necessary and advisable that our final legislative product establish both inflation and unemployment targets in order to promote economic stability in the coming years.

Unfortunately, I departed from Washington before learning of the Wright substitute to the Sarasin amendment, since information concerning the Wright substitute was available only shortly before action on this matter took place. I believe that the Wright substitute adequately addresses my concern that H.R. 50 should recognize the need to keep down the rate of inflation while maximizing employment opportunity. Therefore, had I been present when voting on this matter occurred, I would have supported the Wright substitute for the Sarasin amendment. Unfortunately, my position expressed in the published pair on this vote does not reflect my preference for the Wright substitute's approach.●

THE PROPOSED FEDERAL RESERVE REGULATION ON AUTOMATIC TRANSFERS AND ITS RELATION TO NOW ACCOUNTS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. ST GERMAIN. Mr. Speaker, as you know, a tremendous volume of mail is being sent to Members of the House regarding the Federal Reserve System's proposed regulation to authorize the automatic transfer of funds from savings to checking accounts at commercial banks. The proposed regulation is open for public comment until March 20, 1978, with final action resting in the Board of Governors.

To properly understand the controversy generated by this proposal, a review of congressional efforts in a closely related area may be useful. Since 1933, there has been a statutory prohibition on the payment of interest on demand deposits (checking accounts) at federally insured commercial banks.

That prohibition stemmed from a belief that payment on interest on such accounts threatened the soundness of banks. In recent years, however, it has been suggested that the basis for such a prohibition no longer exists. With the introduction of negotiable orders of withdrawal (NOW accounts) in the New England States and because of the significance of such activities for all depository institutions, Congress began to address the issue of the payment of interest on checking accounts in the 1970's.

Hearings were first held by the Subcommittee on Financial Institutions, Supervision, Regulation and Insurance of the House Committee on Banking and Currency in March 1973. In August of that year, Public Law 93–100 restricted NOW accounts—which are quite simply a checking account earning interest—to the two States which authorized them for State-chartered institutions—Massachusetts and New Hampshire—and in furtherance of the experiment in these two States, the legislation designated the Federal Deposit Insurance Corporation as the principal regulator. Subsequent to the enactment of Public Law 93–100, Congress extended the NOW account experiment to the remaining four New England States—Connecticut, Rhode Island, Maine, and Vermont—by Public Law 94–222.

In 1975, a proposal to extend NOW accounts nationwide was considered by the subcommittee. During our hearings, former Federal Reserve Governor Mitchell stated:

I think that as far as commercial banks are concerned, and as far as some thrifts are concerned, you have the equivalent of a NOW account all over the United States today. Because all you need to do is pick up the telephone and say, "Transfer x dollars from my savings account to my checking account," and it is done. And you can write a check on it. Many thrifts are offering this service to many of their customers, in such a form that they say, "If you let us know by 2 o'clock today, we will move the funds to your commercial bank, and you can draw checks on them that day."

So, I believe that the NOW account experiment has been a success from the standpoint of both the public and also from the standpoint of the institutions. It is spreading all over the United States, but not under that name.

Responding to the suggestion that the statutory prohibition against the payment of interest on demand deposits had become anachronistic, Governor Mitchell said:

Yes. It has been eroding for a long time. That is correct. And it has especially been eroded with respect to corporate deposits in commercial banks where services have been commensurate with the balances kept."

During the same discussion, then Deputy Secretary of the Treasury Steven Gardner described his view of passbook accounts:

The passbook-type account really is, in effect, a demand account in our society. It is a rare bank indeed that will not honor a withdrawal, although a bank in our system may require 30-day notice.

Now, in between there, a bank can set up rules, or a savings and loan, and say we will only take five withdrawals a month, or we will only take up to $1,000 without notice, or we will not accept a $10,000 withdrawal without notice and so forth.

After those hearings, the House Committee on Banking, Currency and Housing recommended the extension of NOW accounts nationwide to the full House as part of H.R. 10024 (Home Mortgage Disclosure Act).

The House, by a rollcall vote on October 31, 1975, struck the title authorizing nationwide NOW accounts from the bill.

Early in the current Congress an effort was made to extend NOW accounts to the States of New York, New Jersey, and Pennsylvania. That effort was unsuccessful in subcommittee.

On June 9, 1977, the administration submitted its proposal on NOW accounts to the Congress. The Senate Banking, Housing and Urban Affairs Committee completed action on S. 2055, the Consumer Financial Services Act, on August 4, 1977. That bill is now awaiting action by the full Senate.

Your House subcommittee with jurisdiction over this matter held an initial hearing on H.R. 8981, the companion to the Senate bill, on September 7, 1977. The subcommittee's witnesses that day were intimately familiar with the NOW account experiment and provided detailed information on how NOW accounts have worked in New England and their strengths and weaknesses. As soon as the Senate acts on S. 2055, the subcommittee will resume its consideration of this important measure.

The foregoing will, I hope, provide assistance to Members receiving mail on this subject.●

ECONOMIC BILL OF RIGHTS

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. MAGUIRE. Mr. Speaker, this is a proud day for the House of Representatives. More than 30 years after Franklin Roosevelt first called for an economic bill of rights, this Chamber is about to place its seal on legislation recognizing the right of all Americans desiring work to have a decent job.

It has been said that this legislation, the Full Employment and Balanced Growth Act, is a memorial to Hubert H. Humphrey, the man who would not let us forget the suffering of the unemployed or their families. But it is more. It is a living victory for Senator Humphrey's compassionate ideals and humane judgment.

Employment in a society founded on the work ethic, the contribution of productive labor for fair pay, is indeed a right. Those of us with jobs can well imagine the deprivation if tomorrow there were no work. And several days later, when our savings were depleted, we would become economic wards of government, depending upon others for sustenance. Our families would deteriorate and we would run higher risks of physical and mental illness. An affluent country cannot afford to impose such hardships and injustice on any of its citizens who want to work.

The Humphrey-Hawkins bill contains more than a commitment to full employment, the condition where those who want to work do not have to look forever for a job. The guts of this legislation are the institutional reforms and public accountability it sets in place to facilitate the achievement of full employment as rapidly as possible.

Mr. Speaker, I intend to vote for H.R. 50, and against debilitating amendments, because I believe the reforms and accountability it instills are logical, necessary, and proper. It strikes a workable middle ground.

The interim unemployment target is sound, though still ambitious. Economists whom I have consulted have told me the country can reduce unemployment to 4 percent by 1983 through prudent fiscal and monetary policies, and more intensive use of structural policies to upgrade the working force and make the disadvantaged competitive in the labor market. It would not be easy to do, however, as the minority observes in the committee report. But a target that is easy to reach would not force us to make the hard choices needed to sustain continued progress toward truly full employment.

Further, we will not necessarily have failed if we do not attain the interim goal in 1983. If we have lower unemployment as a consequence of striving for the goal than we would have had without the goal, we will have succeeded. Though the process allows for moderation of the target if necessary 2 years after enactment, the United States has never shrunk from difficult but worthy challenges before.

Opponents of Humphrey-Hawkins seek to convince the gullible that the goal is unreasonable because it cannot be reached with aggregate demand policies—that is, fiscal and monetary policies—alone. Past a point, reliance upon such policies would cause price inflation to accelerate.

But this argument, scattered throughout the minority report in many guises, though meritorious, is not a reason for rejecting the bill. Section 2(b)(1) of the bill's general findings states:

> Aggregate monetary and fiscal policies alone have been unable to achieve full employment—and therefore must be supplemented by other measures designed to serve these ends.

These other measures are precisely what the bill provides—so the minority's case against the bill is actually a premise as to why the act is needed.

This Act legitimizes and mandates, for the first time, the creative use of microeconomic remedies in the pursuit of better macroeconomic performance. The Employment Act of 1946, which called for maximum employment, was of course fully sufficient to assure that Congress and the President would try to do what could be done with aggregate fiscal and monetary policies. Even so, the Federal reserve has frequently followed monetary paths undermining the intentions of fiscal policy without so much as explaining in advance their plans, a deficiency addressed by the Federal Reserve reporting requirements in the bill. With such lack of coordination, no wonder we have not conquered the business cycle.

What are the structural initiatives that might provide the extra push toward 4 percent unemployment without exacerbating inflation?

First and most important are manpower training programs such as those in title II of the proposed CETA reauthorization. This training, administered by local prime sponsors across the country, is delivered through on-the-job programs and classroom instruction. The minority report quotes from the President's Economic Report:

> Training programs are a good investment, but—their potential role is modest in relation to the total unemployment program.

Exactly right. If aggregate demand policies can get us to the 5-percent unemployment level the minority says may be possible, and more extensive manpower training can eat up a modest half or three-quarters of a percent of unemployment, then the 4-percent goal is within striking distance. That same Economic Report asserts that an increase in these programs of $10 billion a year would result in a permanent half percent reduction in unemployment 5 years hence. Even the minority report from the Education and Labor Committee says $20 billion would be acceptable as a strategy if it could really assure achievement of the interim 4-percent unemployment goal.

But there are more structural employment devices in our policy bag. Last year Congress passed an Employment Tax Credit to lower the cost of hiring additional workers. The credit, which will result in a revenue loss of nearly $2.5 billion this fiscal year, is conceptually a fine way of lowering the cost of hiring additional low-skilled workers until they acquire productive talents on the job. In practice the credit was not constructed to direct the assistance where most needed, but this can be corrected this year.

Training programs and the Job Corps are largely for those who have left secondary school early. But for those who remain on the public education track there is growing emphasis on career and vocational education and generally a new sensitivity among educators and students about the need to become prepared for jobs in the post-industrial service economy.

Finally, the last of the baby boom workers will pass out of their teenage years and into their years of prime employability by the mid- to late 1980's. This fact alone, according to a Joint Economic Committee staff study, should reduce unemployment to much more tolerable levels. The demographic improvement of the labor force projected for the next 10 years contrasts dramatically with past trends when the postwar babies entered the labor force as difficult-to-employ teenagers, and all at once.

No one, least of all myself, approve of reaching full employment through exclusive use of public service employment. That is why public service employment, as a component of the full employment program, is reserved until 2 years after enactment when the President can consider recommending revisions in the interim unemployment target. Further, public service jobs are described, with good reason, as last resort jobs which should only be used to the extent structural policies fail to get workers into private jobs, and Government does not successfully remove obstacles to prosperity in the private sector. While more public service employment may be needed, even by these tough tests, the numbers are not likely to be unfathomable or unaffordable.

So I am optimistic that 4 percent is reasonable. But it can be done only with constant vigilance in Congress. That is why the congressional review process in title III is indispensable. It places a reassessment of economic targets and national priority programs at the forefront of congressional debate once a year culminating in a concurrent resolution to help guide and integrate our work for the remainder of the year. The President's annual Economic Report, beefed up with vital information about budgetary directions for the future, is an excellent starting point for congressional review. Those who said the new budget process would never work are among the most ardent skeptics of title III also.

Mr. Speaker, I wish to address one last point before closing. Some believe

the bill is deficient in limiting its attack upon inflation to several specified structural programs and others as the President may determine, as well as requiring the full employment efforts to mutually reinforce reasonable price stability. Therefore, these people, in good faith I think, propose an interim numerical inflation target.

I do not share their concern that the bill is soft on inflation. Tying ourselves to a firm inflation target would be a serious mistake. Government, especially in its labor policy, has increasingly little to do with causing inflation. Most cost inflation beyond the underlying rate, now about 6 percent, is due to nonlabor costs. Much of the double-digit inflation of 1974 was attributable to external shocks.

Should we penalize workers by moderating our aggressive effort to achieve full employment if the economy again encounters a spate of such unanticipated shocks? Who knows what the weather will be, or what OPEC will do? I reject the notion that we should implicitly plan to make workers pay the price of unemployment to compensate for one-time-only price increases that show up as inflation when the economy is struck a temporary blow. It was this approach that threw the country into its worst tailspin since the Great Depression a few years ago. Despite Mr. SARASIN's disclaimers, the only alternative, if we hope to reach a specified target, are wage and price controls. Labor and business have joined in resisting any return to the dismal experience of direct Government intervention, and the gentleman from Connecticut also rejects wage and price controls.

But I agree that we must unwind the underlying rate of inflation which is caused by the momentum of built-in wage increases just covering the last price increase. This is a slow task which we can undertake while fighting unemployment through judicious structural and aggregate policies.●

SCHEDULED HEARINGS OF SUBCOMMITTEE ON CENSUS AND POPULATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. LEHMAN. Mr. Speaker, the Subcommittee on Census and Population, which I chair, is scheduled to resume its hearings tomorrow in Los Angeles on the paperwork burden generated by the Federal statistical system and its impact on local government agencies and private business.

These hearings were arranged well in advance of the leadership's announcement to begin Friday sessions. Consequently, it is impossible to cancel at this late date. I am therefore informing the House that I will not be present tomorrow and will have to miss the latter part of today's session due to travel arrangements. Mr. ROUSSELOT, the ranking minority member of the subcommittee, and Mr. GILMAN, a member of the Post Office and Civil Service Committee, will also be participating in these hearings.●

EXPLANATION OF VOTES MISSED ON MARCH 3, 1978

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 9, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, 1978, I had business that required my presence in Pennsylvania. Therefore, I was unable to vote during the session Friday.

I traveled to Pennsylvania to attend a hearing in my district of the House Select Committee on Aging. Congressmen MICHAEL BLOUIN of Iowa and DAVID EVANS of Indiana represented the committee and received testimony from several senior citizen groups and related organizations.

Had I been in Washington, I would have voted as follows on those votes missed:

Roll No. 99, approve the Journal of Thursday, March 2, 1978, yes.

Roll No. 100, H. Res. 957, providing funds for the Committee on Veterans' Affairs, yes.

Roll No. 101, H. Res. 953, providing funds for the Committee on the District of Columbia, yes.

Roll No. 102, H. Res. 1012, providing funds for the Committee on Rules, yes.●

HOUSE OF REPRESENTATIVES—*Friday, March 10, 1978*

The House met at 11 o'clock, a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Where there is no vision, the people perish; but he that keepeth the law, happy is he.—Proverbs 29: 18.

Be real to us this day, our Father, so real that our faith in Thee may be restored, our hope for our country be revived, and our love for one another be renewed. May the relationships in this House be warm and wholesome that we may work together worthily for the good of our country and our world. When we differ let us not become difficult in our differences, nor disagreeable in our disagreements, nor disturbing in our disturbances. Create in our midst a spirit where each one of us may think clearly, speak courageously, and act creatively for the best interests of our beloved land. Do Thou shift our inner gears that we may now go forward with Thee and with one another for the benefit of these United States of America. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

Mr. BAUMAN. Mr. Speaker, reserving the right to object to the approval of the Journal, last night a member of the Democratic leadership informed a number of Members that neither the funding resolution for the Committee on the Judiciary nor the funding resolution for the Select Committee on Assassinations would be considered today. Before we proceed further, the gentleman from Maryland would like to know if that is the case.

The SPEAKER. The Chair has not studied the schedule and is unable to answer the gentleman's question. It is the understanding of the Chair that the gentleman from Illinois (Mr. ROSTENKOWSKI) may be able to supply the information.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Speaker, I have had conversations with the gentleman who is going to manage the resolutions, and according to our understanding as of last night, it is not his intention to bring those two resolutions up for consideration.

Mr. BAUMAN. With that understanding, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On March 1, 1978:

H.R. 4544. An act to amend the Federal Coal Mine Health and Safety Act to improve the black lung benefits program established under such act, and for other purposes.

On March 7, 1978:

H.R. 9375. An act making supplemental appropriations for the fiscal year ending September 30, 1978, and for other purposes.

On March 8, 1978:

H.R. 10368. An act to amend the Federal Aviation Act of 1958 relating to eligibility for registration of aircraft.

On March 10, 1978:

H.R. 8638. An act to provide for more efficient and effective control over the proliferation of nuclear explosive capability.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 746. Joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 119. Joint resolution to express the appreciation of the Congress of the United States to Dr. Arthur F. Burns.

AN OSCAR FOR JIMMY CARTER?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, shortly the Motion Picture Academy of Arts and Sciences will award its coveted "Oscar."

I would like to suggest that this year a special award for outstanding acting be given to someone outside the industry. I refer to President Jimmy Carter. He should receive the award for best character actor for his stirring performance in the drama, "Close Deregulation of the Third Kind."

In his press conference yesterday, when asked about a current move to deregulate natural gas, the President, with a straight face, said:

Yes. This was a campaign statement and commitment of mine, that I thought natural gas should be deregulated.

Mr. Speaker, there has not been a more stunning use of the dead-pan technique since the days of Buster Keaton, a silent film star some of you may be old enough to remember.

After being strongly for deregulation in 1976 and vehemently opposed to deregulation all through 1977, the President is now suddenly for it again without a word of explanation of what he was talking about during 1977.

I understand there is to be a filmed version of Carter promises. They are going to call it "Gone With the Wind."

NEW DEPARTMENT OF AGRICULTURE DEFERRAL OF FOREST SERVICE FUNDS AND ROUTINE REVISION TO PREVIOUSLY REPORTED DEFERRAL OF FOREST SERVICE FUNDS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 95-300)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a new Department of Agriculture deferral of Forest Service funds totaling $4.5 million in budget authority. In addition, I am reporting a routine revision to a previously reported deferral of Forest Service funds, increasing the amount deferred by $4.8 million.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *March 10, 1978.*

FIRST BUDGET RESCISSION BILL, FISCAL YEAR 1978

Mr. WHITTEN. Mr. Speaker, pursuant to the order of the House of Thursday, February 23, 1978, I call up the bill (H.R. 10982) to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95-285), transmitted pursuant to the Impoundment Control Act of 1974, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

H.R. 10982

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following rescissions of budget authority proposed in the message of the President of January 27, 1978 (H. Doc. 95-285), is made pursuant to the Impoundment Control Act of 1974, namely:

Chapter I—FUNDS APPROPRIATED TO THE PRESIDENT

MILITARY ASSISTANCE

Of the funds appropriated under this head in the Foreign Assistance and Related Programs Appropriations Act, 1978, $40,200,000 are rescinded.

Chapter II—FEDERAL HOME LOAN BANK BOARD

Of the borrowing authority authorized for use by the Federal Home Loan Bank Board pursuant to section 1016 of Public Law 89-754 and title III of Public Law 91-126 for the purposes set forth in Public Law 89-754 (12 U.S.C. 1438(c)), $10,055,000 are rescinded.

Chapter III—DEPARTMENT OF STATE—INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

Of the funds appropriated under this head in the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, 1978, $5,000,000 are rescinded.

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am today acting in behalf of our chairman, the gentleman from Texas (Mr. MAHON).

This is the first budget rescission bill reported by the Committee on Appropriations for the fiscal year 1978 under the Congressional Budget and Impoundment Control Act of 1974.

It involves three items and rescinds $35,255,000, representing the same amounts proposed by the President.

The three items are $40,200,000 under the military assistance program; $10,055,000 for the Federal Home Loan Bank Board; and $5,000,000 for contributions for international peacekeeping activities under the State Department.

Mr. Speaker, I know of nothing controversial about the proposed rescissions. The rescissions represent portions of funds provided in previous appropriations that were not required due to subsequent events and circumstances. The proposed rescissions were considered by the respective appropriations subcommittees and recommended to the full committee. The bill was reported by the full committee on a voice vote.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Maryland (Mr. LONG).

Mr. LONG of Maryland. Mr. Speaker, the committee recommends a rescission of $40,200,000 in budget authority for the military assistance program.

These funds are made available for two reasons:

First, section 620(x) of the Foreign Assistance Act of 1961, as amended, suspends all military assistance to Turkey unless the President determines and certifies to Congress that progress has been made regarding the military forces on Cyprus. The President has not made this determination and this legislation has been in effect since 1974.

Second, the first-year levels requested for military assistance for Greece and Turkey to implement the defense cooperation agreements are delayed because Congress has not yet approved these agreements.

Because of these two events, these funds were not needed and have been recommended for rescission. The fiscal year 1978 authorized program for military assistance will be carried out in its entirety without the need of the $40,200,000.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

Mr. Speaker, the minority has reviewed this bill rather closely in the subcommittee and in the full committee. We find that there will be no difficulties created anywhere by this rescission bill. We enthusiastically support it. As a matter of fact, if I might add one personal observation, I think there are many, many other areas where rescission would be in order.

Mr. WHITTEN. Mr. Speaker, the gentleman will have to say more than that to get any argument out of me.

● Mr. WEISS. Mr. Speaker, the budget rescission bill (H.R. 10892) that we are considering today contains a funding reduction for the U.N. peace-keeping force in Israel. Since the measure would essentially permit recovery of unspent funds, this seems to me to be a warranted and noncontroversial budgetary action.

I would like, however, to take this opportunity to express my deepening concern over the administration's continued and intensified attempts to pressure Israel into making unilateral concessions at the Mideast bargaining table. Recent administration decisions and pronouncements could, in my view, jeopardize Israel's national security.

President Carter's insistence at his

news conference yesterday that Israel withdraw from the West Bank entirely is a disturbing indication that the United States may be attempting to impose its own version of a settlement on the Mideast nations. The President's comments are even more troubling in view of the administration's proposed sale of fighter aircraft to Egypt and Saudi Arabia. Taken together, these developments raise serious questions about the administration's policy aims in the Mideast.

These developments also seem to contradict the President's pledge, made during the 1976 campaign, to bolster the Israeli position rather than undercut it.

Indeed, it is difficult to see how the sale of 60 F–15 jet fighters to Saudi Arabia would not undermine Israeli security. These advanced warplanes could be stationed or moved to a Saudi airbase, such as the one at Tabuk, where they would pose an immediate threat to Israel.

The President's reference to U.N. Resolution 242 as mandating Israeli withdrawal from the West Bank seems based on what is at least a debatable interpretation of the resolution.

The March 22, 1967, resolution does not stipulate that Israeli withdrawal must precede the application of other elements in the resolution. In fact, the resolution makes any change in the current Israeli presence on the West Bank contingent upon "respect for and acknowledgment of the sovereignty, territorial integrity, and political independence of every state in the area and their right to live in peace with secure and recognized boundaries free from threat or acts of force * * *."

These conditions have not yet been fulfilled. U.N. Resolution 242 establishes a framework for negotiations and compromise among the principals in the Mideast. It does not require unilateral Israeli withdrawal from the West Bank.

I strongly urge once again that the administration not attempt to coerce Israel into concessions that are unacceptable to the elected representatives of the Israeli people. The United States can play a most constructive role in the Mideast by encouraging all parties to seek solutions in a spirit of conciliation and compromise. The proposed sale of war planes to Egypt and Saudi Arabia and President Carter's recent statements on the West Bank situation do not appear to be conducive to such a constructive U.S. posture.●

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 10982, now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, there being no controversy about the three items, I move the previous question on the bill.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BLOUIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 318, nays 0, not voting 116, as follows:

[Roll No. 129]

YEAS—318

Akaka	de la Garza	Holland
Alexander	Delaney	Hollenbeck
Allen	Dellums	Holt
Ammerman	Derrick	Holtzman
Andrews, N.C.	Derwinski	Horton
Andrews, N. Dak.	Devine	Howard
	Dickinson	Hubbard
Annunzio	Dicks	Huckaby
Applegate	Dingell	Hughes
Archer	Dodd	Hyde
Armstrong	Downey	Ichord
Aspin	Drinan	Ireland
Badham	Duncan, Oreg.	Jenkins
Bafalis	Duncan, Tenn.	Johnson, Calif.
Baldus	Early	Johnson, Colo.
Baucus	Edgar	Jones, N.C.
Bauman	Edwards, Calif.	Jones, Okla.
Beard, R.I.	Edwards, Okla.	Jones, Tenn.
Bedell	Emery	Jordan
Beilenson	English	Kasten
Benjamin	Erlenborn	Kastenmeier
Bennett	Ertel	Kazen
Bevill	Evans, Ga.	Kelly
Biaggi	Evans, Ind.	Kildee
Bingham	Fascell	Kindness
Blanchard	Fenwick	Kostmayer
Blouin	Findley	Krebs
Boland	Fish	LaFalce
Bonior	Fisher	Lagomarsino
Bonker	Fithian	Latta
Brademas	Flippo	Le Fante
Breaux	Flood	Leach
Brinkley	Florio	Lederer
Broomfield	Flowers	Levitas
Brown, Calif.	Flynt	Livingston
Brown, Mich.	Foley	Lloyd, Calif.
Broyhill	Ford, Tenn.	Lloyd, Tenn.
Burgener	Forsythe	Long, La.
Burke, Fla.	Fountain	Long, Md.
Burke, Mass.	Frenzel	Lott
Burleson, Tex.	Fuqua	Lujan
Burlison, Mo.	Gaydos	Luken
Burton, John	Gephardt	Lundine
Burton, Phillip	Giaimo	McClory
Butler	Ginn	McCloskey
Caputo	Glickman	McCormack
Carr	Goldwater	McDonald
Carter	Gonzalez	McEwen
Cavanaugh	Goodling	McFall
Cederberg	Gore	McHugh
Chappell	Gradison	McKay
Clawson, Del	Grassley	Madigan
Cleveland	Gudger	Maguire
Cochran	Guyer	Mann
Cohen	Hagedorn	Markey
Coleman	Hall	Marks
Collins, Tex.	Hamilton	Marlenee
Conable	Hammer-schmidt	Marriott
Conte		Martin
Conyers	Hanley	Mathis
Corcoran	Hannaford	Mattox
Cornell	Hansen	Meeds
Cornwell	Harkin	Meyner
Coughlin	Harris	Michel
D'Amours	Harsha	Mikulski
Daniel, Dan	Hawkins	Miller, Calif.
Daniel, R. W.	Hefner	Miller, Ohio
Danielson	Heftel	Mineta
Davis	Hillis	Minish
Mitchell, Md.	Rangel	Steed
Mitchell, N.Y.	Regula	Steers
Mollohan	Reuss	Steiger
Montgomery	Rinaldo	Stockman
Moore	Risenhoover	Stokes
Moorhead, Calif.	Roberts	Stratton
	Robinson	Studds
Moss	Rodino	Stump
Murphy, Ill.	Roe	Symms
Murphy, Pa.	Rogers	Treen
Murtha	Rooney	Trible
Myers, Gary	Rosenthal	Tsongas
Myers, John	Rostenkowski	Udall
Natcher	Rudd	Ullman
Neal	Ruppe	Vanik
Nedzi	Russo	Vento
Nichols	Sarasin	Volkmer
Nix	Sawyer	Walgren
Nolan	Scheuer	Walker
Nowak	Schroeder	Walsh
Oberstar	Schulze	Wampler
Obey	Sebelius	Waxman
Panetta	Seiberling	Weaver
Patten	Sharp	Weiss
Patterson	Shuster	Whalen
Pattison	Sikes	Whitehurst
Pease	Simon	Whitley
Pepper	Sisk	Whitten
Perkins	Skubitz	Wiggins
Pettis	Smith, Iowa	Wilson, Tex.
Pike	Smith, Nebr.	Winn
Poage	Solarz	Wirth
Preyer	Spellman	Wright
Price	Spence	Yatron
Pritchard	St Germain	Young, Fla.
Quayle	Staggers	Young, Mo.
Quillen	Stangeland	Young, Tex.
Railsback	Stanton	Zablocki

NAYS—0

NOT VOTING—116

Abdnor	Ford, Mich.	Pursell
Addabbo	Fowler	Quie
Ambro	Fraser	Rahall
Anderson, Calif.	Frey	Rhodes
	Gammage	Richmond
Anderson, Ill.	Garcia	Roncalio
Ashbrook	Gibbons	Rose
Ashley	Gilman	Rousselot
AuCoin	Green	Roybal
Barnard	Harrington	Runnels
Beard, Tenn.	Heckler	Ryan
Boggs	Hightower	Santini
Bolling	Jacobs	Satterfield
Bowen	Jeffords	Shipley
Breckinridge	Jenrette	Skelton
Brodhead	Kemp	Slack
Brooks	Ketchum	Snyder
Brown, Ohio	Keys	Stark
Buchanan	Krueger	Taylor
Burke, Calif.	Leggett	Teague
Byron	Lehman	Thompson
Carney	Lent	Thone
Chisholm	McDade	Thornton
Clausen, Don H.	McKinney	Traxler
	Mahon	Tucker
Clay	Mazzoli	Van Deerlin
Collins, Ill.	Metcalfe	Vander Jagt
Corman	Mikva	Waggonner
Cotter	Milford	Watkins
Crane	Moakley	White
Cunningham	Moffett	Wilson, Bob
Dent	Moorhead, Pa.	Wilson, C. H.
Diggs	Motti	Wolff
Dornan	Murphy, N.Y.	Wydler
Eckhardt	Myers, Michael	Wylie
Edwards, Ala.	O'Brien	Yates
Eilberg	Oakar	Young, Alaska
Evans, Colo.	Ottinger	Zeferetti
Evans, Del.	Pickle	
Fary	Pressler	

The Clerk announced the following pairs:

Mr. Thompson with Mr. Abdnor.
Mr. Addabbo with Mr. Frey.
Mrs. Chisholm with Mr. Ashbrook.
Mr. Mottl with Mr. Buchanan.
Mr. Rahall with Mr. Young of Alaska.
Mrs. Boggs with Mr. Fraser.
Mr. Carney with Mr. Don H. Clausen.
Mr. Cotter with Mr. Anderson of Illinois.
Mr. Eilberg with Mr. Shipley.
Mr. Ambro with Mr. Gilman.
Mr. Fary with Mr. Brown of Ohio.
Mr. Ford of Michigan with Mr. Dornan.
Ms. Oakar with Mr. Green.
Mr. Pickle with Mr. Byron.
Mr. Moffett with Mr. Crane.
Mr. Moorhead of Pennsylvania with Mr. Quie.

Mr. Murphy of New York with Mr. Fowler.
Mr. Anderson of California with Mr. Wylie.
Mr. Santini with Mrs. Heckler.
Mr. Stark with Mr. Pursell.
Mr. Teague with Mr. Edwards of Alabama.
Mr. Van Deerlin with Mr. O'Brien.
Mr. Waggonner with Mr. Rousselot.
Mr. Wolff with Mr. Cunningham.
Mr. Ashley with Mr. Thone.
Mr. Traxler with Mr. Jeffords.
Mr. Charles H. Wilson of California with Mr. Wydler.
Mr. AuCoin with Mr. McKinney.
Mr. Zeferetti with Mr. Kemp.
Mr. Yates with Mr. Bob Wilson.
Mr. Slack with Mr. Watkins.
Mr. Roybal with Mr. Lent.
Mr. Richmond with Mr. Pressler.
Mr. Harrington with Mr. Vander Jagt.
Mr. Jenrette with Mr. McDade.
Mr. Krueger with Mr. Snyder.
Mrs. Burke of California with Mr. Brodhead.
Mr. Brooks with Mr. Melford.
Mr. Mahon with Mr. Clay.
Mr. Breckinridge with Mr. Leggett.
Mr. Metcalfe with Mr. Corman.
Mr. Moakley with Mr. Jacobs.
Mr. Barnard with Mrs. Collins of Illinois.
Mr. Lehman with Mr. Ketchum.
Mr. Mazzoli with Mr. Gibbons.
Mr. Beard of Tennessee with Mr. Dent.
Mr. Mikva with Mr. Diggs.
Ms. Keys with Mr. Eckhardt.
Mr. Garcia with Mr. Evans of Delaware.
Mr. Bowen with Mr. Michael O. Myers.
Mr. Gammage with Mr. Roncalio.
Mr. Evans of Colorado with Mr. Rose.
Mr. Ottinger with Mr. Ryan.
Mr. Hightower with Mr. White.
Mr. Runnels with Mr. Tucker.
Mr. Satterfield with Mr. Shelton.
Mr. Thornton with Mr. Taylor.

So the bill was passed.

The result of the vote was announced as above recorded.

PROVIDING FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE SELECT COMMITTEE ON AGING

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 1021) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Aging, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1021

Resolved, That for the further expenses of investigations and studies to be conducted by the Select Commitee on Aging, acting as a whole or by subcommittee, not to exceed $1,075,891 including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Commitee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Aging shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

SEC. 5. The Select Committee on Aging shall receive an allocation of parking spaces equal to that received by other standing committees of the House.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Select Committee on Aging, acting as a whole or by subcommittee, not to exceed $985,891, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $40,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Aging shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The gentleman from Illinois (Mr. ANNUNZIO) is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, on the Select Committee on Aging, the request before the committee was for $1,075,891 and the committee is recommending $985,891.

I urge the House to approved the request of the committee.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. I have nothing further, Mr. Speaker, unless the ranking minority member, the gentleman from Ohio (Mr. DEVINE), has requests for time.

Mr. PEPPER. Mr. Speaker, I am extremely pleased that my colleagues in the House today are acting on House Resolution 1021, the funding resolution for the House Select Committee on Aging, which I have the privilege to chair. I am grateful for the prompt action taken on this resolution and would like to share with those interested, at this time, some of the significant contributions made by the Aging Committee so far during the 95th Congress to improve the quality of life for older persons nationwide.

In the first session of the 95th Congress, the House Select Committee on Aging has held 47 days of public hearings in Washington, D.C., and numerous cities across the width of the Nation. Twenty-five of the 47 days of public hearings were held outside of Washington, D.C., in the following cities: Dallas, Tex.; New York, N.Y.; Brookline, Mass.; Waltham, Mass.; Jamestown, N.Y.; Cleveland, Ohio; Bethlehem, Pa.; Los Angeles, Calif.; Indianapolis, Ind.; South Holland, Ill.; Cedar Rapids, Iowa; Miami, Fla.; Hartford, Conn.; Huron, S. Dak.; Muskogee, Okla.; Waterloo, Iowa; Sparks, Nev.; and Las Vegas, Nev. The committee received testimony from approximately 575 witnesses, and recorded over 3,500 pages of testimony.

On July 15, the members of the House Select Committee on Aging met with President Carter at the White House to discuss issues of concern to the elderly. This was the first meeting by any congressional committee to discuss the problems of the elderly with a President of the United States.

In addition, the Aging Committee printed 12 newsletters entitled "Accent on Aging" which were distributed to all 435 House offices and to over 2,500 organizations and interested individuals. This newsletter serves to complement the information gathering activities of the House offices by periodically supplying news of administrative programs and legislative activities affecting older people.

As a special investigative committee, the Select Committee on Aging of the U.S. House of Representatives has as-

sisted the Congress in the development of significant legislative enactments and administrative actions designed to improve the quality of life for older persons in the United States. In addition to filing reports and making substantial recommendations to standing committees, the chairman and members of the Select Committee on Aging has individually and jointly sponsored aging legislation and appeared before standing committees of the House and the Senate to urge enactment of legislation as suggested by the Aging Committee as well as other committees of the Congress with legislative jurisdiction in the area of aging.

A number of Aging Committee recommendations resulted in administrative actions of various Federal Government agencies and departments. Among the administrative and legislative accomplishments as of January 2, 1978, in which the Aging Committee assumed a major role include:

HEW-Labor Appropriations Subcommittee approved $93 million over that of the Carter budget request for Older American Act programs. Increased appropriation reflects recommendations made by the Aging Committee.

An amendment to the Legal Services Corporation Act offered by Representative BIAGGI, and supported by members of the Aging Committee, to assure priority services for the elderly and handicapped was passed by the House.

Legislation to ban most mandatory retirement policies, introduced by Chairman PEPPER and members of the Aging Committee, was passed in the House and Senate, and has just been reported out by a House-Senate conference committee.

An amendment to restore the authorization for home health services under the Health Services Extension Act was offered by the chairman, cosponsored by Aging Committee members and passed by the House.

A bill to permit reduced air fares on a standby basis for the elderly and handicapped passed the House. Signed into law last session. Reflects Aging Subcommittee recommendation.

Resolution urging President Carter to instruct the U.S. delegation to the United Nations to work with other U.N. delegations in calling for a World Assembly and a World Year on Aging no later than 1982 introduced by Chairman PEPPER passed the House. Passed by unanimous consent.

Transportation Department issued regulation to require all buses offered for bid after September 30, 1979, must be equipped with barrier-free features—that is, boarding ramp, wide doors, lowered floors, and so forth—reflects Aging Subcommittee recommendation.

Chairman of the Aging Committee met in roundtable discussion with Mrs. Carter and representatives of aging organizations. Additionally, members of the House Aging Committee met with President Carter and outlined for him the legislative and executive action needed to implement the committee's recommendations for assisting the Nation's elderly.

An amendment to the Medicare-Medicaid Anti-Fraud and Abuse Amendments, introduced by the chairman, defining as felonies those instances where contributions are required as a condition of entry or continued stay at a hospital, skilled nursing facility, or intermediate care facility, for medicaid services.

GAO report on the cost effectiveness of home health care compared to institutionalization was undertaken at the request of the chairman and was published December 30, 1977.

Committee sponsored with various organizations workshops on nutrition and senior centers, and initiated comprehensive survey of all area agencies on aging to determine what changes should be made in the Older Americans Act.

Transportation will make available $22 million for vehicles and equipment to be acquired by private nonprofit organizations to provide special transportation services to elderly and handicapped persons. The program, referred to as 16(b)(2), was the recommendation of an Aging Subcommittee.

An office within the Justice Department responsible for compiling and analyzing all national data on elderly crime victims, recommended by an Aging Subcommittee, has been approved.

Bill to compensate victims of crime for personal injuries has passed the House. Reflects portion of Aging Subcommittee recommendation.

National public television series designed to inform, educate, and entertain the elderly entitled "Over Easy" was funded for fiscal year 1978. Committee members urged appropriation for this educational service.

Participation in significant standing committee hearings in which the chairman and other members of the Aging Committee testified include:

Testimony before Education and Labor's Subcommittee on Employment Opportunities regarding mandatory retirement bills (H.R. 1115 and H.R. 65).

Testimony before Post Office and Civil Service Subcommittee on Compensation and Employee Benefits regarding retirement legislation (H.R. 5383).

Testimony before Ways and Means Subcommittee on Compensation and Employee Benefits regarding retirement legislation (R.R. 5383).

Testimony before Ways and Means Subcommittee on Health and Interstate and Foreign Commerce Subcommittee on Health and the Environment regarding Medicare-Medicaid Anti-Fraud and Abuse Amendments (H.R. 3).

Testimony before the Interstate and Foreign Commerce Subcommittee on Health and the Environment regarding legislation to delay the saccharin ban.

Testimony before Ways and Means Subcommittee on Health and Interstate and Foreign Commerce Subcommittee on Health and the Environment regarding hospital cost containment legislation.

Testimony before Ways and Means Committee regarding Social Security Financing Amendments (H.R. 9346).

Testimony before Appropriations Subcommittee on HUD-Independent Agencies regarding section 8, section 202, and community development block grants.

Testimony before Appropriations Subcommittee on HEW-Labor regarding funding of programs for the elderly.

Aging Committee members joined the House Subcommittee on Welfare in a joint hearing to examine the impact Carter's welfare proposal will have on the elderly poor.

Hearings and reports, published or at press, by the Select Committee on Aging since the beginning of the 95th Congress include:

A. HEARINGS

1. Retirement Age Policies (Part I).
2. Retirement Age Policies (Part II).
3. Guidance and Counseling for the Elderly.
4. Active Americans Over 65 Speak on Retirement Age Policies.
5. Fragmentation of Services for the Elderly.
6. Elderly Crime Victims Compensation.
7. Retirement Age Policies in Massachusetts.
8. Establishing a National Meals-On-Wheels Program.
9. The National Crisis in Adult Care Homes.
10. Housing and the Elderly: Integration of Health and Social Services.
11. Recent Medicaid Cutbacks: Shocking Impact on the Elderly.
12. Active Americans Over 65: A Case Against Mandatory Retirement.
13. Hypertension Among the Elderly.
14. Alternatives to Retirement.
15. Urban and Rural Housing for the Elderly.
16. Retirement Age Policies and Housing for the Elderly in Cleveland, Ohio.
17. Age Stereotyping and Television.
18. Economic Impact of Aging in America.
19. Weather Disasters and the Elderly.
20. Older Americans Programs Oversight.
21. Older Americans Act and Impact on the Minority Elderly.
22. Crime and Its Impact on the Elderly.
23. Aging in the World of Tomorrow.
24. Title IX Oversight Hearings on the Older Americans Act.
25. Medicare Gaps and Limitations.
26. Effectiveness of the Programs of the Farmers Home Administration.
27. Title XX Oversight Hearing.
28. Oversight Hearing on Title III of the Older Americans Act.
29. Loneliness and Social Alienation of the Elderly.
30. Welfare Reform and the Elderly Poor.
31. Unfair Practices in the Eyeglass Industry.
32. Older Americans Act: The New York Perspective.
33. Title V Multi-Purpose Senior Centers.
34. Older Americans Programs Oversight: The Rural Perspective.
35. Older Americans Programs Oversight.
36. Older Americans Programs Oversight in Waterloo, Iowa.
37. Older Americans Programs Oversight in Sparks, Nevada.
38. Older Americans Programs Oversight in Las Vegas, Nevada.

B. REPORTS AND SELECTED PUBLICATIONS

In Search of Security: A National Perspective on Elderly Crime Victimization

This report assesses evidence received at Committee hearings on the relationship of crime to older Americans. It revealed that a significant number of the elderly are victimized, that the victimization rate is increasing and that the older American in the inner city is disproportionately the victim of crime. The Report also provides information on elderly crime victimization programs for those agencies, organization, or individuals who are considering the establishment of prevention programs; and discusses techniques and concepts for strengthening residences and neighborhoods in order to pre-

vent victimization. Over 2,500 copies were printed and made available to Members of Congress at their request.

Mandatory Retirement: The Social and Human Cost of Enforced Idleness

This report, based on 10 days of hearings, focuses primarily on age-based involuntary retirement. The report provides the background and rationale for passage of H.R. 5383 and for eventual enactment of legislation to eliminate all age-based mandatory retirement. Over 4,000 copies were printed and made available to Members of Congress at their request.

Federal Responsibility to the Elderly

This publication is a compilation of charts intended to not only aid the elderly, but Members of Congress, their staffs, State and local government officials, and persons in private agencies interested in the delivery of services and benefits to the elderly. The charts list the federal programs which aid the elderly and the House and Senate committees having responsibility in the field of aging and major areas of their jurisdictions. Over 6,000 copies were printed and made available at their request to Members of Congress and the public.

Home Health Resource Book

This publication will include information on existing home health programs, persons in federal agencies responsible for such programs, cost estimates and utilization of home health benefits, among other things. It is intended to assist Congressional officials, planners, and private citizens. (To be published)

Age Stereotyping and Television: A Staff Study

This staff study provided Committee Members and staffers with an overview of the ways in which the elderly are portrayed on commercial television and details the impact of such televised portrayals of the elderly. The study was made available to Members of the Committee and their staff prior to inclusion in Age Stereotyping and Television hearing record.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON GOVERNMENT OPERATIONS

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 1001) to provide for the expenses of investigations, studies, oversight, and functions to be conducted by the Committee on Government Operations.

The Clerk read the resolution, as follows:

H. RES. 1001

Resolved, That for the further expenses of investigations, studies, and oversight responsibilities and functions to be conducted pursuant to rule X, clause 2, paragraphs (b)(1), (b)(2), and (c) (relating to general oversight responsibilities), clause 4(c) (relating to additional functions of the Committee on Government Operations), and rule XI, clause 1 (b) (relating to the authorization of investigations and studies), by the Committee on Government Operations, acting as a whole or by subcommittee, not to exceed $1,972,500, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of the committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee and approved by the Committee on House Administration. Not to exceed $15,750 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); and not to exceed $2,000 of such total amount may be used to provide for specialized training, pursuant to section 202 (j) of such Act, as amended (2 U.S.C. 72a (j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. The chairman of the Committee on Government Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations, studies, and oversight responsibilities and functions to be conducted pursuant to rule X, clause 2, paragraphs (b)(1), (b)(2), and (c) (relating to general oversight responsibilities), clause 4(c) (relating to additional functions of the Committee on Government Operations), and rule XI, clause 1(b) (relating to the authorization of investigations and studies), by the Committee on Government Operations, acting as a whole or by subcommittee, not to exceed $1,952,500, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of the committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee and approved by the Committee on House Administration. Not to exceed $15,750 of the total amount provided by this resolution may be used to procure the temporary or intermittent service of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $2,000 of such total amount may be used to provide for specialized training, pursuant to section 202(i) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. The chairman of the Committee on Government Operations shall furnish the Committtee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, the Committee on Government Operations requested $1,972,500, and the committee has requested $1,952,500. I urge the House to approve the committee request.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 976) to provide funds for the expenses of the investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 976

Resolved, That effective January 3, 1978, the expenses of investigations and studies to be conducted by the Committee on Banking, Finance and Urban Affairs, acting as a whole or by subcommittee, not to exceed $2,885,880, including expenditures for the employment

of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $43,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Banking, Finance and Urban Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1978, the expenses of investigations and studies to be conducted by the Committee on Banking Finance and Urban Affairs, acting as a whole or by subcommittee, not to exceed $2,613,590, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $43,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Banking, Finance and Urban Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, the request of the Committee on Banking, Finance and Urban Affairs was for $2,885,880, and the committee reduced that budget to $2,613,590.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Pennsylvania for debate purposes only.

Mr. COUGHLIN. I thank the gentleman for yielding.

As I understand it, Mr. Speaker, this sum is solely for the investigative staff. This is over and above the regular staff of the standing committee; am I correct?

Mr. ANNUNZIO. That is correct.

Mr. COUGHLIN. These funds would be drawn directly by voucher from the Contingency Fund of the Clerk of the House; am I correct?

Mr. ANNUNZIO. That is correct.

Mr. COUGHLIN. So that the legislative Committee on Appropriations, of which I am a member, would be required to refurbish the Contingency Fund to cover these positions for this committee; is that correct?

Mr. ANNUNZIO. That is correct.

Mr. COUGHLIN. Do I understand the overstall staff of this committee, according to my figures, has increased from 40 in 1973 to 98 in 1977? Am I correct on that increase?

Mr. ANNUNZIO. The gentleman is probably correct.

Mr. COUGHLIN. Of the 98 staff members of this committee, approximately 17 are minority staff members, or 17 percent of the total?

Mr. ANNUNZIO. That is approximately correct, and the minority has agreed to the budget. They are in full agreement.

Mr. COUGHLIN. Mr. Speaker, I just again call attention to the very rapid growth in the staff of these committees, a growth that then is paid for directly from the Contingency Fund of the House, which is, I think, a dubious procedure.

Mr. ANNUNZIO. I want to say to the gentleman that I agree with his observation. All of the committees have grown, due to the Bolling committee reforms, all committees must allocate at least one-third of staff for minority seats. All of the staffs have grown, and it has been very difficult for the Subcommittee on Accounts to evaluate the work of these committees. But we have done a good job in cutting down the requests and pinning down the responsibility of the people involved on these staffs and the functions of the committee.

Mr. COUGHLIN. I thank the Chairman.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. Mr. Speaker, I yield to my friend, the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I would like to point out that although it is most comfortable to have the observations of the gentleman from Pennsylvania and to point out the percentages, I would like to further point out that the gentleman from Illinois (Mr. ANNUNZIO) happens to be on the Committee on Banking and Finance and notwithstanding the fact that the gentleman has great affection for that committee and its work, the gentleman went along with a reduction of nearly a quarter of a million dollars in the funds for the committee.

Mr. Speaker, I urge adoption of the report.

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman from Ohio for those comments. I assure the gentleman it did not make me the most popular member of the committee.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR EXPENSES FOR THE SECOND SESSION ACTIVITIES OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 979) providing for the expenses for the second session activities of the Committee on Interior and Insular Affairs, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 979

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $1,155,047, including expenditures for the employment of investigators attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $28,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent serv-

ices of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $1,100,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $28,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) is recognized for 1 hour.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I am happy to yield for debate only to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, as I understand, this is also in addition to the regular staffing of the Committee on Interior and Insular Affairs.

Mr. ANNUNZIO. May I assure the gentleman that on all the standing committees, all committees have a statutory allowance and this money we are asking on the approval of the full membership of the House is in addition to the statutory allowances.

Mr. COUGHLIN. It is approximately a 25-percent increase over last year's funding?

Mr. ANNUNZIO. That is about correct.

Mr. COUGHLIN. And the total staffing for the Committee on Interior and Insular Affairs has increased, as I understand, from 38 members in 1973 to 64 members in 1978; am I approximately correct?

Mr. ANNUNZIO. The gentleman's observation is correct.

Mr. COUGHLIN. Of those 64 members, approximately 22 percent are members of the minority?

Mr. ANNUNZIO. That is absolutely right and the minority said they were very happy with the staff arrangement. Again, I would like to point out to the gentleman from Pennsylvania that the growth of the committees of the House are due in large part to the changes in committee staffing requirements, as a result of the changes in the rules of the House, which designates up to one-third of committee staff to be appointed for the minority.

Mr. COUGHLIN. Mr. Speaker, if the gentleman will yield further, again I question the rapid increase in the size of the committee staffs and hope that that will not continue in the future.

I thank the chairman.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR THE PERMANENT SELECT COMMITTEE ON INTELLIGENCE

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 1034) providing funds for the Permanent Select Committee on Intelligence, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1034

Resolved, That for the further expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, acting as a whole or by subcommittee, not to exceed $991,906.25, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $30,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the House Permanent Select Committee on Intelligence shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the House Permanent Select Committee on Intelligence, acting as a whole or by subcommittee, not to exceed $966,906.25, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $30,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganiza-

tion Act of 1946, as amended (2 U.S.C. 72a (1)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the House Permanent Select Committee on Intelligence shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, on the resolution for the Select Committee on Intelligence, the request for funds was for $991,906.25, and the committee cut the figure to $966,906.25.

Mr. Speaker, I urge the House to approve the request and agree to the resolution.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield for the purpose of debate only to the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, this request for almost $1 million represents quite an increase from last year's figure. This is, of course, a new committee, and the amount is a sizable increase from last year's figure of $302,000; am I correct?

Mr. ANNUNZIO. The gentleman is correct. However, Mr. Speaker, the gentleman from Pennsylvania must understand that the moneys for last year were only for a period of a few months, and this represents funding for a complete year.

Mr. COUGHLIN. But this means we are on the road to having another million-dollar committee?

Mr. ANNUNZIO. It appears that way.

Mr. COUGHLIN. Mr. Speaker, I thank the gentleman.

Mr. ANNUNZIO. Mr. Speaker, I would also like to point out to the gentleman from Pennsylvania (Mr. COUGHLIN) that there is no statutory allowance for this select committee.

Mr. COUGHLIN. Mr. Speaker, I thank the gentleman for yielding.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield for the purposes of debate only to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, I was wondering if the gentleman from Illinois (Mr. ANNUNZIO) can answer one question for me.

During the last 2 weeks there seems to have been quite a bit of controversy as the gentleman brought up various resolutions. This morning everything is peaceful, quiet, and calm. I am just wondering if this change comes about as a result of either the personality or the awesome power of the chairman of the subcommittee, the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I want to assure the gentleman from Illinois (Mr. DERWINSKI) that it is not as a result of awesome power on my part but as a result of the very cooperative spirit between the minority and the majority who are attempting to expedite the work of the House today.

Mr. DERWINSKI. That is in the best American tradition.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the five resolutions just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. DEVINE asked and was given permission to address the House for 1 minute.)

Mr. DEVINE. Mr. Speaker, I have asked for this time for the purpose of asking the majority leader to give us the schedule for the balance of this week and for the coming week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, the schedule for next week will be a busy one.

The House will meet at noon on Monday. We have 6 suspensions scheduled for that day, and they are as follows:

1. H.R. 7814, flexible work schedules for Federal employees;

2. H.R. 4320, annuities for U.S. judges;

3. H.R. 10126, part-time career employment for Federal employees;

4. H.R. 9146, congressional review of changes in Postal Service;

5. H.R. 6635, Liberty bond amendments for series E savings bond rates; and

6. H.R. 11055, Definition of Income Year Under Agriculture Act.

There will be two funding resolutions eligible for consideration, and we would expect to bring those up on Monday. Those two funding resolutions are for the Select Committee on Assassinations and the Committee on the Judiciary.

On Tuesday the House would again meet at noon, and we have four bills scheduled under suspensions on that day, as follows:

1. S. 1671, Absaroka-Beartooth Wilderness Act;

2. H.R. 810, Internal Revenue Code amendments;

3. H.R. 2028, authorization for home production of wine and beer; and

4. H.R. 5103, Internal Revenue Code amendments for excise taxes.

On Wednesday we would expect to meet at 1 p.m.

We will continue and hope to conclude consideration of H.R. 50, the Full Employment and Balanced Growth Act of 1978, voting on additional amendments, and we would hope to vote on the bill. We would in any case rise at 6 o'clock on Wednesday.

On Thursday, the House would meet at 11 o'clock. There are two bills scheduled, subject to the granting of rules. They are:

H.R. 10899, International Banking Act of 1978, and

H.R. 7700, Postal Act of 1978.

On Friday, we will meet at 11 o'clock, and we will consider H.R. 9518, Shipping Act Amendments of 1978.

The House would adjourn by 3 o'clock on Friday and by 5:30 p.m. on all other days except Wednesday, on which day we expect to adjourn at 6 o'clock.

Of course, conference reports could be brought up at any time, and there is the usual reservation that any additional program may be announced later.

Mr. DEVINE. I thank the gentleman.

Mr. Speaker, in order that there will be no misunderstanding, it was understood on this side of the aisle last night that we would resume deliberation of H.R. 50, the Humphrey-Hawkins bill, on Tuesday. But according to the schedule just announced by the majority leader, that will not be taken up until Wednesday; is that correct?

Mr. WRIGHT. The plan is that we will take it up on Wednesday. I thought I said that last evening. We will take it up on Wednesday, coming in at 1 o'clock, and planning to adjourn by 6 o'clock. If we do not conclude it on Wednesday, then we will try to go ahead and finish it on Thursday.

Mr. DEVINE. Our normal schedule has been, as the majority leader knows, to meet at 3 o'clock on Wednesday and go indefinitely until we conclude the business. Is there any particular reason that we have backed that up until 1 o'clock and adjourning at 6 o'clock?

Mr. WRIGHT. I think the gentleman may be aware that there is a dinner at which some of the Members are not required but expected in their attendance that evening. The President of the United

States will be there and various and sundry others, and it is a matter of some interest to some of the Members of the House.

Mr. DEVINE. Does the gentleman mean the majority party fundraising dinner?

Mr. WRIGHT. I think that is exactly the terminology.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, will such fundraising dinners still be legal under the bill the gentleman's committee is considering, or will they be just allowed for the majority party?

Mr. DEVINE. The gentleman is making reference, of course, to the bill pending in the House Administration Committee on which they are taking testimony concerning the Campaign Financing Act, and it will come up early but not in time for the Members to catch the dinner the gentleman made reference to.

Mr. BAUMAN. That is unfortunate.

Mr. WRIGHT. I would say to the gentleman that we expect to enact no ex post facto laws. This is like the dinner held by the minority party and the ones we expect will be held in the future by the minority party. The Members are entitled to some consideration on the part of the House schedule, and that has been done in the past.

Mr. STANTON. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Ohio.

Mr. STANTON. I thank the gentleman for yielding.

Mr. Speaker, I take the time to ask the very distinguished majority leader this question: Reading the schedule, I see that the House is scheduled to meet on next Friday, March 17. Is the majority leader aware, as many of us on the minority side are, that this is indeed St. Patrick's Day?

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield, I would respond that, notwithstanding the importance of the date, the Speaker of the House himself has said that he would like to meet on the 17th of March.

Mr. STANTON. If the gentleman will yield further, I have been broaching this question for 14 years. The first year I was in this distinguished body I went to the then Speaker of the House, John McCormick, and asked him if we had to meet on St. Patrick's Day. He told me that this always bothered him considerably and that what he did every morning on St. Patrick's Day was to call St. Peter; and St. Peter informed him that he would appreciate the House of Representatives meeting on St. Patrick's Day because, after all, the world is in such a hell of a mess that they might as well go ahead and meet. So I brought the question up to the gentleman because I suspect it is futile now to ask the distinguished Speaker, the gentleman from Massachusetts, Mr. O'NEILL, but perhaps he would consider that, while the world may have gotten worse, perhaps he would reconsider and give some thought to this.

Mr. WRIGHT. If the gentleman will yield further, Mr. Speaker, I would respond only that if such loyal sons of Hibernia as the great John McCormick and the great THOMAS P. O'NEILL, JR., would agree that we should meet on the 17th of March, we should meet on the 17th of March.

Mr. STANTON. Mr. Speaker, I appreciate the gentleman's remarks.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, MARCH 15, 1978

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the House meet at 1 o'clock p.m. on Wednesday next, March 15, 1978.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, MARCH 13, 1978

Mr. WRIGHT. Mr. Speaker, I ask that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS OF U.S. AIR FORCE ACADEMY

The SPEAKER pro tempore. Pursuant to the provisions of 10 U.S.C. 9355(a), the Chair, on behalf of the Speaker, appoints as Members of the Board of Visitors to the U.S. Air Force Academy the following Members of the House: the gentleman from Georgia (Mr. FLYNT), the gentleman from Colorado (Mr. EVANS), the gentleman from Virginia (Mr. ROBINSON), and the gentleman from California (Mr. BOB WILSON).

INTRODUCTION OF THE COMMUNITY SCHOOLS AND COMPREHENSIVE COMMUNITY EDUCATION ACT

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, I introduced yesterday, along with the Honorable HARRISON A. WILLIAMS, JR., in the Senate, the Community Schools and Comprehensive Community Education Act of 1978.

I am especially proud to present this bill as my home town of Flint, Mich., is the birthplace of the community education concept which has grown to the point that it now is a national program that is being implemented in school districts across the country. Community education, which started in the Flint community schools with the major assistance of the Mott Foundation, is an educational program under which the schools are opened after class hours for recreational and educational programs for children and adults. Today the headquarters of the National Community Education Association is located in Flint.

Community schools have been most effective in reducing the fragmentation of local educational services and in assuring citizen confidence in educational and community service efforts. The Federal Government has presently a multitude of separate programs to help improve the quality of life of our citizens. These efforts are in many instances the bulwark of human resource programs in States and local communities. The Community Schools and Comprehensive Community Education Act would extend to States and localities the much needed capacity to bring education and related community services into an effective working partnership.

The school is a key institution for the delivery of services, and it may be the best instrument for the coordination of frequently fragmented services. Through increased use of the school in community activities there are benefits which include a fostering of greater community pride, energy savings, and parental involvement. Community education promotes a more efficient use of public education facilities through an extension of school buildings and equipment in the evenings and often into Saturdays. As the primary educational institution of the community, the school is most effective when it involves the people of that community in a program to fulfill the educational needs of individuals, and community schools provide a great potential for the use of needs assessment as a basis for human resource policies.

The bill would add a new title, title X, to the Elementary and Secondary Education Act. It is an extension and expansion of the Community Schools Act, section 405, Public Law 93–380.

It is the purpose of this legislation to provide educational, recreational, cultural, and other related community services, in accordance with the needs, interests, and concerns of the community through the expansion of community education programs; to coordinate the delivery of social services to meet the needs and preferences of the residents of the community; to provide for an efficient, energy-conserving use of school facilities, and to provide for a research and development emphasis in community education which can contribute to an improved formulation of Federal, State, and local policy.

The effectiveness and importance of a community education program in a local school system has been proven repeatedly in schools across the Nation. It is now

time to bring better coordination to those programs, improve the Federal assistance that is provided, and evaluate and further encourage the establishment of community education programs in those schools where such programs are not implemented at present. I invite my colleagues to join me in cosponsoring this legislation.

UNITED SYNAGOGUE YOUTH CONVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. LE FANTE) is recognized for 5 minutes.

● Mr. LE FANTE. Mr. Speaker, during the weekend of March 12, the United Synagogue Youth will hold its convention in Bayonne, N.J. This marks the first time in over two decades that my home city will host a conference of this outstanding organization.

Over 140 young adults from throughout the State are scheduled to attend and partake in the fine agenda of study sessions, seminars, films, and speeches. The festivities will be capped by the crowning of a new Miss Hagalil to serve in that capacity for the upcoming year.

The convention, which will address itself to Judaism in the United States, the Soviet Union, and Israel, will be keynoted jointly by Rabbi Zachery Heller and Joel Gordon, the treasurer of the United Synagogue Youth Movement of America.

Mr. Speaker, I know that all of my colleagues join me as I extend my best wishes to the delegates of the United Synagogue Youth Convention in Bayonne for a successful and enjoyable weekend.●

THE ADMINISTRATION'S HEALTH MAINTENANCE ORGANIZATION INITIATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. ROGERS) is recognized for 5 minutes.

● Mr. ROGERS. Mr. Speaker, as you know, in 1973 landmark legislation authorizing Federal assistance for Health Maintenance Organizations (HMO's) was first enacted. In October 1976, the original legislation was amended to reflect changes dictated by 3 years' experience with the program.

In enacting this legislation, the Congress expressed the belief—which I still hold—that HMO's offer great promise toward contributing to increasing accessibility to high quality health care while at the same time restraining escalating costs.

The value of HMO's is unmistakable. According to recent testimony by HEW Under Secretary Hale Champion:

Prepaid group practices have been shown to reduce hospitalization from 30 to 60 percent.

The average yearly inpatient hospitalization rate for all Federally certified HMOs was 529 days per 100 members, compared with a national average of 1022 days per 1000 persons.

A comparison of costs for Medicaid eligibles enrolled in an HMO in the State of Washington compared with those receiving services on a fee-for-service basis shows a savings of 29.8 percent because of enrollment in the HMO.

A study of Medicaid eligibles enrolled in the Group Health Association in Washington, D.C. showed that ambulatory physician encounter rates decreased 15 percent, drug utilization dropped 18 percent, hospital admissions decreased 30 percent, and hospital days declined 32 percent. For the same benefit package annual prepaid per capita costs for 1000 Medicaid enrollees for 1972, 1973, and 1976 were $282, $232, and $282, respectively, compared to Medicaid fee-for-service per capita costs of $373, $435, and $465 over the same period.

Despite compelling evidence that well-planned HMO's are an essential part of the American health system, all is not well with the Federal HMO effort. Despite predictions by the Nixon administration in the early 1970's that by 1976 we would have 1,800 prepaid plans serving 40 million people, in 1976 there were only 165 plans serving 6.5 million people. This result hardly was unexpected. It is common knowledge that the previous administration backed away from its vigorous pro-HMO stance soon after enactment of the 1973 legislation. A woefully understaffed HMO office was downgraded. Incredible delays in writing regulations ensued because of unresolved policy issues. No guidelines were issued with respect to expansion requests or conditions which HMO's must meet in order to become federally qualified.

Fortunately, HEW Secretary Califano and Undersecretary Champion have begun to pump new enthusiasm into the Federal HMO effort. They have taken administrative actions to bring the HMO program to life. On Friday, HEW will sponsor a national meeting of labor unions and Fortune 500 companies to discuss ways to expand the development and use of health maintenance organizations.

HEW has also submitted to Congress proposed new legislation designed to make the existing HMO law more flexible and more generous. Briefly, this new legislation has the following features:

First, Extends funding of the various means of Federal assistance to HMO's through 1981.

Second. Authorizes the Secretary to waive any of the statutory requirements specifying the manner in which HMO's shall provide services if he finds the waiver "will assist in the development of HMO's." Thus, such requirements as providing basic health services for a fixed payment without regard to services actually provided, community rating and assumption of risk could be waived.

Third. Authorizes the Secretary to allow HMO's to exclude some services from the basic health services on the same basis. Excluded services would be converted into supplemental services.

Fourth. Waives, for an additional year (from 3 to 4 years), the requirements that no more than 15 percent of services may be contracted out.

Fifth. Requires HMO's to provide detailed financial and ownership information.

Sixth. Repeals the priorities for HMO's serving medical underserved populations.

Seventh. Repeals the 20-percent set-aside for the feasibility of HMO's with 66 percent of membership from non-metropolitan areas.

Eighth. Repeals the 20-percent set-aside for loans and loan guarantees for rural areas.

Ninth. Repeals the requirement of existing law that no application for assistance under the HMO act may be approved unless the applicant could not complete his project without the assistance applied for.

Tenth. Allows planning and initial development money to HMO's. Existing law authorized such funds only for entities that intend to become HMO's.

Eleventh. Extends the "initial development" period from 1 to 3 years.

Twelfth. Increases, from $1 to $2 million, the maximum amount of grants or contracts for initial development and loans for initial operation.

Thirteenth. Authorizes loans and loan guarantees for construction of ambulatory care facilities for HMO's.

Fourteenth. Consolidates the authority of the Secretary to make determinations as to whether an HMO is qualified under the act with the authority for administration of grants, loan guarantees, and the like.

Fifteenth. Repeals the requirement that the program be administered in the Office of the Assistant Secretary for Health.

Sixteenth. Repeals the provision of existing law which limits Federal funding for HMO development and initial operation to funds available under title XIII of the Public Health Service Act.

Seventeenth. Amends the existing health planning law to:

Permit States to exclude the establishment of HMO's from certificate of need programs;

Exclude HMO's from the definition of institutional health services; and

Provide that health systems agencies may only use criteria specified by the Secretary in conducting reviews of proposed or existing health services respecting HMO's and may not use more general citeria which an HSA is required to consider under existing law.

Eighteenth. Amends the Social Security Act to:

Permit a health maintenance organization to have more than 50 percent of its membership comprised of medicare eligible individuals if it is a public HMO, a community health center funded der section 330 of the Public Health Service Act, or it receives a waiver from the Secretary;

Capitate HMO's for medicare members at 95 percent of the prevailing fee-for-service rate; and

Require States to enter into provider agreements for medicaid beneficiaries with any health maintenance organization which requests such an agreement and require State provider agreements to prepay HMO's at 95 percent of the prevailing fee-for-service rates.

I regret that I am unable to enthusiastically endorse the HEW proposal, as it is presently written. While it has some excellent features, and I concur with most of the objectives of the revisions, I find the proposed legis-

lation to be too broad, granting to HEW too much discretion over a program which I have long felt is in need of careful legislative guidance. I am particularly concerned with the provisions of the administration's proposal which would permit the Department to support HMO development from funds authorized under other provisions of the PHS Act.

The Congress, in prohibiting support outside title XIII, wanted to be certain that the HMO program be implemented in accordance with the specific guidelines set forth in the law. The authority to waive major portions of the HMO law is also troublesome. In addition, the repeal of the rural and medically underserved areas setasides give me great difficulty.

Also, the proposals relating to medicaid and medicare deserve very careful review. While I certainly endorse the effort to enroll more medicaid recipients and medicare beneficiaries in high quality HMO's, I am concerned that we establish payment rates which do not result in windfalls to the HMO's; the Government, which after all is paying the bill, should benefit substantially from the savings in health care costs that an efficient HMO can realize. In examining the appropriateness of the proposed reimbursement rates for medicaid and medicare, we will want the answers to two important questions:

First, is establishment of the rate at 95 percent of the cost of providing fee-for-service care in the community reasonable?

Second, do we have the capacity to determine accurately the adjusted average per capita cost which would be paid fee-for-service in the community since this will be the benchmark from which the reimbursement rates are derived? This determination is crucial if the required payment rate is to be a realistic one.

Members of the Subcommittee on Health and the Environment have had serious concerns in the past about the quality of some of the organizations which have provided care on a prepaid basis to medicaid recipients. We took steps in the last HMO legislation we brought to the House to increase the Federal responsibility for assuring that these organizations were not engaged in fraud or ripoffs of public funds, and that they were giving quality care. If we are going to require States to sign medicaid contracts with all qualified HMO's, we must have assurance that HEW is able to carry out these functions and protect against fraud and abuse and poor quality in these organizations.

Despite these reservations, I am pleased to cosponsor, by request, with my friend and colleague, DAN ROSTENKOWSKI, chairman of the Ways and Means Subcommittee on Health and the Environment, the administration bill. Chairman ROSTENKOWSKI and I have instructed our staffs to work with HEW personnel to develop proposals which the legislative committees find compatible with our mutual goals of fostering the HMO movement in this country. I am certain that we will succeed and look forward to working with Mr. ROSTENKOWSKI and HEW in efforts to build a truly effective and accountable HMO program.●

THE ADMINISTRATION'S HEALTH MAINTENANCE ORGANIZATION PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, I am pleased to join with my distinguished colleague, the Honorable PAUL G. ROGERS, in introducing by request the administration's proposed legislation relating to health maintenance organizations. This bill would amend provisions of the Public Health Service Act and medicare and medicaid relating both to the development of new HMO's and to methods of reimbursement for services to eligible beneficiaries who are enrolled with ongoing HMO's.

Of particular interest to me as chairman of the Subcommittee on Health of the Committee on Ways and Means are the provisions of the bill designed to bring medicare and medicaid reimbursement methods more closely in line with financing arrangements typically employed by HMO's with respect to other enrollees. The intent is to enable medicare and medicaid reimbursement to provide the same types of incentives that operate with respect to the HMO's non-Government-sponsored enrollees—incentives to render necessary care efficiently and to avoid costly institutional care, where this is possible, through attention to health education, prevention, and early detection of disease. In our review of these provisions, I believe the Congress needs to assure itself that the proposed reimbursement provisions are workable, and that the desired financial incentives are present without making available undeserved windfalls.

I commend the administration's commitment to further encourage the development of HMO's and I believe a careful examination of the provisions of existing Federal law relating to HMO's is essential to this effort. Health maintenance organizations can offer an attractive and viable alternative to the traditional fee-for-service system of financing health services and may thus introduce an element of desirable competition into the health care system that would otherwise be lacking. I believe that it is most important that the medicare program, and indeed any public program for financing health care, be able to recognize and adapt itself to various financial and organizational arrangements for delivery of health care services. I am confident that the Ways and Means Subcommittee on Health will give prompt and careful attention to the administration's proposals relating to HMO's.●

LEGISLATION TO PROMPTLY AND EFFICIENTLY BRING ALCOHOL FUELS INTO COMMERCIAL USE

The SPEARKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BRINKLEY) is recognized for 5 minutes.

Mr. BRINKLEY. Mr. Speaker, on February 14, 1978, I introduced a bill that would establish a liaison office between the Department of Energy and the Department of Agriculture for the express purpose of advancing and developing a means of promptly and efficiently bringing alcohol fuels into commercial use. The Washington correspondent of the Columbus Ledger-Enquirer noted the legislation in an article, which I submit for the RECORD by way of further explanation.

In particular I wanted to call to the attention of my colleagues an editorial from the Daily Sun of Warner Robins, Ga., captioned "Energy Policy Ignores Alcohol Fuel Potential." These words really hit the mark. An early answer to stretching gasoline exists right under our noses.

[From the Columbus Ledger, Feb. 6, 1978]

SURPLUS GRAIN USE: GASOHOL PUSHED TO AID FARMERS

(By Christopher Bonner)

WASHINGTON.—Rep. Jack Brinkley said today that if surplus grain reserves were converted into gasohol American farmers would be closer to prosperity.

Development of a gasohol industry would give farmers a new market for surplus grain and help combat the domestic energy shortage. Brinkley said in testimony prepared for the House Agriculture Committee's hearing on farm problems.

"Gasohol is practical and would stretch a gallon by 25 percent," Brinkley said.

Gasohol, a blend of grain alcohol and gasoline, is still in the development stage although one state, Nebraska, uses it in all state vehicles.

One obstacle to gasohol is the cost, about 80 cents per gallon.

But Brinkley said it would be better to subsidize the budding gasohol industry to make the price competitive with gasoline "rather than to send our dollars by the truck load to the Arab oil bloc."

The Columbus, Ga., Democrat also called for an examination of the Chicago Board of Trade and the futures market.

"Do they milk farm produce by speculative means?" Brinkley asked. "Is it to them that the profits are going? It certainly isn't going to the corner grocer or the farmer."

The congressman said his proposal to give the dissident farmers what they want—100 percent parity—is not equal to a guaranteed profit, as critics say.

Full parity means "that a good farmer who labors over his fields and is willing to risk bad weather and insect blights is given a chance to realize a satisfactory return for his product on the marketplace," Brinkley said.

The U.S. Department of Agriculture regards parity as an obsolete term that describes the relationship between a farmers investment and return.

Parity is based on the period of 1910–1914, a time of high and stable farm prices. When a farmer asks for 100 percent parity, he wants the same return, per $1 invested, that he received 60 years ago.

Brinkley also criticized the government for putting a lid on farm exports. The result of these embargoes, he said, is that domestic prices have been artificially low.

The most recent embargo of farm products was two years ago, when domestic supplies reached a point where there was only 17 days of food on hand.

There are vast surpluses now, with more than a years stock of grain alone, and no embargoes are in sight.

[From the Daily Sun, Mar. 3, 1978]

ENERGY POLICY IGNORES ALCOHOL FUEL POTENTIAL

Two years have passed since a study financed by the Foundation for Ocean Research offered a tantalizing picture of how America could vastly increase its energy supplies by using alcohol compounds—methanol in particular—as a fuel. This study and others like it are not getting the attention they deserve in the formation of a national energy policy.

So much is known about the potential for alcohol fuels, and the opportunity to produce them is so obvious, we're tempted to say the Department of Energy can't see the forest for the trees.

Our farmers produce more grain than the market can absorb. Why can't the surplus be channeled into production of ethanol (grain alcohol)? Disposal of industrial wastes and garbage is becoming a major environmental problem. Much of this waste could be used to produce methanol (wood alcohol). We worry about degrading air quality by burning coal; yet coal, too, can be converted to methanol to tap its energy without polluting the air.

Obviously it would take a major industrial effort to bring such possibilities to reality, and there are doubtless some production and distribution problems to be solved before alcohol could become commonplace in our inventory of fuels. But the alcohol option has been getting the short end of the stick in DOEs exploration of energy alternatives. Congress has been more aggressive than the administration in trying to advance alcohol technologies from the research and development phase into practical tests and applications.

DOE has given oil companies some of its major grants to explore the use of methanol and ethanol as a fuel or as an additive to gasoline. An argument can be made that expertise on fuel compounds is concentrated in the oil industry—that oil companies know better than anyone the problem of producing and distributing the huge quantities of motor fuel that this county demands. But surely DOE is not so naive to miss the implication of relying for these studies and evaluations on an industry whose primary concern is—or should be—in exploring and developing what remains of our oil and gas resources.

Indeed, DOE has the opportunity to give substance to the familiar rhetoric against the supposed domination of our energy supplies by major oil companies. It should divorce the development of such alternative fuels as alcohol from the oil industry, at least in this early phase. The government should be encouraging development of competitive energy industries.

Germany, during World War II, often is cited as an example of how synthetic fuels can be used when petroleum is in short supply. Methanol and synthetic gasoline made from coal and lignite are said to have supplied half of Germany's fuel after its access to petroleum was cut off. That's instructive from an historical standpoint, but the United States should not be waiting until our petroleum runs out—or we ruin our economy with oil imports—before we prove or disprove that the alcohol option is a viable one for our peacetime future.

"MUSHY LIBERAL" DEFINED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

(Mr. LEVITAS asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. LEVITAS. Mr. Speaker, as a student of political jargon, I had some anxiety the past few months because I have learned that some of my colleagues in the House have been described as being "mushy liberals," and I had no idea what a "mushy liberal" was.

It was, therefore, with deep gratitude that I found that one of our distinguished and scholarly colleagues, the gentlewoman from Colorado (Mrs. SCHROEDER) had solved the problem, and she has discovered just what a mushy liberal is. In a very scholarly piece which appeared in the Washington Star on March 7 of this year, our distinguished colleague, Mrs. SCHROEDER, has laid this new problem to rest, and has explained for all time just precisely what a "mushy liberal" is.

In doing so, Congresswoman SCHROEDER has struck another blow against those who have to think in terms of labels alone and who thereby becloud their thinking. I submit the article by Mrs. SCHROEDER for the RECORD:

MUSH IN THE POLITICAL LEXICON

(By PATRICIA SCHROEDER)

(NOTE—Rep. Schroeder, a Democrat from Colorado whom the press traditionally calls a liberal, voted against the Consumer Protection Agency bill (as she long had said she would do) and subsequently shared in Ralph Nader's ire.)

Mushy liberal has recently joined pointy-headed liberal, bleeding-heart liberal, knee-jerk liberal, limousine liberal, fuzzy-minded liberal, pinko-liberal and liberal do-gooder in the lexicon of American political lore.

As best as I can determine, liberals are mushy when their heads are insufficiently pointed, their hearts inadequately hemophiliac, their knees stiff and their deeds pitifully lacking in beneficence on an issue of overwhelming interest to the person making the charge.

In the case at hand, liberals turned out to be mushy when they decided to vote their districts, their consciences, their instincts or all three, in voting against the umpteenth reincarnation of the Agency for Consumer Protection—a bill which called for fielding a ruck of lawyers to squabble before regulatory agencies in order to protect the interests of the consumer, who, like the Holy Ghost, is often talked about but never seen.

Mushy liberals simply can't be counted upon. Some broke and ran when asked to support Lyndon Johnson on Vietnam. He called them "Nervous Nellies." Others called for Richard Nixon's impeachment even before Rabbi Korff had organized a defense fund. More recently, another group of mushy liberals got all tangled up in an unholy alliance with the American Petroleum Institute, Ralph Nader, the Chamber of Commerce and Common Cause in opposing the cargo preference bill.

Occasionally mushy liberals are observed pacing about on the floor of the House muttering Burke "Your representative owes you not his industry only, but his judgment, and he betrays instead of serving you if he sacrifices it to (Ralph Nader's/George Meany's/Jimmy Carter's/Tip O'Neill's/the Chamber of Commerce's) opinion."

Mushy liberals are kinfolk to what the history books call "bolters" and "mugwumps." The press likes to tag them as "mavericks." The politicians like to refer to themselves, notably in their campaign literature, as "independents"—especially since the number of voters registering as independents may soon surpass those who hitch up with either party.

"Independent" also has a nice solid ring to it. Square All-American. It would be hard to imagine "bolter" or "mugwump" creeping into a campaign flyer as in, "and a firm believer in mugwumpery." The voters would think it was a new sex asserting its rights. An unfortunate turn of events for a nice word of Algonquin origin.

Like wise "maverick." There is a hint of disequilibrium in the word, unsteadiness. A maverick is an unpredictable rover, not to be trusted. The press likes the word because it's colorful, like "crony" and "boss." And because there is something sporting about a maverick; they do crazy things and make good copy. Whereas independents are principled, honest, and dull.

Independents have closely held opinions and are near relatives to the moderates. A moderate is an independent with no opinions. A moderate is also a liberal or conservative running in a tight district.

If you are just a simple garden variety liberal or conservative you've got to have a certain set of opinions, they're part of the baggage. You don't even have to say what they are. You just say you're a liberal or conservative, and no one need inquire further. It also helps cut down on the Q's and A's at town meetings.

Conservatives are distinguished from the new right in that conservatives run for office while the new right raises money through the mail. The new right is nothing more than mail order political evangelicalism. Just send in your dollars and be saved. You don't even have to vote. Just send in your money.

Liberals are easily distinguished from the new left in that the new left doesn't exist. It disappeared when J. Edgar Hoover died.

Now if we can bring this jumble up to date it goes as follows: A Liberal who voted against the consumer bill is a mushy liberal to those who supported the bill, and an independent to those who opposed it. A liberal who voted for the bill has a pointed head, a bleeding heart and a fuzzy mind. A conservative who voted for the bill is a real rogue, a maverick to all sides and upon defeat in the next election, is either described as a "profile in courage" or "out of touch with the district." A mass mail artist who sends out reams of appeals for money to fight the consumer bill and then pockets the bulk of the proceeds is a leader of the new right, while a liberal or conservative who is absent on the day of the vote is a moderate.

SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

● Mr. BURKE of Massachusetts. Mr. Speaker, I happen to have in my possession a very enlightening letter which I would like to share with my colleagues—particularly those Members who persist in preserving the clearly erroneous notion that the social security system was "always intended to be self-sufficient through payroll tax financing."

One hundred and fifty Members of the Congress have joined with me in cosponsoring legislation that would put into effect the original plan for social security financing for the final third of this century. That original plan ws the recommendation of a large technical expert staff, adopted by the Committee on Economic Security, and sent to President Roosevelt.

Support for my plan to finance social security with a one-third contribution from general revenues does not lie solely in the history books and the notes of the Committee on Economic Security. The Consumer Federation of America, the AFL–CIO, the UAW, the National

Council of Senior Citizens, the National Retired Teachers Association-American Association of Retired Persons, the National Farmers Union, the ILGWU, and the National Senior Citizens Law Center have all endorsed the general revenue financing concept.

Let me share with the doubting Thomases the following letter I have received from Mr. Thomas H. Eliot, the counsel to President Roosevelt's Committee on Economic Security:

CAMBRIDGE, MASS.,
February 9, 1978.

DEAR CONGRESSMAN BURKE: In 1935, as counsel to the President's Committee on Economic Security, I drafted the bill which with some revisions, became the original Social Security Act. I now applaud your effort to supplement old-age insurance funds with general revenues, and thus to get rid of the notion that the system should be forever "self-supporting."

All the members of the Committee and its large staff of experts agreed on the contributory principle: The ultimate beneficiary should contribute a part of the cost of his eventual old-age annuity. They agreed, too, that for a while the rest of the cost should be borne by employers, through payroll taxes. But they assumed that before long, others than employers would also contribute—in other words, that both payroll taxes and income taxes would supplement the employee's contributions.

All, that is, agreed, except the Secretary of the Treasury, Henry Morgenthau. When he saw a proposed press release saying that general fund contributions would be required before 1965, he objected, and persuaded the President that the rates of payroll and earnings taxes should be raised, to make the system forever "self-supporting." The rest of the Committee and the staff greatly regretted this, for the earnings tax, while necessary to effectuate the contributory principle, is a regressive tax and should be held at a very low rate.

Sincerely yours,

THOMAS H. ELIOT.

BIOGRAPHICAL SKETCH OF THOMAS H. ELIOT, GENERAL COUNSEL FOR THE SOCIAL SECURITY BOARD 1935–38

Eliot, Thomas Hopkinson, born in Cambridge, Middlesex County, Mass., June 14, 1907; attended Browne and Nichols School; was graduated from Harvard University, Cambridge, Mass., in 1928; student at Emmanuel College, Cambridge, England, in 1928 and 1929; was graduated from the law school at Harvard University in 1932; newspaper reporter in Boston, Mass., in 1923 and 1924; was admitted to the bar in 1933 and commenced practice in Buffalo, N.Y.; served as assistant solicitor in the United States Department of Labor 1933–1935; general counsel for the Social Security Board 1935–1938; lecturer on government at Harvard University in 1937 and 1938; regional director of the Wage and House Division in the Department of Labor in 1939 and 1940; elected as a Democrat to the Seventy-seventh Congress (January 3, 1941–January 3, 1943);

Director of the British Division, Office of War Information, London, England, and special assistant to the United States Ambassador, January to November 1943; chairman of the appeals committee, National War Labor Board, November 1943 to March 1944; served with the Office of Strategic Services in 1944; served as chief counsel, Division of Power, Department of the Interior, from November 1944 to November 1945; engaged in the practice of law in Boston, Mass., 1945–1950; executive director, Massachusetts Reorganization Commission, 1950–1952; consultant, Missouri Reorganization Commission, 1953–1954; co-director, Metropolitan St. Louis survey, 1956–1957; professor of political science, Washington University, St. Louis, Mo., since 1952, and of constitutional law since 1958; dean of Washington University College of Liberal Arts, 1961–1962, and chancellor since 1962; vice Chairman, United States Commission on Intergovernmental Relations, 1963–1967; is a resident of Cambridge, Massachusetts.

Mr. Speaker, lest anyone remain even the slightest bit skeptical, I would like to bury once and for all this prevalent and persistent myth that the payroll tax would be self-sufficient. To bolster and expand upon Mr. Eliot's remarks, let me quote to you a passage from a book entitled, "The Development of the Social Security Act." This first hand account of the formulation of the social security system was authored by none other than Mr. Edwin E. Witte, the Executive Director of President Roosevelt's Committee on Economic Security. Mr. White states:

The actuaries estimated that by 1965 a deficit would develop in the old age insurance fund, which would continue to increase until 1980.

This deficit, the old age security staff proposed, should be met through contributions from the United States Treasury . . .

The Committee on Economic Security was told by its staff that the taxes currently collected would not meet the costs of benefits after 1965 and it accepted the idea that the deficits resulting thereafter should be met from general tax sources. In all discussions preceding the committee's final decision on the recommendations it should make on old age security, the plan recommended by the staff was discussed in terms of larger benefits to workers approaching old age than could be paid for through their contributions and those of their employers, with the United States Government ultimately making up the resulting deficits from general tax sources. It is my belief that no member of the committee understood that payments in excess of contributions would be made not only to workers already approaching old age, but to substantially all workers who entered employment prior to 1957. When Secretary Perkins and Mr. Hopkins, acting for the Committee, presented its recommendations orally to the President on December 24th, they described the recommendations on old age insurance in the terms used by the staff, and the President got the impression that the plan proposed contemplated payments in excess of contributions only to people approaching old age who did not have time to build up their own old age protection on a really adequate basis.

I cannot find more persuasive documentation, Mr. Speaker, to establish as fact the rationality, the feasibility and the desirability of the general revenue approach. We are only kidding ourselves by perpetuating this obscenely high and indisputably regressive payroll tax rate.

Mr. Speaker, out of sincere appreciation and admiration for the support of my distinguished colleagues, I would like to include in the RECORD a list of those Members and Senators who have perceived the limited utility of the payroll tax and have cosponsored my tripartite general revenue financing bill, H.R. 10668.

1978 SOCIAL SECURITY HONOR ROLL

Applegate, Douglas—Ohio
Addabbo, Joseph—New York
Ambro, Jerome—New York
Ammerman, Joe—Pennsylvania
Anderson, Glenn—California
Annunzio, Frank—Illinois
Aspin, Les—Wisconsin
Baucus, Max—Montana
Beard, Ed—Rhode Island
Biaggi, Mario—New York
Bingham, Jonathan—New York
Blanchard, James—Michigan
Boland, Edward—Massachusetts
Bonior, David—Michigan
Brodhead, William—Michigan
Burke, James A.—Massachusetts
Burke, Yvonne Brathwaite—California
Burton, John L.—California
Burton, Phillip—California
Carney, Charles—Ohio
Chisholm, Shirley—New York
Clay, William—Missouri
Collins, Cardiss—Illinois
Conte, Silvio—Massachusetts
Conyers, John—Michigan
Corman, James C.—California
Cornell, Robert—Wisconsin
Corrada, Baltasar—Puerto Rico
D'Amours, Norman—New Hampshire
Dellums, Ronald—California
Dent, John—Pennsylvania
Dicks, Norman—Washington
Diggs, Charles—Michigan
Dodd, Christopher—Connecticut
de Lugo, Ron—Virgin Islands
Downey, Thomas—New York
Drinan, Robert F.—Massachusetts
Early, Joseph—Massachusetts
Edgar, Robert—Pennsylvania
Eilberg, Joshua—Pennsylvania
Edwards, Don—California
Ertel, Allen—Pennsylvania
Evans, Frank—Colorado
Fary, John G.—Illinois
Fauntroy, Walter—District of Columbia
Flood, Daniel—Pennsylvania
Florio, James—New Jersey
Ford, Harold—Tennessee
Ford, William—Michigan
Fraser, Don—Minnesota
Gaydos, Joseph—Pennsylvania
Gore, Albert, Jr.—Tennessee
Guyer, Tennyson—Ohio
Hanley, James M.—New York
Harrington, Michael—Massachusetts
Harsha, William—Ohio
Hawkins, Augustus—California
Heckler, Margaret—Massachusetts
Holland, Ken—South Carolina
Howard, Jim—New Jersey
Jenrette, John—South Carolina
Johnson, Harold T.—California
Jones, Walter—North Carolina
Jordan, Barbara—Texas
Kastenmeier, Robert—Wisconsin
Kildee, Dale—Michigan
Kostmayer, Peter—Pennsylvania
Krebs, John—California
Le Fante, Joseph A.—New Jersey
Leggett, Robert—California
Lederer, Raymond—Pennsylvania
Long, Clarence—Maryland
Lundine, Stanley—New York
Maguire, Andrew—New Jersey
McFall, John—California
McHugh, Matthew—New York
McKinney, Stewart—Connecticut
Markey, Edward—Massachusetts
Metcalfe, Ralph—Illinois
Meyner, Helen—New Jersey
Mikulski, Barbara—Maryland
Miller, George—California
Minish, Joseph—New Jersey
Mitchell, Parren—Maryland
Moakley, Joe—Massachusetts
Moffett, Anthony Toby—Connecticut
Moss, John E.—California
Murphy, Austin—Pennsylvania
Murphy, Morgan—Illinois
Nedzi, Lucien—Michigan
Nix, Robert N.C.—Pennsylvania
Nolan, Richard—Minnesota
Nowak, Henry J.—New Jersey
Oakar, Mary Rose—Ohio
Oberstar, James—Minnesota

Ottinger, Richard—New York
Patten, Edward—New Jersey
Patterson, Jerry—California
Pattison, Edward—New York
Pepper, Claude—Florida
Perkins, Carl D.—Kentucky
Price, Melvin—Illinois
Quillen, James H.—Tennessee
Rahall, Nick Joe—West Virginia
Rangel, Charles—New York
Reuss, Henry S.—Wisconsin
Richmond, Frederick—New York
Risenhoover, Ted—Oklahoma
Rodino, Peter—New Jersey
Roe, Robert—New Jersey
Roncalio, Teno—Wyoming
Rooney, Fred B.—Pennsylvania
Rose, Charles—North Carolina
Rosenthal, Benjamin—New York
Ryan, Leo J.—California
Scheuer, James H.—New York
Schroeder, Patricia—Colorado
Seiberling, John F.—Ohio
Shipley, George—Illinois
Simon, Paul—Illinois
Sisk, B. F.—California
Spellman, Gladys Noon—Maryland
Steed, Tom—Oklahoma
St Germain, Fernand—Rhode Island
Solarz, Stephen—New York
Stark, Fortney "Pete"—California
Stokes, Louis—Ohio
Studds, Gerry—Massachusetts
Thompson, Frank—New Jersey
Tsongas, Paul E.—Massachusetts
Van Deerlin, Lionel—California
Vento, Bruce—Minnesota
Walgren, Doug—Pennsylvania
Weaver, James—Oregon
Weiss, Ted—New York
Wilson, Charles H.—California
Wolff, Lester—New York
Won Pat, Antonio B.—Guam
Yatron, Gus—Pennsylvania
Zablocki, Clement—Wisconsin
Zeferetti, Leo C.—New York

SENATORS

John A. Durkin—New Hampshire
Tom Eagleton—Missouri
William Hathaway—Maine
Don Riegle—Michigan
Daniel Patrick Moynihan—New York
Mark Hatfield—Oregon ●

INTRODUCTION OF BANK HOLDING COMPANY ACT OF 1956 AMENDMENTS

Mr. HANLEY asked and was given this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, I introduce today a bill designed to amend section 4(c)(8) of the Bank Holding Company Act to exclude from permissible nonbanking activities the sale of property and casualty insurance. I welcome and deeply appreciate the support and cosponsorship of Congressman FERNAND ST GERMAIN, chairman of the Financial Institutions Supervision, Regulation, and Insurance Subcommittee, and of Congressmen MITCHELL, MOORHEAD, ANNUNZIO, DERRICK, CAVANAUGH, NEAL, and WATKINS.

This legislation goes to the heart of the restraints on nonbanking activities contemplated by section 4(c)(8) of the act, and debated by Congress during its consideration of the 1970 amendments to that act.

Those restraints recognize the tremendous power of banks' control over credit and capital, and the implications of that power when applied to the entry by banks into nonbanking activities.

The meaning and purpose of section 4(c)(8), and I believe, congressional intent, are jeopardized by the conclusion last week of protracted litigation brought by the Independent Insurance Agents of America to contest a Federal Reserve Board interpretation of permissable nonbanking activities under the act. The Board's interpretation would permit the wholesale approval of applications by banks to engage in insurance agency activities, and to offer their customers a full range of property casualty insurance.

Traditionally, banking organizations in our economy have been prohibited by law from engaging in activities other than banking. The thinking has been that, since banks are quasi-public creatures which receive infusions of interest-free funds in the form of the public's deposits, they should not be permitted to engage in businesses other than banking which bring them into direct competition with nonbanking entities which are not similarly advantaged. The separation of banking from other forms of commerce has also been maintained out of a recognition that the power of banking institutions to control credit transactions provides them with unique capability of influencing the consumer's decision about where he will purchase nonbanking services. Finally, the long-standing separation between banking and commerce also reflects a recognition that, if banking organizations were permitted to engage in commerce, there would exist a strong temptation to commit banking resources to activities outside of the banking industry. Such commitment could, especially in times of economic adversity, jeopardize the soundness of banking institutions by having their resources expended in efforts to salvage failing nonbanking affiliates.

Section 4(c)(8) of the Bank Holding Company Act of 1956 (BHC Act) permits bank holding companies, under certain circumstances, to engage in nonbanking activities. Since the amendments to the BHC Act in 1970, there has been energetic expansion by bank holding companies into an ever increasing number of nonbanking activities. One of the major areas of commerce which the Board of Governors of the Federal Reserve System has permitted bank holding companies to enter has been the sale as agents or brokers of property and casualty insurance. The retail property and casualty insurance industry is currently made up of numerous, competitive entities which operate in highly unconcentrated markets. The huge capital resources of bank holding companies and their control over credit transactions makes it almost inevitable that their entry into the retail property and casualty insurance industry will, over time, have a serious adverse effect upon competition in the industry. Historically, consumers have benefitted from the current structure of the industry; they would not benefit from bank holding company entry into that industry.

It is imperative that every effort be made to prevent the erosion of competition in the sale of property and casualty insurance. This is especially so in light of the fact that, the retail property and casualty insurance industry is one of the few areas of business left in this country where small, independent business entrepreneurs can, through initiative and perseverance, build viable businesses of their own.

In this connection, the legislation introduced would make it clear that section 4(c)(8) of the Bank Holding Company Act does not permit bank holding companies to act as agents or brokers in the sale of property and casualty insurance. At the same time, the legislation would permit bank holding companies to sell credit life and credit disability insurance (lines of insurance which traditionally have been offered by financial institutions) and property and casualty insurance with repect to activities of national banking associations operating in communities of 5,000 or less inhabitants (an activity which is currently permitted for national banking associations under the National Bank Act). Finally, the legislation would prohibit bank holding companies from engaging in the underwriting of property and casualty insurance, thereby avoiding the dangers of undue concentration of economic resources and the possibility that bank capital might be impaired in the event the insurance underwriting subsidiary were to suffer significant losses.

I am happy to be able to offer today an opportunity for Congress to decide this issue once and for all, and to reassert the meaning and purpose of section 4(c)(8).

H.R. 11456

A bill to amend the Bank Holding Company Act of 1956 to prohibit bank holding companies and their subsidiaries from selling property and casualty insurance as principals, agents, or brokers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended by striking out the semicolon at the end and inserting in lieu thereof a period and the following: "For purposes of this subsection, providing insurance as a principal, agent, or broker is deemed not to be so closely related to banking or managing or controlling banks as to be a proper incident thereto, except (A) where the insurance is limited to insuring the life of a debtor in connection with a specific credit transaction or providing indemnity for payments due on a specific loan or other credit transaction while the debtor is disabled, or (B) in the case of a national bank, to the extent permitted by the eleventh paragraph of section 13 of the Federal Reserve Act, and in the case of any other bank, to the extent permitted under the laws of the jurisdiction under which it is organized and doing business;".●

THE PROBLEM GOES FAR BEYOND THE TENNESSEE VALLEY

(Mr. BEVILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. BEVILL. Mr. Speaker, I would like to call to the attention of my colleagues a recent column by syndicated columnist Charles Bartlett.

While Mr. Bartlett addresses himself primarily to the snail darter and TVA's

Tellico Dam, I would suggest to my fellow Members that the problem goes far beyond the Tennessee Valley. If the intent of the Endangered Species Act as interpreted by the Sixth Circuit Court of Appeals is accepted it is my opinion that any future public works project will be in serious doubt.

I urge my colleagues to read carefully Mr. Bartlett's remarks and give this situation their serious considerations.

MOBY DICK OF THE LITTLE TENNESSEE

(By Charles Bartlett)

WASHINGTON.—As a saga and a symbol, the three-inch snail darter is beginning to rival Moby Dick in his capacity to bring man's frustrations to a boil.

It is now 13 months since the Cincinnati Appellate Court ruled that preservation of the habitat of the rare little perch had priority, under the Endangered Species Act of 1973, over the TVA's completion of the Tellico Dam on the Little Tennessee River.

Work was stopped within four days of the date set for dropping the gates and impounding water that would yield the advantages for which the $119 million dam was originally approved. Members of Congress, perplexed at having one law stop a project which other laws had authorized and financed, asked the General Accounting Office to look into the situation.

WAFFLE IN THE BIND

If the GAO experts had replied, "You are not going to suck us into this one," they would have dealt with the problem more forthrightly than they did in a report which became a sparkling parody of the official urge to waffle in the bind between the environmentalists and those charged with developing national resources. Many months were wasted and much water flowed through the open dam while the GAO worked its way to a baffling conclusion.

They cheerfully suggest that the dam can be dismantled and the site restored to its original condition for around $16 million. They see the snail darter issue as part of a larger question of whether the Tellico Dam is the best way to develop the Little Tennessee River. They urge Congress to demand new benefit studies to learn if the dam is worth the investment.

This is irresponsible. The decision on the dam was made by Congress 12 years ago. The structure with all its connecting roads and bridges is built and the money has been spent, leaving the project within a few million dollars of completion. To go back now to square one and reexamine the whole proposal, as if there were no dam and no energy shortage, would be to enact an extravagant fantasy.

The circuit court stopped the dam on grounds that "the known population of snail darters will be significantly reduced if not completely extirpated." TVA ichthyologists have subsequently found the same species in the mainstream of the Tennessee River and transplanted schools of them into the Hiwassee River, where they are reproducing. The Little Tennessee is no longer the "critical habitat" of the species, so completion of the dam may well be authorized by the Supreme Court, which will hear the case this month.

But this manifestation of the snail darter's potency as an obstructive force has inspired fresh forays by those who attack dams in the name of endangered fish. Other TVA projects are being imperiled by the discovery of rare pearly mussels and clams in other rivers. Exalted for years as a lifting force in the life of its region, the TVA is now assailed as a monster that grinds out press releases to justify its needless dams and disregard of the environment.

As the retiring TVA chairman, a straight-talker named Aubrey Wagner, has complained, "Congress has to tell us what it wants." And the problem goes far beyond the Tennessee Valley. Possibly 15 different water projects of varying magnitude are threatened by the Endangered Species Act. The environmentalists have found a club menacing enough to cause Congress to have another look at its law.

This reexamination is getting underway, but the warning of the GAO report is that Congress may do what the bureaucrats did. The members will be tempted to hedge their positions by setting up review procedures that will lead to court cases which can produce protracted delays on any projects that excite the antagonism of nature lovers.

The showdown on the growth-no growth issue will have to be dealt with in more cleancut ways or fresh questions may arise as to which is the endangered species.●

NATIONAL SMALL BUSINESS WEEK

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, no Member of this House can be unaware of the impact and significance of the small business community in the economic life of this Nation. The 10 million enterprises owned and managed by individual entrepreneurship account for 97 percent of all businesses operated today—more, if we include the 3½ million family-operated farms now considered small businesses.

Small businesses account for 48 percent of the gross business output in the United States and tally a whopping 70 percent of the total dollar volume of wholesale and retail sales. Additionally, small business concerns comprise 55 percent of all private employment and provide a livelihood for over 100 million people.

Thus, as an aggregate economic force, small businesses have a vital but all-too-often ignored role in the prosperity of small towns and urban neighborhoods everywhere across the country.

In an effort to heighten public and governmental awareness of this crucial aspect of our national well-being, I urge support for a joint resolution to authorize and request the President to issue a proclamation designating the week beginning April 30, 1978, as "National Small Business Week."

The ideals of thrift, industry, independence, and stability which small businesses nurture and advance in our society deserve the encouragement which passage of House Joint Resolution 736, introduced today, will signify.

Those of our colleagues who have not yet cosponsored this resolution should call Nick DeMartino in my office at 225-3701 so that they will be included as one of the 218 Members needed to expedite this deserved tribute to our millions of small businesses.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. JEFFORDS (at the request of Mr. MICHEL), for today, on account of official business.

Mr. RISENHOOVER (at the request of Mr. WRIGHT), for March 10 and 13, on account of official business of the Select Committee on Aging.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HUGHES) to revise and extend their remarks and include extraneous material:)

Mr. LE FANTE, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. BRINKLEY, for 5 minutes, today.
Mr. ROGERS, for 5 minutes, today.
Mr. ROSTENKOWSKI, for 5 minutes, today.
Mr. LEVITAS, for 5 minutes, today.
Mr. BINGHAM, for 10 minutes, today.
Mr. BURKE of Massachusetts, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. EDWARDS of Oklahoma) and to include extraneous matter:)

Mr. BROOMFIELD.
Mr. COLLINS of Texas in two instances.
Mr. GRASSLEY in two instances.
Mr. FINDLEY.
Mr. MCCLORY.
Mr. MCEWEN.
Mr. MCKINNEY.
Mr. WAMPLER.
Mr. STEERS.

(The following Members (at the request of Mr. HUGHES) and to include extraneous matter:)

Mr. FOLEY.
Mr. IRELAND.
Mr. GONZALEZ in three instances.
Mr. ANDERSON of California in three instances.
Mr. MAZZOLI in two instances.
Mr. HOLLAND.
Mrs. SCHROEDER.
Mr. BONKER.
Mr. JOHNSON of California.
Mr. UDALL.
Mr. VOLKMER.
Mr. BRECKINRIDGE.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 746. Joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that

that committee did on March 9, 1978, present to the President, for his approval, a bill of the following title:

H.R. 8803. To amend the National Trails System Act, and for other purposes.

ADJOURNMENT

Mr. HUGHES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 56 minutes a.m.), under its previous order, the House adjourned until Monday, March 13, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3529. A letter from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of March 1, 1978, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. 95-301); to the Committee on Appropriations and ordered to be printed.

3530. A letter from the Assistant Secretary of Defense (Manpower, Reserve Affairs & Logistics), transmitting the military manpower training report for fiscal year 1979, pursuant to 10 U.S.C. 138(d)(2); to the Committee on Armed Services.

3531. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on the Defense Department's disposal of foreign excess personal property during fiscal year 1977, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949, as amended; to the Committee on Government Operations.

3532. A letter from the Director of ACTION, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3533. A letter from the Assistant Secretary of the Interior, transmitting a report on the suitability of the Alaska Gold Rush Trails for inclusion in the National Trails System, and a recommendation for the designation of a portion of the Iditarod Trail as a National Historic Trail, pursuant to section 5(b) of Public Law 90-543 (H. Doc. No. 95-302); to the Committee on Interior and Insular Affairs and ordered to be printed.

3534. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Act of 1968 to authorize appropriations for fiscal years 1979 and 1980; to the Committee on Interstate and Foreign Commerce.

3535. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, requesting the withdrawal of an order suspending the deportation of certain alien previously submitted pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

3536. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

3537. A letter from the Comptroller General of the United States, transmitting a report on the status of the Army's patriot air defense system (PSAD-78-15, March 10, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3538. A letter from the Comptroller General of the United States, transmitting a report on the status of the Army Roland missile system (PSAD-78-16, March 10, 1978); jointly, to the Committees on Government Operations, and Armed Services.

3539. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1979 and 1980; jointly, to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN (for himself, Mr. CARTER, Mr. MITCHELL of Maryland, Mr. BEVILL, Mr. BREAUX, Mr. BEARD of Rhode Island, Mr. RANGEL, Mr. PRICE, and Mr. WON PAT):

H.R. 11452. A bill to create a National Academy of Medicine, under the direct supervision of the Surgeon General, for the education and training of doctors of medicine, and other medical specialists who shall serve in the Regular Corps of the Public Health Service Act, as amended (542 U.S.C. 201 et seq), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COUGHLIN (for himself and Mr. SEBELIUS):

H.R. 11453. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard, personal exemptions, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. FISHER (for himself, Mr. DUNCAN of Tennessee, and Mr. JONES of Oklahoma):

H.R. 11454. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of small business investment companies electing to be taxed as regulated investment companies; to the Committee on Ways and Means.

By Mr. GLICKMAN (for himself and Ms. KEYS):

H.R. 11455. A bill to amend the Agricultural Act of 1949, as amended, with regard to amounts of disaster payments for wheat and feed grain producers; to the Committee on Agriculture.

By Mr. HANLEY (for himself, Mr. ST GERMAIN, Mr. MITCHELL of Maryland, Mr. ANNUNZIO, Mr. MOORHEAD of PENNSYLVANIA, Mr. DERRICK, Mr. CAVANAUGH, and Mr. NEAL):

H.R. 11456. A bill to amend the Bank Holding Company Act of 1956 to prohibit bank holding companies and their subsidiaries from selling property and casualty insurance as principals, agents, or brokers; to the Committee on Banking, Finance and Urban Affairs.

By HARRINGTON (for himself, Mr. BENJAMIN, Mr. DODD, Mr. DOWNEY, Ms. HOLTZMAN, Mr. HOWARD, Mr. LAFALCE, Mr. LE FANTE, Mr. LENT, and Mr. SCHEUER):

H.R. 11457. A bill to assist Governors of certain States in establishing Recovery Planning Councils under title VIII of the Public Works and Economic Development Act of 1965 to deal with the disasters caused by the winter storms of 1977 and 1978; to the Committee on Public Works and Transportation.

By Mr. HOLLAND:

H.R. 11458. A bill to establish a Department of Education, and for other purposes; to the Committee on Government Operations.

H.R. 11459. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of earned income of U.S. citizens and resident aliens from sources without the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. MURPHY of New York (for himself and Mr. BREAUX):

H.R. 11460. A bill to authorize appropriations for the ocean related activities of the National Science Foundation for fiscal year 1979, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries, and Science and Technology.

By Mr. ROGERS (for himself and Mr. ROSTENKOWSKI) (by request):

H.R. 11461. A bill to amend provisions of law concerned with health maintenance organizations; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. HANLEY (for himself, Mr. FRASER, Mr. LUJAN, Mr. RUNNELS, Mr. PEPPER, Mr. DOWNEY, Mr. MURPHY of New York, Mr. WAMPLER, Mrs. HECKLER, Mr. SMITH of Iowa, Mr. MCCLORY, Mr. KINDNESS, Mr. LLOYD of California, Mr. MINETA, Mr. AKAKA, Mr. BLANCHARD, Mr. KILDEE, Mr. HEFNER, Mr. LE FANTE, Mr. HUGHES, Mr. EILBERG, Mr. YOUNG of Missouri, Mr. RAHALL, Mr. BALDUS, and Mr. MITCHELL of Maryland):

H.J. Res. 785. Joint resolution to authorize and request the President to issue a proclamation designating the week beginning April 30, 1978, as National Small Business Week; to the Committee on Post Office and Civil Service.

By Mr. FINDLEY (for himself, Mr. ANDERSON of Illinois, Mr. BROYHILL, Mrs. FENWICK, Mr. HARSHA, Mr. HUBBARD, Mr. JEFFORDS, Mr. KRUEGER, Mr. LATTA, Mr. LENT, Mr. MATHIS, Mr. MINISH, Mr. MOAKLEY, Mr. PANETTA, Mr. PERKINS, Mr. PREYER, Mr. ROBINSON, Mr. ROSE, Mr. STEIGER, Mr. TAYLOR, and Mr. WALSH):

H. Res. 1069. Resolution to maximize local nighttime radio service; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. WEAVER introduced a bill (H.R. 11462) for the relief of Chong Hui Schrein, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

415. The SPEAKER presented a petition of the city council, Newport News, Va., relative to the Panama Canal treaties, which was referred to the Committee on International Relations.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of February 24, 1978 (page 4575).

H.R. 10600. January 26, 1978. Interior and Insular Affairs. Exempts certain individuals from the requirement that no individual employed in Indian affairs shall have any interest or trade or concern with the Indians, except for, and on account of, the United States.

H.R. 10601. January 30, 1978. Science and Technology. Directs the Secretary of Energy and the Administrator of the National Aeronautics and Space Administration to initiate a Solar Power Satellite Research, Devel-

opment, and Demonstration Program to study technical problems regarding the viability of the solar power satellite concept.

Requires the Secretary to cooperate with the Administrator in the submission to Congress, by September 30, 1978, of a comprehensive plan to implement the Program.

H.R. 10602. January 30, 1978. Banking, Finance and Urban Affairs.

Amends the Home Owners' Loan Act of 1933 to authorize Federal savings and loan associations to make and invest in graduated payment mortgages and reverse annuity mortgages.

H.R. 10603. January 30, 1978. Agriculture. Requires, under the Federal Meat Inspection Act, that imported meat and meat food products made in whole or part from imported meat be labeled "imported" or "imported in part" at all stages of distribution until reaching the ultimate consumer.

Prohibits the importation of any dairy product into the United States unless it has been inspected and found to be wholesome and unless the foreign farms and plants in which such products were produced comply with all inspection, grading and other standards prescribed by the Secretary of Health, Education, and Welfare.

H.R. 10604. January 30, 1978. Post Office and Civil Service. Prohibits the mailing of any business solicitation which resembles a bill or statement of account.

H.R. 10605. January 30, 1978. Judiciary. Confers jurisdiction upon Federal district courts to enforce a State child custody order against a parent who, in violation of such order, took the child to another State.

H.R. 10606. January 30, 1978. Education and Labor. Authorizes the Commissioner of Education to provide financial assistance to assist in the development of the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota—Twin Cities.

Authorizes up to $5,000,000 to be appropriated for such purpose.

H.R. 10607. January 30, 1978. Public Works and Transportation. Modifies the authorization of the Secretary of the Army, acting through the Chief of Engineers, to construct a flood control project for the Skagit River Basin, Washington, to include the authorization for additional flood protection upstream to and including Sedro Woolley, Washington.

H.R. 10608. January 30, 1978. Post Office and Civil Service. Directs the Postmaster General to issue a commemorative stamp honoring General Casimir Pulaski.

H.R. 10609. January 30, 1978. Interstate and Foreign Commerce. Prohibits the use of funds to be expended for a new program on smoking and health, announced by the Secretary of Health, Education, and Welfare on January 11, 1978. Requires that such funds be used for research on harmful properties of tobacco.

H.R. 10610. January 30, 1978. Banking, Finance and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to make grants to local agencies for converting surplus school facilities into community centers, senior citizen centers and specified educational, medical, or social service centers.

Directs the Secretary to serve as a national clearinghouse to local agencies by providing information on possible alternative uses for surplus school facilities.

H.R. 10611. January 30, 1978. Interstate and Foreign Commerce. Amends Title XIX (Medicaid) of the Social Security Act to prohibit Federal payments for abortion under such title except when necessary to prevent the death of the mother.

H.R. 10612. January 30, 1978. Interstate and Foreign Commerce; Public Works and Transportation. Establishes a National Driver Register in the Department of Transportation. Stipulates that such Register shall include information regarding individuals who: (1) were denied a driver's license; (2) were issued a license which has been cancelled, revoked, or suspended; (3) or who have been found guilty of specified motor vehicle violations.

Establishes the National Driver Register Commission to advise the Secretary with respect to the efficiency and effectiveness of the Register.

H.R. 10613. January 30, 1978. Armed Services. Entitles members of the uniformed services in pay grades E–4 and above who are performing sea duty to special career sea pay.

H.R. 10614. January 30, 1978. Veterans' Affairs. Extends the period for which the Veterans' Administration may pay for certain nursing home care furnished by private institutions to eligible veterans.

H.R. 10615. January 30, 1978. Government Operations; House Administration. Directs the installation of telecommunications devices which permit two-way communication of textual messages in alphanumeric form by telephone lines in specified Federal agencies to facilitate communication with such agencies by the deaf and provides assistance in such installations in State and local governmental offices. Permits the installation of such a device in the office of any Member of Congress who requests one. Provides for the installation of such devices throughout the United States for the use of deaf persons wishing to communicate with such government agencies or Members of Congress.

H.R. 10616. January 30, 1978. Ways and Means. Amends the Internal Revenue Code to lower from 65 to 55 the age requirement for the exclusion of gain on the sale or exchange of the taxpayer's principal residence.

H.R. 10617. January 30, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) increase the minimum value for carryover basis property; (2) specify formulae for determining adjustments to basis for December 31, 1976, fair market value for specified kinds of carryover basis property; (3) specify certain formulae relating to adjustments to the basis of property for estate and gift taxes paid; (4) amend specified material participation requirements relating to estate taxes on farm property; and (5) redefine closely held businesses for certain estate tax purposes.

H.R. 10618. January 30, 1978. Agriculture. Requires the Secretary of Agriculture to establish a nationally coordinated Renewable Resources Extension Program to insure the most efficient use of forest and range land renewable resources.

H.R. 10619. January 30, 1978. Interstate and Foreign Commerce; Ways and Means. Amends Title XVIII (Medicare) of the Social Security Act to provide for hearings on disputed Medicare claims by an impartial person other than the carrier designated by the Secretary of Health, Education, and Welfare to administer benefits under such Title.

H.R. 10620. January 30, 1978. Judiciary. Authorizes the issuance of a visa and admittance into the United States of a certain individual for permanent residence.

H.R. 10621. January 31, 1978. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to exclude from the definition of "food additive", and to include in the definition of "adulterated food", environmental contaminants in raw or processed fish or shellfish, when such contamination is due directly or indirectly to agricultural, industrial, or other activities, and not to deliberate use in the production, processing, treatment, packaging, holding, or transportation of such fish or shellfish.

Directs the Secretary of Health, Education, and Welfare to promulgate regulations establishing tolerance levels for unavoidable environmental contaminants in such fish or shellfish.

H.R. 10622. January 31, 1978. Merchant Marine and Fisheries. Amends the Shipping Act, 1916, to authorize United States flag carriers to enter into reciprocal ocean transportation agreements with foreign flag carriers of the nation to which the United States carrier's cargo is bound in order to establish cargo pools, to provide for equal access to government controlled cargoes, rationalization of sailing and for the apportionment of earnings, losses, or traffic. Exempts such agreements from the antitrust laws under specified circumstances.

H.R. 10623. January 31, 1978. Merchant Marine and Fisheries. Amends the Marine Resources and Engineering Development Act of 1966 to redesignate title II of the Act as the National Sea Grant College Program.

Authorizes appropriations to carry out the purposes of the Program for fiscal years 1979 and 1980.

Authorizes the Secretary of Commerce to accept funds from Federal departments and agencies to pay for certain contracts and grants relating to the program.

Amends the Sea Grant Programs Improvement Act of 1976 to authorize appropriations to carry out the purposes of the Act during fiscal years 1978, 1979, and 1980.

H.R. 10624. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to repeal the carryover basis provisions enacted by the Tax Reform Act which provide that beneficiaries receiving property from a decedent's estate will retain the decedent's basis in the property. Restores prior law which "stepped up" or "stepped down" the property's basis to its market value at the time of death without imposing tax consequences on the appreciation or depreciation the property underwent while held by the decedent.

H.R. 10625. January 31, 1978. Ways and Means. Amends the Tariff Schedules of the United States to suspend the customs duty on natural graphite through a specified date.

H.R. 10626. January 31, 1978. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to prevailing defendants in civil actions in which the United States is a plaintiff.

H.R. 10627. January 31, 1978. Government Operations; Small Business. Amends the Office of Federal Procurement Policy Act to require the payment of interest on contract payments which are overdue under Federal contracts with small businesses.

H.R. 10628. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to allow any State taxing authority which receives Federal tax return information to disclose such information to a State auditing agency for the purpose of auditing the activities of the taxing authority.

H.R. 10629. January 31, 1978. Education and Labor. Authorizes the Commissioner of Education to provide financial assistance to assist in the development of the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota—Twin Cities.

Authorizes up to $5,000,000 to be appropriated for such purpose.

H.R. 10630. January 31, 1978. Interstate and Foreign Commerce; Ways and Means. Requires all gasoline stations, within three years of the passage of this Act, to sell a mixture of gasoline and alcohol in the same manner as they sell gasoline. Imposes a civil penalty for violations of such requirement. Amends the Internal Revenue Code to allow rapid amortization of facilities producing alcohol for use as a fuel in motor vehicles. Amends the Clean Air Act with respect to the authority of the Environmental Protection Agency to regulate the use of alcohol as a fuel additive.

H.R. 10631. January 31, 1978. Education and Labor. Revises the definition of "farm labor contractor" under the Farm Labor Contractor Regulation Act to, among other changes, (1) exclude bona fide nonprofit agricultural cooperatives and (2) modify the exclusion of regular employees.

Requires that vehicle liability policies of applicants for registration certificates who have filed proof of workmen's compensation

insurance coverage conform with the exclusive remedy provisions of State workmen's compensation law.

Amends specified farm labor contractor recordkeeping and reporting requirements, making renewal of certification contingent upon submission to the Secretary of Labor of certain information previously provided to and required to be kept by persons furnished with farm laborers.

H.R. 10632. January 31, 1978. Small Business.

Amends the Small Business Act to direct each Federal agency engaged in rulemaking to prepare a written analysis of whether it is legal, feasible, and desirable to except small businesses from a rule or whether the agency should promulgate a rule with lesser compliance standards for small businesses.

H.R. 10633. January 31, 1978. Post Office and Civil Service. Includes within the definition of "air traffic controller" for purposes of statutes pertaining to Federal employee pay, retirement, and employment, persons actively engaged in providing preflight, inflight, or airport advisory service to aircraft operators and the immediate supervisors of such persons.

H.R. 10634. January 31, 1978. Post Office and Civil Service. Directs the Postal Service to issue a commemorative postage stamp in observance of the thirtieth anniversary of the founding of the modern State of Israel.

H.R. 10635. January 31, 1978. Ways and Means. Amends the Tariff Schedules of the United States to repeal the customs duty on the importation on horses and to repeal the temporary suspension of such duties.

H.R. 10636. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) increase the minimum value for carryover basis property; (2) specify formulae for determining adjustments to basis for December 31, 1976, fair market value for specified kinds of carryover basis property; (3) specify certain formulae relating to adjustments to the basis of property for estate and gift taxes paid; and (4) amend specified material participation requirements relating to estate taxes on farm property.

H.R. 10637. January 31, 1978. Interstate and Foreign Commerce. Amends the Consumer Product Safety Act to provide an interim mandatory safety standard for flame resistance and corrosiveness for cellulose insulation.

Requires the Consumer Product Safety Commission to enforce such safety rule until a final cellulose home insulation product safety rule is in effect. Establishes procedures for amendments to the interim rule as promulgated by the General Services Administration.

Directs the Commission to study: (1) the need for safety standards for other forms of home insulation; (2) the methods of testing such insulation; and (3) the methods of enforcing home insulation standards.

H.R. 10638. January 31, 1978. Interstate and Foreign Commerce. Prohibits the use of funds to be expended for a new program on smoking and health, announced by the Secretary of Health, Education, and Welfare on January 11, 1978. Requires that such funds be used for research on harmful properties of tobacco.

H.R. 10639. January 31, 1978. Veterans' Affairs. Sets increased flat rates for veterans' non-service-connected disability pension, aid-and-attendance allowance, and survivors' benefits. Excludes from the determination of annual income, for benefit payment purposes, specified categories of payments currently included in such determination. Requires pension applicants to report the income of each spouse and child on account of whom added pension is applied for or received.

H.R. 10640. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to replace the corporate income tax rates with a graduated, five-tier rate schedule, imposing the uppermost (48 percent) marginal rate upon income in excess of $100,000.

H.R. 10641. January 31, 1978. Agriculture. Amends the Consolidated Farm and Rural Development Act to permit insured loans of up to $1,000,000 to farm owners and operators for refinancing existing indebtedness incurred between January 1, 1973, and December 31, 1977.

H.R. 10642. January 31, 1978. Education and Labor. Amends the Bilingual Education Act to authorize the participation of children whose primary language is English in bilingual education programs under such Act.

H.R. 10643. January 31, 1978. Veterans' Affairs. Establishes a Court of Veterans' Appeals, appointed by the President, with exclusive jurisdiction to review by appeal all questions involved in decisions of the Board of Veterans' Appeals.

H.R. 10644. January 31, 1978. Agriculture. Directs the Secretary of Agriculture to establish the price supports for each crop year in regard to any crop of corn, cotton, peanuts, rice, tobacco, wheat, barley, oats, rye, grain sorghums, soybeans, sugar, wool, mohair, milk, and honey at 100 percent of parity, except in any case in which producers disapprove any marketing quota for any crop involved.

H.R. 10645. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to: (1) remove the adjusted gross income limitation on the credit for the elderly; (2) increase the amount of the credit; and (3) provide an annual cost-of-living adjustment for the credit.

H.R. 10646. January 31, 1978. Agriculture. Repeals the Federal Crop Insurance Act. Establishes, within the Department of Agriculture, the Farm Production Protection Corporation, and empowers such Corporation to protect producers of agricultural products against loss of production costs due to unavoidable natural causes.

H.R. 10647. January 31, 1978. Post Office and Civil Service. Prohibits any Federal employee from coercing any individual for the purpose of interfering with the right of such individual to disclose any illegal or otherwise improper Government action to the Review Board on Improper Government Actions, established by this Act, and from taking any adverse personnel action against such individual in retaliation. Requires the Board to investigate any such disclosure and, in the event further investigation or action is warranted, to notify the person, the head of the agency in which such personnel is employed, and, if appropriate, the Attorney General and/or the Comptroller General.

H.R. 10648. January 31, 1978. Armed Services; Banking, Finance and Urban Affairs; Education and Labor; Government Operations; Ways and Means. Establishes a Defense Economic Adjustment Council and local Alternative Use Committees to prepare for and facilitate economic adjustment of workers, industries, and communities which may be or have been substantially affected by reductions in defense expenditures.

Provides eligible workers who are affected by defense cutbacks specified benefits, including income maintenance payments, pension credit, retraining, and maintenance of health, disability, and life insurance coverage.

H.R. 10649. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to qualify trusts established for the payment of product liability claims as tax exempt organizations. Allows taxpayers a business income tax deduction for contributions to such trusts only to the extent they exceed the reasonable costs of product liability insurance for the deducting taxpayer.

H.R. 10650. January 31, 1978. Post Office and Civil Service. Entitles a widow or widower of a person drawing a civil service pension to the same annuity to which such widow or widower would have been entitled but for the fact that he or she married the pensioner after his or her retirement from Federal service.

H.R. 10651. January 31, 1978. Small Business. Defines "family enterprises" for purposes of the Small Business Act.

H.R. 10652. January 31, 1978. Ways and Means. Amends the Social Security Act to require the issuance to aliens of non-alterable social security cards which indicate the employment eligibility status of such aliens.

Establishes criminal penalties for employers who knowingly hire aliens whose social security cards indicate that such aliens may not lawfully engage in employment in the United States.

H.R. 10653. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to allow income derived from a certificate of value of the United States Railway Corporation issued to a corporation which is a member of an affiliated group of corporations to be offset by the expired net operating loss carryover deductions of other members of the affiliated group.

H.R. 10654. January 31, 1978. Public Works and Transportation. Directs the Chief of Engineers to remove a specified road barricade at Philpott Lake, Virginia.

H.R. 10655. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to allow a $200 income tax deduction for purchase installation expenses for residential smoke detectors.

H.R. 10656. January 31, 1978. Public Works and Transportation. Authorizes appropriations in specified amounts to carry out various highway safety programs. Requires each State to have a highway safety program and stipulates that the Federal share for such a program shall not exceed 80 percent of its costs. Establishes a National Highway Safety Advisory Committee within the Department of Transportation. Requires each State to annually certify to the Secretary of Transportation that it is enforcing the national maximum speed limit.

H.R. 10657. January 31, 1978. Post Office and Civil Service. Limits the number and salaries of employees who may be employed at specified salary levels above the basic rate for GS–16 of the General Schedule in the White House Office, and the Executive Residence at the White House or by the Vice President, the Domestic Policy Staff, or the Office of Administration.

H.R. 10658. January 31, 1978. Merchant Marine and Fisheries. Amends the Shipping Act, 1916, to authorize the use of a deferred rebate or dual rate contract system and to authorize the formation and operation of closed shipping conferences and shippers councils under specified conditions.

H.R. 10659. January 31, 1978. District of Columbia. Amends the District of Columbia Election Act to make any person holding the office of Mayor, Delegate, Chairman or member of the Council of the District of Columbia, or member of the Board of Education, eligible, while holding such office, to be a candidate for any other of such offices in any election.

Amends the District of Columbia Self-Government and Governmental Reorganization Act to except the Mayor, and the Chairman and members of the Council, and certain of their employees, from the prohibition against specified political activities.

H.R. 10660. January 31, 1918. Agriculture; International Relations. Amends the Agricultural Act of 1954: (1) to establish United States Agricultural Trade Offices abroad, for the purpose of developing, maintaining, and expanding international markets for United States agricultural commodities; and (2) to rename Agricultural Attachés, Agricultural

Counselors, and to require annual reports from them on specified subjects.

Amends the Commodity Credit Corporation Charter Act to require the Corporation to finance export sales of agriculture commodities on credit terms of from three to ten years.

Establishes an Assistant Secretary of Agriculture for Commodity Programs and an Under Secretary of Agriculture for International Affairs.

H.R. 10661. January 31, 1978. Merchant Marine and Fisheries; Science and Technology. Amends the Marine Protection, Research and Sanctuaries Act of 1972 to authorize appropriations for fiscal years 1979 and 1980.

H.R. 10662. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to exempt certain individuals utilizing income averaging from the minimum income attribution rules for former spouses.

H.R. 10663. January 31, 1978. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize common carriers by railroad subject to the provisions of such Act to grant bulk commodity carriers (other than common carriers by railroad under such Act) access to, or joint ownership of, any rights-of-way or other facilities owned or operated by the railroad. Authorizes the Interstate Commerce Commission to require the use of such rights-of-way or facilities which are the subject of such a proposed transaction.

H.R. 10664. January 31, 1978. Science and Technology. Authorizes appropriations to the National Aeronautics and Space Administration for certain research and development programs, construction of facilities, and research and program management for fiscal year 1978.

H.R. 10665. January 31, 1978. Ways and Means. Amends the Internal Revenue Code to create an investment tax credit for qualified farm property equal to 15 percent of the new investment.

H.R. 10666. January 31, 1978. Agriculture. Amends the Packers and Stockyards Act of 1921 to restrict the authority of the Secretary of Agriculture to determine the justness or reasonableness of any stockyard service rate or charge, to only those rates or charges for services at stockyards which have a certain minimum annual sales volume.

H.R. 10667. January 31, 1978. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 10668. February 1, 1978. Ways and Means. Amends Title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to reduce tax rates on employment and self-employment income below the level established by the Social Security Financing Amendments of 1977, to increase Federal participation in the funding of benefits under such Title and under the Medicare program, and to raise to $100,000 in 1979 the ceiling on the amount of income that is subject to the tax.

H.R. 10669. February 1, 1978. Judiciary. Provides for the appointment of a special prosecutor to prosecute alleged violations of Federal law by specified present or former Federal officials, including the President, Vice President, Member of Congress, judges, or persons in the Executive schedule.

Directs the Attorney General to promulgate rules and regulations requiring any officer or employee of the Department of Justice to disqualify himself from participation in a particular investigation or prosecution if participation may result in a conflict of interest or appearance thereof.

H.R. 10670. February 1, 1978. District of Columbia. Amends the District of Columbia Code to provide explicit authority for the arrest of material witnesses.

H.R. 10671. February 1, 1978. District of Columbia. Amends the District of Columbia Self-Government and Governmental Reorganization Act to permit: (1) two-thirds of the total membership of the D.C. City Council to expel a member who fails to maintain the required qualifications for his office; and (2) the Council Chairman to engage in occasional teaching, writing, or lecturing.

Deems as a resignation from the office of Mayor, Chairman or member of the Council, or member of the Board of Education, any act specified in this Act as constituting candidacy for any other such office whose term commences before the term of office currently held expires.

H.R. 10672. February 1, 1978. Veterans' Affairs. Amends the Soldiers' and Sailors' Civil Relief Act of 1940 to require any person seeking exemption from personal property taxes in the State or political subdivision where he abides in compliance with military or naval orders, to file a written statement with such State or subdivision stating: (1) the name of the State or political subdivision claimed as residence or domicile; and (2) evidence of tax compliance with the claimed State or subdivision, if it imposes a personal property tax similar to the one imposed by the State or subdivision of abode.

H.R. 10673. February 1, 1978. Public Works and Transportation. Authorizes additional mileage to the National System of Interstate and Defense Highways for construction of a highway between Chicago, Illinois, to Kansas City, Missouri. Authorizes appropriations in such amounts as may be necessary out of the Highway Trust Fund to construct such highway.

H.R. 10674. February 1, 1978. Ways and Means. Amends the Internal Revenue Code to allow taxpayers to deduct all current expenditures for plants and facilities which are otherwise chargeable to capital account and which are certified as required by Federal law and as not significantly increasing the plant's or facility's value or productivity.

H.R. 10675. February 1, 1978. Ways and Means. Amends the Internal Revenue Code to qualify trusts established for the payment of product liability claims as tax exempt organizations. Allows taxpayers a business income tax deduction for contributions to such trusts, but only to the extent they do not exceed the reasonable costs of product liability insurance for the taxpayer.

H.R. 10676. February 1, 1978. Ways and Means. Amends the Internal Revenue Code to allow small business investment companies electing to be taxed as regulated investment companies, and having a tax deficiency as a result of a judicial judgment or administrative settlement, concerning certain capital gains dividend deductions to satisfy such deficiencies by paying out dividends within 90 days after the judgment or settlement.

H.R. 10677. February 1, 1978. Education and Labor; Interstate and Foreign Commerce; Small Business; Ways and Means. Amends the Small Business Investment Act, the Securities Act of 1933, the Employee Retirement Income Security Act, and the Internal Revenue Code of 1954, to promote the formation and growth of new small businesses and to facilitate investment in such concerns.

H.R. 10678. February 1, 1978. Veterans' Affairs. Authorizes increases in certain pensions to veterans and their survivors of the Mexican border period, World Wars I and II, the Korean conflict, and the Vietnam era to match increases in social security payments.

H.R. 10679. February 1, 1978. Interior and Insular Affairs. Modifies the exterior boundary of the Cibola National Forest, New Mexico. Directs the Secretary of the Interior, upon request of the Governor of New Mexico, to acquire by exchange any lands or interests therein owned by the State of New Mexico within the National Forest.

H.R. 10680. February 1, 1978. Education and Labor. Directs the Secretary of Labor to (1) enter into a contract with Opportunities Industrialization Centers, Incorporated, for the creation of jobs and the provision of skills training for hard-core unemployed welfare recipients in depressed areas, and unemployed persons in depressed areas whose unemployment insurance has expired, and (2) enter into contracts with other national community-based organizations for the provision of comprehensive employment services to such persons.

Directs each agency administering authority under any of specified Acts or programs to assure that consideration will be given to national community-based organizations for the provision of comprehensive employment services and job opportunities to welfare recipients.

H.R. 10681. February 1, 1978. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs for the general public.

Empowers the Secretary of Health, Education, and Welfare to enforce the provisions of this Act.

H.R. 10682. February 1, 1978. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require that in the labeling and advertising of drugs sold by prescription the established name of such drug must appear each time the drug's proprietary name is used.

Permits a pharmacist to fill or refill a prescription for a drug, identified by its proprietary name, with any lower cost and suitable substitute drug under specified circumstances.

H.R. 10683. February 1, 1978. Armed Services. Authorizes the Secretary of Defense to provide transportation to the Girl Scouts in the United States to international world friendship events or troops on foreign soil meetings which occur outside the United States. Requires the Girl Scouts to reimburse the Government for the actual cost of such transportation.

H.R. 10684. February 1, 1978. Education and Labor. Amends the Employment Act of 1946 to set forth full employment and balanced economic growth policies to be achieved through identification of social and economic goals and the preparation and implementation of a Full Employment and Balanced Economic Growth Plan. Establishes countercyclical, structural, regional, and growth employment programs and a State and local stabilization grant program to supplement the policies included in the Plan.

Provides for congressional review of the Full Employment and Balanced Economic Growth Plan.

H.R. 10685. February 1, 1978. Banking, Finance and Urban Affairs. Authorizes national banking associations to underwrite and deal in non-general obligations of States and cities.

Sets limitations and restrictions on dealings in such obligations by national banking associations.

H.R. 10686. February 1, 1978. Science and Technology. Authorizes appropriations for specified activities of the National Science Foundation for fiscal years 1979 and 1980.

H.R. 10687. February 1, 1978. Agriculture. Authorizes the Secretary of Agriculture to assist the States in combating Dutch elm disease through a program of 50–50 matching grants. Directs the Secretary to carry out a program of research and education regarding such disease.

H.R. 10688. February 1, 1978. Interstate and Foreign Commerce. Makes ionization smoke dectectors containing any radioactive isotope banned hazardous substances subject to the prohibitions of the Federal Hazardous Substances Act.

H.R. 10689. February 1, 1978. Judiciary. Revises the method for selection of United States attorneys to establish a United States

Attorney Selection Commission for each judicial district. Provides for appointment of commission members by the appropriate State chief executive.

Directs a commission to select and forward to the President and Attorney General a list of four to eight candidates within 90 days of the expiration of the incumbent's term. Requires the President to nominate a commission candidate or to request another list.

Limits U.S. attorneys to two four-year terms.

Restricts the power of the President to unilaterally remove a U.S. attorney.

H.R. 10690. February 1, 1978. Agriculture. Repeals the 1976 Official Standards for Grades of Carcass Beef promulgated under the Agricultural Marketing Act of 1946, and deems as still in effect the previous regulations superceded by them, until such time as the Secretary of Agriculture promulgates further regulations pursuant to such Act.

H.R. 10691. February 1, 1978. International Relations. Establishes an International Development Cooperation Administration to administer foreign development assistance. Transfers to the Administration the functions and personnel of the Agency for International Development and the Peace Corps.

Sets forth policies and procedures with respect to (1) bilateral and multilateral development assistance, (2) the role of private capital and private initiatives in international development, (3) international disaster assistance, and (4) economic support assistance to the Middle East and Southern Africa, (emphasizing aid to the relatively least developed countries).

H.R. 10692. February 1, 1978. Ways and Means. Amends the Internal Revenue Code to allow the amortization over a 24-month period of depreciable tangible property which is required to be used in a plant or other facility by the Occupational Safety and Health Act of 1970 and which does not have any economic usefulness to the taxpayer.

H.R. 10693. February 1, 1978. Science and Technology. Authorizes and directs the Secretary of Commerce to make grants to local fire departments to pay up to one-half the cost of purchasing firefighting equipment.

H.R. 10694. February 1, 1978. Science and Technology. Authorizes and directs the Secretary of Commerce to make grants to local fire departments to pay up to 90 percent of the cost of purchasing heat-protective firefighting suits and breathing apparatus.

H.R. 10695. February 1, 1978. Public Works and Transportation. Amends the Federal-Aid Highway Act of 1976 to authorize appropriations to the Northern Mariana Islands for highway construction projects.

H.R. 10696. February 1, 1978. International Relations. Amends the Foreign Relations Authorization Act, Fiscal Year 1978, to increase the authorization of appropriations for fiscal year 1978 for the Department of State for international organizations and conferences.

H.R. 10697. February 1, 1978. International Relations. Authorizes appropriations for the Department of State for fiscal year 1979 for (1) the administration of foreign affairs, (2) international organizations, and conferences, and (3) migration and refugee assistance. Authorizes appropriations for fiscal year 1980.

Authorizes the Secretary of State to furnish assistance to destitute Americans abroad and to furnish medical services to Foreign Service employees. Revises the Secretary's authority to furnish certain activities, including commissaries, to posts abroad, and requires that equal rates be charged for such activities.

Removes certain expenditure limitations of the American Section, International Joint Commission, United States and Canada.

H.R. 10698. February 1, 1978. Merchant Marine and Fisheries. Makes it unlawful for any person on board a vessel of the United States on the high seas, or for any citizen of the United States on board a foreign vessel on the high seas, to (1) knowingly intentionally possess with intent to distribute or dispense marihuana, cocaine, heroin, or other controlled substances unless it is part of the cargo entered in the manifest or part of the official supplies of the vessel or (2) knowingly or intentionally possess such a substance unless it was obtained pursuant to a valid order of a practitioner.

H.R. 10699. February 1, 1978. International Relations. Requires the Secretary of State to demonstrate solar energy and other renewable energy technologies by using such energy sources in Foreign Service buildings located abroad.

Directs the Secretary to consult with the Secretary of Energy concerning the most viable techniques adaptable to the local resources and environmental conditions of the host country.

Requires the Secretary of State to insure that projects under this Act are demonstrated to, and are available for inspection by, officials and other citizens of the host country.

Directs the Secretary to give priority to projects in less developed countries.

SENATE—*Friday, March 10, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 9 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

I am the bread of life; he that cometh to me shall never hunger; and he that believeth in me shall never thirst.— John 6: 35.

Eternal Father, we thank Thee for the refreshment of sleep and for the precious quiet moment of prayer with which we begin each day. As we open our inner being to Thy presence we ask Thee to refresh us with the water of life and feed us on the bread of Thy Word. Strengthen our weakness, steady our nerves, calm our anxieties, quiet our ill tempers, overrule our mistakes, give courage for cowardice, and faith for cynicism. Across the toiling hours be our companion and our guide so that we may do the right, as Thou givest us to see the right, and to rest the consequences in Thy providential hands. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 10, 1978.

To the Senate:

Under the provisions of rule I, section 3 of the Standing Rules of the Senate, I hereby appoint the Honorable HOWARD M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. METZENBAUM thereupon assumed the chair as Acting President pro tempore.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Executive N, 95th Congress, 1st session, which the clerk will state.

The second assistant legislative clerk read as follows:

Executive N, 95th Congress 1st session, Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. SCHMITT) is recognized for not to exceed 1 hour.

BASIS FOR INTERSEA CONCEPT

Mr. SCHMITT. Mr. President, technological advancements have produced a trend toward the realization of a "common heritage of mankind" in certain international resources. This trend is most apparent in negotiations regarding the resources of the seas and outer space. It indicates a general realization that nations have common interests in sharing benefits from the exploitation and environmentally sound use of these resources.

Recognizing that the Panama Canal has become over the last 75 years, a common heritage resource for Western Hemisphere nations, as well as the world, an institutional arrangement should be possible which would vest operation and control of this resource in a regional organization composed of the nations of the Americas. Regionalism, that is, the grouping of nations by a common bond of policy and limited purposes has been recognized for some time as a valid principle in international affairs. Operation and control of the canal might be more effectively accomplished by transfer of the Canal Zone to a regional organization where sovereignty is shared rather than allowing it to remain unilaterally controlled by any single nation.

I have no illusion that the Senate will suddenly embrace a new concept for the management and defense of the Panama Canal. My purpose in exploring this line of discussion is in part to begin the examination of other pressing international management issues.

We will soon have before the Senate, as we have already had before the Commerce Committee and the Energy and Natural Resources Committee, the ques-

tion of management of the deep seabed resources of this planet. We are well aware of the growing difficulties in just how the vast resource base of Antarctica is to be utilized by man.

In near Earth space, we have begun to see the leading edge of international participation in common heritage resource with the development of the Intersea Organization to manage global satellite communications with the discussions having to do with the management of Earth resource satellite systems, with discussions and in fact cooperation between the United States and European nations in the examination and experimentation with the utility of the resources of weightlessness and the resources of high vacuum that are present in aerospace.

Finally, we have before this world possibly the most fundamental issue in international technology that one can foresee at the present time and that is the issue of the disposal of worldwide accumulation of nuclear waste, and it is clear to this Senator that some type of innovative international arrangement is going to be the best hope for not only disposing of this accumulation of nuclear waste but more importantly of understanding and carrying the utilization of what, instead of being waste, is very probably the vast new resources of mankind.

THE INTERSEA ORGANIZATION

Mr. President, let me restate, however, that it is my strong belief that it is necessary to develop a plan for Western Hemisphere control of the Panama Interoceanic Canal. If we do not develop it now in the course of the debate on these treaties, then we will have to develop it in the not too distant future, as we find that the treaties, if ratified, are inadequate.

To this end, I have proposed Intersea, an example of a regional organization. In setting forth the basis of its organization, its advantages, and a model of its institutional structure, mandate, and powers, we considered the need for an institutional development adequate for the 21st century, not the 19th century, as is the implication of the treaties before us, but a development taking into consideration both the common heritage of mankind and various national interests.

In creating the Intersea proposal several examples of international cooperation were examined, including Intelsat, the outer space treaty, and the Moon treaty. In analyzing Intersea we are thinking of many other future applications of the concept, not just that of an interoceanic canal.

Since the Panama Canal runs through the center of the Western Hemisphere, all of the hemisphere's countries have an interest in the existence and use of the canal. They also have a very fundamental interest in its defense because without its defense and without the guarantee of that defense its use becomes nonexistent. There are also hemispheric political interests. Intersea would assure that the Panama Canal remains secure and neutral for as long as it is necessary to cross or go through the cordilleran backbone of the Western Hemisphere.

Since the opening of the canal, it has been operated by the United States as a "public service" for the nations of the world. It has become apparent that to turn the canal over to another country now would not be in the best interests of Western Hemisphere nations. The United States has a major interest in the canal because some 70 percent of the shipping through the canal is bound for American ports, carrying cargo that amounts to 1 percent of our gross national product, and for those port cities, for those States along our seacoast, obviously a much greater percentage of their international kind. Other nations, including Panama and Colombia, have even greater proportionate economic interests in the continued operation of the canal.

One of the issues which must be resolved is maintenance of permanent neutrality for the Canal Zone. Severe questions arise over whether Panama or any nation would be interested in maintaining this neutrality and in maintaining expeditious transit of U.S. naval vessels when necessary.

In the draft agreement which would create Intersea, the United States is given a clear mandate to be the principal defender of the canal in order to insure that the canal remains neutral and open. To this end, the United States is assured of rights necessary to defense, including the right of priority transit by its warships.

ADVANTAGES OF REGIONAL ORGANIZATION

The advantages of sharing sovereignty are clear in several ways. First, the current and potentially disastrous discontent over which nation should exert control over the Canal Zone could be alleviated. Many nations would exert that control.

Second, the provisions regarding U.S. rights to defend the canal could be better preserved in a regional organization than through bilateral understandings. These provisions include the right to assure through military force the openness and neutrality of the canal and the right for American warships to have expeditious transit. There was sufficient question on these provisions in the treaties now before the U.S. Senate to require a Presidential statement of understanding for clarity now imbodied in the so-called leadership amendments or understandings which are before us today. Creation of a regional organization could render such a statement unnecessary.

Third, an analysis reveals that a regional organization may prove to be the best arrangement to accommodate the various national interests in the canal. This includes those of the users of the canal, the sovereign exercising jurisdiction over the canal (presently the United States), the operator of the canal (presently the United States), the nation having titular sovereignty by surrounding the Canal Zone (the Republic of Panama—and nations having strategic defense interests (the Western Hemisphere nations). There is no guarantee that all these interests will be or can be considered when the canal is unilaterally controlled. However, creation of Intersea would institutionalize access and influence in an organization legally empowered to operate and control the canal. It would be in the clear self-interest of all hemisphere nations to make such an organization work.

Mr. President, that is precisely why the the Intelsat organization is working, and working very well, that all member nations have a very clear, vested self-interest in making it work. That must be the basis of future international cooperation in the use of the Earth's resources.

Fourth, the operational goals of the canal would be best assured through management by a regional organization. Three of these goals are, first, assuring free access and unimpeded passage through the canal; second, maintaining a reasonable and uniform rate structure bearing a realistic relationship to the value derived from use, while considering operating expenses and return on investment; and third, assuring administrative stability over a long period of time.

Mr. President, let me add at this point that I just cannot agree with my colleagues who claim that the Panama Canal is a resource of the past, that it will not be a necessity in the year 2000 or the year 3000.

World commerce, as I said yesterday, will always require expeditious transit across the backbone of our hemisphere, either by canal, by sea-level canal, by pipeline, or railroad. Two other important goals could be better accomplished in a regional organization, namely effective maintenance and operation of the canal and continued expansion, improvement, and development of the canal and related facilities, such as railroad lines for containerized transversal of the isthmus and pipelines for passage of oil between supertankers which are too large for the canal. Intersea, with its broad base of member nations, could assure that these goals are consistently met and capitalized, according to financial need.

Fifth, Intersea would provide the forum for rational planning of future canals located in Panama or in other nations. Based on the assumption that all the nations of the Americas are represented and pledged to cooperate in the organization, future canals would be created only if necessary, and then in order to meet user demand rather than for other tangential purposes such as political influence, profit, or strategic advancement.

Finally, formulation of a regional organization may improve the friendship and unity of the nations of the Western Hemisphere by providing dynamic regional cooperation resulting in quality service which benefits.

MANAGEMENT OF INTERSEA

The conceptual advantages of a regional organization will only be realized if the actual institutional structure is designed to provide an equitable system for the various interests to exert influence and control as well as to provide for efficient and proper management of the canal.

There are two distinct bases for nations to be involved in Intersea. The first relates to operation of the canal and has a geographical basis centered in the Western Hemisphere. The second relates to use and the terms and conditions for use, and this is worldwide in scope. The United States clearly has both bases for involvement.

To provide the first basis of national involvement in the operation of the canal, the proposed Intersea preamble states:

Use occupation and control of this Hemispheric Waterway should vest in an organization whose membership is composed of the nations of the Americas and that this organization should assume the rights, power and authority from the United States which is necessary and proper to effectuate the principles set forth herein.

The degree of representation in Intersea by each Western Hemisphere nation depends on usage of the canal. That is how we build in the strength of such organization. Each member's interest in Intersea will equal the amount of its "usage share" which is initially established and periodically reviewed. The usage share determines the number of votes each member has within Intersea.

Mr. President, I ask unanimous consent that a table showing the relationship between the member nations in terms of usage shares be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Intersea usage share assignments

No.	Nation	No. of transits (FY 1976)	Usage shares
1	United States	1,064	60
2	Panama	930	60
3	Peru	216	22
4	Colombia	203	20
5	Chile	170	17
6	Ecuador	163	16
7	Nicaragua	68	7
8	Mexico	60	6
9	Cuba	48	5
10	Honduras	42	4
11	Canada	22	2
12	Uruguay	19	2
13	Bermuda	19	2
14	Brazil	17	2
15	Bahamas	17	2
16	Venezuela	16	2
17	El Salvador	13	1
18	Argentina	10	1
19	Guatemala	2	1
20	Barbados	0	1
21	Belize	0	1
22	Bolivia	0	1
23	Costa Rica	0	1
24	Dominican Republic	0	1
25	French Guiana	0	1
26	Grenada	0	1
27	Guyana	0	1
28	Haiti	0	1
29	Jamaica	0	1
30	Paraguay	0	1
31	Surinam	0	1
	Total	*3,099	244

*Total transits by all user nations were: FY 1976=12,157; FY 1975=13,609 and FY 1974=14,033.

Mr. SCHMITT. This table was created based on the assumption that the flag flown by a vessel is used to determine which nation to credit for its passage and that the number of transits per year is the proper criterion to determine use. I frankly do not have any other alternative in mind. That certainly is the simplest, but it may not prove to be adequate in the long run. The table just placed in the RECORD is based on fiscal year 1976 statistics for commercial shipping. The multilateral agreement which would create Intersea provides that there shall be minimum and maximum usage share levels in order to insure at least minimal representation of all interested nations.

The second basis of national involvement is provided by the creation of a special body within Intersea, composed of worldwide user nations. There exists practical difficulty in defining user nations due to the practice of "flags of convenience" where vessels owned by entities from one nation fly the flag of a second nation because of tax, operational or other advantages. One of the first priority tasks of this special world user body would be to consider the flag of convenience question.

A greater appreciation of the relationship between Western Hemisphere nations and user nations within Intersea comes from a look at the organizational structure. By separate letter, I have supplied each Senator with the diagram which depicts this basic structure.

For the purposes of this morning's discussion, the main bodies within Intersea are the Assembly of Parties, the Board of Governors, the Board of Users and the Director General, four separate entities linked together by the organizational structure. As shown in the figure, all the Western Hemisphere nations exert authority over the Assembly of Parties, and through this Assembly they direct the Board of Governors and through the Board of Governors, the Director General. In addition, those Western Hemisphere nations which are users exert authority within the Board of Users along with other nations of the world.

The Board of Users is then represented by a minimum user share vote on the Board of Governors. Nonwestern hemispheric user nations exert authority also within the Board of Users. But the primary authority will be exerted by the nations of our hemisphere.

The primary function of the Assembly of Parties is to make major policy provision for carrying out Intersea activities, the objective of which is described in the proposed amendment as follows:

Intersea shall have as its prime objective the provision, on a commercial not-for-profit basis, of interoceanic canal facilities and services of high, functional quality and reliability to be available on an open and non-discriminatory basis to all vessels, whether civilian or military, of the world. As an adjunct to this prime objective, Intersea shall insure the interoceanic canal's neutrality and security, and, in addition, provide a mechanism and forum for resolution of disputes regarding the subject matter of this agreement.

The Assembly of Parties has specific mandates under the agreement to effectuate specific objectives, including:

First, to create general policy and long-term objectives;

Second, to enter into a security agreement with the United States for protection of the canal and to establish a defense board which would include other hemisphere nations;

Third, to establish general rules concerning the establishment and adjustment of the rates of charge for utilization of the canal on a nondiscriminatory basis;

Fourth, to consider complaints submitted to it by nations, international organizations, and users;

Fifth, to maintain a body of laws, rules, procedures, and instructions to deal with dispute settlements; and

Sixth, to negotiate equitable financial arrangements with host countries such as Panama.

The Assembly of Parties is composed of one representative from each member nation. Decisions on all matters are to be taken by a three-quarters majority.

A second vote technique is incorporated in the procedural rules of the Assembly of Parties. However, Mr. President, a second vote technique is incorporated in the procedural rules of the assembly of parties. Decisions on all matters brought to a second vote are to be taken by a three-quarters majority of the votes cast when each representative casts the number of votes which are proportional to his nation's usage share. A second vote can be demanded by any representative, thereby insuring that the significant interests of major users are protected. This second vote is taken only after a decision is approved by the first vote where each nation is allowed a single vote. The effect is the same as if the Assembly of Parties was a bicameral body, with one unit based on equality of nations and the second based on usage.

The defense of the canal is primarily provided by the United States, but can be augmented by other nations in the Intersea concept. There shall be a security agreement between Intersea, specifically, the Assembly of Parties, and the United States which details the mandate given to the United States for protection of the canal. Other hemisphere nations may join in this with the approval of the Assembly of Parties. The Assembly of Parties shall establish a defense board which will serve to coordinate the security efforts of the parties to the security agreement.

The Board of Governors has the responsibility for the operation and maintenance of the canal, operating under the general direction of the Assembly of Parties. It has responsibility for design, development, construction, establishment, operation and maintenance of any canal improvements, and for carrying out any other activities which are undertaken by Intersea.

These activities probably would be accomplished through contract with the United States or an institution growing out of the present Panama Canal Company, much as has the operational arm of the Intelsat system grown out of the existence of Comsat; the U.S. basic technical and managerial representative on Intelsat.

Some of the specific duties of the Board of Governors are:

First, adoption of policies, plans, and programs in connection with operation and maintenance, as well as appropriate improvements;

Second, creation of annual budgets and budget implementation;

Third, periodic establishment of the rates of charge for utilization of the canal in accordance with the general rules established by the Assembly of Parties;

Fourth, solicitation of capital;

Fifth, appointment and removal from office of the Director General and approval of senior staff appointments; and

Sixth, arrangements of contracts with a nation or nations or institution for the performance of the operation and maintenance functions of the canal and other facilities of Intersea.

The Board of Governors is composed of approximately 15 members, consisting of 1 Governor representing the United States, 1 representing the host country (the Republic of Panama), 1 representing the Board of Users, and the remainder representing other nations or pairs of nations which qualify on a formula based on use. The relationships between and voting participation of the Governors would be defined by the Assembly of Parties. Mr. President, I ask unanimous consent that a table that illustrates what such relationships and voting participation be printed in the RECORD at this point.

These being no objection, the table was ordered to be printed in the RECORD, as follows:

Intersea initial Board of Governors

No.	Governor representative	Voting participation
1	United States	60
2	Panama	60
3	Peru	22
4	Colombia	20
5	Chile	17
6	Ecuador	16
7	Nicaragua	7
8	Mexico	6
9	Cuba	5
10	Honduras	4
11	Canada and Uruguay*	4
12	Bermuda and Brazil*	4
13	Bahamas and Venezuela*	4
14	Board of Users	4
	Total	223

*Arbitrary pairings.

Mr. SCHMITT. It should be noted, however, that this table is intended only for purposes of illustration, and would not necessarily be the final agreement between the nations concerned.

The Governors shall endeavor to make all decisions by unanimous vote, but if that is not possible, they each shall participate equal to the usage share of their respective nations; again a bicameral effort.

A three-quarters majority of the total voting participation is necessary for substantive decisions while a simple majority is necessary for procedural decisions. The Governor representing the Board of Users has a voting participation equal to that of the Governor with the lowest voting participation.

I remind my colleagues at this point that it is the Board of Users that represents the worldwide user community, whereas it is the Assembly of Parties that represents the hemisphere.

The Board of Users is established under the auspices of Intersea with the duty to advise Intersea on matters of policy affecting the canal's operation, from the perspective of the world user community. It would also advise Intersea on administration and maintenance as well as present advice with regard to policy alternatives for plans for the canal's future, and the future of any other facilities of the region. Initially, all user nations will be invited by Intersea to a charter conference during which the organizational structure of the Board of Users and an agreement will be established. The Board of Users will then receive staff support and funding from Intersea and will be represented, as I said before, on the Board of Governors.

The executive body or staff of Intersea would be headed by the Director General. Among his specific duties are:

First. To be the legal representative of Intersea and responsible for all administrative and management functions;

Second. To contract out, on behalf of Intersea, to one or more competent entities technical and operational functions to the maximum extent practicable with due regard to cost and consistent with competence, effectiveness and efficiency. It should be noted that such entities may be, according to the agreement, composed of various nationalities or may be an international corporation owned and controlled by Intersea; and

Third. To serve as negotiator on behalf of Intersea, whenever necessary.

The proposed agreement, soon to be embodied in an amendment before this body, also provides for the establishment of a dispute settlement system on two levels.

Mr. President, this is an extremely important point, one which is not at all provided for in the present treaties.

The first dispute settlement system is an arbitration system for disputes by member nations among themselves or with Intersea, and the second is a judicial tribunal with jurisdiction over all other disputes arising as a result of the operation and maintenance of the canal. This tribunal would serve as the final court of appeals for the judicial system within the Canal Zone, using a code of criminal and civil law based on the existing Canal Zone Code and modified when appropriate by the Assembly of Parties.

It is by this mechanism, Mr. President, that we would build in the protections of those individuals presently involved in the operation of the canal and those individuals who in the future may be involved in the operation of the canal, as well as protection for those nations which would utilize its facilities.

Mr. President, the member nations that would join in Intersea would have certain rights and obligations.

RIGHTS AND OBLIGATIONS OF MEMBER NATIONS

The proposed agreement makes several declarations relative to the rights and obligations of the member nations. With reference to construction of other interoceanic canals in Central America, the member nations agree to refrain from establishing any such canals unless it is done jointly with Intersea.

I should only point out that such a guarantee does not exist in the context of the present treaties.

With reference to the neutrality of the canal, the agreement provides that the canal shall be neutral in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of equality so that there shall be no discrimination at any time. Thus, the canal will not be a target of reprisals in any armed conflict. Transit, however, is subject to several requirements which are consistent with neutrality, including:

First, payment of tolls and other charges for transit and ancillary services, provided they have been fixed uniformly by class;

Second, compliance with applicable rules and regulations, provided such rules and regulations are applied uniformly;

Third, military vessels of member nations shall be afforded priority transit in a conflict between a member and nonmember nation;

Fourth, the requirement that transiting vessels commit no acts of hostility while in the Canal Zone; and

Fifth, vessels of war shall at all times be entitled to transit the canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected, as a condition of transit, to inspection, search or surveillance. However, such vessels may be required to certify that they have complied with all applicable health, sanitation and quarantine regulations. In addition, such vessels shall be entitled to refuse to disclose their internal operation, origin, armament, cargo, or destination.

Mr. President, these are extremely important provisions.

Provisions of this kind can only be acceptable if they become part of a broad regional organization in which the member nations have certain rights relative to nonmember nations. Those rights, I believe, can be guaranteed by such an agreement.

CONCLUSION

The proposed Intersea agreement could be implemented in several stages. The initial step would be ratification.

The first step, of course, would be a recommendation by the U.S. Senate that the President reopen negotiations not only with the Republic of Panama, but with the hempishere as a whole.

The second step would be that from those negotiations an agreement, along the lines that I have discussed and that conceivably would be agreed to by the Senate, would be the subject of an agreement, a treaty, between the United States and other nations, other interested nations of the hemisphere.

The third step would be ratification of that treaty, and I think that would come quite easily in this body, despite our experience over the last few weeks.

The reason I feel that way is that it is a concept of the future. It is a concept of internationalism in the appropriate

sense, one which we will be discussing many more times in the years to come.

Subsequent stages in the implementation of this concept would provide for the continued successful and nondiscriminatory operation of the canal, defense of the canal, structure of the Board of Users, financial arrangements with the host country and user countries, an expanded role for Panama in the operation of the canal, and possible new ventures, a second canal, a sea level canal, pipelines, railroads, and so forth.

There would also be several subsidiary agreements created in conjunction with the basic Intersea agreement including detailed definitions and rules. A host country agreement and protocol would govern the diplomatic privileges, exemptions, and immunities of the various Intersea representatives, Governors, judicial officials, staff and related officials with regard to their activities within the host country of Panama or any other host country that may house facilities constructed by intersea.

Mr. President, Intersea would provide management of the canal by a regional organization for the benefit of all hemispheric nations. Intersea recognizes the canal as an international resource with the common heritage of all nations clearly in front of its purpose. It provides for all users of the canal to have representation in decisions affecting its use, defense, and expansion, to fulfill the commercial requirements of a growing and demanding world. Intersea is a model organization tailored to perform this management function through a sharing of sovereignty rather than unilateral control of the Panama Canal by any one nation.

Implementation of Intersea would serve as a viable answer to one of the most complex technical, international, and political questions of our time, the question of the future of Panama.

Mr. President, I intend to call up the Intersea amendment after article VIII is dispensed with next week. I hope my colleagues will use this opportunity to redirect the President toward a higher purpose in our relations with the Western Hemisphere and toward a better guarantee of the continued use and neutrality of the hemispheric canal in Panama.

Mr. President, at this point I have a parliamentary inquiry, which I would like to state.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. SCHMITT. Mr. President, can an amendment which affects more than one article be dealt with en bloc after all articles of the treaty have been laid before the Committee of the Whole?

The PRESIDING OFFICER. The Chair rules that after amendments to all of the individual articles have been disposed of, it is in order to consider amendments to articles passed over while the Senate remains as in Committee of the Whole, and such amendments can embrace more than one article. However, as is the case with bills and joint resolutions, an amendment is subject to a point of order if it attempts to amend the treaty at more than one place, leaving unamended matter between those places. Such an amendment is really a combination of amendments and is subject to a point of order. The sustaining of such a point of order would not prevent a Senator from offering these amendments separately.

Mr. SCHMITT. I thank the Chair for that ruling.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I ask unanimous consent that Mr. Alan Malan of my staff be accorded the privileges of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 27

Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized to call up amendment numbered 27, which the clerk will state.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) on behalf of himself and other Senators proposes an amendment numbered 27 to amendment numbered 20:

In lieu of the matter proposed to be inserted by the amendment insert the following:

"In the event of any threat to the neutrality or security of the Canal, the two Parties shall consult concerning joint and individual efforts to secure respect for neutrality and security of the Canal through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means. If such efforts would be inadequate or have proved to be inadequate, each Party shall take such other diplomatic, economic, or military measures as such Party deems necessary, in accordance with its constitutional processes."

Mr. HELMS. Mr. President, the distinguished Senators joining as cosponsors of this amendment are the distinguished Senator from Alabama (Mr. ALLEN), the distinguished Senator from Oklahoma (Mr. BARTLETT), the distinguished Senators from Utah (Mr. GARN and Mr. HATCH), the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from Indiana (Mr. LUGAR), the distinguished Senator from South Carolina (Mr. THURMOND), the distinguished Senator from Texas (Mr. TOWER), and the distinguished Senator from Idaho (Mr. MCCLURE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. Time for debate on the amendment is limited to 2 hours to be equally divided and controlled by the Senator from North Carolina and the Senator from West Virginia.

Who yields time?

Mr. HELMS. Mr. President, a parliamentary inquiry, please.

The PRESIDING OFFICER. The Senator will please state it.

Mr. HELMS. I thank the Chair. Did the unanimous-consent agreement specify a beginning time for consideration of this amendment?

The PRESIDING OFFICER. I have it as no later than 10 a.m.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. HELMS. I gladly yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. I ask unanimous consent to designate the time under my control to Mr. CHURCH and/or Mr. SARBANES.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

Mr. President, the leadership amendment is an able attempt to reconcile the ambiguities and contradictions of the Neutrality Treaty; but the irreconcilable cannot be reconciled without doing damage both to logic and law.

The fatal flaw of the Neutrality Treaty is that it fails to address itself to the defense situation which by all accounts is the most probable. Almost every military expert who testified on the defense of the canal testified that the most likely threat would come from Panama.

The Secretary of Defense, Dr. Harold Brown, in his remarks before the Foreign Relations Committee, said:

There is another aspect of the third national security requirement—ability to defend the canal from hostile acts—which cannot be ignored. Such hostile acts might not be external. If Panama and other Latin American countries, or major elements of the Panamanian population, became hostile to the United States, then protecting the canal against internal threats, terrorism, and guerrilla actions would become much more difficult.

The Vice Chief of Naval Operations, Adm. L. J. Long, said:

The second threat to our continued use of the canal is the internal threat from subversive, clandestine, or local guerrilla activities. The defense against such a threat in the formidable jungle terrain of the canal area would be extremely difficult, particularly in view of the vulnerability of the lock system to disruption as the result of relatively minor damage to critical mechanical components.

Defense against a persistent and continuing internal threat would be particularly difficult. Therefore, defending against this internal threat is significantly enhanced if the cooperation of the local interests, the Panamanian and Central Americans, can be maximized. On the other hand, our ability to defend and protect the canal so as to insure its continued operation would become extremely difficult in the face of an adversary relationship with our Latin neighbors or an active hostility on the part of the local population.

Adm. James L. Holloway testified before the Armed Services Committee as follows:

I had discussions with the Chief of Staff of the Army, and the Vice Chief of Staff, as I recall, in which it was pointed out, that our experience in Vietnam had demonstrated the great difficulty of trying to protect vulnerable mechanical installations in the jungle environment of Vietnam, which is not too dissimilar from Panama. I also recall the Chief of Staff of the Army reminded me of the riots that had occurred in the Canal Zone in previous years and the general ineffectiveness of facing unarmed citizens with troops with bayonets.

In other words, when the local populace is against the U.S. presence, it becomes difficult, if not almost impossible, to prevail without shedding the blood of unarmed people."

Now, all three of these gentlemen raised the problem of the internal threat as part of their rationale for supporting the treaties. Their support was based upon the assumption that the ratification of these treaties would win the support of the Panamanian people for the next 22 years, and lessen the possibility of an internal threat.

It may very well be that the argument of these gentlemen and of other treaty proponents is correct; perhaps the ratification of the treaties would induce the cooperation of all Panamanians. But suppose it does not. No one can exclude the possibility that the ambiguities of the treaties, the circumstance of a U.S. Government agency impinging directly upon a large segment of the Panamanian population with U.S. Government policies, the years of agitation by leftists against the United States, and the stated intention of leftists to continue such agitation—all of these could well increase hostility, rather than lessen it.

The Senator from North Carolina feels that this Senate will make a mistake if it does not ponder that possibility.

Mr. President, I would like to be able to assert that all human beings are eminently reasonable and rational, and that they always pursue the logic of their best interests, but history shows us that such is seldom the case, even with whole nations.

Now, of course, I make no prediction that hostilities will develop as a result of these treaties, if ratified. I only say that commonsense suggests a pretty good possibility that hostilities will develop in any case, whether the treaties are ratified or whether they are not. If we are going to have the responsibility for the defense of the canal and the maintenance of the regime of neutrality, the treaties must at least entertain the hypothetical possibility that Panama may not cooperate in that defense effort.

If Panama does not cooperate with the United States, then what rights of defense does the United States have in the absence of Panamanian cooperation and consent?

Let us look at the leadership amendment. The operative sentence in that amendment is, "Panama and the United States"—I repeat, Panama and the United States—"have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations."

This sentence is thus interpreted:

The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

This language, Mr. President, says that each—each—of the two countries has the right to act against any aggression or threat directed at the canal. The language attempts to imply that these rights are parallel, and that they are complementary. It does not suggest which party shall prevail if these apparent parallel rights are exercised in opposition to each other. Indeed, the language simply does not even contemplate such a possibility. Yet a treaty should attempt to provide guidelines for every reasonable possibility.

Now, it is painfully obvious that there is a great difference between the size and strength of the two nations, each of which has equal rights. It would seem, on the surface, that the great strength of the United States would prevail over Panama. Yet we have the words of Admiral Holloway to remind us that such may not be the case. Remember his words? He said:

In other words, when the local populace is against the U.S. presence, it becomes difficult, if not almost impossible, to prevail without the shedding of the blood of unarmed people.

Mr. President, what would be the circumstance most likely to turn the people of Panama against the U.S. presence? In the judgment of the Senator from North Carolina—and he does not pretend that he is impossible to error—the most likely circumstance would be the assertion of treaty rights against the wishes of the Government of Panama or the people of Panama.

Now let us turn to the next sentence:

This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

Mr. President, is it possible to take any military action directed at insuring that the canal will remain open, secure, and accessible without its also being directed against the territorial integrity or political independence of Panama?

Let us examine that for a moment. Territorial integrity and political independence, taken together, are the two essential ingredients of sovereignty. One of the rights of sovereignty is the right to interpret treaties which affect the sovereign's territory.

Mr. HATCH. Mr. President, will the Senator yield at this point?

Mr. HELMS. I will be delighted to yield.

Mr. HATCH. I have a few questions I would like to ask the distinguished Senator from North Carolina, which may clarify further some of the important points he has raised this morning.

Let me first compliment the distinguished Senator for the enlightening statement he has made for the benefit of our colleagues.

One question I have is this: Is it the opinion of the distinguished Senator from North Carolina that under the Neutrality Treaty, Panama is solely responsible for declaring the Panama Canal to be neutral?

Mr. HELMS. Yes, I would say to the Senator—and I believe that that point cannot be successfully challenged.

Mr. HATCH. I agree. Let me ask this: Is it the interpretation of the distinguished Senator that the United States, under the 1903 treaty, currently exercises in the Canal Zone all the rights, powers, and authority it would have if it were sovereign?

Mr. HELMS. That is correct.

Mr. HATCH. Is it also my friend's interpretation that under the 1903 treaty, Panama is prevented from exercising any sovereign rights, power, and authority in the Canal Zone?

Mr. HELMS. That is correct.

Mr. HATCH. Does not that mean that at the present time the United States is, in practice, the sole determiner of the meaning of any disputed clauses of the 1903 treaty and its successors, and has not that been the historical practice?

Mr. HELMS. That is true. The history of our relations with Panama shows clearly that, although we have been generous in revising our treaty relationships over the years, the United States has been in the last analysis the sole determiner of how we exercised our sovereign rights.

Mr. HATCH. Does it not mean that Panama has been powerless to object to any U.S. action in the Canal Zone, not because Panama is small and weak whereas we are a powerful nation, but because under international law and the terms of the existing treaty, Panama has no authority to object?

Mr. HELMS. That is true. That is exactly the point.

Mr. HATCH. In other words, the exercise of full sovereign rights, power, and authority is conclusive insofar as the interpretation of the application of treaties to a specific territory is concerned?

Mr. HELMS. Yes, I would say to the Senator, that is correct.

Mr. HATCH. Is it the opinion of the distinguished Senator that the proposed treaties return the power to exercise full territorial sovereignty and plenary jurisdiction to Panama?

Mr. HELMS. Well, I will say to the Senator that the Panama Canal Treaty contains many references to Panama's territorial sovereignty and plenary jurisdiction. On the other hand, the United States is granted only a circumscribed "use."

Mr. HATCH. That is under the new treaties?

Mr. HELMS. Yes, I am referring to the proposed treaties now before the Senate.

Mr. HATCH. Under the old treaty, we had the plenary power ourselves, to the extent that we were provided all the rights of sovereignty, and that they excluded themselves from exercising any rights of sovereignty?

Mr. HELMS. The able Senator is absolutely correct.

Mr. HATCH. It appears, therefore, from the remarks of the distinguished Senator, that Panama is confirmed in its full territorial sovereignty over the Canal Zone at the moment when the treaties go into force, rather than at noon on December 31, 1999?

Mr. HELMS. The Senator is correct. Panama becomes full sovereign immediately.

Mr. HATCH. Does not, therefore, Panama become the arbiter over any dispute over the territory where it exercises sovereignty now, or may upon ratification of the treaties?

Mr. HELMS. That is right.

Mr. HATCH. And cannot Panama then compel obedience to any interpretation that Panama, as sovereign, deems fitting and proper?

Mr. HELMS. That is correct. Panama, as sovereign, has the last word.

Mr. HATCH. In other words, once sovereignty passes to Panama, the United States cannot unilaterally assert its interpretation in a dispute over the territory?

Mr. HELMS. That is precisely the point this Senator has been seeking to make.

Mr. HATCH. Whereas Panama can unilaterally assert its interpretation from that time on, and can do so to the detriment of the United States of America?

Mr. HELMS. That is absolutely correct.

Mr. HATCH. As well as other nations in this world. I think the Senator would agree with me that up until now, the United States has operated the canal in inexpensive, expeditious, reasonable, and fair manner to all the nations of the world?

Mr. HELMS. Well, I think that any Senator would be hard-pressed to find any declaration to the contrary. As a matter of fact, I would assume that the proponents of the treaties agree on that point.

Mr. HATCH. The Senator has pointed out, and I think ably so, that many Latin American countries have benefited from the management of the canal that we have undertaken over the last number of years, which will, of course, be completely done away with by the year 2000; and from an interpretation standpoint will be completely done away with, not after the year 2000 but within 3 months of the ratification of these new treaties?

Mr. HELMS. That is right. As the Senator has said, any knowledgeable person understands, and I think the American people understand that suggestions that we will no longer be loved in South America unless we give the canal to the Dictator Torrijos are perhaps a contrivance—surely a misconception, because it simply is not so.

As I have told the Senate on one or more occasions, during the past 2 years the Senator from North Carolina, at no expense to the taxpayers, has visited countries in South America representing three-fourths of the population, gross national product, and land area, and during those visits had the privilege of visiting with the Presidents and Foreign Ministers of those countries. Without exception, in each case they voluntarily said, in effect, "Don't let Torrijos have your canal."

Yet we hear the President of the United States go on the air in a fireside chat and say precisely to the contrary—that all Latin America will be in an upheaval. Furthermore, it needs to be said over and over again that the United States has operated the Panama Canal expertly, efficiently, and fairly for all the nations of the world. It pains the Senator from North Carolina to hear repeated statements that—

Oh, there will be mayhem, there will be violence, there will be revolution throughout South America unless we give away our canal.

I say to the Senator, no mortal can guarantee that there will not be violence any place or anytime. I would remind the Senator that not many weeks ago a bomb exploded very near the White House. A year ago, almost exactly, terrorists seized a couple of buildings, and people were killed. So, the Senator from North Carolina cannot assure anyone that if these treaties are not ratified—or if they are ratified—that there will be or will not be violence, because the possibility of violence in the world in which we live today is very possible anywhere, anytime.

Mr. HATCH. I take it then that the major worry and concern of the Senator, along with a number of the rest of us in these debates, is protecting the interests of the United States of America.

Mr. HELMS. The Senator is absolutely correct on that point, and that is the duty of the U.S. Senate. It is not the duty of the U.S. Senate to take actions calculated to make anyone love us. It is the duty of the U.S. Senate to do everything within its power to protect the interests of the American people.

Mr. HATCH. And knowing the distinguished Senator from North Carolina, I know that the distinguished Senator believes, as in the past, that the United States will be fair, even if these two treaties are not ratified.

Mr. HELMS. Well, of course. And the Senator will remember that he and I, along with the distinguished Senator from South Carolina (Mr. THURMOND) went to Panama last year and immediately upon our arrival, there was a news conference at the airport. The question was asked as to whether the treaties would be approved by the United States and what we thought of them, and so forth.

My response to that question was that, first of all, I wanted the people of Panama to know that the American people are not in the slightest hostile to them, that in fact the American people have great respect for the people of Panama, and that if these treaties should not be approved by the U.S. Senate, the three Senators present on that occasion would take the lead in making sure that the President understood our support for improving relations with Panama through such efforts as major modernization of the locks, which will be a tremendous project for increasing the experience, education, and well-being of the people of Panama; that we would take the lead in seeking a new look at the compensation arrangement and territorial relationships between the United States and Panama. The fact that we exercise sovereignty in the Canal Zone at the present time has kept us from needing to interfere with Panama's internal affairs. We thus have the basis for a firm partnership.

Mr. HATCH. Both nations.

Mr. HELMS. Exactly.

And I would say to the Senator what I have said over and over again, that the proposal before the Senate at this time is not to turn the Panama Canal over to the people of Panama. It is a proposal to turn it over to a dictator, and an oppressive dictator, who by the ranking of a noted human rights organization ranks seven, on a scale of seven. He is an unelected dictator and he and his dictatorship will control the canal, not the people of Panama.

So I am inclined to think that the worst thing that the well-meaning Members of the U.S. Senate could do to the people of Panama is to turn the canal over to Torrijos. That view is shared by the heads of state in many South American countries, as I have indicated earlier.

Mr. HATCH. And to whom the Senator has talked personally?

Mr. HELMS. Yes.

Mr. HATCH. Well, Let me get back to the Senator's statement which intrigues me, because I think that the Senator is pointing out grave defects—because, of course, it is our job as U.S. Senators to correct the grave defects in these treaties and to protect the rights of the United States and the interests of the United States. Still I think it is the practice of the United States to be fair to our Panamanian neighbors and all our friends throughout the world, but the Senator has pointed out that basically in your amendment there is no real way of resolving some of the difficulties that could arise.

So, let me ask this: Does the Neutrality Treaty provide any means for the settlement of the dispute between the two parties with regard to their neutrality questions?

Mr. HELMS. The Senator has put his finger on a very crucial point.

Of course, it does not. It does not.

Mr. HATCH. Well, that means, does it not, that after the year 2000 or even before, if the Panama Canal Treaty is abrogated, Panama's territorial sovereign remains the sole judge of the meaning of the neutrality; is that right?

Mr. HELMS. If I can read and interpret the English language, that certainly appears to be the case.

Mr. HATCH. At least, there is nothing in these leadership amendments which corrects those defects, is there?

Mr. HELMS. The Senator is absolutely correct.

Mr. HATCH. Would the United States have any remedies outside of the Panama Canal Treaties then?

Mr. HELMS. The United States would have remedies only under other international law agreements to which Panama and the United States are signatories, such as the U.N. Charter and the Rio Treaty.

Mr. HATCH. Now, these are interesting points, and I think everybody in America needs to know a little more about this. I know that the distinguished Senator from North Carolina has made a careful study of these issues.

In other words, the only recourse to us would be to the U.N. Charter or Rio Treaty, other international agreements or these agreements themselves, which do not provide for any solution?

Mr. HELMS. The Senator is absolutely correct.

Mr. HATCH. What does the U.N. Charter provide then for the settlement of disputes? How does it settle disputes

which may arise under these treaties which are not solved by the leadership amendments to the Neutrality Treaty?

Mr. HELMS. Article 2 of the U.N. Charter provides—well, let me read it to the Senator.

Mr. HATCH. I would like to have the Senator do so.

Mr. HELMS (reading):

The Organization and its Members, . . . shall act in accordance with the following Principles.

1. The Organization is based on the principle of the sovereign equality of all its Members.

Then point 3:

All Members shall settle their international disputes by peaceful means in such a manner that international peace and security . . . are not endangered.

4. All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the Purposes of the United Nations.

Mr. HATCH. Now, the last part of that language the Senator quoted sounds familiar. How does it relate to these treaties?

Mr. HELMS. The phraseology about refraining from the use of force "against the territorial integrity or political independence" of any state is incorporated in the leadership amendment No. 20.

Mr. HATCH. But my question is: Will the United States be able to use force under the Panama Canal Treaties to defend the neutrality of the canal?

Mr. HELMS. Article 51 of the U.N. Charter provides only one case in which force is authorized; namely:

The inherent right of individual or collective self-defense if an armed attack occurs against a member of the United Nations.

I think any reasonable interpretation of that is that Panama would have to request assistance before the United States could respond under the right of the collective self-defense.

Mr. HATCH. That raises another question.

Would the U.N. Charter be superseded by the Panama Canal Treaties, inasmuch as the Panama Canal Treaties are later in time?

Mr. HELMS. Not unless we specifically renounce the U.N. Charter. Article 103 of the charter—the so-called supremacy clause—provides:

In the event of a conflict between the obligations of the Members of the United Nations under the present Charter and their obligations under any other international agreement, their obligations under the present Charter shall prevail.

Mr. HATCH. That is very significant. What the Senator has pointed out is that basically we will be bound to three treaties, the Panama Canal Treaty, the U.N. Charter, and the Rio Treaty. But then the Senator points out that the U.N. Charter provides for the only right that we would have if an armed attack occurs against a member of the United Nations. Then the Senator goes on to say that the U.N. Charter is supreme over the Panama Canal Treaties. That charter, basicly, is telling us that we cannot go in and protect or assure the neutrality of the canal even if we want to, under this leadership language that we have.

Mr. HELMS. The Senator is obviously correct.

Mr. President, so that I can confer briefly with the distinguished majority leader, I suggest the absence of a quorum, with the time to be charged to me.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from North Carolina (Mr. HELMS).

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that a vote occur in relation to this amendment at 10 minutes after 11 a.m. this morning, with the time to be divided as follows: 30 minutes to Mr. HELMS and 15 minutes to Mr. SARBANES, or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I believe the Senator has pointed out very clearly that the U.N. Charter may take supremacy over these treaties, and even though we are going through the exercise of putting in this language, the language does not take care of disputes when they arise, except for the betterment—well, not even the betterment—except in the interests of Panama, which may even be wrong for Panama, and certainly do not protect the interests of the United States, because there is no resolution of problems provided for in the leadership amendment.

The Senator has very carefully pointed to the U.N. Charter and the supremacy clause thereof. Let me ask this question:

Is the Neutrality Treaty an "international agreement" as described in article 103, or a bilateral agreement?

Mr. HELMS. Under article VII of the Neutrality Treaty and its protocol, the Neutrality Treaty is open to accession by all nations, with the Organization of American States as the depository for the treaty and all related agreements. It would appear, therefore, to be an "international agreement" within the meaning of article 103 of the U.N. Charter. So the charter would prevail.

Mr. HATCH. By implication, therefore, is not the United States pledging to refrain from the use of force against the territorial integrity of Panama in maintaining the regime of neutrality?

Mr. HELMS. It is implied in the treaty and in our international obligations. The leadership amendment, of course, would make it explicit that we could not use force against the territorial integrity of Panama.

Mr. HATCH. Could we use force to maintain the neutrality of the canal if we did not use force against the territorial integrity and political independence of Panama?

Mr. HELMS. Other Senators may see it differently, but it is difficult conceptually to see how that could be done, but as I have already pointed out, article 51 of the U.N. Charter says that the only case in which force is authorized is for the inherent right of individual or collective self-defense. As long as the United States exercises all the rights of a sovereign in the Canal Zone, we can use force in self-defense; but once Panama becomes sovereign, only Panama can authorize the use of force on her territory, in which would be the Canal Zone.

Mr. HATCH. Well, we would not be there after the year 2000.

In resolving sovereign rights, the Senator is saying that even on ratification we will not have any right to use force under the U.N. Charter which may be supreme, and probably is supreme, under international law, to protect the neutrality of the canal without impinging upon this very leadership amendment.

Mr. HELMS. The able Senator is correct.

Mr. HATCH. That is very interesting, because it does not look to me like the United States is being protected here. Let us go a little further.

Does the Neutrality Treaty authorize the United States to use force independently or contrary to Panama's wishes?

Mr. HELMS. The use of force within a territory is an attribute of sovereignty. Under the treaties, Panama is confirmed as full sovereign.

Mr. HATCH. Could the treaties be interpreted as an advance agreement by Panama to allow us to use force whenever necessary, a blank check, so to speak?

Mr. HELMS. Since the use of force is a sovereign right, such a broad grant of advance authority would have to be specifically reserved by the United States in the act of handing back the exercise of sovereignty. It cannot be merely implied. The treaties are silent on the point and allow only the construction that the United States use of force is exercised in concert with Panama's agreement in each specific case.

Mr. HATCH. Suppose Panama commits a breach of neutrality. Can the United States use force to maintain the regime of neutrality in the face of Panama's action? That action would certainly be illegal.

Mr. HELMS. That is precisely the point. There is no impartial judge of what constitutes a breach. Any use of force to maintain our construction of "neutrality" would be a use of force against Panama's political independence, since we would be imposing on Panama a construction that Panama, in the exercise of its political powers, has judged not to be the proper one.

(Mr. DECONCINI asumed the chair.)

Mr. HATCH. Suppose the United States merely seized the canal and did not fire a shot against any Panamanian territory. Would that constitute forbidden force?

Mr. HELMS. Certainly. In occupying part of Panama, which the Canal Zone would become under these treaties, the United States would indeed be violating

the territorial integrity of Panama. The question of our intent to remain permanently or temporarily, as the case may be, would be irrelevant.

Mr. HATCH. This is extremely revealing.

Let me ask another question. I have enjoyed this colloquy, because I believe the distingiushed Senator from North Carolina is pointing out some grave defects in the leadership amendment.

Could Panama abrogate the Panama Treaty before the year 2000, even though it is ratified by the United States, assuming that that happens, which is an assumption I do not think anybody can make at this point?

Mr. HELMS. I would have to say to the Senator that the Panama Canal Treaty confirms Panama as territorially sovereign. The United States gets only rights to use, occupy, and manage the canal.

I might add parenthetically that the taxpayers of the United States get the privilege of picking up the tab for an enormous amount of this.

When a territorial sovereign gives rights to use, occupy, and manage facilities, it has the right to terminate such right under international law. Thus we had to gve up our base in Libya, for example, even though we had a military presence on the base and our rights had many years to run. So we have a precedent for the Senator's examination, in response to his question.

Mr. HATCH. Could Panama get away with cancellation or abrogation as long as we had our troops there?

Mr. HELMS. We have to go back to the U.N. Charter, which we were discussing earlier. The United States cannot use force in the territorial sovereignty of another nation to enforce alleged treaty rights. It is as simple as that.

Mr. HATCH. Suppose Panama flagrantly violates the treaties. Would that not justify the use of force to secure our rights and to maintain neutrality?

Mr. HELMS. Again, let us go back in comparatively recent history. Obviously, we did not think so with Suez. In 1954, Egypt made a treaty with Great Britain whereby Great Britain would withdraw its troops from the Suez Canal by 1956. In return, Egypt agreed that Great Britain would retain installations and technicians at Suez for, I think, 7 years. The British troops were withdrawn on June 13, 1956. In July Egypt seized the canal, breaking the treaty with Great Britain. That is the history of it.

Moreover, in the 1954 treaty, Egypt had agreed to observe the Convention of Constantinople of 1888, upon which the present Neutrality Treaty is based. The treaty of 1888 required the Suez Canal to be open to commercial passage, in time of war as well as in time of peace, to vessels of all nations. But from 1950 to 1956, the Senator will recall, Egypt denied Israeli ships and cargo passage through Suez. Israel appealed to the U.N. and the Security Council, under article 25 ordered Egypt to fulfill its obligations. Egypt, as a signator to the U.N. Charter, was bound to obey; yet she refused.

Thus, Egypt had violated the 1888 treaty, the 1954 treaty and the U.N. Charter—all three. Yet when Israel, Great Britain, and France attacked Egypt, the United States joined the Soviet Union at the United Nations in using threats and pressure against Israel, Great Britain, and France for violating the U.N. Charter. Egypt had flagrantly violated three treaties, yet the aggrieved nations could not use force against her under international law.

Mr. HATCH. I think it is a very direct answer and I compliment the distinguished Senator from North Carolina for helping us to understand it, because the chickens may come home to roost. What the distinguished Senator seems to be saying is that we may have a repetition of history because of our failure to recall what happened then.

Mr. HELMS. That is correct.

Mr. HATCH. Could, then, Panama abrogate the Neutrality Treaty even after it is ratified, assuming that that is the case?

Mr. HELMS. The distinguished supporters and proponents of the treaty have said repeatedly, with regard to the 1903 treaty, that no treaty can be expected to last "in perpetuity." They have used those words several times. Since Panama will become the territorial sovereign over the canal, only Panama will decide how long the Neutrality Treaty will last.

Mr. HATCH. If Panama abrogates or does away with it, ignores or violates or refuses to live up to the Neutrality Treaty—all of which, I think, abrogation means—what recourse, then, will we have?

Mr. HELMS. Well, we will have no recourse except such peaceful means as may be available to us. And those will be scant indeed.

Mr. HATCH. I think the distinguished Senator has pointed out some crucial points here to the American people and to our colleagues on the floor. Regardless of what we do here, we could find ourselves on the ouside looking in to an area which is worth, almost everybody admits, at least $10 billion, that we have created and worked on, and be totally shut out from its use, which would put a crunch on this country second to none we have ever suffered before, as far as our economy is concerned.

Mr. HELMS. I thank the Senator for his questions and his comments. I commend him on the extraordinary job he has done in opposing these treaties. He is a relatively new Member of the Senate, but he has come here with great knowledge and great energy and great dedication. I admire the Senator and I am glad he is a Member of the U.S. Senate.

Mr. HATCH. I thank my distinguished colleague for the kind remarks. I likewise want to say that my colleague from North Carolina has pointed out so many defects in this treaty so far that it is difficult for me to see how anybody could argue that we, as U.S. Senators, should not correct the defects in these treaties by better language for the benefit of both countries, so we do not have problems long into the future which certainly could magnify into great proportions.

I think anybody who reads these amendments that the leadership has proposed realizes that they are inartfully drafted, and do not protect the United States as it should be protected—just as the Senator's amendment in this instance does protect us, or at least certainly does more to protect us than does the leadership amendment, which is under consideration here.

I thank the distinguished Senator for enlightening us on these particular points, because I think they are points everybody in America had better understand. We may be sowing the seeds of our own future difficulties in this hemisphere and allowing the seeds of others, unfriendly nations to come in. As a matter of fact, we may be allowing a lot of tares to come in among the wheat. Sometimes, if we allow enough of them to come in, we can be quenched out and, in the end, our country is going to be the great loser, as well as every free country in the world.

I thank the Senator.

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 15 minutes remaining.

Mr. HELMS. I thank the Chair. I believe there are not sufficient Senators to get the yeas and nays, but I ask the Chair to be mindful of the comings and goings of Senators and, when there are sufficient Senators, I shall ask for the yeas and nays on this matter.

The PRESIDING OFFICER. The Senator will have to ask for the yeas and nays.

Mr. HELMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, did the Chair understand that I am reserving the remainder of my time?

The PRESIDING OFFICER. The Chair does understand.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I yield myself 5 minutes. The exchange between the Senators from Utah and North Carolina covered issues that have been raised numerous times in this debate since it began nearly a month ago.

Perhaps the best rule we could adopt would be to limit the debate to new arguments. Then we might be able to vote on necessary amendments and the treaties and dispose of the business before us.

However, one statement of the Senator from North Carolina must not go uncontested.

It is simply wrong, in my judgment, to leave an impression with the American people that the pending treaties are not strongly supported by the governments of this hemisphere.

The heads of state themselves came to Washington the day the treaties were signed, September 7, 1977. They were present at the signing ceremonies and they entered into a formal declaration,

the Declaration of Washington, appending their signatures to the following statement:

DECLARATION OF WASHINGTON

We, the Chiefs of State, Heads of Government or other representatives of the American Republics and other states present at the ceremony for the signature on this day of the Panama Canal Treaty establishing new arrangements for the operation, maintenance and defense of the Panama Canal until December 31st, 1999, and the Treaty concerning the permanent neutrality and operation of the Panama Canal, both concluded by the Governments of Panama and the United States of America, in accordance with the Joint Declaration between the two countries of April 3, 1964, agreed under the auspices of the Council of the OAS;

Noting that the Panama Canal Treaty is based on the recognition of the sovereignty of the Republic of Panama over the totality of its national territory;

Considering that settlement of the Panama Canal issue represents a major step toward strengthening of relations among the nations of the Western Hemisphere on a basis of common interest, equity and mutual respect for the sovereignty and independence of every state;

Recognizing the importance for hemisphere and world commerce and navigation of arrangements for assuring the continuing accessibility and neutrality of the Panama Canal;

Record our profound satisfaction at the signature by the President of the United States of America and the Chief of Government of Panama of the Panama Canal Treaty of 1977 and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

DONE at Washington on September 7, 1977 in the name of:

Argentina: President (Lt. Gen.) Jorge Rafael Videla.

Bahamas: Prime Minister Lynden O. Pindling.

Barbados: Ambassador to the U.S. and OAS Oliver Jackman.

Bolivia: President (Maj. Gen.) Hugo Banzer Suarez.

Brazil: Vice President Adalberto Pereira Dos Santos.

Canada: Prime Minister Pierre-Elliott Trudeau.

Chile: President (Maj. Gen.) Augusto Pinochet Ugarte.

Colombia: President Alfonso Lopez Michelsen.

Costa Rica: President Daniel Oduber Quiros.

Dominican Republic; President Joaquin Balaguer.

Ecuador: President (Vice Adm.) Alfredo Poveda Burbano.

El Salvador: President (Gen.) Carlos Humberto Romero Mena.

Grenada: Prime Minister Eric M. Gairy.

Guatemala: President (Brig. Gen.) Kjell Laugerud Garcia.

Guyana: Deputy Prime Minister Ptolemy A. Reid.

Haiti: Secretary of State for Foreign Affairs and Worship Edner Brutus.

Honduras: President (Brig. Gen.) Juan Alberto Melgar Castro.

Jamaica: Prime Minister Michael N. Manley.

Mexico: Secretary of Foreign Relations Santiago Roel Garcia.

Nicaragua: President of Congress Cornelio H. Hueck.

Paraguay: President (Gen.) Alfredo Stroessner.

Peru: President (Gen.) Francisco Morales Bermudez Cerrutti.

Surinam: Ambassador to the U.S. and OAS Roel F. Karamat.

Trinidad and Tobago: Ambassador to the U.S. and OAS Victor C. McIntyre.

Uruguay: President Aparicio Mendez Manfredini.

Venezuela: President Carlos Andres Perez.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHURCH. I ask for 2 additional minutes.

Now, I believe this debate should be conducted with responsibility. When the leaders of all the American republics come to Washington to attend the ceremony at which the President of the United States and the leader of Panama sign the Panama Canal Treaties, and then formally attest to their "profound satisfaction" with the treaties, it ought not be represented to the American people that these governments really do not favor the treaties before us.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. I will yield on the Senator's time.

Mr. HELMS. I yield a minute to the Senator.

Mr. HATCH. I thank the distinguished Senator.

If the distinguished Senator is correct in his assertions, what explains the fact that, when the Latin American officials came to Washington to witness the signing of the treaties, they were asked to sign the Declaration of Washington, which all of them, as I understand, refused to do until the word "endorse" was deleted from the Declaration and other language substituted.

Is that not correct?

Mr. CHURCH. I have no knowledge of that incident.

Mr. HATCH. No?

Mr. CHURCH. The declaration that they signed expresses their profound satisfaction with the treaty.

Mr. HATCH. That is not my question. My question is directed to the point that they were asked to sign the declaration at Washington which asked them to endorse the treaties and they refused.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HATCH. And the Senator knows it, or should know it.

The PRESIDING OFFICER. Who yields time?

Mr. CHURCH. What the Senator from Idaho knows, he will express.

The PRESIDING OFFICER. The Chair interrupts.

Mr. CHURCH. I would hope the Senator from Utah would allow me that privilege.

The PRESIDING OFFICER. The Chair interrupts. Who yields time?

Mr. CHURCH. I yield such time as I may require to respond.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. I am told that the reason why the word "endorse" was stricken—and I say to the Senator that this was a change in the Declaration of Washington with which I was not familiar——

Mr. HATCH. I accept that.

Mr. CHURCH. I am told that the change was made at the request of the Government of Mexico because of the feeling that these treaties might tilt too much toward the United States.

However, the governments of Latin America still wished to express their satisfaction with the treaties, and with the progress made by the Government of the United States and Panama in resolving the vexatious issues which, from time to time in the past, have led to violence and bloodshed. The declaration speaks for itself.

I suggest to the Senator that one cannot read its language and then assert that the governments of this hemisphere do not really approve the pending treaties. They have expressed their "profound satisfaction" with them.

We are in limited time, and I reserve the remainder of my time to permit the distinguished sponsor of this amendment to make any concluding argument he may wish.

Mr. HATCH. Mr. President, will the distinguished Senator from North Carolina yield for a very brief statement?

Mr. HELMS. Certainly. How much time does the Senator desire?

Mr. HATCH. One minute.

Mr. HELMS. Fine.

Mr. HATCH. The point I should like to make is that when the Latin American leaders were asked to sign the declaration at Washington, they refused to do so unless the wording was changed to indicate they did not endorse the treaties. The wording was then changed to read something else.

Incidentally, the President of Mexico refused to participate, as did the leaders of three other Latin American countries, including the major power, Brazil.

The Senator's understanding is considerably different from mine, but I do respect the Senator from Idaho, and I appreciate his explanation.

Mr. HELMS. Mr. President, I yield myself 4 minutes.

In response to my friend the distinguished Senator from Idaho (Mr. CHURCH), I call his attention to page 245 of the hearings before the Armed Services Committee and the testimony of Lt. Gen. Gordon Sumner, Jr., Chairman of the Inter-American Defense Board.

Senator STENNIS, our able chairman, asked General Sumner about this precise question.

Chairman STENNIS. We naturally want to get down to it and see what light you can give us on it.

Meaning the attitude of other countries in South America.

General SUMNER. Yes. I have talked to the other 17 countries, the 17 besides Panama and the United States.

Chairman STENNIS. What do they think of the treaty, those you talked to?

General SUMNER. All right. The ones that I have talked to, Mr. Chairman, and I have talked to the Presidents, the Ministers of Defense and the high level military people, all express a very grave concern about the treaties. They see the possibility here for conflict. They also see the possibility for mischief making by the Communists, and there is not one of these countries that does not have some type of Communist subversion or terrorism going on in their countries, so they are very concerned about that. They are also very concerned about the economics of the canal.

I say to the Senator from Utah, that is precisely the reason the word was stricken from the document which the distinguished Senator from Idaho has just read. General Sumner discusses the real mood of the Latin American leaders and I might add that it is the same mood I found in my conversations with many of those same leaders. I hope the Senator from Idaho, regardless of our differences on these treaties, will not suggest that the Senator from North Carolina does not know what he is talking about when he describes his conversations with the presidents and other leaders of the South American countries.

Let us go back further to General Sumner's testimony. He said:

It is my impression that some of them were in favor of the canal treaties until they got a copy of them and looked at the economic prospects. Many of these countries are on the edge of economic disaster. People ask me about dictators in Latin America. The real dictator in Latin America is poverty. When they looked at what this was going to cost them—

"Them" being those other 17 Latin American countries—

they realized they had very serious problems.

Mr. President, I ask unanimous consent that the remainder of that portion of General Sumner's testimony before the Armed Services Committee be printed at this point in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Almost without exception they have expressed their opinion that the way the United States has operated that canal over the past decades has been fair, equitable, very reasonable, and it has been open.

Because they are faced now with an unknown situation, they are very concerned that the Torrijos government will be unable or unwilling to keep the canal in operation and maintain the economic situation as they have known it in the past. Almost all of them expressed to me at a very high level that their bilateral relationships with the United States are too important to have them rise or fall on the Panama Canal Treaty. As you know, it depends on what level in the government you are talking to. If you are talking to the chief of state, he talks in very guarded terms, but if you go down about two levels they say, "For goodness sakes, what are you doing here? Do we really know that the Panamanians will be able to keep this canal in operation?"

Chairman STENNIS. Then in your judgment as I recall you said you had talked to virtually all of the 18 or 19 members along the line.

General SUMNER. Yes, sir. I spent most of my time on the road and working with these people.

Chairman STENNIS. I mean about this canal treaty now, on the canal treaty.

General SUMNER. Almost every time we have a conversation the canal treaty comes up.

Chairman STENNIS. I want the record to show clearly about how many.

General SUMNER. I would say almost all 17 of them.

Chairman STENNIS. All 17 of them.

General SUMNER. Obviously except the United States and the Government of Panama.

Chairman STENNIS. Let me follow that with a relevant question now. Of those 17 that you talked to, the substance of what they said was all about the same along this line and their concern and their caution and their thoughts.

General SUMNER. Yes.

Chairman STENNIS. Of being disconnected or something from the United States of America.

General SUMNER. Yes.

Chairman STENNIS. Is that right?

General SUMNER. It varies from country to country, variations on a theme. They are all concerned about their economies. They are interested in Number One first; they want to be sure that their national interest is not imperiled by these treaties. This is a hemisphere of peace. We don't have a lot of fighting in this hemisphere and they would like to see it remain this way. They have a habit of solving their problems on a multilateral basis. They don't stand up one-on-one and have at it. Their record on this, I think, is very good; they are very proud of their record. This is part of their heritage, and this hemisphere has been very fortunate in that respect.

MULTILATERAL APPROACH

Chairman STENNIS. You mentioned the multilateral again. Develop your thought on that right at this point.

General SUMNER. Yes. I would like to develop it in this way, Mr. Chairman. The multilateral approach is a historic solution to bilateral problems. When you work for years and years to get a bilateral solution that does not work, then you have something like the Congress of Vienna after the Napoleonic wars, and have the people that are involved, who have a stake in this canal, to sit down at one table and work it out.

The multilateral approach, for example, could result in an organization such as the Inter-American Defense Board, or the OAS, or some other organization created for the purpose, of placing all flags, not just one flag or two flags, down in that canal. They look at this canal as the "Canal of the Americas," and it is important to those countries. You take a little country like Ecuador puts over 50 percent of their exports through that canal; it would be good to have them at the negotiating table.

Chairman STENNIS. I don't mean to interrupt you but would they be willing to put up some of the money, carry some of the responsibility or load that goes with this American canal as you called it?

General SUMNER. Mr. Chairman, I believe they would. If they were faced with seeing this canal closed for one reason or another or breaking out because of failure of these treaties for ratification, they would be willing to join in a multinational, multilateral approach to see that there are a number of countries who will take the responsibility for defending the canal. It is a whole different matter of attacking that canal when there is one flag flying over it and when, say, there are 19 flags flying over it.

So I believe—and at this point my sensing of it is—that they would be willing to take a multinational, multilateral approach to the canal. Of course my experience colors my testimony. I have been working with these people for years, and it seems to me that that is one thing they could do.

Mr. HELMS. Mr. President, the heads of state of these other countries did not even see a copy of either of the treaties until they got to Washington. It is no wonder that the so-called Declaration of Washington was changed to eliminate the word "endorse" before they signed it.

Returning to my discussion of the pending amendment, nothing in the treaties requires Panama to submit to the U.S. interpretation of these treaties. And for the United States to use force to assert treaty rights would be in direct violation of our obligations under the U.N. Charter and the Rio pact. We are forbidden to use force or the threat of force in our international relations except in the case of mutual or individual self-defense. If Panama objects to the use of such force, then it is obviously not mutual self-defense. Nor can we assert that it is individual self-defense to use force to assert treaty rights on the territory of another nation.

It is therefore clear that, unless these treaties specifically state that the United States has the right to take such military action as it deems necessary, the United States will not have that right. If Panama agrees specifically in advance to unilateral military action, then that agreement is a sovereign act. But if Panama will not agree to unilateral action now, before the treaties are ratified, then Panama obviously will not agree to it later in the midst of a crisis.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HELMS. I yield myself 2 additional minutes.

Fortunately, we have language guaranteeing the right of unilateral action to the United States, language which has already been agreed upon by General Torrijos. I refer, of course, to the security clause negotiated by former Deputy Secretary of Defense William Clements, who told the Armed Services Committee that this language had been approved by the Department of Defense, the National Security Council, the Department of State, and General Torrijos. On February 8, I announced that I would offer that language as a substitute for amendment No. 20. This language states as follows:

In the event of any threat to the neutrality or security of the Canal, the two Parties shall consult concerning join and individual efforts to secure respect for neutrality and security of the Canal through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means. If such efforts would be inadequate or have proved to be inadequate, each Party shall take such other diplomatic, economic, or military measures as such Party deems necessary, in accordance with its constitutional processes.

This language sets up the proper priorities for actions under international law and the international agreements to which we are a party. But "if such efforts would be inadequate, or have proved to be inadequate," then each party has the right to take the measures which each party deems ncessary. And the language spells out these measures, including military measures. We would, therefore, have the right to take the necessary means. By this clause any action would be, in effect, an action of mutual self-defense, because Panama has agreed in advance.

Mr. President, I would be the last to contend that the language of Secretary Clements is foolproof. It does not mean that agitation and the possibility of hostile actions will miraculously disappear.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. HELMS. One more minute, Mr. President.

But at least it would give us an indisputable right under international law to

take actions in a crisis without consulting Panama and hope to work out conciliation afterwards. I say that it is much better to get agreement with Panama beforehand on possible courses of action, than to leave the matter in doubt, hoping that those circumstances may not arise. We need not sow the seeds of a feeling of betrayal. We need not sow distrust. We need not sow the seeds of confrontation.

The leadership amendment, despite its fine intentions, bears within it the potential for future conflict. It actually gives us fewer rights than the unamended Neutrality Treaty. It imposes constraints upon us that are not in that treaty. We are in a worse position if we accept that amendment than if we do not. It would be far better to remove all ambiguities, both in the treaty and in amendment No. 20.

I reserve the remainder of my time, Mr. President.

The PRESIDING OFFICER. Who yields time? The Senator from Maryland.

Mr. SARBANES. Mr. President, I yield myself 2 minutes.

Because there has been a great deal of arranged dialog this morning, I want to focus on the language of the amendment of the Senator from North Carolina as compared with the leadership amendment which it seeks to change, and to argue very strongly that the language in the proposed amendment of the Senator from North Carolina weakens American rights and weakens our ability to protect our interests.

The language states that:

In the event of any threat to the neutrality or security of the Canal, the two Parties—

Meaning Panama and the United States—

shall consult concerning joint and individual efforts to secure respect for neutrality and security of the Canal through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means.

Mr. President, I suggest to the Members of this body that we are far better off in protecting our rights if we have a provision which says, as the leadership amendment says, that "each of the two countries shall, in accordance with their respective constitutional processes, defend the canal against any threats to the regime of neutrality and, consequently, shall have the right to act against any aggression"—I emphasize the right to act against any aggression. There is no requirement for consultation, no requirement for mediation, no requirement for arbitration, no requirement for going to the International Court of Justice.

If Senators are concerned with our ability to take action to protect American rights, then they should support the leadership amendment and reject the amendment offered by the Senator from North Carolina which, by its own language, by its own specific terms, involves us in a process that hinders and shackles and impedes the United States from being able to take the action that is necessary to maintain the neutrality of the canal against any threat to the regime of neutrality.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. SARBANES. I reserve the remainder of our time.

Mr. HELMS. Mr. President, will the Chair state the time situation.

The PRESIDING OFFICER. The Senator from North Carolina has 5 minutes, the Senator from Idaho has 2.

Mr. HELMS. I yield myself 2 minutes.

Mr. President, I was very interested in the rhetorical gymnastics of the distinguished Senator from Maryland, but I say to the Senator, with all affection, that what he has said in opposition to my amendment will not wash.

I was very interested in the fact that he read only part of the amendment, carefully omitting the last part. I do not blame him for not reading the last part because it negates everything he said in the 2 minutes he allotted himself. Perhaps that is why he failed to read the concluding part of the amendment which says:

If such efforts would be inadequate or have proved to be inadequate, each Party shall take such other diplomatic, economic, or military measures as such Party deems necessary, in accordance with its constitutional processes.

That is it, Mr. President. The Senator is within his rights to do the best he can to make a silk purse out of a sow's ear in his effort to justify the leadership amendment. But he must know that this amendment strengthens the U.S. hand, whereas if we accept the leadership amendment, the position of the United States will be weakened. That is the bottom line, Mr. President.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? Time is running equally against each side.

Mr. CHURCH. Mr. President, I yield myself the remainder of my time. These two amendments speak for themselves.

Mr. HELMS. They certainly do.

Mr. CHURCH. All one needs to do is look at the leadership amendment, which clearly gives the United States the right to act against any aggression or threat directed against the canal.

Why clutter it up with language which dilutes and complicates the exercise of that right? If the Helms amendment is adopted, we qualify that right and attach conditions to it. Let me quote directly from the amendment:

In the event of any threat to the neutrality or security of the canal, the two Parties shall consult concerning joint and individual efforts to secure respect for neutrality and security of the canal through diplomacy, conciliation, mediation, arbitration, the international court of justice, or other peaceful means.

Then it goes on to say:

If such efforts would be inadequate or have proved to be inadequate, each Party shall take such other diplomatic, economic, or military measures . . .

Now I ask, how does it benefit the United States to bind it, first, to go through all these procedures before the President can resort to direct action? Obviously, the amendment should be defeated. It weakens the American position.

The PRESIDING OFFICER (Mrs. HUMPHREY). The Senator from North Carolina.

Mr. HELMS. I thank the distinguished and charming occupant of the chair, who certainly improves the looks of this crowd. [Laughter.]

Madam President, in response to the Senator from Idaho, I would ask the Senator only to read the two amendments. He made an excellent suggestion, the leadership amendment versus the amendment that had been agreed upon by everybody in sight, including General Torrijos.

Just let me read my amendment, and then I will yield back the remainder of my time so that the Senator from Idaho, as is customary with all amendments, will move to table, not allowing an up or down vote.

The Helms amendment, so-called, cosponsored by a number of distinguished members of this body reads:

"In the event of any threat to the neutrality or security of the Canal, the two Parties shall consult concerning joint and individual efforts to secure respect for neutrality and security of the Canal through diplomacy, conciliation, mediation, arbitration, the International Court of Justice, or other peaceful means. If such efforts would be inadequate or have proved to be inadequate, each Party shall take such other diplomatic, economic, or military measures as such Party deems necessary, in accordance with its constitutional processes."

In short, Madam President, this amendment will give the United States a chance; the leadership amendment gives the United States much less of a chance.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina.

Mr. CHURCH. Madam President, I move to table the amendment.

Mr. HELMS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. MELCHER (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from West Virginia (Mr. RANDOLPH). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. HODGES), the Senator from Louisiana (Mr. LONG), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. HATFIELD), the Senator from California (Mr. HAYAKAWA), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 58, nays 27, as follows:

[Rollcall Vote No. 47 Ex.]

YEAS—58

Baker	Haskell	Moynihan
Bayh	Hatfield,	Muskie
Biden	Paul G.	Nelson
Bumpers	Hathaway	Nunn
Burdick	Heinz	Packwood
Byrd, Robert C.	Hollings	Pearson
Cannon	Huddleston	Pell
Case	Humphrey	Percy
Chafee	Inouye	Proxmire
Chiles	Jackson	Riegle
Church	Javits	Sarbanes
Clark	Johnston	Sasser
Cranston	Kennedy	Sparkman
Culver	Leahy	Stafford
Danforth	Magnuson	Stevenson
DeConcini	Mathias	Talmadge
Durkin	Matsunaga	Weicker
Eagleton	McGovern	Williams
Glenn	McIntyre	Zorinsky
Hart	Metzenbaum	

NAYS—27

Allen	Griffin	Schweiker
Brooke	Hansen	Scott
Byrd,	Hatch	Stennis
Harry F., Jr.	Helms	Stevens
Curtis	Laxalt	Stone
Dole	Lugar	Thurmond
Domenici	McClure	Tower
Eastland	Morgan	Wallop
Garn	Roth	
Goldwater	Schmitt	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Melcher, for.

NOT VOTING—14

Abourezk	Gravel	Randolph
Anderson	Hatfield,	Ribicoff
Bartlett	Mark O.	Young
Bellmon	Hayakawa	
Bentsen	Hodges	
Ford	Long	

So the motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Madam President, I ask unanimous consent on the amendment to be called by Mr. ALLEN, and would the Chair recognize the Senator from Alabama (Mr. ALLEN) at this time, please.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ROBERT C. BYRD. Now, will the distinguished Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. The distinguished Senator from Alabama (Mr. ALLEN) is going to call up an amendment. I ask unanimous consent that a vote occur in relation to the Allen amendment at the hour of 1:15 p.m. today, with the time to be equally divided.

Madam President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The Senate will be in order, please.

Mr. ROBERT C. BYRD. I ask unanimous consent that a vote occur on the amendment by Mr. ALLEN at 1:15 p.m. today, with the time to be equally divided between Mr. ALLEN and Mr. CHURCH, or Mr. CHURCH's designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair and I thank Mr. ALLEN and all Senators.

UP AMENDMENT NO. 6

Mr. ALLEN. Madam President, I send to the desk my unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an unprinted amendment numbered 6 to amendment No. 20.

To amend amendment No. 20 as follows: On page 3 strike all of lines 3 through 8 and insert in lieu thereof the following: "Any United States action will be directed at insuring that the canal will remain open, secure and accessible."

Mr. ALLEN. Madam President, this is an unprinted amendment. I have furnished the floor managers of the treaties with copies of the amendment.

Madam President, on yesterday the distinguished floor manager of the treaty stated that the proponents of the treaties would oppose and, with their great weight of numbers, undoubtedly vote down any amendment that would change so much as a single word of the treaty except, of course for the so-called leadership amendments.

The floor managers for the treaties say that the treaties, as submitted, are unacceptable and that they must be voted down, but with the addition of the so-called leadership amendments they then become acceptable treaties, protecting the best interests of the United States and making these treaties so good, so letter-perfect, Madam President, that no additional amendment will be permitted.

In other words, Madam President, in short the Senate is being called upon to rubberstamp these treaties.

The distinguished Senator from Idaho (Mr. CHURCH) on yesterday stated, in effect—and certainly this is true—that a treaty is a high level contract between sovereign powers, and that a treaty cannot be amended unilaterally.

Of course, that is elementary. Anything that we do here in shaping the treaties would have to be approved by Panama in the exercise of its constitutional process. But, Madam President, if the floor managers will not allow a single amendment to be agreed to, other than their own which they say are so excellent that they change a bad treaty into a good treaty, why, then, must not other action be taken in Panama to approve the addition of the leadership amendments?

They say that have this memorandum between the President and dictator Torrijos and that memorandum was in effect at the time of the plebiscite. Therefore, it was part of the electoral process, as was stated by the floor managers of the treaties.

But, Madam President, the distinguished Senator from Idaho (Mr. CHURCH) was saying this was an elementary principle of contract law, that one side could not change it. Of course, one side could not change it, but if the other side would give assent to the change, a valid change would have been effected.

Another principle of contract law, I might say, is that for a valid contract to exist, there must be a meeting of the minds between the parties. I guess we learn that in the first day of a law school course on contracts, that to be valid a contract must represent a meeting of the minds as to the terms of the contract.

Madam President, I state there has been no meeting of the minds with respect to the leadership amendments, and if, in fact, the plebiscite took place with the knowledge of the existence of the unsigned memorandum between the President and dictator Torrijos, if they knew about it they also knew dictator Torrijos' construction of that memorandum. I might say that the memorandum now appears as the leadership amendments.

Obviously, Madam President, if Torrijos did not agree with our construction of the memorandum between the President and the dictator, by like token he would disagree with the construction of the leadership amendments because the language is the same.

That is what the leadership amendment purports to do, to write the memorandum, as to which there was a difference of opinion on what it meant, into the treaty.

As reported in the national press on October 21, 1977, 3 days before the plebiscite, Mr. Torrijos was giving his construction of the memorandum.

I read a direct quote from dictator Torrijos:

I don't want the canal unprotected, but I don't want them to overprotect us to the point of interfering with our lives. I want to establish a system where we press a button here and a bell rings there when the attack is greater than our ability to handle it. I wouldn't say it is a right the U.S. has; I would say they are obligated to come to the defense of the canal.

Now, that is a whole lot different from the construction that the floor managers place on the language of the memorandum. They seem to think that that gave us the unilateral right, without being called on, to defend the canal. So there has not, to this good day, been a meeting of the minds between Torrijos and the U.S. Government as to the meaning of the memorandum and, consequently, as to the meaning of the leadership amendment.

Madam President, there has been no meeting of the minds with regard to the leadership amendment, since it is based on the memorandum as to which Torrijos expressed a contrary construction to the construction that our country places on this language. Yes, Torrijos was willing to agree to this memorandum under the construction that he

placed on it. Of course, where the United States sits idly by and waits for an invitation from Torrijos to come down to defend the canal.

He was also willing to agree to this memorandum because the last six lines of the memorandum, which is now the leadership amendment, might well be called a provision to perpetuate the dictatorial regime of dictator Torrijos. Let us see if that conclusion is justified by a reading of these last six lines of the leadership amendment.

"This does not mean"—after giving us the defense rights that I have suggested—"This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama."

That is the first sentence.

Suppose that Panama, either the present regime or another dictatorial regime down there, are the ones that are preventing our access to the canal. Suppose they are the ones that are preventing us from defending the canal. There they are, sitting there with full protection of a treaty with the U.S. Government saying that the right of intervention of the United States in the internal affairs of Panama is not permitted. How could we move in to protect the canal against the efforts of Panama without, as some sort of spinoff, having some effect on the internal affairs of Panama? This just guarantees Panama the right not to be interfered with, no matter what the circumstances are.

If they are preventing our access to the canal, we cannot move in and interfere with the internal affairs of Panama by this treaty between sovereign powers.

The next sentence, the first part of it, is all right. I carried that forward in the amendment. I leave that alone.

Any U.S. action will be directed at insuring that the canal will remain open, secure, and accessible . . .

What the amendment does to start with is knock out these six lines; then restore the part that is proper and constructive:

Any U.S. action will be directed at insuring that the canal will remain open, secure, and accessible.

But, Madam President, if some spinoff from our protecting the canal should result in some sort of effect on the internal affairs of Panama, we would be violating the treaty. So it would impede the exercise of our right under the treaty to defend the canal, particularly if Panama is the offending party.

Now, let us look at the rest of the leadership amendment and see if I draw the proper conclusion in saying that the effect of these six lines is to seek to perpetuate in office the dictatorial regime of Dictator Torrijos or some successor dictatorship. We talk about the action of the United States, which shall be directed at insuring that the canal will remain open, secure, accessible.

Then listen to this "* * * and it shall never be directed"—that is, the action of the United States—"against the territorial integrity or political independence of Panama." So any effort on our part to defend the canal that might, on account of public opinion there, result in a toppling of the Torrijos regime would be forbidden under the leadership amendment. So, of course, Mr. Torrijos is for this memorandum; first, where he put his contrary construction on the meaning of the defense aspects of the treaty, where he had a right to summon the United States down to defend the canal; but in the absence of that, we could not defend the canal. Of course, he wanted that memorandum, with that construction he put on it.

And, Madam President, if the Panamanians, in voting for the treaties in the plebiscite, had knowledge of the memorandum between the President and the dictator, they also have knowledge of the construction that dictator Torrijos put on that memorandum, because, 3 days before the plebiscite, he was giving a public statement as to his construction of our defense rights or, I might say, our lack of defense rights unless summoned down by Torrijos.

They say, "Well, the Panamanians approved the memorandum." Of course, there was no vote on the memorandum. They approved the treaty. But, they say, "Well, that was worked in as part of the electoral process and, therefore, really, they did—they did—approve the memorandum," the proponents say. But, if they approved it, they approved it with an entirely different construction placed on it by their leader.

There has not been any approval, Madam President, of the construction that the proponents of these trea'ies place on that memorandum, that the floor managers of the treaty place on that memorandum.

So why are we putting in the treaty, through the leadership amendment, the very words as to which differing constructions have arisen?

We are just going to perpetuate the difference of opinion as to the meaning of the memorandum and the ensuing leadership amendment.

This action that the United States would take in defense of the canal is not going to interfere, under the leadership amendment, must not interfere with the internal affairs of Panama, that is first, and also it must not be directed against the territorial integrity or political independence of Panama.

What is the meaning of political independence? Well, that is the right to have that regime they have got down there. That is my construction of it, that if we deprive them of that regime, we would larly backed leader. So, of course, he be interfering with their political independence. Torrijos claims he is a poputook over—I guess we could call it a coup d'etat—at the point of a gun.

But we must not, under the leadership amendment, intervene in the internal affairs of Panama no matter what the conditions, no matter if Panama is a satellite of Cuba or of Russia, and the action that we take shall never be directed against the territorial integrity or political independence of Panama.

Well, if we have to go into Panama, I think it is interesting, Madam President, to note that under the leadership amendments, starting with the year 2000 we take up a new type of defense, because we are charged with the primary defense with troops in the Canal Zone up to the year 2000 and then a new era begins where we have all of our troops out of Panama. But yet, we are given the right to defend.

How are we going to defend, Madam President, without invading the country by amphibious landing or by paratroopers? How are we going to do it? How are we going to defend it?

Now, would that not violate this provision right here? Would that action, defending the canal, not violate this provision of the leadership amendment?

Well, certainly, it would, because it says here that any U.S. action shall never be directed against the territorial integrity.

Would that not be violating the territorial integrity if we put soldiers on the territory of Panama in defense of the canal? Of course, it would.

So, Madam President, I believe that the attitude of the floor managers of the treaties, the proponents of the treaties, the attitude against any amendments, the attitude in support of this leadership amendment that writes provisions into the treaty for the protection of that regime in Panama, gives rise to the inescapable conclusion, Madam President, that Mr. Torrijos is having a greater influence on shaping these treaties than is any Member of the U.S. Senate, or any 15 Members of the U.S. Senate.

I think that is a deplorable situation, where the leadership with its admitted majority of Senators is backing the recommendations of the leadership against amendment, with Mr. Torrijos getting his amendment in, his amendment goes in, this is a Torrijos amendment here, these last six lines.

Oh, they say, "Well, the Senator from Alabama is a cosponsor of the leadership amendment." That is true. I am. I take the position that if that is the best we can get—I do not believe it—but if the leadership amendment is the best we can do, and it has the backing of some 80 Members of the Senate that I know of, if that is the best we can do I will support it.

But I believe we can do better. I believe we can do better.

But why should Mr. Torrijos be able to insert these eight lines in the leadership amendment?

So they say, "Well, it was in the memorandum."

Well, no matter where it was, why should he be allowed to insert six lines that takes care of his regime, takes care of his territory, protects him in the operation of his internal affairs in Panama, protects him in his dictatorial regime, but a Member of the U.S. Senate cannot even change one word—not one.

Who is my authority for that? The distinguished floor manager of the treaty. "Do not change a word," he said.

Senator DOLE tried to add eight words yesterday in a memorandum to strengthen our defense rights, to let us act unilaterally.

Oh, that was awful—that was awful to suggest adding these eight words. It was stated here on the floor by the manager of the treaty, "Don't add eight words,

don't add six words, don't add four, don't add two."

I believe he was going to stop there, but Mr. DOLE hollered, "One word." And that was agreed to.

So we cannot change the crossing of a "t" or the dotting of an "i," but Mr. Torrijos was able to put in this amendment to take care of his dictatorial regime. Not so with a U.S. Senator, however.

So, Madam President, what the pending amendment does is to eliminate the two offending phrases and to leave a phrase of both permission and of limitation. It gives rights, but it limits those rights. Let us see what would be left of the six lines.

Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible . . .

That would remain in the amendment if this amendment is agreed to, an unlikely event, I must concede. It does change—it does not add any words, but it does take out some words, and I assume the same rule would apply. You may neither add words nor take away words. No change. A rubberstamp. That is what the Senate is called on to do with respect to these treaties.

Madam President, I have a high regard for the right and the duty—the constitutional right and duty—that is given to the U.S. Senate to give its advice and consent, if it so deems advisable, or its nonassent, if it deems that advisable. We are not having that right.

They say, "Well, Senators can vote for these amendments if they want to." Well, that is not the recommendation the leadership is making. You have a democratic leadership against every amendment. You have a Republican leadership against every amendment. You have the President and his administration against every amendment. I assume that is going to have and has been having considerable influence on Members of the Senate.

However, to the credit of Senators, some of these amendments have polled as high as 40, 37, and 36 votes; and I commend these Senators for using their independent judgment and voting for constructive amendments.

Madam President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. The Senator has 21 minutes.

Mr. ALLEN. I thank the Chair.

I reserve the remainder of my time.

Mr. HELMS. Madam President, will the Senator yield?

Mr. ALLEN. I am delighted to yield to the distinguished Senator from North Carolina.

Mr. HELMS. I thank the Senator.

Madam President, Opinion Research Corp. of Princeton, N.J., is one of America's leading public opinion research groups, ranking with Gallup, Harris, and Yankelovich among the leading polling organizations.

Opinion Research Corp. includes among its clients many of this country's institutions and corporations, whose need for accurate information concerning public attitudes is quite understandable: without the accurate information that Opinion Research Corp. provides, businesses which make up the very lifeblood of our Nation's economy would be seriously handicapped.

Many private institutions also employ Opinion Research Corp. One such group is the Institute of American Relations, a Washington-based publicly supported, tax-exempt educational institution dedicated to a better public understanding of the United States and its role in world affairs.

Over the past 4 years, the Institute of American Relations has commissioned Opinion Research Corp. to conduct nationwide opinion surveys on a myriad of issues: public attitudes toward normalization of relations with Cuba; human rights; cartels, commodities and stockpile policies; issues involving East Asia; the recent Rhodesian settlement and issues on Southern Africa in general; the strategic arms limitation talks; illegal aliens; and the Panama Canal.

It is the most recent survey commissioned by the institute, completed only last week and dealing with the Panama Canal, that I would like to discuss with my colleagues today.

This is the fourth year that the Institute of American Relations has commissioned Opinion Research Corp. to poll on the Panama Canal issue. I commend the Institute for its public-minded activities. Through its sponsorship of educational projects such as this survey, the Institute renders a valuable service to the public.

In this survey, Opinion Research Corp. sought to determine public attitudes toward the Panama Canal and the Panama Canal treaties now pending before the Senate in a series of 10 questions.

I will examine each question separately.

At the outset, Opinion Research sought to determine the level of public awareness of the Panama Canal treaties. Opinion Research found a dramatic increase in public awareness of the treaties over the past 4 years, with the awareness level rising from 18 percent in 1975, to 69 percent of the public as of late February 1978.

Let me read what Opinion Research said about public awareness of the Panama Canal treaty negotiations:

Over two-thirds of the public are now aware of the negotiations on a new Panama Canal treaty.

The level of awareness has grown steadily over the last several years, with a large increase since May of last year.

Awareness of New Panama Canal Treaty Negotiations—

"As you may know, the Panama Canal is the waterway in Central America that connects the Atlantic and Pacific Oceans. The United States secured full ownership and control of the Canal Zone by way of a treaty signed with the Republic of Panama in 1903. How much, if anything, have you heard or read about the (possibility of*) negotiations on a new Panama Canal Treaty—a great deal, a fair amount, very little, or nothing at all?"

	Total public (percent)			
	Current survey	May 1977 survey	April 1976 survey	June 1975 survey
A great deal	33	11	5	5
A fair amount	36	26	25	13
Total	69	37	30	18
Very little	24	42	39	42
Nothing at all	7	20	30	38
Total	31	62	69	80
Don't know	0	1	1	2
Number of interviews	1,015	1,011	1,017	1,021

With public awareness of the issue at an all-time high, just how does the public feel about the United States turning over ownership and control of the Panama Canal to the Republic of Panama?

The results of the Opinion Research Corp.'s survey are instructive.

In 1975, when public awareness of the Panama Canal Treaty negotiations was a mere 18 percent, two-thirds of the public opposed turning over ownership and control of the Panama Canal to the Republic of Panama.

Today, with public awareness of the proposed Panama Canal Treaties at an all-time high—69 percent of the public are aware of the treaties, 72 percent of the public favors the United States retaining its ownership and control of the Panama Canal—and this, Mr. President, after all of the threats of and rhetoric about riots and reprisals in Panama and Latin America should the Senate fail to ratify the Panama Canal treaties and turn control of the Panama Canal over to the Republic of Panama.

Let me quote the results of Opinion Research Corp's findings:

Over seven people in ten favor continued U.S. ownership of the Panama Canal.

About one person in five now favors Panamanian ownership of the Canal. Although this is a significant increase since the May 1977 survey, favor for U.S. ownership remains at a high level throughout the population.

U.S. vs. Panamanian Ownership of the Panama Canal—

"Do you favor the United States continuing its ownership and control of the Panama Canal, or do you favor turning ownership and control of the Panama Canal over to the Republic of Panama?"

	Total public (percent)			
	Current survey	May 1977 survey	April 1976 survey	June 1975 survey
U.S. continuing ownership and control	72	78	75	66
Turning ownership and control over to Panama	19	8	12	12
No opinion	9	14	13	22
Number of interviews	1,015	1,011	1,017	1,021

So, Madam President, the public remains strongly favoring U.S. retention of the Panama Canal, despite all of the propaganda distributed by the admin-

* The words "possibility of" were included in the question wording in the three previous surveys; not in the current survey.

istration and the major news media favoring the treaties.

I might point out, in all fairness to proponents of the Panama Canal treaties, that the percentage of the public which favors turning over the Panama Canal to the Republic of Panama also has risen: from 12 percent in 1975, to 19 percent last week.

When Opinion Research sought to test the strength of feelings of those who wish to turn over the Panama Canal to Panama by asking whether or not those Americans who held this position would change their view if added benefits were given to Panama, Opinion Research found that only 18 percent of those favoring turning over the canal to Panama would change their minds.

This translates to a little more than 3 percent of the public at large. Therefore, almost 15 percent of the public remains firm in its resolve to turn over the canal to Panama.

Let me quote again from Opinion Research Corp.'s findings:

When those who favor turning the canal over to Panama are presented with the alternative of the U.S. continuing ownership along with improvements to the canal and economic benefits to Panama, the large majority continue to favor Panamanian ownership.

Given the alternative proposal (shown below), 18% of those initially favoring turning ownership of the Canal over to Panama change their position to continuing U.S. ownership. Translated to the total public, this alternative increases the proportion favoring continued U.S. ownership by three percentage points.

U.S. vs. Panamanian Ownership of the Panama Canal Under Terms of an Alternative Proposal—

"Some Senators want to accept the treaties and some want to reject them. Some of the Senators who want to reject the treaties and have the United States continue its ownership and control of the Canal have offered another proposal. This proposal would improve the Canal and provide economic benefits to Panama.

Specifically, the proposal calls for the United States to modernize the Canal, at an estimated cost of one-and-a-half billion dollars over the next ten years—most of this money would be spent in Panama. Also, the proposal calls for hiring Panamanians rather than Americans to provide the services needed by the Canal.

On the basis of this proposal, do you favor the United States continuing its ownership and control of the Panama Canal, or do you favor turning ownership and control of the Panama Canal over to the Republic of Panama?"

Those who favor turning ownership over to Panama (19 percent)

	Percent
U.S. continuing ownership and control	18
Turning ownership and control over to Panama	74
No opinion	8
(Number of interviews)	(230)

After looking into public awareness of the treaties and public attitudes toward continuing U.S. ownership and control of the canal, Opinion Research Corp. then questioned the public about specific aspects of the Panama Canal treaties that we now are considering in the Senate.

The first of these questions dealt with the specific issues involved in the Baker-Byrd amendment, which codifies the terms of the Carter-Torrijos understanding.

Basically, that understanding gives the United States certain defense rights in the canal and Canal Zone—but specifically bars the United States from intervening in the internal affairs of Panama.

Since the Canal Zone will become Panamanian territory under the terms of the treaties now under consideration, the United States will be barred from taking any action which Panama disapproves of. In effect, Panama has a veto over the whole range of actions that the United States may find it needs to take to defend the canal.

Who can state with certainty that we will not face a hostile Panamanian Government in the next 22 years—one which will bar us from acting as we feel necessary to defend the canal.

The public, Opinion Research finds, would prefer that the U.S. Senate amend the treaties so that we may take whatever actions we deem necessary to defend the canal, with or without the consent of Panama. I quote the survey:

There is considerable public support for a treaty amendment that clearly guarantees the right of the U.S. to defend the canal without the permission of Panama.

Two-thirds of the public are of the opinion that the Senate should seek a treaty amendment specifically giving the U.S. the right to act on its own in defense of the Canal, rather than accepting the wording that gives the U.S. the right to defend the Canal but not interfere in the internal affairs or territory of Panama.

Even among those who favor Panamanian ownership and control of the Canal, half support the proposed amendment guaranteeing our right to defend the Canal without the permission of Panama.

Reaction to Treaty Amendment Clarifying U.S. Right To Defend the Canal—

"Some Senators have proposed that the Panama Canal treaties be amended to clarify that the United States can defend the Panama Canal, but cannot interfere in the internal affairs or territory of Panama.

Some Senators say that this amendment provides a sufficient guarantee of the rights of the United States to defend the Canal.

Other Senators say that this amendment gives Panama a veto over any U.S. military activities in the defense of the Canal.

What is your opinion? Should the Senate accept the amendment as proposed, or should the Senate seek an amendment that specifically guarantees that the U.S. have the right to act by itself in defense of the Canal without the permission of Panama?"

	Total public	(1)
Accept defense position as originally proposed (percent)	18	38
Seek amendment guaranteeing U.S. defense rights (percent)	68	50
No opinion (percent)	14	12
Number of interviews	1,015	230

[1] Those who favor Panamanian ownership of canal.

This week Senator HATCH discussed the results of the Opinion Research Corp.'s survey question concerning the security facility on Galeta Island.

On that issue three-fourths of the public feel that the United States should retain ownership and control over Galeta Island, even if the rest of the Canal Zone is turned over to Panama.

Even 62 percent of those who support giving the canal to Panama believe that the United States should keep control of Galeta Island under U.S. ownership.

Let me quote from the survey results:

Three-fourths of the public believe that the military facility on Galeta Island should continue under U.S. ownership, even if the rest of the Canal Zone is turned over to Panama.

Only about one person in eight thinks the U.S. should rely on the defense rights as currently provided in the treaty to protect our intelligence monitoring base located on Galeta Island. Large majorities throughout all segments of the public believe that the U.S. should require this facility to continue under our ownership even if Panama is given ownership of the Canal Zone surrounding it.

Among those who favor Panamanian ownership and control of the Canal, over six in ten support our continued ownership of the Galeta Island base.

U.S. Continued Ownership of Galeta Island Military Facility—

"The United States has a top secret military facility in the Panama Canal Zone. This facility is reported to be used to track Russian and Cuban aircraft, surface ships and submarines, among other things. The military has said that this facility would be extremely difficult to replace.

Some Senators who support the treaty say that it provides a sufficient guarantee of the rights of the United States to defend this military facility.

Critics say that this military facility cannot be protected under the existing provisions of the treaty and that the United States should continue to own the facility even if the Panama Canal Zone surrounding it is turned over to Panama.

Do you think the United States should rely on the defense rights as now provided in the treaty to protect this installation, or should the United States require that this facility continue under U.S. ownership even if the rest of the Canal Zone is turned over to Panama?"

	Total public	(1)
Rely on current treaty defense rights (percent)	13	29
Require continued U.S. ownership of Galeta base (percent)	75	62
No opinion (percent)	12	9
Number of interviews	1,015	230

[1] Those who favor Panamanian ownership of canal.

As Senators are aware, there are provisions in the treaties and implementing legislation which will cost the U.S. Government as much as $100 million a year—perhaps even more.

The public was informed of this fact and asked whether it supported those parts of the treaties which cost this amount of money.

Fifty-five percent of the public stated that they feel that the Senate should oppose those provisions of the treaties

which levy these costs to the U.S. Government.

Again, I quote from the survey:

There is majority opposition (55%) to the treaty provisions that involve payments to Panama.

When informed that certain treaty provisions would cost the U.S. government $100 million a year until year 2000 and that most of these costs involve payments to Panama, over half the public register opposition to the provisions and a fourth indicate support.

Among those who support the proposed treaties, opinion is divided. Their opinion leans in the direction of opposition, but the difference is not statistically significant.

Reaction to Treaty Provisions Involving Payment to Panama—

"Certain provisions of the treaties would cost the U.S. government 100 million dollars a year until the year 2000, when ownership and control of the canal would be turned over to Panama. Most of these costs involve payments to Panama.

"In your opinion, should the U.S. Senate support or oppose these treaty provisions?"

	Total public	(1)
Support provisions (percent)	25	37
Oppose provisions (percent)	55	46
No opinion (percent)	20	17
Number of interviews	1,015	230

[1] Those who favor Panamanian ownership of canal.

Madam President, the treaties now under consideration by the Senate have in them a provision which requires that the United States get the approval of Panama before it can build another canal connecting the Atlantic and Pacific oceans.

For all of the discussion about these treaties, less than one-third of the public was aware of this provision.

When informed that, indeed, the United States does need the consent of Panama before it can build another interoceanic canal, a plurality of Americans said that they favor an amendment removing this requirement.

I read from the survey results:

Most people are unaware that the treaties require the U.S. to have the consent of Panama before we can build a new canal.

Fewer than a third of the public are aware that Panama's consent would be required before the U.S. could build a new canal.

Aware of Need for Panama's Consent To Build a New Canal—

"As far as you know, do the treaties require the United States to have the consent of Panama before we can build a new canal connecting the Atlantic and Pacific Oceans?

	Total public percent
Yes, requires consent of Panama	31
No, does not	17
Don't know	52
Number of interviews	(1,015)

Although there is some division of opinion, a plurality (47%) of the public favor removal of the prohibition requiring Panama's consent to build a new canal.

Those who support the proposed treaties are evenly divided on this issue—42% in favor of removing the prohibition and 45% for keeping the prohibition.

Reaction to Requirement for Panama's Consent To Build a New Canal—

"As they now stand, the Panama Canal treaties prohibit the United States from building a new canal without the consent of Panama. An amendment has been proposed that would remove the requirement for Panama's consent. Do you favor or oppose this amendment?"

Total public:	*Percent*
Favor amendment removing requirement for Panama's consent	47
Oppose amendment removing requirement for Panama's consent	36
No opinion	17
(Number of interviews)	(1,015)

Madam President, article IV, section 3, of the U.S. Constitution required that—

The Congress shall have the power to dispose of . . . the territory and property belonging to the United States.

Last week, more than one-half of the Members of the U.S. House of Representatives had signed on as sponsors of a resolution demanding that the Panama Canal treaties be sent to the House for consideration there.

I understand that even now, a bill is under consideration in the House to require that the House act before any U.S. military bases are turned over to Panama under the treaties.

Yet, the Senate seems to have no plans to send the treaties to the House for consideration there.

This is contrary to the view of the public. Seventy percent of the public supports action to send the treaties to the House for consideration there, including 67 percent of those who favor giving the canal to Panama.

Again, the Senate seems to be thwarting the strongly felt, expressed will of the people.

I quote the survey's findings:

Seven persons in ten believe the Panama Canal treaties should be sent to the House of Representatives for consideration.

Respondents were informed that the Congress "shall have the power to dispose of . . . the territory or other property belonging to the United States." With this information and the knowledge that the House recently sponsored a resolution requesting the Senate to send the treaties to the House for its consideration under the terms of the Constitution, sizeable majorities throughout all segments of the population favor House consideration of the treaties.

Even among those who favor Panamanian ownership and control of the Canal, two-thirds support House consideration of the treaties.

House of Representative's Consideration of the Treaties

"The U.S. Constitution states that the Congress 'shall have power to dispose of the territory or other property belonging to the United States.'

A majority of members of the U.S. House of Representatives recently sponsored a resolution requesting the Senate to send the Panama Canal treaties to the House for its consideration under the terms of the Constitution just mentioned.

The State Department and the supporters of the Panama Canal treaties do not wish to have the House of Representatives act on the treaties; those who oppose the treaties wish to have the House of Representatives act on the treaties.

In your opinion, should the Senate send the treaties to the House of Representatives for consideration, or should the Senate not send the treaties to the House of Representatives for consideration?"

	Total public	(1)
Send treaties to House (percent)	70	67
Do not send to House (percent)	17	23
No opinion (percent)	13	10
Number of interviews	1,015	230

[1] Those who favor Panamanian ownership of canal.

Finally, Madam President, Opinion Research looked into the public's attitudes toward revelations concerning alleged drug dealings by members of the family of Panama's dictator, Omar Torrijos.

Much has been said about these allegations. The Senate has held a secret session to look into them.

A grand jury in New York has issued an indictment of Moises Torrijos, the brother of Omar Torrijos, and, until recently, Panama's Ambassador to Spain. Now that Mr. Torrijos is a private citizen again, perhaps the Attorney General will implement the action that the grand jury demanded, and will seek to have Mr. Moises Torrijos stand trial in the United States.

When the public was questioned about what effect the allegations of drug dealings have had on their attitudes toward the Panama Canal treaties, 47 percent of the public said they feel that the treaties should be rejected if the charges are true. Forty-three percent say that the charges should have no bearing on the treaties or their ratification.

Nearly half of the public feel that the charges are serious enough to urge rejection of the treaties if they are proven to be true.

In light of this public concern, it is incumbent on the Attorney General to act on the Torrijos matter, and bring Moises Torrijos before the bar of justice.

I read the findings of the survey:

Public opinion is divided as to the effect on acceptance or rejection of the treaties of Panamanian Government involvement in drug trafficking.

If charges of Panamanian government involvement in drug trafficking are true, 47% of the public believe the Panama Canal treaties should be rejected. On the other hand, almost as many people (43%) say the charges should have no effect on the Senate's consideration of the treaties.

However, supporters of the treaty are heavily on the side that thinks the charges should have no bearing on Senate action.

Effect of Panamanian Government Drug Trafficking Charges on Treaty Acceptance/Rejection—

"There have been charges in the media that high officials of the Panamanian government have engaged in smuggling heroin and other drugs into the United States. A U.S. grand jury has indicted Moises Torrijos, brother of the head of Panama, for channeling 27 million dollars or more in drugs into the United States.

"Some Senators say that the existence of these charges should have no bearing on whether or not the U.S. Senate accepts or rejects the Panama Canal treaty.

"Other Senators say that, if these charges are true, the U.S. Senate should reject the Panama Canal treaty.

"Do you think the charges should have no bearing on the Senate's acceptance or rejec-

tion of the treaty, or do you think that the treaty should be rejected if the charges are true?"

	Total public	(1)
Charges should have no bearing on treaty (percent)	43	69
Treaty should be rejected if charges are true (percent)	47	25
No opinion (percent)	10	6
Number of interviews	1,015	230

[1] Those who favor Panamanian ownership of canal.

Madam President, I have just read what has to be the most comprehensive survey ever taken on the question of the Panama Canal and the Panama Canal treaties.

I have not seen a survey as exhaustive in detail as this, dealing with actual matters pending before the Senate. Because it has done this, it is much more useful for our consideration of the treaties and all of the many aspects of it than other surveys that have been brought to public attention.

It is important, too, because Senators now have a sampling of public attitudes not only on the question of whether or not to turn over the canal to Panama, but also on a number of the major issues involved in attempts by Senators to improve the treaties in the event of their ultimate ratification.

The Senate should heed the findings of this survey; it reflects what the people of the United States feel about these treaties. In many cases, both opponents and proponents of the treaties are in agreement on a specific issue. All the more reason that the results should be heeded.

Madam President, many of us will face the voters in November. They will ask us how well we have represented their interests and heeded their wishes. How will we answer them on the Panama Canal?

Mr. ALLEN. I thank the distinguished Senator from North Carolina.

Madam President, I reserve the remainder of my time, and I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Madam President, the Senator from North Carolina has just made another reference to a public opinion poll; there have been continual references throughout the debate to public opinion polls.

We all know that in polls, as in many other areas, the answer you get depends on the question you ask. It is extremely important, in evaluating the results of a poll, to look at the questions which were asked. Of course there is the more basic question of what weight to give to polls. A question which was addressed so eloquently by the distinguished Senator from West Virginia, the majority leader, when he made his opening statement with respect to these treaties, and spoke of the obligation which a Member of the Senate owes to his constituency in terms of exercising his best judgment with respect to matters pending before the Senate.

After all, why do we have lengthy hearings, why do we hear from witnesses, why do we question them, why do we read these voluminous documents, if it is not better to equip ourselves to make difficult judgments on issues of importance to the country?

So, at the threshold there is always the fundamental question of what our responsibilities are and how we are to reach our decisions with respect to matters coming before the Senate. Obviously, any Senator who appreciates his role as an elected representative of the people to be sensitive to what his constituency thinks and sensitive as to why they think it: What are the reasons why the people who sent him here are taking their positions in the mail he receives, and in the telephone calls or personal conversations he has with his constituents?

However, I submit that every Member of the Senate has the responsibility to go beyond that and to consider the matter on its merits, in terms of his own judgment and his own understanding.

The public opinion polls, of course, are cited in many different ways. I find it interesting that people cite them when the polls are on their side; and when the polls are against them, people say, "Well, you really can't just follow a public opinion poll. You have to decide in terms of what is right and what is proper and what is good for the interests of the country." But there is no denying that polls have become an important part of our national life, and they receive enormous media attention. Therefore, I would like to include at this point in the RECORD an article which appeared in the Sunday, February 12, issue of the Washington Post in the space for guest writers. It is an article by William Schneider, an associate professor of government at Harvard University. It discusses quite carefully a number of different polls that have been taken recently across the country with respect to the Panama Canal treaties.

Madam President, I ask unanimous consent that this article by Professor Schneider be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BEHIND THE PASSIONS OF THE CANAL DEBATE

(By William Schneider)

Last year Senator Majority Leader Robert C. Byrd of West Virginia declared that the Panama Canal treaties negotiated by the Carter administration were doomed unless public opinion shifted decisively. He, like most others, thought voters overwhelmingly opposed the treaties. Several polls, after all, had indicated that opposition was running as high as 10 to 1.

Then, earlier this year, prospects suddenly changed. The treaties appeared to have a chance. A Gallup Poll taken in early January found for the first time that more Americans supported the treaties than opposed them. A vast switch in attitudes appeared to have taken place.

No such thing. There had been a gradual change in sentiment, but certainly not a startling one. The fact is that American opinion had never been as massively against the treaties as thought. Nor does opposition, then or now, chiefly reflect a desire to assert American military might after the agonies of Vietnam and a perceived decline in American power. That Byrd and others believed part or all of this to be true, however, tells us something about polls and politics—or about how polls can distort politics—a lesson worth pondering as the Senate continues its heated debate over the treaties.

The Gallup Poll has never shown overwhelming opposition to the treaties. When Gallup first started asking about the canal last August, there was only a 7-point difference between supporters and opponents, with 46 percent against and 36 percent in favor. Two months later the difference was 8 points: 48 percent opposed, 40 percent favorable. And then in January, with the portion of Americans aware of the treaties having risen to 81 percent, the plurality of 45 percent to 42 percent supported the pacts.

That is surely no sudden shift of attitudes. Why, then, the sharply different public, press and political perceptions? It should come as no great surprise to anyone by now that answers to polls depend on the questions asked, and a review of 25 poll questions on the canal by 10 organizations makes clear that, on this and other important points, the same holds for the Panama issue.

The most extreme majorities opposed to any change in the status of the canal were registered in polls taken by the Opinion Research Corp. of Princeton, N.J., before the signing of the treaties in September, 1977. ORC asked respondents, "Do you favor the United States continuing its ownership and control of the Panama Canal, or do you favor turning ownership and control of the Panama Canal over to the Republic of Panama?" The May, 1977, poll showed a vast 70-point margin in favor of American ownership and control: 78 per cent for U.S. control, 8 per cent for turning ownership and control over to Panama.

The point did not escape one of the leading opponents of the canal treaties, Republican Sen. Jesse A. Helms of North Carolina, who cited the 78 per cent figure on "Meet the Press," in August, 1977, as evidence that a strong majority opposed the treaties. But of course the ORC question did not ask about the treaties. It did not even mention them.

It asked whether "ownership and control of the Panama Canal" should be turned over to the Republic of Panama. The alternative position was "the United States continuing its ownership and control of the Panama Canal." Given such an extreme choice, and with no mention of the provisions of the actual treaty, there was no mistaking how Americans feel.

Much the same can be said for a question asked by NBC News and the Associated Press in October, 1977, just after the treaties had been signed: "The new treaty between the United States and Panama calls for the United States to turn over the canal to Panama at the end of this century. However, this treaty still has to be approved by the Senate. Do you favor or oppose approval of this treaty in its present form by the U.S. Senate?"

This poll, like the earlier ORC one, stated only one provision of the treaty—that it would require the United States to "turn over the canal to Panama," a rather imprecise description of the complex and ambiguous legal situation. Moreover, respondents were asked whether they favored or opposed Senate approval of the treaty "in its present form," which invited those who favored any modifications, however slight, to answer "no."

On the other hand, the NBC News/AP poll, unlike the ORC poll, explicitly referred to a treaty (actually, two treaties) and noted that the canal would not change status until the end of this century. It also put its question to the three-quarters of the sample who said that they had heard or read something about the treaties. These respondents were still strongly opposed, but by about a 2 to 1 margin, not the 10 to 1 of the ORC survey.

"CONTROL" IS THE KEY WORD

A look at all the questions asked over the past year reveals that "control" of the canal has long been the key issue to the American public. Any question which specifies that the United States will hand over control of the canal to Panama elicits a strongly negative public reaction—unless the meaning of "control" is further qualified.

When three different polling organizations—the Associated Press, Louis Harris and the joint CBS News/New York Times survey—asked Americans about the treaties in September and October of 1977, their questions also focused on "relinquishing control" or "granting control" of the canal to Panama—without qualification. In all three polls, opposition to the treaties was expressed by about half the public (49–51 per cent), while just over a quarter (26–29 per cent) supported them.

A fourth poll at that time by Pat Caddell, the president's own pollster, said: "The government last week announced that we have concluded a treaty with Panama to return some parts of the canal, the Canal Zone, and operating revenues of the canal to Panama. From what you've heard, do you favor or oppose the treaty?" It is difficult to understand what Caddell meant by "some parts of the canal," but this made little difference to the public. It opposed the treaties by about the same margin, 46 per cent to 26 percent.

But when the question of control begins to be qualified, the picture changes substantially. Consider the question Gallup has used: "The treaties would give Panama full control over the Panama Canal and the Canal Zone by the year 2000, *but the United States would retain the right to defend the canal against a third nation* [emphasis added]. Do you favor or oppose these treaties between the United States and Panama?"

It is this question, reflecting the greater complexity of the issue and put to those who were aware of the treaties, that produced the initial closer division and the January plurality supporting Senate approval.

There is more dramatic evidence of this point. Both NBC News in collaboration with the Associated Press, and CBS with The New York Times, took polls on the Panama treaties last October and this January. The initial questions, which made no mention of U.S. defense rights, showed similarly large margins opposed to the treaties.

But in the October CBS/Times survey, a second question was asked: "Suppose you felt the treaties provided that the United States could always send in troops to keep the canal open to ships of all nations. Would you approve of the treaties?" The results showed a complete reversal—from opposing the treaties by 40 per cent to 29 per cent, to favoring them by 63 per cent to 24 per cent.

In the January NBC News survey, this follow-up question was asked. "Would you favor or oppose approval of the Panama Canal treaty if an amendment were added specifically giving the U.S. the right to intervene if the canal is threatened by attack?" Again the results abruptly reversed. The original question showed 62 per cent to 28 per cent opposed to the treaties among those who had heard or read about them, but the second question produced a 65 per cent to 25 per cent margin in favor of such amended treaties.

With the U.S. right of military intervention provided, the results of the two polls are almost identical: a whopping 39-point margin of approval in the October CBS/Times poll, and an equally impressive 40-point margin of approval in the January NBC poll.

Still other evidence supports this point. A poll taken by the Field Institute in California asked the following question in October, 1977, and again in January, 1978. "As you may have heard, the Panama Canal treaties call for the gradual transfer of controls over the canal to the country of Panama by the year *2000 with the United States retaining military defense rights* [emphasis added]. From what you have seen or heard, do you personally approve or disapprove of these treaties?"

The results were similar to Gallup's nationally. Californians disapproved of the treaties by 49 to 35 percent in October, a 14-point margin. In January, the results were much closer—46 percent disapproving and 41 percent approving, a 5-point margin.

In short, Americans are by now about evenly split over a treaty that would provide for our right to defend and protect the canal, and they are very much in favor of a treaty that would allow for U.S. troop intervention in case of any threat to the canal. President Carter got to the crux of the matter in his Feb. 1 speech to the nation when he stated that "the new treaties give us what we do need—not ownership of the canal, but the right to use it and protect it." Indeed, he indicated that he would not hesitate "to deploy whatever armed forces are necessary to defend the canal."

LITTLE EVIDENCE OF MILITARISM

It is possible to read these results as an assertion of American militarism. Many commentators have suggested that what lies behind opposition to the treaties is frustration over the loss of Vietnam and the perceived decline of American power. Undoubtedly, many conservatives perceive the canal treaties as a symptom of American military retreat and feel that rejection of the treaties would demonstrate that the United States will not be pushed around by small countries.

Yet, curiously, there is little evidence of militarism or aggressiveness in the public's feelings about the canal.

In his October, 1977, survey, Gallup asked those who had heard or read about the canal debate: "What do you think are the best arguments against the treaties." One answer stood out. "We built it and paid for it—we should keep it." This reason was given by a quarter of those asked. Not one response mentioned frequently enough to be counted could be classified as "militaristic" or "aggressive."

The second most popular argument against the treaties, "national security," was offered by only 10 percent, and 5 percent gave each of the following arguments: "I don't trust the Panamanian government," "The Panamanian government eventually won't let us use the canal," and "Communists will take it over."

Similarly, a January, 1977, survey by the Roper Poll offered those who opposed the treaties a list of arguments and asked them to choose the ones they found the most compelling. The two most frequently chosen (by about half the opponents) were that "We not only paid for the canal originally, but we have also paid a yearly fee to Panama for U.S. rights in the Canal Zone," and "When we made the Panama Canal treaty, it was supposed to last forever." About a third of the opponents chose the following arguments: "If we don't keep control of the canal, it could be invaded and taken away from Panama," and "If we don't keep control of the canal, the Panamanians might not let us use it."

Thus the most popular arguments against the canal treaties seem to be legalistic and defensive, not aggressive.

The legalism surrounding the debate has to do with ownership and sovereignty. The most compelling reason given by Americans for opposing the treaties is that the canal is ours—"We built it and paid for it." In the same poll, Gallup asked respondents to identify the best arguments in favor of the treaties. The most frequently mentioned reason: that the canal "belongs to the Panamanians—it's part of their land." It's theirs.

THE DEEPER FEELINGS

It is likely that claiming the canal is "ours" expresses more than a legal opinion or a recitation of what Americans learned in grade school. President Carter touched on this deeper attachment when he cited the view of David McCullough, a leading authority on the history of the Panama Canal, that the canal is "something that we built and have looked after these many years; it is 'ours' in that sense which is very different from just ownership. It expresses deep and elemental feelings about our own strength."

Dr. Robert M. Dorn, professor of psychiatry at the Eastern Virginia Medical School, describes this attachment in clinical terms:

"Any political talk that implies that we are giving away something which is currently viewed in fantasy as a part of ourselves, or possibly being 'robbed' of something which is a part of us, will certainly stir up a response. If such key words as 'ours' 'giving away' and 'robbed' don't work, there is always the back-up idea of others wresting away control of this 'essential link' that keeps our 'country intact.' The fragmentation of our nation is, indeed, a frightening fantasy."

Americans' attachment to the canal can be described as primordial. We created it. We succeeded where the French had failed. We built it in a humanitarian way, by first wiping out the disease and suffering that had impeded other canal projects. We gave independence to the Panamanian people (though not without ulterior motives), and we created an unnatural resource which has brought great material benefit to Panama. Americans regard the Panama Canal as a monument to our technological know-how and to our humanitarian instincts, as a symbol of Yankee ingenuity, not Yankee imperialism.

Anti-treaty leaders have recognized that beneath the canal debate is this most fundamental of American values, the veneration of property rights. In an August, 1977, "Meet the Press" interview, for example, Republican Sen. Strom Thurmond of South Carolina declared that "I think the world is going to have more respect for us if we stand for property that belongs to us," and he concluded the interview by stating: "I think we cannot afford to let other people take our property, and I think we would have to take whatever reasonable steps are necessary to protect the property of the people of this country."

What puzzles many Americans about the treaties is that they do not see a clear reason for them. Why are we doing this? Who is pressuring us to renegotiate the status of "our" canal?

They refuse to accept arguments that the canal is "no longer important to us." In September and October, 1977, the Field Institute asked a sample of Californians how they felt about the statement: "The Panama Canal is no longer vital to U.S. defense." The sample disagreed, 62 per cent to 27 per cent, with close to half the sample, 43 per cent, disagreeing strongly. Even those who favored the treaties were evenly divided over this issue; 47 per cent agreed that "the Panama Canal is no longer vital to U.S. defense," and 47 per cent disagreed. As Columnist George Will has written, "It is folly for advocates of the treaty to denigrate the canal's importance."

Given these strong feelings, it is not surprising that many Americans are nervous about sabotage, nationalization, or takeover by an unfriendly power. Americans feel secure about the canal only if it is under our own military protection. It is in this light that one should interpret the insistence upon the right of military intervention—not as aggression, but as defense.

All polls show that approval of the treaties increases markedly with education. The col-

lege-educated are often more favorable toward the treaties than are those under age 30 or self-described liberals.

This does not mean, as the Carter White House has suggested, that increased awareness of the treaties produces greater support for them. While those aware of the treaties have tended to be more supportive, this is largely because they have been better educated. Indeed, increasing awareness among those with similar education levels has done nothing more than build both opponents and supporters—it has simply increased the number of opinions. Education level has been the key.

The well-educated tend to have a broader world-view, to understand more complex and remote causes, to give more support to policies that involve no immediate, palpable benefits. Support for the treaties chiefly appears to come from well-educated internationalists who feel that the pacts will be seen as an act of fairness and generosity, that the ultimate payoff will be improved relations with the Third World and increased U.S. influence there.

In last October's Field poll in California, the following statement was the one which most sharply divided supporters and opponents of the treaties: "Transfer of the canal to Panama would lead to improved U.S. relations with nations in Latin America and elsewhere in the world." Californians who supported the canal treaties overwhelmingly agreed with statement, 82 percent to 11 percent. Those opposed disagreed with statement, 68 percent to 28 percent.

The fact that internationalists are more sophisticated does not necessarily mean they are right. The Vietnam war is a good example of a policy initiated by internationalists who saw sophisticated reasons why the United States would pursue a long-term, limited-war strategy. Non-internationalists asked "simple-minded" questions: "Why are we involved in this war if we don't intend to win it?"

In the canal debate, the non-internationalist public is asking many sensible questions about whether the United States is taking too great a risk in return for intangible gains.

Contrary to popular impressions, though, the implication of this position is that opponents of the treating have the more isolationist perspective. What they evidently are worried about is that turning control of the canal over to Panama would increase the likelihood of "trouble" and of the need to for U.S. military intervention. It is logical for isolationists to feel more secure with the canal under American control and protection.

The idea that the canal treaties represent an internationalist position helps explain another curious fact about them—that they are supported by virtually the entire political elite. No major Democrat has attacked the treaties, and most mainstream Republicans, including former President Gerald Ford and former Secretary of State Henry Kissinger, have endorsed them.

Indeed, responsible politicians like Senate Minority Leader Howard Baker of Tennessee have had to go out of their way to find sensible reasons for opposing the canal treaties. Baker is under considerable pressure to conform to the official Republican opposition to the treaties, especially if he expects to be a contender for the 1980 GOP nomination. But he also shares the pro-treaty bias that characterizes the entire "internationalist" Washington community.

THE INTENSITY FACTOR

It may be that the President's Feb. 1 speech has helped turn public opinion around on the treaties, but that still may not assure two-thirds approval by the Senate.

This is because of another aspect of public opinion: intensity. Several polls have shown that opponents feel more strongly about the pacts than supporters. In the October, 1977, CBS News/New York Times survey, respondents were asked, "Do you feel strongly enough about the way your senators vote on the Panama Canal treaty to change your vote because of it when they run again?" Among treaty supporters, a 56 per cent majority said "no," while only 26 per cent said that they would change their votes because of the treaty issue. Among treaty opponents, however, the balance was reversed: a 44 per cent plurality said they would change their votes depending on how their senators voted on the treaties, while 34 per cent said the treaty would not be their sole consideration.

These crude indicators of intensity suggest what many politicians already realize: that treaty opponents are beginning to look like a veto group. They are already communicating their intent to defeat any senator who votes to approve the treaties. Thus even if public opinion shifts decisively in favor of the treaties, senators may still not fall into line. A senator will realize that he stands to lose many more votes from the anti-treaty minority than he has to gain from the pro-treaty majority.

An organized veto-group—those opposing abortion, gun control, and the ERA, or the anti-war movement during the Vietnam years and the pro-Israel constituency—can operate effectively with or without the support of public opinion. Such groups are particularly potent in the treaty-approval process, where only one-third of the Senate can block a pact. Every wavering senator will be forced to balance several cross-cutting influences: public opinion, the likelihood of an organized campaign against them if they vote for the treaties, pressure from the White House, pressure from their party, from the Washington milieu, from their own private convictions. It is the uncertainty of the process that makes it interesting—and democratic.

Mr. SARBANES. Madam President, Professor Schneider discusses carefully in this article the questions that were asked in the various polls, and he points out how the results varied accordingly. He points out what the polls reflect as to the concerns the American people may have about these treaties.

I must say that I think the leadership amendments very clearly address themselves to some of these concerns and do it very effectively. Those amendments make it clear that the United States can take any action it deems necessary in order to maintain the neutrality of the canal and, therefore, preserve the canal as an open, neutral, international waterway.

That leadership amendment, which is now pending before this body, and the provision of the other leadership amendment to be offered to article VI, which makes it clear that our vessels of war and auxiliary vessels have priority passage—can go to the head of the line to transit the canal in terms of need—address themselves to two of the matters about which these polls have reflected the people of the country have a concern.

It is interesting how different the results of the polls of this issue are depending on the question that is asked. Therefore, I think that when people make reference to polls, the first thing we should do, leaving aside the question of what weight the polls should have in affecting a Senator's judgment, is to look carefully at the poll, what questions were asked, and what result those questions produced.

That does not get to the more basic question of the responsibility of Members of this body, mindful at all times of the opinions of their constituency, also to exercise their own judgment in trying to reach a conclusion.

We owe the people we represent the obligation to seek to understand these issues; to appreciate in these treaties, which are very complicated documents, the interrelationships between one clause and another clause, and to understand how those interrelationships work.

The PRESIDING OFFICER (Mr. NELSON). The Senator from Alabama.

Mr. ALLEN. I am willing to yield back the remainder of our time unless the unanimous-consent agreement would preclude that, and have a vote—

Mr. CHURCH. Mr. President, I might make some brief remarks.

Mr. ALLEN. Yes.

Mr. CHURCH. Then I would be prepared to relinquish back the remainder of my time, and we might then go to vote.

It is my purpose at the appropriate time to make a motion to table.

Mr. ALLEN. I understand.

May I inquire of the Chair if the unanimous-consent agreement would preclude us from yielding back our time and voting prior to 1:15?

The PRESIDING OFFICER. It would require unanimous consent to vote before 1:15.

Mr. ALLEN. I might confer with the distinguished majority leader and see if he would have any objection.

Mr. CHURCH. I am amenable to the suggestion of the Senator from Alabama, and we will confer with the majority leader.

Mr. ALLEN. I need no further time. I hope the Senate will agree with the amendment.

Mr. SARBANES. Mr. President, to carry the matter a little further a release on a Gallup poll last month entitled "U.S. Public Opinion Shifts To Support of Panama Treaties," says the following:

PRINCETON, N.J.—Among the large majority of Americans who have heard or read about the debate over the Panama Canal treaties, opinion is now closely divided with 45 per cent in favor and 42 per cent opposed. A survey taken three months ago showed opinion 48 to 40 per cent in opposition.

The latest survey was conducted in early January . . .

I repeat the survey was conducted in early January:

and therefore does not reflect the possible effect of the Carter administration's "January offensive," a nationwide effort by administration officials to inform the American public about the key facts of the treaties.

An important finding from this survey is that the more Americans know about the Panama Canal treaties, the more likely they are to favor Senate ratification, as seen in the views of the "better informed."

The "better informed" are defined as those who are able to correctly answer three questions dealing with key facts about the treaties: the year the canal is to be turned over to the Republic of Panama; whether or not the U.S. has the right to defend the

canal against third-nation attacks; and whether or not the biggest U.S. aircraft carriers and supertankers are able to use the canal.

The Gallup people made an effort to try to ascertain people's knowledge on some key points. Therefore, they put three questions to people to measure their knowledge of what is contained in the treaties. The three questions they picked were the year the canal is to be turned over to the Republic of Panama? Whether or not the United States has a right to defend the canal; and, third, whether our large aircraft carriers and our supertankers can transit the canal.

Now, the vote among the group who could answer all of these questions correctly was 57 to 39 percent in favor of the treaties.

The questions put in order to measure people's knowledge and the results were as follows:

As far as you know, in what year is the Panama Canal to be turned over completely to the Republic of Panama, by terms of the treaties?

In what year? Now, the correct answer to that question—and I hope as we review these questions people listening both here in the gallery and on public radio will put the question to themselves—the correct answer to that question is 1999 or 2000. The Gallup people used either of those years as a correct answer since the turnover is scheduled to take place on December 31, 1999.

Well, of the people they polled, 20 percent gave the correct answer, and 80 percent the incorrect answer, did not know or had not heard or read about that issue.

The second question with respect to the U.S. rights to defend the Panama Canal after that date, when Panama takes control, 54 percent gave the correct answer. The answer is, yes, we do have the right to defend the Panama Canal? The question put was:

As far as you know, will the United States have the right to defend the Panama Canal against third-nation attacks after Panama takes full control?

Fifty-four percent said "yes," the correct answer and 46 percent said "no," the wrong answer.

Finally, the last question:

To the best of your knowledge, how much do the biggest U.S. aircraft carriers and supertankers now use the Panama Canal—a great deal, quite a lot, not very much, or not at all?

Well, the correct answer to that question is "Not at all," because the aircraft carriers and the supertankers are too large to transit the canal.

In the poll 24 percent answered correctly, 76 percent incorrectly, did not know or had not heard or read.

Mr. President, I ask unanimous consent that the entire release prepared by the Gallup people with respect to this poll be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. PUBLIC OPINION SHIFTS TO SUPPORT OF PANAMA TREATIES

(By George Gallup)

PRINCETON, N.J.—Among the large majority of Americans who have heard or read about the debate over the Panama Canal treaties, opinion is now closely divided with 45 per cent in favor and 42 per cent opposed. A survey taken three months ago showed opinion 48 to 40 per cent in opposition.

The latest survey was conducted in early January and therefore does not reflect the possible effect of the Carter administration's "January offensive," a nationwide effort by administration officials to inform the American public about the key facts of the treaties.

An important finding from this survey is that the more Americans know about the Panama Canal treaties, the more likely they are to favor Senate ratification, as seen in the views of the "better informed."

The "better informed" are defined as those who are able to correctly answer three questions dealing with key facts about the treaties: the year the canal is to be turned over to the Republic of Panama; whether or not the U.S. has the right to defend the canal against third-nation attacks; and whether or not the biggest U.S. aircraft carriers and supertankers are able to use the canal.

The vote among this "better informed" group (i.e., those who can answer all three questions correctly) is 57 to 39 per cent in favor of the treaties, as seen below:

*Views of the "Better Informed" on the Treaties**

	Percent
Favor	57
Oppose	39
No opinion	4

*Results subject to wide sampling fluctuation due to small number of cases.

Following is the survey question to determine the level of support for the treaties.

"The treaties would give Panama full control over the Panama Canal and the Canal Zone by the year 2000, but the United States would retain the right to defend the canal against a third nation. Do you favor or oppose these treaties between the U.S. and Panama?"

Following are the questions asked of those who are aware of the debate in order to identify the "better informed" group, and the results:

"As far as you know, in what year is the Panama Canal to be turned over completely to the Republic of Panama, by terms of the treaties?" (Correct answers, 1999 and 2000.)

	Percent
Correct	20
Incorrect/don't know not heard/read	80

"As far as you know, will the United States have the right to defend the Panama Canal against third-nation attacks after Panama takes full control?" (Correct answer, yes.)

	Percent
Correct	54
Incorrect/don't know not heard/read	46

"To the best of your knowledge, how much do the biggest U.S. aircraft carriers and supertankers now use the Panama Canal—a great deal, quite a lot, not very much, or not at all?" (Correct answer, not at all.)

	Percent
Correct	24
Incorrect/don't know not heard/read	76

The results reported today are based on in-person interviews with 1,536 adults, 18 and older, completed more than 300 scientifically selected localities across the nation during the period Jan. 6–9.

Mr. SARBANES. Mr. President, I do not overly stress this point. I have engaged in this discussion simply to make it clear, with respect to the constant citation by some speakers to polls, that it is important to know the question asked and the premises on which the poll is conducted.

I have consistently, in the course of this debate, in supporting these treaties, addressed myself to the substance of the terms of the treaties to how the provisions in the treaties affect American interests. I have addressed amendments which have been put before us in those same terms; what would they do to American interests. The last amendment which we voted on, which was disposed of by an overwhelming vote of 57 to 27, for instance, would have placed the United States in a position of having to go through a consultation process or arbitration and mediation through the International Court of Justice before we could undertake to preserve and maintain the neutrality of the canal.

When we addressed that question, we addressed ourselves to the substance of the merits of the issue. It is my own judgment, after having worked through these treaties very carefully, a judgment that is strengthened day by day as we work through these amendments, that these treaties protect American interests, and will well serve our national purposes. That is the basic reason why, in my view, they should be approved by the Senate of the United States.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, first of all, I thank the Senator from Maryland for his very helpful contribution concerning public opinion polls and the public's understanding of the issues with which the Senate must deal in determining whether or not to ratify the pending treaties.

It will come as no surprise if I express the hope that the Senate will reject this amendment to the final paragraph of the leadership amendment. Before expressing why I think it would be a serious mistake to adopt the amendment, I want to comment on the frequently made assertion that it is the position of the leadership that no one word should be added to this treaty.

Mr. President, it is simply not so. The proponents, who back the leadership amendment, propose to add 211 words to the text of the treaty. Yet, again and again, the assertion is made, apparently upon the assumption that its repetition will somehow make it believed, that the proponents are "stonewalling" any effort to improve the treaty by rejecting all amendments.

Mr. President, 77 Senators, including all of the supporters of the treaty, have joined in cosponsorship of this amendment. The Committee on Foreign Relations, by a vote of 14 to 1, recommended to the Senate the adoption of this amendment. We did so because, after hearings were held and testimony presented to the committee, we felt that the rights of the United States to act in the future to defend the canal, to keep it open, to keep it neutral, to keep it safe, should be riveted into the language of

the treaty itself; and this is what the leadership amendment accomplishes. It does so in clear unequivocal language.

If the Senate adopts the leadership amendment, the treaty will then contain language which says that "each of the two countries," meaning the United States and Panama, "shall, in accordance with their respective constitutional processes, defend the canal against any threat to the regime of neutrality, and consequently shall have the right"—each shall have the right, for the sentence can be read in no other way—"to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal."

It should be observed, Mr. President, that the leadership amendment makes clear that American action to defend the canal would not constitute a violation of the territorial integrity or political independence of Panama, or constitute any other type of intervention in Panama's internal affairs. This is why the concluding paragraph has been added to the leadership amendment.

Most of those conversant with our historic relations with Latin America are acutely aware that there is no more inflammatory issue south of our borders than that of intervention in the internal affairs of Latin governments. It was not easy for the Panamanian Government to agree that the United States should have, in perpetuity, the right to act to keep the canal open, neutral, and safe, for that naturally conjured up the old specter of intervention. For this reason, the final paragraph was added by the two governments. It reads:

This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama.

That sentence would be stricken if the Senate were to adopt the amendment now offered by the Senator from Alabama.

The final paragraph, added by the two governments, continues:

Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

Mr. President, comity between the two countries makes such language necessary. We do not want the right to interfere in the internal affairs of that small country, so let us say so. After all, under the United Nations Charter we are formally committed not to interfere in the internal affairs of all nations that signed the charter, which includes Panama.

So this sentence, which would be stricken if the amendment offered by the Senator from Alabama is adopted, merely reaffirms the solemn covenant that the United States has already agreed to in the U.N. Charter.

And the same thing would be true if the Senate strikes from this paragraph the other language as the Senator from Alabama seeks, that language being:

And it shall never be directed against the territorial integrity or political independence of Panama.

Again, we are bound under the United Nations Charter not to intervene in other lands or violate their territorial integrity.

Summing up, then, Mr. President, if we were to adopt this amendment, we would be striking the very language we have already committed ourselves to honor in the United Nations Charter.

What would this signal to the people of Panama? What message would we send to all governments south of our borders?

Why, the other countries of the hemisphere would interpret our action as a negation of the covenant we made when we signed the United Nations Charter. They would interpret it as a message to Latin America that the United States still desires the right to intervene in their internal affairs, and act against their territorial integrity and political independence.

Can you imagine any single act more calculated to undermine the confidence and good will the United States enjoys in Latin America than that proposed here? I cannot, Mr. President. We need to leave this paragraph intact, because it conforms with our obligations, our treaty commitments already in existence, and because it makes very clear that if events in the future ever require the United States to intervene with military force to keep the canal neutral, open, and safe, we can. Further, the paragraph makes it equally clear that such an action would not constitute a violation of our formal pledges as long as its purpose is to protect the canal, and not to interfere in the internal political affairs of Panama or undermine the territorial integrity or independence of that small country.

Now let me quote from the hearings of the committee, directly related to this point. On page 474 of the hearings, one of the esteemed members of the committee, Senator GLENN of Ohio, asked one of our negotiators, Ambassador Linowitz, a question about the language of the communique issued by President Carter and General Torrijos. That language, of course, is incorporated in the leadership amendment now before us. On the matter of territorial integrity, Senator GLENN asked Ambassador Linowitz the following, and I quote:

I don't want to raise specters all over again but once this is all concluded and in place, all territory, including the canal, will be Panama's. We will be going in on Panamanian territory. And that is realized by everyone, I think. Our intent, as we have always seen it here, has been to intervene solely to keep the canal open, with no further intrusion on the territory of Panama than would be necessary to accomplish that purpose. This gets a little sticky when we say that there will be no intrusion on Panamanian territory. If we had to intervene in any case it will be on Panamanian territory, once this treaty is in place.

Isn't that correct?

And then Ambassador Linowitz replied, "Yes, sir."

The Ambassador continued:

Senator, the language was very carefully drafted to be sure that it provided that U.S. action shall never be directed against the territorial integrity of Panama. In other words, the actions of the United States would be directed at insuring the canal remains open, secure, and accessible and not just for the purpose of taking a piece of Panamanian territory. It was understood and clearly understood that in order to take such action as might be necessary to assure the canal remains open, secure and accessible, of course, it will be necessary to make use of Panamanian territory.

Then, later in the same hearings, Senator CASE, the ranking Republican member of the Committee on Foreign Relations put the same question, in a different form, to Ambassador Linowitz.

Senator CASE asked this. I read from page 477 of the hearings.

In our colloquy with Senator Glenn, you made it very clear that your qualification about nonintervention and the integrity of the territory does not mean that we will not, if necessary through military action, go upon Panamanian soil or over it in the air or under it in its waters, if it is necessary for the purpose of maintaining the neutrality of the canal.

Ambassador Linowitz said, in reply:

That is absolutely correct, sir.

Senator CASE continued:

The operative word here is purpose or direction, as you pointed out. Whatever is necessary militarily, we will have the right to do under the treaties. That is understood by both sides now. As far as we can tell that is what is being told the Panamanian people in advance of their plebiscite. Is that your understanding?

To which Ambassador Linowitz replied:

Yes, sir.

Senator CASE then asked:

You have no doubt or difficulty about that?

And Ambassador Linowitz replied:

None whatsoever, sir.

So, Mr. President, based upon the record, the hearings, the testimony of the negotiator of the treaty itself, our own ambassador, Mr. Linowitz, the following three statements can be made about the leadership amendment.

First, the language of the leadership amendment makes clear that if the United States acts in the future, to defend the canal by sending troops, it would not be violating the territorial integrity or political independence of Panama or intervening in Panama's internal affairs. The language makes clear that the right we reserve is limited to keeping the canal open, neutral, and secure.

Second, the leadership amendment clearly states that American action directed at keeping the canal open, secure and accessible, does not mean, nor shall it be interpreted to mean, a right to intervene in the internal affairs of Panama. This language is consistent with existing American obligations.

Finally, the leadership amendment, if adopted, would estop Panama from claiming that any action the United States takes to defend the canal constitutes an intervention in its internal affairs or an act against its political in-

dependence, all of which are contrary to international law.

For these reasons, Mr. President, the amendment the leadership endorses is drafted first, to be consistent with the existing obligations of the United States, and, second, to give the United States unfettered rights, in perpetuity, to take whatever action we deem necessary to keep the Panama Canal a neutral, safe, and accessible waterway.

If, on the other hand, the Senate adopts the amendment offered by the distinguished Senator from Alabama, we would not advance our purpose. In fact, we would seriously damage it. We would raise a host of the most mischievous questions concerning our motives, which would be raised not only in Panama, but also in all Latin countries south of our border. In other words, we can injure ourselves seriously without obtaining any benefits not already guaranteed by the leadership amendment.

I hope that the Senate, in its wisdom, will reject this amendment as it has rejected many others in the course of the past few weeks.

Mr. President, I reserve the remainder of my time. For the information of the Senate, I ask the Chair how much time remains to the two sides of this amendment?

The PRESIDING OFFICER. The Senator from Alabama has 20 minutes remaining and the Senator from Idaho has 12 minutes remaining.

Mr. CHURCH. I thank the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. I yield 6 minutes to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

The PRESIDING OFFICER. The Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I shall speak very briefly. I rise in support of the amendment offered by the distinguished Senator from Alabama (Mr. ALLEN).

Senator ALLEN'S amendment is to the so-called leadership amendment to the Treaty of Neutrality.

First let me say a word about the leadership amendment. Each of us, I think, would prefer to support the amendment offered by the majority leader and minority leader of the Senate.

I have not yet decided how I shall vote on that amendment. If it is adopted or not adopted—and the leadership amendment certainly will be adopted—it would not in any significant degree make the proposed new Panama Canal treaties more acceptable.

The first part of the leadership amendment is more or less meaningless. It certainly does not hurt the proposed treaty but neither does it significantly improve it. So the first part of the leadership amendment I would have no problem in supporting although, as I mentioned earlier, I think it does very little good.

The second part of the leadership amendment, to which the able Senator from Alabama (Mr. ALLEN) addresses his amendment, seemingly adds restricting language, restricting insofar as the United States is concerned, to a proposed treaty which already would strip the United States of operational control over the Panama Canal.

Senator ALLEN'S amendment would strike lines 3 through 8 on page 3, which, as I interpret that section, could restrict U.S. activities in subsequent years in attempting to defend the canal and make it accessible to all nations.

Senator ALLEN'S proposal is to substitute the following words in place of lines 3 through 8:

> Any United States action will be directed at insuring that the canal will remain open, secure, and accessible.

Why would anyone want to oppose Senator ALLEN'S amendment which merely states that any action by the United States in regard to the Panama Canal will be directed at insuring that the canal remain open, secure, and accessible?

I thought that is what all of us wanted.

As I read the treaty and the language of the so-called leadership amendment, it appears to this Senator that the United States is assuming the duty and the obligation to defend the canal but, and to use the words of Adm. Thomas Moorer, former Chairman of the Joint Chiefs of Staff of the United States, we would be denying ourselves the tools with which to accomplish the purpose.

I would hope that the Senate would agree to the amendment offered by the Senator from Alabama. It certainly would seem to be in the best interests of our Nation to do so.

We must bear in mind that if these new treaties are approved, the United States will be giving up the operational control of this vital international waterway.

With the leadership amendment the United States would be assuming the obligation and the duty to defend the canal; but under the treaty we would be giving up and giving away all U.S. bases in the Canal Zone from which a defense of the canal could be carried out.

I referred a moment ago to Adm. Thomas Moorer. I might point out that Admiral Moorer is the only man in the history of our Nation to serve as Commander in Chief of the Pacific Fleet, Commander in Chief of the Atlantic Fleet, and Chairman of the Joint Chiefs of Staff.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. ALLEN. I yield an additional 2 minutes, or such time as he may require.

Mr. HARRY F. BYRD, JR. In testifying before the Senate Committee on Armed Services, Admiral Moorer pointed out the fix the United States would find itself in if these treaties are ratified and then our Nation is called upon to defend the canal.

Assuming that the United States has the right to defend the canal under the new treaty, all American bases will have been given away. We will have no bases from which to operate. So Admiral Moorer sees it as assuming an obligation and a duty without having the tools with which to accomplish the purpose. Senator Allen's amendment would attempt to ameliorate that to some degree, at least.

I support the amendment offered by the Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

First, I express my appreciation to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) for his very fine and helpful comment with respect to the amendment and with respect to protecting our right to defend the canal.

Mr. President, the leadership has made clear that no amendments will be accepted; yet, from time to time, on the floor, even though they make that absolutely clear, they say, "No, that is incorrect. You are making an incorrect statement, because we are for the leadership amendments and they do make a change."

Yes, that is understood, that they are for the leadership amendments; but other than that, let us see what the floor managers of the treaties have to say.

On yesterday, at page S3327 of the RECORD, the distinguished Senator from Kansas (Mr. DOLE) offered a very constructive amendment that allowed the United States to act unilaterally for the defense of the canal, without any consultation with Panama, and he accomplished that in an eight-word amendment to the leadership amendment. Senator DOLE asked, why do we not just add eight words? Mr. CHURCH replied:

> Well, Mr. President, if those eight words are not needed, if they are unnecessary and redundant, then there is no reason to include them. But the Senator from Kansas well knows that changing the text of the treaty by using words to which the two governments have not agreed could easily kill the treaties.

Why should that be so? Why should the amendment kill the treaty? Panama has the right to act on the amendments. They have the right to agree to them. We all know Mr. Torrijos, operating a one-man government, could agree to them and who would we be to say that he had not followed the constitutional processes in Panama?

Mr. CHURCH continued:

> So let us not fool ourselves. The purpose of adding these words is not to clarify an ambiguous section of the treaty; the purpose of adding eight words, or six, or four, or two—
>
> Mr. DOLE. Or one.
>
> Mr. CHURCH. Or one—there, the Senator from Kansas confirms it—is to wreck the treaty.

Mr. President, while they say, in one breath, "Oh, the Senate is free to agree to any amendments that they want to"—and, of course, the Senate will agree to the so-called leadership amendments even though, on the most vital section of the leadership amendments, the record will show that there is a difference of opinion between Mr. Torrijos and the United States as to the construction of our right to defend. He is saying that we can defend the canal only if called into action by Torrijos himself, or the Panamanian Government.

So, Mr. President, adding one word by Members of the Senate who are not supporting the treaties, if that addition of one word would kill the treaty, why is it that these several hundred words that Mr. CHURCH referred to will not kill the treaty? They say, Mr. Torrijos has accepted those. How can he accept those and not be in a positon to accept the amendments offered here on the floor, to give us a right to defend the canal?

Let us analyze these last six lines of the leadership amendment, which we are trying to strike out and insert one phrase of this provision back into the leadership amendment. It is in three parts, the wording of the amendment. We are trying to keep one of those parts, but eliminate the other two, because all three portions of this leadership amendment paragraph are restrictions on the United States in its actions in defense of the canal. Let us see if that is right.

The first phrase:

> This does not mean, nor shall it be interpreted as, a right of intervention of the United States in the internal affairs of Panama.

Mr. CHURCH says it is necessary to put this in for comity. Well, Mr. President, just the reverse if that is true. Comity between nations would not require this; comity would indicate that this action would not be taken. How can you have comity if one nation should seek to interfere with the internal affairs of another nation? So comity indicates that this provision is not necessary.

Now, let us look at the second phrase:

> Any United States action will be directed at insuring that the Canal will remain open, secure, and accessible . . .

That is a limitation, because it does not give that right. It says that is the only right that we shall have. So that is a phrase of limitation. We want to keep that in the provision, and eliminate the other two.

What is the other one? Speaking of this U.S. action, it says:

> . . . and it shall never be directed against the territorial integrity or political independence of Panama.

These three limitations placed on U.S. action obviously were put there for the benefit of Panama and Mr. Torrijos' position in the matter. They do not benefit the United States. They benefit the Panamanian position. So it is quite obvious, Mr. President, that Mr. Torrijos was able to insert this language, or his negotiators, in the leadership amendment and a U.S. Senator is not able to offer amendments. We have to accommodate his position, and a U.S. Senator is not allowed to have any amendments adopted.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. ALLEN. Yes, I am delighted to yield to the Senator.

Mr. HARRY F. BYRD, JR. Basically, the two proposed treaties are very substantially for the benefit of Panama.

Mr. ALLEN. Oh, yes.

Mr. HARRY F. BYRD, JR. I do not find where these treaties in any way benefit the United States. The United States is on the giving end of every aspect of the Panama Canal treaties. We are giving away property and bases and rights which we have had there for a long period of time.

Mr. ALLEN. That is quite true.

Mr. HARRY F. BYRD, JR. The section of the leadership amendment to which the able Senator from Alabama (Mr. ALLEN) is directing his amendment would seek to eliminate further restrictions?

Mr. ALLEN. Eliminate two of the three provided here, yes.

Mr. HARRY F. BYRD, JR. Two of the three additional restrictions provided in the leadership amendment.

Mr. ALLEN. In this paragraph, yes.

Mr. HARRY F. BYRD, JR. In this paragraph.

Mr. ALLEN. That is correct.

Mr. HARRY F. BYRD, JR. If the leadership amendment is accepted without the Allen amendment, it seemingly would further restrict the United States over and beyond what it will have been restricted if the treaties themselves are approved.

Mr. ALLEN. That is correct.

I thank the distinguished Senator.

Here is the third feature of the leadership paragraph: "It shall never be directed against the territorial integrity or political independence of Panama.

Mr. CHURCH says that is already part of the United Nations Charter and he has been talking about that being one of the reasons he opposes these amendments in many cases, that they are redundant.

If that is already a duty imposed upon us, why do we have to put them in? I will tell exactly why. This phrase was put in here for the protection of the dictatorial regime now in power in Panama.

There is no escape from that, because the U.S. action under this, it is stated, shall never be directed against the territorial integrity or political independence of Panama.

Panama might be the very one preventing us from defending the canal, but we cannot go down there and do anything that would direct itself as a spinoff from our defense operation that would be directed against the territorial integrity or political independence of Panama.

So, obviously, all three of these provisions are for the direct benefit of Mr. Torrijos. He does not want any action down there to interfere with his internal affairs, the operation of his despotic regime, and he does not want anything to be done that would be directed against the territorial integrity or the political independence of Panama.

If we have an army down there, now, despite what Mr. Linowitz said, that had nothing to do with the territorial integrity of Panama, that that would not offend that section, how in the world will we be in possession of the canal there if we seek to defend it without having some effect on the territorial integrity of Panama?

What my amendment would do, this does not say we are going to interfere with the internal affairs of Panama, or that we are going to move against the territorial integrity or political independence of Panama.

By knocking these out, that does not give us the right to do these things.

The United States is not interested in taking over any territory in any other country. So, obviously, we are not going to interfere directly on that. But in connection with the defense of the canal, it is necessary, as a spinoff from that defense operation, that the internal affairs of Panama might be interfered with in some way, and the territorial integrity might be interfered with, if we send troops in there to defend the canal.

But what we leave here is this one phrase, "Any U.S. action will be directed at insuring that the canal will remain open, secure, and accessible."

That phrase is retained.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. The manager has 12 minutes remaining.

Mr. SPARKMAN addresses the Chair.

The PRESIDING OFFICER. The Senator from Alabama (Mr. SPARKMAN).

Mr. SPARKMAN. Mr. President, the most notable features of our foreign policy, and indeed our concept of ourselves as a nation, are the deep commitments to justice, morality, and respect for the rights of others. It is these characteristics which distinguish our Nation and contribute to its greatness.

The religious leaders of our Nation have overwhelmingly stated that our commitments to justice, morality, and human rights would be well served by ratification of these treaties. The committee has received expressions of support from leaders of the Catholic, Protestant, and Jewish faiths pointing out that ratification of these treaties is an opportunity for the United States; an opportunity to demonstrate to the world that our deeply held beliefs apply to our dealings with all the nations of the world, whether they be powerful or weak, rich, or poor. These leaders have emphasized that ratification will be an indication of our Nation's strength and not its decline in the world.

On October 12, three distinguished and devout individuals testified before the Committee on Foreign Relations in support of the treaties. The three religious leaders were: William P. Thompson, president of the National Council of Churches of Christ and stated clerk of the General Assembly of the United Presbyterian Church; John Cardinal Krol, archbishop of Philadelphia testifying on behalf of the U.S. Catholic Conference and Morris Levinson, vice president of the Synagogue Council of America.

During his testimony, Mr. Levinson stated:

> The Panama Canal Treaty, which President Carter just signed, is in the best interest of the United States and far sighted in terms of our relations with other nations.

Cardinal Krol said:

> The great opportunity of the moment, Mr. Chairman, an opportunity of both justice

and peace, is that we can redress the situation by the democratic procedure of a vote in this legislative body of the United States. It is our hope and prayer, Mr. Chairman, that the significance of this moment will not be lost in the intensity of debate presently surrounding this issue.

The substantive significance is the issue of political and legal justice I have just specified. But the symbolic significance of the moment is no less important: One of the largest and one of the smallest nations in the world have been dangerously close to conflict for over a decade; it is now possible to lay this conflict to rest and in so doing to provide an example in world affairs of how states of very different political, economic, and military power can deal with each other in terms of equality, dignity, and mutual respect.

Mr. Thompson added:

If the treaties are ratified, it will be clear to the world community of nations that the United States is willing to seek out new relationships that are in keeping with the nature of the modern world, where power does not guarantee right, and where a powerful nation such as the United States can achieve the respect of the world community by the exercise of restraint and the reordering of relationships which, however appropriate to another day, are no longer so.

The committee has also received expressions of support from many other religious groups and leaders. I ask unanimous consent that three of these statements be printed in the RECORD following my remarks. These statements include resolutions adopted by the Council of Bishops of the United Methodist Church; the board of governors of B'nai B'rith; and the Maryknoll Justice and Peace Office of the Catholic Foreign Mission Society of America, Inc.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE UNITED METHODIST CHURCH,
Washington, D.C., January 30, 1978.

Hon. JOHN J. SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPARKMAN: At the recent meeting of the Council of Bishops of The United Methodist Church the enclosed resolution on the Panama Canal was unanimously approved. I hope you may find this helpful as you reach your decision as to your own stand on these treaties.

Sincerely,

JAMES K. MATHEWS,
Bishop.

RESOLUTION ON THE PANAMA CANAL TREATIES

On September 7, 1977, after years of deliberation and discussion, the governments of the Republic of Panama and the United States of America signed the Panama Canal Treaties which provide for a transition from the present U.S. operation and control to Panamanian operation and control with the U.S. presence terminating completely as of December 31, 1999. Both countries also agree to maintain the neutrality of the Canal permanently.

We note the 1976 General Conference resolution on the Panama Canal Treaty Negotiations which stated: ". . . the continuance of the terms and arrangements of the present Canal Zone treaty is a grave source of irritation and hostility not only between Panama and the United States but also between other Latin American republics and the United States. . . ."

As bishops of The United Methodist Church coming from countries on four continents, we strongly emphasize the importance of the ratification of these treaties by both countries. The treaties are of great symbolic value to the world as well as intrinsic value to the nations involved. These accords recognize that security and peace rest more on the power of respect for justice than on the power of armed might.

As the General Conference declared, "the ethical imperatives of the Christian gospel for equity, restitution, reconciliation, and self-determination of peoples impel us to seek rectification of this unjust relationship. . . ."

We urge members and congregations of United Methodism in the United States of America to take note of the General Conference statement, to consider this pressing issue in discussions, sermons, forums and conversations, and to give active support to the ratification and implementation of the treaties.

B'NAI B'RITH INTERNATIONAL,
Washington, D.C., January 30, 1978.

Hon. JOHN SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPARKMAN: At the recent meeting of B'nai B'rith's Board of Governors, a resolution was adopted urging Senate ratification of treaties between the United States and Panama affecting the Panama Canal.

B'nai B'rith, speaking for more than 400,000 Jewish men and women, believes that American interests are safeguarded in the treaties which promise to open a new area of mutual respect and cooperation between the United States and Latin America, as well as with developing countries around the world.

I am taking the liberty of enclosing the Board of Governors' resolution which was adopted without dissent on January 16.

With best wishes.

Sincerely,

WARREN EISENBERG,
Director of Public Affairs.

RESOLUTION ON PANAMA CANAL TREATY

B'nai B'rith International through its president three years ago, supported a new treaty arrangement between the United States and Panama over the Canal Zone.

We were then keenly aware of the fact that unilateral American hegmony over the area was a profound irritant to relationships between countries in the Western Hemisphere.

In addition to the moral considerations, we were cognizant of diminished strategic and commercial importance of the Canal to United States interests. Many naval vessels and mercantile supertankers, today, are too large to be accommodated by the size of the Canal.

In keeping with these perceptions, B'nai B'rith welcomes the successful completion of the negotiations of a new and more equitable treaty arrangement between Panama and the United States, and the signing of draft treaties by the respective heads of state of the two countries.

Since the Panamanian people have already approved the draft treaties by plebiscite, the responsibility now rests with the Senate of the United States to provide its consent to ratification.

President Carter has sounded the call for United States moral leadership in the world and, as part of that call, has appealed for early ratification of the United States-Panama treaties.

B'nai B'rith, in keeping with its moral and humanitarian tradition and in its striving to reduce international tensions and conflicts, strongly endorses President Carter's appeal and calls upon the United States Senate to extend as expeditiously as possible its consent.

MARYKNOLL JUSTICE AND PEACE OFFICE,
Maryknoll, N.Y., January 2, 1978.

Hon. JOHN SPARKMAN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SPARKMAN: Soon you will be casting a vote for or against the new Panama Canal Treaties. As you must know, the United States Catholic Conference has endorsed the approval of the Treaties. This was done for the Conference in the person of His Eminence John Cardinal Krol, Archbishop of Philadelphia. We fully endorse this position, and call upon you to cast your vote in favor of the Treaties.

I am enclosing a true copy of a letter addressed to Vice President Walter F. Mondale, as President of the Senate, by Rev. Raymond A. Hill, Superior General of Maryknoll, the Catholic Foreign Mission Society of America.

Respectfully yours,

Rev. THOMAS J. MARTI, M.M.,
Coordinator.

MARYKNOLL,
November 11, 1977.

The VICE PRESIDENT, WALTER F. MONDALE,
The White House,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I write to you as Superior General of the Maryknoll Fathers and Brothers, a Society of U.S. Catholic Missionaries serving in 23 countries outside of the United States.

My special concern, and that of my fellow Members of the Maryknoll General Council, is the new treaty involving the Panama Canal.

As Christian Missioners in service, especially to the poor of the world, we try to avoid aspects of any issues that do not have a religious or moral implication. However, it is our experience as observers of the world scene that political, economical or social leaders tend to create major problems when they fail to admit that their actions have moral, and therefore, religious implications.

The Gospel Message calls us to be constantly concerned about the needs and rights of our brothers and sisters and it is why we in Maryknoll frequently strive to call attention to problems that need a just and Christian solution. With Pope Paul we say that to "ignore the importance of the problems concerning justice, liberation, development and peace in the world would be to forget the lesson that comes to us from the Gospel concerning love of our neighbor who is suffering and in need". (Synod of Bishops 1974.)

The specific issue at this moment is that of the Panama Canal Treaty. As you are aware, the Bishops of the United States and the Bishops of Panama have been calling for a new and fairer treaty for some time. Archbishop McGrath of Panama has said: "Our fear is that some people in the United States will reject the treaty without a good judgment on it, that is, based on prejudice, emotional slogans or lack of information. The canal case could and should serve as an example of what the United Nations is calling these days a new international order".

As Christian Missioners reflecting upon this treaty and listening to the professional opinions of those most involved in the treaty preparations, we are assured that the legitimate national interests of the U.S. have been provided for.

Some who oppose the ratification of the treaty say that in accepting a new treaty relationship the U.S. will appear weak or in retreat before world opinion.

However, it is our opinion that the treaties provide us with an opportunity to project an image of strength which derives from the strongest dimension of our national heritage, not our military might, but the values and principles which are the foundation of our identity as a people.

We are a nation born of the desire to be free from foreign domination; the concepts of liberty and self-determination are woven through the fabric of our history. In affirming these values for others, we reaffirm for ourselves the values that are synonymous with our political heritage.

Cardinal Krol speaking to the Senate Foreign Relations Committee and in behalf of his fellow Bishops, said: "It is our view today, that a new treaty which acknowledges in principle and in fact Panama's sovereignty over its own territory is a requirement of justice and peace between our two nations. A requirement of justice because the 1903 Treaty no longer can be reconciled with the concept of social justice which govern relations between sovereign nations in our interdependent world. A requirement of peace because we believe failure to reach a reasonable and just accommodation of interests between our nations needlessly threatens the peace in this hemisphere".

In its history the United States has been willing to take up arms in the defense of liberty and self-determination. In the past we have stood for the principle of non-intervention by others in the affairs of North and South America. Today we are asked to defend these very principles of liberty, self-determination and non-intervention for a smaller Nation, Panama.

It is the essence of national strength to be confident about the values which are at the heart of a nation's life and to be guided by these values in dealing with others. We can prove our integrity by affirming for others what we most prize in our own national heritage.

We ask you, as Presiding Officer of the U.S. Senate, to call our concern to the attention of the Senators.

Thank you for your cooperation and for the concern you have evidenced for the people of Panama.

Respectfully yours,

Rev. RAYMOND A. HILL, M.M.,
Superior General.

Mr. SPARKMAN. Mr. President, the Council of the Americas, composed of over 200 American corporations doing business in Latin America, has prepared two interesting briefing papers concerning Panama and private enterprise and the involvement of U.S. banks in Panama. I ask unanimous consent to have these briefing papers printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PANAMA CANAL TREATY BRIEFING PAPERS:
U.S. BANKS

(1) These agreements are not special interest treaties, and they are not designed to bail out U.S. corporations.

(2) The treaties and the new relationship with Panama have been negotiated since 1964, a good year for the Panamanian economy.

(3) The economy sustained healthy growth into the 1970s, and it was in good shape when President Nixon gave impetus to the negotiations by appointing Ambassador Ellsworth Bunker.

(4) The economy has declined in the last four years:

Worldwide inflation has reduced real growth in Gross Domestic Product (GDP) from 6.5 percent in 1973 to 2.6 percent in 1974 to 0.6 percent in 1975.

Worldwide recession has reduced the volume of Panama's exports and depressed the prices of some of its export commodities.

Worldwide increase in oil prices.

The uncertainty over the future of the Panama Canal has contributed to the deterioration of the trade and investment climate.

(5) When private sector investment declined during this period from 1973–1977, the government attempted to maintain economic growth through public sector investment.

(6) This combination of conditions has created the public debt of Panama to U.S. and other banks.

(7) Panama's public debt is high but manageable. Approximately forty per cent of its FY 1977 budget went to debt financing, but the government has met every debt servicing payment to date.

(8) No U.S. bank is overexposed in Panama (see letter to Sen. Proxmire from Arthur Burns and John Heimann in Congressional Record on Nov. 29, 1977).

(9) U.S. banks use Panama largely for short term interbank transactions and to make loans throughout Central America.

(10) The allegation that the new treaties are designed to "bail out" New York banks is false. This charge has arisen out of ignorance and confusion about banking in general, international banking, and Panama's public debt.

(11) Panama's public debt has often been confused with its position as an international banking center.

(12) Out of a total debt to the U.S. of $2.9 billion, $2.5 billion represents a "pass-through": loans to Central and South America that are processed through Panama because of geographical proximity and excellent communications facilities.

(13) The public sector debt of Panama to U.S. banks is approximately $350 million.

Thus, the overwhelming portion of the "$2.9 billion debt" figure quoted by treaty opponents is actually loans to other regions of the Western Hemisphere, and is *NOT* a debt of Panama's.

(14) Furthermore, to put the $2.9 billion figure in perspective, the Federal Reserve reports that liabilities of the domestic and foreign offices of U.S. banks toward creditors in Panama is $2.3 billion.

THE MONETARY AND BANKING SYSTEM

THE MONETARY SYSTEM

Panama does not have a central bank. The Banco Nacional de Panamá, a wholly-owned autonomous agency of the Panamanian Government, operates as a commercial bank and serves as the principal depository and fiscal agent of the Panamanian Government and as the agent for Panama's drawing rights in the International Monetary Fund.

There is no paper currency printed by the Panamanian Government. U.S. paper currency and U.S. and balboa coins serve as the currency in circulation. Government policy is to maintain parity between the balboa and the U.S. dollar. Therefore, Panama's money supply is directly related to its balance of payments and to its ability to borrow externally.

In 1970, a National Banking Commission composed of four representatives of the public sector and three representatives of the private banks was established by the Government. The objectives of the Commission, which is chaired by the Minister of Planning and Economic Policy, are the following:

To ensure that the solidity and efficiency of the banking system are maintained so as to promote monetary and credit conditions conducive to the stability and sustained growth of the national economy; and

To strengthen and promote the proper conditions for the development of Panama as an international financial center.

THE BANKING SYSTEM

Banking has been the most dynamic sector of the ecenomy in recent years. The Republic has become an important center for financial activity in Latin America. The expansion of the banking system is reflected by the large increase in the number of banks authorised to operate in Panama, which rose from 39 in January, 1973 to 81 in December 1977. Of the 79 private banks, 46 are licensed to carry out domestic and offshore operations; 25 are licensed solely for the purpose of conducting foreign operations; and 8 are licensed only to maintain representative offices. In addition, there are 2 government owned banks licensed for domestic and offshore operations. Approximately 17,000 people are employed by the financial sector, which presently accounts for 6.2 per cent of GDP.

There are two categories of Government owned financial institutions. The first category includes the Banco Hipotecario Nacional (National Mortgage Bank) and Banco de Desarrollo Agropecuario (Agricultural Development Bank), both non-profit development institutions. The second category is comprised of profit-oriented institutions and includes the Banco Nacional de Panamá, Caja de Ahorros (National Savings Bank), and the Corporación Financiera Nacional (COFINA). COFINA is a national development financial institution and, as such, is not a licensed bank.

Panama's liberal banking laws place a minimum of restrictions on offshore lending. There are no reserve requirements or interest rate restrictions on foreign deposits. Income on foreign loans and investments is tax free. In addition, the absence of exchange controls, the maintenance of the Panamanian balboa at par with the dollar, the fact that the dollar constitutes the only paper currency in circulation and the existence of Panama's modern communications facilities all have contributed to the Republic's development as a regional financial centre.

Total bank deposits have increased at an accelerated pace over the past six years. By September, 1977 total deposits were approximately $9.7 billion, nine times the deposit base of December, 1971. Domestic deposits rose from $426.9 million at the end of 1971 to $1,075.9 million at the end of September, 1977 and domestic loans rose from $419.8 million to $1,730.9 million during that period. In 1975, legislation was passed exempting interbank deposits from reserve requirements.

Offshore banking activities in Panama have expanded at an even more rapid rate. Foreign deposits rose from $603.2 million at the end of 1971 to $8,678.6 million at the end of September, 1977, while foreign loans rose from $245.5 million to $5,670.3 million during the same period. In addition to the employment benefits associated with such a large foreign banking community in Panama, the growth of foreign deposits has provided an important source of funding for domestic loans.

For the last two years, Panama has been promoting the creation of Banco Latinoamericano de Exportaciones, S.A. (BLADEX), a multinational export bank which will be located in Panama and whose main objective will be to contribute additional funds to the Latin American countries for the development of their exports, preferably non-tradltional. Shareholders of the new bank will be 20 Latin American central banks or other government institutions, international organizations and commercial banks with a majority Latin American capital, and about 25 of the largest international commercial banks. BLADEX will accomplish its objectives mainly by promoting the development of a market for banker acceptances and by establishing a Latin American credit system for export of goods and services including the granting of direct export loans. The Certificate of Incorporation and By-laws of the new bank were subscribed to on 18th September, 1977 in Cartagena. The Bank expects to start operations by May, 1978.

The following table sets forth the growth in both domestic and foreign deposits from 1972 through 1977:

TOTAL DEPOSITS IN BANKING INSTITUTIONS

[In millions of dollars]

	As of Dec. 31—					
	1972	1973	1974	1975	1976	1977 [1]
Domestic deposits:						
Demand	292.9	252.2	281.2	239.6	265.0	260.9
Time	371.9	404.7	514.7	609.8	729.8	815.0
Total domestic deposits	601.8	656.9	795.9	849.4	994.8	1,075.9
Foreign deposits:						
Demand	60.5	131.1	191.8	166.0	378.7	501.8
Time	1,048.1	2,472.3	5,057.2	6,884.9	7,505.9	8,176.8
Tota foreign deposits	1,108.6	2,603.4	5,249.0	7,050.9	7,893.6	8,678.6
Total deposits	1,710.4	3,260.3	6,044.9	7,900.3	8,879.4	9,754.5

[1] Preliminary figures as of Sept. 30, 1977.

Source: National Banking Commission.

The following table outlines the growth in both domestic and foreign loans from 1972 through 1977:

LOANS OUTSTANDING FROM BANKING INSTITUTIONS

[In millions of dollars]

	Dec. 31—					
	1972	1973	1974	1975	1976	1977 [1]
Domestic loans:						
Agriculture	49.3	81.5	92.1	111.9	105.8	108.4
Commerce	294.9	572.1	599.3	513.2	551.3	574.8
Industry	38.1	45.6	88.5	126.4	133.3	123.9
Housing	56.3	143.1	232.3	288.0	292.3	327.6
Other construction	33.5	41.7	56.3	82.6	78.2	73.1
Consumer	60.0	83.5	139.2	114.0	78.2	74.7
Other	30.8	58.5	144.6	289.2	389.0	448.4
Total domestic loans	562.9	1,026.0	1,352.3	1,525.3	1,628.1	1,730.9
Foreign loans	375.4	1,207.8	2,980.9	4,461.2	4,742.6	5,670.3
Total loans	938.3	2,233.8	4,333.2	5,986.5	6,370.7	7,401.2

[1] Preliminary figures as of Sept. 30, 1977.

Source: National Banking Commission.

THE PUBLIC DEBT

SUMMARY

At 31st December, 1977, the total funded debt of the public sector in Panama amounted to $1,788.2 million, of which 28.2 per cent was internally funded and the balance externally funded. Funded debt refers to all debt with maturities in excess of one year. The following table sets forth the composition of Panama's public sector debt at the end of each of the last five years:

TOTAL PUBLIC DEBT

[In millions of dollars]

	Internal funded debt [1]	External funded debt	Total funded debt
As of Dec. 31—			
1973	205.0	440.0	645.0
1974	280.5	529.5	810.0
1975	396.8	644.5	1,041.3
1976	567.7	820.3	1,388.0
1977 [2]	504.1	1,284.1	1,788.2

[1] Consists of loans made by banks located in Panama and long-term Government bonds held primarily by the social security system.
[2] Preliminary.

Source: Controller General, Division of Statistics and Census

DIRECT DEBT OF THE CENTRAL GOVERNMENT

At 31st December, 1977, the total direct debt of the Central Government was $969.5 million, of which 34.1 per cent was internally funded and the balance externally funded. Such debt represented approximately 43.6 per cent of GDP in 1977 as compared to 41.3 per cent in 1976. The following table sets forth the direct funded debt of the Central Government at the end of each of the last five years.

DIRECT DEBT OF THE CENTRAL GOVERNMENT

[In millions of dollars]

	Internal funded debt [1]	External funded debt	Total funded debt
As of Dec. 31:			
1973	168.9	296.9	465.8
1974	218.7	358.9	577.6
1975	282.8	427.4	710.2
1976	332.8	510.2	843.0
1977 [2]	330.5	639.0	969.5

[1] Consists of loans made by banks located in Panama and long-term Government bonds held primarily by the social security system.
[2] Preliminary.

Source: Controller General, Division of Statistics and Census.

The weighted average life of the Central Government's Internal Funded Debt is 10.3 years and of the External Funded Debt is 16.8 years. The Central Government's debt includes three bond issues secured by pledges of payments made and to be made under the existing Panama Canal Treaties. These are the 3.0 per cent Guaranteed External Bonds due 1995, the 4.8 per cent Guaranteed External Bonds due 1993 and the 4.5 per cent Guaranteed External Bonds due 2001. At December 31, 1976, the outstanding amounts of these issues were $5.9 million $11.4 million and $7.4 million, respectively. Since the 1977 Treaties will, on coming into effect, cancel and supersede the existing Panama Canal Treaties, the Republic may be required upon the 1977 Treaties taking effect, to take certain steps to fulfill its obligations with respect to the outstanding Guaranteed External Bonds. The Republic is in a unilateral position to take such steps and will do so if necessary.

DIRECT DEBT OF AUTONOMOUS AGENCIES AND PUBLIC ENTERPRISES

The following table sets forth the direct funded debt of the Autonomous Agencies and Public Enterprises at the end of the years 1973 through 1977:

DIRECT DEBIT OF AUTONOMOUS AGENCIES AND PUBLIC ENTERPRISES

[In millions of dollars]

	Internal funded debt [1]	External funded debt	Total funded debt
As of Dec. 31—			
1973	36.1	143.1	179.2
1974	61.8	170.6	232.4
1975	114.0	217.1	331.1
1976	234.9	310.1	545.0
1977 [2]	173.6	645.1	188.7

[1] Consists of loans made by banks located in Panama.
[2] Preliminary.

Source: Controller General, Division of Statistics and Census.

SOURCES OF EXTERNAL FUNDED DEBT

The following table sets forth the components of the direct external funded debt of the Central Government and of the Autonomous Agencies and Public Enterprises as of 31st December, 1977:

SOURCES OF PUBLIC EXTERNAL FUNDED DEBT [1]

[In millions of dollars]

Source	Central Government	Autonomous agencies and public enterprises	Total
Agency for International Development	40.3	67.3	107.6
Inter-American Development Bank	43.7	37.4	81.1
International Bank for Reconstruction and Development		100.0	100.0
Export-Import Bank of the United States	13.5	23.0	36.5
Suppliers' credit	4.1	72.7	76.8
External bonds	62.4		62.4
Private financing	475.0	344.7	819.7
Total	639.0	645.1	1,284.1

[1] Preliminary.

Source: Controller General, Division of Statistics and Census.

DEBT SERVICE

The following tables set forth the debt service requirements of the public sector, the Central Government and the Autonomous Agencies and Public Enterprises, respectively, on debt outstanding at 31st December, 1977 for the years 1978 through 1984. The proposed financing is included in the following tables.

NOTE: In the following tables, interest on floating rate debt is computed at a London Inter-Bank Offered (LIBO) rate of 9 per cent (including spread).

DEBT RECORD

Since its founding in 1903, Panama has paid when due and in accordance with its terms all principal, interest and amortisation payments on its direct and guaranteed external debt for money borrowed except for two issues, the 5½ per cent External Bonds of 1923 and the 5 per cent External Bonds of 1928.

[In millions of dollars]

	Internal debt			External debt			Total debt		
	Interest	Amortization	Total	Interest	Amortization	Total	Interest	Amortization	Total
Debt service of the public sector:									
1978 [1]	30.9	32.5	63.4	112.9	141.5	254.5	143.8	174.1	317.9
1979	35.8	43.0	78.8	92.9	190.5	283.4	128.7	233.5	362.2
1980	34.5	45.8	80.3	79.5	190.3	269.8	114.0	236.1	350.1
1981	34.9	37.8	72.7	63.0	158.6	221.6	97.9	196.4	294.3
1982	28.2	28.5	56.7	51.4	138.4	189.8	79.6	166.9	246.5
1983	25.2	38.1	63.3	41.7	129.7	171.4	66.9	167.8	234.7
1984	18.3	28.8	47.1	33.2	92.6	125.8	51.5	121.4	172.9
Debt service of the Central Government:									
1978 [1]	11.8	10.1	21.9	63.5	59.8	123.3	75.3	69.9	145.2
1979	24.1	28.4	52.5	47.0	115.3	162.3	71.1	143.7	214.8
1980	23.6	32.0	55.6	37.3	110.9	148.2	60.9	142.9	203.8
1981	24.7	30.6	55.3	28.0	97.0	125.0	52.7	127.6	180.3
1982	21.3	22.4	43.7	20.2	81.2	101.4	41.5	103.6	145.1
1983	19.0	32.3	51.3	13.9	80.1	94.0	32.9	112.4	145.3
1984	13.7	24.1	37.8	11.3	51.8	63.1	25.0	75.9	100.9
Debt service of autonomous agencies and public enterprises:									
1978 [1]	19.1	22.4	41.5	49.4	81.8	131.2	68.5	104.2	172.7
1979	11.7	14.6	26.3	45.9	75.2	121.1	57.6	89.8	147.4
1980	10.9	13.8	24.7	42.2	79.4	121.6	53.1	93.2	146.3
1981	10.2	7.2	17.4	35.0	61.6	96.6	45.2	68.8	114.0
1982	6.9	6.1	13.0	31.2	57.2	88.4	38.1	63.3	101.4
1983	6.2	5.8	12.0	27.8	49.6	77.4	34.0	55.4	89.4
1984	4.6	4.7	9.3	21.9	40.8	62.7	26.5	45.5	72.0

[1] Budget.

Source: Ministry of Planning and Economic Policy.

PANAMA CANAL TREATY BRIEFING PAPER: PANAMA AND PRIVATE ENTERPRISE

(1) The Panamanian economy and the Panamanian government are characterized by a strong private enterprise-orientation.

(2) Panama is NOT a communist nation, and the economic policies of the Panamanian leadership are NOT communist.

(3) The Government of Panama is a strong supporter of private enterprise:

The economic base has been broadened and diversified.

Investment increased for the period of 1972–76 an average of 28.5 percent.

The Colon Free Zone has expanded under the Torrijos government: in 1976, the Free Zone did $1,1854 billion in gross volume of business, up from $467 million in 1970.

U.S. exports to the Free Zone

[Millions of dollars]

1970	49.3
1975	77.6
1976	94.0

U.S. imports to the Free Zone

[Millions of dollars]

1970	17.6
1975	23.8
1976	35.8

(4) The Government of Panama has taken key measures to strengthen and encourage private enterprise:

1976

a. establishment of COFINA to finance private sector investment in manufacturing.

b. establishment of IMA to development marketing systems for agriculture commodities.

c. tariffs on tourism-related goods eliminated.

d. expansion of mortgage credit guarantees.

1977

a. amendments to labor code to increase productivity.

b. tax incentives to encourage exports.

(5) Private sector investments:

a. Nestle Corp. is planning to construct a food-processing plant in the central provinces.

b. Northville Industries signed a contract relating to a $42 million project for the construction of an oil terminal.

c. Texasgulf, Inc.: development and exploration of Cerro Colorado copper deposits, among the largest in the world.

d. Panama Exploracion, a Texaco subsidiary, signed a contract to explore 1.2 million acres in the Golfo de los Mosquitos for oil.

(6) Under the National Development Plan, private investment is expected to increase and surpass public sector investment:

[Millions of dollars]

1976	239.9
1977	294.4
1978	332.8
1979	344.3
1980	407.3

(7) Other aspects of the Plan are designed to service and strengthen already-existing private enterprise sectors:

Construction of fishing port and service center for ships.

Construction of container port.

Construction of oil pipeline.

Expansion of tourism.

Expansion of Tocumen airport.

Completion of Darien Gap Highway.

Feeder road project consisting of 8 rural roads totaling 133 miles to improve access to 1.5 million acres of agricultural land.

NATIONAL DEVELOPMENT PLAN—SUMMARY OF PROJECT INFORMATION

[In millions of dollars]

Project	Total cost	Source	Committed	Disbursed	Completion date	Foreign exchange earnings/ savings
Bayano hydroelectric	$82.0	World Bank	$29.3	$29.3	1976–77	1977—$7.
		Government	45.9	45.9		1978 onward—$16.
		Suppliers credits	6.8	6.8		
La Estrella-Los Vales hydroelectric	80.2	Swedish Kroner loan	42.7	20.2	1979	1979 onward—$7.6.
		Consortium loan	37.5			
La Fortuna hydroelectric	260.0	World Bank	40.0		1982	1982 onward—$22.2.
		Inter-American Development Bank	98.0			
		Suppliers credits	21.0			
		Government	101.0			
CALV sugar mills:						
No. 2 Pacora	42.5	Suppliers	40.0	40.0		
		U.S. Eximbank	2.5	2.5	1977	1977 onward—$20.4.
No. 3 Alanje	48.4	U.S. Eximbank	19.1		1977	1978 onward—$30.
		Pefco	12.7	8.0		
		Commercial banks	16.6			
Fishing port	42.5	World Bank	20.5	2.1		
		Government	16.0	3.9	1979	1979 onward—$45.1.
		Venezuelan investment fund	6.0			
Colon Free Zone expansion	8.5	International agencies (under negotiation)	6.0			
		Government	2.5		1978–80	1978–80—$8.9. 1981 onward—$20.
Container port	40.5	Export Development Corporation Canada	17.1	.4	1980	1981–83—$7.
		Canadian Commerical Bank	21.0	1.0		1984–88—$10.
		Government	2.4	.2		1989 onward—$20.
Coro Colorado	1,000.0	Government	38.0	32.0	1982	1982–88—$150.
		Texasgulf, Inc	5.0	3.0		1988 onward—$250.
Cement plant	67.0	Contractors	56.0	24.7		
		Government	11.0	11.0	1978	1979 onward—$12.8.

NATIONAL DEVELOPMENT PLAN—SUMMARY OF PROJECT INFORMATION—Continued

[In millions of dollars]

Project	Total cost	Source	Committed	Disbursed	Completion date	Foreign exchange earnings/ savings
Tourism:						
Convention hall	28.0	Inter-American Development Bank	24.0			1979-81—$40, 1982 onward—$82.5.
Panama Viejo, Casco Antiguo	12.3	Government	22.8		1979-81	
Others	10 7	Agency for International Development	4.2			
Tocumen International Airport	72.0	World Bank	20.0	18.7	1978	1978-82—$6.5.
		Venezuelan Investment Fund	23.0	23.0		
		Government	29.0	6.0		1983 onward—$13.5.
Rural feeder roads	43.0	Inter-American Development Bank	30.0	6.7	1977-80	1980 onward—indirect benefits.
		Government	13.0	2.2		
Darien Gap Highway	180.3	U.S. Government grant	118.0	30.4	1981	1981 onward—indirect benefits.
		Inter-American Development Bank	13.5	2.5		
		U.S. Eximbank and commercial banks	14.6	13.0		
		Government	5.4	2.6		
		Not determined yet	28.0			
Arraijan-Chorrera Highway	36.6	Inter-American Development Bank	22.0		1980	1980 onward—indirect benefits.
		Government	14.6			
Colon water purification	4.2	World Bank	2.4		1980	1980 onward—indirect benefits.
		Government	1.8			

COUNCIL OF THE AMERICAS,
Washington, D.C., December 12, 1977.

It is my pleasure to respond to your request for the opinion of the Council of the Americas concerning the economic development plans of the Republic of Panama as presented to the Council of the Americas on December 5, 1977, by Dr. Nicolas Barletta, Minister of Planning and Development of the Republic of Panama.

As you are aware, the Council of the Americas is composed of over 230 U.S. multinational corporations, comprising more than ninety per cent of U.S. investment in Latin America. The mission of the Council is to further understanding and acceptance of the role of private enterprise as a positive force for the development of the Americas.

Although the Council of the Americas has taken no position on the Panama Canal treaty issue at this time, we are particularly pleased to note the strong emphasis on free enterprise and private investment in Panama's economic development planning. Panama's goal of becoming a major regional center for shipping and trade will depend on its ability to deal successfully with private enterprise internationally. In addition, Panama's development plans indicate a healthy reliance on private investment, and they seem to be consistent with the "return-to-free-enterprise" concept of the operation of the canal under the proposed Panama Canal Treaty.

I have included for your interest a summary of Dr. Barletta's remarks before the Annual Meeting of the Council of the Americas on December 5, 1977. Of special mention is Dr. Barletta's comment that because Panama's development plans are subject to her ability to act as a service center for regional trade activities, Panama would not endanger the volume of canal traffic by requesting that the United States raise toll rates to an unreasonable level.

Dr. Barletta's presentation, in my opinion, demonstrates a cautious and pragmatic approach to the problems of Panama's economic development. It is my belief that this responsible attitude will continue if the treaties are ratified and Panama increases its participation in the canal enterprise.

Sincerely,

HENRY R. GEYELIN,
President.

Mr. SPARKMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I have been requested by members of the Laurence Roberts Post 21, American Legion, in my State of Delaware to circulate important material relating to the Panama Canal treaties. This material consists of an editorial from the Delaware Legionnaire entitled "Panama Canal Vital to Security," an article by Garland D. Bloodsworth entitled "Don't Give a Castro Our Canal," and the Panama Resolution adopted by the National Society of the Sons of the American Revolution last June.

Because of the relationship of this material to the pending business and so that Members of this Senate will be aware of the strong views of members of the Laurence Roberts Post 21 opposing Senate approval of the treaties, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Delaware Legionnaire, February 1978]

PANAMA CANAL VITAL TO SECURITY

After listening to National Commander Smith state why The American Legion opposed the Panama Canal Treaty, U.S. troop withdrawals from Korea and all such positions which weaken our U.S. security, a news reporter asked, does The American Legion oppose everything?

The answer is, we support everything that strengthens the United States and we oppose anything that weakens our defense and our national will to resist communism. Let's take the proposed Panama Canal Treaties for example:

The American Legion supports continued U.S. sovereignty, ownership, control and jurisdiction of the U.S. Canal Zone and Canal. We oppose giving it away. The proposed treaty gives the Canal away. That is the key issue. We support U.S. ownership.

The American Legion supports dependable, efficient Canal service for all ships of all nations at reasonable toll transit rates. We oppose giving this vital trade and defense artery to a dictator whose reputation on human rights is worse than Castro's Cuba. Moreover, Panama under Torrijos has violated the present treaty at least twelve times in the past two years.

The American Legion supports the priority passage of U.S. warships and support ships through the Canal in times of war or emergency. The proposed treaty doesn't guarantee this.

The American Legion supports an adequate U.S. military presence in the U.S. Canal Zone. The Zone is one of the world's foremost important, maritime choke points. If Castro's Cuba or the Soviet Union should decide to choke us off, we would face a major power confrontation. U.S. survival would be threatened.

The American Legion supports fair and equitable toll transit. Ambassador Sol Linowitz, chief U.S. negotiator for the proposed new treaties, stated tolls will go up 25 to 30 percent. Toll authorities anticipate tolls may have to go up 46 percent to pay all the monies promised Torrijos. This money will be at the expense of American grain growers and shippers; coal miners; oil and gas consumers; steel importers. The American Legion opposes such economic threats to U.S. prosperity.

The American Legion supports improvement for Panamanian citizens, better housing, increased incomes. We support modernization of the Canal to increase efficiency. We oppose the political turmoil which precluded improvement.

The American Legion supports what is fair, reasonable, just and in the national interests of both the United States, Panama and all the maritime nations.

In summary, we believe that these treaties will ultimately be decided by the people in grassroots America. That is as it should be. This is one defeat that the United States need not accept. The issue can and will be won at the post level through individual Senators and Congressmen. Let them know how you feel about these treaties. Do it now!

[From the Delaware Legionnaire, October 1977]

DON'T GIVE A CASTRO OUR CANAL!

(By Garland D. Bloodsworth, Department Adjutant)

The Panama Canal provides free access between two great oceans for the ships of all nations. The Panama Canal is American, it was built by American money, American lives, American ingenuity, and has been operated without international interference by American citizens, supported by the American military.

The new Panama Canal Treaty will give control and ownership of the canal to a strong-armed dictator closely allied to Fidel Castro in his attempt to make Latin America a Communist bastion. Castro's new Blueprint for Blackmail has packaged recognition of Cuba with threats of violence and gangsterism if we refuse to give up more of our own national holdings. A Castro took our property, our money, and our industry in Cuba in 1960. Now General Omar Torrijos, another Castro, wants our canal and threatens violence if we do not hand it over.

The growth of Communism in Latin America began with Castro and is spreading to the Panama Canal. In their Blueprint for Blackmail, Castros always want recognition after they take control. We must stop the spread of Castro and others like him. We must keep

what is ours. After all, there is really no Panama Canal. It's an American Canal in Panama.

Stand up for America now by following this two point plan:

1. Write, call or telegram your congressman and senators telling them you are "mad as hell" and you're not going to take it anymore. Say—Stop the Sellout of American Rights in Panama.

2. Write letters to your newspapers and television stations opposing the proposed Canal Treaty.

The American Legion Stands Staunchly Against Any Proposal That Will Surrender or Subordinate American Rights or Sovereignty or the Rights of United States Citizens in the Panama Canal and the Canal Zone.

THE PANAMA CANAL—RESOLUTION No. 1

Whereas, the title to and ownership of the canal zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama and Columbia, to wit:

1. The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the convention of Constantinople of 1888 as the rules for operation, regulation, and management of the canal; and

2. The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the canal zone for the construction, maintenance, operation, sanitation, and protection of the canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

3. The Thomson Urrutia Treaty of April 6, 1914 proclaimed March 30, 1922 between the Republic of Columbia and the United States, under which the Republic of Colombia recognized that the title of the canal and the Panama Railroad is vested "entirely and absolutely" in the United States, which treaty granted important rights in the use of the canal and railroad to Colombia; and whereas the canal is of vital and imperative importance to hemispheric defense and to the security of the United States and Panama; and

Whereas, under Article IV, Section 3, clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in Congress, it is the solemn duty of Congress to safeguard the Panama Canal and Zone;

Now therefore, be it resolved that the National Society of the Sons of the American Revolution urges its members to demand of the President, the Senate and the House of Representatives that there be no relinquishment or surrender of sovereign rights and jurisdiction over the canal and zone, nor any cessation, dilution, forfeiture, negotiations, or transfers of any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere.

Mr. SPARKMAN. Mr. President, I ask for the yeas and nays on the amendment or on a motion to table the amendment.

The PRESIDING OFFICER. The Chair advises the Senator that it takes unanimous consent to seek the yeas and nays on a motion not yet pending. Does the Senator ask unanimous consent?

Mr. SPARKMAN. I ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I believe we have a rollcall vote set for 1:10 p.m., is that correct?,

The PRESIDING OFFICER. 1:15 p.m.

Mr. SPARKMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I move that the pending amendment be tabled.

The PRESIDING OFFICER. Does the Senator specify the amendment in the second degree offered by the Senator from Alabama?

Mr. CLARK. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. HUDDLESTON assumed the chair.)

Mr. CANNON (after having voted in the negative). Mr. President, on this vote I have a pair with the distinguished senior Senator from West Virginia (Mr. RANDOLPH). If he were here and voting he would vote "yea." I have already voted "nay." I therefore withdraw my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Texas (Mr. BENTSEN), the Senator from Kentucky (Mr. FORD), the Senator from Georgia (Mr. HODGES), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Alaska (Mr. GRAVEL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), and the Senator from Connecticut (Mr. RIBICOFF), would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. HATFIELD), and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 53, nays 33, as follows:

[Rollcall Vote No. 48 Ex.]

YEAS—53

Baker	Hatfield, Paul G.	Moynihan
Bayh	Hathaway	Muskie
Biden	Heinz	Nelson
Bumpers	Hollings	Packwood
Byrd, Robert C.	Huddleston	Pearson
Case	Humphrey	Pell
Chafee	Inouye	Percy
Chiles	Jackson	Proxmire
Church	Javits	Riegle
Clark	Kennedy	Sarbanes
Cranston	Leahy	Sasser
Culver	Magnuson	Sparkman
Danforth	Mathias	Stafford
Durkin	Matsunaga	Stevenson
Eagleton	McGovern	Stone
Glenn	McIntyre	Weicker
Hart	Metzenbaum	Williams
Haskell	Morgan	Zorinsky

NAYS—33

Allen	Griffin	Roth
Brooke	Hansen	Schmitt
Burdick	Hatch	Schweiker
Byrd, Harry F., Jr.	Helms	Scott
Curtis	Johnston	Stevens
DeConcini	Laxalt	Talmadge
Dole	Long	Thurmond
Domenici	Lugar	Tower
Eastland	McClure	Wallop
Garn	Melcher	Young
Goldwater	Nunn	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Cannon, against.

NOT VOTING—13

Abourezk	Ford	Hodges
Anderson	Gravel	Randolph
Bartlett	Hatfield, Mark O.	Ribicoff
Bellmon	Hayakawa	Stennis
Bentsen		

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. MELCHER). The question now recurs on agreeing to the amendment of the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Alabama (Mr. ALLEN) be recognized at this time for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the conclusion of the remarks of Mr. ALLEN, the Senate proceed to vote on the leadership amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And I ask unanimous consent that upon the disposition of that amendment, the Senate proceed to article V.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

The Senator from Alabama.

Mr. ALLEN. Mr. President, as I understand it, we will shortly vote on the leadership amendment to article IV of the Neutrality Treaty.

This amendment, in which I have joined as a cosponsor, is a highly vaunted amendment, in that some Senators, the leaders in particular, say that the treaties are unacceptable without the amendment, but that they are acceptable with the amendment.

So, Mr. President, the two leadership amendments, amendment 20 to article IV and amendment 21 to article VI, are offered to the Senate as amendments which will change the treaties from being unacceptable treaties which should be defeated by the Senate into thoroughly acceptable treaties that do not admit of further amendment.

We have seen dozens of amendments, I believe, or certainly more than a dozen, offered, that have all been struck down with the statement that they might kill the treaties. Well, if those amendments would kill the treaties, why not the leadership amendments? Why would they not kill the treaties?

"Oh," they say, "that was covered in the memorandum between the President and Torrijos, and when the plebiscite was held in Panama, since the memorandum had already been agreed to, therefore the Panamanians understood the terms of the memorandum."

The fallacy in that argument, Mr. President, is that Mr. Torrijos, 3 days before the plebiscite, had placed an entirely different construction on the memorandum between the President and Dictator Torrijos, which, by the way, is now the leadership amendment word for word; he placed an entirely different construction on our defense rights under the treaty and under the memorandum. The construction he placed on the memorandum was that the United States did not have the right to intervene to protect the canal and to maintain its neutrality; we only had the duty to do so when and if he calls on us to come in and defend the canal. That is an entirely different construction from that which the managers of the bill and the administration placed on the memorandum.

So, Mr. President, since the memorandum has now become the leadership amendment and since Mr. Torrijos has not recanted from that position, I assume that he would have the same view with regard to the leadership amendment that he has with respect to the memorandum.

Also, Mr. President, the leadership amendment is defective, in that it has application starting in the year of 2000, giving us the right to defend the canal but under the treaties we are deprived of the means of defense: that is, the troops in Panama in the Canal Zone. We are required under the treaties to have all of our troops out by the year 2000. So we have the right to defend but no troops there to defend it. That would mean we would have to have an amphibious landing or to drop paratroopers there in the Canal Zone to defend the canal. So the leadership amendment is defective in that area.

Also, the amendment we just voted on would have knocked out two features of the three features in the last paragraph of amendment No. 20, because it provides, and this you can see, Mr. Torrijos a gun in hand in this provision from the memorandum and from the leadership amendment. It says that this right we have to defend the canal does not mean nor shall it be interpreted as the right of intervention of the United States in the internal affairs of Panama.

We might find the situation where Panama was denying us access to the canal, we need to defend the canal against Panama, but this little provision in the treaty says we cannot interfere with the internal affairs of Panama. How are you going to defend the canal then without interfering with the internal affairs of Panama?

Well, here is the joker, Mr. President. It has this joker in the last three lines. None of this action of the United States, according to the leadership amendment, shall ever be directed against the territorial integrity or the political independence of Panama.

So that would guarantee that as we intervene in Panama for the defense of the canal or for the maintenance of the neutrality after the year of 2000 or before that, for that matter, we could not interfere with Mr. Torrijos despotic regime because we could not do anything against the territorial integrity or the political independence of Panama.

So, Mr. President, the amendment is flawed. I did not see it as the panacea for all of the defects of the treaties. It might be some slight improvement. Very slight. It is not of such a nature as to remove my objections to the treaty, and even though I will vote for the leadership amendment, it is flawed. It is absolutely insufficient to take care of the purposes for which it is intended.

Certainly, it is not sufficient to raise the caliber of these treaties from being unacceptable to being highly acceptable and so good, in fact, that the leadership is stonewalling against any amendments, even if they are just a change of one word, as we found on the floor last night when the distinguished Senator from Kansas (Mr. DOLE) sought to offer an amendment.

So I am going to vote for the leadership amendment at this point because we failed to improve it. I wish we could have improved it. There are plenty of areas by which it could have been improved, but the leadership has stonewalled against those amendments, but my voting for it does not indicate I am for the treaty. I am still remaining against the treaty. I think possibly it makes some slight improvement. Very slight, indeed. Again, slight improvement in the treaty itself. For that reason I will vote for it.

I yield to the distinguished Senator from Virginia.

Mr. SCOTT. Mr. President, I appreciate the distinguished Senator yielding. I would associate myself with the concerns that he has expressed with regard to this amendment, but I am not going to vote the same way which the distinguished Senator from Alabama is. I am going to vote against this amendment, and the reason I am going to vote against it is I believe it will mislead people into believing that the canal will be secured when we adopt this amendment to the treaty, and I believe quite to the contrary.

For example, the Senator quoted from the amendment. This does not mean nor shall it be interpreted as a right of intervention of the United States in the internal affairs of Panama.

Now we see Cuba all over the continent of Africa. Cuba has been invited to participate by the people in control or at least one faction of the people in control of the various countries throughout Africa.

Suppose the Panamanian Government invited Cuba or Russia or any other nation within the Communist sphere to come into Panama, then under this we could do nothing about it because to do that, had they been invited by the Government of Panama, we would be interfering with the internal and political affairs of Panama, and so to me it is no real protection. We know of the friendship between Torrijos and Castro, and I am not going to be under the guise of guaranteeing security for the canal. To me this is sort of an optical illusion. I just do not think it will help.

So I am going to vote against it.

I appreciate the distinguished Senator from Alabama taking a different view as to his vote, but I believe his feelings and mine correspond.

Mr. ALLEN. I thank the distinguished Senator.

Mr. SCOTT. I thank the distinguished Senator.

Mr. ALLEN. I do not know whether the Senator is right in his view. I felt that if it does offer some slight improvement we ought to grasp at this because this is the only amendment the leadership is going to allow; that is, these two amendments constituting one.

I yield to the distinguished Senator from Kansas.

Mr. DOLE. I shall be brief: I appreciate the distinguished Senator yielding.

I share the view expressed by the Senator from Alabama as one who has had some input in the course of these amendments, and it seems to me there are a number of flaws that could have been corrected but because of the stonewalling, as the Senator indicated, by the leadership that is not possible.

I think the amendment does improve the treaties slightly, not much, but slightly. I think that based on that premise, the Senator from Kansas will vote for the amendment.

Mr. ALLEN. I thank the distinguished Senator from Kansas.

I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. I thank the distinguished Senator from Alabama.

I shall vote for the leadership amendment with the same misgivings that have been expressed by other Senators. I re-

call very clearly the excellent statement made by our distinguished colleague from Mississippi, Mr. STENNIS, when he pointed out the concerns and the misgivings he has about this whole treaty. He titled his speech "An Unnecessary Gamble," and he points out several facts, among which are these; that the Russian navy has been growing in many respects. It exceeds the strength of the U.S. Navy. He calls attention to the fact that not many years ago we had more than 1,000 ships in our Navy and today that number has dropped to about half of that amount. He calls attention to the fact that we have responsibilities in the Pacific Ocean as well as in the Atlantic, and we cannot tell at any given time from where the pressures may come, where the threats may be greatest, and he underscores the great importance of our ability to move ships quickly and expeditiously from one ocean to another.

As a consequence, I think what we may fail to understand in this whole debate is that the way this treaty has been drafted, it confers certain rights, immunities, and veto powers on the Government of Panama that can frustrate our efforts to protect our own national interest and, at the same time, to secure those of other nations as well.

I am concerned about these facts, and I am more disturbed about the attitude that seems to be more clearly in evidence day by day, that the ploy, the tack of the leadership is to stonewall all amendments.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. I appreciate the comments of the Senator.

The PRESIDING OFFICER. The question is on the amendment of the Senator from West Virginia, amendment No. 20.

Mr. SARBANES. Have the yeas and nays been ordered, Mr. President?

The PRESIDING OFFICER. They have not been ordered.

Mr. SARBANES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Minnesota (Mr. ANDERSON), the Senator from Texas, Mr. BENTSEN), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. HODGES), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON) and the Senator from Alaska (Mr. GRAVEL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. MARK O. HATFIELD), and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. MARK O. HATFIELD) would vote "yea."

The result was announced—yeas 84, nays 5, as follows:

[Rollcall Vote No. 49 Ex.]

YEAS—84

Allen	Haskell	Nelson
Baker	Hatch	Nunn
Bayh	Hatfield, Paul G.	Packwood
Biden	Hathaway	Pearson
Brooke	Heinz	Pell
Bumpers	Hollings	Percy
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Humphrey	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Cannon	Jackson	Riegle
Case	Javits	Roth
Chafee	Johnston	Sarbanes
Chiles	Kennedy	Sasser
Church	Laxalt	Schmitt
Clark	Leahy	Schweiker
Cranston	Long	Sparkman
Culver	Lugar	Stafford
Danforth	Magnuson	Stevens
DeConcini	Mathias	Stevenson
Dole	Matsunaga	Stone
Domenici	McClure	Talmadge
Durkin	McGovern	Thurmond
Eagleton	McIntyre	Tower
Eastland	Melcher	Wallop
Garn	Metzenbaum	Weicker
Glenn	Morgan	Williams
Hansen	Moynihan	Young
Hart	Muskie	Zorinsky

NAYS—5

Curtis	Griffin	Scott
Goldwater	Helms	

NOT VOTING—11

Abourezk	Ford	Hodges
Anderson	Gravel	Stennis
Bartlett	Hatfield, Mark O.	
Bellmon	Hayakawa	
Bentsen		

So the amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ARTICLE V

The PRESIDING OFFICER. Pursuant to the previous order, article V will now be stated.

The assistant legislative clerk read as follows:

ARTICLE V

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory.

Mr. CURTIS. Mr. President, it was not possible for me to reach the floor before the last vote. I therefore shall take just a brief time to state my position.

First, let me say that I respect the opinions and the motives of all Senators. I never question what they do. As I view this so-called leadership amendment, it added very little to the strength of the treaties as far as the United States is concerned. If the understanding arrived at between the leaders of the two governments had any force and effect, it has it whether they put it in the treaty or not. But I do view this amendment as an amendment not of substance but one of strategy, to make the treaty more palatable to the Senate of the United States and to the country. Therefore, I could not cast my vote for it.

I believe that, from the strategic standpoint, it will have a tendency to go out to the country as a significant improvement in this treaty. The fact remains, it does not change anything to any great degree.

We will still part with the canal. We will still withdraw all of our military forces down there. We will still be deserting, in my mind, all the nations of the world, because we have an unblemished record of operating that canal with low tolls for the benefit of all the commerce of the world.

I have attended most of these debates and I have been waiting for the proponents of this treaty to tell us how this treaty will improve the navigation of the United States. It will create some hazards and, I think, some real dangers. But no one has said this will improve the navigation for the United States.

It may create a lot of problems. We ship a lot of grain down through the canal. The coal-producing States, such as West Virginia, ship coal through the canal.

I have been waiting for a proponent of this treaty to tell us how it would enhance the defense of the country. They have not said anything to that effect.

In the Cuban crisis, when there was a confrontation with the Soviet Government, back in the time of President Kennedy, we recall that 115 naval vessels, war vessels, were moved into the Atlantic, through the canal into the area close to Cuba.

If we by our actions would jeopardize or delay or make that impossible, it could change the history, in many respects.

But, Mr. President, the burden of proof is on the proponents of this treaty. They have not shown how the adoption of this treaty would serve the defense of the country. They have not shown how it will make for better navigation for the U.S. vessels. They have not shown how it would enhance the economic well-being of this country, or of Panama

I am happy that these proceedings are being broadcast on radio. I want to commend the leadership for making that possible. I think that that radio audience will be a better judge of these debates than we sometimes realize. They are aware of the time after time that individual Senators, who have been disturbed about this treaty, who do not agree with it, in all good conscience offered an amendment.

It is not being met head on with discussion by the proponents of this treaty. Instead of that, we are subjected to ridicule. We are subjected to ridicule on our amendments. We are told that we are misleading the public. We are ridiculed if we debate. We have actually been ridiculed for reading a script.

Mr. President, I wish some of the proponents of this treaty would write a script and read it and tell us how this treaty will improve the situation for the United States.

After all, whom do we represent here? Whom do we represent?

Oh, we can turn and say, "If we don't adopt these treaties, there will be trouble in South America." As the distinguished Senator from South Carolina said the other day, anywhere in the world there are Communist agitators there is going to be trouble. They will take advantage of every situation to stir up trouble. We cannot make an unwise choice just in the hopes that some military demonstrators and Communists will not create any trouble. That is not the situation.

Mr. President, they have tried to picture the United States as a colonial power. The blessing that we brought to Panama is tremendous. They owe their independence to us. They have the highest per capita income of any nation in Central America.

Why? Because of the economic benefits of this canal.

We have not mistreated them. Also, the billions that have been spent in foreign aid, the greatest per capita payment in foreign aid has been to Panama.

Mr. President, talk about colonialism, when we have colonialism, the large country or the powerful one robs the small country of its assets, its resources. That has not taken place here. We have not taken anything out of Panama.

We came down there and we built the greatest asset that the country has ever had, that made it possible for them to have a viable economy and maintain their independence.

Mr. President, what about the government of Panama? It was elected by no one. It came to power with the use of a gun. It banished from the country the president that was elected, and they have not had an election since 1968. Those things are relevant when it comes to trusting each other in treaty matters.

The American people sometimes have a notion and an intuition that is right. They have been endowed with that. They can sense when something is wrong, and the vast majority of them know that this canal treaty is wrong.

They have not looked at the books of all of our financial institutions, and neither have we. But we do know that Torrijos has run a government down there that lives way beyond its means. It takes 40 percent of his revenue to pay the interest on his debt. American financial institutions have loaned money to Panama and it looks grim for them to get it back.

That may have something to do with the attitude of some people, and I do not condemn them all, but if the shoe fits, let them wear it.

That may have something to do with the attitude of some people favoring this treaty, or these two treaties.

One of the negotiators was an officer or director in one of the financial institutions that loaned money to a dictator government that is running behind, and he does not appear to be paying his bills.

Mr. President, again I repeat, if these treaties will bring lasting benefits to the economy of the United States, if they will improve our transportation and our navigation, why do the proponents not say so?

If they will make for a stronger defense, why do they not say so, instead of hurling ridicule and ridicule and ridicule at those who disagree with them?

Mr. President, I hope that the amendment that was just adopted will have some benefit. I am satisfied it has not great significant benefit and that it does not make a good treaty out of a bad treaty.

I believe that the reasons for opposing these two treaties are so overwhelming that we cannot doctor them up with window dressing.

I am confident that this was a strategic move to make a bad treaty more palatable with the U.S. Senate and with the American people.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. SASSER). The Senator from Kansas.

Mr. DOLE. Mr. President, first, I wish to thank my distinguished colleague for his eloquent statement.

As he has indicated, there is nothing the Senator from Kansas has found so far that will improve our transportation system. Certainly, he has recited the facts insofar as possible dangers, possible lack of benefits, that may be flowing from these treaties.

Mr. President, the Senator from Kansas last evening offered an amendment of eight words—only eight words—trying to clear up one of the ambiguities in the so-called leadership amendment just adopted. That amendment was defeated. That was the first amendment offered by the Senator from Kansas, and I make that statement to indicate that I am not just offering one amendment after another, in some devious effort to cripple or kill the treaties.

AMENDMENT NO. 12

Mr. President, at this time I call up my amendment No. 12 to article V of the Neutrality Treaty.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 12.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Before the period at the end of article V, insert a comma and the following: "except that, in order to maintain the regime of neutrality established under this Treaty, the United States of America and the Republic of Panama shall conclude an agreement on the continued availability to the United States of America of any defense site or military installation after the date of the termination of the Panama Canal Treaty, and if no such agreement may have been concluded before such date, the United States of America may continue on and after such date to occupy the defense sites and military installations made available for its use under the Panama Canal Treaty, notwithstanding the termination of the provisions of the Panama Canal Treaty".

Mr. DOLE. Mr. President, I am joined in this amendment by Senators HANSEN, GOLDWATER, THURMOND, TOWER, and GARN.

Before we discuss the amendment, we should consider the article. What does article V do? It is a matter of great concern to the administration; it is a matter of some concern, I believe, to those who are still in the undecided category; and I think that, with some justification, it is a matter of some concern to those who may be totally against the treaty or totally for the treaty.

Article V, of course, expressly states that only Panama may maintain a military presence within Panamanian territory after December 31, 1999. The article reads as follows:

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

That is the article. That is the article the Senator from Kansas and others hope to amend.

This is the amendment. This is what will be added to article V:

Before the period at the end of article V, insert a comma and the following: "except that, in order to maintain the regime of neutrality established under this Treaty, the United States of America and the Republic of Panama shall conclude an agreement on the continued availability to the United States of America of any defense site or military installation after the date of the termination of the Panama Canal Treaty, and if no such agreement may have been concluded before such date, the United States of America may continue on and after such date to occupy the defense sites and military installations made available for its use under the Panama Canal Treaty, notwithstanding the termination of the provisions of the Panama Canal Treaty".

It should be made clear from the outset that this amendment differs in a significant way from others already considered by this body. A few days ago, the distinguished Senator from Alabama (Mr. ALLEN) offered a similar amendment which would have authorized the President of the United States to maintain an American military presence within Panama after 1999, if conditions so warranted. It was a good amendment, and the Senator from Kansas supported that amendment.

However, the fundamental difference between that amendment and this amendment is as follows:

My amendment, amendment No. 12, the amendment before the Senate at this time, proposes that the United States and Panama together, acting in concert, work out a mutually acceptable arrangement under which we might retain a military presence into the next century. This is a different approach to the same important objective, to assure adequate means to defend the canal beyond the year 2000.

Mr. President, throughout the past several months, I have been impressed by the consensus of informed opinion that the United States must maintain some form of logistical base within the Panamanian territory to support our responsibility and right to defend the Panama Canal into the next century. Even though some have argued that it is

not a "vital" requirement, most authorities seem to agree that it is a necessary condition for the effective and efficient defense of the canal against both external and internal threats. Let me take a look at some of those authorities, some of those who have indicated their concern and expressed their opinion.

Adm. James Holloway III, our Chief of Naval Operations and a treaty supporter, told the Senate Armed Services Committee on January 24 that a logical base within Panama would improve our efficiency in defending the canal "substantially," although he was not optimistic about our ability to utilize Panamanian bases after the year 2000, should we need to reenter that area.

He indicated that "Because of the importance of the canal, as a military man, I would very much like to have seen the complete responsibility and control of the operation in defense of the canal in U.S. hands." He ventured that "without bases, the introduction of U.S. forces would take longer and be more costly."

Also of interest to this Senator was Admiral Holloway's statement about the treaty negotiation procedure. He said that the proposal of a post-2000 U.S. presence was viable up until early 1977; that he had been among those who originally advocated a continued American military presence. But for some reason that still has not been explained to this Senator and other Senators and the American people, that negotiating position was dropped early in the Carter administration. Maybe there was good reason for it; maybe not. But I suggest that we never have had an explanation.

Gen. Lewis H. Wilson, the Commandant of the Marine Corps and a treaty supporter—let me underscore that both Admiral Holloway and General Wilson are treaty supporters. They are not trying to kill the treaties. They are not trying to oppose the treaties. They support the treaties.

General Wilson told the Armed Services Committee on the same day that, although he did not believe that a successful defense of the canal would be "dependent" upon an extended military presence in Panama, the advantages would be obvious. General Wilson told the committee:

> Now, I must be frank with you. I agree that it would be easier and least costly to meet threats after 1999 if the U.S. were to to maintain forces in Panama beyond that time.

He added that "a base in perpetuity would be better. * * *"

Maj. Gen. George L. Mabry, Jr., commander of U.S. Army Forces in the Canal Zone from 1970 to 1974, takes the position that new treaties with Panama are needed but that the proposed treaties go too far in surrendering U.S. interests.

General Mabry suggested to the Armed Services Committee that the United States "should retain the right to operate some bases and remain in the canal zone under a status of forces type agreement" beyond the year 2000. In his opinion, these base rights "would enhance our ability to operate and defend the canal on a unilateral basis if the United States deemed such action necessary."

Adm. Thomas H. Moorer, former Chairman of the Joint Chiefs of Staff and an outspoken treaty opponent, advised the committee:

> A permanent U.S. presence in the Panama Canal Zone is the only feasible and safe posture for all of the nations of this hemisphere . . . I think it is mandatory that we maintain a presence through one kind of agreement or another.

Mr. President, I suppose it is possible to go on and on in quoting our military authorities who see a definite need to retain base rights in Panama into the 21st century. But I believe the comments I have just cited present a persuasive case.

Mr. President, I suppose it is posible to go on and on and quote treaty supporters, quote treaty opponents, quote some who think there ought to be changes in the treaty. But I would suggest that the intent is very clear that those who support and those who oppose and those who have some middle ground believe we should have some presence in the area after the year 2000, not as a hostile force, not as an anti-Panamanian force, but as friends.

We are a great big country, they are a very small country. We have an interest in the Panama Canal. Other countries in this world have an interest in the Panama Canal, and it seems to this Senator from the outset that one of the glaring weaknesses of these treaties was that they provided no assurance of any presence after the year 2000.

I would just suggest in the proposal set forth it simply authorizes negotiation of a separate base agreement, that is all. It says we can authorize some base agreement between now and the year 2000 to accommodate the situation after that time.

In doing so, we would be laying the groundwork today for a future agreement, to both provide for American logistical needs and Panamanian national interests. Such an arrangement carries with it the element of "mutuality" that protects the interests of both our countries.

What the Senator from Kansas has in mind is a "quid pro quo" arrangement for American bases, or a mutual defense pact between Panama and the United States, either of which have precedence in U.S. defense policy. We maintain bases in Japan, the Philippines, and Western Europe under mutual defense pacts. We currently enjoy base rights in Spain, in return for which we provide funds for military assistance, security supporting assistance, and military sales guarantees.

Likewise, I believe it is entirely possible that the United States could work out a satisfactory mutual defense pact with Panama, or provide reasonable compensation in return for certain restricted base and troop rights within Panama. And, of course, all of this would be arrived at through fair and balanced negotiations over the next two decades. During that time, the United States and Panama would negotiate as equals, without any vestiges of colonialism or hegemony involved.

THE MOTIVATION FACTOR

Mr. President, amendment No. 12 does contain a clause stipulating that, if no bilateral agreement is reached prior to the year 2000, the United States may maintain whatever bases and forces it deems necessary within Panama into the next century. This clause is provided only as a motivation factor, and impetus to conclude a new agreement before the year 2000. In the event that base-rights negotiations take place as planned, this clause gives the United States leverage only on the matter of timing, not on the matter of terms.

Given the 13 years involved in negotiating the present treaty proposal, it is not unreasonable to include this phrase as a precautionary measure. So long as both sides reach some kind of mutual defense force agreement within 22 years, this clause need never enter the picture.

FLEXIBILITY FOR THE FUTURE

Let me say finally, it seems to this Senator that negotiation of a separate base agreement gives both sides—Panamanians and Americans—important flexibility for adapting to future developments. Negotiation of specific terms could continue right up through the end of 1999, when we have a better idea of what our needs, and Panama's interests will be.

They are going to have a better idea of their needs, and we are going to know by 1999 how important the canal may be, they are going to know how important the canal may be and, of course, such an agreement should contain provisions allowing for later adjustments as the year 2000 circumstances warranted.

There is no way, nor any reason for the 95th Congress to attempt to spell out the details for a post-2000 base rights agreement at this time. But it would seem to be the better part of wisdom to clearly authorize—and endorse—a separate agreement of this kind now, and let a future generation iron out the details.

I would make it very clear, and I would emphasize and I would underscore and I would demonstrate, that article V as written simply rules out any possibility of future agreement on continued U.S. military presence in Panama after the year 1999. It says it very clearly. It is a part of the treaty. I think it is a mistake. That is the way it reads, and there is no doubt about it.

Let me read it one more time:

> After the termination of the Panama Canal Treaty only the Republic of Panama shall operate the canal and maintain military forces, defense sites and military installations within its national territory.

So I just suggest that this is both very premature and very presumptuous on our part in the year 1978.

The Senator from Kansas would hope we would keep the door open. In fact, the Senator from Kansas hopes we could delay the initial groundwork for a future agreement based on future circumstances.

Mr. President, I would say, finally, as I have said frequently on the floor, this is very serious business. Whether you support the treaties, oppose the treaties, or still have not made up your mind, this is one of those very difficult areas where reasonable men and women can differ. But I just suggest, as I understand the administration suggested, at least it was reported on one of the network shows this morning, that this is a problem con-

cerning a number of Senators who have not yet made up their minds. What will the rights be after the year 2000? What rights, if any, do we have as Americans to preserve the neutrality of that canal—again not as a hostile force, not as an unfriendly force in Panama, but as a friend and as friends of the Panamanian people?

I frankly cannot understand the reason for continued opposition to any and every amendment that might strengthen the treaty, and the Senator from Kansas does not suggest that every amendment that has been offered would strengthen the treaty. The Senator from Kansas has not voted for every amendment that has been offered.

It does seem to this Senator—and I will not repeat this time after time after time, but it does seem to this Senator—that our hands are tied in the Senate.

We are told by about a two-to-one margin almost on every vote that we cannot make any changes in these treaties. Now, maybe there will be an effort made later to clear up all these little misunderstandings with understandings and reservations.

But it seems to some of us that if they are that important then we ought to amend the treaty itself. The treaty language should be amended. I would hope that the leadership—and I know they have great responsibilities, great responsibilities to the President, great responsibilities to the people of the United States, great responsibilities to our interests in Panama—and I would hope they would stop and reflect on the course of action being taken in the Senate.

This Senator also visited with General Torrijos in December of last year. This Senator did not leave there with the impression that no amendments would be acceptable. As I recall, General Torrijos told this Senator and the Senator from Nevada (Mr. LAXALT) that he did not want a year-round plebiscite.

I just happen to believe that if General Torrijos understands we are not offering amendments in an effort to kill the treaties, that amendments are not being offered in any effort to thwart his authority and, on the other hand, the amendments are being offered in good faith, are being offered to strengthen the treaties and strengthen the ties between Panama and America, he might support such amendments.

Mr. President, I yield at this time for whatever time he may consume to the distinguished Senator from Arizona.

Mr. DECONCINI. I thank the Senator from Kansas.

I rise in support of the Senator's amendment. It is quite similar to an amendment I have at the desk which calls for a 5-year lease of military presence, and it indicates, my amendment 44 indicates, we will enter into a lease.

I think the basis of being able to enforce the neutrality treaty has got to be on the ability to be there. As the Senator from Kansas points out, how are you going to do it? Well, you are going to do it by flying troops in or boating troops in, and that takes a lot of time. What it really takes is dedication and the will of the public of this country to stand up and enforce the Neutrality Treaty. If you are there physically and, in fact, the canal is closed for some reason, our rights are triggered to intervene, and I am satisfied under the Baker-Byrd amendment we can have the right to intervene, and the question is will we have the will to do it. Do we have the will to intervene?

I think if we are there, we have an opportunity to exercise that will and protect our rights.

Where are the troops going to come from? My best guess is that they would have to come from California or Guantanamo, or some place that is at least 2 hours or more away, and a lot of damage could be caused and havoc could be caused to the canal and its future use if we are not there.

I think perhaps the Senator from Kansas does have a problem with the amendment, but I am going to vote for it anyway. That is, if I interpret it correctly—and I would like to ask the Senator from Kansas to indicate whether I do—that they must and shall enter into an agreement, and if they do not agree on some time, we have perpetuity rights there until they do. Does the Senator from Kansas feel that would be a deterrent from our good will, to enter into a military lease with Panama in perpetuity?

Mr. DOLE. The Senator from Kansas feels that he is providing some leverage. As I have suggested in my statement, it would provide some motivation. I recognize that as, I think, one of the strengths of the amendment.

It was not designed in that fashion. It was designed in the hope that we would reach some agreement so that we could negotiate right after 1999, or in November or December of 1999, work out some agreement the next year, and that would end anything in perpetuity.

Mr. DECONCINI. I have a strong feeling that we need some military presence there. I also concede that perpetuity is just not realistic. It is not even realistic in the law; you just do not have contracts in perpetuity, and I wonder how the Senator would feel about a set time of say, a 5-year lease or a 10-year lease, because I believe what is important is to set a period of time that we have a right to be there, that it is with the understanding and agreement with Panama that the relationship would flower and blossom and be visual. If the canal is of no use by the year 2000, or the year 2020, we ought to be able to get out of it; but I wonder if the Senator would comment about setting a time on his amendment.

Mr. DOLE. I would agree with the Senator from Arizona; I would have no objection to making it 5 or 10 years. It is not the intention, as the Senator has indicated very clearly, to have something set up in perpetuity. The purpose of that last clause was to provide some leverage, some motivation, if you will, to enter into some agreement.

But I would not have any problem with providing it in the amendment, changing the amendment to provide a 5- or 10-year period.

Mr. DECONCINI. Will the Senator permit me to amend his amendment to provide that?

Mr. DOLE. Yes.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DECONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 7

Mr. DECONCINI. Mr. President, I send to the desk an amendment to the amendment (No. 12) of the Senator from Kansas, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, line 4 of amendment No. 12, after "Treaty" insert "until Dec. 31, 2009"

Mr. DECONCINI. Mr. President, I thank the Senator from Kansas for agreeing to delete a part of his amendment—I do not want to put words in his mouth—by agreeing here that we not attempt to establish a perpetuity, and thus kill the treaty.

I do agree with the Senator from Kansas' strong feeling that we need to have the ability to have a military presence there if in fact we are going to have the will to intervene if, God forbid, we have to do that.

I thank the Senator from Kansas, and I ask for the yeas and nays on the Senator's amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Arizona (Mr. DECONCINI). I think that does strengthen the amendment; certainly I share the view expressed by the Senator from Arizona that this would give us that much additional time, and therefore I am pleased to accept the modification.

The PRESIDING OFFICER. The amendment is so modified.

Mr. DOLE. I am wondering if the distinguished Senator from Idaho (Mr. CHURCH)—may I have the attention of the distinguished Senator from Idaho? How much time will the Senator take in opposition to the amendment?

Mr. CHURCH. I would just like to make a motion to table it.

Mr. DOLE. Is there a possibility of having back-to-back votes at, say, 3:30, on both?

The Senator from Kansas has no interest, except that we are trying to protect some other Senators who are coming back between 3 and 3:30, Senators KENNEDY, SCHWEIKER, BROOKE——

Mr. CHURCH. I wonder if the Senator would agree that we might present the case against the amendment, and then take the vote at 3 o'clock.

Mr. DOLE. Surely; that would be agreeable.

Mr. CHURCH. Or within the next 15 minutes; say at 5 minutes after 3.

Mr. DOLE. Yes.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. McGOVERN. Mr. President, I ask unanimous consent that I be recognized as though we were in legislative session for the purpose of introducing a bill on another subject.

The PRESIDING OFFICER. I remind the Senator from South Dakota that we are in a quorum call.

Mr. McGOVERN. Could I ask unanimous consent that further proceeding in a quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. And then I repeat the request that I made earlier.

The PRESIDING OFFICER. Is there an objection?

Without an objection, it is so ordered.

S. 2720—FARM PRICE SUPPORT ACT OF 1978

Mr. McGOVERN. Mr. President, as Members of the Senate know, including the distinguished Senator from Kansas who was addressing you here a moment ago, we are faced with a very serious agricultural crisis in the United States. The Capitol has been overrur for several months now by certain farmers who are here from all parts of the Nation. Many of them involved for the first time in their lives in a movement of this kind. It has sometimes been referred to as a farm strike and at other times as the American agricultural movement and it does have elements of both, in the sense that it represents the deeply felt concern of a great many of our fellow citizens about the plight that confronts them and it also represents their determination to appeal to their representatives here in Congress and in the executive branch to respond to those needs.

I have had the privilege of sitting through some of the hearings that our committee has held on the agriculture issues being raised by these distinguished Americans who are here in connection with the farm problem. I have also talked with a great many of them in my office and on the basis of my own assessment of what might be needed to deal with this crisis I am today introducing a legislation that I call the Farm Price Support Act of 1978.

Very frankly, Mr. President, this legislation is based on a recognition that farmers are not now receiving a fair price on their grain and the produce that they are bringing into the market. I know it is very difficult for some of our fellow citizens to understand, who look at the high price of food in the supermarkets and at the checkout counters and perhaps falsely assume that the major part of that food price goes to the farmer. Of course, the truth is that last year, 1977, farmers received only about 38 cents out of every dollar that we spent on food in this country. The other 62 cents being taken up in other ingredients that go into the cost of putting a loaf of bread or a box of cereal or other processed foods on the shelves of our grocery stores.

Without in any way suggesting that anyone is profiteering in the food chains, I do think it is clear that our farmers who receive just a little more than a third of the food dollar are not basically responsible for the increase in food prices, but one thing we do know is that the farmer cannot continue to produce at below the cost of production.

As matters now stand, they are selling wheat at approximately $2.25 a bushel that cost them doubtlessly in excess of $3.25 a bushel to produce. So they lose anywhere from $1 to $1.50 on every bushel that is being sold at these depressed prices.

Over the last 4 years, the world market price of wheat has just about fallen in half from roughly $4.50 a bushel down to $2.25, and the same in the same time span that wheat prices were dropping from $4.50 to roughly $2.25 a bushel the price of petroleum and petroleum based products, which are used so heavily on the farm, quadrupled. So you have this old pattern of farm costs going up while farm prices are coming down.

Now what I have attempted to do in the bill that I introduce today, Mr. President, and this is only one. There are several measures that have been introduced by members of our committee. The distinguished Senator from Kansas (Mr. DOLE) has another measure, a very constructive proposal that is pending before the Senate.

The chairman of our committee, Senator TALMADGE also has a constructive proposal pending, but the proposal that I introduce today would have the effect of raising the target price on wheat to $4.10 a bushel with a loan figure raised accordingly to $3.25 a bushel. It would have the effect of raising the target price on corn to $3 a bushel with comparative increases in dairy products, in cotton, and other basic farm commodities.

Now, Mr. President, obviously a program of this kind costs some money. It would require an additional $6 billion going into the agriculture sector; in other words, going into the income of our farm families to operate a program of this kind, and the question is where do you find $6 billion in the budget to cover a program of that size?

I would like to suggest that one area would be in the proposed $25 billion tax cut that President Carter has called on the Congress to enact. I think we would be far better off to defer part of that tax cut and invest the $6 billion in assuring economic justice to our farmers than we would to go through with the entire tax package.

So I am very hopeful that this bill be given early and careful consideration by the Senate Committee on Agriculture, on which I have the privilege to serve. It is my own view that there are a number of high need areas in the country, including the cities as well as agriculture, that desperately need assistance and I, for one, think we would be better advised to invest support in those areas of our country that have the greatest need rather than to proceed now with another tax cut that might help each one of us in a very small way, but which really contributes very little in the long run to dealing with the country's real problems.

By way of background, let me say that the legislation I introduce today specifically amends the Food and Agriculture Act of 1977 and does so in about the manner I had hoped we could accomplish is last year's farm bill. I point out to my colleagues in the Senate that though the Congress worked mightily on last year's bill, it brought forth an unsatisfactory piece of legislation for the farm community. I feel that if the support figures I propose today were contained in last year's bill we would have spared the American agriculture movement the expense of descending on this city in record numbers to protest the economic situation of agriculture in America.

I want to point out at the very outset that I do not blame the Congress entirely for having to go back and redo what we should have done last year. I think that the Nation's food producers were buoyed by the campaign pledges of the administration of minimum support prices at cost of production levels and high expectations of a square deal for farmers. The problem developed when the administration began to come up with their own calculated figures on cost of production and caused apprehension among farmers by unveiling figures that were completely at odds with what a farmer knew his own production costs to be. It thus becomes understandable that farmers are in a state of rebellion unparalleled since the 1930's when faced with the simple equation that they cannot continue to produce wheat, feed grains, and cotton at prices where we all know they are losing money.

It is not my purpose here to argue the merits of the various formulae that farmers and farm groups have put together to justify the cost of raising their product. In the final analysis, as evidenced by last year's farm legislation, the Congress failed to address itself to these scientific approaches anyway and ended up in a bargaining and negotiating session. I do not want to observe, however, that in my judgment, realistic concepts of cost of production have lost all meaning to farmers in terms of figures they see in legislative form. It is entirely understandable that most have returned to expressing themselves in traditional terms of parity, having become disillusioned by a government which talks of farm problems in terms of cost of production and then arrives at loan and target figures that more closely resemble the results of a bargaining session between labor and management than a conference on how much it costs to produce a bushel of wheat, a bushel of corn, or a bale of cotton.

As a new member of the Joint Economic Committee, I have publicly testified in opposition to the President's proposed tax cut of $25 billion or thereabouts. It is my judgment that these

moneys can become more meaningful for all Americans if channeled into the areas of our economy that are the most severely depressed, rather than distributed piecemeal in small chunks over the board, in many instances to those who do not need it and in many other instances to those who will merely take the money out of the economic process and add it to savings accounts or thrift institutions. Rather, it is my judgment that this money could have a far more substantial impact on the Nation's economy if we see that it goes to those areas of the economy such as agriculture, our cities and our rail lines which are in great need. With these thoughts in mind I intend to unveil within the next several weeks authorizing legislation which will deal with the approximate size of the tax cut, but centering the spending on a deprived coalition of those neediest of Americans where unemployment can be attacked in the inner cities, where our disgraceful surface transportation system can be restored to its former preeminence in the world's systems, and where other major problems exist.

The first step of this process is the Farm Support Act of 1978 which will cost approximately $6 billion in restoring economic justice to our food producers. So many of us take for granted the food on our dinner table that we seldom think of that segment of rural America where what we eat is actually produced. If these people go down the economic drain, there is little hope for the rest of American business. I thus propose to raise the minimum loan rate on wheat to $3.25 per bushel and to raise the established target price to $4.10 a bushel as well as expanding our food for peace program by 250 million bushels. The estimated cost of these changes is $1.75 billion.

I further recommend an increase in the dairy support program to 85 percent of parity from its present 83 percent, at a modest cost of $50 million.

On the feed grain side of the farm equation, I propose a $2.75 minimum loan on corn and an established target price of $3 per bushel.

Taking into consideration the other feed grains that are triggered by corn and a substantial increase in our food for peace commitments, I would judge the cost of this program to be $3.6 billion. Before too many eyebrows are raised at this figure, let me point out that we normally raise about 2 billion bushels of wheat and 6 billion bushels of corn. I also want to point out that substantially more than 50 per cent of feed grain production goes into the feeding of livestock. Most farmers say that "as goes feed grains, so goes livestock," so the high cost of the feed grain program will also tend to support a depressed livestock industry.

Fiber must be classed an an important ingredient of any farm program. Midwesterners often tend to overlook the upland cotton producers of our country who come from other regions. These farmers do not fare better than grain farmers in our present economy. My bill thus proposes that support prices for upland cotton producers who voluntarily reduce acreage be increased by 10 cents a pound at a calculated cost of $500 million.

To those who will now cry the loudest about possible increases in food prices, let me say that consumers in America have come to the realization that they have an artificially created cheap food policy. A recent Harris poll survey showed overwhelming support for increased income for farmers even if food prices were to rise as much as 5 percent. My point, Mr. President, is that American consumers are now ready to support their food producers even if it will mean slightly higher food costs for them. Let us remember that we Americans spend less of our disposable income on food than any other nation in the world and that last year's figures show that farmers now receive only 38 percent of the food dollar, with 62 percent going elsewhere in the food chain after the product leaves the farm.

In my opinion. if we hope to slow down the ever escalating rise in retail food prices, we must very seriously scrutinize the relationship of competition in the retail food industry with pricing and profits. The economics of food retailing which lead increasingly to highly concentrated markets serve neither the producer nor the consumer. Monopoly overcharges have very little to do with the price of farm products. The cost of inputs are not impacting as much ultimately on the consumer as the market power of the sellers. We have got to pay attention to this kind of structural problem. Meanwhile, the farmer, who has no control over events once he sells his product, deserves at least minimal support. This legislation is intended to supply that protection. Unless and until our entire food production and marketing system straightens out, I believe we have no choice but to more abundantly support the farmer.

Mr. President, as I stated earlier, I intend to address other authorizing legislation to this body shortly dealing with the inner cities, surface transportation, and other deprived areas of the economy. I introduce this farm legislation today, because the Senate Agriculture, Nutrition, and Forestry Committee is now holding hearings on the farm crisis. I want this legislation before the committee for its consideration at the conclusion of these hearings. I ask unanimous consent that the text of this legislation, as well as its economic analysis be printed in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 2720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DAIRY PRICE SUPPORT

SEC. 101. Section 203 of the Food and Agriculture Act of 1977 is amended by striking subsection (1) and inserting in lieu thereof the following:

(1) Notwithstanding any other provision of law, effective for the period beginning with the date of enactment of this subsection, the price support of milk shall be established at no less than 85 per centum of the parity price therefor on the date of enactment.

TITLE II—WHEAT PROGRAM

SEC. 201. Effective with the 1978 crop, section 107 of the Agricultural Act of 1949, as it appears in section 401 of the Agricultural Act of 1970, as amended by the Food and Agriculture Act of 1977, is amended to read as follows:

SEC. 107A. Notwithstanding any other provision of law—"(a) The Secretary shall make available to producers loans and purchases at not less than $3.25 per bushel for the 1978 through 1981 crops of wheat, nor, in excess of 100 per centum of the parity price therefor. "(b)(1) (A) in addition, the Secretary shall make available to producers payments for each of the 1978 through 1981 crops of wheat in an amount computed as provided in this subsection.

Payments for each of the 1978 through 1981 crops shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event shall payments be made under this paragraph for any of the 1978 through 1981 crops on a greater acreage than the acreage actually planted to wheat.

"(B) The payment rate for wheat shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

(ii) the loan level determined under subsection (a) of this section for such crop is less than the established price per bushel. The established price for wheat shall be $4.10 per bushel for the 1978 crop. For the 1979 crop, the established price shall be $4.10 per bushel adjusted to reflect any change in (i) the average adjusted cost of production, for the two crop years immediately preceding the 1979 crop year from (ii) the average adjusted cost of production for the two crop years immediately preceding the 1978 crop year. For the 1980 and 1981 crops, the established price shall be the established price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the years previous to the one for which the determination is made. The adjusted cost of production for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (i) variable costs, (ii) machinery ownership costs, and (iii) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

SEC. 202. Subsection "C" is deleted.

SEC. 203. Subsection "D" is deleted.

TITLE III—FEED GRAIN PROGRAM

LOAN RATE AND TARGET PRICE

SEC. 301. (a) Effective with the 1978 crop of feed grains, section 501 of the Agricultural Act of 1970, as amended by the Food and Agriculture Act of 1977, is amended by—

(1) amending section 105(a)(1) of the Agricultural Act of 1949, as it appears therein, to read as follows:

"(a)(1) The Secretary shall make available to producers loans and purchases on each crop of corn at not less than $2.75 per bushel for the 1978 through 1981 crop of corn, nor, in excess of 100 per centum of the parity price therefor."; and

"(2) The Secretary shall make available to producers loans and purchases on each of the 1978 through 1981 crops of barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of

such commodity in relation to corn and other factors specified in section 401(b) of this Act, and on each crop of grain sorghums as each level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value and average transportation costs to market of grain sorghums in relation to corn.

"(b)(1)(A) In addition, the Secretary shall make available to producers payments for each of the 1978 through 1981 crops of corn, grain sorghums, and, if designated by the Secretary, oats and barley, in an amount computed as provided in this subsection.

"(A) Payments for each of the 1978 through 1981 crops shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event shall payments be made under this paragraph for any of the 1978 through 1981 crops on a greater acreage than the acreage actually planted to such feed grains.

"(B) The payment rate for corn shall be the amount by which the higher of—

"(1) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(2) the loan level determined under subsection (a) for such crop is less than the established price per bushel. The established price for corn shall be $3.00 in the case of the 1978 crop, and for the 1979 through 1981 crops the established price shall be the established price for the previous year's crop adjusted to reflect any change in (i) the average adjusted cost of production for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production for the two crop years immediately preceding the year previous to the one for each of such years shall be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and shall be limited to (i) variable costs, (ii) machinery ownership costs, and (iii) general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

SEC. 302. Section "C" is deleted.

TITLE IV—UPLAND COTTON

SEC. 401. Effective for the 1978 crop of upland cotton, section 103(e) of the Agricultural Act of 1949 as it appears in section 602 of the Agricultural Act of 1970, as amended by the Food and Agriculture Act of 1977, is amended by adding at the end thereof a new paragraph (4)(B)(1) as follows:

"(4)(B)(1) *Provided, however*, that for the 1978 crop of upland cotton the payment rate, for any producer who voluntarily reduces 1978 upland cotton acreage on any farm by 20% or more of 1977 cotton acreage, shall be increased by 10 cents per pound."

TITLE V—PUBLIC LAW 480

Provided, however, that for fiscal year 1979 minimum exports under title I, II and III of Public Law 480 shall equal 350 million bushels (corn equivalent) of corn and feed grains, and 541 million bushels of wheat and wheat products.

ECONOMIC ANALYSIS

Proposed special programs to increase farm income in 1978

(Quantities in millions of bushels equivalent of corn)

Corn and feed grains:	
Carry-in to 1978 (USDA projection)	1,669
Production (1% below 1977 actual)	7,853
Imports (actual 1977)	12
Total supply	9,534
Less:	
Domestic use (1977 actual)	5,421
Exports (1977 actual)	2,031
Special food for peace:	
Corn and feed grains	350
Wheat—½ of 1977 feed use (100 million bu.) for Food for Peace would increase feed grain use	107
Ending Stocks (Estimated loan collateral stocks: 1,000 mil. bu.)	1,625
Costs of special program:	
Increase price support loan to $2.75/bu. (1,000 million bu. @ 75¢)	$750
Special payments @ 25¢ bu., less saving on regular payments @ 10¢/bu.	1,178
Special food for peace:	
350 bu. corn equiv. @ $3.65	1,278
100 bu. wheat @ $4.15	415
Total cost of special program for feed grains	3,621
Wheat (Quantities in millions) bushels):	
Carry-in to 1978 (USDA projection)	1,210
Production (11.8% below 1977)	1,787
Imports (1977 actual)	2
Total supply	2,999
Less:	
Domestic use (1977 actual)	830
Exports (1977 actual)	1,100
Special food for peace:	
Feed grain program—½ of actual 1977 use of wheat for feed	100
Special wheat program	250
Ending stocks (estimated loan collateral stocks: 300 million bushels)	719
Costs of special program for wheat (millions):	
Increase price support loan to $3.25/bu. (400 million bu. @ 90¢)	$360
Special payments @ 85¢/bu., less saving on regular payments @ 65¢/bu.	357
Special food for peace for wheat ($4.15/bu. × 250 million bu.)	1,038
Total cost of special program for wheat	1,755

	Million lbs.	*Million 480-lb. bales*
Cotton:		
Carry-in to 1978 (USDA projections)	1,392	2.9
Production (Assume 13% reduction for two-thirds effective participation in program)	6,055	12.6
Total supply	7,447	15.5
Less:		
Mill use (1977 actual)	3,264	6.8
Exports (1977 actual)	2,256	4.7
End stocks	1,927	4.0

Costs of special program for cotton (millions):

Special payment of 10¢ lb. to producers who reduce acreage 20% below 1977, subject to limitation of $40,000 in payment to any producer: Estimated production eligible—5,000 million lbs., $500 million.

Dairy:

Special Program: To increase the price support for milk by 63¢ per 100 lbs. so as to raise average price received by farmers from present $9.12/cwt. (79½% of parity equivalent for manufacturing milk) to $9.74 (85% of parity equivalent), the support that President Carter promised during 1976 campagn.

Cost of special program for milk (millions):

Increase purchase price of products by equivalent of 63¢/cwt. of milk: Estimated 8 billion lbs. of milk to be removed from market for Food for Peace, domestic donations, etc., $50 million.

Other farm products:

Increase funds available for surplus removal under Sec. 32 and Sec. 416 of Agricultural Act, $74 million.

Total, all programs: $6,000 million.

Mr. DOLE. Will the Senator yield?

Mr. McGOVERN. Yes, I yield to the distinguished Senator from Kansas (Mr. DOLE).

Mr. DOLE. I would just like to state that I have studied the bill of the distinguished Senator from South Dakota and on Monday morning next we will be discussing several proposals that the Senator from South Dakota pointed out, introduced by a number of members of the Senate Agriculture Committee and other Members, and certainly the proposal put forth by the Senator from South Dakota has a great deal of merit. I would hope that when we report a bill from the full Agriculture Committee it will give a mix of what the Senator from South Dakota suggests and perhaps what the chairman suggests and others of the committee have suggested. There is no pride of authorship. We understand the emergency. We understand the need the American farmers have.

I just want to commend the distinguished Senator from South Dakota for his leadership.

Mr. McGOVERN. I thank the distinguished Senator from Kanasas and he expresses my own views exactly; that I do hope we can come out with a composite comprehensive bill which will embrace the best feature of the bill introduced by the Senator from Kansas, the Senator from Georgia (Mr. TALMADGE), and some features of the legislation I have introduced this afternoon.

Mr. President, I yield the floor.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The Senate continued with the consideration of the treaty.

The PRESIDING OFFICER. The Senator from Kanasas.

Mr. DOLE. Mr. President, I ask unanimous consent that I may modify my amendment by accepting the amendment of the distinguished Senator from Arizona (Mr. DECONCINI).

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment, as modified, is as follows:

Before the period at the end of article V, insert a comma and the following: "excerpt that, in order to maintain the regime of neutrality established under this Treaty, the United States of America and the Republic of Panama shall conclude an agreement on the continued availability to the United States of America of any defense site or military installation after the date of the termination of the Panama Canal Treaty, and if no such agreement may have been concluded before such date, the United States of

America may continue on and after such date to occupy the defense sites and military installations made available for its use under the Panama Canal Treaty until December 31, 2009, notwithstanding the termination of the provisions of the Panama Canal Treaty".

Mr. DOLE. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Is the Senator from Kansas correct that the vote will now be on the Dole amendment, as modified by the DeConcini amendment?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the amendment of the Senator from Kansas, as modified. The yeas and nays have been ordered.

Mr. CHURCH. Mr. President, the pending amendment is just a variation on a familiar theme. On at least three other occasions, the Senate has rejected amendments which were offered for the purpose of either extending the American military presence in the Canal Zone beyond the year 2000, or providing for American military occupation of the zone in perpetuity.

On each of those former occasions, the Senate has rejected the amendments by very substantial margins. The first vote took place on February 27, on amendment No. 40 offered by Senator ALLEN. It was tabled by a vote of 55 to 34.

The second amendment was No. 45, also sponsored by Senator ALLEN. On March 1, the Senate tabled that amendment by a vote of 57 to 38.

The third such amendment, also offered by Senator ALLEN, was No. 51. The Senate tabled the amendment on March 2, by a vote of 59 to 36.

Now we come to the fourth variation on the theme, an amendment which, as modified, provides that the United States and the Republic of Panama shall conclude an agreement permitting the continued presence of American forces in Panama following the year 2000, but in the event that Panama does not consent to such an agreement, then the Armed Forces of the United States could nevertheless remain in Panama, at least until December 31, 2009.

Mr. President, it would seem to me that, of the related amendments thus far considered, this one really makes the least sense. If we are going to accept a date in the future for removing American forces from Panamanian soil, then the year 2000 is just as good as the year 2009, or, to be exact, December 31, 1999, is just as good as December 31, 2009.

The amendment is defective in this respect, and also in that it could enforce the continued presence of American troops without the consent of Panama. Obviously, if such an amendment were to be adopted, the Panamanian Government could not possibly accede to it. What self-respecting government could?

If we were to reverse the order and assume that another foreign government were attempting to impose such a condition upon the United States, it would be unthinkable that we would accede.

So, Mr. President, even though Panama is a small country, even though we are in a position to impose our troops against the will of the Panamanian people, the whole purpose of these treaties is to put an end to that kind of thing, recognizing how the world has changed, how the old empires have evaporated, how governments, large and small, now enjoy independent status.

How much the world has changed since the treaty of 1903. The circumstances that surrounded the origin of that treaty, the way it was imposed in the first place, have continuously vexed Panama. And this feeling was exacerbated over the years, as the colonies of the world gained their independence, leaving, today, the Panama Canal Zone as virtually the only strip of foreign land under the control of the United States which is held against the will of the people of the country in which that land is located.

So, Mr. President, these treaties have been negotiated, in harmony with the politics of justice and a new agreement reached, which conforms to the standards of the wholly different world in which we now live, 75 years later.

The proposed amendment not only does violence to the spirit of the treaties, but it would make a substantive change that no self-respecting government could accept. Even as we would reject it if it were demanded of us by a foreign government, so we must expect the Panamanians to react in a similar fashion, for they, too, are a proud people, though a small country.

(Mr. McGOVERN assumed the chair.)

Mr. CHURCH. Mr. President, I would hope that I could soon make a motion to table the amendment. I am trying to accommodate the needs of the Senator from Kansas and those others who do support this amendment. I think we should soon come to a vote, it now being 10 minutes past 3.

Mr. SARBANES. Will the Senator yield?

Mr. CHURCH. Yes.

Mr. SARBANES. Could we agree, perhaps, to go to a vote at, say, 3:25, on this amendment and divide the time between now and then, which will be 15 minutes, either equally or even a little disproportionately, to the favor of the Senator from Kansas?

Mr. DOLE. I would like 10 minutes. I do not want to take much time here, but I would like 10 minutes.

Mr. CHURCH. I have made my argument. does the Senator from Maryland like to take 5 minutes?

Mr. DOLE. We are talking about the next amendment I shall offer. We can go to that now and vote on the two of them, back to back, in 10 minutes.

Mr. CHURCH. That is all right with me.

Mr. SARBANES. Mr. President, I ask unanimous consent that the vote on the pending amendment occur at 3:25, to be followed by a vote on the amendment which the Senator from Kansas will now be sending to the desk—to be immediately followed by a vote with regard to that amendment.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, would the Senator change that? Instead of saying on the amendment, would he say with respect to the amendment, in each case?

Mr. SARBANES. Yes. That is correct: the vote with respect to the amendment now pending to take place at 3:25; and with respect to the amendment that the Senator is about to send to the desk to take place immediately thereafter; and that the time between now and 3:25 be allocated, 10 minutes to the Senator from Kansas and 5 minutes to the manager of the treaties, to speak on the amendment which will be sent to the desk.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will there be a rollcall vote in relation to the second one?

Mr. DOLE. Yes, the Senator from Kansas will ask for a yea and nay vote.

Mr. ROBERT C. BYRD. May the yeas and nays be asked for now?

Mr. DOLE. I ask for the yeas and nays on the vote.

The PRESIDING OFFICER. If the Senator will send his amendment to the desk, then we can ask for the yeas and nays.

Mr. DOLE. I call up amendment No. 58.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays now on the amendment that the Senator is going to call to the desk, and that it be in order to ask for the yeas and nays on the motion to table each of the two amendments, all with one show of seconds.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

AMENDMENT NO. 58

Mr. DOLE. I call up amendment No. 58 and I ask unanimous consent that Senator WALLOP be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) for himself and Mr. WALLOP, proposes amendment No. 58:

Before the period at the end of article V, insert a comma and the following: "except as the United States and Panama may otherwise agree".

Mr. DOLE. Mr. President, in the brief time we have on this amendment, let me emphasize one or two points, then I shall yield a couple of minutes to the distinguished Senator from Wyoming.

Assuming that the amendment that is now pending—the Dole-DeConcini amendment—is tabled, all amendment No. 58 would do would be to add 10 words. Last night I tried for eight words and failed. Today I go to 10 words and look for success. These 10 words are "ex-

cept as the United States and Panama may otherwise agree." It simply adds those 10 words to article V. These are only 10 words, but they could be critical to the ability of the United States to protect the canal after the year 2000. This simple clause would keep the door open just a crack to the possibility that both Panama and the United States will agree at some point that a continued American military presence is necessary.

The Senator from Kansas will not reiterate. We have already had discussion on the general problem, the general concern. We have repeated on this floor the concerns of Admiral Holloway and General Wilson and others who support the treaty, who are concerned about article V. We have heard the concerns expressed by the distinguished Senator from Arizona (Mr. DECONCINI).

We have discussed that point with regard to my earlier amendment. It is clear on the record that American military advisers feel that a continued military presence beyond 1999 is important for "efficient" and "economical" defense of the canal in the next century.

I say to my colleagues that this may be the one last opportunity we will have to keep the door open—not for imposing our continued presence upon Panama, but for reaching mutual agreement that the presence is desirable and needed. None of us knows what conditions may confront us in the year 2000, yet we are expected today to determine that there will be no need for U.S. troops or bases to protect the canal at that time. We are effectively foreclosing any option that our two countries might find such an arrangement agreeable—unless we add these simple 10 words to the end of article V.

Mr. PRESIDENT. I am all the more convinced that this provision is critical in light of information that American negotiators proposed this identical language during treaty negotiations with Panama last year. The Senator from Kansas has been advised by his own sources—sources very close to the treaty negotiations—that our negotiators laid the following language on the table for negotiation, and that this was their bargaining position up until mid-1977:

ARTICLE V

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory, except as the United States and Panama may otherwise agree.

That was what was laid on the table—a perfectly reasonable and responsible position that would have kept the options for both nations open, without endangering the interests of either.

When the Senator from Kansas sought further information on this stage of the negotiations, he was advised by his informed source that:

This phrase was dropped because the Panamanians refused to accept the possibility that the question of a continued U.S. participation in the defense of the Canal after the year 2000 would be contemplated. Until this phrase was dropped, it had been the consensus of the U.S. Government and its clear intention that adequate arrangements for defense of the Canal after the year 2000 might well include retaining U.S. troops or bases in Panama. There was no Panamanian concession made in return for the dropping of this provision. It was dropped in May of 1977.

If, in fact, Mr. President, there was "no Panamanian concession made in return for the dropping of this provision," then I can see no reason why the Senate should feel constrained against placing the provision back in article V. I must say that this Senator cannot imagine why the crucial 10 words were dropped without any equal concession by Panama. Perhaps the distinguished members of the Senate Foreign Relations Committee, who are more familiar with the secret treaty negotiations than the Senator from Kansas, could shed some light on this point. I think all of us would welcome such information.

The important thing to consider is that amendment No. 58 offers a responsible, fair, even-handed and open-minded approach to what is admittedly a delicate issue. It keeps the door open—not to colonialism, not to intrusion, but to mutual agreement. It is an approach that recognizes the vital elements of equality and mutuality that should guide our relations in future years.

Let me just restate these simple words once more: "except as the United States and Panama may otherwise agree." I feel the emphasis should be focused on that key word, "agree." Only when our two countries "agree" that continued presence is desirable and necessary, would this option be exercised.

That is reasonable, that is responsible, and I hope my colleagues will join me in supporting this amendment.

Mr. President, all we are doing is adding to article V, which says:

After the termination of the Panaman Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory.

That is article V. To that article, the Senator from Kansas and the Senator from Wyoming would add the following: "except as the United States and Panama may otherwise agree."

Mr. President, at this point I yield 3 minutes to the distinguished Senator from Wyoming (Mr. WALLOP).

Mr. WALLOP. Mr. President, I thank my friend, the distinguished Senator from Kansas. I also thank him for allowing me to be cosponsor of this amendment, which is similar in detail to one which I would have called up had he not offered his.

Mr. President, I shall be brief. This is not a "killer" amendment and I have no desire to sabotage the treaties with prolonged and extraneous debate. I share with the Senator from Kansas a genuine concern which has not been addressed, and which should be.

I am not an international law scholar nor, indeed, any kind of law scholar. Nor do I claim to have great expertise in defense treaty matters. But by my reading of article V of the treaty, substantiated by the legislative history of that article, the United States is precluded from even negotiating with Panama for mutual defense arrangements after the year 2000. I think the United States ought to retain at least the option to negotiate with Panama for use of defense sites or military installations, though our two sovereign countries might find it in their own best interests. Lord knows, we do not need another Panama Canal debate in this century.

This is not to say that we will force ourselves on Panama. This is not a back-door extension of U.S. military presence or a closet neocolonialist policy. This amendment would merely give the United States and Panama the right to enter into a mutually acceptable defense agreement if both parties so desire.

We are two sovereign nations in the world. This has been an argument that has been made right along.

Mr. President, under the present terms of article V of the Neutrality Treaty, we have waived our rights to make new mutual defense arrangements with Panama; we have killed an option that cannot be revived without a new treaty.

The Senate Foreign Relations Committee report on this article states, and I quote:

ARTICLE V

This important element of the regime of neutrality precludes the operation of the Canal, or the garrisoning of military forces or the maintenance of defense sites or other military installations in Panama, by any foreign nation after the termination of the Panaman Canal Treaty. Both Parties strongly supported inclusion of this prohibition in the regime of neutrality to ensure that neither Panama nor any Canal in Panama will come under foreign domination in the future.

I certainly concur that it would not be in the best interests of the United States if Panama came under hostile foreign domination. The Dole Wallop amendment does not change that; no foreign troops would be permitted in Panama. Only Panamanian troops, or American troops with the concurrence of Panama could be stationed in Panama.

We cannot predict the future. We do not know what internal situation or external pressures will face the United States or Panama in 20 years. What we can do is keep our options open. Under the present language of article V, the United States is foreclosing an option and we are foreclosing Panama's option as well.

To my knowledge we have no other agreements which preclude us from negotiating on such a broad scale. The United States as a sovereign state can negotiate with any country. We can, and have, negotiated certain agreements and contracts with communist countries. We can, and have, negotiated defense agreements including military base privileges with numerous countries.

I ask unanimous consent that a list of parties with which we have bilateral treaties and other agreements be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PART I: BILATERAL TREATIES AND OTHER AGREEMENTS

Afghanistan, African Development Bank, Agency for the Safety of Air Navigation in Africa and Madagascar (ASECNA), Albania, Algeria, Argentina, Asian Development Bank, Australia, Austria, The Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Belgium-Netherlands-Luxembourg (BENELUX).

Benin, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Burma, Burundi, Cambodia, Cameroon, Canada, Cape Verde, Central African Empire, Central American Bank for Integration, Chad.

Chile, Republic of China, Colombia, Congo (Brazzaville), Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Dominican Republic, East African Common Services Organization, Ecuador, Egypt.

El Salvador, Estonia, Ethiopia, European Atomic Energy Community (EURATOM), European Coal and Steel Community, European Economic Community, Fiji, Finland, Food and Argiculture Organization, France, Gabon, The Gambia.

German Democratic Republic, Germany, Federal Republic of Ghana, Greece, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Hague Conference on Private International Law, Haiti, Honduras, Hungary, Iceland.

India, Indonesia, Inter-American Development Bank, International Atomic Energy Agency, International Civil Aviation Organization, International Cotton Advisory Committee, International Labor Organization, International Telecommunications Satellite Organization, Iran, Iraq Ireland, Israel.

Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Korea, Kuwait, Lake Chad Basin Commission, Laos, Latvia, Lebanon, Lesotho, Liberia, Libya.

Liechtenstein, Lithuania Luxembourg, Madagascar, Malawi, Malaysia, Mali, Malta, Mauritania, Mauritius Mexico, Monaco, Morocco, Mozambique.

Mutual Aid and Loan Guaranty Fund of the Council of the Entente States, Nauru, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, North Atlantic Treaty Organization, NATO Maintenance Supply Services System, Norway, Oman, Organization for Economic Cooperation and Development.

Organization for the Development of the Senegal River, Organization of American States, Pakistan, Panama, Pan American Union (See Organization of American States), Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, River Niger Commission, Romania.

Rwanda, Ryukyu Islands, San Marino, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Singapore, Somali Republic, South Africa, Southeast Asia Treaty Organization, Spain, Sri Lanka, Sudan, Surinam.

Swaziland, Sweden, Switzerland, Syrian Arab Republic, Tanzania, Thailand, Togo, Tonga, Trinidad and Tobago, Tunisia Turkey, Uganda, Union of Soviet Socialist Republics, United Arab Emirates, United Kingdom, United Nations, United Nations Children's Fund.

United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations High Commissioner for Refugees, United Nations Relief and Works Agency, Upper Volta, Uruguay, Vatican, Venezuela, Vietnam, Western Samoa, World Food Program, World Health Organization, World Intellectual Property Organization, World Meteorological Organization, World Tourism Organization, Yemen (Aden), Yemen (Sana), Yugoslavia, Zaire, Zambia.

Mr. WALLOP. It is my understanding that we could have mutual defense treaties with any of those countries on the list, if we and they so desire. A treaty is nothing but a contract between two or more sovereign states. We can agree to whatever we choose.

We have specific defense agreements with numerous countries. Several years ago the House International Relations Committee compiled a listing of collective defense treaties. Most of that material is still relevant.

Mr. President, I ask unanimous consent that those reports be printed in the RECORD.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

INTRODUCTION

The United States, subsequent to World War II, entered into bilateral and multilateral agreements for collective defense with 43 countries, as follows:

1947: Inter-American treaty of reciprocal assistance with 21 other American Republics.

1949: North Atlantic Treaty with 14 other governments (11 original signatories and 3 who subsequently acceded).

1951: Security treaty with Japan.

1951: Security treaty with Australia and New Zealand.

1951: Mutual defense treaty with the Republic of the Philippines.

1953: Mutual defense treaty with the Republic of Korea.

1954: Southeast Asia collective defense treaty with seven governments.

1954: Mutual defense treaty with the Republic of China. These agreements were all considered by the U.S. Senate, which gave its advice and consent to ratification by the United States.

In 1960, the security treaty between the United States and Japan was superseded by a new treaty of mutual cooperation and security, which is now in effect.

In addition to these collective defense treaties, the United States, although itself not a member of the organization, joined in a Declaration with members of the Baghdad Pact (commonly called the Central Treaty Organization), agreeing to cooperate with the members for their security and defense and to enter into agreements with the members "designed to give effect to this cooperation."

Mr. WALLOP. The list is not entirely accurate. The SEATO agreement is now, for practical defense purposes, defunct. But if you add to that list the 1976 treaty with Spain as well as the bilateral defense agreements resulting from NATO commitments, you have a fairly complete listing of countries with which we have base rights agreements.

This does not include other DOD agreements, which presumably would also be forbidden under the terms of article V. In the spring of 1975, the Senate Judiciary Committee held oversight hearings on executive agreements with the intent of strengthening congressional review and approval of these agreements. These types of defense agreements included a variety of activities.

Mr. President, I ask unanimous consent that an excerpt of those hearings be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT

A. Force Deployments.—Significant deployments of US forces average about ten per year, while minor deployments occasioned by training exercises and the like would amount to several hundred annually. Arrangements for significant deployments are ordinarily written, while those for minor deployments are often oral.

B. Joint Commands.—Agreements for the joint command of forces are relatively limited in number, and generally are in writing.

C. Facilities, Operating Rights and Status of Forces.—Significant agreements relating to military facilities and the status of US forces overseas number approximately twenty each year and are generally quite formal. However, most operating rights agreements are transitory and informal in nature. Such arrangements number in the hundreds annually.

D. Logistic and Administrative Support of US Forces.—Logistic and administrative support requirements of US forces overseas result in hundreds of relatively formal arrangements with host country agencies each year. Additionally, many thousands of informal contract arrangements or understandings are entered into annually to facilitate the many and varied "housekeeping" requirements of the US forces. US military representatives are in close and daily contact with their host government counterparts and many of these arrangements are concluded by telephone or in the course of informal discussions, they are therefore not ordinarily reduced to a written record.

E. Intelligence.—Only a few formal intelligence agreements are concluded annually. However, hundreds of informal arrangements, understandings and exchanges of information are reached at the operational level each year.

F. Foreign Military Sales.—Approximately eight thousand formal foreign military sales contracts are concluded each year, and each of these is normally preceded by several requests for price and availability data. The total number of "agreements" relating to military sales therefore amounts to perhaps twenty or thirty thousand annually.

G. Grant Military Aid.—Country-to-country understandings concerning technical details for the provision of material and training pursuant to Congressionally-approved programs are estimated to number several thousand annually. They include both oral and written arrangements.

H. Disaster Relief.—We estimate that several hundred minor agreements or understandings are entered into annually regarding the provision of disaster relief assistance to foreign governments. These arrangements are not ordinarily reduced to a formal written agreement.

I. Support to the United Nations.—A few such support agreements are concluded each year.

J. Emergency Security Assistance.—Emergency security assistance agreements are also relatively few in number.

K. Military Exercises.—Over one hundred military exercise agreements are concluded each year, and many thousands of routine training arrangements are made annually with foreign host countries.

L. Medical Assistance.—Commitments regarding the provision of free medical assistance to foreign dignitaries number approximately fifty each year. However, arrangements for humanitarian medical treatment of foreign nationals in overseas areas number in the thousands each year. The former are documented in writing, whereas the latter are ordinarily of an oral nature.

M. Alliance Understandings.—Understandings and arrangements reached in the joint consultative bodies of our several alliances number in the thousands each year. They are ordinarily informal, and are oral.

N. Military Plans and Operations.—In order to conduct military operations pursuant to treaties of alliance, a very great number of military plans are developed with allied forces or governments. We cannot estimate their number with precision.

Mr. WALLOP. Mr. President, I have to assume that under the terms of article V as drafted, the United States would be

precluded from entering into any of these type agreements with Panama, even if the Republic of Panama were willing to or indeed wanted to do so. Such inflexibility in the treaty does not account for change.

That is the real irony of this article. Even if the United States and the Republic of Panama felt that it was mutually advantageous, and I stress mutually, to enter into defense agreements, we would be precluded from doing so by this language. We would have to rewrite the neutrality treaty and resubmit it to our respective constitutional processes.

Mr. President, none of us can foresee the future. None of us can predict what our relationship with Panama will be 10, 20, or 30 years from now. But we ought to maintain some flexibility for our children and our children's children so that they can better cope with that future. Article V cuts off an option. This amendment seeks to restore that option.

Mr. President, I ask unanimous consent that my proposed amendment which I shall not offer, be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike out "and consent".

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. DOLE. Does the Senator from Kansas have 2 minutes remaining?

The PRESIDING OFFICER. The Senator is correct.

Mr. DECONCINI. Will the Senator yield for a half minute?

Mr. DOLE. Yes.

Mr. DECONCINI. I merely want to say, as a cosponsor of this amendment, that it is very similar to the amendments I have at the desk, and the words said by the Senator from Kansas and the Senator from Wyoming expressed my total feeling that we should not shut the door to the United States and Panama entering into some arrangement on a quid pro quo basis.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Wyoming (Mr. HANSEN) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Let me say, very briefly, to those who are concerned about article V, this is our last opportunity to keep the door open. We are not binding anybody. We just say, "except as the United States and Panama may otherwise agree."

This will be the second vote. There will be a motion to table. The vote will be "no," not to table.

This same language was included in the negotiating papers up until last May and then it was dropped by our Government. It was dropped by our Government. It was a matter under sericus negotiation.

This is not going to wreck the treaties nor require another plebiscite. This simply keeps the door open between Panama and this country beyond the year 2000. All the language is, "except as the United States and Panama may otherwise agree."

That is mutual agreement. The Senator from Kansas believes it is a sound amendment. It is one that should be adopted. It is not a killer amendment. It is not offered in that spirit.

It is offered in a spirit to strengthen these treaties, and I think we have a right to try to strengthen them in the Senate of the United States.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I rise in opposition to the amendment. I appreciate what the Senator from Kansas is doing in addressing himself to this matter in which others have associated themselves.

But the fact is that the two parties have the freedom to renegotiate agreements in the future, if they choose to do so.

One of the difficulties we have had to address is the strong desire of the Panamanian people that at some point they are going to have control over their own territory and approach its use and disposition as an independent nation prepared to make its own arrangements, just as other countries can do.

I submit that there is a chance and a good chance, that, if over the 22-year period, the continuing relationship between the United States and Panama is a constructive and a cooperative one, come the end of the century we may, indeed, be able to reach agreement between the two parties with respect to a continued American presence.

Mr. WALLOP. Will the Senator yield for a question?

Mr. SARBANES. No; if the Senator would defer, because we are under a time limit and the Senator from Kansas took 10 minutes and we took only 5 minutes. I would like to address his amendment and respond to his arguments.

But in order to get there, and in order to have this approval of a treaty, I think we have to respond to the long-time aspirations of the Panamanian people with respect to control over their own territory.

Now, to adopt this amendment might well require going back to another plebiscite and risk losing the entire treaty arrangement and all the rights the United States has under these treaties, which, I think, is a risk too great to take.

There may be a presence after the year 2000, depending largely upon the nature of our relationship until then. There is such a presence in other countries with respect to base arrangements we have there. But we have approached each of those other countries as two equals, as two independent sovereign nations making their mutually beneficial arrangement.

We, of course, will be in a position to do the same thing here come the year 2000 if, in fact, the parties wish to do so at that time. But now to insert this kind of an amendment into the text of the treaty when it runs directly into, squarely, head on into the long-standing aspiration of the Panamanian people that they will be like any other nation in terms of their control over their own territory, and in terms of their integrity, and in terms of their independence, I think is to run too great a risk.

It is for that reason, Mr. President, that I oppose the amendment.

The time for the vote having arrived, I move to lay on the table the amendment of the Senator from Kansas.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Kansas, as modified. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ABOUREZK (when his name was called). Mr. President, on this vote I have a pair with the Senator from West Virginia (Mr. RANDOLPH). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. HODGES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from California (Mr. HAYAKAWA), and the Senator from New York (Mr. JAVITS) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. MARK O. HATFIELD) would vote "yea."

The result was announced—yeas 50, nays 34, as follows:

[Rollcall Vote No. 50 Ex.]

YEAS—50

Baker	Hathaway	Nelson
Bayh	Hollings	Packwood
Biden	Huddleston	Pearson
Bumpers	Humphrey	Pell
Byrd, Robert C.	Inouye	Percy
Case	Jackson	Proxmire
Chafee	Kennedy	Ribicoff
Church	Leahy	Riegle
Clark	Magnuson	Sarbanes
Cranston	Mathias	Sasser
Culver	Matsunaga	Sparkman
Danforth	McGovern	Stafford
Durkin	McIntyre	Stone
Eagleton	Metzenbaum	Wallop
Glenn	Morgan	Weicker
Hart	Moynihan	Williams
Haskell	Muskie	

NAYS—34

Allen	Goldwater	Melcher
Brooke	Griffin	Nunn
Burdick	Hansen	Roth
Byrd, Harry F., Jr.	Hatch	Schmitt
Cannon	Hatfield, Paul G.	Schweiker
Curtis	Heinz	Scott
DeConcini	Helms	Stevens
Dole	Laxalt	Talmadge
Domenici	Long	Thurmond
Eastland	Lugar	Tower
Garn	McClure	Young
		Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Abourezk, for.

NOT VOTING—15

Anderson	Gravel	Johnston
Bartlett	Hatfield,	Randolph
Bellmon	Mark O.	Stennis
Bentsen	Hayakawa	Stevenson
Chiles	Hodges	
Ford	Javits	

So the motion to table Mr. DOLE's amendment, as modified, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I move to table Dole amendment No. 58.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table Mr. DOLE's amendment No. 58. The yeas and nays have been ordered on the motion to table the Dole amendment, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ABOUREZK (when his name was called). Mr. President, on this vote I have a pair with the senior Senator from West Virginia (Mr. RANDOLPH). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. BAKER (when his name was called). Mr. President, on this vote I have a live pair with the distinguished senior Senator from South Carolina (Mr. THURMOND). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. CRANSTON. I announce that the Senator from Minnesota (Mr. ANDERSON), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Arkansas (Mr. HODGES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Mississippi (Mr. STENNIS), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. ANDERSON), and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. STEVENS. I announce that the Senators from Oklahoma (Mr. BARTLETT and Mr. BELLMON), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from California (Mr. HAYAKAWA), the Senator from New York (Mr. JAVITS), and the Senator from South Carolina (Mr. THURMOND) are necessary absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. MARK O. HATFIELD) would vote "yea."

The result was announced—yeas 45, nays 37, as follows:

[Rollcall Vote No. 51 Ex.]

YEAS—45

Bayh	Case	Cranston
Biden	Chafee	Culver
Bumpers	Church	Danforth
Byrd, Robert C.	Clark	Durkin
Eagleton	Leahy	Pell
Glenn	Magnuson	Percy
Hart	Mathias	Proxmire
Haskell	Matsunaga	Ribicoff
Hathaway	McGovern	Riegle
Hollings	McIntyre	Sarbanes
Huddleston	Metzenbaum	Sasser
Humphrey	Moynihan	Sparkman
Inouye	Muskie	Stafford
Jackson	Nelson	Weicker
Kennedy	Pearson	Williams

NAYS—37

Allen	Griffin	Nunn
Brooke	Hansen	Packwood
Burdick	Hatch	Roth
Byrd, Harry F., Jr.	Hatfield, Paul G.	Schmitt
Cannon	Heinz	Schweiker
Curtis	Helms	Scott
DeConcini	Laxalt	Stevens
Dole	Long	Stone
Domenici	Lugar	Talmadge
Eastland	McClure	Tower
Garn	Melcher	Wallop
Goldwater	Morgan	Young
		Zorinsky

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Abourezk, for.
Baker, for.

NOT VOTING—16

Anderson	Gravel	Johnston
Bartlett	Hatfield,	Randolph
Bellmon	Mark O.	Stennis
Bentsen	Hayakawa	Stevenson
Chiles	Hodges	Thurmond
Ford	Javits	

So the motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. ABOUREZK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, if there is no further amendment, I ask that we proceed to article VI.

The PRESIDING OFFICER. The clerk will report article VI.

The legislative clerk proceeded to read article VI.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the article be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Article VI is as follows:

ARTICLE VI

1. In recognition of the important contributions of the United States of America and of the Republic of Panama to the construction, operation, maintenance, and protection and defense of the Canal, vessels of war and auxiliary vessels of those nations shall, notwithstanding any other provisions of this Treaty, be entitled to transit the Canal irrespective of their internal operation, means of propulsion, origin, destination, armament or cargo carried. Such vessels of war and auxiliary vessels will be entitled to transit the Canal expeditiously.

2. The United States of America, so long as it has responsibility for the operation of the Canal, may continue to provide the Republic of Colombia toll-free transit through the Canal for its troops, vessels and materials of war. Thereafter, the Republic of Panama may provide the Republic of Colombia and the Republic of Costa Rica with the right of toll-free transit.

AMENDMENT NO. 21

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today. The leadership is prepared to call up its amendment, and I do call up the amendment, on behalf of Mr. BAKER, myself, and 77 or 78 other Senators, and ask that it be stated. There will be no action thereon today.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (for himself and others) proposes an amendment numbered 21:

At the end of the first paragraph of Article VI, insert the following: "In accordance with the Statement of Understanding mentioned in Article IV above: 'The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.' ".

Mr. ROBERT C. BYRD. Mr. President, there will be no action on this amendment today. There may be Senators who will wish to speak on this amendment this afternoon.

AMERICANS WANT UNILATERAL RIGHT TO DEFEND CANAL SAYS OPINION RESEARCH CORP. NATIONAL SURVEY

● Mr. LAXALT. Mr. President, a nationwide survey conducted by Opinion Research Corp. of Princeton, N.J., has been widely quoted in this Chamber during the past few days.

Completed just 10 short days ago, the national survey by one of America's most highly respected public opinion research organizations dealt with a number of issues related to the pending Panama Canal treaties.

One such question dealt specifically with the matter before us today: Whether or not the people believe that the amendment proposed jointly by the distinguished majority leader and the distinguished minority leader adequately protects the defense rights of the United States once the Panama Canal Zone becomes Panamanian territory.

The question posed to the public by Opinion Research Corp. pointed out the terms of the Carter-Torrijos agreement, which the Baker-Byrd amendment seeks to codify in the treaty. It then pointed out the argument of proponents—that this is sufficient language to guard necessary U.S. defense interests. It also pointed out the argument of the opponents—that the language seemed to be an insufficient guarantee of U.S. defense rights in that it in effect gives Panama a veto over potential U.S. military actions.

The public then was asked to choose: Did it support the language of the Baker-Byrd amendment as a sufficient guarantee of U.S. defense rights in the Canal Zone; or did the public prefer stronger language, giving the United States the right to act unilaterally if it so chooses in defense of what it perceives to be a threat to the sound operation of the Panama Canal.

Well, Mr. President, the overwhelming sentiment of the American public, when given a fair choice of alternatives, was for an amendment to the treaties which gives the United States the right to act "by itself" in defense of the canal.

Sixty-eight percent of the public supports such an amendment; only 18 percent of the public believes that the Baker-Byrd formula provides a sufficient guarantee of U.S. defense rights.

Even 50 percent of those who earlier had expressed a desire that the United States turn over the Panama Canal to Panama felt that the United States should have the right to take unilateral action in the Canal Zone to insure proper defense of the canal.

Mr. President, I quote the Opinion Research Corp. study, commissioned by the highly regarded Institute of American Relations:

There is considerable public support for a treaty amendment that clearly guarantees the right of the U.S. to defend the canal without the permission of Panama.

Two-thirds of the public are of the opinion that the Senate should seek a treaty amendment specifically giving the U.S. the right to act on its own in defense of the Canal, rather than accepting the wording that gives the U.S. the right to defend the Canal but not interfere in the internal affairs or territory of Panama.

Even among those who favor Panamanian ownership and control of the Canal, half support the proposed amendment guaranteeing our right to defend the Canal without the permission of Panama.

Reaction to Treaty Amendment Clarifying U.S. Right to Defend the Canal—

"Some Senators have proposed that the Panama Canal treaties be amended to clarify that the United States can defend the Panama Canal, but cannot interfere in the internal affairs or territory of Panama.

Some Senators say that this amendment provides a sufficient guarantee of the rights of the United States to defend the Canal.

Other Senators say that this amendment gives Panama a veto over any U.S. military activities in the defense of the Canal.

What is your opinion? Should the Senate accept the amendment as proposed, or should the Senate seek an amendment that specifically guarantees that the U.S. have the right to act by itself in defense of the Canal without the permission of Panama?"

	Total public	(1)
Accept defense position as originally proposed (percent)	18	38
Seek amendment guaranteeing U.S. defense rights (percent)	68	50
No opinion (percent)	14	12
Number of interviews	1,015	230

[1] Those who favor Panamanian ownership of canal.

Mr. President, the results speak for themselves. Only 38 percent of those who want the United States to give the canal to Panama believe that Baker-Byrd language is a sufficient guarantee of U.S. defense rights. Of the entire public, only 18 percent hold this position.

Mr. President, we cannot ignore the wishes of the public with impunity any longer. When treaty opponents and proponents are in agreement, our mandate is clear: Amendment No. 27 must be adopted by the Senate.

Amendment No. 27 embodies to a greater degree the expressed wishes of the American public, as reflected in the Opinion Research Corp. survey.

I am certain, Mr. President, that many in the public feel as a growing number of my colleagues do—that no one can say with certainty what kind of government will replace that of Gen. Omar Torrijos during the next 22 years.

Will it be a fair and honest government, truly representative of the will and aspirations of the Panamanian people? Or will it be more of the same? Still more menacing, will it be a government which looks less to traditional Western values for inspiration, and more to values expressed by Fidel Castro, or one of the other anti-United States, Third World dictatorships?

With so much uncertainty, Mr. President, is it not the prudent thing for the Senate to do to put language in the treaties which give the United States a clearer mandate to take the proper actions necessary to defend the canal?

Since General Torrijos has agreed in the past to the language presented in amendment No. 27, can there be any question about his acceptance of it now? We are only placing in the treaties words that the general and our best political and military minds already long ago have agreed upon.

Mr. President, many Senators will be facing the public in November. Citizens rightfully will ask how well we have represented them. With a mandate so clear—68 percent of the American public supporting the right of the United States to act by itself if it must in the defense of the canal—can we afford to thumb our noses at the American people?

I think not. I urge my colleagues to support this reasonable clarification of the Baker-Byrd amendment.

Mr. President, so that my colleagues may have the benefit of the complete text of this poll question and all supporting data, I ask unanimous consent that the survey question and supporting data be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PUBLIC ATTITUDES TOWARD THE PANAMA CANAL TREATIES

ABOUT THE SURVEY

Research procedures—The findings presented in this report are based on telephone interviews with a national probability sample of 1,015 adults age 18 and over. The interviewing was conducted during the period of February 24–27, 1978. All interviewing was conducted by experienced interviewers from ORC's central WATS facility, with constant supervision.

Survey objectives—The purpose of the survey was to obtain, from a representative sample of the American public, attitudes and opinions toward the Panama Canal treaties and several proposed amendments.

There is considerable public support for a treaty amendment that clearly guarantees the right of the U.S. to defend the canal without the permission of Panama.

Two-thirds of the public are of the opinion that the Senate should seek a treaty amendment specifically giving the U.S. the right to act on its own in defense of the Canal, rather than accepting the wording that gives the U.S. the right to defend the Canal but not interfere in the internal affairs or territory of Panama.

Even among those who favor Panamanian ownership and control of the Canal, half support the proposed amendment guaranteeing our right to defend the Canal without the permission of Panama.

Reaction to Treaty Amendment Clarifying U.S. Right To Defend the Canal—

"Some Senators have proposed that the Panama Canal treaties be amended to clarify that the United States can defend the Panama Canal, but cannot interfere in the internal affairs or territory of Panama.

Some Senators say this amendment provides a sufficient guarantee of the rights of the United States to defend the Canal.

Other Senators say that this amendment gives Panama a veto over any U.S. military activities in the defense of the Canal.

What is your opinion? Should the Senate accept the amendment as proposed, or should the Senate seek an amendment that specifically guarantees that the U.S. have the right to act by itself in defense of the Canal without the permission of Panama?"

	Total public	(1)
Accept defense position as originally proposed (percent)	18	38
Seek amendment guaranteeing U.S. defense rights (percent)	68	50
No opinion (percent)	14	12
Number of interviews	1,015	230

[1] Those who favor Panamanian ownership of canal.

Question 19—Proposal to defend canal—Should the Senate accept the amendment as proposed, or should the Senate seek an amendment that specifically guarantees that the United States have the right to act by itself in defense of the canal without the permission of Panama?

	Percentage base		Accept amendment as proposed	Seek amendment guaranteeing-defense	No opinion
	Unweighted	Weighted			
Total	1,015	1,887	18	68	14
East	256	413	21	66	13
Midwest	298	505	15	71	14
South	309	607	13	70	17
West	152	362	25	65	10
Male	500	901	17	75	8
Female	515	986	19	62	19
Years of age:					
18 to 29	307	578	23	70	7
18 to 20	63	131	19	70	11
21 to 24	102	193	20	70	10
25 to 29	142	254	27	70	3
30 to 49	400	573	19	67	14
50 and over	304	727	13	68	19
8th grade or less education	73	273	10	63	27
High school incomplete	105	383	20	64	16
High school graduate	379	707	16	74	10
Some college or graduate	451	513	22	68	10
Democrat	541	1,067	19	68	13
Republican	291	475	13	74	13
Independent	153	275	21	66	13
Liberal	341	619	22	66	12
Conservative	495	898	17	74	9
In between	125	237	14	61	25
White	905	1,655	17	70	13
Black	82	179	24	52	24
Aware of salt talks	420	703	20	70	10
Not aware	595	1,184	17	67	16
U.S. ownership of canal	698	1,350	13	77	10
Turn over to Panama	230	358	38	50	12
Aware of canal treaties	752	1,296	18	73	9
Not aware	263	591	17	59	24

Sampling

Opinion Research Corporation's master sample is based on a new probability sample design, prepared in consultation with J. Stevens Stock of Marketmath, Inc., and modified and updated by ORC.

The essential characteristic of probability sampling is that, for each person in the population under study, the probability that he will be included in the sample can be specified. This means that the degree of reliability of any finding from a study based on a probability sample can be estimated mathematically.

This new sample design is a major improvement over standard areal probability designs now in common use. These areal methods depend upon the use of maps showing geographic segments for which rough population estimates can be made. These maps are often out-of-date and otherwise inaccurate; and population estimates are frequently unreliable for small geographic areas, particularly as time passes from one census to another. The new sampling method eliminates these important problems of traditional probability sampling by using current address directories as the basis for a system of defining interviewing starting points—a system which, of course, includes in the sample households not in the directory as well. The new method is both statistically and administratively as efficient as possible, providing the most reliable data for any given expenditure.

The ORC master sample consists of 360 counties in the contiguous United States. This master sample of 360 counties comprises, in fact six subsamples of 60 counties each. Each of these subsamples is itself a national probability sample. Depending on the needs of any particular study, the master sample can be used as a whole, or any combination of the six subsamples can be used.

To construct the sample, the counties within each state were arranged in order of descending population size; and all the states were grouped in geographical order from Maine to California. Sixty counties were then chosen by statistical procedures that ensure representative geographical distribution. This process was repeated to obtain the six subsamples that make up the master sample of 360 counties.

The next step in the sampling design was to select an area from each of the 360 counties in the master sample. Again, a probability sampling method was used to select, within each county, a minor civil division as defined by the Bureau of the Census. A minor civil division may be a town, township, city, or part of a city. The probability that any particular minor civil division was selected in a county was proportional to the population of that minor civil division. Thus the larger a minor civil division, the greater the likelihood that it be selected.

In sampling for the WATS line usage, we employ the basic ORC sampling plan to determine the telephone books that cover the minor civil divisions. These telephone books constitute the primary sampling units.

From each primary sampling unit, we draw an equal number of telephone numbers that appear to be residential. In order to obtain both listed and unlisted numbers, we add a fixed quantity (from one to ten) to each telephone number for purposes of providing a list of numbers for actual dialing. For example, if the number that comes up is 672-2424, adding one, we would dial 672-2425. The result is an equal probability random selection of all residential telephone households in the United States.

Within sample households, probability procedures are used to predesignate the specific person to be interviewed. All members of the household, 18 years of age or over, are first listed in a prescribed manner on a form provided for this purpose. Random numbers, in a mathematical sense, are used to designate one specific person in the sample household to be interviewed. The interviewer is not permitted to make any substitutions.

To attain control of nonresponse, interviewers make one callback at each household where the designated respondent was not at home at the interviewer's first call.

At the data processing stage, household weighting procedures are employed and then the sample is balanced against census data to ensure that it properly represents the population from which it was drawn. This sampling procedure is rigorous in concept and practice and allows for the exact determination of the statistical precision of any finding.

Reliability of survey percentages (sampling tolerances)

Result of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

The table below shows the possible sample variation that applies to percentage results reported in this study. The chances are 95 in 100 (the 95% confidence level) that a study result does not vary, plus or minus, by more than the indicated number of percentage points from the result that would be obtained if interviews had been conducted with all members of the universe represented by the sample.

Size of sample on which survey result is based:	Approximate sampling tolerances applicable to percentages at or near these levels				
	10 or 90	20 or 80	30 or 70	40 or 60	50
1,015	2	3	4	4	4
600	3	4	5	5	5
500	3	4	5	5	5
400	4	5	6	6	6
350	4	5	6	6	7
300	4	6	6	7	7
250	5	6	7	8	8
200	5	7	8	8	9
100	7	10	11	12	12
50	10	14	16	17	17

Sampling tolerances when comparing two survey results

Tolerances (or sampling variation) are also involved in the comparison of results from different parts of any sample (subgroup analysis). A difference, in other words, between two subgroups must be of at least a certain size to be considered statistically significant. The table below is a guide to the sampling tolerances applicable to such comparisons in this survey. These figures, too, represent the 95% confidence level.

[In percent]

Size of samples compared	Differences required for significance at or near these percentage levels				
	10 or 90	20 or 80	30 or 70	40 or 60	50
1,000 and—					
1,000	3	4	5	5	5
750	4	5	5	6	6
500	4	5	6	7	7
250	5	7	8	8	9
100	8	10	12	13	13
750 and—					
750	4	5	6	6	6
500	4	6	6	7	7
250	5	7	8	9	9
100	8	10	12	13	13
500 and—					
500	5	6	7	8	8
250	5	8	8	9	9
100	8	11	13	13	13
250 and—					
250	7	9	10	11	11
100	9	12	13	14	14
100 and 100	10	14	16	17	17

Distribution of the sample

Following are shown the number of respondents in key subgroups of the sample:

	Number of Respondents [1]
Total public	1,015
East	256
Midwest	298
South	309
West	152
Male	500
Female	515
18–29 years of age	307
18–20 years	63
21–24 years	102
25–29 years	142
30–49 years	400
50 years and over	304
8th grade or less	73
High school incomplete	105
High school graduate	379
Some college or graduate	451
Democrat	541
Republican	291
Independent	153
Liberal	341
Conservative	495
In Between	125
White	905
Black	82

[1] Where subgroups do not add to the total of 1,015 it is because of no response.

In accordance with the Code of Ethics of the American Association for Public Opinion Research, we are bound to maintain the anonymity of respondents and cannot release any information that would tend to identify the views of anyone taking part in this research. Furthermore, our authorization is required for any publication of the research findings or their implications in order to ensure the accuracy of the release.●

CONGRESSIONAL RESEARCH SERVICE REPLY TO STATE DEPARTMENT COMMENTS ON CONGRESSIONAL POWER TO DISPOSE OF TERRITORY OR PROPERTY BELONGING TO THE UNITED STATES

● Mr. GOLDWATER. Mr. President, on March 5 the Senator from Maryland, Mr. SARBANES, inserted in the RECORD a paper by the State Department attempting to answer an analysis, prepared by Mr. Kenneth Merin of the American Law Division, Congressional Research Service, of a list of treaties which the Carter administration is using to support its novel

theory that the President can transfer the territory or property belonging to the United States by a treaty alone.

The State Department apparently believed I had inserted Mr. Merin's paper in the RECORD on a previous occasion and its reply to Mr. Merin was presented as an answer to the points I have been making about the constitutional necessity for having action by both Houses of Congress, before the Panama Canal can be transferred from the United States to Panama. Now, I have previously mentioned the fact that the State Department was entirely mistaken if it believed that I had placed Mr. Merin's paper in the RECORD. However, in fairness to Mr. Merin, my office contacted him and offered him an opportunity to respond to the State Department comments, if he wished.

Mr. Merin has done this in his capacity as a legislative attorney with the Congressional Research Service and his supplement analysis has just reached me.

Mr. President, although I did not previously use Mr. Merin's original paper, I had read it and believed it to be an outstanding, objective presentation of the subject. After reading his reply paper, I am confirmed in my feeling that he has pretty well demolished the contention by the State Department that any well-settled practice exists for the transfer of Government property to a foreign country by a treaty alone. In my opinion, the State Department comments badly distorted Mr. Merin's position.

Mr. President, in order that my colleagues may read Mr. Merin's answer to this unfounded criticism by the State Department, I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
March 8, 1978.

To: Honorable BARRY GOLDWATER.
From: American Law Division.
Subject: Analysis of State Department Comments Concerning a CRS Memorandum.

This memorandum is in response to your request for an analysis of a State Department memorandum inserted in the Congressional Record under the heading "State Department Comments on Mr. Kenneth Merin's 'Analysis of Treaties Which Have Allegedly Transferred Territory Or Property Belonging to the United States Without Authorization By Act of Congress' ". 124 Cong. Rec. S 2850–2851 (March 3, 1978). In the following analysis of that memorandum, the CRS memorandum will be referred to as the "Subject Memorandum".

A. INDIAN TREATIES

1. The Cherokee Treaty of December 29, 1835.—

Article III of the Treaty provided that the lands were ceded ". . . according to the provisions of the Act of May 28, 1830." That Act authorized the President to exchange public lands west of the Mississippi* for certain Indian lands lying within the States and Territories. Some thirty-seven years after the Treaty was signed, the Court ruled that the treaty could not have been negotiated under the Act of 1830. "Doubtless the intent and purpose were the same . . . but the treaty, though concluded to promote the same object as the Act of Congress, adopts very different instrumentalities." *Holden* v. *Joy* 17 Wall. (84 U.S.) 211,240(1872). That ruling does not detract from the clear reliance placed by President Andrew Jackson on the Act for authority to conclude this particular treaty. The Executive branch inserted reference to the Act of 1830 in the treaty. Since President Jackson attempted to effect the treaty pursuant to Congressional authorization, it does not appear that the ruling of *Holden* v. *Joy* demonstrates any Executive practice disposing of territory or property without Act of Congress. *Holden* v. *Joy* shows that Presidential reliance on legislative authorization was later ruled unfounded.

2. The Chippewa Treaty of October 2, 1863.—

The State Department "Comments" and the Subject Memorandum seem to agree that the 1863 Treaty conveyed fee title to the Indians. Can this conveyance be considered a disposal of property in terms of the debate over the relationship between Articles II and IV of the Constitution?

Given the unique status of the Indian under U.S. law; recognizing that Indians did not believe in the concept of individual property ownership; further recognizing that transfers of territory between sovereign nations do not usually affect rights of individual property owners and that the United States already recognized that the Indians possessed a right of use and occupancy over the lands in question;—it appears that the conveyance of fee title was at most a clearing of title and that no disposition of territory or property was effected.*

B. TREATIES WITH FOREIGN NATIONS

1. The Spanish Treaty of 1819.—

The State Department contends that ". . . nothing in Article IV of the Constitution shows that it applies only to territory not in dispute." However, scholars seem to agree that settlement of a disputed boundary is not a cession. Professor Crandall has written that "A treaty for the determination of a disputed line operates not as a treaty of cession, but of recognition".[1] Professor Willoughby has remarked that treaties settling boundary disputes ". . . can scarcely be considered as instances of the alienation of portions of its own territory, for the fact that the treaties were assented to by the United States is in itself evidence that it was conceded that the claim that the areas in question belonged to the United States was unfounded."[2] Since there was no cession of U.S. territory involved in the 1819 Treaty, it was unnecessary to consider the impact of Article IV of the Constitution on that Treaty. The comments made by Congressman Anderson and quoted in the Subject Memorandum were directed at this very point.

2. The Treaties of 1842 and 1846.—

As the State Department admits (S2851), these treaties concerned areas subject to dispute between the United States and Great Britain over the Canadian boundary. Therefore, no cession of territory or property occurred.[3]

3. The Mexican Treaties of 1933, 1963, and 1970.—

The State Department maintains that "It is not correct that these treaties did not dispose of federal property." (S. 2851). We agree with that comment. The Subject Memorandum concluded its discussion of those treaties by stating:

"Since these treaties did not dispose of federal property, and/or the disposal came about only pursuant to the aforementioned pieces of legislation, they do not appear to support the concurrent nature of the disposal power."

The Subject Memorandum noted, and State Department agreed, that ". . . Congress had to appropriate the money required to acquire title to the lands conveyed." (S 2851). As the attorneys from the Department of State's Legal Adviser's Office are no doubt aware, appropriations must be made by law (U.S. Constitution, Article I, Section 9, clause 7), and legislation requires the approval of both the Senate and the House, in order to become law. Coupled with the various authorizing legislation cited in the Subject Memorandum, it seems clear that Congress authorized these disposals.

4. and 5. The Treaties With Japan and Honduras.—

The Subject Memorandum acknowledged that both of these treaties seem to have disposed of U.S. property without Congressional authorization.

6. The Treaties With Panama.—

a. The 1955 Treaty:

The Subject Memorandum did not disagree with the fact that Articles VI and VII transferred property without implementing legislation. However, the Subject Memorandum noted that the Article V transfer was made subject to congressional authorization and that the Assistant Secretary of State for Inter-American Affairs testified (before the Senate Foreign Relations Committee) that implementing legislation would be required for the Article VI and VII transfers.

b. The 1932 and 1942 Agreements:

The State Department remarks that "the agreements of 1932 and 1942, which are cited by Mr. Merin, were not treaties but were executive agreements and therefore in need of Congressional approval."

The Subject Memorandum specifically noted that fact, stating that ". . . the cession by Treaty in 1955 is contrary to the history of previous cessions by the United States to Panama."

Those other cessions were noted since they indicate that previous Administrations sought implementing legislation for transfers of territory to Panama. The Subject Memorandum quoted the strong language of the Chairman of the Senate Foreign Relations Committee in 1942 on the occasion of a transfer to Panama.—

"Those who are opposing the measure object because the matter is brought before the Senate in the form of a joint resolution. They say it should be in the form of a treaty. Mr. President, I am and have been and in the future shall continue to be ardent in my maintenance of the integrity and the rights of the Senate of the United States in all its proper functions as a branch of the Government; but the matter covered by the joint resolution has to be passed by the Congress sooner or later in some form, for the simple reason that under the Constitution of the United States, Congress alone can vest title to property which belongs to the United States. The Constitution itself confers on Congress specific authority to transfer territory or lands belonging to the United States. So, if we had a formal treaty before us and if it should be ratified, it still would be necessary for the Congress to pass an act vesting in the Republic of Panama the title to the particular tracts of land; because "the Congress" means both bodies. The House of Representatives has a right to a voice as to whether any transfer of real estate or other

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* See the attached memorandum for an elaboration on the remarks made here concerning the Chippewa Treaty.

[1] Crandall, S., Treaties Their Making and Enforcement, Washington, 2nd ed. 1916, section 25 at page 48.

[2] Willoughby, W., The Constitutional Law of the United States, vol. 1, New York, 1910, section 219 at pages 507–508.

[3] See Crandall and Willoughby at notes 1 & 2 supra.

property shall be made either under treaty or otherwise. (88 Cong. Rec. at 9267.)

KENNETH MERIN,
Legislative Attorney.

Chippewa Treaty of October 2, 1863

The State Department "Comments" and the subject memorandum seem to agree that the 1863 Treaty "conveyed" title to the Indians from the United States. Can this "conveyance" of title be considered property in terms of the debate over the relationship between Articles II and IV of the Constitution?

The status of the Indian in American law is both unique and complex. Although it has been recognized that the Indians comprised a distinct people, the equivalent of nations, who could be dealt with by treaty,[1] it is also well established that, since the founding of our government, Indians have been considered as dependent political communities, wards of the nation, or in a state of pupilage to the United States.[2]

It is similarly well established that, through discovery and conquest of the "New World", the European nations, and eventually the United States, obtained title to the land, title that was complete, subject only to the continued use and occupancy of Indian Tribes on certain lands.[3]

The land interests received by the Indians in agreements with the United States government varied. In some cases the United States only recognized a right to continued occupancy and use of certain lands; in other cases, the United States granted, by treaty, a fee simple interest.[4]

When the Indian tribes were granted land in fee, however, their interest in that land was no more extensive than the interest of any other fee simple owner of land in the United States. Their interest was subject to the national government's potential exercise of its power of eminent domain.[5]

One of the ways in which Indians differed from other Americans was in their method of property ownership. The American Indian did not believe in the concept of individual property ownership.[6] Under the general rules of international law, a transfer of territory by treaty does not normally affect the title rights of individual landowners. The Court addressed this issue in *U.S.* v. *Percheman* 7 Pet. (32 U.S.) 51 (1833). That case involved an 1819 treaty with Spain by which the Florida territory was ceded to the United States.

Percheman claimed 2,000 acres of land in Florida, basing his claim on an 1815 grant of land from the Spanish government. Land commissions, set up pursuant to statutory act, denied Percheman's claim. The 8th Article of the Treaty stipulated that land grants made by Spain prior to 1818 "shall be ratified and confirmed to persons in possession of the lands," as if the territories had remained in Spanish hands. The Court noted that

It may not be unworthy of remark, that it is very unusual, even in cases of conquest, for the conqueror to do more than to displace the sovereign and assume dominion over the country. The modern usage of nations, which has become law, would be violated; that sense of justice and of right which is acknowledged and felt by the whole civilized world would be outraged, if private property should be generally confiscated, and private rights annulled. The people change their allegiance; their relation to their ancient sovereign is dissolved: but their relations to each other, and their rights of property, remain undisturbed. If this be the modern rule even in cases of conquest, who can doubt its application to the case of an amicable cession of territory? Had Florida changed its sovereign by an act containing no stipulation respecting the property of individuals, the right of property in all those who became subjects or citizens of the new government would have been unaffected by the change. It would have remained the same as under the ancient sovereign. The language of the second article conforms to this general principle. "His catholic majesty cedes to the United States in full property and sovereignty, all the territories which belong to him situated to the eastward of the Mississippi, by the name of East and West Florida." A cession of territory is never understood to be a cession of the property belonging to its inhabitants. The king cedes that only which belonged to him. Lands he had previously granted, were not his to cede. Neither party could so understand the cession. Neither party could consider itself as attempting a wrong to individuals, condemned by the practice of the whole civilized world. The cession of a territory by its name from one sovereign to another, conveying the compound idea of surrendering at the same time the lands and the people who inhabit them, would be necessarily understood to pass the sovereignty only, and not to interfere with private property.

The Treaty of 1863 may be viewed from two perspectives. The Indians sought to assure that fee title, a concept non-existent in Indian law, would be recognized by the United States as possessed by two Indian chiefs. The United States, in exchange for large tracts of Indian lands, converted the use and occupancy title, already recognized by the government as existing in the Chippewa,[7] to complete fee title in two small tracts of land. If viewed from the Indian perspective, the Percheman commentary seems on point. If viewed from the perspective of the United States, the recognition of fee title falls far short of a grant of territory or property to a sovereign, independent nation.

KENNETH MERIN.
Legislative Attorney.●

[1] *Worcester* v. *Georgia*, 6 Pet. (31 U.S.) 515, 558 (1832).

[2] *Cherokee Nation* v. *Southern Kansas, R. Co.* 135 U.S. 641 (1890); *Jones* v. *Meehan*, 175 U.S. 1, 10 (1890).

[3] *Johnson and Graham's Lessee* v. *McIntosh*, 8 Wheaton (21 U.S.) 543 (1823).

[4] *Jones* v. *Meehan* 175 U.S. 1, 23 (1899) *Lone Wolf* v. *Hitchcock*, 187 U.S. 553, 564–565 (1903); *United States* v. *Santa Fe Pacific R. Co.*, 314 U.S. 339, 345, 347 (1941); L. Schmeckebier, The Office of Indian Affairs, 1927, pgs. 5–6.

[5] *Cherokee* v. *Southern Kansas R. Co.*, supra note 2, at 655–659.

[6] *Choate* v. *Trapp* 224 U.S. 665, 671 (1912). In *Whitefoot* v. *United States* 293 F2d 658 (Ct. of Cl. 1961); cert. den. 369 U.S. 818 (1962) the court noted that "No instance is known of individual ownership of private lands." 293 F. 2d at 662.

[7] *Jones* v. *Meehan* supra note 4 at 9.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 10 minutes each, with the period not to extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection. it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that the period for the transaction of routine morning business be as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS WEICKER AND BAKER ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday after the prayer, Mr. WEICKER and Mr. BAKER be recognized, each for not to exceed 15 minutes, as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF NEUTRALITY TREATY ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders for recognition of Senators on Monday, the Senate resume the consideration of the Neutrality Treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR SCHMITT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate resumes its consideration of the Neutrality Treaty on Monday, the Senator from New Mexico (Mr. SCHMITT) be recognized for not to exceed 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of Mr. SCHMITT's remarks on Monday I be recognized and that Senator BAKER follow me.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUSEUM DAY

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Rhode Island (Mr. PELL) I send to the desk a joint resolution, which has been cleared all around, and I ask unanimous consent that it be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The joint resolution (S.J. Res. 120) with its preamble was read the first time by title, and the second time at length, as follows:

A JOINT RESOLUTION (S.J. RES. 120) TO DECLARE MAY 18, 1978 TO BE "MUSEUM DAY"

Whereas museums hold in trust for future generations a substantial part of humankind's material patrimony produced by the

skill of our ancestors and our contemporaries;

Whereas museums encourage curiosity in the very young, offer enlightenment and education to the student, and provide a continuing source of enjoyment and cultural enrichment for all;

Whereas museums are centers of research for scholars and contribute significantly to our knowledge of history, science, and the arts;

Whereas museums enhance the quality of life in our communities and provide a sense of continuity and perspective which reinforces the cultural opportunities offered by schools, colleges, universities, libraries, and other institutions of learning; and

Whereas the museums of our nation deserve recognition for their contribution to the preservation of the heritage of the United States and to the furtherance of understanding concerning the peoples of the United States and the peoples of other countries in the past, present and future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating May 18, 1978 as "Museum Day" and calling upon the people of the United States, State and local government agencies, and interested organizations to observe that day with appropriate ceremonies, activities, and programs.

● Mr. PELL. Mr. President, at the closing session of the 12th General Assembly of the International Council of Museums, held in Moscow on May 28, 1977, a resolution was unanimously passed setting aside May 18 of every year as "International Museum Day."

The resolution, the full text of which accompanies my statement, notes the growth of museums throughout the world and encourages the holding on May 18 of each year, beginning in 1978, of an International Museum Day in the belief that such a day will aid in increasing the role museums play by using the original object to promote international understanding.

Because I share these views, and believe that others in this Chamber and across the Nation do as well, I am today introducing a joint resolution authorizing and requesting the President to designate May 18, 1978 as "Museum Day" and calling on the people of the United States, State, and local government agencies, and interested organizations to observe that day with appropriate ceremonies, activities and programs.

I ask unanimous consent that the resolution of the International Council of Museums be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 5

INTERNATIONAL MUSEUM DAY

Noting the ever-growing role of museums of many countries among institutions of science, culture and technology, in line with deep-seated processes in the development of the aspirations and progressive actions of people throughout the world seeking ways to intensify communion and mutual understanding among peoples:

Considers it expedient, with the aim of further unifying the creative aspirations and efforts of museums and drawing the attention of the world public to their activity to take a decision on the annual holding of an International Museum Day. This day is to be held using the slogan; "Museums are an important means of cultural exchange, enrichment of cultures and development of mutual understanding, co-operation and peace among peoples";

Recommends that the International Museum Day should be held annually on May 18, starting in 1978, and accompanied by the opening of new museums and exhibitions, meetings with visitors, acquaintance of the public with the aims and tasks and practical activity of the International Council of Museums and its national organizations, publication of materials on this subject in the press and also by the organization of exchange exhibitions and international forums to discuss major problems of the theory and practice of the museum profession;

Expresses confidence that the annual International Museum Day will help to increase the role played by the museum which uses the universal language of the original object in order to develop international understanding.●

The joint resolution (S.J. Res. 120) was considered, ordered to be engrossed for a third reading, was read the third time, and passed.

UNANIMOUS CONSENT CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 615 and 616.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I advise the majority leader that Calendar Orders Nos. 615 and 616 are cleared for passage by unanimous consent; on our calendar we have no objection to the consideration of those measures.

Mr. ROBERT C. BYRD. Mr. President, I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT TO THE DISTRICT OF COLUMBIA CHARTER

The concurrent resolution (H. Con. Res. 464) approving an amendment to the District of Columbia Charter relating to initiative and referendum, was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–673), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE

A resolution to approve an amendment to the District of Columbia Charter which amendment would allow voters to initiate certain laws for Council consideration and to suspend certain acts to the Council.

BACKGROUND AND NEED FOR LEGISLATION

Section 303 of the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the Home Rule Act) requires that the District Council pass, and a majority of citizens voting in an election ratify, any act to amend the District Charter. Any act so passed and ratified shall take effect only if, within 35 legislative days of submission to Congress, both Houses adopt a concurrent resolution as specified in section 604 of the Home Rule Act.

The District Council passed amendment No. 1 of the Initiative, Referendum and Recall Amendments Act of 1977 (Council Act 2–46) on May 17, 1977. This amendment provided for the addition of initiative and referendum provisions to the District Charter. It was signed by the Mayor on June 14, 1977, and clarifying amendments thereto were approved by emergency measures on November 1, 1977 (Council Acts 2–94 and 2–95).

The initiative and referendum provisions were ratified by a majority (27,094 out of 32,621) of the registered qualified voters of the District voting thereon in the general election held on November 8, 1977.

House Concurrent Resolution 464 approved Amendment No. 1, respecting the initiative and referendum provisions, on February 27, 1978, and was referred to the Senate.

The effective date of the amendment is October 1, 1978.

LEGISLATIVE HISTORY

The need for the legislation was articulated and promulgated by the electorate of the District of Columbia. The overwhelming margin (more than 4 to 1) with which the amendment was approved in the November election represented a ground swell of support for strengthening home rule through more direct voter prticipation in local governmental matters. In 1973, when the Congress was considering and debating home rule, the possibility of including initiative and referendum was discussed and they were included in the House-passed bill. Except for provision for referenda on bond issues, these petition rights were dropped in conference and left to the voters in the District to decide for themesives under home rule. Neighborhood and community groups, business associations and labor unions, political parties and local media all supported the amendment through approval by the District Council, then the Mayor, and finally, the voters in 1977.

INITIATIVE AND REFERENDUM OF COUNCIL ACT NO. 2–46

The initiative and referendum provisions allow the registered voters: first, to propose laws other than laws appropriating funds that could be adopted by the Council—in the case of initiative—and second, to suspend acts of the Council other than emergency acts, acts levying taxes or acts appropriating funds, by submitting a petition for such action to the Board of Election and Ethics.

Safeguards are built into the amendments to prevent possible abuse or disruption of orderly and effective representative government. In the case of initiative and referendum, at least 5 percent of the registered voters in five or more of the city's eight wards would have to sign a petition before an issue is placed on the ballot. Additionally, certain significant categories of legislation are not subject to initiative or referendum, including tax and spending legislation and emergency legislation and those areas reserved under home rule for Congress.

HEARINGS

The Subcommittee on Fiscal and Governmental Affairs of the House Committee on the District of Columbia held hearings on January 31, 1978, and reported House Concurrent Resolution 464 to the full committee, which on February 7, approved it. No opposition was received or expressed in the House. In the Senate, House Concurrent Resolution 464 was considered by the Subcommittee on Governmental Efficiency and the District of Columbia of the Committee on Governmental Affairs. Since no opposition was expressed by the committee, hearings were deemed unnecessary. The House acted on House Concurrent Resolution 464 on February 27, 1978.

LEGISLATION UNDERLYING THE CONCURRENT RESOLUTION

The Council Act (2–46) embodying the Initiative and Referendum Charter Amendments of 1977, as transmitted to the Senate, accompanies this report (see appendix).

REGULATORY IMPACT STATEMENT

Pursuant to section 602 of Senate Resolution 4, the committee has considered the potential regulatory impact and resulting paperwork that will result from this resolution and has determined that there will be no appreciable effect thereof.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., March 7, 1978.

Hon. THOMAS F. EAGLETON,
Chairman, Subcommittee on Governmental Efficiency and the District of Columbia, Committee on Governmental Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request of March 6, 1978, the Congressional Budget Office has reviewed House Concurrent Resolution 464, which would approve an amendment to the District of Columbia Charter relating to initiative and referendum.

Based on this review, it appears that no additional cost to the Federal Government would be incurred as a result of enactment of this legislation.

Sincerely,

ALICE M. RIVLIN, *Director.*

AMENDMENT TO THE DISTRICT OF COLUMBIA CHARTER

The concurrent resolution (H. Con. Res. 471) approving an amendment to the District of Columbia Charter relating to recall of elected officials, was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 95–672), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE

A resolution to approve an amendment to the District of Columbia Charter which amendment would allow voters to recall an elected official through the use of prescribed procedures and by majority vote.

BACKGROUND AND NEED FOR LEGISLATION

Section 303 of the District of Columbia Self-Government and Governmental Reorganization Act of 1973 (the Home Rule Act) requires that the District Council pass, and a majority of citizens voting in an election ratify, any act to amend the District Charter. Any act so passed and ratified shall take effect only if, within 35 legislative days of submission to Congress, both Houses adopt a concurrent resolution as specified in section 604 of the Home Rule Act.

The District Council passed amendment No. 2 of the Initiative, Referendum and Recall Amendments Act of 1977 (Council Act 2–46) on May 17, 1977. This amendment provided for the addition of initiative and referendum provisions to the District Charter. It was signed by the Mayor on June 14, 1977, and clarifying amendments thereto were approved by emergency measures on November 1, 1977 (Council Acts 2–94 and 2–95).

The initiative and referendum provisions were ratified by a majority (27,094 out of 32,-621) of the registered qualified voters of the District voting thereon in the general election held on November 8, 1977.

House Concurrent Resolution 471 approved amendment No. 2, respecting the initiative and referendum provisions, on February 27, 1978, and was referred to the Senate.

The effective date of the amendment is October 1, 1978.

LEGISLATIVE HISTORY

The need for the legislation was articulated and promulgated by the electorate of the District of Columbia. The overwhelming margin (more than 4 to 1) with which the amendment was approved in the November election represented a ground swell of support for strengthening home rule through more direct voter participation in local governmental matters. In 1973, when the Congress was considering and debating home rule, the possibility of including recall of elected officials was discussed and it was included in the House-passed bill. Except for provision of referendums on bond issues, this petition right was dropped in conference and left to the voters in the District to decide for themselves under home rule. Neighborhood and community groups, business associations and labor unions, political parties and local media all supported the amendment through approval by the District Council, then the Mayor, and finally, the voters in 1977.

RECALL PROVISIONS OF COUNCIL ACT NO. 2–46

The recall provisions allow the voters of the District to initiate an election to vote for removal or retention of an elected public official prior to expiration of his or her term. The requirements for a recall petition are stringent. The petition must be signed by 10 percent of the electors in the area in which the official was elected. In the case of an at-large-official, 10 percent of the registered voters in at least five wards must sign. In addition, a recall cannot be initiated within the first or final year of an official's term of office. All of these safeguards have been built into the amendment to prevent the abuse or disruption of orderly and effective representative government.

HEARINGS

The Subcommittee on Fiscal and Governmental Affairs of the House Committee on the District of Columbia held hearings on January 31, 1978, and reported House Concurrent Rseolution 471 to the full committee, which on February 7, approved it. No opposition was received or expressed in the House. In the Senate, House Concurrent Resolution 471 was considered by the Subcommittee on Governmental Efficiency and the District of Columbia of the Committee on Governmental Affairs. Since no opposition was expressed by the committee, hearings were deemed unnecessary. The House acted on House Concurrent Resolution 471 on February 27, 1978.

LEGISLATION UNDERLYING THE CONCURRENT RESOLUTION

The Council Act (2–46) embodying the Recall Charter Amendment of 1977, as transmitted to the Senate, accompanies this report.

REGULATORY IMPACT STATEMENT

Pursuant to section 602 of Senate Resolution 4, the committee has considered the potential regulatory impact and resulting paperwork that will result from this resolution and has determined that there will be no appreciable effect thereof.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., March 7, 1978.

Hon. THOMAS F. EAGLETON,
Chairman, Subcommittee on Governmental Efficiency and the District of Columbia, Committee on Governmental Affairs, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request of March 6, 1978, the Congressional Budget Office has reviewed House Concurrent Resolution 471, which would approve an amendment to the District of Columbia Charter relating to recall of elected officials.

Based on this review, it appears that no additional cost to the Federal Government would be incurred as a result of enactment of this legislation.

Sincerely,

ALICE M. RIVLIN, *Director.*

SENATOR ROBERT C. BYRD "SPEAKS OUT" ON CANAL

Mr. ROBERT C. BYRD. Mr. President, I recently responded to a number of questions, relating to the Panama Canal treaties, posed to me by my constituents through a column, titled "Speak Out," which appears in the Charleston (W. Va.) Daily Mail. These were important questions. My answers appeared in the "Speak Out" column in the Wednesday, March 1, 1978. edition of the Charleston Daily Mail, and I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charleston Daily Mail, March 1, 1978]

BYRD "SPEAKS OUT" ON THE CANAL

(NOTE.—In response to a Speak Out invitation, readers proposed questions for Sen. Robert Byrd relating to the Panama Canal Treaties now under consideration in Congress. The following questions were forwarded to the senators' office, and his answers appear below.)

1. The dictator Torrijos permitted the citizens of Panama to vote on the canal treaty. Yet we have a democracy and are not permitted to vote on it. Why not a referendum?—Daryl Jones

A. The United States Constitution does not provide for a national referendum on treaties. Our Constitution provides that the President "shall have power, by and with the advice and consent of the Senate, to make treaties provided two-thirds of the Senators present concur. . . ." Our system is based on the premise that the members of the Senate, as elected representatives of the people, will carefully weigh all the facts and will, based on those facts, make their collective judgment whether or not a treaty is in the best interest of the United States.

2. Sen. Byrd, this country is founded on freedom. It has been a free country. How could you ever think of turning the Canal over to a dictator?—Unidentified caller

A. If the treaties are ratified, the United States will not be entering into them with General Omar Torrijos. The treaties will be between the governments of the United States and Panama, and will continue to be valid regardless of the changes in heads of state in the future. The U.S. has in the past negotiated treaties with countries under the leadership of dictators. The basic question to be decided here—as in the case of other treaties—is whether the treaties are perceived to be in our country's best national interests. As a matter of fact, Panama appears more stable now, and its leadership appears to enjoy more popular support, than at any other time in recent history.

3. Why should the Panamanians own a canal we built and paid for?—R.R. Hill.

A. Contrary to a general misconception, Panama has always retained sovereignty over the Canal Zone. My support of the treaties is not because of Panamanian interests, but is based on our own national security, commercial, economic, and political interests. U.S. military leaders in the Department of Defense maintain that the strategic military value of the Canal lies in its continued use

and accessibility. In view of the general resentment in Panama toward our continued control over the Canal and our military presence there, it is the contention of those of us who support the treaties that the Canal's continued neutral use and accessibility can best be assured through cooperation, rather than confrontation with Panama and through ratification of the treaties which give Panama a greater stake in keeping the canal open and accessible.

4. Sen. Byrd, I believe your mail is running about 6–1 against ratification of the Panama Treaty. If you purport to represent the people, how then can you justify your stand on the treaty? Also, if you do not represent the people, how can you justify your salary?—William A. Bailey

A. Although most West Virginians who have communicated with me on the treaties oppose them, I believe that most West Virginians also expect me to vote in what I deem to be, based on a careful evaluation of all the facts, the best interests of the United States. The easiest vote for me politically would be to vote against the treaties. However, I believe that most West Virginians realize that I have available to me more information than is generally available to citizens, and I think that they would expect me, in the final analysis, to reach a judgment based on the facts, and based on what is in the long-term best interests of the United States, rather than based on whether or not most of my mail is for or against the treaties. Many people throughout the country who are adamantly opposed to the treaties have never read those treaties, but have simply reached a judgment "from the beginning" in opposition to the treaties.

I have studied the history of the 1903 treaty; I have carefully studied the Foreign Relations Committee's hearing and report on the treaties; and I have given much time to careful consideration of the economic, military and political aspects thereof; and, based upon these careful studies, I firmly believe the treaties, with amendments that I have offered jointly with the Senate Minority Leader, are in our best national interests.

5. How can you say giving up the canal is in our best interest when in July 1977 Russia and Panama signed an economic pact? In those negotiations, Russia discussed financing and construction of a new sea level canal and establishment of a Russian naval base in Panama. To ratify this treaty we have promised not to build another canal.—Mrs. Harold Taylor

A. Panama does not have diplomatic or trade relations with the USSR. In July 1977, five Soviet trade specialists visited Panama and discussed the opening of trade relations, but no formal agreements were reached. I know of no follow-up discussions. Our country attaches little significance to the visit, inasmuch as many Latin American countries have trade relations with the USSR, just as we do. As for the many concerns about the establishment of a Russian naval base in Panama, Article V of the Neutrality Treaty prohibits Panama from authorizing a foreign nation to garrison forces or maintain military bases in Panama after the year 2000. A violation of the article would give us the right under Article IV to take any appropriate action.

Incidentally, the existing 1903 treaty does not contain this prohibition, and if a foreign nation should garrison forces or set up a military base in Panama today, as long as such forces or bases were established outside the Canal Zone itself, the United States would have no legal basis, under the 1903 treaty, to complain.

6. Senator, I understand the Senate has before it only the English language draft of the treaties. Don't you think the Senate should have before it the English language and the Spanish language draft to make sure the Panamanians understand the same way we do?—Howard Klostermyer

A. Historically, it has not been the practice to submit foreign texts of treaties to the Senate. The English texts of treaties are always submitted to the Senate for advice and consent. The State Department has had language experts certify both the foreign and English texts of the treaties with Panama to assure conformity and that both have the same meaning in all substantive respects. No discrepancies of any substance were found in the final drafts. Any changes to the texts of the treaties adopted by the Senate will be translated into Spanish to assure conformity of texts and then transmitted to the Government of Panama.

7. How can the government ignore the will of the people in the Canal treaty? When they ignored the will of the people in the Vietnam situation, look what the final result was—Jack Thomas.

A. The tide of public opinion, as people become more informed about the contents and ramifications of these treaties, appears to be changing. A recent Gallup poll, released Feb. 2, was titled, "U.S. Public Opinion Shifts to Support of Panama Treaties." Gallup said: "Among the large majority of Americans who have heard or read about the debate over the Panama Canal treaties, opinion is now closely divided with 45 per cent in favor and 42 percent opposed. A survey taken three months ago showed opinion 48 to 40 per cent in opposition."

8. Why are you more concerned with the Panamanian resentment of the treaties if they're not ratified, and are ignoring the resentment of the American people who oppose ratification?—Unidentified caller.

A. If the Senate votes against ratification, my fear is not of Panamanian resentment. My concern is that we will have harmed our own national interests.

9. What will happen to Panama and the canal when the Communists take over after the treaty is signed? We all know the Communists don't keep treaties. Will it be another Cuba? Will they put in another Soviet missile base?—Mrs. Pauline Russ, Spencer

A. The question presupposes, without justification, that the Communists will take over Panama once the treaties are ratified. There is no evidence suggesting that such an eventuality will occur. The Communist Party in Panama is permitted to exist but has no legal status. It consists of about 500 members and keeps a low profile. The State Department is not aware of any leading government officials who are members of the Communist Party. Torrijos is firmly committed to the free enterprise system, and, since it became an independent nation, Panama's interests have always been closely tied to our own. It should be kept in mind that if the Panama Canal Treaties are ratified, the U.S. will continue to control and operate the Panama Canal, and to maintain a military presence in the Canal Zone until the year 2000.

If my amendments to the neutrality treaty are approved—and that is a prerequisite for my support—the United States will have the unchallenged right to take action on its own, if necessary, to defend the Canal against any aggression or threat against it.

10. Does the money obtained from the traffic passing through the Canal take care of its maintenance and the money that goes to the Panamanian government, or will the American taxpayer still have to pour into it to keep it going?—Eugene Chase

A. Under the new treaties, funds for operation and maintenance of the Canal and for annual payment to Panama will come from revenues generated by the Canal itself. Our calculations during the negotiations that Canal operations will support the treaty arrangements were based on careful studies completed in 1974 and supported by review of economic experts within and outside our government.

11. Do you really think you got a true picture of Panama on your red-carpet tour there?—Virginia Doss, Charleston

A. I am quite sure that the representatives of the U.S. national press who accompanied my delegation's visit to Panama would be among the first to say that it was not a "red-carpet tour." On the contrary, they were of the opinion that it was a useful but tough schedule of activities and that it was exacting, demanding, and difficult. I personally laid out the schedule of activities myself—it was not left to General Torrijos or the U.S. State Department to say where we should or would go.

13. What rights do these treaties give the U.S. that we do not already have on a far safer basis?—J. Berch, South Charleston

A. I refer the question to my reference to Article V of the Neutrality Treaty in my response to question No. 5 above.

12. Isn't the real reason for giving away the canal the fact that the banking interests who have loaned Panama money want the taxpayers to bail them out? Isn't your attitude predicted by George Orwell's "1984" wherein government officials decide "To hell with the people, we think for them"?—R. A. Sayer

A. The position of American banks in Panama was never a consideration in the negotiations. The Government of Panama had, at the end of 1976, borrowed from U.S. banks only $350 million. A Federal Reserve figure of $2.9 billion for clearance by U.S. banks against Panama in June 1977 represents larger banking transactions passed through international branch banks in Panama (a large offshore banking center) and regional offices of multinational corporations. It has almost no bearing on the credit position of the Panamanian Government or the country's economy. All of Panama's debt service payments are being made.

14. Why should we give away the canal, which we built, just to appease the Panamanians? Neither President Carter nor anyone else has never mentioned what will happen to the fifty square miles of land on each side of the canal. My book says that we bought this land and spent millions for improvement. Are we to give all this away with the canal?—Walter Martin, Elkview

A. I would refer the question to the responses given to questions Nos. 3 above and 15 below.

15. Why should the U.S. yield to a clear case of blackmail? Have we forgotten Russia's threat—"We will bury you"? What is happening to the integrity of our elected statesmen?—Florence Nichols

A. Surely no one would believe that the United States—a country of nearly 217 million people, the most powerful nation in the world—could be blackmailed by a small country with a population of less than 2 million people. If the U.S. enters into these treaties, it will not be under any threat of blackmail or to appease the Panamanians. These treaties are in our own national military, commercial, economic, and political interests. Far from being denied, our rights are preserved under the provisions of the treaties, and the amendments I have offered.

16. Does a new treaty help insure that Panama will pay her huge bills to large banks? Doesn't this treaty help the American government save face for the present time at the future expense of the American people?—D.E. Okes

A. I refer the questioner to my statement in response to question No. 12 above.

17. I have a big "if" to ask you. If they approve the Panama Canal treaty, it has been said that the Panamanians may raise the toll charges on the ships that carry my oil from Alaska to the Gulf of Mexico. If they increase the tolls, will it not increase the cost of my gasoline to a dollar a gallon and the cost of my oil to $1.50 a quart?—M.M. Maloney

A. The question presumes that, under the treaties, the Panamanians would have sole authority to determine toll rates following ratification. In fact, the canal will continue to be operated until the year 2000 under the management of the United States. The operation and control of the canal by the U.S. will be exercised through a U.S. Government agency to be called the Panama Canal Commission. The Board of Directors of that Commission will have five Americans and four Panamanians until the year 2000. The Chief executive Officer until 1990 will be an American and his deputy a Panamanian. After 1990, the administrator will be a Panamanian and his deputy an American.

But until the year 2000, the Panaminan administrator or deputy administrator, as well as all other members of the Board of Directors, will be appointed by the United States. So it cannot be presumed that "the Panamanians may raise the toll charges." The United States will set the tolls until the year 2000.

Under the treaties, a toll increase of roughly 30 percent is anticipated in the early years, with inflation adjustments for later years. The net increase in transportation costs would be less than one percent. For example, the average transportation cost for a bushel of Iowa corn going to Japan is $0.66/bushel. This would be increased by less than half a cent. The 30 percent toll increase would only raise the cost of Alaska oil going to the Eastern Seaboard by about one-tenth of a cent per gallon. Incidentally, whether or not the treaties are ratified, there should be an increase in the toll rates. The present rate of $1.29 per Panama Canal ton is only 9¢ higher than the $1.20 per ton that was charged in 1914.

18. How can you justify the amount of compensation to be given Panama, especially the $70 million for each of the 22 years? Much is made of the fact that $70 million will come out of the Canal revenue and not U.S. appropriated funds, but these are dollars that in past years have either been put back in Canal maintenance or the U.S. treasury.—Unidentified caller

A. Keep in mind that for many years the United States only paid Panama $250,000 a year. This annuity was increased in 1936 to $440,000. In 1955 the amount went to $1.9 million annually, and we currently pay to Panama only $2.3 million annually for the use of that country's most valuable resource. The compensation under the new treaties would constitute a more realistic and fair and just payment to that country, and would increase that country's economic stake in the canal. If Panama does not receive a just return on its most valuable resource, that country would have little interest in the Canal's continued operation. By providing for the continued maintenance of our troops and facilities in Panama for the next 20 years and for our continued use of the Canal, these treaties represent a sound Investment in America's future.

19. I am very much alarmed at the prospect of a new treaty with Panama. If Panama now has trouble quelling a student uprising which is not students, but left wing agitators, what will be its position should the Canal be attacked or threatened by a much greater power after 1999? There is a possibility that our submarines and other service vessels may not be allowed access through the canal in the event some other dictator follows Torrijos. We wonder what guarantees the U.S. has that the Panamanian government which follows the present one would honor the treaties?—Mrs. Stuart Whitting, Pinch

A. In my amendments, our defense rights against any threat from within, or against any peaceful transit of vessels, are absolute. It is my view that these treaties are the best means of assuring continued access to and use of the Canal, and that is our primary concern and the concern of U.S. military experts.

20. In light of past history and communist doctrine, what rationale are you using for your belief that you can take the word of a communist dictator or that any agreement, treaty, or other negotiation conducted with a communist dictator has any validity?—W. P. Thaw

A. General Torrijos' country is not a communist nation. He has been in power since 1968 and the government shows more stability than at any time in the past. During the period since the signing of the 1903 treaty, I have been impressed by the good faith exhibited by the Panamanians. Panama's interests are closely related to our own interests, and, after visiting Panama, I am more hopeful and confident about that country's future political direction. Moreover, as I have stated in question No. 2 above, the treaties with Panama—as in the case of other treaties with any other countries—will be treaties recognized in international law as contractual agreements between national governments, not between individuals.

In other words, the Panama Canal treaties are not agreements made between President Jimmy Carter and Panamanian General Omar Torrijos. They will be between the United States Government and the Panamanian Government and will continue to be valid and recognized under international law in the future, regardless of the identities of the successors in office of either President Carter or General Torrijos.

21. The 1903 treaty itself states, in no uncertain language, that we do have sovereignty over the Panama Canal. So why has the House of Representatives been put in cold storage when they should have a voice in any territory give-away.—Unidentified caller

A. The 1903 treaty does not state that the United States has sovereignty over the Panama Canal. It grants to the U.S. the right to exercise "all rights, power and authority within the zone—which the United States would possess and exercise"—note the words "if it were the sovereign"—"of the territory." These words make it clear that Panama retained residual titular sovereignty over the territory. Inasmuch as we did not have sovereignty to begin with, it follows that we are not now giving up something which we have never had from the beginning. As to the involvement of the House of Representatives, that body will, of course, act on various implementing legislation that is required. However, the treaty contains self-executing provisions which provide for the transfer of property to the Panamanians as a result of the treaty. "Advice and Consent" on a treaty is a constitutional prerogative only of the Senate.

22. How do you feel about giving Guantanamo back to Cuba, which is the same situation?—D. W. Baume

A. It is not the same situation. The geographic, operating and other circumstances of the Canal and Guantanamo are quite different. Our base in Guantanamo is a military defense installation for the protection of our interests in the Caribbean. The Panama Canal was envisioned from the beginning as a path joining two oceans for commercial use by ships of all nations. Any change in our treaty rights to the Guantanamo base should be made on the basis of U.S. national interests. Protecting U.S. interests was the reason for negotiating the Canal treaties. These treaties are the best means of guaranteeing continued access and use of the Canal by all nations.

ECONOMIC STATISTICS AND INDICATIONS

Mr. PROXMIRE. Mr. President, the day was very interesting today and yesterday, for those who follow economic statistics. To the surprise of almost everyone, unemployment dropped last month, dropped from 6.3 percent to 6.1 percent; and, of course, that did several things. For one thing, it confirmed the very sharp drop which we enjoyed in January. That January drop to 6.3 percent was considered by many experts to be a one-time, temporary aberration. Many economists contended unemployment would rise again in February. But it did not rise. It fell. That fall confirms a remarkable strong economic performance.

For another thing, at a time when many were concerned with the layoff effect of the coal strike, and the weather, the fall in unemployment was a happy and surprising development.

As Senators may recall, earlier in the month we were told that production was down 0.7 of a percent, retail sales down over 3 percent, and automobile sales down 18 percent.

We were also told that housing starts were off by over 27 percent, and yet the Bureau of Labor Statistics came in this morning and informed us that unemployment has gone down again for the third consecutive month and is now much lower than it has been for 3 years.

Now this is very, very good news and I think we should, of course, be happy because of it. I am calling it to the attention of the Senate because of the interesting explanation the Joint Economic Committee received from the head of the Bureau of Labor Statistics.

He argued that the weather and the coal strike have been temporary phenomena and they are not really reflected in the unemployment figures. They are reflected in many other statistics but not in unemployment.

He pointed out that when the weather gets very hard it may be impossible for factories to produce and it may be difficult for people to get to work, but they are still employed and therefore they show up as being employed in the employment statistics and not as being unemployed.

Of course, the coal strike analysis was also interesting because in spite of the estimates by some people that already hundreds of thousands of people were forced out of work by the coal shortage. The latest statistics—and this was done by the principal fact gathering agency of our Government in the week ending last Saturday, ending March 4—however indicated that the number of layoffs caused by the coal strike were about 25,000 which, of course, when we have a work force of 99 million is a very significant fraction.

Let me modify that by pointing out that those 25,000 were only those in 11 States, the 11 States most hard hit by the coal strike. They are the States which use the most coal and they are very big States.

Furthermore that survey was confined to manufacturing and trade, but not transportation and not some other industries.

Even allowing for the other industries not counted, the Director of the Bureau of Labor Statistics estimated that there were about 45,000 people laid off last week from the coal strike and he argued that the increase this week would be about 50 percent above that.

When we put all the increases together, it still adds up to a very moderate, limited effect by the coal strike so far. Of course, it can be much more serious as time goes on. It does indicate that the coal strike has not been a significant factor so far in unemployment. Of course, as I say, the weather was not reflected because these people are still at work.

Mr. President, while this was good news, we also received, on March 9, a release from the Bureau of Labor Statistics indicating that wholesale prices had gone up more sharply in February than in any month for 3 years, a tremendous increase on an annual basis which would have exceeded 12 percent in the fundamental figure, which is finished goods.

Furthermore, the head of the Bureau of Labor Statistics pointed out that if we analyzed that increase we would find that the increment in intermediate goods and crude goods, which will be finished goods several months from now, was much sharper and has been continuous for several months. This would suggest that finished goods wholesale prices are going to be even higher in the future than reflected this month, and that, of course, will be felt very strongly in consumer prices, which have not risen nearly as rapidly so far.

Mr. President, it seems to me that Senators who are close to voting on the Humphrey-Hawkins bill, which will be voted on in four committees, voted on in Banking, Human Resources, Budget and Government Affairs in the next week or two and then voted on the floor, should recognize what these figures tell us. They tell us, No. 1, that unemployment is getting better. They tell us, No. 2, that inflation is getting worse.

One of the amendments which was voted upon in the House debate on Humphrey-Hawkins yesterday was to provide not only a numerical figure for unemployment, but a numerical figure for inflation. It was a very close vote. It failed by 10 or 15 votes, which, in a body of 435 is, of course, very close. I intend to press that kind of an amendment here in the Senate. I think that inflation and unemployment are equal problems. They should be treated equally. The tradeoffs should be made very consciously by Members of Congress in determining economic policies. It is possible to adopt policies which diminish unemployment and do not increase inflation. But, of course, we have to be very careful in doing that. That will be an issue before this body.

I have talked to a number of people and found a great deal of opposition in organized labor to putting an inflation goal in the Humphrey-Hawkins bill, though I think that is where it belongs. I think what has happened in the last months on the basis of the statistics we have now should persuade Senators to have an open mind on this, if they did not have it before, and to consider very seriously that it would be wise for us to have a goal, a policy goal, which would aim at inflation and unemployment on an equal basis.

Right now the Humphrey-Hawkins bill provides for 4-percent unemployment as our target 5 years from now. There is rhetoric but no numerical goal for inflation. Of course, that makes the situation very unequal, very unfair, and very unwise.

I do hope that that kind of an amendment will be carefully considered.

Mr. President, I ask unanimous consent that the statement of Mr. Shiskin to which I referred, this very brief statement before the committee, and the tables which corroborate the statement, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JULIUS SHISKIN

Mr. Chairman and Members of the Committee: I am glad to have this opportunity to offer the Joint Economic Committee a few brief comments to supplement our press release, The Employment Situation, issued this morning at 9 a.m.

In February, total employment rose by 122,000, unemployment declined by 136,000, and the civilian labor force declined by 14,000. While the labor force showed virtually no change over the month, the over-the-year increase as been substantial, more than 2.3 million. (This calculation takes into account the effects of improvements in the household sampling and estimation procedures introduced last month.)

Despite the severe weather and the coal strike, labor markets continued to improve through the survey week in February (February 12–18). The decline in unemployment, although small, was widespread and was shared by almost every major group—adult men, adult women, whites, blacks, full-time workers, the long-term unemployed and job losers. Only the rate for teenagers rose. All 12 seasonal-adjustment rates displayed in the attached table declined. Over the year, the official rate has declined substantially—1.5 points—and with only one minor interruption.

Total employment rose only slightly but nonagricultural employment rose substantially. In fact, the rise in employment reported in the establishment survey was one of the largest of recent record. About one-third of the rise took place in manufacturing, which exceeded 20 million employees for the first time since September 1974. The BLS diffusion indexes, showing the percentage of 172 industries with rising employment over various monthly spans, all continued at high levels. The index of aggregate hours rose sharply from last month, but remained below the November and December levels. The employment-population ratio remained at the all-time high reached last month.

It is to be noted that the February survey week preceded the employment and hours cutbacks in manufacturing due to the coal and other energy shortages. There are about 160,000 miners on strike and approximately 20,000 workers in transportation and public utilities have been laid off since the strike began. In addition, our "quick response" weekly survey on employment effects of coal shortages in manufacturing and trade showed that, in the survey week of February 12–18, 9,500 manufacturing workers were laid off for part or all of the week in the 11 States most dependent on coal. Last week February 26–March 4 this number had reached 25,400, but at that time these layoffs remained a small proportion of the 7.8 million factory workers in these 11 States.

The Producer Price Index for Finished Goods showed a sharp rise in the rate of increase between January and February. This acceleration in the increase was entirely attributable to a rise in food prices. However, it is to be noted that in the last few months the prices of commodities at the earlier stages of fabrication, both foods and nonfoods, have been rising more rapidly. Among food-related materials we have seen a considerable acceleration in price increases during the past few months for livestock and live poultry, partly because of the impact of bad weather on supplies Grain prices, which had declined during much of 1977, turned up towards the end of the year and continued to advance. On the other side, prices of green coffee and cocoa beans have generally been falling for several months. The more rapid rise in industrial materials prices than during previous months reflect higher prices for such products as construction-related materials, steel mill products and non-ferrous metals. It may also be worth noting that energy price changes during the last several months have generally been rather moderate and have not contributed to these price accelerations.

My colleagues and I are now ready to try to answer your questions.

UNEMPLOYMENT RATES BY ALTERNATE SEASONAL ADJUSTMENT METHODS

Month and year	Unadjusted rate	Official adjusted rate	Alternative procedures								Other aggregations (multiplicative)		Direct adjustment of rate	Range (cols. 2–13)
			Official procedure used in 1976–77	Unemployed all multiplicative	Unemployed all additive	Concurrent			Stable					
						Year ahead	1st computed	Revised	1967–73	1967–77	Total	Residual		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1976:														
January	8.8	7.9	7.8	7.8	8.0	7.8	7.8	7.9	8.1	7.9	7.9	8.1	7.9	0.3
February	8.7	7.7	7.6	7.6	7.8	7.6	7.6	7.7	7.7	7.7	7.6	7.7	7.7	.2
March	8.1	7.6	7.5	7.5	7.6	7.5	7.5	7.6	7.7	7.6	7.5	7.6	7.6	.2
April	7.4	7.6	7.6	7.6	7.6	7.4	7.4	7.6	7.6	7.6	7.6	7.6	7.6	.2
May	6.7	7.4	7.4	7.5	7.2	7.2	7.2	7.4	7.5	7.5	7.5	7.3	7.5	.3
June	8.0	7.5	7.5	7.5	7.5	7.5	7.6	7.5	7.5	7.5	7.4	7.5	7.4	.1
July	7.8	7.7	7.8	7.8	7.8	7.8	7.8	7.8	7.7	7.7	7.7	7.7	7.7	.1
August	7.6	7.8	7.8	7.8	7.8	7.9	7.9	7.8	7.7	7.8	7.8	7.8	7 9	.2
September	7.4	7.7	7.8	7.8	7.7	7.8	7.8	7.7	7.6	7.7	7.8	7.7	7.8	.2
October	7.2	7.7	7.8	7.9	7.8	7.9	7.9	7.7	7.7	7.7	7.8	7.7	7.8	.2
November	7.4	7.8	7.8	7.8	7.8	8.1	8.0	7.8	7.8	7.9	7.8	7.7	7.8	.4
December	7.4	7.8	7.8	7.8	7.8	7.9	7.8	7.8	7.9	7.9	7.8	7.8	7.8	.1

UNEMPLOYMENT RATES BY ALTERNATE SEASONAL ADJUSTMENT METHODS—Continued

Month and year	Unadjusted rate	Official adjusted rate	Alternative procedures: Official procedure used in 1976–77	Alternative procedures: Unemployed all multiplicative	Alternative procedures: Unemployed all additive	Alternative procedures: Year ahead	Alternative procedures: Concurrent: 1st computed	Alternative procedures: Concurrent: Revised	Alternative procedures: Stable: 1967–73	Alternative procedures: Stable: 1967–77	Other aggregations (multiplicative): Total	Other aggregations (multiplicative): Residual	Direct adjustment of rate	Range (cols. 2–13)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1977:														
January	8.3	7.4	7.3	7.3	7.4	7.3	7.4	7.4	7.5	7.4	7.4	7.6	7.5	.3
February	8.5	7.6	7.5	7.5	7.6	7.5	7.5	7.6	7.6	7.5	7.5	7.5	7.5	.1
March	7.9	7.4	7.4	7.4	7.4	7.3	7.3	7.4	7.5	7.4	7.4	7.3	7.4	.2
April	6.9	7.1	7.1	7.1	7.1	7.0	7.0	7.1	7.1	7.1	7.1	7.1	7.1	.1
May	6.4	7.1	7.1	7.1	6.9	6.9	7.0	7.1	7.1	7.1	7.1	7.0	7.2	.3
June	7.5	7.1	7.1	7.1	7.1	7.1	7.1	7.0	7.0	7.0	7.0	7.1	7.0	.1
July	7.0	6.9	7.0	7.0	7.0	6.9	6.9	6.9	6.8	6.9	7.0	6.9	7.0	.2
August	6.8	7.0	7.0	7.0	7.1	7.1	7.0	7.0	6.9	7.0	7.1	7.1	7.0	.2
September	6.6	6.8	6.9	6.9	6.9	6.9	6.9	6.8	6.7	6.8	6.9	6.9	6.9	.2
October	6.3	6.8	6.9	6.9	6.9	7.0	6.9	6.8	6.8	6.8	6.9	6.9	6.8	.2
November	6.4	6.7	6.7	6.7	6.8	6.9	6.8	6.8	6.8	6.8	6.8	6.7	6.7	.2
December	6.0	6.4	6.4	6.3	6.4	6.4	6.4	6.4	6.5	6.4	6.3	6.4	6.3	.2
1978:														
January	7.0	6.3	6.2	6.2	6.2	6.3	6.4	6.3	6.4	6.3	6.3	6.3	6.3	.2
February	6.9	6.1	6.1	6.1	6.0	6.1	6.1	6.1	6.2	6.1	6.1	5.9	6.1	.3

Source: U.S. Department of Labor, Bureau of Labor Statistics.

(1) Unadjusted rate. Unemployment rate not seasonally adjusted.

(2) Official rate. This is the published seasonally adjusted rate. Each of 4 unemployed age-sex components—males and females, 16–19 and 20 years of age and over—is independently adjusted. The teenage unemployment and nonagricultural employment components are adjusted using the additive procedure of the X–11 method, while adults are adjusted using the X–11 multiplicative option. Adult male unemployment is adjusted multiplicatively using a prior trend adjustment procedure. The rate is calculated by aggregating the 4 and dividing them by 12 summed labor force components—these 4 plus 8 employment components, which are the 4 age-sex groups in agriculture and nonagricultural industries. This employment total is also used in the calculation for the labor force base in columns (3)—(9).

The current "implicit" factors for the total unemployment rate derived by dividing the original unemployment rate by the seasonally adjusted rate for the months of 1977, are:

January	112.2
February	112.6
March	106.7
April	96.1
May	90.1
June	106.2
July	101.2
August	97.6
September	96.6
October	92.6
November	95.3
December	93.6

(3) Official procedure used in 1976–77. Only teenage unemployment components are adjusted using the additive procedure of X–11; all other series are adjusted with the multiplicative option. The prior adjustment is not used for adult male unemployment.

(4) Unemployed all multiplicative. The 4 basic unemployed age-sex groups—males and females, 16–19 and 20 years and over—are adjusted by the X–11 multiplicative procedure. This procedure was used to adjust unemployment data in 1975 and previous years.

(5) Additive rate. The 4 basic unemployed age-sex groups—males and females, 16–19 and 20 years and over—are adjusted by the X–11 additive procedure.

(6) Year-ahead factors. The official seasonal adjustment procedure for each of the components is followed through computation of the factor for the last years of data. A projected factor—the factor for the last year plus one-half of the difference from the previous year—is then computed for each of the components, and the rate is calculated. The rates shown are as first calculated and are not subject to revision.

(7) Concurrent adjustment through current month (first computed). The official procedure is followed with data re-seasonally adjusted incorporating the experience through the current month, i.e., the rate for March 1976 is based on adjustment of data for the period, January 1967–March 1976. The rates are as first calculated and are not subject to revision.

(8) Concurrent adjustment through current month (revised). Follows the same procedures as used in computation of column 7. Each month, however, revisions in the entire time series are made. This column provides an indication, as the year progresses, of the scope of the revisions and provides the best portrayal of movements in the series.

(9) Stable seasonals (January 1967–December 1973). The stable seasonal option in the X–11 program uses an unweighted average of all available seasonal-irregular ratios to compute final seasonal factors. In essence, it assumes that seasonal patterns are relatively constant from year-to-year. A cut-off of imput data as of December 1973 was selected to avoid the impact of cyclical changes in the 1974–75 period.

(10) Stable seasonals (January 1967–December 1977). Follows the same procedures as used in column 9, except that the unweighted average is based on seasonal-irregular ratios for the 1967–77 period.

(11) Total. Unemployment and labor force levels adjusted directly.

(12) Residual. Labor force and employment levels adjusted directly, unemployment as a residual and rate then calulated.

(13) Direct adjustment. Unemployment rate adjusted directly.

(14) Average of cols 2–12.

NOTE.—The X–11 method, developed by Julius Shiskin at the Bureau of the Census over the period 1955–65, was used in computing all the seasonally adjusted series described above.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the first five pages of the Bureau of Labor Statistics release on wholesale prices of March 9 be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRODUCER (WHOLESALE) PRICE INDEXES—FEBRUARY 1978

The Producer Price Index for Finished Goods moved up 1.1 percent from January to February on a seasonally adjusted basis, a considerably larger increase than in recent months, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. (See table A). The Finished Goods Price Index reflects only changes in prices received by producers for goods that are in the form in which they eventually are sold to final users. (See "Brief Explanation of Producer Price Indexes," after page 5.)

Prices of food-related products rose much more than in the previous month at all three major stages of processing—finished, intermediate, and crude—in part because of the impact of adverse weather on supplies of some items. Although increases for nonfood commodities were generally somewhat smaller than in January, price rises in February for crude and intermediate nonfood materials were still substantially larger than those registered during most of 1977. Increases for steel mill products and construction materials were especially important among intermediate materials in February.

TABLE A.—PERCENT CHANGES IN SELECTED PRODUCER PRICE INDEXES, SELECTED PERIODS, SEASONALLY ADJUSTED[1]

Month	All commodities	Finished goods: Total	Finished goods: Consumer foods	Finished goods: Excluding foods	Intermediate goods: Total	Intermediate goods: Excluding foods and feeds[2]	Crude goods: Total	Crude goods: Foodstuffs and feedstuffs	Crude goods: Nonfood materials[3]
February 1977	1.1	1.0	2.5	0.6	0.8	0.7	4.2	3.2	5.8
March 1977	1.1	.8	1.3	.6	1.0	.8	.9	.3	1.8
April 1977	1.0	.7	.7	.8	.9	.7	2.0	2.8	.8
May 1977	.4	.8	1.4	.5	.4	.3	−1.4	−2.1	−.5
June 1977	−.5	.1	−1.0	.5	−.2	.3	−4.0	−5.1	−2.3
July 1977	.1	.2	−.2	.3	.3	.7	−1.7	−2.2	−1.0
August 1977	[4].1	.2	−.3	.4	.2	.5	[4]−1.7	−3.0	[4].1

TABLE A.—PERCENT CHANGES IN SELECTED PRODUCER PRICE INDEXES, SELECTED PERIODS, SEASONALLY ADJUSTED[1]—Continued

Month	All commodities	Finished goods			Intermediate goods		Crude goods		
		Total	Consumer foods	Excluding foods	Total	Excluding foods and feeds[2]	Total	Foodstuffs and feedstuffs	Nonfood materials[3]
September 1977	.3	[4].3	[4]—.2	.6	.4	[4].6	—.3	[4]—.2	[4]—.5
October	.6	.6	.3	.7	.4	.3	1.0	1.3	.7
November 1977	.7	.6	1.2	.4	.4	.2	3.2	4.2	1.9
December 1977	.4	.5	.5	.4	.3	.4	1.3	.6	1.8
January 1978	.9	.6	1.1	.6	.9	.9	2.0	2.8	[4]1.5
February 1978	1.0	1.1	2.9	.4	.9	.8	3.2	4.7	1.0

[1] Data for August 1977 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this release differ from those previously reported.
[2] Excludes intermediate materials for food manufacturing and manufactured animal feeds.
[3] Excludes crude foodstuffs and feedstuffs but includes plant and animal fibers, oilseeds (part) and leaf tobacco.
[4] Revised.

Among finished goods, prices for consumer foods moved up more than in any month since November 1974. The producer finished goods index rose somewhat more than in most recent months. On the other hand, consumer finished goods excluding foods increased somewhat less than last month, but about the same as in most months during the last half of 1977. (See table B.) The index for immediate materials advanced 0.9 percent, the same as in January. (Intermediate materials are commodities that have been processed but require further processing before they become finished goods.) The Producer Price Index for crude materials moved up 3.2 percent from January to February, the fifth consecutive monthly increase. (Crude materials are products entering the market for the first time which have not been manufactured or fabricated but will be processed before becoming finished goods.)

On the basis of the traditional commodity groupings, the All Commodities Price Index moved up 1.0 percent in February. The Producer Price Index for farm products rose 2.8 percent over the month, following a 1.7 percent increase in January. (See table C.) The advance in the processed foods and feeds index also accelerated, rising 2.3 percent in February after a 0.8 percent upward movement in January. The industrial commodities price index rose 0.7 percent for the second consecutive month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.8 percent to 188.3 (1967=100). Over the year, the Finished Goods Price Index was up 6.6 percent. Consumer food prices were 7.7 percent higher than in February 1977, the producer finished goods index rose 7.4 percent, and the index for consumer finished goods excluding foods was up 5.6 percent. The Producer Price Index for intermediate goods increased 6.3 percent from February 1977 to February 1978, and the crude goods price index was up 4.4 percent over the same period.

TABLE B.—PERCENT CHANGES IN FINISHED GOODS PRICE INDEXES, SELECTED PERIODS

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 mo. ago (unadjusted)
	Finished goods	Producer finished goods	Consumer finished goods	Consumer finished goods excluding foods			
				Total	Durables	Nondurables	
February 1977	1.0	0.6	1.3	0.5	0.5	0.7	5.0
March 1977	.8	.4	.9	.7	.5	.8	5.7
April 1977	.7	.6	.7	.9	.8	.8	5.8
May 1977	.8	.6	.8	.5	.5	.5	6.4
June 1977	.1	.5	—.1	.5	.4	.5	6.2
July 1977	.2	.4	0	.1	.3	.1	6.3
August 1977	.2	.5	.1	[2].3	[2].9	[2].1	6.6
September 1977	[2].3	.5	.3	[2].6	[2].1	[2].7	6.5
October 1977	.6	1.3	.3	.3	.6	.2	6.8
November 1977	.6	.5	.6	.3	.3	.4	7.1
December 1977	.5	.6	.4	.3	.4	.4	6.6
January 1978	.6	.5	.7	.5	.7	.4	6.7
February 1978	1.1	.7	1.3	.3	.3	.3	6.6

[1] Data for August 1977 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this release differ from those previously reported.
[2] Revised.

PRICE CHANGES BY STAGE OF PROCESSING, SEASONALLY ADJUSTED

Consumer finished goods

The Producer Price Index for consumer finished goods (those eventually sold to retailers) advanced 1.3 percent in February, the largest monthly increase since February 1977. Price increases accelerated over the month for consumer foods, principally because of sharply higher prices for meats. However, price increases for durables were less than in January, while price increases for nondurables were about the same.

The index for consumer foods rose 2.9 percent, after rising 1.1 percent in January and 0.5 percent in December. Prices turned up sharply for pork, eggs, and dairy products after declining in the previous month, and beef and veal prices rose much more than in January. On the other hand, prices declined sharply in February for roasted coffee after no change in the previous month. Prices rose less than in January for fresh and dried fruits and vegetables and processed poultry.

The index for consumer durables rose less in February (0.3 percent) than in January (0.7 percent). Prices declined for jewelry after increasing in the previous month. Prices rose less in February than in January for passenger cars, household furniture, and mobile homes. The consumer nondurable index rose about the same in February (0.3 percent) as in January (0.4 percent). Prices turned down for gasoline and home heating oil after increasing in the previous month. However, prices rose more in February than in January for beverages, soap and synthetic detergents, footwear, sanitary papers and health products, and tobacco products.

TABLE C.—PERCENT CHANGES IN SELECTED COMMODITY PRICE INDEXES, SELECTED PERIODS, SEASONALLY ADJUSTED[1]

Month	Farm products	Processed foods and feeds	Industrial commodities
1977:			
February	2.3	2.0	0.8
March	3.1	1.8	.7
April	2.6	1.9	.7
May	—2.6	1.6	.5
June	—5.5	—1.6	.3
July	—2.2	—2.4	.6
August	[2] —3.0	[2] —.1	[2].5
September	[2] —.7	[2] —.5	[2].6
October	1.3	.7	.5
November	3.1	1.8	.3
December	—.3	.6	.5
1978:			
January	1.7	.8	.7
February	2.8	2.3	.7

[1] Data for August 1977 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this release differ from those previously reported.
[2] Revised.

Producer finished goods

The Producer Price Index for producer finished goods rose 0.7 percent in February, slightly more than in each of the 3 previous months. Prices rose for agricultural machinery and equipment after no change in for livestock and grains advanced more than January. Prices rose more rapidly in February than in the previous month for industrial material handling equipment, construction machinery and equipment, and transformers and power regulators. On the other hand, prices rose less in February than in January for machine tools, special purpose machinery and equipment, commercial furniture, motor trucks, and railroad equipment. Prices were unchanged for aircraft and generators and generator sets after increasing in January.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.9 percent in February after seasonal adjustment, the same as in January but much more than the changes in any of the 8 months prior to that. The index for intermediate materials excluding materials used in food manufacturing and manufactured animal feeds moved up 0.8 percent over the month, about the same as in January. Finished steel products registered the most important price increase over the month. Prices of most construction-related materials, such as fabricated structural metal products, millwork, concrete products, and building paper and board, continued to rise; however, plywood prices declined and lumber prices were virtually unchanged. Among other intermediate nonfood materials, higher prices

were registered for electric power, motor vehicle parts, some nonferrous metals, inedible fats and oils, paper, and gray fabrics. Paperboard and coke prices turned up after several months of falling prices. On the other hand, prices of liquified petroleum gas and commercial jet fuel moved down sharply following several months of large advances. Residual fuel oil and woodpulp decreased for the fourth consecutive month.

The index for intermediate materials for food manufacturing rose in February, principally because of higher prices for refined sugar used in food manufacturing. Flour prices declined after a sharp increase in the preceding month, and crude vegetable oils dropped more than in January.

Crude materials

The Producer Price Index for crude materials for further processing advanced 3.2 percent over the month, seasonally adjusted. more than in January and December and the same as in November. The February acceleration reflected sharper price increases for crude foodstuffs and feedstuffs (up 4.7 percent, following rises of 2.8 percent in January and 0.6 percent in December). Prices for livestock and grains advance more than in January, and fluid milk prices turned up for the first time since last July. Raw cane sugar and live poultry also recorded higher prices. On the other hand, oilseed prices fell after 4 months of large increases, and cocoa beans moved sharply lower for the second consecutive month. Green coffee prices also decreased in February.

Crude materials other than crude foodstuffs and feedstuffs were 1.0 percent higher in February than in January, somewhat less than the increases in each of the preceding 3 months. Coal prices rose more than in any month since last February. Plant and animal fibers and nonferrous scrap also rose but less than in January. On the other hand, prices of crude petroleum, iron and steel scrap, and wastepaper declined following several months of increases. Hides and skins and crude natural rubber prices also fell.

PRICE CHANGES BY COMMODITY GROUPINGS, SEASONALLY ADJUSTED

The Producer Price Index for farm products rose 2.8 percent in February, compared with an increase of 1.7 percent in January. Over the month, prices moved up for eggs, tea, livestock, grains, live poultry, raw cotton, fresh and dried fruits and vegetables, and fluid milk. Prices declined for cocoa beans, oilseeds, and green coffee.

The processed foods and feeds index increased 2.3 percent, compared with a rise of 0.8 percent in January. Prices rose for meats, poultry, sugar and confectionery, and animal fats and oils. Prices were lower for roasted coffee, crude vegetable oils, manufactured animal feeds, and fish.

In February, the Producer Price Index for industrial commodities moved up 0.7 percent, the same as in January. The largest increase occurred for metals and metal products, which rose 1.6 percent following an increase of 1.3 percent in the previous month. Increases were registered for steel mill products and most other categories in this grouping. Among nonmetallic mineral products (up 1.2 percent), the largest advances were for gypsum products, bituminous paving materials, and building lime. The lumber and wood products index rose 1.0 percent over the month, compared with 2.4 percent in January; increases were posted for all categories except plywood, which turned down after 2 months of increases.

CHANGES IN MARCH 1978 NEWS RELEASE AND DETAILED REPORT

Beginning with the March 1978 news release on April 6, the name of this release will become "Producer Price Indexes." Formats for tables 1, 2, and 3 will be completely revamped at that time. Similarly, the name of our bimonthly detailed report, Whole Prices and Price Indexes, will be changed to Producer Prices and Price Indexes effective with the March 1978 issue. Table formats in this report will undergo somewhat less extensive modifications. All price indexes currently published will continue to be calculated and published.

These changes are being made to enhance the analysis of price changes by stage of processing and to be consistent with the switch from the term "Wholesale Price Indexes" to "Producer Price Indexes" to reflect more accurately the coverage of these data.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the first four pages and tables on the first four pages of the release by the Bureau of Labor Statistics on employment, released today, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE EMPLOYMENT SITUATION: FEBRUARY 1978

The overall employment situation continued to show improvement in February, as nonfarm payroll employment rose sharply and unemployment declined further, it was reported today by the Bureau of Labor Statistics of the U.S. Department of Labor. The Nation's overall unemployment rate was 6.1 percent, down from January's 6.3-percent rate and the higher rates which prevailed during 1977.

Nonfarm payroll employment—as measured by the monthly survey of establishments—rose by 350,000 over the month to 84.1 million. Payroll jobs have advanced by 3.1 million over the year. The survey, which relates to the week of February 12th through the 18th, reflected only a marginal impact of the coal strike.

Total employment—as measured by the monthly survey of households—edged up in February to 93.0 million. Employment was about 3.7 million above its year-earlier level (after allowing for the effect of changes in sampling and estimation procedures introduced into the household survey last month).

UNEMPLOYMENT

Unemployment continued to trend downward, totaling 6.1 million in February, seasonally adjusted. The overall rate of unemployment was 6.1 percent, a small improvement over the month and down by 1.7 percentage points since late 1976.

The reduction in the overall jobless rate was the result of diverse developments among the major worker groups. The jobless rate for adult women fell 0.4 percentage point to 5.7 percent, that for adult men edged down 0.2 point to 4.5 percent, while there was an increase in the teenage unemployment rate from 16.0 to 17.4 percent over the month.

The unemployment rate for black workers declined nearly a full percentage point to 11.8 percent, with most of this improvement occurring among adult men. The rate for white workers also declined, albeit slightly, as joblessness dropped for adult women. Over the year most of the decline in unemployment has taken place among whites, whose level of unemployment has fallen by 20 percent, while joblessness for black workers has been reduced by only 5 percent. (See table A–2.)

The average (mean) duration of unemployment fell by about one-half week in February to 12.5 weeks, reflecting a relatively large decline in the number of persons unemployed 6 months or more. Half of the unemployed have been looking for work for 7 weeks or less. (See table A–4.)

TOTAL EMPLOYMENT AND THE LABOR FORCE

Total employment, at 93.0 million in February, advanced slightly from the January level. Since February 1977, however, employment has increased by 3.7 million (this figure takes into account the effect of the improvements in the household survey sampling and estimation procedures introduced last month). The employment-to-population ratio—the proportion of the total noninstitutional population that is employed—was unchanged over the month at the all-time high of 58.1 percent. (See table A–1.)

TABLE A.—MAJOR INDICATORS OF LABOR MARKET ACTIVITY, SEASONALLY ADJUSTED

Selected categories	Quarterly averages					Monthly data		
	1976 IV	1977 I	1977 II	1977 III	1977 IV	1977 December	1978 January	1978 February
	Thousands of persons							
Household data:								
Civilian labor force	95,625	96,221	97,153	97,559	98,622	98,919	99,107	99,093
Total employment	88,182	89,059	90,264	90,823	92,069	92,609	92,881	93,003
Unemployment	7,443	7,161	6,889	6,736	6,554	6,310	6,226	6,090
Not in labor force	59,218	59,225	58,941	59,205	58,777	58,689	58,709	58,911
Discouraged workers	944	942	1,062	1,067	969	[1]NA	NA	NA
	Percent of labor force							
Unemployment rates:								
All workers	7.8	7.4	7.1	6.9	6.6	6.4	6.3	6.1
Adult men	6.0	5.7	5.2	5.0	4.8	4.6	4.7	4.5
Adult women	7.5	7.1	7.0	7.0	6.8	6.6	6.1	5.7
Teenagers	19.1	18.6	18.1	17.6	16.7	15.6	16.0	17.4
White	7.1	6.7	6.3	6.1	5.8	5.5	5.5	5.3
Black and other	13.4	12.9	12.8	13.6	13.3	12.7	12.7	11.8
Full-time workers	7.4	6.9	6.6	6.5	6.2	5.9	5.8	5.7
	Thousands of jobs							
Establishment data:								
Nonfarm payroll employment	80,111	80,925	81,871	82,548	83,192	83,429	[2]83,725	[2]84,074
Goods-producing industries	23,456	23,788	24,265	24,359	24,497	24,526	[2]24,598	[2]24,753
Service-producing industries	56,655	57,137	57,606	58,189	58,695	58,903	[2]59,127	[2]59,321

TABLE A.—MAJOR INDICATORS OF LABOR MARKET ACTIVITY, SEASONALLY ADJUSTED—Continued

Selected categories	Quarterly averages					Monthly data		
	1976 IV	1977 I	1977 II	1977 III	1977 IV	1977 December	1978 January	1978 February
	Hours of work							
Average weekly hours:								
Total private nonfarm	36.2	36.1	36.2	36.0	36.2	36.2	[2] 35.6	[2] 35.7
Manufacturing	40.0	40.1	40.4	40.3	40.5	40.5	[2] 39.6	[2] 39.9
Manufacturing overtime	3.1	3.3	3.4	3.3	3.5	3.5	[2] 3.5	[2] 3.8

[1] Not available.

[2] Preliminary.

The civilian labor force was 99.1 million in February, unchanged from January but up more than 2.3 million over the year (also adjusted for the survey changes introduced last month). The civilian labor force participation rate—the proportion of the civilian noninstitutional population that is either working or seeking work—was 62.7 percent in February, close to the all-time high recorded over the prior 3 months.

INDUSTRY PAYROLL EMPLOYMENT

Nonfarm payroll employment advanced by 350,000 in February to 84.1 million, seasonally adjusted. Most of the major industry groups registered gains, as employment increased in 72 percent of the 172 industries that comprise the BLS diffusion index of private nonagricultural payroll employment.

A very large over-the-month employment pickup took place in manufacturing (120,000), bringing the industry total to its highest level since September 1974. Most of this gain was concentrated in the durable goods industries. In the service-producing sector, all major industry groups posted increases. Contract construction employment returned to the levels prevailing in November and December, following a weather-induced dip in January. Total nonfarm payroll employment in February was 3.1 million above the year-ago level.

As in December and January, employment totals were affected by the strike in coal mining, with approximately 160,000 miners leaving the industry's payrolls. In addition, it has been estimated from regular establishment survey reports that approximately 20,000 workers in transportation and public utilities have been laid off over this period as a direct result of the strike. In order to further assess the impact of coal shortages on employment, each week since mid-February, the Bureau of Labor Statistics has surveyed some 900 of the largest manufacturing and trade firms in 11 coal-dependent Midwestern and Mid-Atlantic States. The first BLS energy impact survey (for the week of February 12–18) identified only a small effect on employment in manufacturing (about 9,500 workers). The two subsequent surveys, covering the weeks of February 19–25 and February 26–March 4, indicated slightly higher levels of energy-related layoffs (25,400 manufacturing workers), but still only a small fraction of total employment in the industry. (See BLS press release USDL 78–180, March 9, 1978.)

HOURS

The February average workweek for production or nonsupervisory workers on private nonagricultural payrolls was 35.7 hours, seasonally adjusted, little different from the sharply reduced January level. Since December, the workweek has been depressed by both unusually bad weather and energy-related problems.

Several major industries made up for some of their sharp January decline in hours. For example, the factory workweek increased 0.3 hour, as overtime hours also rose by this magnitude. In addition, contract construction and transportation and public utilities showed gains of 0.8 and 0.4 hour, respectively. The other major industry groups showed no change or slight declines. (See table B–2.)

Because of the strong employment increase, the index of aggregate weekly hours of production or nonsupervisory workers on private nonagricultural payrolls increased 0.8 percent in February to 116.9 (1976=100). While below the levels of November and December, the index was 2.4 percent above the year-ago level. (See table B–5.)

HOURLY AND WEEKLY EARNINGS

Average hourly earnings of production or nonsupervisory workers on private nonagricultural payrolls remained about the same as in January, seasonally adjusted, but average weekly earnings increased by 0.5 percent. Compared to their year-ago levels, average hourly and weekly earnings were up 7.6 and 6.2 percent, respectively.

Before adjustment for seasonality, average hourly earnings were unchanged from their January level and 39 cents above a year earlier. Average weekly earnings rose $1.09 over the month to $193.99. Over the year, average weekly earnings rose by $11.26. (See table B–3.)

THE HOURLY EARNINGS INDEX

The Hourly Earnings Index—earnings adjusted for overtime in manufacturing, seasonality, and the effects of changes in the proportion of workers in high-wage and low-wage industries—was 207.8 (1967=100) in February, unchanged from January. The index was 7.6 percent above February a year ago. During the 12-month period ended in January, the Hourly Earnings Index in dollars of constant purchasing power rose 1.1 percent. (See table B–4.) Beginning with January 1978, the revised Consumer Price Index for Urban Wage Earners and Clerical Workers (revised CPI–W) is being used to compute the constant (1967) dollars figures.

CONGRESS SHOULD MOVE QUICKLY TO INCREASE OPPORTUNITIES FOR WOMEN IN THE MILITARY

Mr. PROXMIRE. Mr. President, recently the Defense Department complied with a congressional requirement to report on opportunities for women in the armed services and on legislative changes that would facilitate making best use of servicewomen.

Currently women are excluded from all sea-going Navy ships (10 U.S.C. 6015) and from crews of combat aircraft (10 U.S.C. 8549).

In its report to the Congress the Defense Department stated:

The best long-term solution is to repeal both 10 U.S.C. 6015 and 8549.

Mr. President, I agree with this solution and so did the New York Times in a well-reasoned editorial on Tuesday, March 7. I ask unanimous consent that that editorial be placed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE TUGBOAT AND WOMEN WARRIORS

In World War I, the Navy needed clerks so badly that it took in the first women ever to serve formally in the nation's military forces. "Yeomanettes" they were called, and their acceptance created a conflict of regulations: All yeomen had to serve on ships but no women were permitted to do so. Necessity soon brought a solution. All 13,000 yeomanettes, otherwise shore-bound, were assigned to a tugboat buried fast in the mud of the Potomac.

Now, in a time of peace and wholly voluntary recruitment, the military services again seek women enlistees. But this time, the Defense Department is going about the task in a direct way. It is asking Congress to undo present law, which bans women in combat, and let the department determine, service by service, the types of duty to which women may be assigned. It is an intelligent proposal that warrants Congressional support on a variety of grounds.

The change makes practical sense for the services. It would permit them to recruit and deploy personnel more widely, on the basis of ability and unconstrained by gender. The change makes sense for women already in the service. To ban them from combat-related jobs is to restrict their potential for promotion. The change makes sense for women who might wish to enlist. Military employment opens opportunities and education assistance for millions—mainly men. About 5 percent of those serving in the armed forces is now, female; one study calculates that the figure could be raised to 33 percent without loss of effectiveness of detriment to male careers.

Arguments against opening more military jobs to women seem quaint, or indirect. Are women physically strong enough and emotionally aggressive enough to take combat-related jobs? Some women are and some are not; that is an argument for choosing sensibly among them, not for ignoring them—and their wishes—altogether. Should not women be protected from the rigors of combat? The Defense proposal could allow women, volunteer enlistees, to be assigned to combat areas of the kind familiar to viewers of "M.A.S.H.," but not to the front lines. Whether society might someday wish to draft women is an independent question; whether they might then object is not only a question of gender. They would, as a reader of Joseph Heller might say, be crazy not to.

Two trends are now converging in American society. Lacy stereotypes about women's work are steadily receding as more women appear on police forces and in airplane cockpits. Meanwhile, the foxhole stereotype of military work also recedes, as G.I.'s increasingly find themselves sitting before radar screens and computer terminals. For a woman, a Pentagon official says, "being in a foxhole may be impractical. Flying a bomber is not. It should be up to the service secretaries to decide what women should do." That view deserves endorsement on Capitol Hill. The yeomanettes' World War I tugboat was stuck in the mud; Congress should not be.

Mr. PROXMIRE. The Defense Department said it would send legislation to the Hill later this year to accomplish

repeal of the two sections. Meanwhile, there are two bills before Congress which would provide some relief from the legal restrictions which now bind the Navy and Air Force. (There are no legal restraints on the Army.) These are H.R. 7431, which would allow women to be assigned to temporary duty on ships not engaged in combat missions, and my bill, S. 1628, which would give the Secretary of Defense the authority to assign women to whatever job classifications he deems necessary and proper.

The Defense Department supports both of these bills. It is up to the Congress to move as quickly as possible to give the military services the legislative relief they need.

PRESSING NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the word "genocide" has an interesting etymology. The first part of the word comes from the Greek word "genos," which means "race." The second half of the word is the Latin suffix "cide," which means "to kill." The combination of that word and suffix did not occur until the first part of this century, when it was coined by Raphael Lemkin. Lemkin was a Jewish refugee from Poland, and he felt that the word best named the horrors which had occurred in Nazi Germany.

It was Lemkin who wrote the original draft of the Genocide Convention for use by the United Nations. After some revision, the Genocide Convention was adopted by the U.N: General Assembly on December 9, 1948. President Truman signed the treaty later that year.

President Truman submitted the treaty to the Senate for ratification in 1949, and in 1950, the Senate Foreign Relations Committee held its first hearings on the treaty. During those first hearings, there were numerous objections to the treaties. Perhaps the most important group to voice objection to the provisions of the treaty was the American Bar Association. Several Senators referred specifically to the reservations which the ABA had as being a major factor in their own opposition to the Genocide Convention.

I am happy to note, though, that the American Bar Association no longer is opposed to the treaty. In fact, the ABA has given its full endorsement to the convention. I sincerely hope that those Senators who based their objections to the Genocide Convention on the reservations of the ABA will revise their objections accordingly. I call upon the Senate to ratify the Genocide Convention as soon as possible.

Mr. President, I point out once again that every President since President Truman—President Kennedy, President Johnson, President Nixon, President Ford, President Carter—has strongly supported ratification of the Genocide Convention. We are simply waiting for the Senate to act. It is the one body which can act and, of course, it is the one obstacle that stands in the way of this fundamental human rights convention. I do hope the leadership will consider just as soon as possible bringing the Genocide Convention to the floor. It is about time, after 30 long years.

TAX CREDITS OR GRANTS

Mr. ROTH. Mr. President, for the past few years I have been arguing for the adoption of tuition tax credits to help parents educate their children. The President has now proposed his own plan to help college students by expanding the existing grant and loan programs. The President acted after HEW Secretary Califano sent a memo to the President urging him to move quickly "to seize the initiative on this very hot issue."

One of the main differences between the two tuition assistance plans is the approach. A tax credit would simply allow taxpayers to keep more of their own earnings to help send their children to college. A grant would require working taxpayers to fill out detailed forms, reveal their personal financial information, and prove they are needy enough to receive aid.

President Carter campaigned against a big, impersonal Government. Yet his education proposal would result in more State controls, more redtape, and more bureaucracy.

Mr. President, a recent article by James J. Kilpatrick and a Washington Star editorial compare the tax credit approach with grant approach. and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A TALE OF TWO TUITION PLANS: HELP AS A RIGHT, OR A HANDOUT

(By James J. Kilpatrick)

A few weeks ago, CBS News and the New York Times undertook an ideological poll. In the process, they asked a random sample of respondents to explain the difference between liberalism and conservatism .

Half the respondents had no idea. President Carter on Feb. 8 could have provided a textbook answer.

Mr. Carter called a special press conference to unveil his new plan to provide expanded federal assistance in the field of higher education. His plan is at bottom a grant plan.

At about the same time, Sen. William Roth of Delaware was promoting his alternative approach in this same area. Sen. Roth is pushing a plan of tuition tax credits.

These opposing propositions offer a perfect test of political philosophy. Given these choices only, a liberal will go with Mr. Carter every time; a conservative will go with Sen. Roth. You could not find a better example of what the ideological fight is all about.

Consider the Carter proposal. The president asks for an additional $1.5 billion to assist middle-income families in meeting the costs of college education. Two-thirds of the increase would be channeled into the Basic Educational Opportunity Grants (BEOG) that began in 1972. Under this plan, middle-income students with "proven need" would become eligible for grants up to $250 a year.

Ironically, there are certain similarities. Roth's plan also would cost about $1.5 billion. He too has a figure of "up to $250" in mind. But Roth would provide the $250 in the form of a straightforward tax credit to any taxpayer who certified that he was paying college tuition for a dependent. Roth's approach would require no more than one line on a Form 1040 with perhaps a supporting affidavit.

Under the Carter plan, the people are seen as supplicants, begging a handout from a generous father-government. The supplicants would have to "prove their need." The proving process would demand an immense bureaucracy. The approach contemplates forms, reviews, disclosures, judgments, vast paperwork, prolonged correspondence.

The important thing is the relationship: Under the Carter plan, Welfare Secretary Joe Califano is the master; the applicants for BEOGs are subjects. Government retains the power to approve or disapprove.

Roth's approach is 180 degrees around the circle. Here the relationship is wholly different. Here the people are saying, through an amendment to the tax code, that higher education is a good thing.

In times past the people have said that home ownership is a good thing, that contributions to charity are good things, that special consideration for the aged and the blind is well deserved. And the tax code has been drafted to permit deductions for the interest on mortgages, for gifts to the Red Cross, and so on.

Just as every taxpayer who has a home mortgage can deduct the interest he pays, regardless of his net income, so every taxpayer with a tuition-paying dependent could take the Roth tax credit. The element of welfare is eliminated. The government does not award a "grant." The citizen does not apply for help or prove his need. Under the Roth approach, the power of government is not enlarged at all.

Early on, the Carter administration had objected to Roth's bill almost solely on the grounds of cost. This was the chief criticism in December, after Roth had succeeded in tacking his plan to the Social Security bill as it passed the Senate.

But the administration's objection now falls of its own weight. The budgetary effect is identical, whether one thinks of $1.5 billion going out, or of $1.5 billion not coming in.

Yet the fiscal effect is not quite identical either, for the Carter-Califano BEOGs would cost millions of dollars to administer. The Roth plan would involve no administrative costs whatever.

The political effects are different, too. If Congress goes for Carter-Califano, thousands of students and their middle-income families presumably will be humbly grateful to the Democrats for a handout. This is how you win elections; and it is how you lose control of government.

[From the Washington Star, Feb. 27, 1978]

TAX CREDIT FOR EDUCATION

By a 14 to 1 vote whose lopsidedness shocked even the bill's sponsors, the Senate Finance Committee has endorsed what is now known as the Roth-Moynihan-Packwood educational tax credit proposal.

The plan, in essence, allows families to subtract from their income tax bills half of what they actually pay in tuition and fees for college and vocational training, up to an eventual ceiling of $500 per student. College costs would be offset from the start; the costs of private elementary and secondary schooling could be offset too, if the courts allow it, by 1980.

We have previously discussed and endorsed this approach to easing the burden of higher educational costs. What last week's committee vote suggests—as did the broad sponsorship of the original Packwood-Moynihan bill—is the idea's growing popularity.

No wonder it's popular. Paying for higher education has become, like medical expenses, a major worry for middle-income households. And as Senator Moynihan said in his eloquent testimony to the House Ways and Means Committee, "all (taxpayers) ask is to be al-

lowed to keep a bit more of their own earnings during a specific and relatively short period of their lives, the period in which they are struggling to send their children to college."

So what is all the fuss about? It is about several things. It is, in regard to tax credits for private schooling, about church-state relations—the constitutionality of such aid being presumptively clouded by recent Supreme Court doctrine. It is about budgetary priorities and spending levels, too.

But chiefly it is a fight over two different, but not necessarily conflicting, concepts of federal aid. A recent memorandum on the subject of college tuition aid from HEW Secretary Joe Califano to President Carter, urging him to get behind an expanded government grant/loan program and thus "seize the initiative on this very hot issue," is revealing. We learn from the memo, which is enjoying wide if unauthorized circulation on Capitol Hill, that the two education committees of Congress are practically frantic about the tax credit proposals.

Should tax credits supplement, or supplant, the present program of direct grants and loans, the grip of the education committees on educational policy might be drastically weakened. Tax matters are the turf of the Senate Finance and House Ways and Means committees.

It will probably strike most taxpayers, as it does us, as a minor worry whose petty legislative fiefdom is swollen, whose diminished, by the Roth-Moynihan-Packwood bill. But emotions run high on this because the tax-credit approach would give taxpayers maximum discretion, free of bureaucratic supervision, to purchase educational services as suited them—this in contrast to the grant/loan approach, which attaches long bureaucratic apron strings to the money, those strings reaching back to the Washington educational bureaucracy and its pals in the education committees and their staffs.

"There are elements in the (HEW) bureaucracy," said Senator Moynihan the other day, "which, quite simply, are opposed to private education, to anything which is not the creature of the state, and are also opposed to legislation that helps student and families without the need of means tests, application forms and the rest of the paraphernalia by which the bureaucracy extends itself."

Sharp words. Pertinent words. And, alas, probably true words too. Indeed, the popularity and ingenuity of the tax credit approach stole upon the administration unawares as it was huffing and puffing about a middle-class raid on the Treasury. (A raid, you see, is when taxpayers want to keep more of their money, or at least decide how it is to be spent.) As the Califano memorandum shows, HEW is fighting a frantic rear-guard action to block tax credits, and hold its bureaucratic turf.

Indeed, it is the administration that seems to be spoiling for a fight over this issue—notwithstanding that President Carter committed himself in the 1976 campaign to doing something for parochial education. It seems to be another of those strayed, or forgotten promises.

The fight is unnecessary. For as Senator Moynihan clearly demonstrates—his recent statement to the Ways and Means Committee is choice and persuasive reading—the tax credit and grant/loan approaches are perfectly compatible, even complementary.

If nevertheless the administration wants a fight, it looks now as if it will have one. Secretary Califano prompted the president to hint that he would veto a tax-credit bill. The latest response to that threat is the Senate Finance Committee's 14 to 1 bipartisan vote in favor of such a bill.

No one in the Roth-Moynihan-Packwood camp has run for cover yet. And we hope no one does.

STRICT RACIAL NEUTRALITY

Mr. ROTH. Mr. President, the problem of racial discrimination is complex and persistent, and the Civil Rights Act—for all its good intentions as a corrective—has been found to be imperfect in practical application. Perhaps one of the most lucid descriptions of the act's shortcomings I have read in recent times is contained in an article, "A Demand For Strict Racial Neutrality," by Thomas E. Curtis, Jr. The article was published in the February 7, 1978, issue of the Wilmington, Del., Evening Journal. Because I feel that the Members would benefit from its touching and illuminating qualities, I request that the article, in its entirety, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DEMAND FOR STRICT RACIAL NEUTRALITY

(By Thomas Curtis)

In October our daughter died. The baby, Emmaline. Her death it seems, has spared her the indignities which the federal judiciary and bureaucracy have planned for our children, in the years ahead.

Twenty years ago I graduated from Salesianum High, in Wilmington. School segregation was the general rule in Delaware, during the 1950s. You remember segregation? That was the system in which the government had racial controls which assigned students to schools on the basis of skin color. Being black, I would normally have been assigned by race to Howard High in the Wilmington of 1953.

But in 1953 there were other stirrings in the land, urging that we as a people finally lay to rest the legacy of America's discriminatory past. Though the Supreme Court's decision in the Brown case, outlawing segregation and the racial assignment of school pupils, did not come until 1954, by the late 1940s and early '50s it had became clear that a good part of this nation's future, at home and abroad, depended on a more successful resolution of its racial problems.

There were people who were ahead of their times even then, like the Rev. Thomas Lawless, now deceased, the rector at Sallies in the 1950s, who knew that a system which persisted in assigning and restricting American citizens on account of our race, would, even with all the good will in the world, only succeed in planting more self-inflicted wounds on the American body politic.

For, as a practical matter, there is no such thing as benign racial discrimination. Any attempt to treat one individual better or worse than another, on account of skin color, is inherently malignant. And the malignancy is all the more pervasive and all-encompassing when racial discrimination has the power of government behind it.

That is why it was clear, even in 1953, that in order to heal the wounds of the past, and to prevent the mistakes of the present from prejudicing our people's future, racial neutrality on the part of government was an absolute necessity. There had to be a single standard by which to judge the rights, duties and responsibilities of every equal citizen.

Being black, I have an additional reason for desiring governmental neutrality in matters of race, besides Constitutional necessity. The fact is that as an American I have a right to equal citizenship. I cannot conceive of anything more, and I will not settle for anything less. Equality of citizenship must mean equality of treatment in fact, or it is a fraud. If America does not accept the concept of equal rights for equal individual citizens, she must be forced to say so, officially, once and for all.

Similarly when I was a member of the student civil rights movement, in college and in law school, I never dreamed dreams of exact numerical racial distribution in the schools and institutions of this country, for it was perfectly apparent, then as now, that such numerical apportionment was utterly incompatible with a free democratic society. And even among the totalitarian nations of the world, only South Africa had a thoroughgoing system of racial controls and ethnic apportionments functioning. at whatever individual and societal cost. And I was not tempted by South Africa's example.

The goal of the civil rights movement, as I saw it, was to overcome the habit which too many of us Americans had fallen into, of viewing far too many things, and people, in the light of the single standard of race. The motivating idea of the movement was simple really: That the things which unite Americans are more numerous, and more important, than the things which divide us. Therefore, though individuals will not become blind to race or ethnic heritage anytime soon—we would be a strange sort of country if we did—the government and the judiciary and the other institutions of our society should be neutral in matters of race or ethnicity.

During the mid-1960s the idea of civil rights for all Americans reached its high point. It has diminished since. I was privileged to have worked on the Voting Rights Act of 1965, as a congressional legislative counsel. With the unobstructed right to one legal vote for each adult citizen, and with open housing in 1968, the legal framework had been erected for equal justice under law. But the full structure of citizen equality was not allowed to be built. Not to this day. And even the legal framework for equality of citizenship, is being dismantled.

A new set of masters has arisen, from the judiciary and the bureaucracy, and from among the self-appointed guardians who are not content to let American citizens be free and equal. A system of racial restrictions and controls has been put into place, more extensive and more all-encompassing than the old. At least in the 1950s there were some regions and some areas where one might experience the ideal of government neutrality in matters of race and ethnicity. That seems not to be possible any more.

Rather than even a pious pretense of equal citizenship, the current official government doctrine seems to be that we black people, and some other selected minority groups, are by definition inferior, and therefore must be permanently monitored and controlled—by quotas and racial balancing acts, by racial apportionment and reverse discrimination. Someone seems to have forgotten that all discrimination is malignant, and that the federal Constitution and the Civil Rights Acts guarantee the equality of individuals before the law. Despite the 1954 decision, Linda Brown could still, in 1978, not go to the school nearest her home in Topeka, Kansas. She would now be bused for racial balance.

Besides my own justifiable resentment at such government duplicity, and at any official policy which would institutionalize black subordination and erode minority self-respect, there is the effect of reverse racialism on the American social fabric.

It is now common knowledge that there are potentially explosive hostilities in this society among the members of several American minority groups, grievances which have accumulated as a result of discrimination in the past. It would be utter folly to add to our existing tangle of intergroup animosities and anxieeties, by increasing the proportion of the population which has grievances against members of groups different from their own. Or who reasonably believe that they have such

grievances, which amounts to the same thing.

Far better it would be to reassure every American that in the eyes of a government of laws, every American is the legal equal of every other, with equal individual rights. That is an assurance which no one of us has at present, in this era of quotas and racial controls. The fact is that under a system of differential rights and obligations no one of us is truly secure in the exercise of our rights.

A constitutional amendment may well be necessary, to roll back the regime of government racial restriction and racial controls, and to guarantee that government at all levels will be conducted on the basis of strict racial neutrality.

In the meantime, attempts should be made in Congress to attach riders to every appropriations bill moved through the House or Senate, to prevent the expenditure of federal funds except on the basis of strict racial neutrality and to prevent the federal bureaucracy from requiring states and localities to maintain records and statistics on a racial basis. Roll call votes would enable citizens to evaluate their legislators on this import issue.

Government racial controls, racial restrictions, racial regulations and racial quotas have got us ensnared, just as in the early 1950s. But the example of the Republic of South Africa, the only other country on earth with a thoroughgoing and all-pervasive affirmative action plan for racial apportionment, should dissuade even the most fanatic of our homegrown racial balancers and assigners.

My daughter Emmaline will be spared all of that. She will not have the weight of judicial decision and bureaucratic mandate laid upon her from her earliest years, bundling her about to this schoolroom or that, because of the color of her skin. She will not see her kinfolk diminished by a regime of employment quotas which promises much, according to the bureaucrats, but which seems only to take from others, and not to deliver anything of worth to anybody. Except to the bureaucrats.

But Emmaline has brothers and sisters, and there are other American children, all of our children, who are faced with the chilling prospect of permanent racial controls in the United States, balancing and apportioning us citizens out by quotas, for all the years of our lives. All of our children deserve better.

INTERNATIONAL TRADE AND INVESTMENT REORGANIZATION ACT

Mr. ROTH. Mr. President, on Friday, February 24, the Senate Governmental Affairs Committee held the first of its hearings on the Roth-Ribicoff "International Trade and Investment Reorganization Act," S. 1990. This bill would create a new Department of International Trade and Investment by consolidating existing offices and agencies dealing with foreign trade and investment issues in the Federal Government.

Three witnesses, Daniel Minchew, chairman of the International Trade Commission, Dr. Harold Malmgren of Malmgren, Inc., and Prof. Stephen Cohen of American University, strongly supported the concept of creating a new department to consolidate international trade and investment policymaking. Dr. Malmgren, for example, pointed to the importance of streamlining and improving coordination of our foreign trade policies to better adjust to a fast-changing world. He said:

I therefore now think that one strong agency is needed to force compression and cohesion. My own negotiating experience is that if the man across the table senses divisions behind the U.S. negotiator, he will exploit them.

Chairman Minchew argued that a unified department would result in greater consistency in policy, more accountability to the Congress and the public for trade policy, and improved research and analysis capability. As he said, and I strongly agree with him:

If we learn any lesson from the range of commodity crises we have seen in this decade, involving products like oil or steel or sugar, it ought to be that, in trade, it is vitally important to be able to predict and deal with problems before they reach the crisis stage. Historically, no single government agency has felt primarily responsible for doing this. Consequently, we have not made use of available data to foresee and head off difficulties while they are still in the formative stage.

Professor Cohen also stressed the importance of improving our response to the many new and challenging issues in international trade. He said that:

These new issues and the accelerated rate of change suggest a growing need for a quick "turn-around" time between the emergence of a trade problem and a policy response.

Professor Cohen also emphasized that the creation of a trade and investment department as outlined in S. 1990 "would not require the expense or bureaucratic enlargement commonly associated with the birth of a new department. All the requisite parts for the Department already exist and currently are funded in the Federal budget. All that is being suggested is the unification of fragmented bureaucratic units."

Mr. President, because of the great number of requests for this testimony and because I believe it would be of interest to many Members of the Congress, I ask unanimous consent that the statements by Mr. Minchew, Dr. Malmgren, and Professor Cohen be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF DANIEL MINCHEW

Mr. Chairman and Members of the Committee: It is a great pleasure to be here today and to have the chance to comment on S. 1990, a bill to create a Department of International Trade and Investment. Over the past decade I have watched the Federal Government's approach to international trade policy, first as a representative of trade associations, then as a staff member in the Senate during the period when much of the work on the Trade Act of 1974 was being done, and finally as a Commissioner at a small, independent agency, the U.S. International Trade Commission (USITC). What I have seen is the growing inadequacy of an interagency committee system which, when it was first conceived to deal with trade problems, worked very well, but more recently, as the pace of this nation's involvement in international trade has picked up, has found itself increasingly unable to cope.

As you know, Mr. Chairman, it has been several years now since I first commented publicly on what I consider to be the serious drawbacks of retaining much longer the present way of formulating and executing international trade policy. The faults that I mentioned then have not diminished or disappeared, but the burdens imposed upon the system as a whole have vastly increased and will continue to do so. I find now, as I found then, a lack of effective Congressional or Executive control over a well coordinated total trade and investment policy. I still find an absence of meaningful coordination—a condition which lays a heavy tax on Congress's oversight responsibilities. And I find inefficiency and waste stemming from redundancy of effort and resources among the economic agencies, making our trade policy apparatus at times resemble a costly imitation of the dark ages, with each agency maintaining its own band of trade retainers, East-West Trade Bureaus and other symbols of turf, closely protected behind the castle walls of Treasury, State, Commerce, Labor, Agriculture, Defense and all the others which have a piece of the trade pie. Seeing on the other hand the well ordered advances of our economic competitors, I am delighted to have this opportunity to comment on what I consider to be a timely and effective legislative proposal, and on the need for its prompt enactment.

I would like briefly to point out what I feel are a few of the more urgent needs of the United States in international trade and investment policymaking and note how these would be met by a Department of International Trade and Investment.

(1) Consistency in the making and administration of policy. To create the climate for greater and more successful participation by U.S. business, labor and consumers, a foundation of openness and consistency must be laid by government international trade policy. Under the present system, with trade policy a stepchild and secondary consideration of each participating agency, consistency is sacrificed to time pressures and the demands of each individual situation. The proper climate for investment, however, and greater participation in international trade can only be created in my opinion by a single Federal entity with the primary responsibility, to quote this proposed legislation: "to promote the general prosperity of the United States by strengthening beneficial economic relations between the United States of America and foreign countries."

(2) Greater responsiveness to the public. The framers of the Constitution recognized the need for a close link between government and people in the trade area when they vested the responsibility for trade policy in the Congress instead of the President. Is it any wonder that in recent years Congress has increasingly questioned its large delegation of authority in this area to the Executive Branch, when the only way the average citizen can exert any control over the complex interagency system, or even keep up with which agency has the ball, is by asking a Congressman to intervene? Congress and the American public, to my mind, would be far happier and would be immeasurably better served if there were one place in the Executive Branch for people to bring their international trade hopes and problems. Moreover, under a system where interagency confusion was no longer an obstacle, the United States' participation in international trade would be enormously strengthened by securing the public as a more active partner in the trade policy process. If I can cite personal experience, I have found that the USITC's rebirth as an effective and forceful entity is due in major part to the public support we have received through two simple innovations. First, we began taking many of our public hearings out of Washington, D.C., where they had almost all previously been held, and holding them in parts of the country that were likely to be affected by any actions we might take. The public response and the value of the testimony we received have both been phenomenal, simply because we went to the people who had the most direct experience with the problems. Secondly, we introduced our own "sunshine regulations" well

in advance of the law, and have opened up our Commission meetings and deliberative sessions in almost every instance to whoever wanted to come. As a result, people have become aware of who we are and what we can do to help them, and our own effectiveness has grown enormously. I would hope that, by centralizing the presently widespread authorities of the executive economic agencies into one responsible entity, you will have an international trade institution capable of doing many of the same things we have done, but doing them with the force of a Department rather than the relatively limited resources of a small Commission.

(3) Research capability. If we learn any lesson from the range of commodity crises we have seen in this decade, involving products like oil or steel or sugar, it ought to be that, in trade, it is vitally important to be able to predict and deal with problems before they reach the crisis stage. Historically, no single government agency has felt primarily responsible for doing this. Consequently, we have not made use of available data to foresee and head off difficulties while they are still in the formative stages. We have had to wait until a problem was actually on top of us before we started pulling together the necessary information and forming a plan of action. We have become truly crisis oriented. Anyone who has been involved in trade at all knows how costly and how frustrating it is to try to deal with a footwear issue or a television issue or a steel issue after it has reached the stage of national emergency, especially when, if effective action had been taken early, the dangers might never have materialized.

As long as we continue our present, last-minute troubleshooting approach to trade problems, we are going to continue to face time-consuming controversies and costly crises. In my opinion, a range of problems from the conflicts over DISC and foreign taxation all the way to the energy crisis could have been prevented or diminished by early research and a coordinated set of actions on the part of the U.S. Government. At the present time, serious issues are going begging which, if left unattended, could lead to large-scale difficulties in the future, in the electronics industry, for example, or the automobile industry. These are problems which merit the attention and resources of a full-time trade department now; but no one entity has the overall mandate to devote much time to working with domestic and foreign interests to try to avert these problems while they are in a more manageable stage. To my mind, it is vital that the clear responsibility for research and investigation of this kind be vested in one Government agency with the mandate not only to find out, but to act in a timely manner on what it has found.

Again, the series of problems we now face involving foreign unfair trade practices have grown up over a number of years. Congress has demonstrated its awareness and concern over the lack of effective action against these practices by giving the USITC, through the Trade Act of 1974, the clear authority to take action. But if an agency of the U.S. Government had shown itself willing and ready to act in such cases earlier in the decade, we would not, in my opinion, be experiencing problems of this magnitude at the present time in areas such as steel. If there had been, in effect, a policeman on the block, a single Government agency ready to serve as a watchdog in matters of this sort, I firmly believe that even the adverse effects of high-volume fair trade, which has risen in escape clause cases before the USITC in the past three years from a value of $250 million to over $5 billion a year, would be lessened. The authority to take such action has been there for some time: but though Federal agencies have squabbled over jurisdiction in the unfair trade practice area, little action has so far been taken. In my opinion, such jurisdiction would, under the provisions of this proposed act, be vested where it belongs, in a single Federal entity which can start shouldering the responsibility in these cases.

(4) Congressional oversight of trade matters. As long as the Congress, under Article I, Section 8 of the Constitution, has responsibility for trade policy, then there needs to be an adequate mechanism for Congressional oversight. There is no question but that Congress would be better able to maintain an effective oversight over a single department than over the entire, farflung system of agencies, commissions and bureaus which presently formulates and exercises international trade policy for the United States.

For all these reasons, speaking as one Commissioner of one part of the Federal Government's international trade apparatus, I enthusiastically support this proposed legislation and commend its far-sighted sponsors, Senator Roth and Senator Ribicoff. I look forward to its passage and will be pleased to be of any assistance or information that I can.

STATEMENT OF HAROLD B. MALMGREN

I am honored by your invitation to appear before this Committee to give my views on the management of foreign economic policy, and in particular to comment on the general line of thinking embodied in S. 1990.

My earlier thinking on this complex question was expressed in statements I made on two previous occasions before Congress, once on July 18, 1975, before the Senate Committee on Banking, Housing, and Urban Affairs (Subcommittee on International Affairs), and again on July 28 1976, before the House Committee on International Relations (Subcommittee on Investigations).

I am especially honored to appear before this Committee, since the Chairman, Senator Ribicoff, has in my view been over the last several years one of the most perceptive observers of the international economic problems before us. It was Senator Ribicoff, for example, who first called for a new effort at coordination of commercial and investment policies of the OECD countries, in 1970. His initiative resulted in the creation of an OECD "wise-men's group," under the Chairmanship of Jean Rey, and that Committee in turn played a key role in the launching of the Multilateral Trade Negotiations in Geneva, now under way.

Senator Ribicoff and Senator Long (as Chairman of the Finance Committee), issued a report on November 19, 1975 which I consider still highly relevant. Among other things, they said that:

"The changing sense of power and how to use it is no longer based on old concepts of geopolitics and military strength. It is increasingly based on ecopolitics—on the application of economic pressure by one nation upon another; by the yielding or withholding of materials or finances; by the willingness or unwillingness to work together to solve common problems.

". . . The U.S. Government faces a turbulent international economic situation. The world economy is in trouble, and this has implications for our own economy. All of the major trading nations are in the same situation, with recession, inflation, and potentially weak recovery in sight. Our economies are interdependent more than ever before.

"This turbulent situation requires management. It requires new ideas, new concepts, for dealing with the ecopolitics of the future and not the geopolitics of the past. We are accustomed, in the search for new policies, to look to the Executive Branch to play the role of leader. However, in economic matters, the Executive has not always been alert to new developments.

". . . Our conclusion from this survey of current thinking and exchange of views is that the U.S. needs a strategy for dealing with the new world of ecopolitics, and that the U.S. needs to work in cooperation with other nations much more than in the past.

"Being called upon to lead, and then being criticized for trying to dominate is not a good position to occupy. Nor is it helpful to assert independent leadership in a way which insults other nations and embarrasses their political leaders, causing them to express doubts. The time has come for cooperative and consultative diplomacy, generously sharing the credit for ideas as well as tangible contributions. This involves more openness at home with industry, agriculture, labor, and other American interests, and more openness abroad with other governments.

"It is time to end the intellectual and bureaucratic separation of economic issues one from another, with parts of each specific issue scattered throughout the government machinery without any sense of overall purpose and general guidance from the top."

This conclusion is very much to the point today—perhaps even more than it was in 1975. The difference today is that the global economy did go through the worst recession in forty years, and the subsequent recovery has been weak and uncertain. The U.S. outlook, as viewed by the Executive Branch, is for 4.5 to 5 percent growth of GNP in 1978. But the private sector consensus forecast is more like 4.2 percent, and my own assessment is that even that level is doubtful. The major sectors which should show strength are in fact weakening. There is no sign of a recovery in business investment. On the contrary, real business investment is likely to grow much less rapidly this year than last year. There seem to be very few signs of confidence in the medium-term or long-term outlook. Even the little investment taking place in the recovery seems to be oriented towards short-term cost reduction and productivity improvement, rather than fundamental restructuring of our economy to deal with the changing world environment in food, energy, trade, and finance.

The economic outlook abroad is much worse. Industrial production in the other industrialized countries of the OECD group has been declining, or at best stagnant in a few cases. Unemployment is actually rising in a number of key economies. Investment is in trouble everywhere, with real investment declining as a share of GNP, while wages are rising faster than productivity in many countries.

CRISIS OF CONFIDENCE IN THE MARKETS

So the crisis of confidence in the future is not just in the U.S.—it is even more acute in Western Europe, Canada, and Japan. This is a common disease, sapping our strength, at a time when the need to proceed vigorously to restructure the world economy has never been greater.

The stock market reflects the crisis of confidence. The turbulent foreign exchange markets are even more revealing of the general sense of disarray, as financial managers and speculators alike scurry around in search of safe havens.

There is a tendency in public debate to attribute the falling dollar to bilateral trade imbalances and the U.S. trade deficit, but I believe that is a gross oversimplification.

What is happening, in my judgment, is that there has been a general collapse of confidence in the ability of the U.S. or other governments to manage the forces at work. The tendency to make policy by reacting to crises, one by one, without any overall strategy or policy design, leaves the financial and commercial world with the feeling that the great ships of state of the West are maneuvering around in narrow straits in a fog, without attention to each other's behavior.

Europeans are calling for financial intervention to stabilize the dollar and other

currencies. But the experts have found no way to do this effectively. That is because the sheer magnitude of financial resources needed to firm up markets is beyond the means of individual nations—even the U.S.—and because a partial effort might well aggravate the crisis of confidence.

To stabilize the markets you have to quell the fears and stabilize the expectations of the market forces. You have to convert the rush into greater liquidity and mobility to a return to long-term financial and investment commitments. The movable has to be persuaded to sit still, in productive uses. The liquid surplus of OPEC has to be converted even faster into fixed investments in the OECD and in the developing nations. The private savings and cash positions of corporations have to be converted to investments in new areas of production, for the long-term.

To accomplish this, and turn the U.S. and other economies away from another economic downturn very soon, there must be developed a common sense of purpose that can be explained to the public and the markets. The present ad hoc reactions of national governments, with resort to protectionism at the borders and increasing official intervention to shore up weak sectors domestically, have to be put under control.

The present policy of pursuing the politics of blame—"It's not our fault, it's the other nation's inadequate efforts"—does not inspire market confidence. The so-called "locomotive theory may have meaning to some economic theorists, but to the economic and financial world it symbolizes deep divisions in the West, and therefore, causes more fear in the markets, not less.

To get out of this mess takes a great deal of coordination and development of common analyses and common objectives. This is true at home, and it is true internationally.

We have a potential economic summit this summer. If it brings forth another set of platitudes, masking deep divisions on what to do, then we can expect the world markets to become even more fearful and erratic.

At home, the failure to link economic issues together, and decide them in a coherent and consistent framework, is being widely criticized, within the bureaucracy as well as in the private sector of our economy. It is therefore not surprising that the Congress should become concerned, and I commend Senators Roth and Ribicoff for submitting this bill, for debate, on the question of how to improve the structure of management of commercial and investment policy.

THE CONGRESSIONAL ROLE

In 1962, when the Congress was asked by John F. Kennedy to consider the Trade Expansion Act of 1962, the Congress found itself compelled to deal with the organizational issues of trade negotiations and trade policy management.

The Congress had become dissatisfied with the long-standing role of the State Department in leading U.S. trade negotiating teams. This was substantially attributable to widespread criticisms by agricultural, industrial, and labor groups in the private sector. Against the objections of President Kennedy, the Congress forced the establishment of the Office of the Special Representative for Trade Negotiations in the Executive Office of the President, to lead the negotiations authorized under the Trade Expansion Act.

It was the Senate, in late 1974, that took the lead in further strengthening the role and independence of that Office, and the House of Representatives concurred in the appropriate amendments to the Trade Act of 1974 proposed by the Senate. The head of the Office was given Cabinet rank in the law. The President, then Mr. Ford, and the Executive Branch once again objected vigorously, but the Congress prevailed.

Congress had been subjected to intense constituency pressures, and had been frequently called into disputes among interest groups concerned with the nation's trade policies. Congress therefore insisted this area was special, requiring unusual efforts of coordination of domestic and international interests of the U.S. The result, the creation of this Office, is clearly an anomaly. What we now have is a line agency responsible for trade negotiations, including management of a trade negotiating team in Geneva, and that agency is located in the President's own office, separate from all the line agencies of government. I am sure its existence must have been puzzling to each new President, on examination of the structure of his own Office.

It is justifiable? Because economic policies affect specific interests and institutions in our economy, members of Congress may be expected to be sensitive to the benefits and costs of policies to their constituent interests. The role of Congress in filtering and boiling down the politics and economics is necessary to effective functioning of the Executive. The mood, opinions, and determinations of the Congress provide a kind of national interest perspective which the Executive does not by itself accomplish very well.

But the role of Congress in international commercial policy is much more basic than that. It is a Constitutional issue.

Contrary to popular opinion and the efforts of Presidents and Secretaries of State, the Constitution does not really determine who has ultimate power to make and enforce foreign policy, especially foreign economic policy. Congress, not the Executive, is given the power to regulate commerce with other nations. And "commerce" has been defined by the courts as much broader than just trade. Congress has power to define offenses against the "law of nations" and to declare war. The President's powers under the Constitution are ambiguous. In any event, Congress has to provide implementing authority for most foreign policy matters that have any economic content. The Congress also is explicitly responsible for raising necessary revenues and for authorizing expenditures for any purpose, whether for war. defense, aid, or just diplomatic activity. Taken together with the power "to borrow money" and "to coin money, regulate the value thereof, and of foreign coin," the Commerce Power supports the U.S. role in international finance and banking. The Constitutional expert Louis Henkin says of the Commerce Power alone that "'The Commerce Power . . . might be sufficient to support virtually any legislation that relates to foreign intercourse, i.e., to foreign relations."

The control of Congress over the Executive is exercised through legislation and the refusal to provide appropriate approval of treaties or legislation to implement agreements reached by the Executive. After a deal has been struck with other nations, Congress may still refuse to go along. When the Congress refuses to provide implementing authority, it is not only a source of deep embarrassment to the Executive—it is also disruptive to the governments of many other nations. It is an extreme step. But it is a step which historically has been taken not infrequently, and seems to other nations to be a serious impediment to economic negotiations with the U.S.

When such breakdowns occur, Executive officials, and sometimes the President, blame Congress, in a posture of helplessness before foreign officials. In most cases, in my experience, such breakdowns are the fault of headstrong, egocentric officials in the Executive working on their own, with inadequate attention to domestic economics and politics.

Sometimes breakdowns result from partisan politics, in an area where partisanship is not only inappropriate, but can rarely succeed. In most cases of breakdown, there was simply inadequate consultation with the Congress before agreements were reached.

This fact, of the power of Congress to withhold implementation, or to add new conditions on Executive administration of an agreement, creates problems for the U.S. in negotiating with other nations, especially on commercial matters. The major trading partners of the U.S., for example, in the early 1970's refused to enter into worldwide trade negotiations until the U.S. Executive Branch acquired from Congress specific authorities to negotiate trade policies and to cut tariffs. While it would logically have been better for the Executive first to define and negotiate specific solutions to the wide array of trade problems in the world, and then to come back to Congress and propose a specific package to Congress for approval, the governments of other nations simply would not go along with this. Given their perception of unhappy experiences in the past, when the U.S. failed to deliver on its Executive Branch deals, the politicians of other nations wished to spare themselves potential embarrassment and even political damage.

However, it is not always possible to legislate in advance an appropriately defined delegation of power, when the negotiations are only beginning. Moreover, circumstances change. What was once appropriate may be less so as time goes on. On the other hand, Congress cannot negotiate for the Executive.

A mixed solution is therefore necessary, combining formal consultations, Congressional involvement at least as observers, use of Congressional hearings, and legislative directives to the Executive. The particular mix may be different in each case, but all of these elements need to be involved in some degree.

The problem of delegating sufficient power, without delegating excessive power, to the Executive, is not easy to solve. In the Trade Act of 1974, this was dealt with by several techniques. One method was to elaborate in various sections of the law the "negotiating objectives" as Congress saw them, and to elaborate certain techniques which the Congress wished to have explored (e.g., the law stipulates that a sector-by-sector approach be taken, where feasible, and that reports be made on the result of this negotiating approach). A second was to encourage the Executive to negotiate on nontariff trade measures, but to require that any changes in U.S. practice which necessitated changes in law would have to be brought back for legislative consideration. Another means of keeping Congress and the Executive in some kind of continuing relationship was the establishment under the law of a Congressional oversight group, the members of which could be delegates to the international negotiations.

The staffs of the Finance and Ways and Means Committees were designated by law to support this activity, and the Executive gave informal assurances that the staffs would have full, unimpeded access to documents and overseas official cables, and would be able to attend international meetings (provision for Congressional staff to be in the negotiating room was considered unprecedented by the State Department, and resisted for a time, during the consideration of the Trade Reform bill which later became the Trade Act of 1974). Yet another device was to provide for Congressional override, or veto, of certain actions taken, or not taken, by the President, in some cases by concurrent resolution, and in other cases by veto of either house.

During the Congressional deliberations of this Act, other governments indicated, at high levels, that negotiation on an ad referendum basis would be unacceptable, without something more to assure reasonable chance of Congressional approval of any final agreements. The Executive informed Congress that other governments wanted, specifically, that matters referred to Congress would be acted

upon within a specified, limited period, and that decisions by Congress would be based on a simple yes or no vote (no splitting up of package deals, and no new conditions imposed). The House offered a negative veto procedure, similar to those provided for under the various reorganization acts (if no negative action within a specified period, the proposal became law). The Senate did not believe that legislation affecting specific matters of commerce and altering previous laws should be enacted in this manner. Instead, the Senate proposed that the new Trade Act specify the Congressional timetable and rules of consideration for potential trade packages, and that the Congress bind itself to make an up or down vote within the specified period. The Senate prevailed in the final version of the Act.

This elaborate piece of legislation was one recent approach to coping with the Executive-Congressional division of functions. It has so far, I believe, proven successful.

IS SOMETHING MORE NEEDED?

The solution found in the creation of the Office of the Special Representative for Trade Negotiations has worked well, so far as it goes. But now we find more and more issues becoming intertwined with trade policy.

Even more crucial, trade policy is having a growing political and economic impact on the domestic economy, on industry, and on farming, and on jobs. And financial markets are affecting trade, and trade is affecting financial flows. World debt is being cumulated to purchase goods and services as well as to finance development, so that trade, aid, and debt, or commercial lending, are becoming inseparable questions.

Our institutional system of decision-making, or even of policy planning, does not even recognize this, much less cope with it. When there are disputes, as is inevitable when particular interests are affected, appeals are made—by those interests, by the agencies, by the Congress—and the appeals move upwards, gradually converging on the President. In turn, recently, more and more of the disputes are also going to the courts. And the Congress is under intensified pressure to legislate solutions.

It is an impossible situation.

From the President's point of view, he is overloaded with appeals, and confronted by daily crises and complaints from leaders of other nations.

One could fairly say that the Departments have historically failed to protect the President from inordinate pressures on him personally, by failing to develop the necessary political consensus or balance before decisions are made.

The kinds of issues that reach the President are specific and narrowly defined. Almost anything controversial seems to gravitate towards him. From the President's point of view, he needs a clear policy design, capable of articulation in his speeches as well as in statements of the Cabinet, and usable as guidelines for daily departmental or agency decision-making.

But the President needs even more, for his own protection. It is imperative that: (1) someone act as arbitrator between contending forces in the Executive; (2) someone enforces Presidential decisions and policy guidelines; and (3) someone handle appeals and manage relations with Congress and private and public bodies outside the federal government.

In my opinion, these specific functions must be carried on by a handful of people somewhere in the President's own staff.

Conversely, to make this role, and that of the President, workable, the departmental structure must somehow be strengthened, so that the departments are charged with, and carry out, a broader role in developing both domestic and international consensus than has been the case until now.

Something is therefore needed. The question is what:

(1) Should we have a Department of Economic Affairs, linking international and domestic economic issues?

(2) Should we link all international economic issues and all national security affairs?

(3) Should we bring together all international economic issues (trade, aid, investment, finance, export controls, energy, oceans policy, etc.) in a separate Department of International Economic Affairs?

(4) Should we consolidate only trade issues in a Department of Trade?

(5) Should we link, as S. 1990 does, trade and investment policy in a Department of International Trade and Investment?

(6) Should we have a new Cabinet Committee or Presidential Committee to pull it all together?

As for the last alternative, that has been the means of dealing with the problems in the past. There have been formal committees and informal steering groups. In the end, the job has never been accomplished well in this way because a small committee cannot staff itself out to cover the whole territory, and sift the issues and their linkages before the White House gets dragged in.

Nonetheless, my own view in the past was that of a small Presidential staff, through its power to send problems back, and to enforce Presidential decisions, could create a strong motivation on the part of the Departments to do a better job among themselves.

The experience in the 1970's of rapidly growing interdependence, external shocks, internal disputes, and general overloading at the top makes me doubtful whether my earlier conclusion is any longer valid. I therefore now think that one strong agency is needed to force compression and cohesion. It is a matter of staffing out the accelerating complexity, and of forcing other agencies to think through the international economic consequences of their moves.

For example, to have the Department of Energy dealing with other governments and shaping a policy separate from the rest of our international economic policy is not a sound way of dealing with the shocks of energy adjustment, and the political and economic pressures on markets, and on other national economies. To have financial officials dictating export finance policy, or foreign debt policy, without reference to U.S. export and import policy, is foolish. To have aviation agreements here, and fisheries questions there, and agricultural deals in another place, and commercial trade policy in yet another place—does this really maximize our effectiveness?

In fact, my own negotiating experience is that if the man across the table senses divisions behind the U.S. negotiator, he will exploit them. He will try to bring one U.S. agency into conflict with another, if he can. If he senses a way to peel away one issue from another, he will. And if he senses the U.S. negotiator cannot, or may not be able to, deliver on the deal, he will fold up his cards and go home.

It seems to me the biggest part of the economic crisis we face is in creating a sense of common concepts, common purpose, and common effort internationally. I would therefore now tend to vote for a new agency to deal with all external commercial and investment matters, but I would include agricultural trade. In saying this, I mean *all* commercial questions, in the sense of the Constitutions' use of the word "commerce"; that is, including energy problems in all their international guises, oceans and fishing questions, aviation, and everything else commercial in whole or in part.

And I must wonder whether we should not also include policy on external debt, development assistance, export financing, and other such trade-related or investment-related financial questions.

The Executive Branch will naturally resist such a change, because of disturbance to present power structures. The White House would probably resist yet another agency.

But what is the real objective? It is to present one design, and one mode of negotiating, to the rest of the world. The real purposes must be to (1) strengthen the U.S. in bargaining, and (2) give confidence to world markets that the house is now being put into order—in all its major aspects.

It is a way of recognizing the reality of ecopolitics—and of recognizing the global crisis of confidence, with a view to calming the fears and channelling the energies of our vast economies in a more productive direction than chasing around from liquid asset to another, and from one currency to another.

If the rules of the game settle down, fundamental economics will take the place of apprehension and fear.

If we want the expectations of the market to settle down, and our surpluses to go back to work in the form of long-term, productive commitments, we must somehow stop the arguments with other nations, and start convincing the market forces that governments have a long-term vision and a sense of common destiny.

This is Constitutionally the business of Congress, and you are fundamentally correct in raising the problem, in the form of this bill before the Committee.

STATEMENT OF STEPHEN D. COHEN

Mr. Chairman, I appreciate your invitation to testify on the merits of S. 1990, a bill that would create a new Department of International Trade and Investment (DITI). I strongly favor the bill's contents. Existing organizational shortcomings and emerging changes in the international trading system represent compelling arguments on behalf of this organizational innovation.

In order to give a full disclosure of my approach to this bill, I feel that I should also mention a feeling of personel interest in its enactment. Many of the ideas contained in this proposed legislation emanate from my 1977 study of the organization for the conduct of U.S. international economic policy.*

My thinking since then has changed only to the extent of being more convinced than before of the soundness of creating such a department.

AN OVERVIEW OF ORGANIZATION

Organizational issues are of special significance to U.S. foreign economic policy. The latter is not an independent phenomenon. Rather, it is an amalgam of other basic ingredients: political and economic factors as well as domestic and foreign priorities. Foreign economic policymaking is more a reconciliation process than anything else. It is a balancing act, trying to devise policy which complements both internal and external needs and objectives. The fact that physical security and financial security are the two highest priorities of most countries mandates foreign economic policy both to a level of importance and a place of contention between powerful governmental forces.

Should control of the decision-making apparatus be dominated by either the foreign affairs bureaucracy or the domestic economic bureaucracy, a high probability exists that international economic policy will "tilt" in favor of one priority over the other. This is not venality; determination of the "national interest" in complex international economic issues is a difficult, subjective proc-

*The making of United States International Economic Policy—Principles, Problems and Proposals for Reform. (Praeger: 1977.)

ess. The absence of State Department input during the textile embroglio with Japan from 1969 through 1971 and during the immediate period following announcement of former President Nixon's New Economic Policy in August, 1971, are empirical examples of this phenomenon. In both cases, the interests and feelings of other governments, U.S. allies, were given minimal consideration in the pursuit of domestic goals. The policymaking process can and does affect policy substance.

Arguments about organization affecting international economic policymaking go beyond conceptual issues of public administration. Deep-down, most of these debates are smokescreens for issues of control and influence between bureaucracies having different missions, perspectives, and interpretations of national needs and interests. If managed properly, a vigorous exchange of different viewpoints is healthy. It assures that all appropriate interests are taken into account in the complex international economic decision-making equation. But the key is management. Lines of authority and communications must be clear. Sound decisions have to be made within a reasonable period of time and need to be respected by all parties.

An attempt to concentrate control of all U.S. international economic policy in one department would be simplistic. It could be detrimental to balanced policy. For the reasons just mentioned, a number of different perspectives need to be considered in any complex international economic issue. Furthermore, the agenda of international economic relations is growing too rapidly to allow concentration in any single department, present or future, without creating an unwieldy bureaucracy.

In my opinion, there needs to be organizational specialization according to the major functional sectors of foreign economic policy: trade and investment, finance and monetary policy, energy, development, etc.

The most pervasive policy dilemma is the difficulty—and importance—of providing good coordination. To assure compatibility, coherence, and cohesiveness, foreign economic policies must be coordinated on three levels. First, between the various sectors of international economic relations; e.g. there is a link between the international trading system and the international monetary system, both systems in turn relate to developmental questions. Secondly, foreign economic policies must complement basic domestic economic objectives, such as growth and price stability. Finally, they must complement international objectives, e.g. a liberal, market-oriented world economy and efforts to cement alliance politics.

S. 1990 would provide an efficient building block in this overall coordination system. The proposed Department should not be confused with an all-encompassing department of international economic policy. Nor should it be viewed as a master coordinating unit. International commercial relations are merely the most visible and most pocketbook-oriented segment of a larger range of international economic issues.

In sum, creation of the proposed DITI would not be a panacea for all of the structural shortcomings which I believe exist in the U.S. international economic policymaking apparatus. For example, a more effective senior-level coordinating process is necessary. Although this is not the place to develop my thoughts on this area, suffice it to say that DITI would fit neatly into what I would consider an effectively reorganized, comprehensive means of coordinating U.S. international economic policy. Without this new department, any coordination process faces the problem of having to recognize multiple bureaucratic spokesmen in the various trade policy issue areas, depending upon the exact nature of the issue at hand.

RATIONALE FOR THE DEPARTMENT

By consolidating the organizationally disjointed and duplicative responsibilities in the international trade and investment sectors, DITI would represent a major step, not a guarantee, of more effective, focused, responsive, and integrated American policy. Annual international trade and investment flows (in both directions) already represent a third-of-a-trillion-dollar business in the United States. Existing government organization is, however, more befitting a cottage industry. Its illogical, overlapping nature is confusing to all but the shrewdest bureaucrats and lobbyists.

Contemporary international trade and international investment policy organization represents historical and personality factors more than organizational precision or common sense. The presumed center of trade policy, the Office of the Special Representative for Trade Negotiations (STR), embodies several organizational anomalies. It is one of the very few operational units within the Executive Office of the President. Its activities and influence ebb and flow according to whether multilateral trade negotiations are in progress and to the nature of the relationship between the president and the Representative himself. A number of key trade policy activities still reside in the Agriculture, Commerce, State, and Treasury Departments. STR's purported coordination role traditionally has been usurped by the various White House groups assigned to grapple with overall international economic policy coordination.

Whereas foreign trade organizations consists of a noisy, active string of narrowly defined fiefdoms—which may or may not work together harmoniously—the international investment policymaking process is all but undetectable. The increasing complexity of the issues associated with inward and outward foreign direct investment and with the separate, but related issues of international business practices (e.g. bribery and boycotts) deserve a more sophisticated policymaking focus.

U.S. trade policy is linked closely with foreign investment policy. At the bottom, there is the conceptual link of their being the two principal market-oriented phenomena with the common business objective of increasing sales to foreign consumers. A technical link results from the fact that a very significant proportion of U.S. exports of manufactured goods presently consists of intracorporate transfers; that is arms-length sales directly to foreign buyers are not involved. On the import side, the mounting tide of foreign direct investment in this country inevitably will alter the composition and level of U.S. imports, just as export patterns have been affected by U.S. corporate foreign direct investment. Demands by LDCs for increased transfers of technology, as well as the outlook for tighter host-country control over the production and trade patterns of multinational corporations, suggests additional longer-term effects of overseas investment in the U.S. export sector.

The United States is unique among industrialized countries in not having a single ministry or agency charged with the overall direction of trade policy. There are three explanations that immediately present themselves. The first is that this country knows something (or does something) that nobody else does. If so, it is a well-hidden secret. The advantages of a single designated spokesman for trade policy when dealing with foreign governments is obvious. Dismissing this answer, we come secondly to the possibility that the U.S. internal situation is so extraordinary that a trade ministry is wholly inconsisent with reality. While one can argue that the more powerful models of such a ministry (for example, the MITI in Japan), are inappropriate to the tenor of U.S. government-domestic business relations, the abstract notion of a trade ministry is not at odds with the U.S. experience.

This leaves a third explanation: U.S. international trade and investment policy organization has grown piecemeal, influenced by historical circumstances and the chance presence of strong personalities in the Executive Branch and Congress. Existing organization is accepted and tolerated because "that's the way we've always done it." Since passage of the Trade Expansion Act in 1962, no one has publicly taken a long, hard critical examination of U.S. trade policy organization which did not take the status quo for granted.

A challenging of basic assumptions and existing organization is long overdue. The discussion that begins today serves a very necessary purpose. Whatever the fate of this bill, Senators Ribicoff and Roth have performed an important public service; by introducing this bill, valuable analysis and debate of an important issue are ensured. The procedural comfort of letting sleeping organizational dogs lie is becoming prohibitively expensive in real and potential substantive terms.

This critical analysis of trade organization which this Committee has undertaken coincides with the emergence of fundamental shifts in the international trading system. Foreign trade officials in all countries must cope simultaneously with a change of pace in basic trade problems and an acceleration in the pace of change.

The thrust of international trade relations in the 25 year period following the entry into effect of the General Agreement on Tariffs and Trade (GATT) in 1948 was in the direction of liberalization and rapid expansion of trade flows. This momentum toward a system of freer international trade blossomed within the context of sustained, high levels of economic growth and generally low levels of unemployment in the industrialized economies.

Today, three broad international economic trends are converging at once to induce fundamental shifts in international trade conditions and needs. These include a "cooling-off" period of uncertain duration for real economic growth in the industrialized countries, especially in Western Europe and possibly Japan as well. Second, an intractable global balance of payments disequilibrium, caused principally by the structural current account surpluses of a handful of oil exporting countries, has produced mounting trade deficits and rising foreign debts for almost all oil-importing countries. Thirdly, a number of advanced less developed countries have reached the "take-off point" in terms of the international competitiveness of their exports of manufactured goods. Their exports' growth rate is impressive, and their ability to upgrade their exports, i.e. move into more sophisticated product lines, is taken for granted.

The collective effect of these trends is an apparent suspension in the practice of the liberal trade ethic. Liberal rhetoric still abounds. No government as yet has been so foolish as to think a generalized resort to protectionism somehow will work more effectively today than it did in the 1930's. Even though the global economy was less interdependent in this earlier period, the widespread adoption of import barriers penalized everyone's economic interests. On the other hand, for political reasons, the competitive bite of rapidly rising imports cannot be ignored altogether in economies suffering rising unemployment.

The search for a middle of the road course out of this dilemma has resulted in a series of quickly established ad hoc procedures to produce "restraint" on the part of aggressive exporters, thus far mainly the Japanese. The profusion of so-called orderly marketing agreements and the French embrace of a concept dubbed "organized free trade" to

divide world market shares on a standardized basis symbolize a new era in import management policies. On the export side, the apparently widespread recourse to the dumping of steel in world markets may be the precursor of a vicious cycle of slow growth-overcapacity-governmental subsidy to protect basic industries and artificially maintain production levels.

A return to more sustained economic growth in the industrialized countries will alleviate some of the protectionist pressures. But it will not neutralize the growing competitive threat of the advanced LDC's, the Japanese export zeal, or the speed of change in international marketing capabilities associated with improved production techniques, better communications, and faster transportation. As difficult as trade relations were in the 1960's and early 1970's, they already seem like the "good old days." Today, issues are becoming more complex, old standards (such as the most-favored-nation concept) are eroding, and new trading powers and patterns are emerging. As governments intrude further into the performance of their domestic economies, the dividing line between foreign corporate exporters and the official sector continues to blur.

These new issues and the accelerated rate of change suggest a growing need for a quick "turnaround" time between emergence of a trade problem and a policy response. The Trade Act of 1974, for example, places a number of time limits on trade actions. If one accepts the premise that existing procedures for U.S. international trade and investment policymaking are at best adequate for recent needs, these procedures will be very hard-pressed to cope with the new challenges ahead.

Although it is too soon to make a definitive analysis, the symptoms of these factors may already be surfacing. The U.S. market share for world exports of manufactures has declined to its 1971 levels, i.e. the period before the major exchange rate realignment. The U.S. trade balance, even excepting oil imports, has deteriorated badly since 1973. Our trade surplus in manufactures has disappeared. The fact that the dollar has depreciated mainly against countries with whom our trade is relatively small suggests a low likelihood of a short-term U.S. trade balance improvement through adjustments in the international monetary system. Floating exchange rates are no guarantee of a trade account equilibrium.

The simple arithmetic of a trade balance is subject to a wide range of interpretations as to its significance and impact. Beyond the fact that it surely must be the largest national trade deficit in history, last year's $31 billion U.S. trade deficit (on the balance of payments basis), cannot be analyzed unequivocally. In any event, the need for improved government support for, and understanding of, the U.S. trade performance cannot be dismissed in light of the recent trade performances by West Germany and Japan.

These countries can import all of their oil, witness a steady appreciation of their currencies, and yet maintain (at least through 1977) large trade surpluses in the $17 billion range and rigidly hold on to, or increase, their market shares of total world manufactured exports. I doubt if the secret of their success lies in organization. But I believe that better organization might at least illuminate this country's trade shortcomings and more effectively articulate and implement rational corrective steps. DITI must not be programmed to resurrect mercantilist trade policies, i.e., pushing exports for their own sake. But it would be the appropriate vehicle to emulate the positive aspects of foreign official export efforts.

The chief rationale for centralizing trade policy responsibility in a single ministry is not the promise of quick or dramatic improvements in the quality of trade policy or in the arithmetic of our large trade deficit. The chief rationale is that the odds are improved that better trade policy and performance will be forthcoming. The promise of marginal benefits at the very minimum still allows this organizational change to be deemed cost-effective.

Creation of DITI as outlined in this bill would not require the expense or bureaucratic enlargement commonly associated with the birth of a new department. All of the requisite parts for the department already exist and currently are funded in the federal budget. All that is being suggested is the unification of fragmented bureaucratic units. Not even the salary of the new Secretary would need to be added to the budget. Since the Special Trade Representative is already a Cabinet-level position, it is a matter of revising this job description. (If DITI is created, the whole STR operation would be absorbed by it.)

ADDRESSING EXISTING ORGANIZATIONAL WEAKNESSES

Looked at in "macro" terms, it makes sense to integrate responsibility for, and analysis of, the three major components of international commercial policy: imports, exports, and foreign investment. To oversimplify, full-time, high-level attention improves the chances for effective, consistent policy. This would be the principal mission, or bureaucratic essence, of DITI.

In addition, a centralized department should improve the four-tiered communications process inherent in the formulation and implementation of international commercial policy. By clearly designating principal responsibility, better communications would take place on these levels: intra-Executive Branch, Executive-Legislative Branch, Executive-private sector, and U.S. goverment-foreign government. Within the Executive Branch, the priority should be creation of a trade policy leader, not a dictator, who is universally known to have primary jurisdiction in international commercial affairs. Stature, not autonomy, would be the hallmark of an effective U.S. trade ministry.

An interagency process of deliberation, albeit a sharply revised one, should continue no matter what organizational changes are made. Once again, the goal should not be to stifle input from other departments; it should be to create a central locus of responsibility and expertise. One of the more efficient coordination groups in the foreign economic policy area has been the International Monetary Group. Its major organizational strength is the clearly recognized—and accepted—domination of its chairman, the Treasury Department, in international monetary affairs. Other departments interested in these issues maintain small "watchdog" advisory units that can and do offer specialized viewpoints in the international monetary policy decision-making process. A similar situation should prevail in the trade policy sector.

One of the most important follow-up decisions to assure a successful DITI is how to instill the "proper" international trade and investment analytic capability in the other departments and agencies whose policy mandates (foreign policy, industry, labor affairs, balance of payments, etc.) are affected by trade policies. This capability needs to be vigilant and competent, but incapable of rejuvenating in their entirety the bureaucratic branches that have been clipped and transplanted into DITI.

Still another general argument for strengthening the Executive Branch trade policy apparatus in what I perceive as the need for the President to respond to growing encroachments on his ability to conduct this country's international economic relations. This encroachment takes several forms: increasing Congressional restrictions and leverage in the form of override provisions; increased public access to the court system to appeal Executive Branch decisions, e.g. those rejecting petitions for countervailing duties; and the expansion of the International Trade Commission (ITC) into investigations of foreign trade practices beyond its traditional (and perhaps legal) boundaries.

The result is what I have termed the "adjudicationization" of U.S. trade policy. The Executive Branch, in a manner of speaking, needs all the clout it can muster in influencing the other two branches of the U.S. government, let alone foreign governments and the American public on trade issues.

The challenge to unified U.S. international economic policy is exemplified in the interest of some ITC commissioners, voted down only at the last minute, in instituting on its own behalf a study of unfair pricing practices on the part of European steel producers. Such a study not only would have threatened to sever U.S. trade policy into separate pieces and duplicate antidumping investigations, but its timing was such that an active investigation would have jeopardized the Administration's newly proposed and highly fragile "trigger price mechanism" for steel imports. As a European Community official complained at the time, "there is absolutely no need for a duplication of harassment."

Another specific area of organizational weakness that could be rectified by DITI involves U.S. government efforts to promote exports. It is not clear in my mind what is the optimal level of official activity in this field. A reorganization would provide a fresh opportunity to completely review this issue, so long as it was done before DITI itself developed a vested interest in maintaining given personnel and budget levels for export promotion activities.

Creation of DITI also would permit a clear announcement as to who directs this activity and how it is to be done. For an excellent discussion of the clumsy and dissipating nature of bureaucratic rivalries now affecting official export promotion activities, I commend to you an August, 1977 report by the House Government Operations Committee entitled "Effectiveness of the Export Promotion Policies and Programs of the Departments of Commerce and State." It concluded that "export promotion efforts will continue to be inefficient and ineffective" as long as objectives are clouded and interdepartmental frictions exist.

Effective U.S. overseas commercial representation at times can make a critical difference in the determination of whether American industry can increase sales and submit successful contract bids. As the oil exporting countries proceed with their massive development programs, the stakes for individual bids on a project can now run into the billions of dollars. One government official recently confined to me his belief that the lack of sufficient U.S. embassy support was instrumental in the awarding of multibillion Saudi communications equipment contract to a European consortium rather than to American producers.

A final area of specific improvement would be a streamlining of the decision-making process on what technology can and cannot be exported to Communist countries. The effort to speed and unify the official position on such issues would redress one of the most frequently voiced complaints by private sector witnesses to the Commission on the Organization of the Government for the Conduct of Foreign Policy (the so-called Murphy Commission), on whose professional staff I worked.

CONCLUSIONS

Oliver Wendell Holmes is reported to have declared that the test of truth is its ability

to defend itself in the marketplace. I believe there are compelling reasons and justifications for the organizational changes proposed in this bill. Unfortunately, it is impossible to guarantee or quantify the benefits that would ensue in the form of a more efficient end product, i.e. policy. Without good people, an organization cannot live up to its full potential.

The biggest obstacle facing this bill is inertia. Its supporters must exercise considerable tact, patience, and determination. A long, laborious process is now required to allow all interested individuals and institutions (including the Executive Branch) to compute as best they can the ramifications of creating a trade ministry in terms of their own values, needs, and self-interests. This is a proper and inevitable process. Further hearings by this Committee will be invaluable to the much needed effort to improve international economic policymaking procedures.

A number of adjustments may be needed in the specific provisions of S. 1990 to meet legitimate complaints. However, a number of rejoinders appear necessary already to correct what are, in my view, expressions of misplaced fears. A new Department of International Trade and Investment will not monopolize U.S. international economic relations in general or trade policy in particular. It will merely facilitate and strengthen a pluralistic process. Secondly, DITI can easily be prevented from becoming "isolated" by simple organizational adjustments, e.g. requiring that a fixed percentage of its professional staff be seconded for temporary duty from other departments.

The system of checks and balances is too deeply engrained in the American system to allow realization of another fear, already articulated to me. It is highly unlikely that DITI would ever be coopted by adherents of a single trade philosophy. Several persons have privately expressed to me a preference for the existing fragmented, often inefficient system. They argue the latter represents a known given and is therefore preferable to the risk or having an efficient, fine-tuned apparatus fall under the control of "the other side," be it anti-free trade, pro-free trade, anti-big business, etc. DITI must work within the context of a diverse Executive Branch and an increasingly activitist Congress. Ideological monopolies do not seem to present a clear and present danger to any U.S. trade policy organization.

The primary purpose of restructuring and consolidating the process of formulating and conducting international commercial policy is to rationalize, not radicalize this policy. The exigencies of rapid structural changes in the global economy continue to pressure already creaky institutional capabilities.

It is not in the interest of any American individual or group to have a second rate trade policy organization in such a competitive and dynamic global economy. It is in everyone's interest to have a decisionmaking apparatus that is deemed to possess the optimal capacity for enhancing the economic, political, and commercial interests of this country through decisive, imaginative, and consistent international trade and investment policies.

S. 2727—AMATEUR SPORTS ACT OF 1978

Mr. STEVENS. Mr. President, I am introducing as a clean bill today the Amateur Athletic Act of 1978, which will encourage and provide better opportunities for participation in amateur athletics for U.S. citizens. The bill accomplishes this by creating a foundation for cooperation among U.S. amateur athletic organizations.

This legislation has three major components. First, it restructures the U.S. Olympic Committee (USOC) so that it can serve as the coordinating body for amateur sports. To lend support in this effort, the bill authorizes a one-time Federal expenditure of up to $18 million to aid the USOC in fulfilling its new role. Another $12 million is authorized for the operation of training centers for U.S. athletes and for the development of a sports medicine program.

Second, the bill sets forth criteria with which national governing bodies for Olympic and Pan-American sports must comply, and provides for the prompt settlement of disputes between amateur sports organizations through binding arbitration.

Third, it states that the USOC in its constitution must provide for the protection of an athlete's right to compete. This protection is important. All too frequently athletes have been held captive and unable to compete by rival sports organizations claiming rights to that athlete's talents. The real loser in every case is the athlete. While this bill does not go as far as many would have hoped in guaranteeing complete freedom of choice for athletes, it does represent a positive step forward and is as far as we can go at this time.

The bill is the product of a long and intensive effort to identify and resolve the major problems concerning amateur athletics in the United States. Since 1966, the Commerce Committee has considered various legislative methods for attempting to lay some groundwork for cooperation and interaction among the various and competing sports organizations. In June of 1975, the President's Commission on Olympic Sports was formed and commenced activities. That Commission, on which Senators CULVER, STONE, and I had the honor of serving, issued its final report in January 1977.

After numerous discussions with representatives of the amateur sports community, Senators CULVER, STONE, and I, on August 5, 1977, introduced S. 2036, the Amateur Sports Act of 1977. That bill had as its basis the recommendations of the President's Commission. Two days of hearings on S. 2036 were held in October. Then on January 19 and February 20, I held 2 full days of informal discussion with all organizations interested in providing better opportunities for U.S. amateur athletes. As a result of the hearings and the subsequent discussions, S. 2036 was refined so as to meet the objections which were raised by the amateur sports groups. In redrafting S. 2036, we made every effort to recognize the concerns not only of the athletes, but of all organizations that would be affected by its passage. We believe the bill as now written represents as nearly as possible a consensus of all organizations within the amateur sports community.

It has been a long, and sometimes painful journey. Everyone has had to give a little and some have had to give a little more than that. But that effort has been made with the understanding and agreement that something has to be done. America's weakness in sports is certainly not for want of talent nor is it a lack of resources. Our difficulties lie in failing to join together under some common banner for the purpose of working to build a better program of physical fitness and athletic participation in this country. This bill gives that overall responsibility to the U.S. Olympic Committee and its members by creating a vertical sports structure.

I believe that everyone genuinely interested in amateur sports can find a way to support this bill. By establishing in law the powers, responsibilities, and ground rules, the bill enables the process to move more effectively and smoothly. If sports organizations can work together in a cooperative atmosphere and provide improved programs of development and competition for the Nation's athletes there is no limit to the achievements which the United States can accomplish.

Since the President's Commission's report came out just a little over a year ago, progress has been made by the USOC and its members to implement the recommendations. Some of the provisions of this bill have been incorporated into the USOC constitution. Now it is up to us in the Senate and the House to do our part. The U.S. Olympic Committee was federally chartered 28 years ago. Today, those of us sponsoring this bill ask the Congress to expand the powers of the USOC so that it can act as the coordinating body for sports in the United States.

To those people in the sports community who have devoted so much of their time, insight, patience, and hard work to this effort, I thank them. It has been hard work, but in the end, I know we will all be rewarded by a more unified effort among our sports organizations. Only in this way can the United States expect to achieve its full potential in amateur athletics.

Mr. President, this bill is now cosponsored by Senators CULVER, STONE, CANNON, PEARSON, GRIFFIN, GOLDWATER, HAYAKAWA, MATSUNAGA, and KENNEDY. I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2727

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Amateur Sports Act of 1978".

TITLE I—DECLARATION OF POLICY

FINDINGS

SEC. 101. The Congress finds that—

(1) amateur athletic activity plays an important role in American society by serving as a source of recreation, contributing to the improvement of physical and mental health, providing for public entertainment, and acting as a national unifying bond;

(2) amateur athletic activity, including competition, is valuable in the development of an individual's character, promotes integrity and the pursuit of personal excellence, and contributes to physical fitness and well-being;

(3) amateur athletic competition between athletes of the United States and those of other nations provides a valuable exchange of cultural and personal ideas and fosters improved international understanding.

(4) it is in the best interest of the United States to encourage and support public participation in amateur athletic activity, including providing opportunities for amateur

athletes to develop their skills and compete in national and international competition;

(5) the full potential benefits of amateur athletic competition have not been realized because existing amateur athletic organizations in the United States are fragmented, are not bound by a common purpose, and are unable to coordinate their efforts;

(6) amateur athletes have often been denied the opportunity to participate in athletic events because of the inability of amateur athletic organizations to resolve their differences;

(7) organized amateur athletic competition is conducted through the use of facilities of interstate commerce or is an activity which affects interstate commerce; and

(8) international amateur athletic competition involving citizens of the United States is conducted through the use of facilities of foreign commerce and is an activity which affects commerce between the United States and other nations.

PURPOSE

SEC. 102. The Congress declares that it is the purpose of this Act to—

(1) encourage participation in amateur athletic activities by citizens of the United States;

(2) coordinate the development, financing, and conduct of amateur athletic activity and improve the cooperation between various amateur athletic organizations by expanding the authority of the United States Olympic Committee to serve as the coordinating body for amateur athletic activities;

(3) protect the rights of amateur athletes to participate in amateur athletic competition; and

(4) provide a mechanism to insure that the right to govern a particular sport is awarded to the most representative and capable amateur sports organization.

TITLE II—OLYMPIC COMMITTEE REORGANIZATION

TITLE ADJUSTMENTS

SEC. 201. The Act entitled "An Act to incorporate the United States Olympic Association", adopted September 21, 1950 (36 U.S.C. 371 et seq.), hereinafter in this title referred to as the "Act", is amended as follows:

(a) The first section of the Act is amended by striking out "That the following persons, to wit:" and inserting in lieu thereof the following:

"TITLE I—CORPORATION

"SEC. 101. The following persons, to wit:".

(b) Each section of the Act is amended by striking out "corporation" each place it appears and inserting in lieu thereof "Corporation", in each such place.

(c) Section 2 of the Act is redesignated section 102, and sections 3 through 12 of the Act are redesignated as sections 104 through 113, respectively.

PRINCIPAL PLACE OF BUSINESS OF THE CORPORATION

SEC. 202. Section 101 of the Act, as amended by section 201 of this Act, is further amended by amending the last sentence thereof to read as follows: "The Corporation shall maintain its principal offices and national headquarters in such place as is determined by the Corporation, and may hold its annual and special meetings in such places as the Corporation shall determine.".

DEFINITIONS

SEC. 203. The Act is further amended by inserting immediately after section 102 of the Act, as redesignated by section 201 of this Act, the following new section:

"SEC. 103. As used in this Act, the term—

"(1) 'amateur athlete' means any athlete who meets the eligibility standards established by the national governing body for the sport in which the athlete competes;

"(2) 'amateur athletic competition' means a contest, event, game, meet, match, tournament, regatta, or other program in which amateur athletes are permitted to compete;

"(3) 'amateur sports organization' means a not-for-profit corporation, club, federation, union, association, or other group organized in the United States which sponsors or arranges any amateur athletic competition;

"(4) 'Corporation' means the United States Olympic Committee;

"(5) 'international amateur athletic competition' means (A) any amateur athletic competition between any athlete or athletes representing the United States, either individually or as part of a team, and any athlete or athletes representing any foreign country; and (B) any amateur athletic competition used to qualify United States amateur athletes for such competition;

"(6) 'national governing body' means an amateur sports organization which is recognized by the Corporation in accordance with section 201 of this Act; and

"(7) 'sanction' means a certificate of approval issued by a national governing body.".

OBJECTS AND PURPOSES OF THE CORPORATION

SEC. 204. Section 104 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 104. The objects and purposes of the Corporation shall be to—

"(1) establish national goals for amateur athletic activities and encourage the attainment of those goals;

"(2) coordinate and develop amateur athletic activity in the United States in order to foster productive working relationships among sports-related organizations;

"(3) exercise exclusive jurisdiction, either directly or through its constituent members or committees, over all matters pertaining to the participation of the United States in the Olympic Games and in the Pan-American Games, including the representation of the United States in such games, and over the organization of the Olympic Games and the Pan-American Games when held in the United States;

"(4) obtain and select for the United States, either directly or by delegation to the appropriate national governing body, the most competent amateur representation possible in each competition and event of the Olympic Games and of the Pan-American Games;

"(5) promote and support amateur athletic activities involving the United States and foreign nations;

"(6) promote and encourage physical fitness and public participation in amateur athletic activities;

"(7) assist organizations and persons concerned with sports in the development of amateur athletic programs for amateur athletes;

"(8) provide for the swift resolution of conflicts and disputes involving amateur athletes, national governing bodies, and amateur sports organizations, and protect the opportunity of an amateur athlete, coach, trainer, manager, administrator, or officers to participate in amateur athletic competition;

"(9) foster the development of amateur athletic facilities for use by amateur athletes and assist in making existing amateur athletic facilities available for use by amateur athletes;

"(10) provide and coordinate technical information on physical training, equipment design, coaching, and performance analysis;

"(11) encourage and support research, development, and dissemination of information in the areas of sports medicine and sports safety;

"(12) encourage and provide assistance to amateur athletic activities for women; and

"(13) encourage and provide assistance to amateur athletic programs and competition for handicapped persons.".

POWERS OF THE CORPORATION

SEC. 205. Section 105 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"SEC. 105. (a) The Corporation shall have perpetual succession and power to—

"(1) serve as the coordinating body for amateur athletic activity in the United States;

"(2) represent the United States as its national Olympic committee in relations with the International Olympic Committee and the Pan-American Sports Organization;

"(3) organize, finance, and control the representation of the United States in the competitions and events of the Olympic Games and of the Pan-American Games, and obtain and select, either directly or by delegation to the appropriate national governing body, amateur representation for such games; and

"(4) recognize eligible amateur sports organizations as national governing bodies for any sport which is included on the program of the Olympic Games or the Pan-American Games;

"(5) facilitate, through orderly and effective administrative procedures, the resolution of conflicts of dispute involving amateur athlete, coach, trainer, manager, administrator, or official, national governing bodies, and amateur sport organizations;

"(6) sue and be sued;

"(7) make contracts;

"(8) acquire, hold, and dispose of such real and personal property as may be necessary for its corporate purposes;

"(9) accept gifts, legacies, and devices in furtherance of its corporate purposes;

"(10) borrow money to carry out its corporate purposes, issue notes, bonds, or other evidences of indebtedness therefor, and secure the same by mortgage, subject in each case to the laws of the United States or of any State;

'(11) provide financial assistance to any organization or association, other than a corporation organized for profit, in furtherance of the purpose of the Corporation;

"(12) approve and revoke membership in the Corporation;

"(13) adopt and alter a corporate seal;

"(14) establish and maintain offices for the conduct of the affairs of the Corporation;

"(15) publish a newspaper, magazine, or other publication consistent with its corporate purposes; and

"(16) do any and all acts and things necessary and proper to carry out the purposes of the Corporation.

"(b) The Corporation shall adopt and may amend a constitution and bylaws not inconsistent with the laws of the United States, except that the Corporation may amend its constitution only if it—

"(1) publishes in its principal publication and in the Federal Register a general notice of the proposed alteration of the constitution, including the substantive terms of the alteration, the time and place of the Corporation's regular meeting at which the alteration is to be decided, and a provision informing interested persons that they may submit materials as authorized in subparagraph (2); and

"(2) gives to all interested persons, prior to the adoption of any amendment, an opportunity to submit written data, views, or arguments concerning the proposed amendment for a period of at least 30 days after the date of publication of the notice in the Federal Register.".

USE OF OLYMPIC DESIGNATIONS

SEC. 206. Section 110 of the Act, as redesignated by section 201 of this Act, is amended to read as follows:

"(SEC. 110. (a) Without the consent of the Corporation, any person who—

"(1) falsely or fraudulently represents to be a member of a representative of the Corporation or of one of its constituent organi-

zations for the purpose of soliciting, collecting, or receiving money or material;

"(2) wears or displays the emblem of the Corporation for the purpose of inducing the mistaken belief that such person is or has been a member or a representative of the Corporation or of one of its constituent organizations; or

"(3) uses for the purpose of trade, to induce the sale of any goods or services, or to promote any theatrical exhibition, athletic performance, or competition—

"(A) the emblem of the Internal Olympic Committee, consisting of five interlocking rings;

"(B) the emblem of the Corporation, consisting of an escutcheon having a blue chief and vertically extending red and white bars on the base with five interlocking rings displayed on the chief;

"(C) any other Olympic trademark, trade name, sign, symbol, or insignia made or colored in imitation of, or confusingly similar to, the emblem, trade name, or any trademark of the International Olympic Committee or of the Corporation; or

"(D) the words 'Olympic', 'Olympian', 'Olympiad', 'Citius Altius Fortius', or any combination, simulation, or confusingly similar derivative thereof tending to cause confusion, to cause mistake, to deceive, or to falsely suggest a connection with the Corporation or any Olympic activity;

shall be liable in a civil action by the Corporation for the remedies provided in subsection (c) of this section. However, any person who actually used, or whose assignor actually used, such trademark, trade name, emblem, sign, symbol, insignia, or words for any lawful purpose prior to September 21, 1950, shall not be deemed forbidden by this section to continue such use for the same purpose and for the same goods to which such trademark, trade name, emblem, sign, insignia, or words had been used lawfully prior to September 21, 1950.

"(b) The district courts of the United States shall have original jurisdiction and the courts of appeal of the United States shall have appellate jurisdiction, of all actions arising under subsection (a) of this section, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.

"(c) When a violation of any provisions of this section is established in any civil action arising under this section, the Corporation shall be entitled to—

"(1) obtain injunctive relief upon such terms as the court considers reasonable to prevent a violation or threatened violation of this section;

"(2) recover the profits which the defendant accrued as a result of such violation;

"(3) recover any damages sustained by the Corporation; and

"(4) recover costs of the action, including, at the discretion of the court, the amount of reasonable attorney fees.

"(d) The Corporation may authorize contributors and suppliers of goods or services to use the trade name of the Corporation as well as any Olympic trademark, symbol, insignia, or emblem of the International Olympic Committee or of the Corporation in advertising that the contribution, goods, or services were donated, supplied, or furnished to or for the use of, approved, selected, or used by the Corporation or United States Olympic or Pan American Team or team members.".

ANNUAL REPORT

SEC. 207. Section 113 of the Act, as redesignated by sections 201, 202 of this Act, is amended to read as follows:

"SEC. 113. The Corporation shall, on or before the first day of June in each year, transmit simultaneously to the President and to the Congress a detailed report of its operations for the preceding calendar year, including an accounting of the financial status of the Corporation and a comprehensive description of the activities and accomplishments of the Corporation during the preceding year. The report may include recommendations for additional legislation or other action which the Corporation considers necessary or desirable for attaining its objectives. Copies of the report shall be made available to interested persons at a reasonable cost.".

ATHLETE'S OPPORTUNITY TO PARTICIPATE

SEC. 208. Title I of the Act, as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 114. In its constitution and bylaws the Corporation shall establish and maintain provisions for the swift and equitable resolution of disputes involving the opportunity of an amateur athlete, coach, trainer, manager, administrator, or other official, to participate in the Olympic Games, the Pan American Games, world championship competition, and any other amateur athletic competitions which may be designated by the Corporation.

NATIONAL GOVERNING BODIES

SEC. 209. The Act, as amended by this Act, is further amended by adding at the end thereof the following new title:

"TITLE II—NATIONAL GOVERNING BODIES

"SEC. 201. (a) For any sport which is included on the program of the Olympic Games or the Pan-American Games, the Corporation is authorized to recognize as a national governing body an amateur sports organization which files an application and is eligible for such recognition, in accordance with the provisions of subsection (b) of this section. The Corporation shall recognize only one national governing body for each sport for which an application is made and approved. Prior to the recognition of a national governing body under the authority granted under this title and in accordance with the procedures and requirements of this section, the Corporation shall hold a hearing open to the public on the application for such recognition. The Corporation shall publish notice of the time, place, and nature of the hearing. Publication shall be made in a regular issue of the Corporation's principal publication at least 30 days, but not more than 60 days. prior to the date of the hearing.

"(b) No amateur sports organization is eligible to be recognized or is eligible to continue to be recognized as a national governing body unless it—

"(1) is incorporated under the laws of any of the several States of the United States or the District of Columbia as a not-for-profit corporation having as its purpose the advancement of amateur athletic competition, and has the managerial and financial capability to plan and execute its obligations;

"(2) submits an application for recognition, in such form as the Corporation shall require, as a national governing body and, upon application, submits a copy of its corporate charter and bylaws and any additional information as is deemed necessary or appropriate by the Corporation;

"(3) agrees to submit, upon demand of the Corporation, to binding arbitration by the American Arbitration Association in any controversy involving its recognition as a national governing body, as provided for in section 205 of this title, or the opportunity to participate of any amateur athlete, coach, trainer, manager, administrator or official, as provided for in the Corporation's constitution and bylaws;

"(4) demonstrates that it is autonomous in the administration of its sport and is a member of no more than one international sports federation which governs a sport included on the program of the Olympic Games or the Pan-American Games;

"(5) demonstrates that its membership is open to any individual who is an amateur athlete, coach, trainer, administrator, or official active in the sport for which recognition is sought, or to any amateur sports organization which conducts programs in the sport for which recognition is sought, or to both;

"(6) provides an equal opportunity for participation to amateur athletes, coaches, trainers, managers, and officials, without discrimination on the basis of race, color, religion, age, sex, or national origin, and with fair notice and opportunity for a hearing to any amateur athlete coach, trainer, manager, administrator, or official before declaring such individual ineligible to participate;

"(7) is governed by a board of directors or other such governing board whose members are selected without regard to race, color, religion, national origin or sex, except that, in sports where there are separate male and female programs, it provides for reasonable representation of both males and females on such board of directors or other such governing board,

"(8) demonstrates that its board of directors or other such governing board includes among its voting members individuals who are actively engaged in amateur athletic competition in the sport for which recognition is sought or who have represented the United States in international amateur athletic competition in the sport for which recognition is sought with the preceding 10 years, and that the membership and voting power held by such individuals is not less than 20 percent of such membership and voting power held in that board of directors or other such governing board;

"(9) provides for reasonable representation on its board of directors or other such governing board for any amateur sports organization which conducts a national program or regular national amateur athletic competition in the sport for which recognition is sought on a level of proficiency appropriate for the selection of amateur athletes to represent the United States in international amateur athletic competition;

"(10) demonstrates that none of its officers are also officers of any other amateur sports organization which is recognized as a national governing body;

"(11) provides procedures for the prompt and equitable resolution of grievances of its members;

"(12) does not have eligibility criteria more restrictive than those of the appropriate international sports federation; and

"(13) demonstrates that it is prepared to meet the obligations imposed on a national governing body under section 202 of this Act.

"(c)(1) Except as provided in paragraph (2), any amateur sports organization which on the date of enactment of this title is recognized by the Corporation to represent a particular sport shall be considered to be the national governing body for that sport. Such an organization is exempt for a period of 2 years from the date of enactment of this title from meeting the requirements of subsection (b) of this section, and during the 2-year period shall take the necessary actions to meet such requirements if it desires to retain its recognition. After the expiration of the 2-year period, such an organization shall continue as the national governing body for that sport unless the Corporation determines that such organization is not in compliance with the requirements of subsection (b) of this section, in which event the Corporation shall—

"(A) suspend the recognition of such national governing body;

"(B) revoke the recognition of such national governing body; or

"(C) extend the 2-year period for not longer than one year, if the national governing body has proven by clear and convincing evidence that, through no fault of its own,

it needs additional time to comply with such requirements. If, at the end of such extension, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body.

Any such national governing body aggrieved by the Corporation's determination under this subsection may submit a demand for arbitration in accordance with section 205(c) of this title.

"(2) Notwithstanding the provisions of paragraph (1), the Corporation may suspend or revoke the recognition of a national governing body during the 2-year period if such suspension or revocation is for the same reason as the Corporation could have revoked or supended such national governing body prior to the date of the enactment of this Act.

"(d) Within 61 days after recognizing an amateur sports organization as a national governing body, in accordance with subsection (a) of this section, the Corporation shall recommend and support in any appropriate manner such national governing body to the apppropriate international sports federation as the representative of the United States for that sport.

"SEC. 202. (a) For the sport which it governs, a national governing body is under duty to—

"(1) develop interest and participation throughout the United States and be responsible to the persons and amateur sports organizations it represents;

"(2) minimize, through coordination with other amateur sports organizations, conflicts in the scheduling of all practices and competitions;

"(3) keep amateur athletes informed of policy matters and reasonably reflect the views of such athletes in its policy decisions;

"(4) review every request for a sanction to hold an international amateur athletic competition submitted by an amateur sports organization or person which is a member of or associated with it, and determine whether to grant such sanction, in accordance with the provisions of subsection (b) of this section;

"(5) allow an amateur athlete to compete in any international amateur athletic competition conducted under its auspices or that of any other amateur sports organization or person, unless it establishes that its denial was based on evidence that the organization or person conducting the competition did not meet the requirements stated in subsection (b) of this section;

"(6) provide equitable support and encouragement for participation by women where separate programs for male and female athletes are conducted on a national basis;

"(7) encourage and support amateur athletic sports programs for handicapped persons and the participation of handicapped persons;

"(8) provide and coordinate technical information on physical training, equipment design, coaching, and performance analysis; and

"(9) encourage and support research, development, and dissemination of information in the areas of sports medicine and sports safety.

"(b) As a result of its review under subsection (a)(4) of this section, if a national governing body does not determine by clear and convincing evidence that holding an international amateur athletic competition would be detrimental to the best interest of the sport, the national governing body shall grant to such amateur sports organization or person a sanction to hold such competition, if such amateur sports organization or person—

"(1) pays to the national governing body any required sanctioning fee, if such fee is reasonable and nondiscriminatory;

"(2) demonstrates that—

"(A) appropriate measures have been taken to protect the amateur statuts of athletes who will take part in the competition and to protect their eligibility to compete in amateur athletic competition,

"(B) appropriate provision has been made for validation of records which may be established during the competition,

"(C) due regard has been given to any international amateur athletic requirements specifically applicable to the competition,

"(D) the competition will be conducted by qualified officials,

"(E) proper medical supervision will be provided for athletes who will participate in the competition,

"(F) proper safety precautions have been taken to protect the personal welfare of the athletes and spectators at the competition; and

"(3) submits to the national governing body an audited or notarized financial report of similar events, if any, conducted by the amateur sports organization or person.

"SEC. 203. For the sport which it governs, a national governing body is authorized to—

"(1) represent the United States in the appropriate international sports federation;

"(2) establish national goals and encourage the attainment of those goals;

"(3) serve as the coordinating body for amateur athletic activity in the United States;

"(4) exercise jurisdiction over international amateur athletic activities in the United States and sanction international amateur athletic competition held in the United States;

"(5) conduct amateur athletic competition, including national championships, and international amateur athletic competition in the United States, and establish procedures for the determination of eligibility standards for participation in such competitions, except that sports organizations conducting amateur athletic competition which is limited to a specific class of amateur athletes (such as high school students, collegiate students, members of the Armed Forces, or similar groups or categories) shall have jurisdiction over such competitions;

"(6) recommend to the Corporation individuals and teams to represent the United States in the Olympic Games and the Pan-American Games; and

"(7) designate individuals and teams to represent the United States in international amateur athletic competition (other than the Olympic Games and the Pan-American Games) and certify, in accordance with applicable international rules, the amateur eligibility of such individuals and teams.

"SEC. 204. The Corporation may review all matters relating to the continued recognition of a national governing body and may take such action as it considers appropriate, including, but not limited to, placing conditions upon the continued recognition of the national governing body. The district courts of the United States shall have authority to enjoin the commission of any act of a national governing body which is inconsistent with the requirements of sections 201(b) and 202 of this title. The Corporation shall have standing to apply for an injunction, except to the extent that the conferral of such standing is inconsistent with the Constitution of the United States.

"SEC. 205. (a)(1) Any amateur sports organization or person which belongs to or is eligible to belong to a national governing body may seek to compel such national governing body to comply with the requirements of sections 201(b) and 202 of this title by filing a written complaint with the Corporation. Such organization or person may take such action only after having exhausted all available remedies within such national governing body for correcting deficiencies, unless those remedies would have resulted in unnecessary delay. The Corporation shall establish procedures for the filing and disposition of complaints received under this subsection. A copy of the complaint shall also be served on the applicable national governing body.

"(2) Within 30 days after the filing of the complaint, the Corporation shall determine whether the organization has exhausted its remedies within the applicable national governing body, as provided in paragraph (1) of this subsection. If the Corporation determines that any such remedies have not been exhausted, it may direct that such remedies be pursued before the Corporation will further consider the complaint.

"(3)(A) Within 90 days after the filing of a complaint under paragraph (1) of this subsection, if the Corporation determines that all such remedies have been exhausted, it shall hold a hearing to receive testimony for the purpose of determining if such national governing body is in compliance with the requirements of sections 201(b) and 202 of this title.

"(B) If the Corporation determines, as a result of the hearings conducted pursuant to this subsection, that such national governing body is in compliance with the requirements of sections 201(b) and 202 of this title, it shall so notify the complainant and such national governing body.

"(C) If the Corporation determines, as a result of hearings conducted pursuant to this subsection, that such national governing body is not in compliance, it shall—

"(i) place such national governing body on probation for a specified period of time, not to exceed 180 days, which it considers necessary to enable such national governing body to comply with such requirements, or

"(ii) revoke the recognition of such national governing body.

"(D) If the Corporation places a national governing body on probation pursuant to this paragraph, it may extend the probationary period if the national governing body has proven by clear and convincing evidence that, through no fault of its own, it needs additional time to comply with such requirements. If, at the end of the period allowed by the Corporation, the national governing body has not complied with such requirements, the Corporation shall revoke the recognition of such national governing body.

"(b)(1) Any amateur sports organization may seek to replace an incumbent as the national governing body for a particular sport by filing with the Corporation a written application for such recognition. Such application shall be filed (A) within the 1-year period after the final day of any Olympic games, in the case of a sport for which competition is held in the Olympic games or in both the Olympic and Pan-American games; or (B) within the 1-year period after the final day of any Pan-American games, in the case of a sport for which competition is held in the Pan-American games and not in the Olympic games. If two or more organizations file applications for the same sport, such applications shall be considered in a single proceeding.

"(2) Any application filed under this subsection shall be filed with the Corporation by registered mail. The Corporation shall establish procedures for the filing and disposition of applications received under this subsection. A copy of any such application for recognition shall also be served on the applicable national governing body. The Corporation shall inform the applicant for recognition that its application has been received.

"(3) Within 180 days after receipt of an application filed under this subsection, the Corporation shall conduct a formal hearing to determine the merits of the application. The Corporation shall publish notice of the time and place of such hearing in a regular

issue of its principal publication at least 30 days, but not more than 60 days, prior to the date of the hearing. In the course of such hearing, the applicant and the national governing body shall be given a reasonable opportunity to present evidence supporting their respective positions. During such hearing, the applicant amateur sports organization must establish by a preponderance of the evidence that it meets the criteria for recognition as a national governing body under section 201(b) of this title, and that—

(A) the national governing body does not meet the criteria of section 201(b) or 202; or

(B) it more adequately meets the criteria of section 201(b), is capable of more adequately meeting the criteria of section 202, and provides or is capable of providing a more effective national program of competition than the nation governing body in the sport for which it seeks recognition.

"(4) Within 30 days of the close of the hearing required under this subsection, the Corporation shall—

"(A) uphold the right of the national governing body to continue as the national governing body for its sport;

"(B) revoke the recognition of the national governing body and declare a vacancy in the national governing body for that sport;

"(C) revoke the recognition of the national governing body and recognize the applicant as the national governing body; or

"(D) decide to place the national governing body on probation of not to exceed 180 days, pending the compliance of the national governing body, if such national governing body would have retained recognition except for a minor deficiency in one of the requirements of section 201(b) or 202 of this title.

If the national governing body does not comply within the prescribed time period, the Corporation shall revoke the recognition of the national governing body and either recognize the applicant as the national governing body, or declare a vacancy in the national governing body for that sport.

"(5) Within 61 days after recognizing an amateur sports organization as a national governing body, in accordance with this subsection, the Corporation shall recommend and support in any appropriate manner such national governing body to the appropriate international sports federation as the representative of the United States for that sport.

"(c)(1) The right to review by any party aggrieved by a determination by the Corporation under the requirements of this section or section 201(c) shall be to any regional office of the American Arbitration Association. Such demand for arbitration shall be submitted within 30 days of the determination of the Corporation. Upon receipt of such a demand for arbitration, the Association shall serve notice on the parties to the arbitration and on the Corporation, and shall immediately proceed with arbitration according to the commercial rules of the Association in effect at the time of the filing of the demand, except that—

"(A) the arbitration panel shall consist of not less than three arbitrators, unless the parties to the proceeding mutually agree to a lesser number;

"(B) the arbitration hearing shall take place at a site selected by the Association, unless the parties to the proceeding mutually agree to the use of another site; and

"(C) the arbitration hearing shall be open to the public.

"(2) The arbitrators in any arbitration are empowered to settle any dispute arising under the provisions of this Act prior to making a final award, if mutually agreed to by the parties to the proceeding and achieved in a manner not inconsistent with the constitution and bylaws of the Corporation.

"(3) Each contesting party may be represented by counsel or by any other duly authorized representative at the arbitration proceeding. The parties may offer any evidence which they desire and shall produce any additional evidence as the arbitrators believe necessary to an understanding and determination of the dispute. The arbitrators shall be the sole judges of the relevancy and materiality of the evidence offered. Conformity to legal rules of evidence shall not be necessary.

"(4) The arbitrators shall have the authority to issue subpenas to compel the attendance and testimony of witnesses and the production of documents, if the arbitrators reasonably believe them to be necessary or advisable for a better understanding of the dispute. In case of contumacy or refusal to obey such a subpena, the district courts, upon petition of the arbitrators, shall have jurisdiction to issue to such person an order requiring him to comply with such subpena. Failure to obey such an order is punishable by such court as a contempt of court.

"(5) All decisions by the arbitrators shall be by majority vote unless the concurrence of all is expressly required by the contesting parties.

"(6) Final decision of the arbitrators shall be binding upon the involved parties, if such award is not inconsistent with the constitution and bylaws of the Corporation.

"(7) The hearings may be reopened, by the arbitrators upon their own motion or upon the motion of any contesting party, at any time before a final decision is made, except that if any contesting party makes such a motion, all parties to the decision must agree to reopen the hearings if such reopening would result in the arbitrators' decision being delayed beyond the specific period agreed upon at the beginning of the arbitration proceedings.

"(8) The district courts of the United States shall have jurisdiction to enforce decisions of the arbitrators. Such action may be brought by any party to the final decision.".

FINANCIAL ASSISTANCE

SEC. 210. (a) The Secretary of Commerce (hereinafter in this section referred to as the "Secretary") is authorized to award grants to the Corporation to assist in the development of amateur athletics in the United States. The Corporation may apply to the Secretary for funds available under this section, and shall use such funds consistent with the provisions of the Act. The Secretary shall approve any application which meets the requirements of this section, and award grants to the Corporation, in a total sum not exceeding—

(1) $18,000,000 to finance the development and operation of any programs approved by the Corporation and consistent with the provisions of this Act; and

(2) $12,000,000 to finance feasibility studies to assist in determining appropriate locations for training centers, to finance the administration and operation of such centers, and to finance an information retrieval service for the analysis and dissemination of sports medicine information. As used in this paragraph, the term "training centers" means sites selected by the Corporation for use in furthering amateur sports development, research, and education across a broad range of sports, including the collection, analysis, and dissemination of technical sports information.

(b) Each application for funds available under this section shall be in such form as the Secretary provides and shall contain provisions to assure that such funds are disbursed in accordance with the provisions of this section. For the purpose of review or audit, the Secretary shall have access to any books, documents, papers, and records which are relevant to any grant received under this section.

(c) Consistent with the purposes of the Act, the use of the funds available under this section shall be at the full discretion of the Corporation, except that not more than 20 per centum of such funds may be provided to organizations which are not members of the Corporation.

(d) There are authorized to be appropriated to the Secretary not to exceed $30,000,000 in fiscal year 1979, such sums to remain available until expended.

NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I understand that there is one nomination that has been cleared on both sides of the aisle, a nomination under "New Reports." I ask unanimous consent that the Senate proceed to the consideration of that nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the nomination.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk read the nomination of Dwayne W. Gilbert, of Georgia, to be U.S. marshal for the middle district of Georgia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT OF DEFERRALS—MESSAGE FROM THE PRESIDENT—PM155

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which, without being read, was referred to the Committee on Appropriations, the Committee on the Budget, and the Committee on Agriculture, Nutrition, and Forestry, jointly, pursuant to order of January 30, 1975:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a new Department of Agriculture deferral of Forest Service funds totalling $4.5 million in budget authority. In addition, I am reporting a routine revision to a previously reported deferral of Forest Service funds, increasing the amount deferred by $4.8 million.

The details of each deferral are contained in the attached reports.

JIMMY CARTER.

THE WHITE HOUSE, *March 10, 1978.*

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 11:40 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 746. A joint resolution making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

The enrolled joint resolution was subsequently signed by the President pro tempore.

At 4:20 p.m., a message from the House of Representatives delivered by Mr. Hackney, announced that, pursuant to the provisions of 10 United States Code 9355(a), the Speaker has appointed Mr. FLYNT, Mr. EVANS of Colorado, Mr. ROBINSON, and Mr. BOB WILSON as members of the Board of Visitors to the U.S. Air Force Academy.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, March 10, 1978, he presented to the President of the United States the following enrolled act:

S. 773. An act authorizing the Wichita Indian Tribe of Oklahoma, and its affiliated bands and groups of Indians, to file with the Indian Claims Commission any of their claims against the United States for lands taken without adequate compensation, and for other purposes.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–3029. A communication from the Secretary of Defense, transmitting, pursuant to law, a Department of Defense Reorganization Order; to the Committee on Armed Services.

EC–3030. A communication from the Secretary of Transportation, transmitting, pursuant to law, the seventh Urban Mass Transportation Administration Annal Report on Capital Assistance, Technical Studies, and Relocation Grants; to the Committee on Banking, Hcusing, and Urban Affairs.

EC–3031. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Natural Gas Pipeline Safety Act of 1968 to authorize appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

EC–3032. A communication from the Secretary of Transportation, transmitting, pursuant to law, a statement entitled "Transportation Policy For A Changing America"; to the Committee on Commerce, Science, and Transportation.

EC–3033. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

EC–3034. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 8 of the National Advisory Committee on Oceans and Atmosphere Act of 1977 to extend the authorization of appropriations; to the Committee on Commerce, Science, and Transportation.

EC–3035. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

TC–3036. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorizations for appropriations for fiscal years 1979 and 1980; to the Committee on Commerce, Science, and Transportation.

EC–3037. A communication from the Secretary of Transportation, transmitting, pursuant to law, the second annual report on administration of Title I, Marine Protection, Research, and Sanctuaries Act (MPRSA); to the Committee on Commerce, Science, and Transportation.

EC–3038. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for fiscal years 1979 and 1980 to carry out the Marine Mammal Protection Act of 1972; to the Committee on Commerce, Science, and Transportation.

EC–3039. A communication from the Secretary of the Interior, reporting, pursuant to law, on receipts and expenditures of the Department in connection with the administration of the Outer Continental Shelf Lands Act of 1953 (43 U.S.C.) for fiscal year 1977 (October 1, 1976 through September 30, 1977); to the Committee on Energy and Natural Resources.

EC–3040. A communication from the Acting General Counsel, Department of Energy, reporting, pursuant to law, a meeting related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–3041. A communication from the Director, Heritage Conservation and Recreation Service, Department of the Interior, transmitting, pursuant to law, a report on the implementation of the Interagency Archeological Program for fiscal year 1976; to the Committee on Energy and Natural Resources.

EC–3042. A communication from the Acting General Counsel, Department of Energy, reporting, pursuant to law, meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC–3043. A communication from the Secretary of Energy, transmitting, pursuant to law, the 1977 Annual Report on Electric Utility Rate Design and Energy Management Initiatives, January 1978; to the Committee on Energy and Natural Resources.

EC–3044. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to treaties entered into by the United States law, international agreements other than within sixty days after execution thereof; to the Committee on Foreign Relations.

EC–3045. A communication from the Executive Secretary, Uniformed Services University of the Health Sciences, Department of Defense, transmitting pursuant to law and pursuant to a letter of request from Senator Chiles, a response to twelve questions, on behalf of the Board of Regents of the Uniformed Services University of the Health Sciences; to the Committee on Governmental Affairs.

EC–3046. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report of a new personal records system; to the Committee on Governmental Affairs.

EC–3047. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Changes Needed in the Relocation Act to Achieve More Uniform Treatment of Persons Displaced by Federal Programs," March 8 1978; to the Committee on Governmental Affairs.

EC–3048. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Assessment of the Department of Housing and Urban Development's Experimental Housing Allowance Program," March 8, 1978; to the Committee on Governmental Affairs.

EC–3049. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a proposed new system of records identified as A0704.06b TRADOC, entitled "Army Reserve Officers' Training Corps (ROTC) leads Referral Card System"; to the Committee on Governmental Affairs.

EC–3050. A communication from the Comptroller General of the United States, transmitting pursuant to law, a report entitled "Implications of the National Security Council Study U.S. Maritime Strategy and Naval Force Requirements on the Future Naval Ship Force," March 7, 1978; to the Committee on Governmental Affairs.

EC–3051. A communication from the Chairman, District of Columbia Law Revision Commission, transmitting, pursuant to law, recommendation for a new basic criminal code for the Nations' Capital; to the Committee on Governmental Affairs.

EC–3052. A communication from the President, Legal Services Corporation, transmitting, pursuant to law, a report on the second year of operation of the Legal Services Corporation from October 1, 1976 to September 30, 1977; to the Committee on Human Resources.

EC–3053. A communication from the President and Chief Scout Executive, Boy Scouts of America, reporting, pursuant to law, on the Boy Scouts of America for 1977; to the Committee on Human Resources.

EC–3054. A communication from the Senior Vice President, Export-Import Bank of the United States, transmitting, pursuant to law, a report on the Freedom of Information Act for the calendar year 1977; to the Committee on the Judiciary.

EC–3055. A communication from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports covering the period February 16 through February 28, 1978, concerning visa petitions which the Service has approved according the beneficiaries of such petitions third- and sixth-preference classification; to the Committee on the Judiciary.

EC–3056. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the status and accomplishments of the runaway facilities under the Runaway Youth Act, P.L. 93–415; to the Committee on the Judiciary.

EC–3057. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on the Freedom of Information experience during calendar year 1977; to the Committee on the Judiciary.

EC–3058. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the Department's administration of the Freedom of Information Act during calendar year 1977; to the Committee on the Judiciary.

EC–3059. A communication from the Postmaster General, United States Postal Service, transmitting, pursuant to law, a report concerning administration of the Freedom of

Information Act during the year ending December 31, 1977; to the Committee on the Judiciary.

EC–3060. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report concerning administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EC–3061. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for the year ending December 31, 1977; to the Committee on the Judiciary.

EC–3062. A communication from the Director, Office of Administrative Services, Department of Energy, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EC–3063. A communication from the Director, Office of Administration, Nuclear Regulatory Commission, transmitting, pursuant to law, a report on administration of the Freedom of Information Act for calendar year 1977; to the Committee on the Judiciary.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

James R. Williams, of Ohio, to be U.S. Attorney for the northern district of Ohio.

Richard W. Nehring, of Iowa, to be U.S. marshal for the southern district of Iowa.

(The nominations from the Committee on the Judiciary were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PAUL G. HATFIELD:

S. 2714. A bill to provide wheat producers with an opportunity to receive equitable prices on the 1978 through 1981 crops of wheat; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WILLIAMS (for himself, Mr. PROXMIRE and Mr. TOWER (by request):

S. 2715. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1979–81; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. NELSON (for himself, Mr. SPARKMAN, Mr. MCINTYRE, Mr. TOWER, Mr. GARN, Mr. HASKELL, and Mr. MORGAN):

S. 2716. A bill to amend the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. INOUYE:

S. 2717. A bill to amend certain provisions of title 15 of the District of Columbia Code relating to judgments and executions; to the Committee on Governmental Affairs.

By Mr. McGOVERN:

S. 2718. A bill to amend the Federal Land Policy and Management Act of 1976; to the Committee on Energy and Natural Resources.

By Mr. MATSUNAGA:

S. 2719. A bill to amend the Airport and Airway Development Act of 1970 to require the establishment of a system of automated flight service stations; to the Committee on Commerce, Science, and Transportation.

By Mr. McGOVERN:

S. 2720. A bill to provide increased target prices and loan rates to agricultural producers, increase Public Law 480 exports, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McCLURE:

S. 2721. A bill to amend section 803 of Public Law 90–284 to allow educational institutions to determine housing policies; to the Committee on the Judiciary.

By Mrs. HUMPHREY:

S. 2722. A bill to amend the Mental Retardation Facilities and Community Mental Health Centers Act of 1963 to establish State mental health advocacy programs; to the Committee on Human Resources.

By Mr. DOMENICI (for himself, Mr. BELLMON, and Mr. TOWER):

S. 2723. A bill to amend the Emergency School Aid Act to permit local educational agencies that are racially isolated as a result of geographic location to be eligible for assistance under that act; to the Committee on Human Resources.

By Mr. INOUYE:

S. 2724. A bill to require reciprocal access to the courts of a foreign sovereign government by U.S. residents and the U.S. Government to sue for injuries resulting from anticompetitive and restrictive trade practices, and for other purposes; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 2725. A bill to amend title 5 of the United States Code to provide that certain air traffic specialists be considered as air traffic controllers for retirement, and for certain other purposes; to the Committee on Governmental Affairs.

By Mr. RIEGLE (for himself and Mr. HEINZ):

S. 2726. A bill to amend section 312 of the Housing Act of 1964 to provide for additional authority for the conservation and rehabilitation of single family homes, multifamily buildings, and properties utilized in urban homesteading programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STEVENS (for himself, Mr. CULVER, Mr. STONE, Mr. CANNON, Mr. PEARSON, Mr. GRIFFIN, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. MATSUNAGA, and Mr. KENNEDY):

S. 2727. A bill to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for U.S. amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PELL:

S.J. Res. 120. A joint resolution to declare May 18, 1978 to be "Museum Day"; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PAUL G. HATFIELD:

S. 2714. A bill to provide wheat producers with an opportunity to receive equitable prices on the 1978 through 1981 crops of wheat; to the Committee on Agriculture, Nutrition, and Forestry.

EMERGENCY WHEAT FARMERS' INCOME ACT OF 1978

● Mr. PAUL G. HATFIELD. Mr. President, I am introducing today the Emergency Wheat Farmers' Act of 1978, legislation which addresses one of the major problems of wheat producers in Montana and all across the Nation. This bill will increase the loan rate and target price for wheat by $0.75. It will also establish a variable set-aside target price structure to provide meaningful incentives for farmers to reduce the production of wheat. And I invite interested Senators to introduce similar legislation in an effort to alleviate the problems plaguing the producers of cotton, feed grains, and other commodities.

It is apparent from my research and discussions with Montana farmers that the participation of wheat producers in the set-aside provisions of the Food and Agricultural Act of 1977 will not reach the administration's expectations. Without this participation, overproduction will continue and prices will remain depressed by a market surplus.

Montana wheat producers have accepted most of the provisions of the 1977 Farm Act. There is criticism, however, and most of it is directed at the unrealistically low loan rate and target prices and the restrictions that were imposed on farmers. This bill is intended to respond to these issues.

The bill provides a program for wheat producers for the next 4 years. It establishes a loan base of $3.00, which is $0.75 higher than the present level. This increase in the loan rate should provide the necessary margin that will allow most farmers to continue in business. The bill also establishes a variable set-aside target price program, which will allow a farmer to decide the number of acres to be harvested and the price to be received for wheat.

The target prices established by the bill range from $3.75 for a 20-percent reduction in acreage to $5.07 when the set-aside is as much as 50 percent.

This bill should be acceptable to the administration, because the difference between the loan rate and the target price is the same $0.75 amount provided for in the 1977 Farm Act. This should result in deficiency payment costs identical to those presently budgeted. If the deficiency payment costs would be increased, they would be offset by higher market prices. This economic incentive is essential to the farm economy and would have the additional advantage of reducing our trade deficit by generating a higher dollar volume of wheat exports.

Farmers did not cause the problems that are threatening to drive them off the land. Most of these conditions are the result of the confused and contradictory policies of the Federal Government. Farmers were encouraged to plant crops, fence row to fence row, to supply markets that have not yet developed. Subsequent to the increases in production, the Government imposed arbitrary export embargoes on wheat and the elevators overflowed, the harvest was piled in the streets of farm towns and the market collapsed.

Farmers are the basis of the national economy and they should not be subjected to Government policies that are diametrically opposed to their economic interests. The bill will offer immediate assistance to grain producers with a minimum cost to the Treasury, and it will establish a voluntary program which will assure management flexibility and freedom from unnecessary Government intervention on the farm.

I ask your support of this measure.●

By Mr. WILLIAMS (for himself, Mr. PROXMIRE and Mr. TOWER) (by request):

S. 2715. A bill to amend the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1979–1981; to the Committee on Banking, Housing, and Urban Affairs.

● Mr. WILLIAMS. Mr. President, at the request of Harold M. Williams, Chairman of the Securities and Exchange Commission, Senator TOWER, Senator PROXMIRE, and I are today introducing legislation submitted by that agency to authorize appropriations for the Securities and Exchange Commission for the next 3 fiscal years.●

By Mr. INOUYE:

S. 2717. A bill to amend certain provisions of title 15 of the District of Columbia Code relating to judgments and executions; to the Committee on Governmental Affairs.

● Mr. INOUYE. Mr. President, today, I am introducing legislation that would amend title 15, of the District of Columbia Code which provides for the individual exempt category in bankruptcy. The bill is to update and to change this provision, particularly that concerning the automobile.

My proposal would accomplish three objectives: First, it would clarify and update the exempt category by deleting the phrase "one horse or mule; one cart, wagon or dray and harness," thus simplifying it to "one automobile or motor controlled vehicle."

Second, the ceiling value of the exempt automobile would be extended from "$500 in value" to "$1,500 in equity."

Third, the present statute which allows the individual to keep the automobile only "if used principally by the debtor in his trade or business" would be deleted, thus allowing the individual consumers to keep their automobiles regardless.

If enacted, this bill will provide for the much-needed amendment to the present provision. Contrasting to the bordering jurisdiction of Maryland and Virginia, which have kept up their bankruptcy exemption provision, the District of Columbia codes are sadly out of date.

There have not been any major changes made to this provision since its passage in 1901. This particular clause was added in 1944, when $700 to $900 could buy a brand new car. At this price, exemption of an automobile up to $500 in value made much sense. However, applied to the present day economy, the provision can only be termed grossly unfair to the debtor. I am sure that you are all aware that the present day estimate of an economy-class automobile averages around $4,000 to $5,000. With the above figures in mind, the extension of the value of the automobile to $1,500 in equity is conservative in all accounts. Further, approximately 90 percent of all cases handled in the District of Columbia bankruptcy court are consumer originated. And further, in 90 percent of these cases, one or more automobiles are involved.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 501 (a) (7) of title 15, District of Columbia Code, is struck and amended to read as follows:

"(7) one automobile or motor-controlled vehicle to the extent of the debtor's equity, not to exceed $1,500 in value; and" ●

By Mr. MATSUNAGA:

S. 2719. A bill to amend the Airport and Airway Development Act of 1970 to require the establishment of a system of automated flight service stations; to the Committee on Commerce, Science, and Transportation.

AUTOMATED FLIGHT SERVICE STATIONS

Mr. MATSUNAGA. Mr. President, I am pleased to introduce legislation today providing for the establishment of a system of automated flight service stations.

Flight service station personnel operating obsolete and oftentimes deteriorating equipment are finding it increasingly difficult to meet expanding requests for their services. In light of these circumstances it is my belief that the present system already poses a threat to the safety of the general aviation community. Moreover, the inaction of the Federal Aviation Administration (FAA), in the face of congressional requests to modernize the flight service station system, makes passage of this legislation imperative.

The purpose of the flight service system is to promote aviation safety. The major services provided to pilots by flight service personnel are: preflight and inflight weather briefings, acceptance of both instrument flight rule (IFR), and visual flight rule (VFR) flight plans for relay to the proper destination, inflight emergency assistance, coordination of search and rescue operations, and the preparation and distribution of notices to airmen (NOTAM), describing the operational status of air traffic control facilities, navigational aids, and airports.

There are, however, several major problems with the existing flight service stations which prevent the system from providing maximum service to airmen. First, the present operations are highly labor-intensive. In many cases each pilot must be provided a weather briefing for his intended route of flight by a flight service specialist on a 1-to-1 basis. The problem is compounded by the projected doubling of demand for flight services by 1985 and a near tripling of demand by 1995.

Second, much of the equipment now in use is deteriorating and quickly becoming obsolete. Although advanced technology has been successfully utilized to automate the en route and the terminal elements of the air traffic control (ATC) system, none of this available technology has been applied to flight service stations. Currently, weather data is distributed by teletype and displayed on flight service specialists' clipboards—a very inefficient operation.

In addition, the basic geographic configuration of the system follows historically significant routes which are no longer the patterns of greatest general aviation activity. As a result, there are wide disparities in the size and productivity of individual stations, with some stations not fully utilizing their personnel while at others the specialists are badly overworked. From the pilot's perspective, the result is long delays and inadequate service in the very areas where service is most needed.

Thus, there is an urgent need for establishing a modernized system of automated flight service stations. However, while the Federal Aviation Administration has succeeded in decommissioning existing but little used stations, it has not implemented a modernization program. In fact, in 1974, fearing a resulting decrease in service the Congress finally limited the number of flight service stations which could be decommissioned and urged the FAA to proceed with a plan for modernizing the system.

When it became evident that the FAA had made no progress on the implementation of a modernization scheme, the Congress moved to mandate its implementation by appropriating $27,900,000 in fiscal year 1977 specifically for this purpose. However, in spite of the congressional initiative, the FAA, to date, still has not acted.

I believe a modern flight service system is needed now. A report just released by the National Safety Traffic Board (January 17, 1978) shows that there were 1,395 fatalities in general aviation in 1977, an increase of 75 over the previous year. Moreover, in another report, the National Transportaiton Safety Board indicates that 42 percent of fatal general aviation accidents are weather related. Every available method should be used to reduce this tragic statistic. Timely weather information is a vital factor in preventing these accidents. Such information can best be provided with a modernized flight service station system which can adequately serve every pilot.

The flight service problem does not require further research and development. It requires administration, installation, and operation—today—and I urge my fellow Senate colleagues to join me in supporting this vital piece of air safety legislation.

By Mr. MCGOVERN:

S. 2720. A bill to provide increased target prices and loan rates to agricultural producers, increase Public Law 480 exports, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. MCGOVERN when he introduced the bill appear earlier in today's proceedings.)

By Mr. MCCLURE:

S. 2721. A bill to amend section 803 of Public Law 90–284 to allow educational institutions to determine housing policies; to the Committee on the Judiciary.

● Mr. MCCLURE. Mr. President, there was a time when we in Congress reviewed our laws with an eye toward closing the gaps and loopholes used by criminals to circumvent our legal code.

Now it seems we must turn our atten-

tion to the loopholes used by Federal bureaucrats to regulate and control all manner of perfectly proper behavior over which Congress never intended to place the heavy hand of Federal rule.

An example of this abuse of power just occurred in Provo, Utah. The Justice Department has threatened to sue Brigham Young University for requiring that housing facilities for male and female students be separate.

Brigham Young University is not a tax-supported institution, but is financially sponsored by the Church of Jesus Christ of Latter-day Saints. It is one of the largest private schools in the country, and is known not only for its academic excellence, but also for the high moral standards set by the school.

It is important to note that the Justice Department has not charged BYU with exercising preferential treatment based on sex. The question of superior facilities for male or female students is not at issue for all housing is approved by the same standards. This lawsuit is being threatened, because the Justice Department has decided that the university and the owners of student housing may not require separate living facilities for male and female students. The Department of Justice claims that BYU's moral code violates the Fair Housing Act. The president of the university, Dallin Oaks, has announced his intention to oppose this unwarranted lawsuit. He pointed out that as part of their free exercise of religion, his institution teaches young people the highest standards of Christian morality and expects them to live up to these standards.

President Oaks stated that—

Congress cannot have intended that the anti-discrimination laws be used to encourage sexual license or to establish the so-called new morality.

He is right, of course. And to make this clear even to those in the Justice Department who will accept restraint on their power no other way, I am offering a bill which states with precision and certainty the obvious fact that requiring separate living facilities for young people in school is not a violation of the fair housing laws of the United States.

For the information of my colleagues, I ask unanimous consent that the statement of President Oaks be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DALLIN H. OAKS

BRIGHAM YOUNG UNIVERSITY HOUSING POLICIES

For many years Bigham Young University has worked on a cooperative basis with landlords in the Provo area to assure that all housing rented to BYU students is of the highest quality consistent with acceptable levels. There is now ample housing of acceptable quality in the community for men and women students of BYU. As a church sponsored institution. Bigham Young University teaches the highest standards of christian morality and expects its students and faculty to live up to those standards. For example, we believe that sexual relations outside the bonds of marriage are morally wrong and our church and university standards forbid them. The First Amendment's guarantee of freedom of religion protects our rights to teach our moral principles and to make them part of the requirements of enrollment and employment in this educational community. Reasonable separation of the sexes in housing for single students reinforces our moral teaching and requirements by helping retain traditional restraint in relations between sexes. Consequently, we require that single students of either sex, whether living on or off campus, live in buildings or separate wings of buildings restricted to residents of their own sex. University standards of sexual behavior and university housing requirements apply equally to men and women and therefore are not discriminatory. The purpose is to forbid discrimination on the basis of sex. There is no such discrimination in BYU off-campus housing patterns which apply the same standards to each sex, but insists on the separateness that is needed to support the moral teachings of the University and its sponsoring church. BYU imposes its principles on no one. Students attend BYU voluntarily and with the full understanding of its policies and the standards its students are expected to observe. Those who desire more intimate living arrangements with members of the opposite sex may attend other universities. BYU is not supported by taxes and it uses no government funds to build or administer its housing or to enforce its policies. BYU simply insists on our constitutional right to teach and to require our students to live up to high moral standards and to foster housing patterns supportive of that effort.

For the reasons set out above, BYU will vigorously defend its position in this unwarranted lawsuit.●

By Mrs. HUMPHREY:

S. 2722. A bill to amend the Mental Retardation Facilities and Community Mental Health Centers Act of 1963 to establish State mental health advocacy programs; to the Committee on Human Resources.

MENTAL HEALTH ADVOCACY

● Mrs. HUMPHREY. Mr. President, Congress is currently considering a 1-year extension of the Community Mental Health Centers Act. While it is my understanding that major changes in the law will be deferred in order to consider and implement, where possible, the recommendations of the President's Commission on Mental Health, whose report is due in April, I am today proposing a change that I believe merits immediate attention. Moreover, based on the preliminary report of the President's Commission, I believe it will be entirely consistent with that body's final recommendation.

I quote from the preliminary report submitted to the President on September 1 of last year:

Of particular concern are those people whose severe mental disabilities require long-term treatment and care. The term deinstitutionalization has been used to describe an approach that aims at preventing unnecessary admissions and prolonged stays in institutions, finding and developing alternatives in the community for those who do not need to be in institutions, and improving care and treatment for those who need institutional care. There is ample evidence that we are far from achieving these goals. Many mentally disabled persons still enter, reenter, or remain in public institutions when they could be treated in the community. Many of these institutions are underfunded and understaffed. In the community, many long-term patients live in group homes, foster care homes, halfway houses, room and board facilities, and "welfare" hotels. Some are excellent; others are best described as crowded, unsafe, and uncaring. Often the only community based treatment offered the long-term patient is medication.

As a result of this finding, the report makes the following initial recommendations:

Community based public and private services must be the keystone of the mental health services system. This system must include a range of diagnostic, treatment, rehabilitation, and supportive services for those who need short-term and long-term help. It must assure continuity of care and these services must be readily accessible to the people who need to be served. Mental health services must be coordinated with related services provided by the income support, health care, social service, and education systems so that each person receives all the care and support he or she needs.

And it concludes:

The Commission cannot provide a single blueprint for all communities to use in developing community based mental health services, because each community must have a system that responds to its own needs.

MENTAL HEALTH ADVOCACY

The legislation that I introduce today would help assure that each community does, in fact, develop such a system.

Under section 113 of the Developmental Disabilities Act, Public Law 94–103, States are required to designate an independent agency to protect and advocate the rights of developmentally disabled persons as a condition of eligibility for Federal aid.

My bill would extend similar protection to persons discharged from mental institutions by creating a nationwide system of advocacy to help reintegrate the seriously disabled psychiatric patient into the community. To aid the creation of such advocacy groups or agencies, it would create a national clearinghouse to sponsor meetings, exchange and disseminate information. Most significant, it would require each State to establish a statewide agency, independent of service providers, to function as an advocate for mental health clients.

BACKGROUND

For over a decade this Nation has espoused, and rightfully so, the goal of deinstitutionalization of the mentally disabled who could be better cared for in the community.

Prior to the 1960's, mentally disabled persons who could not afford private care had to rely primarily on public institutions where conditions frequently ranged from custodial care to actual mistreatment.

The objective of providing mental health services in the community is now generally accepted as an enlightened policy based in sound principles.

But too often the results have been disappointing and even tragic for those released.

Too many continue to enter institutions unnecessarily, to remain hospitalized inappropriately, and to be readmitted after brief and damaging failures in a hostile or insensitive community.

Many factors have contributed to the problem which has been dramatized and documented in recent articles and stud-

ies. Perhaps the most comprehensive analysis is the January 7, 1977, report to the Congress by the General Accounting Office.

Arguing for more coordinated efforts, the report states:

> Although deinstitutionalization of the mentally disabled has been a national goal since 1963, Federal agencies that can influence this goal have not yet developed a comprehensive and clearly defined national plan to achieve this goal.

Before I speak of efforts to respond to these concerns, I would like to try to put that problem in human terms. I quote from a letter Hubert received from Dr. Paul Polak, a psychiatrist and executive director of a Community Mental Health Center. Speaking of the problems facing the seriously disturbed patient, released into the community with little planning and followup care, he said:

> I think the present status of many of these clients is nothing less than a national disgrace. Many of them have been dumped out of state hospitals without any coherent structure for community-based treatment and support. Too often, they live in social isolation, in slum housing, without mental health treatment or follow-up, and no opportunity for a life with dignity. They were better off in the back wards of state hospitals.

The patient who is not discharged into the community because he or she is able to function in a stable and effective manner, but because it is our policy to provide care in the least restrictive manner, has continuing needs that must be addressed, such as decent housing, jobs, counseling, and rehabilitation.

For too many, services and facilities are inadequate or inaccessible, and their lives become a grim round of repeated failure and readmissions, heartrending to the patient and his family, and costly to society.

The factors inhibiting success are many and some are evident. Primarily, there is no single responsible agency; there is a lack of coordination among different agencies and programs serving the mentally disabled; there is too little release planning and followup, and there is a lack of a systematic approach to deinstitutionalization.

Although community mental health centers have increased the availability of community-based mental health services, they have had mixed success in reducing admissions, and in providing services to persons released from institutions.

Most direct Federal funding for community mental health services comes from center programs and the special health revenue sharing program administered by the States. This tends to produce two separate mental health systems, the public mental hospital system and the community mental health center system, which have not been effectively integrated.

It is clear that the excellent programs underway through the CMHC's must be developed and expanded. But frequently, the CMHC emphasizes prevention rather than long-term care, and is not adapted to the needs of the discharged or seriously ill mental patient. Moreover, CMHC's have limited resources and geographical coverage. Since agencies responsible for mentally disabled persons do not have funds for a comprehensive approach, they have had to rely on resources for other target groups such as the poor, the aged, children, or the disabled, which increasingly fragments services.

The National Institute of Mental Health has initiated the community support program (CSP) to respond to these concerns. CSP attempts to develop and evaluate mechanisms to better serve the mentally ill through comprehensive community support systems, better interagency planning at both Federal and State levels, and fiscal partnership among Federal, State, and local agencies providing direct services. I am pleased that Minnesota is among those States to which a contract has been awarded to develop, evaluate, and plan to replicate such a system.

Because consumer advocacy is an essential component in any such system, I believe the legislation I propose is consistent with these efforts to develop leadership, promote coordination, and support demonstration models of effective service delivery.

THE MINNESOTA MODEL

Last year, my husband became aware of the role of mental health advocates in developing an innovative treatment program to respond to the needs of "revolving door" mental patients in the East Metro area of Minnesota.

The project brought to his attention was "Sharing Life in the Community, Inc.," a private, nonprofit corporation funded by the Minnesota legislature. A coalition of families, legal counsel, providers and mental health clients drew up a program to provide and coordinate services, and to speak in behalf of the seriously disabled psychiatric patient discharged into the community, and vulnerable to reinstitutionalization because of the lack of an adequate community support system.

To date, this project has a substantial record of success in helping revolving-door mental clients get established in independent community living on a permanent basis. The cost savings implications are tremendous. The human conservation is beyond estimate.

Interestingly, SLIC was among the projects cited in Dr. Polak's letter to Hubert:

> What makes it worse, he said, is that successful models currently exist for the treatment of seriously disabled psychiatric clients in non-institutional, community-based settings. The SLIC program in Minnesota, which you discussed on the Senate floor, is one of those programs. Fountain House, in New York, combines housing, work and socialization opportunities. Our own program in Southwest Denver has virtually replaced the use of psychiatric institutions by integrating the state hospital and community mental health center into a single, community-based treatment and support system. Successful models of community treatment are now operating in St. Louis, in Madison, in Ogden, Utah, and in many other locations across the country. These and other successful models of community support, rehabilitation, and treatment, if implemented broadly, could dramatically improve the lives of seriously disabled psychiatric patients in community settings.

The SLIC experience demonstrated the value of advocacy as a component of service delivery. At the same time, this treatment program mobilized a group of persons from widely different backgrounds with a common concern for weaknesses in existing patterns of mental health care. The founders gained invaluable organizational and lobbying experience, and increasing knowledge of the operation and problems of the existing system.

They became convinced that advocacy does not end when a single model program is established, but must be built into the entire mental health system. With this objective, persons who had become increasingly involved and increasingly expert with respect to the needs of mentally disabled persons met in the fall of 1976 to form a statewide mental health advocacy coalition. Its purposes are to challenge the myths of mental illness that distort the perceptions of both the public and professionals, to monitor enforcement of rules and regulations regarding the quality and quantity of services, to promote adequate funding, and to help keep programs sensitive to the need for progressive change in human services.

I know from personal experience that advocacy has had a tremendous impact not only on the nature and extent of services to mentally retarded persons but in redefining their ability and potential, sometimes resulting in a dramatic reassessment of supposed limitations. I am convinced that advocacy can function in a comparable manner for the seriously ill psychiatric patient.

I have, therefore, modeled the legislation I offer today on provisions of the Developmental Disabilities Act which require States to develop a system to protect and advocate the rights of developmentally disabled persons as a condition of eligibility for Federal aid.

When legislation to extend the CMHC was before the Senate last year, Hubert suggested an amendment to specifically foster advocacy programs for reintegrating the mentally ill into community living, and asked that such proposals be considered during hearings on extension of the act.

In fact, Senator KENNEDY joined with Senator Humphrey in asking the Secretary of Health, Education, and Welfare to explore the opportunities under existing law for funding such advocacy efforts. A reply from the Secretary confirmed that there is little likelihood of expanding independent advocacy under current law, or much less actively fostering replication of this system in other States and localities. A report to the Secretary stated:

> The types of advocacy that have been contemplated, and occasionally implemented, under the CMHC program, or are being contemplated, and occasionally implemented the provision of services.

Senator KENNEDY very kindly promised to cooperate when considering the next authorization to examine how the experience of Minnesota might be reflected in the CMHC legislation. It has

been my purpose to submit this bill, in as timely a manner as possible, to provide the structure for that consideration.

Mr. President, I ask unanimous consent that there be printed in the RECORD the text of my bill, and an article from the December 11, 1977 Washington Post which highlights the need for effective advocacy in behalf of deinstitutionalized mental patients.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 2722

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Mental Health Advocacy Act of 1978".

STATEMENTS OF FINDINGS

SEC. 2. The Congress finds that mental health advocacy for seriously disabled psychiatric patients is necessary in order to—

(1) dispel myths relating to mental illness and increase public awareness of the need for change in the quality and quantity of services to seriously disabled psychiatric patients;

(2) encourage the development of a continuum of community based mental health services for such patients;

(3) make mental health service providers responsive to the needs of such patients; and

(4) assist and encourage such patients to take full advantage of available services, programs, and entitlements.

MENTAL HEALTH ADVOCACY PROGRAMS

SEC. 3. Title II of the Mental Health Retardation Facilities and Community Mental Health Centers Act of 1963 is amended by adding at the end thereof the following new section:

"PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS

"SEC. 207. (a) The Secretary shall require as a condition to a State receiving any grant under this part that the State establish, not later than six months from the date of enactment of this section, a Statewide agency for mental health advocacy. The function of the agency shall be to protect and advocate the rights of individuals identified as seriously disabled psychiatric patients.

"(b) In order to protect and advocate the rights of seriously disabled psychiatric patients, the agency established by the State pursuant to subsection (a) of this section shall—

"(1) monitor the quality and delivery of services and programs affecting seriously disabled psychiatric patients, and promote reforms to improve such services and programs and assure a wide range of non-restrictive forms of care and support for seriously disabled psychiatric patients;

"(2) assure that programs and services are responsive to the needs, dignity, and integrity of seriously disabled psychiatric patients;

"(3) encourage grass-roots self-help leadership in efforts to improve such services and programs;

"(4) inform and educate the public and provide consultation to agencies providing services to seriously disabled psychiatric patients;

"(5) represent the interests of seriously disabled psychiatric patients in the development and implementation of local, State and national policy concerning mental health; and

"(6) affect mental health policies and programs through individual or class action litigation.

"(c) The agency established by the State pursuant to subsection (a) of this section shall —

"(1) have the authority to pursue legal, administrative, and other appropriate remedies to insure the protection of the rights of seriously disabled psychiatric patients who are receiving treatment, services, or rehabilitation within the State; and

"(2) be independent of any State agency which provides treatment, services, or rehabilitation to seriously disabled psychiatric patients.

"(d) The agency established by the State pursuant to subsection (a) of this section shall be managed by a Board of Directors. The membership of the Board shall be composed of individuals representing the following two groups in the percentages specified:

"(1) between 50 and 75 per centum of the members of the Board shall be seriously disabled psychiatric patients capable of such service and relatives of seriously disabled psychiatric patients; and

"(2) between 25 and 50 per centum of the members of the Board shall be mental health care providers and attorneys working in areas concerning the rights of seriously disabled psychiatric patients.

"(e) The Secretary may not make any grant under this part to a State for a fiscal year beginning after September 30, 1979, unless the State has established the agency required under the provisions of subsections (a), (b), (c), and (d) of this section.

"(f) To assist the States in meeting the requirements of this section there is authorized to be appropriated such sums as may be necessary for fiscal years 1979, 1980, and 1981.

"(g) The Secretary shall make such regulations as may be necessary to carry out the provisions of this section, including the definition of seriously disabled psychiatric patients.

ESTABLISHMENT OF NATIONAL CLEARINGHOUSE FOR MENTAL HEALTH ADVOCACY COALITIONS

SEC. 4. (a) The Secretary of Health, Education, and Welfare is authorized and directed to establish the National Clearinghouse on Mental Health Advocacy Coalitions. The Clearinghouse shall—

(1) sponsor workshops in each State on the development of community-based mental health services;

(2) serve as a communications network among State and local coalitions;

(3) research, compile, analyze, and disseminate information concerning the efficacy of existing programs;

(4) coordinate an annual National conference on mental health advocacy coalitions; and

(5) provide technical assistance to State and local coalitions in carrying out their programs and in obtaining financial assistance from public agencies and private institutions.

(b)(1) The Secretary of the Department of Health, Education, and Welfare is authorized to enter into contracts with a public agency or private nonprofit organization to operate the Clearinghouse established under this section.

(2) There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

[From the Washington Post, Dec. 11, 1977]

THE NEW GHETTOS OF THE MENTALLY DISABLED

(By Victoria Graham)

Five hundred years ago, boats were cruising the waterways of Europe with cargoes of madmen, castaways shoved from port to port in ships of fools.

An enforced ocean voyage was an easy way to cleanse a town of strange and disturbing figures. Some were herded on pilgrimage ships taking the demented to shrines; some were pushed off at the next harbor; some were abandoned to the sea.

Today, thousands of mentally disturbed persons still are voyagers, a fragile cargo released from state hospitals and cast adrift in contemporary ships of fools.

They journey from hospital to hospital, from hospital to community—there to follow a circuit of halfway houses, flophouses and emergency rooms. Many return to the hospital.

In the name of humanity, therapy, civil liberty and economy, more than 300,000 mentally disabled persons have been discharged since 1963 and "sent to the community."

But the "community," with its connotations of caring, often doesn't exist or isn't the place people came from or remember. Mostly it shuns the mentally disabled.

There are successes. Experts agree that "de-institutionalization" can and does work. Across the country there are dedicated people and programs to prove that—properly planned, financed and executed—returning people to a community setting is good in terms of therapy, dignity and economy.

The shift from public institutions "clearly has succeeded in removing people who don't need to be in hospitals," says William Ten-Hoor, chief of the community support program of the National Institute of Mental Health.

"It's kept people out, shortened their stays and prevented the debilitating effects of hospitalization. But de-institutionalization is not a goal but a process, and, as far as improving the quality of life goes, we are failing and we have not developed a system to help them lead satisfactory lives."

POOR HOUSING, SERVICES

If it has worked for many, to others it has meant moving from big warehouses to little warehouses, from back wards to back alleys. And the public dollar doesn't follow them.

They have poor housing and few services. They live in nursing or boarding homes where they receive too much or too little care. Some are recruited into migrant labor camps or prostitution; many are victims of crime, poverty, hostility, indifference.

In any event, community mental health is virtually national policy and law of a land where an estimated 20 million persons suffer some sort of mental illness at an annual cost of about $37 billion.

Few contest the theory behind the reform, but an array of critics—state employees, psychiatrists, politicians, social and health workers—argue that the big shift from hospitals to communities is a good idea poorly executed.

"Our society has made the decision that you don't lock up people and throw away the key any more," says Dr. Allan Beigel, a psychiatrist and chairman of the President's Commission on Mental Health. "The mental health system is still trying to catch up to that societal judgment.

"The problem is the overwhelming number of released patients and lack of resources in the community. And the resources are not adequately organized.

"The mentally ill have no natural constituency," he adds, "There is still a stigma attached to mental illness."

FEWER IN HOSPITALS

Numbers outline the problem.

Since 1955, the population of mental hospitals has dropped from a peak of 559,000 to 191,395, or about 65 per cent—in part as a consequence of the new drugs that make patients more manageable.

Illinois, for example, had 49,000 patients in 1959 but fewer than 13,000 today. New York's inpatient population dropped from 85,000 in 1964 to 26,700 today. In California, the decline was from 36,000 a decade ago to about 16,000 now.

More mentally disabled live in nursing homes today than in state institutions. Total admissions to state hospitals have dropped

since 1972 and stays are becoming shorter, but 55 per cent of admissions today are readmissions, up 8 per cent since 1969.

"Society has ordained that patients should want to return to the community and be free and responsible, but many don't want to and for many the hospital is their home," says Aaron Rosenblatt, director of research for the Council of Social Education in New York.

Mere numbers say nothing about the human dimensions of the exodus, which is best understood in the geography of the great dispersion, the psychiatric ghettos of big cities.

Chicago has its Uptown neighborhood, once a fashionable lakeside resort; New York its Upper Broadway; San Francisco its Tenderloin; rundown areas in Hollywood and Venice serve as "communities" in Southern California.

Nor is it just the plague of big cities. Former patients cluster in the resort communities of Long Beach, Bay Shore and Sayville on New York's Long Island and affluent San Mateo County, Calif.

The live in "Irish Jack's" halfway house in Redwood City, Calif., or Chicago's Northmere—some call it the Nightmare Hotel—or the chandelier-lit Promenade Hotel on the Long Beach boardwalk.

They're in the trailer park along the freeway, the old hotels along the railroad tracks, the sagging gingerbread houses with torn shades. Most live in hotels converted to shelter and nursing care homes—often short on hominess and care.

At the worst, they browse about the streets: They move in a shuffle, the result of heavy medication; they sit on the curb drinking or holding conversations with their private voices.

They are the bag ladies poking through garbage, the people who rant and implore, the ones who shiver in overcoats in summer and go barefoot in winter.

WANT TO GO BACK

And always some want to go back to hospitals. A middle-aged woman kept returning like a homing pigeon to New York's Bronx State Hospital. She couldn't cope with a troubled daughter, late welfare checks and the East Bronx where she was robbed five times. She began to hear voices.

Often, she would be found curled up asleep in the lobby of the hospital. Once readmitted, she improved. "It's a jungle in the East Bronx," she says. "I'm afraid to leave the apartment. That's slow death in itself. The hospital is better for me."

One night in Uptown Chicago, a 19-year-old former patient asked his counselor at a converted old hotel, the Grassmere: "Is there a difference between being homesick and hospitalsick? I think I'm hospitalsick and need to go back." One time he cut himself to gain readmission.

Kathleen Brown, administrator at the Grassmere, says it's getting harder and harder to be admitted to a hospital. "Nowadays they've got to go out and prove how sick they are. They shouldn't have to do that."

Says Joan Richmond, associate director of consultation at the Edgewater Uptown Community Mental Health Center: "We have clients for whom life on the streets is a nightmare. We have clients begging to be hospitalized, and we have to tell them that what they want is no longer available."

In northern California, a 27-year-old schizophrenic and alcoholic has been in and out of hospitals and emergency rooms since 1963. At Napa State Hospital, he confided to his social worker, "I had to drink hair tonic to get back in." Today he is out again, wandering.

"There is a concrete and visible chronic population," says Dr. W. Melvin Brown, past president of the San Mateo County Mental Health Association. "They need dignity and a haven from stimuli. So we sent them out to the community and they tell us by their bizarre behavior and by their appearances in local emergency rooms that they don't want to be here.

"Thorazine is not enough. They need someone to turn down the lights and put on the earmuffs and hold their hand and take over some of the functions of living."

TRUE COMMUNITIES

Here and there in the swirl of the exodus, patients find a true community, like Fountain House on New York's littered West 47th Street. Fountain House is bright and clean, with a garden and a fountain in a neighborhood of blackened buildings.

Founded by former patients in 1948, it is a bright magnet that serves about 2,000 members a year—most of them schizophrenics. Fountain House has a staff of more than 60, an annual budget of $1.2 million (40 per cent from private sources) and provides a day program, evening program, 35-cent lunches, 50-cent dinners.

It leases apartments for more than 120 members around the city, arranges part-time, transitional employment (including work in its own kitchen, offices and thrift shop), provides a banking service and generally radiates usefulness and purpose.

"We try to create opportunities," says associate director James R. Schmidt. "We try to discover the talents that members have and stimulate them to help each other. We're not a clinic. But we do care."

For many former patients, though, the community is nothing like the highly organized, adequately financed Fountain House. For them, the community is a dangerous place where the strongest survive—and they are the weakest.

Alphonsero B., a British West Indian, a chronic schizophrenic, was discharged from a Bronx hospital, became a day laborer in Baltimore and was recruited into migrant labor. He was let go for bizarre behavior, wandered for days and was arrested for stealing cucumbers from a farm kitchen. He was rehospitalized in Virginia.

Dr. Richard D. Morrison, a sociologist and coordinator of the Interagency Council on Migrant Services on the Eastern Shore of Virginia, cited the case in testifying before the President's Commission on Mental Health:

"We argue that some of the statistical successes of deinstitutionalization and aftercare are dismal failures since many of the still disoriented, confused and troubled former patients drop from sight of these programs to be shanghaied into the migrant labor forces, there to lead lives characterized by brutality and misery and early death."

Kathy (not her real name) is a 22-year-old schizophrenic who lives in San Mateo County and travels a prostitution circuit. The product of a family which never allowed her freedom, she was sent to Napa State Hospital at 14 and was in and out for years, most recently after the birth of her child. She was discharged and found her way to East Palo Alto where she drifted without supervision until she connected with a pimp.

PSYCHIATRIC SLUMS

Those may be extreme examples, but routine case stories are eloquent enough: Twirley, the tall man who spins, toplike, on the Long Beach Boardwalk; Sadie, the gaunt paranoid in gingham, who starves slowly in her Tenderloin hotel room and mumbles of conspiracy; George with the gentle eyes, who stands outside Chicago's Northmere Hotel, eager to talk with anyone.

At the Grassmere, a 222-bed intermediate care facility in Uptown Chicago, Judy, 49, sits quietly in her corner in the residents' day room. She's glad to be out of the hospital—she's been in five different ones in 10 years—but, "It's okay in here," she says.

But she wishes she were with her daughter in Kansas, "and I don't like this neighborhood. There's a bar across the street. I've been threatened and intimidated. Now I only go to the corner store for potato chips."

Dr. Jack Weinberg, president of the American Phychiatric Association, has watched Chicago's Uptown neighborhood become a psychiatric slum where an estimated 10,000 former patients live in the shadow of the glittering highrises on Lakeshore Drive.

Weinberg years ago pioneered in finding suitable foster homes for the mentally ill. "We have great fears about placement of people in the community," he says. "It's vital to place people from the hospital in an emotional climate accepting to and accepting of them.

"But suddenly thousands were dumped without providing aftercare and they live without the rudimentary elements of human existence. It isn't good community psychiatry . . . It's criminal."

"We see clients who ought not to be living in the community," says Joan Richmond of the Edgewater Community Mental Health Center. "Some can't express it, but there are no limits or safety in the community. That's the tragedy of the community mental health movement. Many are helped, but it doesn't solve problems for others and has created new devastation."

COMMUNITY RESENTMENT

In well-off San Mateo County, which may have had more successes than most areas, Dr. Brown, the former president of the county's Mental Health Association, puts things even more pointedly.

"The community health movement has fallen into disrepute," he says. "In fact, there is no community movement because there is no community. No one has welded a community that cares."

In Long Beach and Bay Shore, Long Island, citizens object to the numbers of former patients visited on their towns.

Eddie Dinnean, 55, and a cluster of disheveled, quiet men sit on the steps of the whitewashed Baybright Hotel, a focus of community anger in Bay Shore.

Tall, gangling, shabby, he peers with some whimsy and bitterness through thick glasses set at a jaunty angle.

"I've had 10 years of incarceration in hospitals, and I've bounced around a bit. I'm an alcoholic and a real kook," Eddie says cheerfully. "I prayed for the day they would let us out and we could live like human beings again."

The Baybright isn't that bad, he says, and former patients there are like brothers and sisters. "We have to be, because it's rough out there," he adds, pointing to the tidy, quiet main street.

"The town doesn't like us sitting out here," he says, and he's right. The kids call him a bum and retarded.

"I went out for a cup of coffee and they refused to serve me. I was barred from the ice cream store because I spoke a little loud and rude."

He introduces Betty, a fat tattoed blonde, and Paula, a middle-aged woman with a ponytail, who sits on her bare mattress, packing and unpacking, talking about the baby she couldn't keep.

"I've been in a million joints," says Paula. "At least I'm free to stare at the ceiling."

"I've been here four months now," says Eddie, "and I just talk to my friends and stay away from the unfriendly ones. Out here they judge you by your clothes."

By Mr. DOMENICI (for himself, Mr. BELLMON, and Mr. TOWER):

S. 2723. A bill to amend the Emergency School Aid Act to permit local educational agencies that are racially isolated as a result of geographic location to be eligible for assistance under that Act; to the Committee on Human Resources.

● Mr. DOMENICI. Mr. President, since 1972, it has been the policy of the

Office of Education to provide funds under the Emergency School Aid Act to all eligible school districts, including those districts which are unable, due to their geographic location, to carry out a desegregation plan as mandated by the Act. However, in January of 1977, the Office of Education issued a new interpretation of the Emergency School Aid Act which removed all comprehensive education plan districts from consideration for funding. Several States, including my own State of New Mexico, were adversely affected by this reinterpretation of ESAA law. In March of 1977, I and several of my colleagues petitioned the Office of Education to protest this new interpretation and request that the affected school districts be held harmless for the 1977 school year. Realizing that this new interpretation amounted to a reversal in mid-stream of long-standing policy, the Office of Education granted the hold-harmless.

However, the problem has not yet been resolved, and the hold-harmless is about to expire. Today I am introducing a bill to amend section 706(a)(1) of the Emergency School Aid Act which will clarify the responsibility of school districts with respect to the adoption and implementation of a plan to aid school children in overcoming the educational disadvantage of minority group isolation. The legislation I am proposing will provide that school districts which are racially isolated due to geographic location can continue to be eligible for ESAA funding. Unless the ESAA is amended to include these school districts, there will be substantial cuts in innovative, beneficial programs for many of our isolated, rural school children. I hope that the Congress will act quickly and favorably upon my amendment.●

● Mr. TOWER. Mr. President, I am pleased to support the amendment to the Emergency School Aid Act (ESAA) that has been offered by my friend from New Mexico, Senator PETE DOMENICI. This bill would prevent HEW regulations from penalizing school districts in Texas, particularly in the lower Rio Grande Valley, that have predominant racial or ethnic enrollments mainly due to geographic location.

During the past year, I called upon the Secretary of HEW to withdraw a significant change that had been proposed in ESAA regulations. At that time, HEW labeled the change as merely a clarification in the ESAA regulations. In my judgment, it constituted a major effort to restrict the flexibility of the ESAA program to deal with minority group isolation of children in school districts where no amount of movement could change the predominant racial or ethnic makeup of the enrollments. In short, HEW stood to penalize Texas school districts that may be isolated due to geographic location.

I am pleased to cosponsor this amendment to section 706(a)(1) of ESAA since it would again permit school districts in my State that are racially isolated as a result of geographic location to be eligible for the assistance that is available under this act. More importantly, it would insure that the programs and services utilized by these Texas school districts during the past 4 years of ESAA funding, mainly to serve children of the Mexican-American community, would continue to be available in the future to provide new educational opportunities.

Mr. President, it was in 1973 that the regional attorney for HEW region VI issued what became known as the "Stokes' memorandum." This legel opinion by a duly constituted arm of HEW established ESAA eligibility for Texas school districts even though they could not show evidence of student movement between and among schools within the district, as required by ESAA. It also authorized ESAA eligibility for funding for a relatively few school districts only where movement of students was not possible and otherwise mandated by applicable court decisions.

The Stokes' memorandum permitted ESAA eligibility on one condition: it was that school districts were required to show that they were implementing a plan accepted by HEW as a title VI plan relating to desegregation of minority group children. During the 4 years that Texas local educational agencies had established eligibility and received funding under section 706a(1) of ESAA, the condition imposed by the Stokes' memorandum in 1973 was met.

Mr. President, the HEW change that this amendment addresses illustrates clearly the serious pitfalls associated with any concentration of the final decisionmaking processes in the anonymous but centralized bureaucracy of HEW. A valid legal opinion rendered in the field by HEW, in the form of the Stokes' memorandum, was designed to meet the lawful requirements of ESAA and the critical educational needs of children in five Texas counties where the median school years completed, for individuals 25 years of age and older, ranged from a low of 5.19 years to a high of 8.53 years. HEW could have chosen to reinforce the efforts of region VI to deal with the educational needs of children in my State in this instance; since HEW has acted in an opposite fashion, this amendment is a fair and necessary remedy, and I urge the Senate to approve its prompt passage.●

By Mr. INOUYE:

S. 2724. A bill to require reciprocal access to the courts of a foreign sovereign government by U.S. residents and the U.S. Government to sue for injuries, and for other purposes; to the Committee on the Judiciary.

● Mr. INOUYE. Mr. President, on January 11, 1978, the Supreme Court held in Pfizer against India that foreign nations are entitled to bring treble damage actions in American courts against American suppliers for alleged violations of the antitrust laws. The Court concluded that a foreign nation is a "person" for the purposes of section 4 of the Clayton Act.

The Court reasoned that although this question "was never considered at the time the Sherman and Clayton Acts were enacted" the intention of Congress was to make this remedy widely available. Moreover, it noted that the purposes of the section are to deter violators and deter them of the fruits of their illegality and to compensate victims of antitrust violations for their injuries and declared that to deny a foreign plaintiff the right to sue would defeat these purposes.

This decision has resulted in an anomaly for two reasons. As a result of a 1955 amendment, Congress has limited recovery by the U.S. Government to actual damages plus the cost of the suit. Thus, the court's decision in the Pfizer case places foreign countries in a position superior to that of our own Government. Second, as Chief Justice Burger noted in his dissent:

> While the United States Government cannot sue for treble damages under our antitrust laws, other nations are free to engage in the most flagrant kinds of combinations for price fixing, totally at odds with our antitrust concepts.

The decision thus opens the way for countries to sue American companies in American courts for treble damages while engaging in or permitting the same kind of anticompetitive practice in their own countries by their own corporations or governmental entities. Although it is true that the United States has attempted to apply the antitrust laws extraterritorially, it has enjoyed a notably lack of success with respect to foreign anticompetitive activities.

Noting this anomalous situation, five Senators have introduced S. 2395, which would amend sections 4 and 4A of the Clayton Act to place foreign governments on the same footing as the United States by limiting recovery to actual damages and suit costs.

Today I am introducing a bill that would leave the court's decision intact but that would require a plaintiff foreign nation to show that it permits the U.S. Government and U.S. persons—individuals, businesses, and State governments—equivalent access and relief for the same alleged injury in their own courts.

For many nations which have comprehensive antitrust laws, this showing should not be difficult. Those nations which permit or even encourage price-fixing, market sharing, tied contracts, and other restrictive practices or which allow no competition at all should not be able to exploit the Pfizer decision, which appears to support a double standard of treatment.

If the administration is truly anxious to apply a fundamental standard in antitrust policy to our commercial dealings with our other trading partners, I would suggest that this objective could be reached far more quickly and more effectively by requiring reciprocity than by relying on the good will and good moral conduct of the United States to influence the politics of other nations.

Mr. President, I would like to stress that I am not averse to giving those nations which follow the standard of conduct to which they would hold American firms access to our courts and the treble damages remedy. I believe that some nations will have little difficulty in qualifying it. However, in an increasingly competitive world in which the United States is losing its ability to effect its economic objectives and policies, foreign nations and firms will gleefully take

advantage of our unwillingness to close the loopholes in our antitrust laws and policies, which are oblivious to the conditions of the real world and that permit foreign firms to neatly circumvent the force of our laws.

I ask unanimous consent that the text of the bill be printed in the RECORD together with an article which appeared in last Sunday's Washington Post and which graphically illustrates the fact that foreign countries by and large adopt a more political and nationalist attitude than we do.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 2724

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Clayton Act (38 Stat. 731; 15 U.S.C. 15) is amended by adding the following sentence at the conclusion of this section: "A foreign sovereign government, including any agency or agent thereof, may sue for an injury pursuant to this section if United States persons and the United States government are permitted equivalent access and relief for the same injury in the courts of such foreign sovereign government."

[From the Washington Post, Mar. 5, 1978]

U.S. FIRMS' CONCERN GROWS OVER EEC'S ANTITRUST LAWS

(By John Robinson)

BRUSSELS.—Cars, cameras, computers or bananas—you can sell anything in Europe's 250-million-strong Common Market, but you had better be darned careful about how you do it, especially if you're big business.

That is the increasingly clear message being bleeped to major U.S. companies who are finding business rules difficult to follow in a Europe where bigness just isn't best. Not unless you are politically protected.

No surprise then, that American firms, already operating in a high-cost, low-growth European economy, now are focusing growing concern on the Common Market's stiffening antitrust laws directed at big business. Sparked by the massive, $1 million fine slapped on United Brands by the EEC in mid-February, business tensions could increase in the coming weeks as Europe's trust busters prepare to tackle another U.S. giant.

Top EEC officials predict that Eastman Kodak, will shortly be on the receiving end of a controversial Common Market decision involving an antimonopoly complaint.

Yet while the Common Market is busy castigating unfair competitive practices by major U.S. corporations, European governments, with Britain in the forefront, are giving an irate thumbs down to attempts by the Antitrust Division of U.S. Attorney General Griffin Bell's Justice Department to pursue investigations in Europe of international cartels distorting American market conditions. A case in point is the alleged uranium price-fixing cartel, where the Justice Department's efforts to conduct a criminal inquiry in Europe constantly have been blocked by European governments invoking national sovereignty.

But no such political protection exists for U.S. companies in their tussles with the EEC's antitrust authority, the Common Market's Executive Commission.

Besides United Brands, the commission already has used antimonopoly rules to attack a series of American multinationals, including General Motors Corp., Commercial Solvents Corp., and Continental Group, and is pursuing an extensive inquiry into International Business Machines' operations in Europe. Kodak is likely to be the EEC's next "cause celebre."

European antitrust officials admit that they are seeking to force the world's No. 1 camera manufacturer to divulge confidential legal information which they need to buttress an antimonopoly case they are preparing against the American company. They object to Kodak's marketing its films and development in Europe in a single sales package, claiming that this practice forces independent film developers out of the European market.

But Kodak objects to the breach of legal privilege the EEC would commit in forcing disclosure of secret information, admit Common Market officials. However, they are planning a decision which would enforce this. Such a move, it is felt here, could further increase American business alarm at the growing discretionary powers of EEC antitrust activities. This power is not trammelled by the due legal process which must be followed in the U.S.

Without this due legal process afforded by the U.S. judiciary system and the political protection cloaking many European state-run competitors, American multinationals can find EEC antitrust rules a tough proposition. Hence the claim made recently by Joe Sims of the U.S. Antitrust Division that, "If multinationals had their choice, American antitrust principles would do quite nicely as a model for international antitrust codes."

Not that the EEC is specifically out to get U.S. multinationals, but simply big business abuses in general. The trouble is that many of the biggest firms in Europe are American. "We're not looking for U.S. companies: They're simply there and they're big," explains one EEC trust buster.

United Brands was the latest victim of mushrooming EEC antitrust power, when the European Court of Justice—the EEC's highest legal authority—recently endorsed the charge that United had "abused" its dominant position on European markets for bananas, when in fact it held less than half the markets under investigation. Reacting bitterly, the company charged in return that the decision was "of ominous significance to every competitive trading company in the EEC."

Meanwhile, the EEC's attitude to international price-fixing cartels appears ambiguous.

According to sources in this city, it is vigorously investigating a cartel of paper pulp manufacturers, including seven U.S. companies. But this enthusiasm fades rapidly when, as in the case of the uranium cartel, interests are involved which European governments wish to protect.

The truth is that when the chips are down, the EEC antitrust authority must be responsive to political pressure to an extent unknown by its American counterpart at the Department of Justice. This is vividly illustrated by a letter just sent to John Shenefield, assistant attorney general for antitrust in Washington, by Willy Schlieder, the German director general of the European antitrust authority. In it, he warns that "the problems which could arise from the application of American antitrust legislation to enterprises established within the Common Market concern the sovereignty of (EEC) member states."

In other words, "Hands off, Uncle Sam." ●

By Mr. MATSUNAGA:

S. 2725. A bill to amend title 5 of the United States Code to provide that certain air traffic specialists be considered as air traffic controllers for retirement, and for certain other purposes; to the Committee on Governmental Affairs.

AIR TRAFFIC CONTROLLERS

Mr. MATSUNAGA. Mr. President, today I am introducing legislation on behalf of our air traffic control specialists employed at flight service stations to grant them the same early retirement benefits that Federal Aviation Administration air traffic specialists—employed at towers and centers—currently enjoy.

Since I first introduced this legislation in the 94th Congress to grant these benefits to this sector of our air controllers, new information from the FAA clearly lends support to the need for it.

Seven years ago, the need for early retirement for air traffic specialists was readily apparent. There were many air traffic slowdowns and even a "sick out" that the air traffic controllers staged to bring national attention to their plight.

Prior to that time, no one had successfully focused on the controllers' unique service to air travelers, or on the high-stress occupation in which they are engaged. As a result of the dawning awareness of controllers' importance, Public Law 92–297 was enacted in 1972 to improve the conditions of employment for air traffic controllers by offering preferential retirement benefits, job training, and improved appeal procedures for controllers. To insure the quality of the force, maximum recruitment and retention ages for controllers were set.

Civil service retirement provisions (Title V, U.S.C.) were amended to offer the controllers early retirement benefits which were not applicable to the majority of employees under the civil service system. Now, a controller may retire at age 50, if he has completed 20 years of service as a controller, and his right to retire after completing the basic 20-year service as controller is not affected if he leaves his position as a controller to accept another position. He may also retire after 25 years of service as a controller, regardless of age. And the controller is guaranteed an annuity equal to not less than 50 percent of his average salary over the highest 3 years of his service.

This was wonderful news for our air traffic controllers—that is, to all except those employed at flight service stations. After the FAA recommended their inclusion in this landmark legislation, they were excluded; the reason given in later hearings was that it was a decision based on "economics." Obviously, it was not based on justice.

All of our air traffic control specialists—at centers, towers, and stations—handle or communicate with aircraft prior to, during, and following a flight. At all three facilities their advice and related assistance to pilots prior to and during a flight insures the safe operation of millions of aircraft movements throughout our Nation's air traffic system each year.

Why should air traffic controllers at flight service stations be summarily excluded from these benefits? The high-stress nature of their occupation is not less than that experienced by controllers in towers and centers; they must be equipped to make split second evaluations in emergencies, and almost always without sophisticated equipment.

In fact, the large body of medical evidence justifying the inclusion of these air traffic controllers has recently become even more voluminous. The following chart summarizes these findings:

Format No. 1

	Average number of employees	Number of disability retirements/ deaths	Percentage
Centers	10,163	196	1.9
Towers	10,618	154	1.5
FSS	4,497	204	4.5

Format No. 2

	Employees 49 and under	Percent medical retirements/ deaths	Employees 50 and over	Percent medical retirements/ deaths
Centers	9,309	1.3	780	9.7
Towers	9,773	.7	976	8.5
FSS	3,415	2.5	1,273	9.4

NOTE.—The "employee" figures in Format No. 2 are as of August 12,1976.

It has become painfully apparent that we are discriminating against a small number of our air traffic control specialists. The facts are before us. The time has come to allow all air traffic control specialists and flight service station specialists the same enhanced benefits. Our safety in the air depends on their skills and acumen. The pressures station controllers experience are equal to those felt by other air traffic controllers, and this fact should be reflected by their benefits.

I, therefore, urge my colleagues to join me in sponsoring this corrective legislation.

By Mr. RIEGLE (for himself and Mr. HEINZ):

S. 2726. A bill to amend section 312 of the Housing Act of 1964 to provide for additional authority for the conservation and rehabilitation of single family homes, multifamily buildings, and properties utilized in urban homesteading programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING CONSERVATION ACT OF 1978

● Mr. RIEGLE. Mr. President, today I am introducing, along with Senator HEINZ the National Housing Conservation Act of 1978, legislation that will help rehabilitate deteriorated and abandoned housing in communities of all sizes across the country.

There is growing recognition that the conservation and rehabilitation of existing housing must play a key role in our national housing policy, and in any efforts to help distressed cities, neighborhoods, and communities. Just a few deteriorated or abandoned houses or apartment buildings can have a dramatically adverse impact upon an entire block or neighborhood—and a coordinated, highly visible effort to fix up and rehabilitate several houses in an area can be a key catalyst in revitalizing a distressed neighborhood or community.

The rehabilitation of existing housing is also needed to meet the increased housing demand expected over the next decade as new household formations rise. During the 1980's, 42 million Americans will reach the age of 30—a prime household formation age—compared to only 23 million in the 1960's. Clearly, we must make maximum possible use of our existing housing, as well as encourage substantial new construction, in order to adequately deal with this huge demand.

Available statistics indicate that the number of housing units in need of rehabilitation is enormous. Based on a compilation of the Housing Assistance Plans of 1186 Community Development Block Grant entitlement communities, at least 4.8 million housing units in this country are suitable for rehabilitation—13 percent of the housing stock in the 1,186 communities—and that statistic excludes almost all communities below 50,000 in population. Yet despite the need, and our professed national commitment to housing conservation, our current public and private efforts in this area are woefully inadequate.

In many distressed areas, private financing for rehabilitation is unavailable, both for homeowners and investor-owners of small multifamily buildings. Even when rehabilitation financing is available, it often is too expensive, or, in the case of the small investor-owner, so costly that rents must be dramatically increased after the rehabilitation, causing great hardship or even displacement for existing tenants.

Since 1964, the section 312 rehabilitation loan program has provided 3 percent direct loans for up to 20 years for rehabilitation in urban renewal or community development areas. Local agencies generally administer the program, which has been tremendously successful and popular. The section 312 program has always been underfunded, however, and has been subject to abrupt starts and stops because of a lack of a sufficient continuing national commitment to the program. This year, for example, HUD has already run out of new loan funds for the program, and is only able to distribute smaller amounts of funds to local agencies as loan repayments come into the section 312 revolving loan fund.

Next year, despite an increased funding level, section 312 will only be able to finance the rehabilitation of 15,000 housing units, a minuscule amount when compared to the national need and demand for rehabilitation.

Furthermore, very little section 312 financing is currently available to help rehabilitate smaller multifamily properties, with over 94 percent of the section 312 loans currently going to single-family homes, yet over 60 percent of the substandard housing units in this country are rental units, not single-family homes. Most tenants in rental unit reside in smaller buildings, with over 70 percent of central city tenants living in properties of 20 or less units. But because of the limited section 312 funding available, local governments have generally been reluctant to use section 312 funds for a multifamily building, since just a few relatively small multifamily projects could take up all of their limited 312 allotment.

The community development block grant program is another potential source of rehabilitation financing, but again, the amount of rehabilitation financing available from the multipurpose block grant program is necessarily limited. Furthermore, because of concerns that rehabilitation will lead to increased rents and possible displace existing tenants, and lacking adequate mechanisms at the local level to prevent this displacement, local governments have understandably been reluctant to use their CD funds to finance multifamily housing rehabilitation. Consequently, at least 80 percent of the structures rehabilitated under the CD program are single-family homes, and many of the other structures rehabilitated are less than four units in size.

For larger multifamily housing projects of over 100 units or so, particularly those needing substantial rehabilitation, rehabilitation financing can currently be arranged through a combination of section 8 rent subsidies with GNMA "Tandem" financing and syndication of tax benefits under 167(k) of the Internal Revenue Code. Most existing investor-owners, however, do not have the technical and financial resources needed to deal with the complexities of tandem financing and tax syndication, and are usually not in a high enough tax bracket to benefit from 167(k) themselves. And most developers using tax syndication financing find this method works best if they concentrate on a few very large projects with high rehabilitation costs, thus maximizing the amount available for tax syndication and minimizing the administrative difficulties of dealing with many smaller projects.

The legislation Senator HEINZ and I are introducing today would deal with these problems of rehabilitation financing by expanding and modifying an existing, successful program: the section 312 program. The section 312 program level for fiscal year 1979 would be increased from HUD's proposed $125 million to $400 million, sufficient to finance the rehabilitation of over 40,000 housing units. The rehabilitation of these units would provide an estimated 15,000 jobs, concentrated in low-income and minority areas. I would also like to point out that the bill would authorize $400 million in loans, not grants, and the funds would be repaid to the Federal Government with interest.

Of the $400 million $175 million would be used to expand the existing section 312 program, which would continue much as before, but at a more adequate and assured level of funding. Another $175 million would be used to provide rehabilitation loans for smaller multifamily buildings, for which there is current-

ly no adequate source of rehabilitation financing.

The bill would provide strong mechanisms for minimizing displacement in multifamily buildings being rehabilitated, through section 8 rent subsidies to the tenants to enable them to pay any increased rents, and other means. Provisions are included to ensure sound management and continued maintenance of the building being assisted, and to prevent possible abuses of the program by a few investor-owners. The maximum possible assistance would be provided to help small investor-owners meet the requirements of the section 312 program and section 8 program.

The remaining $50 million would be reserved for an expanded, more flexible urban homesteading program. Currently, the urban homesteading program is limited to vacant HUD-held single-family homes, which are turned over by HUD to local governments and then to "homesteaders" for a nominal price. Homesteaders agree to rehab the home and live in it for at least 3 years, and section 312 rehabilitation loan funds are reserved to assist them in the rehabilitation.

Our legislation would expand the urban homesteading program to include properties tax-foreclosed by local governments, or vacant properties acquired with block grant funds. Section 312 funds would be provided to help finance the rehabilitation of properties that are part of an approved local homesteading program, whether the program uses vacant HUD properties or vacant locally owned properties.

Our legislation would also provide section 312 rehabilitation loan funds for a demonstration of the feasibility on a national basis of the homesteading of multifamily properties. Using 312 financing, the Urban Homesteading Assistance Board, sponsored by the Cathedral Church of St. John the Divine in New York, is currently helping neighborhood residents to rehabilitate abandoned tenements, which are then owned by the residents as cooperatives housing. UHAB has already undertaken several successful multifamily homesteading projects. Our bill would provide for a demonstration program to see if this concept can be made to work in other cities and neighborhoods.

Mr. President, I believe an expanded national commitment to housing conservation and rehabilitation must be a vital part of a national urban policy. Housing rehabilitation can help revitalize distressed neighborhoods in communities of all sizes, encourage local resident involvement in the revival of their communities, and provide much needed job opportunities in areas of high unemployment. Clearly much more than housing rehabilitation will be needed to revitalize our distressed large and small cities, and I intend to introduce other legislation in the months ahead to assist distressed cities and small communities. But I believe this legislation is a step in the right direction toward an adequate national urban policy and national housing policy, and I hope Congress will enact this needed legislation in this session.

Mr. President, I ask unanimous consent that a summary and the text of the bill be printed in the RECORD. I invite the comments of Senators and others concerned with housing on this legislation, so that we can make any needed improvements to the bill to insure that its goals are accomplished.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Conservation Act of 1978."

SEC. 2. (a) The Congress finds that—

(1) projected increases in household formation and the high cost of housing require an expansion of the national commitment to conservation of the existing housing stock;

(2) housing conservation and rehabilitation are crucial to the revitalization of older neighborhoods and communities.

(3) housing conservation can help provide decent housing for low and moderate income persons in a cost-effective manner and generate substantial numbers of needed jobs;

(4) current public and private housing conservation efforts are insufficient to meet the enormous need for housing conservation throughout the Nation, particularly in distressed areas;

(5) there is a severe lack of reasonably priced financing in many distressed communities which impedes neighborhood conservation, and contributes to the displacement of families of low and moderate income; and

(6) existing programs fail to address adequately the need for the conservation of small multifamily buildings and for a reduction in the inventory of abandoned and vacant buildings.

(b) The purposes of this Act are to—

(1) expand substantially the scale and scope of public support for housing preservation and conservation in older urban neighborhoods and communities;

(2) encourage the conservation and rehabilitation of smaller multifamily properties while minimizing displacement of existing tenants;

(3) expand urban homesteading in order to reclaim vacant and abandoned properties and further neighborhood revitalization; and

(4) encourage the innovative use of urban homesteading for multifamily properties.

SEC. 3. Section 312 (d) of the Housing Act of 1964 is amended—

(1) by striking out "and not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977" in the first sentence thereof and inserting in lieu thereof the following: "not to exceed $60,000,000 for the fiscal year beginning on October 1, 1977, and not to exceed $370,000,000 for the fiscal year beginning on October 1, 1978"; and

(2) by adding at the end thereof the following: "Of the amounts appropriated for the fiscal year beginning on October 1, 1978, $175,000,000 shall be available only for rehabilitation loans for multifamily properties, and $50,000,000 shall be available only for rehabilitation loans in connection with urban homesteading programs. The Secretary may administratively increase or decrease the amounts set aside under the preceding sentence for rehabilitation loans for multifamily properties or for urban homesteading, if such increase or decrease is necessary, giving due consideration both to the relative demand for different types of rehabilitation loans and to the need to encourage the rehabilitation of smaller multifamily and vacant properties.".

SEC. 4. Section 312 of the Housing Act of 1964 is amended by adding at the end thereof the following:

"(i) Rehabilitation loans under this section for multifamily properties shall be subject to the following additional limitations and conditions:

"(1) A majority of the tenants of any multifamily property to be rehabilitated must be of low or moderate income, or the property must be located in a low or moderate income neighborhood designated for concentrated community development activities.

"(2) The property must have fewer than 100 units except where the Secretary determines that a loan under this section is necessary because alternative sources of financing are not reasonably available or workable.

"(3) When assistance payments under section 8 of the United States Housing Act of 1937 are necessary to minimize displacement of existing tenants of the property, the Secretary shall ensure that an application for such assistance payments is made in conjunction with the application for a rehabilitation loan and shall make available, to the maximum extent feasible, such assistance payments for such tenants.

"(4) The Secretary shall enter into an agreement with the investor-owner of a multifamily property which is to be rehabilitated with a loan under this section to limit, for a period of at least five years, the increased rent caused by the rehabilitation.

"(5) When making any such loan, the Secretary shall consider, from evidence of the prior management history of the investor-operator, whether the investor-owner is likely to provide continuing sound management and maintenance of the property.

"(6) Prior to the approval of an application for such a loan, the Secretary shall insure that there is a program for informing the tenants of the terms of the loan, the possible effects of the loan on rents, and the possible sources of rental assistance for eligible tenants.

"(7) The Secretary shall give maximum possible assistance to investor-owners, particularly smaller investor-owners, of multifamily projects in meeting the application and other requirements of this section.

"(8) The Secretary shall adopt administrative measures to limit, if necessary, the use of a rehabilitation loan for a multifamily property in conjunction with tax syndication financing under the Internal Revenue Code of 1954 except where the combination is needed to assure the feasibility of the property.

"(9) The Secretary shall insure that the preponderance of multifamily property loans under this section are made with respect to properties of thirty or fewer units, but the Secretary shall provide localities maximum flexibility in meeting housing needs identified in their housing assistance plans.

"(10) The Secretary shall make a maximum feasible effort to minimize displacement caused by rehabilitation loans with respect to a multifamily property.

"(11) The Secretary may impose additional limitations and conditions on the use and availability of rehabilitation loans for multifamily properties.

"(j) In addition to loans provided in connection with urban homesteading programs approved pursuant to section 810 of the Housing and Community Development Act of 1974, rehabilitation loans from the amount set aside under subsection (d) for urban homesteading programs may be provided in connection with local homesteading programs including locally held or acquired tax-foreclosed or vacant single family and multifamily properties. In carrying out the provisions of this section in connection with such a program, the Secretary shall—

"(1) encourage the involvement of neighborhood-based groups when allocating reha-

bilitation loan funds for use in locally-developed homesteading programs;

"(2) insure that a reasonable proportion of rehabilitation loans provided in conjunction with locally-developed homesteading programs are provided to low- or moderate-income persons;

"(3) undertake programs to demonstrate the feasibility of carrying out, on a national basis, an urban homesteading program involving multifamily properties;

"(4) provide rehabilitation loan funds for use in a locally-developed homesteading program only if that program meets the requirements of section 810(b) of the Housing and Community Development Act of 1974; and

"(5) impose such additional conditions and limitations on the availability and use of rehabilitation loans provided to assist local homesteading programs as he may deem necessary.".

SUMMARY AND EXPLANATION OF "HOUSING CONSERVATION ACT OF 1978"

Section 2. Findings and purpose are self-explanatory.

Section 3. (1) Provides $370 million authorization for Section 312 for FY 79. Together with over $30 million in expected repayments from existing loans into the revolving loan fund in FY 79, this will allow for a $400 million Section 312 program level in FY 79.

(2) $175 million is set-aside for multifamily rehabilitation loans, and $50 million is set-aside for the expanded Urban Homesteading program, and $175 million is provided for the existing Section 312 program. The existing Section 312 program will still be able to provide loans for all types of properties: single-family homes, multifamily buildings, and commercial buildings.

The set-asides are designed to encourage local governments to undertake multifamily housing rehabilitation and Urban Homesteading programs. In particular, multifamily housing rehabilitation with Section 312 is a potentially difficult new area for local agencies, and there is also a natural tendency for the limited amounts of 312 funds available to be spread out to many single-family homes, instead of going to relatively fewer small multifamily projects.

According to a compilation of local Housing Assistance Plans, over 55% of the 4.8 million housing units suitable for rehabilitation are rental units, and only 45% are owner-occupied units, and so the set-aside figures given in the bill seem appropriate. The Secretary does, however, have full authority to reallocate funds from one of the set-asides to the general 312 program, or vice versa, if the reallocation is justified by the relative demand and need by local areas for the different types of housing rehabilitation.

Section 4. (1) This subsection outlines the various terms and conditions needed to provide for a sound multifamily housing rehabilitation program, including:

(1) The multifamily properties must be located in a low or moderate income neighborhood designated for concentrated community development activities—now referred to by HUD in its regulations for the Block Grant program as "Neighborhood Strategy Areas"—or have a majority to tenants of low or moderate income.

(2) The multifamily project must have less than 100 units, unless alternative sources of rehabilitation financing are not available or not economically feasible for that particular project. Committee report language would make it clear that the rehabilitation of properties of over 100 units would be undertaken only in a limited number of instances, and only when specifically approved by HUD upon a local agency's request.

(3) The availability under the bill of low-cost financing for multifamily rehab would in many cases minimize rent increases caused by rehabilitation expenses, and thereby prevent displacement of existing tenants. In some cases, refinancing of the existing mortgage on the building could also help minimize or even prevent rent increases.

In cases where this is not sufficient to minimize displacement, however, the investor-owner would have to make a joint application for both Section 312 and Section 8 assistance. HUD and the local agency would provide maximum possible assistance to the investor-owner in making the joint application, and in dealing with the various regulatory requirements under Section 8 and Section 312; this assistance is required under subsection 7 below. HUD would also be required to make Section 8 assistance available to the project when necessary to minimize displacement, although no set-aside of Section 8 assistance would be required.

(4) Currently, in multifamily rehab under Section 312, HUD or the local agency enters into a contract with the investor-owner limiting rents for a five-year period to provide only a 6% return on the investor-owner's equity. This bill requires that rents be limited pursuant to a contractual agreement for at least five years, but leaves it to HUD's discretion exactly how and to what extent rents would be limited. One possibility would be to generally limit rents by the Section 8 standards, with provisions for slightly higher rents in special circumstances.

(5) HUD or the local agency administering the program would have to look at the prior management history of the investor-owner or developer applying for a rehabilitation loan, and consider whether the applicant has a good management record with the building involved in the application, or with other buildings he or she owns. Among other things, this would prevent the involvement of developers who are only interested in the tax syndication benefits of rehabilitation, and not in the long-term future of the property.

(6) HUD or the local agency has to make sure that efforts are made to inform tenants of the loan application, the rehabilitation that will be undertaken, the rent increases that are expected to occur, and how the tenant can qualify for Section 8 assistance. In some cases, the local agency might want to require the investor-owner to provide such an information packet to tenants, in other cases the local agency would want to contact tenants directly. This would be left to administrative discretion.

(7) HUD and the local agency would have to assist investor-owners, particularly smaller investor-owners, in meeting the regulatory requirements of Section 8 and Section 312 for the joint application, and in informing the tenants if that is required of the investor-owner.

(8) In order to avoid an unnecessary subsidy through the tax system in cases where the Section 312 or Section 312/Section 8 subsidy is enough, HUD or the local agency is allowed to refuse to make a Section 312 loan for projects that are also being tax syndicated. As at present, HUD would have the right to demand payment of the 312 note in full if ownership changed; this would be an effective tool enabling HUD to prevent someone from getting a 312 loan, and then seeking to sell off shares of the project to limited partners seeking tax benefits. This provisions is not intended, however, to prevent the use of tax syndication if needed to assure the economic feasibility of the rehabilitation and the project.

(9) Since the overwhelming majority of tenants living in substandard housing live in projects of 30 or less units, HUD would be expected by Congress to ensure that most multifamily rehabilitation loans nationwide are made to projects of 30 or less units. However, no arbitrary percentage requirement could be imposed on local agencies with regard to how many loans to projects of more than 30 units could be made. This would allow local flexibility in meeting local multifamily housing rehabilitation needs; if the pressing need happened to be the rehabilitation of a 70 unit dilapidated housing project, HUD would not be allowed to prevent this use of 312 funds.

(10) HUD or the local agency would be expected to explore other measures, such as refinancing the mortgage, that would minimize the increase in rents caused by rehabilitation, and thereby minimize the displacement of tenants.

(j) This subsection provides Section 312 loan funds for the homesteading of vacant properties acquired by local governments through tax foreclosure, or by using Block Grant funds, as well as for FHA-held properties. Several conditions would be required of local programs to receive Section 312 funds from this set-aside for homesteading, including:

(1) Neighborhood-based groups can often play a valuable role in recruiting homesteaders, and in other neighborhood activities associated with the homesteading program. A good homesteading program should take advantage of opportunities for local resident involvement, while encouraging cooperation between the local government and neighborhood groups in the homesteading program.

(2) Low and moderate income persons would receive a reasonable proportion of rehabilitation loans provided for local homesteading programs. What is reasonable includes an evaluation both the housing need of low and moderate income persons, and the financial capacity of a particular low or moderate income person to undertake the responsibilities of homeownership.

(3) HUD would be authorized to undertake a demonstration program to see if the success of New York's Urban Homesteading Assistance Board with multifamily homesteading can be replicated in other neighborhoods and communities.

(4) In order to receive funds from the $50 million set-aside, homesteading programs would have to meet the requirements currently in place for homesteading programs using HUD-held properties. These requirements include a provision allowing HUD to "approve such other program as he determines to reasonably fulfill these criteria," which gives a great deal of regulatory flexibility to deal with different situations.

● Mr. HEINZ. Mr. President, I am pleased today to cosponsor the Housing Conservation and Urban Homesteading Act of 1978. This legislation will significantly increase the resources available to communities and individual property owners throughout the Nation enabling them to expand their efforts to conserve the existing housing stock and revitalize older declining neighborhoods.

In recent years much attention has been focused on the importance of housing conservation and neighborhood revitalization. Much has been achieved. Much remains to be done.

In city after city whole neighborhoods have been abandoned. Vacant buildings stand as somber reminders of communities which once bustled with activity. While most neighborhoods have not suffered total devastation, may remain scarred by empty homes and dilapidated structures in need of substantial repair. Others are imminently threatened by this same specter of deterioration.

The rebuilding and revitalization of these neighborhoods must be a cornerstone of our domestic policy. Far too great an investment—both public and private—has been made to allow these

neighborhoods to continue the cycle of decline and decay.

The legislation we are introducing today will greatly assist in this effort. It does not represent a radical departure from current efforts to encourage neighborhood conservation. Rather, it builds on the success of the present section 312 direct low interest loan program. It will substantially increase the current level of funding for 312 and expand its scope to more adequately address diverse neighborhood needs and respond to widely varying local circumstances.

In addition to increasing the level of funding for the 312 program to $375 million, this legislation specifically targets assistance to smaller multifamily properties that are frequently eyesores in neighborhoods that are being upgraded. Historically, the 312 program has predominantly provided assistance to owners of single family homes and owner-occupied properties of four or less units.

A major and continuing problem has been the rehabilitation of smaller multifamily properties ranging in size from 5 to 100 units, with most properties containing fewer than 30 units. A considerable proportion of the people in such units are elderly Americans with fixed incomes. Resources have simply not been sufficient in recent years to accommodate the rehabilitation needs of these properties. Alternative sources of financing has generally been unavailable or unworkable. Inability to provide low cost financing for these properties has retarded, and in some cases undermined, otherwise successful efforts at neighborhood conservation.

By earmarking $175 million for the rehabilitation of smaller multifamily properties, we hope to correct this problem and expand the availability of standard rental housing in these neighborhoods. Moreover, by linking low cost financing under the section 312 program with the section 8 rental assistance program, we hope to keep rental costs within the means of low and moderate income people. The coupling of these two programs will encourage income mix and diversity within these areas while minimizing the potential for displacement which can occur when neighborhood revitalization takes place.

The legislation also earmarks $50 million for housing rehabilitation undertaken in conjunction with an urban homesteading program. Under this provision both Federal and locally owned properties would be eligible for assistance. It is our hope that ongoing urban homesteading programs will be greatly expanded and new programs initiated. The urban homesteading program offers a unique opportunity to increase homeownership opportunities for low and moderate income families. In addition, it can make a substantial contribution to reducing the inventory of vacant or abandoned housing and can promote greater stability.

Present urban homesteading programs are small in scale but have captured the imagination of many families and individuals. The major impediment to local homesteading efforts has been the unavailability of low cost long-term financing for rehabilitation of these properties. The additional funds provided in this proposal will address this deficiency.

By enacting this legislation, the Congress would be evidencing its support for a greater national commitment to neighborhood revitalization and conservation of the existing housing stock. In addition, the Congress would be demonstrating its sensitivity to some of the very difficult problems which are frequently faced in neighborhood conservation areas.●

By Mr. STEVENS (for himself, Mr. CULVER, Mr. STONE, Mr. CANNON, Mr. PEARSON, Mr. GRIFFIN, Mr. GOLDWATER, Mr. HAYAKAWA, Mr. MATSUNAGA, and Mr. KENNEDY):

S. 2727. A bill to promote and coordinate amateur athletic activity in the United States, to recognize certain rights for U.S. amateur athletes, to provide for the resolution of disputes involving national governing bodies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. STEVENS when he introduced the bill appear earlier in today's proceedings.)

ADDITIONAL COSPONSORS

S. 410

At the request of Mr. HANSEN, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 410, a bill to amend part B of title XI of the Social Security Act to assure appropriate participation by optometrists in the peer review and related activities under such part.

S. 2249

At the request of Mr. EAGLETON, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 2249, a bill to prohibit discrimination in rates charged by the Southwestern Power Administration.

S. 2481

At the request of Mr. DOLE, the Senator from Kansas (Mr. PEARSON), the Senator from Wyoming (Mr. WALLOP), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Oklahoma (Mr. BARTLETT) were added as cosponsors of S. 2481, a bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 crops.

S. 2487

At the request of Mr. CLARK, the Senator from North Dakota (Mr. BURDICK), the Senator from Colorado (Mr. HART), the Senator from South Dakota (Mr. ABOUREZK), the Senator from Wyoming (Mr. HANSEN), the Senator from Minnesota (Mrs. HUMPHREY), the Senator from New Mexico (Mr. DOMENICI), the Senator from Maine (Mr. HATHAWAY), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Oregon (Mr. MARK O. HATFIELD), the Senator from West Virginia (Mr. RANDOLPH), ans the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 2487, a bill to amend the Public Health Service Act to provide for greater emphasis on rural health care needs in health planning.

S. 2503

At the request of Mr. NELSON, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 2503, the Social Security Financing Act.

S. 2690

At the request of Mr. TALMADGE, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2690, a bill to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for others purposes.

SENATE RESOLUTION 413—SUBMISSION OF A RESOLUTION CONCERNING NATIONAL TELECOMMUNICATIONS POLICY

Mr. PACKWOOD submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 413

Whereas, recent decisions by the Federal Communications Commission imply a change in the basic concepts under which our national telecommunications system has been structured, and may have a substantial impact on the pricing of local and long distance telephone services;

Whereas, efficient, high quality, reasonably priced telephone service is essential to the prosperity and well being of the urban and rural areas of the nation;

Whereas, Congress through the House Subcommittee on Communications, having conducted broad-based, indepth hearings, and the Senate Subcommittee on Communications having also made specific inquiries to investigate this matter, and having devoted considerable amounts of study to the data and statements provided in order that appropriate amendments to the Communications Act of 1934 may be offered to the full Congress;

Now, therefore be it resolved, that Congress retain as the public interest goal of a revised Communications Act the objective of high quality, reasonably priced telephone service, available to all the people of the nation, whether rural or urban residents.

NATIONAL TELECOMMUNICATIONS POLICY

● Mr. PACKWOOD. Mr. President, I am submitting today a Senate resolution concerning the Nation's telecommunications policies. This resolution expresses the desire of the Senate that two longstanding, fundamental goals be maintained in the decisions of the Federal Communications Commission and in the legislative actions taken by Congress.

First, that the public interest goal of high quality, reasonably priced telephone service be continued; and second, that that service remain available to all people of this Nation, whether they are rural or urban residents.

Mr. President, these goals deserve the continued support of this Congress and reaffirmation at a time when regulatory policies are being reevaluated throughout our Government. The support for these two goals is great throughout the country I am sure, and in my own home State of Oregon, the public and private organizations which support these goals comprise a long list which I ask unani-

mous consent be inserted at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Albany AARP Chapter No. 668.
Albany Chamber of Commerce.
American Business Women's Association.
Arlington Chamber of Commerce.
Arlington Senior Citizens.
Astoria—AARP.
Astoria Chamber of Commerce.
Baker County Chamber of Commerce.
Bend AARP Chapter No. 438.
Bend Chamber of Commerce.
City of Arlington.
City of Carlton.
City of Heppner.
City of Klamath Falls.
City of Medford.
City of Pendleton.
City of Warrenton.
Clackamas County Senior Citizens Council.
Commercial Club of Portland.
Condon Senior Citizens.
Corvallis Chamber of Commerce.
Dallas Senior Center.
Estacada Chamber of Commerce.
Eugene Chamber of Commerce.
Eugene Communications Workers of America Local No. 9206.
Grants Pass & Josephine County Chamber of Commerce.
Heppner-Moro County Chamber of Commerce.
Holcomb-Outlook-Park Place Neighborhood Association.
Junction City Chamber of Commerce.
Klamath Falls Board of Commissioners.
Klamath Falls Quota Club.
Lake Oswego Kiwanis.
Lane County Farm Bureau.
Lane County Labor Council.
Lents Citizens for Youth Commission.
Madras Chamber of Commerce.
Marion County Pomona Grange No. 4.
Medford Chamber of Commerce.
Medford C.W. A. Local No. 9208.
Metro East Jaycees.
Milwaukie Jaycees.
Mt. Angel Chamber of Commerce.
Mt. Angel Development Corporation.
Multi-purpose Dallas Senior Advisory Council.
National Governors Conference.
National Retired Teachers' Association, Tillamook County Chapter.
Newport Chamber of Commerce.
Oak-Grove Lodge Jaycees.
Oregon AFL-CIO.
Oregon Architectural Barriers Council, Inc.
Oregon Building Congress.
Oregon City Hilltop Booster Club.
Oregon City Kiwanis.
Oregon Coast Association.
Oregon Collectors Association, Inc.
Oregon Gray Panthers.
Oregon Hospitality and Visitors Association.
Oregon State Grange.
Oregon State Jaycees.
Pacific Northwest Travel Association.
Polk County Chapter AARP No. 587.
Polk Elderly Transportation, Inc. Board.
Port of Arlington.
Roseburg Chamber of Commerce.
Salem Area Seniors Inc.
Salem Chamber of Commerce.
Scandinavian Benevolent Society.
Seaside Chamber of Commerce.
Senior Citizen Council of Benton County, Inc.
Stayton Chamber of Commerce.
Stayton Grange No. 340.
Toledo Chamber of Commerce.
The Dalles Chamber of Commerce.
Umatilla County Board of Commissioners.
Warrenton Chamber of Commerce.
Western Governors Conference.
Winston-Dillard Chamber of Commerce.

Mr. PACKWOOD. Mr. President, I hope the Senate seriously reviews this resolution and lends its support for it in the near future.●

AMENDMENTS SUBMITTED FOR PRINTING

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENT—S. 2146

AMENDMENT NO. 1717

(Ordered to be printed and referred to the Committee on Agriculture, Nutrition, and Forestry.)

Mr. CLARK (for himself, Mr. MCGOVERN, Mr. CULVER, and Mr. ANDERSON) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2146), to amend the Consolidated Farm and Rural Development Act of 1972.

● Mr. CLARK. Mr. President, I am submitting today a two-part amendment to Senate bill, 2146, a bill to amend the Consolidated Farm and Rural Development Act of 1972.

The proposed amendment would authorize the Secretary of Agriculture to, first, provide grants for up to 75 percent of the cost of water and waste disposal projects—rather than 50 percent as allowed under current law—when grant assistance is necessary to achieve a reasonable user cost. Second, the amendment would increase the authority for the water and waste disposal program from its current $300 million level to $500 million.

There are two basic reasons for this proposal. The first is equity. Similar programs for large urban areas are funded by HUD and EPA. HUD has authority to fund up to 100 percent of the cost of projects and EPA has authority to fund up to 75 percent. I believe Federal assistance for the huge projects our urban areas need is essential for our cities. But, equity demands that our rural areas be treated fairly.

In fact, most of the inadequate waste and sewage facilities are in small towns and rural areas—an estimated 90 percent of the total. If the national interest demands that urban areas receive grants from the Federal Government for as much as 75 percent of the cost of these projects, then the same national interest demands that rural projects be funded on the same basis.

The second reason for this proposal is the huge need for decent water and adequate sewage treatment facilities in rural areas. USDA estimates that as many as 30,000 rural communities have inadequate water systems, and 40,000 have inadequate sewage treatment systems. The increased funding authority from $300 million to $500 million would permit USDA to increase the grant share for worthwhile projects, and to help meet the huge backlog of need with additional grants.

Many of these rural communities cannot afford the facilities they need. Their average income is simply too low for them to afford to repay the loans required to put in adequate facilities. Even worse, in many cases Federal rules require very expensive water or waste treatment facilities, so the communities have no choice but to attempt to build facilities that are extremely expensive, and becoming more expensive every year.

The problem is more than an esthetic problem. It is a serious health problem. As many as one in four rural people in communities under 10,000 drinks polluted water.

The principal responsibility for helping these communities with their water and sewage problems lies with the Farmers Home Administration. These programs are proven effective. They demand a high level of local participation and support. They require that local communities cover much of the cost of the projects FmHA underwrites—as much as the communities can afford to bear. Grants are made only to cover those portions of projects that local people cannot otherwise afford. This procedure has enabled FmHA to help far more communities and people than would have been the case had they simply paid for a given share of each project.

But, at the same time, many communities cannot be helped under the current program. Communities that cannot afford to put up 50 percent of the cost of the project cannot be helped. Such communities include some of the Nation's poorest people.

Mr. President, these programs were designed to help poor people. They have been broadened in recent years to help many others, as well, and I support such changes because I believe the programs works well. But it is important that the focus on people who need help not be lost. I hope my colleagues in the Senate will support this amendment to improve an important and effective program that can provide crucial benefits to many thousands of rural people, and provide them assistance on an equal basis with similar urban programs.

A summary of the amendments follows:

Section 306(a)(2) of the Consolidated Farm and Rural Development Act is amended to read as follows:

"(2) The Secretary is authorized to make grants aggregating not to exceed $500,000,000 in the fiscal year beginning October 1, 1978, and in any fiscal year thereafter to such associations to finance specific projects for works for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas. The amount of each grant made under the authority of this paragraph shall not exceed 75% of the development cost of the project to serve the area which the association determines can be feasibly served by the facility and to adequately serve the reasonably foreseeable growth needs of the area." ●

PANAMA CANAL TREATIES—EX. N, 95-1

AMENDMENT NO. 74

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted an amendment intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95-1.

RESERVATIONS SUBMITTED FOR PRINTING

RESERVATION NO. 5

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted a reservation intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

RESERVATION NO. 6

(Ordered to be printed and to lie on the table.)

Mr. HEINZ (for himself, Mr. DANFORTH, and Mr. ROTH) submitted a reservation intended to be proposed by them to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

NOTICES OF HEARINGS

SUBCOMMITTEE ON IMPROVEMENTS IN JUDICIAL MACHINERY

● Mr. DECONCINI. Mr. President, I wish to announce that a public hearing will be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on S. 1314, a bill to amend title 28, United States Code, to provide that State prisoners and Federal prisoners shall not be denied Federal habeas corpus relief on the ground that such prisoners were previously afforded a full and fair opportunity to litigate their claims, and for other purposes.

The hearing will be held on April 21, 1978, in room 2228, Dirksen Senate Office Building, commencing at 9:30 a.m.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building, Washington, D.C., telephone 202/224–3618.●

HEARINGS ON JUSTICE DEPARTMENT BUDGET AUTHORIZATION

● Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, notice is hereby given that hearings on the budget request of the Department of Justice for authorization of appropriations for fiscal year 1979, will be held in room 2228, Dirksen Senate Office Building, commencing at 10 a.m. each day, or at times to be announced, on the following schedule:

March 22, 1978, General Administration.
April 4th, Immigration & Naturalization Service and Lands and Natural Resources.
April 5th, Antitrust Division.
April 6th, DEA and Bureau of Prisons.
April 11th, Civil Rights Division.
April 12th, Criminal Division.
April 13th, Federal Bureau of Investigation.
April 18th, LEAA.
April 19th, Tax Division and Civil Division.

Persons interested in submitting statements on these matters for consideration by the committee should contact the committee staff members, David Dixon or Bill Westphal, at 2226 Dirksen Senate Office Building, 202–224–5225.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Finance Committee announces that a hearing will be held on Friday, March 17, 1978, on H.R. 7320. The bill would revise various timing requirements under the Internal Revenue Code. This measure was originally introduced in the House of Representatives by Congressmen AL ULLMAN and JOE WAGGONNER.

The provisions contained in the bill are of general applicability and have been developed from a list of legislative recommendations submitted by the American Bar Association, the American Institute of Certified Public Accountants and other groups including State and local bar and accounting associations.

The hearing will begin at 2 p.m. in room 2221, Dirksen Senate Office Building.

The bill contains eight separate proposed changes:

First. The bill would extend the period for payments to qualify as deductible expenses in certain cases where the payments are to be made to related taxpayers.

Second. The bill would allow an increase in basis where gain is recognized by corporations making distributions of property.

Third. The bill would provide a 60-day extension of the 12-month period for nonrecognition of gain in connection with certain liquidations where there is an involuntary conversion.

Fourth. The bill would extend the period for making subchapter S elections by small business corporations and could affect pending court cases.

Fifth. The bill would conform the due dates for the filing of income tax returns and annual information returns in the case of organizations exempt from tax under section 501(a) of the Internal Revenue Code.

Sixth. The bill would extend the definition of whether a taxpayer is a farmer or fisherman for purposes of making declarations of estimated tax.

Seventh. The bill would adjust the period of limitations for credit or refund on certain carrybacks of losses and credits.

Eighth. The bill would permit the posting of a bond to stay collection of a penalty imposed under section 6672 for the failure to collect or pay over certain Federal taxes.

No significant revenue gain or loss is anticipated under the provisions contained in H.R. 7320.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, staff director. Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510 by no later than the close of business on Wednesday, March 15, 1978.●

NOTICE OF CHANGES IN HEARING DATES AND ROOM

● Mr. DECONCINI. Mr. President, on February 10, 1978, I announced that public hearings would be held by the Subcommittee on Improvements in Judicial Machinery of the Committee on the Judiciary on S. 2094, a bill to amend the jurisdiction of the Federal courts in diversity of citizenship cases, and on S. 2389, a bill to abolish the jurisdiction of the Federal courts in diversity of citizenship cases and the amount in controversy requirements in Federal question cases.

I wish to notice that the hearings will be held on March 17, 1978, in room 5302, Dirksen Senate Office Building, and March 20, 1978, in room 2228, Dirksen Senate Office Building, rather than on March 21, 1978, in room 5110, and March 22, 1978, in room 2228, Dirksen Senate Office Building. The hearings will commence at 9 a.m. on both days.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 Dirksen Senate Office Building, telephone 202/224–3618, Washington, D.C. 20510.●

NOMINATION OF JAMES T. M'INTYRE

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will hold hearings on Thursday, March 16, on the nomination of James T. McIntyre to be Director of the Office of Management and Budget. The hearings will begin at 11 a.m. in room 3302 of the Dirksen Senate Office Building.●

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS SUBCOMMITTEE

● Mr. EAGLETON. Mr. President, I wish to announce that the Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies has scheduled hearings for public witnesses for March 20. Also, the subcommittee has scheduled hearings for Members of Congress on April 20.

Anyone wishing to present or submit testimony on the appropriations bill for fiscal year 1979 should contact the subcommittee staff, room 1320, Dirksen Senate Office Building, telephone number 224–7240, and the necessary arrangements will be made.●

ADDITIONAL STATEMENTS

PRESIDENT CARTER'S RECEPTION OF PRESIDENT TITO

● Mr. MOYNIHAN. Mr. President, there is a senatorial tradition of hospitality and of appropriate deference which calls on us to support the President of the United States when he is serving as host to a visiting head of government or Chief of State. The departure of President Tito of Yugoslavia from the United States is therefore the appropriate time to comment on the manner of his reception. The President of the United States greeted President Tito on the South Grounds of the White House on Tuesday, March 7, and in his welcoming statement proceeded to heap fulsome inaccuracies upon Mr. Tito and, therefore, on the American public and on the international public at large, that are, I believe, without precedent in our relations with totalitarian states.

It is disturbing to think that the views the President expressed in his greetings could even remotely be his, or those of

the Government of the United States, or those of any responsible agency of that Government.

President Carter described Tito "as a contemporary of great world leaders who survived the crisis of world war, a friend and associate of Prime Minister Churchill, President Roosevelt, General DeGaulle." This is, in fact, staggeringly inaccurate. Tito never even met Franklin Roosevelt. He never met Charles DeGaulle. While he did meet Winston Churchill, it is an enormous leap of the imagination to describe Churchill as a friend or admirer of Mr. Tito. But this is not the primary distortion of history revealed in our President's statement. It is the omission of Mr. Tito's closest foreign colleague during the war, the man with whom he did share the closest relationship—Joseph Stalin. How does it happen that Marshal Stalin disappears from the list of Tito's foreign associates of the second world war? The Kremlin itself would hesitate before rewriting history so boldly and so blatantly in order to misrepresent the association of a contemporary political figure.

President Carter also described Mr. Tito further as "a man who on his own initiative combined with other great leaders, Nehru, Nasser, to form an organization of the nonalined peoples of the world." Unhappily, the so-called nonalined have much too often, especially in recent years, been nonalined against the United States and on behalf of the Soviet Union in every world forum and on every world issue of consequence.

The President next described Tito as one who exemplifies "the eagerness for freedom, independence, and liberty that exists throughout Eastern Europe and indeed throughout the world." How bizarre that the President of the United States, so honorably associated with the international movement for human rights, should praise a Communist dictator who indiscriminately imprisons political opponents and suppresses dissent in the manner of Communist heads of state everywhere.

What was the response of President Tito to Mr. Carter's greeting? Did Tito praise the role of the United States in world affairs? Did Tito attribute to the United States any noble motives? Did he mention, even in passing, that the United States could represent anything fine and dignified? Tito did not. To the contrary, in his brief reply, Tito relied on the formulation that Communist governments use in describing their relationship with adversaries. That is to say, he referred to the "peoples of Yugoslavia and the American people" as being linked. As for the officials of the American Government, he expressed an interest in exchanging views and in having meetings.

What are we to make of this? In that our interest in President Tito and in Yugoslavia has never been an exclusively charitable one, perhaps we ought not to expect an expression of gratitude for American policies which by providing Yugoslavia arms helped contribute to Mr. Tito's freedom from Russian interference and therefore to the preservation of his regime and perhaps even to the preservation of his life. Nor can we expect Mr. Tito to confide in us his deepest and personal reaction to the honeyed words poured upon him. It is my personal feeling that it will only reenforce his contempt for us.

May we not ask, with genuine respect, but also genuine concern, why does the President resort to this mode of discourse? Surely, praise of Communist dictators was not to be found in the 1976 Democratic Platform upon which he campaigned. And if this is so, from where did the President derive these notions? At the simple level of fact, who informed the President of relationships with Western statesmen that never existed? Surely we can learn, in this country, to pursue policies which are in our interest and yet not distort either the record of history nor the facts of the present in order to have a constructive relationship with some other state. Unhappily, there is a cast of mind which can mindlessly praise dictatorships hostile to the values of the United States and at the same time show the greatest displeasure with governments that, whatever their internal arrangements, choose to identify with the United States. This is more than curious. It is reflective of an intellectual and moral confusion and in need of serious correction.

Mr. President, owing to the pressure of the Panama Canal debate, I have not been able to find a time in today's Senate schedule when I might give these remarks in person on the Senate floor. I am accordingly inserting them in the RECORD, in accordance with our practice in such situations.●

A 160-ACRE LIMITATION

● Mr. WALLOP. Mr. President, the damage which will result from enforcement of the Department of the Interior's proposed regulations concerning so-called excess lands is of great concern to me. I have, therefore, recently cosponsored the Reclamation Reform Act of 1978, a bill which is long overdue, yet not too late to be effective.

As time goes by, circumstances change, and so too must our laws. In the past 75 years, the excess lands limitations of the Reclamation Act of 1902 have not significantly changed, though the circumstances surrounding American agriculture have. These provisions are out of step with the human and natural environment which they now seek to order. What is more they are internally inconsistent, and would surely result in a denial of equity among those against whom they would be applied. So absurd have they been deemed in some instances they have not been applied at all.

The problems with the present excess lands law are many. One hundred sixty acres is no longer an economical farm unit for virtually all lands within reclamation projects. Variations in productive potential of various lands are ignored in all but a few isolated instances. Residency requirements are unduly strict. The limitations apply equally to those receiving only a supplemental supply of water, as well as those who are totally dependent on water from Federal reclamation projects. Many irrigators are now being denied the benefit of payout contracts which they entered into in good faith. Their Government has breached its faith.

The entire statutory scheme is no longer related to the purposes to be served. Concern that Federal subsidies are present manifests itself in this law through arbitrary acreage limitations, which are totally unrelated to the existence or extent of subsidies. A desire to place farming families on small, uniform parcels of land, though admirable thinking in a controlled society is unrelated to the ability of those families to form viable economic units in many areas of the country, or even subsist in others.

In short, we must assess reality, and reassess our goals, and skillfully fashion laws which address both. One reality is that each of us desires slightly different goals, making thoughtful compromise necessary. This bill, S. 2606, represents one potential compromise, by addressing early those problems upon which a consensus can be reached in a manner which is mostly acceptable, if by no means ideal, for all concerned. Most will agree, it represents a significant improvement over the provisions of current reclamation law. Most will argue with certain provisions but it is a beginning.

Much has happened since the Department of the Interior's excess lands regulations were first proposed in the Federal Register of August 25, 1977. State, local, and congressional comment and calls for change in the regulations as well as legislation have been tremendous. Our greatest enemy was a lack of time in which to fashion a rational national policy. That time was provided when the Department of the Interior wisely chose not to appeal a Federal district court ruling of December 7, 1977, which ordered the preparation of an environmental impact statement on the proposed regulations. The preparation of this statement will take from 12 to 18 months from the date that final regulations are published by the Department.

This bill would replace the 160-acre limitation with a maximum acreage of 1,280 acres eligible to receive water from Federal projects. This maximum acreage would be regardless of family size or form of ownership so long as no more than 25 persons are involved. Equivalency would be provided beyond 1,280 acres for lands of a lesser productive potential, taking into consideration the fertility of the soil, elevation, slope, growing season, and other physical characteristics. A questionable finite, but a beginning.

Residency requirements would be abolished.

The bill also provides an exemption from the acreage limitations when an irrigator's portion of the project's construction costs are paid, regardless of whether the irrigator's or the district's contract provided for the exemption upon payout.

There are several problems which this bill will not solve. Most notably is the commingling situation, where water from Federal projects is mixed with water from non-Federal sources. This must be

addressed in a separate bill, but conjunctively. It cannot be postponed.

A maximum and somewhat arbitrary acreage limitation is still a feature of this bill. I am troubled that such a limitation might serve as an unfortunate and unintended precedent for other arbitrary limitations on the use of other Federal resources, such as grazing and mineral leases. This is not intended. Also of concern is the workability, equity, and possible results of a uniform acreage limitation regardless of the relationship of those sharing in farm ownership.

But regardless of this bill's omissions, and imperfections, it is the best attempt yet to comprehensively reform the excess lands provisions of reclamation law. While we may disagree in detail, the sponsors of this bill regard it as a solid framework upon which to build as we further consider this important problem. I recomend it to my colleagues as a focal point of discussion from which to further explore these problems. We had to begin and we did.●

ALTERNATE ENERGIES, THE FURTHER AWAY, THE BETTER THEY LOOK

● Mr. MUSKIE. Mr. President, the energy crisis has brought home to all of us the danger inherent in our continued, growing reliance on dwindling petroleum resources. We have responded to that awareness by expanding our search for alternate energy sources and new conservation techniques. As we move to increase energy conservation and to develop alternate sources we confront hard realities about the limits to what we can accomplish and the major adjustments our society might face.

In Maine the debate over construction of the Dickey-Lincoln School Hydroelectric project is causing people to reflect seriously on the options available for energy production and conservation. Richard Hill, a professor at the University of Maine in Orono, has been an important contributor to that debate. Professor Hill has been a leader in the development of alternate energy technologies in Maine. He played a principal role in the design of Maine Audubon Society's solar heated headquarters in Falmouth, Maine, and is now engaged in a federally funded research project to design a clean burning woodstove.

He served as a member of Governor Longley's advisory committee on Dickey-Lincoln and after careful evaluation of the alternatives available he supported construction of the project. The thoroughness and intellectual integrity with which Professor Hill discusses the available alternatives is refreshing and merits the attention of my colleagues. I ask unanimous consent that an interview with Professor Hill, published in the Maine Times February 10, be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

[From the Maine Times, Feb. 10, 1978]

ALTERNATIVE ENERGY ICONOCLAST

Ten years ago, Dick Hill, a professor of mechanical engineering at the University of Maine at Orono, warned a League of Women Voters meeting in Bangor of the impending shortfall of petroleum, and said that as long as oil was going for $1.80 a barrel, alternative technologies didn't have a chance. "But," he told them, "when oil gets to $3 a barrel, watch—all those alternative technologies will begin to happen."

Today, Hill is a bit less optimistic than he was that afternoon in Bangor. Oil is going for $15 a barrel, "and still nothing has happened."

During the years in between, Hill has become a bit of a paradox in the energy debate.

On the one hand, he has become one of the state's leading experts on energy in general, and on solar and wood energy technologies in particular. He played a fundamental role in the design of three solar heated buildings in Maine including Maine Audubon Society's headquarters in Falmouth. He was also responsible for the design of the wood-fueled backup furnace that heats the Audubon building during long cloudy spells, and he is currently working on a federally funded project to design a clean burning wood stove. With his 30-odd years experience in thermodynamics at the university, and a couple of years prior to that as an engineer with General Electric and Westinghouse, Hill's advice, opinion and eloquent lectures have been sought by legislative committees, Rotaries, college audiences and public utility commissioners.

But to those who hoped to hear some encouraging words about alternative technologies, about the role these alternatives might play in easing us out of the energy dilemma, Hill has been nothing but bad news. Shortly after the solar-heated Audubon building was completed, he was publicly skeptical about whether such technologies were viable in the near term. Hill has been alternative energy's iconoclast. Today he at least warns his audience of what is in store. He entitled one recent lecture, "Alternative Energies: the further away, the better they look."

"As I look closely at all these alternative energies which seem to be on the horizon, whether we're talking about fusion, or breeder reactors . . . tidal, ocean thermal . . . wind or solar," he said, "none of them looks good." That was the basic reasoning behind his vote, as a member of the governor's advisory committee on Dickey-Lincoln, in favor of the hydro-electric project.

"I supported Dickey-Lincoln exclusively on the grounds that everything else looked so bad," Hill said. "I was just convinced none of those options will meet the shortfall in petroleum." He concedes, however, that neither will Dickey. "It's almost a symbol."

Hill has made at least one encouraging statement, however: that a state with 17 million acres of trees should be able to solve its home heating problem. Air pollution would be the big problem if the entire state were to switch from oil burners to woodstoves. But with the help of a $40,000 grant from the federal department of energy, Hill thinks his wood stove project at the university has come up with an efficient, clean burning stove that would eliminate such problems. Yet he concedes that it may be difficult to produce one that will be economically competitive with other mid-priced wood stoves on the market.

Another note of optimism is the work of his colleague Norman Smith on the wood chip furnace. Although not economically feasible for small scale home heating use, it does appear to be economically competitive with oil furnaces in larger applications such as schools and shopping centers. A prototype commercial unit has been working for three months in a factory in Biddeford.

But Hill's tone is still one of pessimism.

"What I try to say every time anyone will give me a chance is that the future is not going to look like the past and no, that scheme or device is not going to bail us out. It's about time people face some of the hard decisions that are going to have to be made."

Virtually everyone participating in the energy debate agrees that there will have to be some fundamental changes made in the way people consume energy. But unlike the more optimistic voices of Amory Lovins, Dennis Hayes and others, Hill doubts those changes can be made without trauma.

The optimistic in the debate argue that half of America's current energy budget is waste, used to run inefficient appliances, to heat drafty and uninsulated buildings, to power gas guzzling autos. They point to the Scandinavian countries, which have achieved standards of living as high as this nation's with only half the per capita energy consumption, and argue that we should be able to cut energy consumption significantly without drastic changes in our lifestyles and standard of living. They cite the enormous potential for energy conservation, as Massachusetts Audubon did during the Dickey-Lincoln debate when it released a study which concluded that insulating existing buildings could save 41 times the energy that the hydro-electric project could produce. They argue that innovative electric rate structures could shift electric consumption away from periods of peak demand and greatly reduce the need for new peaking plants like Dickey. They also note the vast amount of energy savings that could be achieved if waste heat from industries were captured and used to heat buildings.

The possibilities are technically feasible, but Hill thinks the institutional barriers may prove insurmountable.

He doubts whether much of the Scandinavian energy model can be applied in this country, especially in Maine. "The big part of the story is that (the Scandinavians) never built suburbia. The energy intensiveness of our lifestyle is in being spread out all over the countryside."

Hill noted that it takes the University at Orono roughly the same amount of energy to serve the total needs of 5000 students as it would just to house those same 5000 students in 1000 Cape Cod cottages. "And that would mean no library, no gymnasium, no dining hall, no music building, no auditorium, no field house. The ability to stack people up is fantastically energy conserving." Stacking people up does not jibe well, however, with the rural lifestyles sought by many Mainers.

Hill agrees there is plenty of room for energy conservation. In the short term, he says, it is the only effective option. But there are significant institutional barriers which he thinks will prevent conservation from having the impact it could.

"The incentive [to conserve] isn't there. According to the polls, half the population doesn't feel there is any energy crisis. They just feel this is another scheme to squeeze more money out of the public."

Another major obstacle is the large segment of the population living in rented apartments where landlords pay the utility bills. The tenants "don't see any immediate returns on energy conserving efforts."

"In the whole energy conservation spectrum, the first 10 percent is a cinch. After that it gets harder and harder, Hill said. Some studies have indicated that roughly 80 percent of the insulating that could be done already has been.

There's another major institutional barrier to the conservation alternative.

"It's only going to be up to a handful of people to make the decision on Dickey-Lincoln. But to make Dickey unnecessary would require hundreds of thousands of decisions by hundreds of thousands of people day after day after day. But it's awful easy to say to the Corps of Engineers—get going."

Peak load pricing is one of several alternative electric rate designs aimed at making

those "hundreds of thousands of decisions" more likely. By charging a consumer much less for electricity during off peak hours than during peak hours, such rates would induce the electric consumer to avoid turning on electric appliances during peak hours, thereby cutting the peak power demands and perhaps lessening the need for new peaking power plants. Central Maine Power Company plans to experiment on a limited basis with such rates. It will also be experimenting with metering devices which would signal the consumer at home when the peak prices were in effect.

But such things are unprecedented in this country, and Hill is not optimistic about their acceptance by the public.

Since metering systems cost around $240 per household, and since the power company would have to invest an additional $500,000 in equipment to send out the signals, Hill wonders whether "the monitoring system that would penalize peak consumption of electricity so that you wouldn't have to build Dickey-Lincoln, might cost more than Dickey-Lincoln."

Co-generation—the use of waste heat from industries to heat buildings—"requires a kind of institutional relationship that so far our society hasn't been able to muster.

"It means that out there at the St. Regis stud mill, there would have to be a vocational technical institute, a hospital, a University of Maine branch, so you could burn the fuel in the boiler, expand the steam through a turbine to generate electricity, then use the exhaust steam to heat the hospital buildings and so on. The problem would be matching the two loads. If the stud mill gets a bad batch of frozen logs, or the saw breaks down, they'll shut down. But if you have the school or the hospital there in a co-generation configuration, then you can't shut down.

"From an energy point of view, it certainly makes sense. But the institutional barriers are formidable. But, on the other hand, our energy situation is desperate. It's going to have to happen. But now the question is how do you get at these institutional barriers? How do you convince St. Regis to move its stud mills out here onto the campus mall so that we can use the waste steam to heat the university?"

The energy dilemma, Hill thinks, is wrapped up in what he and many consider to be the central problem of modern capitalism: what had been the expectations of a previous generation are now considered entitlements, from the teenager who claims a right to his own set of wheels, to the struggling blue collar who sweats for a shot at the energy intensive consumer lifestyle. And television constantly tells the teenager and worker this is what he wants more than anything else.

"We're going to be done in by this steam roller of entitlements," Hill said. "The question is, how do we back away from these entitlements without trauma."

"Perhaps," Hill added facetiously, "we should subsidize music lessons and tax the heck out of motorcycles, so that instead of buying a motorcycle, the 20-year-old decides to take up playing the recorder. Maybe there's some sort of public policy we can [implement] to get the consumption pattern moved over into less energy intensive areas, get people out of snowmobiles and onto cross country skis . . ."

But Hill doubts that a national energy policy can provide those kind of answers.

"Unfortunately, you can't deal with energy without dealing with inflation, unemployment, recession, balance of payments, arms shipments to the Middle East, housing, transportation, the eroding value of the dollar . . . I think it is absurd that the federal government is struggling with an energy policy as though it could have an energy policy unrelated to those things."

Hill has testified before the state legislature's energy committee on occasion, and as long as the questions were primarily technical, he said, "I could be very eloquent. But when they asked, 'what do we do?' I had no advice. I just don't know what policies to urge because you can't make energy policies without rattling the whole cage, and I don't have the wisdom to foresee how the whole cage will shake."

Hill does have some ideas. He admits none of them would be too popular. He suggested, for starters, that if consumers' electric consumption habits today will necessitate the construction of a new power plant tomorrow, then they should pay today for the cost of that next plant. The inflated electric rates would act as a disincentive to continue wasteful energy practices. "But, of course," he said, "we would never allow the power companies that kind of a windfall."

The recent attempts of the Public Service Co. of New Hampshire to get the construction costs of the Seabrook nuclear power plant figured into current electric rates illustrates his last point. Consumers, labor groups and industry have vigorously opposed the proposal; it would mean that during the next 10 years, before Seabrook even came on line, they'd be paying some $2.9 billion in higher electricity rates. Environmentalists claim that including costs of the next generation of power plants in today's rates will only act as an additional incentive for power companies to expand their generating capacity.

Hill had another idea. "We could easily cut our oil imports by simply going to $2-a-gallon gasoline. But with one person in six making their living related to automobiles, what would this do to inflation and unemployment?"

The kinds of political action that could reshape energy consumption patterns and help avoid the trauma of the impending shortfall of petroleum are, Hill believes, politically infeasible.

"This whole peak thing is that we haven't got the guts to clobber the public to flatten out their electric load. We haven't got the history, the tradition, of forcing people into energy consumption patterns that eliminate the necessity of Dickey."

Hill drew a slightly ironic analogy between energy planning and highway planning. If you are a highway planner, he said, "you get out there with traffic counters and say 'Where are they going?' You don't say, 'Where should they be going?' And if the load on this highway is heavy, you just put in another lane. Nobody ever says, 'Well, maybe they shouldn't be going, maybe they should be taking the trolley instead.'

"Maybe our society is going to have to change. Maybe we're going to have to say, 'We'll let this two lane road remain choked and we'll make it awkward and inconvenient to drive it, and then put a trolley track alongside.' But our society doesn't work that way. The decisions for the many are made so the few don't have to change."

How would any of Hill's questions and skepticisms translate into policies that could help ease the energy crisis?

"If I had feelings on that," he said with a chuckle, "I'd be down in Washington sitting on [federal energy chief] Schlesinger's desk."

Until he comes up with a better answer, Hill had one suggestion that could help.

"One of the most energy effective things you can do right now," he said, "is to have your mother-in-law move in with you." ●

THE NEED FOR IMPROVED AREA TARGETING OF CETA

● Mr. JAVITS. Mr. President, for some time I have been calling for improved area targeting of our Federal employment and training programs.

I have maintained that urban and rural areas suffering from chronic structural unemployment are shortchanged by present distribution formulas, which sprinkle funds on the basis of total area unemployed. as opposed to severity of area unemployment. Compounding this problem is the fact that funds for fiscal years 1977 and 1978 were distributed to areas on the basis of their highest 3 consecutive months of unemployment in 1976. This means that funds for 1977 and 1978 were distributed in May 1977 on the basis of some area unemployment rates of January, February, and March 1976.

This would be appropriate if no significant changes had occurred in area unemployment from 1976 to 1978, but there have been great improvements in some areas. The consequence of all this is clear: Some areas have gotten far more funds then they deserve or can use, while other areas get far less.

This point has at last been explored in a March 6 study by the General Accounting Office, "Information on the Buildup in Public Service Jobs," requested by the Senator from Maine (Mr. MUSKIE) and the Senator from Oklahoma (Mr. BELLMON), the chairman and ranking minority member, respectively, of the Senate Budget Committee.

GAO compared the situation in Dallas, Tex., and in Newark, N.J., and found that while unemployment in Dallas had dropped to 4.3 percent from January to March 1977, its allocation of CETA title VI funds was based on the 5.6 percent rate of January to March 1976. GAO concludes that Dallas gained $4.7 million in additional funds ($10.5 million instead of $5.8 million) by using the data reflecting the economy of 15 months earlier. It is no surprise that as of September 30, 1977 the Dallas prime sponsor was having great difficulty meeting its hiring goal.

In contrast to the Dallas situation, GAO points out that Newark officials estimated "they could create sufficient projects and jobs to spend double the funding they received."

In my judgment the message in the GAO study is clear, to wit: CETA funds must be distributed so as to rifle funds more sharply into those areas of our country suffering severe economic distress. We must calculate on the basis of an area's annual average unemployment, as opposed to the highest 3 months, and we must use reliable 1977 data. Furthermore, our formula should take better account of the chronic and persistent problem of unemployment faced by some areas of our country; not give undue influence to what are really seasonal or regional cyclical phenomena in an area.

I intend in committee to offer amendments to the administration's CETA bill to insure that funds are allocated on the basis of reliable 1977 data and that a 12-month average is used instead of the highest 3 consecutive months of 1977.

Also, the urban and rural areas of our country have sustained severe job losses in the past few years and suffer from a prolonged and deep-seated problem of structural unemployment, hence they ought to have somewhat greater consideration under CETA than they have received to date.

I trust we will be able to agree on a way better to relieve some of the disproportionate burden of unemployment that weighs so heavily on some areas of the United States.●

TAX EQUITY AND TAX FORMS FOR OLDER AMERICANS

● Mr. CHILES. Mr. President, millions of Americans are assembling receipts, canceled checks, and other records in order that they can prepare their tax returns before the April 15 deadline date.

The Internal Revenue Service expects more than 88 million returns to be filed this fiscal year.

Many Americans are discovering that preparation of a tax return can be quite complicated.

But for older Americans, the tax may be even more complex. Upon reaching age 65, the older taxpayer is frequently exposed to a set of new rules.

They may need to determine the excludable portion of the gain on the sale of a personal residence or the taxable amount of a pension. These computations can be difficult, even for experienced tax preparers.

This point was brought home very emphatically during a recent hearing by the Committee on Aging on "Tax Equity and Tax Forms for Older Americans." The committee also examined several other issues, including the tax credit for the elderly, the effect of the administration's tax package upon the aged, and the need for tax counseling assistance.

In recent years, the Congress has enacted several measures to ease the tax burden of older Americans. But these provisions are not helpful unless they are aware of their existence. In addition, they must fully understand how to make the necessary computations.

The Committee on Aging has taken several steps to insure that older Americans are informed about tax benefits that may save them money.

Each year, a checklist of itemized deductions is published to protect elderly persons from overpaying their income taxes. The committee also maintains a supply of tax publications to assist aged taxpayers further in determining their taxes, including "Tax Benefits for Older Americans," "Tax Credit for the Elderly," "Tax Information on Selling or Purchasing Your Home," and "Tax Information on Pension and Annuity Income."

Older Americans may obtain copies of these pamphlets from the committee while the supply lasts.

In addition, the committee's recent hearing provided further compeling evidence about the value and importance of tax preparation assistance for elderly taxpayers.

Mr. Charles Stafford, of the St. Petersburg Times, wrote two excellent articles about the committee's hearing, with special attention devoted to the amount of income older Americans may have before being subject to Federal income tax. His articles discuss other important issues raised at the hearing, especially the impact of the administration's proposals upon elderly taxpayers.

Mr. President, I commend these articles to my colleagues, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TREASURY AIDE: TAXWISE, ELDERLY ARE PRETTY WELL OFF

(By Charles Stafford)

WASHINGTON.—So you're over 65, and you have the income tax blues.

Shame! Emil M. Sunley says you have it good and, bless Jimmy Carter, you might even have it better.

The deputy assistant secretary of the Treasury for tax policy told the Senate Special Committee on Aging Friday:

"Older Americans, age 65 or more, are treated favorably under the federal income tax which is structured so that 18-million of the 24-million older Americans currently pay no income tax. The tax law keeps these 18-million off the tax rolls by providing tax-free levels of income that are approximately double the tax-free income provided for individuals under 65 years. For example:

"A single person under age 65 can now receive $3,200 before he is liable for tax, while a single person over 65 is not subject to tax until his income exceeds $6,400. The tax-free level may be higher if he receives Social Security benefits since these benefits are exempt from tax.

"A married couple with both spouses under age 65 is not subject to tax until the couple's income exceeds $5,200, while if both are 65 or over, the couple is not subject to tax until the couple's income exceeds $10,450."

Later on in this hearing on "Tax Forms and Tax Equity for Older Americans" other witnesses said the elderly aren't all that thrilled. But let's not tread on Sunley's sunny tale.

Even those 6-million older Americans who pay taxes, about $13.5-billion worth, get special tax breaks, Sunley said. An extra personal exemption of $750, for example.

"These special tax preferences for the aged reduce federal revenues by $6-million annually," he said. "That is a substantial government benefit for older Americans that does not appear on the outlay side of the budget."

That's where things stand now, he said.

If Congress adopts President Carter's proposed tax cut, older Americans will get the same tax cut that other taxpayers will receive, but will profit more from it, Sunley said. The reason: They no longer have to pay into Social Security so they won't be hit by the increased social security taxes.

"As a consequence, the overall tax cut of the aged will be substantially greater than that of the nonaged," he said. "The tax liabilities of the aged will drop by $925 million."

Sunley said the President's program will also increase tax-free levels of income for persons 65 or over by $850 for a single person—from $6,400 to $7,250—and by $1,200 for a couple, both of whom are over 65—from $10,450 to $11,650.

When Sunley was done, Chief Counsel David A. Affeldt invited him and Internal Revenue Commissioner Jerome Kurtz, who had testified about all the help available to elderly taxpayers in preparing their returns, to play a little show and tell. He posed to them a question a woman had asked him about whether she could qualify for head-of-household status because her mother lived with her. They hemmed and hawed and thumbed through tax instruction booklets.

Affeldt told them that he had asked the same question of nine different IRS offices and had received five answers one way and four the other.

"It is unfortunate, but those things do occur," Kurtz said. "Overall, the accuracy rate is quite high. . . . Ultimately, I suppose, the answer is a simpler law. I have been at this 20 years, and I didn't know the answer to your question."

James Hacking of the National Retired Teachers Association and American Association of Retired Persons had several things to say for simplicity. They came after he had some compliments and some criticisms for the President's tax proposal.

For one thing, he opposed the Administration's proposal to eliminate the existing deduction for medical care expenses. In 1974, Hacking said, 27 percent of all tax returns filed by persons 65 and over—or 2-million—claimed the medical expense deduction.

"The rising cost of health care is imposing an increasing expenditure burden upon the elderly, among whom the incidence of chronic illness is high," he said.

As for simplicity, Hacking said one requirement is particularly burdensome for retirees.

"Upon reaching retirement age, the taxpayer—who is previously accustomed to having his tax withheld by his employer—now receives income in the form of pensions, interest, dividends, etc., not subject to withholding," he said. "Many retired taxpayers must file a declaration of expected adjusted gross income and estimate their tax for the year. Quarterly declaration vouchers must be submitted along with tax payments. If the taxpayer fails to comply with these estimated tax requirements, IRS may impose interest and penalty charges.

"Older persons in the first few years of retirement experience the most difficulty with these requirements since the rules are new to them."

OFFICIAL REITERATES: NO COUPLE OVER 65 SHOULD PAY INCOME TAX IF INCOME IS LESS THAN $10,450

(By Charles Stafford)

WASHINGTON.—Emil M. Sunley said Saturday it is the truth: No married couple, both of whom are 65 or over, should pay income tax if their total income is under $10,450.

Sunley, deputy assistant secretary of the Treasury for tax policy, first said so Friday in an appearance before the Senate Special Committee on Aging. His exact words—"A married couple with both spouses under age 65 is not subject to tax until the couple's income exceeds $5,200, while if both are 65 or over, the couple is not subject to tax until the couple's income exceeds $10,450."—were quoted in Saturday's St. Petersburg Times.

The consequences: The Times switchboard glowed beautifully Saturady morning, a Times' Washington reporter was shaken from his reverie about maybe getting around later in the day to preparing his own income tax return and Sunley was awakened from a Saturday nap.

Among the callers to The Times was C. D. Brown of (727 Hama Drive) Holiday. Brown is a professional tax preparer, and most of his 200 clients are taxpayers 65 or over.

"That's just not right," he said of Sunley's statement. "I can show you on the tax tables. Taxes begin at $7,200. People are calling me now and saying 'look, I paid a big tax and I had less than $10,450 income.'"

Brown said Sunley had "$3,200 more in there than he should have. If he is figuring $3,200 as average Social Security then he would be right, but he should have said so."

Social Security benefits are not subject to taxation. Neither are railroad retirement benefits.

Sunley, in his testimony, followed his statement with this: "These tax-free levels of income reflect the combined effect of a number of tax allowances including special ones for the elderly. These allowances include: The regular personal exemption, the extra personal exemption for the aged, the

general tax credit, the zero bracket amount or standard deduction and the special credit for the elderly."

Brown said he considered all those things when he decided Sunley was wrong with his $10,450 statement.

Sunley said, "I just know he did not." He said the special tax credit for the elderly made the difference.

But now we get into semantics.

Here is how Sunley explained it:

The couple over 65 does not pay tax on taxable income up to $7,200. If they receive Social Security benefits, they pay no taxes on them because they are not taxable income. So if they have taxable income of $7,200 and Social Security or railroad retirement income of $3,200—or even more—they pay no taxes.

Now, if the couple over 65 receives no Social Security or railroad retirement payments, they become eligible for the special credit for the elderly. This credit offsets the taxes they would pay on taxable income between $7,200 and $10,450, so that again they end up paying no taxes.

In other words, Sunley said, either they have tax-free income or they qualify for the special credit for the elderly.

Those couples over 65 whose Social Security or railroad retirement payments don't total $3,200 for the year are eligible for the tax credit, but the amount of it is reduced by the amount of tax-free benefits they receive.

"The tax credit for the elderly raises the taxable income level to $10,450," he said. "I think many people are not aware that it is that high." ●

PENNSYLVANIA FARMERS ASSOCIATION

● Mr. HEINZ. Mr. President, this week I had the pleasure of attending the congressional dinner in Washington of the Pennsylvania Farmers Association, a part of the legislative activities they regularly schedule.

The PFA president, my friend Eugene Thompson, made some telling and thoughtful remarks about the farmers' predicament which I think all my colleagues would do well to read and ponder.

I ask unanimous consent that the text of his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS OF MR. EUGENE THOMPSON

Good evening ladies and gentlemen. I officially welcome you to the 1978 legislative banquet of the Pennsylvania Farmers' Association.

Today we have been discussing with you some very important issues related to agriculture. We discussed the need for some enabling legislation in the area of marketing and bargaining for farmers; the need for a realistic approach to meeting the economic problems in the dairy business, and we have expressed our support for a new approach to crop insurance. Also, we have talked about government regulations as they pertain to agriculture.

One legislative proposal of particular interest to us is H.R. 10768 (the Jeffords Bill) which concerns our dairy industry. This proposal received PFA Board endorsement last week in absence of a formal policy position by either our State or National organizations. With milk production far exceeding demand, the industry is unable to curb production itself, primarily because it is a highly regulated industry by the Federal Government (Federal Orders administered through U.S.D.A.) and because incentives through our Federal Order System are geared toward more production, not less. Secretary Bergland is locked into a parity adjustment formula which will undoubtedly bring another price increase on April 1 at a time when production is on the increase, not decreasing and will tend to only compound our supply problems in an ever-worsening situation.

The dairy industry could be compared to one that has the potential to be highly explosive with the fuse getting shorter and shorter all the time. Most of our dairy cooperatives handling milk are in a precarious financial position because they are handling too much surplus at an unprofitable level and don't seem to have any viable alternatives. Many of them are levying assessments again to try to maintain some degree of stability but many of them don't have time for the long-range solutions to take effect. They need some assistance right now.

The Jeffords Proposal is a short-range program that could offer some immediate assistance. It is an incentive program for producers to cull dairy cattle. It calls for a 15 cents per pound payment over market value for all dairy animals culled during the program which is limited to 180 days duration in total. Research information indicates that for every dollar invested in this program by the Federal Government, it will save 3 dollars now being invested in surplus dairy products being stockpiled at the present time. Our normal posture is to oppose government subsidies, but we need incentives to reduce the milk supply instead of increasing it at the present time.

We've talked to you members of the Pennsylvania Congressional Delegation on previous occasions about our problems in the dairy industry; now we need your support in making some corrections in the very near future.

Another issue we wish to discuss with you is a labor issue—one that has already passed the House—Senate Bill 1883. Also S.B. 2467. You might say for us to talk about this issue is folly indeed, but we still have one final shot at it in the Senate and we're not even sure of our chances of stopping it there. But I guess that still doesn't mean we have to like it or stand idly by on the sidelines without saying anything about it.

Organized labor's bargaining power has materially increased the costs of vital production inputs such as fuel, machinery, trucks, fertilizers, and other essentials to agriculture. Labor gets more than half the cost of transporting, processing, wholesaling and retailing food. *For the first time in history, labor now gets more of the consumers food dollar than does the farmer.* Closing down of vital services by unions at crucial times—transportation, processing or product supplies—deny consumers food, and farmers markets, both domestic and foreign. More and bigger government with its inefficiencies, over-regulation and inertia is constantly advocated by Organized Labor. Higher costs—and subsequent deterioration in quality—of education, health care and other government services result from unionization of public employees. Anti-trade efforts of Organized Labor hamper foreign trade and can close critical markets to agriculture. Harvest time strikes have caused tremendous losses with food rotting on the ground. Big labor pressures have caused farm labor costs to increase 300% since 1960.

Most farmers believe in the right of free collective bargaining on the part of labor unions and perceive it as part of our private competitive economic system. Labor has made some contribution to the advancement of our economy and serves a necessary purpose in maintaining a balance of forces in the economy. However, the power of Organized Labor has been allowed to go too far, and it must be brought back into balance in the interest of all Americans. It is not a healthy situation for the country when any group is allowed to develop a monopoly with the power to close down entire industries and services and to bring an area of the entire country under their power. A high standard of living is possible only through high productivity.

The excessive political and economic power of labor unions cannot be reduced or brought into balance without the cooperation of Congress. We would ask that you keep that in mind when considering labor issues in the future. We think it is critical to the health and well-being of this great country for you to do so.

It is obvious that the present coal strike demonstrates the excessive power of labor unions to completely cripple industry and cause job losses in the thousands. That in itself evidences the lack of need for additional power for labor unions.

Tonight, I would like to develop the area concerning regulatory agencies and their effects on agriculture.

Regulatory agencies are stifling the farmer. Presently, we have such agencies as OSHA, EPA, FDA, and many others . . . all seemingly attempting to outdo one another with regulations affecting farmers.

The need to understand and handle the growing maze of federal regulatory directives has been largely responsible for another new hat for the farmer.

First, let me explain that we as farmers are for necessary regulations. We are for strong health organizations to protect the nation's food supply. What we are opposed to are the silly regulations which come down the pike that can not be applied to our farming situation without causing economic chaos.

It would be appropriate to pause here to mention that Washington's regulatory rules do not apply evenly to everyone. Investigators for the General Accounting Office checked more than thirty federal work places, and reported finding nearly four thousand violations of the Occupational Safety and Health Act.

Had these been private instead of government businesses, the fines would have totaled 19 thousand dollars, but, Congress, in passing OSHA, voted to exempt federal work places from enforcement and penalty provisions, which only apply to private business and industry.

Many of the offices of our Pennsylvania Congressmen would have difficulty passing OSHA regulations, pertaining to desk space requirements, space per employee and other similar standards.

Congress has insulated its work place and, yes, the Congressman himself from the discomforts of its own actions.

Agriculture, on the other hand, has been caught in the regulatory meatgrinder.

We in Agriculture would welcome a sensible benefit, versus risk approach from the Food and Drug Administration.

For example: FDA announced plans to restrict the use of antibiotics in animal feeds. The involved compounds are now fed to virtually all turkeys to about 80 percent of all pigs and veal calves, 60 percent of all cattle and 30 percent of all chickens raised for food in the United States.

In making the announcement, FDA said that the agency can not point to any human health hazard caused by the antibiotics, but . . . quoting . . . "We are very concerned about the threat this may pose in the future" end quote.

In other words, we in Agriculture are guilty until we are proven innocent.

The compounds in questions are tetracycline and penicillin. FDA has published Federal Register Proposals to ban these antibiotics, but it reserves the right to decide whether hearings will be held or not.

We urge you, as Congressmen, to insist that FDA hold these hearings. FDA, in our opinion, should pledge itself, without equivocation, to hold these hearings.

Presently FDA has announced it will move

under "informal rulemaking" to put all uses of these antibiotics under veterinary prescription. Thus the opportunity for "due process" through the hearing system has been aborted by FDA.

It's time to draw in the reins on FDA and other regulatory agencies.

The recent saccharin issue is a good example of what's happening, not just to Agriculture but to the total society.

FDA said tests on mice revealed saccharin caused cancer in these rodents . . . thus the agency reasoned it also caused cancer and death in humans.

Now for humans to get the same amount of saccharin they would be required to eat tons of the sweetener each day. But regardless, FDA said to take it off the shelf, because it was causing cancer and, ultimately, death for the humans consuming it.

In that same announcement, FDA, said you could sell what you already had on the shelf; in other words, FDA said you could continue to kill people for a while longer.

FDA further stated that saccharin already in marketing distribution channels could be sold.

Ladies and Gentlemen, I contend it doesn't make any sense . . . it doesn't make any sense to me when a federal agency permits a compound to be sold that is killing people, and on a certain date . . . sometime in the future . . . you must stop this dastardly deed.

Did the American people believe FDA? You, like myself, can remember the great rush on every store in the country that handled saccharin.

One food merchant made this observation about the saccharin issue: "The way things were going today you will be able to purchase marijuana off the grocery shelf, but might be forced to purchase saccharin from a pusher!"

The credibility of government and the threat to all private business is a reality. In Campbell, Ohio, we read about the steel mills that closed because they could not afford to meet federal regulations, but in Johnstown, Pa. the steel mills continued to operate after their great flood, because EPA has agreed to relax enforcement of their regulations. Tell me, does it make sense to you?

Over regulation in Agriculture continues as the ultimate threat to the survival of Agriculture. Every day we hear another pronouncement from Washington.

USDA is the latest to get in on the banning act. It is proposing that nitrate be banned for use in curing processed meats.

Do you know of any substance that you can consume 15,415 pounds of each day for a normal lifetime, and still live? I don't know of any such substance. That's like eating a Mack truck each day.

Well, here's the point: you would be required to eat 15,415 pounds of bacon each day to get the same levels of nitrate fed to rats in an experiment causing some of these rats to develop liver tumors.

Do you really understand what I'm saying? . . . USDA is saying that if you eat 15,415 pounds of bacon each day of your life you might develop cancer. Also that bacon must be improperly cooked.

Now if you are planning to commit suicide by eating 15,000 pounds of bacon and dying from cancer . . . forget it. USDA can't assure you that you will even develop cancer.

But, I can assure you that you will die from *some* digestive ailment.

I heard a farmer the other day say that farming was a surer way of committing suicide, if government agencies continue adopting their unreasonable regulations.

We are making fun of a very serious situation. We farmers can't find much humor when it comes to government regulations. It's a very serious situation for us because you are talking about our livelihood.

The biggest challenge facing Congress today is to regain control of the regulatory system that it gave birth to. You . . . the people's representatives . . . must bring to a halt the onslaught of government regulation of the people and its way of life.

The loss of government credibility is a product of the regulatory agencies. It's not the Congress, nor members of that body. It's the regulatory agencies, which foster inconsistency as a way of life, and hide their misdeeds behind mountains of paperwork forced on the population.

The lack of scientific data to back its actions . . . the total disregard for the people by government regulatory agencies, will continue a rapid deterioration of the people's confidence in government.

Congress gave birth to the regulatory agencies. Maybe it's time to curtail some of their awesome powers over the people.

We know as farmers that we can depend on you. And we also know that you are the court of last resort.

To quote our Founding Fathers on excessive government, Thomas Jefferson said: "With all our blessings, what more is necessary to make us a happy and a prosperous people? Still one more thing, fellow citizens—a wise and frugal government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it earns. This is the sum of good government." James Madison said it this way: "It will be of little avail to the people that the laws are made by men of their own choice if the laws be so voluminous that they cannot be read, or so incoherent that they cannot be understood; if they be repealed or revised before they are promulgated, or undergo such incessant changes that no man, who knows what the law is today, can guess what it will be like tomorrow."

In one clear, simple sentence, Jefferson gave us this warning to go by: "Were we directed from Washington when to sow and when to reap, we would soon want for bread." ●

PRESIDENT CARTER'S TOWN MEETING IN BANGOR, MAINE

● Mr. MUSKIE. Mr. President, the city of Bangor, Maine, was privileged on February 17 to host President Carter's third town meeting. More than 3,000 local residents had the opportunity to participate in the meeting while President Carter fielded questions from the audience. The President responded to issues of real concern to Maine and the country including energy policy, antitrust, construction of the Dickey-Lincoln hydroelectric project, the proposal initiated in the Ford administration to reduce Loring Air Force Base, national health insurance, aid to parochial schools, claims for aboriginal title to Maine land by the Passamaquoddy and Penobscot Indians, and many others.

President Carter's comments on these questions merit the attention of my colleagues and I ask unanimous consent that a transcript of his remarks be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

TOWN HALL MEETING WITH THE PRESIDENT

The PRESIDENT. Thank you very much. Let's get started.

This reminds me of 1976 in the latter part of the campaign, not the first part, because when I came to Maine for the first time, no one knew who I was, or cared. (Laughter) I made a speech to the Democratic State Convention and I remember that I was the twenty-third person on the program and I started speaking about 10:20 and then when I began to run for President and came back, some of you were very hospitable to me and took me in and made me feel at home. Later my wife came, my three sons, their wives, my Aunt Cissy, my sister, Ruth, my mother, and maybe later Billy will come as well. (Laughter and applause)

We have had town meetings now since I have been President in Massachusetts and in Mississippi. We will have an hour and a half. I would like to make a brief opening statement on the subject that is important to you and then I will answer questions.

I will take the last question about twenty minutes after nine.

Last year New England suffered the worst winter ever recorded, and this winter may be just as harsh. Certainly the blizzard of 1978 just ten days ago will go down in history along with the terrible blizzard of 1888. You are expert in an average year in contending with freezing weather and winds of gale force and handling large snowfall. Yet in some ways you are more vulnerable to winter than any other section of the country You don't have access to cheap supplies of natural gas or oil. And you are heavily dependent on imported energy, primarily oil.

It costs you more to heat your homes and your factories here than it does anywhere else in the 48 states in this country. Alaska may be a little more. But even now Alaska has cheaper supplies of oil. Your jobs are in danger of leaving Maine, some of them, because to provide a certain amount of heat, the energy costs you about 45 percent more than the average place in our country.

No part of the Nation has suffered more from a lack of a comprehensive national energy plan than has New England. I have tried my best to close that gap, to correct the unfairness in energy distribution and energy prices. The House and Senate have both passed now a version of our energy proposal and the conference committees are hard at work.

Let me tell you some of the ways, very briefly, that this energy package would make your own lives more prosperous and your own future more sure.

At present, natural gas produced and sold within a state like Louisiana, Texas, Alabama, Mississippi, Oklahoma, brings a higher price than gas exported to another state. The energy bill would create a single price so that producers would no longer be discouraged from marketing their natural gas in other regions, like your own state. The energy bill sets efficiency standards for motor vehicles, for appliances, and for buildings, to save energy; the bill gives tax credits to homeowners and business leaders to insulate their buildings and save energy. For those with income so low they don't pay taxes, the energy bill establishes a program to weatherize the houses of the poor at no cost to them.

Local utilities will be required to work with their customers on energy audits to see where energy is being lost and where economies can be effective. Energy bills can be cut down even more by use of solar energy to meet part of your heating needs.

The energy bill also encourages this by offering tax credits to those who install solar energy equipment. The bill provides research and development funds to study ways in which we can make better use of energy sources that are renewable, the ones that come from the sun.

One of these, obviously, is wood, which has traditionally been an important fuel throughout New England and also in my home state of Georgia. But wood can be used in many new and innovative ways, and we aim to explore those ways by research and development.

I don't mean to suggest that any of these things can come about easily or overnight. The problem of energy has been ignored too long for us to expect any quick solution. But we need to start down the road, or we will never bring our demand for energy into balance with our continuing supply. Nor are there any attractive shortcuts. Our progress will be slow and sometimes hard to measure. But we must save oil. We must encourage energy production in our own country, and we must shift to more plentiful supplies of energy.

One immediate step that we can take is to lessen our dependence on foreign oil by conserving energy now. Some people have argued that conservation, the elimination of waste, will slow down our economic growth and cost jobs. But this is the opposite of the truth. Not only does energy conservation create jobs, in the building industry and elsewhere, but conservation also means saving money by the efficient use of energy. It means the return to self-reliance in energy matters. Simply stated, conservation means thrift. Since when does thrift mean stagnation? Any New Englander knows the answer. We must have a good, sound, comprehensive national energy policy. You know the answer to that.

And now I am ready to take your questions on other issues. (Applause)

QUESTION. My name is Bob Sherlock and I live at 49 Bradbury Street, Old Town.

Mr. President, Americans have long looked to government to constrain private decision-making for the good of society. Do you think the Federal Government should play a role in constraining U.S.-based multi-national corporations from following investment, production and marketing policies which weaken and destabilize the American economy?

The PRESIDENT. Yes, I do. There are several ways that this is being done now. As you know, one is antitrust laws which try to enhance competition in our country and preserve the finest aspects of the free enterprise system.

Another one is to cut down on unnecessary regulation. One of the great improvements that we have made in the last 12 months has been in the deregulation of the airline industry. Now as you know, because of the changes that we have made, there is much more competition in overseas flights. You can now fly to England and back for, I guess, half what you could a year ago.

The Senate is now getting ready to start voting on a bill to deregulate the domestic air routes we hope to eliminate unnecessary regulation, also.

I mentioned earlier today, in a press conference in Rhode Island, some of the tax provisions that I think would accommodate what you have just described. The elimination of overseas deferrals, which means the major corporations who invest overseas and therefore start employing foreigners to work in their factories pay a lower tax bill on a given amount of profits overseas than they would pay if they made those same profits in our own country.

We have got what they call a DISC operation, which encourages overseas investments and sales, where a big corporation—and almost all these credits go to big corporations—can set up a dummy corporation and export American products and they only pay taxes on half their profits. When they don't pay their profits in taxes at a fair rate, you know who has to pay the taxes for them, just the average working people of our country.

Another thing that I have tried to do is to eliminate some of the special loopholes that have been enjoyed by very wealthy people and influential people. One is what has been inaccurately called a three-martini lunch. If a working man or woman takes a lunch to work, say a $1.50 or $2.00 sandwich and something to drink and buys it in a local store, a restaurant, you can't mark it off as a business expense. But if a salesman or someone else has a very fancy lunch and has a customer with them, then they can mark all of that off, maybe a $25.00 or $30.00 lunch as a business expense. The same thing is applicable with tickets to sporting events, tickets to the theater. If they carry a customer with them, they can mark it all off as a business expense. I don't think that is right. And I think we ought to do away with it. (Applause)

But it is very difficult for the Members of Congress to support these kinds of tax reforms because the more influential people are, the more of these tax breaks or loopholes they have gotten for themselves. And the same ability to hire lobbyists to get the tax breaks, in the first place, keps those lobbyists who are very effective in Washington now to preserve the tax breaks for them and the average working family doesn't know anything about it.

I think it is time to have comprehensive tax reform. So I would say antitrust, deregulation, tax reform, intense competition, brings out the best in our free enterprise system and it does not hurt business, it does not hurt employment. In most instances, in my opinion, it would help employment.

QUESTION. Thank you.

The PRESIDENT. Thank you.

QUESTION. Bill Buzzi from Bath, Maine. Before my question, Mr. President, the citizens of Bath, Maine, and the employees of the Bath Iron Works, wish to take this opportunity to express their gratitude and appreciation to you and the State Department for awarding contracts which enable the iron workers to continue building the finest ships in the world.

Thank you.

The PRESIDENT. Thank you. (Applause) I might interrupt you to say that in the 1979 budget which I have just sent to the Senate, we have eight more patrol frigates. I feel sure that with the very fine quality work that you do and with your two U.S. Senators, Ed Muskie and Bill Hathaway, I am sure that Bath is going to get its share of the new contracts. (Applause)

QUESTION. Well, keep them coming.

The PRESIDENT. I will. Now, what was your question?

QUESTION. All right. Do you support Senator Hathaway's stand on the Dickey Lincoln power project? (Laughter and Applause)

The PRESIDENT. Both Senator Hathaway and Senator Muskie have been long supporters of the Dickey Lincoln Dam on the St. John River. We will make a decision—I will make a decision on the dam after August. We have an environmental impact statement that will be coming to me, I believe, in August of 1978. And until that time comes, I will not decide whether or not to put my request for that dam in the 1980 fiscal year budget.

As you know, we did put enough money in the budget this year to do the basic research and the preliminary planning for it and to complete the environmental statement. But I will not decide that until after August when I get the statement about the environmental impact.

QUESTION. Thank you very much.

The PRESIDENT. Thank you. (Applause)

QUESTION. Wayne Bear, Bangor, Maine.

Mr. President, may I just say that I want to thank you for your support and recognition of the courage and contributions of Senator Hathaway, in coming to the State of Maine. (Applause)

The PRESIDENT. Thank you.

QUESTION. You have been accused unfairly, I believe, of sending Congress too many legislative proposals. I am concerned if this argument gains increasing acceptance that Senator Kennedy's plans and yours for some form of national health insurance will be kept on the back burner.

As you know, it has been over 30 years since Harry Truman first proposed that the United States join the other progressive countries in the Western World in protecting its low and middle-income citizens and providing its low and middle-income citizens some protection from unexpected medical costs that wipe out savings and financially ruin families.

My question, Mr. President, is how long will it be before Congress and the Executive Branch finally join hands in providing protection to those citizens who cannot afford adequate medical care?

Thank you.

The PRESIDENT. Thank you. (Applause)

As you know, I have been in office now for 13 months. Most of the problems that affect our Nation, I inherited. I think that this past year has been a good opportunity for us to address those difficult questions.

Energy, we have never had a comprehensive energy proposal put forward. (Inaudible)—with the special committees involved, reorganization of the Federal Government, the establishment of a new Department of Energy, the economic stimulus package, which was so successful last year in bringing down the unemployment rate.

In fact, the unemployment rate dropped about three percent in New England from an average of about six and a half percent down to about five and a half percent. We have always, on the foreign field, gotten deeply involved in the Middle East in a comprehensive settlement effort, and the Panama Canal Treaties are a very difficult political question that are not popular, but are crucial to our Nation.

I know that Congress has been hard at work trying to deal with these questions. So far, their final decisions have been very good on all these matters. I will present to the Congress, before the end of this session, legislation on a national health insurance program.

We have been working on this now for about a year. It is accurate to say that until we get the energy legislation, welfare, tax reform, tax reduction, out of the Ways and Means Committee in the House and the Finance Committee in the Senate, on which, as you know, Senator Hathaway serves, I don't think they can handle the health care question.

I have met with Senator Kennedy on this subject and my guess is that his subcommittee will begin working—his committee will begin working early in the summer or late in the spring. But we will present to the Congress a comprehensive health plan before they adjourn this year.

I would guess that next year would be the time for the Congress to take action on this legislation.

QUESTION. Thank you, Mr. President.

The PRESIDENT. Thank you very much. (Applause)

QUESTION. Mr. President, my name is James Clark and I reside in Herman, Maine.

Mr. President, I realize that you have a National Commission studying the Nation's mental health needs and that that Commission will report to you around April 1st. The anticipated report of the Commission notwithstanding, would you please tell us tonight some of the specific improvements that you would like to see in the Nation's system of mental health care? (Applause)

The PRESIDENT. As you know, before I was President I was Governor of Georgia for four years, and my wife, Rosalynn, and I both undertook the mental health program in our State as a major new task. We were successful then in putting into effect a strong preventive care program, and an attempt through diet and through education in the prenatal months of a mother's life and also

in the early stages of a child's life to prevent future mental illnesses.

We also emphasized the shift away from incarceration in large mental institutions into community treatment centers where the retarded child or other person with mental problems could live at home and have eight or ten hours a day to utilize what talents God had given them.

I think we established about 85 of those around the state during the four-year period. In addition, we had a heavy emphasis on the problems that are caused by alcoholism and drugs. And as you know, the foremost Senate proponent of correcting or addressing the alcohol or drug problem also just happens to be Bill Hathaway. He has been an innovator there, particularly the effect of excessive uses of alcohol and drugs on a mother before a child is born.

My wife is heading up the Commission you referred to that will make a report to me in April. One of the things they asked for is a heavy increase in research and development funds even in the new upcoming budget. We have advocated, I think, $39 million to start a much more heavy research program in mental health.

So I would say that on a Federal level we would emphasize these major things similar to what we did when I was Governor of Georgia. And many other states are already doing these things. We have a need for increased funding. We had the Title IV(a) program, as you know, a while back where local people could set up in an abandoned house or storefront a place for retarded or other mentally afflicated people. And we had a good response there.

I think once you give a local group an image of what can be done, almost every family knowing some person with a mental problem can help. So I would say prevention, research and development, a combination of treatment in the physical and mental health field, an increased use of paramedical personnel and even nontrained personnel for rehabilitation and care, the utilization of Federal funds to match local and private funds and state funds in setting up community treatment centers, those are some of the things that will be part of a new program. But I will have to wait until my wife gets through the Commission in April before I can give you a better answer than that.

QUESTION. Thank you, Mr. President.

The PRESIDENT. Thank you. (Applause)

QUESTION. My name is Joe Hughes and I live in Bangor.

Mr. President, how do you feel about Federal aid to parochial schools? (Applause)

The PRESIDENT. Thank you very much, Joe.

Well, within the bounds of the Constitution of the United States and the ruling of the Federal Courts, I am in favor of it. We had in our own State, while I was Governor, authorized the payment of a certain amount of State money to students who went to any of our colleges in the State, where they were State-owned or related to religious institutions. This was declared Constitutional in our State and we did it.

We also are providing textbooks and other assistance to students in parochial schools. I think that is completely legitimate. As you know, the Congress is restrained in its passage of legislation on that subject because the Supreme Court and the Federal Courts have ruled that direct aid to religious institutions, even including schools, is prohibited. I think it would take a Constitutional amendment to completely open up that subject.

So I would say to summarize it, within the bounds of Federal Court and Constitutional prohibitions, I would be in favor of giving aid to the parochial school students whenever possible.

QUESTION. Thank you. (Applause)

The PRESIDENT. Joe, thank you for that easy question. I appreciate it. (Laughter)

QUESTION. Mr. President, my name is Bobby Burr. I am from Old Town. On behalf of the Fifth Street Residence, I would like to welcome you to Maine.

The PRESIDENT. Thank you, Bobby.

QUESTION. The Democratic Party has long proclaimed that they are defendants and champions of the poor, the oppressed, and the elderly. I would like to know how you as a leading Democrat of the country can equate the fact on the one hand that the House and the Senate has either done away with or decreased drastically any aid for these people and, on the other hand, has granted themselves a continuous cost-of-living raise? (Applause)

The PRESIDENT. I think that under a Democratic or Republican President, there have been substantial increases in the salary and the other benefits of Members of the Congress. And the same thing has applied to the top Federal employees. I am sure that it has been the case with state employees and others who serve in local government. I think that we have done a great deal to help the elderly and those who are unemployed and those who have been suffering from chronic poverty.

The Democrats were the ones who initiated Social Security. The Republicans unanimously, with one exception, voted against Social Security. The Democrats were the ones that advocated the minimum wage when it was only 25 cents an hour. The Republicans voted overwhelmingly against it.

The Democrats are the ones who initiated rural-free delivery of mail to farmers and isolated families. The Republicans voted overwhelmingly against it. The Democrats initiated Medicaid, Medicare, the old age programs we presently have in existence. The Older Americans Act was co-authored by Bill Hathaway. In many cases the Republicans voted overwhelmingly against it.

This past year we initiated a strong economic stimulus package, and I think our economy was helped greatly. I just pointed out a few minutes ago that the unemployment rate in New England which had been 8½ percent when I took office dropped to 5½ percent in one year. I can't predict that that downward rate is going to continue. I don't know about the future. But we will have going to the Congress next week from me a recommendation for $13 billion continuation of the Comprehensive Education and Training Act, because the Democrats have always felt that people who don't have great wealth ought to have an opportunity for vocational training and education tied, directed to a job. We have advocated more than doubling public service employment and greatly expanding jobs for young people. And I think you know that the Civil Rights Act was initiated and passed by a Democratic President working with a Democratic Congress.

We have got our faults in the Democratic Party, but neglecting old people, unemployed people, poor people, young people is not one of our faults.

QUESTION. Thank you, Mr. President. (Applause)

QUESTION. Mr. President, my fifth grade class would be upset if I didn't say hello for the fifth grade class in Fitzborne Middle School in Hamden, Maine.

The PRESIDENT. Thank you.

QUESTION. My question is since the ice hasn't been broken yet, since our land claims case will set a precedent across the country, I would like to know will other States have to be as lucrative in the giving of land and money as we are in the State of Maine? (Applause)

The PRESIDENT. As you know, the Indians claims case in the State of Maine was initiated, I think, about 1971 when copies of old treaties were discovered and the Indians felt that they had a legitimate claim in court. Under the laws of our Nation, the Interior Department is responsible for native Americans and is obligated to defend and to protect and even to intercede in court on behalf of the Indians and the Attorney General is required to represent the Secretary of Interior in that relationship.

When I came into office a year ago, this case had been continuing for a long time. And if you think back a year, you can remember that almost every property owner in Maine was in danger of not being able to transfer their own property or to buy additional property because no one could get a clear title even to their own land because of the threat of the Indian lawsuits.

Obviously, I have got as much as I can handle as President. I could recognize very clearly that there are more non-Indians than there are Indians in Maine. So politically, there is no advantage in trying to resolve a question of this kind.

I could have washed my hands of it and said let the people of Maine sweat it out. But I felt then that there was a need for us to resolve it fairly quickly. We have been working on it for a year.

I sent the best lawyer I know up here to work with it, Judge William Gunter. He worked out an agreement that he thought was fair that the Indians rejected. Later, I got Eliot Cutler from Bangor, Maine, knowing your people, to come in and take over as the head of a negotiating committee.

What we have worked out, I think, is a very good resolution. The Indians have accepted it. What it says is that anybody in Maine that owns less than 50,000 acres of land will no longer have to worry about lawsuit attacks on their rights or deeds to their own property. That is an agreement that I reached on behalf of the American people and the Congress will have to ratify.

The only ones left still not resolved are 14 landowners in Maine who have more than $50,000 (acres) and the State of Maine itself. What we have negotiated doesn't put any obligation on those large landowners, nor the Government of Maine.

The Indians have said, if you want to accept it, fine. We are ready to accept it on those terms. But if the Governor of Maine or the 14 landowners don't want to accept it, they have three choices. They can either continue to negotiate, they can accept the agreement that we worked out and have an end to it, or they can stay in court and litigate. I have no preference about it.

I don't have any personal interest in it, as you well know, but I thought it was good to get this question out of the way as quickly as possible to let the people of Maine in two-thirds of the area of your State stop worrying about possible future lawsuits about which they know very little and over which they have had very little control.

So I have done my job as well as I could. We have not imposed the will of the Executive Branch on the State of Maine at all. The Government of Maine is still completely free to do anything it chooses. (Applause)

One other part of your question, how many other States will be in a similar condition, I don't know. My own preference is that the executives stay out of it and let the Interior Department, representing me, and the Federal Courts settle it. But I felt that in this particular case, so many citizens were adversely affected in Maine, that it was a special case. But I hope that this will be the only instance of this kind in which I, as President, will be involved.

QUESTION. Thank you.

The PRESIDENT. Yes?

QUESTION. Mr. President, I am Ed Meadows. I live in Hamden, Maine, just down the river from Bangor. You are certainly correct that we in New England are very much concerned with energy sources and supplies in this region. For that reason, references to wood en-

ergy in your opening statement were very heartening.

However, we know that up until this point, that the ERDA Administration has not been particularly concerned or convinced about the potential for great regional impacts and balance of payment and other benefits that wood energy could have.

My question is, therefore, what specific steps will your Administration now take to ensure that wood energy plays a more prominent role in Federal energy policy? (Applause)

The PRESIDENT. Last November, I think, maybe December, I had the State Forester from my own State come up to Washington to meet with me and to meet with the head of the American Foresters, who worked in the Agriculture Department, to expedite research and development in the use of wood for energy.

About two-thirds of the State of Georgia is covered with forests. A lot of that forest land is suitable for paper pulp or timber. Most of the soft woods are the pines, poplars. But we have thousands and thousands of acres of lands that is not good for pulp wood nor for timber, construction that would be perfectly suitable for fuel.

There are some fast growing species of trees, as you know, that will give us a replenishable supply. The problem is the cost of harvesting lumber. We now are experimenting with chippers that can take a whole tree and run it through the chipping machine in the forest, load it on dump trucks that can take it directly to the railroad siding and with vibrators on the side of the boxcars, can haul substantial quantities of that material to major plants nearby.

I think that this is a subject that needs more attention. Jim Schlesinger has been to the White House specifically to discuss this with me, and we will increase our research and development effort in this use of wood far beyond that we have done in the past.

I can't give you an exact figure yet on what will be advocated, but it will be a top priority for me because I know at first hand how valuable wood is.

If you will give me before we leave or give one of my staff members your mailing address, I will get Dr. Schlesinger to give you in writing a more specific answer, spelling out in detail what projects we have underway now and what we advocate for the future.

QUESTION. Thank you very much. We appreciate your understanding of this issue as a scientist. Thank you.

The PRESIDENT. Thank you. (Applause)

QUESTION. Mr. President, my name is Dave Porter from Hamden. I am also a teacher. I am a science teacher at Weatherbee Junior High School. As I understand it, you are planning to recommend implementing a separate Department of Education. What benefits do you feel that this will have on our educational system?

The PRESIDENT. There is already a bill in the Government Organization Committee under Senator Ribicoff, to set up a separate Department of Education. When I first went into government, I was on a local school board. I ran for the Georgia Senate and I was the Chairman of the University Committee and in the Education Committee.

When I was Governor, I would say I spent 25 percent of my time at least working on improvements in education.

Since I have been President, we have a Cabinet meeting every Monday morning for several hours. And then I meet with my Cabinet officers, two or three of them individually each day.

I doubt that I have spent a half of one percent of my time dealing with educational matters as President. Education is buried deep within the same department as health and welfare which are the more dominant matters of interest, at least in Washington. And I believe that in that process, education is neglected.

There is a tremendous opportunity in our country to get back to basic education. We have got too many people, I think, going into the fourth, fifth, sixth, seventh and eighth grades that can't even read and write. And we have got too many vocational, technical schools, career training programs, high schools, even colleges that are turning out students that are not accurately matched in their learning capabilities with the jobs that are available when they graduate.

There is very little correlation between jobs that need to be filled and the product of our educational institutions.

I think that this is also a matter that ties very closely to employment; in the Comprehensive Education Training Programs, you know, working with both private employers and also with the State and local governments as well as the Federal Government, where you can have a combination of training and education. I have just advocated recently, a tremendous increase in scholarships and loans, grants and work study programs for college students.

The Federal Government is just now getting involved in that process. We also have a real need to tie together the training and education programs for the mentally afflicted Americans, or those who are slow learners and in many ways I think the Federal Government ought to give more attention to education.

I think the control of the education system ought to be at the State and local government. I don't want to get the Federal Government into the controlling of any colleges or high schools or kindergartens. But I would just like to have as President a much more sure sense that I am devoting an adequate amount of my own time to bringing about a raising of educational standards in our country.

We spend too much money and get too little education benefits back from it, and I think a separate education department or agency with that one single responsibility would give education the visibility on a national level and the voice of the President promoting better education, that I don't think will ever be possible with education buried in Health, Education and Welfare.

QUESTION. Thank you very much. (Applause)

QUESTION. Mr. President, my name is Mary Smith, and I am from Bangor.

During your campaign for President, you made a firm commitment to put more women in decision-making positions should you become President of the United States. I was on the State Steering Committee for the 51.3 Carter-Mondale Campaign.

Do you feel that your Administration has in fact put more women in decision-making positions than your unenlightened Republican predecessors? (Laughter and Applause)

The PRESIDENT. Yes. At the Executive level of government we have got I would say at least three times as many women now as we had before. We still don't have enough. The General Counsel for the Defense Department is a woman. Juanita Kreps, the head of the Commerce Department, as you know, is a woman. The person who is in charge of all the housing and urban development programs, public works programs, is also a woman. And we have had the first women appointed as U.S. Attorneys, and also women being considered and appointed for Federal judgeships.

I think that we have a difficulty in that it is hard to locate women with proven records in business administration or local or State Government administration or in the Federal Government that we can promote into a major job, because they have been discriminated against for so long.

But we have in the regulatory agencies, as well as in the top regulatory agencies, appointed women in major positions of responsibility. Compared to what my predecessors have done, we have done an excellent job. Compared to what we can do, we have not yet done so well. But we are doing better every day.

QUESTION. Thank you, Mr. President. (Applause)

QUESTION. Mr. President, Maurice Shea, 36 Grove Street, Bangor.

Mr. President, there has been a lot of talk in recent years about the role of the Federal Reserve Board and its impact on our economic welfare. How do you envision the Fed's role under your new chairman, Bill Miller, and do you feel that they will be of help to you as you try to meet your goals?

The PRESIDENT. The Fed should always be independent and not subservient to a President. I think, as I am sure you are well aware, that the President, the Congress, and the Federal Reserve Board have a joint responsibility under our legal structure.

I as President, for instance, can with my Cabinet make many administrative decisions that concern the rate of spending of money, what month the money is spent, what part of the country the money is spent in. I can propose the overall budget figures and the Congress quite often complies within reasonable limits, with the President's proposal.

The Congress has an equivalent responsibility, for instance, in the tax laws. They can modify very quickly the tax laws, giving an instant rebate, which has a profound effect on the economy.

And at the same time the Federal Reserve Board in controlling the flow of money into and out of the banks can determine how much money is exiting at one time and indirectly control the interest rate.

So I think those three can balance one another.

I had a good working relationship with Arthur Burns and I have a great respect for him. I think he did a good job. As you know, his major concern was inflation. But I think that under his administration, which was combined with a Democratic Congress and Democratic and Republican Presidents, including myself, the inflation rate continued to go up, and I think the interest rates last year went up too much.

I don't say that in criticism of him. But I think Bill Miller will be an outstanding person. I felt it was time to bring in a tough, competent business leader into the Federal Reserve Board system and not just a professional economist or even a banker.

Bill Miller is someone who is intimately familiar not only with business management, but he also understands international trade problems and he has been one of the most dedicated and unselfish public servants I have ever known in trying to enhance job opportunities for minority groups, young people, Vietnam veterans, and so forth, working with private business.

I think Bill Miller will bring a very well balanced approach between controlling inflation on one hand, enhancing the value of the dollar overseas with sound international trade practices, and at the same time he has a heartfelt commitment to cutting down the unemployment rate.

Also I think that Miller will be much more inclined to at least consult with me and the Congress perhaps than Chairman Burns was, because he is a younger man, he is coming in, and he knows that he has a lot to learn, as do I.

So without any criticism of Arthur Burns, I think that we will have a very good administration of the Federal Reserve Board under Bill Miller.

QUESTION. Thank you very much.

The PRESIDENT. Thank you. (Applause)

QUESTION. Mr. President, my name is Bill McDonald. I am a Master Sergeant in the United States Air Force. I live here in Bangor, Maine.

My question, Mr. President, is what are your feelings on the proposal to close Loring Air Force Base?

The PRESIDENT. When the decision is made, probably later on this year—almost surely later on this year—I will make a judgment as to what I think is best for our country, its defense, with attention to the efficient use of money, and obviously with its strategic advantage in case we are attacked over the Arctic Circle in a war.

Under the previous Administration, when President Nixon I believe was President, maybe President Ford, a decision was made to close Loring Air Force Base or to cut it down substantially. Ed Muskie and Bill Hathaway recognized that in addition to environmental questions and defense questions and Federal budget questions, there is a major additional factor of economic damage to the northern part of Maine if Loring Air Force Base is closed.

I have asked Secretary of Defense, Harold Brown, to reassess the decision made by the previous Administration about Loring. And I have told him to take into consideration not just environmental question and defense questions but also the economic impact on Maine of closing Loring Air Force Base.

I don't know what their decision will be when it is recommended to me. But I do know that there is a much better chance now to keep Loring Air Force Base open because of the interest of your Senators, your Governor and others, and because of my interest, than there was before.

But I can't promise you at this point that I will keep Loring Air Force Base open at its present full strength. But if there is any doubt whatsoever about the overall balanced impact, then my inclination would be to maintain Loring at as high a strength as possible. But I will have to wait until I get the recommendation before I give the final answer.

QUESTION. Thank you, Mr. President. (Applause)

QUESTION. My name is Elizabeth Vickery. I live in Orrington, Maine.

Mr. President, during your election campaign, you stated you were against using Federal funds for abortion.

The PRESIDENT. Yes.

QUESTION. Congress has recently passed a restrictive Hyde Amendment. Could you give me your view of HEW's liberal interpretation of this amendment?

The PRESIDENT. I do not favor and I have not favored the use of Federal funds to finance abortions. I am willing to use Federal funds if the pregnancy is a result of rape or incest.

I think that this should be administered in such a way that women are not encouraged to lie about it and to use that legal congressional mandate as an excuse for abortions when no rape or incest has taken place. And if it appears to me and to Joe Califano, who feels the same way I do about the question, that the ruling is being abused and that women who have not actually been raped or had a pregnancy caused by incest, then I would favor a tightening up of those HEW regulations. I think we ought to be very strict about the administration of the law and the ruling. (Applause)

QUESTION. Mr. President, my name is Francis Anthill, I am a Penobscot Indian, full-blooded. I live at Indian Island, Maine.

Would you veto any attempt by the Congress to abolish the Penobscot and Passamaquoddi Indian land claim suit? (Applause)

The PRESIDENT. I doubt that I will face that prospect. I cannot imagine the Congress abolishing a law suit by statute.

I would say yes, I would veto such legislation. (Applause)

QUESTION. Thank you.

The PRESIDENT. Now, let me add one other thing, because I am not sure I understand all the meaning—if your question—if I felt that the suit had been resolved in a fair way, say, based on the settlement that the Indians have already agreed to, then the lawsuit would no longer be necessary. But I would not take away the rights of the Indians that have already been negotiated by short circuiting the process with Federal legislation.

Is that what you meant? In other words, if the lawsuit is successfully negotiated and the Indians accept the negotiation, then the lawsuit would no longer be needed; is that correct? Did I understand your question right?

QUESTION. Would you veto any attempt by the Congress to abolish the Penobscot and Passamaquoddis Indian land claim suit?

The PRESIDENT. The answer is yes. I would veto any legislation that would try to resolve the whole Indian claims question just by abolishing your suit. Yes, I would veto that.

QUESTION. Thank you. (Applause)

QUESTION. Good evening, Mr. President. My name is Mary Matheson and I live in Bangor, Maine.

My question to you tonight, sir, is whom do you consider contributes more to the welfare of our country, a coal miner or a United States Senator? (Applause)

The PRESIDENT. Well, as you know, there are coal miners who are now United States Senators. (Laughter and applause) And there are peanut farmers who are now United States Presidents. (Laughter and applause) So I don't think you could say who contributes more. Quite often when someone does become a United States Senator, it is because in their own profession, whether it be a college professor or school teacher or a farmer like myself or a miner or perhaps an engineer or business executive or a lawyer, they have shown leadership qualities and they have either been in the Congress or been a Governor and proven to be a good representative of many people, and because of the trust that they have built up among people who know them, they have been sent to the United States Senate in a much more responsible job.

Obviously, a U.S. Senator has more impact as one person on our Nation's attitudes and perhaps its welfare than one individual coal miner would. But that doesn't mean that coal miners as a collective group are not very important.

I think each person in the eyes of God is of equal importance. I would guess that many coal miners, if they never go away from their homes more than ten miles, could do as many or more great things in the eyes of God and their families and those who know them than even a President could. So it is hard to say who would be the greatest.

QUESTION. Thank you. (Applause)

QUESTION. Mr. President, my name is Cathy Lewis and I am a resident of Veazie, Maine. My question for you is, with the recent news concerning defaulted governmental educational loans, will there be new and stricter requirements when applying for a Government-guaranteed loan?

The PRESIDENT. For a college education?

QUESTION. Yes.

The PRESIDENT. The answer is yes. In the comparison of Federal employees' names with students who have deliberately defaulted on loans, we found many people who are now drawing a good Government salary who just did not pay their student loan. Joe Califano is now requiring federal employees to pay off their loan without working a hardship on them and their families because of too high a payment per month.

One of the things that has endangered the entire college aid program has been the deliberate cheating by college students off the taxpayers when they signed a contract, "If you will lend me the money to get my college education, I will repay it and let that money go to help another student." Because of a loophole in the law, many students would finish college and immediately declare bankruptcy so they would not have to repay the loan. I don't have any sympathy for a student who does that on purpose and I think we ought to do everything we can to collect those loans when they have been made in good faith and received in good faith because the ones who suffer are the taxpayers in general and also other students who could benefit if that first student did his or her duty. (Applause)

QUESTION. Thank you.

QUESTION. My name is Sharon Corvey and I live in Bangor.

Mr. President I am a second grade teacher at the Abraham Lincoln School in Bangor.

My class has been studying about the many facets of a President's job. Our second grade children would like to ask these questions: What part of your job is the hardest? What part of your job do you enjoy the most? And do you get dizzy flying in Air Force One? (Laughter)

The PRESIDENT. Can I take my choice? (Laughter) No, I don't get dizzy flying in Air Force One. Sometimes on a long trip with a lot of stops and not much rest and time zones changing, I can't say that I am particularly in charge of all my faculties. But I don't really get dizzy. (Laughter) I think the most enjoyable thing that I have to do as President is just to realize the tremendous history that has preceded me in the White House and what our Nation stands for and the difficulties and challenges that have faced the American people, and the courage and strength and the cohesiveness of Americans in overcoming those difficulties.

Every single President has lived in the White House, except George Washington. The White House was built while he was President.

I walk through the White House sometimes alone and see the portraits there of Thomas Jefferson and his little writing case and go in the Lincoln Bedroom where the Emancipation Proclamation was signed and think about the difficult times they had and the time of Harry Truman and Franklin Roosevelt when we fought the Second World War and Woodrow Wilson at the completion of the First World War, and I think about the strength of our country.

So I think the most gratifying thing is feeling that the American people have trusted me, that I am part of this tremendous nation and that I share a heritage and a history and a future in the greatest country on earth. It is a very reassuring thing.

I think obviously the most difficult thing is to recognize the limitations of a President's power. There are so many things that I would like to do instantly that take a long time. But I think in general that frustration that I feel is a good thing.

The balance of power between Presidents and Governors, between the President and the Congress, between the Congress and the Courts, although it is frustrating, it also is good. There are some difficult decisions that I have to make; SALT treaties with the Soviet Union, I would like to be able to eliminate nuclear weapons from the face of the earth and prevent other countries—(Applause)—and I would like to prevent other countries from developing nuclear explosives that don't have them now. And I would like to see the Middle East peace negotiated.

And you know, I would like to see a good health insurance program and welfare reform and the State and the Federal Government, rather, reorganized, the tax system reformed. I have to negotiate and work with the Congress.

Sometimes I am impatient, but then the more I have gotten to know the individual

Members of the Congress, the more I see that they have a special experience and an expert knowledge that I don't have. And they bring up questions that I haven't thought about.

So I have to be very cautious about how I move forward. In general, though, I would say that I have enjoyed being President.

Our families are close together now. We enjoy the house where we live. (Laughter) It is convenient to my working place. (Laughter) The salary is very good and the perquisites are nice. And I think the reception of the American people has been good so far.

We have addressed some very controversial questions and I feel that I have got adequate support from the American people. So I think the most enjoyable thing is knowing that I am part of a great Nation.

The most difficult thing is the limitations that are built into a President that make his actions checked and balanced with others, both internationally and domestically, but I think it is one of the greatest jobs I have ever had. (Laughter and Applause)

Thank you.

QUESTION. My second graders thank you very much, Mr. President.

The PRESIDENT. Tell your second graders to come and see me and Amy.

QUESTION. They would love to. We talked a lot about Amy and they really would like to meet her.

The PRESIDENT. You bring them to Washington and I will be glad to see them. (Laughter and Applause)

QUESTION. Good evening, Mr. President.

The PRESIDENT. Yes.

QUESTION. I would like to ask a question on employment as far as the handicapped are concerned. Are we going backward or forward?

The PRESIDENT. I think in the last 12 months in carrying out the mandates of the Congress, with the implementation of employment standards in the Federal and State, local governments, and also in private industry, that we have made the greatest step forward in ensuring handicapped Americans rights that we have ever taken.

I think most of the groups that represent handicapped people agree that this is true. It applies not only to jobs and to educational opportunities, to special education grants and loans that are available, but it also applies to physical facilities, design of buildings, design of buses and other transportation available.

So I think we have made a major step in the last 12 months not because I initiated it but because we carried out a decision Congress made before. So I think we are moving forward with the handicapped.

QUESTION. Mr. President?

The PRESIDENT. Yes.

QUESTION. Please send our fondest wishes to your wife, and we love you.

The PRESIDENT. Thank you very much. (Applause)

QUESTION. Hello, Mr. President. My name is Jack Aruda. I am from Bangor, and I attend Bangor High School. (Applause)

Mr. President, don't you think that it is contradictory to sell arms to Middle East countries when you are pushing for peace? (Applause)

The PRESIDENT. No. (Laughter) And I will tell you why.

I have promised and I will carry out my promise to cut down year by year the quantity of arms sold to overseas markets. We will obviously have to meet our treaty obligations with NATO and with Japan and with New Zealand and Australia. Other than that, though, each year the amount of arms we sell will be reduced.

We have already begun discussions with other arms suppliers—France, Belgium, Great Britain, the Soviet Union—to try to get them to join with us in this commitment. So far we are moving on our own. We have made some progress.

Later on this year the United Nations will have a general disarmament conference, and many of those leaders that I just described to you will be speaking in the United Nations. I may go and make a keynote speech there myself.

In the meantime, the Soviet Union is selling tremendous quantities of arms, very advanced in nature, in Ethiopia, in Libya, Iraq, and Syria, and formerly they sold large quantities of arms to Egypt.

Our historic commitment in the Middle East has been to keep Israel strong and secure, and obviously we are honoring that commitment.

The Saudi Arabians have very close relations with us, as do the people of Iran; and as you know, they are between Israel and the Soviet Union, in a very highly tense part of the world. We have never before sold Egypt any weapons that could be used in an attack. The F–5Es, which I have asked the Congress or will ask the Congress next week to sell to Egypt, are not nearly so advanced as the F–15s and F–16s that Israel is getting. And no one could think that the F–5Es could challenge an F–15 or an F–16.

But you have to remember that we cannot abandon our own friends in the Middle East, If we did, Egypt would soon be overrun from Libya or perhaps even from Ethiopia. We cannot afford to let that happen.

I might say in closing that it is not a matter of confrontation between Saudi Arabia and Egypt on one hand and Israel on the other. We are trying to negotiate a peace settlement there. I think we have an excellent chance to succeed this year. But Egypt has to be able to meet the threat from other sources as well. So we are doing three things, to recapitulate. We are trying to get other nations to join in with us in cutting down the sales of advanced weapons around the world. Unilaterally we are cutting down on the amount of arms we are selling overseas. At the same time we have to meet the legitimate needs of our allies and friends so they will be secure.

QUESTION. Thank you very much, Mr. President. (Applause)

QUESTION. Mr. President, Joan Holmburg, Maple Street, Bangor. Each State is currently undergoing much debate and legislation over malpractice insurance due to the problem of increasing premiums from the increasing financial awards.

How do you feel the Federal Government could help in this dilemma which might in the long run be able to keep down the cost of medical care?

The PRESIDENT. One of the things that has been done in some States is to have a three-person board that acts as a mediator for a given hospital community. The doctors agree and the hospital agrees and the patients agree that when they go into the hospital, if there is any malpractice involved and the patients suffer therefrom, that the patients would choose one member of the negotiating board, the doctors would choose one member and perhaps either the courts or those two would choose another.

And instead of going into a lawsuit where the doctors might suffer from unscrupulous lawyers, that this would be negotiated between the patient and the doctors and a fair payment made.

That is one legal procedure that has been used in some areas. When I was in Rhode Island earlier today, I visited a health maintenance organization which goes an even greater step. And I strongly favor this kind of health care.

They have in Providence, Rhode Island, about 28,000 people who come in individually or who work in small or large factories. And they pay a certain amount of money per year for a family, and they have their health needs taken care on a continuing basis.

The emphasis is on the prevention of disease. Every adult goes into the clinic where I think 25 doctors work and they have a physical examination complete once a year. A small baby would go in every three weeks or perhaps every four months when they get to be two years old. I don't know the exact statement, but they form kind of a partnership between the patients on the one hand and the doctors on the other, where the doctor's best interest is served if the patient doesn't have to go to the hospital.

The average cost for excellent health care there, including hospital costs, is about half the cost for Americans on an average. And they use the hospital about half as many days per year as the average American does. At this time, as you know, it is sometimes to the advantage of the hospital and the patients pay in the long run through insurance premiums to put the patient in the hospital where they don't need to go at all.

My wife recently, for instance, had a tumor in her breast, and it turned out later to be benign, not malignant. And she went to Bethesda Hospital and she was only there for about an hour and then came back home.

But if she had been in Plains and had gone to the local hospital, chances are she would have been admitted to the hospital and stayed a day or two because the doctors and the hospital wanted her to stay there. So I think that this kind of approach to health care, prevention, outpatient care, constant relationship between the patient and the doctor, is the best broad-range prevention against abuses from malpractice suits and I think it would help to prevent malpractice itself.

The old family physician is not the common thing now. In the situation I described in Rhode Island, though, each family can choose their own doctor. So there is a close relationship there. So I think that is a free enterprise system. It is not even a Federal program.

If we have a national health program in the future, I think this would be kind of a pattern that might be used, either using insurance companies or some other means to manage the financing. So I would say those are two approaches that could serve to control malpractice suits.

The last one I would like to make is that this is kind of a regional thing. The most severe threat to physicians on malpractice, I think, is in California. It is kind of a community attitude that if a malpractice case does arise, that enormous payments or fees can be collected from the doctor or the hospital above and beyond the actual damages that incur on the payment.

I can't give you an answer. I don't know the answers. But that is two ideas that just come to mind on the spur of the moment.

QUESTION. Thank you.

The PRESIDENT. I am not a lawyer or a doctor. Thank goodness I am not a patient right now so I am not very well qualified. (Applause)

QUESTION. Paul Perdikis, 94th District, Bangor, Maine.

The PRESIDENT. What was your last name?

QUESTION. Perdikis. Do you know how to spell it?

The PRESIDENT. That is all right. (Laughter)

QUESTION. I was wondering what are you going to do about the Cyprus situation over there in Cyprus? They are having a lot of hard times, you know. Most other Presidents have not done anything. We are depending on you to do something. We hope you will.

The PRESIDENT. Thank you.

The first thing I did when I got to be President was to talk to Cyrus Vance, the Secretary of State, to see what we could do about the Cyprus question.

It is very complicated, as you know, because in the past, leaders of Turkey and Greece have not been willing to communicate with each other. They have nations that are sharply divided on the argument over the

Aegean Sea rights, both the rights of passage of ships and also possible future explorations for oil in the area between Greece and Turkey, in the ocean.

I sent Clark Clifford to represent me. He met with Demirel and Karmanlis at that time. Recently Turkey has had a new election and Ecevit has been elected now as the Premier of Turkey.

Recently, Secretary Vance visited both Ecevit and Karmanlis and urged them to make progress toward a resolution of the Cyprus question. They have now agreed to meet personally with each other in March, this coming month.

This is a very good step in the right direction. We have pending now mutual defense treaties between ourselves and Turkey, ourselves and Greece. They have not yet been concluded finally by Greece, Turkey and the Congress.

I would hope that if we could make major progress toward a Turkey-Greece settlement of the Cyprus issue, using the local administrators there working with Turkey and Greece, that we could proceed to bring Greece and Turkey back into NATO.

So, we are doing all we can. I think that there is a limit, though, to what the United States can do, because the Turks and Greeks are highly independent people and the right progress has already been made now; the scheduling of direct talks between the heads of state in Turkey and Greece.

QUESTION. Okay, so as long as you do your best, you will win in 1980 (Applause)

The PRESIDENT. If we can get that done, it will be a great step forward. Thank you.

QUESTION. Mr. President, my name is Gerry Thibodeau of Bangor. Do you believe that abortion is the taking of human life; and if so, will you be taking any steps to protect this vulnerable life?

The PRESIDENT. Yes, I do. I have come from a state and from a family which is highly religious. Georgia and Texas had the two very stringent anti-abortion state laws that were stricken down by the Supreme Court while I was Governor.

As soon as that was done, under my leadership as Governor, Georgia passed the strictest abortion law that was permissible under the Supreme Court ruling.

As you know, the ruling, in effect, said that no state could prohibit abortions during the first 13 weeks, and later in the second and third trimesters, that they could prevent abortions.

Georgia took that stand in a very strong way. As President, I favor as I said earlier, the prohibition against the use of Federal funds for abortions, recognizing that under the Constitution of the United States as interpreted by the Supreme Court, states are authorized to permit abortions under certain circumstances.

So I do think that abortions are the taking of a human life; and I have done and will do all I can to minimize the need for abortions.

I might say that there are things that can be done to prevent an unwanted birth; an education program, the availability of contraceptives for those who believe in their use, family planning programs, more easy adoptions, and so forth.

We are moving on those areas, too. I might add one other sentence and that is that Joe Califano, who is the head of HEW, is a very devout Catholic, as a matter of fact—I happen to be a Baptist—and his views on abortion, I believe, are the same as those I have described as mine.

Yes?

QUESTION. Could I add one thing?

The PRESIDENT. Please.

QUESTION. I think the effect of the Supreme Court decision has been to legalize abortion on demand for the full nine months of pregnancy, rather than just the first trimester.

The PRESIDENT. The point I was trying to make is that a state, if it wishes, can prevent abortions in the second and third trimester. A state cannot prohibit abortions, I think, in the first trimester. That is what I understand about it.

QUESTION. Thank you.

The PRESIDENT. Yes, ma'm?

QUESTION. Mr. President, I am Marie Urbansky, from Orono. We agree on one fact, at any rate. I agree with you that life is unfair. (Laughter)

My question is this, Mr. President: Would you be willing to use the power of your office, the great moral power that you have, perhaps make a fireside chat to awaken the Nation to the importance of extending the time for the passage of the Equal Rights Amendment? (Applause)

The PRESIDENT. I can't promise you the fireside chat. But I do favor the extension of the time for the ratification of the Equal Rights Amendment.

My wife, Rosalynn is in Tampa, Florida, today trying to get the Equal Rights Amendment ratified in Florida.

This ruling has been issued by the Attorney General, Griffin Bell, that it would be constitutional to extend the time for ratification; and legislation will be considered by the Congress.

The Congress will have to pass such legislation. I support it. And if it is passed, I will sign it with pleasure.

QUESTION. Thank you, Mr. President. (Applause)

QUESTION. Mr. President, I am Chris Cooksen, and I am from Brewer. My question is, I would like to know where you plan to get oil if the Mid East refuses to sell to the United States?

The PRESIDENT. Okay. This will have to be the last question. But Chris, that is a good question to ask, and it is one that is very important to your area of the country in particular.

As you know, the OPEC nations, the oil producing and exporting nations are not all Arab countries. I think it is accurate to say that now we have a much better relationship with the Arab countries than we had in 1973, when an embargo was placed on our country.

We have now gotten to be very close, for instance, to Saudi Arabia, the major oil producing nation of the world. And Iran is a very good friend of ours, and so are others.

Outside of the Middle East, there are major suppliers of oil. England is now able to export oil from the North Sea. We will be building up Alaska oil production to about two million barrels per day. Mexico has great reserves of oil that they are just beginning to explore for.

Venezuela provides a large portion of our oil. That is a country in South America, as you know. Nigeria is an OPEC nation in Africa. We now have a very good relationship with Nigeria. Formerly, when Secretary Kissinger was in office as Secretary of State, we had such bad relationships with Nigeria that they wouldn't permit him to come into the country to visit.

But now we have good relationships there. But I would think there is much less of a chance for the OPEC nations in the Middle East to declare an embargo against us because we are better friends than we used to be.

Secondly, many nations outside of the Middle East who are OPEC nations can provide us with oil. We have a major supply of oil in our own country. We produce now about 50 percent, a little more than 50 percent of what we use.

We have strict conservation measures that could be built up. One other point is that we are putting in the ground, in underground storage, in salt domes, about 500 million barrels of oil which will be built up by 1985 to a billion barrels of oil.

This is enough to carry us over for about eight or ten months, even with a total embargo against our country. I will do all I can to prevent an embargo.

As I said many times during the campaign, if another nation declares an embargo against us, I would declare a total embargo against them and not ship them any food—(applause)—not ship them any weapons, not ship them any spare parts for the weapons that they have got. And I have made that very clear. So I believe that we won't have to face that prospect. If we do with our reserve supplies and other supplies of oil from non-Middle East countries, we can get by.

We also obviously have large supplies of coal and natural gas that can be substituted with hardship but we could get along.

Let me say one other thing before I have to leave. This session has been very helpful to me. It is a very enjoyable thing for a President to get out of Washington. And I forgot to tell that to the second grade. But to come back and visit with friends who took me in when I was a lonely unknown candidate is a very fine experience for me as President. And I thank you for it. You have had some very challenging, very difficult questions. I don't claim to know all the answers. And part of my answers have not been adequate for the question that you have asked. But I really appreciate your hospitality here. And I would just like to remind you of one thing in closing. We do have problems, economically, politically, sometimes we have been embarrassed with our Government official's actions. But we are still the strongest nation on earth.

We are still the best Nation on earth. We are still the greatest Nation on earth. And I think all of us would serve ourselves and our country well to think about the good things and the positive things and the tremendous future that we have as Americans.

Thank you very much. (Applause)●

WATERWAY USER CHARGES—THE BARGE COMPANIES PLEDGE A FIGHT TO REPEAL

● Mr. DOMENICI. Mr. President, the big barge companies continue to cling to the hope that their free ride will never end. Just recently, the Water Resources Congress, a major spokesman for the barge industry, passed a resolution pledging to "devote our best efforts to repeal of any waterway charge legislation that may be enacted and we shall not, in any event, accede to, or withhold our opposition from any proposal for percentage cost recovery user charge leading inevitably to obstruction of urgently needed waterway improvements and ultimately to the closing down of important segments of the waterway system."

How, Mr. President, can recovery of a portion of future costs lead to "obstruction of urgently needed waterway improvements" or lead "ultimately to the closing down of important segments of the waterway system" if those projects are actually cost effective?

But put that issue aside. The barge industry, of course, has every right to lobby the Congress as it sees fit. But I must suggest that the continual demand for more federally subsidized golden eggs could eventually kill the goose.

To give my colleagues an idea of how the barge subsidiaries of the big oil, steel, and chemical companies, as reflected in their trade organization, view the issue of user charges, I ask unanimous consent that an account from the Waterways Journal discussing the position of several barge associations be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WRC REAFFIRMS OPPOSITION TO WATERWAY USER FEES

The Water Resources Congress, meeting at New Orleans last week reaffirmed its opposition to user fees on the waterways of America.

While the statement passed by its membership takes issue with user fees in any way, shape or form, it contains authorization for its executive committee to withdraw opposition to "that one of the viable alternative proposals deemed least harmful to the national interest" if it is the determination of the committee that some form of waterway user charge or tax is inevitable.

The statement reads as follows:

"We reaffirm our opposition to tolls, special taxes or other charges in any form or in any amount upon the waterways of America. Water transportation contributes importantly to economic growth and employment opportunities, fuel conservation, multiple-purpose water resource development, efficiency and economy of distribution of energy materials and basic industrial commodities, and to the ability of American agriculture and industry to contend with foreign competition. Repudiation of long-established toll-free waterways policy, therefore, involves grave risks of social and economic dislocation, impairment of capital investments and curtailment of job opportunities far outweighing any gains which might result from revenues or other alleged benefits which might accrue from waterway taxes or charges.

"Accordingly," it says, "this Water Resources Congress notes with profound dismay the action of both Houses of Congress of the United States in passing waterway user charge legislation with the full support of the executive branch. If, however, our executive committee should determine that some form of waterway charge or tax has become inevitable, it may withdraw opposition to that one of the viable alternative proposals deemed least harmful to the national interest. We shall, however, devote our best efforts to repeal of any waterway charge legislation that may be enacted and we shall not, in any event, accede to, or withhold our opposition from any proposal for percentage cost recovery user charge leading inevitably to obstruction of urgently needed waterway improvements and ultimately to the closing down of important segments of the waterway system."

It was in October, 1977, that the Ohio Valley Improvement Association, meeting in Cincinnati, softened its stance on user charges. Traditionally against them, the OVIA voted "to oppose . . . all proposals for imposition of tolls, use taxes or use charges . . . which would significantly impair the use and utility of the waterway system or discriminate against the economy of the Ohio River basin . . ." The membership voted the resolution in such a manner that if its board "shall deem the imposition of a waterway user charge inevitable, then the board is authorized to support that one as a viable alternative determined by the board to be least discriminatory against the economy of the Ohio River basin."

It was in September, 1977, during a meeting of the National Waterways Conference in Kansas City, Mo., that conference president J. W. Hershey announced his support for a six-cent fuel tax bill (H.R. 8309) and said "it took a lot of soul searching" to reach that point. He reiterated, however, continued opposition to cost-recovery user charges and urged that "there be no long-term commitments to increasing the fuel tax before factual answers are available on impact." ●

GASOHOL

● Mr. McGOVERN. Mr. President, recently the U.S. Department of Agriculture issued a report concerning the present economics of gasohol. Summaries of this report have appeared in several newspapers across the Nation dampening the spirits of many gasohol proponents who believe the gasohol has the dual benefits of resolving a portion of our energy dilemma while providing considerable assistance alleviating the plight of our Nation's farmers.

Essentially, this report concluded that in order to be competitive with gasoline as a motor fuel, gasohol would need a 10.4 cents per gallon subsidy. Consequently, to produce 100 billion gallons of gasohol per year, an annual subsidy of $10.4 billion would be required. The summary also stated that gasohol production results in a negative energy balance and that grain production would have to sharply increase to serve both food and energy needs. These figures are of considerable concern to the fledgling gasohol industry and its proponents. However, the report must be examined beyond the summary.

The conclusions are based entirely on the conversion of corn to alcohol. With regard to corn alcohol, it is likely that the statements within the report are correct. The report also states that between 0.5 and 0.8 Btu of ethanol is produced from each Btu of energy invested in growing and processing the corn, resulting in a negative energy balance. This, too, is entirely correct.

What this report completely ignores is the fact that corn is not the only possible source for the production of gasohol.

The use of several food grains for gasohol production may result in a negative energy balance and require subsidies in order to be competitive with conventional motor fuels. However, the most efficient and productive concepts currently being researched pertain to the conversion of agricultural byproducts such as cornstalks as opposed to the grain itself.

Other projects indicate the successful conversion of nongrain products such as thistle and even tumbleweed to alcohol. Such byproducts and nongrain agricultural products are of little value otherwise and require minimal development costs when compared with grain products. Conversion of these products to alcohol would result in a positive energy balance and would require considerably less subsidy, if any, in some cases, than that proposed in the USDA study.

I fail to understand why the USDA has neglected to discuss any of the several more efficient gasohol sources in this study. I do not see any purpose in developing a study of one of the most uneconomical sources and releasing the report as an analysis of the economic issues surrounding gasohol potential. Implicit in the report is that it was prepared in response to farm groups trying to develop additional markets for their products. If this is the case, it is an extremely poor response especially by an entity whose responsibilities should include the protection and development of the farm industry.

I strongly suggest the Department reexamine this report and perhaps develop additional studies reflecting the current success of gasohol developing providing farmers and gasohol proponents a realistic appraisal of the present and future economics of gasohol.●

PROTECTING AMERICAN JOBS AT HOME AND ABROAD

● Mr. McCLURE. Mr. President, continued high unemployment and an increased trade deficit are two problems that will result this year as a consequence of changes we made in the Internal Revenue Code during 1976. In that year we destroyed the incentives for Americans to seek employment overseas. This year we will begin to suffer the consequence of this unjustified tax policy. In effort to advert the drastic negative affect our current tax policy will have on our economy, recently I introduced S. 2576. This bill amends the Internal Revenue Code of 1954, with respect to the tax treatment of earned income of U.S. citizens and resident aliens from sources without the United States. On February 28, 1978, I sent out a "Dear Colleague" letter seeking cosponsors and the following information is followup material to that letter.

Recently the General Accounting Office released an analysis of the impact on trade resulting from the 1976 changes to section 911 of the Internal Revenue Code concerning the manner in which U.S. citizens employed overseas are taxed. The GAO has found that the 1976 changes will increase the estimated tax liability of the approximately 150,000 citizens employed abroad by more than $300 million. It is further estimated that the tax changes will result in at least a 5-percent reduction of U.S. exports and as much as a 45-percent decrease in the number of U.S. citizens working abroad. These tax changes have an impact on individuals, on firms, and on the U.S. economy.

Let me elaborate: The impact on individuals is of grave importance. The majority of American technicians working overseas are not normally needed in the highly developed areas of the world, rather they are required in developing areas such as Bangladesh, Nigeria, Saudi Arabia, Chad, Liberia, and North Yemen, where living, working, and raising a family presents great difficulties and adjustments. Therefore, it has been necessary to provide incentives to persuade personnel, and their wives and children to break off home ties, familiar surroundings, and to go overseas to live and work. Yet under the 1976 changes to the Internal Revenue Code we did away with all incentives for these people to uproot themselves and their families and work abroad. In fact, as a result of current law, individuals living in high-cost countries may have a tax liability nearly equal to their base cash salaries. It is estimated that the Americans living in the oil-producing countries of the Middle East and Africa will have an average increase of $4,700 per return. The result of this tax disincentive is a

drastic decrease in the number of Americans willing to accept overseas work.

The impact on American firms is equally as disheartening. In order for these firms to continue to attract American workers they must reimburse their American employers for all or part of the additional tax liability. The consequence of this policy is a two edged sword. Those companies that refuse to pay this additional fee to their American employers risk the loss of these employees with whom they are accustomed. Furthermore, these jobs which are forfeited by Americans are quickly snatched up by citizens of Canada, the United Kingdom, or Sweden, for these countries do not tax any income earned overseas by their citizens.

Other firms have decided to reimburse their American employees for all or part of the additional tax liability, the effect of this decision is equally as interesting. This reimbursement has been estimated to cause as much as a 5-percent increase in their total operating costs. The punitive effects of U.S. treatment of overseas earnings results in loss of competitiveness of U.S. firms with firms from Japan, Germany, France, Sweden, or the United Kingdom, where there exists tremendous tax incentives to employees and employers working offshore.

One might ask, why do these countries give their offshore personnel this preferential treatment. I believe it is, because they realize two important factors that we seem to be ignoring. First, they realize that there are both economic and psychological hardships that these people must bear as a consequence of working overseas. Second, and more important they realize the impact on trade, citizens working overseas have on their economy. Nationals working abroad are in a position to request material, appliances, or equipment. Most of us are not surprised that they almost without exception, order items with which they are familiar. While I was in the Middle East, I went into several facilities that were lined with American appliances. Yet, as Americans are replaced by other nationals, because of the premium our tax system places on American employees, or as primary companies lose contracts due to higher costs associated with tax reimbursements there is a "ripple effect" on subcontracts and supplies. This newly inacted disincentive therefore has a direct impact on U.S. exports and thus the U.S. economy.

It is the U.S. economy that will probably suffer greatest as a result of these tax changes. First, we may have to find as many as 65,000 new jobs for these Americans that will be returning to the United States, because our tax policies do not permit them to continue to work abroad. And they will probably be returning to an even more depressed economy resulting from the significant decrease in U.S. exports. At the same time these individuals are returning to find new employment, there may actually be additional layoffs of employees currently providing the exported goods, which market we will be losing or giving up.

It is ironic to me, that at the very time we are fighting unemployment and attempting to increase our exports in order to obtain a favorable balance of trade, we have enacted tax policies that make realization of these goals impossible. The GAO report concludes, as do I that because of the seriousness of the deterioration of the U.S. international economic position we should continue sections 911-type incentives of the Internal Revenue Code.●

SOUTH DAKOTA IRRIGATION

● Mr. McGOVERN. Mr. President, a group of my South Dakota constituents are exhibiting anew our State's independence of will. Tired of waiting for fulfillment of what are regarded as Federal Government promises embodied in the Flood Control Act of 1944 or the Pick/Sloan Missouri basin program that federally impounded water along the Missouri River mainstem could be put to beneficial agricultural and domestic use in South Dakota, they have set out to make that dream come true without waiting on the Federal Government any longer.

Federal participation in development of irrigation projects has been understood by South Dakotans to be the primary tradeoff in our sacrifice of some half-million acres of prime river bottom land lost when the dams were built along the Missouri. Other States in the basin have thus far been primary beneficiaries of that Federal development and South Dakota's sacrifice. Downstream States, and States outside the basin, are enjoying flood control benefits, the benefit of a dependable navigation season for barge traffic, and perhaps most of all, the benefit of consuming low-cost hydroelectric power generated at the dams along the Missouri.

Although many events and circumstances have contributed to the delay in Federal participation in further development efforts, South Dakotans have found the delays tiresome and have started their own movement to develop irrigation projects.

Farmland News Managing Editor Jack Kenward tells their story in the February 28 issue of that farmland industries publication.

Because I have supported my fellow citizens' effort through introduction earlier this session of S. 2272 (a bill to authorize the Secretary of the Interior to supply hydroelectric pumping energy at the Missouri basin project pumping rate to irrigation projects in the Missouri basin which are constructed, operated, and maintained by irrigation districts organized under State law), I ask unanimous consent that the Farmland News feature story "South Dakotans Seeking Their Share of Irrigation Pie" be printed in the RECORD.

There being no objection, the story was ordered to be printed in the RECORD, as follows:

SOUTH DAKOTANS SEEKING THEIR SHARE OF IRRIGATION PIE

(By Jack Kenward)

A group of South Dakota farmers, tired of waiting on the Bureau of Reclamation, have started theid own movement to develop irrigation systems and thus improve their chances of surviving the cost-price crunch.

They are being led by Don Hanna, general manager of Agland Cooperative of Parkston, S.D. The self-help plan, Hanna says, could be a boon to agriculture in the southeasten part of the state.

It could have far-reaching effects in the development of irrigation systems in the uppe: Missouri River Basin and in other areas where federally-impounded water is available for irrigation and the generation of electricity to pump that water into fields.

The movement comes after a 20-year wait for the bureau to act under terms of the Pick-Sloan Act of 1944. That legislation provided for the construction of a series of dams in the upper Missouri River Basin to provide flood control, enhance navigation in the lower Missouri River-Basin and generate electricity.

The plan called for the development of irrigation systems by the U.S. Bureau of Reclamation in the four states—South Dakota, Nebraska, North Dakota and Montana—which lost a total of 1.2 million acres of prime bottomland to the impoundments.

In the 20 years which have passed since the completion of the dams, few such irrigation projects have been proposed or studied, and none has been completed.

Farmers in southeastern South Dakota, stung by four years of drought and now the cost-price squeeze, recently decided to bypass the Bureau and to finance and build the systems themselves.

In planning their systems, the movement's members are asking Congress to direct the Bureau to provide electricity to their projects at the same costs—the Bureau power rate—which would apply if the Bureau had developed and operated the systems itself.

Legislation to that effect was introduced in the Senate by Sen. George McGovern (D–S.D.) and in the House by Rep. James Abdnor (R–S.D.) in November, 1977.

"All we're asking for now," Hanna said, "is a segment of the Pick-Sloan Act. Instead of having the government finance 90% of the construction of these systems, our project would be financed almost entirely by the farmers using the irrigation.

"We're just asking the government for a constant Bureau power rate over the life of the bonds our group would sell to finance the project."

Hanna helped organize CDHI, Inc., which he describes as a "cooperative corporation" to study and possibly build an irrigation system in three counties—Charles Mix, Hutchinson and Douglas—lying east of the Missouri River in southern South Dakota.

Another irrigation system also to be built through private financing, the Lake Andes-Wagner district in Charles Mix County, was already organized and studying the plan's possibilities when Hanna began his organizational work for CDHI in the summer for 1976.

Currently each project proposes to irrigate about 80,000 acres of land using water from Lake Francis Case, the impoundment behind the Fort Randall Dam at Lake Andes, and to pump that water with electricity supplied by the U.S. Army Corps of Engineers' generators at the Ft. Randall dam.

The legislation asks the Bureau to supply electricity at a constant cost of 2.5 mills per kilowatt-hour to the CDHI and Lake Andes-Wagner projects and other similar projects for 30 years.

Getting the Bureau's power rate would significantly boost chances for the two projects to succeed, Hanna says.

Leonard Nelson, project coordinator for Benjamin, Kasl and Associates, the two projects' consulting engineering firm, said the cost of pumping 3 acre feet of water to each acre of land in the project would currently cost about $35 annually if the electricity was

purchased from local rural electric cooperatives.

The cost of that electricity would be 3 cents per kilowatt hour. And, Nelson points out, there is little doubt that the cost of that electricity will rise in the coming years.

If the water were pumped with electricity supplied at the Bureau's power rate of 2.5 mills per kilowatt-hour, the total annual cost per acre would drop to about $12.

And under the legislation introduced in Congress, that rate would remain constant for 30 years. This would "tie-up" power costs for the life of the bonds, giving potential lenders to the districts a firm idea of the risks and benefits involved and should result in a more favorable interest rate.

It also would establish firmly the precedent of supplying low-cost power to similar irrigation districts in the Missouri River Basin and in other water sheds where federally-constructed dams have taken farmland out of production with the promise of developing irrigation systems in the future.

The two projects have developed along similar lines, although each district is pursuing its own interests independently of the other except for their common interest in the legislation.

The Lake Andes-Wagner district began forming in the late 1960's as another attempt by the Bureau to fulfill its promise in the Pick-Sloan Act.

Charles Mix County had been particularly hard hit by the construction of the Ft. Randall dam and the impoundment of waters which formed Lake Francis Case behind it. The Bureau studied a 40,000-acre irrigation plan in the 1960's when Nelson was working as county agent in Charles Mix County.

The plan was abandoned after encountering some resistance from the U.S. Fish and Wildlife Service.

According to Nelson, some farmers tried to revive those plans in 1969, went back to the Bureau, got its approval and were ready to begin when funds were impounded by the Nixon Administration.

Frustrated, the Lake Andes-Wagner project members investigated private financing. Levying a small charge for each acre that would go under irrigation, they hired Nelson's firm, did a preliminary study and approved a bond issue of $850,000 for a full-scope feasibility study.

That study was completed just recently and will be presented to the district's members this spring. If approved, the district will sell bonds to cover the cost of the project and begin construction. Those bonds will be retired over a period of years, most likely 30 years, by the farmers participating in the program with charges levied on a per-acre basis.

The CDHI group formed by Hanna in 1976 has completed its preliminary study and is about to consider the question of forming an irrigation district and approving a bond issue to finance its own feasibility study.

To date, the 320 members of the CDHI group have contributed $1 for each of the 65,000 acres to be put under irrigation to finance the preliminary study. Financing the feasibility study should cost about $8–$10 an acre, if current cost estimates hold up.

Members would then vote on construction and sale of bonds after receiving the feasibility report.

According to Hanna and Nelson, both plans could have sprinklers operating by the mid-1980's. Both plans call for no payments on the construction bonds until the first crop is harvested from the irrigated acres and the second crop is in the ground.

The two men point to benefits other than increasing crop production. Each district would create at least 26 new jobs in an area which has long been plagued with unemployment problems.

Each of the two districts would create an additional $14 million of new wealth in the area, primarily from the increased value of crops and livestock produced with those crops. The federal income taxes from that new wealth would, in Nelson's view, repay the cost of the subsidized electricity many times over.

But most importantly, the farmers in the area would be in a position to irrigate seriously for the first time in the area's history.

The three counties lay atop a huge aquifer, the Choteau, which is several times larger than the impoundment behind the Fort Randall dam. That water, easily reached with 300-foot wells, is highly acid. In short, it is marginally suitable for irrigation.

A few farmers in the area have irrigated with that water, getting corn yields of 180 bushels per acre last year. Continued use of that water for irrigation could leave the land sterile.

The area is semi-arid, another factor which makes it attractive for irrigation. For even though it lies in the northern United States, it receives more hours of sunlight during the growing season, mostly as the result of the absence of rain clouds, than any other part of the country.

The soil, according to Hanna, is well suited to sprinkler irrigation, but most farmers would not be able to flood irrigate because of a hard pan underlying the top soil.

According to Nelson, the water drawn off Lake Francis Case would have minimal impact on water levels needed for generation of electricity at the Ft. Randall Dam and to maintain navigation on the Missouri River below Sioux City.

Recent studies indicate about 24 million acre feet of water passes through the dam annually, of which only 8 million acre feet are used for navigation and the generation of electricity.

The two projects, pulling a maximum of three acre feet of water per irrigated acre annually, would take out about a half-million acre feet of water during the irrigation season.

Completion of the district's plans would bring the benefits of irrigation to the area without government funding, as originally conceived.

To Hanna, that means stabilization of farm income at levels higher than are now enjoyed in the area. And it opens the possibility of irrigated production of crops of higher value—such as soybeans, popcorn, sunflowers and pinto beans.

As bright as that picture might be, there are a few clouds on the horizon.

It is entirely possible that Congress could refuse to pass the legislation requested. Electric rates in the area are bound to go up as the energy used to generate electricity increases in cost.

Those increases, according to Hanna, have been estimated to be as much as 15 percent annually, a rate of increase which could make the projects uneconomical.

A spokesman for Sen. George McGovern also notes the legislation could become tangled in two power struggles on Capitol Hill.

The Carter Administration has taken a highly critical attitude toward proposed Bureau of Reclamation projects. There is some expectation that the district's enabling legislation could become tangled in the Bureau's struggles for power and survival.

The other problem is more ominous.

There is some question that even if the Bureau power rate were granted to these and other similar projects, there may not be enough electricity available to power them at any price.

Nelson observed that virtually all the power generated by the dams in South Dakota is exported to some 15 other states, all of which have supply contracts in effect generally until the mid-1980's.

By the mid-1980's, some experts believe the dams will be generating only a small but vital portion of the region's electrical demand. They feel the Bureau of Reclamation and the Department of Energy may be reluctant to grant new long-range contracts for power to new users over the objections of historical users.

The two districts' push for a share of the electricity generated in the Upper Missouri River Basin system could trigger the beginnings of a tough fight among a number of competitive potential users of that power which, in the end, could squeeze the irrigation districts out of consideration.

The passage of the identical bills introduced by McGovern and Abdnor, not only would authorize the Bureau power rate for the CDHI and Lake Andes-Wagner district, but also for any other privately financed irrigation district involving more than 5,000 acres. And that stipulation, which opens up a potential flood of applications for power from the Bureau, may, in the end, doom the projects.

The attitude of the two districts' members, as expressed by Nelson and Hanna, refers back to the original promises implied in the Pick-Sloan Act; that in exchange for flooding productive bottomlands in the Missouri River Basin, the government would help in building irrigation systems in the Missouri watershed.

The farmers in those irrigation districts have concluded through their actions that waiting for assistance from the Bureau has brought little benefit. In relieving the Bureau of its obligation to assist in the construction of their irrigation systems, they are now asking only for a dependable and economical source of power.

But even that could be lost as changing economic and energy demands come into conflict with political and bureaucratic power centers.●

PRESERVATION OF THE APPALACHIAN TRAIL

● Mr. MATHIAS. Mr. President, I was pleased to learn that the House of Representatives on March 7, 1978, passed our bill to insure the completion and preservation of the Nation's longest hiking trail—the Appalachian Trail. The bill is now on its way to the President for his signature. My cosponsors in the Senate— Senators BROOKE, HEINZ, JACKSON, DURKIN, the late Senator Humphrey, and Senators NELSON, STEVENS, CHAFEE, RIBICOFF, LEAHY, MCINTYRE, PELL, NUNN, SCHWEIKER, RIEGLE, and GRAVEL—will, I am sure, join in applauding the House action. Most of these cosponsors represent States through which the Appalachian Trail passes; they all share my commitment to completing the trail and protecting it against encroachments and incompatible uses.

At the same time, the Senate Energy and Natural Resources Committee report accompanying this legislation assures that property owner rights will be protected and that every effort will be made by the Interior Department to negotiate with property owners for trail right-of-way and for continued access to their property by owners.

In this connection, I would like to quote from that committee report:

The Secretary should adopt a flexible approach in protecting the Trail. In extending the Secretary's eminent domain authority,

the committee does not foresee the widening of established portions of the Trail except in those cases where the current width is inadequate to protect the integrity of the Trail. The committee notes that the original language of the 1968 act which directs the Secretary of the Interior to make all reasonable efforts to acquire the necessary lands by negotiation has been retained. This policy should be continued, and it should be clear that the expectation of the committee is that eminent domain will continue to be used as a tool of last resort for the Trail.

In areas where State acquisition programs are proceeding to protect the Trail route, or where cooperative agreements can insure the perpetuation of the Trail corridor, Federal acquisition may not be required. In addition, where protection of the Trail corridor and adjacent lands can be accomplished through acquisition of lesser interests, the Secretary should pursue that option. Further, in setting the boundaries for the corridor, the Secretary shall make every reasonable effort to exclude from the boundary any improved residential properties which he determines in his discretion are not necessary for protection of the values of the Trail.

I think that this strongly worded admonition from the committee makes it clear to the Interior Department that eminent domain shall be used only as a last resort after negotiations have failed.

Another important feature of this legislation is the inclusion of property owners, both individual and corporate, on the Advisory Council established to advise the Secretary on selection of rights-of-way, standards for trail markers, and the management of the trail.

The Appalachian Trail has been with us for over 50 years and it has provided a wilderness experience for vast numbers of people on the Eastern Seaboard. Benton MacKaye, the moving force behind the establishment of the trail, had a great vision—a 2,000-mile footpath up in the mountains away from the hustle and bustle of daily life. His vision has become a reality.

A unique public-private partnership has developed to maintain the trail. The Appalachian Trail Conference, an organization of over 60 trail clubs from Maine to Georgia, has played a major role in insuring volunteer maintenance of the trail. This voluntary maintenance program has not cost the American taxpayer a cent and has demonstrated the devotion which members of trail clubs have for the preservation of the trail.

The Appalachian Trail is one of the least expensive recreational experiences Americans can enjoy. Yet the mental and physical rejuvenation one experiences walking the trail is priceless.

I would urge the President to sign this bill at his earliest opportunity.●

MAINE SUNDAY TELEGRAM TO BE HONORED FOR EXCELLENCE IN ENCOURAGING ENERGY CONSERVATION

● Mr. MUSKIE. Mr. President, this Saturday, March 11, the Maine Sunday Telegram will be honored by the Department of Energy, the National Newspaper Association, and others for excellence in encouraging energy conservation.

The Sunday Telegram won first place in a competition which included many of the country's most prestigious newspapers among the more than 40 entries.

In cooperation with Maine's Department of Energy, the newspaper developed a 16-page supplement entitled "Energy Conservation is a Family Affair." Topics ranged from the proper method of installing a wood stove to the conservation efforts of Maine's paper industry to the need for developing building code regulations to encourage conservation.

The entire supplement must be seen to really be appreciated, and anyone who wishes to review it may contact my office.

I want first to congratulate Sanders R. Johnson of the Sunday Telegram, who developed the supplement, and the entire staff of the newspaper, for being honored for excellence. Second, I would encourage all who are interested in promoting public interest in energy conservation to attend the awards ceremony Saturday at the Hyatt Regency Hotel. Third, I would suggest that representatives of other newspapers attend, to give recognition to the Sunday Telegram, but more importantly to learn a lesson in excellence from our Sunday paper in Maine.

Mr. President, I ask unanimous consent that a Maine Sunday Telegram article describing the award, along with a representative excerpt from the October 16, 1977, supplement on energy conservation, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Maine Sunday Telegram, Mar. 5, 1978]

FIRST PLACE! TELEGRAM ENERGY SECTION NATIONAL AWARD WINNER

The Maine Sunday Telegram's special section on energy management, published Oct. 16, 1977, has been awarded first place in national competition sponsored by the Federal Energy Administration, the National Newspaper Association, and the Home Improvement Time Organization.

Sanders R. Johnson, who edited the section, will receive the award at the NNA Government Affairs Conference to be held March 11 in Washington D.C. John F. O'Leary, Energy Administration administrator, is scheduled to present the award.

Theme of the special section was "Energy Management is a Family Affair." Johnson worked with the Maine Energy Office in preparing the material for the section.

Johnson, editor for special sections appearing in the Portland newspapers, also has won awards for sections for the National Society of Professional Engineers, National Association of Major Appliance Manufacturers and the National Laundry Appliance Manufacturers Assn.

Two other awards will be presented to newspapers at the event, with one going to a weekly.

Gary Eagling, director of advertising for Publishers Auxiliaries, a NNA publication, who was one of four judges, termed the Sunday Telegram section "the most outstanding, the best of all entries, in my opinion. It showed community responding with positive action; it was an excellent entry, a lot of hard work and good planning."

Another judge, Miss Shelley Launey, program analyst for the Department of Energy, said the Telegram scored in the 90s, the highest of any of the more than 40 newspapers participating in the competition.

[From the Maine Sunday Telegram, Oct. 16, 1977]

FOUR-STEP POLICY IN MAINE'S ENERGY POLICY TO ACHIEVE CONSERVATION

Maine has an official, four-step energy policy that was formally adopted by Gov. James B. Longley in April.

The Maine energy policy statement has four objectives: Conserve energy: encourage the development of native, renewable resources; ensure an adequate supply of energy to citizens of the state and diversify the state's energy supply.

The primary goal is to assure, within established environmental standards, a stable energy supply at competitive prices to maintain the health, safety, economic strength and general welfare of Maine's people.

The policy draws heavily on the findings of the State Comprehensive Energy Plan completed in January. Following is a summary of the four parts of the policy statement:

CONSERVATION

Energy conservation is viewed as an important potential reduction in demand which will benefit the state economically while buying time until other resources can be developed. Steps to achieve conservation include:

Starting and maintaining public awareness programs for voluntary conservation.

Evaluating all potential energy conservation ideas and implementing those which will bring about a reduction of waste while avoiding disruption of the state's economy.

Implementing mandatory conservation measures in cases where it is advisable or necessary.

Establishing positive incentives for energy conservation through load management techniques and alternative rate structures.

Participating in energy conservation programs established by Congress.

Promoting public funding of projects which have demonstrated an effort to improve energy efficiency in production.

Encouraging public transportation systems where feasible.

IN-STATE RESOURCES

It has been decided that the state should promote the use of wood, solar, wind, tidal, hydro and other native resources despite the fact that they may be economically disadvantageous at this time. Policies in this line include:

Providing information on the way the public can utilize native energy sources.

Investigating the economic and technical feasibility of solar energy for space and domestic hot water heating.

Working with state colleges and universities to investigate and promote native energy sources.

Encouraging safe, efficient, economical equipment for home heating with wood.

Encouraging legislation of tax exemption or other economic incentives for the use of solar, wind and small-scale hydro-electric energy.

Seeking funding from state, federal and private sources for research, development and demonstration projects concerned with Maine's native resources.

Encouraging citizens to participate in federal energy research, development and demonstration programs.

CONVENTIONAL ENERGY

Working within a framework of federal policy, a system should be developed and maintained to assure the equitable distribution of available energy resources using the following policies:

Creating and maintaining an energy emergency contingency plan which will insure adequate allocation and distribution of available energy supplies and impose necessary restrictions upon demand.

Monitoring available supplies of all energy sources to determine, in advance, any potential shortage.

Maintaining a corps of personnel trained in the federal fuel allocation process which can be brought quickly into service in event of a petroleum shortage.

Developing and maintaining programs which will insure that low income and elderly persons will not suffer undue hardship because of the economic ramifications of rising energy costs.

Encouraging maximum energy emergency preparedness and self-reliance.

Encouraging a federal petroleum reserve in New England.

DIVERSIFICATION

Encouraging improvements in Maine's transportation systems to ensure that energy sources such as coal can be delivered economically and safely throughout the state.

Promoting coal for heavy industrial and electric generation use.

Promoting industrial siting and development which allows one facility to use energy rejected by another.

Encouraging research, development and demonstration of alternate energy resources and making the information produced readily available.

Improving the regulatory process governing energy development to minimize government interference while insuring protection of consumers.

Evaluating costs, benefits and supply potential of energy resources transported or transmitted through the state for outside consumption.

Taking no action which would preclude development of nuclear electric generation facilities.●

HUBERT HUMPHREY, JOHN McCLELLAN, AND LEE METCALF

● Mr. GARN. Mr. President, like many of my colleagues, I came to the Senate a little over 3 years ago with a sense of personal excitement and some wonderment at having been fortunate enough to be elected to serve in this great body. I retained some of the schoolboy sensation of rubbing elbows with the great and the near-great; the names and faces of those who became so familiar to me and the rest of America through the national limelight.

Certainly among the greatest of those men—men I soon grew proud to consider as colleagues and friends—was Hubert H. Humphrey, unquestionably the happiest man I have ever known. More than any other Member of this esteemed body, Hubert Humphrey was a man of incredible optimism and faith in the goodness of America and its people—especially its people. People always seemed to be the spark that started and the fuel that fed Senator Humphrey's boundless energies and enthusiasm. He was always most truly alive surrounded by his fellow man. His ever-present and effervescent smile lighted this Chamber and the hearts of all of us who served with him and learned from his example the true meaning of public service.

Anyone who saw Hubert walking the Halls of the Capitol could see how he reached out to touch everyone he came in contact with. He would be seen to interrupt his hurried pace to the floor, or to a meeting, to happily sign an autograph for an admirer. Never too busy, never in too much of a hurry to stop and chat, genuinely interested in what people had to say to him and trying in his own way to help them love life as he so dearly lived it.

Hubert Humphrey was a man of principle—truly a man for all seasons, and a man who believed deeply in what he saw was best for his country and the world. The record of his public life stands as the preeminent example of unselfish and untiring devotion to justice and fairness for every nation, kindred, tongue, and people. I join with my colleagues and the millions of people the world over whose lives he touched, and say, Hubert, we love you. We miss you and thank you from the bottom of our hearts for enriching our lives with the radiant example of your own.

Mr. President, I ask unanimous consent to print in the RECORD at this point three stirring tributes which, I believe, are representative of the high esteem and regard in which Hubert Humphrey is held by my fellow Utahans.

Deseret News Editorial, January 16, 1978.

Record of Joint Convention of Utah State Legislature to hear a Memorial Tribute to Hubert H. Humphrey, Senator and Vice President of the United States.

Hubert H. Humphrey resolution of the Utah State Legislature.

There being no objection, the tributes were ordered to be printed in the RECORD, as follows:

THE HUMPHREY LEGACY

Over the past weekend, Americans have read and heard all sorts of glowing tributes to the late Sen. Hubert H. Humphrey.

Likewise, there are few if any aspects of the former Vice President's triumphs and tragedies that haven't already been thoroughly recited lately.

So there's no point in our replowing familiar ground now as the country pays its final respects to this warm, considerate, and exuberant public servant following his death from cancer.

But what may not be familiar to many Americans is that Sen. Humphrey was not only a politician but also something of a philisopher. Among his many public utterances are a number that are certainly thought-provoking, and few better eulogies can be offered than to recall some of them.

Among some of our favorite Humphrey comments and observations are these:

"Every public position is essentially a position of an educator as well as action. You're educating and the greatest educator in America should be the President."

"You don't have to tear the country down to build yourself up. . . . Let's plan ahead and not relive yesterday. . . . Let's stop talking about black power or white power and talk about people power. Responsibility excludes deliberate divisiveness. Let's turn protest into progress. . . .

"I don't say we shouldn't talk about what's wrong with America. But let's give equal time to what's right in America. . . . You're as old as your fears, as young as your competence, as old as your doubts, as young as your hope."

"Problems are best tackled and opportunities best grasped where they arise—and by those who are there on the spot and intimately know the people and circumstances involved.

"That puts the responsibility squarely where it belongs—with every statehouse, with every city hall, with every school board, and indeed with every citizen. Individuals grow with the responsibility entrusted to them. And so do units of government."

"What I've learned from living is that there are some things over which a man has no control. One has to learn to live with the uncertainties of life. . . .

"I've also learned from life to be tolerant, forgiving, understanding. You cannot go around and keep score. If you keep score on the good things and the bad things, you'll find that you're a very miserable person."

"The leadership of this nation owes it to the people to speak out and to do what is right, regardless of any temporary public opinion polls or national moods. . . . Man can change what is wrong through positive, creative action."

In these and many of his other words and deeds, Hubert H. Humphrey has left his country a rich legacy. May we cherish it—and build on it.

JOINT CONVENTION TO HEAR MEMORIAL TRIBUTE TO HUBERT H. HUMPHREY, SENATOR AND VICE PRESIDENT OF THE UNITED STATES

President Moroni L. Jensen called the Joint Convention to order at 1:30 p.m.

President Jensen and House Speaker, Glade M. Sowards, declared that a quorum of Senate and House members were present.

The presence of The Honorable Scott M. Matheson, Governor of the State of Utah, was acknowledged.

The Joint Convention listened to a recording of "Ave Maria" sung by Robert Merrill.

President Jensen introduced:

Dr. Edwin Brown Firmage, Professor of Law at the University of Utah College of Law.

Dr. Ed Firmage served on the staff of Vice President Hubert H. Humphrey in 1965 and 1966. Dr. Firmage, then a White House Fellow, represented the Vice President in working with Dr. Martin Luther King, Jr. and Roy Wilkins in planning the White House Conference on Civil Rights and the civil rights legislation that followed.

Dr. Firmage joined the staff of Vice President Humphrey following graduation from the University of Chicago Law School where he was National Honors Scholar.

He served as special representative in the western states during Senator Humphrey's 1968 campaign for the presidency.

Dr. Firmage also attended the arms control negotiations in Geneva, Switzerland as United Nations Visiting Scholar.

He continued a close friendship with Hubert Humphrey until his death.

DR. EDWIN BROWN FIRMAGE, MEMORIAL TRIBUTE TO VICE PRESIDENT HUBERT H. HUMPHREY

It is a great honor for me to be invited by this body to offer words of tribute to Hubert Humphrey, a man I dearly loved as did many of the citizens of our state whose lives he touched.

Senator Humphrey was a great friend to the people of Utah. Hubert helped us with water conservation and with energy development even up to the week before his death. He aided our Symphony and the Tabernacle Choir in accomplishing their world tours. I treasure the evenings he spent in our home with my children when he visited our city. I treasure the hours we spent working through the night together drafting speeches in campaigns from the middle sixties through his Salt Lake speech in the presidential campaign of 1968 to the present. Almost two dec-

ades of national campaigns allowed Hubert to form so many thousands of friendships throughout our country that citizens of many states claimed three senators; two uniquely their own and one who was truly the Senator of the United States of America.

The preeminent characteristic of Hubert Humphrey was love. Hubert could not make an enemy nor hold a grudge; with the fierceness of devotion that all too often characterizes the staff of one in politics, we sometimes wished he could. We loved him because he couldn't. We followed him because we knew that his great heart set him apart from most others we knew.

I recall a time when I became anxious and irritated as I tried to drag Senator Humphrey out of the Capitol and away from several hundred Washington sixth graders who were transfixed as America's finest stump speaker spent one hour telling them of the great debates that had taken place in his beloved Senate—of Webster and Calhoun and Clay. A cabinet secretary had been waiting in Hubert's vice presidential office that hour for his appointment. For Hubert there simply was no comparison between telling our children about America and dealing with a government bureaucrat—even an important one.

The apostle Paul told the saints at Corinth that love "keeps no score of wrongs." Hubert, as vice president, occasionally had to suffer that peculiar anguish and develop that particular discipline of one called upon by virtue of office to subordinate his will to that of a superior. It cost him much, some say it cost him the presidency. In the fortuity that sometimes governs politics, the "Happy Warrior" obtained the Democratic party, his party's nomination for President in the late sixties when America was angry and torn apart by a vicious war and didn't want the "Politics of Joy." Hubert was deeply hurt by his failure to win the election. Cancer ravaged his body but vengeance never cankered his soul.

Hubert was a rare soul whose universal spirit refused to see the relevance of the divisions that humans force upon themselves; lines dividing state from state, pitting nation against nation, distinguishing race from race, or defining God differently.

The expression of love and good will from people throughout the world on Hubert's death are testimony that they perceived his belief with Paul that we all are "no more strangers and foreigners but fellow citizens. . .", Jew, Gentile, Christian, Moslem, black and white. Hubert said that men and women in our nuclear age of declining resources and increasing needs were like mountain-climbers roped together as we scaled the precipice.

I do not know all the characteristics that make for a great president. But I believe that Hubert Humphrey has done more by humane legislation and loving example than most presidents and I believe that history will so conclude. President are well advised to employ people more intelligent, more specialized than they in order to make government work. But no president can hire another to feel for him or to love for him. Other gifts vanish but love never ends.

Washington for many of us, will never again have the effervescence, the excitement and exhilaration now that Hubert is no longer there. As a house is less a home to one whose parents have passed on, so our Capitol will be more remote and aloof, more general and less particular.

If love is indeed the spiritual gift that will never come to an end while that which is partial passes away, then Hubert H. Humphrey has bequeathed to us all his own special kind of immortality.

Hubert H. Humphrey Resolution

A concurrent resolution of the budget session of the 42nd Legislature of the State of Utah, the Governor concurring therein; recognizing the contribution to mankind of Hubert H. Humphrey; and expressing condolences and sorrow at his death

Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

Whereas, Hubert Humphrey has given a life of devoted service to his country;

Whereas, in life he demonstrated the power of loving kindness shown to politically and opponent alike and extended that love to those of whatever race, religion or nationality;

Whereas, he worked always to help the poor and all who most needed help;

Whereas, his life was devoted to extending constitutional freedom and economic opportunity to all;

Whereas, his willingness to help thousands of friends in many states made him preeminently the Senator of all the United States of America;

Whereas, the people of Utah enjoyed his special friendship and often benefited from his willingness to help meet our needs on matters from the governance of public lands and the develpoment of energy to the conservation of water and the protection of the environment;

Whereas, we enjoyed his presence, and that of Mrs. Humphrey, often in our state and we will sorely miss him; and

Whereas, in success he demonstrated humility, with grace and courage in defeat; he taught us how to live and how to die.

Now, Therefore, Be It Resolved, by the Budget Session of the 42nd Legislature of the State of Utah, the Governor concurring therein, that the Utah State Legislature in joint session by resolution, dedicate this memorial to Hubert H. Humphrey, a colleague, fellow citizen and loving friend.

On motion of Senator Wilford Rex Black, and under suspension of the rules, all Senators present voted unanimously in the affirmative for S.C.R. No. 2.

Mr. President, with the death of Senator John McClellan, the U.S. Senate lost one of its greatest Members. The record of public service compiled by this gentleman among gentlemen has been recounted by my colleagues and serves as a fitting memorial to this tireless man and his absolute dedication to the State and Nation he was elected to serve.

John McClellan knew the importance of sound fiscal policy. His service as the distinguished chairman of the Senate Appropriations Committee was marked by his continuous efforts to weigh the cost of Government services carefully against the benefits they promised. He once said:

We have created a fiscal strain that is moving rapidly toward dimensions of a grave fiscal crisis. The strength and capacity of our economy and borrowing power are not unlimited. They cannot and will not indefinitely support and tolerate the unsound and irresponsible fiscal policies that we have been and are now pursuing.

As we ponder now at his passing the meaning of his service in this body, we would do well to heed his counsel and consider the legacy and the challenge he has left us to carry on his struggle for fiscal responsibility.

Twenty-two years after he first introduced the idea, the Congress established a Joint Committee on the Budget to enable the House and Senate to analyze in depth the budget recommendations of the administration. His dream of affirmativve congressional action on budgetary matters is now, in large measure because of his efforts, thoroughly embedded in the appropriations process, and will long stand as a tribute to his memory.

This quietly efficient, powerful and hard-working man was even more than a statesman and a leader. He was a sensitive and compassionate friend. His was not an easy life, and he had suffered great personal tragedy, only to emerge a tower of strength and, as some have said, an "island of integrity." He never hesitated to extend a hand of friendship to those whose pain he had shared. If I may be permitted a personal note, I shall never forget how he reached out to me and gave me the kind of strength that only he could give when I experienced the devastating tragedy of the loss of my wife in an automobile accident. This gentle man, who had lost two wives through death, and had suffered the tragic loss of two of his children, showed me by his example the meaning of endurance and the triumph over adversity. He helped me to regain something of what I had lost and has earned by unending respect and appreciation for his concern.

As a friend and a colleague I will miss him greatly, and extend my heartfelt sympathies to his family and friends.

Mr. President, the death of Senator Lee Metcalf has left a void in the ranks of those committed to the preservation of the natural resources of our Nation. Beginning perhaps in the days when he worked as a gardener while attending Stanford University, Senator Metcalf has demonstrated an unflinching commitment to striking a balance between the demands of an ever-growing population and the environment in which we live. Coming as I do from another Western and Rocky Mountain State, I recognize fully the natural beauty and grandeur that inspired Lee to his efforts.

As a Montana Congressman, Lee Metcalf was instrumental in initiating a greater degree of communication between interstate highway development and wildlife and scenic interests. He carried that concern with him when he came to the Senate in 1960 and into his service on the Interior and Insular Affairs Committee, and its successor Committee, the Committee on Energy and Natural Resources.

At a critical stage in the development of an energy policy for the country, Senator Metcalf was active in the hearings and discussion leading to proposed energy legislation. As the Congress continues its efforts to establish a policy for the development of its energy resources, his wisdom and counsel will be missed.

Lee Metcalf was not a man to seek headlines, or to engage in a cause for purely political gain. He was a man of quiet integrity, who believed very strongly in the point of view he represented. His hard work and dedication

earned him the respect of his constituents and colleagues and demonstrated the value of studious work and active participation in committee dialogue and debate.

I count myself fortunate to have known Lee Metcalf, and join my colleagues in acknowledging the character and achievements of a distinguished Senator and a devoted friend of the Earth and its resources.●

ANTHONY G. DIRIENZO IS HONORED BY MARSHALS SERVICE

● Mr. RIBICOFF. Mr. President, my State of Connecticut is fortunate to have Anthony G. Dirienzo, Jr., as its U.S. Marshal.

Marshal Dirienzo is a dedicated, tireless, highly intelligent public servant. He is a credit to the U.S. Marshals Service.

Anthony Dirienzo enjoys a well-earned reputation among his colleagues in the Marshals Service. Reflective of the respect other Marshals feel for him is the February 1978 issue of "the Pentacle," the monthly publication of the U.S. Marshal Service.

"The Pentacle" printed a profile on Marshal Dirienzo, focusing on his many achievements in a distinguished career. Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROFILE OF ANTHONY G. DIRIENZO, JR.

Marshal Dirienzo (known as "Tony'" to his many friends and associates in the Service) was born and raised in Connecticut, where he now serves as U.S. Marshal for the District Office there. His background is like that of many other Service employees—diverse and well-rounded. He served a stint with the U.S. Navy, worked as a manager for Singer Sewing Machine Company, and later went into retail business for himself.

His interest in law enforcement surfaced in 1961, when he was named Deputy Sheriff for New Haven County. Two years later he received an appointment as Deputy U.S. Marshal for the District of Connecticut—and the cycle began.

Marshal Dirienzo's 14-year history with the Service has been peppered with self-improvement efforts. He was the fifth USMS employee to be chosen to attend the FBI National Academy at Quantico, Virginia, where the 13-week course widened his knowledge in such areas as law, behavioral science, and forensic science. Some of his other training encompasses areas of labor-management relations, civil disturbance orientation, court and personal security, and collective bargaining. In addition, he instructed three Senior Management Courses at the USMS Training Academy in Washington, D.C., and frequently lectures high school students throughout the state on the duties of the U.S. Marshal and his role in modern law enforcement.

Meanwhile, the District of Connecticut has expanded as rapidly as his list of accomplishments. From a total staff of six assigned when coming on board in 1963, his present staff numbers 15 and has broadened its operations in all directions. The Connecticut office participates frequently in prisoner coordination trips and is becoming more active in the warrant field; they also actively participate in the Witness Security Program.

Needless to say, Marshal Dirienzo has had ample opportunity to use these resources and training in his present capacity—as on Christman Eve, 1977. A Connecticut motorcycle group called the "Huns" had taken over the top floor of a building owned by HUD, and he was ordered by a Federal judge to remove them from the premises. Assisted by three of his Deputies, Marshal Dirienzo carried out the eviction with no injuries or property damage. Other close calls include the arrest of a man who threatened the life of President Johnson, and the arrest of a Connecticut doctor charged with dispensing controlled drugs (possibly the first arrests of their kind in the country). In another incident Marshal Dirienzo cooperated with the Postal Service in a stakeout, and singlehandedly apprehended four men possessing over $150,000 in stolen money orders and automatic weapons. He was also one of the Marshals who served at Wounded Knee in 1973—an assignment he volunteered for. He performed with bravery and competence while there.

Marshal Dirienzo's personal life is as diverse as his career. A former Cub Scout Leader and past Exalted Ruler of the Elks, he is currently an instructor in the Catholic Youth Organization of his parish and a member of the New Haven County Sheriff's Association. He has worked as a volunteer with the American Red Cross, and personally donated four gallons of his own blood. He and his wife Mary—who, incidentally, is one of Connecticut's few female Deputy Sheriffs—have three sons and a grandson, Anthony George Dirienzo, IV.●

CHOOSING A SUCCESSOR FOR JUDGE RITTER

● Mr. GARN. Mr. President, yesterday morning the four members of Utah's Congressional delegation met to discuss the method of choosing a successor for the late Willis W. Ritter, former U.S. District Judge for the District of Utah. The delegation was unanimously committed to the principle of merit selection.

Although the members of the delegation represent both major political parties and various interests and constituencies, and although the delegation is composed of lawyers and nonlawyers, we were able to reach an amicable agreement as to the method by which the candidates for this judicial nomination will be selected. This agreement marks the beginning of the end of a process that I began nearly a year ago and it is the best testimony that shows that the members of the delegation and the people of Utah are committed to merit selection.

I have made no secret of my firm dissatisfaction with the operation of the Utah Federal district court and my longstanding opposition to the temperament and methods of the late chief judge. This view is shared by some of my colleagues within the delegation, and disputed by others, but we were able to put our personal and professional opinions aside as we discussed the creation of a merit selection panel for Utah. We arrived at a fair and honorable agreement that will allow the best candidates in the State the opportunity of having their credentials reviewed by a panel of qualified, nonpartisan, diverse experts—both lawyers and nonlawyers.

The Utah delegation will meet again Monday, March 13, to finalize the commission's formal operating procedures and to make a number of decisions regarding the people who will be asked to serve on the commission. The Utah judicial selection commission will be comprised of 11 members. Of those 11, 8 will be selected by the delegation—and this process will begin Monday. Also, the delegation has asked the deans of Utah's two law schools, or their designees, to serve on the commission. The 11th member will be selected by the delegation from a list of three names submitted by the Utah State Bar.

It was also agreed that both lawyers and nonlawyers would be represented on the commission and that the panel will refer not less than three and not more than five names to the President for his nomination.

I think the Utah commission will prove an excellent vehicle for the establishment of merit as the single significant feature of judicial selection. I also expect that the Utah commission and the friendly working relationship of the members of the delegation will serve as a model for other delegations which find themselves faced with judicial vacancies and potential political conflicts between the Senate, the White House, and the House of Representatives.

I ask unanimous consent that an editorial from the March 8, 1978, Deseret News be printed in the RECORD. I am glad that the newspaper has taken note of Senator LUGAR's efforts in support of merit selection and I have been privileged to work with Senator LUGAR toward this end, and have cosponsored his measure.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UTAH'S NEXT U.S. JUDGE—HOW TO FILL THIS BIG POST

How should Utah go about helping the President select a new federal judge for this state?

That's the question with which our congressional delegation is wrestling following the death of federal district judge Willis W. Ritter this past weekend.

The way in which this question is answered can have a major influence on the quality of justice rendered in Utah for many years to come.

That's because the smoothness or roughness with which the machinery for filling Judge Ritter's vacancy can affect the selection of still another federal judge that Congress is providing Utah.

Because a federal judgeship can be a lifetime job, it's particularly important that these posts be filled strictly on the basis of who has the best background and judicial temperament. Partisanship and political cronyism should play no part in such selections.

If President Carter had followed through on a couple of his more important campaign promises, Utah would have much less to be concerned about over how the Ritter and other federal posts are filled.

The same thing goes for other states getting new federal judges under a major bill on which Congress is now putting the final touches. This measure creates a total of 140 new federal judgeships. That's a 30% increase and the largest expansion of the federal judiciary in history.

Unfortunately, President Carter seems to have forgotten his campaign promise to nom-

inate all federal judges "strictly on the basis of merit without any consideration of political aspects or influence."

Of 87 federal judges and U.S. attorneys he has nominated so far, 86 are avowed Democrats. That's non-partisanship?

A similar campaign pledge that also seems to have gotten lost in the shuffle is Mr. Carter's vow to form a merit selection for federal judges like one he created in Georgia for state court appointments during his term as governor.

So now Utah's congressional delegation is trying to do some of the work the White House could and should have done. Specifically, the Utah lawmakers are trying to put together an objective nominating commission that would make recommendations on the successor of Judge Ritter.

As the Utal delegation struggles over how the nominating commission itself should be selected, the lawmakers would do well to consider a bill recently introduced by Sen. Richard G. Lugar of Indiana.

The Lugar bill would require each state's senators to implement a system for selecting federal judges strictly on the basis of merit. It's a system that would have to meet the following standards for the creation of judicial nominating commissions:

First, no senator would be permitted to tell a nominating commission which candidate it could consider and which it could not.

Second, no senator would be allowed to control judicial nominations by controlling appointments to the nominating commission. Specifically, no senator could name more than half the commission's members.

Third, the recommendation of the nominating commission would be final. No senator could overrule it.

As Sen. Lugar notes: "If 140 new federal judges are suddenly appointed to lifetime tenures on the basis of political partisanship, any hopes for an independent, merit judiciary will be eliminated in effect for the balance of the century."

Past reforms have done much to assure impartial and non-partisan selection through virtually the rest of the federal government.

Now let's do as much for the federal judiciary, starting with the new vacancy that's to be filled on the U.S. district court in Utah.●

TRIBUTE TO THE CHAMORROS

● Mr. KENNEDY. Mr. President, yesterday afternoon I met with the brave family of Pedro Joaquin Chamorro, the leading opposition leader and editor who was assassinated 2 months ago in Nicaragua. His widow, Dona Violeta de Chamorro, spoke eloquently of the struggle for justice and democracy in Nicaragua. Mr. Chamorro has been dedicated to this struggle for his entire career, and I told Dona Chamorro of my admiration for his work and for her courage in carrying it forward after his death.

Mr. President, I admire enormously the Chamorros for their contributions to freedom in Nicaragua. I will follow events closely in the months ahead—with a view to insuring immediately that there is a full and fair investigation of the murder of Mr. Chamorro, and in the longer term that human rights and democracy are fully restored in Nicaragua. This would be a fitting tribute to the lifetime commitment of Pedro Joaquin Chamorro.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on March 8, 1978.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The official notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 7, 1978.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommitee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an African country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.●

FLOOD RELIEF VOLUNTEERS

● Mr. EAGLETON. Mr. President, during the National Flood Victims March on Washington this week, I met with representatives of the Greater Kansas City Metropolitan Interchurch Agency disaster team. I would like to share with my colleagues the fine work that this group of volunteers is doing to provide follow up assistance to the victims of the September 12 flood. Over 10,000 people have been assisted at area flood centers, and the Federal disaster team has given out more than $65 million in Federal aid. All too often the Federal Government rushes in at the onset of a disaster, but later when the flood waters have subsided, the victims are left to face the difficult tackling the redtape alone. I want to commend the efforts of the Federal disaster assistance officials for their cooperative and efficient efforts in helping the citizens of Kansas City and for leaving behind a most unique and successful volunteer program. I hope the administration will carefully consider the benefits of this pilot volunteer program in its disaster assistance reorganization efforts.

I ask unanimous consent that a series of articles on the Interchurch Agency efforts be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Kansas City Star, Oct. 30, 1977]

INTER-CHURCH AGENCY TO BEFRIEND FLOOD VICTIMS

(By Thomas G. Watts)

If you've had problems getting flood relief in recent weeks, it may be that you need a friend.

And the Metropolitan Inter-Church Agency is willing to shoulder your burden.

Beginning tomorrow a new phase of flood aid will be worked into the system to help those who have not found time to visit the federal disaster service centers and to begin more intensive efforts to provide follow-up assistance for those who have somehow fallen between the cracks of federal aid.

While all the federal and state programs that were set up right after the flood Sept. 12 will still be available for a time, M.I.C.A. will begin administering the Missouri flood center tomorrow. It has had responsibility for the Kansas center since Oct. 20.

With about 500 persons visiting the Missouri disaster service center at 1020 Oak this week, officials said they would keep representatives of the various federal and state agencies there for at least another week. At the Kansas center most of the agency representatives left yesterday but part of M.I.C.A.'s role will be to refer victims to the appropriate agency.

The key to the M.I.C.A. program will be an advocacy approach geared to follow through on all cases involving victims who have not been able to get the services they feel they need or weren't able to qualify for.

It is an approach that has been largely untried and Francis X. Tobin, regional director of the Federal Disaster Assistance Administration and coordinator for the relief activities here, said he hopes it can become a model for follow-up services in future natural disasters nationwide.

"We've never done this before on this scale," Tobin said, "We tried it in Sedalia with the Salvation Army, Red Cross and some of the churches but it wasn't quite the same."

Basically the advocacy program means that M.I.C.A. will hold central files on all persons who have requested flood assistance. If a victim has a problem with a federal agency, is turned down for aid by someone or has trouble working his way through the bureaucratic maze, the church group will step in and ease his path.

There are no promises that the effort will be successful but M.I.C.A. also expects to have resources to help some persons where the government couldn't because of limits on aid or other laws and regulations.

So far the church group—a coalition of Catholic and Proestant churches in the Kansas City area—has about 20 volunteers who will be assigned cases to follow until all avenues of possible help are exhausted.

The Rev. James Blair, a Disciples of Christ pastor, who will direct M.I.C.A.'s flood-assistance efforts, estimates he eventually will need about 250 volunteers and has scheduled a training session for 10 a.m., Saturday at the Aldersgate United Methodist Church, 4601 Benton.

"We need people to be the friends of those who have had flood damage," Blair said.

A preliminary estimate of the costs that M.I.C.A. expects for the service is slightly more than $500,000 and Blair said he thinks

the volunteer agency will be needed for about 18 months to take care of all the victims.

Of that $500,000 Blair and others said that 80 per cent would go directly to flood victims to pay for damages that could not be claimed through federal and state programs.

For example, if a family sustained $6,000 in damages and received the maximum $5,000 individual or family grant, then M.I.C.A. could possibly award them the $1,000 needed to complete repairs.

In addition, the church agency will set up a final review committee to check cases where families need even more help. That committee is expected to include representatives from various agencies and governments in the area, and Blair said more aid might be raised through the committee.

It is not expected the operation will be without problems.

Blair said he expected to get the volunteers needed to be advocates. However, he said that in the days following the flood M.I.C.A. had about 75 persons in advocate training, but most dropped out. The agency finally was left with about 20 trained workers.

Getting more than 10 times that number as the memory of September's tragedy grows dim could be difficult, some said.

And whether M.I.C.A. actually will be able to raise the $500,000 it expects it will need also could be a problem.

Blair said that about $277,000 has been pledged so far by churches and relief organizations, primarily in this area. The funds will be funneled through the Church World Service. He said additional appeals for funds have gone out to church groups.

However, about $63,000 that Blair is counting on is money that was collected through various city and news media appeals and is controlled by the city trust board. That board does not meet until 10 a.m. Tuesday, when it will decide whether to award the money to M.I.C.A. for relief efforts.

While approval of the M.I.C.A. request is expected (no other agency has requested the funds), there could be conditions placed on the fund. For instance, the trust board could limit its use to actual direct benefits to victims—not administrative costs by M.I.C.A. that are expected to run about $100,000 for the life of the program.

Tobin, when asked why the FDAA could not continue co-ordinating the flood relief program, said there comes a time when it is not economical for the government to continue its efforts.

He emphasized that loan and grant programs will be available to area residents through late November but said the heavy shift of federal employees for the FDAA centers from other parts of the nation had meant that those workers were not available for their regular jobs.

And with a declining number of persons coming to the FDAA-run centers officials have been looking for the right time to begin phasing out major operations. Already the intensive FDAA work has gone far longer than originally expected.

"This was a very strange disaster," Tobin said. "It was a lot bigger than a lot of people thought. The 10,000 people we had go through the centers were a lot more than we estimated.

"In my first report to Washington after the flood, I said we might get as many as 5,000. We've had 10,000. That wasn't a very good estimate on my part. But I was thinking of the Blue and Brush Creek areas."

He said that with damages to homes, and particularly basements, throughout the metropolitan area, the number of persons eligible for assistance was far greater than anyone anticipated.

Tobin said that with previous disasters once the federal co-ordinating teams were withdrawn victims were left to their own resources in contacting agencies that could help them.

"For six weeks we've had these centers open," Tobin said. "For six weeks people have had the chance to come in. With the level of people we're still getting in, obviously there are some that we haven't convinced that they can be helped. That's why we talked to M.I.C.A. We just didn't want to let it stop."

"Even when we turn it over to M.I.C.A.," he said, "we'll still be able to help."

[From the Kansas City Times, Feb. 16, 1978]

AGENCIES HOPE TO TELL UNCLE SAM HOW TO IMPROVE FLOOD RELIEF

(By Richard Alm)

Five months after a flood devastated the Kansas City area, local persons involved in the recovery efforts have decided to tell Uncle Sam how he can improve his disaster relief programs.

To that end, about 35 representatives of local agencies involved in relief efforts after the Sept. 12 flood met Wednesday in Rep. Richard Bolling's downtown office to formulate recommendations to send to Washington.

But the only sure outcome of the meeting was another meeting, which will be held in two weeks to draw up specific recommendations, to be presented March 8 during the National Flood Victims March on Washington.

"The turnout shows some deep concern," the Rev. James L. Blair, Metropolitan Inter-Church Agency Disaster Team project director said. "This meeting, more or less, underscored for me that there is need for change, in both legislation and procedure."

In the wake of the flood, more than 40 U.S. government agencies encamped in the city to dispense federal aid to victims. Although there were complaints of confusing regulations, delays, red tape, duplication and inhumanity, the federal disaster team gave out more than $65 million in flood relief.

The local meeting is a direct result of a Dec. 2 conference in Johnstown, Pa., in which delegates from communities in seven states hit by disasters passed 41 resolutions to be sent to Washington, where lawmakers are considering a revision of the federal disaster assistance laws.

Mr. Blair said that the Johnstown resolutions could serve as a starting point, but that he was most interested in "careful evaluations based on local experience that could produce a better response to disasters."

The representatives were given a copy of the Johnstown resolutions and given two weeks to review them before making recommendations for changes, additions and deletions at the next meeting, which is at 1:30 p.m. March 1 at the First Baptist Church, Prospect and Linwood.

Mayor Charles B. Wheeler, who stopped briefly at the meeting, said the city estimated last September it would take up to a year for areas devastated by the flood to be completely restored.

Referring to a story in The Kansas City Times that revealed improprieties in distribution of flood relief, the mayor said, "We view with great concern the stories in the paper about the ripoffs of the flood victims."

Several of those at the meeting already had some opinions about the shortcomings of the federal government's disaster relief efforts, which still are going on under the direction of the inter-church disaster team and state agencies. Their comments provide an idea of the message area representatives will send to Washington.

Don Millsap of the Kansas Emergency Preparedness Association said he found the federal efforts filled with "vagueness and red tape." One application for assistance, he said, was 14 pages long, in contrast to the Red Cross's two one-page forms.

"The system was confusing, it was bewildering, it was degrading to people. It would take a Philadelphia lawyer to read (the forms)," he said.

Mr. Blair said two of the Johnstown resolutions that he supported were those calling for a universal form that would suffice for all claims and for coordination of the entire relief effort under one agency.

Mrs. Penny Miller of the Housing Informations Center said the laws did not provide any help to those whose residences were demolished in the flood.

"They can't afford to rebuild, they can't afford to buy another home," she said. "The ones that got hurt the most received the least (under federal law)."

Mrs. Miller who attended the Johnstown conference, said the minimal repair program, under which much of the aid is granted, should be changed to pay for both temporary housing and repairs. She said victims had to choose one or the other and that many of them were not aware, that accepting one form of aid forfeited their right to another.

She said she also recommended that repairs made after disasters be permanent instead of temporary, as authorized by existing law.

Dick Bond, a representative of Rep. Larry Winn, R-Kan., said some problems in federal performance during disasters could be eliminated with procedural reform, instead of new legislation.

One criticism he had was that federal people responding to an emergency leave the disaster area long before the final settlements are made. "There has to be continuity," he said. "You have to put basic responsibility on those who will remain in the area."

Mrs. Georgeann Hedges, who represented Sen. John Danforth, R-Mo., at the meeting, asked for an explanation of the outstanding claims being handled by the state of Missouri.

George Atchison, coordinating officer for the state, said less than 400 applications for flood related aid still were pending. Most of those, he said were either waiting on contractor estimates or preliminary federal action.

He said the remaining applications would be satisfied before March 13, when the 180-day period granted the relief agency expires. The biggest problem he faced, he said, was the volume of applications, which totaled more than 5,000.

Atchison said disaster relief could be expedited if state and federal agenices shared the information they gathered, rather than wasting time collecting duplicate data.

Despite the complaints, some of those at the meeting expressed gratitude for the job the federal government did during the flood.

Wheeler said the mayor's office had received few complaints about flood relief efforts since October.

Mr. Blair said the federal government did everything his agency asked it to do, including the training of personnel to fill out forms. He pointed out that more than 11,000 persons did receive some kind of aid, most of it paid for by the federal government.

Mrs. Cathy Champlin, a representative of Sen. Robert Pearson, R-Kan., said her office had received many calls complimenting the federal agencies on their response to the flood.

The meeting was attended by representatives of both Kansas Cities, the states of Kansas and Missouri, Pearson, Danforth and Sen. Thomas Eagleton, D-Mo., several area members of Congress, city, state and private social welfare agencies, the Red Cross, the Salvation Army and the inter-church agency. There were no representatives of the federal agencies involved.

The representatives were all invited to the second meeting and Mr. Blair said invitations also would go to the federal executive agencies involved in the flood relief.●

HUBERT H. HUMPHREY

● Mr. CHAFEE. Mr. President, I have recenty received a letter from Miss Holly

A. Scripsack, a former page from Rhode Island. She wrote some touching words in memory of Hubert H. Humphrey which I would like to share with my colleagues. I request unanimous consent to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IN MEMORY OF A GREAT MAN

I recently served as a page in the United States Senate, having been appointed by John H. Chafee of Rhode Island. During my time of work, I had the fortunate experience of being present at the return of Hubert H. Humphrey to the floor of the Senate. I'll never forget that day. He received a five-minute ovation, and warm speeches from Senator Baker, Senator Byrd, and other senators.

I had never met him or even seen him before, but the feeling that came over me when he spoke made him seem like a close friend of mine. He had a way that made everyone seem so important. I felt so much love for him that day.

Now that he is gone, I feel, like many other people, that I have lost a very special friend. He will surely be missed, but his contribution and loving personality will live forever.●

U.S. WELDING CHAMPION

● Mr. METZENBAUM. Mr. President, tonight, March 10, 1978, the Wayne County Joint Vocational School of Smithville, Ohio, will hold a banquet to honor the outstanding accomplishments of Ed Anna, a senior at the school. This young man, the son and grandson of skilled craftsmen, emerged from long and arduous competition at the local, regional, State, and national levels as U.S. welding champion. He will soon travel to Pusan, South Korea, to represent our country in the International Skill Olympics.

Mr. President, I join Ed Anna's family, his neighbors, his teachers and his fellow students in hoping that Ed will be the first American to win in this prestigious international competition. His achievement thus far is a source of justifiable pride for his school and yet another indication that Ohio retain its place as one of the Nation's leaders in vocational education. I congratulate Ed and wish him every success in Pusan.●

CANCER DETECTION

● Mr. HART. Mr. President, Mr. Gus Speth, a member of the Council on Environmental Quality, is chairman of the Carter administration's Toxic Substances Strategy Committee. He has written an article, published in the March 8 New York Times, which helps clear up some common misconceptions about the scientific testing of suspected carcinogens and urges public officials to prudently accept the responsibility of making difficult preventive environmental health care policy decisions.

I encourage my colleagues to review this article, entitled "Science—and Prudence—in Cancer Prevention," and share it with their constituents. Mr. President, I ask unanimous consent that Mr. Speth's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCIENCE—AND PRUDENCE—IN CANCER PREVENTION

(By Gus Speth)

WASHINGTON.—The Carter Administration is now preparing to move aggressively against cancer-causing chemicals in the home, the workplace and the general environment. Today cancer is our second leading killer, and a concerted, Government-wide attack on the substances that cause much of it is essential.

This strategy of prevention is bound to fail, however, if those whom it is designed to protect do not understand the basis for chemical regulation. The recent controversy on the proposed Food and Drug Administration ban on saccharin treated us to a dangerous amount of hilarity about the high dosage levels used in animal tests and demonstrated the prevalence of misunderstanding in this area.

Too often one hears claims such as these:

Just because a chemical causes cancer in rats or other experimental animals doesn't mean it causes it in humans.

In fact, there is wide agreement among scientists that animal testing provides valid, reliable prediction of whether a substance will cause cancer in humans. With one or possibly two exceptions, every chemical known to cause cancer in humans also causes it in animals.

The only alternative to animal testing today is human testing: Allow the chemical on the market and await the results. That's been the pattern to date, and the drawbacks are serious. It typically takes cancer from 15 to 40 years to show up after exposure. By the time the carcinogen has been positively identified, many thousands may have already contracted cancer. Moreover, studies of cancer rates in human groups are difficult and lengthy. Even they frequently fail to demonstrate a direct link demanded between cause and effect. Thus, given the present state of our knowledge, the only prudent course is for us to heed the results of animal tests even though they do not provide sure proof of human carcinogenicity.

Any chemical, if fed in sufficiently large amounts, will cause cancer in test animals.

This is flatly false. The ability to cause cancer is a relatively rare phenomenon exhibited by only a small portion of the many hundreds of thousands of chemicals. To date, less than 20 percent of over 6,000 suspect chemicals have been found to cause cancer. Most chemicals are not even suspect.

Large doses are used to detect a chemical's potential to cause cancer, not to duplicate the exposure conditions one is likely to encounter in the environment. The reasons for using such doses in animal tests are practical ones with scientific validity.

A two-year study involving 600 animals costs between $150,000 and $300,000, so there are strict economic limits on the number of animals that can be used. The tester must therefore exaggerate the dose to produce enough cancers to give statistically significant evidence of a chemical's effect in his relatively small test population. If low doses were used on a 600 animal population, a carcinogenic effect that could cause thousands of cases of cancer in a population of 200 million could go entirely undetected in the test.

Exposures to very small amounts of carcinogens pose little or no risk of cancer.

On the contrary, we know that exceedingly small amounts of chemicals can cause cancer. Indeed, there is scientific uncertainty today on whether "no effect" or safe exposure levels even exist for carcinogens. Despite this difference of opinion, there is broad agreement on this: So far, we have no scientific basis for setting a safe threshold dose for a carcinogen. Until such a scientific basis is demonstrated, if we have to make a mistake we should make a mistake in the direction of protecting public health. And that means we assume, for the present, that there is no safe level for a carcinogen.

In a matter so grave as cancer, makers of social policy cannot wait for our scientists to give us the precision we would prefer in regulating hazardous chemicals. Until we have precise methods for determining chemical safety, prudence must prevail. We must regard suspect chemicals, indicted on the imperfect evidence of animal tests, guilty until proved innocent.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 11 o'clock a.m. on Monday. After the prayer the distinguished Senator from Tennessee (Mr. BAKER) will be recognized for not to exceed 15 minutes and the distinguished Senator from Connecticut (Mr. WEICKER) will be recognized not to exceed 15 minutes, in reverse order.

Upon the conclusion of those orders, the Senate will resume consideration of the Neutrality Treaty, and the question will be on agreeing to the leadership amendment (No. 21) to article VI. At that time Mr. SCHMITT will be recognized for not to exceed 30 minutes, after which the junior Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized to speak on the leadership amendment. The majority leader will be followed by the distinguished minority leader (Mr. BAKER) as speaker on that same amendment, which he has joined in cosponsoring; and, hopefully, it will be possible to dispose of article VI and other articles during the day on Monday.

I would anticipate rollcalls throughout the day on Monday.

RECESS TO 11 A.M. ON MONDAY, MARCH 13, 1978

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate, in executive session, stand in recess until the hour of 11 o'clock a.m. on Monday.

The motion was agreed to; and at 4:28 p.m., the Senate, in executive session, recessed until Monday, March 13, 1978, at 11 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate March 10, 1978:

DEPARTMENT OF JUSTICE

Dwayne W. Gilbert, of Georgia, to be U.S. marshal for the middle district of Georgia for the term of 4 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

CRS ON WELFARE REFORM

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. BONKER. Mr. Speaker, for years the Nation's multibillion-dollar welfare system has been under attack as costly, confusing, unfair, and a failure. President Carter is the latest to propose an overhaul of the welfare system. Better known as the "Better Jobs and Income Program" (H.R. 9030), the President's plan pledges to provide jobs for those who need work, promote family stability, guarantee fair and uniform cash benefits and improve the self-respect of recipients. Vee Burke of the Congressional Research Service has given us a good analysis of the complications inherent in our present welfare program, which I commend to my colleagues:

CRS ON WELFARE REFORM

To some, welfare "reform" means expansion of eligibility and more welfare; to others, contraction. To some, reform means higher payments to current recipients. To yet others—higher payments to States and to those local governments that help pay relief costs.

Frustration with welfare has led to four presidentially-ordered studies and one joint congressional committee study in the last decade, all of which urged expansion of Federal welfare cash on grounds that this would make the system more fair and more effective against poverty. Four of them resulted in proposals that Congress establish for all poor and near-poor Americans a Federal cash grant, inversely scaled to earnings in such a way as to assure some financial reward from work. This form of income guarantee, which reduces benefits by a fraction of earnings, is known as a negative income tax.

Nevertheless, sharp disagreement remains about the purpose, form, and scope of welfare. Bills pending in the 95th Congress range from measures that would tighten up existing programs, such as the National Welfare Reform Act (H.R. 1179 and H.R. 4973) and the Welfare Improvement and Reduction Act (H.R. 10193) to various negative income tax plans, including the Tax Credits and Allowances Act (H.R. 317), the Family Income Maintenance Act (H.R. 2212), and the proposal of President Carter, the Better Jobs and Income Act (H.R. 9030 and S. 2084).

THE CARTER PROPOSAL

Mr. Carter is the second President (Richard Nixon was the first) to conclude that the welfare system undermines work and family stability and to urge that it be replaced. He has proposed that Congress "totally scrap" the programs of Aid to Families with Dependent Children (AFDC), which primarily aids fatherless children (and their mothers) deemed needy under State standards; Supplemental Security Income (SSI) for needy aged, blind, or disabled persons; and food stamps, for all needy families and individuals.

In place of these programs, and of nonfederally aided programs of "General Assistance," the Carter proposal would provide:

1. A cash income floor, at least 90 percent federally funded in each State, for all Americans ($4,200 in 1978 dollars for a family of four not expected to work fulltime or unable to obtain a job after a job search and waiting period),

2. Cash supplements for all working poor parents,

3. 1.4 million jobs and training slots, at the minimum wage or slightly above, for parents deemed employable, and

4. Special tax relief for middle income workers with children, through expansion of the existing Earned Income Tax Credit (EITC).

Like the programs it would replace, the Carter bill would require that recipients held to be employable work.

HEW estimates that at some time during the course of a year some 32 million persons would receive cash benefits under the original Carter plan, compared with 30 million estimated to benefit from AFDC, SSI, and/or food stamps. Because of irregular income and changing family composition, the number of participants *at a given time* falls below the number aided *at some time* within a year.

The Federal Government would pay 83 percent of the total cost of cash and jobs benefits under the Carter plan, compared with 66 percent of the cost of major cash and food aid today. It calculates fiscal relief to the States and counties at $2.1 billion in the initial year of the proposed program, but these estimates remain in dispute.

In addition to replacing AFDC, SSI, food stamps, General Assistance, and the Work Incentive Program (WIN) for AFDC recipients, the Carter plan would affect job programs under the Comprehensive Employment and Training Act (CETA).

THE GROWTH OF WELFARE

More than 55 programs now offer income benefits to some persons deemed in need and without sufficient means of their own. Benefits of these programs are paid as cash, medical care, food, jobs and training, housing, education, and other goods and services. Federal-State-local expenditures for these programs in fiscal 1976 totaled $64.2 billion, 4 percent of the gross national product. Almost three of four of these dollars were from the U.S. Treasury.

From fiscal 1968 to fiscal 1976 welfare outlays almost quadrupled. Even after allowance for price fluctuation, welfare spending more than doubled. During these years Congress liberalized some old welfare programs and established new ones. For example, Congress gave all AFDC mothers the right to a declining welfare supplement even after their earnings rose above their State's standard of need.

It also enacted a Federal cash income guarantee for the aged, blind, and disabled (SSI), established a Federal cash grant for needy college students (Basic Educational Opportunity Grants), converted the food stamp program into a minimum income guarantee for all Americans, and enacted an earnings subsidy for low wage earners with children (EITC).

WELFARE VERSUS POVERTY

Massive expenditures on welfare have failed to eliminate official "poverty" because (1) the government's count of the poor overstates their numbers by omitting their inkind income, such as food stamps or medicaid; (2) some of the poor do not fit into one of the groups eligible for Federal welfare cash; (3) some live in States where gross income limits are below the poverty line (as much as $2,000 below in some cases); (4) a sizable part of benefits "leak" to the nonpoor as a result of work incentive features and expense allowances in the law; and (5) some of the money goes to administrators and providers of services.

DEFECTS AND STRENGTHS OF THE CURRENT SYSTEM

Existing categorical limits on welfare eligibility have excluded millions of the poor from Federal cash aid. Results include unequal treatment by U.S. and State treasuries of persons and families in equal or similar need, variable poverty reduction rates, potential financial incentives for family splitting and disincentives for full-time work. State control of AFDC benefit levels has resulted in sharp variations in cash and medical aid. The existence of multiple benefit programs has compounded work disincentives and complicated administration. Complex rules invite mistakes and erroneous payments are relatively high.

The present set of programs cannot properly be called a system. Most programs were established without regard to each other; and, in the main, they are uncoordinated. Indeed, provisions of one sometimes undermine those of another.

On the other hand, the set of numerous benefits programs has enabled aid to be given in the desired form to desired groups; and in the view of some experts, the heavy use of non-cash welfare benefits has "hidden the size" of the income transfer and, thus, been a boon to the poor. This also has permitted Congress to help meet the special needs of particular groups.

Moreover, denial of Federal welfare cash to able-bodied singles and childless couples and provision only of an earnings subsidy (EITC) to fully employed fathers has, by definition, minimized possible disincentives for work created by non-work income.

CURRENT PROGRAMS AT THE CENTER OF THE WELFARE REFORM DEBATE[1]

Who sets benefits	Fiscal year 1977 expenditures (in billions)[2] (Preliminary) Total	Federal funds	Federal share (percent)
AFDC: States	$11.5	$6.3	54.5
SSI: United States—Basic benefits; States—supplements	7.1	5.4	76.1
Food stamps: United States	5.9	5.6	94.7
Earned income tax credit: United States	1.2	1.2	100.0
General assistance: States and counties	2.4	0	0
	28.1	18.5	66.0

[1] The Carter bill would freeze eligibility for medicaid, the Nation's largest single welfare program ($18,000,000,000 in fiscal year 1977, 57 percent from Federal funds).

[2] Including administrative expenses. ●

HAPPY BIRTHDAY TO REPRESENTATIVE RAY HAMLETT OF LADDONIA, MO.

HON. HAROLD L. VOLKMER

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. VOLKMER. Mr. Speaker, I would like to extend my regards for a happy

Statements or insertions which are not spoken by the Member on the floor will be identified by the use of a "bullet" symbol, i.e., ●

birthday to State Representative Ray Hamlett, of Laddonia, Mo. Ray will be 45 on March 10.

He was elected in 1974 to represent the 48th district in our State and was re-elected to the Missouri Legislature in 1976. I would like to offer my congratulations to Ray as he celebrates his birthday.●

BALANCE(S) OF POWER SERIES—U.S. MILITARY READINESS

HON. JOHN BRECKINRIDGE

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. BRECKINRIDGE. Mr. Speaker, on March 8 and 9 I inserted articles by Associated Press reporters, Fred Hoffman and Peter Arnett, regarding the state of U.S. military readiness at home and abroad. The first article, "Is America Outgunned?" appears in the March 8 CONGRESSIONAL RECORD, page E1135 and the second article entitled, "U.S. Readiness—Europe and the Pacific," appeared in the March 9 CONGRESSIONAL RECORD, page 6363.

Mr. Speaker, I should like to insert the third and final article of this important series written by Fred Hoffman. The article follows:

U.S. READINESS—3

(By Fred S. Hoffman)

When a recruit arrives at Ft. Jackson, S.C., for basic training, the Army cuts his hair almost to the scalp.

Seven or eight years ago, that might have sparked protests and even confrontations with commanders.

Not now. Today's recruits may grumble. But they submit..

This, as much as anything else, symbolizes the changed atmosphere from the draft-based Army of the Vietnam War era to the All-Volunteer Force of the late '70s.

The motivation for most enlistments is economic, not patriotic. Many sign up to further their educations through military service.

"There are no jobs out there," said Pvt. Kenneth Johnson, 27, of Altadena, Calif.

Pvt. Charles Allen, 21, of New York City is back in the Army because the couldn't find work after a two-year hitch as a teenager and he says he may try to stay in for 20 years. "When I got out two years ago, I didn't have a job. There was nothing but trouble."

Pvt. James Sullivan, 23, of Rome, Ga., said "I wanted to get out of a rut. I was just hanging around." He sees the Army as a chance to learn a skill that may earn him a good civilian job later.

Pfc. Janice Bailey, 26, went to Oregon State University for three years, but couldn't finish for lack of money. She joined the Army for educational benefits and may work for a commission. "I used to be anti-military, but I've changed my opinion," she said. "There are so many benefits."

These attitudes were reflected in interviews at bases in the United States and abroad.

The Army, which had trouble attracting quality recruits in the years just after the draft ended in 1973, is doing better. But it is still having trouble getting enough of them.

One index of this is the pressure put on Army recruiters to fulfill quotas. Some of them apparently make extravagant—even untrue—promises to prospects. The result can be a disillusioned soldier.

"My recruiter glorified what I was going into." said Pvt. Dawn Anderson of Sacramento, Calif. "Recruiters told some girls it's easy to get out of the Army if they find they don't like it. It's a lot harder to adjust because of this sort of thing."

Drill Sgt. Kenneth Ramsey of Las Vegas, Nev., said "the recruiters tell them that basic training is easy. The recruiters are up against the wall to meet quotas."

Maj. Gen. Richard Prillaman, whose job is to produce trained soldiers from the recruits sent to him, acknowledged that the Army is having "real problems meeting our quality goals.

"The Army is the least glamorous of the services," said Prillaman, commander of Ft. Jackson. "We are seeking the highest numbers of any of the services so we have to take some we don't want."

But Prillaman said that "a screening process we haven't had before" is eliminating most of the poor performers in the first six months of basic and advanced individual training. This is before the new soldiers are sent to operating units.

"I'm confident that the trainees we are sending out today are better than the ones we produced in the 1970–1972 draft period," Prillaman said. "They are as good as we have ever turned out."

This assessment was generally echoed by generals, battalion and company commanders and sergeants in combat and support organizations.

Sgt. Maj. Joseph Canada of Augusta, Ga., a veteran of 25 years' service, said at Ft. Stewart, Ga., that "acceptance of discipline is much better now" than in the late days of the Vietnam War.

Lt. Col. Jack Griffith, a tank battalion commander at Ft. Hood, Tex. said "We can teach them. They think more than the guys we were getting in the late 1960s and early 1970s."

Maj. Gen. George S. Patton III, commander of the 2nd Armored Division, said: "This soldier will fight."

But there were scattered dissents.

Lt. Col. Bruce Smalley of Stowe, Vt., an up-from-the-ranks training battalion commander, said, "I just don't have the feeling I could call on the vast majority of these guys in the clutch and have confidence they'd be there."

And Sgt. 1.C. Carl D. Poer of El Paso, Tex., said: "I liked the draft system better, it gave us a good cross section, kept us balanced racially and educationally. On the whole, I think we get the undereducated, the unemployed and the unwanted."

For lack of a more definitive tool, the Pentagon measures the manpower quality level of each service by the percentage of its enlisted men who have completed a high school education, since manpower specialists say high school graduates are more reliable and less likely to be discipline problems than dropouts. (All women recruits must have at least a high school diploma.)

By that standard, all of the services are doing pretty well. The Air Force reported over 90 per cent, the Army and Navy better than 80 per cent, and the Marine Corps expects to reach 75 per cent this fall.

Commanders in all branches of the armed forces claimed that hard drug abuse no longer is serious, that AWOLs and desertions are nowhere near the problem they used to be, and that the racial atmosphere is much improved, although tensions remain in some places.

Along with the problem of attracting enough quality recruits, the services worry about holding onto men and women they have trained at considerable cost to handle expensive and complex electronics, engines and other sophisticated equipment.

The Army is short of trained people in about 15 to 20 important skills such as tank and electronics maintenance technicians, motor mechanics, medical specialists and linguists for intelligence work. The Navy lacks enough trained people in some 30 skills.

"Industry grabs them up," said Gen. Frederick Kroesen, chief of the Army's Forces Command which oversees readiness.

The Air Force seems to retain its skilled technicians, despite lures from industry, just as it has an easier time than the other services in recruiting quality volunteers to begin with.

"We don't go to sea for six months at a time," said an Air Force general when asked why his service manages to re-enlist the same kind of specialists the Navy frequently loses at the end of a hitch.

The Navy also is becoming alarmed at losses among middle-grade petty officers, "the guy with the overall technical expertise, the man needed to run a fire room, to pull a periodic maintenance check on a jet engine," as one Pacific Fleet officer put it.

Adm. Isaac C. Kidd Jr., commander of the Atlantic Fleet, said, "Money is no longer number one on the hit parade of reasons" why experienced men leave the Navy.

"It's the length of working hours, length of separations. It's an unnatural life. Many of the kids these days are married, whereas 30–40 years ago it was a bachelor's business."

The Army and Marine Corps, meanwhile, say they are working to eliminate abuses and irrelevancies from training, and to make living conditions more pleasant. "Our training is all relevant," said Lt. Col. Joseph Stringham, a battalion commander in the 24th Infantry Division at Ft. Stewart. "There are no 'walks in the sun' or digging holes to keep men busy."

The Marine Corps claims officers now closely supervise Drill Instructors, who used to be virtually autonomous, to prevent any more incidents like the one in which a young Texas recruit was fatally injured during a pugil stick fencing exercise at the San Diego base.

At Ft. Jackson, Army officers were seen in the background as drill sergeants put their men through various paces.

But some of the trainees told a reporter the drill sergeants were often too tough and profane in their language. "There is no cause for them to talk to us that way," said one soldier.

Life in the barracks is getting noticeably better with new airconditioned brick buildings springing up at many Army bases in the United States.

Gone, or soon to go are most of the old wooden World War II barracks where soldiers lived in one big common room with no privacy. Now there are cubicles where men live in small clusters, together with their ever-present stereos.

Gone, too, are the old fashioned mess halls with crowded, prison-like tables, replaced by airy, color-coordinated "dining facilities" with widely spaced tables and chairs.

The chow is unbelievable to veterans of the "old Army"—choices of egg styles at breakfast, homemade pastries, fresh vegetables, three different kinds of meats on the dinner menu, milk shake machines.

In Europe, it's a different matter so far as living conditions are concerned. The bachelor troops occupy often-dingy pre-World War II barracks inherited from the German army. For married servicemen, there is a 64-week wait for on-base quarters in some places.

The typical Russian soldier is a young conscript who stolidly endures a prison-like existence and repetitious, often dangerous training under rigid discipline.

He is paid $3 a month, less than 1 per cent of the $397 a month received by the rawest U.S. recruits.

This composite of the average Russian serviceman emerges from reports by U.S. officials with access to intelligence sources and by military specialists who have observed the Soviets close up.

"The two-year conscript is housed in barracks which are surrounded by barbed wire," Army officials told Congress. "He is fed a carefully calculated ration of food, much like a farm animal, and undergoes rigorous physical training and hours of political indoctrination . .

"Garrison life in Eastern Europe is even more dismal. The conscript, when not on maneuvers, is a virtual prisoner in camp, and is permitted no contact with the inhabitants of the host country in East Germany, Poland, Czechoslovakia or Hungary.

"Training often consists of endless hours of repetitious practice. . .

"There are indications that the troops are often needlessly exposed to danger, such as artillery fire, mines, close-in bombing strikes, and even chemical munitions 'toughen' them."

Col. Frederick C. Turner, who spent more than five years as a liaison officer with Soviet military headquarters in East Germany, has described the Russian conscript as "a healthy, reasonable well-educated youth 18 or 19 who harbors few illusions regarding what life has to offer him in the way of material comforts."

Turner wrote that the Soviet draftee, representing about 80 per cent of the Russian armed forces, "accepts two years of service without really expecting any alternatives." Other officials said the Russian enlisted man accepts his lot "stolidly . . . as the way things are."

But from time to time there have been signs of dissatisfaction and unrest, even in the Soviet Navy where morale generally is said to be higher.

The crew of a Soviet guided missile destroyer, the Storozhevoy, mutinied in the Baltic in late 1975. U.S. officials confirmed reports of the incident, but the reasons for the mutiny remain a mystery.

U.S. intelligence received information, also in 1975, indicating that Soviet military cadets had formed an underground league for mutual help and protection against abuses. Sources said similar organizations sprang up in various officer training schools with the aim of "strengthening the human rights aspects of military service," as one intelligence report put it. Soviet military authorities were said to have acted to supress this activity.

The Soviet Air Force is an elite service, but defectors have told U.S. interrogators of spartan living conditions, harsh punishment for breaking rules, and suicides.

Lt. Viktor Belenko, who flew his MiG25 interceptor jet to Japan last year, was quoted as saying his family lived in a one-bedroom apartment offbase and had to get by on a substandard diet while he was required to eat all his meals under close dietary supervision.

American military specialists disapprove of Soviet Army training philosophy, which they contend stifles initiative that could be vital in battle.

"The Soviet conscript or noncommissioned officer is taught not to think, but to obey; not to improvise or make snap decisions, but to follow regulations to the letter," Army officials said.

"Enlisted men are normally not permitted to talk on the field radios and are frequently denied access to maps, which are classified. . . . Compartmentalization is so strict, for security purposes that men working only a few feet from each other in, say, a radar van, cannot perform each other's functions, even in an emergency."

Similarly, U.S. Air Force experts criticize the Soviet Air Force's methods of training pilots.

"When a U.S. pilot practices, he's on his own," said an Air Force general in West Germany. "We tell him what we want him to do. We don't tell him how to do it. This encourages individual initiative.

"I don't see that on the other side. Their air crews don't seem to be doing the high quality training, day to day, as ours do."

But, this general added, "The Russians do some good things, like an awful lot of sorties and practicing close air support missions time and time again."

Admission to all Soviet Air Force acadamies is on a competitive basis, but each candidate "also must be politically reliable and receive a recommendation from the Communist Youth League (Komsomol)," according to a U.S. Air Force intelligence official. Political reliability also is one of the requirements for becoming a Soviet Naval officer. Family connections help, too.

"Most officers of the Soviet Navy are sons, grandsons or nephews of party officials or naval officers," says a U.S. naval intelligence source.

Overall, the Soviet armed forces lack combat experience. The only Russian military men who have seen battle are middle-aged generals and marshals, whose fighting ended with World War II 32 years ago.

The United States has been in two wars—Korea and Vietnam—since World War II.

But the combat experience of American forces has thinned out in the 4½ years since the last U.S. troops left Vietnam.

Most of the Army's generals, brigade and battalion commanders are battle veterans. So are many of the senior noncommissioned officers. But the vast majority of junior officers and enlisted men and women have never experienced warfare. In the U.S. Air Force, an estimated 35 to 40 per cent of the pilots fought in Southeast Asia. But they are moving out of the cockpit and into command staff jobs.●

BRUCE CAPUTO ELECTED VICE PRESIDENT OF FRESHMAN REPUBLICAN CLASS

HON. NEWTON I. STEERS, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. STEERS. Mr. Speaker, last Wednesday, the Freshman Republican class elected BRUCE CAPUTO its Vice President for the second session of the 95th Congress. I call special attention to his election because it signals our backing of his efforts to expose Korean influence peddling.

Mr. CAPUTO has, in his first 15 months in office, proven to be an energetic and dedicated public servant—well deserving of this leadership honor which we have bestowed upon him.

His work in the Korean influence-peddling probe conducted by our Committee on Standards of Official Conduct is well-known and deserves the praise of all his colleagues.

Mr. CAPUTO has labored hard to obtain testimony from every individual who may be connected with this scheme. He has pushed, at every step of the way, for full and complete disclosure. In early January he traveled to South Korea, at his own expense, to hear firsthand the testimony of a key figure in the probe. His efforts will certainly contribute to a sound and responsible result when the committee's investigation is concluded. His desire to pursue a thorough and impartial investigation aimed at disciplining the guilty and exonerating the innocent can only bring credit to the House of Representatives.

A quick review of his other committee work also explains, in part, his selection by his Republican colleagues. As a fellow member of the House Banking Committee, I have had the opportunity to experience BRUCE's work firsthand. He has carefully scrutinized every proposal that would bring Federal aid to help New York City recover from its current financial situation. His great concern for the future of the city, and the possible ramifications for the rest of the Nation, is reflected in the committee attendance record he has achieved.●

MIKE MORALES DAY

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. LLOYD of California. Mr. Speaker, March 16, 1978, will be Mike Morales Day in La Verne, Calif. Mike was a former member of my staff, and I have been fortunate to have had his counsel, knowledge, and friendship over the years. His involvement in the city of La Verne reflects the epitome of local representative government. He knows his community well, and has served it conscientiously and enthusiastically.

After 22 years of dedication to his community on commissions, city council and as the first elected mayor of La Verne, Mike has announced his retirement from public service. I think, Mr. Speaker, that although Mike has announced he will no longer hold an official title, it is impossible to believe that this man is going to retire completely from public service. I would like to review the contributions Mike Morales has made to his community.

Mike came to the city of La Verne in 1938 with his parents, Mr. and Mrs. Raymond Morales. He attended local schools and went on to serve his country with the 2d "Rainbow" Division of the European campaign. He was decorated during the war with the Silver Star, Bronze Star, and the Purple Heart.

Mike came back to La Verne after the war and married his high school sweetheart, Alice. And it is Alice he credits with getting him interested in community affairs. After she had encouraged him to join the Jaycees, he came home from the first meeting as the chairman of the Community Chest Drive. Since then, Mike has held every leadership position within the Jaycees, and has been a charter member of the High School Foreign Student Program, the Band Booster Club, and the Bonita Booster Club. Mike coached Little League, and served as the

vice president of the City Little League. He accepted an appointment on the Planning Commission in 1956. During the last 22 years he has seen La Verne grow from a community of 3,000 to 19,000. He has seen underground utilities, a new fire station, a new city hall and yard, three park sites, and numerous commercial and housing developments all become realities.

Four generations of the Morales family have been active citizens of La Verne. Mike and Alice have an outstanding family, and their four children: Victoria, Yvonne, Michael and Judy all reside in La Verne. Mike admits shyly, of course, that he has five of the most beautiful grandchildren in town.

Mike Morales Day is an honorary event, a day set aside for a special tribute to a special son, but, in fact, Mike's accomplishments honor him every day of the year.●

FIGHTING IN LEBANON

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. HAMILTON. Mr. Speaker, after weeks of relative calm in Lebanon and months of efforts by Arab peacekeeping forces and Lebanese authorities to stabilize the situation, there was in early February very disturbing fighting between the newly constituted Lebanese Army and Syrian peacekeeping forces.

I would like to bring to the attention of my colleagues some correspondence I had with the Department of State concerning this incident and a February 9, 1978, Washington Post article on the subject. It is hoped calm can be restored to Lebanon and that the newly formed Lebanese Army will be able to play an increasing role in the security of the country, especially in the southern sections.

My correspondence with the Department of State follows:

FEBRUARY 9, 1978.

The Honorable CYRUS R. VANCE,
Secretary of State,
Department of State, Washington, D.C.

DEAR MR. SECRETARY: Recently, there has been press reporting from Lebanon that clashes have occurred between the Syrian peacekeeping forces and the newly constituted Lebanese army.

I would like to know if these reports are true, the circumstances of the clashes, why they occurred, what happened and how the Syrians and Lebanese are trying to insure that they do not occur again.

I appreciate your prompt response to this inquiry.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on International Relations, House of Representatives

DEAR MR. CHAIRMAN: The Secretary has asked that I reply to your letter of February 9, in which you requested clarification of press reports on clashes in Beirut involving Syrian peacemaking forces and elements of the Lebanese Army.

As we are able to reconstruct events of February 7, Syrian forces of the Arab Deterrent Forces (ADF) established that day a checkpoint in the vicinity of the Fayyadiyah barracks on the main road between Beirut and Damascus. The roadblock was apparently erected at that location—frequently the location of such checkpoints—in the context of increased security measures, including checkpoints, and patrols, to counter a recent upsurge in actual and attempted bombings directed against homes, schools and other public places in Beirut.

The exact sequence of events is not clear. The Fayyadiyah barracks are used primarily for recruit training in the Lebanese Army and were occupied by several hundred recruits who allegedly took exception to the ADF roadblock at that location. Shooting broke out between Syrian and Lebanese forces in which a number of Syrian troops were killed. It is important to emphasize that only a small element of the Lebanese Army was involved in the initial incident. Despite attempts by the Lebanese and Syrian authorities to contain the fighting, including efforts by the Commander of the Lebanese army, fighting spread the following day with some Christian militiamen as well as undisciplined and possibly unaffiliated elements joining in. As Syrian forces came under attack from civilian elements they replied with artillery fire. Clashes almost exclusively involving armed Lebanese militias continued sporadically for several days until the Lebanese and Syrian authorities were able to devise arrangements to bring the fighting under control.

The United States was in contact with both the Lebanese and Syrian Governments during this period (as well as with key leaders outside the government) and, in our view, both governments worked in a responsible manner to defuse this very serious situation. A mechanism for investigating the responsibility for the incident at Fayyadiyah was worked out and a joint tribunal was established to deal with future incidents of this kind involving the forces of the ADF, which is in Lebanon at the request of the constitutional Government of Lebanon. This tribunal arrangement was ratified by the Lebanese Parliament.

Peacekeeping forces from Syria and several other Arab states have been present in Lebanon under a mandate from the Arab League for approximately 18 months, at the request of the Lebanese Government. Until this recent incident, these forces had compiled a very creditable record of establishing and maintaining order and security in most of the country without serious frictions. We hope that this state of affairs can now be restored, despite residual tensions, until such time as Lebanese Government forces can resume responsibility for the internal security of the country.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

ARMY TROOPS, SYRIANS CLASH IN LEBANON

BEIRUT.—Syrian peacekeeping troops and Lebanese army regulars clashed yesterday for the first time since the Lebanese civil war ended 15 months ago.

No official casualty figures were released but Lebanese sources said 18 were killed, all but one of them Syrian, and 30 more were wounded. Twenty Syrians were held prisoner briefly, the sources said.

A joint communique issued by the commands of the Lebanese army and the Arab peacekeeping force said the incident resulted from a dispute between a Lebanese army recruit and Syrian soldiers at a roadblock in a suburb east of Beirut.

According to sources and local residents, the fighting spread to another suburb and involved not only light weapons, but mortars, rocket-propelled grenades and tanks.

"There was an exchange of fire and the incident was immediately contained by the commands of both the Lebanese army and the Arab deterrent forces," the joint communique said. "Both commands will take the necessary measures with those involved."

Lebanese Foreign Minister Fuad Butros, Phalangist Party leader Pierre Gemayel and National Liberal Party leader Camille Chamoun all expressed regret over the clash.

Gemayel postponed until next week a planned trip to Damascus for talks with Syrian leaders, but there was no indication that the shooting incident prompted the delay. The rightist leader reportedly planned to suggest to Syrian officials that the Lebanese army and police forces take a more active role in maintaining law and order in Lebanon.

Although the peacekeeping forces have clashed before with both Palestinian guerrillas and rightist militiamen, it was the first violent incident between the Arab troops and the small, newly reconstituted Lebanese army.

News services reported these Middle East developments:

Israeli Foreign Minister Moshe Dayan left Switzerland for the United States but his flight to New York was diverted to Montreal by bad weather. Dayan planned to leave Montreal later for an undisclosed U.S. destination as he began a 10-day fund-raising and speech-making trip.

Syrian Foreign Minister Abdel Halim Khaddam arrived in Kuwait to brief Kuwaiti leaders on last week's meeting in Algiers of leaders of four hard-line Arab states opposed to Egyptian President Anwar Sadat's peace moves.●

QUOTAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. COLLINS of Texas. Mr. Speaker, I have proposed an amendment to H.R. 50 which would incorporate an integral part of the late Senator Hubert Humphrey's views on equal opportunity employment. In the floor debate on the 1964 Civil Rights Act, Senator Humphrey addressed the question of quotas and their place in affirmative action.

Following is the statement of Senator Humphrey during the debate in the June 9, 1964 CONGRESSIONAL RECORD:

Mr. HUMPHREY. I would emphasize only the point that nothing in Title VII . . . tells any employer whom he may hire. What the bill does, as was pointed out so ably earlier today by the distinguished senior Senator from New Jersey (Mr. Case) and the distinguished senior Senator from Pennsylvania (Mr. Clark) is simply to make it an illegal practice to use race as a factor in denying employment. It provides that men and women shall be employed on the basis of their qualifications, not as Catholic citizens, not as Protestant citizens, not as Jewish citizens, not as colored citizens, but as citizens of the United States.

There is considerable evidence to demonstrate that permitting people to be hired on the basis of their qualifications not only

helps business, but also improves the total national economy.

Nothing in the bill or in the amendments requires racial quotas. The bill does not provide that people shall be hired on the basis of being Polish or Scandinavian or German, or Negro, or members of a particular religious faith. It provides that employers shall seek and recruit employees on the basis of their talents, their merit, and their qualifications for the job.

The employer will outline the qualifications to be met for the job. The employer not the Government will establish the standards. This is an equal employment opportunity provision.

When the Civil Rights Act of 1964 was passed, Congress made it law that each individual in this country should be judged on his or her merit and ability to do a job, not on the basis of race, creed, or color. However in carrying out the mandate of this act, Federal agencies have disregarded congressional intent to devise programs that judge a person solely on the basis of his group or race.

I am a firm supporter of the affirmative action concept; this amendment would in no way strike out affirmative action kinds of programs, but actually calls for continued development of equal opportunity through affirmative action. Affirmative action, in terms of expanding opportunities and making sure that qualified minorities are fairly considered in the selection process for jobs and educational opportunities, is a process that will benefit everyone. This amendment would simply insure that rigid numerical ratios or quotas are no longer permitted to distort the original intent of the affirmative action concept.●

DOUBLE TAXATION ON YOUR INCOME

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. GRASSLEY. Mr. Speaker, Government regulation is a growing problem in our country. It is not just a problem for businessmen; it is a problem for consumers and taxpayers.

Despite the rhetoric of President Carter during the Presidential campaign criticizing overregulation, President Carter in office has proposed new regulation after new regulation. Fortunately, the House of Representatives defeated one of the most dangerous set of new regulations when it voted down the Federal Consumer Protection Agency. This measure would have added to the cost of consumers and taxpayers and would have only benefited the bureaucrats who are enthralled with the idea of more and more regulation.

Government regulation adds to everyone's tax bill. I wish to enter into the CONGRESSIONAL RECORD an editorial which explains this process very well, "The Hidden Tax on Our Income":

[From the Chicago Tribune, Feb. 14, 1978]

THE HIDDEN TAX ON OUR INCOME

Government overregulation burdens not only business but also consumers and taxpayers. A study by Washington University in St. Louis finds, for example, that compliance with a selected group of federal regulations cost the economy $65 billion in 1976, or 3.6 per cent of gross national product. In that year, according to the study, the average American family spent over $1,000 to meet the cost of those regulations, normally through higher prices passed along by the regulated businesses.

We thought it useful to apply that cost-per-family to income taxes. The average family income in 1976 was just under $17,000, before taxes. State and federal income taxes [including Social Security, which is a tax on income] reduced that average family's earnings by around 27 per cent, or around $4,590. The costs of federal regulation [beyond those paid directly by the government out of our taxes] reduced that by another $1,000.

So our average family lost a total of $5,590 through income taxes and regulation. The effective tax rate on that family's income was, therefore, 33 per cent, because the cost of regulation is a hidden form of double taxation on income. It drives up the cost of doing business, and makes the consumer pay more. It drives up the cost of government, and makes the taxpayer pay more.

Some regulation is necessary and desirable. It protects the health and safety of workers and consumers. Other forms of regulation are the kind of nitpicking that gives government bureaucracy a bad name.

Still other forms of regulation are undesirable from the consumer's viewpoint. Trucking, airline, railroad, and oil and natural-gas regulation of rates and routes fall in this category. The Interstate Commerce Commission, the Civil Aeronautics Board, and the Department of Energy spend billions on such regulation, which is actually harmful to the economy.

The transportation of goods and people would be cheaper for consumers and taxpayers with deregulation. On that the Carter administration agrees, as did the two previous administrations. An unfettered petroleum and natural-gas industry would provide more of both resources domestically and lessen the need for higher-priced imports. On that score, the two previous administrations agreed; but the Carter White House stubbornly disagrees.

Oil-and-gas deregulation would allow a reduction of the Federal Energy Administration's growing, $10-billion-a-year budget, and therefore of the regulation "tax" on American's income. Unable to disagree on that score, the Carter people simply ignore it.

There are ways, then, to reduce the growth rate of the hidden regulation tax. Adding more oil and gas regulations isn't one of them. Nor is the Carter-favored proposal to establish a federal Consumer Protection Agency. It, too, will add to the hidden, double taxation of your income.●

NITRITE IN MEAT CURING: RISKS AND BENEFITS PART IV

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. WAMPLER. Mr. Speaker, one of the primary duties of the Department of Agriculture is to insure that our food supply is safe for human consumption. This includes assuring the American people that the foods produced and processed by farmers, ranchers, and food processors are protected against spoilage and the development of botulism, a deadly bacterium that produces human nervous disorders and death.

For the purpose of further informing the House and the public on the subject of "Nitrite in Meat Curing: Benefits and Risks" on the report issued by the Council for Agricultural Science and Technology (CAST) on March 1 on this subject, I wish to insert chapter 3 of the CAST report. Chapter 3 discusses in detail the part played by nitrites to prevent botulism in meat curing. The third chapter of the CAST report follows:

CHAPTER 3. BOTULISM

Clostridium botulinum is a bacterium that produces a highly potent toxin capable of causing human nervous disorders and death. The organism is commonly found in the spore or resting state, which is harmless. It becomes dangerous when the spores germinate in food in the absence of molecular oxygen. The resulting active, vegetative cells multiply and produce the toxin.

C. botulinum occurs in soils throughout the world (Smith, 1977). All foods come in contact with soil, either directly or indirectly through the agency of airborne dust. All raw foods, therefore, must be considered contaminated by spores of C. botulinum.

A number of surveys of meat products have been made to determine whether C. botulinum was present (Prevot et al., 1953; Greenberg et al., 1966; Taclindo et al., 1967; Insalata et al., 1969; Abrahamson and Riemann, 1971; Roberts and Smart, 1976a, 1976b). The results indicate that the incidence is of the order of one viable C. botulinum spore in 1 to 7 pounds of product. This means that, if the proper conditions were to exist in our processed meat supply for the growth of these spores and development of the toxin, all of the population of the United States that eats such meat could be killed by botulism. Only by careful observance of preventive measures can we eat meat and survive. The record indicates that we are doing rather well in this regard. In 1976, the most recent year for which statistics have been published (Center for Disease Control, 1977), there were 23 outbreaks of botulism involving 40 cases and 5 deaths. Only two of the outbreaks were due to animal products, and both of these were traced to fish. The low incidence of botulism due to use of commercially cured meat products in the United States is in contrast to the frequent outbreaks from home-cured meats in France and Spain (Sebald, 1970; Roberts, 1975), where nitrite and/or nitrate are either not used or are used with poor control.

Factors that affect the microbiological safety of cured meats have been reported by Spencer (1966) and others to be the amounts of nitrite added and remaining after processing, the concentration of sodium chloride, the pH of the meat, the storage temperature, the number of botulism spores originally present, the effects of heat on the spores and vegetative cells, and interrelated factors.

EFFECT OF NITRITE

Recent research has verified the effectiveness of nitrite in inhibiting the outgrowth of C. botulinum in chopped ham (Christiansen et al., 1973), bacon (Christiansen et al., 1974), frankfurters (Hustad et al., 1973; Bowen et al., 1974), summer-style

sausage (Christiansen et al., 1975), smoked fish, and poultry products, including chicken frankfurters and turkey ham. A sodium nitrite addition of 100 to 150 ppm is considered necessary to control the bacteria naturally occurring in meat and poultry or introduced by slaughter and processing. When luncheon meat was stored at 80° F, however, even an addition of sodium nitrite equivalent to 156 ppm with a residue of 58 to 11 ppm was not effective in inhibiting the outgrowth of 90 spores of C. botulinum per gram of meat (Tompkin et al., 1977). Foster and Duncan (1974) reviewed the relation of nitrite concentrations and C. botulinum activity.

The relative significance of initial and residual concentrations of nitrite in controlling botulinum toxin development is not completely understood. Work by Johnston et al. (1969) and Greenberg (1972) indicated that the initial concentration is the more critical. There are a few reports that residual free nitrite is related to long-term control of *C. botulinum*. According to Tinbergen and Krol (1977), the safety of cured meat products during storage is determined principally by the amount of nitrite added, but the reacted (protein-bound) and residual nitrite also contribute to stability. The most useful present single index of antimicrobial activity is the input nitrite concentration. However, none of these nitrite indexes is wholly satisfactory when considered singly. In a complex food such as cured meat, other factors, such as salt concentration, pH, spore concentration, and water availability, undoubtedly play a contributing role and interact to influence the safety of the finished product (Pivnick et al., 1969: Christiansen et al., 1974).

In the overall process of conversion of spores to vegetative cells (which produce the toxin) and division of the cells to produce bacterial colonies, nitrite does not inhibit the true spore germination process. Rather, it inhibits the outgrowth to cells and the division of the cells (Duncan and Foster, 1968a; Johnston et al., 1969). Duncan and Foster (1968b) found that some spores are induced to germinate when they are heated in the presence of nitrite, and they are then inactivated during the subsequent heat processing of the product. Surviving spores are inhibited at the outgrowth and cell-division stages, and cell functions subsequently cease. Reviews by Riemann (1963) and Duncan (1970) affirm that both heat and the curing ingredients play an essential part in the microbiological safety of canned-cured meats.

EFFECT OF SODIUM CHLORIDE

Salt (sodium chloride) alone is not a practice inhibitor of *C. botulinum* growth unless the salt concentration in the brine used for curing is considerably in excess of that commonly added to cured meat. Pivnick et al. (1969) found that the sodium chloride concentration needed to prevent toxin formation by *C. botulinum* was 6.1% when no nitrite was present. In the presence of sodium nitrite at a concentration of 75 ppm, the inhibitory concentration of sodium chloride in the brine was 5.8%, and with sodium nitrite at 150 ppm the inhibitory concentration was 4.9%. Brine concentrations of 5.8 and 6.1% correspond to salt additions of about 3.5 to 4% of the weight of the product. Additions of sodium chloride to cured meat commonly amount to only 2 to 3% of the weight of the product.

EFFECT OF pH

Most cured meat products have a pH of 5.5 to 6.6, which is well above the lower pH limit of 4.6 to 5.0 for growth of spores of C. botulinum types A and B (Ingram and Robinson, 1951). Acidified products such as pickled pigs' feet and pickled sausages, however, are preserved by packing in vinegar solutions so that the equilibrium pH is 4.5 or lower. Moreover, fermented sausages, such as cervelat, thuringer, and pepperoni, have a characteristic tangy flavor resulting from acidification to about pH 4.8 to 5.0 by lactic acid produced during bacterial fermentation. Acidification of conventionally cured products to control the development of botulinum toxin is technically feasible, but it does not seem practical. Acidification increases the tendency for nitrosamine formation, and Lechowich (1963) found that adding phosphoric, lactic, or acetic acid to lower the pH of cured, smoked fish by as little as 0.2 pH unit introduced a definite acidic flavor. In conventionally cured products, this would be undesirable. For example, an acidified frankfurter with a pH of 5.0 would taste spoiled to a consumer.

EFFECT OF HEATING

The amount of heat to which a spore is subjected is very important. Three distinct manifestations can be discerned as a function of time and temperature. At relatively low temperatures (158 to 176° F) activation occurs. At somewhat higher temperatures the spore is injured in some unknown manner but still viable. If still more heat is applied, the spore is rendered nonviable.

The heat treatment of cured meat (158 to 176° F) is essentially a pasteurizing process that injures the spores and kills the vegetative forms of the botulism bacteria. The germination of injured spores is rendered significantly more susceptible to inhibition by low pH values, lack of available water, sodium chloride, sodium nitrite, or other inhibitory agents.

EFFECT OF STORAGE TEMPERATURE

Growth of the A- and B-type of spores C. botulinum that would normally be encountered in cured meats does not occur below 50° F (Ohye and Scott, 1953). Continuous refrigeration at 50° F or lower, therefore, provides adequate protection from the organisms. At higher temperatures, protection is provided by suitable use of nitrite and observance of other precautions.

EFFECT OF SPORE CONCENTRATION

As mentioned previously, the incidence of botulism spores in cured meat is low—of the order of one spore in 1 to 7 lb of meat product. Small increases in the number of spores present can offset the inhibitory effects of nitrite and can permit toxin production (Spencer, 1966; Pivnick et al., 1969, 1970; Christiansen et al., 1974, 1975; Bowen et al., 1974; Hustad et al., 1973). In some of the investigations cited, it was demonstrated that higher concentrations of nitrite would extend the length of time the product could be safely stored at temperatures above those suitable for germination of C. botulinum spores and development of the toxin.

COMMERCIAL PRACTICE

Commercial experience has shown that the following combination of practices is highly effective in producing safe cured meat: adding sodium nitrite at an initial concentration of 75 to 150 ppm and a residual concentration of 20 ppm or more, with sodium chloride to supply a concentration of 1.5 to 2.0% (both on the product basis), heating the product to about 160° F, and observing good sanitation to keep the total incidence of clostridial spores to a count less than 15 and C. botulinum spores to preferably no more than 1 per lb of meat. For extended storage, the temperature must be below 50° F. Nitrite guards against mishandling during manufacture, distribution, and storage in the home. Mishandling in the home can occur because of inadequate understanding of basic safe food-handling practices. No one practice will ensure the safety of our cured meat supply against all possibilities of product abuse.●

PROF. ROBERT BORK CRITICIZES PROPOSED FOREIGN INTELLIGENCE SURVEILLANCE ACT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. McCLORY. Mr. Speaker, it seems important to call to the attention of my colleagues today a measure pending before the House Select Committee on Intelligence regarding foreign intelligence surveillance.

Under the proposal entitled, "The Foreign Intelligence Surveillance Act" (H.R. 7308), our intelligence agencies would be required to secure a warrant from a specially selected court prior to effecting any foreign intelligence surveillance by electronic means.

Mr. Speaker, the pending measure could, in my opinion, do serious harm to our intelligence agencies—limiting their capabilities in securing foreign intelligence information—even to the point of endangering our national security.

Mr. Speaker, the attempt to involve the courts in intelligence activities—in a manner never heretofore attempted—poses the threat that some essential intelligence activities might be thwarted. There is the further possibility that the courts, if injected into the intelligence gathering process, might exercise authority far beyond the limited role assigned to them in the pending measure—and that they would undertake to superimpose their independent judgments on the duly constituted intelligence agencies with respect to foreign intelligence surveillance.

Mr. Speaker, the relatively few abuses of individual rights resulting from some foreign intelligence surveillance activities in recent years should not be used as a basis for turning over to selected judges of the Federal courts an entirely new and unprecedented power which could adversely affect vital intelligence activities during this period of grave international crisis.

Mr. Speaker, with more Soviet visitors—and suspected KGB agents—in our country than ever before in our history, to demand of our intelligence community that a warrant be secured in order to effect electronic surveillance of communications or activities of such individuals is to me incomprehensible. By requiring a warrant as a condition for installing an electronic suveillance device in, for example, the Soviet Embassy, the Congress would not be adding to the protection of the constitutional rights of Americans, but we very well could be putting these rights in jeopardy.

Mr. Speaker, my view is that the executive branch of Government, that is, the President, the Attorney General, and another senior official with national security responsibilities should assume pri-

mary reponsibility for authorizing electronic surveillance of foreign agents or individuals suspected of espionage or other activities harmful to our national security. With the establishment of responsible House and Senate Select Committees on Intelligence to review and monitor the activities of our intelligence agencies, there should be adequate protection against violations of individual rights—and adequate accountability on the part of the executive branch with respect to national security foreign intelligence surveillance.

Mr. Speaker, my position is supported by a great many knowledgeable legal authorities and public officials, including Prof. Robert H. Bork, formerly Solicitor General of the United States and currently Chancellor Kent, professor of law at Yale Univerity. A most illuminating article by Professor Bork criticizing the pending Foreign Intelligence Surveilance Act as proposed by the administration appeared yesterday in the Wall Street Journal as follows:

"REFORMING" FOREIGN INTELLIGENCE

(By Robert H. Bork)

Periods of sin and excess are commonly followed by spasms of remorse and moralistic overreaction. That is harmless enough; indeed, the repentance of the hungover reveller is standard comic fare. In Washington, however, politicians are apt to repent only the sins of others, and matters become rather less humorous when the moral hangover is written into laws that promise permanent damage to constitutional procedures and institutions.

As expiation for Vietnam, we have the War Powers Resolution, an attempt by Congress to share in detailed decisions about the deployment of U.S. armed forces in the world. It is probably unconstitutional and certainly unworkable. But politically the resolution severely handicaps the President in responding to rapidly developing threats to our national interests abroad. We have, as atonement for illegalities in fund raising for the 1972 campaign, the Federal Election Campaign Act, which limits political expression and deforms the political process. The Supreme Court held that parts of this act violate the First Amendment and probably should have held that all of it does.

Now, in response to past excesses by our intelligence agencies, we have H.R. 7308, the proposed Foreign Intelligence Surveillance Act. (A similar bill is out of committee in the Senate.) Like the other two "reforms" it reflects an unwillingness to recognize that existing processes worked and do not require reform, as well as a certain lightheadedness about the damage the reform will do to indispensable constitutional institutions.

The purpose of H.R. 7308 is to lodge in the federal courts the final power to decide when electronic surveillance of American citizens and lawfully admitted aliens may be done to gather foreign intelligence information important to national security.

Since Franklin Roosevelt at least, every President has claimed the constitutional authority to order such surveillances without a court order. That power has been derived from the President's role under Article III of the Constitution as commander-in-chief and officer primarily responsible for the conduct of foreign affairs. The judicial warrant requirement of the Fourth Amendment, never an absolute in any case, was thought inapplicable because of the fundamental dissimilarity of intelligence gathering and criminal investigation with prosecution in mind.

A LOT OF SECRECY

H.R. 7308 provides that the Chief Justice of the United States will publicly designate at least one judge from each of the 11 federal circuits to sit on a special court. Two judges at a time will come to Washington. Warrant applications may be made to either. The Chief Justice will publicly designate six other judges to sit in panels of three to hear government appeals from warrant denials. The government may petition for review by the Supreme Court if turned down by the special court of appeals. All hearings, including presentations to the Supreme Court, will be secret; the rulings will be secret; and the government will be the only party represented.

Each application requires the approval of the Attorney General or his designee and a certification by a high presidential appointee working in the area of national security or defense. Persons to be targeted for surveillance, the means to be used, minimization of the surveillance and close control of the information obtained are provided for.

The most stringent protections are provided for targeting American citizens and aliens lawfully admitted for permanent residence. There must be probable cause to believe they are agents of a foreign power. The bill may also require reason to believe that a crime may be committed.

Much of this tracks existing Executive Branch practice. The political appeal of the bill lies in the introduction of judges and warrants. That is also its major flaw. Procedures appropriate to criminal contexts, where, say, a wiretap is sought to gather evidence to prosecute narcotics smugglers, are not easily transferred to foreign intelligence, where, for example, radio transmissions from hostile powers' establishments in the country are to be monitored with no thought of prosecution.

The difference in context may mean, for one thing, that the law would be unconstitutional. If warrantless surveillance for foreign intelligence is a presidential power under Article II (the only two courts of appeals required to decide the issue held that it is, but the point is unsettled), Congress probably has no authority to require warrants.

Moreover, the attempt to give the Supreme Court an essentially administrative role in intelligence gathering may run afoul of Article III of the Constitution. It is somewhat as if Judge Webster was empowered to run the FBI while remaining on the bench. The job is managerial, not judicial, and the two should not be mixed.

There are and can be no judicial criteria for making decisions about the needs of foreign intelligence, and judges cannot become adequately informed about intelligence to make the sophisticated judgments required. To do an adequate job, they would have to be drawn fully into intelligence work, which is not the point of this enterprise. To suppose that they would defer to the superior expertise of the agencies is either to confess the safeguards will not work or to underestimate the strength of the tendency displayed by the judiciary in recent years to take over both legislative and executive functions.

The requirement that a crime be in the offing would eliminate our ability to learn of foreign intelligence activities vital to our national interests but which violate no federal criminal law.

The law would almost certainly increase unauthorized disclosures of sensitive information simply by greatly widening the circle of people with access to it. In some cases as many as thirteen judges, their clerks, and secretaries would share knowledge. If opinions—required only when warrants are denied—are circulated, or if the judges consult one another, a minimum of 26 judges will have top-secret information. Disclosures are not merely intelligence calamities; they may lead to foreign relations debacles as well. Electronic surveillance is known by everyone to exist, but its public disclosure may be hard to ignore, just as Khrushchev could ignore the U–2, until it was shot down.

The element of judicial secrecy is particularly troubling. Because it reverses our entire tradition, it is difficult to think of secret decisions as "law." The assertion that this bill would ensure that foreign intelligence electronic surveillance was conducted according to "the rule of law" is, therefore, misleading. The bill pretends to create a real set of courts that will bring "law" to an area of discretion. In reality, it would set apart a group of judges who must operate largely in the dark and create rules known only to themselves. Whatever that may be called, it debases an important idea to term it the rule of law; it is more like the uninformed, unknown and uncontrolled exercise of discretion.

The statute would, moreover, present some judges with an impossible dilemma. Suppose that the Supreme Court splits, say five-to-four, in granting a warrant. If the dissenting Justices felt that the decision and others it presages deny basic constitutional rights of Americans, what are those Justices to do? Must they remain stoically silent about what they believe to be the secret destruction of rights they are sworn to uphold? Should they publish a full opinion and damage national security? Or should they perhaps state publicly that constitutional freedoms are being destroyed but they are not at the moment at liberty to explain how? They appear to have a choice between behavior that is dishonorable or fatuous. That is an intolerable moral and constitutional position in which to place judges.

DIMINISHING EXECUTIVE RESPONSIBILITY

The law seems certain as well to diminish substantially the responsibility and accountability of the Executive Branch. To take the extreme but not improbable case, if even one judge proves excessively lenient, the government can go to him in all doubtful, or even improper, cases. Since there is no adverse party to appeal, the "rule of law" will be the temper of one district judge, unknown to the other judges and the Supreme Court.

Whether or not there is such a judge, what can the Congress do if it comes to think the surveillance power granted has been abused? Can a congressional committee summon before it for explanation the judges, perhaps including some members of the Supreme Court, who approved the warrants? I should think certainly not. Can we expect successful criminal or civil actions against the officials who, following statutory procedures, obtained warrants from the judges? That seems hardly likely.

When an attorney general must decide for himself, without the shield of a warrant, whether to authorize surveillance, and must accept the consequences if things go wrong, there is likely to be more care taken. The statute, however, has the effect of immunizing everyone, and sooner or later that fact will be taken advantage of. It would not be the first time a regulatory scheme turned out to benefit the regulated rather than the public.

The intelligence abuses of the past were uncovered through existing processes of investigation. One response was the detailed regulations governing electronic surveillance promulgated by then Attorney General Edward Levi. These are fully as sensitive to Fourth Amendment protections against unreasonable searches and seizures of communications as this bill is, and likely to be as effective. The intelligence officer reckless enough to ignore those regulations and subject himself to criminal liability would be reckless enough to bypass the warrant requirement of the proposed statute as well.●

SMALL BUSINESS REGULATORY RELIEF ACT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. IRELAND. Mr. Speaker, I have submitted the following remarks in written rather than oral form in order to avoid tying up the House's time for discussion.

On Tuesday, January 31, I introduced legislation entitled the Small Business Regulatory Relief Act. This bill, H.R. 10632, provides regulatory flexibility for small business in certain instances so that the effects of regulation match the size of the business regulated.

Small businesses, by their very nature, are less capable than larger firms of discovering, understanding and complying with what Government regulators expect. When regulations are the same for large and small business, the effect may be disproportionate and unfair.

My bill would make Government agencies analyze the impact of any proposed rule or regulation on small firms. If the agencies find that their action would be harmful to small businesses, they would be required to find some way to ease this impact either by exempting small businesses completely or by setting different, less burdensome standards for them.

The bill is currently pending before the House Subcommittee on Special Small Business Problems, of which I am a member. Hearings were held Wednesday and Thursday of this week and I anticipate full committee action some time this session. I plan to reintroduce the bill next month and would welcome cosponsors. A copy of my testimony and a copy of the bill are included for your information:

STATEMENT BY THE HONORABLE ANDY IRELAND

Mr. Chairman, it is a pleasure to be here today to have the opportunity to discuss the impact of federal regulations on the small business community with you and my colleagues on the subcommittee.

Small businesses have several unique characteristics which make them especially important to our economy and our nation. For one thing, small businesses tend to react to changes in the market place more rapidly than larger businesses, and are thus in a better position to develop and exploit new ideas. Secondly, they are "labor intensive," that is to say, more of their dollars tend to go to hire people rather than to purchase machinery. Thirdly, they are often the initial point of entry for people who are entering the job market for the first time. Finally, as small businesses succeed and expand, they broaden the tax base and benefit society by carrying a larger share of the tax burden. So, in a very real sense, small business is the ideal "threshold" for people building a better life and a more productive society.

In addition, small business constitutes a much larger role proportionally in our economy than most Americans realize. For example, according to the most recent statistics, small businesses constitute 48 percent of the nation's G.N.P., employ 58 percent of the private, nonagricultural work force, generate 73 percent of the total dollar volume in retailing, and comprise 97 percent of the country's business community.

Quite clearly then, any action by the federal government which impacts substantially on small business will likely have enormous ramifications for all segments of our economy. And from the testimony that this committee and others have heard, it seems clear that very few things have had or are likely to have as big an impact upon small business as government regulation and overregulation.

Since the early 1970's, the federal government has created seven new regulatory agencies, including the Environmental Protection Agency, O.S.H.A. and the Consumer Product Safety Commission. Between 1970 and 1976, the number of pages in the Federal Register has tripled, from 20,000 per year in 1970 to 60,000 per year in 1976, reflecting the enormous increase in rulemaking and regulation by the federal government. The best available figures indicate that there are more than 65,000 federal employees involved in regulatory activities, at a total cost of about $130 billion annually.

As severe as the impact of government regulation is, it affects small business much more adversely than larger concerns.

Small business, by its very nature, is less capable than larger firms of discovering which government regulations affect its operation, and less able to respond to these rulings. In most cases, small businesses are simply not equipped, either in terms of personnel or expertise, to keep up with the proliferation of federal regulation.

One particularly painful illustration of this fact is the plight of a small retailer who learned in September of 1977 that the F.C.C. had issued a ruling months earlier which prohibited the sale of twenty-three channel C–B radios after December 31, 1977. Unfortunately, this individual had many thousands of dollars worth of twenty-three channel radios which he could not possibly sell by the deadline. When his case was brought to the attention of the F.C.C. by the National Federation of Independent Business, the F.C.C. held that the retailer had no recourse since the rule was promulgated and printed in the Federal Register well in advance of the deadline.

Obviously, the F.C.C. assumed that the retailer read the Federal Register regularly, and that if he did, he was able to interpret the rules and assess its impact on his operation. Unhappily, however, experience has shown us that in the case of many small businesses, neither assumption is warranted.

Regulatory difficulties of this nature do not necessarily mean that all government regulation is unnecessary or counterproductive, or that small business should be exempted from regulation simply because they *are* small. There is a fundamental assumption peculiar to a democratic society that all groups in society ought to be treated equally by their government, and that no single group ought to be granted special preferences without first establishing the existence of extenuating circumstances.

However, as Senator Culver noted during hearings on this question last year, "Uniform treatment under regulation does not always result in . . . equal treatment."

For example, if a regulation imposes the same cost of compliance across the board, the larger firms, with their greater operating budgets and specialized personnel are often able to absorb these costs, while most small firms cannot. Thus, while the intent of the regulation is uniform, the effect is quite disproportionate, resulting in a reduction of the ability of the smaller firm to compete effectively in the market place.

It is my firm belief that regulations can and should be tailored to the size and the resources of those being regulated. That is why I introduced H.R. 10632, and that is why I am here today. My legislation would require government agencies to analyze the impact of any proposed rule or regulation on small firms likely to be affected by that regulation.

If the agencies find that their action would be harmful to small businesses, they would be required to find some way to ease this impact, either by exempting small businesses completely or by setting different, less burdensome standards for them.

The concept of flexible or "tiered" regulations is not new—Congress has long exempted certain small firms from minimum wage and some of the paperwork required by other laws. Even O.S.H.A. treats large and small firms differently. The purpose of my bill is to require all federal agencies to exercise this type of flexibility.

Mr. Chairman, that concludes my prepared statement.

Thank you.

H.R. 10632

A bill to amend the Small Business Act to provide regulatory flexibility for small business in certain instances so that the effect of regulation matches the size of business regulated

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Regulatory Relief Act.".

FINDINGS AND PURPOSES

SEC. 2. Section 2 of the Small Business Act (15 U.S.C. 631) is amended by adding at the end thereof the following:

"(e) Further, it is the declared policy of the Congress that the scope and volume of Federal regulation causes disproportionate and often unnecessary impact on small businesses and the Government should make a concerted effort to reduce such impact.".

DUTIES OF THE OFFICE OF ADVOCACY

SEC. 3. Section 634c of title 15, United States Code, is amended by adding the following new subsection and renumbering accordingly:

"(4) consult with the agencies of the Federal Government prior to issuance of proposed regulations that substantially impact small business, for the purpose of minimizing such impact;".

ASSISTANCE OF GOVERNMENT AGENCIES

SEC. 4. Section 634e of title 15, United States Code, is amended by adding the following new section and renumbering accordingly:

"SEC. 206. Prior to the issuance of a rule by any department, agency, or instrumentality of the Federal Government, such department, agency, or instrumentality of the Federal Government shall incorporate, as a part of the general statement of the basis and

purpose of the rule required to be published in the Federal Register, a written analysis of whether it is lawful, feasible, and desirable for the agency to exempt small businesses or small organizations, or a class of small businesses or small organizations from the effect of the rule or whether the agency may and should promulgate a rule which sets lesser standards for compliance by small businesses.

"(a) The analysis required by this section shall include the following factors:

"(1) the nature of any reports and the estimated cost of their preparation by small businesses or small organizations which would be required to comply with the new rule;

"(2) the nature and estimated costs of other measures or investments that would be required by small businesses or small organizations in complying with this rule;

"(3) the nature and estimated cost of any legal, consulting, and accounting services which small businesses or small organizations would incur in complying with the rule;

"(4) the ability of small businesses or small organizations to absorb the costs estimated under (1), (2), and (3) without suffering economic harm and without adversely affecting competition in the marketplace;

"(5) the additional cost, if any, to the agency of administering or enforcing a rule which exempts or sets lesser standards for compliance by small businesses or small organizations; and

"(6) the impact on the public interest of exempting or setting lesser standards of compliance for small businesses or small organizations.

"(b) The agency prescribing such rule shall—

"(1) transmit such rule to and obtain the comments, if any, of the Office of Advocacy of the Small Business Administration with respect to the impact on small businesses or small organizations resulting from implementation of such rule;

"(2) include such comments of the Office of Advocacy in the record made in connection with consideration of such rule;

"(3) make such comments of the Office of Advocacy available to each officer or employee of the United States who, after such date, reviews such rule; and

"(4) incorporate a summary of such comments of the Office of Advocacy with the general statement of the basis and purpose of the rule.

"(c) Subsections (a) and (b) of this section shall not apply to any rule if such agency, after consultation with the Office of Advocacy of the Small Business Administration, determines that such rule will not, if implemented, have a substantial effect on any significant number of small businesses or small organizations. Notice of such determination shall be incorporated in the general statement of the basis and purpose of the rule.

"(d) Whenever the results of such analysis by an agency indicate that it is lawful, desirable, and feasible to exempt small businesses or small organizations, or to set lesser standards of compliance by small businesses or small organization, the agency shall issue a rule containing an appropriate exemption for such small businesses or small organizations, or setting lesser standards for compliance by small businesses or small organizations.

"(e) Whenever an agency establishes by regulation the meaning of small business or small organizations, such regulation may apply to either a single rule or regulation, a set of rules and regulations, or every rule and regulation issued by the agency: *Provided*, That the regulation establishing the meaning of small business or small organization shall have been transmitted to the Office of Advocacy of the Small Business Administration in accordance with subsection (b) of this section: *And provided further*, That the size, industrial classification, or performance standard established by such regulation shall consist of objective measurement and, to the extent consistent with the purposes of this Act, uniform with standards previously established by regulation.

"(f) In any action to review the compliance of an agency with subsections (a) through (e), no order shall be entered by a court to enjoin enforcement of such rule with respect to anyone or any concern that is not a small business or small organization. No one other than a small business or small organization shall have standing to review the compliance of an agency with subsections (a) through (e).

"(g) Each agency shall, during the five-year period beginning with the date of enactment of this subsection, review agency rules which were published for comment, issued, or in effect prior to such date and make the determinations referred to in subsections (a) through (e) with respect to each rule.

"(h) The Program Analysis Division of the General Accounting Office is authorized to furnish, upon request, advice and assistance to agencies making determinations under this section.

"(i) Except as otherwise provided by statute, no agency may issue a rule or regulation, however denominated or described, which does not comply with the provisions of this section.

"(j) For the purposes of this section, the term 'small business' includes those businesses as defined under the provisions of section 632 of title 15, United States Code, and the term 'small organization' includes unincorporated businesses, sheltered workshops, not-for-profit enterprises which are not dominant in their fields, and such other groups and enterprises as the agency shall establish by regulation.".●

PRIVATE ENTERPRISE DROP DEAD

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. GRASSLEY. Mr. Speaker, recently I had occasion to mail out a public opinion survey on the issues of the day to the people of Iowa's Third Congressional District. In going over the returns, I noted that one constituent, Virgil O. Schewe of Marshalltown, enclosed a poem he had written. Mr. Schewe's poetic observations are particularly apt at this time as we consider H.R. 50 (Full Employment and Balanced Growth Act of 1978) which would bring about more Federal Government control and regulation of American life.

PRIVATE ENTERPRISE DROP DEAD

The Government has intervened to regulate us all
Curtailing private enterprise, perhaps beyond recall.
In safety and employment, it specifies the norms—
Minority percentages and endless OSHA forms.
The taxes must be higher yet, no matter whom it harms,
Because the detente needs our help for falt'ring Russian farms.
Ralph Nader's word is gospel, consumer is the king,
And government must do his will in almost everything.
Outrage is "in", industry's "out" because of all its faults,
So businessmen get lost, you don't conform to new gestalt.
Whatever has happened to our great democracy?
It is being destroyed very rapidly by government bureaucracy.●

HUMPHREY-HAWKINS: WISHING DOES NOT MAKE IT SO

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. McKINNEY. Mr. Speaker, my heart goes out to more than 6 million Americans who are unemployed. We can only imagine their suffering and frustration. I have always endorsed the concept of full employment and continue to believe that every person willing and able to work should be afforded the opportunity. However, the Humphrey-Hawkins bill, despite its sincere intentions, does little except proclaim a goal of 4 percent unemployment by 1983. In doing so, it will create much in the way of expectations, but not one job. In good conscience, I cannot support legislation that will serve only to subject the American people to yet another false hope, an empty promise, an unrealistic and unattainable goal. The bill will not even minutely improve our unfortunate employment situation, certainly the most serious economic problem we face today. Anyone who thinks that it will, in my view, has seriously misinterpreted or misunderstood the terms of the bill.

First, we should look at the record. The Employment Act of 1946 and other similar pieces of legislation (including the Manpower Development and Training Act, Equal Employment Opportunity Act and the Job Corps Act—to name a few) are examples of hopeful political statements already on the books that have done all too little to alleviate unemployment.

The wording of the Humphrey-Hawkins bill reads much like the 1946 act. In the earlier bill we established as national policy a goal of "useful employment opportunities" for all persons "able, willing and seeking to work." Similarly, the Humphrey-Hawkins bill establishes "the right of all Americans able, willing and seeking to work to full opportunities for useful paid employment at fair rates of compensation." The point is that there were no specific programs authorized to achieve the goal in 1946 and there are none in the Humphrey-Hawkins legislation in 1978. What we should have learned is that setting goals and restating outdated policies that have failed do not create jobs.

Bill proponents deny that there is a trade-off between unemployment and inflation and that on the contrary, the bill contains a strong anti-inflationary commitment. I do not agree and support instead the views of my Connecticut colleague. Congressman Sarasin's amend-

ment would add a 3 percent interim anti-inflation goal to accompany the bill's target for reducing the unemployment level. The proposed amendment also a long run inflation goal of zero percent, prohibit the use of wage and price controls and permit the President to recommend changing the goal after 2 years. Inflation should not be a secondary concern. Without the amendment, it should be. Many respected economists have expressed this same fear while others disagree on what coordinated policy actually will end unemployment.

For example, John Kenneth Galbraith has said:

At a four percent unemployment rate, there is no question, the American economy can be disastrously inflationary . . . I must specifically and deliberately warn my liberal friends not to engage in the wishful economics that causes them to hope that there is still undiscovered fiscal or monetary magic which will combine low unemployment with a low level of inflation.

Dr. Charles Schultze, chairman of the Council of Economic Advisers, said:

I cannot assure you that we will be able to achieve a 4 percent unemployment rate by 1983 without risking more inflation.

Even though I support Mr. SARASIN's amendment because it attempts to curtail inflation as well as unemployment, no number of amendments will improve the fundamental flaws of this bill to the extent that I could accept it.

I have recently reviewed a study which illustrates how consumer prices rose nearly 40 percent as a result of monetization by the Federal Reserve Board of approximately 23 percent of the 1971–76 Federal deficits. During those years, the Federal Reserve created some $250 billion of additional money and credit, causing the money supply to increase by 55 percent while output of goods and services increased by only 15 percent. This kind of situation causing a higher demand is an example of why we have higher prices—inflation. High prices in turn cause higher wage demands which causes employers to delay new job creation—a vicious circle.

Bill proponents deny that provisions of the bill will endanger the independence of the Federal Reserve. I do not agree. It seems to me that the provisions would, in essence, serve to predetermine Fed policy. Under the terms of the Humphrey-Hawkins bill, the Federal Reserve would be required to submit to Congress a statement that indicates if the system's monetary policies adequately support the President's economic targets. Congress, in approving or rejecting that statement, would take such action as deemed appropriate to insure a consensus on desired economic goals for the Nation. I fear that this would seriously undermine the influence—which in the past has been based on a substantial amount of economic expertise—that the Fed has on Government policy. Restrictions on the necessary independence of the Federal Reserve will only produce negative consequences, including partisan pressure.

The best way to fight structural unemployment is a direct approach through increased job training programs for minorities and youth and increased investment that will create permanent jobs in the private sector. Government intervention is not the answer. A presumption that Government planning and increased intervention will end unemployment is similar to a belief that better weathermen will improve the weather.

It should be clear by now that what we need is a workable plan and substantive programs to assist the unemployed in returning to productive work, not goals and promises which will only serve to further frustrate and enrage already disgruntled citizens. Certainly, all Americans are entitled to the dignity, satisfaction, and security that comes from having a job. People who have been out of work for a substantial amount of time have looked and will continue to look to the Government for an answer. When the Government continually fails to provide that solution, their faith and last hope in the system dies. We need to be responsive, but, more importantly, honest.●

THE U.S. INTEREST IN RHODESIA

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. BROOMFIELD. Mr. Speaker, the dramatic events which have recently taken place in long-troubled Rhodesia call for a degree of caution and reflection, as well as open-mindedness, as the United States attempts to take these new factors into account in shaping its African policy. What is not called for at this juncture is the kind of out-of-hand, "rejectionist" rhetoric we find emanating from the United Nations establishment, reflecting, to some extent, the widely publicized personal views of our own Ambassador to that body.

In this connection, I want to commend President Carter and Secretary Vance for adopting a wait-and-see attitude—rather than a policy of rigid adherence to a preconceived plan, British-American or otherwise. In fact, there are signs that the British, too, are taking a new look at the situation. Foreign Secretary David Owen cautiously referred to the recently approved internal settlement as a "significant start toward an acceptable solution * * *."

It is important, I believe, to recognize that an historic agreement has just been signed in Rhodesia, bringing an end to almost 90 years of all-white rule and paving the way for the establishment of a fully black-run government by the end of this year. This is a monumental achievement in a land where seemingly irreconcilable forces have confronted one another for generations. The agreement may be an imperfect one, but it nevertheless represents the culmination of a process the United States and its Western allies have long advocated, and it certainly merits a fair hearing.

Let me clearly emphasize my own position on this matter: I am not urging that the administration rush to embrace or endorse all aspects of this agreement; nor am I suggesting that sanctions be lifted immediately or unilaterally. I do, however, believe that certain hard questions need to be addressed in the policy formulation process. Among them are these:

First. Is it in the interest of the United States to encourage peaceful and orderly transition to majority rule, which will help to promote black-white cooperation and maintain the participation of whites in the economic life of Rhodesia—a country which, I might add, enjoys a higher per capita income among blacks than most other black-governed states, including mineral-rich Zaire, and in which white-owned farms account for three-fourths of the $775 million annual agricultural output?

Second. If the answer to the above question is yes—would any settlement, other than the one already agreed to, fulfill the same objective? And if so, is there any indication that the "Patriotic Front" would be likely to accept it?

Third. According to the Washington Post, a spokesman for Reverend Sithole, one of the three moderate black signers of the agreement, has listed the following countries as showing sympathy for an internal settlement: Zaire, Uganda, Somalia, Sierra Leone, Sudan, Mauretania, and Liberia. In addition, Kenya, Senegal, Gabon, Ivory Coast, and Botswana, a front line state, are regarded as probable supporters. Only five African countries—Zambia, Ethiopia, Algeria, Congo, and Angola—are considered adamantly opposed, with Tanzania and Mozambique sitting on the fence. Thus we must ask:

Is this an accurate or overly optimistic assessment? More importantly, to what extent might this be an accurate reading if the United States and Great Britain threw their combined weight and influence behind the settlement?

In long-range terms, how long or how effectively can guerrilla operations mounted against a black-controlled government from forces based outside the country be sustained? How long would Zimbabwe's neighbors be inclined to actively support such operations?

Fourth. Do the internal leaders collectively enjoy majority support among the 6.7 million blacks who actually reside in Rhodesia, as they claim? Is there any way of finding out, short of holding elections in which the leaders of the Patriotic Front have been invited to participate?

Fifth. In practical terms, how effectively could Soviet and Chinese influence on the leaders of the Patriotic Front be neutralized by giving them a substantial government role? To attain that objective, is it worth renegotiating a settlement which has been painstakingly worked out over a considerable period of time and with great difficulty?

Sixth. Finally, the Rhodesians have been quick to point out that the "internal settlement" is similar, although not identical, to the five-point peace plan proposed by former Secretary of State Kissinger—a plan which President Carter specifically endorsed just after his election.

Thus, are there sufficient new factors in the situation to cause the President to alter that position—now that an accord has been reached?

Mr. Speaker, these are difficult and complex questions which need to be carefully weighed before the United States throws its support behind a new proposal which may have uncertain prospects of success. Above all, these are issues which should be dealt with soberly and dispassionately by our foreign policy leaders here in Washington rather than by spokesmen stationed along the East River in New York.

Mr. Speaker, I ask unanimous consent to insert in the RECORD, at this point, an article from last Sunday's New York Times, which provides interesting background and commentary on some of the points I have just raised:

[From the New York Times, Mar. 5, 1978]

BLACK RHODESIAN WORKERS HOPE WHITE EMPLOYERS WILL NOT FLEE

(By John F. Burns)

SALISBURY, RHODESIA.—After 18 years of working up from "room boy" to head waiter, John Martin was promoted recently to understudy the night manager at this city's most luxurious hotel. But Mr. Martin, who is black, is concerned that his prospects may wither if a black government hostile to whites takes power.

"If they drive the whites out, the country will be ruined," he said across the reception desk at Meikles Hotel, where he was logging receipts from the establishment's restaurants and bars. A few paces away a porter and a maintenance man, also black, nodded. "The whites must stay," said Martin Gede, the porter. "We must work together."

Such opinions are commonplace these days as Rhodesia's 6.7 million blacks await majority rule. In the aftermath of the ceremony yesterday in which Prime Minister Ian D. Smith formally agreed to terms for handing over power, the future of the country's 263,000 whites is as much a topic among blacks as the worsening guerrilla war.

The two issues are closely related. The Patriotic Front, the nationalist alliance that controls the guerrillas, has vowed to intensify the fighting in an effort to thwart what it described as the "sellout" of black interests in the new accord, which contains elaborate safeguards for the white minority.

Apart from personal rivalries, differences of opinion about the future role of whites are probably the greatest factor separating the guerrilla leaders from the black nationalists who negotiated with Mr. Smith. In statements after the signing ceremony yesterday, the three black leaders all stressed the importance of stemming white emigration, a trend that has cut the white community by 22,000 in the last 18 months.

"There is no need for any white people to be afraid of the new changes that are coming," said the Rev. Ndabaningi Sithole, one of the black leaders who signed the agreement yesterday. He promptly announced a speaking tour that would include addresses to white audiences. "Whites should stay and make this great experiment a real success for the benefit of both blacks and whites in this beautiful country," he said.

RADICAL CHANGES PROMISED

Mr. Sithole's statement contrasted sharply with remarks by the Patriotic Front's leaders, Joshua Nkomo and Robert Mugabe, who have pledged changes that would fundamentally alter the lives of whites here.

Mr. Nkomo, softening a position he had taken earlier, said in an interview in Lusaka, Zambia, this week that he would be content to see whites remain after a black Government took power. But he accompanied the statement with a warning. "They are welcome, provided they have like human beings, not superbeings, as they have since 1890." That was the year in which British settlers founded Salisbury.

Mr. Mugabe, who is ideologically aligned with China, has been far less compromising. He has promised that protection of white interests would cease if the Patriotic Front takes power, and threatened reprisals against whites who have exploited blacks in the past, and against blacks who have assisted whites by serving in the Government and army.

ATTITUDES TOWARD CONSTITUTION

The different attitudes toward whites are starkly apparent in the constitutional positions adopted by the rival black nationalist groups. When they rejected the Salisbury agreement, the Patriotic Front's leaders focused on the safeguards for white interests in the accord, describing them as a means of perpetuating white social and economic privilege under the guise of black rule.

Mr. Smith, who has said that the presence of whites here is the only thing that can prevent chaos under black rule, won a formidable set of guarantees from Mr. Sithole and the other two black leaders who negotiated with him, Bishop Abel Muzorewa and Senator Jeremiah Chirau. The most important was a 28-seat white bloc in the 100-seat Parliament. The white seats cannot be abolished for at least 10 years, and will allow the whites to block constitutional changes harmful to white interests.

Other protections in the agreement include a guarantee of adequate compensation for expropriated property, an important factor in a country where more than 80 percent of the wealth and half the land is in white hands. In addition, the agreement will prevent a black government from quickly changing the composition of the judiciary, the bureaucracy and the armed forces. In each case, there is a provision in the agreement preventing any wholesale black takeover of senior positions, which now held exclusively by whites.

BRITISH-AMERICAN SINCERITY DOUBTED

Britain and the United States, seeking to end the guerrilla war waged by the front have put forward compromise proposals. However, remarks made by British and American negotiators in the six months since they unveiled their plan have caused many whites to question whether the negotiators' concern to secure their future is genuine. The British-American plan would create 20 white seats in a 120-seat parliament and prohibit their abolition for at least eight years, but the whites would be designated by the black members, not directly elected as in the internal plan, and they could not block constitutional changes. On the other hand, there would be an entrenched bill of rights, with guarantees against expropriation of property without adequate compensation.

Though the British Foreign Secretary, Dr. David Owen, and Andrew Young, chief American delegate to the United Nations, described their proposals as generous to whites when they laid them before Mr. Smith, remarks that the two diplomats and their associates have made publicly and in private have led many whites to question the negotiators' sincerity. One American prominently engaged in the negotiations suggested to a journalist that the white problems in Rhodesia ultimately amounted to a question of "how many 747's it will take to get them out."

Inevitably, observations such as these reach the ears of Mr. Smith and his officials, stiffering their resistance to the British-American plan. The Prime Minister has told intimates he is convinced that Britain's purpose is less to secure a racially harmonious future for Rhodesia than to punish the whites for their rebellious declaration of the territory's independence in 1965 in a dispute with the British over majority rule.

A BETTER MODE OF EXISTENCE

Mr. Smith, stressing that a settlement must be such as to retain the confidence of whites, has taken to warning that their departure would be a disaster for blacks as well. In his speeches and in governmental background papers, much is made of the precipitous economic declines in Angola and Mozambique, where hundreds of thousands of Portuguese settlers fled after black governments assumed power in 1975.

Blacks do not accept the idea that a government composed of blacks would necessarily fall into corrupt and authoritarian practices, as has happened in many newly independent African states. However, there is widespread acknowledgment that many aspects of life here are better than in the black-governed countries to the north. Per-capita income, at close to $500 among blacks, is four times that in many black-governed states, including mineral-rich Zaire.

One field in which whites play a crucial role is agriculture. Although there are roughly equal numbers of white and black farmers producing cash crops outside the tribal reserves, which are mostly given over to subsistence cultivation, white-owned farms account for three-fourths of the $775 million annual agricultural output. The crops, mainly tobacco, maize and cotton, make up nearly 20 percent of output and nearly half of exports.●

SAFEGUARD U.S. NUCLEAR EXPORTS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. FINDLEY. Mr. Speaker, today I was present when President Carter signed the Nuclear Anti-Proliferation Act of 1978. The new law contains an amendment to assure that nuclear exports by the United States are not used to make bombs. This legislation for the first time establishes effective safeguards to keep other nations from building nuclear weapons from U.S. materials that we export for peaceful purposes.

I first proposed this restriction as an amendment 2 years ago to the Export Administration Act of 1976. Congress accepted the amendment, but because of unrelated parliamentary problems it did not become law at that time. But the amendment did help to generate in Congress a deepening awareness of the ominous threat to world peace as nuclear spurred a sense of urgency to get a strong weapons spread to other nations. It bill into law.

This year I incorporated the amendment into the Anti-Proliferation Act. The bill passed the House of Representatives in September 1977, without one dissenting vote, 411 to 0. The Senate then passed it by an overwhelming margin of 88 to 3. While prohibiting the export of dangerous nuclear technologies, the legislation assures other nations that the United States will be a reliable supplier of nuclear technologies that are

safe, and not usable for weapons manufacture.●

DR. HARLEN M. ADAMS NAMED MOST WORLD-MINDED CITIZEN

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. JOHNSON of California. Mr. Speaker, it was with a great deal of pleasure that I learned recently that Dr. Harlen M. Adams, emeritus professor of speech and drama at the University of California, Chico, had been named "Most World-Minded Citizen" for 1978 by the General Douglas MacArthur Scholarship Committee. Dr. Adams is indeed a most deserving recipient.

Dr. Adams has been a member of the faculty at the university since 1939. Throughout these many years he has distinguished himself in many ways. Professionally he has demonstrated great skill as a teacher, speaker, actor, and entertainer. He is also a man who is busy in his community. He is known throughout the Chico area for his efforts on community projects and he serves his church at the local, regional, and national levels. He is truly an outstanding man and a strong example for younger people to emulate.

Harlen and his wife, Lois, have always had a special interest in the world around them. They have been active in college and community programs designed to foster a better understanding between the people of this country and the people of foreign nations. It is this particular quality that has led the scholarship committee to recognize this fine gentleman as their Most World-Minded Citizen. I join with his many friends and associates in commending him on this occasion.

In recognition of Dr. Adams' many accomplishments and those of the MacArthur Scholarship Committee, the Chico Enterprise-Record recently published an editorial by executive editor Bill Lee. So that my colleagues in the House may know what a fine man and fine program we have in northern California, I ask that this editorial be printed in the RECORD:

MOST WORLD-MINDED

The Gen. Douglas MacArthur Scholarship Committee has a long history of doing things right. With its membership comprised of Chico State campus personnel and lay citizens of the community, the committee ranks as one of the first—and most successful—"Town-Grown" organizations on the local scene.

The committee's original purpose was to enhance the cause of international understanding and world peace through foreign student scholarships and other programs in the name of the late Gen. Douglas MacArthur. Gen. MacArthur provided the initial inspiration with his dramatic leadership in helping the defeated Japanese set up their democratic government after World War II.

As we have said before, the MacArthur scholarship project is small potatoes when measured on the vast financial yardsticks employed by huge organizations such as the Rockefeller and Ford Foundations.

But from the standpoint of proportionate impact, the giants in the field might well take a back seat to the local MacArthur program.

For example, in its relatively brief 23-year existence, MacArthur scholarship awards have assisted scores of young people from foreign lands in furthering their education here at Chico State. A partial listing includes Japan, Korea, Hong Kong, Nigeria, Thailand, Tanzania, Jordan, Iran, India, Taiwan, the Azores, Indonesia and hosts of other lands.

Even so, the geographical scope and modest financial awards are not the main distinguishing characteristics of the MacArthur scholarship program. Rather, the unique nature of the other aspects of the program makes its awards—in the minds of recipients—mean a great deal more than most scholarships.

This is because campus and lay citizen volunteers—who play key roles in the scholarship project—provide the foreign youngsters with a "personal association" amounting to a hand-in-hand experience of friendship, understanding and cooperation.

That intimate "people to people" relationship is, of course, something that cannot be provided by the huge, depersonalized and computer-operated foundations and government programs.

And that intimate relationship has resulted in a network of friendships that stretches into every corner of the world. Scores of young people who studied here as foreign students years ago still maintain contact with the friends and patrons who assisted them through the MacArthur scholarship program.

It is clear, then, that the MacArthur Scholarship Committee has a commendable history of doing things right. And we hasten to add that it did another thing right several weeks ago in naming Dr. Harlen Adams, emeritus professor of speech and drama, as the recipient of this year's "Most World-Minded Citizen" award.

The award will be presented at a reception scheduled from 7 to 9 o'clock tomorrow evening in the university's Intercultural Center at Third and Chestnut streets.

One of Northern California's most versatile citizens, Dr. Adams has been a leader in both education and community affairs ever since he came to Chico State in 1939. In his field of English and speech arts, as a matter of fact, Dr. Adams merits national acclaim. The same goes for his work in the church, as manifested by his election last year to key committee leadership in the national General Assembly of the Presbyterian Church.

Along with civic affairs leadership on the local scene, Dr Adams also has been a leading entertainment figure, both as an after-dinner speaker and as an actor. (Most recently, for example, he played a lead role in last week's superior musical, "The Extraordinary Experiment," created and presented by the local team of Dr. James Kinnee and his son, Tim.)

Dr. Adams' credentials as a "World-Minded Citizen" are equally superior. He has traveled widely throughout the world for many years, often touring the rural areas by car or van with his equally versatile wife, Lois, and their children. His public addresses and "slide shows" on these journeys have been exceedingly popular with Chico audiences.

Long a participant in the affairs of the scholarship program, the Adams family has maintained close relationships with many of the foreign students—relationships still intact years after the young people have returned to their homelands.

Under such circumstances, we say again that the MacArthur Scholarship Committee has done another thing right in selecting Dr. Harlen Adams for this year's award. We congratulate the committee on its judgment.

Our congratulations also to five international students who will receive scholarship awards at tomorrow night's reception. They include Sheila Hurley of Ireland, Shahram Elyassian of Iran, Edwin Yat-Chun Wong of Great Britain, Patricia Twomey of Ireland and Lai Yee Leung of Hong Kong.●

THE PLIGHT OF SMALL BUSINESS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. UDALL. Mr. Speaker, during a recent visit to my home State of Arizona, I had the good fortune to be invited to lunch with 15 of Tucson's small business operators. The group was purposely limited to a relatively small number of people in order to permit each of the participants an opportunity to speak out about how he or she was being directly and adversely affected by existing Federal regulations.

I came away convinced that their plight is real, and that both we in Congress and those in the executive cannot continue to ignore their call for relief.

Too often, well-intentioned legislators and overzealous civil servants create unnecessary burdens for small businesses while trying to find solutions to difficult problems. But in our attempt to protect against every possible abuse we may be creating a paper jungle that is choking the very life out of many small businesses in this country. Demands for strict compliance with overengineered rules and regulations are having their foreseeable consequences in the marketplace in the forms of reduced competition, more business failures, increased unemployment, and greater inflationary pressures.

Congress has an obligation to insure an atmosphere that encourages small business in this country—not one that destroys it. The existence of a healthy small business sector is vital to our political and economic system, and it cannot be allowed to disappear.

All of us must condition ourselves to think about the ultimate effects on the "little guy" whenever we draft a bill, introduce an amendment, review an executive regulation. We must be sensitive to the needs of this group, and must seek the correction of existing burdensome and unnecessary Government regulations.

I would like to include for the RECORD two items. The first is the bill of rights for small business, adopted by the National Small Business Association; the second is a recent article from the Arizona Daily Star, written by Stephen B. Sherretta, noting some of the complaints I heard at the luncheon, as well as others:

THE BILL OF RIGHTS FOR AMERICAN SMALL BUSINESS ADOPTED BY NATIONAL SMALL BUSINESS ASSOCIATION, OCTOBER 28, 1977

1. National Small Business Association advocates an environment in which independent business can remain competitive.
2. NSB demands revision of the tax laws to bring equity to small firms.
3. NSB pursues adoption of sound government fiscal and economic policies, i.e., a balanced budget.
4. NSB seeks establishment of a fair management-labor policy.
5. NSB supports government policies, actions and activities that encourage and motivate individual initiative and protect our freedom.
6. NSB opposes the growth of all unnecessary government regulation, authority, red tape and paperwork.
7. NSB promotes government policies that permit independent business to obtain its fair share of government procurement contracts.
8. NSB opposes unfair and noncompetitive monopolistic practices of government, business and labor.
9. NSB opposes competition by government with private enterprise.
10. NSB supports freedom from harassment and intimidation by the bureaucracy.

JOHN E. LEWIS,
President.

[From the Arizona Daily Star, Feb. 19, 1978]

SMALL BUSINESS ARE HAMSTRUNG, OWNERS SAY

(By Stephen B. Sherretta)

In this age of mergers and multinationals, the small entrepreneurs are struggling for a piece of Goliath's action.

Though small businesses built the country—and account for most of the more than 21,000 businesses in Tucson—like the bald eagle, they are an "endangered species" says Stephen Mollett of the U.S. Small Business Administration.

Ask almost any small businessman—survival is not easy. The big fish often have the advantage because of sheer size.

Small businesses have a hard time raising money for expansion. They often must cope with cumbersome regulations designed for the big guy.

According to Dun and Bradstreet, almost 67 percent of all new businesses fail within five years, Mollett said.

"We're not looking for dole. The point is, we don't want one hand tied behind our back," says Ray Bailey, president of Luncheon Is Served Inc., based in Tucson.

Take paperwork, Bailey's favorite whipping boy. The deluge seemed so bad he decided to keep a record of it.

During an 11-month period, says Bailey, "I was required to read, compile, study and fill out 438 government forms totaling 2,267 pages at a cost of $19,000."

That cost was equal to average net profit over a five-year period, says Bailey. His product sampling and promotion business employs 60 people full time and 240 part time in 40 cities here and in Canada.

The work is suffocating the little guy—it's darn tough just to be compeitive and survive without this," he says.

Others say the cost and trouble brought by government regulations are enough to make prospective businessmen forget their dreams of owning their own.

"I started out with practically nothing. Today a young man would have to have $50,000 in cold cash to go in (business)," said John Downey, senior vice president of Snodgrass, Lovitt, Downey & Touche Insurance Agency, Inc.

"In my opinion, it is very difficult for young people. I think it is tragic. I think the incentive to go into business is almost wiped out."

The SBA says there are 13 million small businesses in the U.S., though there is no strict definition of what constitutes small.

Several persons familiar with the small businessman's plight agree that the biggest problem is raising capital—either to get started or to expand.

"We are not anti-big business. But General Motors can sell stocks and bonds, borrow money at prime rate or sell commercial paper. I must go to the bank and sell my life away, then pay three or four points over prime," says Bailey.

Bailey is now fighting back. He is on the executive committee of the National Small Businessmen's Association and has testified before Congress many times about small business problems.

A meeting Friday of Bailey, U.S. Rep. Morris K. Udall, D-Ariz., and other small business leaders here produced a promise by Udall to support lower tax rates for small businesses.

Last week, Udall introduced a bill to cut the thicket of government paperwork that businesses must hack through. Government estimates show it is costing small businesses $18 billion each year.

Downey estimates that 5 percent of his company's payroll goes toward getting necessary forms filled out. "To hire a $600-a-month employee costs us $1,400 with all the overhead."

Through these requirements, big business gains an advantage because it can afford expert lawyers and accountants to find ways to save money.

"The system is set so only those who can afford the experts can take advantage of the tax breaks," says John Munger, a local attorney who is chairman of the small business committee of the Chamber of Commerce.

Bailey said there should be a graduated income tax for small businesses and corporations similar to that for individuals with differing incomes.

"If we make $50,000, they take 48 percent," says Bailey. "That doesn't affect GM—they can add it to the price of the car. But it is money I would use to put people to work. That is seed money for my business."

Generally speaking, there is little awareness of the small business owners' plight, said Mollett, who considers that a big problem, too.

But there is some hope. Tax law changes could give smaller companies a chance to accumulate capital for expansion, says Bailey.

Mollett thinks banks should be forced to set aside funds to lend to small businesses. These ideas are being looked at seriously for the first time, he says.

A program offering tax credits to companies creating new jobs is working and could be expanded this year, says Bailey.

But many people point to pending labor reform legislation and increases in the minimum wage as proof that small business interests continue to be ignored.

The trend toward bigness, Mollett fears, is increasing.

In the end, less competition means higher prices, Bailey and Mollett maintain. But even more, Bailey believes, bigness can destroy itself.

"When small companies become a GM or an Exxon unfortunately, they react very selfishly to any legislation affecting small business," said Bailey.

Ironically, they depend on small businessmen to sell their cars or gas, or to distribute their products, says Bailey.

"These men, through their greed, do not seem to understand the basics of the economic system. It is like an oak tree—if you cut the roots it will die." ●

RETURN TO RUSSIA: PARTS 6 AND 7

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. McEWEN. Mr. Speaker, last fall Alan S. Emory, Washington correspondent of the Watertown (N.Y.) Daily Times visited the Soviet Union for 2 weeks. Upon his return to this country, he prepared a series of articles for his newspaper in which he described his observations on the current conditions in that country. The articles appeared in the newspaper between October 10, 1977, and October 24, 1977.

I was very interested in his articles and recommend to my colleagues that they read them.

Earlier this week, I brought to the attention of my colleagues the first five articles in that series, and today I call your attention to the sixth and seventh articles. I am pleased to insert in today's RECORD the last two articles in that series.

The text of those articles follows:

ENGLISH SIGNS ABOUND IN RUSSIA; SOUNDS OF ROCK MUSIC ECHO

(By Alan Emory)

Moscow—As a visitor drives into Moscow from one of the city's five airports he cannot miss one striking change: Signs in English.

The airport names are framed in English lettering as well as Russian.

Columned signs in highway median strips are in Russian on one side. English on the other.

Hotel windows have signs in English in many cities, and even the Moscow news events in lights—a throwback to the Times Tower in New York City's Times Square—have western lettering.

Picture displays in airports all over the country have English captions.

Even the paper wrappers on sugar distributed by the Soviet airline, Aeroflot, say "sugar" on them.

The music in the Soviet hotels now is rarely traditional. The tape machine may play a few strains of "Moscow Nights," but the bands are into rock, and they play it loud.

The dance floors in Moscow and Leningrad like those here, feature everyone doing his or her own thing. Even the Bump.

Young people dress in bomber jackets and jeans, although few women favor slacks or pantsuits.

Almost every house in an urban area now has a television antenna on the roof, no matter how ramshackle the dwelling. Some of the antennas are so lopsided they make the Leaning Tower of Pisa look ramrod straight.

There are lots of new stores, but the long lines of Russian shoppers have remained unchanged.

The highways have glassed-in bus stops and some of the roadside homes sport picket fences.

The Soviet Union, like the west, is battling inflation. Prices are up for food and clothing along with everything else, but the pinch is felt most there.

The hard-currency, or "dollar" stores, known locally as beriozka shops, are beginning to take the most widely-used credit cards, as well as cash. The only exchange not acceptable there is rubles, and prices are well below those charged in the regular Soviet department stores.

On some items of clothing the difference may be as great as 75 per cent.

Russians would like to shop in those stores, but cannot without "hard" money. As a result, there is thriving black market in western currencies.

The night we arrived here a waiter in one of the leading hotels handed me a napkin on top of which was a note offering 75 rubles for $50. That was slightly in excess of the official exchange rate, which would have provided about 65 to 70 rubles.

He later returned with an offer of 30 rubles for $20.

Youngsters spotting American tourists set up a never-ending pitch for chewing gum.

Another touch of the west in the U.S.S.R. is the recurring sight of joggers, early in the morning or late in the afternoon, rain or shine, pounding the pavement in sweatsuits.

Tea is served in cups these days, not glasses, and hotels offer foreigners coffee more often than tea.

Housing is still at a premium despite the widespread construction of huge apartment complexes, with schools and kindergartens in inner courtyards and shops throughout the ground floors.

Young people, however, are no longer content to reside with their parents in crowded apartments, and their desire for privacy pushes them into the streets and parks as dark falls.

A comrade has to wait two and a half years for decent lodging, according to one Muscovite.

Cooperative societies build faster than the state does, but their rents are higher, about $56 a month as opposed to the state's $21.

Downpayments average 40 per cent. The resident then has 15 years to pay off the balance, after which the place is his.

Land is rented from the state, and it is cheap, running about $14 to $17 a year.

A citizen wanting to build his own house can obtain a construction loan at two-per cent interest.

Although in Central Asia there are more taxis than private cars, the private automobile is everywhere in the bigger cities to the north.

The car buyer must plunk down the full purchase price in cash—none of the credit available when he buys a television set or other appliance.

Used cars are normally picked up on the black market.

Despite the increasing western look of the urban areas, Soviet cities are plastered with slogans emphasizing the glory of the Communist Party and the value of work. Statues and pictures of Lenin are everywhere.

Only rarely are western newspapers displayed on the counters in major hotels, and in the few instances that the International Herald Tribune is available it must be requested by name.

Then, and only then, will the newsstand operator fish it out from under the counter.

The only other English-language publication around is the propaganda-filled Moscow News.

While Russians like books and records as gifts, a much-desired present is an umbrella.

Even if the citizen has several bumbershoots in his home he values another as a present. He can always give it away himself.

The government deducts the personal income tax from a Russian's salary, anywhere up to 13 per cent, depending on the pay bracket.

There are taxes on childless families and inheritance taxes on property, but not on money.

TOURISTS IN THE SOVIET UNION FIND CONTRADICTIONS IN CONVENIENCE

[From the *Watertown Daily Times*, Oct. 24, 1977]

(By Alan Emory)

Moscow.—The old woman, on her hands and knees, brushes the dirt under the small bushes to clear it of cigarette butts.

The city subway platforms and passageways are clean as a whistle.

But the ladies' rooms in the brand-new hotels are foul-smelling, and the hotels in some cities are crumbling into disrepair only a year or two following the completion of construction.

Modern bedroom interior decorating adjoins bathroom facilities so primitive the shower consists of a standing pipe in the middle of the room.

New buildings are erected at a frantic pace, but the hotel in Bukhara has no hot water because of an earthquake. It occurred more than a year before.

Soviet citizens drink soda water at sidewalk booths from communial glasses.

Tourists are encouraged to go out and mingle with the people, then are scheduled so tightly they can't, unless they skip some of the sights they badly want to see.

Although tourist interest centers in the older sections of exotic cities such as Tashkent and Bukhara, the new hotels are located far from those districts and near large apartment developments, factories and long blocks of new construction.

The Soviet Union seeks an ever-increasing flow of foreign visitors, both for pleasure and business. Its hand is out for all the "hard" currency it can get.

But it also makes it difficult for the visitors to spend that money.

Rarely does a local vendor have change for a medium-size Russian currency note, such as a five-ruble (about $7) bill.

Nearly every hotel has a "bank," where a visitor can exchange foreign currency for rubles, but the banks are rarely open when the Russians say they will be, and when the visitor, with limited time available to change money, points this out, the response is invariably an indifferent shrug of the shoulders.

The Russians seem eager for westerners to spend their dollars, francs and marks in the "dollars" stores, or beriozkas, but then the items available in those stores are sorely limited in variety.

Questions about items not displayed or sizes in wearing apparel are treated coolly, and the attitude of the clerks ranges from neutrality to just short of outright hostility.

One Russian explanation is that the clerks are on straight salary, not commission.

The streets of Moscow are filled with automobiles, but the hotel bathrooms have no large absorbent towels and the toilet paper is a close cousin to sandpaper.

"A paradox, a paradox," says the Gilbert and Sullivan song.

The guides assigned to American—and other foreign—visitors by the government travel agency, Intourist, usually speak excellent English.

Ironically, however, some are patently anti-American and are known to harbor prejudices by their colleagues.

When a recent visitor to a summer palace outside Leningrad asked the guide whether the small group's tour bus could return to the entry point so he could take an exterior picture the guide flatly refused.

She made the concession of having the bus drive by a short distance away, so a photograph was possible through a window, but just when the visitor prepared to aim his camera the bus accelerated and the guide ignored pleas to have the driver stop.

Another visitor found a nail in his shoe and sought help from the hotel staff. He was told to go to a shoe store and did, only to find it was closed.

He asked for the hotel porter. He was off. The mechanic? Off, too.

Could the visitor borrow the mechanic's hammer? There was none.

Then the visitor happened to mention he had arranged a meeting with a top government official in Moscow on only 10 minutes' notice.

In two minutes the nonexistent hammer appeared, magically.

The itinerary of visiting groups is closely managed by Intourist in Moscow.

If a group wants to go to the opera, or ballet or circus in a particular city its desires are subordinated to Moscow scheduling, regardless of how small the group is.

For large tourist bodies this is understandable, since travel plans must be accommodated to the seating capacities of the various theaters, but small groups can always be managed, especially with some advance notice.

Intourist's whim occasionally is not to accommodate them.

Most Soviet theatrical houses have buffet floors where the audience can buy something to eat and drink between acts.

The Leningrad circus offers beer and ice cream, but the Palace of Congresses, where opera is seen in Moscow, has a huge room with counters for sandwiches, champagne, beer and ice cream, among other items, and several locations for each product.

The buffet is on the top floor, and at the end of each act there is a stampede for the escalators that makes the New York City subway at rush hour look like a casual stroll through an empty football stadium.

The Russian people are accessible, but few would want to venture frank social and political views to an American visitor, especially outside the citizen's home.

Russians will come up and chat in a marketplace, wondering how the outsider likes the country, and, occasionally, at a private party, a young Russian may risk expression of a frustrated desire to escape, to go to the United States, and asks how help could be obtained to meet this goal.

That clashes hard with the picture of freedom and opportunity that is painted for the visiting westerner, with churches where religious services are regularly held, being repeatedly pointed out.

And there was the young woman from Portland, Ore., who had just visited her uncle and his family in Riga. Latvia, eight people jammed into a three-room apartment, needing individual permission to travel from one city to another.

The uncle, a doctor, makes about $168 a month.

The younng woman was not on a guided tour and was advised not to stay at a private home, but to go to a hotel, and authorities wanted to know which one.

She checked a small hotel in Riga. If she had been a member of a tour group that would have been one thing.

But, since she was alone, the price was $120 a night.

She stayed with her family, anyway.

Despite innovations such as pedestrian tunnels under broad Moscow streets to bypass the traffic, despite modern split-second subway operations, despite the flood of American, English, French, Japanese and West German tourists that fills the Intourist buses and makes some hotel fronts look like overgrown parking lots, despite the more

colorful and western-oriented Soviet clothing, the impression overall is still one of monolithic order.

The huge party slogan signs, the massive statues and memorials are a constant reminder that, for all of the country's varied and fascinating history, the present is single-minded and narrow.

It is not a matter of bugging a hotel room.

But a book that describes the system objectively and, as a result, raises questions about its basic tenets, is confiscated as soon as a visitor arrives.

That, more than anything else, is a commentary on the Soviet Union.●

VOTING RECORD

HON. THOMAS S. FOLEY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. FOLEY. Mr. Speaker, I hereby submit a compilation of my voting record for the first 2 months of the 2d session of the 95th Congress:

VOTING RECORD

1. HR 2329. Fish and Wildlife Administration. Weiss (D N.Y.) amendment to delete language allowing warrantless searches and seizures and to substitute language permitting such actions by enforcing officers when there were reasonable grounds to believe that a person had committed or was attempting to commit an offense in the officers' presence or view. Adopted 215–131: Jan. 19, 1978. Yes.

2. HR 2329. Fish and Wildlife Administration. Passage of the bill to improve the enforcement of fish and wildlife laws by consolidating authority scattered in different statutes and expanding other authority. Passed 292–59: Jan. 19, 1978. Yes.

3. HR 9165. George C. Marshall Statue. Fascell (D Fla.) motion to suspend the rules and pass the bill to authorize $10,000 for the Secretary of State to acquire a statue or bust of the late Secretary of State George C. Marshall (1947–49), to be displayed in the State Department. Motion agreed to 351–22: January 19, 1978. Yes.

4. HR 8771. Civil Service Retirement System. Spellman (D Md.) motion to suspend the rules and pass the bill to authorize the Civil Service Commission to comply with the terms of state court orders or property settlements in connection with the divorce or legal separation of a Civil Service employee. Motion agreed to 369–7: Jan. 23, 1978. Yes.

5. HR 9471. Japanese-Americans' Retirement Credit. Spellman (D Md.) motion to suspend the rules and pass the bill to provide Civil Service retirement credit for certain federal employees of Japanese-American descent who were interned in relocation camps during World War II. Motion agreed to 366–12: Jan. 23, 1978. Yes.

6. HR 9169. Fishing Vessel Loan Guarantees. Murphy (D N.Y.) motion to suspend the rules and pass the bill to amend the Merchant Marine Act to increase permissible federal loan guarantees for financing construction or rehabilitation of commercial fishing vessels to 87½ per cent from 75 per cent of the cost of the vessel. Motion agreed to 309–68: Jan. 23 1978. Yes.

7. HR 8811. Tax Court Retirement System. Ullman (D Ore.) motion to suspend the rules and pass the bill to amend the Internal Revenue Code to enable Tax Court judges to revoke their participation in the Tax Court retirement system so they might return to the Civil Service System. Motion agreed to 399–1: Jan. 24, 1978. Yes.

8. HR 7662. Administrative Conference. Danielson (D Calif.) motion to suspend the rules and pass the bill to authorize $6 million for fiscal 1979–81 for the operations of the Administrative Conference to study administrative procedures and make recommendations to improve efficiency. Motion agreed to 292–103: Jan. 24, 1978. Yes.

9. S 1585. Child Pornography. Adoption of the conference report on the bill to prohibit the use of children under 16 in explicit sexual conduct for production of material for interstate or foreign commerce, the sale for distribution of such material whether or not obscene, and the interstate transportation of children under 18 for prostitution or live sex shows, and to increase the penalties for distribution of obscene material depicting children. Adopted 401–0: Jan. 24, 1978. Yes

10. HR 1614. Cuter Continental Shelf. Adoption of the rule (H Res 964) providing for House floor consideration of a bill (HR 1614) to amend the Outer Continental Shelf Lands Act of 1953 to provide alternative bidding systems, grants to affected coastal states and environmental controls in federal leasing of offshore oil and gas reserves to private developers. Adopted 247–158: Jan. 25, 1978. Yes

11. HR 1614. Outer Continental Shelf. Breaux (D La.) substitute amendment to retain existing bidding systems at least 50 percent of the time, provide sharing of federal offshore revenues with coastal states and restrict government involvement in exploratory drilling. Rejected 187–211: Jan. 26, 1978. No

12. HR 1614. Outer Continental Shelf. Fish (R N.Y.) substitute amendment to limit the use of alternative bidding systems, channel revenue sharing through existing coastal zone programs and restrict government involvement in exploratory drilling. Rejected 143–229: Jan. 26, 1978. No

13. HR 5798. Office of Rail Public Counsel. Passage of the bill to authorize $1 million for fiscal 1978 for the Office of Rail Public Counsel in the Interstate Commerce Commission. Passed 318–44: Jan. 30, 1978. Yes

14. HR 5646. ConRail Insurance Payments. Passage of the bill to enable the U.S. Railway Association to loan funds to the Consolidated Rail Corporation for payment of medical and life insurance premiums for certain retired employees of currently bankrupt or reorganized railroads. Passed 314–50: Jan. 30, 1978. Yes

15. HR 9851. Air Cargo Service. Anderson (D Calif.) motion to suspend the rules and pass the bill to permit charter airlines to immediately seek certification to provide all-cargo air service under the provisions of a 1977 air cargo deregulation law (PL 95–173). Motion agreed to 403–0: Jan. 31, 1978. Yes

16. HR 1614. Outer Continental Shelf. Studds (D Mass.) amendment to delete language authorizing any federal agency to do exploratory drilling for oil or gas. Adopted 328–77: Jan. 31, 1978. No

17. HR 1614. Outer Continental Shelf. Wiggins (R Calif.) amendment to replace the bill's formula for determining federal compensation to a lessee on the Outer Continental Shelf for losses incurred if the lease were cancelled with the statement that cancellation should not foreclose any claim for compensation as required by the Constitution or other law. Adopted 208–194: Jan. 31, 1978. No

18. HR 1614. Outer Continental Shelf. Brown (R Ohio) substitute amendment, to the Treen (R La.) amendment, to require use of alternative bidding systems in at least 10 per cent and not more than 30 per cent of lease sales for five years. (The Treen amendment would have removed the requirement for use of alternative bidding in 50 per cent of leases.) Rejected 196–207: Jan. 31, 1978. Yes.

19. HR 1614. Outer Continental Shelf. Emery (R Maine) substitute amendment, to the Treen (R La.) amendment, to require use of alternative bidding in at least 20 per cent and not more than 50 per cent of lease sales. Adopted 219–188: Jan. 31, 1978. Yes

20. HR 8200. Bankruptcy Law Revision Edwards (D Calif.) motion that the House resolve itself into the Committee of the Whole to consider the bill to establish a uniform modern bankruptcy law; to provide consumers with more adequate relief under the bankruptcy laws; and to create a separate federal bankruptcy court system. Motion agreed to 405–4: Feb. 1, 1978. Yes

21. HR 8200. Bankruptcy Law Revision. Danielson (D Calif.) substitute amendment for the bill to retain the existing court structure for dealing with bankruptcies, expand the jurisdiction of bankruptcy courts and lengthen the term of bankruptcy judges from six to 15 years. Rejected 146–262: Feb. 2, 1978. No

22. HR 1614. Outer Continental Shelf. Dodd (D Conn.) amendment to authorize the Attorney General and the Federal Trade Commission to conduct antitrust investigations of any proposed lease. Adopted 241–162: Feb. 1, 1978. Yes

23. HR 1614. Outer Continental Shelf. Miller (D Calif.) amendment to delete the provision requiring that tracts sold by alternative bidding systems be randomly selected. Adopted 225–174: Feb. 1, 1978. Yes

24. Procedural Motion. Brademas (D Ind.) motion to approve the House *Journal* of Wednesday, Feb. 1, 1978. Motion agreed to 368–21: Feb. 2, 1978. Yes

25. HR. 1614. Outer Continental Shelf. Whalen (R. Ohio) substitute amendment, to the Murphy (D N.Y.) amendment to delete the section in the bill requiring that U.S. nationals be hired, if available, for OCS-related jobs. Rejected 118–280: Feb. 2, 1978. Yes

26. HR 1614. Outer Continental Shelf. Murphy (D N.Y.) amendment to require that U.S.-built equipment and nationals be used in offshore activities. Rejected 201–208: Feb. 2, 1978. No.

27. HR 1614. Outer Continental Shelf. Hughes (R N.J.) amendment to provide that 20 per cent of federal OCS revenues, up to $200 million annually, be shared with coastal states. Adopted 279–120: Feb. 2, 1978. Yes

28. HR 1614. Outer Continental Shelf. Treen (R La.) amendment to delete the requirement that states have a federally approved coastal zone management plan in order to be eligible for the OCS revenue sharing. Rejected 159–230: Feb. 2, 1978. No

29. HR 1614. Outer Continental Shelf. Passage of the bill to amend the 1953 law governing oil and gas exploration on the Outer Continental Shelf by improving environmental controls, increasing state participation in federal leasing decisions, sharing federal revenues from leases with coastal states and broadening competition for lease sales by changing bidding procedures. Passed 291–91: Feb. 2, 1978. Yes

30. HR 9434. Medical Payment Ceilings. Rogers (D Fla.) motion to suspend the rules and pass the bill to raise ceilings for fiscal 1978 Medicaid payments to Puerto Rico, the Virgin Islands and Guam, to provide for cost-of-living increases in the ceilings thereafter, and to revise the matching formula for Medicaid payments to these jurisdictions. Motion agreed to 253–106: Feb. 6, 1978. Yes

31. HR 8336. Chattahoochee River National Park. Adoption of the rule (H Res 982) providing for House floor consideration of a bill (HR 8336) to establish the Chattahoochee River National Recreation Area in Georgia and authorize $73 million for the purchase of 6,300 acres of land and $500,000 in fiscal year 1979 to develop public facilities in the rec-

reation area. Adopted 323–41: Feb. 6, 1978. Yes

32. HR 6362. Timber Bids. Krebs (D Calif.) substitute, to the pending Foley (D Wash.) substitute for the bill directing the Secretary of Agriculture to require sealed bidding for national forest timber sales except where he determined otherwise by regulation. Rejected 136–239: Feb. 6, 1978. No

33. HR 6362. Timber Bids. Foley (D Wash.) substitute repealing a provision of the 1976 National Forest Management Act (PL 94–588) requiring sealed bids for national forest timber, allowing the Agriculture Secretary to select whatever bidding method he deemed necessary and setting certain conditions if oral bidding were chosen. Adopted 295–78: Feb. 6, 1978. Yes

34. HR 7843. Federal Judgeships. Passage of the bill to create 110 new federal district court judgeships and 35 new appeals court judgeships, and to provide that the President promulgate nonbinding procedures for the selection of new district court judges on the basis of merit. Passed 319–80: Feb. 7, 1978. Announced yes

35. HR 6805. Agency for Consumer Protection. Adoption of the rule (H Res 872) providing for House floor consideration of the bill (HR 6805) to establish an Agency for Consumer Protection. Adopted 271–138: Feb. 7, 1978. Yes

36. HR 6805. Agency for Consumer Protection. Glickman (D Kan.) substitute amendment, to the Brooks (D Texas) substitute for the bill, to establish an independent Office of Consumer Counsel within each of 23 major federal departments and agencies and a Division of Consumer Protection and Advocacy within the Justice Department. Rejected 93–313; Feb. 7, 1978. No.

37. HR 6805. Consumer Protection Agency. Brooks (D Texas) motion that the House resolve itself into the Committee of the Whole for further consideration of the bill to establish a consumer protection agency. Motion agreed to 377–25: Feb. 8, 1978. Yes

38. HR 6805. Consumer Protection Agency. Levitas (D Ga.) amendment to the Brooks (D Texas) substitute amendment (HR 9718) to require the proposed Office of Consumer Representation to give the President 30 days' advance notice of its intent to seek judicial review of an action by an independent federal regulatory agency. Rejected 195–219: Feb. 8. 1978. Yes

39. HR 6805. Consumer Protection Agency. Quayle (R Ind.) amendment, to the Brooks (D Texas) substitute amendment (incorporating the provisions of HR 9718), to delete from the bill the exemption covering certain labor proceedings before the National Labor Relations Board and the activities of the Federal Mediation and Conciliation Service. Rejected 138–274: Feb. 8, 1978. No

40. HR 6805. Consumer Protection Agency. Fenwick(R N.J.) amendment, to the Brooks (D Texas) substitute amendment, to delete from the bill the exemption covering Department of Agriculture proceedings concerning loans, price supports and the purchase of agricultural commodities, PL 480 programs, and the programs administered by the Soil Conservation Service, the Farmers Home Administration, the Rural Electrification Administration and the Federal Crop Insurance Corporation. Rejected 105–309: Feb. 8, 1978. No

41. HR 6805. Consumer Protection Agency. Passage of the bill to establish an independent Office of Consumer Representation within the Executive Branch to represent the interests of consumers before federal agencies and courts. Rejected 189–227: Feb. 8, 1978. No

42. HR 3813. Redwood National Park. Clausen (R Calif.) motion to recommit the bill to the Committee on Interior and Insular Affairs with instructions to cut back the acreage to be acquired from 48,000 to 14,000 and to delete terms providing a 30,000 acre park protection zone. Rejected 116–274: Feb. 9, 1978. Announced no

43. HR 3813. Redwood National Park. Passage of the bill providing for the immediate acquisition of 48,000 acres of privately owned timberland to be added to the existing Redwood National Park in northern California. Passed 328–60: Feb. 9, 1978. Announced yes

44. HR 3454. Endangered Wilderness Act. Adoption of the conference report adding 1.3 million acres spread through 17 acres in 10 western states to the National Wilderness Preservation System. Adopted 333–44: Feb. 9, 1978. Announced yes

45. HR 2554. Sioux Land Claims. Udall (D Ariz.) motion that the House resolve itself into the Committee of the Whole to consider the bill to enable the U.S. Court of Claims to reconsider Sioux claims against the United States' taking of 7 million acres in the Black Hills in 1877 on the merits of the case rather than on procedural technicalities. Motion agreed to 337–17: Feb. 9, 1978. Announced yes

46. HR 7843. Federal Judgeships. McClory (R Ill.) motion to instruct House conferees to insist on a provision providing for merit selection of federal district court judges to fill new positions created by the bill. Motion agreed to 321–19: Feb. 9, 1978. Announced yes

47. HR 8336. Chattahoochee River National Park. P. Burton (D Calif.) motion that the House resolve itself into the Committee of the Whole to consider the bill to establish a Chattahoochee River National Park in Atlanta, Ga. Motion agreed to 325–7: Feb. 14, 1978. Yes

48. HR 8336. Chattahoochee River National Park. Sebelius (R Kan.) amendment to create a federal/state partnership to fund acquisition of the lands and to require that the state take over the park within two and a half years. Rejected 119–230: Feb. 14, 1978. No

49. HR 8336. Chattahoochee River National Park. Passage of the bill to authorize $73 million from the Land and Water Conservation Fund to purchase 6,300 acres along the Chattahoochee River for the national park system. Passed 273–79: Feb. 14, 1978. No

50. HR 5503. Military Officer Promotions. Passage of the bill to amend the U.S. Code to standardize the officer promotion procedures within the uniformed services and to reduce the number of higher grade officers. Passed 351–7: Feb. 14, 1978. Yes

51. HR 4544. Black Lung Benefits. Adoption of the conference report on the bill to liberalize the black lung benefits program. Adopted 264–113: Feb. 15, 1978. Yes

52. HR 9370. Aquaculture Development. Passage of the bill to authorize $72 million in fiscal 1979–81 for the Departments of Commerce, Agriculture and Interior to develop and implement programs to increase the production of aquatic species, such as shellfish and plants, for food, and also to establish a disaster loan program. Passed 234–130: Feb. 15, 1978. No

53. HR 10979. Emergency Highway and Transportation Repair. Howard, D-N.J., motion to suspend the rules and pass the bill to authorize $250 million from the Highway Trust Fund to reimburse the states for 100 percent of the cost of repairing weather-related damage to highways and the surface rails of urban mass transportation systems. Motion agreed to 274–137. Feb. 21, 1978. Yes.

54. HJ Res. 649. Arts and Humanities Conferences. Brademas, D-Ind., motion to suspend the rules and pass the joint resolution to appropriate the necessary funds for the President to hold White House Conferences on the Arts and Humanities in calendar year 1979 and to establish 15-member National Conference Planning Councils on the Arts and on the Humanities. Passed 341–65. Feb. 21, 1978. Yes.

55. HR 10569. Alcohol and Drug Abuse Education. Brademas, D-Ind., motion to suspend the rules and pass the bill to amend the 1970 Alcohol and Drug Abuse Education Act and authorize $67.6 million for fiscal 1979–83 to provide grants to state and local education agencies, through the U.S. Office of Education, to establish training programs for local educators to prevent drug and alcohol abuse by youths. Motion agreed to 409–0. Feb. 21, 1978. Yes.

56. HR 10606. Hubert H. Humphrey Institute. Ford, D-Mich., motion to suspend the rules and pass the bill to authorize $5 million for the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota-Twin Cities to honor the late Sen. Humphrey, D-Minn. Motion agreed to 356–53. Feb. 21, 1978. Yes.

57. HR 9375. Fiscal 1978 Supplemental Appropriations. Lloyd, D-Calif., motion to table the Mahon, D-Texas, motion that the House recede and concur in the Senate amendment, to the bill, rescinding funds for the production of the B–1 bomber. Rejected 172–244. Feb. 22, 1978. No.

58. HR 9375. Fiscal 1978 Supplemental Appropriations. Mahon, D-Texas, motion that the House recede and concur in the Senate amendment, to the bill, rescinding $462 million appropriated in fiscal 1977 for the Defense Department for production of three B–1 bombers. Motion agreed to 234–182 Feb. 22, 1978. Yes.

59. HR 9214. International Monetary Fund. Adoption of the rule (H. Res. 990) providing for House floor consideration of the bill to authorize the United States to loan up to $1.8 billion to the Supplementary Financing Facility of the International Monetary Fund. Adopted 386–15 Feb. 22, 1978. Yes.

60. HR 9214. International Monetary Fund. Neal, D-N.C., amendment to limit the salary of the U.S. executive director to the new IMF facility to $50,000. Adopted 253–141 Feb. 23, 1978. Yes.

61. HR 9214. International Monetary Fund. Passage of the bill to allow the United States to participate in a new $10 billion IMF (Witteveen) facility to make loans to nations with large balance-of-payments deficits, and set the U.S. share at $1.8 billion. Passed 267–125 Feb. 23, 1978. Yes.

62. HR 9179. Overseas Private Investment Corporation. Crane, R-Ill., amendment to prohibit the Overseas Private Investment Corporation (OPIC) from making any loans to or guaranteeing or insuring any borrowings of the National Finance Corporation of Panama unless such loans or guarantees were first approved by the House. Rejected 166–199 Feb. 23, 1978. No.

63. HR 9179. Overseas Private Investment Corporation. Moore, R-La., amendment to prohibit OPIC from providing any insurance or financial support for any project to establish or expand production or processing of palm oil, sugar, or citrus crops for export. Adopted 191–167 Feb. 23, 1978. No.

64. HR 9179. Overseas Private Investment Corporation. Passage of the bill to extend through Sept. 30, 1980, the operating authority of OPIC and repeal a requirement that OPIC transfer all its loan insurance operations to private financial institutions by Dec. 31, 1980. Passed 191–165 Feb. 23, 1978. Yes.

65. HR 9757. Grazing Fee Moratorium. Adoption of the rule (H Res 1024) providing for House floor consideration of the bill to delay for one year any increases in grazing

fees on public lands. Adopted 302–1 Feb. 24, 1978. Yes.

66. HR 3377. Wichita Indian Land Claims. Adoption of the rule (H Res 1030) providing for House floor consideration of the bill to enable the Wichita Tribe of Oklahoma to file land claims with the Indian Claims Commission. Adopted 295–6 Feb. 24, 1978. Yes.

67. HR 9757. Grazing Fee Moratorium. Passage of the bill to prohibit the Secretaries of Interior and Agriculture from raising, for one year, grazing fees on public lands to allow Congress to study the impact of the increase, which was scheduled to take effect March 1, 1978. Passed 257–47. Feb. 24, 1978. Yes.

68. HR 3377. Wichita Indian Land Claims. Roncalio, D-Wyo., substitute amendment to the bill. Adopted 293–1. Feb. 24, 1978. Yes.

69. HR 3377. Wichita Indian Land Claims. Passage of the bill, as amended by Roncalio, D-Wyo., to waive the Indian Claims Commission Act statute of limitations to enable the Wichita, Keechi, Tawakonie and Waco tribes to file land claims with the Indian Claims Commission or the U.S. Court of Claims. Passed 226–68. Feb. 24, 1978. No.

70. H Con Res 464. District of Columbia Initiative and Referendum. Adoption of the concurrent resolution to approve the action of the District of Columbia Council amending the District of Columbia Charter to allow D.C. voters to initiate laws and to disapprove council acts by referendum. Adopted 321–24. Feb. 27, 1978. Yes.

71. H Con Res 471. Recall of D.C. Elected Officials. Adoption of the concurrent resolution to approve the action of the District of Columbia Council amending the District of Columbia Charter to allow D.C. voters to recall an elected official of the District. Adopted 350–4. Feb. 27, 1978. Yes.

72. HR 9622. U.S. District Court Jurisdiction. Kastenmeier, D-Wis., motion to suspend the rules and pass the bill to abolish "diversity of citizenship" as a ground for requesting federal district court jurisdiction in most cases involving disputes between residents of different states. Motion agreed to 266–133. Feb. 28, 1977. Yes.

73. HR 3816. FTC Act Amendments. Adoption of the conference report on the bill to amend the Federal Trade Commission Act to strengthen and expedite the Federal Trade Commission's powers for enforcing its rules and subpoenas and to authorize funds for the Federal Trade Commission for fiscal years 1978–81. Rejected 146–255. Feb. 28, 1978. Yes.

74. HR 5981. American Folklife Preservation. Passage of the bill to authorize $3.1 million for fiscal 1979–81 for the American Folklife Center to preserve and present American folklife through research, documentation and presentation programs. Passed 306–80. Feb. 28, 1978. Yes.●

FEWER GOVERNMENT BOONDOGGLES

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. COLLINS of Texas. Mr. Speaker, I received a letter this morning from a fine lady down in Texas. She raised the question about the special caps that they put on medicine.

I have often wondered the same thing about all these boondoggles that we issue standards and regulations to cover. Here is what she wrote to the Consumer Product Safety Commission:

This letter comes to you after three unsuccessful trips to the druggist enlisting his help in opening this particular type cap placed on a bottle of cough syrup.

Can anything be done about this frustrating inconvenience? I am the mother of three all of whom are now in their teens. I must admit I have never had any problems with prying hands in the medicine cabinet, but then I realize my responsibility as a parent and did not leave dangerous medicines within reach. I have never placed other toxins within easy reach either, such as bleach, polishes, etc. that could have been ingested by a small tot. This brings another question to my mind. Why haven't the cleansing agents been forced to place child proof caps on these items?

As a last request, I, as a responsible parent, would like the option to request or purchase a container of medication without the caps that are so frustrating to remove. Is this possible? ●

GOVERNMENT REGULATION: IF YOU HAVE MONEY, YOU CAN COPE

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. MAZZOLI. Mr. Speaker, I commend to the attention of my colleagues the following article which appeared in the Wall Street Journal on March 3, 1978, entitled "Chrysler Squeaks."

This article provides excellent food for thought. It parallels Chrysler Corp.'s bottom-of-the-totem-pole situation in the auto industry with the bottom-of-the-ladder situation of lower- and middle-income Americans in our society.

The large, wealthy corporations—like the wealthy individuals—can afford to comply with Government regulations. They can take care of themselves. Sometimes redtape works to their advantage. They know how to exploit the inevitable loopholes. The little guy cannot even locate the loopholes much less exploit them.

As the article points out:

As the economic squeeze of Government regulation and higher taxes gets worse, the squeaking at the bottom of the ladder intensifies. This goes for companies as well as for people.

The article follows:

CHRYSLER SQUEAKS

Here we go again. Chrysler Corporation, that bad actor, blows $43.9 million in the 4th quarter of 1977 and admits there will be more red ink this quarter. And it blames the federal government.

How typical of Chrysler. Chrysler Chairman John Riccardo cries that government regulation is killing Chrysler, that federal standards impact more heavily on his company than on General Motors or Ford, that car prices will be $1,000 higher than necessary in 1985 because of "nonsense" standards that go beyond need. "The time has come to call regulators to account," he bellyaches.

Our readers, of course, are aware that we are, 1,000% on Chrysler's side and have frequently given the company lessons in bellyaching in these columns. But why is it that Chrysler squeaks? Just ask anybody in Washington, in the bureaucracy or on Capitol Hill, and they'll tell you that sure, General Motors and Ford put up a fuss, but after the law is laid down—say on pollution or air bags or fuel standards or brake standards—they settle down like good citizens and try to comply. Only Chrysler keeps squawking, taking out advertisements that try to make the politicians and bureaucrats look bad.

How does one explain, now, that Chrysler has the black folks on its side? What has gotten into the NAACP? Now it is complaining about federal regulations being unnecessarily severe, putting in special pleas for Chrysler. Indeed, the word among liberals is that the NAACP "has gone over to Chrysler." Tsk, tsk.

This is really not a case of strange bedfellows at all, and if you think about it there is reason for this mutuality of interests. In an economic contraction, after all, the weakest and poorest are crushed the worst. Of the auto industry Big Three, Chrysler is at the bottom of the pile. Anything the federal government does to the industry in general is felt most by Chrysler, next by Ford, and least by General Motors. The rich can better survive a squeeze because they are rich.

In the population at large, this is true too of course. Blacks are the last hired and the first fired. Outright racial motives have a lot less to do with this now than a decade ago, but the fact remains that blacks as an economic class are at the bottom of the ladder. This means that in a contraction they have fewer reserves to see things through. Even if the government can provide a minimum level of sustenance, it cannot restore crushed hopes. Naturally, the blacks are the first to squeak.

It is not the rich who have the toughest time paying the costs the government is constantly imposing on the economy through higher taxes and stifling regulation. The rich have not only the financial resources to get by, but have the wit to push some of their share of the burden on the weak. As the economic squeeze gets worse, the squeaking at the bottom of the ladder intensifies. This goes for companies as well as for people.

We observed this behavior a few years back when Sen. Muskie stuck Detroit with the current ridiculously high pollution standards. Chrysler squeaked. Ford muttered. And General Motors joined forces with the feds and took out full-page ads to sing the praises of catalysts. Why not? GM had the resources not only to install the catalytic converters but also to manufacture them for everyone else. The more expensive and more pointless the government regulations become, the greater advantage GM will have in its relative ability to meet them.

So the wealthy companies, the GMs and the Exxons, tend to be the most cooperative with the government, just as wealthy individuals tend to be the most sensitive about such issues as the environment. But everyone gets saddled with the costs, and the more unreasonable they become the more reason there is for those at the bottom of the ladder to complain. Keep crying John Riccardo. A squeaky wheel is often trying to tell us something we ought to know.●

FOREIGN EARNED INCOME

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 10, 1978

● Mr. HOLLAND. Mr. Speaker, I am introducing legislation today that is de-

signed to relieve Americans working overseas from an intolerable tax burden known generally as "section 911". The purpose of this bill is to achieve equity between Americans in the private sector working abroad and our competitors, and also to restore equity between U.S. citizens in the private sector working overseas and those working at home, insofar as our tax laws apply.

On February 23 and 24 the Ways and Means Committee, of which I am a member, conducted a series of hearings on the section 911 issue. For 2 days witness after witness recited an ironic litany—the result of changes made by the Tax Reform Act of 1976 to section 911 of the Internal Revenue Code coupled with recent Tax Court rulings and IRS enforcement policies have made American nationals overseas noncompetitive. Our Nation is losing out on growing markets, particularly in the oil-rich countries. This is occurring principally because of our tax policy and it is occurring at a time when we are facing an unprecedented deficit in our Nation's balance of trade that could reach $60 billion next year if current estimates hold.

Americans overseas have survived earlier revisions in section 911. They remained abroad. They continued to expand American business around the world and, with it, our jobs and industry at home. Not one of the earlier revisions was felt by the average American at work overseas, nor was it the intent of Congress that they should feel the effects. The aim of Congress was at the wealthy with very high incomes—typically movie stars—who were abusing section 911 by claiming residency abroad in order to escape income taxes at home. Congress moved to stop those abuses.

The unlimited exclusion on foreign earned income was limited to $20,000 in 1953. A typical annual salary for all Americans abroad was then about $8,160. Further revisions were made in 1962 and 1964. The effect was to establish an exclusion higher than $20,000 after the first 3 years of actual residence abroad. The average salary was then about $11,000 per year. So none of the revisions had any impact on the typical American, whose earnings overseas were far below the exclusion limits. In fact, all but a few senior American executives overseas had earnings under the limit. The story in 1976 was far different.

Inflation between 1953 and 1976 was about 126 percent. An exclusion of $20,000 in 1976 was the equivalent of an exclusion only $8,800 in 1953. Had we maintained the intent of the $20,000 exclusion in 1953, the exclusion would be $45,200 in 1977. But, despite the effect of inflation, the exclusion was reduced to $15,000 in 1976. Further, Congress required that the American taxpayer overseas include the amount of the exclusion in the total salary for purposes of computing the income tax bracket. The effect is virtually to nullify the incentive.

The average American working abroad is feeling the impacts of revisions in section 911 for the first time. The impact is severe. It hits: Engineers, architects, and constructors who specify American products, material, and equipment (which, alone, accounts for at least $4 billion a year in exports and 400,000 jobs at home); managers who generate greater productivity and increase the demand for American goods and services; technical consultants and economists who help set standards and provide direction that leads to the purchase of American products; educators who greatly influence the shaping of ideas and principles that will guide future policies in the oil-rich nations and in the emerging nations, and may prevent imbalanced policies that could lead to a global depression or produce new inflationary pressures; communications and electronic specialists who specify American computers, telecommunications, and telephone equipment and other electronic devices; bankers who aid the flow of funds, especially petrodollars, to American industry for investment in the United States; doctors and medical paraprofessionals who combat often rare diseases, who bring new standards of hygiene to the emerging nations, and who introduce American medical equipment, supplies, and pharmaceuticals overseas; writers, media people, artists, and creative people who carry our concept abroad and provide us better understanding of the course of our world. Almost every walk of American life is represented by our nationals in the private sector around the world. And, they all feel the severe impact of the reduction in the exclusion.

The 1976 revisions in section 911 are a disaster for all Americans in another way. Not only are the incentives for work overseas all but removed, severe tax penalties are imposed on Americans who are working overseas to help generate business and jobs for Americans at home. The result is devastating. In many cases, an American overseas must pay more in taxes than he or she earns in salary.

The problem is that services and amenities provided by the various levels of government, and for which the taxpayer pays at home, are not available without extraordinary added costs overseas, if they can be made available at all. And costs are far more inflated almost everywhere abroad. They can be between 50 percent and 300 percent higher than in the United States. Add to that the burden of frequent separations from family and friends and the many hardships and hazards often endured. American employers must provide a reasonable level of similar services and benefits provided at home—but not overseas—by the various levels of government in return for taxes. Generally, those employer reimbursements to Americans overseas to compensate for often staggering differentials in housing costs, schooling costs, costs of living, relocation expenses, home leave travel expenses, and certain other expenses may easily run between $50,000 to $70,000 over and above an actual average salary of about $22.000. Those added sums, from which the American employee overseas derives no financial benefit, must now under recent interpretations of the tax code be added to individual income for purposes of calculating income taxes.

What is happening? Americans are coming home. They are coming home in growing numbers and at a faster rate. They can no longer compete as they once did. They are no longer as welcome as they once were.

A major American engineering and construction firm reports the recent resignation of 58 American engineers from overseas assignments. They are being replaced by engineers from other countries. Another 78 positions that were to have been filled by Americans have had to be filled by third-country nationals. And the firm has had to limit recruiting for 300 more jobs for the coming year to nations other than the United States.

A leading American architectural firm with over 50 percent of its work abroad, reports a growing number of American resignations on projects in the Middle East and Indonesia. It is currently unable to meet its contract to provide a senior American architect to supervise a major project in Indonesia.

An American director of training for the International Institute of Tropical Agriculture in Ibandan, Nigeria reports severe problems, despite AID title XII, in retaining and attracting badly needed Americans trained in American farming and agricultural methods to assist developing nations in Africa to increase their food production.

The University of Petroleum and Minerals in Dhahran, Saudi Arabia—a vital American link to the Middle East oil policies—reports a decline in American faculty and staff from 83 percent of the total. An American has been assigned the task to recruit faculty and staff from nations other than the United States. The dilemma is that foreign customers contract with American firms to get American skills and materials. They do not hire American firms to get the services of foreign nationals. Neither are they prepared to pay the rapidly increasing cost premium imposed on Americans by current tax policies. In many cases, they can get three nationals of almost equally excellent technical ability for the cost of one American.

The results is that the major competing industrial nations—none of which impose taxes on their nationals abroad and many of which subsidize their nationals overseas—are rapidly getting a growing share of the international market.

That means our share is declining. It means fewer Americans to specify American products and equipment, reduced sales of American supplies, equipment and maintenance parts in the booming international market forecast for the years ahead, less demand for American professionals and skills in a vast range of fields

The bottom line is deficit. It all adds up to a loss of many jobs now in our domestic economy and fewer new jobs later.

The issue before Congress goes well beyond questions of tax policies, though tax policies can decide the issue. At is-

sue are complex questions: Are we prepared to accept balance of trade deficits as a matter of policy? Do we intend to lower our sights for economic growth and the creation of new jobs for our people? Do we wish to retreat from our international role and reduce our global standing and influence?

At stake is our share of worldwide trade that exceeded $875 billion among all free nations in 1976 and that has been expanding at an average annual rate of more than 17 percent since 1950. At stake is a foreign market that, by fiscal year 1974, accounted for: More than 12 percent of the goods and services produced by our country; an added $70 billion to our Nation's economic activity; more than $10 billion in export profits; and well over $5 billion in Federal taxes on corporate profits and on personal income attributable to exports.

If it is the intent of Congress to encourage foreign commerce by Americans, as was the original intent, the current section 911 is exactly counter to that intent. Section 911 can be made fair and realistic. It is in the national interest to provide an exclusion to reduce the competitive tax advantage maintained by our international competitors and to encourage Americans to accept the rigors of overseas assignments in the interests of our domestic economy. Additionally, cost reimbursements made by the employer to an American employee from which that employee derives no monetary gain should also be excluded. Specific categories that need special attention by Congress include housing costs, schooling costs, cost-of-living adjustments, relocation expenses, home leave travel expenses, and any additional expenditures made by the employer to keep the employee "whole" overseas.

A technical explanation of the legislation follows:

TECHNICAL EXPLANATION

SUMMARY OF THE BILL

The principal effects of this bill would be:

(i) to restore the level of the earned income exclusion allowed by Internal Revenue Code ("Code") section 911 to its pre-1976 status and to provide for "indexing" of the excludable amounts by reference to civil service salaries;

(ii) to allow a series of deductions from earned income to individuals working abroad in recognition of the extraordinary nature of some of their expenses;

(iii) to adjust the time and dollar limitations on deductible moving expenses in connection with foreign moves; and

(iv) to authorize a special exclusion from income for the value of camp-style meals and lodging furnished in connection with construction projects, natural resource exploration and development, or the installation, maintenance or operation of export property.

DETAILED EXPLANATION

Section 1

Section 1 of the bill makes a number of amendments to Code section 911, relating to earned income from sources without the United States. Prior to the Tax Reform Act of 1976, section 911 authorized a taxpayer who was a bona fide resident of a foreign country or who was present in a foreign country or countries for 17 out of 18 consecutive months to exclude $20,000 per year of earned income from his gross income for tax purposes. The amount excludable was increased to $25,000 in the case of bona fide foreign residence for more than three consecutive years. The Tax Reform Act of 1976 reduced the amount of the exclusion to $15,000 in all cases (other than employees of charitable organizations), required the tax benefit of the exclusion to be computed at the taxpayer's bottom rates, disallowed foreign tax credits attributable to the amount excluded, and imposed certain other restrictions.

The present bill would make the following changes in section 911:

(a) All resident aliens who otherwise qualified for the section 911 exclusion would be entitled to its benefit (subsection 1(a) of the bill). Under present law, only those resident aliens who are citizens of countries with which the United States has a tax treaty containing a non-discrimination clause are entitled to the benefits of section 911. See Rev. Rul. 72-330, 1972-2 CB 444, amplified by Rev. Rul. 72-598, 1972-2 CB 451. This will correct an unwarranted discrimination between similarly situated resident aliens.

(b) Foreign tax credits attributable to the amounts excluded from income would no longer be automatically disallowed, and moving expense deductions and the foreign-source income related expense deduction provided by section 3 of the bill would not be apportioned to the excluded income and disallowed in part (subsection 1(b) of the bill). The disallowance under present law simply has the effect of reducing the net value of the exclusion and thereby reducing its effectiveness in minimizing the competitive disadvantage suffered by employers of U.S. citizens and resident aliens in foreign markets.

(c) The $20,000 (or $25,000) exclusion as in effect under prior law would be restored, and the amounts of these exclusions would be adjusted for inflation in future years by reference to salary increases for an employee of the United States in Step 1 of Grade GS-12 (section 1(c) of the bill). In most cases, an exclusion of this magnitude, coupled with the deductions created by section 3 of the bill, will prevent the U.S. tax from exceeding the foreign tax to which the typical middle-level employee in a foreign jurisdiction would be subject. This will substantially reduce the competitive disadvantage now suffered by employers of U.S. taxpayers abroad in comparison to employers of expatriate employees who are citizens of other countries and who pay no tax to their countries of origin. At the same time, the amount of the exclusion is low enough that it will not provide undue benefits to high-income taxpayers. The indexing of the exclusion will prevent its beneficial effect from being dissipated by inflation.

(d) The benefits of section 911 will not be denied where earned income is received outside the country where the services were performed because "one of the purposes" of the payment arrangement is the avoidance of foreign taxes (section (d) of the bill). This limitation is unworkably broad in light of the many ordinary business reasons for which payments of compensation are made outside the country in which services are performed.

(e) The benefit of the $20,000 (or $25,000) exclusion will be computed at the taxpayer's marginal tax rates, not at the bottom rates (section 1(e) of the bill). This method of computation is necessary for the reasons specified in paragraph (c) above.

(f) The application of section 911, as amended, will no longer be elective, since it is unlikely that its application would ever be detrimental to a taxpayer (section 1(e) of the bill).

Section 2

Section 2 of the bill will add a new section 85 to the Code, specifically requiring a taxpayer to include in income (a) any reimbursements received for foreign-source income related expenses and (b) the market value on the local market of any goods or services of such type provided in kind. This provision is modeled on Code section 82, which requires inclusion in income of reimbursements of moving expenses.

Section 3

Section 3 of the bill adds a new section 221 to the Internal Revenue Code, allowing a series of deductions from the gross income of an individual whose principal place of work is located outside the United States. The deductions are intended to adjust for some of the extraordinary living costs faced by U.S. taxpayers abroad, particularly those living in "boom" economies (as in the case of rapidly-developing nations) or in hardship locations.

Subsection (a) of Code section 221 would allow the special deductions if the individual's "principal place of work" is located outside the United States. Under existing case law, the location of an individual's principal place of work determines whether he is "away from home" for the purpose of deducting travel expenses under Code section 162. It is intended that the section 221 deductions would be allowable whenever an individual's assignment abroad is or becomes sufficiently permanent that he is not permitted to deduct his meal and lodging expenses as travel expenses.

Under subsection (b), the sum of the section 221 deductions could not exceed the amount by which the individual's earned income from foreign sources exceeds his section 911 exclusion. Thus the section 911 exclusion and the section 221 deductions could not be combined so as to shelter either domestic earned income or any passive income, regardless of source.

Subsection (c) of Code section 221 lists the specific deductible items:

(a) Cost-of-living differential. A deduction would be allowed for the excess costs (other than housing and schooling costs) of maintaining a household in the individual's foreign place of work over the comparable costs in the United States. The Secretary of the Treasury is directed to publish annual tables establishing the cost-of-living differentials throughout the world. These tables, which would state the difference as a percentage or earned income for each country, would take into account the comparable State Department indices. The cost-of-living differential deduction would be denied for any period during the taxable year during which the individual received tax-free meals and lodging from his employer, since an individual receiving those benefits is much less subject to excess local costs.

(b) Housing expenses. A deduction would be allowed to the extent that an individual's housing expenses exceed 16⅔% of his base pay (determined by reference to his base pay for qualified deferred compensation plan purposes). In cases in which base pay cannot be determined by reference to a qualified plan, the "floor" would be 10% of earned income. The floor is intended to insure that housing costs will be deductible only in "boom" or other extraordinary circumstances in which the foreign housing cost exceeds the percentage of income which an individual resident in the United States typically would spend for housing. However, there would be no "floor" on the deduction of the foreign housing costs incurred at the principal place of work if the individual is required to maintain a second household away from the principal place of work because of dangerous, unhealthful or adverse living conditions at the principal place of work, or for his employer's convenience. However, no housing expense deduction is allowed under section 221 for any period during which the taxpayer is entitled to exclude the value of his hous-

ing from gross income under section 119. Furthermore, no deduction is allowable to the extent that the housing expenses are lavish and extravagant in the circumstances

(c) Schooling expenses. A deduction would be allowed for the reasonable costs of tuition, fees, books and local transportation for the purpose of educating the individual's dependents through the secondary level (the level through which education is generally provided at public expense in the United States). In addition, if an adequate U.S.-type school is not available within a reasonable commuting distance of the individual's principal place of work, a deduction would also be allowed for the expenses of room, board and reasonable transportation between the principal place of work and the location of the school.

(d) Home leave travel expenses. A deduction would be allowed for the cost of round-trip travel once each year between the individual's foreign place of work and the United States. If the individual is an employee, the deduction would be limited to the cost of travel to the place in the U.S. which his employer approves.

(e) Hardship post travel expenses. A deduction would be allowed for the cost of "R & R" travel provided by an individual's employer because of the individual's assignment at a location which has adverse living conditions or is remote or isolated. It is not intended that any location in Western Europe would qualify as a hardship post.

Section 4

Section 4 of the bill liberalizes the moving expense deduction for foreign moves in several important respects.

First, the time period during which a deduction is allowed for the costs of meals and lodging while the taxpayer is occupying temporary quarters at the new principal place of work is increased from 30 days to 90 days, and the combined limitation for house-hunting expenses and temporary living expenses at the new place of work would be increased from $1,500 to $4,500 in the case of a foreign move. These changes reflect the increased complexity of a foreign move.

Second, the term "moving expenses" will include the cost of moving and storing household goods for the duration of the foreign assignment. This change reflects the fact that many foreign assignments are of limited duration, and in light of high overseas shipping costs it is frequently more economical to store household goods in the United States than to move them to the new place of work.

Third, the requirement that the move be in connection with the commencement of work at a new principal place of work and the 39-week employment test are waived in the case of an individual returning to the United States to enter retirement and in the case of the family of a deceased taxpayer returning to the United States within six months of the taxpayer's death. This change also reflects the limited nature of most foreign assignments.

For these purposes, the term "foreign move" will include moves to and from a foreign assignment.

Section 5

Section 5 of the bill makes some technical changes to Code section 119, relating to meals and lodging furnished for the employer's convenience, and adds a new class of excludable meals and lodging: foreign camp-style meals and lodging.

The technical changes are:

1. It is made clear that meals or lodging furnished to the spouse and dependents of an employee as well as the meals or lodging furnished to the employee himself are excludable from income if the conditions of section 119 are met. This change would conform the statute to the apparent existing interpretation. Rev. Rul. 60-348, 1960-2 C.B. 41, withdrawing Rev. Rul. 59-409, 1959-2 C.B. 48.

2. The requirement that the meals or lodging be furnished "by his [the taxpayer's] employer" would be changed to a requirement that they be furnished "pursuant to his employment." This change would cover the case where the employer's client directs that the employer house his personnel in a camp or compound owned by the client. This situation occurs with some regularity in the construction business.

Section 5 of the bill also adds a new subsection (b) to section 119, providing that foreign meals and lodging can be excluded either under the general rule of section 119 or if such foreign meals and lodging are "camp-style". Camp-style meals are defined as those furnished in a common area not available to the public serving 10 or more individuals to an employee who is also furnished excludable lodging. Lodging is considered camp-style if either (a) the employee is required by the employer to share his living quarters with one or more unrelated co-employees, or (b) the lodging is furnished in a common area which is not available to the public and which normally accommodates 10 or more employees, in connection with construction projects, natural resource exploration or development, or the installation, maintenance or operation of export property (within the meaning of the DISC provisions).

Section 6

Section 6 of the bill makes several miscellaneous amendments relating to employment taxes and gain from the disposition of a personal residence.

Subsections (a), (b) and (c) exclude reimbursements of foreign-source income related expenses from the term "wages" for FICA, FUTA and income tax withholding purposes to the extent that the employer reasonably believes that a corresponding deduction will be allowed under Code section 221. A similar exclusion would be available for meals and lodging believed to be exempt under section 119. Subsection (c) would also continue the exclusion from income tax withholding (but not FICA or FUTA) which now applies to wages expected to qualify for the section 911 exclusion.

Subsection (d) of section 6 would authorize the Treasury to require a taxpayer claiming a deduction under section 221 (relating to foreign-source income related expenses) to file his federal income tax return with the Director of International Operations.

Under subsection (e) of section 6 the running of the 18-month period prescribed in Code section 1034 for reinvestment of the proceeds of the sale of a taxpayer's principal residence would be tolled while the taxpayer has his principal place of work outside the United States. However, the period for reinvestment as extended could not exceed 4 years from the date of sale of the old residence. This provision is substantially similar to the existing subsection (h) of section 1034 dealing with members of the United States Armed Forces on extended active duty.

Section 7

On the assumption that the effective date of the 1976 Tax Reform Act amendments to Code section 911 will be deferred through 1977, section 7 of the bill specifies that the amendments contained therein shall be effective for tax years beginning after December 31, 1977.●

SENATE—*Monday, March 13, 1978*

(Legislative day of Monday, February 6, 1978)

The Senate met at 11 a.m., on the expiration of the recess, in executive session, and was called to order by Hon. BIRCH BAYH, a Senator from the State of Indiana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

We thank Thee, O Lord, for the Sabbaths just kept, for Thy Word proclaimed, and for sacraments celebrated in Thy house. May the truths of the temple find lodgement in our hearts and expression in our lives, so that every day becomes a holy day.

We bring to Thee our intercessions for those who suffer from privation and poverty, from disease and hunger, from injustice and from peace delayed. Lead us and all mankind to a new order of human dignity and peace with justice.

Now send us to our work, strong in spirit, alert in mind, warm in heart to do the right that needs assistance, against the wrong that needs resistance, to the future in the distance when our little realm becomes a segment of Thy higher kingdom.

We ask in the name that is above every name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 13, 1978.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BIRCH BAYH, a Senator from the State of Indiana, to perform the duties of the Chair.

JAMES O. EASTLAND,
President pro tempore.

Mr. BAYH thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

Mr. ROBERT C. BYRD addressed the Chair.

The ACTING PRESIDENT pro tempport. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, under the order entered, the leadership has no time this morning.

I ask unanimous consent, as in legislative session, that the majority and minority leaders may each have up to 3 minutes before the order for the recognition of Senators begins.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield my 3 minutes to the distinguished Senator from Connecticut.

Mr. RIBICOFF. I thank the distinguished majority leader.

TERRORISM BY THE PLO

Mr. RIBICOFF. Mr. President, this monstrous act of terrorism by the PLO must be condemned by all mankind. One of the dead, Gail Rubin, was a niece of my sister-in-law, Mrs. Belle Ribicoff. My deepest sympathy goes to Gail's family, the families of all the victims, and the people of Israel.

Hatred breeds hatred breeds hatred breeds hatred.

Peace in the Middle East hangs by a tenuous thread. It would be a tragic irony if the PLO by murdering Jews and Egyptians frustrated peace and thus prevailed. It is a heavy burden on President Carter, Prime Minister Begin, and President Sadat. They must redouble their efforts to assure that peace and decency prevail over terror and evil.

RECOGNITION OF LEADERSHIP

Mr. STEVENS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

THE UNITED STATES-UNITED KINGDOM TAX TREATY

Mr. STEVENS. Mr. President, for the past few weeks, the Senate has been preoccupied with the debate on the Panama Canal treaties. I would like to remind my colleagues, however, of another very important treaty which will soon be before us for consideration—the United States-United Kingdom Tax Treaty.

One provision of this treaty, article 9, section 4, would seriously endanger States' future revenues and set a precedent for tax treaties with other countries. Article 9(4) would prohibit States from applying the "unitary method," an audit method used to determine the income tax liability of multinational corporations operating within a particular State. This method has proved to be an effective technique for guarding against the impact of corporate practices which seek to avoid Federal and State taxes by artificially diverting income to foreign subsidiaries. Currently, 24 States apply some form of the unitary approach to tax multinational corporations. Prohibiting the use of this method will result in State revenue losses of hundreds of millions of dollars each year—revenue which will likely be made up by higher taxes on smaller, in-State businesses and individual taxpayers.

Although 24 States would be directly affected by prohibition of the unitary tax method, every State in our Nation could be hurt by this provision and every one of you should be concerned. Article 9, section 4 would set a dangerous precedent in allowing the Treasury Department to use the treaty process to bypass appropriate congressional review of tax law and to dictate tax policy to our States without their consultation.

The Foreign Relations Committee will be considering this treaty on Tuesday, March 14. I am hopeful that the committee members will find it wise to reserve article 9, section 4 and protect the right of our States to establish their own tax structure dealing with companies operating within their borders. This is an issue of importance that cannot be overstated, and, I trust, will not be overlooked.

DEEP SEABED MINING

Mr. STEVENS. Mr. President, the Senate has been considering legislation that would allow U.S. corporations to mine the resources of the deep ocean bottom. Deep seabed mining has the potential to allow U.S. corporations to mine and refine minerals which otherwise would have to be imported into the United States. These types of operations would avoid the political and economic problems associated with the importation of strategic minerals.

Deep seabed mining legislation is presently being considered by the Senate's Energy and Natural Resources Committee. When the Energy and Natural Resources Committee passes this legislation the Senate Commerce Committee will begin consideration of the various deep seabed mining bills that have been proposed by Members of the Senate. Mr. Richard A. Frank, the Administrator of the National Oceanic and Atmospheric Administration, has written an article entitled "The Promise of Deep Seabed Mining" in the Mining Congress Journal, February 1978. I ask unanimous consent that Mr. Frank's article be printed in the RECORD immediately following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PROMISE OF DEEP SEA MINING

(By Richard A. Frank)

Secretary of Commerce Juanita Kreps has stressed the need to find and foster economic development opportunities for the United States. Deep sea mineral exploitation is a case in point.

Deep seabed mineral development is entering a critical period where substantial movement could occur. But we are, it seems, in the eye of a hurricane. That is to say it is, at present, comfortable to step neither forward nor backward. If those associated with deep sea mining do carry out early operations, their investments could be jeopardized because of an ultimate international regime—if such a regime does not recognize the right to mine. If, on the other hand, those who have pioneered this field retreat, they will lose technological advantages they presently hold and much of the venture capital which has, in good faith, been put into the development of deep seabed mining.

The international community, through the Law of the Sea Conference, and both the executive and legislative parts of the United States government have been assessing whether there should be a step forward, whether we should remain in limbo or whether we should regress. Let us explore some of the factors bearing on the answer to that question.

ADVANTAGES OF DEEP SEA MINING ARE REAL

Promoters of deep sea mining have stressed the national economic interest in the United States having access to new supplies of manganese, cobalt, copper and nickel. These benefits range from the advantages of guaranteed supplies to maintaining a lower cost for basic minerals, to balance of payments, to U.S. industrial profits and to additional employment. No one questions that those advantages are real. Some dispute exists as to how important it is to realize those advantages this year as opposed to next year or the decade thereafter. But the issue, in light of the new Law of the Sea text, is not when we will have those economic advantages but, rather, whether we will have them.

OCEAN MANAGEMENT OFFICE ESTABLISHED BY NOAA

In deciding whether the U.S. government should foster deep sea mining, one could legitimately ask if such activities are a prudent use of the ocean. Land use planning has been with us for at least three decades. But, oddly enough and unfortunately, the federal government has never fashioned a comprehensive or cohesive program of ocean management.

Recently, the Secretary of Commerce announced a reorganization of National Oceanic and Atmospheric Administration (NOAA). Under that reorganization, NOAA has established an Ocean Management Office. It combines a variety of functions in NOAA into one unit, which will be a focal point for objectively assessing the impact of alternative proposals for use of ocean areas and for recommending patterns of development that will result in optimum benefit. NOAA is the primary depository in the federal government for information, technical and scientific skills, and experience to make such evaluations.

Although there is no authority for NOAA or any other federal agency to make binding ocean-use decisions in a comprehensive fashion, NOAA, through its new Ocean Management Office, will be able to articulate its careful assessments of proposed ocean developments more effectively within the government. This should have a salutary effect upon the quality and farsightedness of the government's decisions. Applying the concepts that will be used by the office of Ocean Management to deep sea mining, I would conclude that deep sea mining is a sound ocean use. It appears not to conflict in any meaningful fashion with any other ocean use—whether navigation, fishing, scientific research or other forms of mineral exploitation.

UNCERTAINTIES ARE REASON FOR CAUTION

Before deciding that it should promote deep sea mining, the United States government would want to examine the environmental consequences of this new activity. A substantial amount of research, thought and analysis has been brought to bear on the subject. NOAA has undertaken its Deep Ocean Mining Environmental Study, and members of the environmental community have participated along with industry in an assessment of the impacts—both negative and positive—of the retrieval and processing of nodules. It is my view that there is no evidence, at present, to indicate that deep sea mining and processing, properly done, would have significant adverse environmental impacts on the oceans. To the extent that there might be harmful impacts, they could probably be minimized by modest changes in equipment or procedures.

This is not to suggest that unresolved ecological problems or uncertainties do not remain. We still need to learn much more about the impact on the ocean surface of the plume created by the disposal of sediment and of the impacts that will be associated with processing. These uncertainties

are not a basis for not proceeding; they are merely a warning that technology development and exploitation must proceed hand-in-hand with continuing environmental analysis and prudent environmental regulations. Deep sea mining has given us a unique opportunity for industry, the environmental community and government to move forward with the development of technology and environmental safeguards at the same time—a collaboration which, in the end, should eliminate or minimize delay.

MULTILATERAL NEGOTIATIONS SHOULD DETERMINE OCEAN LAW

The Law of the Sea negotiations are tied indelibly to deep sea mining. Former administrations argued against passage of U.S. mining legislation on the ground that a national legislative response could adversely affect the Law of the Sea Treaty, the conclusion of which was said to be vital to U.S. interests. It remains the view of the United States government that a sound Law of the Sea treaty would best serve the broad range of U.S. oceans interests. However, President Carter has decided, in view of the disappointing results in the deep seabed negotiations of the last Law of the Sea conference session, that there is no longer any reason to delay domestic seabed mining legislation. It is time to assure that deep seabed mining will move forward with or without a new Law of the Sea treaty.

The administration believes that the legislation should be interim in nature, should contain provisions for harmonizing U.S. regulations with those of reciprocating states so as to avoid conflict; should provide for environmental protection, sound resource management, and protection of life and property at sea; should provide that seabed mining by U.S. companies produce financial benefits for the international community; should not be specific with regard to the assignment or allocation of mining sites for exploitation; should not require that processing plants be located in the U.S.; should not offer U.S. mining companies an investment guarantee against adverse effects of a treaty concluded subsequent to the passage of legislation and after expenditures by those companies; and should assure that all provisions of the legislation leave undisturbed the concept of high seas freedoms.

The most controversial points are those relating to "site specificity" and the investment guarantee. In the view of the administration, site specificity sufficient to assure security of tenure can be achieved without creating the possible misunderstanding that the United States is claiming exclusive rights to areas of the deep seabed or to particular resource deposits. Such exclusivity would violate the principle of the freedom of the high seas. The administration expects to achieve security of investment by the negotiation of grandfather rights in a future Law of the Sea treaty. As a general proposition, it would be preferable for ocean law to be determined through multilateral negotiation and collaboration, rather than through unilateral (or bilateral) actions.

Then there are more specific U.S. interests. I have examined the treaty from the point of view of fisheries, marine science and the environment, areas within NOAA's purview.

LAW OF SEA TREATY COULD IMPEDE RESEARCH

Since the United States passed the 1976 Fishery Conservation and Management Act and since the majority of coastal states now recognize the legitimacy of 200-mile zone and agree on the fisheries parameters of those zones, the significance of a treaty to our fishery interests with one exception is clearly minimized.

The exception is our interest in highly migratory species, such as tuna. The Law of the Sea treaty could provide better protection for that interest than would otherwise be available. The Law of the Sea negotiating text espouses an unfortunate principle from the point of view of science—that coastal states have control over science within the 200-mile economic zone. Such a system could well result in impediments to scientific research and the concomitant benefits to mankind that such research normally produces. It is, perhaps, true that coastal states would assert such control whether or not a Law of the Sea Treaty is negotiated. The conclusion with respect to scientific research is that the treaty is not needed unless improvements can be achieved in the negotiating text. Absent such improvements, the treaty will merely articulate an otherwise inevitable and unfortunate consequence of the development of ocean jurisprudence.

The last particular interest of NOAA is the marine environment. The treaty does pronounce certain general principles about international environmental cooperation; and if these are implemented, the treaty will have performed a useful service. On the other hand, the present text limits, in some respects, the United States in our efforts to control pollution around our shorelines. Further, the text moves in the direction of international environmental standard-setting; and multilateral standard-setting, in the past, has proven to be ineffective. From an environmental point of view, one could conclude that the treaty has positive and negative portions.

There are other aspects of the Law of the Sea Treaty, for example, relating to navigation. These are not within the primary jurisdiction of NOAA, and should be addressed by other government agencies. The treaty may well be useful or necessary from the point of view of those interests. But, from the point of view of those matters under NOAA's jurisdiction, it would be hard to say that the present text of the treaty serves those matters so well that we should forsake deep sea mining if the possibility of such a trade-off were not presented in the Law of the Sea negotiations. Such a trade-off is not contemplated by the administration.

PRESENT LAW COULD HINDER OCEAN DEVELOPMENT

One additional aspect of the drift of the Law of the Sea negotiations has been of concern to me. Developing countries, quite legitimately, contend that they should share in the rewards of deep ocean development and in any regulatory controls. Our objectives should be to create a system which would lead to technological advances, both with respect to deep sea nodule mining and exploitation activities that may take place over the long run, so that the earth's prosperity "pie" can be increased in size. I fear that the seabed authority which the present text of the Law of the Sea Treaty establishes will, in fact, lead to fewer benefits for mankind—for developed and developing countries. That text is so fraught with uncertainties and controls that incentives for invention and discovery, technological advance and the expenditure of venture capital will be dampened. The ocean's potential will be less realized, and the desires of all countries to increase standards of living will not come to fruition.

Ambassador Richardson, in testimony before the Congress last October, pointed out the numerous serious deficiencies in the deep seabed provisions of the negotiating text. He noted that the text would not give the assured access under reasonable conditions that is necessary if we and others could be expected to help finance the Enterprise and to accept a "parallel system" as a basis of compromise. The text could be read to make technology transfer by contractors a condition of access to the deep seabed. The text could be read to give the Seabed Authority the power effectively to mandate joint ventures with the Authority as a condition for access. The text fails to set clear and reasonable limits on the financial burdens to be borne by contractors, thus throwing up an obstacle perhaps sufficient to stifle seabed development.

Provision is made in the text for an artificial limit on seabed production of minerals from nodules, which is not only objectionable in principle but, also, far more stringent than would be necessary to protect land-based producers from possible adverse effects. The Seabed Authority would have extremely broad power to regulate all other mineral production from the seabed "as appropriate." The text could be read as giving the authority unacceptable new power to regulate scientific research in the deep seabed area. Minority interests in the system of governance would not adequately be protected from the abuse of power by an anomalous "majority." Distribution of benefits from seabed exploitation would be made to peoples and countries not parties to the convention. Finally, the text would seriously prejudice the likely long-term character of the international regime, by requiring that, if agreement to the contrary is not reached witin 25 years, the regime automatically be converted into a "unitary" system, ruling out direct access by contractors, except to the extent that the authority might seek their participation in joint ventures with it.

These substantive difficulties were the product of a secret negotiation which excluded developed states and thereby denied them fundamental due process. As a direct result, the prospects for successful conclusion of a new Law of the Sea treaty were greatly diminished. The United States and other developed countries cannot agree to a treaty embodying deep seabed provisions contained in the present negotiating text and will not accept denial of due process in future negotiations.

NOAA PREPARING ENVIRONMENTAL ASSESSMENT

Let me touch briefly on NOAA's program in deep sea mining. NOAA has already undertaken much of the governmental responsibility relating to deep sea mining. It has completed its deep ocean mining environmental study to establish environmental baselines at representative mining sites—a first order capability for determining initial environmental effects—and the information required to draft preliminary exploitation guidelines. We are ready to embark upon Domes II, which will involve the monitoring and evaluation of early operational systems.

Close liaison has been maintained with the industry in order to identify representative, mining sites, to quantify mining system operation parameters and to coordinate schedules for continued testing. We will continue a working relationship with all interested public segments to assure broadly acceptable results. We have also taken additional steps so that the environmental impact statement necessary before mining can take place will be comprehensive and credible—and timely. We have initiated a program to complement the Domes at-sea-analysis to study the potential environmental and socioeconomic effects of nodule processing and associated activities. This involves an examination of the oceanic and coastal zone considerations associated with marine transportation, ship terminals, onshore transportation, processing and waste disposal. We are developing an environmental assessment report as the first step in the preparation of an environmental impact statement.

Several bills before Congress have denominated the Department of Commerce or NOAA as the agency to manage and regulate deep sea mining when we have a regime. There are, no doubt, other logical choices for this responsibility. Because of the deep interest of the Secretary and the NOAA Administrator in the subject, we would look

forward to establishing and managing such a program. A further reason why NOAA, or whatever agency has a general ocean mandate, is a reasonable choice for this responsibility is that we have "one environment." The interactions within the oceans are so dependent one-on-the-other that the resource to be developed and conserved should be the "oceans." It is a government oceans agency that can best balance various ocean uses and manage them.

Should NOAA be given the government's responsibility for managing this country's deep sea mining activities, we will perform that function in an efficient and fair fashion. As an outsider, I have always been concerned about the tendency of government to delay unreasonably and the occasional unwillingness to make decisions. I can assure you that would not occur with the present Department of Commerce.

EIELSON AIR FORCE BASE MILERS

Mr. STEVENS. Mr. President, we as a nation have become more and more conscious about the merits of being physically fit. Running and jogging are increasingly popular activities to keep in shape.

The Eielson Air Force Base Milers, a 25-member club, have used this method of exercise to raise money for military and civic benefits. Since their inception 3 years ago, they have collected about $6,000 for such worthwhile causes as the Combined Federal Campaign, the 1976 Handicapped Olympics for Children, the Air Force Assistance Fund Run, and an annual 24-hour relay charity runathon.

Their achievements in this area have been reported in the February 1978 issue of Sergeants, the official publication of the Air Force Sergeants Association. I commend the Eielson AFB Milers for the excellent job they have done in performing their military duties in this regard and salute them for taking a genuine interest in the welfare of other Alaskans.

I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE EIELSON AFB MILERS

Miles of Milers' runathons. They're off and running—again. The Eielson AFB Milers is a small club of 25 members, but they are very active when it comes to running for charity. In the three years or so that the Milers have been in existence approximately $6,000 has been raised for both military and civilian benefits. Some examples of their activities are as follows:

COMBINED FEDERAL COMPAIGN

Ten Milers ran on their lunch breaks, some runners chose to run on an inside gym track while a few took to the snow packed streets in −30-degree temperatures. A total of $1,500 was collected and donated to the 1975 CFC.

1976 HANDICAPPED OLYMPICS FOR CHILDREN

The Milers' 15 runners ran a 400-mile relay from Elmendorf AFB to Eielson AFB. Total running time through some of the wildest and most beautiful country in Alaska was 47 hours and 50 minutes. Temperatures ranged from the mid 60s in Anchorage to the mid 30s at Windy Pass—just a few miles from the foot of Mt. McKinley. Rain, sleet, wind and a few wild animals were only some of the hazards encountered, but the Milers made it and raised $1,500.

AIR FORCE ASSISTANCE FUND RUN

Last April, 21 members of the Eielson Milers ran 22 miles starting at the main gate of Ft. Wainwright, in Fairbanks, to the main gate of Eielson. It happened that old man weather decided not to cooperate for this run. As the runners started out the gate at 10 a.m. a spring snow began to fall, by the time the last runner passed through the gate at Eielson approximately six or seven inches of fresh snow had covered their trail. All this for a cool $2,000 collected for the AFAF.

Bad weather is nothing new to the Eielson Milers, and most members continue running outside all winter. With no wind, temperatures can reach −40 degrees. Equivalent wind chill factor for runners averaging eight mph can drop to −65 degrees.

The Eielson Milers would like to accept the challenge of the Hickam Striders for the AFSA Challenge Trophy. The Milers have had a 24-hour relay charity runathon for the past three years and one has been planned for the 1978 season as well. All the Milers' runs have been entered in Runners World Magazine and were accomplished in accordance with AAU guidelines. The official distance covered by nine members of the Eielson Milers in 24-hours was 226 miles, 1080 yards.

If your chapter is interested in sponsoring a charity runathon to compete for the AFSA Challenge Trophy please write to Ken Mayo AFSA director of Chapter Relations at AFSA International Headquarters.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, under the standing order, the distinguished Senator from Connecticut is to be recognized this morning for 15 minutes, to be followed by the senior Senator from Tennessee for 15 minutes. I ask unanimous consent that I may at this time yield my 15 minutes to the Senator from Connecticut, to follow his initial remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Connecticut is recognized for 30 minutes, as in legislative session.

ALLEGED SOUTH KOREAN INFLUENCE BUYING SCANDAL

Mr. WEICKER. Mr. President, tomorrow the Senate Ethics Committee will continue its investigation of Korean influence peddling allegations with the questioning of Tongsun Park. I have no doubt that under the precise leadership of our colleagues Senator STEVENSON and Senator SCHMIDT, and with the highly regarded professional expertise of counsel Victor Kramer that the committee will do its job thoroughly, fairly, and well. As to the U.S. Senate, where there is unfounded gossip it will be dispelled; where there is truth it will be told. Before this year is up our own house, as it relates to this matter, will be in order—without coddling, without exceptions, without special privileges.

Now I would like to discuss a matter related to the alleged payoffs to the U.S. Congress which, at the very least, is of equal significance to the pursuit of justice applied to individual Congressmen and Senators. And I do so realize that defense of principles, concepts, and institutions is dull work compared to the profitable purveying of and joyous consumption of names and faces. Certainly in 4 short years much high principle has been forgotten while much big money has been made in naming names.

The wrong to be righted as to this known attempt to influence the U.S. Congress by a foreign government is the fact that the principal law enforcement, Federal intelligence and foreign policy entities of the U.S. Government knew every step of the way what was going on and never once said "no" by enforcing the law. The reasons for failing to bring the bribery of the U.S. Congress to the fore and to justice are, I speculate, as varied as I know they are numerous. National security, political, fear of Congress source protection, friendship, future benefit—every reason for justifying the use of ad hoc justice rather than justice under law. If facts warrant that Tongsun Park and the Government of South Korea be on trial then other facts clearly call for an accounting by certain Americans and the Government of the United States.

What are those facts? Is there some document that brings me to the above conclusion? No. Not one—rather, I have already come across 50 such documents in what is just the beginning of an investigation. They were written during a period from 1970 to 1974, though the activities they discuss go back as early as 1963.

They are communications as between the CIA and the FBI, the CIA and the State Department, the CIA and the Justice Department, the FBI and the Attorney General, the FBI and Dr. Kissinger, the State Department and the Justice Department. They are documents attesting to NSA knowledge, to NSC knowledge, to White House knowledge.

The bottom line from reading these documents, as indeed other men read them in other times, is that:

First. There was a detailed plan by the Government of South Korea to influence with money and favors, policy decisions of the Government of the United States;

Second. Plan specifics were known from the time of its inception in South Korea;

Third. The plan was tracked during its implementation;

Fourth. Bribers were known; and

Fifth. Bribees were known.

In short, unlike recent lapses in our intelligence gathering and dissemination system, everybody that should have known knew, except the public.

Excuses of source protection, national security, insufficient detail which will be given cannot stand up in the face of what was then and is now massive evidence of an attempted subversion of this Government. And indeed some personal, unsolicited advice to the present admin-

istration: you're not part of the documentation I have referred to although your party and members of your party are—the same holds true for my party and its members. But if you incorporate yesterday's derelicition of duty by inaction today, then you are equally derelict.

I remember a few years ago when many Americans chuckled at the reported information of U.S. Government money channeled through the CIA being used to influence Italian politicians and Italian elections. After all, that was an Italian problem and what, people would ask you, do you expect from Italians?

Well, Mr. President, it is now our problem and I am asking what it is we expect of ourselves.

An acceptance of corruption as a necessary part of government? Ours now along with everybody else's?

Abandonment of our system of justice under law to the individual judgments of those primarily charged with enforcing the law?

I do not want this speech to be one day's news. There has been so much of that and so little acting on what we know.

Our job is to make certain, as best we can, that that which went wrong in the past will not happen again.

That is a job belonging to all of leadership in this country—in and out of this Chamber.

If it's idealistic, then for a change let's be idealistic.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. WEICKER. I yield to the distinguished Senator from New York.

TRAGEDY IN ISRAEL

Mr. JAVITS. I thank the Senator very much for his kindness, and I hope this will be satisfactory to the Senators succeeding Senator WEICKER.

Mr. President, I sought this time to say a word about the tragedy which has just struck Israel, and the tragedy which could, if we are not careful, strike the peace negotiations between Israel and Egypt, which even now still look so promising for the world and for peace.

Mr. President, as all the world knows, the Palestine Liberation Organization has committed another terrorist atrocity of the most awful character against Israel and its people, including, as the first killed, an American who has a distant kinship indeed with one of our own Members, Senator RIBICOFF of Connecticut.

This incident was doubly fiendish because it was aimed not only at the killing of innocents but also at the killing of peace itself.

This PLO raid for which allegedly "moderate" Arab leader Yaser Arafat's own Al Fatah has acknowledged responsibility, clearly was timed to disrupt Prime Minister Begin's visit to the United States and, indeed, has caused it to be put over for a week.

It is also apparent that President Sadat's and President Carter's peace diplomacy was another prime target of the PLO gunmen. Apparently the PLO has gambled that it could so enflame Israel opinion as to provoke it into breaking off the Middle East negotiations, which have reached such a delicate stage.

In my judgment, the greatest tragedy, a tragedy even exceeding the wanton destruction of so many innocent lives, would be the fulfillment of the PLO's primary political objective, to wit, the disruption of Mideast peace negotiations.

It is for this reason that I hope very much, Mr. President, the Government of Israel will not be deterred from pursuit of its commitment to seek true peace in these ongoing negotiating efforts.

There have been hints, indeed, that the same organization is considering similar terrorist attacks against Egypt, too, in an effort to intimidate President Sadat and his government in its search for peace. I hope very much that President Sadat and Egypt, like Prime Minister Begin and Israel, will not allow themselves to be put off by PLO disruption and terror.

Also, Mr. President, this latest PLO raid underscores the seriousness of Israel's security concerns with respect to the West Bank and Gaza Strip regions from which it is being urged to withdraw.

A neighboring state ruled by murderous PLO gunmen is clearly too much to ask Israel to accept, and yet that is exactly what it may face if the present argument is decided against Israel, that is, absolute self-determination at the end of 5 years, subject, God knows, to what kind of coercion within the West Bank.

It is clear to me that a state animated by the PLO or its purposes would pose a serious security threat not only to Israel but also to its Arab neighboring States, for this organization, that is, the PLO, provoked a civil war in Jordan in 1970, and has provoked and it is still to some extent continuing an even bigger and bloodier civil war in Lebanon, which has literally been torn to pieces in 1976 and 1977; that it could do so again, given any position of control in a state of its own on the West Bank and the Gaza Strip is evident.

The Palestinian problem, which continues to be a very serious base of the Arab-Israel dispute, can only be brought under control, in my judgment, if the Arab States themselves face up to the behavior and demands of the PLO and agree to share responsibility for dealing fairly with the Palestinian refugee problem, while taking a firm stand, as Israel has done, against PLO violence, terror, and political irresponsibility.

In this latest outrage, the PLO has thrown down the gauntlet not only to Israel but to Egypt and to the United States. The question is will we permit it to succeed in its desperate bid to disrupt the Mideast peace process? Let us remember that one of the keys to Israel's position against any admission of the PLO to Geneva was its continued dedication to the destruction of Israel.

I hope very much that Prime Minister Begin, President Sadat, and President Carter will unite in a new resolve to frustrate the PLO and its murderous intent, and that moderate Arab leaders like King Hussein, and King Khalid of Saudi Arabia will throw their support behind the peace process now in a more open way as an answer to this brazen PLO challenge.

In short, Mr. President, whatever other steps may be taken to deal with terror—incidentally, our passing an adequate law and an adequate world treaty for the purpose are key elements in that process—one thing we must not let the PLO succeed in, which would be as great a success, is to disrupt and destroy the peace process which is now going on and which I have deep feeling can be successful.

I hope very much, Mr. President, and believe very deeply, that our President, as will the Congress, will use his every effort to see that the supreme design of the PLO, now that it has again exposed its hand so very clearly after posing so very long as a moderate force, will be decisively rejected, and the world will throw in the teeth of its leaders their own challenge to the peace and security of the Middle East.

I thank the Chair. Again I wish to thank Senator WEICKER for this privilege.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, are we still operating under controlled time for special orders, prior to the resumption of the debate on the Panama Canal treaties?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. GRIFFIN. While the majority leader is here, I wonder if I could ask unanimous consent to be recognized for 3 minutes to speak on another matter; and I understand other Senators here on the floor are seeking time on the matter discussed by the Senator from Connecticut.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Connecticut (Mr. WEICKER) have any time remaining?

The ACTING PRESIDENT pro tempore. Yes, the Senator has 10 minutes.

Mr. ROBERT C. BYRD. The Senator has 10 minutes remaining?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senator from Michigan have control of that 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Michigan is recognized.

S. 2728—SPORTS TV BLACKOUTS

Mr. GRIFFIN. Mr. President, today I am introducing a bill substantially similar to one passed by Congress with strong public support 5 years ago—legislation to prohibit television blackouts of sold-out professional sports events.

Unfortunately, the legislation passed 5 years ago has expired; and unless Congress acts again, it now appears that millions of fans who live in or near major-league cities across the country may face the prospect of a 1978 football season without television coverage of sold-out home games.

This is an old problem that keeps coming back to haunt sports fans. It has been remedied before by Congress; it can and should be remedied again.

Actually, the earlier law expired on December 31, 1975. Subsequently, the National Football League has abided voluntarily, on a season-by-season basis, with the spirit of the law. It has done so through the 1977 football season. However, the signals now being received raise doubts and provide no assurance whatever that the NFL will voluntarily adhere to the policy in 1978.

What is more, since December 31, 1975, there has been no TV blackout protection for fans of other professional sports—baseball, basketball, and hockey.

My bill would put an end to this uncertainty by banning TV blackouts of pro sports events whenever a contest is sold out 48 hours before game time. My new bill has no expiration date; once enacted, it would remain in effect until repealed or modified.

Over the years, owners of professional sports teams have reaped tremendous financial benefits from television by selling broadcast rights. And the networks, of course, have reaped huge profits by selling commercial slots.

CBS Television estimates that 102 million people in more than 34 million households watched at least part of Super Bowl XII in January 1978. That particular Super Bowl game was viewed by more Americans than any other program ever televised.

As a result of avid nationwide interest in pro football, the contract for the 1978–81 seasons recently signed by the NFL and the three major television networks reportedly requires the networks to pay $700 million for broadcast rights—about two and one-half times the amount paid under the 4-year contract that expired this year. Under the new TV network contract, the owners of NFL teams will each receive approximately $6 million a year.

When the networks began televising sports events in the 1950's, team owners were concerned that live television coverage of home games would cause a sharp decline in attendance. As a consequence, owners of pro football teams and teams in other professional sports refused to allow home games to be televised locally.

In 1961, the NFL attempted to enter into a league-wide contract pooling the television rights of its member clubs—but was blocked by antitrust laws. The NFL was promptly joined with pro baseball, basketball and hockey leagues to seek legislative relief, and Congress responded in 1962 by granting pro sports two exemptions from the antitrust laws.

One exemption allowed agreements to be negotiated between professional sports leagues and the television networks so that rights to televise league games could be handled as a package. The other exemption provided that such agreements could not restrict telecasts of games in any area "except within the home territory of a member club of the league on a day when such club is playing a game at home."

The NFL bylaws define "home territory" as "the surrounding territory to the extent of 75 miles in every direction from the exterior corporate limits of a home city." Generally, the NFL has applied the 75-mile standard in imposing blackouts.

By 1972, due in large measure to passage by Congress of the antitrust exemptions and development of nationwide TV coverage of professional sports events, 95 percent of all tickets available for regular NFL season games were being sold. While the percentage of tickets sold for other professional sports events has not approached that number, of course, many individual games are sold out.

Needless to say, when home games were sold out and blacked out, with no tickets available for purchase, sports fans became rather irritated. In 1971 and 1972, they began focusing and showering their irritation on Members of Congress.

In September 1972, I introduced S. 4007, which would have repealed the antitrust exemptions that were permitting local blackouts of football, baseball and hockey games. In introducing that bill, I reviewed the growth of pro football and concluded that there was "no longer any justification for granting blanket immunity from antitrust laws" and that the argument that "certain TV blackouts were absolutely essential to the survival of the National Football League (had) no substance."

Hearings were held on that and other bills to ban blackouts of games sold out 48 hours before game time. In my judgment, the testimony of Assistant Attorney General Kauper at those hearings was particularly persuasive. He said:

"Clearly the NFL has benefitted. But the question raised by S. 4010 and S. 4007 is simply whether the exemption which brought this about ought to be further conditioned to satisfy the public interest as it now exists.

"Having received such an exemption, and thereby being allowed to engage in anticompetitive conduct not permitted in other industries, the NFL can surely be required to undertake certain activities in the public interest.

"In this context, the question before this committee can be stated as follows: Is there a sufficiently strong, legitimate public interest in desire (sic) of many of our citizens to see home game telecasts which would override the interest of the league in blackouts of home games?

"I think it unlikely that the proponents of continued antitrust immunity can support the burden which they must bear to outweigh public demand.

"It appears to us that professional football is enjoying unprecedented popularity. Many NFL clubs, finding themselves in what have been described as 'natural monopoly markets,' play every season game before capacity crowds."

During the course of the hearings held in 1972 on that legislation, representatives of the NFL were asked by members of the Senate Commerce Committee to move on a voluntary basis to allow television coverage of sold-out home games.

At that point, the NFL refused—so, in 1973, Congress proceeded to pass the legislation, prohibiting blackouts of games sold out 72 hours in advance, that has become Public Law 93–107. Because of NFL concern that the law would impose severe economic damage on the league's members, Congress agreed to a 3-year expiration date, thereby establishing a trial period, with provisions requiring the Federal Communications Commission to oversee the operation of the act and to report annually on its effects.

The FCC has complied with the law—and its reports reflect that NFL teams have not suffered financially because of Public Law 93–107.

Senator JOHN PASTORE, noting those reports, introduced a bill in 1975 to extend the antiblackout law for another 3 years and to include playoff games under its provisions. However, the House passed a slightly different measure. Finally, no action was taken when the NFL publicly announced its intention to comply voluntarily with the spirit of the law during the 1975–76 season.

That brings us to where we are today. Although the NFL has abided voluntarily by the spirit of the antiblackout bill through two seasons since the earlier law expired, there is no assurance yet that the NFL will comply voluntarily in 1978. Particularly since NFL team owners are convening today in Palm Springs, Calif., for their annual meeting, I believe it may be important to let them know that Congress has not lost interest in this subject. The best response our office has been able to get so far from the NFL is that the TV blackout subject "may or may not be" taken up at the meeting which begins today.

After 5 years of experience, it should be abundantly clear that there is no justification for reverting to the old system. Professional sports are an important part of American life, and, to the extent possible, American sports fans should be able to watch these events on TV if they cannot buy tickets.

I urge swift hearings and enactment of this legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2728

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title III of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"BROADCAST OF GAMES OF PROFESSIONAL SPORTS CLUBS

"SEC. 331. (a) If any game of a professional sports club, other than a postseason game of a professional baseball, basketball, or hockey club, is to be broadcast by means of television pursuant to a league television contract and all tickets of admission for seats at such game which were available for purchase by the general public one hundred and twenty hours or more before the scheduled beginning time of such game have been purchased forty-eight hours or more before such time, no agreement which would prevent the broadcasting by means of television of such game at the same time and in the area in which such game is being played shall be valid or have any force or effect. If any postseason game of a professional baseball, basketball, or hockey club is to be broadcast by means of television pursuant to a league television contract and all tickets of admission for seats at such game which are available for purchase by the general public have been purchased twenty-four hours or more before the scheduled beginning time of such game, no agreement which would prevent the

broadcasting by means of television of such game at the same time and in the area in which such game is being played shall be valid or have any force or effect. If any postseason game of a professional baseball, basketball, or hockey club is to be broadcast by means of television pursuant to a league television contract and all tickets of admission for seats at such game which are available for purchase by the general public have been purchased twenty-four hours or more before the scheduled beginning time of such game, no agreement which would prevent the broadcasting by means of television of such game at the same time and in the area in which such game is being played shall be valid or have any force or effect. The right to broadcast any such game by means of television at such time and in such area shall be made available, by the persons having such right, to a television broadcast licensee on reasonable terms and conditions unless the broadcasting by means of television of such game at such time and in such area would be a telecasting which section 3 of the Act entitled "An Act to amend the antitrust laws to authorize leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts, and for other purposes", approved September 30, 1961 (15 U.S.C. 1293), is intended to prevent.

"(b) If any person violates subsection (a) of this section any interested person may commence a civil action for injunctive relief restraining such violation in any United States district court for a district in which the defendant resides or has an agent. In any such action, the court may award the cost of the suit including reasonable attorneys' fees.

"(c) For the purposes of this section:

"(1) The term 'professional sports club' includes any professional football, baseball, basketball, or hockey club.

"(2) The term 'league television contract' means any joint agreement by or among professional sports clubs by which any league of such clubs sells or otherwise transfers all or any part of the rights of such league's member clubs in the sponsored telecasting of the games engaged in or conducted by such clubs.

"(3) The term 'agreement' includes any contract, arrangement, or other understanding.

"(4) The term 'available for purchase by the general public', when used with respect to tickets of admission for seats at a game or games to be played by a professional sports club, means only those tickets on sale at the stadium where such game or games are to be played, or if such tickets are not sold at such stadium, only those tickets on sale at the box office closest to such stadium.

"(5) The term 'postseason game' means any game which is played following the regular season of a professional sports club and which determines or leads to the determination of the championship of such professional sport.

"(d) The Commission shall conduct a continuing study of the effect of this section, and shall, not later than June 15 of each year, submit a report to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate. Such report shall include pertinent statistics and data relating to the effects of this section on professional football, baseball, basketball, and hockey.".

Mr. GRIFFIN. I yield now to the distinguished Senator from New Mexico.

Mr. SCHMITT. Mr. President, lest there be some confusion of various orders, it is my understanding that there is an hour of time for the Senator from New Mexico relative to the Panama Canal treaties. However, I would like to take a moment or two on the subject raised by the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. Under the previous unanimous-consent request, the Senator from New Mexico has the remainder of the time of the Senator from Connecticut, which now is under the control of the Senator from Michigan, to use as he sees fit to pursue what subject he sees fit.

KOREAN INFLUENCE PEDDLING ALLEGATIONS

Mr. SCHMITT. Mr. President, the Senator from Connecticut has raised an extremely important aspect of the inquiry into possible attempts by agents of the Republic of Korea to influence improperly Members of Congress, and in particular of this body, the U.S. Senate. It is also my concern that members of the executive branch who may have had access to information about such attempts may not have so informed Members of this body with sufficient vigor, or maybe not at all, to expeditiously alert such Members of this possibility.

The present inquiry, being the initial review of the Select Committee on Ethics relative to the Korean matter, is this week reaching a major point in that inquiry or initial review, with the testimony of Mr. Tongsun Park. It culminates many months of gathering of information, of interviews, and of general background research on the matter that suggest further lines of inquiry to the committee, and I would not be at all surprised if that inquiry does proceed, at some future time, to a more detailed examination of the points raised by the Senator from Connecticut.

At this time, however, I personally believe that the general strategy and plan of the inquiry is proceeding as it should, and should we find in the future that there has been a derogation of duty on the part of the executive branch in the information that they may not have provided, or provided improperly, to Congress, in attempts to influence Congress improperly, then this Senator, and I am sure the committee as a whole, will see that that matter is thoroughly investigated and dealt with by the Senate.

Mr. President, I believe the Senator from North Carolina would like to comment on this matter also.

Mr. MORGAN. Mr. President, while I did not hear all of the remarks of the distinguished Senator from Connecticut (Mr. WEICKER), I would like to say to the Senate that I have the responsibility of serving on the Senate Select Committee on Ethics, together with the distinguished Senator from Connecticut (Mr. WEICKER), the distinguished Senator from New Mexico (Mr. SCHMITT), and others, and I would not want anyone to draw any conclusions from the remarks which may have been made on the floor of the Senate today that that committee has been derelict in its responsibilities in any way, or even failed to move expeditiously in the investigation of the matter.

I commend the distinguished Senator from Illinois (Mr. STEVENSON), the chairman, and the Senator from New Mexico (Mr. SCHMITT), the vice chairman, both of whom have spent a great deal if not a majority of their time for the last few months on this very important matter. We have a very fine staff. The chief counsel is Prof. Richard Cramer from the Georgetown Law School. The matter has been handled very methodically and very judiciously, and I want the record to reflect that I have complete confidence in the staff involved in investigating the alleged improprieties concerning the alleged Korean influence matter.

I have seen not the slightest hint or bit of evidence of an attempt to limit that investigation in any way so as to withhold or repress any facts concerning the investigation. I feel sure that the investigation has progressed to a point where more information will be available to Members of the Senate, and the American public can have complete confidence that the committee staff, under the leadership of the chairman and the vice chairman, is doing a complete, thorough, and exhaustive job.

Mr. SCHMITT. Mr. President, I thank the distinguished Senator from North Carolina for those remarks. I join in commending the staff and Senator STEVENSON also.

I think it is important for the Nation to realize that the U.S. Senate does view the possible improper influence of its Members by agents of the Republic of Korea or any foreign nation as a very serious matter, and that we will, at the appropriate time, have a complete and public review of this matter for the Senate and for the people.

Mr. President, I believe the remainder of the time of the Senator from Connecticut, yielded to the Senator from Michigan and now under the control of the Senator from New Mexico, has expired.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New Mexico (Mr. SCHMITT) is recognized for not to exceed 30 minutes.

The Senator has stated his understanding that he was to be recognized for 1 hour. The Chair has asked the Parliamentarian to review the record, and I regret to say to the distinguished Senator from New Mexico that I find no evidence of more than 30 minutes being granted. If the Senator wishes to ask for more time at the end of 30 minutes, he, of course, is familiar with the procedure for doing so.

Mr. SCHMITT. Mr. President, I appreciate that little bit of research, and if necessary I will so request.

Mr. President, today I would like to continue the discussion of the concept of Intersea, the possible model for hemispheric management of the Panama Canal, and at the present time there is an amendment at the desk, No. 74, for the perusal of my colleagues. Later today, we will make some technical corrections to that amendment and have it reprinted with those corrections, in order to make sure that all parliamentary issues and precedents are taken care of by this relatively extensive amendment to the Neutrality Treaty.

I note, Mr. President, the absence of many of those who favor the treaties now before the Senate. Many of these proponents at other times have considered themselves internationalists on many, many issues before this body. I also consider myself an internationalist under the appropriate reservations of it, depending on the issue.

Here is an opportunity to debate an international versus national issue on what I believe are firm historical and human grounds, and so far there has been some reluctance to so debate. Many of the individuals now committed to vote for these treaties have at other times expressed great interest in an international solution to the question of the future of the Panama Canal.

In the concept of Intersea, which would provide for the hemispheric management, we have not just an international solution but one of proven utility and success. It is based in large part, although not entirely, on the concept of the Intelsat organization, an organization which manages the global satellite communications systems of this Earth and which has been unquestionably an outstanding success in the view of its many members.

And I think, in view of the general public, Intersea merely extends the concept to a terrestrial resource of international utility. The Intelsat organization and the proposed Intersea organization avoids the pitfalls of international political organizations by basing its success on the vested economic interests of the member states and, of course, with those economic interests confessed political interests also. The combination is what has made this type of management system to date a success.

Mr. President, the Senate constitutional role in the treaty process is to advise and consent, both advise and consent. We are very close to a stalemate in the consent process relative to the Neutrality Treaty before us, and very probably relative to the Panama Canal Treaty which will soon be before us. Even if the Neutrality Treaty should be ratified, the ratification of the main treaty, that is, the Panama Canal Treaty, is still very much in doubt. There are some major problems, as all of us are aware.

In the debate and voting to date the Senate has shirked its constitutional mandate to advise. We have only been debating consent and our votes have prevented any advice being offered. The Intersea proposal for hemispheric management of the Panama Canal, that is, for sharing the sovereignty over the Panama Canal rather than any one nation gaining control of it, or keeping control of it. This proposal can bring us back into the field as an adviser with the amendment of the treaties to provide for the creation of Intersea, as I am proposing with amendment No. 74 and its technical revisions.

The Senate would be advising the President and new negotiations should be held not just with Panama but with all the interested nations of the hemisphere. Our guidance to the President would be to negotiate along the lines of the model of Intersea embodied in amendment 74. It is, of course, understood that the negotiation process would result in changes to this model, but the important message would be that the Senate would look favorably on a new treaty which created a hemispheric management system such as Intersea.

Mr. President, in the absence of a large number of defenders—in fact, only one defender is present on the floor—of the Neutrality Treaty I would just proceed to continue a discussion of the details of Intersea.

I might at this point remind my colleagues, however, that in the testimony taken before the Armed Services Committee of this body, Lt. Gen. Gordon Sumner, Chairman of the Inter-American Defense Board, on January 31, 1978, made the following comment, in answer to a question from Chairman STENNIS, and that question was as follows:

You mentioned the multilateral again. Develop your thought on that right at this point.

General SUMNER. Yes, I would like to develop it in this way, Mr. Chairman. The multilateral approach is a historic solution to bilateral problems. When you work for years and years to get a bilateral solution that does not work, then you have something like the Congress of Vienna after the Napoleonic Wars, and have the people that are involved, who have a stake in this canal, to sit down at one table and work it out.

The multilateral approach, for example, could result in an organization such as the Inter-American Defense Board, or the OAS, or some other organization created for the purpose of placing all flags, not just one flag or two flags down in that canal. They look at this canal as the "Canal of the Americas," and it is important to those countries. You take a little country like Ecuador puts over 50 percent of their exports through that canal; it would be good to have them at the negotiating table.

And General Sumner went on:

If they were faced with seeing this canal closed for one reason or another or breaking out because of failure of these treaties for ratification, they would be willing to join in a multinational, multilateral approach to see that there are a number of countries who will take the responsibility for defending the canal. It is a whole different matter of attacking that canal when there is one flag flying over it and when, say, there are 19 flags flying over it.

So, Mr. President, although there is not a ground, as well, among individuals concerned with the Panama Canal for a multilateral approach, a hemispheric approach, nonetheless there is considerable rational opinion that would lead us in this direction.

The canal in Panama may be defined as an international waterway, given the factual test of substantial use by states other than the acquiring nation; that is, other than Panama, and the fact that it is a useful route, for international maritime traffic also supports this concept of an international waterway.

Richard Baxter said in his book "The Law of International Waterways," with particular regard to interoceanic canals published in 1964, and I quote:

Since the decisive criterion is the amount of use of the waterway by the shipping of foreign nations . . .

A statistical user analysis is relevant to the question of the international status of the waterway.

For fiscal year 1976, the major commercial users were as follows:

User	Number of transits	Tolls	Registered gross tonnage
Liberia	1,777	25,207,997	28,680,905
United Kingdom	1,285	14,326,358	17,231,168
United States	1,064	11,631,617	12,949,539
Japan	1,008	12,897,803	14,385,627
Panama	930	6,329,526	7,325,100
Greece	885	11,000,961	12,719,991
Norway	685	10,408,216	11,410,699
West Germany	626	6,389,890	7,206,272

A total of 65 nations used the canal during the fiscal year 1976. This sets the basis for the international character of the canal.

The obvious interests pertaining to the canal include: First, the users of the canal; second, the sovereign nations exercising jurisdiction over the canal, presently the United States; third, the operator of the canal, presently the United States; fourth, the riparian state, presently Panama; and fifth, nations having a strategic interest in the canal.

Further defining the category of users of the canal, it is necessary to recognize the concept of "flags of convenience," which would indicate that with particular reference to Liberia and Panama, further detailing is necessary to determine the actual nations at interest.

This category can be further divided into those nations whose shipping interests use the canal and those nations who depend upon use of the canal for the transport of goods necessary to their economy.

The United States has a number of interests in the canal; as a user; as the Nation exercising jurisdiction; as the operator; and as a nation having a very real strategic interest. From this it follows that the United States has a basic interest in creating an institutional structure for the canal, for the operation and management of the canal and its defense, that will meet the relevant operational goals I have discussed previously.

Those operational goals can be summarized and they are the goals that must be met by any institutional arrangement that may be negotiated:

First, free access and unimpeded passage. This category includes concerns with regard to overt or indirect national laws or regulations or the unequal application thereof. Ancillary facilities must also be available; that is, ancillary facilities necessary to passage through the canal.

Second, there must be a reasonable

tariff structure. Users must be assured of a reasonable tariff for passage bearing some relation to the value derived from use, operating expenses, and return on investment. Tariffs should also be based on a uniform, nondiscriminatory standard.

Third, there must be administrative stability. The operating entity must be such as to insure stability over a long period of time and to balance the interests of the parties involved.

Fourth, there must be effective maintenance and operation. A dredged canal, locks that work properly, experienced employees, traffic control which moves ships through the canal without delay and other technical and engineering concerns can, if not effectively performed, render all agreements which assure free and open use to the canal wholly illusory.

Fifth, there must be continued improvement and development. As shipping continues to develop with larger and containerized vessels, planning needs must be undertaken with regard to parallel railroad lines and pipelines as well as the potential for an enlarged or sea level canal must be considered and be capable of implementation by the institutional structure that is created.

Mr. President, I submit that there is very, very little in the two treaties before the Senate—the Neutrality Treaty and the Panama Canal Treaty—that meets these five operational goals: free access and unimpeded passage, reasonable tariff structure, administrative stability, effective maintenance and operation, and continued improvement and development. After the year 2000, Mr. President, when the entire responsibility becomes that of the Republic of Panama, it will be very, very difficult for anyone to argue that those operational goals, in their entirety, will be met.

This is no reflection on the people or the character of the people of Panama. It is just a reflection on sheer size, financial resources, and management experience.

Mr. President, I hope that my colleagues in the Senate, as we continue to debate the now almost completely polarized opinions of those who favor the canal treaties and those who oppose those treaties, that we will keep in mind the alternative—the alternative being new negotiations, not about the transfer of the canal or the retention of the canal by any one nation, but new negotiations which look to the future, look to the 21st century, look to the importance of passage across the backbone of the hemisphere at the one place where that backbone is narrow enough to be traversed through ingenuity, technology, and manpower.

Mr. President, amendment No. 74, which details the concept of Intersea for hemispheric management, will, by its introduction, raise this issue, hopefully, to the consciousness of all the Senators in this body. If it does not meet the approval of the Senate in terms of their votes, there will be other opportunities to require a decision by each individual Senator on whether or not they wish to look to the future and unquestionably improved relations with our neighbors in this hemisphere, or whether they wish to continue to look backwards through the vehicle of treaties that merely exchange one unilateral control for another.

Mr. President, I see that the distinguished Senator from Idaho is on the floor. I would yield at this point to him for any comments he wishes to make about the concept of international control. It does not seem to be one which has been considered by the proponents of the treaties. At this point I will reserve the remainder of my time for any comments that the distinguished Senator from Idaho would like to make.

Mr. CHURCH. Mr. President, I have listened with interest to the remarks of the distinguished Senator from New Mexico. I would only comment that the time has long since passed for his idea.

I do not fault the idea on its merits. I think that following the Second World War, when we were actively and hopefully engaged in creating a United Nations and various regional arrangements, it may have been possible to internationalize all the strategic waterways, such as the Panama Canal, the Suez Canal, the Straits of Gibraltar, and the Dardanelles. The war had made such an indelible imprint upon all people that there was considerable support for international arrangements which might keep the peace and promote the commerce of the world.

Mr. SCHMITT. Will the Senator yield at that point?

Mr. CHURCH. The Senator asked for my reaction.

Mr. SCHMITT. Please continue.

Mr. CHURCH. I just wish to make a few comments.

As I understand the Senator's proposal, it is one founded on regionalization, by making the canal a hemispheric canal. But that idea, though one of considerable merit, comes at a time when nations of the world will not support it sufficiently.

Since the Second World War, there has been less and less support for various proposals resting upon international or regional principle.

The dominant political force that emerged from that war was not one inclined toward international or regional institutions, but, rather, a very compelling, even rampant, nationalism. It was this force that broke up all the colonial empires and gave birth to more than 100 independent governments. It is this force that we contend with today on every continent. It is the force, indeed, that was reflected in the restoration to Egypt of Egyptian control of the Suez Canal. It is this force which produced the deep discontent in Panama over the continued American control of the Canal Zone, which the Panamanians regard as the imposition of an American colony in their land.

So my only reaction to the Senator's proposal is more sorrow than criticism. I wish the world were more amenable to proposals of the kind that the Senator has made. I wish that it were practical to consider, at this late point, some form of regional control over vital international passageways, for I think that would help promote and stabilize world commerce by giving greater assurance that these passageways would remain open and neutral in times of crisis. But, in my judgment, the rampant nationalism that marks our time does not make such solutions feasible. If there ever was a time when that might have been done, it has long since passed.

Mr. SCHMITT. I just comment to the Senator that, although I appreciate his comment very much, I obviously think, unlike he does, that the time has just arrived. I think the success of the INTELSAT organization, which is an international arrangement to manage an international resource, and that success now spans 10 years, is one example. I think the decision within the U.N. to attempt to implement a concept called INMAR SAT, which is for global communication with seagoing vessels, is an indication that, at least within the U.N., there is a recognition that international management arrangements are a viable concept. The discussions over the law of the sea, particularly the international resource of the seabeds, provides another clear indication of international concern over resources that really are the common heritage of all mankind. The continued interest in the resources of Antarctica and of space itself are extremely important in this regard.

Mr. President, I think we are moving very rapidly toward a point where the international management and potential utilization of globally created nuclear waste is going to be the only way in which we solve that particular problem.

As much as I appreciate and admire the comments of the Senator from Idaho, I believe that he is misreading the tea leaves. I think the one thing that the Senate can do to encourage our sister nations around the world to explore further international management of resources that are clearly international resources, clearly a common heritage resource for all mankind, such as an international waterway, the best thing we can do is advise the President to enter into negotiations along that line and resolve the question of the Panama Canal through such negotiation and through the development of hemispheric management of a regional management system.

As a matter of fact, Mr. President, I think it is this very nationalism that the Senator from Idaho has referred to that is encouraging the climate toward regionalism. We see this occurring within Africa. We, I think, are seeing it occur very gradually within Latin Ameirca. I think that it is an opportunity that comes far too rarely to this great country to take the lead in doing something that will be clearly recognized as of international benefit and which will lay the groundwork, a very solid groundwork, for a vast improvement in our relationships, not only within the hemisphere, but within the world as a whole.

So, Mr. President, I shall continue to provide the basis by which my colleagues can at least consider an alternative, an alternative which is not offered merely to sabotage the treaties that have been offered to us by the President; not at all. It is an effort to take advantage of an opportunity that comes far, far too seldom, an opportunity to do something

that will not only benefit ourselves but, more importantly, will benefit our children by telling them that, as we approach the 21st century, we in the U.S. Senate are starting to think as if we were going to have to live in the 21st century; rather than, as the distinguished Senator from Alaska said the other day, taking our actions based on what is going to help us today rather than what is going to be necessary to insure a lasting and a pleasant future for our children.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. NUNN). Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Idaho (Mr. CHURCH) without losing my right to the floor.

Mr. CHURCH. Mr. President, my remarks will be brief. I want to note at this point that the Neutrality Treaty does present an opportunity for expressing regional solidarity in maintaining that canal as a peaceful and neutral passageway. A protocol to the treaty will be circulated for the signatures of the nations in the Western Hemisphere.

That protocol makes clear that the entire hemisphere recognizes the desirability of preserving a regime of neutrality, in perpetuity, for the canal.

Mr. President, I ask unanimous consent that the text of the protocol which will be signed by the hemispheric nations be printed in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

ANNEX B

PROTOCOL TO THE TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

Whereas the maintenance of the neutrality of the Panama Canal is important not only to the commerce and security of the United States of America and the Republic of Panama, but to the peace and security of the Western Hemisphere and to the interests of world commerce as well;

Whereas the regime of neutrality which the United States of America and the Republic of Panama have agreed to maintain will ensure permanent access to the Canal by vessels of all nations on the basis of entire equality;

Whereas the said regime of effective neutrality shall constitute the best protection for the Canal and shall ensure the absence of any hostile act against it;

The Contracting Parties to this Protocol have agreed upon the following:

Article I

The Contracting Parties hereby acknowledge the regime of permanent neutrality for the Canal established in the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and associate themselves with its objectives.

Article II

The Contracting Parties agree to observe and respect the regime of permanent neutrality of the Canal in time of war as in time of peace, and to ensure that vessels of their registry strictly observe the applicable rules.

Article III

This Protocol shall be open to accession by all states of the world, and shall enter into force for each State at the time of deposit of its instrument of accession with the Secretary General of the Organization of American States.

Mr. SCOTT. Mr. President, will the distinguished Senator from West Virginia yield very briefly?

Mr. ROBERT C. BYRD. Yes; I yield to the distinguished Senator from Virginia.

Mr. SCOTT. Mr. President, the protocol to which the Senator from Idaho refers, as I understand it, applies to all of the nations of the world. It could apply to Russia or Red China—they would also be entering into this—and Cuba and the Communist world, as well as the Free World.

Is that accurate?

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Idaho to respond.

Mr. CHURCH. Yes. The Senator's statement is accurate.

In making my remarks I specifically had in mind the proposal of the distinguished Senator from New Mexico who advocated hemispheric control of the canal.

So my emphasis was on the signatures of other nations in this hemisphere.

Mr. SCOTT. Well, the two are far apart.

Mr. CHURCH. No, they are not. The protocol extends to all countries, including the ones in this hemisphere, as indeed it should, for it is manifestly in America's interest to secure from every country of the world a common pledge to maintain the canal as a peaceful and neutral waterway.

Mr. SCHMITT. Will the Senator yield?

Mr. SCOTT addressed the Chair.

Mr. CHURCH. Global affirmation of such a plan is strongly to be commended and serves the interests of this country.

Mr. SCOTT. I strongly disagree with the statement. But I do not feel it is fair to our distinguished majority leader to infringe further upon his time.

I appreciate the Senator's yielding.

Mr. SCHMITT. Will the Senator yield, just for 20 seconds?

Mr. ROBERT C. BYRD. Yes. I yield to the distinguished Senator from New Mexico, retaining my right to the floor, Mr. President.

Mr. SCHMITT. I appreciate that. It is just merely to say that the Protocol has some significance and impact. However, it is not an impact on the actual management or defense of the canal and it is not binding in any way on the nations that so subscribe to participate.

So there is a major difference between an INTERSEA proposal and a protocol, as important as it may be.

Mr. LAXALT. Will the distinguished majority leader yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. Yes. I yield to the distinguished Senator from Nevada for that purpose.

Mr. LAXALT. I thank the distinguished majority leader.

Mr. President, I ask unanimous consent that during the course of the debate on this matter Bruce Wynrod be granted privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHMITT. Mr. President, the same request for Eugene Iwanciw of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO. 21

Mr. ROBERT C. BYRD. Mr. President, the amendment before the Senate at this time is amendment No. 21. That is the second amendment that has been offered by the joint leadership and cosponsored by 76 or 77 Senators, other than Senator BAKER and myself.

Mr. President, last week the Senate took decisive action to clarify and guarantee U.S. defense rights under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

Today we have an opportunity to discuss and, hopefully, approve a second amendment to the treaty, this amendment guaranteeing the rights of U.S. warships and auxiliary vessels to go to the head of the line for canal passage in case of need or emergency.

Article VI of the treaty states that United States and Panamanian vessels of war and auxiliary vessels will be enlisted to transit the canal expeditiously.

This amendment to article VI would specify that such ships would transit the canal as quickly as possible, without any impediment, and, in case of need or emergency, would go to the head of the line in order to move through the canal rapidly.

I am joined by the distinguished minority leader and 78 other Senators in sponsoring this important amendment to the treaty.

Mr. President, this amendment will meet one of the concerns manifested by the American people about our rights after the canal is under Panamanian operation. This amendment deals with one of the two points about which I was originally concerned.

The same two points were raised by the distinguished Senator from Idaho (Mr. CHURCH), the distinguished Senator from Kansas (Mr. DOLE), the distinguished Senator from Tennessee (Mr. BAKER), and other Senators. I expressed to President Carter my belief that it was important to have an explicit assurance of the rights of U.S. military and auxiliary vessels to go to the head of the line.

As was the case with U.S. defense rights under article IV, this question of expeditious passage was discussed with the President by a bipartisan group of Senators, representing the joint leadership and the Foreign Relations and Armed Services Committees. We emphasized the need for a specific guarantee of the rights of U.S. ships to move to the front of the line and have quick passage through the canal.

Following these discussions and the insistence by Senators that action be taken to provide this assurance, President Carter and General Torrijos issued their joint statement of understanding on October 14, 1977. The statement set forth in explicit language our "head of the line" privileges.

This amendment will formally incorporate into the treaty the terms of the relevant portion of that statement of

understanding agreed to by President Carter and General Torrijos.

By approving this amendment we will write that agreement into the text of this treaty. By taking this affirmative step we will leave no possible doubt as to the interpretation of this treaty. We will meet one of the major concerns of many Senators and, equally as importantly, one of the major concerns of the American people about our rights under this treaty.

The language of this amendment is clear about the rights of our warships and auxiliary vessels to go "to the head of the line" in case of need or emergency.

The language of this amendment clearly states that the warships and auxiliary vessels of the United States and Panama will be entitled to transit the canal expeditiously and without any impediment, and with expedited treatment, and in case of need or emergency to go to the head of the line of vessels in order to transit the canal readily.

As the Committee on Foreign Relations stated in its report, recommending this amendment—

> What constitutes an emergency, and when one exists, is for the United States and the United States alone to determine.

Mr. President, I do not believe there is any question about Panamanian understanding of the terms of this amendment. As I have previously noted, the October 14 statement of understanding was widely publicized in Panama prior to the October 23 plebiscite. When our senatorial delegation which I chaired discussed this subject with General Torrijos during our visit in November, he left no doubt about his understanding of the agreement. Indeed, in his press conference at the conclusion of our visit, on November 12, 1977, General Torrijos said that in the future "the only expeditious thing there will be in this country" would be U.S. ships transiting the canal, as provided under the agreement. General Torrijos noted that such ships "can get ahead of the line if there is an emergency and transit the canal as soon as possible * * *."

This amendment will leave no uncertainty about our right to go to the head of the line, and along with the amendment to article IV approved by the Senate last week, will provide thorough protection of U.S. security interests in the future.

With approval of this amendment, we will be taking action to nail down—in a precise manner—the second critical point which was not sufficiently covered in the treaty as submitted to the Senate.

Mr. President, I strongly urge approval of this amendment. Like the amendment to article IV, it will, if approved by the Senate, become an integral part of the Neutrality Treaty. Approval of this amendment, along with the amendment to article IV, will provide absolute assurance that the security interests of the United States will be protected under this treaty.

I now yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee (Mr. BAKER) is recognized.

Mr. BAKER. I thank the Chair.

It would be superfluous, Mr. President, to say that this has been a long and sometimes a heated debate. It is not necessary to point out to my colleagues that it divides not only the Senate but also the country and the two great political parties which synthesize the viewpoints and ideas of the electorate and translate them into useful political action.

There have been few issues recently that are more divisive and emotional and in many ways more important than the national debate on the Panama Canal treaties.

Fortunately, at this juncture in the debate in this Chamber, we are not concerned, I believe, for the absolute verities, the absolute arguments in favor of or against a treaty or treaties with the Republic of Panama and the United States; but rather, with the particular amendment. I believe that the amendment, almost unanimously, is thought of as an improvement over the original negotiated effort. Amendment 21 is cosponsored by 78 Members of this Chamber, 78 percent of the Senate.

The distinguished majority leader and I submitted this amendment as a joint leadership initiative, with the full foreknowledge and understanding of the administration—without their support but, I rather think, without their objection—and we were joined by 48 Democrats and 30 Republicans.

So the consideration by the Senate of this amendment, it seems to me, is not one of the keystones. It certainly is not the keystone in the arch of debate on the appropriateness or the desirability of entering into a new treaty arrangement between the United States and the Republic of Panama. The overall question is a difficult one. Good arguments can be and have been marshaled on both sides: In favor of the retention of the original treaty, which I think is not practical from a realistic standpoint; the negotiation of new treaties, which some allege are inadequate or inappropriate to present circumstances.

It is not difficult, I believe, to insist, as we do in offering this amendment and as we did in offering the previous joint leadership amendment, that in considering new treaty undertakings between the United States and the Republic of Panama, the Senate fully discharge its constitutional design to advise—to give or withhold its consent to the ratification of treaties.

The Senate has not often offered amendments. It has not frequently engaged in the advice part of the constitutional mandate. But this amendment and the one just preceding it are a full exercise and thorough elaboration of that concept as it was visualized and required by the Founding Fathers. We are, in fact, working the will of the Senate, as the Constitution requires.

It is no disrespect to the President nor disparagement of his initiative and effort to negotiate a new treaty to say that the original proposal by President Carter and his administration contained omissions, deficiencies, and difficulties found in the treaty by many of us, including the distinguished majority leader and myself, who respect our undoubted right to defend the canal against any threat by any nation, including even Panama, and the right of the United States to continue its unchallenged right to use the canal first and on a prior basis, even ahead of Panamanian ships and vessels in times of emergency. The first consideration by the administration after these difficulties were pointed out was to undertake securing a memorandum of understanding between General Torrijos and President Carter.

I recall vividly that President Carter invited a number of us to the White House to receive his information that General Torrijos was then in Europe, I believe, and that the administration would attempt to invite him to return by way of Washington, to consider the possibility of a joint letter or memorandum of understanding to clarify these points—that is, the enhanced right of the United States to defend the canal and the priority right of U.S. vessels to transit the canal.

It is no betrayal of my general policy to not repeat conversations with Presidents until first they have had an opportunity to comment on same, to say that the President asked the group assembled there what we thought of that idea. My reply was:

> I think this is a good step, Mr. President. I think the idea of having that memorandum of understanding with General Torrijos is a good thing to do. It clears the air. But you must know, Mr. President, that, in my view, it does not substitute for the obligation of the Senate to deal with this matter, because the treaties have been submitted; and it does not obviate or vitiate the necessity for amendments, the full exercise of the advice and consent authority of the Senate of the United States.

So we arrived at this particular point.

There was a strong view—even after the treaties were submitted in August—that no amendments should be offered or accepted and that any such amendments would be fatal to their consideration by the Panamanians.

The majority leader headed a delegation to Panama in which it was ascertained, I believe, or it was clearly conveyed to Panamanian officials, that having no amendments was a situation which probably could not endure. As I recall in the newspaper clippings reporting on that trip, the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), the majority leader, indicated that amendments might be necessary.

It was my privilege then to take another trip, to head another delegation to Panama, shortly after the first of the year, at which time I advised President Torrijos that these treaties had absolutely no chance, in my judgment, to pass the U.S. Senate unless they were amended; that the memorandum of understanding would not suffice; that the only way they had a chance was to go through the amendatory process.

It seemed clear to me from that conversation with General Torrijos and his advisors and the Panamanian Government that, while they did not like the idea of amendments, they would accept amendments in the form with which we

are now dealing—that is, the first amendment, No. 20 in the Senate sequence, dealing with the right to defend; and No. 21, dealing with expedited passage of American ships of war in times of emergency.

There was another amendment that I discussed with General Torrijos, and that was the question of the appropriateness or desirability of that provision of the canal treaty which dealt with the mutual covenant, on the one hand, by the United States not to build a second or sea level canal in some other country, for instance, Mexico and Colombia, in exchange for the assurance by the Panamanian Government that no other country could build a second or sea level canal in Panama.

I expressed to General Torrijos my concern about that provision, and I frankly told him I had not made up my mind whether I would offer that amendment or not or support it if someone else did. Parenthetically, Mr. President, I still have not made up my mind on that point.

But I have fully made up my mind, Mr. President, on one matter. If these treaties are amended as provided for in the amendment now adopted by the Senate dealing with the defense of the canal, and now by this amendment pending before the Senate, I am convinced, to the extent of my own moral certainty, that we have, by adopting these amendments, created instruments between our governments which will enhance the security of the Panama Canal and improve our chance to enjoy it fully, including our rights to defend it and to transit it in preference to the vessels of any other nation.

I am convinced to my own satisfaction that we are better off with these amended treaties than we would be to cling to the status quo of the treaty of 1903.

In traveling in Tennessee, Mr. President, the question often put is: "Why should we give away the canal?" My reply frequently is "Why risk losing it?"

The accumulated grievances, whether real or imaginary, the political distress, whether justified or unjustified, in Panama constitute a threat—not a threat that we may knuckle under to but an increased chance of sabotage or damage to the canal.

We can defend the canal, Mr. President, even if that canal is located in an antagonistic host country, which Panama is not. But even if it becomes another Guantanamo Bay, where we must defend our base rights in Cuba against the hostile intent of a Communist country, we can defend it; and I will vote for and support every measure that is necessary to accomplish that end.

But that is a poor way to conduct our policy. There is a better way, and the better way is to provide new treaties that clearly give our country the right to defend that canal against everyone and to provide for our premier and prime defense rights by assuring that we can transit the canal ahead of everyone else in times of emergency, and that we reserve the right to decide when there is an emergency.

Mr. President, some day I hope and trust we will look back on this debate and be able to sort out the argument from the emotion—not here because I think emotion has been held in check to a remarkable degree, and the debate has been useful and rewarding to a great extent—but in the country where in many cases passions have been inflamed, where I suspect that both the proponents of the treaty and the opponents sometimes lose a little of the value of their argument in the heat of passion.

Mr. President, I think this amendment is necessary. I believe most of the Senate agrees, otherwise there would not be 78 cosponsors. I am fully aware of the fact that some have supported and cosponsored this amendment as an insurance policy of sorts; that is, they oppose the treaties, but they want to dress them up and improve them just in the event they pass, and I do not quarrel with that view. That is a responsible way to conduct a legislative endeavor of the Senate.

But I very much hope, Mr. President, that we will proceed now with minimum delay to adopt amendment No. 21 and to proceed to the improvement of this treaty under the forms and procedures prescribed by the Constitution and enjoined on the Senate in this respect.

Mr. SCOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. SCOTT. Mr. President, I appreciate the sincerity of the distinguished majority leader and the distinguished minority leader. I disagree with them in many, many respects. But reasonable people can disagree as to what is in the national interest.

Frankly, it is very difficult to find any quarrel with the ships of our Nation going to the head of the line, the ships of our Nation being able to transit the canal expeditiously. This is something that would on the surface appear to be in the national interest.

Yet just suppose we have a Communist regime in Panama, as we have in Cuba. Suppose Castro was making the decisions. Would this amendment protect the United States? I do not believe there is any substitute for ownership and control. That is what we have today. We have the ownership of the canal, we have the control of the canal. When we give that ownership and control to Panama, when we have a provision in the treaty that indicates the United States or citizens of the United States shall not interfere with the internal political affairs of Panama, if Panama does change its government somewhat, it would not have to be a major change—we have control by a dictatorship now that has overthrown a lawfully elected government, as I understand, 10 days after the date of the election.

I think Panama does pretty much—the nation of Panama—what the dictator wants to be done in Panama. It has been said that he and Castro are good friends. I do not know. I certainly hope that Cubans will not be in the country of Panama to the extent that they are scattered throughout Africa at this time.

But the thought I am attempting to share here on the floor of the Senate is that this appears good on the surface. I do not know that it is really worth anything. I think we really have a test of our national will involved in determining whether to ratify these treaties.

If we make concessions to Panama as we are making in these treaties, we are giving away the canal, a $10 billion piece of property with the improvements, with the personal property that would be included, and then we are going to have to pay the Panamanians for taking the canal, this is something that is thrown around quite a bit, and yet many Members have, many Senators have, spoken on this and documented it. It just seems when ownership and control of the canal is in Panama, when our troops are gone, what is to stop slowdowns, disregard for the treaties if Panama so decides?

Mr. President, I think it is foolhardy for us to feel this amendment is going to protect the United States and that it will be in perpetuity that it will be observed by whoever happens to be the head of the Panamanian Government. I want the opportunity tomorrow to speak at some length with regard to this and other matters. The amendment may well be adopted prior to that time, but I think the crucial question before the Senate is not this amendment or the other amendment, but whether it is in the interest of the United States—I think this is the basic question: Is it in the interest of the United States to give up ownership and control of the Canal Zone or not?

I think that is the decision that we will have to make, and will have the opportunity of making. To me, the amendments that we are asked to adopt are somewhat limited. It is difficult, again, to oppose this amendment; it is sort of a motherhood type of amendment, but I believe it is misleading to indicate that this is going to be a protection for the United States, and that we will literally have the opportunity to do what it says on this piece of paper.

Mr. President, I yield the floor.

Mr. HANSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Alaska had requested to be recognized at this point.

Mr. HANSEN. I yield.

Mr. STEVENS. I thank the Senator from Wyoming.

Mr. President, I have an amendment to the leadership amendment, which has been filed. I would state to my friends who are the principal cosponsors of that amendment that it is not my desire to have a rollcall vote on the amendment, but I would like to have some indication of whether it is acceptable, so that people will understand.

This is an amendment that would make certain that the supply vessels that are operated under our system by private enterprise for the Government are included within this treaty.

The annex indicates that the vessels must be owned and operated by the Government. The overwhelming majority of our military supplies, as I pointed out at the time I introduced the amendment, are not carried in vessels that are owned

or operated by the United States. They are carried in privately owned vessels that are operated under contract with our military department.

Again, I think it is a substantial defect in these treaties to have the provision go forth which indicates that the head of the line concept applies only to our auxiliary vessels as defined in the annex, and the annex may well strike out, as I understand it, about 80 percent of the supply vessels of the United States.

It is an open secret, I assume, that I can no longer be considered to be on the fence so far as these treaties are concerned. The concept that they cannot be amended in a meaningful way to respond to the objections that some of us have raised has led me to the conclusion that there is no alternative but to oppose the treaties.

However, this amendment has nothing to do with that. I consider this to be a perfecting amendment to the treaty, which I regard as defective, and it should make no difference whether it is offered by a proponent or an opponent. Again, I merely state, Mr. President, that my amendment to this leadership amendment is offered from the point of view of trying to correct what I consider to be a substantial defect in the treaties as they are proposed, and I would like to have some indication of what the managers of the treaty intend to do about the amendment.

I intend to leave Washington in a few minutes, and I have no intention to argue at length about my proposal. Whether it is adopted in this fashion now or adopted somewhere else later, it is not something that can be handled by a declaration or a reservation. If the leadership amendment is to have the force that it should have, and assure that the head-of-the-line concept apply to all vessels carrying supplies for the U.S. military branch my proposal must be categorically stated. The way the treaties are presented to us, that is not the case.

Does the Senator from Maryland wish to respond to my inquiry as to what the proponents of the treaties desire to do about this perfecting amendment?

Mr. SARBANES. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield to the Senator from Maryland.

Mr. SARBANES. Or I can seek recognition on my own time.

Mr. STEVENS. Is there controlled time now?

The PRESIDING OFFICER. There is no time control.

Mr. STEVENS. There is no control of the time. I merely asked the Senators who are managing for the side of the proponents whether they wish to discuss or act upon this amendment. I have explained it twice before on the floor of the Senate, and I see no reason to take our time further. I believe it is right, and I believe that anyone who thinks about it will agree that it is wrong to have the treaties state that the head-of-the-line concept apply only to vessels owned and operated by the United States, when the definition of "operated" under international law is in a state of change and when over 80 percent of our military supplies are transported on civilian vessels which may not be eligible for head-of-the-line passage.

I offer the amendment on the basis of being helpful in trying to correct a defect in the treaty, even though, as I have stated, unless something occurs to change my present concept, I will have to oppose the treaties.

I yield to the Senator from Maryland.

Mr. SARBANES. Mr. President, I rise to oppose the amendment of the Senator from Alaska. I understand the concern to which it is addressed. However, annex A to the Permanent Neutrality Treaty provides, in paragraph 3, that an "auxiliary vessel means any ship, not a vessel of war, that is owned or operated by a State and used, for the time being, exclusively on Government noncommercial service." The term "owned or operated" has the meaning in international law, and it has been so interpreted by our Government, to include vessels chartered or leased by a state for a period of time or by the voyage. The term or phrase used here, "auxiliary vessel," is a standard phrase which has been used in other agreements, and which has been interpreted by our Government, and so applied, to cover vessels chartered or leased. The standard concept of "auxiliary vessel" used in the annex, and also in the leadership amendment to article VI of the Neutrality Treaty, means any ship not a vessel of war that is owned or operated by a state, and used for the time being, exclusively on Government noncommercial service.

That phrase, which has been used by us elsewhere in the world with respect to rights of vessel passage, has a meaning in international law which includes vessels chartered or leased, and therefore encompasses, under the term "auxiliary vessels" the movement of cargo as the United States does in many instances of transporting Government cargo.

The amendment now pending carries with it the premise that coverage of chartered and leased vessels is not encompassed within this term "auxiliary vessel." If one is to accept that approach it obviously raises serious questions as to the meaning of that term as it has been used elsewhere and as it is currently applicable in international law.

In other words, what we would do by coming in with an amendment is to cast doubt over what is encompassed in the language "auxiliary vessel"; language which has been used elsewhere and has a standard meaning under international law, and which we invoke and apply in other instances with respect to the nature of American rights. Thus we might well establish a precedent or a premise harmful to American interests elsewhere.

The language which has been used here encompasses vessels chartered or leased by this Government for a period of time or by the voyage. That is the meaning of the language contained in the definition of auxiliary vessels, and therefore it seems to me, that the amendment is not needed in this treaty, and that to raise the need of an amendment when the subject is already covered is to cast doubt on language upon which we rely in other matters.

Therefore, for those reasons, I think the amendment should be opposed by the Senate.

(Later the following occurred:)

Mr. SARBANES. Mr. President, earlier in the debate, I had a colloquy with the distinguished Senator from Alaska concerning the meaning of auxiliary vessels as set out in the annex, on which we differed, but I took the position, which I think is sustainable under international law, that vessels operated by a government as defined there encompass vessels under charter or lease.

In any event, Mr. President, I would like to include in the debate, at the conclusion of my remarks, at that point in the debate with Senator STEVENS, a memorandum of law prepared by the Department of State, the subject of which is the status for Government chartered vessels under the treaty concerning the permanent neutrality and operation of the Panama Canal.

I ask unanimous consent that this legal memorandum, which supports the position I took in that debate, be printed at the conclusion of my remarks at that point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM OF LAW

Subject: Status of Government Chartered Vessels under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

An inquiry has been made to the transit rights under the Neutrality Treaty of vessels chartered by a State and being used exclusively on government non-commercial service. Paragraph 3 of Annex A of that Treaty defines "auxiliary vessels," which are accorded certain transit rights under the Treaty, as "any ship, not a vessel of war, that is owned or operated by a Government and used, for the time being, exclusively on government non-commercial service." As a matter of international law, that definition includes chartered vessels.

The international law on this point was discussed by the 1958 U.N. Conference on the Law of the Sea in connection with Article 9 of the Convention on the High Seas (H.S.C.) and Article 22 of the Convention on the Territorial Sea and the Continguous Zone (T.S.C.).

Article 9 of H.S.C. provides:

"Ships owned or operated by a State and used only on non-commercial service shall, on the High Seas, have complete immunity from the jurisdiction of any state other than the flag state."

Article 22 of T.S.C. provides:

"1. The rules contained in subsection A and in Art. 18 shall apply to government ships operated for non-commercial purposes.

"2. With such exceptions as are contained in the provisions referred to in the preceding paragraph nothing in these articles affects the immunities which such ships enjoy under these articles or other rules of international law."

As can be seen, Art. 9 H.S.C. expressly extends to vessels owned or operated by a State and used only on government non-commercial service. The negotiating history of that provision makes clear that the phrase "or operated" was intended to include vessels chartered by a state.

The pertinent issues were also discussed in the First Committee in conjunction with the status of "government ships operated for non-commercial purposes", governed by Art. 23 of the draft, which corresponds to Art. 22 para. 1 of the final Convention.

In the discussion several amendments were discussed, inter alia, a proposal by the U.K. (A/Conf. 13/C1/C37) and a proposal by Argentina, Chile and Mexico (A/Conf. 13/C1/L155).

The Three Powers proposal defined "government ships operated for non-commercial purposes" as

(a) Ships operated for purposes of a civilian character;

(b) Ships operated, directly or indirectly, for auxiliary purposes of a military character.

The U.K.'s proposal was objected to because it included ships considered to be war vessels and was ultimately withdrawn at the 41st Meeting.

The Three Power amendment was objected to by the U.S. because "it created more problems than it solved". The U.S. delegate pointed out that "tankers and other craft were often chartered as supply vessels for warships; they were manned by civilian crews, and were unarmed. It was difficult to imagine any reasons why such ships should be assimilated to warships". As a result of the action in the Second Committee, the proposal was withdrawn at the 48th Meeting of the First Committee and the ILC draft adopted on the understanding that chartered vessels were covered by the ILC draft.

In the plenary meetings Art. 23 was adopted as Art. 22(1) of the Territorial Sea Convention.

The Nineteenth Plenary Meeting added Article 22(2) which specifies that the provisions of the Convention other than Articles 14-18 do not affect immunities which government ships operated for noncommercial purposes enjoy under other rules of international law.

The entire debate makes it clear that for the purpose of passage rights "government vessels used for non-commercial purposes" include vessels "operated by governments for non-commercial purposes under time or voyage charter."

As the foregoing indicates, it is well established in international law that vessels owned or operated by a State and used exclusively for government noncommercial purposes include vessels under time or voyage charter to the government of a State. The definition set forth in paragraph 3 of Annex A was drafted with this principle of international law in mind so as to assure that the transit rights afforded by the Treaty to "auxiliary vessels" would clearly extend to vessels under time or voyage charter.

Mr. STEVENS. Mr. President, I would have hoped that, after practicing law for 28 years, after having studied international law and general maritime law, and having been involved in these matters, as I said, for 28 years at least, plus my years in law school, that I would not be hearing that explanation on the floor of the Senate. To me it demonstrates again the stonewalling of those who are afraid to have a plebiscite or even raise a controversial issue in Panama.

Let me tell the Senate again, the Coast Guard says these vessels are not Government vessels, or our Coast Guard would impose Coast Guard regulations on them that would not be applied if they were military vessels.

Our water pollution standards which do not apply to the military vessels, unless by acquiescence apply to these vessels. The Dangerous Cargo Act applies to these vessels because they are not Government vessels. They are not vessels of the United States. For purposes of U.S. domestic law they are not either owned or operated by the United States.

The Hazardous Materials Transportation Act is not applied to Government vessels. It is applied to these vessels. Here we have the strange and incongruous situation that our domestic law calls these vessels nongovernmental vessels and we are going to tell the world "Don't worry." When our military supply ships get to the Panama Canal, we are going to tell the Panamanians they are military vessels. We will be saying that international law turns these vessels into Government-owned or operated vessels, off of Panama when they are classified as civilian vessels off the United States.

This is a technical amendment. As I said, it was brought forth with the desire to perfect an amendment that I was a cosponsor of, which I shall now oppose because I cannot understand people who are so desirous of getting a rubber stamp from the U.S. Senate on a document that is in error; that they are prepared to potentially exclude these vessels that carry our military cargo from the head of the line passage provisions.

And let me point out again the substantial problem involved; 97 percent of the bulk cargo, and 82 percent of the petroleum, travels on civilian flag vessels, civilian vessels under charter by the United States.

This has been the traditional role of the United States because this is a free enterprise economy still and not one that owns and operates its own vessels. As the Military Sea-Lift Command knows, the impact of treaty as presently drafted, and we received the statistics, as I said, at the time I introduced this amendment, from the Military Sea-Lift Command—is that we are at the mercy of the Panamanians. We are in the position where we are asking them to treat vessels that are carrying our military supplies in a way that we do not treat them ourselves. If they were either Government-owned or operated they would be immune from the domestic law that applies to them in this country.

And the strange thing is, of course, if we were a Communist country, like the Soviet Union, we would not have this problem. All of their vessels are Government-owned and operated. But in this instance there is no question about it. We checked this, as I pointed out, at the time I introduced this, with academia. The distinguished internationally renowned professor of law at Harvard Law School, Prof. Richard Baxter, agreed with us, in terms of the analysis of this use of the term auxiliary vessels in these treaties.

As I say, Mr. President, I shall not offer the amendment, but I hope the world understands what is going on. We have the most powerful nation in the world generally genuflecting before the Panamanian Government, before a dictator. We are even unwilling to clarify technical language—I will tell you again that I will take second place to no one in this body as far as international maritime law is concerned. Now maybe that is too egotistical but I know what I am talking about. If there is anything that has brought about my opposition, an absolute opposition to these treaties, it is this cowering attitude that I have just described.

I say in respect to my good friend from Maryland, I am sure that this is a position of the committee and it is unfortunate because I think it was the Senator from Idaho who said, "you know, if it looks like a duck, it walks like a duck and it quacks like a duck you better make up your mind it is a duck".

Well, there are many nations who believe that those vessels out there that are not Government-owned, cannot be turned into Government-owned vessels, for the purpose of the head-of-the-line treatment, merely because it is some spurious international doctrine that indicates that when a country says it is going to use privately owned vessels under charter somehow or other is going to be recognized as operating those vessels. They do not believe we operate them.

Mr. SCOTT. Mr. President, will the Senator yield briefly?

Mr. STEVENS. I am very happy to yield to my distinguished friend from Virginia.

Mr. SCOTT. Mr. President, I have listened to the argument by the distinguished Senator from Alaska and his expression of an opinion on a legal matter. I have been privileged to know the Senator from Alaska for a great number of years preceding the time of my being elected to the House of Representatives or his election to the Senate. Not only do I know him as a lawyer, a graduate of the Harvard Law School, but I also know that at one time he was the United States attorney in Alaska.

I also know that he was the chief legal officer for the Department of the Interior after he had been in charge of their legislative branch at the Department of the Interior.

This is a distinguished lawyer that the Senate should listen to when he speaks on a legal matter.

Now, he did not ask me to add this little contribution but I feel that the Members of the Senate should know something about his background before ignoring the proposed amendment.

Mr. STEVENS. I thank the Senator from Virginia.

I am happy to state, Mr. President, that I no longer practice law, so that cannot be considered a commercial. I would not want to have people so interpret it, but I am indebted to my good friend of so many years.

Mr. President, let me read into the RECORD a letter of February 8 that comes to me from Cambridge, Mass., from Professor Baxter.

He said:

I write in response to your inquiry concerning the definition of "Auxiliary vessel" in paragraph 3 of Annex A to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. You requested my view whether the definition in terms of "any ship, not a vessel of war, that is owned or operated by a State and used, for the time being, exclusively on government non-commercial service" would embrace privately owned vessels under time or voyage charter to the United States Government for the transport of military cargoes. It is my understanding that the Military

Sealift Command makes extensive use of such privately-owned vessels.

It is my view that the term "ship . . . that is owned or operated by a State" does not clearly cover privately-owned vessels under time or voyage charter to the Government and that it would be well to have an understanding appended to the treaty that the term is considered to cover the privately-owned vessels referred to. At a minimum the understanding of the United States Government to this effect should be put on record in some other form. If the matter were clarified in this way, such vessels, like other auxiliary vessels, would be assured of the right "to transit the Canal expeditiously," as provided for in paragraph 1 of Article VI of the Neutrality Treaty and as further elaborated in the Statement of Understanding concluded by President Carter and General Torrijos on 14 October 1977.

Again, let me hasten to add, that I do not know whether Professor Baxter is for or against these treaties. I know him as probably the world's most renowned expert in the field and he is saying the same thing I am: The treaties are defective, in terms of the historic practice of the United States in using privately owned and chartered vessels to carry military cargoes. It is indeed unfortunate, in my opinion, that the proponents of the treaties saw fit to rely on an eroded historic doctrine, one that has been eroded over a series of years and used what would be called in the contract world stilted phrases to mean something that it does not necessarily mean.

I am informed by my staff that Professor Baxter in fact, testified in favor of the treaties. Again, I point out that he believes there is a serious defect.

Mr. President, I ask unanimous consent, in view of the fact that I intend to vote against the amendment, that my name be removed as a sponsor of this portion of the leadership amendments.

The PRESIDING OFFICER. Is there objection? The Chair is informed by the Parliamentarian the Senator's name can be removed as a cosponsor of the amendmend but not of a portion.

Mr. STEVENS. There are two amendments. I voted for the previous one. This amendment is to article VI and I can no longer support it. Therefore, I ask that my name be withdrawn as a sponsor to that portion of the leadership package.

The PRESIDING OFFICER. That would be amendment No. 21. The Senator's name can be withdrawn.

Mr. STEVENS. That is the amendment to which my name was applied.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ALLEN and Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

UP AMENDMENT NO. 8

Mr. ALLEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN) proposes an unprinted amendment numbered 8 to amendment No. 21.

At the end of the amendment strike the double quotation mark and add the following: "The United States shall be the sole judge of whether such need or emergency exists."

Mr. ALLEN. Mr. President, when these treaties were first submitted to the Senate, it was generally agreed by Senators, and certainly by the majority leader (Mr. ROBERT C. BYRD) and the minority leader (Mr. BAKER) that the treaties did not not give adequate protection to the United States in the defense of the canal and in the maintenance of the neutrality of the canal.

(Mr. CLARK assumed the chair.)

Mr. ALLEN. Subsequently, after these defects had been pointed out to the President, the President and dictator Torrijos entered into a memorandum, which is unsigned, which set certain defense rights for the United States.

Thereafter, the leadership took the position that if the provisions of this memorandum between the President and the dictator were put in the treaties in the form of a leadership amendment or amendments—they broke it down into two, amendment No. 20 and amendment No. 21—that that would change these treaties from being totally unacceptable to being entirely acceptable, Mr. President, that no further amendments are needed and no further amendments to either of the treaties will be tolerated.

Mr. President, that seems to me to indicate tremendous pride in authorship, to say that the leadership amendments, the amendments sponsored by the distinguished majority leader (Mr. ROBERT C. BYRD) and the distinguished minority leader (Mr. BAKER), are so letter-perfect that they, by their being incorporated in the treaty, would make the treaties acceptable.

Bear in mind, Mr. President, that the amendments are merely to the Neutrality Treaty. That really does not go into operation fully until the year 2000 even though the treaty states that it will go into effect at the same time as the Panama Canal Treaty.

No amendments whatsoever are being offered by the leadership to the Panama Canal Treaty, which gives the canal away and makes provision for the taxpayers of the United States paying hundreds of millions of dollars to the Panamanians for taking the canal off our hands.

The leadership suggests no amendments to that treaty. They say that is fine, yes. Go ahead and give the canal away. Make these provisions for the taxpayer picking up the tab. Do not change that. That is letter-perfect as it is. And do not change the Neutrality Treaty except in the manner we indicated.

So a great responsibility, Mr. President, rests upon the leadership. Are they guiding the Senate in the right direction? Are they offering sufficient safeguards for our economic security and our military security?

I say they are not.

Mr. President, I think we must refer again to the fact that after this unsigned memorandum was entered into, Mr. Torrijos went back to Panama and bragged about the fact he had not signed anything up here, not even an autograph. He put an entirely different construction, Mr. President, on this memorandum than is being placed on the memorandum by the leadership and by the administration.

He said, 3 days before the plebiscite, that he viewed this memorandum, which now has become the leadership amendments, to give the United States not the right to defend the canal but the duty to defend the canal if he called upon the United States to defend the canal.

He wanted the United States to be in the position where, as he worded it, when he pressed the button, the United States would come to the defense of the canal.

The Panamanian idea about whether the canal needs defending might differ from the U.S. view of whether it needs to be defended. We might feel like there was a need to defend; Torrijos might not.

Mr. President, I challenge the proponents of these treaties to come forward with any statement by Mr. Torrijos recanting that position. They say, "Well, he said it was all right, or he thinks it is all right now."

But he has never taken back, so far as I know, this position of his construction of this memorandum between him and the President.

So much is being made, Mr. President, of the fact that this memorandum was in existence at the time of the plebiscite and, therefore, the memorandum was wrapped into the plebiscite and was approved by the people of Panama.

They had never heard about the memorandum; they heard about Torrijos' construction of it. What they were approving was not the memorandum as construed by the leadership here in the Senate; it was a memorandum as construed by Mr. Torrijos. If he had objections to the memorandum, if he had construed it one way, that same construction would carry forward to the leadership amendments, because they are word for word what the memorandum was.

I like to follow the leadership as often as I can. I do not feel under any duty or responsibility to, however, unless the leadership views coincide with my own. I would rather be here going along with the leadership, if I thought they were right. But I do not think they are right.

I say that the leadership amendments are absolutely inadequate to protect the vital interests of the United States. Mention has been made of the amendments in the past, that they overlooked the fact that whereas it was supposed to give us some right to defend the canal starting in the year 2000, it overlooked the fact that by the year 2000 all of our troops would be out of Panama, and if we were going to defend it, we would have to do it by the invasion route.

That is not very palatable, I would say. So that was overlooked.

We tried to remedy that, but all of our amendments were stricken down.

Then they put in a provision for Mr. Torrijos' benefit, which said that, if we did exert our right to defend the canal, we would not interfere with the internal affairs of Panama. Well, Panama might be the very country that was keeping us from the free use of the canal. We do not know what the situation is going to be 22 years from now in Panama. It might

be a Cuban satellite or a Russian satellite, or it might have a government hostile to the United States. The invasion of Panama in order to defend the canal certainly would have an effect on the internal affairs of Panama. So we are pledging that we will not do anything to interfere with the internal affairs of Panama, protecting Mr. Torrijos and his regime.

Then, too, it provides that we are not going to do anything to interfere with the territorial integrity of Panama. It is going to be hard to land troops there in Panama without having something to do with territorial integrity. And we are not going to do anything—this is the leadership amendment that was passed just the other day. We are not going to do anything to interfere with the political independence of Panama, the effect being to do nothing to upset the dictatorial regime or its successor in Panama.

Those provisions were put in for Mr. Torrijos and the dictatorial government in Panama. Now we come, Mr. President, to the remaining portion of the leadership amendment. I declare, I sometimes wonder if some of the leading proponents of the amendment have read the amendment. I heard some strange constructions as the two leaders were explaining what this provision was. It is only 11 lines long. It ought to be pretty easy to read.

Mr. BAKER said that this amendment—by the way, I told him a few moments ago I was going to comment and take exception to some of the statements of fact that he made as to this, made in all sincerity, I know. I am not suggesting anything to the contrary. I asked him to be on the floor at the time I made my remarks.

He said that the leadership amendment, which, again, I say is based on a memorandum between the President and the dictator, allowed American ships to go ahead of Panamanian vessels. Well, let us see what the amendment says and see if that is so. I read directly from it:

The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the canal expeditiously.

Will, I assume he does not think that, because the words, "United States," are ahead of "Panama," that would give them any priority over Panama, because it says the vessels of the United States and Panama will be entitled to transit the canal expeditiously. Where does that give the United States any priority over Panama? American ships are not entitled, then, to priority over Panama. They have equal priority; first come, first served. So that was not what the amendment said.

Then, Mr. President, the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD), quoted from the Foreign Relations report—and he did not make the statement directly himself, but he did quote from the report. Also, the floor leader, Mr. BAKER, stated, and I wrote it down here:

The United States retains the right to determine when there is an emergency.

Well, let us just look at the amendment. Let us look at the amendment and see if that is correct. Let us see what the amendment says. Mr. BAKER says that we retain the right to determine when there is an emergency, triggering our right to priority. Let us see what the amendment says—not what somebody says it says, but what does the amendment say?

After saying the United States and Panama are entitled to transit the canal expeditiously, putting neither ahead of the other one, it says:

This is intended, and it shall so be interpreted, to assure the transit of such vessels throughout the canal as quickly as possible, with expedited treatment;—

This is ships of both nations—

and in case of need or emergency, to go to the head of the line in order to transit the canal rapidly.'

Now, where in that amendment, Mr. President, does it say that the United States retains the right to determine whether there is an emergency? It is not in there. That is what the amendment at the desk that is now pending would seek to provide. It provides what is stated that the amendment already provides. So there ought not to be any objection to it, should there, Mr. President?

If it merely does what the sponsors of the amendment say it does, how could they have any objection to making the words say what the amendment already provides? The pending amendment merely says this:

At the end of the amendment—

The end of the second leadership amendment, both based on the memorandum that was misconstrued by Mr. Torrijos, and based on our construction—

strike the double quotation mark, add the following: "The United States shall be the sole judge of whether such need or emergency exists."

In other words, we could go to the head of the line in case of an emergency, is what the amendment says. The proponents say, well, that means the United States can determine when there is an emergency. The trouble is, the amendment does not say so; the leadership amendment does not say so without the amendment now at the desk.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. Yes. I am delighted to yield to the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. It seems to me that the amendment offered by the Senator from Alabama (Mr. ALLEN) is necessary if it is going to be clear as to just what rights the United States will have.

As the Senator from Alabama (Mr. ALLEN) points out as to the language as now written in the amendment which is pending, there is nothing in that language that says that the United States shall be the sole judge of whether such a need or emergency exists as to cause the U.S. vessels to be granted the right of prior passage.

Mr. ALLEN. That, certainly, is correct. But the proponents say that is what is intended. So if it is intended, let us put it into words.

Mr. HARRY F. BYRD, JR. Then if it is intended, and that is what it should mean and is supposed to mean, I would assume that the proponents of the pending amendment would certainly agree to the amendment offered by the Senator from Alabama. I hope that they do because I think it is a distinct improvement over the existing language.

Mr. ALLEN. I thank the distinguished Senator.

Mr. HARRY F. BYRD, JR. Will the distinguished Senator yield further?

Mr. ALLEN. Yes. I yield further.

Mr. HARRY F. BYRD, JR. Mr. President, I say to the distinguished Senator from Alabama that the city of Newport News, along with its sister city of Hampton, is located on the peninsula of Virginia.

I have just gotten a resolution in regard to the pending treaties from the city council of the city of Newport News.

Now, the Hampton Roads port handles the third largest tonnage of any seaport in the United States, so those people are very much interested in what effect approval of these treaties may have on that great support.

Mr. ALLEN. I am sure they ought to.

Mr. HARRY F. BYRD, JR. The city of Newport News has a population of approximately 150,000 persons.

Its commercial life is built around maritime interests, including the Newport News Shipbuilding and Dry Dock Co., which is the largest employer of labor (24,000) in the State of Virginia.

The elected governing body of the city of Newport News, on February 13, adopted a resolution expressing its opposition to the proposed new Panama Canal treaties as not being in the best interest of the United States.

I ask unanimous consent that the text of the resolution be printed at this point in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 2201–78

A resolution expressing the opposition of the Council of the City of Newport News, Va., to the proposed Panama Canal Treaty

Whereas, there is currently pending before the Congress of the United States a proposed treaty pertaining to the Panama Canal; and

Whereas, it is the opinion of the Council of the City of Newport News, Virginia, that said proposed treaty is inimical to the best interests of the United States of America; and

Whereas, the Council of the City of Newport News, Virginia, wishes to make its opinion regarding said proposed treaty known to members of Congress.

Now, therefore, Be it resolved by the Council of the City of Newport News, Virginia:

1. That it hereby expresses its opposition to the proposed Panama Canal Treaty as presently written.

2. That copies of this Resolution shall be mailed to each member of the Senate and each member of the House of Representatives and to the President of the United States.

Mr. HARRY F. BYRD, JR. I thank the Senator from Alabama.

Mr. ALLEN. I thank the distinguished Senator from Virginia.

I know the concern of the good citizens of Newport News because, unques-

tionably, with this raise in tolls that is going to be occasioned by this treaty, the price of everything that they ship through the canal will, of necessity, have to go up.

It has been estimated that Panama is going to syphon off about $100 million a year, as soon as this Panama Canal Treaty is approved, from the tolls, or from the American taxpayer if the tolls are not sufficient, because it is provided in the treaty that we turn the canal over to them 22 years from now free of all debt.

Mr. CURTIS. Will the distinguished Senator yield for a question?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. CURTIS. As I understand it, the Senator's amendment is an amendment to the so-called leadership amendment No. 21. Is that correct?

Mr. ALLEN. That is correct. Yes.

I am seeking to make it say in words what the proponents say it means.

Mr. CURTIS. This amendment, No. 21, says that the Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the canal expeditiously. This is intended and it shall so be interpreted to assure the transit of such vessels through the canal as quickly as possible without any impediment, with expedited treatment, and in case of need or emergency to go to the head of the line of vessels in order to transit the canal rapidly.

What is intended by this leadership amendment? What is it for?

Mr. ALLEN. Well, nobody knows, because it does not define who shall determine when an emergency exists.

We might feel that a definite emergency exists, that we have got to get warships through the canal. Panama might think it is more important that some of their vessels go through the canal and no need of our going from the foot of the line up to the head of the line, that there is no emergency, wait till tomorrow. That might well be their attitude.

So all the proponents have stated, and they quote from the Foreign Relations Committee report, that that is what is intended, that the United States will determine whether there is an emergency. But we search the four corners of the amendment unsuccessfully trying to locate where it says that the United States shall determine whether there is an emergency or not.

Mr. CURTIS. If we accept the amendment with the statement of the proponents that they do mean that the United States will determine whether or not there is need or emergency, then in that case the Senator's amendment is not in conflict with what they say they mean.

Mr. ALLEN. That is exactly right. That is what has been stated here on the floor.

I might say that is what the Foreign Relations Committee states, that the distinguished majority leader quoted from.

Let me read that for the benefit of the distinguished Senator from Nebraska and the Senate in general, "The meaning of the recommended amendment to Article VI"—that is the leadership amendment to article VI right now—"is equally clear." I do not know who wrote that "equally clear."

"This provision—extracted verbatim from the Joint Statement"—Well, the whole thing is extracted verbatim from the joint statement, so that does not give it any added luster, I would say, because Mr. Torrijos objected violently to our construction of it.

Let us read on:

> * * * confers upon United States warships and auxiliary vessels the right to go "to the head of the line" in an "emergency".

That is quoting from the Foreign Relations Committee report—

> What constitutes an emergency, and when one exists, is for the United States and the United States alone, to determine. The provision could hardly be more explicit.

I do not know who wrote that, Mr. President. I would suggest that it was not written by a U.S. Senator.

I do not believe a U.S. Senator would write such a statement as that. If any U.S. Senator, a member of that committee, wants to volunteer as the author of this portion of the report, I would like to hear from him.

I do not believe any U.S. Senator wrote such a statement as that—if he had read the amendment, the leadership amendment.

Mr. CURTIS. If we accept that as a correct statement of the intentions of the committee, then would the Senator's amendment be in opposition to it or do it violence in any regard?

Mr. ALLEN. Not in the slightest, if what the Foreign Relations Committee said the leadership amendment means is correct, or what has been stated here on the floor by both leaders as to what it means.

Mr. CURTIS. The distinguished Senator from Alabama is also a distinguished lawyer, a distinguished student of the law.

In reference to contracts, and the treaty is a contract, are not the parties to a contract well served, is not the public interest well served, when contracts are drawn with clarity and with unmistakable language so that occasions for dispute do not arise?

Mr. ALLEN. Yes.

I might point out, that is the basis of the whole leadership amendment, that the language of the treaty was not clear enough. Therefore, it was necessary to have the memorandum and it was necessary to follow the memorandum with the leadership amendments, quoting the memorandum verbatim to clear up this ambiguity. All this amendment does right now is to clear up the ambiguity. The leaders have stated what the amendment means. The Foreign Relations Committee has stated what the amendment means. But Mr. Torrijos has not agreed to that, Mr. President. He has not agreed to that construction. He is going to look to the four corners of the treaty, the wording of the treaty, and he is not going to say that the United States has priority over Panama, because that was not in the wording of the treaty as it has been stated here on the floor. He is not going to say that the United States alone has a right to determine whether an emergency exists, because it is not so stated in the leadership amendment.

The leadership amendment is supposed to clarify. Instead, it muddies the water even more, I say to the distinguished Senator from Nebraska, and I ask him if he agrees.

Mr. CURTIS. I do agree.

I ask the distinguished Senator an additional question, and it is this: If this amendment is voted down, is the Senate taking a position against the principle that the United States, and the United States alone, shall be the judge of need and emergency?

Mr. ALLEN. That would seem to be the situation we find ourselves in, I say to the distinguished Senator from Nebraska.

If the Senate, in its wisdom, votes down this amendment, which, in effect, is a construction and clears up ambiguities, Mr. Torrijos could well say that the Senate of the United States had an opportunity to say that the United States shall be the sole judge of when an emergency exists which entitles vessels to go to the head of the line, and they turned it down.

So I would say that our position would be weakened if this amendment were turned down, and I do not see how the Panamanian position would be harmed by agreeing to the amendment; because, as I stated on the floor, that is what is intended, anyhow.

Mr. CURTIS. It is not only what Torrijos might say; but is not that a generally accepted rule of construction—that when an amendment is proposed and rejected, that constitutes action in the negative?

Mr. ALLEN. Yes, it certainly is.

Furthermore, I say to the distinguished Senator from Nebraska, as was brought out here earlier, that all the nations of the world are going to be invited to join in a protocol in agreeing to these terms of neutrality. So it might be important not just as between Panama and the United States as to when an emergency can be declared. It is important to all the shipping of the world.

I do not know what influence the other nations might have on Panama to cause them to say that no emergency exists. That might well be, because they might be allied with some of the other nations that are not friendly to the United States. So they would say there is nothing in here that says the United States shall have the right to determine when an emergency exists. I think it is important not only in our relations with Panama but also in our relations with all the shipping world.

Suppose they had 100 ships waiting for entry to the canal and the U.S. warships were 101, 102, 103, 104, and 105 behind those 100 ships, and the other nations would not want to give way to the American warships. They would say, "Panama has not said there is an emergency here. You don't have the right to go ahead of us." It might cause all sorts of international incidents.

All this does is put in the treaty what the proponents of the leadership amendment say is already pending by their amendment.

Mr. CURTIS. I think this is one of the most important amendments the Senate will be called upon to act on.

Mr. ALLEN. It is, indeed, in my judgment.

Mr. CURTIS. From the remarks made on and off the record, it appears clear that there would not be enough votes to ratify this treaty if it were submitted without any amendments. Certain objections were raised. Then we had amendments offered, and it was said this takes care of it. If, in fact, the committee amendment does not take care of the situation—and it is quite evident that it does not—then the problem has not been met.

I think this amendment has to be adopted in order to keep faith with those Senators who have insisted that this question of going to the head of the line and prior treatment there for the United States be met. In the absence of the adoption of the Senator's amendment or something that would accomplish the same thing, I believe that all Senators should take notice that if they have an objection in this area, it has not been met without the Senator's amendment.

I thank the Senator for yielding.

Mr. ALLEN. I thank the Senator.

Mr. DOLE. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. Yes; I am delighted to yield for a question. I do want to go on. I have several other points I would like to make. I am delighted to yield to the Senator from Kansas for a question or a brief comment.

Mr. DOLE. I suggest to the Senator from Alabama that the unprinted amendment may do precisely what needs to be done. I think it is an improvement.

The Senator from Kansas has amendment No. 60, which is a little different. On page 2, line 9, after the word "emergency," it would insert "as determined by each head of state for the vessels of his nation."

It seems to me that that also would protect the rights of the Panamanians to expeditious passage as they determine and would give us the right to make the determination so far as American vessels are concerned.

I think the intent is the same, I say to the distinguished Senator from Alabama. He has hit a very weak spot in the leadership amendment, and I hope we can clear up this confusion about the authority; because it seems to me, having been there, that if somebody said, "OK, you have a priority passage, go ahead," and they do not operate the locks, it does not do much good.

Even with the language of the Senator from Alabama, I am not certain how we can take care of that practical problem, if the Panamanians are in control of the operation. Even if our President should decide that we should go to the head of the line, how do we impose our will upon those who may be pulling the levers in the different areas?

Mr. DOLE. To take them over.

Mr. ALLEN (continuing). To assert our rights to the canal, to maintain the Neutrality Treaty, to go to the head of the line. As has been stated on the floor, the Neutrality Treaty would be violated, and that would give us a right to intervene, it seems to the Senator from Alabama.

With respect to the amendment of the Senator from Kansas, I think that would be an improvement over the leadership amendment; but even his amendment would leave one factor undetermined. He would say that the heads of state of both governments would be able to say, as to their own vessels, whether or not an emergency existed. The trouble is that in the same leadership amendment it is provided that both the U.S. vessels and the Panamanian vessels shall have priority. So there you would have both saying, "We need to go to the head of the line," and neither having priority. There might be a collision at the mouth of the canal, on that basis.

All this amendment does is to allow the United States to determine whether, in fact, an emergency exists, and that is what the proponents of the leadership amendment say. They say that is what it does. They do not say that is what is intended. They say that is what it does.

I wish to make one other point with respect to the comments of the distinguished Senator from Tennessee (Mr. BAKER). He is worried about the provision in the Panama Canal Treaty that we cannot negotiate with another nation for an isthmian canal for 22 years. But he points out that Panama cannot negotiate with another nation for building a canal in Panama and that one is quid pro quo.

Well, I believe he overlooks the provision of the 1903 treaty which says this, article V:

> The Republic of Panama grants to the United States in perpetuity a monopoly for the construction, maintenance and operation of any system of communication by means of canal or railroad across its territory between the Caribbean and the Pacific Ocean.

So under the existing situation, Mr. President, we have a monopoly on the canal. Any communication by canal or otherwise across the isthmus connecting the two bodies of water we have got a monopoly on that.

So under the existing rule and treaty no other nation could come into Panama and build a canal. That seems to be what is worrying him; that plus the fact we could not negotiate with any other nation down there for a canal.

Well, I say this: Mr. Torrijos kind of outtraded our Yankee traders. He sure outtraded our negotiators on every point that I can see.

As I say, the leadership amendment, a big portion of that, was written for Panama's benefit and for perpetuating the regime in Panama.

Right now under the existing treaty we can negotiate with anybody for another canal. Panama cannot negotiate with anybody for building another canal in Panama.

Under the treaties before the Senate we give up that right. We give up our monopoly on canal construction in Panama, and in order to get it back in the new treaties we have to agree we are not going to negotiate with another country for a canal.

So if that was not outbargaining our negotiators, I do not know what was, because we have already got something and then we wiped that out and in order to get it back we have to agree to something else. That is some trading. It sure looks like the gringos got beat by the Panamanians at the negotiating table.

If these treaties are defeated that does not mean the end of the hoped-for Panama Canal Treaty. It will just send the issue back to the negotiating table, and then a new treaty could be worked out that would be in line with some of the suggestions made here on the floor for possible amendment.

Mr. President, I want to comment on this issue, and I think it is very important as we go to the final vote on next Thursday. Of course, the leadership put the Neutrality Treaty ahead of the Panama Canal Treaty, putting us pretty much in a ludicrous position here in the Senate of working on our defense rights in the year 2000 without ever deciding in the first place that we are going to give the canal away. So we are worrying about something 22 years from now when we ought to be worried about whether or not we are going to give the canal away as provided for by the first treaty.

That is well and good. They are the leadership, and when it is a joint leadership that is just almost twice as powerful as the majority leadership.

They put that first. But, Mr. President, there is a clause in the Neutrality Treaty that says it does not go into effect until the Panama Canal Treaty is agreed to. So actually what we have here is really a vote on Thursday on the whole issue. It is not just a defense issue. Everybody is for defending it as best we possibly can. The whole issue will be before the Senate, and I hope all Senators who oppose the treaties will oppose the Neutrality Treaty because it is part and parcel of the whole treaty question that is before the Senate.

I hope every Senator who plans to vote against the Panama Canal Treaty will vote first against the Neutrality Treaty.

I believe, Mr. President—this suggestion is not original with me, it was made by the disinguished Senator from Montana (Mr. MELCHER)—if we can defeat the Neutrality Treaty on Thursday that is going to allow the Senate to lay this matter aside, in my judgment. I do not believe the leadership would be so insistent and so determined to pass a treaty that they would then move to the Panama Canal Treaty. I think we can kill the Neutrality Treaty and if we do we kill both treaties for the time being until they can go back to the negotiating table and be worked on there.

So, Mr. President, I would feel that a vote against the Neutrality Treay is also a vote against the Panama Canal Treaty, giving the canal away. It has pretty well been merged into one. But if the Neutrality Treaty is approved I do not feel that that would necessarily mean the approval of the giving of the canal away, especially since the Neutrality Treaty will not go into effect until the Panama Canal Treaty is approved. So these are matters for the Senators to consider.

Getting back to the report of the Committee on Foreign Relations—and I

do not know whether they thought we would not bother to read this amendment when it is offered or not—this is what they said about it, for Senators who have come in since I read this a moment ago.

The meaning of the recommended amendment to article VI—

Which is the leadership amendment—

is equally clear. This provision—extracted verbatim from the Joint Statement—

I believe if the distinguished leaders had been on hand when this memorandum was adopted or when this leadership amendment was drafted they would have made some real improvements on this amendment. There are several obvious improvements needed, and I hope they will allow Members of the Senate to vote their independent judgment and not demand a monolithic vote of the treaty supporters on this issue. If a clarifying amendment is needed, if it put into effect what the leaders say the amendment now provides, what would be wrong with it?

Let us go on. This provision—

confers upon United States warships and auxiliary vessels the right to go "to the head of the line" in an "emergency".

There again they make no mention of the fact that this is a dual right. It is not an exclusive right to the United States. It is a right given to the United States and Panama to go ahead of the line in an emergency, and what they conclude "emergency" means—

What constitutes an emergency, and when one exists is for the United States and the United States alone to determine.

I do not know where they get that from. It is not in the amendment.

The provision could hardly be more explicit.

Well, it could hardly be more explicit, but it very definitely can be more explicit, and the pending amendment would spell out the fact that the United States will be the sole judge of whether an emergency exists to entitle or to trigger the right of the United States and Panama vessels to go to the head of the line.

If this amendment is agreed to, I am going to offer another amendment striking Panama out of the right to the head of the line. You could be in here for quite some time and not hear anything said by the proponents about the Panamanian right to go to the head of the line. It is the U.S. right to go to the head of the line.

It is not, as has been stated, a right given in the amendment for the United States to go in ahead of the Panamanian ships. It is an equal right; and, with Panama in control of the canal, who do you think they would say had the right to go ahead, U.S. ships or Panamanian ships?

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

Mr. CHURCH. Mr. President, I strongly oppose this amendment because it is unnecessary, and if Panama were to propose the same amendment to the treaty we would find it totally unacceptable.

There is comity between countries attempting to reach a contract. This treaty represents such a contract. Unlike the treaty of 1903, it is not being dictated to the Panamanians under circumstances that force them to accept our terms. Rather it is being negotiated decently and justly between two sovereign nations.

The fact that one is enormous, powerful, and rich and the other is extremely small and weak has nothing to do with the need to establish a new arrangement based upon decent respect for Panama by the United States; that is what has led to the treaties that are now before us. We have dealt justly with Panama, we have engaged in arm's length transactions with Panama, and we have conceded to Panama what is rightly theirs: namely, the respect we would show to a great and powerful nation, the respect we should show to every sovereign state, regardless of its size.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. CHURCH. No; I will not yield at this point. I will be glad to yield as soon as I finish my argument.

The amendment proposed by the leaderships treats the naval ships and auxilitary vessels of both parties even handedly. If there were an emergency in Panama requiring the rapid transit of Panamanian vessels through the canal, Panama would have the right to declare that emergency and its vessels would have priority passage.

Mr. President, that is not going to clog up the canal or create any problems for the United States. Panama has only the tiniest navy. Panama lacks the resources to build a formidable fleet. It is quite possible that the entire Panamanian Navy could get into one lock all at once. It is not going to keep the United States waiting even in the extraordinary circumstance that has been presented to us; namely, that Panama should declare an emergency for the purpose of impeding our own rapid transit through the canal. And the chances of that happening are exceedingly slim.

First, it is hard to conceive of such a thing. Second, even if it did occur, the Panamanian Navy ships and auxiliary vessels do not constitute a fleet of such proportions as to substantially interfere with the American use of the canal.

The essential point, Mr. President, is that we reserve in the wording of the leadership amendments our own right to determine when American naval ships and auxiliary vessels should go to the head of the line. The amendment protects our interests completely, and it does so in a form that does not insult the Panamanian Government or the Panamanian people. I do not know why it is so difficult for us to appreciate the sensitiveness of others. Is it simply that we have become accustomed, in the world, to dealing with peoples exclusively on our terms? If that is the case, then we should change our habits.

The leadership amendment accommodates the needs of the United States in any future emergency. It provides that our naval ships and auxiliary vessels will have not only priority passage, but the right to go to the head of the line. We determine it; what more do we want? What more do we need? Why must we clutter up the amendment with a provision that is not only unnecessary, but could also insult the Panamanians in such a way as to put the treaty itself at risk?

We have negotiated two good treaties. We have a bargain that has been fairly struck. When the committee examined those treaties carefully, it decided there were two changes needed to protect the vital interests of the United States, and both governments have now agreed to those changes. We are going to confirm those changes by writing them into the treaties themselves.

We have provided that whenever there is an emergency, U.S. Navy ships and auxiliary vessels would have the right to go to the head of the line. We are going to do that in a way that is acceptable to the Government of Panama, and gives them at least the respect of reciprocity, to which they are entitled as a sovereign and independent nation.

For these reasons, Mr. President, I hope very much that the Senate will reject this amendment.

Several Senators addressed the Chair.

Mr. CHURCH. I yield first to the distinguished Senator from Vermont.

Mr. LEAHY. Mr. President, I will be very brief. I wish to associate myself with the remarks made by our distinguished colleague from Idaho (Mr. CHURCH). I think that he and the distinguished Senator from Maryland (Mr. SARBANES) have done yeoman service here on this floor to state what is really on the minds of many of us in the Senate. This includes some of us who have not been as diligent or as hard-working as they, and I think that the Senator from Idaho makes a very good point that all Americans should listen to.

The United States is a very powerful country. It is the most powerful country in the world today. There is no historic parallel to the power that this country possesses. Its influence is felt throughout the world. Its strength is relied upon from hemisphere to hemisphere. NATO is an example of an alliance to protect freedom in the world. This freedom exists because of the overwhelming strength of the United States. However, this strength causes me concern when some events happen in this country. It appears as though the United States feels that they must constantly prove this strength. Certainly, we do not have to prove it to others. Others look to us and they take our strength for granted, and I wonder why sometimes we cannot see this ourselves.

Now, I address the case that the Senator from Idaho makes in connection with one of his points. We talk about an emergency and what the Panamanian Navy or the American Navy has determined is an emergency. Obviously, there are concerns that affect us in Europe, they affect us in Japan, they affect us on either of our coasts, or in the State

of Alaska, the State of Hawaii, or numerous other places. These are legitimate concerns and can be legitimate emergencies defined by the United States and recognized by everyone else in the world.

Now, do we have to spell out for Panama that we have these real concerns? Must we say, "You might not be aware of it, Panama, but we have these real concerns around the world and you do not."

I agree that this can be insulting. Panama is a proud country. It has reasons to be proud. Panama, like many other countries, does not pretend nor does it want to be either a world power and have the responsibilities of world power. There is no question in my mind that they, or any country similarly situated, would not want to place itself in the position of making a statement or trying to set a determination for the rest of the world that an emergency, other than a local emergency, was to them an emergency.

Mr. President, I think the best way to state it is to say that I am extremely proud to be an American, extremely proud that my family, with their roots in Vermont and prior roots in Italy and Ireland, are all Americans who do not have to set up artificial standards to prove it. I think that the Senator from Idaho's statement on the floor now is one that can be applied to amendment after amendment that have been proposed to these treaties.

Again, we must look at the basic issue. Do we want a canal to operate and to operate for worldwide shipping, not only in this century but into the next century? I think we can all agree yes. Do we want it to be a neutral canal? And again, I think we can agree yes, indeed, we do.

Do we want to protect the rights of the United States to defend the canal, well both now and after the year 2000? I think we can agree that we do.

Do we want to protect our right in a time of emergency to go to the head of of the line? And again, we decided that, yes, we do. That is written into the treaties.

Mr. President, I really do not feel that I need a number of amendments in addition to those that I have cosponsored to prove this point. Those amendments, together with the treaties themselves, spell it out very clearly to me and obviously spell it out very clearly to all but one member of the Senate Foreign Relations Committee. Because of that, Mr. President, I join wholeheartedly with the distinguished Senator from Idaho.

I yield back to the Senator from Idaho.

Mr. CHURCH. I thank the distinguished Senator very much for his remarks.

I would simply say, Mr. President, that we have always been at our best when we base our foreign policy upon principles of justice. This is what we have done in the case of the two treaties we are asked now to ratify.

I think this is the reason that the heads of state from all over this hemisphere came to Washington to join in the ceremonies that took place when President Carter for the United States and Omar Torrijos for Panama signed the treaties. All these countries, expressed their profound satisfaction with the treaties, recognizing that these treaties, unlike the original treaty of 1903, were based upon bona fide negotiations, based upon principles of justice for both the United States and Panama.

Now, I yield to the distinguished Senator from Alabama.

Mr. ALLEN. I thank the Senator from Idaho.

The distinguished Senator from Idaho is concerned for fear that if we put this amendment in the treaty it might possibly give offense to the Panamanians. I wonder if the Senator felt that way about the report of the Foreign Relations Committee, in which he is the ranking member, soon to become the chairman of the committee, when the committee in its report wrote this:

> This provision—the leadership amendment at the desk, extracted verbatim from his own statement—confers upon the United States warships and auxiliary vessels the right to go to the head of the line in an emergency. What constitutes an emergency, when one exists, is for the United States and the United States alone to determine.

The provision could hardly be more explicit, and what I would like to ask the distinguished Senator from Idaho is: Why would a provision in the treaty be more offensive to the Panamanians than a direct statement of the Foreign Relations Committee, stating that that is a fact, that the United States and the United States alone shall have the right to determine when an emergency exists?

(Mr. MATSUNAGA assumed the chair.)

Mr. CHURCH. Mr. President, we are both reading from the same book, the report of the committee. We are both reading from the same paragraph. I read the paragraph quite differently than the Senator from Alabama. I was there when the committee did its work and I assure the Senator that the paragraph refers to our warships and auxiliary ships going to the head of the line.

And the paragraph means that the need or the emergency for our warships and auxiliary vessels to go to the head of the line——

Mr. ALLEN. In an emergency.

Mr. CHURCH (continuing). Will be determined——

Mr. ALLEN. Who declares what the emergency is and when one exists?

Mr. CHURCH (continuing). Will be determined by the United States.

Clearly the leadership amendment states that American naval vessels and auxiliary ships may go to the head of the line, in case of need or emergency.

This paragraph and the committee report make clear that we will determine whether a need or emergency exists for our vessels to go the head of the line. We will not decide whether Panamanian ships may go to the head of the line; that is for Panama to decide. A need or emergency that would apply to Panamanian vessels is for the Panamanian Government to decide, but a need or an emergency that would apply to American warships or auxiliary vessels is one for the United States to decide.

Mr. ALLEN. Will the Senator yield further?

Mr. CHURCH. There is no doubt in my mind about this paragraph. It accurately describes what that language of the leadership amendment is intended to mean.

Mr. ALLEN. Will the Senator yield further?

Mr. CHURCH. Yes, I yield.

Mr. ALLEN. Suppose the Panamanians then decided an emergency existed as to their ships and they want to go to the head of the line and at the same time the United States determined that an emergency existed as to the United States and they want their ships to go to the head of the line.

Since the Panamanians and the United States have equal right under the leadership amendment, whose view would prevail?

Mr. CHURCH. I would say to the Senator he ought not to worry. There will be no serious traffic jam even in the event that such extraordinary circumstance should ever occur. The Panamanians have six patrol craft and one landing craft. They have no warships. What are we talking about, Mr. President? Really. We are conjuring up all kinds of frightful images, wasting the time of the Senate, in the judgment of the Senator from Idaho, and the time of the country, when we postulate propositions which sound good verbally but have no relation to actual fact. Panama does not have any Navy which could block us, stop us, or hold us back for any length of time at all and it is hardly conceivable that she would ever want to do so.

Mr. ALLEN. This applies——

Mr. CHURCH. There will not be a traffic jam. If we have the need or the emergency, we can be sure the American Navy will get through that canal in a big hurry.

Mr. ALLEN. I thank the distinguished Senator.

Mr. President, obviously the drafters of the Foreign Relations Committee report were not much more adept in removing ambiguities than were the drafters of the leadership amendment. It clearly states in the leadership amendment that it is intended, and it shall be so interpreted, to assure the transit of such vessels through the canal as quickly as possible without any impediment, with expedited treatment, and in case of need or emergency shall go to the head of the line of vessels in order to transit the canal rapidly.

That does not say that the United States shall determine when there is an emergency as to its ships and the Panamanians shall determine when there is an emergency as to their ships. Some one country has to declare that an emergency exists. We should not have a dual right there. It is not provided.

The Foreign Relations Committee has stated that what constitutes an emergency and when one exists is for the United States and the United States alone to determine.

Obviously, it takes considerable clearing up. The amendment at the desk, which does say what the Foreign Relations Committee report says already exists, is for the United States and the

United States alone to determine whether an emergency exists.

Also, while we are talking about the size of the Panamanian Navy, this does not just apply to the navy ships. It would be any ships owned by the Government. We do not know what the situation is going to be 22 years from now. We do not know whether Mr. Castro will go in there and help them build up their shipping, or whether the Russians will go in there and help them build up their shipping. This treaty is in perpetuity. We do not know what the situation will be later.

If we are saying one thing in the report and something else in the amendment, it looks like it ought to be clarified.

Mr. LAXALT. Will the Senator yield?

Mr. ALLEN. I will be glad to yield.

Mr. LAXALT. I rise in support of the amendment of the Senator from Alabama. I have noted with interest that many, many hours have been spent on the floor each time we offered an amendment, which would clear up what is a clear ambiguity, suddenly becoming unjust to the Panamanians. Is that not correct?

Mr. ALLEN. The Senator is correct. They say this is a redundant amendment—well, they always have a reason as to why no amendments would be accepted except the leadership amendments, which are given to us with the assurance that they fill the bill.

Mr. LAXALT. Does this amendment clear up a potential source of conflict with the Panamanians on this issue?

Mr. ALLEN. It does, and it also does what has been stated the leadership amendment does already.

Mr. LAXALT. We have had numerous references before the leadership amendments were offered, and even before the Carter-Torrijos understanding, that these treaties as written were clear and unambiguous. Yet the fact is that by merely offering the leadership amendment, certainly to that extent the treaties were not clear and unambiguous. Is that correct?

Mr. ALLEN. That is correct.

Mr. LAXALT. It is clear by reading this proposed amendment that the matter of who declares the emergency is simply not covered.

Mr. ALLEN. The Senator is absolutely correct.

Mr. LAXALT. Certainly, there could be no harm whatsoever by so stating. As Senator JAVITS indicated the other day, in his long practice of the law in drafting contracts, if there is something which should be expressed it should be expressed in writing within the four corners of the instrument. Is that what Senator JAVITS said.

Mr. ALLEN. That is correct.

Mr. LAXALT. Is that precisely what we are attempting to achieve by virtue of this amendment?

Mr. ALLEN. Exactly. It will clear up the ambiguity as to who has the right to declare an emergency.

Mr. LAXALT. In the event of a conflict or any sort of misunderstanding, legally our rights would be clearly expressed within the terms of this instrument.

Mr. ALLEN. The Senator is correct.

Mr. LAXALT. And by that fact alone we would be erasing a source of serious potential friction with the Panamanians.

Mr. ALLEN. Very definitely .

Mr. LAXALT. Rather than proceeding with the untested result which has been indicated time after time with the Panamanians, perhaps we would do well by virtue of passage of this amendment. It seems to me, in summary, this amendment does not cause any difficulty, none whatsoever, but strengthens and perfects the language already proposed. I think it erases a source of conflict.

When Senators vote in opposition to our position, as they will, it will be another clear indication that these amendments are not being treated on their merits, but that these treaties are being treated as some kind of infallible instruments which cannot be corrected or modified in some degree. In short, we are being subjected to another clear example of stonewalling.

Mr. ALLEN. The Senator is certainly correct.

Mr. LAXALT. I thank the Senator from Alabama for yielding.

Mr. ALLEN. I thank the Senator from Nevada very much.

The distinguished Senator from Idaho says we are wasting the time of the Senate and of the country.

Well, I believe we are wasting the time of the Senate and the country in considering these treaties. I feel we have many more pressing domestic problems on which we ought to be working. As suggested by the distinguished Senator from Montana (Mr. MELCHER) just the other day, if we can defeat this treaty that, in effect, would also kill the other treaty. I do not believe if this one goes down the leadership will go forward with the other treaty.

The way we can get back to the Nation's business, on the pressing domestic problems we have, is to defeat this treaty, not for all time but return it to the negotiating table where a perfected treaty might be worked out. The effect of disapproving this treaty will require the whole thing to be carried on again. I dare say the opposition will be greater to a treaty which gives the canal away rather than for one which provides for defending it starting with the year 2000.

If we are going to get back to the Nation's business, we certainly need to defeat this treaty on next Thursday.

To say that an amendment which eliminates an ambiguity in the leadership amendment is unnecessarily taking up the Senate's time is certainly a concept that I cannot go along with. I think not this particular amendment, but I think the whole treatment of the treaties, the issue before us, is the most important issue which has come before the Senate in some 9 years that I have been in the Senate. It is more important, Mr. President, than merely giving this tremendous asset away, this great engineering marvel of American genius which has been operated by the United States on a nonprofit basis for more than 60 years.

The question of whether we give it to Panama and allow them to make a profitmaking operation out of them. increase the tolls, is important. But even more important than that, Mr. President, as I see it, is that this whole concept of these treaties, giving the canal away and paying Panamanians to take it—and that is very definitely what we are doing, despite statements that all of it is going to come out of tolls—seems to me to be symptomatic of the trend in this country to give our very substance away. I feel that we are at the crossroads in this country and if we are going to yield to pressure around the world every time we are greeted with a little pressure, if we retreat, I think that we certainly run the risk of abandoning our role as a great world power. I think that this issue is so important that it well nigh constitutes an issue of our willingness to survive as a great world power.

So this is an important issue before the Senate. There have been no dilatory tactics with respect to these treaties. We have agreed on a time to vote. There have been no frivolous amendments offered. Certainly, I do not intend to offer any and I do not know of anybody that does.

There have been almost no quorum calls. The Senators know that the usual number of quorum calls in a day runs anywhere from 15 to 25. But I daresay you could count on the fingers of one hand the number of quorum calls that have been called for while the Senate was considering these treaties.

So this debate, certainly on behalf of the opponents of these treaties, has been a constructive debate. It has been an effort to improve these treaties. It has not been an effort merely to delay. But if we are to submit these treaties to Panama, if we are to approve, if we are to give our advice and consent as to them, it is the feeling of those of us who have offered amendments that we want the strongest possible treaties to protect the best interests of the people of the United States, to protect our economic interests and to protect our military security interests.

And, Mr. President, if addition of amendments would cause a new plebiscite to be taken there in Panama, what of it? What of it? Should not the people of Panama, if even their reservations—I hear discussion of reservations that are going to be accepted to the treaty after we get through with the amendments to the treaty. Why should not the Panamanians say that they approve this treaty after the leadership amendments have been adopted? Why should not the people of Panama have a right to pass on it?

Dictator Torrijos jumped the gun in calling for the plebiscite, anyhow, because he knew the U.S. Senate had a right to shape these treaties, to change them if they saw fit. So, why was he jumping the gun, calling for a plebiscite, saying, "Now, you have to approve it without changing it at all?"

Apparently, that is the attitude of the leadership, "accept our amendments, they say, but no other amendment is worthy of passage, no matter what it is." They are all frivolous, they are redundant, they are unnecessary, to hear the leadership talk.

Why should that be? Do they have any monopoly on wisdom? I do not think so. If you read some of these leadership amendments and the ambiguities they

contain, you would not think they were in the fount of all wisdom.

So, Mr. President, to say we are unnecessarily taking up the Senate's time is something that I do not believe is a proper attitude about the debate that is going on here, in the U.S. Senate. This amendment that is before the Senate at this time merely allows the United States to say that an emergency exists. That would allow U.S. vessels and Panamanian vessels to go to the head of the line. Nothing in here, in the leadership amendment, says that Panamanians decide as to Panamanian vessels and the United States decides as to U.S. vessels when an emergency exists. It is absolutely silent. So why should we not clarify this amendment and remove this ambiguity?

That is what the leadership amendment is doing. The leaders said that the original treaties were faulty and, therefore, they needed this memorandum added in the form of an amendment. But after that is done, to say that no other amendment will be accepted seems just a little bit arrogant to the Senator from Alabama. I do not believe they have any monopoly on deciding what amendments are desirable?

Obviously, the leadership is supported by a number of Senators, around the figure 67, and when Senators come in and come to the floor manager and ask how to vote, he tells them how to vote. If we are going to say that these treaties are letter-perfect except for the leadership amendments, we are just abdicating our responsibility and our duties as the Senate. All I ask is that the Senators use their own independent judgment, do not be a part of a monolithic vote against the amendment just because it is an amendment.

I suggested in the early days of the debate that the leadership attitude reminded me somewhat of a syllogism that we used to study in philosophy back in my days at the University of Alabama. It starts off, bringing it to apply to this situation, that your major premise would be that all amendments are unnecessary. Senator ALLEN has an amendment at the desk for your minor premise, and your conclusion is that Senator ALLEN'S amendment is unnecessary. I feel confident that, with the leadership opposed to the amendment, it will go down by a large majority. Yet I am hoping that Senators will display some little independence that will do credit to being a Member of the Senate, that we consider this amendment on its merits. If it is good, let us adopt it.

Because it would cause another plebiscite in Panama? I do not believe it would.

I believe that Mr. Torrijos, being a one-man government and having said he would accept the leadership amendments, would accept any other amendment, in my judgment, that the Senate asked.

We do not think he is going to refuse to accept this $100 million a year that Panama is going to get out of the treaties, do we?

He would agree to anything, as we well know, that is necessary to perpetuate his dictatorial regime in office—that this money is.

That is what is going to be the effect of it, Mr. President, in my judgment, this $100 million a year—and I am not making that figure up.

Mr. Barletta, the Economic Minister of Panama, said that Panama was going to receive over the 2-year period $2.262 billion. That is $100 million-plus a year, and that is going to be the amount necessary, as I see it, to perpetuate Mr. Torrijos' regime in office.

But this is a good amendment, as it is necessary to clear up an apparent and actual ambiguity. I hope the Senate will support the amendment and vote against the motion to table that I feel will come.

Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho (Mr. CHURCH) is recognized.

Mr. CHURCH. Mr. President, if this amendment were adopted, it would shatter the text of the treaty like a sledgehammer.

As we would not permit Panama to decide for us whether or not there existed an emergency permitting American warships to transit the canal ahead of the line, so we must not insist on our right to make that determination where Panamanian vessels are concerned.

Since the Panamanians have only six patrol boats that might make use of such a right, I think we need not anticipate any serious troubles in the years ahead.

Mr. President, I move to lay on the table the amendment of the Senator from Alabama and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

● Mr. THURMOND. Mr. President, I rise in support of the amendment in the second degree offered by the distinguished junior Senator from Alabama, Mr. ALLEN, to amendment No. 21.

This amendment simply provides that the United States would be the sole judge of whether a need or emergency exists in qualifying its ships for priority passage.

Proponents of the leadership amendment claim their amendment fully protects the United States, but as with previous amendments, the words are ambiguous and fail to clearly spell out U.S. rights.

Here again we are faced with the ridiculous situation of the leadership opposing any amendment to these treaties. It makes a mockery of the Senate's role to advise on these important documents.

I fail to understand why the advocates of these treaties are so fearful of improved treaties being offered to the Panamanian people in a plebiscite.

Certainly a matter as important as these treaties which will have serious effects on national security and economic interests of the United States could be submitted in Panama reflecting the advice of the representatives of the American people.

Mr. President, I urge the Senate to accept this amendment on its merit and thereby break the logjam which is preventing the Senate from improving these treaties and putting them in a form acceptable to the American people.●

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Alabama. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. (ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Colorado (Mr. HASKELL), the Senator from Montana (Mr. HATFIELD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from Tennessee (Mr. SASSER) and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Alaska (Mr. STEVENS). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Alaska would vote "nay."

The result was announced—yeas 53, nays 34, as follows:

[Rollcall Vote No. 52 Ex.]

YEAS—53

Anderson	Hathaway	Muskie
Baker	Hayakawa	Nelson
Bayh	Heinz	Packwood
Bumpers	Hodges	Pearson
Byrd, Robert C.	Huddleston	Pell
Case	Humphrey	Percy
Chafee	Jackson	Proxmire
Chiles	Javits	Randolph
Church	Kennedy	Ribicoff
Clark	Leahy	Riegle
Cranston	Long	Sarbanes
Culver	Magnuson	Sparkman
Danforth	Mathias	Stafford
Durkin	Matsunaga	Stevenson
Eagleton	McGovern	Stone
Glenn	McIntyre	Weicker
Gravel	Metzenbaum	Williams
Hart	Morgan	

NAYS—34

Allen	Ford	Roth
Bartlett	Garn	Schmitt
Brooke	Goldwater	Schweiker
Burdick	Griffin	Scott
Byrd, Harry F., Jr.	Hansen	Stennis
Cannon	Hatch	Talmadge
Curtis	Helms	Thurmond
DeConcini	Laxalt	Tower
Dole	Lugar	Wallop
Domenici	McClure	Young
Eastland	Melcher	Zorinsky
	Nunn	

NOT VOTING—13

Abourezk	Hatfield, Mark O.	Inouye
Bellmon	Hatfield, Paul G.	Johnston
Bentsen	Hollings	Moynihan
Biden		Sasser
Haskell		Stevens

So the motion to lay on the table was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas (Mr. DOLE) is recognized.

Mr. SARBANES. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. Members will cease conversations.

AMENDMENT NO. 60

Mr. DOLE. Mr. President, I call up amendment No. 60 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE) proposes an amendment numbered 60 to amendment No. 21 by Mr. ROBERT C. BYRD and others:

On page 2, line 9, after "emergency," insert "as determined by each head of State for vessels of his nation,".

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation on this amendment of 25 minutes, 20 minutes to be under the control of Mr. DOLE, 5 minutes under the control of Mr. CHURCH.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Kansas has the floor. Does the Senator from Kansas yield to the Senator from California?

Mr. DOLE. I yield to the distinguished Senator from California.

Mr. HAYAKAWA. Mr. President, I ask unanimous consent for Mary Goedde of my staff to have the privileges of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. The point is well taken. Members will cease their conversation. Senators will cease their conversations on the floor.

Mr. DOLE is recognized.

Mr. DOLE. Mr. President, let me say at the outset there is a time agreement on this amendment. The Senator from Kansas will take about 15 minutes, and the distinguished manager, I guess, 5 minutes, and then there will be a vote.

Let me also suggest at the outset that this amendment is somewhat similar to the amendment just acted upon offered by the distinguished Senator from Alabama (Mr. ALLEN).

Let me say very quickly we have before us amendment No. 21, the so-called leadership amendment, that is patterned after the Carter-Torrijos statement of understanding of last October. That amendment, amendment No. 1, reads as follows:

In accordance with the Statement of Understanding mentioned in Article IV above: The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.

I might say to my colleagues all the Senator from Kansas intends to do is on page 2, line 9, after "emergency" insert "as determined by each head of state for the vessels of his nation.".

It clarifies an objection raised by the distinguished Senator from Idaho (Mr. CHURCH) to the amendment of the Senator from Alabama (Mr. ALLEN).

I say "as determined by each head of state for the vessels of his nation." In other words, the Panamanian head of state would make that decision insofar as Panamanian vessels were concerned, whether or not there was an emergency, and in the case of U.S. vessels that determination would be made by the head of state of our country. So it treats each country alike.

I think this additional language is necessary in order to prevent any confusion about our authority at some future date to send our warships and auxiliary vessels to the head of the line of ships waiting to transit the canal.

The leadership amendment says this may be done whenever a need or emergency exists. But what is the proper definition of a need or an emergency? More importantly, who supplies the definition at the critical time? What criteria of determination will they use? Do the Panamanians, who will be operating the canal, determine that an emergency exists? Will the Americans, who are manning the ships, make the determination? And suppose the two governments disagree as to whether a need or an emergency exists? Is it necessary either in legal terms or in practical terms for both nations to recognize the urgency of the situation?

Mr. President, I submit these are the kinds of questions which should be raised, and which should be resolved at this time, for if they are not resolved now we can be certain that questions will be raised at some future time when the answers are crucial to our national defense.

Mr. CURTIS. Mr. President, will the distinguished Senator yield for a question?

Mr. DOLE. I would be happy to yield to the distinguished Senator from Nebraska.

Mr. CURTIS. Without the Senator's amendment is it not entirely possible that we might be involved in an arrangement where both parties had to concur and Panama, if she chose to do so, would not have to object to our request for expedition or finding of need but merely set up an arrangement that would delay to the point where the right of prior passage would be meaningless?

Mr. DOLE. That is how the Senator from Kansas construes it without this amendment.

Mr. CURTIS. Does the language refer to war vessels?

Mr. DOLE. Yes.

Mr. CURTIS. Would the Senator say that it is entirely possible that a few hours' delay can be very significant and damaging delay in certain war situations?

Mr. DOLE. There is no doubt about it. The article refers to vessels of war and auxiliary vessels, and without any doubt time will be of the essence. If there is an emergency then we have to move very quickly. We cannot wait for 1 or 2 days or even 1 or 2 hours.

Mr. CURTIS. I thank the Senator for his clarification.

Mr. DOLE. I thank the distinguished Senator from Nebraska.

Mr. President, I submit these are the kinds of questions which ought to be raised now, should be resolved now. The proper definition of "need" or "emergency" is all the more important when we recognize the fact that it is only under such circumstances that our ships do have the right to "go to the head of the line." The Carter-Torrijos statement, and the leadership amendment, when read carefully, clearly deny U.S. war vessels the right to go to the head of the line in all situations. In any circumstance other than one of need or emergency, our ships only transit the canal "as quickly as possible. Without any impediment, with expedited treatment"—and that is all that article VI provided for in the first place. The United States gained nothing from the Carter-Torrijos statement except in the special situation of "need" or "emergency," so we must be absolutely clear on what those circumstances are, because Panama will be in full control of the operation of the canal after the year 2000, the United States will be unable to impose its own judgment on the situation.

The fact that Panama will be in effective control of the canal will make it difficult enough for the United States to control the transit situation. Operation of the Suez Canal is a good case in point. Last October, the British nuclear submarine *Dreadnought* was denied passage through the Suez Canal by the Egyptian Government for several days, purportedly because of Egyptian concern about ecological conditions. Despite the fact that the Suez Canal is supposed to be open to the free transit of all vessels, they were able to hinder and delay the British submarine for several days simply because they operate the canal. In a like manner, we will be at the mercy of the Panamanian Government after the year 2000, so it is all the more important that we clairfy our transit rights as carefully as possible at this time.

A U.S. CONCESSION

Although the United States went into the canal treaty negotiations with the intent of making our priority passage rights clear and unambiguous, a substantial concession was made during mid-1977.

Let me say very clearly this was a matter of negotiation up until May of last year, and I am advised by sources close to the treaty negotiations that the U.S. bargaining position up until May of 1977 read as follows, and let me read it quickly:

In recognition of the important contributions of the United States of America and of the Republic of Panama to the construction, operation, maintenance, and protection and

defense of the waterway, vessels of war and auxiliary vessels of those nations shall, notwithstanding any other provisions of this treaty, be entitled to transit the waterway irrespective of their internal operation, means of propulsion, origin, destination, armament, or cargo carried, *and in time of war or situations of urgency, to transit on a preferential basis upon the request of either the Captain of the vessel or the authorities of the Government concerned.* (Emphasis supplied.)

This was the language that was in negotiation until last May. It is essentially the same language that the Senator from Kansas has offered today, to clairfy this particular section.

The fact that the United States backed down on this important point was confirmed by the Panamanian negotiators, as they gloated over this matter at a press conference last August:

As a matter of fact, the concept of privileged passage was rejected, and it was pointed out quite specifically that expeditious passage means passage as quickly as possible. Even after examining the provision, if the gringos with their warships say, 'I want to go through first,' then that is their problem with the other ships waiting. We cannot go that far.

This is not the language of the Senator from Kansas; it is the language of a press conference on August 4, 1977. So the concern is real. It is not some red herring, or some ridiculous amendment dreamed up by someone who wants to kill the treaties. This was the Panamanian negotiator's statement on August 4, 1977. He said:

Even after examining the provision, if the gringos with their warships say, 'I want to go through first,' then that is their problem with the other ships waiting. We cannot go that far.

All the Senator from Kansas wants to do is make certain that we can go that far if we have to, and the Panamanians can go that far if they have to. All I seek to do is add about 12 words: "as determined by each head of state for the vessels of his nation." It seems to me, Mr. President, that this is simply an effort to clarify the treaty.

DOLE PROPOSALS

Mr. President, when the Senator from Kansas read the language of article VI last September, I recognized the serious implications for our future defense needs, and proposed the following amendment No. 6 to article VI on September 23:

. . . Except that the Republic of Panama shall, upon request, afford privileged passage through the Canal to such vessels of the United States of America during any period in which the United States of America is at war.

The State Department, in a letter to the chairman of the Senate Foreign Relations Committee dated October 5, said that my amendment would not be negotiable as Panama would consider such a provision to be contrary to the spirit of nondiscrimination embodied in the Neutrality Treaty.

Only 9 days after that letter was sent, the Carter-Torrijos statement of understanding was issued, claiming to guarantee exactly what the Senator from Kansas had proposed. Taking the Carter administration at its word, I then proposed amendment No. 8 to the Neutrality Treaty on October 17, just 3 days later. Amendment No. 8 contained the verbatim language of the Carter-Torrijos statement.

Again, the administration objected. In a letter to the chairman of the Foreign Relations Committee dated December 7, 1977, the State Department advised that my amendment was "extremely undesirable and would seriously complicate the ratification process." Two months later, to the day, the so-called leadership amendment No. 21 was introduced for the same purpose, with the blessings of the administration.

DOLE AMENDMENT NO. 60

Mr. President, I am prepared to support the leadership amendment, and will at this time ask unanimous consent that I be made a cosponsor of that amendment, along with 78 of my colleagues.

So it is not enough for the administration to say, "Now we do not need this language." They were saying the same thing, in essence, last September. They were saying the same thing in October.

Mr. President, I am prepared to support the leadership amendment, and at this time I ask unanimous consent that I be made a cosponsor of that amendment.

The PRESIDING OFFICER (Mr. HODGES). Without objection, it is so ordered.

Mr. DOLE. As a cosponsor to that amendment, I feel a right and an obligation to tighten it up, to make its guarantees as precise as possible. Amendment No. 60 will do just that. It clearly insures that U.S. war vessels and auxiliary vessels will be able to go to the head of the line for transit of the canal whenever the President of the United States determines that a need or emergency exists. Likewise, it guarantees that Panamanian vessels of war and auxiliary vessels will be able to go to the head of the line whenever the Panamanian head of state—be he the President or the "maximum leader"—determines necessary.

Furthermore, it insures that it will not be necessary for both nations to agree that a "need" or "emergency" exists, in order for ships of either nation to receive this priority passage right. It treats both nations equally and fairly. It resolves any potential problems regarding the appropriate definition or criteria for determining what a "need" or an "emergency" is.

Mr. President, I strongly suggest that it is the better part of wisdom for the Senate to amend amendment No. 21 with this simple but significant phrase.

Let me repeat: After the word "emergency" would be added the words "as determined by each head of state for the vessels of his nation."

It just seems to me that this is one of the amendments that was offered in complete good faith, in essence, last September and again in October. Then along came the leadership amendment, and now I feel that we cught to tighten up that amendment. It is not enough to say we might force another plebiscite. We have been through that. It is not enough to say that Torrijos has a veto power over the Senate of the United States. But it does seem to me that we ought to have some agreement and adopt some amendment to this treaty. This is a good amendment. It is offered in that spirit: to make the treaties better.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I rise in opposition to the amendment offered by the Senator from Kansas. In his speech, reference as made to an August statement. I only wish to point out that the joint statement issued by President Carter and General Torrijos was in mid-October, well subsequent to any differences of interpretation that may have been expressed shortly after the treaties were negotiated.

That joint statement, among other things, was intended to accomplish, and I think did accomplish, the purpose of putting such differing interpretations to rest.

But not content with handling the matter only that way, the Senate leadership, the majority leader and the minority leader, jointly together in proposing two amendments to the neutrality treaty, one to article IV concerning our right to take whatever action is necessary to maintain the regime of neutrality, and the other one to article VI, concerning the right to priority passage, which is now pending before us.

It is true that the Senator from Kansas, as he pointed out, in the September period did propose certain amendments, but I would suggest to the Senator that the content of those amendments—he has now come back with a further amendment—I would suggest to him that the content of the amendments that he proposed in September is embodied in the leadership amendment that is now pending before the Senate.

In other words, the concern that he reflected then was shared by others, including the leadership, and the leadership amendment was brought forward to clarify that matter. So the content of those amendments has been encompassed within the leadership amendment.

The amendment that the Senator from Kansas now proposes which goes further is, in my view, unnecessary, and may in fact create some problems for us. The leadership amendment offered by Senators BYRD and BAKER and cosponsored by a very large majority of this body provides—

that the vessels of war and auxiliary vessels of the United States and Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall so be interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.

As the distinguished Senator from Idaho pointed out in the debate on the prior amendment, the determination of need and emergency will be made by the respective nations, not necessarily as determined by the head of state—the head of state may choose to have the determination made at a level well shy of

that top level in terms of what constitutes a good procedure for promptly traversing the canal, and may well place it in the hands of a responsible military authority or naval authority, which I think is an approach that would be precluded by this amendment which has been offered by the Senator from Kansas.

Some reference has been made to the terms of the joint statement entered into between President Carter and General Torrijos. That statement was read on Panamanian television to the Panamanian people shortly before the plebiscite took place.

After the joint declaration was quoted, General Torrijos, who was on that television program, said the following:

This is what we all want. There was a problem about whether they would go first. All warships will be first in line. I do not wish to see warships around here.

Then later in that same statement—this was just after the joint statement had been read to the Panamanian civilian audience—he went on to say, "And I would sign this right here if you want it. If Carter asked, I would sign."

Now, of course, what we are doing here by including the joint statement in the text of the treaty——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SARBANES (continuing). Is making it an essential part of that treaty.

The PRESIDING OFFICER. The Senator from Kansas has 5 minutes.

Mr. ALLEN. Will the Senator from Kansas yield to me for 2 mintues?

Mr. DOLE. I yield to the Senator from Alabama for 2 minutes.

Mr. ALLEN. I thank the distinguished Senator from Kansas for yielding to me.

The distinguished Senator from Maryland said that the memorandum, which was entered into by President Carter and Dictator Torrijos, removed the ambiguities or eliminated the different constructions that had been placed on the treaty.

Far from being correct, it gave rise to another differing construction because just days after Torrijos went back to Panama, after the memorandum was agreed to, he made the statement 3 days prior to the plebiscite that, as he construed the memorandum, which has now become the leadership amendment, the United States did not have the right to intervene to defend the canal or to protect its neutrality. He said they had the duty, when he called on them; that when he called on the United States to come in and defend, we would have to do it. We did not have the right to do it. Now this memorandum has been carried forward into the leadership amendment, and there is no record, and I have challenged the proponents of the amendment to come forward with a statement by Dictator Torrijos in which he recanted that construction.

Far from eliminating the ambiguities, it has just created more. I would like to set the record straight, and I thank the distinguished Senator from Kansas for yielding the time to me.

Mr. DOLE. Mr. President, like the distinguished Senator from Alabama, it just seems to me that since the Senator from Kansas offered amendments in September and October I have discovered a need to strengthen this particular amendment I support. I am cosponsor of the amendment so I do not have any quarrel with the leadership amendment. I think it does help somewhat.

My point in raising the Panamanian position was to point up that we had a different negotiating position up until May of 1977 and then we yielded on that position and the Panamanians were, properly so, gloating about it because, as I understand, as late as May of 1977 we were negotiating this language which said, in part: In the case of a situation of emergency to transit on a preferential basis upon the request of either the captain of the vessel or the authorities of the Government concerned.

Now the only governments we are talking about are Panama and the United States of America, and that is why I suggest by adding 14 words we get back to that negotiating position, which I feel is the correct one; that if there is some need or some urgency, or some emergency somebody has to make a decision. They have to make it very quickly. We cannot wait for a meeting. We cannot wait for somebody to decide: Well, we have to talk about this and have a committee meeting and do whatever else they might want to do in the meantime.

I guess you go back to the old saying: Well, just do not worry about the treaty; go on right through the locks, which would mean, as I listened to the Senator from Alabama earlier, perhaps moving in under the neutrality provision and taking over the locks.

If that is going to be clarified in that way that would be a little different than doing it by language.

It seems to me that would avoid the problem by simply adopting this rather harmless amendment, from the standpoint of damaging the treaty, and a significant amendment from the standpoint of strengthening the treaty, and I do not really believe that it would do all that much violence.

It would seem to me that this will help the Panamanian leaders as well as our leaders in the future.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. SARBANES. Mr. President, I move to table the amendment of the Senator from Kansas. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Colorado (Mr. HASKELL), the Senator from Montana (Mr. HATFIELD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Tennessee (Mr. SASSER) are absent on official business.

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Alaska (Mr. STEVENS). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Alaska would vote "nay."

The result was announced—yeas 51, nays 37, as follows:

[Rollcall Vote No. 53 Ex.]

YEAS—51

Abourezk	Glenn	Metzenbaum
Anderson	Gravel	Muskie
Baker	Hart	Nelson
Bayh	Hathaway	Packwood
Biden	Hayakawa	Pearson
Bumpers	Hodges	Pell
Byrd, Robert C.	Huddleston	Percy
Case	Humphrey	Proxmire
Chafee	Jackson	Randolph
Chiles	Javits	Ribicoff
Church	Kennedy	Riegle
Clark	Leahy	Sarbanes
Cranston	Long	Sparkman
Culver	Magnuson	Stafford
Danforth	Mathias	Stevenson
Durkin	Matsunaga	Weicker
Eagleton	McIntyre	Williams

NAYS—37

Allen	Garn	Roth
Bartlett	Goldwater	Schmitt
Brooke	Griffin	Schweiker
Burdick	Hansen	Scott
Byrd, Harry F., Jr.	Hatch	Stennis
Cannon	Heinz	Stone
Curtis	Helms	Talmadge
DeConcini	Laxalt	Thurmond
Dole	Lugar	Tower
Domenici	McClure	Wallop
Eastland	Melcher	Young
Ford	Morgan	Zorinsky
	Nunn	

NOT VOTING—12

Bellmon	Hatfield, Paul G.	McGovern
Bentsen	Hollings	Moynihan
Haskell	Inouye	Sasser
Hatfield, Mark O.	Johnston	Stevens

So the motion to lay on the table was agreed to.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the motion was agreed to .

Mr. SARBANES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the leadership amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to leadership amendment No. 21. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Colorado (Mr. HASKELL), the Senator from Montana (Mr. HATFIELD), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that the Senator

from Tennessee (Mr. SASSER) and the Senator from Hawaii (Mr. INOUYE) are absent on official business.

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMAN), the Senator from Oregon (Mr. HATFIELD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Alaska (Mr. STEVENS). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Alaska would vote "nay."

The result was announced—yeas 85, nays 3, as follows:

[Rollcall Vote No. 54 Ex.]

YEAS—85

Abourezk	Garn	Muskie
Allen	Glenn	Nelson
Anderson	Goldwater	Nunn
Baker	Gravel	Packwood
Bartlett	Hansen	Pearson
Bayh	Hart	Pell
Biden	Hatch	Percy
Brooke	Hathaway	Proxmire
Bumpers	Hayakawa	Randolph
Burdick	Heinz	Ribicoff
Byrd, Harry F., Jr.	Helms	Riegle
	Hodges	Roth
Byrd, Robert C.	Humphrey	Sarbanes
Cannon	Jackson	Schmitt
Case	Javits	Schweiker
Chafee	Kennedy	Sparkman
Chiles	Laxalt	Stafford
Church	Leahy	Stennis
Clark	Long	Stevenson
Cranston	Lugar	Stone
Culver	Magnuson	Talmadge
Danforth	Mathias	Thurmond
DeConcini	Matsunaga	Tower
Dole	McClure	Wallop
Domenici	McGovern	Weicker
Durkin	McIntyre	Williams
Eagleton	Melcher	Young
Eastland	Metzenbaum	Zorinsky
Ford	Morgan	

NAYS—3

Curtis	Griffin	Scott

NOT VOTING—12

Bellmon	Hatfield, Paul G.	Johnston
Bentsen		Moynihan
Haskell	Hollings	Sasser
Hatfield, Mark O.	Huddleston	Stevens
	Inouye	

So the amendment was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Michigan (Mr. GRIFFIN) is recognized.

THE NEED FOR A NEW PLEBISCITE

Mr. GRIFFIN. Mr. President, last week the Senate amended the Neutrality Treaty by adopting one of the two leadership amendments. The other amendment has just been adopted by the Senate. Taken together, adoption of the two amendments adds to the treaty the text of the October 14 joint statement by President Carter and General Torrijos.

Under international law, an amended treaty is a rejected treaty. Once amended by one party, it must then be reratified as a new treaty by the other party.

It has been obvious throughout this debate that if the Senate adopts only the two so-called "leadership amendments," then President Carter and General Torrijos will proceed to exchange the instruments of ratification without first submitting the new treaty to a vote of the people of Panama in a new plebiscite, even though such a step is required by article 274 of Panama's Constitution.

Of course, it is also obvious that President Carter and General Torrijos both realize that without adoption of the two leadership amendments the Senate would not consent to ratification. There is obvious concern, however, that if the new treaty, as revised, were submitted to a Panamanian plebiscite, the new treaty would be rejected in Panama.

Since the Panamanian Constitution clearly requires approval by the people in a new plebiscite, I do not see how the Senate can responsibly play "the game" we are now being asked to play.

We are being urged to close our eyes and to be satisfied with a new treaty ratified only by the temporary dictator of Panama—without the required approval of the Panamanian people.

Let me address more fully the question: Does an amended treaty require a new plebiscite? The overwhelming weight of legal authority is that it does.

Key spokesmen for both the United States and Panama have recognized this in recent months.

For example:

Secretary of State Cyrus Vance. Consider this excerpt from an article in the New York Times on January 13, 1978, reporting on the Secretary's public speeches in support of the treaties in Charleston, W. Va.; Louisville, and New Orleans:

. . . Mr. Vance urged that the Senate only attach to the ratification document a "statement of understanding" identical to the one agreed to in Washington last October 14 by President Carter and the Panamanian leader, Brig. Gen. Omar Torrijos Herrera. . . . *He warned that if the Senate* instead *attached amendments, the treaties would have to be submitted a second time to a plebiscite in Panama,* with uncertainty as to the outcome of such a vote. (Emphasis supplied.)

General Omar Torrijos. On January 29, 1978, the Washington Post carried an Associated Press article which read:

Panamanian leader Omar Torrijos told a U.S. Senate delegation yesterday that he is concerned that he might have to submit one of the two Panama Canal treaties to a second vote by the Panamanian people if the Senate amends the document. Sen. Alan Cranston (D-Cal.) said Torrijos was concerned about an amendment being proposed to the treaty that would strengthen U.S. security rights to the waterway after it is turned over to Panama in the year 2000. . . . Cranston said Torrijos fears the treaty might be challenged by its Panamanian opponents if the Senate changes the existing language.

Dr. Romulo Escobar, chief Panamanian treaty negotiator. An Evans and Novak column which appeared in the New York Post on January 27, 1978, reads as follows:

Romulo [Escobar] Bethancourt, Torrijos's tough, outspoken chief treaty negotiator, told us that if anti-treaty Senators nail a formal amendment (as opposed to an "understanding") into the neutrality treaty, incorporating the permanent U.S. right "to intervene against any aggression or threat" against the canal, a second plebiscite will be unavoidable under Panamanian law. That U.S. "right" is now in the form of a joint statement by President Carter and Torrijos. "Torrijos is not trying to make trouble," Bethancourt said. The almost desperate hope here is that the Senate will attach the Carter-Torrijos statement to the treaty only as an understanding." That would leave the treaty text unchanged, finessing a second plebiscite.

Dr. Cesar Quintero, dean of the Law and Political Science School of Panama University. On January 20, 1978, Panama national television carried an interview with Dean Quintero, during which this exchange occurred:

Question. . . . [D]o you feel as an attorney that if the declaration is incorporated into the treaties another plebiscite will not be necessary?

Answer. In my judgment, the negotiating stage concluded when the treaties were signed . . . in Washington on 7 September. . . . Then there was an understanding. . . . between President Carter and General Torrijos on 14 October. . . . [T]his oral agreement could be binding because they agreed on it before the plebiscite—*if it had been voted on during the plebiscite. However, it was not voted on during the plebiscite.* . . . What did we vote on? The ballot reads: ["] I agree with the new Panama Canal treaty, the treaty on permanent canal neutrality and operation of the Panama Canal, the documents that have been agreed upon, the notes exchanged, the maps, the related agreements and annexes *signed between the governments* of Panama and the United States on Wednesday, 7 September 1977. ["] . . So the oral agreement . . . between President Carter and General Torrijos could and should have been included—and it would have already been voted on—but *it was not included on the ballot.*

. . . I believe that the . . . acceptance [by Panama] of [a Senate amendment incorporating the joint statement] would violate the plebiscite, the spirit, the nature and legal value of the plebiscite held on 23 October 1977, because the people voted on all that was signed on 7 September, not for successive agreements even though they may have been discussed . . . before the day of the plebiscite. (Emphasis supplied.)

Professor of Law Julio Linares. Five days later the same television station interviewed Dr. Julio Linares, another University of Panama law professor. This exchange occurred:

Question. There is another issue connected with this matter. It is the statements by some Government sources and some of the U.S. Senators . . . to the effect that the incorporation of the Torrijos-Carter declaration of 14 October into the treaties would not require a new plebiscite because this joint declaration had been agreed on prior to the plebiscite date . . . What do you think about this?

Answer. Well, . . . the question of whether this verbal agreement was entered into . . . before the plebiscite is legally immaterial. I think so because it was not among the documents that were submitted to the Panamanian people for approval or rejection. . . . If the treaty is approved by the U.S. Senate with reservations and these reservations require an amendment to the . . . treaty, it is undeniable that it will have to be submitted to a plebiscite in order for Panama to be able to accept it.

Or take the leaders of Panamanian political parties. On February 12, 1978, leaders of five Panamanian political parties—all officially banned, incidentally, by the Torrijos regime—signed a proclamation calling for a return to democratic rule. The nine signers of the statement—including two former elected

presidents of Panama—represented the Panamenista Party, the Republican Party, the Christian Democratic Party, the Social Democratic Party, and the Independent Democratic Movement. Although they did not take a position on the treaties, one of the four points in the statement read:

[A]ny modification, reform, amendment, clarification or addition to the texts of the Treaties . . . will require a new plebiscite to be held in accordance with the stipulations of the present constitution.

(Mr. RIEGLE assumed the chair.)

Mr. GRIFFIN. Mr. President, I could go on. The evidence is abundant. Although they express a contrary view now, it is interesting and disturbing—that General Torrijos and Secretary Vance both recognized only a few weeks ago that adoption of the leadership amendments would require a new plebiscite.

One is left to speculate now about the motives and reasons behind the change in tune by the State Department on this point: On page 7 of the report of the Foreign Relations Committee on these treaties, this language appears:

The Committee is informed by the Department of State that the Government of the Republic of Panama has concluded that no new plebiscite will be required for the approval of the two [leadership] amendments. . . . It . . . is clear that the Panamanian people were fully apprised of the Joint Statement prior to the plebiscite, and were accorded a full opportunity to consider its provisions before approving the treaties.

At this point I would like to call attention to the carefully researched statement I delivered in the Senate on Monday, March 6, which appears beginning at page S. 2943 of the CONGRESSIONAL RECORD.

As that statement documented, between October 14 when the Carter-Torrijos joint statement was issued and October 23 when the Panamanian people voted in a plebiscite, spokesmen for Panama made it clear that Panamanian interpretations of the Carter-Torrijos statement differed sharply from the Carter administration interpretations.

On the day that the Carter-Torrijos statement was released, General Torrijos stressed to Panamanian reporters that he had "signed" nothing—not even an "autograph"—and that the meeting with President Carter had not been intended "to issue a joint declaration."

Four days later, on October 18, chief negotiator Escobar told Panamanian journalists that "that was no joint communique," and that "they were not adding anything at all to the treaty." When asked whether Panama would consent to adding the joint statement language to the treaty text, as some U.S. Senators were suggesting, Dr. Escobar replied:

[W]e cannot abide by what the Senators want because they have their own problems. . . . [W]e cannot adapt our procedures to that of the U.S. Senate.

Actually, this was consistent with the position that had been taken by the United States before the Panamanian plebiscite on October 23.

When Ambassador Linowitz on October 19 appeared before the Foreign Relations Committee to discuss the Carter-Torrijos statement, Senator CHURCH asked if there was any intention of adding the understanding "as a minute to the treaty itself?" Ambassador Linowitz responded: "No, sir."

Finally, as Dean Quintero noted, no reference was made to the Carter-Torrijos statement in the list of documents included in the question put to the Panamanian people in their plebiscite. The question on the ballot was very specific—it called for approval or disapproval of two treaties and the six accompanying documents "signed * * * on Wednesday, 7 September 1977." Needless to say, the Carter-Torrijos statement was not in existence on September 7, 1977.

It might be asked: If the State Department and General Torrijos really believe that the Panamanian people understood and intended to approve the joint statement as interpreted by the United States when they voted last October, why is there such concern now about the prospect of another plebiscite? The answer is clear. Both our State Department and General Torrijos are deeply concerned that if the Panamanian people were given an opportunity to approve or disapprove the new treaty, as modified by the leadership amendments, it would be rejected.

Particularly in light of so much familiar rhetoric alleging moral shortcomings relating to the 1903 treaty, it is surprising that some of our colleagues appear so unconcerned about the importance and necessity of the Panamanian people approving the new treaty in a plebiscite in accordance with their Constitution.

On February 20 Senator CHURCH said this on the Senate floor:

Whatever the Government of Panama feels it must do under its constitution is up to the Government of Panama. I do not care. Whether they need another plebiscite is for them to determine, not for us to determine.

Ten days earlier, Senator CLARK, of Iowa, made this statement—and I quote from the February 10 CONGRESSIONAL RECORD:

Let me make one other point regarding the validity of the treaties, particularly with reference to whether Panama must hold a second plebiscite because of the incorporation of the [Carter-Torrijos] statement in the [Treaty] text. The Vienna Convention on the Law of the Treaties—article 46—provides, in regard to the provisions of internal law and their relationship to the treaties, that—

1. A state may not invoke the fact that its consent to be bound by a treaty has been expressed in violation of a provision of its internal law regarding competence to conclude treaties as invalidating its consent unless that violation was manifest and concerned a rule of its internal law of fundamental importance.

2. A violation is manifest if it would be objectively evident to any State conducting itself in the matter in accordance with normal practice and in good faith.

Mr. President, I do not share the view that we in the Senate should be unconcerned about the procedure used by Panama in ratifying a new treaty relationship. If we end up with a treaty that will not be recognized as valid by Torrijos' successors, the day is not far off when we will regret this exercise.

In my view it is essential that any new agreement be approved by the people of Panama—for moral as well as legal reasons.

For what it is worth, I do not think much of the legal "loophole" pointed up by Senator CLARK.

To begin with, the 1970 Vienna Convention on the Law of Treaties which he relies upon has no relevance to these treaties, since the 1970 Vienna Convention is pending before the Foreign Relations Committee and has never been ratified by the United States. Article 4 of the convention says:

The Convention applies only to treaties which are concluded by States after the entry into force of the present Convention with regard to such States.

But even if it were "in force"—and to the extent that it simply reflects existing standards of international law—the provision in the Convention cited by Senator CLARK would not get us off the hook. Let me read again from article 46:

A State may not invoke the fact that its consent to be bound by a treaty has been expressed in violation of a provision of its internal law . . . *unless that violation was manifest and concerned a rule of its internal law of fundamental importance.* (Emphasis supplied.)

I do not see how anyone could seriously contend that the requirement of approval by plebiscite in the Constitution of Panama is not a rule "of fundamental importance."

There is every reason to believe that a requirement of fundamental importance was correctly stated by Panama's chief negotiator, Romulo Escobar, when on August 24, 1977, he said:

The plebiscite is an *essential requirement* in Panama for the approval of the treaty. . . . The obligatory plebiscite is *a basic condition* for the approval or rejection of the treaty. (Emphasis supplied.)

Furthermore, it is widely held under international law that treaties ratified in violation of constitutional procedures are not legally binding. Not only is this view taken by the Vienna Convention, but I would also direct the attention of my colleagues to Professor Oppenheim's classic work, "International Law," in which he states:

§ 497. Although the Heads of States are regularly, according to International Law, the organs that exercise the treatymaking power of the State, such treaties concluded by Heads of State, or other organs purporting to act on behalf of the State, as violate constitutional restrictions do not bind the State concerned. This is so for the reason that the representatives have exceeded their powers in concluding the treaties.

Here is another passage from Professor Oppenheim's classic work, "International Law":

§ 517. It follows from the nature of ratification, as a necessary confirmation of a treaty already concluded, that ratification must be either given or refused, no conditional ratification being possible. That occasionally a State tries to modify a treaty while ratifying it cannot be denied; but conditional ratification is not ratification at all, but is equivalent to refusal of ratification coupled with a fresh offer which may or may not be accepted. Nothing, of course, prevents the other contracting party from entering into fresh negotiations in regard to such modifications; but such negotiations are negotiations for a new treaty, the original treaty having be-

come null and void through its conditional ratification.

Similarly, Prof. J. L. Brierly, has written in his treatise "The Law of Nations":

In accepting a treaty a state sometimes attaches a "reservation," that is to say, it makes the acceptance conditional on some new term which limits or varies the application of the treaty to itself. Such a qualified acceptance is really a proposal for a treaty different from that agreed on, and if the reservation is perisisted in and is not accepted by the other states concerned it amounts to a rejection.

Or consider this excerpt from a memorandum written by the Solicitor for the Department of State on April 18, 1921, and quoted in Green H. Hackworth's "Digest of International Law":

In the course of negotiations regularly conducted in accordance with established international practice, the Government of the United States must either ratify a treaty as it has been signed or reject it. If the Senate attempts to alter it, consent of the other nations must be obtained to the alteration. In effect a new treaty is substituted for the old one.

I could go on with the citation of authority to make the point that in order to be legally binding, a treaty which has been amended by the United States must be reratified by the Republic of Panama in accordance with its constitutional procedures.

Obviously, there is fear in this body that the people of Panama—who were told prior to their plebiscite on October 23 that the United States would not have the unilateral right to defend the canal's neutrality against an internal threat after the year 2000— might not approve the new treaty now being fashioned here on the Senate floor.

It is bad enough that General Torrijos is determined to deny the Panamanian people their clear constitutional right. But I must say, it is most disappointing, to say the least, that the Senate is being asked to be accessory to this ignoble act.

The language of the Carter-Torrijos joint statement—now before the Senate in the form of the two leadership amendments—is unacceptably ambiguous. That it is ambiguous has been recognized by two Library of Congress studies, to which I referred last Monday, and is highlighted by numerous statements of Panamanian spokesmen—statements which I have quoted in an earlier speech.

I can only conclude that we are being asked to incorporate this ambiguous language into the treaty because if it were made more precise and understandable it would be rejected by the people of Panama.

And yet unless we end up with an agreement with the people of Panama—not just with their dictator—we will really have nothing at all.

The attitude in Panama about which I am concerned was reflected on January 19, 1978, when Don Lucho Pimentel, a well-known radio commentator, I am told, said this over the Panamanian radio station:

I can clearly see in what direction we are moving with regard to the treaties. I once said that Torrijos was practically being forced to sign the treaties and that he was willing to accept anything because of the country's economic situation. I was right. Torrijos has accepted having the Canal treaties amended.

I would give anything to be wrong about Torrijos not trying to deceive the Panamanian people. He once said before the plebiscite that he would not move a finger to alter the treaties as they were submitted to the people for ratification. Then again in Washington he said prior to the joint statement that he was not going to inscribe his signature on any amendment to the treaties. By this he meant that he was not going to sign the Torrijos-Carter memorandum of understanding. But the truth is that he has lied to us, because he has accepted . . . having the treaties amended to include the memorandum of understanding. . . . [W]e are not going to have a plebiscite because the Government knows very well that the treaties if amended would receive an overwhelming no vote. This is a risk the Government is not going to take. . . . The truth about all this is that the people have been deceived.

Just 4 days later, the newspaper La Estrella de Panama carried an article which asserted:

U.S. negotiating strategy always consisted of having the treaties ratified by Panama and then modifying and amending them completely to its favor in the Senate during the period between the treaty signing and final approval by the United States. In this way amendments were incorporated with all the points not obtained in the negotiations with Panama, using intimidation, threats and blackmail as weapons.

On January 12, 1978, Panama national television reported:

A quick survey of Panamanian public opinion made by this station indicates that changes or amendments to the treaties will not be well received in Panama.

It is abundantly clear, Mr. President, that if these treaties are ratified as planned by the administration and General Torrijos—that is, without consulting the Panamanian people—there is going to be a considerable amount of understandable bitterness in Panama.

On both legal and moral grounds, the treaties are going to be extremely shaky.

Certainly under these circumstances these treaties could never provide a foundation for the kind of new relationship with the people of Panama—and with the people of Latin America—that we seek. Charges of misdeeds on the part of Roosevelt and Bunau-Varilla will be dwarfed by denouncements of the Carter-Torrijos maneuver in future history.

There is, however, an alternative, which I have proposed.

The Senate, in my opinion, should not consent to the ratification of these treaties. Instead, we should advise the President to send the negotiators back to work to renegotiate these treaties in light of the concerns and objections which have been presented here on the Senate floor.

Under the circumstances that prevail, it is my strong opinion that that would be the wise and the proper course.

I yield to the Senator from New York.

Mr. JAVITS. Mr. President, the subject which has been raised by the Senator from Michigan (Mr. GRIFFIN) has been considerably debated before on this floor, and debated in respect to the actions of the Foreign Relations Committee, of which I am a member; and so I have had an opportunity to review the State Department briefs and other legal opinions on this particular subject.

I would not begin to try to negate or join issue with Senator GRIFFIN on the various statements of the various people, newspapers, radio commentators, and opponents of the treaties in Panama, of whom I am sure there are many, any more than I would, if I were a Panamanian, try to join issue on all the things that are being said in the United States about the treaties, including the fact, as reported by very substantial newspapers and critics, that the "overwhelming majority" of the people of the United States are against them.

That is not a matter which invalidates the treaties for them, or, if we take the appropriate constitutional action, invalidates them for us. The important point, as I see it, is what is the law? What is the international law on this situation?

It seems quite settled in terms of international law that there are two propositions. Proposition No. 1 is that whether you call something an interpretation, an understanding, or a reservation, that does not make it so, just because you give it a name. That is just as true of the word "amendment." In short, everyone of these things has to be agreed on by the other government before it becomes an element of agreement between the parties.

The only question, therefore, is the juridical question: If we do ratify this treaty as it is, has the other government accepted it in a perfectly and proper and legal way?

And the other fundamental proposition, which I gather from the international law on the subject, is that it is the determination of that government, with relation to its constitutional processes, which is not open to collateral attack. If that government decides that it ratifies its constitutional processes, by which it does ratify, so long as it is a recognized government within international law—it certainly is by the United States—that represents the acts of that government.

And having been to Panama and gone over the question with Torrijos himself, the end result is that that government, acting through its own processes, according to its constitution, construes the plebiscite which was taken as having approved this treaty with all that it means and all that the memorandum of understanding between the President of the United States and General Torrijos, the leader, as he is called, of the Republic of Panama, represented the understanding which is already contained in the treaties.

Now, we construe it to require amendment and so we made an amendment. They have simply stated that the way they put it to their people by this agreement simply carried out what was in the treaty already.

Now, how they construe it and how we construe it does not matter. The end point is that we agree and that we agree juridically as two governments on these propositions. They say, well, the treaty said so anyhow. We said, so let us put it in writing.

I have used that argument here before and we have put it in writing, and it is just as much a matter of the treaty and a part of the contract as if it were an amendment, but how they approved that is something which they as a government judge and they have judged, based upon their juridical and their constitutional processes, that they can ratify this treaty as it is, if it contains these two amendments which we have made or without a plebiscite. Now, the last proposition, Mr. President, is I think a very important one and that is the standing and status in international law of the Panamanian Government. There is no question about the fact that we recognize it and that it is generally recognized throughout the world as the legitimate Government of Panama, and that an international law for these purposes of treatymaking is not subject to collateral attack.

I have summarized the legal situation which motivated the Foreign Relations Committee to act as it did.

I ask unanimous consent that I may introduce into the RECORD the textual brief with respect to this particular question.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

THE PANAMANIAN CONSTITUTION AND THE OCTOBER PLEBISCITE

Under the Constitution of Panama, the National Assembly of Panama has the function "to approve or reject public treaties signed by the Executive." (Pan. Const. Art. 141(1).).

Treaties involving the Panama Canal or the Canal Zone, however, must be submitted to a national plebiscite. Article 274 of the Constitution provides:

"Treaties which are concluded by the Executive with respect to the existing canal, the zone adjacent thereto and the defense of the Canal as well as to the construction of a new Canal at sea level or a third row of locks must be submitted to a national plebiscite."

The 1977 Panama Canal Treaties were submitted to a plebiscite pursuant to Law No. 33 of September 13, 1977, which provided for "yes" or "no" votes on the following proposition:

"I am in agreement with the new Panama Canal Treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and the Connected and Annexed Agreements Between the Governments of Panama and the United States of America Signed by them on Wednesday, September 7, 1977."

The Senate is in the process of amending the Neutrality Treaty to incorporate the text of the October 14 Carter-Torrijos joint statement.

The October joint statement, which interpreted the terms of the Neutrality Treaty, was publicized to the Panamanian populace prior to the plebiscite on the Treaties.

The question under consideration is of course one of Panamanian laws. There apparently is no conclusive Panamanian authority on the point. On the basis of our examinations of available source materials and consultations with authorities available to us, we have reached the conclusion with respect to the October Statement that another plebiscite would not be necessitated by insertion of the October Statement into the Neutrality Treaty. We have been advised by the Panamanian Government and Panamanian legal authorities that they have reached the same conclusion.

Mr. ALLEN. Will the Senator yield?

Mr. JAVITS. Yes.

Mr. ALLEN. The Senator seems to be saying—I hope he will correct me if I am wrong—that if the Senate should amend one of the treaties or both of the treaties in ways, in addition to the leadership amendment, that the Government of Panama, that being, I assume, Dictator Torrijos, could determine whether or not its constitutional processes required the submission of the amended treaties to further plebiscite.

Is that correct?

Mr. JAVITS. The Senator is not making any broadscale generalizations of that character. The Senator is confining himself to this particular agreement between President Carter and Mr. Torrijos. I do not know what other amendment the Senate may adopt. When we adopt it, I will give my opinion on that one, but all I am discussing now, as a matter of law, as I see it, is this particular situation, and on this particular situation I do not feel that our ratification requires the condition that there be another plebiscite in Panama. That is what I am saying.

Mr. ALLEN. The Senator is not saying the rule would apply to other amendments?

Mr. JAVITS. I will not say that because I do not know, but when the Senator gives me an amendment, which is adopted by the Senate, then I will give him my opinion.

Mr. ALLEN. Well——

Mr. JAVITS. I am not going to speculate on that. The Senator may but I am not.

Mr. ALLEN. Well, then we get to the proposition that we started with originally and that is that it is up to the Government of Panama to determine by their own constitutional processes whether or not a plebiscite is required.

Mr. JAVITS. Whether or not, in this situation, on this agreement, in view of the interpretations which they put on it and that we put on it a plebiscite is required. They have decided it is not. It is my argument that the ratification of this particular treaty with these two conditions or amendments without a plebiscite is fully binding on Panama and on the United States.

Mr. ALLEN. Yes.

Mr. JAVITS. That is all I am saying.

I am not arguing as to what might be, and what amendment. If there is one, I am simply confining myself to this state of facts, taking them all together.

Mr. ALLEN. As I understand it, though, the Senator stated that it will be up to the Panamanian Government to act and that their action could not be attacked collaterally.

Mr. JAVITS. It could not be attacked as to this particular state of facts. That is all I am arguing. No other. That is all.

Mr. ALLEN. If that applied to this set of facts, it applied to all sets of facts on the matter of collateral attack.

Mr. JAVITS. The Senator can argue that all he pleases. That is his problem.

All I am saying in my argument only is on this state of facts with these amendments. I do not believe that the ratification is open to collateral attack. That is it.

Mr. ALLEN. I would conclude from what the Senator has said then, that no matter how many amendments we placed on it, if the Panamanian Government, that is, dictator Torrijos did not want to submit it to a plebiscite we could not attack it collaterally.

Mr. JAVITS. That is the Senator's conclusion. It is not either yes or no, in my opinion. All I am giving is an opinion on this state of facts.

Mr. ALLEN. Well, the Senator does not say that I am not correct, apparently.

I thank the Senator for yielding.

Mr. GRIFFIN. Mr. President, I know the Senator from North Carolina wants to direct some remarks with respect to his amendment, pending his arrival on the floor. If no one is seeking recognition——

Mr. ALLEN. May I?

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. I will yield in just a moment to the distinguished Senator from North Carolina to offer his amendment. I do wish to make a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER, The Senator will state it.

Mr. ALLEN. I have an amendment to article V.

Will I be able to offer this amendment at the conclusion of the action on the various articles, I believe, through article VIII.

At the end of article VIII, will I be able to offer an amendment or will I have to wait until the Senate has acted on the various items of annex A?

The PRESIDING OFFICER. The Chair would advise that when the Senate is finished with amendments to the articles, the annexes and the protocols, then any articles would be subject to amendment, as the Senator is suggesting he may wish to do.

Mr. ALLEN. But it will be necessary to wait until the annexes and the protocol have been read for amendment?

The PRESIDING OFFICER. That is correct, both annexes and the protocol.

Mr. ALLEN. May I inquire further, when we are considering annex A and the protocol, do we take these paragraphs and these articles in order as we do the treaty in the Committee as a Whole?

The PRESIDING OFFICER. I am advised that all of the annex A is before us, then annex B, and then the protocol—in that order.

Mr. ALLEN. Yes; but when we are considering the protocol and the annexes, we go at it paragraph by paragraph in order; is that correct?

The PRESIDING OFFICER. The Chair would recognize that the entire text is before us rather than a paragraph-by-paragraph proceeding, as the Senator has described.

Mr. ALLEN. I did not quite understand.

Do we take them as a body?

The PRESIDING OFFICER. That is right.

Mr. ALLEN. Any articles to be subject to amendment?

The PRESIDING OFFICER. That is right.

Mr. ALLEN. But only the treaty do we proceed article by article; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. I thank the Chair for that information.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, article XIX of the 1903 treaty gives to Panama the right of toll-free transit for its "vessels and its troops and munitions of war." Needless to say, this commitment has been honored ever since the canal was opened.

No such exemption was given to U.S. vessels in the 1903 treaty, because no such exemption was necessary. Since we exercised all the rights of a sovereign power in the Canal Zone, the matter of tolls for U.S. vessels of war and auxiliary vessels was, in effect, an internal matter, that was properly the decision of the U.S. Congress.

Since 1950, the decision was that the Panama Canal Company should receive credits from the U.S. Treasury for the transit of U.S. vessels of war and auxiliary vessels. I have been informed that these credits are not paid from Department of Defense appropriations, but rather are bookkeeping adjustments within the U.S. Treasury accounts. In other words, one agency of the U.S. Government has its hand in the pocket of another agency of the U.S. Government. As far as the U.S. taxpayers are concerned, it makes no difference. The only difference is that it makes the accounts of the Panama Canal Company look better, reflecting the actual amount of work done.

Under the Neutrality Treaty, the Republic of Panama no longer receives toll-free passage. In practical terms, this does not mean much, since Panama has no vessels of war, and its auxiliary vessels are small. Moreover, Panama will be receiving an income from the canal that, to the mind of the Senator from North Carolina, is exorbitant in proportion to Panama's contribution. Panama could easily pay whatever tolls are necessary for its vessels as long as the United States operates the canal. Of course, when Panama takes over, she can do as she pleases in the matter of tolls for her vessels.

The only change, as the Neutrality Treaty is written, is that when Panama takes over operation of the canal, the U.S. Treasury will be paying the tolls to Panama. Thus, payments for U.S. vessels of war and auxiliary vessels will make a difference to the U.S. taxpayer.

How much difference will this make? At the present time, we are not at war, so there is not much traffic. In fiscal year 1977, the Treasury credit amounted to $805,903. But during the Vietnam war, the credit amounted to 10 times that amount and even more. In fiscal year 1968, the amount was $9,206,815. And of course, if tolls are increased by half, or doubled, as they undoubtedly will be before the year 2000, the amount in wartime could be quite substantial.

Mr. President, I ask unanimous consent that the statistics of U.S. Government ocean traffic though the canal since 1966 be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PANAMA CANAL TRAFFIC—FISCAL YEARS 1966 THROUGH 1977

Fiscal year—	Total traffic			Traffic assessed tolls on net tonnage basis		Traffic assessed tolls on displacement tonnage basis	
	Transits	Tolls	Long tons of cargo	Transits	Panama Canal net tonnage	Transits	Displacement tonnage
U.S. GOVERNMENT OCEAN TRAFFIC							
1966	591	$3,446,219	3,220,190	497	3,682,335	112	494,479
1967	879	5,484,566	6,147,479	782	6,044,162	97	419,701
1968	1,504	9,206,815	8,497,221	1,368	10,421,084	136	719,247
1969	1,376	8,418,421	7,210,068	1,271	9,601,638	105	491,733
1970	1,068	6,218,541	4,410,451	964	7,067,828	104	497,216
1971	503	$3,144,376	2,236,619	452	3,477,803	51	297,857
1972	413	2,651,281	1,742,303	368	2,913,307	45	250,203
1973	373	2,285,727	1,405,428	311	2,478,646	62	303,038
1974	248	1,831,535	1,748,963	218	2,021,966	30	142,808
1975	170	1,376,797	526,497	148	1,287,777	22	122,959
1976	85	727,983	177,508	68	641,137	17	87,723
1977	84	805,983	212,677	59	577,482	29	165,143

Source: Panama Canal Company.

Mr. HELMS. Mr. President, article VI reads as follows:

In recognition of the important contributions of the United States of America and of the Republic of Panama to the construction, operation, maintenance, and protection and defense of the Canal, vessels of war and auxiliary vessels of those nations shall, notwithstanding any other provisions of this Treaty, be entitled to transit the Canal irrespective of their internal operation, means of propulsion, origin, destination, armament or cargo carried.

Now these are important rights. But it appears to this Senator that, if we are going to recognize the important contributions of the United States of America to the construction, operation, maintenance, and protection and defense of the canal, the United States should get a little more substantial a concession than the right to continue doing what we have had the right to do all along. This is really just a status quo article. I think that it would be an important recognition of the genius of the American people in building and organizing the canal for Panama to give to the United States rights of toll-free passage that are reciprocal to the rights she has enjoyed while the canal has been under our jurisdiction.

The last sentence of the first paragraph of article VI reads as follows:

Such vessels of war and auxiliary vessels will be entitled to transit the Canal expeditiously.

The amendment which the Senator from North Carolina will call up momentarily proposes to add eight little words after "expeditiously," so that the entire sentence will read:

Such vessels of war and auxiliary vessels will be entitled to transit the Canal expeditiously, and with the right of toll-free transit.

Mr. President, this addition would bring equity and balance to our relationship with Panama. It seems very strange to this Senator from North Carolina that the United States must give, give, give, in these proposed treaties while Panama only gets, gets, gets. The right of toll-free transit to our vessels of war and auxiliary vessels would be a token—a mere token, but an important symbol of good will and good intentions. It would insure that, when Panama takes over operation of our canal, our relationship will continue on terms of equity and equality.

Needless to say, the rights would be reciprocal. Both Panama and the United States would have the same right. It would never become a burden on either nation, but it would remain as a token of friendship and mutual self-regard.

I should also point out, from a practical standpoint, that the United States need not avail itself of this right as long as the United States operates the Panama Canal Commission. If the fiscal situation is such that the Commission could not absorb toll-free transit for the United States without a loss, then we need not use this right. This is a matter for the implementing legislation to decide. However, if we want the implementing legislation to allow such an option, this amendment must be included now.

This is a modest amendment which shows respect for ourselves and particularly for the American taxpayers. It is good for the United States, and it is good for Panama.

UP AMENDMENT NO. 9

Mr. President, I send an unprinted amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes unprinted amendment No. 9. At the end of the first sentence of Article VI, strike the period, and insert the follow-

ing: ", and with the right of toll-free transit".

Mr. SARBANES. Mr. President, I rise in opposition to the amendment offered by the Senator from North Carolina. It should be clear that, under the present arrangement, the United States does pay, is required to pay, tolls on our Government ships transiting the Panama Canal. That is handled budgetarily in a bookkeeping arrangement between departments. But the fact is that, in terms of international law and of the existing toll arrangements for the Panama Canal, those ships are required to pay tolls.

That is important, because under article III of the Neutrality Treaty, which is one of the conditions of the regime of neutrality that is set forth in the treaty, it is stated:

1. For purposes of the security, efficiency and proper maintenance of the Canal the following rules shall apply:

(c) Tolls and other charges for transit and ancillary services shall be just, reasonable, equitable and consistent with the principles of international law;

Under this arrangement, Panama will not have toll-free status under these treaties, nor will the United States, nor does the United States at present. The only nations that are particularly provided for are the Republic of Colombia—that, of course, traces back to early arrangements made with the Republic of Colombia—and the possibility of a special arrangement for the Republic of Costa Rica. Both of those nations, incidentally, are the immediate neighbors of Panama, to the north and to the south of the Republic of Panama. Therefore, those nations geographically are most closely situated to the Panama Canal and to the Republic of Panama.

This is an arrangement that has been carefully worked through—and we have talked about this before on the floor of the Senate—to maintain the neutrality of the Panama Canal. We have talked about that neutrality in terms of how we handle the defense of the canal, but the concept of neutrality for the canal also extends to the toll arrangements and to the toll structure and to the rules and regulations. It is important to the United States that the toll arrangement be understood and be perceived as being nondiscriminatory, as being neither for nor against us, and being fair and equitable. The arrangement which has been provided adheres to those guidelines. Therefore, the amendment which would alter that arrangement and, in effect, create a disequilibrium as between the two nations and other nations, in effect, counters the specific requirement in other sections of the treaty with respect to just, reasonable, and equitable tolls consistent with the principles of international law.

It also should be pointed out that article II of the Neutrality Treaty specifically refers to the requirement that tolls and other charges for transit and ancillary services shall be just, reasonable, equitable, and consistent with the principles of international law.

The amendment's proposed arrangement for toll-free passage is not a right which the United States has under the existing treaty. We are not therefore giving up in the proposed treaties the principle of toll-free passage, because we do not now have in existence the principle of toll-free passage.

Second, to adopt this proposed change would then run counter to the entire thrust of the treaty toward a reasonable, equitable, and just toll structure, a provision which, I submit, is important to all the nations of the world out, in particular, is of importance to the United States as we anticipate how this canal will be operated in the future under the provisions of the treaties which are before us.

Mr. President, for those reasons I oppose the amendment which has been placed before the Senate by the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, the Senator has stated his concern for Panama, his desire for equity, compassion, and so forth. The Senator from North Carolina is interested in equity for the taxpayers of the United States, who, after all, paid for the building of the canal, for the operation of it for 60 years or more, a canal that is operated on a nonprofit basis. This Senator simply feels it is time for the Senators of the United States to think of the taxpayers of the United States for once, instead of a dictator and his regime in Panama.

Be that as it may, the Senator has stated fairly correctly the situation with respect to Costa Rica and to the Republic of Colombia. It is appropriate to note, as he did, that exceptions have been made in the case of those two nations.

All the same, Mr. President, when we are discussing the appropriateness of toll-free transit for the vessels of war and auxiliary vessels of the United States and Panama, I feel obliged to note the curious provisions in paragraph 2 of article VI. There are two sentences in that paragraph, the first of which reads:

The United States of America, so long as it has responsibility for the operation of the Canal, may continue to provide the Republic of Colombia toll-free transit through the Canal for its troops, vessels and materials of war.

That sentence, of course, enables us to fulfill the provisions of the Thompson-Urrutia Treaty of 1914, with Colombia.

The second sentence, however, is most curious. It reads:

Thereafter, the Republic of Panama may provide the Republic of Colombia and the Republic of Costa Rica with the right of toll-free transit.

I think it ought to be noted, Mr. President, that the second proviso does not restrict toll-free transit to vessels of war and auxiliary vessels. It is toll-free transit, period. It apparently applies to either vessels or cargo, since the right is attached to the countries, rather than to their vessels. Moreover, it says the Republic of Panama may, rather than shall. So it is left within Panama's discrimination whether or not those two countries, or either one, get such toll-free treatment.

It is noteworthy, however, that Venezuela, Colombia, Costa Rica, and Panama have already issued a joint declaration agreeing on toll-free transit for the cargo and mail of Colombia and Costa Rica. In a declaration of March 24, 1975, the head of the Government of Panama, and the Presidents of Colombia, Costa Rica, and Venezuela stated:

The Government of the Republic of Panama as the free expression of its sovereign will, declares its readiness, upon approval of a new Canal Treaty with the United States, to arrive at an agreement with the Republic of Colombia and the Republic of Costa Rica, aimed at granting those neighboring countries the following benefits:

1. Transit through the Panama Canal for the natural and industrial products of Colombia and Costa Rica, as well as for their respective mails, shall be exempt from any charge or duty other than those that are applied or that may be applied to the products and mails of the Republic of Panama, in terms of equality.

2. Nationals of Colombia and Costa Rica who transit through the Panamanian interoceanic route, shall do so free of tolls, taxes or levies that are not applicable to Panamanian nationals, provided they show proper proof of their nationality.

The Governments of the Republics of Colombia and Costa Rica may at all times, transport through the interoceanic canal their troops, materials of war and ships of war, without paying any tolls.

Mr. President, this joint declaration is obviously the basis for the curious sentence in the Neutrality Treaty. How else can we account for a provision that, on its face, contradicts the so-called "terms of entire equality." Why should two Latin American nations alone, of all the world, be entitled to special preference? What has Colombia or Costa Rica ever contributed to the operation, maintenance, or defense of the canal, and let alone the construction of it? What accounts for this strange agreement?

The only quid pro quo that I have been able to discern is the particular interest that Colombia and Costa Rica took in promoting Panama's interests in various world forums. Hardly any Latin American countries supported Panama in its campaign to get control of the canal. Only Colombia, Costa Rica, and, to some extent, Venezuela, joined the propaganda campaign. And of course, this declaration makes the self-serving interests of Colombia and Costa Rica obvious. This clause is nothing but a payoff.

That being the case, it seems proper and fitting that the United States should be included in this favored little band. If Colombia and Costa Rica can get toll-free transit both for ordinary cargoes and for vessels of war and auxiliary vessels, surely the United States should have the same in view of the fact that the canal was built with money, labor, and sacrifices of the American people.

Mr. President, I ask unanimous consent that the entire joint declaration be printed in the RECORD at the conclusion of my remarks.

There being no objection, the joint declaration was ordered to be printed in the RECORD, as follows:

[From The New York Times, April 10, 1975]

JOINT DECLARATION BY THE HEAD OF THE GOVERNMENT OF PANAMA AND THE PRESIDENTS OF COLOMBIA, COSTA RICA AND VENEZUELA

The Head of Government of Panama and the Presidents of Colombia and Costa Rica, gathered in the City of Panama, with the presence of the President of Venezuela and

by invitation of the Panamanian Government,

Recalling that the Panama Canal Question was proclaimed in the Meetings of Foreign Ministers in Bogota, Tlatelolco and Washington as being a matter of common interest to Latin America,

Bearing in mind the importance of the unanimous support voiced by Latin America for the exercise of the inalienable rights devolving upon the Republic of Panama as the territorial sovereign over all the geographic area within its borders with the Republic of Colombia and the Republic of Costa Rica,

Taking into account that respect for the permanent sovereignty of nations over their natural wealth is fundamental to the economic development of peoples and cognizant that the geographical position of the Isthmus of Panama constitutes the main natural resource of the State of Panama and the interoceanic canal a means for the utilization of such resource,

Considering the special relationships of neighborhood and friendship between the Governments and Peoples of Panama, Colombia and Costa Rica,

Calling attention to the fact that the Panama Canal, situated in Panamanian territory, is subject to the risks and dangers that would derive from a nuclear war in the event of an international conflagration, which exposes the three countries to suffering like consequences, notwithstanding their fundamental interest in the neutralization of said canal and their proven adherence to the concerted efforts of United Nations for the maintenance of international peace and security.

Acknowledging the spirit of international cooperation of the Republic of Panama, as a staunch supporter of the objectives of Latin American integration, in harmony with the ideals of the Liberator.

Convinced that their government are capable of accelerating the economic development of their countries and improving the standards of living and well-being of their peoples, through the promotion of development programs in their bordering areas.

Taking into consideration that on 7 February 1974 the Republic of Panama and the United States of America signed a Joint Statement which set forth 8 fundamental principles to serve as guidelines for the negotiators of both countries, wherein it is provided, among other things, that the Panamanian territory of which the Panama Canal is a part will be returned to the jurisdiction of the Republic of Panama, and that the latter will assume total responsibility for the inter-oceanic canal upon the termination of the new treaty.

Have agreed to sign the following Declaration:

I. The Presidents of Colombia, Costa Rica and Venezuela reaffirm the full support of their respective peoples and Governments for the just Panamanian aspirations in the Panama Canal Question and agree to address all the Latin American Governments for the purpose of inviting them to carry out new efforts towards materializing the support offered Panama for its endeavor for a new Canal Treaty with the United States of America that will eliminate the causes of conflict between the two countries, in harmony with the principles of International Law concerning friendly relations and cooperation among States.

II. Inspired by the principles set forth above, the Government of the Republic of Panama, as the free expression of its sovereign will, declares its readiness, upon approval of a new Canal Treaty with the United States, to arrive at an agreement with the Republic of Colombia and the Republic of Costa Rica, aimed at granting those neighboring countries the following benefits:

1. Transit through the Panama Canal for the natural and industrial products of Colombia and Costa Rica, as well as for their respective mails, shall be exempt from any charge or duty other than those that are applied or that may be applied to the products and mails of the Republic of Panama, in terms of equality.

2. Nationals of Colombia and Costa Rica who transit through the Panamanian interoceanic route, shall do so free of tolls, taxes or levies that are not applicable to Panamanian nationals, provided they show proper proof of their nationality.

3. The Governments of the Republics of Colombia and Costa Rica may at all times, transport through the interoceanic Canal their troops, materials of war and ships of war, without paying any tolls.

III. The Republic of Colombia declares that once Panama has concluded a new Canal Treaty with the United States of America and once the agreement referred to in the present Declaration has been perfected, it waives all rights granted by treaty with respect to matters that are within the exclusive sovereign jurisdiction of the Republic of Panama.

IV. The Governments of the signatory States take note with sincere pleasure of the efforts being carried out by certain countries of the region towards a solution of the problems of maritime transport, within the spirit of Latin American integration, and agree to consult with each other on this important matter.

V. The Governments of Panama, Colombia and Costa Rica agree to grant special priority to devising and promoting development programs in their bordering areas, with a view to accelerating the economic development in their countries and improving the standards of living and well-being of their peoples.

VI. The Presidents of Colombia, Costa Rica and Venezuela express their deep concern for the dilatation with which the negotiations between Panama and the United States to conclude a new treaty on the Canal have been developing, since their initiation eleven years ago. They, likewise, point out the existing contrast between the manner in which three Latin American countries have been able to overcome obstacles, thanks to Panama's hemispheric conception, and the excessive hindrances which still interfere in the settlement of the canal problem, a matter which Latin America considers as of her own concern and deems as requiring an urgent solution.

Given in the city of Panama, Capital of the Republic of Panama, on the twenty-fourth day of the month of March, of the year one thousand nine hundred seventy-five.

Mr. ALLEN. Will the Senator yield?

Mr. HELMS. I am delighted to yield to my friend from Alabama.

AMENDMENT NO. 77

Mr. ALLEN. Mr. President, I will send to the desk for printing and to lie on the table an amendment which I am submitting on behalf of Mr. NUNN, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and myself that would provide "that nothing in the treaty shall preclude the parties from making in accordance with their respective constitutional processes any agreements or arrangements to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the treaty, including agreements or arrangements for any U.S. military presence after that date in the Republic of Panama that the parties may deem necessary or appropriate."

I might say, Mr. President, this is the very same language that may be offered as a reservation, but the thought being that it should be added to the treaty itself, and Mr. NUNN, one of the cosponsors of the reservation, has asked to be a cosponsor of the amendment to the treaty. This is exactly the same language, but if it is to be added, it ought to be added as an amendment to the treaty, just as the leadership amendments were offered as amendments to the treaty.

It should not fall down to the lesser scale of being a reservation.

So I send this amendment—it would be an amendment of article V—to the desk for printing and to lie on the table to be brought up tomorrow.

AMENDMENT NO. 9

Mr. HELMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Mr. President, I am about to move to table, if it is agreeable with the Senator from North Carolina, if he feels we have debated it sufficiently.

Mr. HELMS. The distinguished Senator from Montana (Mr. MELCHER) indicated earlier he would like to speak. I would like to protect him on that.

Mr. ALLEN. The Senator from Montana has a rostrum here from which to speak. I am just wondering if the Senator from Maryland would accommodate the distinguished Senator from Montana, if he desires to speak?

Mr. SARBANES. Mr. President, I understand the distinguished Senator from Montana will be seeking to speak, but it is not directly related to the amendment of the distinguished Senator from North Carolina. Therefore, Mr. President, I move to lay on the table the amendment offered by the Senator from North Carolina and, Mr. President, I ask for the yeas and nays on that motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from North Carolina. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from Texas (Mr. BENTSEN), the Senator from Colorado (Mr. HASKELL), the Senator from Montana (Mr. HATFIELD), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

I further announce that the Senator from Hawaii (Mr. INOUYE) and the Senator from Tennessee (Mr. SASSER) are absent on official business.

Mr. BAKER. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER) are necessarily absent.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Alaska (Mr. STEVENS). If pres-

ent and voting, the Senator from Oregon would vote "yea" and the Senator from Alaska would vote "nay."

The result was announced—yeas 58, nays 28, as follows:

[Rollcall Vote No. 55 Ex.]

YEAS—58

Anderson	Hathaway	Packwood
Baker	Hayakawa	Pearson
Bayh	Heinz	Pell
Biden	Hodges	Percy
Bumpers	Hollings	Proxmire
Burdick	Humphrey	Randolph
Byrd, Robert C.	Jackson	Ribicoff
Cannon	Javits	Riegle
Chafee	Leahy	Sarbanes
Chiles	Long	Schmitt
Church	Magnuson	Sparkman
Clark	Mathias	Stafford
Cranston	Matsunaga	Stevenson
Culver	McGovern	Stone
Danforth	Melcher	Talmadge
Domenici	Metzenbaum	Weicker
Eagleton	Moynihan	Williams
Glenn	Muskie	Zorinsky
Gravel	Nelson	
Hart	Nunn	

NAYS—28

Allen	Ford	McIntyre
Bartlett	Garn	Morgan
Brooke	Goldwater	Roth
Byrd, Harry F., Jr.	Griffin	Schweiker
Curtis	Hansen	Scott
DeConcini	Hatch	Stennis
Dole	Helms	Thurmond
Durkin	Laxalt	Wallop
Eastland	Lugar	Young
	McClure	

NOT VOTING—14

Abourezk	Hatfield, Paul G.	Stevens
Bellmon	Huddleston	Tower
Bentsen	Inouye	
Case	Johnston	
Haskell	Kennedy	
Hatfield, Mark O.	Sasser	

So the motion to table Mr. HELMS' amendment was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. METZENBAUM). Are there any further amendments to article VI? If not, the clerk will read article VII.

Mr. ROBERT C. BYRD. Mr. President, if no Senator has any amendment to article VII, I ask unanimous consent that that reading of article VII be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Are there any amendments to article VII?

Article VII is as follows:

1. The United States of America and the Republic of Panama shall jointly sponsor a resolution in the Organization of American States opening to accession by all States of the world the Protocol to this Treaty whereby all the signatories will adhere to the objectives of this Treaty, agreeing to respect to regime of neutrality set forth herein.

2. The Organization of American States shall act as the depositary for this Treaty and related instruments.

The PRESIDING OFFICER. The clerk will read article VIII of the treaty.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that reading of article VIII be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Article VIII is as follows:

This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two Parties. The instruments of ratification of this Treaty shall be exchanged at Panama at the same time as the instruments of ratification of the Panama Canal Treaty, signed this date, are exchanged. This Treaty shall enter into force, simultaneously with the Panama Canal Treaty, six calendar months from the date of the exchange of the instruments of ratification.

Mr. MELCHER addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will withhold temporarily, unless he has an amendment.

The PRESIDING OFFICER. If there be no amendment to article VIII, the clerk will read annex A.

Mr. ROBERT C. BYRD. Mr. President, if there be no amendment to annex A, I ask unanimous consent that the reading thereof be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Annex A is as follows:

1. "Canal" includes the existing Panama Canal, the entrances thereto and the territorial seas of the Republic of Panama adjacent thereto, as defined on the map annexed hereto (Annex B), and any other interoceanic waterway in which the United States of America is a participant or in which the United States of America has participated in connection with the construction or financing, that may be operated wholly or partially within the territory of the Republic of Panama, the entrances thereto and the territorial seas adjacent thereto.

2. "Vessel of war" means a ship belonging to the naval forces of a State, and bearing the external marks distinguishing warships of its nationality, under the command of an officer duly commissioned by the government and whose named appears in the Navy List, and manned by a crew which is under regular naval discipline.

3. "Auxiliary vessel" means any ship, not a vessel of war, that is owned or operated by a State and used, for the time being, exclusively on government non-commercial service.

4. "Internal operation" encompasses all machinery and propulsion systems, as well as the management and control of the vessel, including its crew. It does not include the measures necessary to transit vessels under the control of pilots while such vessels are in the Canal.

5. "Armament" means arms, ammunitions, implements of war and other equipment of a vessel which possesses characteristics appropriate for use for warlike purposes.

6. "Inspection" includes on-board examination of vessel structure, cargo, armament and internal operation. It does not include those measures strictly necessary for admeasurement, nor those measures strictly necessary to assure safe, sanitary transit and navigation, including examination of deck and visual navigation equipment, nor in the case of live cargoes, such as cattle or other livestock, that may carry communicable diseases, those measures necessary to assure that health and sanitation requirements are satisfied.

The PRESIDING OFFICER. Are there any amendments to annex A? If not, the clerk will read annex B.

Mr. ROBERT C. BYRD. Mr. President, if there are no amendments to annex B, I ask unanimous consent that reading of the annex be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Annex B is not reproducible in the RECORD.)

The PRESIDING OFFICER. If there be no amendments to annex B, the clerk will read the Protocol.

Mr. ROBERT C. BYRD. Mr. President, if there are no amendments to the Protocol, I ask unanimous consent that reading thereof be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Protocol is as follows:

Whereas the maintenance of the neutrality of the Panama Canal is important not only to the commerce and security of the United States of America and the Republic of Panama, but to the peace and security of the Western Hemisphere and to the interests of world commerce as well;

Whereas the regime of neutrality which the United States of America and the Republic of Panama have agreed to maintain will ensure permanent access to the Canal by vessels of all nations on the basis of entire equality;

Whereas the said regime of effective neutrality shall constitute the best protection for the Canal and shall ensure the absence of any hostile act against it.

The Contracting Parties to this Protocol have agreed upon the following:

Article I

The Contracting Parties hereby acknowledge the regime of permanent neutrality for the Canal established in the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and associate themselves with its objectives.

Article II

The Contracting Parties agree to observe and respect the regime of permanent neutrality of the Canal in time of war as in time of peace, and to ensure that vessels of their registry strictly observe the applicable rules.

Article III

This Protocol shall be open to accession by all states of the world, and shall enter into force for each State at the time of deposit of its instrument of accession with the Secretary General of the Organization of American States.

The PRESIDING OFFICER. If there be no amendment to the Protocol, the treaty is open for amendment.

Mr. ROBERT C. BYRD. Now, Mr. President, as I understand it, the entire treaty, including annex A and annex B and the Protocol, are open to amendment at this time; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

I thank the distinguished Senator from Montana.

The PRESIDING OFFICER. Except those amendments which have already been added.

Mr. MELCHER. Mr. President, in the process of reaching a decision on these Panama Canal treaties, I have had no cause to waiver from my early beliefs reached last year that the people of Panama deserve more consideration from the United States in the use of the land in the Canal Zone for their own legitimate purposes; that they deserve more opportunity in the operation of the canal; from the canal's operations they deserve more monetary returns to help their shaky economy; and they are entitled to payments for our military bases there.

A trip to Panama in late January with consultations with General Torrijos, other Panamanian leaders—both within and outside of the Panamanian Government—consultations with Panamanian business leaders and with our military, did not alter my views. In fact, I came away from Panama after first-hand observations with my initial views unshaken.

I had misgivings prior to going to Panama that its economic stability would assure the continued efficient operation of the canal when, as required by the treaties, in the year 2000 Panama took sole control and responsibility for the canal. General Torrijos and his Cabinet advocate several ways of enhancing the economy of Panama, such as attraction of more banking interests, expansion of their insurance business——

The PRESIDING OFFICER. The Senate will be in order. The Senator from Montana will suspend until order is restored. Senators will remove themselves from the aisles, and take seats or retire to the cloakrooms. The Senator from Montana is entitled to be heard.

Mr. MELCHER. I thank the Chair. Expansion of their insurance business with reinsuring offices with significant business in Central America, development of copper, exports of beef and more activity connected with the canal itself. It is only the latter—expansion of operations connected with the canal—that impresses me as being realistic. It is to the discredit of the United States that we did not recognize two or three decades ago the legitimate needs of Panama concerning its use of the land within the Canal Zone, opportunities with the operation of the canal and greater monetary return to them from that operation. We could and should have done that and we can immediately do so without adopting these new treaties.

I have, in discussions with President Carter and Ambassador Linowitz during the past several months, frankly outlined my misgivings and reluctance to support the treaties. Panama's stabiilty at present is shaky; 28 percent of the annual taxes and revenues collected by the government are required to pay the interest on their national debt. I believe that after the year 2000 Panama will not be in a position to assure the continued efficient operation of the canal without help from us.

The precision and capabiilty of maintenance of the canal for its highly efficient operation has been acquired and sustained by costs that require a ready cash flow for maintenance in case of slides or other natural disasters, for continuous care and upgrading of the equipment and for other preventive measures to make certain that the enviable record of rapid, easy and certain transit of all the world's oceangoing ships that wish to can use this route in world commerce. It takes only 8 minutes to drain a lock and with precision and expertise guide a ship in its passage through the locks of the canal. This is a continuous daily demonstration of high efficiency of operation of the canal.

The treaties prohibit not only the American military presence in Panama after the year 2000 and prevent any vestige of American comanagership of its operation. The treaties provide, if the enabling legislation is agreed to, that $700 million will be available during the next 22 years for the transfer of the canal and its properties, for services within the Canal Zone, for termination, transfer, and retirement of American employees, for withdrawal of American military and for assured continued efficient operation of the canal during that period. Yet, at the year 2000, all help—all participation—by the United States in the canal must completely terminate. Why cut ourselves off when all evidence indicates Panama will probably not be in shape to take all of the responsibility?

I have questioned the advisability—or, more exactly, the commonsense—of article V that no military bases will be allowed to be in Panama after the year 2000, even though we have bases in Guantanamo, Cuba; Rota Naval Complex, Torrejon Air Base and Zaragoza Air Base in Spain; Incirlik Air Base and Ankara Air Station in Turkey; Keflavik Naval Station in Iceland; Sidi Yahai Naval Communications Station and Kenitra Naval Air Station in Morocco, North Africa and many other bases in other countries.

Why cut ourselves off completely—lock, stock and barrel—from Panama instead of making arrangements similar to what we have with more than a score of other countries? Is there a discontinuation of shared interest between ourselves and Panama to defend the canal? Is there a determination by our two countries jointly and our mutual friends in Central and South America that the canal's defense for its continued operation is not strategic and essential?

The answers to these questions are evident. There is positive proof, not denied by anyone, that Panama, Latin America, ourselves and others who use the canal believe it is strategic and vital and its defense and its continued efficient operation must be assured. Yet the treaty, in requiring complete withdrawal of the United States by 2000, handicaps the United States.

Article IV is a key article, one that must be clearly understood and clearly accepted in this Neutrality Treaty on the basis of protecting the rights of the United States as leaders in protecting the strategic values of the canal for us and as part of the mutual defense of Central and South America.

Because the President has asked me as of this Sunday to again seriously consider his position, to once again revew his position to determine if I cannot in good conscience vote for ratification, I have thoughtfully reviewed article IV under the terms and conditions that the President, the State Department and the Senate leadership have developed and improved with the Baker-Byrd amendment. In that light, a careful review of Senator DOLE's eight-word amendment—amendment 59—must be the basis on which this article is judged. Rejected last Thursday, that vote, at the behest of the President and the backers of the treaties, casts long shadows over the interpretation of article IV by the Panamanians and the world. That eight-word amendment states that the United States can defend the canal on its own determination and judgment. Torrijos' attitude as expressed to nine other Senators and myself at his Pacific beach home reflected that a joint defense was envisioned. He also stated that he would step aside after the treaties were approved, referring to himself in that case as the "liberator" of his country.

It is likely that, in any event, by the year 2000 Torrijos will no longer be the dictator of Panama, the "maximum leader," as their constitution of 1972 proclaims him. It is the people of Panama and the users of the canal who must understand that article IV is a sound position for the United States in the year 2000 and beyond.

The purpose of article IV, as amended by the Baker-Byrd amendment, must be to state that it is our right to defend the canal, when determined necessary by the United States, from hostile acts from within or outside Panama.

The floor managers of the treaty say that is exactly the case. Yet having said that, they also state Senator DOLE's eight words which state that the United States would determine the need to defend the canal from hostile action in Panama—would require a new plebiscite in Panama. The treaty advocates say the added words are not necessary because the language already clearly states that to be the case and that the people of Panama understand it that way and voted overwhelmingly for the treaty in their plebiscite last fall.

If that is what is clearly understood by the Panamanians, then adding the eight words will make it clear to the American people as well. I do not believe the treaty's floor managers and other treaty advocates can logically state that it is perfectly understood, perfectly clear, and yet resist adding the eight words by arguing against them because to add them would require a new plebiscite in Panama. In effect, one of the floor managers stated this would be a "revised agreement" to be considered by the people of Panama.

The Senator from Idaho (Mr. CHURCH), the distinguished manager of the treaty, stated in opposition to the eight words:

> We are dealing with a contract entered into by two sovereign governments. When you mess with words of a contract you force renegotiation * * *

Is that right? To "mess with the words of a contract you force renegotiation?"

Yet, the assurance of the treaty's proposers and backers is that article IV, once amended by their amendment, clearly states we have the right to defend the canal from hostile acts from within or outside Panama. The eight-word Dole amendment asserted that on our judgment the United States can make that decision. If that is the purpose, the intent, the belief, the positive determination of the U.S. Senate leadership that that is what article IV says and carries into effect in the treaty, why this assertion that it is "messing with words"? Why not say it exactly and pre-

cisely with the eight-word addition? Why should that require "renegotiation?" Why claim it is a "killer" amendment?

I believe they protest too much.

If our right to defend the canal is clearly understood and accepted by the Panamanians, why should they want to "renegotiate?"

If the Panamanians understand and believe article IV states what the eight words make clear to me and the people of the United States, why should Panama want a new plebiscite?

If they agree to our right to defend the canal from hostile acts within Panama, surely they should not find the eight words redundant or objectionable.

I, as one Senator, do not hesitate to state that the clear meaning in article IV, from the standpoint of the people of the United States, must give us the right to defend the canal to assure its continued operation. Since all of the proposals as discussed by the President, the State Department, the military and the leadership of the Senate have been to that effect, by defeating the eight-word Dole amendment, which stated in simple, direct words that article IV means we have the solid, unequivocal right to defend the canal, that right now becomes questionable.

If accepting the Dole amendment requires a new plebiscite in the judgment of the Panamanians, I defer to their judgment as that being their business. But I do believe with fervor that the reasoning for not adding the eight-word Dole amendment was mistaken and faulty.

To the contrary, their argument against the amendment's needs is the very reason it should have been accepted.

If it is clearly understood and accepted, "renegotiation" would not be needed.

If it is a condition already accepted by the Panamanians, they would not want a new plebiscite. The argument advanced by the treaty backers on this point conflicts with reason. If article IV with the leadership amendment means that we have the right to defend the canal against all hostile acts from forces within Panama, then adding eight words, so that it is clear to the people of the United States, would not disturb the people of Panama and no plebiscite would be necessary. If this eight-word addition forces a new plebiscite, clearly the Panamanians do not believe article IV as amended by Baker-Byrd states the United States has a right to decide to defend the canal against hostile actions within Panama.

Therein is the dilemma created by the treaty drafters and propounded by the treaty advocates.

Our duty is to make clear what the treaties must mean for the United States. Panama, under article IV, would take all steps it deems necessary to defend the canal. Article IV must also state that the United States has the right to take all steps necessary to defend the canal—to make that judgment.

The eight-word Dole amendment said only that.

Its rejection by the President, the State Department, and the Senate is clear proof that the treaty backers, in saying it is "renegotiation" and it would require a new plebiscite in Panama, admit that it is not the clear meaning and understanding of article IV by Panama and perhaps other countries. It is obvious that article IV with the leadership amendment is less than clear, and I say that charitably. A more concise point is that it does not meet the needs and best interests of the United States.

The President, the State Department, and the Senate leadership ask too much of the Senate and the American people in excepting the treaty without a clearly stated right for the United States in defense of the canal.

The American people have assumed that the Baker-Byrd amendments were devised to precisely continue our right to defend the canal from hostile actions in Panama. They do not. The vote to kill the eight-word Dole amendment nullified that assurance. That action signifies that article IV does not mean we have the right to determine when it is necessary to defend the canal from hostile actions within Panama. The vote of rejection places a seal of Senate intent.

The advise and consent function of the Senate for the Neutrality Treaty has been reduced to consent only.

I object and find that article IV, even with the leadership amendment, is placed under a cloud of doubt not worthy of support.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, let me just try to reiterate some of the remarks the distinguished Senator from Montana has made in reference to article No. 59. I think he summarized it much better than the Senator from Kansas did last Thursday, but it seems to me at the time that we were talking about eight words, very important words, but at the same time the adoption of that amendment, certainly, in the view of the Senator from Kansas, would not have been a fatal effort. It might have been a substantial effort in the right direction by the Senate of the United States.

I can understand the administration's reluctance to accept amendments willy-nilly. I can understand their reluctance to make substantial changes in some parts of the treaty, but it also occurs to this Senator that we have some obligation to the United States. The Senate has some obligation not just to rubberstamp, but to advise and consent and where necessary through responsible action adopt changes on the floor.

I do not have any quarrel with the proponents of the amendment. I know it is a very difficult job, but it seems that there are some of us in the Senate—and the Senator from Montana certainly is in that category—who are concerned about making changes in the treaty, for one purpose and one purpose only. That is, to strengthen the treaty, to make it an even better treaty for the United States and Panama—both countries.

I frankly felt the amendment had merit. I felt it was a credible effort to strengthen the treaties, not a killer amendment, not an effort by someone who is naturally opposed to any treaty, who wanted to kill the treaty or treaties.

I share the view expressed by the distinguished Senator from Montana that there ought to be some way to improve upon the treaties by amendments to the treaty text. I trust that there is still time to do that. I trust that we have not abandoned our responsibility by trying to explain every amendment as being unnecessary or obstructionist or otherwise not having merit because it has been demonstrated on two occasions to the so-called leadership amendments—they have been accepted, so far as this Senator knows. That does not mean that there is going to be another plebiscite.

As I recall my visit with General Torrijos, he indicated to me and the distinguished Senator from Nevada (Mr. LAXALT) that it did not require another plebiscite, but I doubt that an eight-word amendment that we discussed in amendment No. 59 would have required another plebiscite. It would have strengthened the treaty.

It would have given some of us another opportunity to look at it from the standpoint of whether we support or oppose the treaty.

Mr. President, it seems to me the better part of wisdom would be to adopt that amendment. There will be other opportunities and I would hope that those who have the responsibility, and it is a responsibility, a very grave responsibility, for directing the course of action we are pursuing in this body, would listen and respond to some of the meritorious amendments being offered.

Mr. CHURCH. Mr. President, on many occasions throughout this debate I have referred to the strong support for these treaties which has been expressed by the other governments of this hemisphere. I am now informed that the Prime Minister of England, perhaps our closest, most faithful ally, has also strongly endorsed the treaties in a statement made in the House of Commons.

On Friday last, I referred to the fact that the other republics of this hemisphere, those represented at the ceremonies at which the treaties were signed, joined in the Declaration of Washington to which the chiefs of state, heads of governments, and other representatives present, affixed their signatures.

The countries joining in support of the Declaration of Washington entered into on September 7, 1977, were Argentina, Bahamas, Barbados, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Granada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Surinam, Trinidad and Tobago, Uruguay and Venezuela.

In their declaration these countries recorded, in the language of the declaration, "Our profound satisfaction at the signature by the President of the United States of America and the chief of the Government of Panama of the Panama Canal Treaty of 1977 and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal."

The distinguished Senator from Utah who was then on the floor, as he is now, challenged my statement by saying that

the original draft of the Declaration of Washington had included the term "endorsed" or "endorsement," which was stricken from the declaration.

I said in reply that I had no knowledge there had been any problem which turned on whether or not the term "endorsed" or "endorsement" should be contained in the document.

In consultation with the staff, it was suggested to me that any change may have arisen from a certain feeling expressed by some Latin governments, including the Mexican Government, that the treaties did not go far enough toward accommodating the viewpoints of the Latin governments.

Since that time we have had an opportunity to check the matter with the Department of State. I have been presented by the Department of State with the following statement, from which I will now read:

Opponents of the Panama Canal Treaties have asserted that the Declaration of Washington, as originally drafted, contained an "endorsement" of the Treaties by the signatory Governments and that this was deleted at the request of one of them.

The Department of State has checked its records and determined the following:

(a) The terms "endorse" or "endorsement" were not contained in any drafts of the Declaration. The operative phrase has always been "record our profound satisfaction" at the signing of the Treaties.

(b) The only change made in the Declaration was the deletion of the phrase at the end of the final paragraph which read "and understake to authorize, within the Organization of American States, universal accession to the Protocol to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal". This caused some confusion. Several Governments felt it was premature to press for accession to the Protocol before the Treaties were ratified; others question the use of the word "authorize". The phrase was consequently dropped by mutual agreement.

(c) Agreement to the text of the Declaration was prompt. The first draft was circulated September 2nd. The final text was approved September 6th.

There ends the statement.

Mr. HATCH. Will the Senator yield?

Mr. CHURCH. I yield.

Mr. HATCH. I am very interested in this. The Senator was good enough to allow me to see what the Senator has received from the State Department, and I thank the distinguished Senator for his courtesy.

As I recall, the Senator from Idaho said it was in the original draft. I presume he has that original draft?

Mr. CHURCH. No, I do not have the original draft.

Mr. HATCH. Does he know how many drafts——.

Mr. CHURCH. We have only the statement supplied by the State Department concerning the history of this declaration which I have just read.

Mr. HATCH. Does the Senator know how many drafts the State Department prepared for the Latin Americans? Does he have all the drafts?

Mr. CHURCH. We do not have any of the working drafts or the detailed record of negotiations. I would say this: I am simply attempting to set straight the matter which was raised on Friday.

Mr. HATCH. I likewise want to do that. If the distinguished Senator will yield again, as I understand the distinguished Senator, he does not have the original drafts or any of the drafts with him today. Has the distinguished Senator from Idaho seen any of these drafts, personally?

Mr. CHURCH. The answer to that is no, nor have I asked to see any of the drafts. The Senator from Utah made an allegation. The allegation was, as I recall it, that the term "endorse" or "endorsement" had been stricken from an earlier draft. I undertook to determine whether or not such an allegation was accurate. I have now placed in the RECORD a statement of the Department of State which, on its face, repudiates the charge.

Mr. HATCH. The one-page statement of the State Department, which does not refer to the original draft. as I recall—nevertheless, upon which, I take it, the distinguished Senator from Idaho is relying—does seem to say what the distinguished Senator from Idaho is saying here here now. I take it he is relying upon the one-page statement which the State Department has given to him.

Mr. CHURCH. Yes, I am relying upon the statement, part of which reads as follows:

The terms "endorse" or "endorsement" were not contained in any draft of the Declaration.

Mr. HATCH. That is interesting. Will the Senator yield for a statement by me?

Mr. CHURCH. I am prepared to yield the floor to the Senator from Utah. I have placed in the RECORD the explanation I asked for from the Department of State and, on its face, it repudiates the charge that was made by the Senator from Utah on Friday. If the Senator wants to take the floor, or if the Senator has some evidence, or drafts, that would indicate that the representations made by the Department of State are inaccurate or untrue, then I invite him to present his evidence.

Mr. HATCH. That is what I expect to do.

Mr. President, as a matter of fact, I do have some evidence that the distinguished Senator from Idaho is misled, as have many Senators, by the State Department. I submit that the one-page typewritten document—as I recall it was double spaced—from the State Department is, again, in error. Let me make this observation:

One of the authorities on Latin American affairs, whose name is Virginia Prewett, of Virginia Prewett Associates has stated that there was a significant change in the language. I might give a little background on Virginia Prewett. Prior to the signing of the Declaration of Washington, Virginia Prewett talked with seven Latin-American Presidents. She wrote a column for the Washington Daily News for 13 years. She was a syndicated columnist, as we all know. She has written a number of books, one entitled "Reportage on Mexico;" one called "The Americas and Tomorrow;" and another known as "Beyond the Great Forest."

She is a recognized authority and scholar on Latin American affairs. She has written a number of articles for the scholarly journal called "Foreign Affairs." She has written for the Saturday Evening Post. She has written for Reader's Digest.

She has been a reporter, for the British Broadcasting Corporation and, as I understand it, has reported for the Washington Post, the Washington Star, and the Chicago Sun and Tribune. On September 16, 1977, shortly after the Declaration of Washington was signed, amidst the extravaganza which took place in Washington, D.C., what is called the "Hemisphere Hotline Report," Virginia Prewett Associates had this to say in the newsletter known as "Hemisphere Hotline Report":

LATIN LEADERS REFUSE TO ENDORSE TREATIES

WASHINGTON, D.C.—Amid the hoopla of the U.S. capital's "Week of Panama", the chief point Carter sought to make by inviting the hemisphere's heads of state to his Panama Canal treaty-signing was thoroughly killed by the visiting government heads themselves.

The visiting flatly refused to sign his accompanying "Declaration of Washington" until the text was watered down to uselessness for Carter's principal purpose—that of using the declaration to convince the Senate that it should ratify the new Canal pacts.

While much of the U.S. press was ooh-ing and aah-ing, as intended, over how many Presidents and dictators were coming, a tense diplomatic struggle behind the scenes was lost by Carter.

As first drafted, the Declaration of Washington implied the blessing of U.S. hemisphere neighbors on points in the U.S.-Panama treaties themselves, including provisions that say the U.S. can intervene militarily at need to defend the Canal after Panama fully takes over. Carter needed, and thought he could get, a collateral signed statement to this effect from the chiefs of state and other representatives invited to the main treaty signing. For this purpose, the U.S. President invited some of these at great political cost to himself.

Getting such a written commitment from other governments was essential to Carter because many moderates in the Senate well may decide for or against the Canal treaties—

I remember, this was written on September 6, 1977—

depending on whether Latin America mostly accedes to—or opposes—treaty provisions supposed to protect U.S. economic and military interests.

Because he saw this need as so great, Carter overrode his own New Left-McGovernite appointees when he invited to Washington seven hemisphere government heads that he and the New Left have placed on the U.S. human-rights blacklist.

Early on, the White House dropped mention of the proposed Declaration of Washington, and the invitees were not told they would be asked to sign a paper—one that would have plucked Carter's treaty chestnuts out of the fire with at least some thoughtful Senators. Heads of state were asked, by the Organization of American States in the name of the U.S. and Panama, only "to be present" at the Sept. 7 treaty-signing.

The Declaration of Washington, a short statement, said in the first version that the signatories "endorsed" the treaties. While some visitors were actually enroute, like process-servers, White House messengers handed Latin American embassies in Washington the declaration text. "The action is without precedent in the history of diplomacy," said one irate hemisphere diplomat. The countries concerned were given the main treaty texts at about the same time.

Then Jimmy Carter began to learn something about Latin America. What ensued should have taught him something also about the unwisdom of the people who advised him to call the hemisphere summit—advisors whose knowledge of Latin Americans is apparently skin-deep. For the treaties Carter expected to get "endorsed" involve one of the touchiest issues, and one of the oldest, in Latin American relations versus the U.S. That issue is intervention.

Not surprisingly, the political kingpin of the four Latin American countries actively backing Panama's demand for the new treaties, Mexico, announced in advance that it would never sign such an endorsement. Even Canada balked.

Carter aides began hasty re-writes of the Declaration of Washington, and at least three revised versions were debated behind the scenes right up through the day of the Canal treaty signing ceremony. Several Latin American Presidents told Virginia Prewett they hadn't had time to study either the treaties or the Declaration of Washington. Another said the English term "endorse" has no adequate Spanish equivalent. (This was a polite stall.)

What had to be done to get the chiefs of state to sign was a complete gutting of the Declaration of Washington. As finally watered down (and signed by all but little Barbados), the document merely required the visiting government heads to "record our profound satisfaction at the signature by the President of the U.S. and the Chief of Government of Panama" of the treaties, with no commitment whatsoever on the nature or content of the pacts.

In keeping with the scale of this defeat for Carter, it was arranged that the visitors quietly sign the gutted Declaration in an OAS anteroom as they arrived. And not one word was said about this in the televised festivities as Carter and Torrijos signed the Panama Canal agreements.

How much arm-twisting the U.S. had to do to get even this watered-down declaration, which all the Latin Americans agreed among themselves means absolutely nothing, no doubt will leak out gradually. Indications are that the U.S. arm-twisting was harsh, especially with Mexico. If so, the U.S. will pay for it in future, and probably pay high.

The Canal treaty spectacular raises questions about Carter that only time can answer. Did he go all-out for the Panama treaties, far from a crisis issue in U.S. foreign policy, out of sheer ignorance of what he was getting into? Or out of sheer bullheadedness?

For Carter has stirred some hornet's nests that were quiescent. The Panama treaty issue had been lying around for at least 14 years. Carter could easily have said the U.S. refused to negotiate under threat, thus setting a healthy precedent for our times. He could as easily have refused to negotiate with Panama's Torrijos due to his human-rights abuses.

Instead. Carter has entirely vitiated his human-rights credibility. We have seen a U.S. President accuse, condemn, chide and penalize seven Latin American governments on "human rights" and then, when in political need of their support, embrace them at the White House. No matter how Carterites may claim that the seven (all anti-Marxists) have "improved" on human rights in six months, this is bald expediency for all the world to see.

The world, if not the U.S. public, also knows that Panama's Torrijos, made a Third World hero by Carter's actions, grossly violates his people's human rights, that he tortures and murders political prisoners, has "family" ties with organized narcotics—

Remember, this is back on September 16, 1977, written by an expert on Latin American affairs who personally had talked to seven Latin American Presidents about the Declaration of Washington.

Then she goes on to say:

and rules Panama with his jackbooted National Guard, a body with Castroite officers in top positions.

WHAT CARTER HATH WROUGHT

Virginia Prewett asked a left-to-right spectrum of Latin American Presidents whether (as the pro-treaty U.S. press insists) Latin Americans hemisphere-wide will attack U.S. property and U.S. nationals if the Canal treaties are not ratified. Responding with a resounding "No": Argentina's Videla, Bolivia's Banzer, Chile's Pinochet, Honduras's Melgar Castro, Guatemala's Laugerud, Colombia's López Michelsen, and Costa Rica's Oduber. An editor of Bolivia's El Diario added, "Not unless some pinkos and Communists rig the attacks."

That is quoting directly from Virginia Prewett's article in the Hemisphere Hot Line.

We chatted with her and she claims there is no question that the original draft that was thrust upon these Latin American leaders as they arrived in Washington included precisely what we discussed last Friday.

I might also add, because I think it is almost an overwhelming case. The State Department is apparently misleading Members of the U.S. Senate, and I think deliberately so and the distinguished Senator from Idaho—for whom I have great affection and admiration.

But it might also be interesting to add to this discussion that on September 5 both the United Press International and the Associated Press wire services carried stories asserting that the Latin Americans were opopsed to the State Department's language of the proposed Declaration of Washington.

The UPI story stated that the draft was, to put it mildly, "coldly received."

I think what the State Department has done is insult the U.S. Senate and, certainly, the Senator from Idaho.

I might just read from the Declaration of Washington itself. One paragraph states:

Record our profound satisfaction at the signature by the President of the United States of America and the Chief of Government of Panama of the Panama Canal Treaty of 1977 and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

It certainly does not say that all of these Latin American leaders endorse the treaties. Of course, if they did, I think, the declaration would use the word "endorse."

I would also call attention to the fact that Virginia Prewett's conclusions tend to support those assertions of the distinguished Senator from North Carolina (Mr. HELMS), who informed the Senate not long ago that he had visited heads of state of 75 percent of the people in Central and Latin America and, to a man, they all said to Senator HELMS, "Don't give the canal to Omar Torrijos."

In spite of the one-sheet whitewash by the State Department there is a lot of evidence here indicating that the Declaration of Washington was ultimately signed with the aid of watered-down language. Both UPI and AP reported that the first draft was not favorably received. The distinguished Senator from North Carolina, although he is a firm and forceful opponent of these treaties, has said that the leaders of three-quarters of the people in Latin America said to him "Don't give the canal to Omar Torrijos."

Unless the State Department is willing to bring out every one of the drafts, including the earliest forms of drafts and the ones that were passed out to these heads of state as they came to Washington, we ought to recognize the fact that this one-page document is worthless.

We know the State Department controls the documents, and I suppose the dispute will never be resolved to everyone's satisfaction.

(Mr. MOYNIHAN assumed the chair.)

Mr. MATSUNAGA. Will the Senator yield?

Mr. HATCH. I am delighted to yield to my friend from Hawaii.

Mr. MATSUNAGA. The Senator from Utah speaks of a widely recognized Virginia Prewett. I must confess the name has not reached my area because I do not know who she is and I made inquiries here.

Mr. HATCH. That is why I read a number of her distinguished accomplishments at the beginning of my discussion.

Mr. MATSUNAGA. Will the Senator yield further?

Mr. HATCH. I am delighted to.

Mr. MATSUNAGA. The information we have on this side is that Ambassador Bunker made a search of all the drafts—the staff of Ambassador Bunker made a search of all the documents.

Mr. HATCH. The Ambassador himself stated this?

Mr. MATSUNAGA. I said that the staff made a search of all the documents involved, the drafts involved, and they have been unable to come up with any evidence to support the assertions made by Virginia Prewett.

Mr. HATCH. Well, that is not surprising to me. Anybody can prepare a one-page document like that, which is not even written on State Department stationery, and give it to a U.S. Senator to rely upon.

Mr. MATSUNAGA. I am reminded of the time when I was the subject of an even more widely recognized columnist, Drew Pearson, who, in his column, had me traveling over in Poland at one time. I have never been to Poland.

So newspaper people do make mistakes, and sometimes intentionally, in order to gain notoriety.

Mr. HATCH. I might say that the State Department is known to make mistakes, and two of the greatest are these two treaties.

Mr. MATSUNAGA. Of course, it is a matter of opinion, is it not?

Mr. HATCH. I would say it is.

Mr. MATSUNAGA. I respect the views of the Senator from Utah. He has an absolute right to his views. He has an absolute right to his convictions, just as the Senator from Hawaii has a right to his convictions, and we look at two things differently. This is what makes the world so interesting—that we have such a difference of views.

But I will say this: We have been talking a lot about the treaties, about what has been represented by both sides. The

world will little note what we say here; but if the Senator from Utah will see the light and support the treaties, the world will never forget what he did here.

Mr. HATCH. I appreciate the comments of the distinguished Senator from Hawaii, although we respectfully disagree. I might just add that he is a dear friend and certainly one of the most enjoyable Senators in the U.S. Senate.

What I do want to reemphasize is that if we had Virginia Prewett's statement, dated today, as I presume the State Department document has been prepared since last Friday, there might be some question about it. There might still be some question about it, and I think it is fair to raise the question. But what I read to the distinguished Senators on the floor of the U.S. Senate was her report, which was dated September 16, 1977, right after the declaration of Washington; and I have also called to the attention of the U.S. Senate that the Associated Press and the United Press tend to back her up.

So what I am saying is that I suppose the real answer is that we may never know whether this one-page document—and maybe it is from the State Department—is worth the paper it is written on.

The main point I am making is that these Latin American leaders do not endorse these treaties, which they would not do at the time; and, to be frank with the Senator, that is what the argument was about last Friday. It was after the distinguished Senator from North Carolina had made his point, that, literally, the heads of state of more than 75 percent of the Latin American people said, "Don't." Even though on the surface they speak against the Yankee gringo and on the surface they have to stand firm for Panama, they said to a distinguished Senator, who I do not think should be repudiated when he has said this at least three or four times on the floor of the Senate—repudiated by unsigned documents such as this typewritten memo, these Latin American leaders told him, "Please do not give this canal to Mr. Torrijos."

I think the evidence we have just presented is more reliable than an unsigned memorandum allegedly from the State Department, upon which the distinguished Senators would like this august body to rely and in which they would like us to believe. I find it incredible.

Mr. MATSUNAGA. Mr. President, will the Senator from Utah yield?

Mr. HATCH. I am delighted to yield to my friend from Hawaii.

Mr. MATSUNAGA. The one-page statement to which the Senator from Utah refers, submitted by the State Department, as I said earlier, is based upon a search of all the documents involved, of all the drafts involved.

The question I should like to put to the Senator from Utah is this: Did Virginia Prewett have access to any of these documents?

Mr. HATCH. I believe that she talked, as she states she has, to seven heads of state who told her these things. I do not personally know whether she had access to the drafts. But could the Senator from Hawaii or the Senator from Idaho tell me who wrote the one-page memo from the State Department? Do the Senators even know that? Could they at least give me the name of the State Department man or Ambassador Bunker's staff member who wrote that?

Mr. MATSUNAGA. I have no reason to doubt——

Mr. HATCH. Can the Senator give me his name?

Mr. MATSUNAGA (continuing). That it came from the State Department. But the question I put to the Senator from Utah was a simple one. Of course, the Senator does not know. I listened carefully as the Senator from Utah read the article written by Virginia Prewett, but nowhere does she say that she had access to any of the documents. To her, it was simply——

Mr. HATCH. She said she talked to seven heads of state.

Mr. MATSUNAGA. It was simply evidence, so far as the article was concerned. It was hearsay evidence. But here we have, from the State Department, a written, one-page statement, saying that there was in fact——

Mr. HATCH. That is not hearsay?

Mr. MATSUNAGA (continuing). No draft which included the word "endorse" or "endorsement." So I am inclined, even as a lawyer, to believe the State Department more than I am to believe the statement made by a reporter.

Mr. HATCH. I appreciate the statement of the distinguished Senator from Hawaii. However, I would like to know who at the State Department or on Ambassador Bunker's staff wrote that.

I would like to see all the documents, and I am surprised that they are not here, since they are regarded as so important.

Frankly, even if they were here—and I do not mean to interrupt the Senator from Hawaii, but I do want to finish this thought—even if they are here, they would only be provided by the State Department, which has actively supported these treaties all over the world, and especially in this country.

I find it very credible that on September 16, more than 6 months ago, Virginia Prewett called it right down the line and reported what she observed at the time.

Mr. MATSUNAGA. If the Senator will yield further, I should like to make one further observation.

The Senator keeps quoting leaders of Latin American countries, that we should not turn the canal over to Torrijos. We definitely are not turning the canal over to Torrijos. The Senator knows that. This is a treaty between the Republic of Panama and the United States of America. Torrijos could be out of office tomorrow. Who knows?

As the Senator well knows, there will be an election in August of this year to elect new officers, a new president, as I understand it. If this happens, Torrijos may not be in office. But the treaty will continue, because, regardless of who the leader, the president, or the maximum leader of Panama, will be, the treaty will continue as a binding contract between the two nations.

The Senator from Utah knows that. There is no need of the Senator from Hawaii to remind him of that. We do not turn the canal over to Panama until the year 2000, and Torrijos may be dead by then. Who knows.

So let me remind the Senator that, perhaps, he should advise his friends from South America the United States is not turning over the canal to Torrijos.

I thank the Senator for yielding.

Mr. HATCH. I thank the distinguished Senator from Hawaii for his comments.

I will say this: I do not think the average American feels the same way he does, and I do not think the vast number of all Americans feel the way he does, and I want to add I certainly do not.

If I had my way, these treaties, which do not protect the United States and which cannot be amended because we would offend Mr. Torrijos and maybe force a plebiscite which, I believe, has to occur anyway with the leadership amendment under their constitutional law, will fail.

What I am saying is that I think it is very important for us to realize that none of these Latin American leaders had time to study those treaties before they were asked to sign the declaration or endorse it.

I am concerned that we have no reliable information given to us by the State Department other than this unsigned memo.

I thank the Chair.

THE PRESIDING OFFICER. The Senator from Idaho.

Mr. CHURCH. Mr. President, I am not going to prolong this debate. I listened with great interest to the extended remarks by the Senator from Utah, who apparently bases his case on a newspaper article by Virginia Prewett. I am not acquainted with her. She may be perfectly legitimate as a journalist who writes on Latin American matters. I do not take issue with that statement. But I listened very carefully to her article, and I found nothing in it inconsistent with the statement that has been presented to me by the Department of State.

There is reason, however, for me to doubt the authenticity of her argument when she mentions that certain Latin American presidents, including the President of Costa Rica, President Oduber, are opposed to the treaties.

I happened to have lunch with President Oduber at the time——

Mr. HATCH. Mr. President, will the Senator yield?

Mr. CHURCH. No, I will not yield at this point. The Senator has had his time, and I would just like a few moments to reply.

Mr. HATCH. The Senator is misquoting what she said. I just wanted to——

Mr. CHURCH. Will the Senator give me the privilege of replying? Please quote from the article.

Mr. HATCH. I thank the distinguished Senator for his courtesy. I did not say nor did she that Costa Rica's President was against the treaties. She said they would not participate in an attack on U.S. property, which was one of the considerations that was bothering her at the time because people were talking about how the Latin-American people may prevail against the United States, and that was not right. So I just wanted to correct it for the record.

Mr. CHURCH. I appreciate the Senator's courtesy.

My point, the point I was trying to make, was that during my own conversations with President Oduber, he made it clear to me that he personally felt that the treaties were a great step forward in relations between the United States and Panama and between the United States and the other countries of this hemisphere.

I can bear personal witness to that fact. Furthermore, if the Senator wishes, I can supply a statement from the Department of State with the proper letterhead and signature.

However, we ought not degrade the Department of State by suggesting it would intentionally mislead the U.S. Senate on a matter of this kind.

I often disagree with the State Department. I have at times been obliged to disagree on some very difficult issues, even matters of war and peace. But I have never suggested nor will I ever suggest on this floor that those who work for the State Department are so dishonorable that they would intentionally mislead the U.S. Senate.

I think that nothing that Miss Prewett has written contradicts the statement that I received from the State Department and read into the RECORD, and there is nothing in her article that supports the charge originally made by the Senator from Utah; namely, that any draft of the Declaration of Washington contained the term "endorse" or "endorsement." That was what the argument was about, to begin with. Nothing in Virginia Prewett's article suggests that such a term was actually used. The State Department explained there was other language in the declaration to which some of the Latin governments objected and, if I may just read from the State Department's explanation:

> The only change made in the Declaration was the deletion of the phrase at the end of the final paragraph which read "and undertake to authorize, within the Organization of American States, universal accession to the Protocol to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal". This caused some confusion. Several Governments felt it was premature to press for accession to the Protocol before the Treaties were ratified; others questioned the use of the word "authorize". The phrase was consequently dropped by mutual agreement.

So notwithstanding the statements of the Senator from Utah to the contrary, I feel that the article, which obviously has been written by a journalist who opposes the treaties, does not substantiate his charge that any draft of the Declaration of Washington contained the word "endorse" or "endorsement." Further it does not present any evidence, as he said it did, that substantiates another charge he made here, namely, that the State Department is untrustworthy and has not supplied the Senate with accurate information on this question.

When all is said and done, Mr. President, the Declaration of Washington, whatever its genesis might have been, whatever earlier drafts might have been considered, was finally agreed upon and signed. That declaration states that the chiefs of state, heads of government or other representatives of the American Republics who were present at the signing record their "profound satisfaction" with these two treaties signed by President Carter and Omar Torrijos. That stands for the record, and I do not know any one of them who has repudiated his signature. If that is a watered-down sentiment then "profound satisfaction" is surely a curious way to express a watered-down sentiment.

Finally, Mr. President, I would like to quote from the testimony given by the Secretary of State of the previous Republican administration, who had this to say about opinion in Latin America on these treaties. Henry Kissinger testified:

> I find it significant that no Western Hemisphere leader, regardless of what his private feelings on this issue might be, feels able publicly to take any position other than that of strongest support for the modernization of the 1903 treaty. This reflects the depth of public sentiment on the issue. No government and no public opinion in any of the countries of this hemisphere would be willing to support us if we now refuse to modernize the canal relationship. We would witness a gradual deterioration of our relationships even when some leaders might prefer to retain constructive ties. If the treaties are accepted, on the other hand, our many friends in the hemisphere will be enabled to cooperate in the development of a constructive Western Hemisphere policy.

I agree with Mr. Kissinger on that point. I think that he speaks with great authority. The Senate should heed his remarks.

Now, Mr. President, there appears to be no further desire for debate, though I understand that the distinguished Senator from Alabama may wish to lay down an amendment this evening. If that be the case, I would like him to do so at this time.

Mr. ALLEN. I thank the distinguished Senator from Idaho. I wonder if it might be possible to work out a time limit. I hate to offer the amendment—I know it will not be tabled tonight, but possibly early tomorrow it might be, and I hesitate to offer the amendment without a time limit. I wonder if we might possibly agree on a 2-hour time limit, equally divided.

Mr. CHURCH. I am amenable to the suggestion of the Senator from Alabama. I wonder when the time should begin? Tomorrow morning?

I see the distinguished majority leader is here; perhaps it can be worked out directly with him.

Mr. ALLEN. I will say to the distinguished majority leader that, while I do have an amendment, as I have advised him, to article V, which is the Nunn reservation incorporated as an amendment, and in this effort I am joined by the distinguished Senator from Georgia (Mr. NUNN), the distingiushed Senator from Virginia (Mr. HARRY F. BYRD, JR.), and the distinguished Senator from Kansas (Mr. DOLE), we would like to offer the amendment, but we would like an agreement that no motion to lay on the table be made for a certain length of time, that is, that a time limitation be agreed upon. I have suggested 2 hours, equally divided.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Idaho if this is agreeable with him, that we have 2 hours equally divided, at the expiration of which time the motion to lay on the table could then be made?

Mr. ALLEN. Or an hour and a half, I might say.

Mr. ROBERT C. BYRD. An hour and a half to be equally divided?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Just to assure the distinguished Senator from Alabama that the motion to lay on the table would not be made before the expiration of that time, and until such time is yielded back, or his portion thereof is yielded back; would that be agreeable?

Mr. CHURCH. Such an understanding would be perfectly agreeable with me.

Mr. ROBERT C. BYRD. Very well. What time would the distinguished Senator from Alabama be willing to have that time limit begin running?

Mr. ALLEN. I have no objection to calling up the amendment at this time, but I do not wish to debate it tonight, and the time begins running when the amendment is called up. When the treaties are laid down?

Mr. ROBERT C. BYRD. Yes; when the treaties are laid down, the time could then begin running.

Mr. ALLEN. Yes; that would be satisfactory.

Mr. ROBERT C. BYRD. Fine.

Mr. HATCH. Mr. President, will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. Yes.

Mr. HATCH. When do we begin in the morning?

Mr. ALLEN. What was the Senator's question?

Mr. HATCH. What time do we begin in the morning.

Mr. ROBERT C. BYRD. I would suggest that we go on the treaties at 12 noon.

Mr. HATCH. And then we have 2 hours, 1 hour on each side?

Mr. ROBERT C. BYRD. The Senator from Alabama suggested an hour and a half, in which case the vote would occur around 1:30.

Mr. HATCH. I am concerned about our policy meeting tomorrow, and I wonder if we could have a vote after 2.

Mr. ROBERT C. BYRD. If we do that, we shut out other Senators who may want to call up amendments. We have to go to the resolution of ratification no later than 4 o'clock tomorrow.

Mr. HATCH. Could we not have them call them up as soon as they are ready, but have no votes until after 2?

ADDITIONAL COSPONSORS OF AMENDMENT NO. 77

Mr. ALLEN. Mr. President, I ask unanimous consent that on the unprinted amendment I offered earlier today, the names of the distinguished Senator from North Carolina (Mr. HELMS), the distinguished Senator from Nevada (Mr. LAXALT), the distinguished Senator from Utah (Mr. HATCH), and the distinguished Senator from South Carolina (Mr. THURMOND), be added as cosponsors, their names to appear ab initio.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 77

Mr. ALLEN. Mr. President, if the distinguished majority leader will not object, then, I will call up my amendment at this time.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. With the understanding that we will work out the time later.

Mr. ROBERT C. BYRD. Yes.

Mr. ALLEN. I call up my amendment No. 77.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Alabama (Mr. ALLEN), for himself, Mr. NUNN, Mr. HARRY F. BYRD, JR., Mr. DOLE, Mr. HELMS, Mr. LAXALT, Mr. HATCH, and Mr. THURMOND, proposes an amendment numbered 77:

To strike out the period at the end of Article V and insert in lieu thereof a comma and the following: "subject to the condition, to be included in the instrument of ratification of the Treaty to be exchanged with the Republic or Panama, that nothing in this Treaty shall preclude the Parties from making in accordance with their respective constitutional processes any agreements or arrangements to facilitate performance at any time after December 31, 1999, of their responsibilities to maintain the regime of neutrality established in the Treaty, including agreements or arrangements for any United States military presence after that date in the Republic of Panama that the Parties may deem necessary or appropriate."

Mr. CHURCH. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes; I yield the floor.

Mr. CHURCH. Is this amendment the Senator has now offered an amendment to the treaty itself?

Mr. ALLEN. It is an amendment to the treaty itself. It embodies what I have been told by Mr. NUNN is the exact language of the reservation that he would intend to offer if this amendment is not agreed to. However, it is quite obvious that his preference is that the language of the reservation be inserted in the treaty itself, so that it would be an amendment to the treaty rather than a reservation to the Resolution of Ratification.

Mr. CHURCH. Let me pursue the subject a moment longer. The amendment, as I understand it, contains the words "subject to the condition, to be included in the instrument of ratification of the treaty to be exchanged with the Republic of Panama——

Mr. ALLEN. Yes, that is quite true.

Mr. CHURCH. My only observation was that normally those words——

Mr. ALLEN. Yes.

Mr. CHURCH (continuing). Are suitable to an amendment——

Mr. ALLEN. I understand, but the Senator——

Mr. CHURCH (continuing). Of the articles of ratification.

Mr. ALLEN. The Senator also noticed that the amendment is added to article V, which would make it an amendment pretty much like the point the Senator now seems to be making and like the point the Senator from Alabama made with respect to the leadership amendment as being a reservation. But he was on a different side at that time. However, in order that the language be exactly the same, I left that phrase in there and that would not harm the amendment. Actually that is what would happen even if that language is not there. It would be part of the Resolution of Ratification because it must contain a report of all amendments that have been passed in the Senate, as the distinguished Senator knows.

Mr. CHURCH. My only purpose in raising it was to ascertain that it was in fact——

Mr. ALLEN. It is an amendment.

Mr. CHURCH. Intended to be an amendment of the treaty itself.

Mr. ALLEN. It is an amendment to the treaty.

Mr. CHURCH. I thank the Senator.

Mr. ALLEN. Otherwise, it would not be in order at this time as the Senator knows.

I yield the floor, Mr. President.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:30 A.M. ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 8:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS CHAFEE, ROTH, AND BAKER

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that tomorrow immediately after the prayer, Mr. CHAFEE, Mr. ROTH, and Mr. BAKER be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate then resume its consideration of the treaty, at which time the time for debate on the amendment by Mr. ALLEN will begin running, such time to be limited to 2 hours, to be equally divided between Mr. ALLEN and Mr. CHURCH; that at the conclusion of the 2 hours, the vote with respect to the Allen amendment be delayed and at that point Mr. LAXALT be recognized for 30 minutes; that at the conclusion of Mr. LAXALT's speech, Mr. NUNN and Mr. TALMADGE be recognized for not to exceed 45 minutes between the two; that at the completion of Mr. NUNN's and Mr. TALMADGE's statements Mr. THURMOND be recognized to call up his amendment, and that that amendment be called up no later than 12:30 p.m.; that there be an hour and a half on the amendment by Mr. THURMOND, to be equally divided between Mr. THURMOND and Mr. CHURCH; that at the hour of 2 o'clock p.m. a vote occur in relation to the amendment by Mr. ALLEN, to be immediately followed by a vote in respect to the amendment by Mr. THURMOND. Those two votes would occur back to back.

That upon the disposition of the amendment by Mr. THURMOND, at 3 o'clock p.m., Mr. SCHMITT be recognized to call up an amendment in the nature of a substitute, and that there be 45 minutes on that amendment; that the 45 minutes on the Schmitt amendment be divided as follows: 30 minutes to be under the control of Mr. SCHMITT and 15 minutes to be under the control of Mr. CHURCH; and that at the expiration of 45 minutes a vote then occur in respect to the Schmitt amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe the order has already been entered to the effect that at 4 o'clock p.m. tomorrow the Committee of the Whole will rise and the Senate will proceed immediately to the consideration of the resolution of ratification. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair. I thank all Senators for the cooperation in respect to the agreement which has been entered into.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transactions of routine morning business, with statements limited therein to 10 minutes each, and that the period not extend beyond 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BUDGET EXPLOSION—CAN CONGRESS CONTROL ITSELF?

Mr. PROXMIRE. Mr. President, the President of the United States has proposed a $500 billion budget for fiscal year 1979, up $38 billion or 8.2 percent over the fiscal year 1978 estimated expenditures.

This is much too high. It should be cut and cut by $25 to $35 billion or from 5 to 7 percent.

I believe that if we all worked very hard, we could achieve such a cut. As one who has examined the details of the budgets of at least 40 different agencies as a member of the Senate Appropriations Committee, I know that there is not a single Government function which could not be cut by 5 to 7 percent if a strenuous effort were made to cut out the fat and waste, examine the functions from the bottom up, and to reorder our priorities.

Furthermore, I believe the Government and its programs would be more efficient if careful and judicious cuts were made.

For both these and more general reasons, such cuts should be made. Henry Kaufman, one of the country's leading financial experts, pointed out in testimony before the House Budget Committee that the fiscal 1978 budget repre-

sented the highest proportion of Government spending to the GNP in the postwar era, namely 22.6 percent. And while this ratio will decline in fiscal year 1979, it will still be about 22 percent or the fourth highest in the last 25 years.

It cannot be said that either the President or the Congress are restraining ourselves when it comes to the size of the projected budget or the spending which was approved for this fiscal year.

WORSE TO COME

But this is only the beginning. If one is critical of the size of the President's budget, which I am, wait for the congressional proposals for spending to come in. Some of them are available now. They are very bad news indeed.

On March 15 the various legislative committees report to the Budget Committee on the estimates of spending for the new fiscal year. On April 15 the Budget Committee's report the first budget resolution to the House and Senate. It sets the spending levels for fiscal year 1979. That resolution must be passed by Congress by May 15.

We are now beginning to get these estimates. They are shocking in their size and magnitude.

When Mrs. Harris, the distinguished Secretary of Housing and Urban Development, presented her legislative proposals to the Senate Banking, Housing, and Urban Affairs Committee a few days ago, there were tremors among other committee members, Republicans and Democrats alike, when I suggested that we might find a way of judiciously and constructively cutting the President's proposals. Instead there were a series of suggestions from both sides of the aisle, to increase funds for housing, for rehabilitation, and for other programs. That event, last week, was only a taste of things to come.

MASSIVE INCREASE IN ESTIMATED SPENDING

We now have the views of the Senate Appropriations Committee on its subcommittee budget targets. At the time their report was printed, all but one of the 13 subcommittees had given their estimates for both budget authority and for outlays for fiscal year 1979. All but the Defense Subcommittee had reported. The Defense appropriation came in today.

In addition to the big increases that we have already seen, the Defense Subcommittee recommended an additional $700 million in outlays and $1.7 billion in budget authority.

Their estimate shows a massive increase in spending. And because of the absence of the defense figure the Appropriations Committee estimates were for less than half the funds the President requested. Here is what they show:

INCREASE IN BUDGET AUTHORITY

First, the committee estimates that the President's request of $241.9 billion in budget authority for fiscal year 1979 over which the reporting subcommittees have jurisdiction, will rise by $13.9 billion. They estimate budget authority at $255.8 billion. Remember, this is without the Defense estimate which will certainly be no less and will probably be several billion dollars more than the President requested.

INCREASE IN OUTLAYS

With respect to outlays, the committee estimates that the President's proposals of $207.4 billion in outlays over which the reporting subcommittee have jurisdiction, will rise to $215.2 billion or by $7.8 billion.

That does not cover some spending which is outside the Appropriations Committee jurisdiction.

Remember, too, that these estimates cover far less than the $500 billion in outlays the President proposed.

Unless the Congress and the executive departments are prepared to restrain themselves, we can expect a $10 to $15 billion increase in outlays over and above the President's budget and as much as double that amount in new budget authority.

As the Senator from Maine (Mr. MUSKIE) has warned us, this year will make or break the congressional budget process.

If we are not able to hold the line or cut the President's proposals this year, the congressional budget process will fail.

WHY SPENDING SHOULD BE CUT

For a variety of reasons we should cut spending this year.

We should cut spending to reduce the pressures on inflation and price rises.

We should cut spending because Government is too big and numerous functions could be performed as well if not better by private persons.

We should cut spending because the budget represents far too high a proportion of GNP—the fourth highest in our postwar history.

We should cut spending in order to provide a leaner, more efficient, more manageable Government.

We should cut the budget in order to give more tax relief to those who work for a living and are required to pay massive proportions of their income for public purposes.

And finally, if for no other reason, we should cut the President's budget proposals in order to make the congressional budget process work and to indicate that Congress has some self restraint. That, above all, would be a signal contribution to the country.

I hope very much Mr. President that we can take the occasion of the vote on the first budget resolution to vote a substantial cut not only in the Congress own excessive proposals for spending but for a 5- to 7-percent cut below the President's request.

The attention of the country and the Congress should be focused on that occasion. That will be the crucial test of the fiscal responsibility of Congress.

Mr. President, I ask unanimous consent that table 1, entitled "Committee on Appropriations, Subcommittee Budget Targets for 1979," be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—COMMITTEE ON APPROPRIATIONS: SUBCOMMITTEE BUDGET TARGETS FOR 1979

[In millions]

Subcommittee and chairman	Budget authority			Outlays		
	1979 request	1979 subcommittee target	Difference	1979 request	1979 subcommittee target	Difference
Agriculture, Rural Development, and Related Agencies (Eagleton)	$17,791	$23,081	+$5,290	$14,004	$14,523	+$519
Defense (Stennis)[4]						
District of Columbia (Leahy)	460	411	−49	453	433	−20
Foreign Operations (Inouye)	8,410	8,410		5,554	6,429	+875
HUD-Independent Agencies (Proxmire)	77,644	78,152	+508	46,561	46,935	+374
Interior (Byrd)	12,829	13,880	+1,051	11,447	11,993	+546
Labor-HEW (Magnuson)	76,285	79,450	+3,165	75,336	77,408	+2,072
Legislative (Sasser)	1,153	1,153		1,221	1,221	
Military Construction (Huddleston)	4,253	4,253		3,412	3,412	
Public Works (Johnston)	10,235	11,235	+1,000	9,764	10,385	+621
State, Justice, Commerce (Hollings)	8,589	[1] 9,337	+748	10,074	[2] 10,479	+405
Transportation (Bayh)	9,301	11,451	+2,150	15,870	17,604	+1,734
Treasury, Postal Service (Chiles)	[3] 10,818	10,812	−6	[3] 10,869	10,864	−5
Subtotal	237,768	251,625	+13,857	204,565	211,686	+7,121
Pay and contingencies:						
Federal pay raise	1,200	1,200		1,100	1,100	
Contingencies	3,000	3,000		1,700	1,700	
Total	241,968	255,825	+13,857	207,365	214,486	+7,121

[1] Includes a $350,000,000 urban initiative for Economic Development Administration included under contingencies.

[2] Includes a $175,000,000 urban initiative for Economic Development Administration included under contingencies.

[3] Includes $291,000,000 for supplemental payment to the civil service retirement and disability fund.

[4] The recommendations of the Defense Subcommittee have yet to be submitted and all figures related to those programs have been deleted from this table.

WAYS TO SOLVE OUR INFLATION PROBLEM

Mr. PROXMIRE. Mr. President, on another very related issue, the President of the United States has proposed a $500 billion budget, but that is only one element of the inflationary problem that confronts us. The economy has done well over the last 3 years, particularly in the last year. Unemployment has declined sharply. The number of jobs increased last year more rapidly than any time in our history. We do have a very serious, tough inflation problem and nobody really is doing anything about it. Jerry Bosworth, who is the man in the administration who has that principal responsibility, is a very frustrated person. He has indicated again and again, to me and to others, that there just is not a program that is going to work.

Mr. President, over the past 3 years our economy has improved tremendously from the depths of the worst recession since the 1930's. Unemployment has declined to 6.1 percent of the labor force and four million jobs were created in 1977. The rate of inflation has declined from over 12 percent in 1974 to about 6 percent, and many economists are predicting that this 6 percent rate will continue through this year. The administration has set a target of 4½ to 5 percent growth for this year and for 1979. If we can accomplish this rate of growth in real GNP there is little doubt that employment will increase and unemployment will decline. We still have sufficient excess capacity in our manufacturing industries so that continued expansion can proceed without exacerbating inflation.

Yet, Mr. President, we should not be complacent about inflation, and we cannot accept an underlying inflation rate of 6 percent for very long. Inflation's terrible effects are felt the hardest by those least capable of doing anything about it: the Nation's retirees and those on fixed incomes. It has adverse affects on every sector of the economy from our farmers, to housing, manufacturing, health care, social security, and energy.

Mr. President, there is no denying that we are caught in an inflationary spiral with wage and price inflation feeding on each other. The administration, the Congress, the Federal Reserve, the Nation's businesses, and labor must make a commitment to stop the inflationary spiral. We must also recognize that traditional means of stopping inflation, through tight monetary and fiscal policies, has devastating effects on the economy that we find unacceptable. New programs and approaches must be found to bring inflation down.

Dr. Arthur Burns, the highly respected past Chairman of the Federal Reserve Board, repeatedly told the Congress that monetary policy alone cannot bring inflation down to an acceptable level. The new Federal Reserve Board Chairman G. William Miller told the House Banking Committee last week that the Federal Reserve is fearful of inflation and that they are mindful of their duty to foster a less inflationary economy. One implication of this is the sad fact that instead of fostering a higher rate of economic expansion and much needed capital investment through lower interest rates the Federal Reserve will hold the line on credit growth.

The Federal Reserve needs help in fighting inflation. If we can give them that help then it is likely that monetary and fiscal policies can work in a more coordinated manner toward continued expansion and job creation. If, instead, the Congress, the administration, business, and labor sit back and are complacent with an underlying rate of inflation of 6 percent, the policies and programs of the Federal Reserve and the rest of the Government will be at odds. We will have the type of fiscal-monetary policy mix that gets us nowhere; the Federal Reserve will be slowing the economy while the Congress and the administration are trying to stimulate it.

Mr. President, the New York Times of Sunday, March 12, 1978, contained a very important letter on its editorial page that I would like to have reprinted in the RECORD so that the Congress will take note of it. The letter was written by Walter Heller, Arthur Okun, Robert Solow, James Tobin, Henry Wallich, and Sidney Weintraub. These men are all world renowned eminent economists. They have played major roles in economic policy formulation over the years, and they are now telling us that a new approach to the fight against inflation should be given serious consideration: The use of the Federal tax system to induce business and labor to comply with disinflationary guideposts. They are recommending a system, or to be more accurate, several different systems of rewards and punishments—tax incentives and tax penalties—that would, in their most valued opinions, work toward bringing inflation down.

Every one of these proposals is unpopular with management or labor, or both. Mr. President, if we are going to do something about inflation, it would seem that this kind of dispassionate expert advice ought to be listened to.

I, for one, am impressed with some of the carrot and stick proposals that I have heard. To be sure, I want to know more about them before I recommend them. Because they present an opportunity to do something about inflation, we should encourage discussions and debates about tax-based anti-inflation programs. If we continue to sit back and shy away from a truly difficult inflationary situation, we can be sure that it will only get worse. We cannot afford to let that happen.

For that reason, Mr. President, I am scheduling hearings before the Senate Banking Committee on anti-inflation programs such as those recommended by Heller, Okun, and company, to hear the issues, listen to the pros and cons of each option very carefully.

I ask unanimous consent, Mr. President, that the letter I referred to be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ECONOMY: TOWARD A "CARROTS" AND/OR "STICKS" CURE

To the Editor:

After almost three years of recovery from the 1974–75 recession, the deepest since the 1930's, unemployment is still 6.1 percent of the labor force. Inflation has receded from the double-digit rates of 1974, but the hard-core 6 percent per year inflation persists. The public regards this persistent combination of inflation and unemployment as unacceptable. The Administration, the Congress and the Federal Reserve are committed to significant reduction in both rates. The unpleasant truth is that they have at present no way to achieve this goal.

The problem is that in today's economy high unemployment rates are not achieving the desired disinflation but appear to be essential to forestall the risks of accelerated inflation. This is why the Government has not used more stimulative monetary and fiscal policies to sustain and complete the economic recovery. This is why the President's original targets, 4.8 percent unemployment and 4 percent inflation, seem so elusive.

The impasse is terribly costly; the losses of jobs, production and investment weaken our economy for years to come. Is there a way out?

The first step is realistic recognition that the traditional instruments of fiscal and monetary policy are by themselves inadequate. Additional measures are needed to restrain the rise of wage and salary rates and of production costs, markups and prices.

Currently the economy is trapped in a pattern of roughly 8 percent wage inflation and 6 percent price inflation. Each feeds the other. Given a normal productivity trend of about 2 percent, business raises prices 6 percent to cover the rise in unit labor costs. To keep up with these price increases, as well as with the wage gains of other workers, unions and unorganized workers expect and obtain wage increases that exceed productivity growth. The pattern is stubborn, but not inevitable. In the early 1960's a self-consistent pattern of about 3.5 percent wage inflation and 1.5 percent price inflation was maintained throughout a recovery that reduced unemployment from 7 percent in 1961 to 4 percent by the end of 1965. If several points could be simultaneously chopped off today's wage and price inflation rates, neither labor nor business would lose to the other. The President's goals would come within easy reach, with substantial gains for all economic groups.

Direct anti-inflation policy has in the past taken two forms in this country: comprehensive and compulsory wage and price controls, and advisory guideposts. Controls entail well-known inefficiencies and inequities, and after the 1971–74 experience both management and labor are strongly opposed to them. Guideposts appear to have helped in the early 1960's. But voluntary compliance is at best uncertain and uneven, and informal White House pressure in selected cases is not a satisfactory procedure. The shortcomings of these two approaches should not lead us to discard the whole idea of "incomes policy." Too much is at stake.

There is a third way to operate an incomes policy. The Federal tax system could carry "carrots" or "sticks" or both to induce business and labor to comply with disinflationary guideposts. Thus the guideposts would be backed by incentives which apply to everyone fairly and uniformly. But the Government would not intervene directly in the setting of prices or in collective bargaining. Tax incentives allow flexibility: firms and unions would weigh tax savings or tax costs along with other factors in deciding how much to raise prices and wages. Competitive forces could still govern their choices.

A number of specific proposals have been advanced by economists. According to one of them, for example, the Government would annually set a threshold rate of wage increase, which right now might be 7 percent. Then each employee of a firm would receive a tax rebate equal to one point of the normal payroll tax for each point by which the firm's rise in average compensation per hour fell short of the threshold for the year. If in 1978 a firm held its average increase in hourly compensation to 4 percent, then each of its employees would recover three points of the 1978 payroll tax. Thus the average worker would be compensated (up to the Social Security wage ceiling) for restraint. Take-home pay would be sustained, but inflation of labor costs would be diminished. Fractional compensation could be allowed instead.

If price inflation were to fall point for point with wage inflation, workers would lose nothing from restraint, and the payroll tax rebates would be net gains. Although prices move generally with labor costs, this result cannot be guaranteed. Workers will find the offer fairer and more attractive if a parallel incentive to restrain firms' markups over cost is provided. Or the Federal Government could "insure" cooperating workers by promising additional tax rebates to the degree that price inflation fails to respond.

This is only one possibility. Another proposal, on the lines of the Wallich-Weintraub tax-based incomes policy, would operate through the corporate profits tax. A firm would be rewarded for each point by which it holds its own wage inflation below the specified threshold.

These are "carrots." The "stick" version would penalize workers and or firms by tax surcharges for each point by which the year's rise in compensation per hour exceeds a preset target, perhaps 5 percent at the start. The proposals operate in the first instance on wages rather than prices only because continual change in materials costs and in product design and quality would make it very difficult to apply them directly to prices.

These are complicated and untried schemes. The best design is not yet clear; many administrative wrinkles need to be ironed out. The difficulties are trivial compared with the costs of our present impasse—losses of billions of dollars of production and of millions of jobs each year that we drag along. Washington should begin to plan along these lines now. The Administration and Congress are considering major tax reduction in 1978. They have the opportunity to design tax cuts to bring down inflation as well as to stimulate the economy.

What unites the signers of this letter is the conviction that this matter deserves the highest priority in public discussions and official deliberations about economic policy. We are not, individually or collectively, decided on the best design. In particular, Governor Wallich endorses the letter as follows: "I support the general concept of a tax-based anti-inflation policy and specifically the version that, since 1970, has been associated with the name of Sidney Weintraub and mine."

Walter Heller, Arthur Okun, Robert Solow, James Tobin, Henry Wallich, Sidney Weintraub.

NEW HAVEN, *March 10, 1978.*

THE SYMBOLIC IMPORTANCE OF THE GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, from time to time, the Genocide Treaty has been labeled a purely "symbolic" gesture, the implication being that it is an empty, unnecessary measure. While I am not willing to agree that the treaty does not have any value other than a symbolic one, I would like to take this opportunity to argue that the symbolic value alone of the treaty is of such immense importance that it merits our immediate ratification of the treaty.

A distinguishing feature of our country has always been a moral commitment to the rights of all individuals. It has been a commitment that American servicemen have been willing to fight for. If such a principle is worth fighting for, it certainly merits expression in a written document. The Genocide Treaty does just that; it affirms the collective rights of racial, ethnical, national, and religious groups.

The fundamental human rights document we have, the proposal we have, is the Genocide Treaty. It has been pending 30 years before this body. This is the only body that has to act. Every President, Democratic and Republican, has called for its ratification. Yet the Senate has failed to do so.

Failure to ratify the treaty affects our international prestige. Human rights are mentioned in the preamble and six different articles of the charter founding the United Nations. They are the basis on which we have tried to construct a lasting peace since the Second World War. Our failure to endorse the most fundamental human right, the right to life, creates unnecessary doubts regarding our sincerity. Our recent emphasis on discouraging human rights violations throughout the world is particularly vulnerable to charges of a double standard until we ratify the treaty.

The Genocide Treaty asserts that "genocide is a crime under international law, contrary to the spirit and aims of the United Nations and condemned by the civilized world." As we are an integral part of that civilized world, we must give notice that we, too, are unequivocally opposed to the barbaric crime of genocide. We must endorse the Genocide Treaty immediately.

WOMEN IN THE MILITARY WILL HELP RECRUITING CRUNCH

Mr. PROXMIRE. Mr. President, on Friday, I had printed in the RECORD a New York Times editorial which recommended that the Congress meet the wishes of the armed services and end legal restrictions on women in our military forces.

On Saturday, March 11, the Washington Post added its voice to the call for equal opportunity for women and for efficient use of our manpower—I should say person power; our manpower and womanpower. The Post points out that the Defense Department is having trouble recruiting well qualified males and that unless women can be assigned to a wider range of military jobs, according to the Defense Department, slots in combat units will have to remain unfilled or filled with less-qualified men.

Mr. President, if we believe in any kind of equal economic opportunity for women, the biggest employer in the country is the Armed Forces. They employ over 2 million people. The Armed Forces provide excellent opportunities these days. Women are being turned away, qualified women. Women who are accepted, there is no question that the record shows, have a better record of intelligence, a better record of education, and less turnover. They improve the quality of the Armed Forces in all kinds of ways.

For 95 percent of the work done in the Armed Forces can be done easily as well by women as by men, but because they are barred from so-called combat zones, they cannot have the promotions and achieve the rank they deserve and ought to have.

Mr. President, I commend this excellent editorial to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WOMEN IN COMBAT

More often than not, debates over the Equal Rights Amendment have bogged down over the question of whether its ratification would force the Pentagon to use women in combat. The Defense Department has now made a move—on grounds that have nothing to do with women's rights—that would pull the rug out from under that argument. It has asked Congress to lift the bars against the assignment of women to combat-related jobs and to ships at sea, replacing them with a law permitting the secretary of each armed service to decide where women should serve.

The problem the Defense Department is trying to solve is quite simple. It is having trouble recruiting enough well-qualified males to fill all the jobs in combat units, and it has a surplus of well-qualified female volunteers. Unless women can be assigned to a much broader range of military jobs, the department says, it will be forced either to leave slots in combat units unfilled or to fill them with less-qualified men. That is a powerful argument. It says, in effect, that we can have a first-rate military force if women are used to their full capabilities and a second-rate one if they aren't.

Much of the emotion that this issue has stirred in recent years arises out of an old-fashioned notion of what "combat" is. Every time it is discussed, the picture is drawn of women in foxholes or trenches, struggling with mortars and other heavy equipment. Many women—and some men—are physically unfit for such jobs, and we doubt that any secretary of the army would ever assign them there. But sitting in a missile silo or flying a bomber or operating a piece of navigational equipment can be just as much a part of combat. We, at least, would rather have a well-qualified woman in a critical combat job than an unqualified man.

In addition to this need of the armed services to upgrade their personnel is the need of women who choose to make a career out of the military service to have access to those jobs. They are, in many instances, the key to career advancement. If the armed forces are to have a female component—and the nation decided decades ago that they should have—the jobs necessary to advancement must be open to the women who help compose them. Otherwise, the quality of female volunteers will diminish over time, and then the squeeze for well-qualified personnel will really be on. It is a happy coincidence that the Pentagon has realized its own practical need to open the jobs available to women at the same time the women in the military are seeking those jobs for a quite different reason. Congress ought to change the law as the Defense Department has requested—and without the slightest hesitation.

Mr. PROXMIRE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous concent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORTH CAROLINA ATTORNEY GENERAL URGES REJECTION OF S. 35

Mr. HELMS. Mr. President, Federal law provides that any person may bring a legal action against someone who, under color of a State law, deprives him of a constitutional right. Presently, the Subcommittee on the Constitution is considering legislation which would amend this law to permit State and local governments to be sued for the unlawful actions of their employees. This bill, S. 35 would in practice shift the responsibility for making restitution from the guilty government employee whose unlawful activity gave rise to the law suit, to the taxpayers by allowing the local government itself to be sued for any damages.

On February 8, North Carolina's Attorney General, Hon. Rufus L. Edmisten, testified before the subcommittee concerning S. 35. His analysis was a remarkably fine presentation and one which I hope my colleagues in the subcommittee will thoughtfully consider.

The points Mr. Edmisten raises are well taken. He warns that S. 35 "very seriously undermines the basic principle of federalism," and that it "sets the scene for direct conflict between the Federal Judiciary and the State." These objections and others which lead Mr. Edmisten to oppose S. 35 warrant a thorough discussion. Unless adequately answered, I will join with the attorney general of my State in opposing S. 35 should it reach the floor of the Senate for consideration.

Mr. President, in order that my colleagues may have an opportunity to consider this legislation more thoroughly, I ask unanimous consent that the testimony of Attorney General Edmisten before the Subcommittee on the Constitution be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF ATTORNEY GENERAL RUFUS L. EDMISTEN

Mr. Chairman and members of the committee: At the outset I wish to thank you for the opportunity extended to me to comment on S. 35, entitled the "Civil Rights Improvement Act of 1977."

The announced purpose of S. 35 is "to correct" certain perceived inadequacies in the Civil Rights Act of 1871, codified at 42 U.S.C. § 1983. A second purpose is to alter by statute certain interpretations of that Act as construed by the United States Supreme Court and other federal courts. The real purpose would appear to be the abolition of most of the accepted defenses in civil rights actions.

The importance of Section 1983, as it has come to be known, is that it is the primary vehicle by which an individual person may seek a remedy in the federal court for deprivation of his federal constitutional rights. This statute, part of the Ku Klux Klan Act of April 20, 1871, was enacted to protect black people in the South from being subjected to abuse by persons acting under color of state law. In the last 20 or so years, though, Section 1983 has been discovered to be a methaod of redress for many other persons who feel their constitutional rights have been violated. Section 1983, in fact, has been a catalyst by which many constitutional deprivations have been terminated and corrected. It has served and continues to serve its purpose well.

Although I may not agree with every decision of every federal court in applying Section 1983, all in all I must say that Section 1983 as it is now written serves a useful and beneficial purpose. Federal courts have been generous in enabling all persons to partake of the benefits of the Act. The statute, to an appreciable degree, is responsible for reforms in our schools, mental institutions and prisons. However, this statute is subject to gross abuse. The volume of civil rights actions in federal courts increased by 3410.8 percent between 1961 and 1975. During this same period, incidentally, prisoner civil right suits increased nearly 1300 percent. In considering these statistics it must be realistically recognized that many of these suits are brought by litigation prone individuals and are without substance or merit. The result of the abuse of this statute is an overloaded judicial system. Further, because of its broad provisions, some federal courts have used this Act virtually, if not literally, to take over state institutions and facilities.

This bill, S. 35, fosters negative thinking and animosity. It sets the scene for direct conflict between the Federal Judiciary and the State. In addition, it is counter-productive. It is generally recognized throughout the legal profession that, with the high caliber state judges now on the bench, the individual rights of our citizens are as fully protected in the state forums as in the federal courts. Significantly, many of the organizations who have been long time champions of individual rights now regard litigation in the state courts as the more desirable avenue for seeking relief. The reasons for this are multiple.

Federal litigation is usually very formal, tedious, onerous, and seemingly endless. The welfare of the individuals concerned seem to be subjugated to the over-riding concern for broad principles, philosophical arguments, and ideologies. The backlog of civil cases in the federal judiciary is so tremendous that an individual entitled to relief is all too frequently denied that relief for an unconscionable period of time solely because he cannot be heard. Quite often the potential state remedies are more efficacious, efficient, and expeditious. The message to be gleaned from these facts is that federal litigation should be reserved for instances wherein all other judicial or administrative remedies are unavailable or inappropriate. S. 35 seeks to achieve the opposite result and can only increase the backlog of federal litigation. It patently encourges resort to the federal courts as a first choice and it actively tends to improperly intimidate and coerce dedicated and conscientious state and local officials.

Fortunately, the Supreme Court and the Courts of Appeals have repeatedly admonished the lower courts that the principle of federalism is as valid today as it was when the founding fathers drafted the Constitution. I would encourage the Congress to recognize the validity of the federalism doctrine if it seeks to modify Section 1893 so as to require individuals in appropriate situations to avail themselves of effective remedies through the state judicial system before seeking relief through the federal system.

S. 35 very seriously undermines the basic principle of federalism upon which our form of government is based. As Chief Justice Burger recently noted in a dissenting opinion: "We took steps (in *National League of Cities* v. *Usery*) to arrest the denigration of States to a role comparable to the departments of France, governed entirely out of the national capital. Constant inroads on the powers of the States to manage their own affairs cannot fail to complicate our system and centralize more power in Washington." In a time when the people of this Country are growing more and more mistrustful of the concentration of power by the federal government, I would heartily encourage the Congress of the United States to be wary about making further "inroads on the powers of the states to manage their own affairs."

As you have probably gathered, my opposition is to this bill in its entirety. I do not have suggestions for making it a better bill because I think it is a bad bill and a poorly thought-out bill. It has the potential to be a maker of great mischief. Although I shall indicate a few examples of what I consider undesirable provisions in the bill, in so doing I do not intend to imply that the bill in any form would be acceptable to me. Nonetheless, I shall point out some of the more objectionable features of S. 35.

The Civil Rights Act of 1871 was directed against persons who abuse their official authority. In the first major construction of that Act in *Monroe* v. *Pape* in 1961, Justice Douglas held that the Act did not apply to a municipality. Later court decisions have been consistent in holding that it does not apply to cities, states, or political subdivisions or agencies thereof. S. 35 would define "person" as used in Section 1983 to include all of these. Thus, it would seem that if a state official acts under color of an unconstitutional state law, the state would be liable to the person damaged by the unconstitutional provision.

It has always been the custom to challenge the constitutionality of state statutes either in an action in which the statute is sought to be enforced or in a declaratory judgment action concerning the construction of that Act. These are practical and common sense approaches. S. 35 makes a revolutionary change by allowing a person to bring a civil suit against a state or other local government in federal court and to obtain damages if, in that civil action, a statute is found to be unconstitutional. Instead of suing real persons who violate other individuals' civil rights, victims would sue only things. S. 35 would ironically lose its existing deterrent effect.

One of the reasons that our system of federalism has been so successful is that it allows an opportunity for the various states to experiment with new ideas and programs for the betterment of their citizens. If the State is subject to liability when one of its statutes is held unconstitutional, state legislators may well be hesitant to undertake new programs which may be extremely beneficial for fear that those programs will be held by some federal court to be unconstitutional, with resultant monetary liability.

By literal reading of its provisions it must be concluded that S. 35 incorporates the principle of respondent superior into Section 1983. Federal courts have traditionally held that this doctrine does not apply to such actions. S. 35 attempts to change this by saying that a supervisory officer may be liable when he ". . . should have known that an inferior officer . . . had engaged in unconstitutional conduct." What sort of burden will this place on the highest ranking state officials when they are subject to a finding by a federal court that the official "should have known" of the unconstitutional conduct of his subordinate employees? Consider the dilemma of someone such as the governor of a state or other state executives who may, on paper, be responsible for the conduct of

tens of thousands of state employees! How many groundless, frivolous, malicious, and harassing individual rights cases are likely to be brought against high ranking officials? How much time of these officials will be spent in proving that there is no way that they could or "should have known" of the misconduct of a subordinate employee that the official has never met and who is geographically located hundreds of miles away from the official?

This Act further directs a federal court to order "disciplinary or other remedial measures" whenever it finds that a state employee may have violated someone's civil rights, apparently regardless of whether or not a pattern of such unconstitutional conduct has been etsablished. Such remedies would, in fact, allow a federal court to take over a state institution. What does this provision do to the principle of federalism, to the sovereignty of the individual states, or to the Tenth Amendment? Extensive application of this portion of S. 35 could be the death knell of independent State government.

Next, the bill wipes out in one great blow the ancient and established doctrine of immunity afforded to State officials. The common law has long recognized the absolute immunity of judicial officers. This immunity was recognized in *Pierson* v. *Ray*, 386 U.S. 547 (1967), in an opinion written by the not-so-reactionary late Chief Justice Earl Warren. In that opinion Chief Justice Warren declared that absolute judicial immunity ". . . applies even when the Judge is accused of acting maliciously and corruptly, and it 'is not for the protection or benefit of a malicious or corrupt Judge, but for the benefit of the public, whose interest it is that the Judges should be at liberty to exercise their function with independence and without fear of consequences.' "

The United States Congress should be most hesitant about obliterating such an honored principle of the common law.

So too with state district attorneys and other prosecutors. In *Imbler* v. *Pachtman*, the U.S. Supreme Court held that prosecutors, when acting in their official capacity, were also entitled to the shield of absolute judicial immunity. Justice Powell, writing for the Court, cited with approval the following language from a State court decision:

"The office of public prosecutor is one which must be administered with courage and independence. Yet how can this be if the prosecutor is made subject to suit by those whom he accuses and fails to convict? To allow this would open the way for unlimited harassment and embarrassment of the most conscientious officials by those who would profit thereby. There would be involved in every case the possible consequences of a failure to obtain a conviction. (424 U.S. 424.)

"There would always be a question of possible civil action in case the prosecutor saw fit to move dismissal of the case. . . . The apprehension of such consequences would tend toward great uneasiness and toward weakening the fearless and impartial policy which should characterize the administration of this office. The work of the prosecutor would thus be impeded and we would have moved away from the desired objective of stricter and fairer law enforcement."

In that decision, the Supreme Court carefully considered the competing interests and concluded that the balance must be struck in favor of absolute judicial immunity for prosecutors. As Justice Powell further wrote:

"To be sure, this immunity does leave the genuinely wronged defendant without civil redress against a prosecutor whose malicious or dishonest action deprives him of liberty. But the alternative of qualifying a prosecutor's immunity would disserve the broader public interest. It would prevent the vigorous and fearless performance of the prosecutor's duty that is essential to the proper functioning of the criminal justice system. Moreover, it often would prejudice defendants in criminal cases by skewing post-conviction judicial decisions that should be made with the sole purpose of insuring justice."

Finally, as I understand this bill, S. 35 would eradicate for practically all future purposes the useful doctrine of abstention which harmonized the relationship between the federal courts and the State judiciary. Only last year the United States Supreme Court re-emphasized the doctrine of comity in requiring restraint by the federal courts in inquiring into state matters, by stressing the value of:

". . . the notion of 'comity,' that is, a proper respect for state functions, a recognition of the fact that the entire country is made up on a union of separate state government, and a continuance of the belief that the National Government will fare best if the States and their institutions are left free to perform their separate functions in their separate ways."

Application of this principle is crucial to the foundation and future existence of our system of government.

If this bill should be enacted, State courts will fall under the supervisory shadow of the Federal courts. S. 35 will annihilate 100 years of judicial interpretation, will seriously undermine our system of government and will engender a horrendous volume of litigation.

For these reasons, I strenuously urge you to carefully consider the implications of this measure and then to reject S. 35 in its entirety.

SENATOR HUMPHREY AND A WORLD ALTERNATE ENERGY CONFERENCE

Mr. PERCY. Mr. President, today a bipartisan group of Senators and Representatives is introducing a package of legislative initiatives directed at promoting solar energy use both in this country and abroad. This solar coalition has grown from a tiny handful of staff and Congressmen into an important group producing significant solar legislation.

It is only fitting that on this day we remember the late Senator Humphrey. More quickly than many of us, he recognized the enormous potential of solar energy. He worked diligently to promote its widespread acceptance and use.

One of his last acts in the Senate was to introduce Concurrent Resolution No. 62 calling on the United Nations to convene a World Alternate Energy Conference in 1980. This conference would focus the world's attention on using solar and other renewable energy sources. One anticipated outcome would be an International Alternate Energy Commission, dedicated entirely to the promotion of renewable, environmentally sound energy systems worldwide.

It is with a great deal of pleasure that I have joined with Senators McGOVERN and CASE to try to make Senator Humphrey's idea become a reality. I believe that it is a worthwhile and important endeavor.

Mr. President, I ask unanimous consent that the text of Senator Humphrey's statement in support of Concurrent Resolution No. 62 be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

I join my good friend, Congressman Jeffords, in offering a Concurrent Resolution calling on the United Nations to focus resources on the use of solar and alternate energy. Congress has spoken clearly and forcefully during the past three years regarding the need for an aggressive program to utilize solar energy domestically. The President's energy program reflects that new priority, I believe, in calling for the demonstration and use of both solar thermal and solar electric systems on numerous Federal structures.

But, the energy crunch we face here is not unique. Rising energy prices and looming shortages are worldwide phenomena. At the same time, we and our neighbors have discovered that there are no easy answers to the coming energy supply shortfall. All conventional fossil energy forms have unattractive features—they are either in short supply, expensive or environmentally disruptive. The exception is solar and other so-called alternate energy systems.

The United States is ahead of much of the world in seeking to explore and exploit these alternate systems. And, we will benefit from that lead in the future. Yet, we have an obligation, as well, to ensure that the fruits of solar and alternate energy systems are made available across the world. This is not the time for smugness or insularity.

For that reason, I've joined Congressman Jeffords in offering this Resolution. It specifically calls upon the United Nations to convene a World Alternate Energy Conference in 1980. The Conference would be designed to explore alternate energy options—to assess how quickly and in what quantities those energy forms could supplement and substitute for conventional energy forms.

In addition, the Conference would be designed to establish an International Alternate Energy Commission—an entity solely committed to the promotion of these energy systems worldwide.

NUCLEAR NON-PROLIFERATION ACT OF 1978 SIGNED INTO LAW

Mr. PERCY. Mr. President, as the chief Senate sponsor of the Nuclear Non-Proliferation Act of 1978, I am deeply gratified to see the successful conclusion of nearly 3 years of debate on this bill, and to have witnessed the signing of this historic measure last Friday by President Carter.

I also would like to take this opportunity to express once again my deep appreciation for the great contribution of my colleagues in the House and Senate on this legislation. I have worked particularly closely over the years with Senator GLENN on this bill, as well as Senators RIBICOFF and JAVITS. In the House, particular credit is due to Representative BINGHAM and Representative FINDLEY. Today's signing would not have been possible without their efforts.

As the world's leading promoters of nuclear technology, we bear a special responsibility to forge a solution to the terrifying dangers which have been created by this trade. If we fail to impose adequate controls on access to deadly nuclear materials, world peace and stability will be undermined at an alarming pace. We can expect terrorist threats to detonate nuclear bombs or to spread highly radioactive, cancer-causing materials. We can expect some developing nation—with volatile leadership—to attempt to

blackmail the rest of the world with nuclear weapons.

The more nations and terrorist groups that have access to these materials, the greater the chance of a nuclear holocaust. The target could well be Jerusalem, Paris, or Chicago.

The Nuclear Non-Proliferation Act takes a tough and comprehensive approach to strengthening U.S. nonproliferation policy. It establishes criteria to govern the transfer and use of U.S. nuclear export items, sets forth clear new sanctions against those who violate nonproliferation controls, and calls for greatly accelerated negotiations to achieve international cooperation in harnessing this technology.

The act also calls for measures to insure a reliable supply of fuel to nations which are willing to adhere to effective controls, and establishes a program for assistance to developing nations in alternative energy technologies. Finally, the act contains a number of organizational provisions to strengthen the formulation and management of U.S. nuclear export policy.

We can still do something about proliferation if we act wisely and if we act now. This bill is certainly not a final solution. But it does, for the first time, place the nuclear nonproliferators squarely in the driver's seat. It puts the United States on record as refusing to supply nuclear material and technology to nations that reject reasonable controls on peaceful nuclear activities. And it will reward nations that are willing to play by the rules.

We can continue to enjoy the benefits of nuclear power, but we cannot in good conscience continue to sweep its dangers under the rug.

EXTENSION OF TIME FOR FILING REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Agriculture Committee may have until midnight tonight to file a report on H.R. 6782 and a report on the budget waiver resolution with respect thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 11:04 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 10982. An act to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95-285), transmitted pursuant to the Impoundment Control Act of 1974.

ORDER THAT H.R. 10982 BE HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 10982, to rescind certain budget authority contained in the message of the President of January 27, 1978 (H. Doc. 95-285), transmitted pursuant to the Impoundment Control Act of 1974, be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-3064. A communication from the Acting Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, March 1978; to the Committee on Appropriations, the Committee on the Budget, the Committee on Armed Services, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on Banking, Housing, and Urban Affairs, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975.

EC-3065. A communication from the administrator, Rural Electrification Administration, Department of Agriculture, reporting, pursuant to law, approval of an REA insured loan in the amount $10,000,000 and a commitment to guarantee a non-REA loan in the amount of $11,978,000 to East River Electric Power Cooperative, Inc., of Madison, S. Dak., for the financing of certain transmission facilities; to the Committee on Appropriations.

EC-3066. A communication from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting, pursuant to law, the military manpower training report for fiscal year 1979; to the Committee on Armed Services.

EC-3067. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to establish the position of Administrator, Economics, Statistics, and Cooperatives Service, Department of Agriculture at executive level V; to the Committee on Governmental Affairs.

EC-3068. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report on the rent subsidy program; the fiscal year 1977 Advisory Neighborhood Commissions financial report; comments on bill 2-256, Water and Sewer Service Reform Act of 1978; a report on treatment of lower income taxpayers; and a report on ward distribution of senior citizen programs administered by the Office of Aging; to the Committee on Governmental Affairs.

EC-3069. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the Army's Roland missile system; to the Committee on Governmental Affairs.

EC-3070. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the major issues of the Army's Patriot air defense system; to the Committee on Governmental Affairs.

EC-3071. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Retail Diversion of Legal Drugs—A Major Problem With No Easy Solution," March 10, 1978; to the Committee on Governmental Affairs.

EC-3072. A communication from the Chairman and General Counsel, National Labor Relations Board, transmitting, pursuant to law, a report on activities concerning the implementation of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3073. A communication from the Chief Justice, Supreme Court of the United States, transmitting, pursuant to law, recommendations of the Board of the Federal Judicial Center, to the Judicial Conference of the United States on the Federal court library system, and the Director's memorandum that transmitted them to the Conference; to the Committee on the Judiciary.

EC-3074. A communication from the Director, Agency for Volunteer Service, transmitting, pursuant to law, a report on implementation of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3075. A communication from the Assistant Secretary for Administration, Department of Commerce, transmitting, pursuant to law, a report on implementation of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3076. A communication from the Executive Officer, Environmental Protection Agency, transmitting, pursuant to law, a report on implementation of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3077. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on implementation of the Freedom of Information Act; to the Committee on the Judiciary.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions, which were referred as indicated:

POM-512. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on Governmental Affairs:

"CONCURRENT RESOLUTION

"Whereas, the history of the Revolutionary War is an important and indivisible part of our American heritage; and

"Whereas, the destiny of the young United States during the Revolution balanced at times on events that took place at Star Fort and Old Ninety Six in South Carolina, events which revolved around the British siege on Star Fort which took place on June 18, 1781; and

"Whereas, the Ninety Six Chamber of Commerce, Ninety Six, South Carolina has offered to donate prints or copies of the oil painting 'The Assault of Star Fort at the Siege of Ninety Six' by the distinguished artist Robert Windsor Wilson. Now, therefore,

"Be it resolved by the Senate, the House of Representatives concurring:

"That the General Assembly of the State of South Carolina hereby memorializes the Congress of the United States and the Postmaster General to have issued on June 18, 1981, a postage stamp commemorating the two hundredth anniversary of the siege on Star Fort utilizing the painting 'The Assault of Star Fort at the Siege of Ninety Six' by Robert Windsor Wilson.

"Be it further resolved that copies of this resolution be forwarded to the President of the United States, the presiding officers of each House of the Congress of the United States, the Postmaster General and the United States Senators and Congressmen from the State of South Carolina."

POM-513. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION No. 53

"Whereas, Federal law governing eligibility requirements for Aid to Families with Dependent Children continues to discriminate

against two-parent families in favor of single-parent families and thus is detrimental to family unity; and

"Whereas, Single-parent families who qualify for AFDC benefits are entitled to retention of some AFDC assistance in addition to earned income; that is, welfare departments discount $30 and another one-third of any earnings in computing their monthly income and then base payments, if any, on the remaining income; and

"Whereas, Two-parent families within the AFDC-U program are not allowed this discount to encourage work and moreover, almost without exception, fathers are designated head of household although mothers may be economically more productive; and

"Whereas, Such AFDC-U father will be terminated from further assistance if he works more than 100 hours in any calendar month, regardless of the amount of wages received, even if the earned income is less than the previous AFDC grant; and

"Whereas, This policy is a disincentive to work because AFDC-U fathers cannot upgrade their skills or work at minimum or marginal wage occupations full time without depriving their families of higher income; and

"Whereas, California would lose all federal participation in its AFDC-U program if California were to institute aid on a sliding scale for fathers working more than 100 hours a month; and

"Whereas, The State of California through its Health and Welfare Department and its Employment Development Department has submitted several proposals to have the Federal government waive the '100-hour rule' for California, but yet to no avail; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to eliminate the AFDC-U '100-hour rule,' and supersede it with a sliding scale of benefits to provide an incentive to work, to end the bias against two-parent families; and be it further

"Resolved, That in the determination of eligibility for Aid to Families with Dependent Children, Congress shall stipulate that there shall be no discrimination against any applicant for or recipient of such aid or services by reason of race, color, religious creed, national origin, sex, marital status, physical handicap or political belief; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the Secretary of Health, Education and Welfare of the United States."

POM-514. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on the Judiciary:

"SENATE JOINT RESOLUTION No. 56

"Whereas, violent crime in the United States has assumed the proportions and seriousness of an epidemic; and

"Whereas, the victims of violent crime are often the poor, the isolated, the aged, and the disadvantaged; and

"Whereas, the suffering of, and harm done to, these victims of crime too often goes unnoticed by the rest of the population; and

"Whereas, successful dealing with the crime plague requires, first, that the entire population be made aware of violent crime's scope, and the tremendous damage to human life and property which it is causing; and

"Whereas, the process of building such awareness could, most beneficially, begin with making the public aware of the fate of the many otherwise forgotten victims of crime; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That, as part of a cooperative effort by Virginia and her sister states, the week of April twenty-three through twenty-nine, nineteen hundred seventy-eight, is hereby designated as Forgotten Victims Week. The week shall serve as a focus for education programs intended to ameliorate the plight of victims of crime, and shall concentrate attention on efforts being made to make all Virginians, and all Americans, free from the scourge of violent crime; and, be it

"Resolved further, That the President and Congress are hereby memorialized by this body to take those steps necessary to designate the week of April twenty-three through twenty-nine as National Forgotten Victims Week; and be it

"Resolved finally, That the Clerk of the Senate is instructed to send copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the United States Congress, as an expression of the sense of this body."

POM-515. A joint resolution adpoted by the Legislature of the State of Virginia; to the Committee on Governmental Affairs:

"SENATE JOINT RESOLUTION No. 82

"Whereas, since nineteen hundred eighteen,, Americans have paid tribute one day each year to those who have fought to preserve our peace and our nationhood; and

"Whereas, the eleventh of November has been restablished as the date of Veterans Day observances throughout the Nation; and

"Whereas, by collectively honoring the men and women who have fought to preserve our freedom, and who reinforce America's strength as a free Nation; and

"Whereas, in honor of the reinstating of November eleven as Veterans Day, it would be fitting and proper for the United States Postal Service to issue a Veterans Day stamp for the nineteen hundred seventy-eight observance; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to have the United States Postal Service issue a Veterans Day stamp for the November eleven, nineteen hundred seventy-eight; and, be it

"Resolved further, That the Clerk of the Senate is instructed to transmit copies of this resolution to the President of the United States Senate, the Speaker of the United States House of Representatives and to each member of the Virginia delegation to the Congress of the United States."

POM-516. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, The British presence in Northern Ireland is recognized as an unjust presence which is the prime source of division in that troubled part of Ireland; and

"Whereas, The Prime Minister of the Republic of Eire, Jack Lynch, has called upon the British government to make a declaration of intent to withdraw from Ireland; and

"Whereas, The newly installed Catholic Primate of all Ireland, Tomas O'Fiaich of Armagh, has also called for a declaration of intent on the part of the British to withdraw as the essential first step in the process of creating a society which assures the rights of all the citizens of Ireland; and

"Whereas, The foremost political and religious leaders have spoken for the vast majority of the Irish people; now therefore, be it

"Resolved, That the Massachusetts senate formally joins in the request of the Irish people that there be a declaration of intent to withdraw by the British government and further extends its congratulations to the Prime Minister, Jack Lynch, and to Archbishop Tomas O'Fiaich, for their courageous expression of the centuries-old yearnings of their people; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the clerk of the senate to Prime Minister Jack Lynch, Archbishop Tomas O'Fiaich, the British Ambassador to the United States, the Secretary of State, and to the presiding officer of each branch of the Congress and to each member thereof from the commonwealth."

POM-517. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Appropriations:

"SENATE JOINT RESOLUTION No. 70

"Whereas, the General Assembly of Virginia has found Tangier Island a historic, unique area by virtue of its place in Virginia history and its contribution to the Commonwealth and the Nation in time of war; and

"Whereas, as the rate of erosion is presently twenty-five feet per year, Tangier Island is in danger of eroding into the Chesapeake Bay; and

"Whereas, the Island faces many other problems, such as waste water treatment, solid waste disposal, water supply problems, and other problems which the Commonwealth must address, and which will require the Commonwealth to appropriate sums from its limited revenues; and

"Whereas, Congress has indicated its purpose to preserve coastal zone areas from destruction; now, therefore, be it

"Resolved by the Senate of Virginia, the House of Delegates concurring, That the Congress of the United States is hereby memorialized to appropriate sufficient funds to construct a seawall to protect the western shore of Tangier Island from further erosion; and, be it

"Resolved further, That the Clerk of the Senate of Virginia is directed to send a copy of this Resolution to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and each member of the delegation from Virginia to the Congress of the United States in order that they may be apprised of the sense of this body."

POM-518. A joint resolution adopted by the Legislature of the State of California, to the Committee on Human Resources:

"SENATE JOINT RESOLUTION No. 13

"Whereas The National Health Planning and Resources Development Act of 1974 (Public Law 93-641) was signed into law on January 4, 1975; and

"Whereas, The Act was vigorously opposed by state and county governments across the country because it (1) provides for the establishment of nongovernmental entities known as health systems agencies across the country to perform governmental functions, ignoring the role of county and state governments in the planning and implementation of health services and health resources within the state, (2) vests the Secretary of Health, Education, and Welfare with authority which should be vested in state legislatures and governors, and (3) requires each state legislature to authorize the creation of a State Health Coordinating Counsel empowered to direct and implement state health policy, which is answerable to the Secretary of Health, Education, and Welfare rather than state government; and

"Whereas, The Act authorizes the Secretary of Health, Education, and Welfare to fund, direct, monitor, and control the local health systems agencies and to require them to perform functions which have significant impact on health services and resources at the local and state levels; and

"Whereas, The National Governors' Conference has declared its opposition to the Act as inimical to the interests of the states; and

"Whereas, Some states have filed suit against the Federal Government aimed at having the Act declared unconstitutional; and

"Whereas, The Act includes heavy sanctions for any state which fails to carry out the provisions of the Act, which in California would not become applicable until 1980 due to our two-year legislative sessions; and

"Whereas, The Act expires June 30 1977, and efforts are already underway to extend it, with hearings on extensions scheduled for April or May of 1977; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California, by reason of its opposition to implementation in California of the Health Planning and Resources Development Act of 1974, respectfully memorializes the Congress of the United States to amend such act to ensure that health services and health resources within the boundaries of the State are planned directed, and provided under state legislative and executive authority and not under direction of the Secretary of Health, Education, and Welfare, and be it further

"Resolved, That the Legislature requests the Governor, the Health and Welfare Agency, and the State Department of Health to discourage implementation of the act, as written, in California and to join in other state and county efforts to achieve the purposes of this resolution; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the Governor, the Secretary of the Health and Welfare Agency, the Director of Health, the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–519. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"SENATE JOINT MEMORIAL NO. 111

"Whereas, additional acreage in the western states is being considered for inclusion in the National Wilderness Preservation System; and

"Whereas, the designation of large areas of the western states as federal wilderness restricts or eliminates access by the great majority of Americans who, by choice or necessity, travel into those areas with some form of motorized vehicle; prohibits the harvesting of mature and over-mature timber essential for the building of America's homes and businesses; prevents the development of needed mineral resources and makes difficult the improvement of range land by the reseeding of grasses and the eradication of undesirable vegetation; interferes with the control of forest fires, insect damage and diseases and the development of water resources, thereby limiting the national food supply and decreasing the value of wildlife habitat; and

"Whereas, the federal government has advanced a wide variety of other programs all of which encroach upon the land, water and other natural resource management decisions of the several states, including in addition to wilderness, roadless and essentially roadless study areas, primitive, wild and scenic rivers, and other administrative and statutory designations for areas managed in a highly restrictive manner resulting in de facto wilderness; and

"Whereas, each of these programs, and others, creates an allocation of the natural resources within the states without regard to state policy decisions, state objectives or economic well being; and

"Whereas, these federal program decisions, from which state policy makers are excluded, work to subvert the ability of the states and their citizens to govern themselves and reduce employment opportunities in the private sector; and

"Whereas, the Roadless Area Review Evaluation II Study (RARE II) apparently has, as its purpose, the expansion of the wilderness system by the inclusion of additional large tracts of western lands, which is to be accomplished without sufficient responsiveness to, or consultation, communication or involvement with the state and local governments affected; and

"Whereas, while federal lands belong to the entire citizenry of the nation and should be managed under multiple use concepts consistent with the Multiple Use-Sustained Yield Act of 1960 for the benefit of all and state interests should be of the highest priority followed by regional and national except in cases of national security.

"Now, therefore, be it resolved by the Legislature of the State of Idaho, the Senate and the House of Representatives concurring therein, that we urge adoption of a federal policy governing all programs to manage and allocate the resources within the states to involve local descision makers. Specifically, we urge that no additional lands, waters, or other resources be set aside or withdrawn without the specific approval of the Governor and the Legislature of the affected states. This policy shall be applicable to all federal programs involving further encroachment upon natural resources located within the states, and should be universally adopted by the Congress and the Administration in recognition of the proper role of the states within the federal system.

"Be it further resolved, those lands presently inventoried for study as to wilderness suitability and which are not presently designated wilderness shall be immediately returned to multiple use management consistent with the Multiple Use-Sustained Yield Act of 1960; and

"Be it further resolved, those areas presently in the National Wilderness Preservation System be reevaluated for their possible return to multiple use management. In order to accomplish the review of suitability of any lands in the National Wilderness Preservation System, we urge the Congress through its appropriate committees, to confer with and seek the cooperation and participation of the state and local governments affected by such action.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable President of the United States, Jimmy Carter, the Honorable Secretary of the Interior, Cecil D. Andrus, the Honorable Secretary of Agriculture, Robert S. Bergland, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and the Representatives and Senators representing the State of Idaho in the Congress assembled."

POM–520. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on the Judiciary:

"CONCURRENT RESOLUTION

"Whereas, there are presently before the Congress two joint resolutions to name the Pine Tree as the official National Tree of the United States; and

"Whereas, the Pine Tree symbolizes the American past more appropriately than any other tree; and

"Whereas, it provided the first settlers with shelter and fortresses and has endured to this day flourishing in all fifty sovereign states of the United States; and

"Whereas, the Pine Tree represents the renewable resourcefulness of the United States more appropriately than does any other tree, valued for its durability and as a raw material for the economy and industry of our great nation; and

"Whereas, Mrs. Barbara Bayne's sixth graders at Berea Middle School, Greenville, South Carolina, are passionately involved in this national tree legislation, endorsing its passage and actively enlisting support by contacting congressmen and citizens throughout this nation; and

"Whereas, the General Assembly adds its endorsement for the passage of the resolution naming the Pine Tree as the official National Tree and commends Mrs. Bayne's sixth grade homeroom class for the initiative it has taken to secure deserving recognition to the stately and ubiquitous pine.

"Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

"That the Congress of the United States be memorialized to pass House Joint Resolution 389 or Senate Joint Resolution 75 designating the Pine Tree as the National Arboreal Emblem of the United States.

"Be it further resolved that copies of this resolution be forwarded to each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the Speaker of the House of Representatives of Congress, the President of the Senate of Congress, the Chairman of the Committee on Post Office and Civil Service and Mrs. Barbara Bayne, Berea Middle School, Route 3, Montague Road, Greenville, South Carolina, 29609."

POM–521. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION NO. 1003

"Whereas, the counties of Charles Mix, Custer, Roberts and Minnehaha all located in the state of South Dakota having all incurred extraordinary expenses resulting from the criminal prosecutions arising from major civil disturbances in the separate counties; and

"Whereas, the burden of these expenses should not be assumed totally by either the state of South Dakota nor the counties affected by the disturbances;

"Now, therefore, be it resolved, by the House of Representatives of the Fifty-third Legislature of the state of South Dakota, the Senate concurring therein, that the Congress be memorialized to assume in part, by reimbursement to the counties, the costs of judicial proceedings that are the result of civil disturbance of this magnitude."

POM–522. A concurrent resolution adopted by the Legislature of the State of West Virginia; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION NO. 23

"Whereas, Proposed congressional legislation introduced by Senators Joseph L. Fisher and Charles M. Mathias, Jr., establishes a 22-member Potomac River Shoreline Area Commission to be appointed by local governmental bodies in Maryland, Virginia, West Virginia, the District of Columbia, and various federal agencies who would be given two years to develop a plan providing for the establishment and administration of a Potomac River Shoreline Area; and

"Whereas, The Commission would have the authority to regulate the use of areas generally bordering the Potomac River from Cumberland, Maryland, to the District of Columbia, with no mention as to how far back from the river banks the control would extend; and

"Whereas, The proposed legislation stipulates that the four West Virginia members of the Commission shall not be employed by any office, agency or governing body of the State and provides no such restriction on the four members to be appointed from either Maryland or Virginia; and

"Whereas, There are already sufficient state and federal laws and regulations that provide for the protection and regulation of the Potomac River and its bordering area; therefore, be it

"Resolved by the Legislature of West Virginia:

"That the United States Congress be urged to oppose the proposed Fisher-Mathias legislation, presently under congressional consideration, providing for the establishment and administration of a Potomac River Shoreline Area for the preservation of portions of the main stem of the Potomac River and adjacent land areas in Maryland, Virginia and West Virginia; and, be it

"Further Resolved, That the Clerk is hereby directed to forward a copy of this resolution to the President of the Senate of the United States, the Speaker of the House of Represntatives of the United States, and this State's congressional delegation."

AUTHORITY FOR STAR PRINT OF S. 2700

A star print was authorized for S. 2700, showing the bill being referred to the Committee on the Judiciary in lieu of the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENSON, from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

S. 2152. A bill to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund (together with additional views) (Rept. No. 95-698).

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. Res. 415. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 6782. Referred to the Committee on the Budget.

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment and an amendment to the title:

H.R. 6782. An act to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion (Rept. No. 95-699).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

James C. Cissell, of Ohio, to be U.S. Attorney for the Southern District of Ohio.

(The nomination from the Committee on the Judiciary was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

William M. Isaac, of Kentucky, to be a members of the Board of Directors of the Federal Deposit Insurance Corporation.

(The nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. PROXMIRE. Mr. President, I have been critical of some of the nominations by President Carter, but I am delighted to report to the Senate now the nomination of Mr. William M. Isaac, of Kentucky, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation. Mr. Isaac graduated second in his class in his school. He is well versed in bank holding company regulations. He is a fine nominee. I am sure that he will do an excellent job on the Board of Directors of the Federal Deposit Insurance Corporation, where he will be serving with only two other persons who are responsible for that very big, vital, and important agency that has so much to do with the success of our banking system.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. GRIFFIN:

S. 2728. A bill to amend the Communications Act of 1934 with regard to the broadcasting of certain professional sports clubs' games; to the Committee on Commerce, Science, and Transportation.

By Mr. BARTLETT:

S. 2729. A bill to amend chapter 55 of title 10, United States Code, to establish a ceiling for payments to physicians under CHAMPUS, and for other purposes; to the Committee on Armed Services.

By Mr. WILLIAMS:

S. 2730. A bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship; to the Committee on Rules and Administration.

By Mr. PERCY (for himself, Mr. LEAHY, and Mr. HATHAWAY):

S. 2731. A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. PERCY (for himself, Mr. METZENBAUM, Mr. DURKIN, Mr. HEINZ, and Mr. HATHAWAY):

S. 2732. A bill to reorganize the Executive Branch of the Government to consolidate different governmental agencies and activities with respect to energy technology, and for other purposes; to the Committee on Governmental Affairs.

By Mr. McINTYRE (for himself, Mr. BROOKE, Mr. DURKIN, Mr. HEINZ, Mr. PELL, Mr. BAYH, and Mr. HATHAWAY):

S. 2733. A bill to amend the Small Business Act to provide certain assistance to individuals and small business concerns in the areas of solar energy and energy conservation; to the Select Committee on Small Business.

By Mr. McINTYRE (for himself, Mr. DURKIN, Mr. PELL, and Mr. HATHAWAY):

S. 2734. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURKIN (for himself, Mr. McINTYRE, Mr. BROOKE, and Mr. HATHAWAY):

S. 2735. A bill to facilitate the transition to an economy based upon solar energy; to the Committee on Energy and Natural Resources.

By Mr. ABOUREZK:

S. 2736. A bill to regulate interstate and foreign commerce in agricultural products, to promote the general welfare by providing price and income protection to agricultural producers by securing to producers a price for agricultural commodities of not less than 100 percent of parity for such commodities; and to assure consumers of abundance of food and fiber at reasonable prices, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McGOVERN (for himself, Mr. ABOUREZK, Mr. ALLEN, and Mr. DOLE):

S. 2737. A bill to provide for improved controls over the labeling and inspection of meat and meat food products; and to enhance stability in the supply and price of meat and food products; to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, jointly, by unanimous consent.

By Mr. DOLE (for himself, Mr. McCLURE, and Mr. GRIFFIN):

S. 2738. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of certain provisions of the tax laws; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRIFFIN:

S. 2728. A bill to amend the Communications Act of 1934 with regard to the broadcasting of certain professional sports clubs' games; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. GRIFFIN when he introduced the bill appear earlier in today's proceedings.)

By Mr. BARTLETT:

S. 2729. A bill to amend chapter 55 of title 10, United States Code, to establish a ceiling for payments to physicians under CHAMPUS, and for other purposes; to the Committee on Armed Services.

CHAMPUS REIMBURSEMENT

● Mr. BARTLETT. Mr. President, today I am introducing legislation to reestablish payment for physician services to CHAMPUS beneficiaries at the 90th percentile of the customary charges for similar services in the same locality.

In reducing that former payment level to the 75th percentile, the fiscal year 1978 defense appropriations bill has ex-

posed the CHAMPUS population to increased out-of-pocket payments for medical services, and the program's intermediaries to higher administrative costs. These costs result when physicians decline to accept assignment for CHAMPUS patients because of the lower allowable fees. By refusing assignment, physicians can charge the individual patient for the difference between the fee charged and the program's allowance. Unassigned claims must then be collected by the patient and are costlier for CHAMPUS to process than are assigned claims.

The intent behind the defense appropriations proviso was to force upon CHAMPUS the alleged economies gained earlier in medicare by reducing allowable fee determinations from the 90th to the 75th percentile. This was notwithstanding the fact that in medicare—and now in CHAMPUS—program beneficiaries have to bear a greater share of benefit costs due to rising nonassignments, with widespread patient confusion and dissatisfaction. But the key difficulty with the appropriations proviso is that it rests upon the erroneous premise that CHAMPUS can and should be alined with medicare in its regulatory and reimbursement philosophy.

On the contrary, Congress always intended for CHAMPUS to be a military "employee benefit" analogous to the health insurance program for Federal civilian employees—not a program of social insurance subject to sweeping and inflexible legislative retrenchments. The Federal employee program (FEP), of course, is not pegged to the 75th percentile of customary fees. Nor are most private sector plans in which—together with FEP—the bulk of CHAMPUS beneficiaries would be participating had they—or their spouse or parents—not chosen military service.

My bill will thus put CHAMPUS back into its proper reimbursement methodology, and help to halt an unwise and inappropriate trend to tie the military serviceman's health care benefits to the vicissitudes of social insurance.●

By Mr. WILLIAMS:

S. 2730. A bill to establish a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution and to establish a trust fund to provide a stipend for such fellowship; to the Committee on Rules and Administration.

THE HUMPHREY FELLOWSHIP

● Mr. WILLIAMS. Mr. President, I would like to take a few minutes to discuss the creation of a Hubert H. Humphrey Fellowship in Social and Political Thought at the Woodrow Wilson International Center for Scholars at the Smithsonian Institution.

When I originally sponsored legislation 17 years ago to create a memorial to Woodrow Wilson, we decided that the most appropriate and effective form it could take would be an International Center for Scholars. After all, such a "living memorial" where men and women from all nations could come together to study and experience the Wilsonian ideals of peace and democracy seemed best suited to fire collective imaginations and build a true and lasting foundation for internatioal peace and understanding.

It seems likewise fitting that a memorial to Hubert Humphrey should emphasize the humanitarian goals he fought for throughout his long and colorful political career. The establishment of a Wilsonian Fellowship to celebrate Hubert's politics of joy and message of hope would be a perpetual inspiration to the hundreds of selected scholars, statesmen and cultural figures who choose to study social and political thought.

In his words and deeds Hubert Humphrey consistently proved himself to be a man ahead of his time. During his many years of public service, Hubert made contributions in fields ranging from civil rights to foreign assistance. Moreover, his commitment to the free and open exchange of differing viewpoints helped to carry both himself and our Nation through difficult times of divisiveness and rancor. The creation of a Humphrey Fellowship would insure that his high standard of service will remain an ideal toward which men and women in public life can strive.

Our colleagues in the House of Representatives, Congressmen NEDZI and THOMPSON, have already introduced legislation to establish a Humphrey Fellowship at the Wilson Center and endow it with a Humphrey Fellowship Fund. I am pleased to join in this effort to provide a most fitting tribute to a man who embodied the loftiest traditions of American public service.

Mr. President, I ask unanimous consent that the text of this legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2730

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Woodrow Wilson Memorial Act of 1968 (20 U.S.C. 80e-80j) is amended—

(1) by redesignating section 5 through 7 as sections 6 through 8, respectively, and

(2) by inserting after section 4 the following new section:

"HUBERT H. HUMPHREY FELLOWSHIP IN SOCIAL AND POLITICAL THOUGHT

"SEC. 5. (a) There is hereby established in the Center a Hubert H. Humphrey Fellowship in Social and Political Thought.

"(b) Each year the Board shall select a distinguished scholar, statesman, or cultural figure, from the United States or abroad, to serve at the Center for a period of up to one year as the Hubert H. Humphrey Fellow in Social and Political Thought (hereinafter in this section referred to as the "Humphrey Fellow"). Each Humphrey Fellow shall receive compensation in an amount, determined by the Board, not to exceed the annual income of the trust fund established under subsection (d).

"(c) Each Humphrey Fellow shall—

"(1) deliver a Hubert H. Humphrey Memorial Lecture; and

"(2) carry out such projects and work as are consistent with the Humphrey Fellowship.

The Board shall provide for the publication and dissemination of the Hubert H. Humphrey Memorial Lectures.

"(d)(1) There is hereby established in the Treasury of the United States a trust fund to be known as the Hubert H. Humphrey Fellowship Trust Fund (hereinafter in this section referred to as the 'fund'). The Secretary of the Treasury shall deposit in the fund such sums as may be appropriated to the fund under subsection (f) and shall receive into the Treasury and deposit into the fund such sums as may be received as contributions to the fund.

"(2) The Secretary of the Treasury shall invest amounts in the fund in public debt securities with maturities suitable for the needs of the funds and bearing interest at prevailing market rates; and the interest on such investments shall be credited to and form a part of the fund.

"(3) Notwithstanding section 4(a)(2), any gift, bequest, or devise of money, securities or other property for the benefit of the Hubert H. Humphrey Fellowship in Social and Political Thought received by the Board shall, upon receipt, be deposited into the fund as provided by paragraph (1).

"(e) The Secretary of the Treasury shall pay to the Board from amounts received as interest on investments under subsection (d)(2) such sums as the Board determines are necessary and appropriate for the purposes of the Humphrey Fellowship.

"(f) There is authorized to be appropriated to the fund for the fiscal year beginning October 1, 1978, $1,000,000.".

SEC. 2. Section 4(a)(2) of the Woodrow Wilson Memorial Act of 1968 (20 U.S.C. 80g(a)(2)) is amended by striking out "devices" and inserting in lieu thereof "devises".●

By Mr. PERCY (for himself, Mr. LEAHY, and Mr. HATHAWAY):

S. 2731. A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR GLOBAL MARKETING SURVEY ACT

Mr. PERCY. Mr. President, as part of the solar coalition's package of legislation, I am introducing today together with Senator LEAHY and Senator HATHAWAY, a bill directing the Secretary of Commerce, in consultation with the Secretary of Energy, to conduct a global market survey to determine potential foreign markets for American solar technology equipment. I am very pleased that Congressman JEFFORDS is introducing the same bill on the House side today.

There has developed over the past several years, in response to the energy crisis, a small but significant domestic solar technology industry. This industry is just beginning to meet the energy needs of a number of businesses and homes in the country, and has received official encouragement in the form of tax credits, rebates, and grants. However, little has been done to help this growing industry penetrate potential foreign markets.

The export industries of other nations, notably France, Israel, Germany, and Australia are prospering, particularly in their sales to members of the less developed world. A global market survey, providing information and guidance on the possibilities that exist within this potentially huge market, could be the impetus for U.S. firms to begin competing effectively in the export of solar technologies.

The development of such an export industry would have a salutary effect

upon our economy. First, it would reduce the unit cost for solar technology domestically as the industry expands to meet foreign demand, thereby making it a more attractive energy alternative for Americans. Moreover, in the years to come, a growing export market for solar technology equipment would have a positive impact upon our balance-of-payments deficit.

More indirectly, this bill could have an effect on the energy paths taken by the less-developed countries. Many of these nations, because of the exorbitant price of oil and natural gas, are abandoning fossil fuels and looking to nuclear power to solve their energy needs. This trend greatly increases the probability of nuclear weapons proliferation. I believe that many of these nations look to nuclear power as a solution to their energy problems because they are not sufficiently aware that there may be safe, environmentally benign, renewable energy alternatives available. A global market survey resulting in a burgeoning American solar export industry could provide these nations with economically viable alternatives to nuclear power.

This legislation was developed in cooperation with the Department of Commerce and has its full endorsement. A letter and a proposal were sent to me and Congressman JEFFORDS detailing the Department's interest and proposed method for undertaking this survey. I ask unanimous consent that the text of this letter and the proposal be inserted in the RECORD at the end of my statement

This bill would not create any additional bureaucracy or launch a new program. It would, instead, be incorporated into an existing program within the Commerce Department which already does global market surveys for other targeted American industries.

Nor would this bill result in additional significant spending by the Federal Government. The Commerce Department estimates that the entire cost of this survey would be $920,000, and the bill would authorize an outlay of that amount. The potential benefits resulting from this survey would far outweigh this modest expenditure

In conclusion, Mr. President, because this bill would help our domestic solar industry penetrate foreign markets, provide developing nations with an energy alternative to nuclear power and do this without creating additional bureaucracy or entailing large expenditures, I urge my colleagues to join with me and give this bill the widespread support it merits.

Mr. President, I ask unanimous consent that the texts of the Commerce Department letter and proposal, together with the bill itself, be printed in the RECORD at this time.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2731

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Global Marketing Survey Act".

SEC. 2. The Secretary of Commerce, in consultation with the Secretary of Energy, shall conduct a global market survey, as part of the program carrying out such surveys, to determine countries to which solar energy technology equipment manufactured in the United States might be exported. Such survey shall be completed not later than September 1, 1980.

SEC. 3. There is authorized to be appropriated not to exceed $920,000 to carry out the provisions of this Act.

DEPARTMENT OF COMMERCE,
Washington, D.C., February 24, 1978.

Hon. CHARLES H. PERCY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PERCY: Thank you for the letter of February 8 addressed to Nilsson S. Bassett of our Bureau outlining your interest and that of Congressman Jeffords in having the Department of Commerce undertake a Global Market Survey of solar energy technologies and related equipment. I am replying separately to Congressman Jeffords.

The Department is interested in undertaking the project. We believe that the survey you have suggested would result in valuable information and guidance for the industry, should uncover and quantify new markets for U.S. solar energy products and that we have the necessary expertise on board to develop and manage such a survey. If funds are made available for the project, the Bureau of Exports Development would initiate a contract for conducting on-site market research in 20 to 25 developing countries as outlined in the enclosure, "A Proposal for Conducting Foreign Market Research for U.S. Solar Energy Technologies and Equipment." The contractor would be a U.S. firm well qualified in U.S. solar technologies and marketing research and analysis. The contract would also provide a competitive assessment of foreign capabilities in solar energy equipment, e.g., Japanese and German firms.

The market research reports would serve as a basis for publication of a Global Market Survey for distribution to appropriate U.S. firms. The enclosed sample survey on "Computers and Peripheral Equipment" is similar to that proposed for the U.S. solar equipment industry but of course, the latter would be much more comprehensive. In addition to this summary document, the complete basic research reports also will be made available to the industry.

Since it is unlikely that any contractor has sufficient staffing to conduct simultaneous research in all countries, it is the intent to conduct the research serially and distribute the country marketing information to industry as processed. The initial distribution would be made approximately 14 to 16 months after project start, and all 25 countries would be complete within 24 months of start.

Total implementation cost of the project would be approximately $920,000. Although our Global Market Surveys ordinarily cost approximately $200,000 each, this project cost, based on our experience and inputs from reputable U.S. research and consulting firms, will be at the higher range for the following reasons:

a. It is deemed essential to contract with a highly qualified, technically component U.S. firm because of the necessity of obtaining current expertise in U.S. solar technology and industry capabilities which is relatively non-existent overseas. Accordingly, salaries and travel expenses will greatly exceed those of indigenous contractors.

b. The critical need to provide a thorough competitive technology assessment requires that research be carried out on-site in the competing countries, an additional cost not normal to Global Market Surveys.

We have been in contact with the Department of Energy in the course of developing this proposal and have received their highest interest and cooperation. As a result, we are convinced that the proposed market research would serve several of their information needs as well as those of other Government agencies, e.g., AID and Ex-im Bank. Accordingly, if the project is activated, we would most assuredly solicit the input of all interested agencies.

If we can provide any information or be of further assistance, please contact me.

Sincerely,

W. DEAN MORAN,
Deputy Assistant Secretary for Export Development.

A PROPOSAL FOR CONDUCTING FOREIGN MARKET RESEARCH FOR U.S. SOLAR ENERGY TECHNOLOGIES AND EQUIPMENT

PROJECT OBJECTIVE

To provide foreign marketing information that will guide and assist the U.S. solar energy equipment industry in developing its exports and to serve as a basis for planning a Commerce export promotion program for the industry.

It is proposed that a U.S. market research contractor, experienced in solar energy technology, be selected through the competitive bidding system. It is recommended that the market research task be undertaken in two phases, as later described, for the following reasons:

1. The research task is market developmental in nature relating to new and advanced technologies for use in developing countries. To insure optimum informational and reporting results it would be illogical to complete the research in 20 to 25 countries without a review of the results in early stages. Also, the possibility should not be overlooked that negative conclusions may be reached. We would want to evaluate the research results early in the project to determine whether a modification in the approach is necessary.

2. The most reputable research and consulting firms in this country indicate a dearth of qualified researchers in this field. Therefore, implementing an effective simultaneous research effort in more than a few countries may be difficult. Conducting the research and releasing it in groupings of 5 to 8 countries would be a rate that most qualified research firms could meet.

TENTATIVE PROJECT PHASING

1. Develop market research specifications.
2. Advertise and award market research contract.
3. Monitor contractor's effort through the following stages:

PHASE I

a. Contractor makes an in-depth assessment of foreign competitive technologies and export activities (e.g. Japan, Germany).

b. Contractor conducts research in 6 tentatively selected country markets: Brazil, Egypt, India, Indonesia, Iran, and Saudi Arabia.

c. Phase I research is evaluated for responsiveness to U.S. industry's needs and to determine whether modification of approach should be made to provide most effective result.

PRASE II

Contractor will continue research task in following groupings performed serially (tentative selections).

a. Israel, Kenya, Niger, Nigeria, Senegal, Sudan, Tanzania, and Turkey.

b. Colombia, Costa Rica, Ecuador, Guatamala, Mexico, Peru, and Venezuela.

c. Malaysia, Pakistan, Philippines, Taiwan, and Thailand.

4. Publication of the "Global Market Survey" will begin on the completion of Phase I and will continue incrementally as research reports are received in Phase II.

By Mr. PERCY (for himself, Mr. METZENBAUM, Mr. DURKIN, Mr. HEINZ, and Mr. HATHAWAY):

S. 2732. A bill to reorganize the executive branch of the Government to consolidate different governmental agencies and activities with respect to energy technology, and for other purposes; to the Committee on Governmental affairs.

SMALL SCALE ENERGY TECHNOLOGY PROGRAMS REORGANIZATION ACT

Mr. PERCY. Mr. President, there is a range of small-scale technologies that promise to make significant contributions to our energy needs. The excitement of being able to produce one's own energy from the wind, the sun, and plants with these devices has inspired countless individual inventors and small firms to work on perfecting them. I believe the best way to nurture the creative drive of these small business people is for the Federal Government to give legitimacy and visibility to these small systems at a high level. In addition, it is necessary to organize these programs correctly from the start so as to maximize efficiency and coordination. That is why I and Senators METZENBAUM, HEINZ, and DURKIN are proposing legislation to establish an Office of Small-Scale Technology in the Department of Energy.

I believe we have long recognized that small businesses have special needs and that the Federal Government should treat them differently in its activities. That is why there is a Small Business Administration and small business offices in many agencies, including the Department of Energy.

Small businesses must pay more for capital via bank loans and cannot successfully float low-yield stock as large firms can. This is particularly true when the small firm has nothing to offer but a new idea and lots of entrepreneurial skill. Information, such as what sort of proposal a Federal agency is likely to want, or on the technical or legal implications of a firm's work, is harder to come by. Often a company has to have a grant in order to get a grant; the system thus works against new entrants in an industry.

The problem is particularly acute in the small-scale technology field. Small enterprises are in the forefront of innovative design work. Although we should exclude no large firms just because they are large, we should likewise be very careful to insure that small enterprises can participate on an equal footing.

The Department of Energy has had particular problems in encouraging small business participation. In fiscal 1976 only 7 percent of its total program dollars went directly to small businesses, according to DOE's own figures. This placed the agency 26th out of 31 Federal agencies studied. Preliminary data for fiscal 1977 show the same tiny percentage. Representatives of small R. & D. firms, solar manufacturers, citizen groups, and others described in great detail the difficulty of dealing with DOE in hearings before both the House and Senate Small Business Committees last year. They complain of great paperwork burdens, long waits for answers, and a general reluctance to deal with small firms. I commend Representative BALDUS, chairman of the House Small Business Subcommittee on Energy and Environment, and Senator MCINTYRE, chairman of the Senate Small Business Subcommittee on Government Regulation for having assembled this excellent record.

There have been several responses to the problem. Two years ago Congress established an energy-related inventions program, jointly involving DOE and the National Bureau of Standards, to evaluate unsolicited energy-saving devices and provide assistance to promising inventions. There is an Office of Small Business under the Assistant Secretary for Conservation and Solar Applications. DOE has established a small grants program for appropriate technology to provide cash grants with a minimum of paperwork to conservation projects, solar systems, recycling systems, and other decentralized energy options.

Unfortunately, Mr. President, there are some problems with each of these programs. I will discus these problems in a moment when I describe my solutions to them.

In addition, these scattered efforts are beginning to be duplicated elsewhere by other small-scale technology programs. The Community Services Administration, the Department of Housing and Urban Development, the National Science Foundation, and the Agency for International Development have shown varying degrees of interest in appropriate technology. Unfortunately, none of these programs have the national visibility needed to demonstrate a national commitment to small-scale technology systems. Without such visibility outside of their agencies, they will not carry the proper weight inside their agencies when administrators decide on priorities. Small-scale systems and small businesses are lost in the shuffle, to the detriment of the entire country in this era of dwindling fossil fuels. In addition, there is the potential for loss of efficiency through lack of coordination.

Mr. President, I believe the answer is to create a separate Office of Small-Scale Technology to unify several existing programs. This office is not an idea original with me: President Carter, in his April 1977 national energy plan document, proposed an Office of Small-Scale Technology "in order to tap more fully the potential of individual inventors and small business firms."

Unfortunately, a year has gone by and there is still no Office of Small-Scale Technology. Last summer we were told the Office would be created along with the Department of Energy. Last fall, after DOE became a reality, we were told the Office would come once internal organizational questions were settled. Recently, we have been told creation of the Office is dependent upon filling the position of Assistant Secretary for Conservation and Solar Applications. I believe we have waited long enough. It is time for Congress to direct to be done what DOE unfortunately overlooked.

Mr. President, I wish to mention a point regarding the proposed office which I consider vital. The aims of this legislation are, first to bring together several small technology and small energy-related business programs, and second, to provide a focal point for similar activities elsewhere in the Federal Government. It is by no means my intention that this office should be the only place where these concerns are addressed. If the Office were to become the Federal pigeonhole for small-scale technology we would have failed in our efforts. Rather, we want the office to provide not only its own programs for small businesses, but to prod the rest of the department to give small-scale technology an even break. We want the office to encourage interest in small-scale technology on the part of other agencies handling housing, agriculture, and foreign assistance, and to help coordinate such efforts.

Mr. President, I also should discuss briefly the relation between energy and nonenergy small-scale technologies. The principal focus of appropriate technologies is energy supply: hydroelectricity, windmills, solar photovoltaic cells, solar heating systems. This is why the Department of Energy should house the Office of Scall-Scale Technology. But there are important innovations occurring in food production, waste disposal, housing, and other areas that also qualify as small-scale technologies. Some systems have both energy and nonenergy outputs. Many of the firms working on small-scale technologies do both energy and nonenergy work. I believe the office should provide its services to all comers, even though it should specialize in energy technologies. I expect that other agencies will begin programs in their prime fields of expertise—labor, housing and so on. The office can then have input to these programs through the Interagency Council on Appropriate Technology.

Mr. President, let me summarize the bill I am introducing today. It would create the Office of Small-Scale Technology in a highly visible spot: its director would report directly to the Assistant Secretary of Energy for Conservation and Solar Applications. The office would be mandated to provide specified services to small businesses (including community groups and other nonprofit organizations) to promote small-scale conservation, solar, and other energy and nonenergy renewable technologies.

The office would include the department's existing small grants program for appropriate technology, the energy related inventions program, and the Office of Small Business. It would coordinate its activities with the Energy Extension Service, the Solar Energy Research Institute, and private groups to prevent duplication. The office would incorporate the National Center for Appropriate Technology, and the Energy-Related In-

ventions Program activities of the National Bureau of Standards. Also, the Office would be charged with several additional functions: to provide technical assistance and information about small-scale technologies to those who build these systems and to the general public; to analyze the role these technologies can play in meeting our energy needs, and their role within DOE; to provide technical evaluation of grantees' equipment; and to work to insure competition and small business access to the solar energy market. Lastly, the Office would run an Interagency Council on Appropriate Technology which would promote and coordinate small-scale technology programs in the Federal Government.

Mr. President, let me briefly highlight the problems with several existing small-scale technology programs, and the solutions I propose in this legislation.

Under the energy-related inventions program, the National Bureau of Standards was to provide technical review of unsolicited inventions, while DOE provides funding. This program, while well intended, has served more as a rathole for inventors' ideas than as an orderly way to find new ideas for saving energy.

Some inventions are awaiting final action 2½ years after the inventor filled out the forms. It was intended that DOE would take only a very few weeks to choose the most appropriate form of assistance for inventors certified by NBS. Instead, DOE has taken many months, as the agency has decided to partially duplicate the NBS review. Of 53 inventions referred by NBS to date, DOE has funded only 7 as of its latest status report.

To simplify the procedures inventors must go through, I propose transferring the NBS portion of the Inventions Program to DOE. This would place the technical personnel closely in touch with those who handle the money. However, I can see potential difficulties arising from the possible loss of NBS's objectivity if evaluations are performed in a mission-oriented department like DOE. Therefore, I raise this issue for discussion in hearings without making final judgment.

Another problem with the inventions program is that the DOE part of the program has no grant money. It has had to tax money from other program divisions. I believe it is important to give this program separate grant money, in addition to program administration funds. The bill includes $4 million for grants, and $2 million for administration. The latter is the current level for technical evaluation; the former will fund 100 inventions per year—the current rate of referrals—at $40,000 each.

Mr. President, the small grants program is an admirable effort on the part of DOE to provide funds with simplified application procedures, on a regionalized basis, with maximum input from the small-scale technology community. It is my understanding that the pilot program on the west coast has worked very smoothly. But there is one unfortunate problem: inadequate funding. The San Francisco DOE office received $22 million worth of applications. Technical review staff recommended $4.4 million worth for funding. But the office has only $500,000 to distribute. One in nine of these certified applicants will receive a grant, and the other eight will get a letter saying their proposals are meritorious but that the $10 billion dollar DOE cannot find $10,000 to send them.

Program officials proposed a $10 million budget for fiscal 1979. They assumed they would receive $2 million in worthy proposals on the west coast, a similar amount in New England-New York, and smaller amounts in the other Federal regions. Their experience shows they have been more than proven out. I believe $10 million is a minimal level for an adequate national small grants program.

The Community Services Administration organized the National Center for Appropriate Technology to assist the weatherization program. The center—or NCAT—has assembled good technical staff and has performed useful work on weatherization-oriented R. & D. and grants to community agencies and anti-poverty nonprofit corporations. However, DOE will run all of the weatherization program beginning in fiscal 1979. In addition, I feel NCAT's services should be combined with those of the Office of Small-Scale Technology to prevent duplication. For the first year, I propose that NCAT keep its current independent status under the office while the office is organized. The office would study whether and how NCAT might be integrated with the office in time for fiscal 1980.

Mr. President, once this office is established I would expect it to provide small grants and other assistance to many individuals and organizations in the hope of finding high payoff new systems. When a grantee has a significant contribution to make to regional or national energy needs, I expect the office would refer the small business to the Small Business Administration for business loans or to other DOE divisions for funding above the $60,000 limit of this legislation.

Mr. President, the existing programs which this legislation deals with have a fiscal 1978 appropriation of $10.2 million. The cost of this bill would be $24 million. However, I believe a net gain in tax revenues will occur as these programs set small firms on the road to success with new products. I cite the success of the Small Business Administration's Innovation Loan program as an example: SBA had a special loan program from 1966–70 to fund firms which were too risky to qualify for regular loans, but which had innovative new ideas. SBA lost over a million dollars in defaulted loans. But when one counts the corporate and personal income taxes which this program's recipients paid the Treasury, the program has a net gain of $4 million for taxpayers. I fully expect a similar return on our investment in the Office of Small-Scale Technology.

Lastly, Mr. President, although I have endeavored to draw up this proposal for the office in a comprehensive manner, I believe the key variable will not be particular legislative language but rather the person who runs the office. That person should have some knowledge of the needs of small businesses and of small-scale systems, and should be knowledgeable about management and intra-agency policies. Above all, the director should be willing to listen to the appropriate technology community and to respond to its legitimate needs. Without such a person, the office can never succeed as intended.

I ask unanimous consent that the text of this proposed legislation be printed in the RECORD at this point.

There being no obligation, the bill was ordered to be printed in the RECORD, as follows:

S. 2732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Scale Energy Technology Programs Reorganization Act."

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) Small businesses can make major contributions to solving the Nation's energy problems.

(2) Small businesses have received limited opportunities for participation in the programs of the Department of Energy.

(3) Special grant and contract procedures and other special forms of assistance are necessary to best obtain the contributions of small businesses to the Nation's energy problems.

(4) Small scale technology can make significant contributions to meeting the nation's energy needs, to reducing environmental degradation, and to improving the quality of life for individuals and communities.

(5) Current Federal programs dealing with small scale technology are scattered and lack overall coordination and visibility.

(b) It is the purpose of this Act to establish an Office of Small Scale Technology within the Department of Energy in order to service small businesses and unify Federal activities pertaining to small scale technology.

DEFINITIONS

SEC. 3. For the purposes of this Act the term—

(1) "small business" means any person, inventor, partnership, or corporation including all affiliates thereof, tax-exempt organizations, community action agencies, community corporations, Indian tribes, or other profit making or nonprofit group; *provided that* such small business employs 40 or fewer individuals.

(2) "Office" means the Office of Small Scale Technology established by section 4 of this Act;

(3) "Director" means the Director of the Office of Small Scale Technology established by section 4 of this Act;

(4) "small scale technology" includes, but is not limited to, energy and nonenergy technologies and systems which provide energy or other services to individual or small groups of end users, which minimize environmental impacts.

OFFICE OF SMALL SCALE TECHNOLOGY

SEC. 4. (a) There is hereby established with the Department of Energy an Office of Small Scale Technology.

(b) The Office shall be headed by a Director who shall be appointed by and who shall report to the Assistant Secretary of Energy for Conservation and Solar Applications. The Director shall be appointed within 90 days of the enactment of this Act.

(c) The Office shall incorporate the Small Grants Program of the Department of Energy. The Program shall be administeerd in accordance with Section 9 of this Act.

DUTIES

SEC. 5. The Director shall:

(1) make grants to small businesses for small scale technology, subject to the restrictions of Section 9 of this Act;

(2) act to inform small businesses about opportunities for participation in the programs of the Office;

(3) evaluate and certify the performance of equipment and demonstration models of grantees;

(4) supervise the activities of the National Center for Appropriate Technology;

(5) perform analyses of the role of small scale technologies versus large scale technologies, and of the role of small businesses, with respect to the activities of other divisional entities within the Department of Energy;

(6) provide information and technical assistance to small businesses and the general public concerning small scale technology;

(7) participate in the establishment of standards by Federal agencies for solar and other small scale technologies to insure both the participation of small businesses and competition in the marketing and production of such technologies;

(8) coordinate the activities of the Office with the Energy Extension Service and the Solar Energy Research Institute of the Department of Energy;

(9) work with, and provide information and assistance to, state and local governments to promote small scale technology; and

(10) coordinate domestic and international appropriate technology programs through the Inter-agency Council on Appropriate Technology established by section 10 of this Act.

NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY

SEC. 6. (a) The Office of Small Scale Technology is directed to enter into contractual or other arrangements with the National Center for Appropriate Technology or other groups with similar experience and expertise to perform research and development programs and demonstration projects concerning weatherization oriented small scale technology and to provide grants and other assistance.

(b) Notwithstanding any other provision of law, the Community Services Administration shall not undertake any course of action inconsistent with the requirements of subsection (a) of this section.

(c) Within six months after the date of enactment of this Act, the Director shall report to the Congress on the advisability of integrating the programs of the National Center for Appropriate Technology into those of the Office.

ENERGY RELATED INVENTIONS PROGRAM

SEC. 7. (a) All functions of the Energy Related Inventions Program of the National Bureau of Standards are hereby transferred to the Office.

(b) All functions of the Energy Related Inventions Program located within the Department of Energy are hereby transferred to the Office.

(c) The Director shall cooperate with the Administrator of the Small Business Administration to obtain assistance for grantees from such Administration.

OFFICE OF SMALL BUSINESS

SEC. 8. There is hereby transferred to the Office of Small Business under the Assistant Secretary of Energy for Conservation and Solar Applicatiens.

GRANT RESTRICTIONS

SEC. 9. (a) The Director shall make grants subject to the following restrictions:

(1) Grantees shall be limited to small businesses.

(2) Grants to any small business shall be limited to $60,000 for any two year period; *unless* the Director determines that the benefits to the Nation of a grant to a particular small business are sufficiently great to warrant a waiver of the limitation, *and* that the benefits cannot be obtained within the limitation. In case of such a determination, a limitation of $120,000 shall apply.

(3) Grant application procedures and grant response time shall be kept to a minimum.

(b) The Director shall administer the grants program through, and shall locate staff in, the Department of Energy regional offices.

(c) The Director shall appoint review committees in each region, consisting of representatives of small businesses and other interested persons. Such review committees shall review all grant applications within the region, and make recommendations for funding. Such recommendations shall be advisory only and shall not be binding upon the Director or the Secretary in the making or reviewing of any such grant.

INTERAGENCY COUNCIL

SEC. 10. (a) There is hereby established an Interagency Council on Appropriate Technology as an independent instrumentality of the United States in the Executive Branch. The Director shall serve as chairman of the Council.

(b) The Secretary of Agriculture, the Secretary of Housing and Urban Development, the Secretary of State, the Director of the Agency for International Development, the Director of the National Science Foundation, and the Administrator of the Small Business Administration shall each appoint representatives to the Council. The Director may request other departments, agencies and instrumentalities of the United States to appoint representatives to the Council.

(c) The Council shall coordinate all small scale technology programs of the Federal government. The Council shall make recommendations—

(1) for support roles for Federal agencies to assist the Office;

(2) for interagency projects and small scale technology in housing, farming, energy, international assistance, and other areas at the discretion of the Director; and

(3) to member Federal agencies as to appropriate modifications of the programs of such agencies to promote small scale technologies.

STUDIES

SEC. 11. (a) Within 18 months after the date of enactment of this Act, the Director shall report to the Congress with:

(A) analysis of the degree to which the Nation can utilize small scale technologies to meet its energy need, and

(B) recommendations as to appropriate policy actions for the Department of Energy to achieve the level of dependence suggested in such study.

(b) Within one year after the date of enactment of this Act, the Director shall report to the Congress on the advisability of modification of the Department of Energy's patent policy to further the ability of small businesses to rapidly commercialize emerging energy technologies.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There is hereby authorized to be appropriated for the fiscal year 1979 for the purposes of:

(1) Subsection 5(1) of this Act, $10,000,000;

(2) Subsections 5(2) through 5(10) of this Act, $4,000,000;

(3) Section 6 of this Act, $4,000,000; and

(4) Section 7 of this Act, $6,000,000.●

By Mr. McINTYRE (for himself, Mr. BROOKE, Mr. DURKIN, Mr. HEINZ, Mr. PELL, Mr. BAYH, and Mr. HATHAWAY):

S. 2733. A bill to amend the Small Business Act to provide certain assistance to individuals and small business concerns in the areas of solar energy and energy conservation; to the Select Committee on Small Business.

SMALL BUSINESS ENERGY LOAN ACT

● Mr. McINTYRE. Mr. President, The purpose of this bill is to provide more effective capital assistance to individual inventors and innovative small businesses that are involved in energy conservation and solar energy.

Most small businesses that manufacture and market energy-related technical innovations are new and thus have problems securing needed capital.

I ask unanimous consent to insert in the record at this point a statement on this issue of the Solar Energy Industries Association, presented by Paul Cronin, chairman of the Government Relations Committee, before the Senate Small Business Committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION

The Solar Energy Industries Association, the trade association for the solar industries, welcomes this opportunity to offer their thoughts concerning S. 807. Over eighty-five percent of our five hundred and seventy-six members are small businessmen. Our members are directly involved in the research, manufacture, distribution, and installation of solar systems equpment. We are pleased that the Senate Small Business Committee is addressing their particular problems with this legislation.

The basic problems that small businessmen face in the emerging solar energy industry are two-fold. First, is the problem of obtaining adequate capital at a reasonable rate of interest to finance expanding plant and equipment to meet an ever increasing demand. Secondly, capital to finance research and development on new and existing alternate energy technologies is extremely hard to obtain.

MANUFACTURING EXPANSION CAPITAL REQUIREMENTS

The problem of securing capital for increasing manufacturing capacity at a reasonable interest rate is a direct result of the inherent cautiousness of lenders to grant a loan to a small business involved in a new, but unproven and untested, line of endeavor. The riskiness of the business proposition results in either a direct refusal to grant the requested loan or, if it is granted, a large down payment is required or a high rate of interest is charged in order to offset the perceived high risk of the venture.

Large corporations are not affected by this problem to the extent that small businesses are. They may have sufficient capital in-house to expand their manufacturing capacity or if outside financing is needed, financiers are more willing to lend capital due to the fact that sufficient assets are available to pay off the loan in the event of the failure of the venture. Therefore, large corporations can usually obtain their needed capital requirements.

In order to alleviate the financing problem facing small businessmen, the Federal Government loan program included in this

legislation is important. If small businessmen are to achieve the financing that an expanding business requires, enactment of this legislation is required.

Mr. McINTYRE. In February of 1977, S. 807 was introduced to amend the Small Business Act and Federal Nonnuclear Energy Research and Development Act of 1977, to provide assistance to individuals and small businesses in the areas of solar energy equipment and energy-related inventions. Hearings were held by the Select Committee on Small Business in May of 1977. At those hearings, Small Business Administrator A. Vernon Weaver testified that the SBA could do internally what S. 807 proposed to do.

The SBA was given time to do just that, but the program came short of what was intended by the bill. A memorandum of understanding was signed between the SBA and the Energy Research and Development Administration (now part of the Department of Energy) in September, 1977. This memorandum provided for Government technical review of energy-saving and solar energy devices. But the memorandum did not make it easier for small firms to get financing.

Then the drafting of this bill began. It is a revised and refined version of the loan provisions in S. 807. This bill provides for energy independence loans. The purpose of these loans is to better enable small business concerns to secure financing for manufacturing and marketing energy-saving and solar energy innovations with technical merit. The revisions do not substantially loosen the SBA's lending criteria. They provide loans at relatively low risk. This bill should stimulate the availability of technically sound solar energy and energy conservation products and services.

The bill expands upon the memorandum of understanding between SBA and the Department of Energy, allowing a small business applying for a loan to choose from several procedures for obtaining a review of the technical merit of a measure.

Beyond that, the bill provides that a small business may obtain a loan from the SBA under the so-called "7(a) Program" if the firm or individual can obtain some outside financing at the same time. In this way, both the Government and private investors lessen each other's risk by supporting solar energy and energy conservation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2733

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Energy Loan Act".

SEC. 2. Section 7 (a) of the Small Business Act is amended by adding at the end thereof the following:

"(8)(A) An Energy Independence Loan shall be considered secured for the purposes of paragraph (7) of this subsection if—

"(i) the applicant's product or measure is reviewed and found by the Administrator of the Small Business Administration to have technical merit, except that this requirement may be waived if (I) the product or measure has been previously reviewed and found to have technical merit, and the applicant so certifies; (II) Federal Government or industry standards exist for the performance, durability, and safety of the type of product or measure for which a loan is sought, and the applicant certifies that its product or measure meets such standards; or (III) the product or measure has been submitted at applicant's expense to a qualified testing facility, in which case the Administrator may, at his discretion, offer part of the loan upon such submission and the remainder upon successful completion of testing; and

"(ii) the individual or firm obtains, before or concurrent with delivery of the loan under this subsection, capital from other sources equal to the sum of the individual's or firm's total liability in excess of assets (if any) plus fifty per centum of the loan under this section through the sale of stock, equity, or other form of ownership, or by loans which are not secured against the assets of the individual or corporation responsible for repayment of the loan under this section.

"(B) If a borrower becomes more than 50 percent owned or controlled by a corporation other than a small business, as defined for the purposes of this subsection, after receipt of an Energy Independence loan, the loan shall become due and payable within one year after such change of ownership.

"(C) An 'Energy Independence Loan' is a loan under this subsection to a firm or individual which—

"(i) provides bona fide energy conservation or solar energy related services, including such services as engineering, architectural design, energy audits, or such other services as the Administrator, in consultation with the Department of Energy, may deem appropriate; or

"(ii) manufactures, distributes, retails or installs an energy conservation or solar energy product or measure which has been approved by the Department of Energy as a bona fide energy conservation or solar energy product, or which is eligible for a Federal residential income tax credit for solar energy or energy conservation and meets standards as may be issued by the Secretary of the Treasury for such systems.

"(D) The Administrator shall be empowered to make or renew any inter-agency agreements or understandings necessary to carry out the purposes of this subsection.".

SEC. 3. The Administrator of the Small Business Administration may make grants to any organization for the purpose of enabling such organizations to provide training seminars for small business concerns concerning practical and easily implemented methods for the design, installation, and maintenance of solar energy equipment.●

By Mr. McINTYRE (for himself, Mr. DURKIN, Mr. PELL, and Mr. HATHAWAY):

S. 2734. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR ENERGY BANK ACT

● Mr. McINTYRE. Mr. President, today I am introducing a bill to create a Federal Solar Energy Bank. This bank would have the power to make loans directly for solar energy measures or to provide loans through existing lending institutions. The purpose of these loans is to enable businesses and homeowners to purchase solar energy equipment at interest rates of 3 percent and for periods of up to 30 years.

A loan program with similar purposes is already part of the President's energy legislation; the House and Senate conferees have agreed upon the terms of that solar energy loan program and, if the energy legislation as a whole passes, there will be a Federal solar loan program.

One might ask why I am introducing the Solar Energy Bank Act now, when a similar program is still pending.

Mr. President, there are two reasons: First, we do not yet have any assurance that the President's program will pass. This comprehensive program is made up of many, many parts. Some of them are very important and, even if the program as a whole does not pass, these parts should be enacted promptly.

My second reason is that the solar energy loan program in the President's legislation is not broad enough to do everything it is intended to do. This came to light as a result of a comparative study by the Congressional Research Service of the Library of Congress. I ask that that study be printed in the RECORD at the end of my statement.

This study concludes that the existing loan programs of the Federal Government, and the proposed program in the National Energy Act, probably would not reach the majority of people who may be interested in obtaining solar energy loans.

Also, the Library of Congress report concludes, some financing methods which are not now available and which have not been contemplated in the loan program in the National Energy Act, could stimulate significant numbers of people to buy solar energy measures.

With this in mind, I am proposing that the government set up the Solar Energy Bank as a new instrument of Federal policy. It would have the power to explore new ways to meet the demand for loans for solar energy measures. It could seek ways to provide secure loans without the volumes of paperwork and redtape that discourage both banks and consumers from participating in many Federal loan programs.

Mr. President, I ask unanimous consent that the bill and study be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Energy Bank Act".

PURPOSE

SEC. 2. It is the purpose of this Act to establish a Solar Energy Development Bank to grant long-term low-interest loans to owners and builders of commercial and residential dwellings for the purpose of encouraging the use of solar energy to lessen this Nation's dependence on foreign sources of energy supplies and to insure adequate investment in new or improved solar technology.

ESTABLISHMENT OF THE BANK

SEC. 3. There is hereby created a body corporate to be known as the Solar Energy Development Bank (referred to in this Act as

the "Solar Bank") which shall be an instrumentality of the United States Government and shall have succession for a period of forty years after enactment or until dissolved by Act of Congress, whichever occurs sooner, and which will make long-term, low-interest loans.

BOARD OF DIRECTORS

SEC. 4. (a) The management of the Solar Bank shall be vested in a Board of Directors (hereinafter referred to as the "Board") composed of seven members as follows:

(1) The Secretary of the Treasury or the Secretary's designated substitute;

(2) The Secretary of Housing and Urban Development or the Secretary's designated substitute;

(3) The Secretary of Energy or the Secretary's designated substitute.

(4) Two appointed by the President from persons who are not officers or employees of any government or of any corporation engaged in the exploration, development, production, or delivery of any energy resource who are specially qualified to serve on the Board by virtue of their education, training, or experience.

(5) Two appointed by the President from persons who are not officers or employees of any government who represent the views of the broader public community.

A vacancy in the Board shall be filled in the manner in which the original appointment was made.

(b) If any member of the Board who was appointed to the Board as an officer referred to in subsection (a) (1), (2), or (3) leaves that office, or if any member of the Board who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he may continue as a member of the Board for not longer than the ninety-day period beginning on the date he leaves that office or becomes such an officer or employee, as the case may be.

(c)(1) Except as provided by paragraphs (2) and (3), members appointed under paragraphs (4) and (5) of subsection (a) shall be appointed for terms of two years.

(2) Of the members first appointed, those appointed under subsection (a)(4) shall be appointed for a term of two years and those appointed under subsection (a)(5) shall be appointed for a term of three years.

(3) Any member appointed under paragraph (4) or (5) of subsection (a) to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(d)(1) Except as provided in paragraph (2), members of the Board shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Board.

(2) Members of the Board who are full-time officers or employees of the United States shall receive no additional pay on account of their services on the Board.

(3) While away from their home or regular places of business in the performance of services for the Solar Bank, members of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

(e) Four members of the Board shall constitute a quorum but a lesser number may hold hearings.

(f) The Chairman and Vice Chairman of the Board shall be elected by the members of the Board. The term of office of the Chairman and Vice Chairman shall be two years.

(g) The Board shall meet at the call of the Chairman or a majority of its members.

APPOINTMENT OF OFFICERS AND EMPLOYEES; EXPERTS AND CONSULTANTS

SEC. 5. (a) The Board shall appoint a President of the Solar Bank and such other officers and employees as it deems necessary to carry out the functions of the Solar Bank. Such appointment may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and persons so appointed may be paid without regard to the provision of chapter 51 or subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. The President of the Solar Bank shall be paid at the rate of basic pay in effect for grade GS–18 of the General Schedule. The President of the Solar Bank shall be an ex officio member of the Board and may participate in meetings of the Board except that he shall have no vote except in case of an equal division. No individual other than a citizen of the United States may be an officer of the Solar Bank. No officer of the Solar Bank shall receive any salary or other remuneration from any source other than the Bank during the period of his employment by the Solar Bank.

(b) The Board may procure temporary and intermittent services of experts and consultants to the same extent as is authorized by section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

CONFLICT OF INTEREST

SEC. 6. (a) No member of the Board, officer, attorney, agent, or employee of the Solar Bank shall in any manner, directly or indirectly, participate in the deliberations upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

(b) The Solar Bank shall not engage in political activities nor provide financing for or assist in any manner any project or facility involving political parties, nor shall the member of the Board, officers, employees, or agents of the Solar Bank in any way use their connection with the Solar Bank for the purpose of influencing the outcome of any election.

GENERAL CORPORATE POWERS

SEC. 7. Except to the extent inconsistent with the provisions of this Act, the Solar Bank shall have the general corporate powers of a corporation organized and existing under the laws of the District of Columbia.

PRINCIPAL OFFICE; BRANCHES

SEC. 8. The principal office of the Solar Bank shall be located in the District of Columbia, and it may establish agencies or branch offices anywhere in the United States.

LOANS

SEC. 9. (a) To carry out this Act, the Solar Bank may make loans directly, or through banks and other lending institutions which shall be entitled to reasonable fees for their services. Such loans shall be made to organizations, corporations, partnerships, and individuals to purchase solar energy equipment and for other purposes related to solar energy including charges for installation, engineering, and architectural costs, at annual interest rates to borrowers of not more than 3 per centum, and for periods not exceeding thirty years.

(b) The Bank shall require such certification as it deems necessary to ensure that the proposed solar energy equipment and materials and related expenses are appropriate and reasonable in cost and will result in a meaningful reduction in the conventional energy dependence of the user. The Solar Bank, with the approval of the Board, shall establish guidelines for the distribution of its loans between commercial and residential dwellings, with at least 60 per centum of all moneys loaned to be used in residential dwellings. The Solar Bank shall likewise establish maximum amounts for individual loans for commercial and residential dwellings, with loans for commercial buildings not to exceed $100,000, and loans for residential dwellings not to exceed $7,500.

(d)(1) All applications for loans under this section shall be accompanied by a signed statement from the manufacturer of the equipment which is the subject of the loan, stating that the equipment meets the guidelines and procedures set forth in subsection (c) and that the loan is being made to carryout the purpose of this Act.

(2) Before making any loan pursuant to this section, the Solar Bank or its agents shall have conducted a credit examination of the applicant for the loan, and engage in such other procedures as are customary and usual to assure repayment of the loan.

(e) Any applicant or manufacturer who makes any false statement or misrepresents any material fact for the purpose of obtaining a loan under this section, or who violates any provisions of a loan contract entered into under this Act, shall be fined not more than $10,000 or imprisoned not more than one year, or both.

TAXABLE STATUS

SEC. 10. The Solar Bank, its property, its franchise, capital, reserves, surplus, security holdings, and other funds, and its income shall be exempt from any taxation now or hereafter imposed by the United States or by any State or local taxing authority; except that (1) any real property and any tangible personal property of the Solar Bank shall be subject to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed.

AUDIT BY GENERAL ACCOUNTING OFFICE

SEC. 11. The General Accounting Office shall audit the financial transactions of the Solar Bank, and for this purpose shall have access to all of its books, records, and accounts.

FUNDING

SEC. 12. (a)(1) There is established in the Treasury a Solar Energy Fund (hereinafter referred to in this section as the "fund") to be administered by the Secretary. The fund shall be used for the payment of the expenses of the Solar Bank and for the purpose of fulfilling the Solar Bank's obligations under this Act. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(2) All repayments of loans, payments of interest, and other receipts arising out of transactions entered into by the Solar Bank shall be paid into the fund.

(b) There is authorized to be appropriated to the fund the sum of $5,000,000,000.

(c) The authority of the Solar Bank to make loans under this Act shall become effective six months after the date of its enactment.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., January 13, 1978.

To Hon. Stewart McKinney, Attn: Larry, Halloran.

From J. Glen Moore, Analyst in Science and Technology, Science Policy Research Division.

Subject Federal Solar Loan Programs.

The attached report responds to your request of January 4 for an analysis of the solar loan policies of Federal credit agencies, and for a review and analysis of the solar loan provisions tentatively agreed to by the

Committee of Conference on the National Energy Act.

Please let us know if we can be of further assistance (426-6040).

Enclosures.

SOLAR LOAN POLICIES OF THE FHA, VA, FmHA AND NATIONAL ENERGY ACT (CONFERENCE AGREEMENT)

INTRODUCTION

The Federal Housing Administration (FHA), now part of the Department of Housing and Urban Development (HUD), was established to insure conventional mortgage loans made by private lenders. Insurance programs modeled on FHA's were subsequently established for ex-servicemen and rural families under the auspices of the Veteran's Administration (VA) and Farmer's Home Administration (FmHA), respectively. Tentative agreement has been reached on a low-interest solar loan program by the conferees on the National Energy Act. This agreement and the solar loan programs of the Federal credit agencies are reviewed and assessed for their possible impact on consumer demand for solar hardware.

FHA'S POSITION ON SOLAR ENERGY SYSTEMS

FHA will insure loans for the purchase and installation of solar energy equipment in new and existing structures under its section 203 program for financing single-family homes and the "Title I" insurance program for property improvements and mobile home purchases. The section 203 program is FHA's basic program for insuring unsubsidized private lender financing single-family homes. The title I property improvement program provides financing for permanent repairs and improvements that add to the basic livability and usefulness of properties. The provisions of the property improvement program were specifically amended in 1974 to make expenditures on solar energy systems eligible for loan insurance.

FHA-HUD field offices have been issued guidelines on how to handle mortgage insurance requests for solar homes (Attachments 1 and 2). A draft of a new set of guidelines for appraisal of residential properties using solar energy systems (Attachment 3) is expected to be released soon. The new draft guidelines urge all offices to "be receptive to proposals which include [the] utilization of solar energy for heating purposes in conjunction with conventional back up heating and domestic hot water systems."

In July. 1977, FHA incorporated standards for solar energy systems into their Minimum Property Standards. This action is expected to have a positive impact on the use of solar energy systems by the homebuilding industry since FHA's standards are widely used by that industry as a reference for making loans without Federal insurance.

Title I loans are insured for amounts up to $15,000 for terms up to 15 years; section 203 home mortgage loans are insured for up to $60,000 for terms up to 30 years. The allowable interest rate ceiling is presently set at 12 percent for title I insured loans, and 8½ percent for mortgage loans. Title I loans can be made directly by local lending institutions without first obtaining HUD-FHA approval or review, although at this time HUD believes it is reviewing all title I solar-related loans; section 203 loans must be reviewed by HUD-FHA.

Impact of FHA loans on the Solar Market.—FHA's market share of the mortgages written on solar homes should be relatively small. In recent years, residential lenders have increasingly turned from FHA to private companies for their mortgage insurance needs. Moreover, the agency's insurance programs are concentrated on relatively lower-cost homes and entry-level homebuyers. As shown by the table on page 7, in 1975 the average FHA insured home sold for nearly $15,000 less than the average home financed by the conventional lender, and FHA financing accounted for only 9 percent of all single-family homes sold in the United States. Given the current magnitude of solar first-costs and the rapidly rising costs of new single-family housing generally, the current limitation on loan amounts in the 203 program will greatly restrict the number of cases in which installations or solar equipment other than for hot water heating are possible.

The influence of title I loans on the solar market is also expected to be fairly limited. The program's current 12 percent ceiling on interest rates is uncompetitive in most regions of the country.

FHA Value Appraisal as a Limiting Factor on Solar Use.—A possible barrier to the flow of section 203 loans is the requirement that HUD-FHA field offices determine marketability of the solar property as a prerequisite for a loan guarantee. The acceptable way of determining marketability is through analysis of the resale market for similar hardware installed in the region in which the loan application is being made. The problem is that because solar hardware is so new to the market, the region may have little or no comparable marketing experience. With just a few thousand solar installations nationwide, the chance is small that a region will have any experience with identical solar equipment, and smaller still that it will have any resale experience on which marketability can be based. Presumably, the loan can be denied if marketability cannot be established.

VA'S POSITION

The purpose of the VA loan guarantee program is to provide credit assistance for the housing credit needs of eligible veterans and active duty service personnel, usually at more liberal terms than generally available to non-veterans. Assistance is provided chiefly through the substitution of the government's guarantee on loans made by private lenders in lieu of down payments, shorter terms, and other requirements generally required in conventional home mortgage transactions. Where private capital is not available in non-urban areas, direct loans may be made.

Applications for solar-related loan assistance are considered under the VA's home acquisition and improvement loan guarantee programs. Solar energy equipment must meet HUD-FHA standards. Eligible participants apply for VA loans through regular lending institutions; the VA must appraise the property and pass on the credit worthiness of the veteran. The interest rate ceiling for VA home acquisition or improvement loans is presently set at 8½ percent for terms up to 30 years.

Impact of VA Loans on the Solar Market.—VA loans are likely to have a minimal impact on the solar market for reasons similar to those which can be expected to limit the impact of FHA loans.

Because no down payment is required for VA-backed loans, the program is particularly attractive to individuals of lesser means. But no down payment means a larger mortgage and high monthly carrying costs—a factor which makes first-costs critical and limits the VA loan as an instrument to finance solar hardware. Thus, the program affords market access mainly to purchasers of homes that sell below the median market price. The table on page 7 shows that in 1975 the average VA-insured new home sold for nearly $12,000 less than the average conventional home. An eligible borrower might prefer, if possible, to make a larger down payment rather than have the larger monthly carrying charge, in which case VA insurance might not be needed. The table shows that only 8 percent of the new homes sold in 1975 were financed by VA.

VA appraisers follow guidelines similar to those issued to HUD-FHA field offices for evaluating the marketability of solar energy systems (Attachment 4). If anything, VA's guidelines with regard to solar property evaluation are even less explicit that FHA's. VA appraisers are told simply that the value of a solar energy system may be recognized "in an amount that can be demonstrated by an analysis of the market."

In many areas of the country the 8½ percent interest ceiling on VA loans is not competitive. Because the seller is often required to pay a penalty to the lending institution to make up the difference between the interest rate of conventional loans and VA-insured loans, eligible VA borrowers sometimes have difficulty finding a seller willing to go through VA. The same interest rate ceiling on VA home improvement loans is even more restrictive. Eligible borrowers usually find it impossible to secure a home improvement loan at 8½ percent interest for periods of up to 30 years.

FMHA'S POSITION

FmHA, an agency within the Department of Agriculture, offers a variety of loan assistance programs to those in rural areas who are unable to get credit from other sources at reasonable rates and terms. The agency operates principally under the Consolidated Farm and Rural Development Act of 1921 and title V of the House Act of 1949. Applications for loans are made at the agency's 1,750 local county offices, generally located in county-seat towns. A county or area committee of three individuals, at least two of whom are farmers, pass on the eligibility of individual farm loan applicants and amounts of loans and reviews borrowers' progress.

Loans for solar energy systems are considered by FmHA, but the effectiveness of the agency's programs for financing solar hardware is subject to restrictive qualifications. The principal limiting factor is that the agency's constituency consists for the most part of households towards the lower end of the economic spectrum. The low incomes of those who buy or rent Farmer's House-financed housing effectively restrain the agency from including expensive solar equipment in its loan amounts. The table on page 7 shows that in 1975 new homes insured by FmHA sold for nearly $25,000 less than the average conventional home.

FmHA's Community Facility Loans and Rural Industrialization Loans appear to have potential for financing community-scale conversion facilities, but the agency tends to be conservative in financing projects which it considers to be innovative. It has however, financed the non-solar portions of at least three construction projects which involve solar energy systems. The solar part of these projects was financed by agencies having authority to participate in solar demonstrations program.

Market shares and sales price of newly built, single family homes in 1975 by type of financing

	(1)	(2)	(3)
FHA	78	9	$32,900
VA	69	8	35,700
FMHA	61	7	23,100
Total Federal market share	208	24	31,000
Conventional	502	68	47,400
Cash	156	18	42,200
Total United States	866	100	42,600

[1] Number of units (in thousands.)
[2] In percent.
[3] Average sales price.

Source: HUD Office of Managment Information.

Solar Energy Loan Programs Under the National Energy Act—Both the House and Senate versions of the National Energy Act in-

cluded loan incentives for the residential application of solar energy systems. Conferees reached tentative agreement on the solar loan provisions, but were unable to reach agreement on many of these most divisive issues in other portions of the Act. Therefore, the conferees will continue their efforts to come to agreement on unresolved portions of the Act when the 95th Congress reconvenes in January.

Major differences existed in the solar loan provisions offered in the House and Senate. These differences are summarized in the following table prepared by the Conference Committee staff:

Loans and loan insurance for energy conserving improvements and solar energy systems

ITEM	HOUSE PROVISION	SENATE PROVISION
1. Title I Amendments		
a. Energy conserving improvements eligible for Title I home improvement loan insurance.	Amends section 2(a) of the National Housing Act definition of energy conserving improvements to conform with definition of weatherization materials found in FEA weatherization grant program. In addition to items covered in both bills, improvements include storm doors, multiglazed windows and doors, heat absorbing or heat-reflective glazed windows and doors, and duct insulation. (Section 142; Comparative print page 16.)	Amends section 2(a) of the National Housing Act to define energy conserving improvements as measures listed under the Utility and Home Heating Supplier Program and additions, alterations or improvements which reduce energy requirements and conform to standards prepared by HUD in consultation with FEA. Senate provision does not include as an energy conserving improvement storm doors, duct insulation, multiglazed windows and doors, or heat-absorbing or heat-reflective glazed windows and doors. (Note: Differences in definition may depend on resolution of Utility Program provisions.)
b. Study regarding actuarially sound interest rate for energy conserving improvements.	No comparable provision.	Amends Section 2(f) of the National Housing Act so that within 2 years of enactment the HUD Secretary will study, determine and set an actuarially sound premium rate for Title I loans for energy conserving improvements. Rate may exceed present 1 percent limitation for Title I loans. (Section 221(b); Comparative print pages 16–17.)
c. Solar energy systems eligible for Title I home improvement loan insurance.	Eligible solar energy system means any addition, alteration or improvement designed to use solar, wind, or other solar-derived energy in order to reduce the structure's requirements for energy from other energy sources.	Eligible solar energy system means any addition, alteration or improvement designed to use solar energy through either active or passive methods in order to reduce the structure's requirements for energy from other energy sources.
2. Section 241—insurance for loans to purchase energy conserving measures for multifamily structures.	241 loan insurance available to cover purchase and installation of energy conserving improvements.	241 loan insurance available to cover purchase and installation of energy conserving improvements and solar energy systems.
3. Loan and insurance limits increased for solar energy systems.	In order to cover the cost of purchasing and installing solar energy systems, limits on loans eligible for Federal assistance are increased by 20 percent for three programs: FmHA Section 501 loans and FHA Section 203 and 207 insurance.	No comparable provision.
4. Subsidized Federal direct loan for solar energy equipment.	No comparable provision.	Authorizes a new program of subsidized loans for the purchase and installation of qualified solar heating or heating and cooling equipment based on several specified findings.
a. Loan terms.		Authorizes HUD to make loans for 100 percent of the cost of financing or refinancing solar equipment to persons who own and occupy 1–4 family dwellings and to persons constructing residential structures of any kind under contracts executed after July 26, 1977. The loans bear an interest rate of 4 percent, are at a maximum amount of $8,000 per unit for a dwelling containing 1–4 units, at a maximum of $7,500 per unit for a dwelling containing 5–50 units, and must have terms not exceeding 15 years, and in the case of a loan made to a builder of a structure which is sold to another person, the maturity shall not extend beyond the date of sale to such persons unless the loan is assumed by such other person. The loans must be for active or passive, qualfied solar heating or heating and cooling equipment. A detailed plan for the purchase and installation of the equipment must accompany application for loan and be approved as suitable, appropriate and effective.
b. Relation to tax credit.		No person would be eligible for both this loan and a tax credit for the same solar energy equipment.
c. Definitions.		(1) The term "qualified solar heating equipment" means any active system and/or passive system which utilizes solar energy to provide more than 10 percent of the total heating needs (including hot water) or more than 40 percent of the hot water

Loans and loan insurance for energy conserving improvements and solar energy systems—Continued

ITEM	HOUSE PROVISION	SENATE PROVISION
		needs of the structure and meets minimum standards under the Solar Heating and Cooling Demonstration Act of 1974. (ii) The term "qualified solar heating and cooling equipment" means any active and/or passive system which meets the definition of "qualified solar heating equipment" and meets a portion of the cooling needs of the structure. (iii) The term "passive system" means any system which is based on conductive, convective or radiant energy transfer. A nonexclusive list of examples of such systems is included.
d. Inspection.		ERDA is required to establish a mechanism and/or procedure for the inspection and evaluation of the cost effectiveness of each type or model of solar equipment and ERDA shall review each new type or model of such equipment.
e. Determination of portion of passive system cost of eligible for loans		Within 6 months after enactment ERDA shall establish by rule the criteria for determining what portion of the cost of any passive system will be eligible for loans where the primary or major purpose of such system is other than solar heating of a residential structure. The basis upon which such criteria will be established is specified.
f. Availability of information on solar equipment standards		The Secretary shall provide to any person upon request full, complete and current information on recommended standards and types of qualified solar equipment.
g. Penalty		Any person who makes any false statement or misrepresents any material fact in order to receive a loan under these provisions shall be fined not more than $1,000 and/or imprisoned not more than 1 year.
h. Authorization		$100 million is authorized to be appropriated for fiscal year 1978 and repayments on loans made with these funds pursuant to this provision may be reused. Such sums as may be necessary are authorized to be appropriated without fiscal year limitation to defray any administrative costs.
i. Effective dates		The authority of the Secretary to make loans shall start six months after enactment and end 10 years after that date.
Secondary financing for energy conserving improvements and solar energy systems		
1. GNMA purchase of energy conservation loans	Directs the Government National Mortgage Association (GNMA), as soon as practicable after enactment, to purchase and sell title I insured home improvement loans for energy conserving measures which at an interest rate set by the HUD Secretary (which cannot exceed the rate for all title I loans and which is not below the Treasury borrowing rate). (Section 141; Comparative print pages 10–16.)	Directs GNMA to purchase and sell title I insured home improvement loans for energy conserving measures which are at an interest rate set by the HUD Secretary (which cannot exceed the rate for all title I loans and which is not below the Treasury borrowing rate). (Section 225; Comparative print pages 10–16).
a. Definitions: (i) moderate income family	(i) family whose income is 90 percent or less of the median income for the area;	No comparable provision.
(ii) energy conserving improvements	(ii) same definition as found in the FEA weatherization grant program;	
(iii) elderly and handicapped persons	(iii) same definitions as found in the FEA weatherization grant program.	
b. Eligible borrowers	GNMA may only purchase loans made to moderate-income families.	No comparable provision.
c. Relationship to Utility and Home Heating Supplier Programs	No comparable provision.	GNMA may only purchase loans made pursuant to Utility and Home Heating Supplier Programs.
d. Priority	Gives priority to low- and moderate-income families containing individuals who are elderly or handicapped.	No comparable provision.
e. Loan amount	Maximum loan amount is $2,200.	Maximum loan amount is $2,500.
f. Authorization	Authorizes not to exceed $2 billion for purchases and commitments to be outstanding at any one time as approved in appropriation acts.	Authorizes total of purchases and commitments of not to exceed $5 billion as approved in appropriation acts.
g. Reuse of loan receipts	Authorizes reuse of receipts from sale of loans subject to approval in appropriation acts.	Specifies that receipts from sale of loans may only be used to retire Treasury obligations.
h. State and local usury laws	Interest rates and discount points charged and loan insurance required in connection with these loan transactions are exempt from State or local usury laws.	Interest rates, discount points or other charges made in connection with these loan transactions are not exempt from State usury laws.

Secondary financing for energy conserving improvements and solar energy systems—Continued

ITEM	HOUSE PROVISION	SENATE PROVISION
1. Relationship to tax credit for energy conservation measures	No comparable provision.	Standards and criteria applicable to loan must, to maximum extent practicable, be identical with those applied to any federally-related tax benefit for residential energy conservation measures. No person may be eligible for both this loan program and a tax credit for the same measures.
2. Standby authority of GNMA to purchase loans for energy conserving improvements.	GNMA is given standby authority, whenever HUD Secretary finds insufficient credit available to finance the purchase and installation of energy conserving improvements, to purchase insured Title I home improvement and Section 211 loans for energy conservation improvements. When sufficient credit is available, Secretary may direct GNMA to terminate activities. The loan transactions are exempted from State and local usury laws. Authorizes no more than $3 billion of purchases and commitments to be outstanding at any one time as approved in appropriation acts.	No comparable provision.
3. Federal Home Loan Mortgage Corporation	Authorizes the Federal Home Loan Mortgage Corporation (FHLMC) to purchase uninsured and Title I insured loans for energy conserving improvements and solar energy systems for residential dwellings.	Similar except does not authorize purchase of loans for solar energy systems.
4. Federal National Mortgage Association	Authorizes the Federal National Mortgage Association (FNMA) to purchase uninsured and Title I insured loans for energy conserving improvements and solar energy systems for residential dwellings.	Similar except does not authorize any purchases of advances of credit nor the purchase of loans for solar energy systems.

Conference Action on Loans and Loan Insurance for Energy Conservation Improvements and Solar Energy Systems.—The conferees agreed to amend the National Housing Act, which defines "energy conserving improvements" eligible for title I home improvement loan insurance to conform to the definition of weatherization materials found in the Federal Energy Administration's weatherization grant program. Solar energy systems eligible for title I insurance are defined to mean any addition, alteration or improvement designed to use solar energy through active or passive methods in order to reduce the structure's requirements for other sources of energy.

Federal loan insurance is made available to cover the purchase and installation of energy-conserving improvements and solar energy systems for multi-family structures.

In order to cover the cost of purchasing and installing solar energy systems, the limits on FHA mortgage insurance are increased by 20 percent where a building has solar equipment installed. An individual interested in buying a solar home with an FHA low-interest mortgage (now set at 8½ percent) could thus exceed the current FHA mortgage limit of $60,000 to buy a home valued at up to $72,000.

The conferees also agreed to a 5-year, $100 million revolving fund, Government National Mortgage Association (GNMA) purchase program for solar energy loans. The program would have the following characteristics:

Loans are insured under title I of the National Housing Act.

Interest must be greater than the Treasury borrowing rate (about 7 percent) and below the 12 percent statutory ceiling for title I loans. If the Secretary of HUD finds that the interest rate is a cause of non-action in the program, she is to lower the interest rate.

All families are eligible borrowers.

Term of repayment is not to exceed 15 years. No penalty for prepayment.

Both active and passive solar energy systems could be financed provided they meet HUD minimum property standards.

Also, the final conference agreement is expected to permit homeowners to take advantage of both Federal loans and tax credits for solar energy purchases. The non-tax conferees originally agreed to limit "double dipping" by requiring that any tax credit be reduced by the amount of Federal subsidy involved in the loan program. However, conferees on the tax portion of the National Energy Act removed this restriction on the grounds that it would be too expensive and troublesome to administer. The full conference is expected to go along with the position of the tax conferees.

Conference Action on Secondary Financing for Energy Conserving Improvements and Solar Systems.[1] The conferees adopted provisions directing the GNMA to purchase and sell title I insured home improvement loans for energy conserving measures. Loans must be made with priority given to elderly and moderate income families. Moderate income is defined as 100 percent or less of the median income for the area. A loan cannot exceed $2,500.

[1] Originally the secondary mortage market consisted primarily of institutional investors who sought to purchase mortgages as investments, but were not organized to make residential loans directly to borrowers. In recent years the secondary market has increasingly come to be identified with three government-supported agencies whose function is to join the primary mortgage market to the Nation's larger capital markets in order to provide local banks with liquidity and assure a steadier supply of credit for the homebuilding industry. These three entities are: (1) the Government National Mortgage Association (GNMA), organized primarily to provide a secondary market for loans written under the Federal Government's subsidized interest rate programs; (2) the Federal National Mortgage Association (FNMA), whose mortgage purchase programs feed money into local housing markets when capital is in short supply; and (3) the Federal Home Loan Mortgage Corporation (FHLMC), organized to enable savings institutions participating in the Federal Home Loan Bank system to maintain their mortgage loan portfolios on a more liquid footing. These entities are frequently referred to as Ginnie Mae, Fannie Mae and Freddie Mac, respectively. GNMA is Federally owned, and operates within HUD, FNMA (since it was spun off from HUD in 1968) and FHLMC are privately owned, but Federally regulated and supported stock corporation.

Two separate GNMA programs were established with a total purchase authority of $5 billion. A $3 billion revolving fund authorization is provided for subsidized loans with eligibility limited to moderate income borrowers. A person may benefit from both this program and the tax credit. A $2 billion revolving fund is provided for non-subsidized loans.

The Secretary of HUD is required to make a finding that the non-subsidized loan program is necessary for the success of the national energy conservation effort. Interest rates required in connection with these loan transactions are exempt from State or local usury laws.

In addition, the conferees authorized the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association to purchase uninsured and title I insured loans for energy conserving improvements and solar energy systems for residential dwellings.

Impact of Loan Measures Tentatively Agreed to by Conferees.—If implemented, the loan measures tentatively agreed to by the conferees are likely to have only a modest effect on the demand for solar hardware. There are several reasons to expect a modest impact.

Results from a consumer survey conducted for HUD[2] indicate that subsidized loans, even under the most liberal of financing assumptions, have a limited ability to motivate the adoption of solar hot water systems—the most commercially advanced residential use of solar energy. The survey showed that existing houseowners typically prefer to pay for improvements to their property with cash rather than assuming additional debt. New home purchasers indicated a reluctance to apply for a loan subsidy if it involves a loan instrument and processing track distinct from those involved in securing a first mortgage on their property. The low response to the loan option among existing homeowners is consistent with the fact that less than 18 percent of home improvements of any kind

[2] Federal Incentives for Solar Homes. An Assessment of Program Options. Prepared for HUD by Regional and Urban Planning Implementation, Inc. (RUPI). Final report. July, 1977.

are financed with borrowings from commercial lenders.

Long-term, low-interest loans for combined solar space and water heating systems in new homes, particularly if rolled into the first mortgage on the entire property, could have a significant impact on the market. However, at the interest rate provided in the National Energy Act agreement, the impact is projected to be small. The HUD study projects that over a 5-year period, a 7 percent, 30-year loan would elicit a 43 percent increase in the number of space heating units installed compared to the base estimate of units installed with no incentive. By comparison, a 30-year, 1 percent loan would elicit a fourfold increase in units installed.

The HUD study also questions whether FHA or any other Federal credit agency can provide an adequate loan delivery system. Whatever the potential demand for solar loans, the ability of a special Federal program to reach its potential users will depend in large part on the adequacy of existing channels between the Federal Government and various segments of the new housing market and the commercial lending community. Loan subsidies are in effect a special financial service that must be marketed and distributed to homeowners through conveniently located outlets. (Consideration of timing and expense appear to preclude creating such a distribution network from scratch, particularly for a loan program of small volume and fixed duration.) The Federal Government at the present time finances only a trivial percentage (less than three percent) of all home improvement activity. A more substantial portion of newly built homes (24 percent) are financed through FHA, VA, and FmHA (refer to table shown earlier). However, this assistance is concentrated almost entirely in the low to moderate income segment of the market, where solar use at this time may be least appropriate and feasible.●

By Mr. DURKIN (for himself, Mr. McINTYRE, Mr. BROOKE, and Mr. HATHAWAY):

S. 2735. A bill to facilitate the transition to an economy based upon solar energy; to the Committee on Energy and Natural Resources.

SOLAR ENERGY TRANSITION ACT

● Mr. DURKIN. Mr. President, the Federal Government with its many, many agencies is one of the largest energy consumers in the Nation. Federal programs and Federal guidelines affect energy consumption at innumerable construction projects and other federally funded activities. If we are ever to reduce our dependence on imported oil, we must try to get a handle on Federal policies which work against the transition to renewable solar energy resources, which we all agree would be in the Nation's best interest.

The Solar Energy Transition Act which I am introducing today, offers a way to begin to make all Federal agencies consider solar energy as they carry out their mandates. It would require them to assess their programs and utilize solar energy wherever it is cost effective over the life cycle of its projects. The Secretary of Energy, advised by a council of Presidential appointees and other high officials, would be assigned the role of coordinating the effort.

When I travel to New Hampshire as this seemingly endless winter lingers on, I am often asked what the Federal Government is doing to reduce its own consumption of the oil which New England needs so badly. This bill is an attempt to answer that question.●

By Mr. McGOVERN (for himself, Mr. ABOUREZK, Mr. ALLEN, and Mr. DOLE):

S. 2737. A bill to provide for improved controls over the labeling and inspection of meat and meat food products; and to enhance stability in the supply and price of meat and meat food products; to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance, jointly, by unanimous consent.

BEEF ACT OF 1978

Mr. McGOVERN. Mr. President, I send to the desk for appropriate reference a bill to provide for improved controls over labeling and inspection of meat and meat food products, and to enhance stability in the supply and price of meat and meat food products. Senators ABOUREZK, ALLEN, and DOLE join with me as cosponsors of this legislation.

Because the legislation contains a provision on the importation of foreign meat and meat products, I ask that the legislation be referred jointly to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance.

Mr. President, on February 27, 1978, I testified in support of this measure before the Senate Finance Committee. I ask unanimous consent that my testimony before that committee be printed in the RECORD at this point as a part of my introductory remarks in support of this bill. I further ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of the testimony to which I have referred.

There being no objection, the bill and testimony was ordered to be printed in the RECORD, as follows:

S. 2737

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited at "The Beef Act of 1978."

SEC. 2. Section 20(a) of the Federal Meat Inspection Act (21 U.S.C. 620(a)) is amended by inserting "(1)" after "(a)", and by adding at the end thereof the following:

"(2) The Secretary shall, with respect to any carcass, part of a carcass, meat or meat food product of a cow, sheep, swine, goat, horse, mule, or other equine which is capable of use as human food and which is imported into the United States, require by regulation or otherwise that any such article, or any product made in whole or in part from any such article if capable for use as human food, or that the package or container of such article or product, be labeled or otherwise marked in such manner as the Secretary determines practicable to inform the retail consumer of such article or product at the time of purchase that such article or product was imported, in whole or in part, as the case may be, into the United States.

"(3) No carcasses, parts of carcasses, meat or meat products of cattle, sheep, swine, goats, horses, mules, or other equines which are capable of use as human food shall be imported into the United States unless—

"(A) tests have been conducted on the carcasses, parts of carcasses, and meat and meat food products, including internal organs, of the animals from which such articles came, to determine whether such articles (i) contain any substance, as defined in paragraph (5), and (ii) contain a level of any such substance in excess of the maximum level permitted by law or regulation;

"(B) such tests have been conducted, in the country from which such articles are being imported, by persons who have been initially certified (and subsequently recertified) in the same or similar manner and under the same criteria as persons who are initially certified (and subsequently recertified) by the Department of Agriculture to conduct such tests on articles of animals produced in the United States; and

"(C) the appropriate government official of the country from which any such article is being imported has certified to the Secretary that such article has been tested in accordance with regulations issued by the Secretary and that such article does not contain any substance as defined in paragraph (5) or contain a level of any such substance in excess of the maximum level referred to in paragraph (5), as appropriate.

"(4) In order to verify the accuracy of testing required for substances, as defined in paragraph (5), the Secretary shall conduct a program under which inspectors of the Department of Agriculture take, from time to time, samples of carcasses, parts of carcasses, and meat and meat food products of animals referred to it paragraph (5) which are intended for export to the United States, including the internal organs of the animals from which such carcasses and meat and meat food products came, and send such samples to the United States for appropriate testing.

"(5) As used in paragraphs (3) and (4) of this subsection, the term "substance" means any chemical matter for which the Department of Agriculture conducts tests on carcasses, parts of carcasses and meat and meat food products, including the internal organs of cattle, sheep, swine, goats, horses, mules, or other equines which are capable of use as human food, for the purpose of determining whether residues of such chemical matter are present in such articles or to determine whether the residues of such chemical matter present in such articles exceed levels authorized by law or regulation.

"(6)(A) The Secretary shall prescribe such assessments and fees on imported meat and meat food products as he determines necessary to cover the costs of inspection, certifications, testing, and labeling (or other marking) required under this section.

"(B) In establishing the level or rate of assessments and fees to be imposed under this title, the Secretary shall take into consideration the volume of imports, the value thereof, and such other factors as he deems appropriate in order to achieve a fair and equitable allocation of such assessments and fees among importers.

"(C) The Secretary shall have authority to suspend or revoke the privilege of any importer of meat or meat food products to import such products into the United States if such importer fails to pay the assessments or fees which he is required to pay under this paragraph."

Section 3. Subsection (a) of section 2 of the Act entitled "An Act to provide for the free importation of certain wild animals; and to provide for the imposition of quotas on certain meat and meat products" (78 Stat. 594; 19 U.S.C. 1202), hereinafter referred to as the "Quota Act", is amended to read as follows:

"SEC. 2. (a)(1) It is the policy of the Congress, except as provided in paragraph (2), that—

"(A) The aggregate quantity of the articles specified in items 106.10 (relating to

fresh, chilled, or frozen cattle meat) and 106.20 (relating to fresh, chilled, or frozen meat of goats and sheep) (except lambs) of the Tariff Schedules of the United States which may be imported into the United States in any calendar year beginning after December 31, 1978, shall not exceed 652,860,000 pounds;

"(B) The aggregate quantity of the articles specified in items 106.80, 106.85, 107.20, 107.2520, 107.40, 107.45, 107.48, 107.50, 107.52, 107.55, 107.60, 107.70, 107.7540 and 107.7560 (relating to prepared or preserved beef and veal) of the Tariff Schedules of the United States which may be imported into the United States in any calendar year beginning after December 31, 1978, shall not exceed 80,000,000 pounds;

"(C) The aggregate quantity of the articles specified in items 100.40, 100.43, 100.45, 100.50, 100.53, and 100.55 (relating to live cattle) of the Tariff Schedules of the United States which may be imported into the United States in any calendar year beginning after December 31, 1978, shall not exceed 400,000 head or 200,000,000 pounds.

"(2) An 'aggregate quantity,' as stated in subparagraphs (A), (B), and (C) of paragraph (1), shall be—

"(A) increased or decreased for any calendar year by the same percentage that estimated average annual domestic commercial production of the articles described in subparagraph (A) of paragraph (1) in that calendar year and the two preceding calendar years increases or decreases in comparison with the average annual domestic commercial production of those articles during the years 1959–1963, inclusive, and

"(B) further increased or decreased by multiplying the 'adjusted base quota,' resulting from the adjustment in subparagraph (A) of this paragraph, by the fraction having as its numerator the ten-year moving average of per capita commercial cow beef production and as its denominator the average of the estimated per capita commercial cow beef production for the quota year under consideration and the actual per capita commercial cow beef production for the previous year.

"(3) Notwithstanding any other provision of law, the limitations imposed by this section shall apply with respect to articles imported into the United States, whether or not such articles are shipped directly into the United States or transshipped through foreign trade zones into the United States."

SEC. 4. Subsection (b) of the Quota Act is amended to read as follows:

"(b) The Secretary of Agriculture, for each calendar year after 1978, shall estimate and publish—

(1) before the beginning of such calendar year, the aggregate quantities prescribed for such calendar year by subsection (a), and

(2) before the first day of each calendar quarter in such calendar year, the aggregate quantities of the articles described in subsection (a)(1)(A), (B), and (C), which (but for this section) would be imported in such calendar year.

In applying paragraph (2) for the second or any succeeding calendar quarter in any calendar year, actual imports for the preceding calendar quarter or quarters in such calendar year shall be taken into account to the extent data is available."

SEC. 5. Subsection (c) of the Quota Act is amended by striking out "110" each place it appears and inserting in lieu thereof "105."

SEC. 6. Subsection (d) of the Quota Act is amended by inserting "domestic cattle raisers are operating at a reasonable level of profitability, and that" after "if he determines and proclaims that."

SEC. 7. Nothwithstanding any other provisions contained herein, the President may prohibit or curtail the importation of any of the articles defined in paragraph (a)(1) of Section 2 if he determines and proclaims that such action is required by overriding economic or national security interests of the United States, giving special weight to the importance to the Nation of the economic well-being of the domestic livestock industry.

STATEMENT OF SENATOR GEORGE MCGOVERN

Mr. Chairman, I appreciate the opportunity to submit testimony this morning to the Senate Finance Committee on a topic in which I have had a substantial interest over a long period of time. As one of the original authors of the Meat Import Act of 1964, I am one of the first to recognize that though it fulfilled a badly needed function at that time and for a period of time acted effectively in the interests of American meat producers, like any other permanent piece of legislation, it must be constantly reviewed and revised to cope with changing times.

Times and circumstances have changed. American beef producers have been in disastrous circumstances for over three years on the low end of a traditional beef cycle. Many have gone bankrupt or have changed to other types of agricultural operations. Though cattle prices have improved in the last two weeks, both cattle producers and cattle feeders have a long way to go and billions of dollars of losses to recoup before they see the red ink disappear from their accountants' records.

As a matter of history, let me briefly mention that during 1977 the International Trade Commission conducted an extensive investigation into some of the questions before the Committee today. My testimony was submitted before that body in Rapid City, South Dakota, on June 14, 1977, and again on September 20, 1977, here in Washington. The report of the International Trade Commission fell substantially short of the expectations of its petitioners and for that reason it is my judgment that the initiative has thus shifted to the Congress to enact legislation that will be meaningful to our own producers while still not turning our backs on the nation's international trade commitments.

Let me say, Mr. Chairman, that I do not view the present problems of ranchers and feeders purely in terms of the effectiveness of the 1964 act. It is my judgment that there are several areas where we can be helpful and still not protectionist in our attitudes. With these thoughts in mind I have prepared draft legislation with my junior colleague from South Dakota, Senator James Abourezk, which we plan to introduce shortly. In essence, it addresses itself to what I feel to be the major problems of meat producers as well as the import question. Senator Abourezk and I have cited our bill as the Beef Act of 1978. Its stated purpose is "to provide for improved controls over the labeling and inspection of meat and meat food products, and to enhance stability in the supply and price of meat and meat food products."

From a legislative standpoint, the bill is drawn so that it may be jointly referred to the Committee on Agriculture, Nutrition and Forestry and the Committee on Finance.

Let me in brief language outline the objectives of the bill which jurisdictionally relate to the Agriculture Committee as well as those which are properly before this Committee:

The early sections of the bill relate to amendment of the Federal Meat Inspection Act with respect to labeling of meat imports to adequately inform consumers of the origin of the product.

Later sections refer to tests and inspection of imported meat products both in the country of origin and in this country, tests and inspection to include internal organs of the animals to insure that tolerances do not exceed levels authorized in this country by law or regulation. On this question, the Secretary is authorized to assess fees to cover these costs.

It includes in the quota prepared or preserved beef and veal commonly known as tinned and cooked meat that is not now included and provides a level of imports in this area.

It includes in the aggregate quantity of articles specific under import quotas live cattle which are coming into this country in increasing numbers and provides levels.

It provides a countercyclical quota formula to include the totality of meat and meat product importations starting with a base period and calculated thereafter by the Secretary.

It reduces the tolerances provided in the 1964 act under voluntary restraint agreements from 110% of the quota to 105% of the formula.

Let me emphasize that because of the complexity of the legislation it is at this moment necessarily in draft form. It will be ready for introduction as soon as economic advisors certify to us the numbers involved as well as the methodology of some of the procedures. I attach it to this statement as a working document and hope that it will be treated as such.

The official formula for computing meat import quotas under the Meat Import Act of 1964 provides for increased or decreased quotas in direct relation to increases or decreases in domestic commercial production of beef, veal, mutton, and goat meat. The effect of this formula is that import quotas increase in periods of high domestic supplies and decrease in periods of low domestic supplies.

Unfortunately, however, it is when domestic supplies are high that cattle prices are lowest and that cattlemen consequently need import protection the most. For example, during the period 1974 to date, domestic slaughter of cattle has been high and cattle prices have been depressed. Much of this increased slaughter has been of nonfed cattle, which compete most directly with the imported beef. But because the quota level increases as domestic production increases, imports have been allowed to accelerate since 1974, further degressing domestic cattle prices. In fact, imports of beef and veal have increased from approximately 1.2 billion pounds in 1974 to 1.5 billion pounds in 1976.

Conversely, when domestic supplies are low and cattle prices are high, the quota formula theoretically provides that imports decrease. In practice, however, the system has not worked that way. For example, in 1972 and 1973, when domestic supplies were relatively low and prices relatively high, the President suspended quotas and encouraged the importation of beef to reduce retail beef prices. In short, as the current quota system works, during periods of high production and low prices (such as that experienced during the recent herd reduction phase of the cattle cycle) imports are allowed to increase, adding to the oversupply situation and further depressing cattle prices. But when domestic production is low and prices are high, the President suspends the quotas and again the cattlemen do not benefit.

To remedy the existing flaw in the act, I propose that the quota be revised to incorporate a countercyclical mechanism. That is, the import quota levels should very inversely either with domestic production or with nonfed domestic production. I believe there is much merit in the recommendation of some,

such as Senator Bartlett, Representative Nolan, and the National Association of American Meat Promoters, that the quota system should restrict imports more severely when the domestic slaughter of nonfed cattle relative to fed cattle is high (such as in the current herd reduction phase) and restrict imports less severely when domestic slaughter of nonfed cattle relative to fed cattle is low (that is, during the herd accumulation phase of the cattle cycle when prices are typically high). The rationale for such a quota formula is that the number of fed cattle slaughtered in relation to the number of nonfed cattle slaughtered is an excellent barometer of the health of our cattle industry. Whenever there is an oversupply of cattle and prices are dropping, fewer cattle are held in feedlots and more grassfed cattle, cull cows and cull bulls are sent to slaughter. When prices finally improve, there is a shift back toward fed cattle slaughter. Not only does this relationship of fed versus nonfed slaughter reflect the health of the industry, it provides a logical basis for controlling the flow of imported beef, which competes more directly with nonfed cattle than with fed cattle. According to the suggested formula, imports would be restricted more severely when U.S. supplies of nonfed relative to fed beef are high and less severely when U.S. supplies of nonfed relative to fed beef are low. This formula would tend to stabilize supplies and consequently prices of nonfed beef.

The benefits of such a countercyclical formula would accrue to both cattlemen and consumers. The intrinsic boom and bust generated by the cattle cycle would be lessened by such a formula. The suggested system would generate more stable revenues for producers and more stable prices for consumers. In fact, contrary to what some cattlemen have speculated, I believe a revision of the existing quota system along these lines could be supported by consumer groups as well as cattlemen.

In addition to changing the existing quota formula, further revisions are needed in the Meat Import Act of 1964. First, the quota restrictions should be extended to all beef and veal products, including cooked, canned, and cured beef and veal. Second, quota restrictions should be established with respect to live cattle, imports of which have doubled during the last two years. Third, the quota restrictions should apply to meats transshipped through "foreign trade zones" such as Mayaquez, Puerto Rico. Fourth, the "trigger level" at which the President may invoke the quota should be reduced from 110% to 105% of the quota level. Finally, the sole authority for negotiating as well as enforcing bilateral restraint agreements should be assigned to the Secretary of Agriculture, who will be more likely to represent the interests of domestic cattlemen than either the Special Trade Representative or the Secretary of State.

Mr. McGOVERN. Mr. President, since the bill does relate to the matter of beef imports, I ask unanimous consent that it be referred jointly to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance.

Mr. BAKER. Mr. President, reserving the right to object, what bill are we talking about?

Mr. McGOVERN. The beef imports bill. That requires reference to both the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Finance.

Mr. BAKER. The bill has been cleared on this side, has it?

Mr. McGOVERN. Yes.

Mr. BAKER. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. ABOUREZK. Mr. President, today Senator McGOVERN and I are introducing The Beef Act of 1978. It is common knowledge that the domestic cattle industry has been in the throes of an extreme economic depression for the last 4 years, with the cow/calf producer especially having suffered crippling losses. Many have been forced into bankruptcy and, unless some effective measures are soon taken to avert further market price deterioration, the failures threaten to reach epidemic proportions. This prospect alarms me greatly, especially since these threatened businessmen represent what is best about this great country of ours. The cattle industry has maintained the most perfectly competitive market structure in operation in our economy today. There are nearly 2 million cattle producers in this country, each of whom makes long-range production decisions on the basis of income returns dictated by the laws of supply and demand. It is this inherent independence of the industry's members which leads to cyclical supply patterns; since each producer responds in harmony to the same favorable conditions, there are often periods when an "overproduction" situation may exist.

For the past 4 years, the cattleman has found himself in just such a predicament. Excess supplies of beef have driven down market prices to the point where the most efficient producer cannot even begin to recover his costs of production. This situation would be complicated enough if its causation was limited to purely domestic factors, but escalating imports of beef and meat products into the United States have served to exacerbate and prolong the low points of the cattle cycle. It has been this increased depth and term of the depressed end of the cycle that has brought so many producers to their knees. That is why one of the objectives of this piece of legislation is to limit the amount of beef imported into this country. One of the conclusions of the recent ITC import relief hearings was that, had imports not been allowed to double as they did between 1964 and 1976, domestic cattlemen would have received an extra $1.8 billion in 1976. While an effective meat import bill would not be a cure-all for the problems that cattlemen are now wrestling with, it would help tremendously to blunt the price-eroding effects of the supply/demand imbalance.

The need for a revised law governing meat imports into this country has never been more pressing. Much has changed since 1964, the year that the present act was passed. I believe that the legislation that Senator McGOVERN and I are introducing here today is the most comprehensive attempt of such a revision yet to be introduced and that, if passed, it would provide significant relief to the hard-pressed industry. In order to avoid needless repetition, I will not go into a detailed description of the bill's various elements.

It calls for incorporating nearly all of the improvements that have been advocated by the proponents of an effective meat import bill, including: The imposition of a countercyclical formula; expanding the coverage of such a formula to include all cooked, canned and cured beef and veal products and also live cattle—the importation of which jumped nearly 300 percent from 1975 to 1977—denying exporters the ability to circumvent the quota coverage by transshipping meat through foreign trade zones; reducing the trigger level from 110 to 105 percent of the adjusted quota level; and requiring more rigorous inspection and labeling procedures for imported beef and meat products. In short, the bill adopts a "total package" approach in an attempt to come to grips with the price depressing effects of skyrocketing meat imports.

Opponents of this legislation will charge that it is protectionist and point to the dangers of retaliatory action by certain trading partners. It is a charge that breaks down under close scrutiny, however. For too long now, the American cattleman has been the "whipping boy" of this free trade rhetoric. The floodgates have been opened on their own domestic markets, while foreign nations have reciprocated by erecting a multitude of trade barriers that deny American beef products access to their markets. It is about time that a little more balance is injected into the free trade debate and that "fair" trade becomes the objective of our policymakers.

Mr. President, the Beef Act of 1978 is the products of many hours of collaboration between our respective offices and the National Association of American Meat Promoters, the national headquarters of which are located in my home State of South Dakota. I know the leaders of this organization to be highly dedicated, hard-working men who are not only concerned with getting the cattleman in this country a fair deal, but who are also possessed with the long-range vision necessary to see that the symbiotic relationship between the cattle producer and the consumer must be treated with respect. I believe that this piece of legislation reflects this awareness and that its adoption would serve to not only bolster the economic viability of the independent American cattleman, but would also assure the American consumer's access to a stable supply of the high quality beef that he has come to expect. Senator McGOVERN and I hope that our colleagues will give it their fullest consideration and support.●

By Mr. DOLE (for himself, Mr. McCLURE, and Mr. GRIFFIN):

S. 2738. A bill to amend the Internal Revenue Code of 1954 to provide for the indexation of certain provisions of the tax laws; to the Committee on Finance.

TAX INDEXATION ACT OF 1978

Mr. DOLE. Mr. President, the American taxpayer is experiencing an eternal nightmare. It is a nightmare for which Congress offers only periodic token relief.

The nightmare is caused by tax inflation—our single biggest tax problem.

TAX INDEXING

Mr. President, I am introducing today with Mr. McCLURE and Mr. GRIFFIN, further legislation to reduce the tax burden of every American caused by inflation. Through tax indexing, we can purge our tax system of the hardships and inequities created by inexorable price increases. The Tax Indexation Act of 1978 provides for adjustments to the tax rate tables, the zero bracketing amount, the personal exemption, the corporate surtax exemption, individual retirement accounts and Keogh contributions, the gift exclusion, the unified estate credit, the general tax credit, the earned income tax credit, tax credit for the elderly, the child care tax credit, the limitations on investment tax credit, the minimum tax threshold, the current exempt amount for the exchange of personal residence by individuals over age 65, and the basis of assets.

The inflation adjustment would be made annually for 5 years at a rate equal to two-thirds of the increase in the consumer price index as compiled by the Bureau of Labor Statistics. The adjustments that I proposed present no insurmountable technical problems. The increases would be automatic. However, subject to a one-House veto by Congress, the President could by Executive order stop the increases.

TAX INFLATION

Mr. President, for the past 3 years, Congress has enacted yearly tax reductions. However, because of tax inflation the taxes of millions of Americans have not decreased at all—they have increased.

The rising rate of inflation continues to haunt our economy. The latest figures indicate that consumer prices are rising at an annual rate of 8.4 percent. The wholesale price index rose 1.1 percent last month. Unfortunately, there is no relief in sight. As prices and income rise, taxes rise as individuals are pushed into higher and higher tax brackets. In fact, during the last 15 years, the number of taxpayers forced into the 30 percent or higher income tax bracket has increased six times.

SEESAW SYNDROME

According to the Joint Committee on Taxation, Americans can look forward to $215.5 billion in new taxes in the next 5 years. The Congressional Budget Office projects that tax inflation will increase Federal revenues by $45 billion in 1983. The administration's tax bill will not reduce the already gargantuan tax bite faced by our citizens. The administration's tax plan is designed to perpetuate the seesaw tax increase/tax cut syndrome. The modest tax cut proposed by the administration—one that will not even offset the increased social security taxes and the inflation induced taxes—is inadequate. Within less than 2 years, even if the proposed tax cuts are approved, a vaste majority of people will be paying more taxes than they are now.

Mr. President, an average four person family earns about $15,000 per year. The income tax on that level of income is nearly $1,400 a year, or roughly a tax rate of 9 percent. Assuming a 7-percent price and wage increase, the family maintains on the surface its economic condition. However, their tax liability increases from $1,400 to $1,600 and the tax rate increases to nearly 11 percent. Under my bill the taxpayer because of the increased levels of the personal exemption tax, the rate schedule, the zero bracket amounts, and the general tax credit would not be subjected to the tax increase.

TAX REVOLT

The American people have been taxed enough. This is evidenced by the current tax revolt movement in California. In that State, angry Americans are seeking to cut property taxes by $7 billion and to, essentially, prohibit any new tax increases from taking place. The proposition, put on the ballot by virtue of over 1 million signatures, has a better than even chance for voter approval this summer.

7-PERCENT DILEMMA

Mr. President, when the tax rate brackets were established in 1964, the inflation rate was only 1 percent a year. In the past 14 years, prices have doubled and since 1970 inflation has averaged nearly 7 percent a year. To fully understand the problem I wish to point out that a 7-percent inflation rate doubles prices every 10 years. Better translated, an individual earning $20,000 today must earn $160.000 30 years from now to have the same amount of real income.

Indexing is sensible. It is equitable. It is needed to end the deception and hardship of tax inflation. I believe the time has come to provide some positive action for the American taxpayer. I am hopeful that the Senate Finance Committee will hold public hearings on indexing and that this concept will replace the wornout policies of the past.

ADDITIONAL COSPONSORS

S. 1815

At the request of Mr. NELSON, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1815, a bill to amend the Small Business Investment Act of 1958, and for other purposes.

S. 1882

At the request of Mr. GLENN, the Senator from New Hampshire (Mr. DURKIN) was added as a cosponsor of S. 1882, a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to authorize the Law Enforcement Assistance Administration to make grants to States for the prevention and detection of certain crimes involving the torching of buildings, and for other purposes.

S. 2157

At the request of Mr. NELSON, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 2157, the Small Business Investment Company Development Act of 1977.

S. 2270

At the request of Mr. CASE, the Senator from Connecticut (Mr. RIBICOFF) was added as a cosponsor of S. 2270, a bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River as a component of the National Wild and Scenic Rivers System, and for other purposes.

S. 2459

At the request of Mr. EAGLETON, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2459, a bill to amend the Internal Revenue Code of 1954 to allow an individual a credit against tax equal to 15 percent of the social security taxes paid by that individual during the taxable year.

S. 2472

At the request of Mr. CASE, the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 2472, a bill to authorize the Secretary of State to implement solar energy and other renewable energy projects in certain buildings owned by the United States in foreign countries.

S. 2487

At the request of Mr. CLARK, the Senator from Texas (Mr. TOWER) and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 2487, a bill to amend the Public Health Service Act to provide for greater emphasis on rural health care needs in health planning.

S. 2583

At the request of Mr. DOLE, the Senator from Nebraska (Mr. CURTIS) was added as a cosponsor of S. 2583, a bill to provide for the temporary transfer of the U.S.S. *Sanctuary*, to Life International, a nonprofit corporation.

S. 2611

At the request of Mr. MOYNIHAN, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 2611, a bill to amend the Wild and Scenic Rivers Act to designate a segment of the Delaware River between the State of New York and the Commonwealth of Pennsylavnia as a component of the National Wild and Scenic Rivers System, and for other purposes.

S. 2690

At the request of Mr. TALMADGE, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 2690, a bill to provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans, and for other purposes.

S. 2705

At the request of Mr. HATCH, the Senator from Nevada (Mr. CANNON) and the Senators from Idaho (Mr. CHURCH and Mr. McCLURE) were added as cosponsors of S. 2705, the National Historic Trails Act of 1978.

SENATE JOINT RESOLUTION 101

At the request of Mr. SARBANES, he was added as a cosponsor of Senate Joint Resolution 101 providing for National Fallen Heroes Memorial Sunday.

SENATE JOINT RESOLUTION 111

At the request of Mr. GLENN, the Senator from Connecticut (Mr. RIBICOFF),

the Senator from New Hampshire (Mr. DURKIN), and the Senators from Hawaii (Mr. INOUYE and Mr. MATSUNAGA) were added as cosponsors of Senate Joint Resolution 11, to authorize participation by the United States in parliamentary conferences with Japan.

SENATE CONCURRENT RESOLUTION 62

At the request of Mr. MCGOVERN, the Senator from Colorado (Mr. HART) was added as a cosponsor of Senate Joint Resolution 62, a resolution requesting the United Nations to convene a World Alternate Energy Conference and establish an International Alternate Energy Commission.

SENATE RESOLUTION 414 — SUBMISSION OF A RESOLUTION RELATING TO A SOLAR ENERGY FEASIBILITY STUDY OF THE DIRKSEN OFFICE BUILDING EXTENSION

Mr. PERCY (for himself, Mr. HART, Mr. MCGOVERN, Mr. HEINZ, Mr. WILLIAMS, Mr. FORD, Mr. ABOUREZK, Mr. LUGAR, Mr. RIEGLE, Mr. GRAVEL, Mr. MARK O. HATFIELD, Mr. CLARK, Mr. MOYNIHAN, Mr. SARBANES, Mr. BROOKE, Mr. LEAHY, Mr. DOMENICI, Mrs. HUMPHREY, and Mr. DURKIN) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 414

Whereas the Senate finds that in the construction or renovation of buildings, the cost of energy consumed over the life of such buildings must be considered as well as the initial cost of such construction or renovation; and

Whereas the Senate deems it of benefit to the Nation to promote the use of solar energy; and

Whereas the Senate finds that using solar energy in buildings occupied by its Members or staff may further these objectives: Now therefore, be it

Resolved, That (a) not later than six months after the date of the adoption of this resolution, the Architect of the Capitol (hereinafter referred to as the "Architect") shall

(1) study the feasibility of using solar energy in connection with the hot water system of the Dirksen Office Building extension to be known upon completion as the Philip A. Hart Office Building; and

(2) prepare and transmit a report to the Senate.

(b) In conducting the study required by subsection (a)(1), the Architect shall consider and make findings with respect to—

(1) the costs, structural requirements and time requirements of installing solar energy equipment; and

(2) cost comparisons between solar and conventional energy systems over the life expectancy of the systems and at least three projected lifetimes of the building: 30 years, 50 years, and 70 years. Such comparisons shall consider—

(A) the costs of operation and maintenance;

(B) current and projected interest rates;

(C) various fuel escalation rates up to 20 percent per year; and

(D) any other factors the Architect considers relevant to such installation or operation.

Sec. 2. The Architect is authorized to enter into such contracts as may be necessary to carry out the study required by this resolution.

Sec. 3. Expenses incurred under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers signed by the Architect and approved by the Chairman of the Senate Office Building Commission.

Mr. PERCY. Mr. President, as part of the Solar Coalition's package of legislation, Senator HART and I and others are today submitting a resolution instructing the Architect of the Capitol to study the feasibility of installing a solar energy hot water heating system in the new Philip A. Hart Office Building. We are very grateful to be joined in this effort by our colleagues, Senators MCGOVERN, HEINZ, WILLIAMS, FORD, ABOUREZK, RIEGLE, GRAVEL, MARK O. HATFIELD, CLARK, MOYNIHAN, SARBANES, LUGAR, and BROOKE.

The installation of a solar system would visibly and forcefully demonstrate the Senate's commitment to solar energy. It would certainly save energy. And it might, over the lifetime of the building, save money. A feasibility study, in addition to designing the system, would determine whether solar energy is an economical alternative for the Hart Office Building. It would then be up to the Senate Office Building Commission and the Committee on Rules and Administration to weigh in the unquantifiable reasons for installing a solar system.

Senator HART and I have written a letter on this subject to our distinguished colleague, Senator SPARKMAN, chairman of the Senate Office Building Commission. Our 13 colleagues who cosponsored the resolution have also joined us in signing this letter. It describes in some detail the value of a solar energy system on a Senate office building to the Senate and to the solar energy industry. The letter further suggests issues that should be addressed in the feasibility study to make it as helpful as possible to the Senate Office Building Commission in its eventual decision on the installation of solar collectors.

Mr. President, I look forward to the time when my receptionist can answer visiting constituents' questions about solar energy with directions to the best place to view the roof of the Hart Office Building. A feasibility study is a first and inexpensive step in that direction. I urge my colleagues to vote in favor of this resolution requesting such a study.

Mr. President, I ask unanimous consent that the text of our letter to Senator SPARKMAN be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 6, 1978.

Hon. JOHN SPARKMAN,
Chairman, Senate Office Building Commission, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR SPARKMAN: The Senate's commitment to solar energy is well established in existing legislation. The Senate now has the opportunity to express its commitment by installing solar collectors on the new Philip Hart Senate Office Building. Solar panels can be used to assist the building's hot water heating system. We urge the Senate Office Building Commission to request a detailed study to determine whether the installation of a solar system would save money as well as energy. The study would be a very inexpensive way to find out whether, over the long run, the hot water heating costs of this building can be decreased.

Along with the economic and technical factors that would be addressed in a feasibility study, we urge the Senate Office Building Commission to consider the demonstration value of this project and its assistance to the fledgling solar energy industry. There are few better places in the country to demonstrate a solar energy system than on the roof of a Senate Office Building. Hundreds of thousands of visitors each year would see this practical application of solar energy. Press coverage would expose it to millions more. Such a demonstration would underscore the Senate's commitment to the conservation of scarce energy resources and the utilization of renewable ones. It would testify convincingly that the Senate keeps its own house in the order it legislates for the rest of the country.

The Architect of the Capitol is already in the process of studying the feasibility of installing solar collectors on the House Office Building Annex No. 2. The need for the Senate to demonstrate the same technology is, therefore, somewhat lessened. However, thousands more visitors are likely to see the Hart Office Building each year than House Office Building Annex No. 2, which is a shuttle-bus ride from the Capitol and has no offices of Members. Senators could much more easily demonstrate a working solar energy system by sending their visiting constituents upstairs than by trying to direct them to House Office Building Annex No. 2.

The strongest argument for installing a solar system on the Hart Office Building, however, may be economic. Clearly, the addition of solar collectors to the Hart Office Building would be appropriate if this alternative is more economical than traditional energy sources. Thus our request that the Senate Office Building Commission direct the Architect to conduct a detailed feasibility study.

The Senate, House of Representatives, and now the conferees on the conservation provisions of the National Energy Act have adopted a measure sponsored by Senators Hart and Matsunaga requiring all federal buildings to achieve maximum energy and cost efficiency by 1990. With the passage of this legislation, all federal agencies will be required to make design, construction, equipment, building modification, and operating procedure decisions on the basis of life-cycle costs. Life-cycle costs take into account all the factors that make up the capital and maintenance cost of a building over its economic lifetime.

In accord with these principles, we would recommend a study to compare the costs of a solar assisted hot water system to a purely conventional system over the lifetime of the Hart Office Building. Among the factors that need to be considered are escalating fuel rates. Federal and private designers now calculate a fuel rate escalation of between 10% and 20% per year. Whether a solar system is economical over the life-cycle of a building depends to a large extent on the length of time assumed for that cycle. George White, the Architect of the Capitol makes the point that Capitol Hill buildings are designed and constructed to last considerably longer than commercial office buildings. Therefore we suggest that life-cycles of 30, 50 and 70 years, at least, be studied.

Fuel prices and life-cycles are two variables among many. In order to give the Senate a clear choice, we would expect this study to present several scenarios, each based on different sets of assumptions. From these

scenarios, the Senate can see the conditions under which solar hot water heating makes economic sense.

It is important that this study be done by qualified analysts. Consultants with little hands-on experience in solar collector installation may not know the most efficient methods, and so may plan a needlessly costly system. The decision to install solar collectors will, in many ways, be an investment decision. Proper assessment of life-cycle data requires expertise in economic, as well as engineering, analysis. Should your commission authorize a feasibility study, we hope you take care to see that it is done by qualified consultants.

The Architect has already received a very preliminary estimate of the cost of installing solar collectors on the Hart Office Building. The estimated cost was $75 per square foot of solar panels installed and operating. Other solar hot water projects in the D.C. area have already been bid and constructed at one-half to one-third that price. In developing figures for actual construction budgeting, we hope that a feasibility study can either explain or discredit these discrepancies.

No study can answer aesthetic questions. The preliminary estimate assumed that only 10,000 sq. ft. of solar collectors can be installed on the roof of the Hart Office Building. The report to the Architect states: "In calculating the 10,000 sq. ft., we have assumed setting the panels back from the roof parapet to allow a clear line of sight of 30 degrees, to maintain a reasonable amount of screening of the collector panels from pedestrian view." Whether collector panels should be screened from view is a matter of taste. If collectors are designed carefully and proportionately, they can be visible and attractive elements consistent with the rest of the building. The amount of solar panels should not automatically be limited by an aesthetic judgment to shield them from sight. In any case, a final judgment should be made by the Senate Office Building Commission and the Committee on Rules and Administration. We feel that, if a solar system can be made much more economical by adding more square footage and exposing the system to pedestrian view, that possibility should at least be considered.

Attached to this letter is a Senate resolution requesting the feasibility study. We very much hope that the resolution will have your full cooperation and support. If there is a way to authorize the study without a resolution, we hope you will proceed immediately.

The Senate has an opportunity to display its commitment to the use of renewable resources. A comprehensive feasibility study will give the Senate Office Building Commission the information it needs to determine whether to take that opportunity. We urge you and your commission to authorize the Architect to prepare that study.

Sincerely,

CHARLES H. PERCY,
GARY HART,
U.S. Senators.

SENATE RESOLUTION 415—ORIGINAL RESOLUTION REPORTED TO WAIVE SECTION OF THE BUDGET ACT

Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 415

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of that Act are waived with respect to the consideration of H.R. 6782, a bill to permit marketing orders to include provisions concerning marketing promotion, including paid advertisement, of raisins and distribution among handlers of the pro rata costs of such promotion. As reported by the Committee on Agriculture, Nutrition, and Forestry, H.R. 6782 would also provide emergency assistance to producers of wheat, feed grains, upland cotton, and soybeans.

Such waiver is necessary to permit consideration of statutory authority to increase the borrowing authority of the Commodity Credit Corporation from $14.5 billion to $25 billion. Section 3 of H.R. 6782, as reported by the Committee, states that the increase in the borrowing authority of the Commodity Credit Corporation will be effective only to the extent provided in appropriation Acts. Section 3, therefore, is an authorization of new budget authority, which was not reported by May 15, 1977, and requires adoption of a waiver resolution pursuant to section 402(c) of the Congressional Budget Act before it may be considered by the Senate.

The need for increased borrowing authority is an emergency response to a deteriorating situation with respect to American agriculture. This need for increased support could not have been foreseen prior to May 15, 1977.

SENATE CONCURRENT RESOLUTION 71—CONCURRENT RESOLUTION URGING THE UNITED NATIONS TO CONVENE A WORLD ALTERNATE ENERGY CONFERENCE

Mr. McGOVERN submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 71

Resolved by the Senate (the House of Representatives concurring),

Expressing the sense of the Congress that the United Nations should convene a World Alternate Energy Conference having as its major purpose the establishment of an International Alternate Energy Commission to facilitate the transfer among countries of information relating to alternate energy sources and to otherwise encourage the use of alternate energy sources.

Whereas increased dependence on fossil fuels, particularly oil and natural gas, when existing supplies are rapidly being depleted, is costly to developed and developing countries both environmentally and economically;

Whereas the uncontrolled spread of nuclear power carries environmental risks due to waste pollution and the possibilities of accidents, or material diversion;

Whereas encouraging the use of alternate, nonconventional, or renewable sources of energy, including solar energy, wind, biomass waste materials, and alcohol fuels, can alleviate some of the pressure placed on all countries to satisfy rising energy demands;

Whereas no international agency presently exists which assists countries to exchange information and technical assistance concerning energy-related problems, which disseminates information relating to alternate energy sources, or which promotes the use of alternate energy sources; and

Whereas such an agency could markedly assist developing countries to close their energy gap and increase their standard of living: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the United States should encourage the United Nations to hold a World Alternate Energy Conference in 1980 to consider ways to meet the world's energy needs through the development and use of alternate energy sources. The goal of the Conference should be the establishment, under the auspices of the United Nations, of an International Alternate Energy Commission, comparable to the International Atomic Energy Agency, which would encourage the worldwide use of alternate energy sources by assisting in the dissemination of information and by other appropriate means.

● Mr. McGOVERN. Mr. President, today I am resubmitting Senate Concurrent Resolution 62, a resolution requesting the United Nations to convene a world alternate energy conference and establish an International Alternate Energy Commission. This resolution is now to be a part of the Solar Energy Coalition energy package. As a coalition member, I am concerned that our existing commitment to solar energy, although well intentioned, will not meet our objectives. I believe additional legislation has become necessary to meet our solar energy needs. While the package of legislative initiatives introduced by the coalition today will not be sufficient to resolve all of our needs and problems in the development of renewable resources, it is an essential and significant effort to meet some of our initial objectives.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF ENERGY AUTHORIZATIONS—S. 2692

AMENDMENT NO. 1718

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. BROOKE (for himself, Mr. DURKIN, and Mr. BAYH) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2692) to authorize appropriations to the Department of Energy in accordance with section 660 of the Department of Energy Organization Act, and for other purposes.

AMENDMENT NO. 1726

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. DURKIN (for himself, Mr. MCINTYRE, Mr. DOMENICI, and Mr. HART) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2692), supra.

PHOTOVOLTAICS

Mr. DURKIN. Mr. President, photovoltaics, or solar cells, are a technology which complements solar heating and cooling devices to provide a decentralized source of electricity. Yet, according to a recent article in Science magazine, "We probably know only slightly more about generating energy from photovoltaic devices than James Watt knew about producing mechanical energy from steam." That is why I am today submitting an amendment to S. 2692, the Department of Energy civilian authorization bill, to provide $55.4 million for photovoltaics research, development, and demonstration.

Photovoltaic cells are devices which turn the Sun's energy directly into electricity. Relying on semiconductors,

chiefly silicon, these wafer-thin crystals have achieved efficiencies of 5.5 percent and could reach 50 percent efficiency. Even in their present primitive state, about 750 kilowatts of solar cells were sold in 1977, double the market for 1976.

The present Department of Energy (DOE) effort is deficient in several respects. Development of solar-grade silicon is proceeding too slowly. Techniques for reducing costs to turn silicon into appropriate crystals for solar cells are not fully developed. Detailed design and prototyping for automated cell production should be stepped up. Usable solar systems must be developed which can be sold off the shelf for manufacturing and residential uses. Finally, demonstrations of the available technologies must be encouraged. This amendment would take up the slack in all of these areas.

Photovoltaic technology already has undergone several revolutions, and costs have dropped dramatically since solar cells were developed for the space program. At the same time, additional cost reductions by factors of 100 or more can still be achieved. This amendment will help speed up this process and make economic photovoltaic electricity available at the earliest possible date.

I ask unanimous consent that this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1726

On page 2, line 10, strike "$274,800,000" and insert in lieu thereof "$330,200,000".

AMENDMENT NO. 1727

(Ordered to be printed and referred to the Committee on Energy and Natural Resources.)

Mr. DURKIN (for himself, Mr. MCINTYRE, and Mr. BROOKE) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 2692), supra.

PASSIVE SOLAR DEVICES

Mr. DURKIN. Mr. President, passive solar energy is one of the most neglected, yet one of the most promising, sources of solar energy known. Passive solar devices include any measure which does not rely on moving parts and which has the effect of reducing the need for nonrenewable resources. Testimony by Department of Energy (DOE) officials in hearings before the Energy and Natural Resources Committee just last week revealed that according to their best information, passive systems can provide a contribution to the heating requirements of a building equal to that provided by active solar systems, such as solar collectors, but at a lower cost.

Despite this tremendous potential, the DOE passive solar development effort has been miniscule. Of over 5,000 residential solar heating and cooling demonstration units, only 49—less than 1 percent—have involved passive systems. No wonder there is no reliable information on just which techniques are best and at what cost they can be developed.

That is why I am today submitting an amendment to S. 2692, the civilian DOE authorization bill, to start a new Federal passive solar research, development, and demonstration program. The amendment would authorize $12 million to make sure that needed research into direct gain systems, thermal storage walls and roofs, connective loops, and sun spaces is accelerated and necessary demonstrations begun. This program will assure that a high-priority effort will begin which will at last produce results.

I ask unanimous consent that this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1727

On page 6, line 3, strike "$64,381,000" and insert in lieu thereof "$76,381,000".

IMMIGRATION AND NATIONALITY ACT AMENDMENTS—S. 2252

AMENDMENT NO. 1719

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (S. 2252) to amend the Immigration and Nationality Act, and for other purposes.

LABOR LAW REFORM ACT OF 1978—S. 2467

AMENDMENTS NOS. 1720 THROUGH 1725

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted six amendments intended to be proposed by him to the bill (S. 2467) to amend the National Labor Relations Act to strengthen the remedies and expedite the procedures under such act.

PANAMA CANAL TREATIES, EX. N, 95–1

AMENDMENT NO. 75

(Ordered to be printed and to lie on the table.)

Mr. WALLOP submitted an amendment intended to be proposed by him to the resolution of ratification to the treaty concerning the permanent neutrality and operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 76

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI (for himself, Mr. NUNN, Mr. TALMADGE, Mr. LONG, and Mr. RANDOLPH) submitted an amendment intended to be proposed by them, jointly, to the resolution of ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal, Ex. N, 95–1.

Mr. DECONCINI. Mr. President, I submit an amendment for myself and others to the resolution of ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 76

Strike out the period at the end of the resolution of ratification and insert in lieu thereof a comma and the following:

"subject to the condition, to be included in the instrument of ratification of the Treaty to be exchanged with the Republic of Panama, that *in accordance with Article IV and* notwithstanding *any other* provision *of this Treaty*, if the Canal is closed, or its operations are interfered with, the United States of America *and the Republic of Panama each* shall have the right to take such steps as it deems necessary, including the use of military force *in accordance with its constitutional processes*, to reopen the Canal or restore the operations of the Canal, as the case may be."

AMENDMENT NO. 77

(Ordered to be printed.)

Mr. ALLEN (for himself, Mr. NUNN, Mr. HARRY F. BYRD, JR., Mr. DOLE, Mr. HELMS, Mr. LAXALT, Mr. HATCH, and Mr. THURMOND) proposed an amendment to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENTS NOS. 78 AND 79

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted two amendments intended to be proposed by him to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 80

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted an amendment intended to be proposed by him to the resolution of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 81

(Ordered to be printed and to lie on the table.)

Mr. SCHMITT submitted an amendment intended to be proposed by him to amendment No. 71 intended to be proposed to the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, Ex. N, 95–1.

AMENDMENT NO. 82

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the Panama Canal Treaty, Ex. N, 95–1.

AMENDMENT NO. 83

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI (for himself and Mr. FORD) submitted an amendment intended to be proposed to the resolution of ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal, Ex. N, 95–1.

Mr. DECONCINI. Mr. President, I submit, for myself and Senator FORD, an amendment to the resolution of ratification of the Panama Canal Treaty.

I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 83

Strike out the period at the end of the resolution of ratification and insert in lieu thereof a comma and the following: "subject to the condition, to be included in the instrument of ratification of the Treaty to be exchanged with the Republic of Panama, that notwithstanding the provisions of Article V or any other provision of the Treaty, if the Canal is closed, or its operations are interfered with, the United States of America shall have the right to take such steps as it deems necessary, including the use of military force in Panama, to reopen the Canal or restore the operations of the Canal, as the case may be."

RESERVATIONS SUBMITTED FOR PRINTING

RESERVATION NO. 7

(Ordered to be printed and to lie on the table.)

Mr. RANDOLPH (for himself, Mr. CRANSTON, Mr. ROBERT C. BYRD, and Mr. TALMADGE) submitted a reservation intended to be proposed by them, jointly, to the resolution of ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal, Ex. N, 95–1.

UNDERSTANDINGS SUBMITTED FOR PRINTING

UNDERSTANDING NO. 11

(Ordered to be printed and to lie on the table.)

Mr. HAYAKAWA submitted an understanding intended to be proposed by him to the resolution of ratification of the treaty concerning the permanent neutrality and operation of the Panama Canal, Ex. N, 95–1.

UNDERSTANDING NO. 12

(Ordered to be printed and to lie on the table.)

Mr. DANFORTH submitted an understanding intended to be proposed by him to the resolution of ratification of the Panama Canal Treaty, Ex. N, 95–1.

ADDITIONAL COSPONSORS—EX. N, 95–1

AMENDMENT NO. 21

At the request of Mr. BAKER, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of amendment No. 21 intended to be proposed to the treaty concerning the permanent neutrality and operation of the Panama Canal.

NOTICES OF HEARINGS

OVERSIGHT HEARINGS BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, on Thursday, March 16, the Committee on Banking, Housing, and Urban Affairs will hold an oversight hearing to receive a report from the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Reserve Board. The report will present the results of a special survey of banking practices undertaken at the request of the Banking Committee following the revelations of the Comptroller's investigation into the banking activities of T. Bertram Lance, then Director of the Office of Management and Budget.

The special survey covered four types of banking practices: Bank stock loans, loans to executive officers, major shareholders and directors and their business interests of other banks, loans to executive officers, major shareholders and directors and their business interests of the reporting bank, and overdrafts. Each of the agencies has been asked to give their own analysis of the survey results and any recommendations they may have for additional regulations or legislation.

The witnesses will be: The Honorable George LeMaistre, Chairman of the Federal Deposit Insurance Corporation, the Honorable John Heimann, Comptroller of the Currency, and the Honorable J. Charles Partee, member of the Board of Governors of the Federal Reserve System. Anyone having questions about the hearings should contact Steven M. Roberts of the Committee staff at (202) 224–0893.

COMMITTEE ON VETERANS' AFFAIRS

● Mr. CRANSTON. Mr. President, I wish to announce for the information of the Senate and the public, that on March 16, beginning at 8 a.m. in room 357 of the Russell Senate Office Building, the Committee on Veterans' Affairs will conduct a hearing on S. 2398, which would extend until September 30, 1980, the period of eligibility for Vietnam-era veterans' readjustment appointments within the Federal Government; and H.R. 5029, which would extend for 1 year, until September 30, 1979, the VA's authorities to enter into contracts with the Republic of the Philippines to provide hospital care and medical services to certain Commonwealth Army veterans and new Philippine Scouts, and to maintain an office in the Republic of the Philippines. At that time, the committee will also examine the issues raised concerning VA programs in the Philippines in two recent General Accounting Office reports—"Potential for Reducing U.S. Financial Support and End VA Involvement in Medical Programs for Filipino Veterans" (HRD–77–95, May 20, 1977) and "Veterans' Administration Benefits Programs in the Philippines Need Reassessment" (HRD–78–26, January 18, 1978). Persons wishing to testify should contact Mary Sears of the committee staff at 224–9126.●

S. 571—HUD ATTORNEY'S FEES

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution of the Committee on the Judiciary will hold 1 day of hearings, March 15, 1978, on S. 571—to amend title VIII of the act commonly called the Civil Rights Act of 1968 with respect to the awarding of attorney's fees and the authority of the Department of Housing and Urban Development to initiate a civil action to enforce the provisions of such title. The hearings will commence at 9 a.m. on March 15, 1978, in room 1224, Dirksen Senate Office Building.

Anyone wishing to submit testimony for the hearing record should send his or her statement to or contact Ben Dixon, 102–B, Russell Senate Office Building, Washington, D.C. 20510.●

HEARINGS ON S. 35

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution has scheduled an additional day of hearings on S. 35, proposing legislation to amend section 1979 of the Revised Statutes, for Wednesday, March 22, 1978, beginning at 9 a.m. in room 5110, Dirksen Senate Office Building.

Any persons wishing to submit written statements for the hearing record should send them to the Subcommittee on the Constitution, suite 102–B, Russell Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

S. 1883, THE LABOR REFORM BILL

● Mr. THURMOND. Mr. President, I have spoken on several occasions in opposition to S. 1883, the so-called labor reform bill which was reported as an original bill, S. 2467, by the Human Resources Committee and is presently pending before the Senate.

Recently, I received a letter from Mr. Lovic A. Brooks, Jr., an eminent attorney, that correctly assesses this bill as a device to remove the right of free choice from the American worker and fatten the pockets of big union bosses through increased enrollments.

A desire to insure that a person receives just compensation and benefits for his labor is commendable and I support that desire without reservation. This bill, however, is centrally aimed not at making better the plight of American labor but in giving unfair advantages to unions in their organizational activities and undue punishments to employers who do not cradle under and go along with this unfairness.

Mr. President, we live in a great country with a democratic form of Government that has never failed us. One of the motivating factors of our Revolution and the formation of this country was the desire to choose our own destinies. A similar desire exists today in the ranks of our labor force. This bill, with its implications of compulsory unionism, could endanger the right-to-work laws that presently exist in many States. Are we then to deny to the American worker his right to evaluate and decide for himself whether he wishes to become a union member? To do so would be contrary to this country's tradition of basic fairness not just in governmental affairs but in every facet of American life. I submit that this right should not be denied and that this bill, which is detrimental to the very precepts of this country, must be defeated if fairness and free choice are to remain in our labor-management relations.

Mr. President, in order to give my colleagues the benefit of the thoughts which Mr. Brooks expressed and review his attachments I ask unanimous consent that these documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONSTANGY, BROOKS & SMITH,
Atlanta, Ga., Jan. 30, 1978.

Senator STROM THURMOND,
Senate Office Building,
Washington, D.C.

DEAR SENATOR THURMOND: We have been friends and have known each other for a great number of years. I have admired and respected your success and the way in which you have represented the best interests of South Carolina. I guess for this reason and also from the standpoint that I hesitate to impose on friendships that I have, as you know, never written you concerning a Bill in the Senate.

I do so now because Senate Bill 1883, in my judgment, will do more to hurt South Carolina and particularly its citizens in the continued economic advancement of South Carolina than any former Bill with which I have been familiar.

Much has been said and many emotions have been expressed. I want to assure you that this letter is not an emotional expression on my part. Neither is this just another instance of a difference between management and labor on an issue. It certainly does not represent a selfish expression for me because, if this Bill passes, the demand for labor law services, of which we will no doubt get our share, will double in the next two to three years.

The Bill, in my opinion, is a very carefully constructed Bill, designed to stop the erosion of union membership nationally and to substantially increase the membership rolls of organized labor. If I thought such an erosion of and advancement in membership would occur as a result of free choice of employees, I would not be concerned.

It is the expression of that very free choice, and not the unfair labor practices of the few as some would have you believe, that has resulted in the vast majority (about 80%) of the entire American work force remaining non-union. It is the expression of that free choice that has not resulted in the increase in union membership in this country. While on its face it may not so appear, there is no question in my mind that the resulting impact of this legislation will be a major step toward compulsory unionism and the deprivation of free choice in the work place of America. Congress can deprive the American employees of free choice by legislating that it will be done, but at the same time they can just as effectively deprive that free choice by legislation that creates an atmosphere in which the exchange of opinions and information upon which free choice can be made will not occur. Such is the effect of House Bill 8410 and Senate Bill 1883.

The big thrust of this legislation for adding restrictions and penalties is because of the so-called repeat violators, the publicity on whom this Act has been largely politically transported. All experience indicates that there will always be those who will simply not abide by the law regardless of the penalty. Incidentally, I submit that in the labor management arena there are far more unions that fit this description than there are companies. NLRB statistics amply support this conclusion. Indeed, capital punishment itself is not going to result in 100% compliance with the law by the few who simply will not comply.

The biggest effect of this legislation, and organized labor is well aware of this fact, is going to be on the law abiding smaller businesses of America. I say "biggest" because there are or at least have been so many of them. If the Senate and House in Washington are really interested in reform that is going to benefit America, they need to take a careful look at what is beginning to be a vanishing breed in our country. It is a breed that has formed the backbone of this country—small business. I am greatly alarmed by the growing number of small companies whom we represent, who find themselves rocking and reeling under the ever increasing burden of more government regulations and more government controls and who increasingly find themselves completely unable to cope with the increasing burden. They do not have the staff, the financial ability and simply the stomach to even determine to the fullest extent what the regulations and conrols mean, much less comply with them. Now, Congress would add another.

We are changing the NLRB from a remedial to a punitive agency and somehow or other these small business people will be convinced, if they exercise what has in the past been their prerogative of legally resisting the unionization of their employees by informing the employees of their views and of the facts concerning organized labor, that they may be subjected, although falsely, to the punitive measures with which they will be threatened by this new law. They will simply go along unresistingly because to do otherwise would be at a potential cost they could not afford. Companies, however, will not be the ultimate victim. The denial of free choice to employees, because they are uninformed or even stampeded into unionization is the real consequence of the so-called Labor Reform Bill. While there are many groups that speak for many interests, I somehow feel that these smaller businesses who not only portray the finest image of America, and indeed proof of the American dream, are more and more the ones who are getting it in the neck.

Moreover, I am not unmindful of the increasing and more recent opportunities for black America, and other minorities, to reap the benefit of our system. This same denial of free choice will do much, in my judgment, to undo advancements and to impede progress for these groups. I am surprised that we have not heard more from these groups. But perhaps they, as many others, simply do not realize the potential impact of this piece of legislation on them.

Senator Thurmond, I am opposed to compulsory unionism. I am in favor of free choice! I am opposed to that free choice, whether it be in whom will represent us politically or in the work place, being further impeded or denied.

I have spent the last 20 years in the labor management scene. For three years I was Chairman of the Sub-Committee of the Labor Law Section of the American Bar Association charged with the official liaison with the NLRB. This Committee is composed of responsible management and union attorneys from throughout the United States. Over the years, we have worked very carefully, deliberately and successfully with the NLRB in the procedural aspects of the development of that agency in the implementation of the National Labor Relations Act. From this vantage point and others, I have seen the law and I have perceived the effects of that law on the work place of America. It is also from these vantage points that I am convinced that the effects of this legislation will be as I have indicated. If organized labor's contribution to the political coffers and to the political muscle of our system deserves a reward or a pay-off, I hope it is not at the expense of the ultimate denial of free choice for the American employees.

I am informed that there has been distributed in Washington a "Summary of HR 8410". I am told that it purports to be an unbiased, unemotional, but objective analysis of that Bill upon which House members and Senators can rely. I have analyzed this "Summary" and am attaching a copy of each to this letter. It is long—much longer than I would have liked it to be—but it is accurate and as concise as I can make it and still cover the subject. If you will examine it, or have some of your people do so, I would be happy to further discuss any item or point with you or them.

I apologize for the length of this letter and for the length of the attachment, but I am most concerned as both indicate.

With warmest personal regards and continued best wishes.

Yours very truly,

LOVIC A. BROOKS, Jr.

SUMMARY OF H.R. 8410

HR 8410, the Labor Reform Act of 1977, passed the U.S. House of Representatives amended October 6, 1977, by a recorded vote of 257–163 after two days of debate. The bill capped a 17 year effort by the Committee on Education and Labor to amend the National Labor Relations Act of 1935. During this period, over 70 days of hearings were held in an effort to reach a decision on what changes should be made in the NLRA to expedite National Labor Relations Board procedures.

I think you will agree that in a free country, every American should have the right to choose freely whether or not they wish to belong to a union. If they choose not to join, the Federal Government protects that right under section 14 (b) of the Taft-Hartley Act which is known as the "Right to Work" law. HR 8410 does not alter whatsoever that right to choose. If, however, workers choose to join a union, the Federal Government, under this bill, will afford them protection of that right.

Simply put, this bill affirms existing labor laws. In addition, it seeks to streamline the procedures for bringing cases before the NLRB and to impose penalties on those who violate the law. No section of the bill extends new rights or powers to labor or business. It only seeks to improve existing NLRB procedures.

As amended and passed by the House, HR 8410 contains the following provisions:

(1) Expands the NLRB from five to seven members and maintains the traditional political make-up of the Board: i.e. no more than four members of the Board can claim affiliation with one political party. Such appointments must be confirmed by the Senate.

(2) Sets time limits for representational elections at 25 days when a majority of the employees petition for an election, 50 days when thirty to fifty percent of the employees petition, and 75 days in cases determined to be complicated or novel. These time periods would begin only after the NLRB had settled any questions regarding make-up of the bargaining unit and only after the NLRB had notified the employer that an election would be held. These same rules will also apply to decertification or deauthorization elections.

(3) Provides for Congressional review and veto of rules or regulations issued by the NLRB.

(4) Provides that employers can appeal NLRB decisions to the Court of Appeals in which the employer resides or maintains principal offices.

(5) provides the NLRB with power to seek court injunctions to stop "stranger picketing" or wildcat strikes not authorized by a union or union members.

(6) Provides that employees discharged for protected activities during an organizational campaign or prior to a first collective bargaining contract must be reimbursed at double their wage rate less any interim earnings. Such double backpay will be shared by the employer and the union.

(7) Provides that a three member panel of the NLRB can summarily affirm administrative law judge decisions, that a motion for a summary affirmance be filed within 10 days of a decision by the administrative law judge, and that any response to the motion be filed within 20 days.

(8) Provides that the NLRB develop reasonable rules consistent with mintenance of production to insure that workers have a fair chance to hear both union and management views in all labor relations elections.

(9) Provides that when a company illegally discharges an employee for protected activities during an organizing campaign or before the signing of a first collective bargaining agreement, the NLRB must seek reinstatement of that employe through a court injunction.

(10) Provides that when a party is found guilty of refusing to bargain in good faith for a first collective bargaining agreement, the NLRB may award damages to the employees upon an objective statistical measure of wage gains under collective bargaining agreements in similar industries.

(11) Provides that any party seeking review of NLRB final orders by the courts must file in court within 30 days of the Board order.

(12) Employers found guilty of willfully violating a final order of the Board after all appeals have exhausted may be barred from receiving federal procurement contracts. The Secretary of Labor is given the authority to remove, reduce, or restrict debarment to the particular facility where the violation occurrs or to the entity legally responsible for the violation. The Secretary of Labor may also remove or waive the debarment in cases where he determines the national interest requires it or the firm is the sole source material or service.

(13) Provides that security guards may be represented by any local union except for unions representing other employees at the same facility or a local that is affiliated with a national or international union which represents other employees of the same employer at the same location.

MEMORANDUM

Proponents of the bills to "reform" the nation's labor laws have invariably minimized the importance of the legislation by pointing out that it does not contain a provision repealing "right-to-work laws" that are authorized by Section 14(b) of the National Labor Relations Act. The enclosed "Summary of HR 8410" is no exception. Without in any way minimizing the importance of Section 14(b), the present Bill as passed would, in our opinion, have even more disastrous results than would the outright repeal of Section 14(b). This is the unspoken view of union officials and organizers whose membership rolls have been declining, and who would relish the advantages offered by so-called "reform".

One statement of the attachment reads "Simply put, this bill reaffirms existing labor laws." This is not true. The Bill makes dramatic changes not only in the legal provisions of the National Labor Relations Act, but in its fundamental concepts. Capitalizing on the less than popular image of most governmental bureaucracies, organized labor also gained support by claiming that the Bill attempts to "streamline" National Labor Relations Board procedures. In fact, it only attempts to "streamline" those procedures that would be beneficial in assisting unions, especially during organizing campaigns.

The National Labor Relations Act, as it is presently construed, is founded on the protection of the right of employees to exercise or not to exercise their rights to join or form a labor union. The NLRB has proven itself to be one of the most efficient administrative agencies of all those in Washington. On its own, it has kept its cases current and delays minimized, but it has done so in keeping with the fundamental objective of protecting employee rights of free choice.

With regard to NLRB efficiency, it is a fact that of 9,112 representation elections held by the NLRB in 1975, 7,466 (82%) were held within 45 days from the filing of the election petition. Of the remaining cases that were contested, 1599 resulted in elections being held in a median time of 75 days from filing of the petition. Only 47 cases involving new and complex issues exceeded the median time of 75 days. To further demonstrate this point, 95% of all the unfair labor practice charges filed with the NLRB Regional Offices were settled by the Regional Office at the regional level within a median time of 55 days from the filing of the charge. Of the remaining 5% that required action beyond the regional level, over 4% were settled on voluntary compliance with an Administrative Law Judge's decision or with the decision of the Board.

Less than 1% of the unfair labor practice cases filed against employers ever required any court involvement. Less than one-tenth of 1% ever required any proceedings in contempt. These are outstanding results, verified by the staff of the House Labor Subcommittee, using the NLRB's own statistics. They are especially impressive when compared to the case handling procedures of the Equal Employment Opportunity Commission, for example, as well as almost all other federal agencies. Such a record hardly justifies a congressional act "streamlining" NLRB processes.

The Bill goes far beyond "minor amendments" and makes substantial changes in basic concepts. The NLRB, with the reviewing and guiding hands of the Courts of Appeals and Supreme Court of the United States, has over the years dealt with the many complexities of labor management relations in different employment situations throughout the United States. This has been done by carefully balancing the rights of management and labor, protecting the right of free choice of American employees. The NLRB has been able to accomplish its role with outstanding efficiency, as demonstrated by the above statistics. The reason this has been possible, in the opinion of most experts, is that the NLRB has properly construed the National Labor Relations Act as a remedial law rather than as a punitive one. Its speedy handling of 95% of its cases has been accomplished in a framework of remedying violations and of maintaining or restoring the status quo. Companies and unions have cooperated in settlements, rather than become involved in lengthy litigation. If the NLRB is now to punish rather than remedy, you can be sure that those who in the past have voluntarily agreed to remedial orders will now resist. Labor peace will not be enhanced by this kind of "reform".

We will now review, point by point, the assertions contained in the "Summary of H.R. 8410".

1. The Bill "Expands the NLRB from five to seven members. . . ." The cost of the expansion is estimated to exceed $1,000,000 a year for each Board member! The question also is, "Why expand?" It is the Board's present policy to assign cases for consideration to three of its five members as a panel, but each of the five members reviews the case and the decision before it is issued. Any one of the five can request that the case be considered by the full Board rather than a panel. Expanding the numbers is not only going to cost the taxpayers more money, but will mean that seven members, and not five, will likely review every case, according to testimony of the Board Chairman. This is not going to speed up anything, but will likely slow down the Board. A lack of uniformity in decisions would be the result of an independent panel approach.

2. The Bill "Sets time limits for representational elections at 25 days when a majority of employees petition for an election, 50 days when thirty to fifty percent of the employees petition, and 75 days in cases determined to be complicated or novel." The "Summary" then makes a statement that "These time periods would begin only after the NLRB had settled any questions of the make-up of the bargaining unit. . . ." This is deceitful, because what the Bill requires is that the election be scheduled for these time limits even though the NLRB has not settled questions regarding the make-up of the bargaining unit; i.e., determining who is eligible to vote. Moreover, when it speaks of "the employees who petition" for an election, only the most naive and those unfamiliar with labor management relations do not know that unions, not employees, file petitions to gain representational rights. Thus, if the union turns in 50% or more cards signed by employees, it gets its election in not more than 25 days. Even if the union has more than 50% and turns in 30%, it gets its election within 50 days. Why should a union have control over the election processes, by timing its petition to maximize its impact and minimize time for employers and employees opposing the union to communicate valid reasons why the union should not win the election? Under this Bill, the "electorate" is not even established with certainty. Unions should not be allowed to procedurally victimize employees, whose right of free choice is supposed to be protected.

Presently 82% of all NLRB elections are held following orderly procedures, in a period within 45 days of a petition. This period is not an unreasonable one, permitting a fair exchange of views and discussion of issues which the present Act assures as a part of "free speech". The failure to resolve unit issues before an election can only lead to uncertainty, discord, and litigation afterward. The intervention of Congress is not presently required, particularly when that intervention can prove disruptive of the very NLRB procedures the sponsors of the Bill claim they want to "streamline".

NLRB procedures the sponsors of the Bill "Provides for Congressional review and veto of rules or regulations issued by the NLRB." If Congressmen are going to rely on summaries, such as that attached, then one would have little hope that Congress would ever veto NLRB rules, however obtuse. Actually, the amended Bill requires that both Houses must, within 90 days, disapprove by concurrent resolution the rules passed by the NLRB.

4. The "Summary" says that the Bill "Provides that employers can appeal NLRB decisions to the Court of Appeals in which the employer resides or maintains principal offices." This has been the law for a long time. What the Bill does, and the Summary does not say however, is to restrict the right of any party to have a full and fair review of the NLRB proposed new certification rules before the Courts of the United States. The rules of all Federal agencies are subject to well defined rights of review by the Courts of Appeals under the Administrative Procedures Act. In all but extreme cases, an aggrieved party can contest the rule before those Courts without having to subject itself to a violation of the rule and then, under threat of penalty, try to gets its day in court. There is no reasonable explanation as to why Congress would remove the right to contest one of NLRB's new rules without risking the violation of the rule. Under the Bill, an employer contesting the rule will find the "day in court" carefully circumscribed so that it does not have the traditional right of review. Only limited grounds are provided, " . . . that the Board prejudicially violated APA requirements, acted arbitrarily or capriciously, or violated the Act or the Constitution"

5. The Bill "Provides the NLRB with power to seek court injunctions to stop 'stranger picketing' or wildcat strikes not authorized by a union or union members." This provision is aimed at stopping wildcat or "stranger" strikes that have occurred in the coal fields. The amendment is considered a sop to employers, but too limited to be useful. It au-

thorizes the NLRB, but not injured parties, to seek Federal court relief. The amendment is capable of being interpreted to deny employers the right they now have to seek injunctions in "Boys Market" cases where a union strikes without resorting to the agreed upon compulsory arbitration procedures of its own contract. The amendment apparently does not bar "sympathy" strikes.

6. The Summary says the Bill "Provides that employees discharged for protected activities during an organizational campaign or prior to a first collective bargaining contract must be reimbursed at double their wage rates less any interim earnings. Such double backpay will be shared by the employer and the union." Unions and companies would not "share" backpay. There is a new and punitive provision in the Bill which provides for double backpay for employees discharged during the union's organizational campaign or prior to a first contract being reached.

Once more, this is a change from a remedial concept to a punitive concept that marks this legislation. Why is it necessary, when an outstanding record of compliance with the existing law has been established by the NLRB? Under the present law, employees are made whole for earnings lost, less any earnings received or any earnings the employee reasonably could have received had he availed himself of available employment. For what reason is the law changed in this instance in the new Act? Many employers have voluntarily agreed to "make whole" and reinstate employees who the Board's investigator has tentatively found wrongfully discharged. Rather than submit to a punishment of double backpay, it is predictable that these same employers would have litigated the matter to the fullest.

7. The Summary says the Bill "Provides that a three member panel of the NLRB can summarily affirm administrative law judge decision, that a motion for a summary affirmance be filed within 10 days of a decision by the administrative law judge, and that any response to the motion be filed within 20 days." This provision is certainly not going to streamline or speed the Board's procedures. You can be sure that the "winner" will file for summary judgment in every case. This provision provides another procedural step that could lengthen rather than shorten the term of the suit before the Board. In any event, the Board already utilizes a summary affirmance system through issuance of "short form" decisions which simply adopt an administrative law judge's findings and conclusions.

Experience shows, that only a relatively small percentage of the cases submitted by an administrative law judge to the Board are suitable for summary affirmance. Nonetheless, the provisions of the Bill would encourage greater finality to administrative law judge decisions. The experience of the Board disproves the wisdom of this move. In fiscal 1975, 78.6 percent of all administrative law judges' decisions were reversed or modified by the Board. The Bill's attempt to dictate a statutory summary affirmance procedure will, in all likelihood, delay the Board's processing of the unfair labor practice cases. Worse still, the Board may be pressured into summarily affirming erroneous conclusions of law by its judges.

8. The Summary states that the Bill "Provides that the NLRB develop reasonable rules consistent with maintenance of production to insure that workers have a fair chance to hear both union and management view in all labor relations elections." The union is to be permitted to campaign on company time and company property. This is an emotional issue, which, if finally enacted into law, is going to create much litigation. It will raise obvious constitutional questions. It is a most unwise, unfair, and ill-advised provision of the Bill.

Subject to certain recognized exceptions, for many years the Board, with the approval of the Circuit Courts and the Supreme Court, has carefully administered a rule that the Board's expertise and experience fashioned, in order that employees could have the best opportunity to hear and judge the respective arguments concerning the pros and cons of unionism from both the union and the employer. Basically, it recognizes the rights of private property and the orderly operation of American industry. Present rules restrict a company to the work place, as a practical matter. They do not permit company representatives to visit the employees' homes or permit supervisors at union halls. Employers are not permitted by law to "surveil" union meetings. On the other hand, unions alone are permitted to do their campaigning by visiting with and soliciting support from the employees in their homes. Union activities are protected by law.

Presently, the Board can remedy company unfair labor practices by allowing the union on company premises in exceptional cases. One company against whom such a remedial order has been made by the Board and enforced by the Courts is J. P. Stevens. Court contempt orders also have included this remedy against Stevens. However, less than one-tenth of 1% of all cases involving employers are the subject of any such contempt action. There is no justification for changing the rules for the orderly presentations of arguments that the NLRB and Courts have established. If a union is to be able to go on the company's private property to do its campaigning, why should not companies be allowed to solicit in employees' homes, or relieved from "surveillance" sanctions? No supportable arguments have been presented to justify congressional action to disrupt an area of the law that has been well established and understood, and with which there has been almost universal compliance for decades.

9. The Summary states that the Bill "Provides that when a company illegally discharges an employee for protected activities during an organizing campaign or before the signing of a first collective bargaining agreement, the NLRB must seek reinstatement of that employee through a court injuction." The Board now has authority, if it so chooses, to go into the United States District Court for injunctions in such cases. There are certain areas in which the Board is required to seek an injuction against injury, such as secondary boycotts. The remaining unfair labor practices, whether against companies or unions, vest the NLRB with discretionary authority to seek an injunction. The present mandatory injunctive areas outlined in the current law are those in which innocent third parties are being harmed. Little argument can be made against such a mandatory provision since the public can suffer irreparable damage.

The Board has carefully developed an efficient and even-handed use of its discretionary injunctive powers. Two-thirds of the discretionary injunctions are brought against employers. The reason it has not used this discretionary authority to seek injunctions promiscuously is that (1) the Board has adequate powers of remedy without resorting to the extraordinary procedures of injunctions, for the Board could not restore losses if the party enjoined were later shown not to have violated the law; and (2) the Board does not have the personnel to constantly seek injunctions in federal court on contested discharge cases. Indeed, the federal courts, already overworked, are not equipped to handle such a volume of cases. One might well inquire of any Federal District Judge as to whether the court would fairly handle such injunction petitions from the NLRB, which may involve untold numbers of new charges each year. The "invitation" the new law would provide dissidents to deny managerial authority during campaigns is unwise.

10. The Summary states that the Bill "Provides that when a party is found guilty of refusing to bargain in good faith for a first collective bargaining agreement, the NLRB may award damages to the employees upon an objective statistical measure of wage gains under collective bargaining agreements in similar industries." This is one of the most deceitful of the statements made in the Summary, particularly when it speaks of awarding damages to employees upon an objective statistical measure of wage gains under collective bargaining agreements in similar industries. What the Bill does provide is that in such instances the "damages" shall be set by average wage settlements in contracts involving 5,000 or more employees.

There has been little said about the impact of this Bill on small businesses, but it certainly should be considered. NLRB figures show that 74.5% of all the elections it conducted in fiscal 1976 involved units of employees of 50 or less. Yet, it is the group of small business people with less than 50 employees that could be forced to "match" the wage settlements of bargaining units of 5,000 or more employees!

This provision of the law subverts another concept of the present law. One of the Act's principles that has assured good faith bargaining on the part of unions and companies, and the resulting resolution of contracts without strikes, has been that the NLRB and the courts have never dictated the terms of a collective bargaining agreement. What this provision of the Bill does is cause the NLRB to statistically determine the wage settlement of a contract where a charge is made and "bad" faith bargaining found.

A union has nothing to lose by insisting that even the smallest of employers match major wage and fringe settlements. If the union fails to get it, it files charges; if it wins, then it has won from the company a wage settlement that the company could well not afford. It also means that a company, in order to avoid the risk of having to match such a settlement, will be forced to agree to terms that are non-competitive and which, in the long run, may affect its ability to remain in business and provide jobs. The risk to a small employer of being wrong, by NLRB standards, is apt to encourage capitulation rather than bargaining.

11. The Summary says the Bill "Provides that any party seeking review of NLRB final order by the courts must file in court within 30 days of the Board order." The Courts of Appeals have a staggering case load. This provision would dramatically increase that load, unnecessarily. Ninety-five percent of all cases are resolved at the regional level; only 5% require administrative law judge and/or Board consideration. Of this 5%, less than 1% of the cases go to a Court of Appeals for review. Of the remainder, the Board is able to achieve voluntary compliance. It is the Board's present procedure that it will go into court to seek enforcement within a median period of 30 days after attempts at voluntary compliance with its order are exhausted. What this provision in HR 8410 really does is tell a company that if it doesn't go to court in 30 days, it is henceforth and forever barred from going to court. What is more, on the 31st day the NLRB can go to court and have the court issue an order enforcing the NLRB findings. The company would have waived the right to contest. If a company knows it must file for court review within 30 days or thereafter be found guilty of contempt, you can be sure it will avail itself of the 30-day filing and the result will be more court cases. Congress should congratulate the Board for a record of achiev

ing voluntary compliance of the law in over 99% of the cases filed with the NLRB, rather than make changes in the law which will destroy the Board's ability to achieve such a high level of voluntary compliance.

12. The Summary states "Employers found guilty of willfully violating a final order of the Board after all appeals have exhausted may be barred from receiving federal procurement contracts. The Secretary of Labor is given the authority to remove, reduce, or restrict debarment to the particular facility where the violation occurs or to the entity legally responsible for the violation. The Secretary of Labor may also remove or waive the debarment in cases where he determines the national interest requires it or the firm is the sole source material or service."

Organized labor's friends have pointed out those few companies with whom the Board has had problems, and on those exceptions justified contract debarment as a new remedy for the NLRB. There are adequate provisions in the present law, such as contempt, by which the Board can deal with repeat offenders. There are also adequate procedures to control the performance of those with whom the federal government does business employing 40% of the workforce. To mix the two is not going to serve the nation's best interests. The most serious and direct effect of this new penalty would be to cause the loss of jobs of employees, the rights of whom the law was designed to protect. The public obviously bears the cost of increased expenses caused by the debarment of "low bidders."

While the Board has had trouble with a handful of "repeat" company violators, even a cursory examination of NLRB cases reveals that the Board has had many more problems with repeat union violators, and unions held relatively few government contracts.

13. Finally, the Summary says the Bill "Provides that security guards may be represented by any local union except for unions representing other employees at the same facility or a local that is affiliated with a national or international union which represents other employees of the same employer at the same location." Guards are unfortunately necessary, particularly in preventing strike violence caused by unions and union sympathizers in labor disputes. The present law that helps assure that unionized guard forces do not have conflicting loyalties or interests has worked reasonably well and the justifications given for change are unconvincing.

Among the points that the "Summary" of the provisions of the Bill did not cover was the inclusion in the Bill of an amendment to Section 10(c) of the National Labor Relations Act. The House adopted an amendment that approved the Board's practice of certifying unions without giving employees the right to vote in secret ballot elections. The Board has already gone too far in this area. The sponsors of the amendment said that they were simply writing into the statute what has already developed as the law. No employee should be deprived of the right to a secret ballot election in such a vital area as who if anyone, can represent and determine his wages, hours, and job conditions. The language used by the sponsors may well encourage non-election certification of unions in many more cases.

It is generally conceded, because of the political activity of unions and the political nature of NLRB appointments, that the NLRB has been biased and prejudiced in favor of unions. This is demonstrated by many of its decisions. Nevertheless, after 42 years of experience, the NLRB has achieved a high degree of efficiency and predictability. All of the provisions of the law have long since been litigated and relitigated, and the litigation should not start all over again. The Bill is not going to "streamline", but rather give rise to more delays occasioned by more litigation and more misunderstanding. Placing punitive provisions in the law will heighten opposition and increase bitterness in labor-management relations. The labor climate in this country will be the worse for it.●

RSVP BUDGET CUT

● Mr. CHURCH. Mr. President, the retired senior volunteer program, which now provides volunteer opportunities to almost 250,000 Americans over the age of 60, is one of the most effective programs Congress has ever authorized.

Not only does the program give thousands of older Americans an opportunity to invest their time in activities which significantly strengthen their involvement in their own communities, it has served as a tremendous reservoir of talented people who are committed to providing services to those in need.

It was a disappointment to me, therefore, when the administration recommended that funding for the RSVP program be reduced for fiscal year 1979. The proposed 1979 budget recommended a cut of $4.7 million for next year, which would result in about 30,000 volunteers being dropped from the program.

I can assure the administration that I will do all I can to see that this funding cut is restored and to increase support for the program so more volunteers will be able to participate. Many of my Senate colleagues have also expressed their concern, and I am confident that Congress will take action to increase program funding.

Sam Brown, the director of the ACTION agency which administers the RSVP program, recently provided information to the Senate Committee on Aging which indicates that only about 2 percent of the potential for older American volunteerism is now being served by the RSVP program. It is clear that we should be actively encouraging further development of the program.

I would also like to draw my colleagues' attention to the administration's budget request for the foster grandparent program and the senior companion program. Slight increases were requested, but they will not allow any increase in the stipends which are paid to these program participants.

Foster grandparents are low-income Americans over the age of 60 who provide one-to-one personal support and service to children with special problems. About 16,500 foster grandparents work with 41,000 mentally retarded and handicapped youngsters and children with learning disabilities in a number of different settings. As a way to supplement their own income and help defray the expenses of providing these services, foster grandparents receive $1.60 an hour. This stipend has not been increased since 1968, even though the cost of living has increased tremendously.

Almost 3,000 low-income senior companions who provide services and support to 10,000 other home-bound and institutionalized older Americans are faced with the same situation. Their stipend of $1.60 an hour has not been increased either since that program began.

A slight increase in these stipends would not only provide a badly needed extra supplement to very low incomes, but would give encouragement and support so richly deserved by these older Americans who give so unsparingly of their hearts and their time.●

INTERSTATE LAND SALES FULL DISCLOSURE AMENDMENTS OF 1978

● Mr. TOWER. Mr. President, I am pleased to join my colleagues in introducing the Interstate Land Sales Full Disclosure Amendments of 1978. These amendments are designed to insure that the Office of Interstate Land Sales Registration (OILSR) in the Department of Housing and Urban Development carries out the original purposes of the Interstate Land Sales Disclosure Act of 1968. These amendments would eliminate certain regulations that are totally unnecessary, costly to the consumer and completely unintended by Congress.

The Interstate Land Sales Full Disclosure Act of 1968 was intended as a simple disclosure bill. It was designed to protect the consumer against certain developers who engaged in unscrupulous or misleading sales practices. It empowered the Department of Housing and Urban Development to require full disclosure by a land developer and allow the purchaser to make a decision based on the pertinent facts.

Over the years, however, the Office of Interstate Land Sales Registration has created a bureaucratic nightmare by adopting a number of administrative interpretations which have undermined the original purposes of that act. These interpretations have added an unwarranted regulatory burden on developers and builders that has raised the cost of land to buyers, resulted in unnecessary delays in land purchases, and frustrated efforts to sell land within any given State.

For example, the Office of Interstate Land Sales Registration has asserted jurisdiction over condominium developments, even though the 1968 act exempts land on which there is to be built, within 2 years, a residential, commercial, or industrial building. That office has also determined that builders who construct homes on lots in a subdivision and then sell any remaining lots in that subdivision on which there has been no construction must count all of the lots in the subdivision in determining whether or not he is exempt from the act. In addition, small developers who may sell three or four lots to out-of-State purchasers are not exempt from those regulations, even though the overwhelming share of the lots may have been sold to purchasers living within a given State's boundaries. Finally, any builder that constructs near the boundaries of several different States is subject to the act, even though purchasers living in the area have an ample opportunity to inspect the site firsthand and make a decision whether or not to buy based on their own onsite inspection.

This bill would rectify this situation by doing the following:

Exempt a sale or lease of land on which there is a condominium or where there was a contract obligating the seller to erect a condominium within a period of 2 years.

Exempt builders who sell less than five lots or 5 percent of his total lots—whichever is greater—in 1 year to out-of-State purchasers, provided those purchasers are given assurances that: first, the land is free and clear of liens and encumbrances; second, the purchaser did make onsite inspection; and third, the seller agreed to subject himself to jurisdiction in the home State of the purchaser.

Exempt sales to purchasers residing within 100 miles of the seller, provided: first, the lot is free and clear of encumbrances; second, the purchaser did make an onsite inspection; third, the seller agreed to subject himself to jurisdiction in the purchaser's home State; and fourth, the developer executes a written affirmative on a form furnished by the Secretary of HUD that the developer has complied with these three provisions.

These amendments do not remove any of the safeguards in the act designed to protect large out-of-State land sales, which was the original purpose of the act. Those safeguards would still be in effect. The amendments do, however, eliminate regulatory restrictions that serve no real purpose and only make land purchases more costly and time consuming to the buyer.

Builders, developers, realtors, and land purchasers in Texas have been adversely affected by the existing regulations. Many of the problems experienced in Texas were described by Mr. Ken Zimmerman, executive vice president of the Austin Association of Home Builders, in testimony he presented last December to the Senate Select Committee on Small Business.

The Senate Banking Committee is presently engaged in hearings on the HUD authorization bill. This will provide an excellent opportunity to consider these amendments to the Interstate Land Sales Full Disclosure Act.

I ask unanimous consent that his testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF KEN ZIMMERMAN

Other speakers will probably go into more detail regarding specific provisions of the Act and the Regulations, so my references will be more general in nature and my remarks will be directed more to their effects on the Texas developer and builder. However, any impact caused by the Act and Regulations on the developer and builder cannot be separated entirely from the requirements of the Act and Regulations themselves and the manner of their enforcement. I have talked with developers, builders, attorneys, lending institutions and other interested parties concerning this Legislation and its effects. As with any other consumer legislation, it is hard to argue with HUD/OILSR's expressed objectives of the primary Legislation and Regulations and of the proposed changes; however, we wish to urge this Committee to see that any change or interpretation placed on the Act or Regulations promulgated pursuant thereto has a statutory or other legal foundation and that the laudatory premises upon which a rule is based has not been nor will be violated. The question of fairness of application of the law arises when one examines the adversary posture HUD/OILSR has adopted toward the industry and we submit their jaundiced view of the industry has slanted their perspective of what their role should be now or become in the future.

The evolved purpose of the Interstate Land Sales Full Disclosure Act is to inform the purchaser so that he is as educated a purchaser as possible. HUD/OILSR sees its agency as not one of a regulatory arm of the federal government, but as a consumer protection agency enforcing full and fair disclosure provisions of the Act. This is accomplished by the filing of a Statement of Record and a Property Report with HUD/OILSR, and by requiring that a copy of the Property Report be delivered to the purchaser prior to consummation of the sale or lease. HUD/OILSR views elements of disclosure necessary in at least five broad categories:

(1) Identification, history and description of the developer;

(2) Legal and physical description of the land and title condition which includes the disclosure of any blanket encumbrances, reservations, restrictions, topography, etc.;

(3) Terms and method of sale;

(4) Environment, climate, nuisances, utilities, facilities, services, taxes and assessments, governmental approvals and permits, and, in general, developer's obligations in relation thereto, and;

(5) Developer's financial condition and long-range planning concepts.

However, the real enforcement of any obligation is based on the gathering of information in compliance with the above requirements translated into the requirements of the "Statement of Record" which is filed with the HUD-Office of Interstate Land Sales Registration located in Washington, D.C. and not locally in a regional office. It is from the "Statement of Record" that information is gathered to be placed in the Property Report in short-hand rendition. As a practical matter, the purchaser never sees the "Statement of Record" with its extensive documentation unless there is a problem and he makes inquiry of HUD/OILSR in Washington, D.C. or HUD/OILSR itself uses this information to institute an investigation and possible suspension of a subdivision or as evidence to recommend that criminal or civil proceedings be instituted against a developer or as leverage in administrative proceedings. These requirements are imposed upon a developer even though HUD/OILSR requires a written disclaimer to be printed on all documents handed to the purchaser and further follows a policy that no status reports on filings will be issued by HUD/OILSR.

HUD examines the filing to see whether or not the Statement of Record and more concise Property Report by the developer contains the information set forth by the Regulations and "such additional information as the Secretary shall require". The question arises as to how much of this information reaches the consumer and of that information that does reach him, how much does he comprehend and utilize? To what degree has OILSR substituted its own judgment for that of the purchaser? In balancing the costs/benefits, is the cost of compliance in terms of time and money overridden by the benefits derived by the prospective purchaser? Compare the size of the resultant Statement of Record with that of the Property Report. It should be noted that no legal sales can be made pending approval from HUD/OILSR. If sales are made prior to registration, liabilities may arise, with resultant consequences to the developer, lending institution and possibly to the title company, attorney and other parties.

In addition to the open-ended information clauses such as those in 1710.20(b) or 1710.45(a)(2) or by Paragraph (d) of Part B Technical Instructions for Completing Property Report and Lease Addendum, many areas contain vague or completely lack standards and definitions leaving open areas of individual discretion, such as "failure to co-operate" § 1710.45(b)(2), printed advertising materials and literature which also apply to oral sales presentations and representations § 1715.25, "obligating" § 17.10(c), "contracts and agreements", Part C of Part VI. General Terms and Conditions of Offer, Proposed Range of Selling Prices or Rents in Statement of Record, "material" § 1710.23, and "small amount involved" or "limited character of the public offering" § 1710.14.

The Act through changes of the Regulations have effectively changed the administrative nature of the agency to a regulatory agency which can and does now even require certain language to be inserted in the Property Report and/or Statement of Record, and further the terms of the required language or the material requested may be dictated by the individual examiner assigned to the filed application who may not have either the requisite expertise or the knowledge of local factors.

One has only to look at a copy of the Act itself and more importantly, at a copy of the Regulations for an overview of the ever expansion of OILSR's powers transforming that agency from an administrative one into one that is regulatory in nature. I urge this Committee to take the time and to make the effort to trace the Act and Regulations through their history since April 28, 1969, to the present and note which areas have been left alone and which areas have been changed.

Though the publications concerning the Act and the definition of interstate commerce in 1402(7) of the Act and 1710.1(g) of the Regulations as being one of "trade or commerce among the several States", leads one to believe that an intrastate operation is not covered by the Act, a close scrutiny of the "definition" of interstate commerce as found in Section 1404(a) of the Act and 1710.5 of the Regulations and which is closely akin to that found in the Securities Act of 1933 (15 U.S.C. § 77e(a)(1) renders it highly unlikely for a person not to be acting in interstate commerce. Even the title of the Act is deceptive to most layman in terms of its scope. For example, under the Regulation's broad definition, any use of the mails, use of a highway, or car or certain uses of billboards, newspapers, t.v., radio, and other mass media may well bring you under this broad definition of interstate commerce. Expansion of the Regulations has also opened the door to OILSR regulation of advertising methods and materials. The provisions of the Regulations apply regardless of the size of the developer and regardless of the nature of the business in terms of the amount of intrastate or interstate business he does. An interesting example of the increase of power base that OILSR has promulgated is reflected in this area of intrastate/interstate commerce.

There are four distinct types of exemptions. These are divided into two types of Statutory Exemptions, one requiring no determination and one requiring such a determination, and two types of Regulatory Exemptions, one requiring no determination and one requiring such a determination.

Under the Statutory Exemption available by operation of law without HUD/OILSR approval, there are listed specific exemptions found in § 1710.10 of the Regulations. It should be noted that although no formal written decision is required, requests for an Exemption Advisory Opinion might be desirable because of the past experience of changes being set forth in the Regulations on January 27, 1972, without adequate notice to those persons who were previously operating under that section of the old Act ex-

empting from its coverage offerings entirely or almost entirely intrastate under § 1710.10(1). Thereafter, aside from the jurisdictional question involving interstate commerce, per se, there was never provided a statutory exemption for "Intrastate offerings" as under the S.E.C. Act.

However, the Act provides in § 1703(b) for a "limited offering" determination. Pursuant to this authorization, the § 1710(1) Regulatory Exemption requiring no determination was promulgated in the first set of regulations and was abolished on January 27, 1972, by the promulgation of the "Limited Offering" exemption requiring determination under § 1710.14 of the Regulations. Section 1710.14 is a Regulatory Exemption requiring a determination and covers the "single transaction" offering and the old 1710.10(1) "intra-state exemption" which is now limited to subdivisions having less than 300 lots, located entirely within one state, and the offering is entirely or almost entirely limited to the state of location and no more than 5 percent of sales in any one year are made to nonresidents. It is to be noted that if the arbitrary 300 figure is exceeded, one cannot qualify for this exemption regardless of the of the intrastate nature of his operation. The "300-lot" criteria and "5 percent rule" are examples of unpublished internal policy decisions of HUD/OILSR later being incorporated into rule changes.

It is important to note that the sale of exempt parcels are included in the calculation of the total lot number for the purposes of jurisdiction under the Act. Moreover, even though a developer may be held exempt, he may be subject to the Act in the future if the accumulated number of lots reaches 50.

Section 1710.11 was another former Statutory Exemption now changed to be the only Statutory Exemption requiring a determination. This exemption is available for the sale or lease of real estate free and clear of liens and encumbrances where the purchaser has made an on-site inspection and the developer has fulfilled certain requirements for approval set forth in the regulations and continues in the future to meet those requirements. The difficulty of establishing the elements necessary to obtain the exemption and the time and expense of operating under it have made this exemption unavailable as a practical matter.

Since 1968 through changes in the Regulations, HUD/OILSR has eliminated the intrastate exemption, expanded the information requirements to include numerous areas of inquiry, not the least of which is in the area of audited financial statements and environmental and governmental information. They have also expanded the definition of "lot" to include not only a parcel of land but also an interest therein. This, of course, would lead them into coverage of non-conventional subdivision development offering such as coverage of condominiums and other sales programs that involve "interest" in land. Please note that once again, they have interpreted the definition of "common promotional plan" [terms contained within the § 1710.1(q) definition of "subdivision"] to expand that definition administratively beyond the presumptions under the Act to include such factors as common ownership (which they have further internally defined as any "thread of ownership"), common advertising, common agents, common management, common telephone number, and any other common elements, without the basic constitutional requirements of having known standards and defined areas of conduct. HUD/OILSR on October 8, 1975, published in Vol. 40, No. 196 of the Federal Register its guidelines for Statutory and Regulatory Exemptions, finally placing of record what were previously unpublished agency policy requirements by the agency in consideration of an Exemption Request.

The cost of compliance is another area that is of no concern to HUD/OILSR in relationship to the size or manner of operation of the developer.

There has been enough time lapsed now to allow for the emergence of basic problems in trying to apply the idealistic concept of full disclosure to the land development industry. These problems emerge from the relationship of the purpose of the various State and Federal Acts being one requiring only "full disclosure" and the result of these Acts being that the document submittal requirements of the regulations are leading to a "permit type" regulation requiring judgment decisions by the administrative body enforcing them. More perplexing to the industry is the fact that the Act does not solve many, if any, of its problems. Instead of having just one governmental authority in just one location to have to deal with, industry is now faced with yet another questionnaire. HUD/OILSR's actual method of operation has brought them within overlapping areas with the FTC, the Federal Reserve Board, the U.S. Corps of Engineers, the SEC, the Environmental Protection Agency, and a number of other agencies, municipal and state as well as federal, all seeking to inform the purchaser according to their interpretations of what he ought to know and without regard to what it may cost him in the end.

Even though HUD/OILSR states that they are just an administrative agency requiring disclosure to the prospective purchaser, they also have the power to take the developer to court either criminally or civilly. They also can publish or notify purchasers that the developer "may" have the right to rescind or that the developer may have been guilty of "possible" violations prior to full investigation and completion of the hearing process, creating private sector lawsuits or other problems. Combining their power to go to court with that of extensive subpoena powers and investigatory powers, with the attendant delays in time and expenditures of money, they wield a tremendous amount of power. Unfortunately, over a period of time it appears that their efforts have been concentrated on those who submit themselves voluntarily to their jurisdiction through the use of their suspension powers and through the use of administrative compromises.

All this raises one question and that is, "is the consumer being furnished information in an intelligible manner so that he can make an informed decision to purchase?". Or is information being gathered by the agency for its own future use and benefit after the purchase has taken place.

How long and to what extent is the federal government going to hold the purchaser's hand at the immediate expense of the developer and the ultimate expense of the purchaser? Presently, one of the greatest dangers to the industry is the uncertainty of when there has been a "sale" especially in light of the proposed amendment to § 1710.1(n). After all, it is the mythical "reasonably prudent man" who decides in the end whether or not to purchase an offering. True, everyone wants his to be an "informed" decision, but the present procedure floods this person with so much "important" material containing detailed facts prior to the time of purchase as to lose its function of providing and emphasizing those salient facts relevant to the purchaser in a concise and understandable manner.●

GAO REPORT ON NUCLEAR LICENSING

● Mr. HART. Mr. President on March 6, 1978, the General Accounting Office issued a report on the Nuclear Regulatory Commission's Atomic Safety and Licensing Boards, and the effectiveness of communication between these boards and the commission's staff. The report, which was prepared at my request, provides background information, recommendations, and conclusions which will be very useful for the purposes of the Subcommittee on Nuclear Regulation, of which I am chairman. The subcommittee looks forward to Nuclear Regulatory Commission's response to the GAO recommendations. The GAO report and the commission's response will be useful to the subcommittee when it considers nuclear licensing legislation.

Mr. President, I recommend this report to my distinguished colleagues in the Senate who are interested in the nuclear licensing process. So that they and their staff might have the opportunity to review that report, I ask unanimous consent for the letter of request and the report to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., January 3, 1978.

Hon. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: In September 1977, the Justice Department released an internal memorandum, under a freedom of information request, entitled "Recommending Against Prosecution of Virginia Electric Power Company for Failure to Disclose a Geological Fault (18 U.S.C. 1001)." In this document, the Justice Department found that, in mid-1973, VEPCO concealed information from the Atomic Safety and Licensing Board on a fault at the North Anna powerplant construction site. It recommended against criminal prosecution of VEPCO, however, since the Nuclear Regulatory Commission staff knew about the fault for 3 months and took no action to halt construction or to notify the Licensing Board.

The Subcommittee on Nuclear Regulation held hearings on October 13, 1977, to determine the extent (if any) of NRC negligence or complicity in this matter. Several NRC officials testified that NRC did not err intentionally because it was common practice in 1973 for the staff to evaluate new technical information before sending it to the Licensing Board. According to these officials, it took 3 months to evaluate the safety significance of the North Anna fault.

Nevertheless, NRC officials explained that this practice was modified in 1973 so that more timely notification could be made to the Licensing Board of potentially significant information. Also, as a result of the recent hearings, NRC intends to further revise current procedures related to disclosure of new information.

In preparation for the upcoming FY 1979 NRC authorization hearings, the Subcommittee on Nuclear Regulation will be examining the extent to which the NRC's disclosure practices have improved since 1973. We will be looking for concrete evidence that such procedures have been adequately revised and implemented. Your aid in this effort would be helpful and very much appreciated.

I would be interested in obtaining information pertinent to the Subcommittee's assessment of the issue outlined above. Specifically, how does the Licensing Board receive information, including specific and generic information and research results from the NRC technical staff? How has the transfer of information actually changed, if at all, from common practice in 1973? Does the

Licensing Board need any additional technical staff to better evaluate information submitted to it by the NRC staff? Will the newly proposed changes in procedures really improve the level of communication between the Board and the NRC staff? What are the significant pro's and con's related to the implementation of such proposed procedures?

If you could perform such an evaluation and send me the results by the end of February 1978, I would be very appreciative.

Sincerely yours,

GARY W. HART,
Chairman, Subcommittee on Nuclear Regulation.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 6, 1978.

GARY W. HART,
Chairman, Subcommittee on Nuclear Regulation, Committee on Environment and Public Works, U.S. Senate.

DEAR MR. CHAIRMAN: This report responds to your request for a review of the Nuclear Regulatory Commission's procedure for submitting information to the Atomic Safety and Licensing Board for its consideration in licensing nuclear powerplants. Section 191 of the Atomic Energy Act of 1954 requires that a public hearing be held by the Commission before a license to construct a nuclear powerplant can be issued. Under this statute, the hearing is conducted by an Atomic Safety and Licensing Board which has the initial authority—subject to review by the Atomic Safety and Licensing Appeal Board [1] and the Commission—to grant the license to construct the powerplant. Additionally, if there is a petition by an interested member of the public that meets the requirements of the Commission, a Board must hold another hearing before a nuclear powerplant can be licensed to operate. Thus, an Atomic Safety and Licensing Board has a key role in the Commission's licensing and decisionmaking process.

In 1976 the Commission admonished its technical review staff [2] for not providing relevant and material information on a timely basis to the Licensing Board during its 1973 review of a nuclear powerplant license application from the Virginia Electric and Power Company. Because of this and a similar occurrence in 1973, the Commission staff changed its procedures for notifying Boards of new and important information. As a consequence of the October 1977 hearings before your Subcommittee, the Commission is considering further changes to these procedures.

At your request, we reviewed the changes the Commission has made in its procedures since 1973. You were concerned that these changes may not have corrected the problem and that the Commission staff may still not be providing significant information to the Atomic Safety and Licensing Board in a timely manner. Thus, in our review, we examined—

How the Licensing Board receives information;

How the Commission staff's method of submitting information to the Licensing Board has changed since 1973 and whether there are still problems; and

Whether the proposed changes in procedures will improve the level of communication between the Licensing Board and the Commission staff.

Our evaluation of each of these areas, as well as our observations on related matters, are provided in the following sections. At your request, we obtained only oral comments from the Commission on this report. These comments have been incorporated in the report as we believe appropriate.

STAFF PRACTICES OF SUBMITTING INFORMATION TO THE LICENSING BOARD

Before 1973 the Commission staff provided information to the Licensing Board in the form of basic testimony at the licensing hearing and staff reports on the safety and environmental aspects of the license application. Any new material and relevant information obtained while the hearing was in progress was first evaluated by the staff and then given—with conclusions—to the Licensing Board by legal brief, testimony, or affidavit.

This began to change in late 1973 as a result of a decision by the Atomic Safety and Licensing Appeal Board in the proceeding for the McGuire nuclear powerplant in North Carolina. In that decision, the Appeal Board admonished the Commission staff and the applicant for not being sufficiently prompt in advising the Licensing Board of a change in the applicant's quality assurance organization. It noted that such information was necessary to insure that the Board would be acting on evidence accurately reflecting existing facts. After the decision, the Commission staff made a greater effort to promptly inform the Board of material and relevant matters but developed no specific rule or written procedure at that time.

In April 1976 an attorney representing an intervenor [3] in a particular licensing proceeding wrote to the then-Acting Chairman of the Commission to complain that the staff had not informed the Licensing Board in one proceeding of some relevant information that had been provided to a Board in another proceeding. He requested the Acting Chairman to determine if specific written procedures had been established to insure that all relevant data was made available to the Boards. As a result of that letter, formal procedures for submitting information to the Board were announced in June 1976 and issued in November 1976.

The procedures made the Commission's Division of Project Management within the Office of Nuclear Reactor Regulation responsible for identifying any new information and notifying the Office of the Executive Legal Director. This Office, in turn, was to determine whether the new information was material and relevant to any licensing proceeding. If so, the information was to be disclosed to the appropriate Licensing Board.

NEWLY PROPOSED PROCEDURE FOR NOTIFYING THE LICENSING BOARDS

In October 1977, following your Subcommittee's hearings on the failure of the Commission staff to promptly notify the Licensing Board of the North Anna, Virginia, geological fault, the Office of Nuclear Reactor Regulation proposed further changes to the procedures for submitting information to the Licensing Boards. These would require that (1) individual Boards be routinely given all correspondence and documentation flowing between the staff and the applicant relevant to the specific application, (2) once the public hearing in a particular proceeding begins, all information sent to the Board is assessed, at that time or soon thereafter, by the staff for its significance, and (3) all other Commission offices would provide information to the Office of Nuclear Reactor Regulation or the Office of Nuclear Material Safety and Safeguards who would be responsible for notifying the Boards.

The advantages of the proposed procedure are that (1) all new information on a particular application will be routinely given to the Boards for consideration and (2) the staff will not have the burden of deciding what to send to the Boards, because everything will go.

On the other hand, the Boards will receive larger volumes of unreviewed information. Some Board members have already said that they will not accept unreviewed information and will return it to the staff. Both the Chairman of the Licensing Board Panel and the Chairman of the Atomic Safety and Licensing Appeal Board Panel have said they do not have the clerical and technical staff to review the information, nor the space or facilities to store it.

On January 24, 1978, the Commissioners reviewed the newly proposed procedure and, because of the criticism, asked the Office of Nuclear Reactor Regulation to reevaluate its proposal. No time frame has been established for this reevaluation.

They also requested the Chairmen of the Licensing Board Panel and the Appeal Board Panel to submit their recommendations for a new procedure. Their reply, dated February 7, 1978, recommends that the staff not submit any information to the Licensing Board on a particular application until after the staff has completed its environmental and safety reviews and submitted its final environmental impact statement and safety evaluation report. Afterwards, all information would be submitted to the Board with either an immediate or promised evaluation by the staff.

OTHER PROBLEMS AFFECTING THE FLOW OF INFORMATION TO THE LICENSING BOARDS

During our review, we found that the flow of information within the Commission was not good and that the procedures for submitting information to the Boards did not apply directly to the technical review staff within the Office of Nuclear Reactor Regulation or to other operational units within the Commission. These units include the Offices of Nuclear Regulatory Research, Inspection and Enforcement, Standards Development, and Nuclear Material Safety and Safeguards. Unless these offices are specifically included in the procedure, new information which comes to them first and is material and relevant to licensing proceedings may not reach the Licensing Boards in a timely manner.

FLOW OF INFORMATION WITHIN THE COMMISSION NEEDS TO BE IMPROVED

In 1975 a Commission task force identified problems with the flow of information within the Commission. It said that the staff members within each of the Commission offices tended to retain information in their own offices. Consequently, staff members (in particular those in the Office of Nuclear Reactor Regulation) who needed much of the information contained in the reports of other offices did not see the information and often did not know of its existence. This is important because the Office of Nuclear Reactor Regulation has the prime responsibility for identifying information in reactor licensing proceedings which should be provided to the Licensing Boards.

As a result of the task force report, a special division was established to develop an action plan to improve the Commission's flow of information. In November 1976, the Commissioners approved the action plan, which calls for an automated microfiche storage, retrieval, and distribution system. The Commissioners' approval of a contract to develop such a system is now pending.

STAFF MEMBERS ARE UNAWARE OF THE FLOW OF INFORMATION TO THE LICENSING BOARDS OR THE BOARDS' RESPONSIBILITY

In October 1977 the Acting Director, Office of Nuclear Reactor Regulation, reminded his staff of their responsibility to inform Licensing Boards about material and relevant information that becomes available during the

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[1] An independent board with three members who automatically review license application decisions made by the Atomic Safety and Licensing Board.

[2] Footnote in the Commission's Opinion in North Anna Power Station, Units 1 and 2.

[3] A person who has alleged his interest may be affected by the proposed action.

course of their reactor license application reviews. In keeping with this policy, the Acting Director asked each staff member on a one-time basis to search his memory and files to recall any instances where there might be an appearance of withholding, or proposing to withhold, information from the Boards.

Some of the staff members who responded in writing to this request said they really did not have a clear picture of what information flows or should flow from the Office of Nuclear Reactor Regulation to the Licensing Boards. One staff member said that the November 1976 operating procedures for notifying Licensing Boards were written for project managers and not for technical reviewers, such as himself. He identified an instance when a decision was made to notify a particular Licensing Board of new information. However, this staff member said that, because the project managers was not available, the notification was not made because he did not know how to do so. In providing oral comments on this report, a Commission official said that this information was later submitted to the Licensing Board without any appreciable delay. He also said that it is the responsibility of all staff members to identify and submit information to the Boards but conceded that the Commission has not done a good job of educating its people in this area.

Another staff member said that in July 1974, he became aware of a possible geological fault at the Millstone, Connecticut, site after public hearings were completed and just weeks before a construction license was due to be issued for the plant. After a site visit and a determination that the fault was not active, he said no consideration was ever given to notifying the Board. The response showed that this staff member was unaware that knowledge of the fault and the staff's investigation should have been provided to the Licensing Board.

OTHER INSTANCES WHERE LICENSING BOARDS HAVE NOT BEEN PROVIDED INFORMATION ON A TIMELY BASIS

During our review, members of the Commission staff and the Licensing Boards told us that since 1973 the staff's submission of information which was material and relevant to a particular licensing proceeding or proceedings has been acceptable. However, in addition to the fault at the Millstone site discussed earlier, we identified these examples to the contrary.

1. In 1973 and 1974 the Turkey Point nuclear plants in Florida experienced a loss of offsite electric power as a result of a number of disturbances in the Florida power network. Offsite electric power is the primary source for operating the powerplant as well as its safety-related equipment. Thus, even though back-up onsite power supplies are available, a reliable offsite system is necessary to adequately protect the public.

In August 1974 the initial staff reaction to this problem was that the instability in the power network might also involve the two St. Lucie powerplants which were farther north but under construction at the time. However, a Commission staff member told us that because any further investigations could have delayed the licensing of the two St. Lucie plants, the subsequent Commission investigation was restricted to the offsite power failures at Turkey Point. On May 12, 1977, one of the St. Lucie plants experienced a loss of offsite power caused by network disturbances. Data surrounding the power network problems of 1974 and their possible relationship to the St. Lucie site were not submitted by the staff to the Licensing Board until October 1977 after an intervenor brought this to the attention of the U.S. Attorney General and charged the Commission staff with actions bordering on criminal negligence. The Commission is currently investigating this situation.

2. In September 1976 the New England Power Company submitted an application to build two nuclear plants on Federal property held in excess by the General Services Administration. The General Services Administration must issue an environmental impact statement that considers alternative uses for the property other than a powerplant. This is not expected to be issued in final form until the end of September 1978. Because another Federal agency has also requested use of this site, it is not at all certain that the ownership will be transferred to the utility. Nonetheless, the Commission has proceeded with the New England Power Company's application to construct two nuclear powerplants on the site and is in the process of preparing its own environmental impact statement for the plants.

The Environmental Protection Agency, however, has told the Commission staff that its environmental impact statement is premature at this time because (1) the utility does not own the site and (2) the Environmental Protection Agency will not issue a water discharge permit until the question of site ownership has been resolved. (A water discharge permit is required before the Licensing of a nuclear powerplant.) Yet, the Commission staff did not tell the Licensing Board of the ownership problem or the Environmental Protection Agency letter until it was brought to the attention of the Board on November 15, 1977, by an intervenor to the licensing proceeding. The Board told the staff that the information was important because it could affect future hearing schedules.

While commenting on a draft of this report, the Commission advised us that, under present procedures, the Licensing Board would have been notified of this matter in conjunction with the filing of the staff final environmental impact statement preparatory to the start of the hearing, and not before. Further, the Commission believes that the Licensing Board Panel and the Appeal Board Panel agree that this is appropriate and that this type of notification should continue until a revised procedure is developed and approved by the Commission.

3. In July 1977 Sandia Laboratories in New Mexico found that a type of electrical connector which is used in some operating nuclear powerplants failed to perform properly. The connectors are used to join electrical cables in certain safety-related systems. Sandia forwarded these results to the Commission's Office of Nuclear Regulatory Research which, in turn, discussed them with the Office of Nuclear Reactor Regulations and the Office of Inspection and Enforcement.

On November 8, 1977, in an attempt to verify the Sandia findings a bulletin was sent to all operating plants and those under construction asking the utilities to check the type of connector in use. The Commission found that 19 of 65 operating plants had insufficient data on the quality of connectors in use and temporary shut down two plants because of the lack of any data at all. In mid-December 1977, the Office of Nuclear Reactor Regulation decided to notify appropriate Boards of the Sandia test results based on the results of the bulletin. The staff is now tabulating the results from nuclear plants under construction and will notify the appropriate Licensing Boards at that time—almost 8 months after the potential safety problem with electrical connectors was initially identified, but in the Commission's opinion, only 4 months after Board notification would be required under the staff's proposed new procedure.

LICENSING BOARD PERFORMANCE

Section 191 of the Atomic Energy Act of 1954, as amended, requires that one of the three Licensing Board members must be qualified in administrative proceedings and the other two shall have such technical or other qualifications as the Commission deems appropriate. It has become the Commission practice to appoint a lawyer as Chairman of the Board, a physicist or reactor engineer as the second member, and an environmental scientist as the third. There are currently 63 full- and part-time members in the Licensing Board Panel.

During our review, we spoke with 10 different people that have experience in the licensing proceedings. They are members of the Atomic Safety and Licensing Appeal Board, an intervenor, and attorneys who represent intervenors and utilities. Nine of these people told us that there was a wide variance in the performance of Licensing Board members. Some said that Board members were either not qualified or well trained for their position, others said that some Board members had no pro-Commission bias and were not truly impartial judges of the facts. While we did not attempt to verify these criticisms, we found that:

The position descriptions for the Board members do not include minimum qualifications for each position and there is no meaningful criteria for evaluating candidates for vacancies to the Licensing Board. While the Board does have some general evaluation criteria and there are attempts to identify potential candidates for Board vacancies, we found that the criteria was very subjective and that the Commission has not attempted to publicize vacancies or screen all the interested and qualified people available. In fact, four of the five permanent Board members we interviewed said they did not go through any type of open competitive selection system but received their positions through knowing someone already on or connected with the Board.

There may not be an adequate formal training program for Board members. However, according to the Chairman of the Licensing Board, an extensive in-house training program exists for all new Board members, including a week-long orientation program, periodic seminars, and the availability of informal technical or legal assistance whenever a Board member feels he needs help. For the most part, the Chairman also said Board members are expected to train themselves through experience on the job and by talking with fellow Board members.

Our interviews with five full-time Board members does not indicate that an extensive training program exists. They told us that (1) not all Board members were subjected to the week-long orientation program, (2) injected to the week-long orientation programs, (2) in house seminars have been on selected topics and have not been attended by all Board members, and (3) there is no requirement that Board members attend seminars or instructional courses held outside the Commission.

There was little attempt to determine the independence of new Board members. According to the Chairman of the Licensing Board, each candidate interviewed for a position on the Board is told that, as a member of the Board, he must be impartial and independent in his views on nuclear matters. The candidate is asked if there is anything in his background that would prevent him from rendering an independent decision. During our review, we found that 18 Board members were previously employed by the Commission or by national laboratories which do work for the Commission. While the Atomic Energy Act of 1954, as amended, specifically allows the Commission to select persons for the Board from the staff of the Commission, this raises a question whether they can independently decide between contentions of intervenors and the Commission staff.

There has been no attempt to evaluate the performance of members serving on the Li-

censing Board We believe such an evaluation is desirable to insure that Board members are fulfilling their responsibilities. The Chairman of the Licensing Board told us that Federal regulations prohibit the Commission from performing this evaluation. These regulations were intended to protect the independence of such employees. We currently have underway a separate review which will address the problem of evaluating the performance of administrative law judges while assuring their independence is maintained. After this review is concluded, we intend to determine its applicability to the Licensing Board and report on what actions can or should be taken to evaluate Board members' performance.

These factors require the immediate attention of the Commission to decide whether or not the Licensing Board's performance has been satisfactory.

CONCLUSIONS

In 1973 and again in 1976 the Commission changed its reporting practices for submitting new information to the Atomic Safety and Licensing Board. These changes have improved the staff reporting practices, but we still found instances where the Boards were not notified of important information. While we could not determine whether these instances were representative of the staff's notification process or exceptions to the norm, they appear to have been caused by the officials' handling of the information rather than by deficiencies in the Commission's procedures for notifying the Licensing Boards of new information. To correct this situation, it is necessary that the information flow within the Commission be improved and that the staff be specifically trained on how and what to submit to the Boards.

New procedures are being developed for improving the staff practice of submitting information to the Boards. The staff advocates sending all documents to the Boards, whereas the Chairmen of the Licensing Board Panel and the Appeal Board Panel favor a practice closely resembling the current procedure. During a Commission meeting on the new procedures, a question was raised on the responsibility of the Board. Should the Board review only the information submitted to it in reports and testimony by the staff, the applicant, and other parties; or is the Board also responsible for all other information that is available on a license application? The answer to this question will be a determining factor in deciding what information should be submitted to the Boards and whether the Boards need their own technical review staffs. We see no reason to create another review level within the Commission. The Boards have historically been responsible for ruling on information presented to them by the Commission staff, the applicant and intervenors, and we see no reason why this cannot continue. It will require some positive action by the Commission, however, to provide greater assurance that all relevant information is given to the Boards in a timely manner.

The Licensing Boards' performance is regarded by some parties both inside and outside the Commission as less than satisfactory. No efforts, to our knowledge, have ever been made by the Commission to (1) evaluate the Board members' performance, (2) establish minimum qualifications for persons appointed to the Licensing Board, and (3) determine if a more formalized training program is needed for the lawyers and technical members of the Board.

RECOMMENDATIONS TO THE CHAIRMAN, NUCLEAR REGULATORY COMMISSION

The Chairman, Nuclear Regulatory Commission, to improve the licensing review process for nuclear powerplants, should

Require training of all Commission technical staff members on the role and activities of the Licensing Board and their responsibilities for keeping the Board informed;

Establish minimum qualifications for persons appointed to the Licensing Board and determine if a more formalized training program is needed for both lawyer and technical members appointed to the Licensing Board; and

Develop an open and competitive selection system for filling vacancies to the Board.

As arranged with your office, we are sending copies of this report to interested parties and others upon request.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.●

FEDERAL REGULATIONS

● Mr. BARTLETT. Mr. President, many Americans are becoming increasingly disillusioned with the performance of their Government. Many Americans feel that their personal freedom is being infringed upon by Federal regulations in almost every area of their lives.

I request that an article expressing these feelings, and written by one of my constituents, Mr. Fred Brooks, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Tulsa Tribune, Feb. 8, 1978]

ANOTHER BRAND OF TYRANNY

(By Fred Brooks)

One of the immortal phrases which helped arouse the 13 American colonies to free themselves from King George III was: "Taxation without representation is tyranny."

Humorists, as well as many thinking people with serious intent, have surmised that the Founding Fathers of our nations, if alive today, would be even more concerned about "taxation *with* representation," as well as with many other aspects of the ever-growing power exercised by the federal government over our lives.

Among the dictionary definitions of the word tyranny is "oppressive power," and this is one of the most serious of all problems we Americans face today—i.e., "oppressive power" exercised by our own elected representatives in Washington and the ever-growing *unelected* bureaucracy which our elected representatives have created.

For many years after the birth of our nation the federal Government had insufficient power, but the pendulum has long since swung to the other side. Now the government exercises far too much power and this power is in many respects becoming increasingly oppressive, burdensome and menacing to the well-being of our country. Many illustrations could be given, but among the principal dangers of the current brand of tryanny are these:

1. Our elected representatives have saddled us with a huge national debt totaling approximately $650 billion, and there is every indication that the debt will continue to rise in the next few years. Federal deficit financing is the principal single cause of inflation and prevents us from making significant headway in solving many other basic problems.

2. The highly successful American free-enterprise system is increasingly threatened by excessive and in many cases illogical taxation, nit-picking federal regulations, Big-Brother bureaucracy and generally inefficient and ineffective performance by our "public servants" in Washington.

All this—plus inflation—is seriously slowing capital investment, adding to unemployment and damaging the economy in many other ways. An ever-mounting load of paper work is being imposed on businessmen by federal agencies. Countless government programs of questionable value, costing billions of dollars, and have been voted by our *elected* representatives.

3. Much of the oppressive power emanating from Washington is imposed upon us by the huge unelected bureaucracy to which Congress has increasingly been granting enormous and unwarranted authority. But the point is that the grantors of the authority are *elected* and are presumed to represent the people.

The tyranny without representation, faced by our forefathers, has been replaced by a considerable amount of oppressive power *with* representation. The Tribune recently quoted Rep. Levitas, D-Ga., as saying: "We have created a fourth, non-constitutional branch of government with a thick tangle of regulations that carry the force of law without legislative consideration."

4. One of the chief faults of the Russian system is that it creates an overly large elite officialdom having many special and unjustified privileges. Let's not overlook the fact that here in democratic America something similar has developed.

Examples: an annual pay raise for federal employees since Lyndon Johnson's administration, adding billions to the national debt; the most recent congressional pay raise authorized by a questionable arrangement saving individual congressmen the embarrassment of having to vote publicly in favor of it; abuse of the franking privilege by many congressmen; subsidized lunches, hair cuts, etc., for our elected representatives; hundreds of unnecessary and expensive junkets by congressmen and executive-branch officials; overly generous vacation privileges for federal employees, and overly fancy offices, rugs, desks and other appurtenances for our "public servants" in the higher echelons.

5. All too often our elected representatives and/or the unelected bureaucracy decide that solutions to basic problems, such as energy, can be achieved only by Big Brother in Washington, and regulations are enacted which unduly inhibit the initiative of private enterprise and interfere improperly with the law of supply and demand. (Examples: federal price controls on gas moving in interstate commerce; also federal price controls on gas and oil.)

Having put undue restraints on the private sector with respect to a particular problem, Washington then proceeds—all too often—to take the wrong action, no action at all, or action that is too little and too late.

Winston Churchill once said that democracy is the worst form of government ever invented except for all the others. The latter part of this quotation is encouraging, of course; but unless the trend toward overcentralized government is reversed, unless deficit financing is ended, unless representative government ceases to exercise oppressive power, our democratic institutions may not even survive.●

THE TERRORIST ATTACK ON ISRAELI SOIL

● Mr. MATHIAS. Mr. President, once more the fine line between life and death has been broken in the Middle East. I, together I am sure with all Americans, reacted with shock and horror to the terrorist attack on Israeli soil on Saturday. What honor and purpose can there be in killing women and children? I am sure I do not know.

Last November a very hopeful peace process was initiated by President Sadat

and Prime Minister Begin. What they sought was an exit from violence, a substitute for death. As we all know that process has not been a smooth one. The issues of 30 years, long ignored, have surfaced and have blocked movement. But let no one doubt that the alternative to that process must be an endless repetition of the horror that took place on the outskirts of Herzliya.

The cycle of attack and retaliation which has characterized Arab-Israeli relations must be broken. There will be no end to violence in the Middle East until a binding settlement, with security for all, has been found.

I call on the leaders of the Arab world to repudiate the mindless terror symbolized by this incident. Let them show the world that what they really want is peace. I call on Prime Minister Begin not to put off his quest for peace, not to let this incident dissuade him from his efforts to bring peace and security to Israel and the Middle East.●

RICHARD STROUT

● Mr. McGOVERN. Mr. President, there is probably no place where the word "distinguished" is used any more frequently than in the U.S. Senate. Sometimes I have the feeling we use that word too carelessly. But if there is one citizen in this capital to whom the word "distinguished" applies accurately, it is Mr. Richard Strout, the longtime reporter for the Christian Science Monitor. I have admired him as a journalist and liked him as a human being for all the years I have known him.

Yesterday's Washington Star, Sunday, March 12, 1978, carries an article about Mr. Strout's career by Boris Weintraub. I ask unanimous consent that this interesting, well-deserved article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 12, 1978]

RICHARD LEE STROUT: ANY REGRETS? HELL NO!

(By Boris Weintraub)

On a day back in 1921, Richard Lee Strout, a young reporter for the Christian Science Monitor, came to Washington for the first time to do some research on a series he was writing about a raging strike of coal miners.

Now it is 1978—57 years later, for those who count slowly—and there is a raging strike of coal miners going, and Richard Lee Strout is still here writing for the Christian Science Monitor. He may hate the term "dean of the Washington press corps"—"What the hell does that mean, anyway?" he asks, and he says that he is "surprised to find how many people mistake longevity for profundity." But it is, nonetheless, a remarkable achievement to remain as active as Richard L. Strout has for so many years and never, not once, lose his enthusiasm for his work.

"Oh, gee, that was wonderful!" he will say as he recalls some reporting experience from 30 or 40 or 50 years ago. "Oh, geez, that was a lot of fun."

Richard L. Strout will be 80 years old Tuesday. He will pay the occasion as little mind as he can. He will still come to work, sit down at an ancient rolltop desk in his office that may be as old as he is, pore over some report from a government agency or attend a press conference or conduct an interview, and then he will probably write a piece for the Monitor in which he reports something that everybody else in the massive Washington press corps of today has, somehow or other missed. (James Reston has said that Strout "must have an extra gland, because he still runs around like a kid.")

The next day, he will not write for the Monitor but for the New Republic, and, thus, will take part in marking yet another anniversary. It is 35 years since Strout replaced Kenneth Crawford as the author of the New Republic's most famous column. Among all his other achievements, Richard L. Strout is "TRB."

Actually, Strout has not been in Washington continuously since that 1921 visit, during which he tagged along with Cora Rigby, then chief of the Monitor's Washington bureau, to a presidential press conference conducted by Warren G. Harding, the first of the 11 presidents he has covered. He returned to Boston and worked there until Christmas week in 1924, when he was assigned to the Washington bureau. He and his bride piled their belongings into a Model T Ford and drove here as fast as they could, making the journey in three days.

At the time, Strout was earning $60 a week, and considered it a decent salary. After all, back during that 1921 visit, he had written home worriedly:

"I am paying $2 a night for my room. Things are very expensive down here."

Lovely recollections like these have been sprinkled like little jewels in a series Strout has been writing for the Monitor at the rate of once a month under the heading "Richard L. Strout Recalls America." The series, which will be expanded into a book, began with him describing how he shipped out for England in 1919 as a messman which led to his first newspaper job on the Sheffield Independent.

By that time, he already had accumulated some experience in the world. After graduation from Harvard, he had joined the Army, fired with Wilsonian zeal to "make the world safe for democracy."

"But they called the war off before I had paid for my uniform," he says now with a gleam in his eyes, which are barely visible under a pair of eyebrows of John L. Lewis proportions.

Strout spent two years in England, spent a brief spell in Ireland reporting on the troubles there, and then returned to an America he found completely changed from the way he had left it.

"I had culture shock when I came back," he says. "When I left, we were all talking about making the world safe, about creating the League of Nations, and so on. When I returned, isolationism was coming in a mighty wave, and the League was forgotten.

"I was looking for my foundations, so I went back to Boston, which then had 10 distinct daily newspapers. I applied at several papers, and got a job on the Post: a tawdry, exciting, sensational paper. My job was to get pictures of women who had just been run over by a truck, that sort of thing."

Strout held the job at the Post for only a few days—during which time the paper reported in a front page story the selection of a jury to try a fish peddler and a cobbler named Nicola Sacco and Bartolomeo Vanzetti on murder charges—before the Monitor beckoned with another job offer.

"They gave me a job, and I've been with the paper ever since," he says.

The Teapot Dome scandal was in full flower by the time Strout came to Washington, and he covered some of the Senate's investigation in the Senate Caucus Room. Years later, he returned to the same room to cover the Senate's investigation into another scandal then in full flower, called Watergate. Nothing had changed he reported, except for the presence of the hot lights of television, and the fact that this later scandal was worse.

"It was a special kind of corruption without greed," he wrote in a TRB column. "No sex, no dollars. Just power. It doesn't strike at oil leases, it strikes at democracy."

Hardly any major story of the past five decades has escaped Strout's keen eye. The Depression, the bonus marchers, the New Deal, World War II, McCarthyism—predictably, Sen. Joseph R. McCarthy attacked him for leftist tendencies—the Kennedy Camelot, the Johnson Great Society, on and on. He found himself in an abandoned building on Pennsylvania Avenue with a group of bonus marchers when Gen. Douglas MacArthur moved to oust them, and had a frontrow seat at the riots which the ouster inspired. On Pearl Harbor day, he went to the White House, and "stood on the South Portico watching the isolationist senators go in gloomily to see the president.' He was on a ship speeding toward France on D-Day, with a military stenographer assigned to him "to take down my every thought." He has rarely not been in the right place at the right time.

And he has written about what he has seen or read or heard with a vivid style that sometimes rambles but always makes the reader understand that what he is writing about really, truly matters. Here, for example, is the beginning of one of the "Recalls" series, called "A Time of Demagogues":

"It is March, 1934. I am sitting in the press gallery of the United States Senate. Franklin D. Roosevelt has been president for two years. A senator gets the floor; he seems ordinary, but why does he wear that bright pink shirt? He looks guileless at first and then formidable, with rubbery pink face and pop eyes and an ingratiating grin like the caricature of a cherub. He smirks up at the press gallery.

"It is Huey Long, the Kingfish. His language has a swaggering informality (though when he chooses, he can speak conventionally and eloquently). Every colloquial 'y'all' and 'ain't' pokes fun at the Senate establishment. He torments slow-moving leader Joseph T. Robinson like a matador with a bull. Gallery crowds love it: senators hate it. Franklin Roosevelt is rumored to have called him one of the two most dangerous men in America; the other . . . ? Well, the story goes he mentioned Gen. Douglas MacArthur, the man who ousted the bonus army."

Who among us with the slightest interest in American history could fail to read on?

It was in 1943 that Kenneth Crawford and the New Republic came to a parting of the ways, and Strout, who had been helping raise his five children by free-lancing everywhere he could, was offered the TRB column. At first, he was dubious, but Crawford assured him, he says, that it was easy.

"All you have to do is get mad at someone every week and spit in their eye," he says Crawford told him.

The column, which took its name from an editor's reversal of the letters of a passing New York BRT subway train, has been a fixture in the magazine throughout the magazine's stormy history, its ups and downs and changes of ownership and changes in editorship. None of this bothers Strout much; he just keeps sending in the column every week.

There has been some changes recently. In the interest of truth-in-journalism, the column's author is now identified in the 60 or so papers (including The Star) which carry it. "That makes it harder," he says, "because I used to be able to just dash it off and nobody knew who wrote it. Now I've got to be more careful."

The column, like much of his regular reporting for the Monitor, bears the stamp of the never-ending Strout curiosity. He has

what another syndicated Washington columnist calls "a remarkable ability to keep the focus on issues that the rest of us let slide, and keeping coming back to them from time to time." For example, he is utterly fascinated by the Malthusian questions of food supply and population growth, considering these the basic questions.

He is troubled by what he sees as the problems in the American system, problems which seem to be multiplying. "What a clumsy form of government we have!" he exclaims, and he frets over a national failure of will to act on energy matters, the decline of a responsible two-party system, the inordinately long and preposterously constructed system by which Americans choose a president.

"These things come so gradually, you don't see them," he complains. "And if anybody says we should look ahead, he is criticized for being an apostle of doom." He thinks we would be better served by a parliamentary form of government, but doubts that the change will ever be made.

Still, he says, "this is the most open capital city in the world.

"If you really want to find out something, you can always find some little man at the other end of a telephone line who will tell you."

He feels that the press has improved over the years he has been in Washington, has become more responsible; yet, he worries that the press has so much freedom that it has to be careful not to abuse it.

In June of 1929, Strout purchased Ticket No. 1 on a preview offering of the first transcontinental air service open to the public. It was actually a combination of train and air service; the plane, a 10-passenger Ford trimotor, flew by day, at about 110 miles an hour, making stops every 250 miles or so to refuel, and the passengers switched to trains at night, moving into the comfort and security of a Pullman.

Strout wrote about the experience in one of his recollection pieces last year, and it contains a characteristic combination of zest at the sheer joy of the experience and a searching look at its implications.

"The cabins (of the plane) are ventilated by sliding the windows at each seat," he wrote. " 'Big,' I write. 'Impressive.' 'Immense.' Yes, it's 50 feet long and 79 feet along the wings. TWA's present Boeing 747 is 231 feet long, has a 176-feet wingspan and carries 363 passengers . . .

"Our generation produced all these new toys: radio, sound pictures, television, and now we are shrinking America."

"My story is that of a typical Washington reporter," says Richard L. Strout today. "I've just been doing it longer than others. If you have a lifetime to live and you like what you're doing, why not continue, as long as you're still getting paid for it?

"I always wanted to be a newspaperman, and after a couple of trips here, I knew this was where I wanted to be."

There are no regrets, then, he is asked.

"Oh, hell, no!" Richard L. Strout thunders in reply. The very idea is incomprehensible to him.●

CURRENT AND FUTURE LOOK AT THE ENERGY SITUATION

● Mr. BARTLETT. Mr. President, I wish to call attention to the recent remarks of Mr. C. H. Keplinger, a gentleman well known to many of my colleagues as a noted expert on the oil and gas industry. Mr. Keplinger is a professional industry consultant of many years' standing, and what he has to say merits attention.

I ask unanimous consent that a copy of Mr. Keplinger's address before the Petroleum Equipment Suppliers Association at their recent meeting in Tulsa, Okla., be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CURRENT AND FUTURE LOOK AT THE ENERGY SITUATION

(By C. H. Keplinger)

The strong demand for petroleum equipment is heartening and definitely welcomed by your Association members. The best statistics indicate that the petroleum industry will complete 48,000 wells in 1978, compared to 44,000 wells in 1977.

The number of new rigs added to the U.S. domestic drilling industry has been phenomenal since 1974 when 127 rigs were added after a long period of inactivity. Last year, the industry built 278 new rigs with many of them of the deeper category. Only about 10 percent of our drilling is below 10,000 feet. It will be necessary to add many larger rigs in the immediate future.

For your information, I think you should know the petroleum industry facts—that the industry reacts to increased price with increased drillings and with necessary equipment to drill. The following tabulation gives the basic facts which prove this statement.

Calendar year	Number rigs added for U.S. domestic (Reed Survey)	Yearly average number rigs operating (Hughes Tool Co.)	AGA [1] reserve additions excluding revisions (TCF)
1978 estimate	300	2,125	
1977	278	2,001	[2] 14.0
1976	176	1,658	8.75
1975	134	1,659	10.0
1974	127	1,472	9.7
1973	—1	1,196	10.1
1972	—91	1,108	
1971	—39	975	

[1] AGA is abbreviation for American Gas Association.
[2] Estimate.

In my opinion, a large share of the desire to drill is due to price incentives. The intrastate market for gas has a free-market price at this time which has encouraged development. The cloud on the horizon is that President Carter's energy program wants to regulate intrastate gas prices at $1.75 per thousand cubic feet; whereas, the replacement cost exceeds $2.25 per MCF.

We have a very promising future for undiscovered oil and gas reserves. Basically, we have excellent geological conditions in many parts of the United States. A study of this, both by industry and government, indicates that potential oil and gas reserves are in the range of 150 billion barrels for oil and 600 trillion cubic feet for gas. These potential reserves exist both onshore and offshore; but, the activity and development is dependent upon price. There will be inadequate exploration for reserves if the price is regulated. The petroleum industry has urged Congress to allow a price for new oil in America equal to what we have to pay for foreign oil—that is, approximately $14.50 per barrel of oil and to deregulate the price of interstate gas so that the price of interstate and intrastate gas would be the same on the free-market-price mechanism. With enactment of these proposals by Congress we would enormously stimulate the development of domestic oil and gas and reduce our dependence on foreign oil. Our balance of payments last year and the value of the dollar were greatly affected by the purchase of approximately 45 billion dollars worth of foreign oil.

I have made every effort to relate the facts regarding replacement costs to government officials and congressional leaders in Washington. I was most fortunate to have a lengthy visit with Dr. James Schlesinger regarding the energy situation. I found him to be a most conscientious and reasonable person in reviewing the problem with him. The industry has to educate him and give him an understanding of the complexities, risks, and costs of finding oil. From his comments, I know that he is trying to formulate a plan for energy which will benefit all sectors of America. He has many pressures put on him by the Carter administration who was misguided when it put out the energy plan through consultation with Mr. David Freeman who told the Carter administration that we had no future for oil and gas exploration. He wrote a book in which he expounded his theories that we had no petroleum reservoirs. I think that this type of thinking is rapidly being dispelled in government circles and Dr. Schlesinger is doing his part. It is heartening for our industry to see areas of growing gas reserves.

The American Association of Petroleum Geologists Memoir 15, Vol. 1 of 1970, entitled "Future Petroleum Provinces of the United States—Their Geology and Potential" by Ira H. Cram, includes a report by Baird B. Mason, Coordinator, noting that in the Gulf Coast area there was visualized excellent accumulations of petroleum in the Tuscaloosa formation in an area around Baton Rouge, Louisiana. Eight years later, the January 30, 1978, issue of The Oil and Gas Journal indicated a Tuscaloosa play in Louisiana which covered some two million acres with an enormous amount of drilling foreseen with potential gas reserves of three trillion cubic feet or more. We have many examples of this type of exploration success which is blooming throughout the land at this time because intrastate gas prices are unregulated.

I would like to add that, with the short supply of oil where we are now importing over 50 percent of our oil from foreign fields at prices averaging $14.50 per barrel, there is in the minds of some oil and gas operators the hope that in the near future their exploration would yield the same price as we pay for foreign oil. I hope that in the next few months Congress will see fit to allow the domestic oil operator the same price that we are paying for foreign oil.

The present status of the energy bill is stalled on the efforts to get new gas deregulated. There will be nothing done at this time until the Senate comes back from recess on February 20. Senator Henry M. Jackson's compromise was entirely out of line with anything that had been presented to the Senate and was offensive to the Senate. There is a new compromise which is being considered at this time. No one knows what the final bill will be but I encourage you to study the facts and get in touch with your senators and give them your philosophy that America is strong and has a great promise for developing new oil and gas resources if we have deregulation of new natural gas price for the interstate gas market which is the lifeblood in supplying the residential needs of the Eastern Seacoast customers.

In conclusion, I wish to emphasize that the solution of the energy problems depends on oil and gas prices that cover replacement or equal to the cost of foreign supplies of oil and gas. Dr. Schlesinger is very cognizant that in order to develop the maximum oil and gas, the price must be equal to the replacement cost. Our future is bright with proper energy legislation from Washington. Government can solve current problems only when it faces up to the reality that past mistakes have led to our present difficulties and that the gas and oil customers cannot be expected to make the right decisions about their use of energy for the future without

being informed correctly as to the replacement costs of petroleum. The prospects for the future, as I testified before the House Ways and Means Committee in May, 1977, for the Energy Consumers and Producers Association, were that we would, with proper price incentives, be drilling 80,000 wells per year in the next five years, compared to 44,000 wells for 1977, and that this would increase our daily producing capacity so that we would displace the purchase of foreign oil in an amount to exceed ten billion dollars per year as a minimum.●

VERNON JORDAN ON BLACKS AND ENERGY

● Mr. KENNEDY. Mr. President, as the energy bill comes to a conclusion I would like to share with my colleagues the thoughts of the Urban League's president, Vernon Jordan, on how energy policy affects the poor and minorities of the United States. Mr. Jordan will be testifying before the Joint Economic Subcommittee on Energy this Wednesday regarding the jobs potential of energy conservation for black people, and I look forward anticipation to hearing him at that time.

Mr. President, I ask unanimous consent that Mr. Jordan's speech as taken from "Not Man Apart" be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From Friends of the Earth, Mid-March 1978]

ENERGY POLICY AND BLACK PEOPLE

(By Vernon E. Jordan, Jr.)

Rarely, if ever, has our nation been confronted with a major policy issue so little understood by so many people. Americans have been exhorted to respond to an energy crisis which many doubt exists, and which few pretend to comprehend. Many sectors of our society have advanced proposals, produced massive tomes of documents, and argued fiercely. But even after years of this, the public still has the feeling of giants groping in the dark.

And amid this confusion, black people and poor people have seen their fuel costs rise, their jobs endangered, and their interests ignored. It is only within the past few weeks that the media has paid any attention to the black stake in the energy debate, and public policy-makers have never shown even passing interest in the black role in energy policies.

Tonight I would like to talk about some of the major issues in the energy crisis and state some of the major factors the National Urban League believes should be part of national energy policies.

By way of preface to my remarks, I want to point out that the National Urban League has been active in proposing energy policies and speaking out on the impact of such policies on blacks and other minorities since the inception of the energy crisis back in 1974.

Just about everyone agrees on some basic principles governing energy discussions. It is recognized that our advanced industrial economy depends on an assured supply of energy sources; that there is a need to make our use of energy as efficient as possible; that development of renewable energy sources is desirable, and that lessened dependence on imported energy is vital.

How we reach those goals is a matter of debate, and while passions have been inflamed in the process of debate, we should remember that reasonable people may differ, and differ profoundly. Honest opinions may diverge, interests may clash, and legitimate social and economic considerations may be pursued. So let us recognize this at the outset, and let us also recognize that the interests of America's poor must be granted equal weight with those of other interest groups in the course of this national debate.

The energy crisis consists of the damaging effects caused by rising energy prices and of the long-term depletion of non-renewable energy sources such as oil. The era of industrial development powered by cheap fuel is over. There is no free market for oil—the market is effectively controlled by the OPEC monopoly. Cheaper domestic resources are rising to meet artificially high world prices. At the same time, more intensive use accelerates their depletion. World energy resources are still enormous. No one knows for sure how much oil there is, but it is reasonable to assume that present reserves are vastly understated, and that new fields are certain to be discovered. Since the inception of the energy crisis in late 1973, massive fields have been developed in Alaska, Mexico and the North Sea. As one expert has said, "The crunch ... is like the horizon—it recedes as you approach it."

But oil is a finite resource. Sooner or later it will be depleted. Sooner, if demand increases at the rate it has been—the nation uses twice as much oil today as it did in 1963. Clearly, that cannot continue.

Oil and gas prices have risen to the point where other energy sources have to be part of a national energy plan. Coal, nuclear energy, and others are most often mentioned. But traditional energy sources require immense amounts of capital for their development.

We all understand the higher prices we are paying for current supplies. But the glib expectations that drilling more oil fields, digging more mines, or building more reactors will mitigate this inflationary impact are false. The capital requirements needed for energy development are tremendous, both in physical costs and in the costs of the skills, labors, materials, and other aspects of development.

Whether financed by private industry or by the government, traditional energy sources will impose unbearable financial burdens on our economy. They would create sharp inflationary pressures and would drain from other sectors of the economy the dollars and skills they need.

Industry seems prepared to cope with this. Calls for deregulation and for price rises as incentives to produce more oil, gas, and other energy sources treat energy as if it were a typical consumer item. If prices rise for, let us say, widgets, you and I could decide whether or not we want to buy widgets and act accordingly. Widget manufacturers would point to the higher prices as being an incentive to them to make more widgets, and if volume declines then their higher profit margins on those that are sold could well induce them to keep their prices high.

But energy is different. Most of us have no choice about heating our homes or driving our cars. Industry can't run its plants without energy. Higher prices—no matter how much people cut back—of necessity must work their way through the economy and affect all prices of all products.

So deregulation does not seem to me to be the route to go. Energy is different: its importance is manifest. It has to be treated differently. Deregulation and allowing domestic prices to rise to the OPEC monopoly levels would indeed provide more income—much more income—to oil and gas producers, but at an intolerable cost to the rest of us. And there is a healthy suspicion that present price levels offer enough incentives to industry. Gas and oil prices have risen sharply over previous levels and the companies engaged in resource production are doing well. Their claim that current profits are not high enough to meet future capital needs has to be taken seriously. But at the same time, we must realize that investment is never financed solely from profits. Profits need only be high enough to attract and cover debt and equity funds over the long term.

Therefore, I oppose deregulation, and further suggest that price controls and regulations be extended to all domestic gas and oil and to intra-state natural gas as well. Prices should be high enough to ensure reasonable profits and incentives for development of new fields, consistent with the public's need for reasonably-priced energy.

The Administration has attempted to meet national energy needs with a program that would encourage conservation, continue to regulate prices while imposing massive tax increases that would bring consumer prices to world levels, and then rebate those taxes to cushion their inflationary impact.

This plan is flawed in that the specifics of its proposals on conservation and price are matched by the vagueness about the rebates—who would get them and how they would work. Nor has Congress adequately dealt with the issue. If we can be sure about anything in this unpredictable world, it is that the poor will suffer from whatever energy plan emerges from Washington in 1978. I have already discussed how price rises and capital costs associated with development of traditional energy sources will inevitably lead to an inflationary spiral that would devastate the poor and minority community while crippling the economy. Unemployment would be likely to increase, especially for underemployed and unskilled workers.

Black people have a stake in national growth. Our piece of this pie has always depended to in unjust extent on the growth of the national economic pie. A shrinking economy inevitably means compounded black disadvantage.

Economic growth and sound energy policy are not incompatible. Economic growth and conservation are not incompatible. Economic growth and the development of renewable energy resources are not incompatible. Economic growth and measures to shield poor people from the negative effects of an energy policy are not incompatible.

Continued—and increased—national economic growth must be the central element of a national energy plan. There can be no compromise, no adoption of slower national economic growth as the cost of implementing energy policies.

And, in my view, the three pillars of a sound energy policy include conservation, development of renewable energy resources, and shielding the poor from negative fallout effects of energy policies. These three pillars must support the structure of continued economic growth with emphasis on including the poor and minorities in that growth.

The first pillar of a sound energy policy should be conservation. We are familiar with exhortations to save energy but often refuse to bite the bullet and implement programs that will lead to energy conservation. Distasteful as it may be to many of us, our cars and trucks will have to be made more fuel-efficient, our homes insulated, our transit systems improved, and our materials recycled. It is of relatively little importance whether deadlines to meet specific requirements are set for 1980 or 1983, or even 1987. The point is that such requirements are inevitable and they'll have to be implemented, the sooner the better. Where imposition of such requirements may be economically unsettling in the short term, they should be delayed or compensated for in some fashion. But there is no way they can be totally avoided. The sooner administrators and industries come to grips with this, the better it will be for all.

Phasing in such regulations can be arrived at with a due understanding that industry needs assistance to readjust to an

energy-scarce environment, and incentives to do so voluntarily. Above all, the national priority of economic growth must be central to our efforts to help industry's conservation efforts.

I disagree with those who say conservation must mean slower economic growth. Conservation means rational use of limited resources. It means using different forms of energy for uses to which they are best suited. It means eliminating waste. Per capita energy usage in the United States is typically several times that of other highly industrialized nations with high living standards. We as a nation must not fall into the trap of assuming that slower growth of energy usage means slower economic growth or no growth at all.

The major attraction of conservation is that it offers the greatest savings at the least cost. Some experts claim that conservation and application of low-cost technical aids could nearly double the efficiency with which we use energy. Changes in building design and modification of existing structures could save significant portions of our energy use while saving huge capital sums that would otherwise be expended on nonproductive fuels costs.

In general, sound conservation policies could lead to efficient use of energy at no loss of jobs or major lifestyle compromises, while avoiding the inflationary impact of energy costs.

The second pillar of a sound energy policy should be massive development of non-renewable resources and non-conventional technologies.

There is plenty of gas, oil and coal in the ground and under the sea. But whatever the price and whoever develops them, they are finite and ultimately will be used up. The closer we get to exploiting the marginal wells and mines, the higher the cost. Present energy resources have to be seen as aids in the transition to renewable energy resouces, and not as limitless ends in themselves.

Nuclear development has often been cited as eventually supplanting the more traditional energy sources. Ever since the first atomic bomb went off, mankind has been hypnotized by the possibilities of peaceful development of the atom, and nuclear breeder reactors have been looked upon as the long-awaited technical fix that will free us from dependence on finite gas, oil and coal.

But there are serious objections to nuclear energy that should lead us to stress other energy sources. One of these is cost. Reactors are the most expensive way to meet energy needs. Their construction and development impose price restraints that must be considered. Expanded nuclear energy carries with it capital costs that encourage inflation. There are also serious safety considerations: there is no known way in which radioactive nuclear wastes can be safely disposed. This is not an idle consideration; the health and safety of the nation are involved. Other objections to expansion of nuclear energy include international proliferation, terrorist attacks, health and safety risks, and the irreversability of nuclear dependence once it is developed on a wide scale.

Other forms of energy also have serious drawbacks, but may be more amenable to technological solutions. Coal, for example, has been out of favor because of air pollution considerations. But there now exist technologies that can burn coal cleanly, use it more efficiently, and to raise steam and power turbines, all at far lower costs than conventional power stations.

Co-generation is another major area of adapting technology to the needs of the economy. This is the term used for generating electricity as a by-product of the steam normally produced in many industrial plants. A study by industry economists estimates that half of the electricity needs of American industry could be met by co-generation within the decade. This is yet another example of how growth and jobs can be reconciled with sound energy use.

This also suggests that non-conventional energy sources utilizing new technologies can provide much of the nation's energy needs at only a fraction of the immense capital outlays required for oil exploration and for nuclear development.

The energy debate has largely ignored this. It has focused on traditional energy sources at the expense of solar, wind and other natural, renewable energy sources. Yet such sources do exist, the technologies required to develop them are either in existence already or would be with adequate research funds, and many are at the brink of commercial viability.

A national energy policy that stressed renewable energy resources, not for some distant future, but here and now, could well bring the potential of such sources to fruition.

I believe we should regard the claims of supporters of renewable energy with the same suspicions with which the claims of vested industry interests are regarded. Both groups tend to promise so much that we wonder if they really can deliver. But even looking at renewable energy conservatively, it is clear that the potential is impressive and should be supported by a massive research, development and implementation program.

A national energy pattern that uses energy sources based on their applicability to intended use is vital. More traditional, high-cost energy will still be needed for many uses. But for many other energy uses, low-cost renewable sources are more rational. This is especially so since fossil fuels are consumed for low-grade purposes for which they are not suited. It has been said, for example, that electricity meets 13 percent of the nation's low-grade end use needs, and generating that electricity takes up to 29 percent of our fossil fuels.

Black people have a major stake in the development of renewable energy sources, first because they would likely mean far lower fuel and heating costs, and second, because of their economic potential.

Development of renewable energy sources amounts to creation of a new sector of the energy industry, an industry in which black participation has been minimal. Adaptation of new energy technologies typically require less capital, fewer skills, and more labor. Neighborhood-based heating installations, roof-top solar devices and community-based energy technologies are suited to small scale business development and to the training and employment of poor people and minorities. So too, are programs of insulation and of modifying existing structures to make them more energy-efficient.

Here again, it is clear that economic growth and sound energy policy are not mutually exclusive but mutually reinforcing.

The third pillar of sound national energy strategy has to be assistance for poor people. This means not only maintenance of economic growth and preservation of jobs, but assurance that energy considerations will not jeopardize jobs in industries with concentrations of minority workers. It also means that effective measures must be taken to shield the poor from the effects of high energy prices and shortages.

This relates directly to utility pricing practices. Various demonstration projects are now under way to determine the modification of rate designs to encourage conservation, shift usage patterns for more efficient use of power capacity, and ameliorate the effect of utility prices on consumers. Such measures should move beyond the demonstration stage with all possible speed.

The poor spend a disproportionate percentage of their meager income on heating their homes. Typically, residential users pay more per unit of energy used than do large-scale users. Poor households paid an average of over 7 percent more per unit for their oil and natural gas than did more affluent households, because rates decline as usage increases. Price structures operate to create hardships on those least able to afford them. In effect, poor people are penalized for using less energy.

The Federal Energy Administration reported in 1976 that a typical poor family of four consumed four times less energy than a smaller family with an income of $20,000. Only a quarter of the poor have clothes dryers; only 4 percent have air-conditioners; poor families use about a fourth of the gasoline used by more affluent families. So poor families don't have to be lectured about conservation; they're already forced to do without the energy-guzzlers regarded by most Americans as essential.

At the same time, poor families are forced to use their higher-priced energy in inefficient ways. Three-fourths of the poor don't have storm windows or doors and half have no insulation. The federal weatherization program is notorious for its failure to be effective in assisting poor families to insulate their homes. For many poor people in urban ghettos, there is no adequate heat and hot water, and rents reflect higher fuel costs, even when services are erratically supplied.

So it should be clear to all that massive federal assistance to meet the energy needs of the poor is a necessity. I have little confidence that any rebate system will effectively compensate lower-income families for the damage done by higher prices and taxes. It may well be that more innovative means are needed. A system of energy stamps may be required, or some other form of effective income transfer adopted. Vague promises of rebates have to be replaced with certain assurances of payments that fully covered increased costs.

Further, indirect means of assisting lower-income families to make their homes more fuel-efficient should be replaced by direct programs that train and employ community-based operations to do the job.

Energy is an enormously complicated issue touching on every aspect of our national existence. Decisions made now will affect us for generations to come. The central thrust of energy policy should be to foster economic growth. Continued reliance on non-renewable energy sources inevitably means high inflation and fewer job opportunities. A sound program of conservation, development of non-conventional technologies and renewable resources, and massive assistance to cushion low-income families and neighborhoods from negative effects of energy policies are essential elements of a sound energy program.

We should not allow ourselves to get locked into a stance that sacrifices growth for fossil energy. We should not get caught into sacrificing real long-term energy policy for short-term waste. We should avoid accepting as irreconcilable the need for jobs and the need for energy.

We should be pragmatic, and flexible. We should preserve the environment. Black people, the most urbanized group in the nation, have a stake in clean air and water too. We need jobs, but we also need to be healthy enough to hold those jobs, and that means adopting energy sources that will minimize pollution. And we need jobs, not only in the plants and factories of America, but at policy-making levels at the Department of Energy and environmental offices, where policies affecting our lives are set.

Above all, we must remember that a national energy policy cannot be framed in a vacuum. It cannot be shaped by powerful interests to the exclusion of groups traditionally left out of policy formulation. The President has called development of a national energy policy "the moral equivalent of war," and like war, we cannot be successful if a significant portion of our people are excluded from full participation in all aspects of that policy.

To date, black people and low-income families have been allowed to participate to the extent of bearing the burdens of energy prices. It is time now for those groups to participate in framing the policies as well, so that their interests, their concerns, and their needs may be honored.●

AMATEUR SPORTS ACT OF 1978

● Mr. STONE. Mr. President, I am very pleased to join my colleagues, Senators STEVENS, CULVER, CANNON, PEARSON, GRIFFIN, GOLDWATER, HAYAKAWA, MATSUNAGA, and KENNEDY, as a cosponsor of S. 2727, the Amateur Sports Act of 1978. This bill is evolved from S. 2036, which Senator STEVENS, Senator CULVER and I introduced in January of this year. The changes which have been made reflect the testimony received by the Senate Commerce Committee at hearings on S. 2036, and many hours of discussions which have taken place with athletes and amateur sports organizations in an effort to fashion a bill which will truly promote amateur athletics in the United States.

Mr. President, I especially want to commend Senator STEVENS for the great amount of time and effort that he has devoted to the Amateur Sports Act. Largely as a result of committee hearings he chaired in October 1977 and lengthy "roundtable" discussions he had in January with representatives from all of the groups interested in this legislation, reasonable compromises have been achieved which will insure the rights of athletes to compete and bring about an end to the conflicts that have existed among amateur athletic organizations.

It is my firm belief that this bill is in the best interests of our athletes and the best interests of U.S. amateur sports. I am hopeful that our amateur athletes, the governing bodies of the individual sports, and the other amateur sports organizations will join in support of this legislation. If American athletes are free to compete in international competition and have the resources and the leadership of a unified U.S. Olympic Committee, America's performance will be second to none.●

THE EMPTY PORK BARREL

● Mr. KENNEDY. Mr. President, a few weeks ago, I released a report entitled "The Empty Pork Barrel: Unemployment and the Pentagon Budget," which showed that as military spending goes up, employment goes down. The study, based on the average military budget from 1970 to 1974, indicates a loss of 907,000 jobs with a Defense budget of $78 billion. The current budget of $107 billion creates a loss of 1,240,000 jobs. The job loss occurs because military spending is more capital intensive than all the other major categories of spending, where these dollars would otherwise go.

Mr. President, it is important that this relationship is made clear. Several newspapers and broadcasters have reported on the release of the study. The author of the report, Marion Anderson, was interviewed on Friday in the Washington Star. I believe that we can help to make the point through publication of this study and I ask unanimous consent that the study be printed in the RECORD.

There being no objections, the study was ordered to be printed in the RECORD, as follows:

THE EMPTY PORK BARREL—UNEMPLOYMENT AND THE PENTAGON BUDGET

(By Marion Anderson)

Contrary to long held and popular belief military spending is not good for the economy. It does not create employment—it generates unemployment.

During the years included in this study, every time the military budget went up to $1 billion, 11,600 jobs disappeared in the United States.

That meant that between 1970–1974, there was an annual net loss of 907,000 jobs when the military budget averaged $78 billion.

The reason for this is straightforward. If people all over the country are paying high taxes, much of which goes to the Pentagon, they do not have control over that money. This means that they build fewer houses, buy fewer cars, take fewer vacations, and vote lower taxes to their state and local governments. These expenditures never made have a profoundly negative impact upon jobs in these areas of the economy.

In order to analyze the job creating differential between military and civilian spending, we must compare the jobs lost in these and other sectors of the economy with the jobs created by the armed forces and their contractors. We must also compare the job creating potential of the federal government's allocating tax dollars to civilian pursuits in contrast with military pursuits. That was the goal of this study. Its results showed a negative net job impact of military spending.

The discovery of this negative impact undermines one of the most persuasive arguments the Pentagon has used when it came to Congress for its annual appropriation. Even if there were doubts whether the weapons would work, doubts whether the costs would worsen an already bad inflation, increase the national debt, and damage the balance of payments—even given these problems, the military establishment argued, expanding their budget would create more jobs.

This argument has long been accepted by the public as well as by Congress. Statistics have been tossed about purporting to show how many jobs would be lost if a weapons contract were cancelled or a base closed.

However, the calculations have not been pursued to their logical conclusion. Since a dollar spent on military priorities is a dollar that cannot be spent on civilian priorities it is not sufficient to ask only the number of jobs which are created by military spending. One must also ask how that dollar would have been spent if the Pentagon had not received it—if instead, it had gone to other federal programs, had been turned over to state and local governments to meet their needs, or had been returned to taxpayers in the form of tax reductions and used by them to buy whatever goods and services they needed or desired.

This report asks and answers those questions. The answers are contrary to what most people would expect.

Sixty percent of the U.S. public live in states which suffer a net loss of jobs every time the military budget goes up. Americans working in service industries, teaching and other state and local government jobs, construction, and in non-durable goods production lose jobs when the military budget is high. A high Pentagon budget means lower expenditures and fewer jobs in all of these areas.

Why? Why does spending money to build weapons and hire military personnel create fewer jobs than spending the same sum on civilian production or civilian government programs? Because military production has become technically very complex, it involves large amounts of expensive raw materials, and even more expensive equipment. Therefore, less of the money spent goes toward hiring people and more goes toward buying high priced equipment than when the money is spent on civilian purchases. Also, the expense of paying and maintaining soldiers has gone up rapidly.

Put differently, if a lot of the taxpayer's money is going to buy equipment rather than to hire people, many fewer jobs are created. For example, the estimates on the B–1 bomber indicated that for every billion tax dollars spent, 22,000 people would have been hired, the same billion dollars would have hired 76,000 teachers.

TABLE 1.—*Jobs generated by $1 billion of expenditure*

Jobs Corps	145,000 jobs [1]
Teachers	76,000 jobs [2]
Nurses	85,000 jobs [3]
Policemen	73,000 jobs [4]
Firemen	70,000 jobs [5]
Defense (military personnel)	58,000 jobs [6]

Furthermore, this situation has deteriorated rapidly. An analysis covering the years 1968–1972 showed an average job differential between military industry and civilian industry of 10,000 jobs; two years later, analyzing the years 1970–1974, it had risen 40% to 14,000 jobs. In government jobs, the negative change was also dramatic. In 1968–1972, the differential was 21,000 jobs, two years later, state and local governments could hire 30,000 more people per billion dollars spent than could the armed forces.[7]

TABLE 2.—*Jobs created per billion dollars of expenditure*

Jobs created by	(1)	(2)
$1 billion spent in civilian sector	[8] 59,000	[8] [10] 88,000
$1 billion spent in military sector	[9] 45,000	[11] 58,000
Jobs foregone by spending on the military	14,000	30,000

[1] If spent to create jobs in industry.
[2] If spent to create jobs in government.
[8] State and local government.

Whether the money was transferred from expenditures on military industry to civilian industry, or transferred from hiring military personnel to state and local governments to employ teachers, policemen, and public health nurses, the economy would benefit.

THE MYTH ABOUT MILITARY SPENDING AND THE ECONOMY

Because of a long held myth, huge military budgets have passed Congress for decades with virtually no comment upon their economic impact. Like many myths, it had its genesis in historical circumstance. Everyone over fifty remembers the Depression. And everyone under fifty has heard about it. The memories of long lines of destitute men wait-

Footnotes at end of article.

ing at soup kitchens, of Ph. D.'s selling apples on street corners made an indelible impression on the American consciousness. Then came World War II. Eleven million young men were drafted into the armed forces and war factories were opened all over the country hiring unemployed men and women. Everyone had a job. So the concept that was stamped upon the collective memory of Americans was that the war ended the Depression, and therefore that military spending created jobs.

No one said that the government spending $80 billion in a year in 1941 on anything would have ended the Depression. The federal government could have replaced worn out housing, run-down railroads, and decrepit hospitals. Any vast influx of investment and consumption into the system would have terminated the Depression. But most Americans just observed that when the war began the Depression ended, and therefore assumed military spending must be good for the economy.

Myths die hard. It has taken years of the current economic malaise, the combination of high unemployment, high inflation, and high military spending, to cause people to begin to reexamine their assumptions about the economy, to ask what makes it healthy, or unhealthy, and why.

In the past, the Pentagon has demanded and Congress has passed huge military budgets with virtually no discussion of their impact upon the economy. As Congressman Bob Carr, a member of the House Armed Services Committee said, "We are asked to approve these enormous budgets which have such a heavy impact on our economy, without ever being told what this impact will be."

This report opens up one big area of the needed debate: how many jobs does the American economy lose when the military budget is high? In which sectors of the economy are people losing their jobs? Which states lose and which states gain when the military budget goes up?

THE JOB COSTS OF HIGH MILITARY SPENDING

In order to do the statistical calculations, we applied a thirty year analysis of the relationship of the military budget to key sectors of the economy. This analysis showed that when military spending went up, the following categories went down by certain definite percentages: durable goods, nondurable goods, residential construction, nonresidential construction, services, state and local government, exports, imports, producers' durable equipment and federal civil purchases.[12]

In order to avoid any possibility of double counting, and to keep our data conservative, this study analyzed only durable goods, nondurable goods, residential construction, nonresidential construction, services and state and local government.[13]

In dollar terms, for every billion dollars spent on the military, the following amount was not being spent in these key areas of the economy.

TABLE 3.—*Expenditures foregone by sector of the economy for each billion dollars spent on the military* [14]

$187,000,000 on services.
$163,000,000 on durable goods.
$128,000,000 on state and local government consumption.
$114,000,000 on residential structures.
$110,000,000 on producers' durable equipment.
$97,000,000 on exports.
$71,000,000 on non-durable goods.
$68,000,000 on non-residential structures.
$48,000,000 on federal civil purchases.
$25,000,000 on imports.

By knowing from this thirty year study, what percentages of each billion dollars which went to the Pentagon would have gone for each sector of the economy, we were able to calculate the net number of jobs foregone—never created—in each of these sectors. To do this calculation, we determined first the number of civilian jobs foregone for each state, and then the number of jobs created by military contract awards and military personnel. The difference between the total number of civilian jobs foregone and the number of military jobs created equals the net job loss or gain for the state.

An analysis of all fifty states shows that over 60% of the U.S. public live in states which suffer a net job loss every time the military budget goes up. Every large industrial state in the country but Texas and California loses. Most of New England, all of the Middle Atlantic states, and the entire industrial Midwest lose jobs. The South is split with Florida, Louisiana, Arkansas, and Tennessee losing heavily, while the rest of the South and the Southwest gain.

TABLE 4.—*States in order of negative employment impact of military spending annual average 1970–1974*

State:	Number of jobs foregone
1. New York	−392,000
2. Illinois	−165,000
3. Michigan	−155,000
4. Ohio	−136,000
5. Pennsylvania	−121,000
6. Wisconsin	−65,000
7. New Jersey	−60,000
8. Indiana	−51,000
9. Minnesota	−46,000
10. Tennessee	−43,000
11. Massachusetts	−38,000
12. Florida	−33,000
13. Oregon	−32,000
14. Iowa	−32,000
15. West Virginia	−22,000
16. Nevada	−16,000
17. Louisiana	−13,000
18. Arkansas	−12,000
19. Vermont	−5,000
20. Idaho	−3,700
21. Connecticut	−3,500
22. Nebraska	−3,500
23. Maine	−2,800
24. Delaware	−1,600
25. Missouri	−1,000
26. Wyoming	−700
State:	Number of jobs foregone
1. South Dakota	+600
2. Maryland	+1,600
3. Montana	+2,400
4. Rhode Island	+3,800
5. New Hampshire	+4,100
6. Alabama	+6,800
7. Arizona	+7,000
8. New Mexico	+9,000
9. North Dakota	+10,000
10. Kentucky	+13,000
11. Kansas	+15,000
12. Utah	+18,000
13. Mississippi	+20,000
14. Washington	+20,000
15. Colorado	+21,000
16. Alaska	+26,000
17. Oklahoma	+26,000
18. North Carolina	+30,000
19. South Carolina	+30,000
20. Georgia	+30,000
21. Hawaii	+41,000
22. Virginia	+50,000
23. California	+66,000
24. Texas	+96,000
U.S. total	−907,000

ANALYSIS OF FINDINGS

The net loss States

Of the 60% of the U.S. citizens who live in states which suffer a net loss of jobs, the overwhelming majority of them live in highly industrialized states which do not contain large military bases.

During the period studied, most of the New England states were net loss states (see Table 5). Only Rhode Island and New Hampshire showed slight gains. The region as a whole lost about 41,500 jobs annually. This was true even when Connecticut was getting heavy military contracts because of the Vietnam war and Massachusetts was getting substantial contracts for research and development.

The Middle Atlantic region suffers the most. New York loses more jobs than any other state in the country—a staggering 392,000. New Jersey and Pennsylvania lose heavily even though they received substantial military contracts and both states host military bases. The losses they sustained in civilian industrial production, coupled with the very large number of jobs which they had to forego in services and state and local government, resulted in 60,000 jobs foregone in New Jersey and 121,000 in Pennsylvania.

The industrial belt of the United States suffers heavily. In the East North Central States of Ohio, Indiana, Illinois, Michigan, and Wisconsin, 572,000 jobs were foregone. This region, the industrial heartland of the nation, showed a net loss of over 216,000 jobs just in the industrial sectors of its economy, durable and non-durable goods. With relatively few military bases to compensate and a very substantial number of jobs foregone in services and state and local government, this region was hit heavily.

The Great Plains states showed a more varied picture. Although the region as a whole showed a net loss of 56,900 jobs, some states gained. The net loss states included Minnesota, Iowa, Missouri, and Nebraska. The net gain states were North Dakota, South Dakota, and Kansas (all of which had military bases).

The last of the net loss regions was the East South Central comprising Kentucky, Tennessee, Alabama, and Mississippi. The region had many military bases, and Tennessee was the only net loss state, with over 43,000 jobs foregone. All the other states showed net gains, but Tennessee's large loss resulted in a net loss of about 3,200 jobs for the region.

TABLE 5.—*Net jobs lost by geographical region annual average, 1970–74*

	Net job gain or loss
New England:	
Maine	−2,800
New Hampshire	+4,100
Vermont	−5,000
Massachusetts	−38,000
Rhode Island	+3,800
Connecticut	−3,500
Net New England	−41,400
Middle Atlantic:	
New York	−392,000
New Jersey	−60,000
Pennsylvania	−121,000
Net Middle Atlantic	−573,000
East North Central:	
Ohio	−136,000
Indiana	−51,000
Illinois	−165,000
Michigan	−155,000
Wisconsin	−65,000
Net E.N. Central	−572,000
West North Central:	
Minnesota	−46,000
Iowa	−32,000
Missouri	−1,000
North Dakota	+10,000
South Dakota	+600
Nebraska	−3,500
Kansas	+15,000
Net W.N. Central	−56,900

Footnotes at end of article.

TABLE 5.—*Net jobs lost by geographical regions annual average, 1970–74*—Con.

	Net job gain or loss
East South Central:	
Kentucky	+13,000
Tennessee	−43,000
Alabama	+6,800
Mississippi	+20,000
Net E.S. Central	−3,200

TABLE 6.—*Net jobs gained by geographical region annual average, 1970–74*

	Net job gain or loss
South Atlantic:	
Delaware	−1,600
Maryland	+1,600
Virginia	+50,000
West Virginia	−22,000
North Carolina	+30,000
South Carolina	+30,000
Georgia	+30,000
Florida	−33,000
Net South Atlantic	+85,000
West South Central:	
Arkansas	−12,000
Louisiana	−13,000
Oklahoma	+26,000
Texas	+96,000
Net West South Central	+97,000
Pacific:	
Washington	+20,000
Oregon	−32,000
California	+66,000
Alaska	+26,000
Hawaii	+41,000
Net Pacific	+121,000
Mountain:	
Montana	+2,400
Idaho	−3,700
Wyoming	−700
Colorado	+21,000
New Mexico	+9,000
Arizona	+7,000
Utah	+18,000
Nevada	−16,000
Net Mountain	+37,000

THE NET GAIN STATES

The states which showed net gains in jobs from military bases and industry form a geographic band which begins in Maryland and extends south to Georgia (Florida is excluded), west to California (excluding Louisiana), and north to Washington (omitting Oregon).

The South Atlantic region which includes Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida gained 85,000 jobs. Delaware, West Virginia and Florida showed heavy job losses, and the other states gained. Virginia, North and South Carolina and Georgia had about 380,000 military personnel stationed within their borders. Over 98,000 military personnel were living in Florida, but their presence was not sufficient to overcome the large job losses in residential construction and services.

Texas led the West South Central section with a net gain of 96,000 jobs. Texas was receiving an average of $2.4 billion worth of military contracts during these years, generating about 57,000 jobs a year. There were also 231,000 uniformed and civilian military personnel stationed there. Therefore, Texas' net gain was large, the largest in the nation. Oklahoma also gained, about 26,000 jobs. Arkansas, however, lost almost 12,000 jobs during each year of the period studied. Washington, with both troops and contracts, and Alaska and Hawaii, with large military bases, were all net gain states. Only Oregon of the Pacific Coast states lost jobs—32,000 of them.

LOSS BY SECTOR OF THE ECONOMY

Another way of analyzing the data is by seeing how many jobs are lost or gained within the different sectors of the economy. Every sector loses when the military budget is high.

The four areas where people have discretion over their expenditures suffer dramatically: during goods, residential construction, services, and state and local government.

Services include among other areas, recreation, hotels, cleaning, advertising, beauty shops, business services and automobile repairs. When people are hard pressed, they travel less, go to fewer movies, delay having their car fixed, stop going to beauty shops, and cut back on business services.

One of the first major expenditures people cut back on is building or buying a new home. This expenditure, the largest which most people ever make, is at the top of everyone's discretionary expenditure list. So, when taxes and inflation are high, and funds are tight, people put up longer with a cramped apartment or a mobile home. This means that hundreds of thousands of carpenters, bricklayers, plasterers, electricians, plumbers, and painters cannot find work, or cannot find it for enough weeks each year to support their families. A fall-off in construction hits the economy doubly hard, because money going into construction generates more jobs throughout the economy than money spent in any other way.

People feel that taxes going to state and local government expenditure are partially optional. School millages by the thousands have been turned down all over the United States.[15] This is frequently the only tax which the individual taxpayer can control directly. When angry over high federal taxes, and high inflation, voters are likely to react by turning down the local school board's request for more money, thus costing both teachers and local construction workers their jobs.

People will also put off big expenditures on durable goods. They will postpone buying a new car or refrigerator. They will keep their worn out furniture years longer than they want.

TABLE 7.—JOBS FOREGONE BY SECTOR OF THE ECONOMY ANNUAL AVERAGE, 1970–74

Sector	Civilian jobs foregone	Military jobs created	Net
Durable goods	−663,000	+661,000	−2,000
Nondurable goods	−303,000	+45,000	−458,000
Residential construction	−299,000	+48,000	−251,000
Nonresidential construction	−177,000	+6,000	−171,000
Services	−1,560,000		−1,560,000
State and local government	−1,011,000		−1,011,000
Uniformed and non-uniformed military personnel employed in the United States		+2,346,000	+2,346,000
Total	−4,013,000	+3,106,000	[1] −907,000

[1] Net jobs foregone nationwide.

There is a vast ripple effect throughout the economy of millions of decisions not to put a new room on the house, not to take a long awaited vacation, not to buy a new car, not to approve a local bond issue. The figures in Table 7 show only the beginning of the story. They do not show the jobs lost or never created in wholesale and retail trade as those carpenters, teachers, and automobile production workers look in vain for jobs, take lower paid jobs than their training entitles them to, and then as they both save and spend less money, cost other workers their jobs.

A CASE HISTORY: TEACHERS OUT OF WORK

There is a direct relationship between the lush budgets voted to the military and the tens of thousands of teachers who cannot find jobs.

When the Pentagon's budget is about $78 billion, state and local governments have about $10 billion less to spend as $12.8% of each billion dollars going to the military would have gone towards state and local government expenditures (see Table 3, page 2). This means over 1,011,000 jobs foregone in state and local government (see Table 7, page 4). About 222,000 of these jobs would have gone to teachers.

The National Education Association estimates that 363,000 teachers need to be hired in order to bring class size to desirable levels: 24 children per class in elementary schools, and a teaching load not to exceed 124 students per teacher at the secondary level.

By far the largest occupational category of state and local government employees are teachers. The percentage of teachers to total state and local government employees, ranges from a low of 16% in Alaska, to a high 28% in Connecticut and North Dakota [16]. On average, teachers constitute about 23% of state and local government employees. Knowing the percentages in each state, and the amount of extra state and local government expenditures that would have taken place but for such high military budgets, it can be determined how many fewer educational jobs there are by state and by Congressional District.

Every state loses teacher's jobs. It is not just the school districts in the big net loss states like New York and Ohio which suffer when military spending is high. It is every state in the country.

People in California and Texas feel just as burdened by high taxes as people in Pennsylvania and Ohio. So when the one set of taxes over which they have control comes up for a vote, they are very likely to vote it down. From 1973–1975, 49% of all school bond issues were defeated.

In the fall of 1976, about 186,000 recent college graduates, their newly won teaching certificates in their hands, went out to look for jobs. 92,000 of them could not find a teaching job.

The amount of money that it would cost to put these 92,000 young teachers to work is spent by the Pentagon between Monday morning and Thursday afternoon of any given week.

TABLE 8.—NUMBER OF TEACHERS JOBS FOREGONE BY STATE, ANNUAL AVERAGE 1970–74

State and Senators	Average number of teacher's jobs foregone in each congressional district	Number of teacher's jobs foregone
Aabama: Sparkman/Allen	−410	−2,900
Alaska: Stevens/Gravel	−600	−600
Arizona: Goldwater/DeConcini	−530	−2,100
Arkansas: Hodges/Bumpers	−400	−1,600
California: Cranston/Hayakawa	−500	−22,000
Colorado: Haskell/Hart	−480	−2,400
Connecticut: Ribicoff/Weicker	−750	−4,400
Delaware: Roth/Biden	−650	−650
Florida: Chiles/Stone	−400	−6,000
Georgia: Talmadge/Nunn	−410	−4,100
Hawaii: Inouye/Matsunaga	−600	−1,200
Idaho: Church/McClure	−400	−800
Illinois: Percy/Stevenson	−520	−12,500
Indiana: Bayh/Lugar	−470	−5,200
Iowa: Clark/Culver	−520	−3,100
Kansas: Pearson/Dole	−460	−2,300
Kentucky: Huddleston/Ford	−400	−2,800
Louisiana: Long/Johnston	−460	−3,700
Maine: Muskie/Hathaway	−550	−1,100
Maryland: Mathias/Sarbanes	−580	−4,600
Massachusetts: Kennedy/Brooke	−610	−7,300
Michigan: Griffin/Riegle	−540	−10,200
Minnesota: Humphrey/Anderson	−640	−5,100

State and Senators	Average number of teacher's jobs foregone in each congressional district	Number of teacher's jobs foregone
Mississippi: Eastland/Stennis	−380	−1,900
Missouri: Eagleton/Danforth	−440	−4,400
Montana: Metcalf/Melcher	−400	−800
Nebraska: Curtis/Zorinsky	−470	−1,400
Nevada: Cannon/Laxalt	−700	−700
New Hampshire: McIntyre/Durkin	−380	−750
New Jersey: Case/Williams	−590	−8,800
New Mexico: Domenici/Schmitt	−550	−1,100
New York: Javits/Moynihan	−640	−25,100
North Carolina: Helms/Morgan	−400	−4,400
North Dakota: Young/Burdick	−870	−870
Ohio: Glenn/Metzenbaum	−460	−10,500
Oklahoma: Bellmon/Bartlett	−400	−2,400
Oregon: Hatfield/Packwood	−700	−2,800
Pennsylvania: Schweiker/Heinz	−530	−13,100
Rhode Island: Pell/Chafee	−500	−1,000
South Carolina: Thurmond/Hollings	−350	−2,100
South Dakota: McGovern/Abourezk	−400	−800
Tennessee: Baker/Sasser	−400	−3,200
Texas: Tower/Bentsen	−460	−11,000
Utah: Garn/Hatch	−550	−1,100
Vermont: Stafford/Leahy	−700	−700
Virginia: Byrd/Scott	−470	−4,700
Washington: Magnuson/Jackson	−530	−3,700
West Virginia: Randolph/Byrd	−430	−1,700
Wisconsin: Proxmire/Nelson	−640	−5,800
Wyoming: Hansen/Wallop	−550	−550
Number of teachers jobs foregone		222,000

And this is by no means the full picture, as there is a great deal of hidden unemployment in the profession. Women who taught for some years, retired temporarily to have children and who now wish to reenter their profession do not show up on the unemployment statistics. They are not mobile, so they frequently inquire locally into teaching opportunities, find nothing, and are unable to practice the profession in which they are both trained and skilled.

Other teachers take jobs wherever they can, selling insurance, painting houses, doing whatever is available.

The problem of unemployed teachers stands in marked contrast to what happens when the military want instructors. On military training bases, it is about 1:2.[17] There is not a school system in the entire United States for either the most talented or the most handicapped which gives its students this kind of attention.

FEDERAL JOB CREATION

So far we have analyzed the job creating differential between the federal government's spending money on the military and the taxpayers spending it on their own needs. Now let us analyze what would happen if the money were simply transferred by Congress out of the military portion of the budget into severely underfunded civilian categories.

Three examples, all realistic, should suffice.

During the Presidential campaign of 1976, President Carter repeatedly said that the Pentagon budget contained waste and should be cut $5–7 billion.

TABLE 9.—$7 BILLION PER YEAR

Job category	Amount of money (billions)	Number of jobs
Teachers	$4	+304,000
Policemen	1	+76,000
Fire protection	1	+70,000
Construction	1	[18]+43,000
Total	7	
Civilian jobs created		+493,000
Military jobs created		−315,000
Total (net job gain)		+178,000

The enormous and continuing cost overruns on military procurement contracts have been documented for years and could be terminated thus freeing up billions of taxpayers dollars. In fact, Dr. Fox, the former Assistant Secretary of the Army for Procurement 1969–1971 said in his recent book, *Arming America: How the U.S. Buys Weapons?* "Management standards for Defense programs are so much lower than for commercial programs, that the capabilities of workers to perform jobs is affected . . . Estimates have shown that 30% to 50% of program costs can be cut with the introduction of business practices and standards developed for large commercial programs . . . this amounts to a potential cost savings of $8 billion to $12 billion per year—the cost of building more than 1,000 schools and operating them for 30 years, or the cost of building 2,000 electric power plants, each serving a town of 60,000 people."

If an average of the savings which Dr. Fox said could be realized merely by having DOD contractors follow normal business procedures for large enterprises, $10 billion per year would be saved.

TABLE 10.—$10 BILLION PER YEAR

Job category	Amount of money (billions)	Number of jobs
Teachers	$4	+304,000
Construction	2	+86,000
Job Corps	1	+145,000
Librarians	1	+111,000
Policemen	1	+76,000
Fire protection	1	+70,000
Total	10	+792,000
Civilian jobs created		−450,000
Total (net job gain)		+342,000

During the Vietnam war, the country was told that the war was costing $20 billion a year. The Administration frequently announced that when the war was over this money could be returned as the "peace dividend". In all of American history, there has been no example in which a war was over, and military spending did not decline. However, that is what happened after the war in Vietnam. The war ended and the military budget went up. If the Administration had kept its promise, the 1972 military budget of $80 billion would have declined to $60 billion. Allowing for inflation it would now be $80 billion. The current Pentagon budget is about $110 billion. The $30 billion differential between what the Pentagon's budget should be and what it is, could mean 456,000 jobs in the economy.

TABLE 11.—$30 BILLION PER YEAR

Job category	Amount of money (billions)	Number of jobs
Teachers	$4	+304,000
Fire protection	2	+140,000
Policemen	2	+152,000
Librarians	1	+111,000
Job Corps	2	+290,000
Nurses	2	+170,000
Construction	7	+301,000
Environmental	10	[19] +600,000
Total	30	
Civilian jobs created		+2,068,000
Military jobs created		−1,350,000
Total (net job gain)		+718,000

In each case, the increment amounts to at least 24,000 jobs per billion dollars spent when the money is transferred from military to civilian use.

CONCLUSIONS AND RECOMMENDATIONS

The conclusion is clear. Sustained high military expenditure costs the people of the United States dearly. It costs us money. It costs us jobs.

The deep problems of the American economy cannot be ameliorated until the waste and fat is cut from the military budget, and the money either left in the hands of citizens through tax cuts or spent on economically productive activities by the government—federal, state, or local.

Cuts in taxes would leave more money in people's hands to spend as they wish. Cuts in the lower-income tax brackets would mean more money immediately going into the necessities of life: food, clothing, shelter, transportation, and education. Cuts in the higher brackets have a greater effect on luxury expenditures. In either case, some money goes into saving and some into consumer goods expenditures which both stimulate investment and generate jobs. Non-military expenditures by the federal government could also have a salutary effect on jobs and income. All non-military federal expenditures produce more jobs for each billion dollars spent than does Pentagon spending.

To effect the changes in national spending policies needed to regenerate the American economy, a change in national priorities is needed.

Unemployment has hovered around 7 percent year after year. It is in our power to end this unemployment. To do so, we need the capital which can create jobs. The place to begin to get this needed capital is in the budget of the Department of Defense.

Therefore, PIRGIM makes the following recommendations:

1. A cut of $25 billion in the Pentagon's budget, thus allowing 290,000 Americans to have jobs again.

2. A Congressional investigation into the employment impact of high military spending. Special attention should be given to both the sectors of the economy and the states which suffer employment losses when Pentagon spending is high.

3. The passage of legislation for the conversion of military industry to civilian industry and the conversion of military bases to civilian use, with special provisions to lessen the problems of workers who need retraining and relocation.

APPENDIX A.—JOBS FOREGONE BY SECTOR OF THE ECONOMY BY STATE

[Annual average 1970–74]

Component of GNP	Civilian jobs foregone	Military jobs created	Net job gain or loss
ALABAMA			
Durable goods	−8,400	+5,950	−2,450
Nondurable goods	−7,300	+1,800	−5,500
Residential construction	−4,850	+650	−4,200
Nonresidential construction	−2,500		−2,500
Services	−16,050		−16,050
State and local government	−12,650		−12,650
Military personnel		+50,150	+50,150
Total			+6,800
ALASKA			
Durable goods		+350	+350
Nondurable goods	−200	+400	+200
Residential construction	−700	+1,000	+300
Nonresidential construction	−1,200		−1,200
ervices	−2,500		−2,500
State and local government	−3,600		−3,600
Military personnel		+32,200	+32,200
Total			+25,750
ARIZONA			
Durable goods	−4,250	+7,850	+3,600
Nondurable goods	−950	+100	−850
Residential construction	−5,600	+950	−4,650
Nonresidential construction	−2,600		−2,600
Services	−15,800		−15,800
State and local government	−9,900		−9,900
Military personnel		+37,250	+37,250
Total			+7,050
ARKANSAS			
Durable goods	−4,350	+800	−3,550
Nondurable goods	−3,600	+350	−3,250
Residential construction	−3,050	+100	−2,950
Nonresidential construction	−1,250		−1,250
Services	−8,300		−8,300
State and local government	−6,250		−6,250
Military personnel		+13,900	+13,900
Total			−11,650

APPENDIX A.—JOBS FOREGONE BY SECTOR OF THE ECONOMY BY STATE

[Annual average 1970–74]

Component of GNP	Civilian jobs foregone	military jobs create l	Net job gain or loss
CALIFORNIA			
Durable goods	−60, 850	+140, 250	+79, 400
Nondurable goods	−19, 700	+8, 100	−11, 600
Residential construction	−33, 500	+6, 050	−27, 450
Nonresidential construction	−15, 300	+350	−14, 950
Services	−213, 000		−213, 000
State and local government	−121, 850		−121, 850
Military personnel		+375, 050	+375, 050
Total			+65, 600
COLORADO			
Durable goods	−3, 950	+3, 450	−500
Nondurable goods	−1, 850	+200	−1, 650
Residential construction	−5, 400	+1, 250	−4, 150
Nonresidential construction	−2, 800		−2, 800
Services	−19, 700		−19, 700
State and local government	−12, 000		−12, 000
Military personnel		+61, 600	+61, 600
Total			+20, 800
CONNECTICUT			
Durable goods	−20, 300	+53, 800	+33, 500
Nondurable goods	−3, 150	+300	−2, 850
Residential construction	−3, 500	+350	−3, 150
Nonresidential construction	−2, 450	+50	−2, 400
Se.vices	−21, 050		−21, 050
Sta e and local government	−15, 650		−15, 650
Military personnel		+8, 050	+8, 050
Total			−3, 550
DELAWARE			
Durable goods	−600	+100	−500
Nondurable goods	−800	+300	-500
Residential construction	−950	+200	/50
Nonresidential construction	−450		−450
Services	−3, 850		−3, 850
State and local government	−3, 300		−3, 300
Military personnal		+7, 750	+7, 750
Total			−1, 600
FLORIDA			
Durable goods	−9, 650	+22, 500	+12, 850
Nondurable goods	−6, 400	+750	−5, 650
Residential construction	−28, 500	+2, 200	−26, 300
Nonresidential construction	−7, 400		−7, 400
Services	−73, 800		−73, 800
State and local government	−31, 400		−31, 400
Military personnel		+98, 300	+98, 300
Total			−33, 400
GEORGIA			
Durable goods	−8, 200	+11, 500	+3, 300
Nondurable goods	−15, 500	+1, 450	−11, 100
Residential construction	−9, 200	+900	−8, 300
Nonresidential construction	−3, 800		−3, 800
Services	−30, 500		−30, 500
State and local government	−19, 250		−19, 250
Military personnel		+99, 350	+99, 350
Total			+29, 750
HAWAII			
Durable goods	−150	+300	+150
Nondurable goods	−800	+900	+100
Residential construction	−3, 100	+1, 700	−1, 400
Nonresidential construction	−1, 180		−1, 180
Services	−9, 900		−9, 900
State and local government	−5, 650		−5, 650
Military personnel		+58, 750	+58, 750
Total			+40, 870
IDAHO			
Durable goods	−200		−200
Nondurable goods	−1, 300	+50	−1, 250
Residential construction	−700	+100	−600
Nonresidential construction	−700		−700
Services	−4, 050		−4, 050
State and local government	−3, 300		−3, 300
Military personnel		+6, 350	+6, 350
Total			−3, 750
ILLINOIS			
Durable goods	−55, 600	+8, 300	−47, 300
Nondurable goods	−16, 500	+1, 350	−15, 150
Residential construction	−13, 700	+1, 750	−11, 950
Nonresidential construction	−9, 750	+1, 900	−7, 850
Services	−93, 250		−93, 250
State and local government	−54, 250		−54, 250
Military personnel		+65, 000	+65, 000
Total			−164, 750
INDIANA			
Durable goods	−35, 600	+18, 700	−16, 900
Nondurable goods	−6, 700	+850	−5, 850
Residential construction	−7, 200	+700	−6, 500
Nonresidential construction	−4, 100	+400	−3, 700
Services	−20, 250		−20, 250
State and local government	−21, 800		−21, 800
Military personnel		+23, 800	+23, 800
Total			−51, 200
IOWA			
Durable goods	−7, 700	+3, 500	−4, 200
Nondurable goods	−3, 550	+300	−3, 250
Residential construction	−2, 650	+100	−2, 550
Nonresidential construction	−2, 050	+300	−1, 750
Services	−10, 350		−10, 350
State and local government	−12, 250		−12, 250
Military personnel		+1, 950	+1, 950
Total			−32, 400
KANSAS			
Durable goods	−5, 000	+5, 800	+800
Nondurable goods	−2, 000	+200	−1, 800
Residential construction	−2, 350	+550	−1, 800
Nonresidential construction	−1, 500		−1, 500
Services	−8, 300		−8, 300
State and local government	−10, 100		−10, 100
Military personnel		+37, 350	+37, 350
Total			+14, 650
KENTUCKY			
Durable goods	−8, 750	+300	−8, 450
Nondurable goods	−4, 000	+500	−3, 500
Residential construction	−5, 050	+800	−4, 250
Nonresidential construction	−3, 050		−3, 050
Services	−13, 600		−13, 600
State and local government	−12, 000		−12, 000
Military personnel		+15, 700	+57, 700
Total			+12, 850
LOUISIANA			
Durable goods	−3, 700	+3, 000	−700
Nondurable goods	−3, 900	+1, 000	−2, 900
Residential construction	−6, 200	+550	−5, 650
Nonresidential construction	−3, 750		−3, 750
Services	−21, 200		−21, 200
State and local government	−16, 000		−16, 000
Military personnel		+36, 900	+36, 900
Total			−13, 300
MAINE			
Durable goods	−750	+2, 400	+1, 650
Nondurable goods	−2, 400	+510	−2, 250
Residential construction	−1, 050	+250	−800
Nonresidential construction	−600		−600
Services	−4, 500		−4, 500
State and local government	−4, 400		−4, 400
Military personnel		+8, 100	+8, 100
Total			−2, 800
MARYLAND			
Durable goods	−9, 400	+13, 350	+3, 950
Nondurable goods	−4, 750	+650	−4, 100
Residential construction	−5, 950	+2, 000	−3, 950
Nonresidential construction	−3, 700		−3, 700
Services	−32, 400		−32, 400
State and local government	−21, 100		−21, 100
Military personnel		+62, 900	+62, 900
Total			+1, 600
MASSACHUSETTS			
Durable goods	−21, 300	+43, 250	+21, 950
Nondurable goods	−9, 800	+1, 250	−8, 550
Residential construction	−6, 600	+350	−6, 250
Nonresidential construction	−4, 550		−4, 550
Services	−47, 000		−47, 000
State and local government	−29. 200		−29, 200
Military personnel		+36, 000	+36, 000
Total			−37, 600
MICHIGAN			
Durable goods	−55, 250	+10, 300	−44, 950
Nondurable goods	−8, 500	+450	−8, 050
Residential construction	− 11, 350	+350	−11, 000
Nonresidential construction	−7, 400	+550	−6, 850
Services	−60, 950		−60, 950
State and local government	−48, 600		48, 600
Military personnel		+25, 800	+25, 800
Total			−154, 600
MINNESOTA			
Durable goods	−9, 750	+11, 850	+2, 100
Nondurable goods	− 4, 600	+200	−4, 400
Residential construction	−4, 700	+100	−4, 600
Nonresidential construction	− 3, 400	+50	−3, 350
Services	−20, 450		−20, 450
Sales and local government	−21, 100		−21, 100
Military personnel		+6, 200	+6, 200
Total			− 45, 600
MISSISSIPPI			
Durable goods	−5, 300	+20, 500	+15, 200
Nondurable goods	−4, 150	+1, 350	−2, 800
Residential construction	−3, 100	+750	−2, 350
Nonresidential construction	−2, 600	+50	−2, 550
Services	−7, 700		−7, 700
State and local government	−8, 500		−8, 500
Military personnel		+29, 050	+29, 050
Total			+20, 350
MISSOURI			
Durable goods	−14, 600	+26, 300	+11, 700
Nondurable goods	6, 700	+400	−6, 300
Residential construction	−4, 900	+600	−4, 300
Nonresidential construction	−3, 600		−3, 600
Services	−29, 250		−29, 250
State and local government	−19, 000		−19, 000
Military personnel		+49, 900	+49, 900
Total			−850
MONTANA			
Durable goods	−50	+100	+50
Nondurable goods	−550	+150	−400
Residential construction	−700	+3, 600	+2, 900
Nonresidential construction	−800		−800
Services	−3, 400		−3, 400
State and local government	−3, 450		−3, 450
Military personnel		+7, 550	+7, 550
Total			+2, 450
NEBRASKA			
Durable goods	−2, 700	+850	−1, 850
Nondurable goods	−1, 500	+100	−1, 400
Residential construction	−1, 650	+200	−1, 450
Nonresidential construction	−1 300		−1, 300
Services	−6, 750		−6, 750
State and local government	−6, 700		−6, 700
Military personnel		+16, 000	+16, 000
Total			−3, 450
NEVADA			
Durable goods	−150	+50	−100
Nondurable goods	−150		−150
Residential construction	−2, 300	+300	−2, 000
Nonresidential construction	−750		−750
Services	−21, 250		−21, 250
State and local government	−3, 500		−3, 500
Military personnel		+11, 800	+11, 800
Total			−15, 950
NEW HAMPSHIRE			
Durable goods	−2, 600	+4, 400	+1, 800
Nondurable goods	−1, 400	+300	−1, 100
Residential construction	−1, 000	+100	−900
Nonresidential construction	−600		−600
Services	−4, 800		−4, 800
State and local government	−3, 100		−3, 100
Military personnel		+12, 850	+12, 850
Total			+4, 150
NEW JERSEY			
Durable goods	−25, 450	+19, 400	−6, 050
Nondurable goods	−14, 600	+1, 700	−12, 900
Residential construction	+7, 500	+700	−6, 800
Nonresidential construction	−6, 050		−6, 050
Services	−58, 600		−58, 600
State and local government	−36, 750		−36, 750
Military personnel		+67, 000	+67, 000
Total			−60, 150
NEW MEXICO			
Durable goods	−450	+1, 500	+1, 050
Nondurable goods	−350	+150	−200
Residential construction	−1, 900	+600	−1, 300
Nonresidential construction	−1, 000		−1, 000
Services	−10, 800		−10, 800

Component of GNP	Civilian jobs foregone	Military jobs created	Net job gain or loss
State and local govertment	−5,300		−5,300
Military personnel		+26,600	+26,600
Total			+9,050
NEW YORK			
Durable goods	−51,300	+57,800	+6,500
Nondurable goods	−27,800	+2,400	−25,400
Residential construction	−15,450	+1,150	−14,300
Nonresidential construction	−13,200	+100	−13,100
Services	−260,050		−260,050
State and local government	−132,350		−132,350
Military personnel		+47,000	+47,000
Total			−391,700
NORTH CAROLINA			
Durable goods	−12,900	+8,650	−4,250
Nondurable goods	−19,500	+2,450	−17,050
Residential construction	−9,100	+1,300	−7,800
Nonresidential construction	−3,950	+300	−3,650
Services	−24,800		−24,600
State and local government	−19,100		−19,100
Military personnel		+106,400	+106,400
Total			+29,950
NORTH DAKOTA			
Durable goods	200	+550	+350
Nondurable goods	−200	+150	−50
Residential construction	−700	+2,000	+1,300
Nonresidential construction	−700		−700
Services	+2,350		−2,350
State and local government	−3,050		−3,050
Military personnel		+14,600	+14,600
Total			+10,000
OHIO			
Durable goods	−64,650	+20,650	−44,000
Nondurable goods	−14,750	+450	−14,300
Residential construction	−13,200	+800	−12,400
Nonresidential construction	−8,300	+650	−7,650
Services	−66,100		−66,100
State and local government	−43,550		−43,550
Military personnel		+52,500	+52,500
Total			−135,500
OKLAHOMA			
Durable goods	−4,900	+1,600	−3,300
Nondurable goods	−1,800	+700	−1,100
Residential construction	−4,200	+950	−3,250
Nonresidential construction	−2,300	+300	−2,000
Services	−14,200		−14,200
State and local government	−10,600		−10,600
Military personnel		+60,400	+60,400
Total			+25,950
OREGON			
Durable goods	−3,000	+800	−2,200
Nondurable goods	−4,600	+200	−4,400
Residentia: construction	−3,000		−3,000
Nonresidential construction	−2,000	+50	−1,950
Services	−14,050		−14,050
State and local government	−11,900		−11,900
Military personnel		+5,500	+5,500
Total			−32,000
PENNSYLVANIA			
Durable goods	−54,350	+26,850	−27,500
Nondurable goods	−22,000	+1,800	20,000
Residential construc ion	−8,450	+900	−7,550
Nonresidential construction	−10,150	+250	−9,900
Services	−75,800		−75,800
State and local government	−52,650		−52,650
Total			−121,300
RHODE ISLAND			
Durable goods	−3,050	+1,950	−1,100
Nondurable goods	−1,600	+700	−900
Residential construction	−800	+450	−350
Nonresidential construction	−450		−450
Services	−5,100		−5,100
State and local government	−4,450		−4,450
Military personnel		+16,100	+16,100
Total			+3,750
SOUTH CAROLINA			
Durable goods	−4,550	+900	−3,650
Nondurable goods	−10,550	+1,500	−9,050
Residential construction	−5,050	+1,050	−4,000
Nonresidential construction	−2,400		−2,400
Services	−11,550		−11,550
State and local government	−10,000		−10,000
Military personnel		+70,700	+70,700
Total			+30,050
SOUTH DAKOTA			
Durable goods	−250	+400	+150
Nondurable goods	−450		−450
Residential construction	−600	+50	−550
Nonresidential construction	−550		−550
Services	−2,000		−2,000
State and local government	−3,250		−3,250
Military personnel		+7,300	+7,300
Total			+650
TENNESSEE			
Durable goods	−11,700	+6,350	−5,350
Nondurable goods	−10,200	+1,300	−8,900
Residential construction	−7,000	+1,050	−5,950
Nonresidential construction	−3,600		−3,600
Services	−23,600		−23,600
State and local government	−15,000		−15,000
Military personnel		+19,350	+19,350
Total			−43,050
TEXAS			
Durable goods	−24,250	+48,950	+24,700
Nondurable goods	−11,950	+5,050	−6,900
Residential construction	−19,100	+3,200	−15,900
Nonresidential construction	−11,600	+100	−11,500
Services	−81,200		−81,200
State and local government	−43,700		−43,700
Military personnel		+230,700	+230,700
Total			+96,200
UTAH			
Durable goods	−1,400	+3,550	+2,150
Nondurable goods	−750	+250	−500
Residential construction	−1,850	+550	−1,300
Nonresidential construction	−1,100		−1,100
Services	−6,550		−6,550
State and local government	−5,150		−5,150
Military personnel		+30,050	−30,050
Total			+17,600
VERMONT			
Durable goods	−850	+1,900	+1,050
Nondurable goods	−500		−500
Residential construction	−550		−550
Nonresidential construction	−350		−350
Services	−2,800		−2,800
State and local government	−2,450		−2,450
Military personnel		+700	+700
Total			−4,900
VIRGINIA			
Durable goods	−8,200	+19,400	+11,200
Nondurable goods	−8,200	+1,300	−6,950
Residential construction	−9,800	+3,100	−6,700
Nonresidential construction	−4,550	+50	−4,500
Services	−27,900		−27,900
State and local government	−19,600		−19,600
Military personnel		+104,550	+104,550
Total			+50,100
WASHINGTON			
Durable goods	−7,600	+12,000	+4,400
Nondurable goods	−4,600	+700	−3,900
Residential construction	−4,600	+850	−3,750
Nonresidential construction	−3,750	+50	−3,700
Services	−21,700		−21,700
State and local government	−19,200		−19,200
Military personnel		+67,750	+67,750
Total			+19,900
WEST VIRGINIA			
Durable goods	−4,500	+600	−3,900
Nondurable goods	−1,850	+200	−1,650
Residential construction	−1,050		−1,050
Nonresidential construction	−1,850		−1,850
Services	−6,850		−6,850
State and local government	−6,900		−6,900
Military personnel		+700	+700
Total			−21,500
WISCONSIN			
Durable goods	−20,450	+7,150	−13,300
Nondurable goods	−7,050	+450	−6,600
Residential construction	−5,300	+300	−5,000
Nonresidential construction	−3,100	+150	−2,950
Services	−17,900		−17,900
State and local government	−24,200		−24,200
Military personnel		+4,650	+4,650
Total			−65,300
WYOMING			
Durable goods	−50	+350	+300
Nondurable goods	−100	+100	
Residential construction	−300		−300
Nonresidential construction	−600		−600
Services	−2,350		−2,350
State and local government	−2,300		−2,300
Military personnel		+4,600	+4,600
Total			−650

FOOTNOTES

[1] Job Corps.

[2] National Education Association.

[3] Data derived from salary levels as reported in the *National Survey of Hospitals and Medical Schools*, University of Texas, Galveston, Texas, 1976.

[4] International Association of Chiefs of Police.

[5] Department of Commerce, Bureau of the Census, G.E. Series.

[6] Office of the Secretary of Defense, Comptroller.

[7] *The Empty Pork Barrel*, April, 1975. Public Interest Research Group in Michigan.

[8] Bureau of Labor Statistics, Department of Labor.

[9] Bureau of Labor Statistics.

[10] Department of Commerce, Bureau of the Census, *Public Employment in 1975*.

[11] Office of the Secretary of Defense, Comptroller.

[12] Bruce Russett, *What Price Vigilance?* Yale University Press, New Haven and London, 1970, p. 140.

[13] The methodology was made still more conservative by not using the multiplier effect. This would further exacerbate the difference between the civilian jobs foregone and the military jobs generated as the multiplier for civilian expenditures is higher than that for military expenditures.

[14] Russett, *What Price Vigilance?* p. 140.

[15] National Education Association.

[16] National Education Association.

[17] *Military Manpower Training Report, FY 1978*, Department of Defense.

[18] Bureau of Labor Statistics.

[19] Bureau of Labor Statistics.

APPENDIX B: METHODOLOGY

The methodology was developed by Dr. John Henderson, former Director of Graduate Studies, Department of Economics, Michigan State University; Alan Fischer, Research Economist, United Auto Workers; Dr. Seymour Melman of Columbia University; Dr. Bruce Russett of Yale University; and, for construction, Dr. Robert Ball, Supervisory Economist, Bureau of Labor Statistics. A number of other distinguished economists have given advice on both the use of statistics and on the methodology used.

The method involves first calculating the number of civilian jobs foregone in each of six sectors of each state's economy: Durable Goods, Non-Durable Goods, Residential Construction, Non-Residential Construction, Services, State and Local Government. Next the number of jobs created in four of these sectors (Durable Goods, Non-Durable Goods, Residential Construction, and Non-Residential Construction) by military prime contracts is calculated and the result is subtracted from the number of civilian jobs foregone in those sectors. This yields the net number of jobs foregone in each of the categories. Finally, the net jobs foregone in the six sectors are added for each state and

the number of uniformed and non-uniformed military personnel is subtracted. The result is the total number of jobs foregone for the state.

DURABLE GOODS

A. Number of civilian jobs foregone annually.

Step 1. Multiply the Defense Department outlays for that year [1] by Russett's negative coefficient for Durable Goods of −.163.[2] This will yield an estimate of the net value of resources that were not used that year in Durable Goods production. Hence, this is our estimate of purchases of Durable Goods by the final user (value added) which are foregone.

Step 2. Divide the state's total amount of value added for Durable Goods for that year by the U.S. total value added for Durable Goods for the same year [3] to determine the state's percentage of the U.S. total value added

Step 3. Multiply the result of Step 2 (state's percentage of U.S. value added) by the result of Step 1 (amount of value added foregone in U.S. Durables) to get the dollar amount of value added foregone for Durable Goods for that state that year.

Step 4. Divide the state's payroll in Durables [4] by the state's total value added for Durables to yield the percentage of value added comprised by the payroll.

Step 5. Multiply the result of Step 4 (payroll percentage) by the result of Step 3 (dollar amount of value added foregone) to get the amount of wages foregone for that year.

Step 6. Determine the yearly average wage in the state for Durables by dividing total payroll by total number of employees.[5]

Step 7. Divide the result of Step 6 (average wage) into the result of Step 5 (wages foregone) to get the gross number of jobs foregone in Durable Goods for the year.

Step 8. Complete Steps 1 through 7 for each of the years 1969, 1971, and 1973, and divide the total by 3 to get the average number of civilian jobs foregone yearly in Durable Goods.

B. Number of military jobs created.

Step 9. Calculate the total amount of military prime contracts for Durable Goods coming into the state in each of Fiscal Years 1970, 1972, and 1974 [6] and divide by 3 for the yearly average. The Durable Goods prime contracts are in:

1. Air Frames, Related Assemblies and Spares
2. Aircraft Engines and Related Spares
3. Other Aircraft Equipment and Supplies
4. Missile Systems
5. Ships
6. Combat Vehicles
7. Non-Combat Vehicles
8. Weapons
9. Ammunition
10. Electronics and Communication Equipment
11. Separately Procured Containers and Holding Equipment
12. Military Building Supplies
13. Transportation Equipment—Railway
14. Production Equipment
15. Medical and Dental Supplies and Equipment
16. Photographic Equipment and Supplies

Step 10. In order to determine the amount of wages and the number of jobs created by military contracts, first determine value added in the state by prime contracts. The prime contracts can be broken down into categories of the Census of Manufacturers (prime contracts are equivalent to value of shipments [7] which is a standard category of the annual Census of Manufacturers). Prime contract for Durable Goods fall into the following categories:

1. Stone, Clay, and Glass
2. Prime Metal Industries
3. Fabricated Metal Products
4. Machinery Except Electrical
5. Electrical Equipment and Supplies
6. Transportation Equipment
7. Instruments and Related Products

Calculate total value added in the state for these seven Census of Manufacturers categories for the years 1969, 1971, and 1973 and the total value of shipments for each of these years.[8] Division yields the average percentage of value of shipments comprised by value added.

Step 11. Multiply the percentage derived in step 10 total average prime contracts in the state (Step 9), yielding the dollar amount of value added by prime contracts in Durable Goods in the state.

Step 12. Average the payroll percentages of value added for 1969, 1971, and 1973 found in Step 4.

Step 13. Multiply the dollar amount of value added found in Step 11 by the average payroll percentage found in Step 12 to get the dollar amount of prime contracts comprised by the payroll.

Step 14. Divide the results of Step 13 (payroll) by the average wage for Durable Goods during three years (Step 6), giving the number of Durable Goods jobs created by military prime contracts.

C. Net jobs foregone.

Step 15. Subtract the number of jobs created by military prime contracts (Step 4) from the number of civilian jobs foregone (Step 8), giving the yearly average number of jobs foregone from the state's economy in the Durable Goods sector for the period under study.

NON-DURABLE GOODS

A. Number of civilian jobs foregone.

Step 1. Compute the dollar amount not spent that year on Non-Durable Goods value added in the same way as Step 1 for Durable Goods, but using the negative coefficient −.071 for Non-Durables.[9]

Steps 2-8: The same as for Durable Goods.

B. Number of military jobs created.

Step 9. Calculate the total amount of military prime contracts of Non-Durable Goods in Fiscal Years 1970, 1972, and 1974 [10] and divide by 3. The Non-Durable Goods prime contracts are in:

1. Subsistence
2. Petroleum
3. Other Fuels and Lubricants
4. Textiles, Clothing, and Equipage

Step 10. Calculate the value added by prime contracts as percentage of value of shipments in the same way as Step 10 of Durable Goods, using the following Census of Manufacturers categories for Non-Durable Goods.[11]

1. Food and Kindred Products
2. Petroleum and Coal Products
3. Apparel and Other Textile Products
4. Rubber and Plastic Products

Steps 11–14: The same as for Durable Goods.

C. Net jobs foregone.

Step 15. The same as for Durable Goods.

RESIDENTIAL CONSTRUCTION

A Number of civilian jobs foregone.

Step 1. Multiply the average DOD outlays for 1970–1974, which is $78.2 billion, by the negative coefficient of −.114[12] to get the average U.S. dollar amount foregone annually.

Step 2. Determine the sum of U.S. contracts let in 1970 through 1974 [13] and divide by 5 to get the average dollar amount of contracts.

Step 3. In a similar manner, determine the state's average yearly contracts.

Step. 4. Divide the state's average amount of construction contracts (Step 3) by the U.S. average contracts let (Step 2) to get the state's percentage of contracts let.

Step 5 Multiply the state's percentage of U.S. contracts let (Step 4) times U.S. amount foregone (Step 1) to get the dollar amount of state contracts foregone.

Step 6. In order to get the number of jobs created, divide the results of Step 5 (dollar amount of state contracts foregone) by $1,000,000,000.

Step 7. Multiply the percent derived by Step 6 by 33,000. This will yield the number of civilian jobs foregone in the state as construction contracts yield 33,000 jobs per billion dollars spent. Procedure suggested by Dr. Robert Ball, Supervisory Economist, Office of Productivity and Technology, Bureau of Labor Statistics.

B. Number of military jobs created.

Step 8. Total the Military Construction prime contract awards for Fiscal Years 1970, 1972 and 1974 [14] and divide by 3 to get the average.

Step 9. Follow the same procedures described in Steps 6 and 7 above.

C. Net jobs foregone.

Step 10. Subtract the jobs created by military contracts found in Step 9 from the civilian jobs foregone found in Step 7, yielding the net jobs foregone in Residential Construction.

NON-RESIDENTIAL CONSTRUCTION

A. Number of civilian jobs foregone.

Step 1. Same as Step 1 for Residential Construction, using negative coefficient of −.068.[15]

Step 2. To determine U.S. total contracts in Non-Residential Construction, add the categories U.S. Non-Rresidential Construction contract awards to U.S. Public Works and Utilities contract awards.[16] Compute the average yearly total for the years 1970–1974.

Step 3. Apply the same procedure and source as Step 2 to the state's Public Works and Utilities contract awards and non-Residential Construction awards to arrive at the state's yearly average non-residential contracts.

Steps 4–7: The same as for Residential Construction.

B. Number of jobs created by military spending.

Step 8. Average the military prime contracts awards for Fiscal Years 1970, 1972, and 19774 [17] for:

1. Construction Equipment
2. Materials Handling Equipment

Step 9. Same procedure as Step 9 of Residential Construction

C. Net jobs foregone

Step 10. Same as Step 10 for Residential Construction.

SERVICES

Step 1. Divide the state's total receipts for General Selected Services for the year by the U.S. total for the year [18] to get the state's percentage of the U.S. total.

Step. 2. Multiply the total DOD outlays for the year by Russett's negative coefficient of −187 [19] to ge the total amount foregone for that year.

Step 3. Multiply the results of Step 1 (state's percentage) by the results of Step 2 (U.S. receipts foregone) to get the amount foregone for the state for a year. (We did this only for 1972 as it was the only year for which data was available.)

Step. 4. Divide the receipts foregone (Step 3) by $10,000,[20] to get the number of jobs foregone.

STATE AND LOCAL GOVERNMENT

Step 1. From total U.S. expenditures for state and local government,[21] subtract capital outlay (which is included in construction figures above) and public welfare (which is essentially mere transfer of funds), for each of the years 1970 through 1974. Then divide the sum of outlays for those years by 5 to get the average yearly expenditure.

Step 2. Follow the same procedure as Step 1 above for the state.[22]

Step 3. Divide the state's expenditures by the U.S. expenditures to get the state's percentage of U.S. total expenditures.

Step 4. Multiply the average DOD outlays for 1970–1974, $78.2 billion, by Russett's co-

Footnotes at end of article.

efficient —128[23] to get the U.S. amount foregone on state and local government expenditures.

Step 5. Multiply the results of Step 3 (state's percentage) by the results of Step 4 (U.S. expenditures foregone) to get the average amount foregone for that state.

Step 6. Divide the results of Step 5 by $10,000 per man-year to get the average number of jobs foregone.[24]

MILITARY PERSONNEL

Average the total number of civilian and military personnel stationed in the state for the years 1970 through 1974.[25]

Total Number of Jobs Foregone in the State—

Add the net number of jobs foregone in the first four categories (Durable Goods, Non-Durable Goods, Residential Construction, and Non-Residential Construction) to total jobs foregone in Services and State and Local Government. Then subtract the number of military personnel. The result is the average total number of jobs foregone in the state annually during the period under study, 1970–1974.

FOOTNOTES

[1] *U.S. Statistical Abstract*, 1974, p. 306.

[2] Russett, Bruce, *What Price Vigilance?* Yale University Press, 1970, p. 140. Russett's negative coefficient is based upon the relationship between two ratios: the category to the GNP, and the military budget to the GNP, over the years 1939–1968. In the years studied in this report, 1970–1974, the percentage of the GNP comprised by the military ranged from 5.8% to 8.3%. This is within the average range studied by Russett.

[3] Both state and U.S. figures are in the 1969, 1971, and 1973 *Annual Survey of Manufacturers*, U.S. Department of Commerce.

[4] *Annual Survey of Manufacturers*, 1969, 1971, and 1973.

[5] *Annual Survey of Manufacturers*, 1969, 1971, and 1973.

[6] *Department of Defense Military Prime Contract Awards by State, Claimant Program and Purpose*, FY 1970, 1972, and 1974.

[7] Information from the Department of Commerce, Bureau of Census, Industry Division.

[8] *Annual Survey of Manufacturers*, 1969, 1971, and 1973.

[9] Russett, p. 140.

[10] *DOD Military Prime Contract Awards*, FY 1970, 1972, and 1974.

[11] *Annual Survey of Manufacturers*, 1969, 1971, and 1973.

[12] Russett, p. 140.

[13] *U.S. Statistical Abstract*, 1971–1975.

[14] *DOD Military Prime Contract Awards*.

[15] Russett, p. 140.

[16] *U.S. Statistical Abstract*, 1971–1975.

[17] *DOD Military Prime Contracts Awards*.

[18] U.S. Department of Commerce, Bureau of Census, *Census of Business*, 1972, for both the state and U.S. statistics.

[19] Russett, p. 140.

[20] Dr. John Henderson: "Due to problems in the way in which income and receipts are calculated in industries other than manufacturing, it is assumed that for every increase in receipts of $10,000, there will be one job created in this section. This $10,000 includes not only wages but overhead costs." Interview with Dr. John Henderson, Department of Economics, Michigan State University, May 15, 1974.

[21] U.S. Department of Commerce, *Government Finance Series #5*, Table 18. Procedures suggested by Dr. Leonard D. Bronder, Chief Economist, Office of Economic Expansion, Michigan Department of Commerce.

[22] *Government Finance Series #5*.

[23] Russett, p. 140.

[24] Bureau of Labor Statistics, U.S. Department of Labor.

[25] Office of the Comptroller, U.S. Department of Defense.

APPENDIX 1.—JOBS FOREGONE IN SELECTED CITIES WITH A $107 BILLION MILITARY BUDGET AND WITH A $117 BILLION MILITARY BUDGET

Based on the data developed in the 1978 edition of *The Empty Pork Barrel*, the current and requested levels of military expenditure would have great impact upon employment. Each billion dollars cost the economy 11,600 jobs. The FY 1978 Pentagon budget of $107 billion is costing the economy 1,241,000 jobs. A $10 billion increase to $117 billion, if approved by Congress, will cost the nation 1,357,000 jobs.

Analyzing some metropolitan areas from the states which suffer a net loss of jobs when the military budget goes up, we find the following:

State and city (SMSA)	Jobs lost with a military budget of $107 billion	Jobs lost with a military budget of $117 billion
Connecticut: Hartford	−1,100	−1,200
Delaware: Wilmington	−1,800	−2,000
Florida:		
Miami	−8,600	−9,500
St. Petersburg	−6,500	−7,000
Fort Lauderdale	−5,000	−5,400
Illinois:		
Chicago	−134,000	−146,000
Springfield	−3,700	−4,100
Indiana:		
Indianapolis	−19,000	−21,000
South Bend	−3,400	−3,600
Gary	−8,900	−9,700
Fort Wayne	−4,000	−4,500
Iowa: Des Moines	−5,700	−6,200
Louisiana: New Orleans	−6,000	−6,500
Massachusetts:		
Boston	−25,000	−27,400
Brockton	−1,700	−1,900
Fall River	−1,500	−1,700
Springfield	−4,200	−4,600
Lowell	−2,100	−2,200
New Bedford	−2,000	−2,100
Worcester	−3,000	−3,300
Michigan: Detroit	−96,000	−105,000
Minnesota: Minneapolis-St. Paul	−41,500	−45,000
Nebraska: Omaha	−2,800	−3,000
New Jersey:		
Newark	−21,800	−24,000
Trenton	−2,900	−3,100
Jersey City	−8,600	−9,400
New York:		
New York City	−270,000	−294,000
Albany	−21,000	−22,600
Buffalo	−37,000	−40,500
Rochester	−26,400	−29,000
Syracuse	−19,000	−21,000
Ohio:		
Cleveland	−31,300	−34,200
Columbus	−17,200	−18,800
Cincinnati	−27,000	−29,400
Oregon: Portland	−19,200	−21,000
Pennsylvania:		
Pittsburgh	−35,000	−38,400
Philadelphia	−77,500	−85,000
Tessessee:		
Nashville	−8,800	−9,600
Memphis	−12,600	−13,800
Knoxville	−4,800	−5,300
Wisconsin:		
Milwaukee	−33,000	−36,000
Madison	−4,600	−5,000

●

APPENDIX C: CREDITS AND THANKS

This work would never have been possible without Dr. Bruce Russett's analysis in *What Price Vigilance?*

Dr. John Henderson of the Department of Economics, Michigan State University, provided both his expertise in questions of statistical methodology and his wisdom in looking at the economic problems of our land and their interrelationships.

Alan Fischer, Research Economist, of the Research Department of the United Auto Workers was unstinting with his expertise and his analytical talents.

Dr. Seymour Melman of Columbia University gave help, advice, and inspiration.

Dr. William Baugh of the Political Science Department of Michigan State University was generous with his advice and help.

Dr. Leonard Bronder, Chief Economist of the Bureau of Economic Expansion, Michigan Department of Commerce, suggested detailed methodology in calculating the expenditures of state and local governments.

Dr. Robert Ball, Supervisory Economist, Office of Productivity and Technology, Bureau of Labor Statistics, Department of Labor, suggested the methodology used in the calculation of the construction industry.

The computerization of the methodology would never have been possible without the generous efforts of Harriet Dhanak of the Department of Political Science, Michigan State University.

Richard Kruch did yeoman work on the statistical analysis.

Steve Weiss did valuable, complex, and patient work to derive unemployment data by Congressional District.

Isaac Green, Director of the Michigan Housing Authority generously gave of his editorial criticism and advice.

William Kincade, staff of the Joint Committee on Defense Production, provided invaluable editorial advice and assistance.

The documents librarians at Michigan State University and the State of Michigan library were unfailing with their much needed help.

A NEED TO REVIEW POLLUTION NEGOTIATIONS

● Mr. MUSKIE. Mr. President, when the Third United Nations Conference on the Law of the Sea reconvenes March 28 in Geneva, negotiators may be faced with their last best chance to develop an effective legal regime for the protection of the global marine environment. Despite protracted negotiations and general agreement on draft treaty language on a number of issues, certain fundamental difficulties remain with respect to United States environmental interests at the Conference.

I feel a personal sense of urgency in resolving these difficulties because of two conceivable outcomes for the Conference:

First. Agreement on a fair and workable deep seabeds regime may compel states to rapidly formalize agreement on all other areas before the Conference. This rush to embrace consensus may result in a treaty which affords inadequate protection for certain U.S. interests in ocean law, not the least of which is marine environmental protection.

Second. A failure to reach accommodation between developed and developing states on deep seabeds issues may precipitate the collapse of the Conference, and with it negate a timely opportunity to build an adequate global system for the translation of our environmental aspirations into action.

In regard to the draft treaty's treatment of environmental issues, I see two major areas requiring our negotiators' persistent efforts in Geneva: First, a fundamental U.S. and global environmental U.S. and global environmental objective for the Law of the Sea Conference has been to establish an enforcement regime for the control of polluting discharges from vessels, which goes beyond the existing, essentially self-policing and ineffective system based on flag-state enforcement. The draft treaty does not accomplish this.

Efforts on the part of our negotiators to achieve a balanced and effective system of port-state, coastal-state and flag-state jurisdiction extending beyond the territorial sea have been largely undone by one article. Article 229 of the draft treaty would enable flag states to preempt enforcement actions by coastal or port states for vessel discharge violations beyond the territorial sea except in certain serious cases. Proceedings by the United States to impose penalties for violations by foreign vessels beyond 12 miles off our coasts, for example, would have to be suspended should the vessel's state of ownership or registry institute proceedings of its own.

The codification of such a "right" in international law becomes particularly disturbing when one considers that the draft treaty would enable a flag state to preempt by virtually any action—including, one may assume, a dismissal of charges. Not only would such a provision diminish the power of the United States to establish effective deterrents against routine and chronic polluting discharges by foreign vessels but this provision also serves to undermine what I had been led to believe was a major environmental objective at the negotiations—that of universal port-state enforcement.

Accordingly, I believe that one of the first, and most important matters for U.S. negotiators in Geneva should be to seek the deletion of article 229 from the draft treaty.

A second fundamental problem concerns the consistency of the pollution text of the draft treaty with powers established under existing United States pollution control laws. The U.S. Congress has fought long and hard to develop legislation affffording a high degree of protection for U.S. coastal and marine areas. In particular, the 1972 Ports and Waterways Safety Act and the Water Act Amendments of 1972 and 1977 establish a sound jurisdictional basis to protect against environmental degradation. Implicit in such legislation is the sovereign right of the United States to set and enforce pollution control standards in our own territorial sea subject to the innocent passage of foreign vessels. In the case of prescriptive measures, we may, if necessary, set higher standards than those established internationally. With respect to enforcement, the United States may invoke civil and/or criminal sanctions for violations of our domestic regulations occurring in our territorial sea.

I would seriously question the wisdom of entering into an international agreement which could serve to undermine the effectiveness of such provisions.

As presently written, the pollution regime established by the draft treaty may be seen as preempting existing U.S. environmental legislation in certain important respects. States may not, for example, set design, construction, manning, or equipment standards for foreign ships in their territorial seas which are more stringent than generally accepted international rules or standards.

In addition, enforcement powers for violations of national and international discharge standards by foreign vessels in our territorial sea are weakened by the pollution text. Coastal States may enforce standards in this area only if it can be demonstrated that the violation was both serious and willful—thus placing the burden on the coastal State to impute a motive for the polluter.

The penalty provisions of the pollution text for violations of national laws and regulations, and applicable international rules and standards are also at variance with U.S. pollution control legislation. The draft treaty provides that only monetary penalties may be imposed for violations by foreign vessels beyond the internal waters of a coastal State. The United States could not, therefore, invoke criminal sanctions resulting in imprisonment for violations of certain key provisions of our domestic pollution control laws occurring in our own territorial seas.

I am particularly troubled by the effect the pollution text would have on the Clean Water Act of 1977 which was recently signed into law by the President. At the President's request, the Congress has been working with the administration to insure that certain aspects of this legislation which extend domestic jurisdiction over foreign flag vessels to the ocean beyond 12 miles achieve maximum consistency with applicable principles of international law.

There is full agreement within Congress and the administration, however, that notice and discharge penalty provisions of the Clean Water Act apply to foreign vessels for discharges of oil and other hazardous substances within our 12-mile territorial sea and contiguous zone. By narrowly limiting the enforcement powers of a coastal State within its territorial sea, from the standpoint of both arrest and penalty, the draft treaty would eliminate certain important deterrents in present U.S. law.

I have identified the more salient problems associated with the draft pollution text. Other environmental issues do remain, and will be a challenge to our negotiators. Ambiguities remain in the draft treaty with respect to the obligation of States to apply generally accepted international rules and standards. As has been the case in other discussions with representatives of our State Department, there are often no international standards. Those standards which do exist are inadequate. I am not willing to support any treaty which preempts U.S. rules for nonexistent or inadequate international rules and enforcement.

I recognize that I have outlined a rather ambitious agenda for our Law of the Sea negotiators. Moreover, the intense, perhaps timeless, preoccupation at the Conference with deep seabeds issues may provide a less than hospitable atmosphere for serious consideration of our environmental concerns. Nevertheless, I am convinced that should the United States bring the same dedication and persistence to bear on environmental issues as we have done for other important U.S. law of the sea interests, other nations will follow our lead and get down to the business of forging a sound regime for the protection of the global marine environment.

The alternative, which is preferable to submission of a single agreement which covers the spectrum of ocean issues, would be to negotiate pollution as a separate treaty. Not only would this result in a better ocean pollution agreement, but it would reduce the likelihood that a seabed agreement would be resisted as a result of environmental considerations.

Mr. President, I have raised these issues before in correspondence with Secretary of State Cyrus Vance. I ask unanimous consent that my letter to Secretary Vance dated March 21, 1977, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 21, 1977.

Hon. CYRUS R. VANCE,
Secretary of State,
U.S. Department of State,
Washington, D.C.

DEAR SECRETARY VANCE: I have followed closely, over these last five years, the progress at the Law of the Sea negotiations because of my deep interest in a variety of issues being considered. Since I have been actively involved in the development of U.S. environmental legislation and am the Chairman of the Environmental Pollution Subcommittee of the Senate Committee on Environment and Public Works, I have watched the formulation of the environmental provisions of the Treaty with particular interest.

I would like to bring you up to date on my position on the pollution issues involved in the Law of the Sea negotiations. I think my position is fully supported by the recent series of tanker accidents, the results of which may be long-term damage to marine ecosystems.

I am committed to seeing that this country takes measures to assure that our oceans and well-being do not continue to suffer this harm in the future. To this end, I have introduced legislation which would extend our pollution control jurisdiction out 200 miles, and I have also introduced other legislation to assure that effective standards are adopted for vessels entering United States ports or travelling near our coastline.

The Law of the Sea Treaty should be an instrument to establish a system to eliminate environmental degradation. Certainly such a Treaty should not include provisions which would impede our efforts to move in the direction of sound marine environmental policy. However, the current negotiating text does, in fact, include such provisions.

As such, the Revised Single Negotiating Text in the vessel source pollution area is not acceptable. In particular, it would preempt the rights of coastal states, like the United States, to establish and enforce standards relating to vessel source pollution of coastal areas. Another article would prevent the United States from promulgating national environmental requirements affecting vessels in the territorial sea with respect to design, construction, manning or equipment (and even other matters, such as discharges, if these are covered by international treaty unless coastal state standard setting is specifically authorized). Also, if a vessel were to cause substantial damage to the coast of Maine or any other seaboard state, the United States would not be able to enforce our own domestic laws or international laws against that vessel if the flag state were to commence enforcement proceedings.

If the above vessel source pollution provisions are permitted to remain, they would be inconsistent with existing United States

environmental policy; they would be contrary to United States laws including the Ports and Waterways Safety Act and the Federal Water Pollution Control Act; and they could result in more pollution of United States coastal areas and the oceans. While other Members of the Senate and I will want to examine closely all aspects of any final agreed-upon Law of the Sea Treaty and would not, at this point, prejudge what our position on advise and consent to ratification should be, many of us will have serious reservations about the Treaty if the United States will be prevented from establishing and enforcing all standards in its territorial sea—that is, if the Treaty pre-empts existing U.S. environmental legislation. Many of us in Congress have worked long to secure enactment of meaningful United States environmental protection legislation. We would not be prepared to have those years of effort and success pre-empted by less than adequate international treaties.

Finally, with respect to the establishment of a 200 mile economic zone, it seems to me eminently sensible that the United States and other coastal states should have the right to enforce environmental standards for vessels within that economic zone. Such right should be exercisable when any pollution violations occur and should not be limited only to cases of imminent and severe environmental damage (since these are always difficult, if not impossible, to prove). Nor should this right be subject to preemption by flag states. In the past, our delegation, for reasons which I believe are not defensible, has not been prepared to advocate such extended enforcement. I believe that the United States delegation should insist on the inclusion of this right in the Treaty.

The Law of the Sea negotiations are important to the international community and the United States for a variety of reasons, not the least of which is the protection of the ocean environment. I hope that the United States delegation will vigorously seek the protection of coastal state environmental laws in order to assure fulfillment of that commitment.

Sincerely yours,
EDMUND S. MUSKIE, U.S.S.,
Chairman, Subcommittee on Environmental Pollution.●

THE VOICE OF AMERICA

● Mr. McGOVERN. Mr. President, I would like to call my colleagues' attention to a column by James Reston which appeared in March 12, 1978, issue of the New York Times.

Although at times the Voice of America has been criticized in various quarters, I believe that overall the agency and its employees are fully deserving of our support and financial assistance. It is also a pleasure to see a favorable and supportive article about their efforts in the field.

I quote from the column:

It is a costly service, which is what worries the Congress. It is an honest service, reporting our national failures, as well as our virtues, which also trouble those who want it to produce nothing but propaganda. But heard over here, a long way from home, it seems worth the money and even makes you proud.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 12, 1978]

THE VOICE OF AMERICA

(By James Reston)

DAMASCUS, SYRIA, March 11.—In the struggle over the the Middle East, Washington's official overseas radio service, the Voice of America, is in the center of a ceaseless propaganda battle. And since its work is now under review and even attack by some members of Congress, a report from the field may be in order.

In the last three months, I have listened carefully to its English language broadcasts in such diverse places as Japan, Australia, Tahiti, West Germany, Yugoslavia, Italy, Egypt, Jordan, and here in Syria. This may seem an extreme statement, but for detailed accounts of the world's news, I believe there is nothing on the commercial networks of the United States that equals its performance.

The Voice may not be quite as effective in the Middle East as the BBC, which produces a clearer signal from the island of Cyprus than the Voice does from its relay transmitter on the island of Rhodes off the coast of Turkey, but it has more reporters in more places than the BBC, and like the BBC, it has learned over the years that the best propaganda is an honest account of the facts.

Two technical improvements have increased its authority: New, modern transmitters, carefully placed in strategic places around the world, have extended its reach, and new shortwave radio receiving sets, comparatively inexpensive and no bigger or heavier than an average paperback book, are now coming on the market from Japan and reducing those hideous squeaks and howls that discouraged shortwave reception in the past.

Moscow Radio has held its own and more in the technical broadcast race. It comes over every shortwave channel loud and clear, from more transmitters and with more programs, but it has two problems. This propaganda battle is not directed primarily at the general public, but at the educated elites, and one of the most important facts of international life today is that English has established itself as the language of the modern intellectual and commercial world. Even here in Syria, which was dominated by France for many years, English is clearly the second language of the people who influence public opinion.

The Soviet broadcasters have another problem. They don't broadcast news to the elites who listen and think, but beam outrageous propaganda at the boobs, who don't listen. Soviet Ambassador Anatoly Dobrynin, who is so genial in his arguments for détente and a reduction of tensions between Washington and Moscow, should listen sometime to this intellectual garbage coming out of Moscow. The way they muck-rake America, night and day, is an international scandal, and fortunately, the more they spread it, the less it is likely to be believed.

Maybe when they talk to Africa in the dialects—and they are talking to Africa these days as if it were the dominant center of world politics—they are believable, but when they are talking to opinion-makers in English, they claim to have the answer to all the problems of countries whose names they can't even pronounce.

The Voice of America is quite different. It is very cool. It says here is the news, and even Walter Cronkite wouldn't be ashamed to read it. The coal strike in the United States is reported in detail, including the threat of the miners to defy President Carter and the Taft-Hartley Act. The decline of the dollar on the money markets of the world, and the latest rise in food prices are reported, along with the new technical and scientific inventions in the United States.

Anybody who has been listening here to the Voice of America in Damascus in the last few days knows all about the forthcoming meeting of President Carter and Prime Minister Begin of Israel at the White House, and the debate in America about what the President should say to him.

The press is censored here, but people know by radio about the latest news out of Paris on the French elections, the efforts to reach a compromise in the war between Ethiopia and Somalia, and what Ian Smith said about going to a conference to reach a final settlement in Rhodesia. And they hear the latest song hits out of Broadway and Hollywood, not only from the Voice of America, but from Radio Moscow, which has learned that most people are more interested in American music than news from anywhere.

The Voice of America performs another service. In the last generation, with the development of large multinational corporations, tens of thousands of young American executives have gone abroad with their educated wives and children, not only in commerce but in the official foreign service. The Voice is a link to home for these people, particularly the wives, who are having trouble finding independent jobs and lives abroad.

It is a costly service, which is what worries the Congress. It is an honest service, reporting our national failures as well as our virtues, which also troubles those who want it to produce nothing but propaganda. But heard over here, a long way from home, it seems worth the money and even makes you proud.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. SPARKMAN. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that four such notifications were received on March 8 and 9, 1978.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol. I ask unanimous consent that the four notifications be printed in the RECORD.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., March 9, 1978.

In reply refer to: I-7877/77ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: By letter dated 18 February 1976, the Director, Defense Secu-

rity Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.

Attachment.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 8, 1978.

In reply refer to: I-8550/77ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A., Director, Defense Security Assistance Agency.

Attachments.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 8, 1978.

In reply refer to: I-9789/77ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Attachments.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 8, 1978.

In reply refer to: I-7874/77ct.

Mr. WILLIAM RICHARDSON,
Professional Staff Member, Subcommittee on Foreign Assistance, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. RICHARDSON: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congree of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.●

KENTUCKY: BASKETBALL CAPITAL OF THE WORLD

● Mr. HUDDLESTON. Mr. President, the NCAA basketball tournament now being held across the country has once again proven that the great State of Kentucky is indeed the basketball capital of the world.

I wish to bring to the attention of my colleagues that with only 16 teams remaining in the contest for the championship, 3 of them—the University of Kentucky, University of Louisville, and Western Kentucky University—are part of the Commonwealth's great university system. When one considers that at the beginning of the season over 250 schools began the battle for the No. 1 rating, it is truly remarkable that 3 schools from a State as small as Kentucky would still be in the hunt. Not only is it remarkable, but also it is a tribute to the hard work, determination, dedication, and talent displayed by the coaches and outstanding young men who represent their schools. They are to be commended for their accomplishments to date.

Despite valiant efforts by foes from the great States of New York (Syracuse and St. John's) and Florida (Florida State), the trio from Kentucky has vaulted forth into the regional playoffs where the final four contestants for the top prize will be determined. Unfortunately, all three of the Kentucky quintets will not be able to advance to the final round since if they each win their next game the Wildcats from Kentucky will have to face the Hilltoppers from Western in the Mideast regional finals.

In deference to my colleagues from California the distinguished majority whip, Senator CRANSTON, and Senator HAYAKAWA, who once was president of one of the schools still vying for the crown (the University of San Francisco), I must be fair and point out that California also has placed three schools in the remaining group. However, since all of these teams are in the same region it should be pointed out that the opportunity exists for only one of them to get to the finals.

I take great pride in the association I have had over the years with all three Kentucky institutions as a student, a sports broadcaster, and as their representative here in the Senate. I wish all of them good luck in their upcoming tilts and congratulate them for a job well done. In today's fast changing world it is a genuine pleasure to see that some things remain constant—the high quality of basketball played in Kentucky is certainly one of those.●

SCHLESINGER ON THE NEW DEAL

● Mr. McGOVERN. Mr. President, Prof. Arthur Schlesinger, Jr., one of our country's most noted historians, author of "The Age of Roosevelt" and Schweitzer professor of humanities at the City University of New York, delivered the following remarks at a Washington dinner last weekend marking the 45th anniversary of the beginning of the New Deal. They were reprinted in the March 12, 1978, edition of the Washington Post.

I call this article to my colleagues' attention and ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IF FDR WERE PRESIDENT—HIS VITALITY, ACTIVISM MISSING TODAY

(By Arthur Schlesinger, Jr.)

The verdict is regularly announced by fashionable editorial writers and columnists, solemnly intoned on the floors of Congress—even by some who call themselves Democrats—joyously repeated by the ideologues of the New Right and the New Left: that the New Deal is dead.

So it may be. Certainly one cannot find much evidence in contemporary Washington that it is alive. Nonetheless I venture to suggest that the spirit of the New Deal, if it could only be released again, would considerably improve our national capacity to deal with the problems that presently assail us. Programmatically the New Deal was experimental, contradictory, chaotic, sometimes incoherent. But New Deal experimentalism was informed by a unifying vision; its spirit by characteristics of abiding value to successful government in a democracy.

One of these characteristics was the remarkable intellectual vitality of the New Deal years. The White House when Franklin Roosevelt was president not only welcomed but sought and stimulated fresh thinking about national problems. His predecessor had been an engineer, who, for all his intelligence, saw society abstractly, as a matter of organizing the properties of matter and energy. Once something is clear and tidy in an engineer's mind, that is it; and the obligation of the political process is to conform to the blueprint. But FDR knew that the political process was the medium through which self-government works and that the obligation of the president was to infuse that inherently untidy process with ideas responsive to a changing world.

The White House came alive when he took over, all Washington came alive; and the discharge of intellectual energy set off a new era of innovation in policy and administration. Roosevelt exulted in this, exulted in debate, presided with relish over a cabinet, not of faceless administrators, but of strong men and women, forces in their own right. He concentrated less on reading memoranda, for a memorandum can never talk back, than on talking to people, where face-to-face discussion put propositions to test and struck off sparks that ignited new ideas.

The intellectual excitement of the New Deal was governed by a second pervading characteristic of that period: the profound concern for ordinary human beings, especially for the forgotten man (and woman and child). FDR was pre-Keynesian, a budget-balancer at heart, but he refused to balance the budget at the expense of the deprived and desolate; he refused to sacrifice human beings on the altar of abstractions. He knew that the rich and the powerful could take care of themselves. He rejected the trickle-down thesis—the theory that, if business made enough profits, something would spill over to the workers and the farmers.

He did not pursue the mirage of "business confidence," because he knew how irrelevant that was to getting the economy moving again. After all, who had enjoyed business confidence more complacently than his three predecessors in the White House? And where

had that landed the economy? The Roosevelt White House would hardly have rejoiced if the presidents of Du Pont and General Electric approved its economic policies; in New Deal days, such approval would have properly called not for celebration but for reexamination. The New Dealers were far more interested in the approval of labor, the farm organizations, the liberal organizations, the minorities, the consumers—of the people who had sent them to Washington.

Joined with intellectual vitality and a concern for people was a third New Deal characteristic: a readiness to act. Roosevelt's predecessor had declined to invoke the affirmative powers of the federal government on behalf of the forgotten man. FDR thought, on the contrary, that the point of government was to serve the general welfare. Can anyone imagine a Roosevelt sitting tranquilly in the White House today for more than a year yearning to win business confidence and to balance the budget while urban America sinks ever more deeply into a slough of rot, confusion, social tension, fiscal disorder? While rural America is in revolt? While inflation and unemployment continue at intolerable levels? While the evils of racial injustice persist across the land?

FDR did not solve the equivalent problems of his own time. But he was not confined by the claustrophobia of orthodoxy in approaching them. "Above all," he used to say, "try something. The millions who are in want will not stand silently by forever while the things to satisfy their needs are within easy reach." On Nov. 15, 1933, Harry Hopkins announced that the objective of the Civil Works Administration was the employment of 4 million by Dec. 15. He missed his target date; by Dec. 14 there were only 2.6 million on CWA rolls; but by the middle of January he was well over the 4 million mark. Today unemployment among minority youth hovers around 50 percent, and nothing much happens. The administrative drive, the instinct for innovation, the talent for improvisation of the New Deal would not be altogether useless now. "Above all, try something."

Of course, the New Deal had the signal advantage of a palpable crisis. Yet the Depression did not create FDR's opportunity; it only enlarged it. Let us not forget the situation in which that grandfather of the New Deal, the first Roosevelt, came to office. TR took over in a time of relative prosperity. He had no palpable crisis to help him. But this did not compel him to quiescence or passivity. It did not lead him to truckle to those he called the "malefactors of great wealth." The historian Elting Morison recently offered a first-class account of the way presidential leadership can work without benefit of national crisis. "TR," Morison said, "could get the attention of his fellow citizens and make them think. He knew how to put the hard questions a little before they became obvious to others, how to make the search for sensible answers exciting; how to startle the country into informing debate; and how to move people into their thinking beyond short-run self-interest toward some longer view of the general welfare." This is surely what the presidency is all about.

For politics is ultimately an educational process. Nothing is more overrated than the cliches about the loneliness—as the press likes to put it, the "awesome" loneliness—of the presidency. The president should not be a man in isolation, making decisions by himself in the dead of the night. He succeeds only as he takes unto himself the anxieties and the hopes of a nation; only as he renews himself by constant immersion, through widespread personal contact and, even more important, through instinctive imaginative sympathy, in the swarming concerns of a multifarious people; only as he himself possesses and has the power to convey to others both a sense of the past and a vision of the future. It is not enough for presidents to tinker with the machinery of government. They must know where they want to go—and they must carry their people with them.●

AFRICAN CONCERNS

● Mr. CLARK. Mr. President, in recent weeks, considerable attention has been focused on two major issues in Africa: The conflict in the Horn and the breaking events in Rhodesia. I would like to call attention to trends in two other countries: Nigeria and South Africa, the two giants of Africa in which very significant patterns of political change are occurring which will have a momentous impact on the future of the continent.

The U.S. relations with Nigeria and South Africa will largely determine the fate of American prestige and influence in Africa. Both countries rightly understand that the crises in the Horn and Rhodesia are but the opening rounds in what will likely be a decade of challenges which will present the United States with even tougher dilemmas and harder foreign policy choices. While the world has hastily heaved a momentary sigh of relief from the Somali withdrawal from the Ogaden and the emergence of an internal settlement between some of the black nationalist leaders and the white government of Rhodesia, Nigeria and South Africa have been quietly pursuing transformations of their own which will set the stage for the real challenges ahead.

Mr. Donald Woods provided a rare insight into developments within South Africa when he testified before the Subcommittee on African Affairs of the Committee on Foreign Relations, on February 3, 1978. Mr. Woods, the banned South African editor of the Daily Dispatch who fled South Africa, has endured a very difficult ordeal in his peaceful struggle against apartheid. I would like to share with my colleagues Mr. Woods' impressions of the internal situation in South Africa today and the direction of U.S. policy toward South Africa. I ask unanimous consent to have printed in the RECORD, Mr. President, the testimony of Donald Woods.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF DONALD WOODS

Senator CLARK. The committee will come to order.

Mr. Woods, in particular I want to extend to you a warm welcome for appearing before this committee and before members of the United States Senate.

You know, we all have about three hearings going on at the same time so there will be other members coming as we go along but I thought it might be wise for us to go ahead and start.

We particularly welcome you because I think you personify as much as anyone I know a very direct struggle against apartheid and we consider ourselves very fortunate to have you here today.

I might say over the last few months in following your career in the newspapers and so forth, it's clear that you have endured a very difficult ordeal. I think it's the feeling of people in this country that you acted with great courage and indeed with great wisdom.

I know in my own past meetings with you that you have a rare insight into your own society and I think that is the great value we see in having you here today— to make your comments and for us to be able to question you so we might be able to understand that society, to see what we in this society can do in the area of human rights.

For those of you here today not familiar with Mr. Woods, I would like to provide a brief background.

Donald Woods is the former editor of the Daily Dispatch, an English language newspaper in East London, South Africa. He has legal training which enabled him to win several civil suits in court against South African ministers.

His entry into journalism has been devoted to what I would call a peaceful struggle against the apartheid. Through his association with Steve Biko and other Black leaders, Donald Woods has links with the black community in South Africa which few whites in that country could claim.

Biko came to my attention most significantly after discussing with Mr. Woods the thoughts and views Mr. Biko had.

It was after having met with Mr. Woods that I first met Mr. Biko.

I think the thing that impresses me about Mr. Woods' journalism and writing, I guess, is his biting humor and rather searing criticism that have been published in a number of syndicated columns and, indeed, in editorials and other articles printed in South Africa, in our papers and in British papers.

In addition to those talents I might mention Donald Woods is an accomplished chess player, a sportsman, a pianist and a composer of classical music.

Most of us recognize and are aware of his career because of the recent publicity. He has gotten worldwide attention. He is doing a book on Steve Biko which is due to be released in April and he will be lecturing and writing rather extensively about South Africa, Mr. Biko, and so forth.

While in the United States these past few days, Mr. Woods has testified before the House of Representatives, their Subcommittee on Africa, and before the United Nations Security Council. He met with the President and Vice President, and spoke before the Washington Press Club.

I would also like to say that Donald Woods and Percy Qoboza were really the first newspaper editors in South Africa to be banned and detained. Qoboza still remains in jail. Almost as a forewarning of things to come, Mr. Woods wrote in one of his final articles prior to his banning one of the most eloquent replies to the government's attempts to silence its critics.

I quote: "They think the enemy is words, but the enemy is thoughts. You can't legislate against thoughts, you can't detain them, ban them or restrict them and that is why the present rulers of South Africa can't survive. The thoughts of many are against them and ultimately they themselves are too few."

Mr. Woods, I believe you have some opening remarks to make and then I would like to open up the discussion to questions.

We are particularly interested in getting your impressions of the internal situation in South Africa today and the direction of the United States policy towards South Africa, in particular, but also southern Africa in general.

Senator JAVITS. I would first like to pay a tribute to this young man and, second, to say I broke off another hearing, with Senator Nelson's permission, to come here.

Senator CLARK. Thank you.

You may proceed.

STATEMENT OF DONALD WOODS, BANNED SOUTH AFRICAN NEWS EDITOR, DAILY DISPATCH, WHO RECENTLY FLED FROM SOUTH AFRICA

Mr. WOODS. Thank you for your welcome and thank you, too, Senator Javits.

I am here to tell the truth about South Africa to counteract the false image put out by the false analysts of the South African Government, that it is a bulwark of Western values against the tide of international communism, that it is a sound haven for investment, that it is realistically confronting its racial issues internally, and what happens there is of no concern of the United States.

South Africa is neither calm nor stable, or if it appears to be, it is the stability and calm of repression. I don't think a state can claim special credit for being stable when most of its legitimate leaders are in jail or when its people may not protest in a peaceful and orderly fashion because of the presence of troops and security police who are heavily armed.

In fact South Africa is a smouldering fuse that could set off the worst racial explosion the world has seen. One of the main things I would like to say is that the situation there is so explosive in its potentiality that it is the very opposite of the truth to claim that it has nothing to do with the United States or Britain or any other power in the rest of the world. It is of direct concern to all men everywhere because the type of racial explosion that could take place there would have particular pertinence to all who choose either to support or to oppose the doctrine that Civil Rights should be apportioned according to the shade or color of skin pigmentation.

Secondly, not only is South Africa no bulwark against Communism, it is in fact a major asset to communist ideology. The racial policy is receptive to communism as against Western capitalism. The supporting Western powers are seen to veto punitive steps against apartheid.

One week before I was banned I had written a syndicated column in reply to former Ambassador Botha of South Africa. Unfortunately I don't have a copy here but I remember the main parts. Botha made an election speech in which he said the United States is a worse threat to South African society than the Soviet Union and the theme of my article was that this was an entirely appropriate conclusion for nationalist spokesmen to draw because the South African government's ideology and methods have so much in common with those of the Soviet Union.

To summarize this, I would say the United States does not ban people without trial, the Soviet Union and the Pretoria Governments do.

The United States does not forbid people to marry others who are not regarded as politically suitable, the Soviet Union and the Pretoria Governments do.

The United States does not imprison people without trial, whereas the Soviet Union and the South African governments do. The United States does not forbid most of the people in the country to vote, whereas the Soviet Union and the Pretoria governments do.

In short, the entire structure of these two regimes have so much in common in this direction, although rhetorically not in other directions, that it seems to me entirely appropriate to say that Mr. Botha was seeming to imply that the United States was more of a threat than the Soviet Union.

The Pretoria Government has not been confronting its racial crisis realistically. On the contrary, it's making it worse by not giving major consideration to the Black majority and it's only a question of time until they revolt.

I have come across a statement which I understand was inserted in the CONGRESSIONAL RECORD, dated January 24, 1978, by the Honorable John M. Ashbrook of Ohio and I would like to briefly cover points made in this because it seems to me that this statement is typical and the arguments used in it are typical of the lack of knowledge of the real conditions in South Africa by certain people in this country or in other countries. It's also typical of the kind of line that is put out by the propagandists, including paid propagandists of the South African Government, most of whom are concentrated in the cities of Washington and New York.

The statement was based on an article by Mr. C. W. Borklund and it starts by claiming to be based on discussions between government leaders, opposition leaders, politicians, businessmen, professors, and all kinds of people on the streets in South Africa.

I don't know how anyone, whether inside South Africa or outside South Africa can claim over the last few years, and certainly not now, to have interviewed all kinds of people, including opposition spokesmen, for the simple fact that opposition spokesmen, the most important ones, are all in jail and are not allowed to receive visitors.

So having dealt with that point, we go to the next point, which is, he claims, that it is an incorrect view foisted on American listeners that some 14 million bigoted whites are keeping about 20 million Blacks under their heel, segregated, enslaved, and without political power.

The only inaccuracy is that there are not 20 million Blacks that are kept segregated; it's 25 million. First, he says it's not 20 million, it's 5 million Zulus, 4.8 million Xhosa, 2 million Tswana, it deals with Tswana, the Indians and colored people. He says Zulus and Xhosa have blood feuds reaching back for centuries.

Now, sir, I really stand amazed seeing this sort of thing in print because if the Zulu and Xhosa have blood feuds going back many centuries, there is going to be quite an achievement because at one time they were one people.

In fairly recent history there is no record of blood feuds between the Zulus and Xhosa. Political leaders, for one, have been well followed by people of the other. I name only as example Chief Albert Lithuli, who was Zulu and who had the unswerving support of most Xhosas in South Africa. Then there is Nelson Mandela, who is Xhosa and he is followed by Zulus. There is a myth of the deep-rooted tribal differences of South Africa. A myth held to by the whites because it reassures them and enables them to have the hope such a cleavage would enable them to divide and rule.

The article goes on to say how the whites of South Africa look at the rest of Africa. It implies a picture of chaos and they cite the slogan "One man, One vote-once".

I suppose it's entirely fair to concede that the political record of most African states is somewhat less than admirable. But I think many, if not most, of the African states, have far more excuse, have had far less training, less assets and inheritance to equip themselves to advance than the white South.

It's appalling that the white South has the worst track record than any of them. It's bad enough to have "one man, one vote-once"; it's worse to have "No man, no vote-never".

The author of this article refers to the members of Black tribal nations—there are no such things as Black tribal nations. A tribe is not a nation. You might as well talk of the nation of Pennsylvania, or the Nation of New Jersey—or possibly a more accurate analogy would be to talk of the nation within America of Americans descended from Dutch or Germans.

I think in this country this would be regarded as a laughable concept. Most people in my country regard it as a laughable concept but unfortunately most people in my country have no right to vote for the central government.

The article continues, the one in the Congressional Record, that these people of South Africa—he is talking of the tribesmen—cannot envision the white man's or the American man's form of democracy, that their individual chiefs are there by divine right. The best refutation of this, I think, can be taken from as far back as 1961 when Nelson Mondela made his speech from the docket—this was a man accused by the South African Government of being a Communist and agent of Moscow.

In the speech he rejected the ideologies of both East and West but he said, if he were to choose the system for which he had most admiration, it was that of the United States Congress and that of the British Parliament and he went into some detail on this score.

This is a man who echoed the views, and indeed, led the views of most of the people of whom this article in the Congressional Record says they cannot envision the American version of democracy.

Not only do they envision it, they yearn for it.

He says their individual chiefs are there by divine right unless a brother or cousin of another Black group kills the guy off. At the moment the only people killed off are the people in our security police jails. I cannot recall where a chief was just killed off in a manner suggested here.

The author says they simply do not understand the idea that a man can be chief one day and out on the street running for election the next. This is ridiculous. Chief Lithuli of Zululand was chief before the Congress and all the most prestigious chiefs I know in South Africa, all call for the abandonment of heredity chieftainship as a symbol of political power. They say, "We claim our people will follow us if they like us as chiefs, therefore let us stand for election and we can be voted for as ordinary candidates in any election".

The pro-government people argue that the chiefs don't want to stand for election. Their arguments refute them.

On the one hand, they say the people will follow the chief; on the other hand, they say the chiefs won't file for election because the people won't vote for them.

Another example of false propaganda comes from Prime Minister Botha, who made another eloquent and almost tearful appeal to the United States and the West a short while ago on South African television when he said, "We stood with you in World War II; we fought against Hitler."

This is an obscene travesty of the truth. People in Botha's government did not side with the U.S. in World War II.

When our Army of South Africa was formed, it's a matter of great pride that South Africa contributed to the largest Army in the world against Hitler. We were being attacked ourselves in dark alleys by those who formed the Ossewa-bond, a subversive organization, which praised national socialism, which wanted to stop Jews from getting out of the country. These are people who claim you must stand with them because they stood with you in World War II.

What Botha is misconstruing is that the South African Parliament of that time stood with the West, but not the present leaders.

The article continues that the real objective appears to be the annihilation of the white man in Africa. This is the simplistic view to scare the white people in South Africa—that everyone is against them and wants to annihilate them.

I can't recall a single responsible leader anywhere in the West saying the annihila-

tion of the white man is the objective. On the contrary, I believe it is the preservation of all men in South Africa that is sought for by concerned people outside the country.

The article attacks Ambassador Andrew Young for being photographed smiling with his arm around a Mozambique Communist Dictator. This is naive because the same sources I think would have praised President Nixon being photographed smiling next to Chou En Lai.

Now we come to what to me is a particularly interesting manifestation of the kind of approaches people have.

We are dealing here with the detention of one of my friends, Percy Qoboza, Editor of The World Newspaper. This article in the Congressional Record bemoans the fact that a complaint is made that two leading Black newspapers, the World Newspaper and The Week End World—one is merely a week-end Saturday edition—they are not Black newspapers, they are white newspapers run out of Fleet Street London.

I hope most material in the Congressional Record is better informed than this. There is utterly no connection between our South African Newspapers and Fleet Street London or anywhere else. The Argus Newspaper Company in Africa is totally South Africa-owned and financed. The only link it might have is it maintains an office in London.

Senator CLARK. As it does here?

Mr. WOODS. Yes.

The article claims Mr. Qoboza has earlier been warned by a newspaper that his writing was never a credit to South Africa. I have never heard that said of Qoboza. It may be claimed this was one of the editors of the pro-government press.

It says he was using his column to tell the Marxist revolutionaries what buildings to attack and people to attack and intimidate next. That this is a lie is proved by the fact that when the Minister of Police was challenged to cite one column or one word or one paragraph in The World—we journalists are conscious of the fact that what we newspaper men say stands indelibly in ink on paper, so it would be required of the Minister to point to these words he says has been printed and show this to the nation—he couldn't cite the source.

Where was it said? Where was it written? What happened was the Minister went on television and read from a document in front of him—It reminds me of the way documents were read by Senator McCarthy—he said it appeared in The World newspaper to do with the Marxist era. After the television program was over the proprietors of this newspaper hurried around to the files to see how on earth such a thing could ever have appeared in print. They found it never did. They found the Minister was quoting from something that never appeared in print, it had been part of a prepared series for the education of Black children in Soweto, an unorthodox history of certain events, mentioning the fact of Karl Marx and what he had done.

So, in these fashions you have the smearing of people carried out which is a direct link with the paragraph after it in which the Minister of Police also read out on television and gave to the national press to publish the disgraceful claim that Steve Biko had written and propagated a pamphlet which called for blood and bodies in the streets.

I will read what it says Biko wrote. "Black people must show solidarity. Wherever you are, organize yourselves into groups to deal with those who do not heed this appeal. Beat them, burn their books, burn their cars and thir shops. Show no mercy to collaborators—they must all be killed."

I knew Steve Biko well. There is utterly no chance he could have ever been associated with such obscenity. It's not his style. He was not a book burner; he was a builder not a destroyer. The Minister is making that allegation without even having met the man.

When I appealed to him to go and meet him, he refused. This was published in South Africa in a pro-government press. It took an appeal by me to force them to make a retraction. Yet, this is in the Congressional Record and I am concerned Congressmen may be misled by it.

Finally, there is this argument, that the National Party leaders have been pushing behind the scenes for reforms. It is this myth, this fiction that there was some plan ready for release after the election to liberalize policy.

Sir, this is indeed a myth or fiction and I think the proof of the matter lies in the type of appointments to the cabinet made last week. Clearly it's the same type of leadership as we had before.

In conclusion, I would like to stress that I have much fear that what we are about to confront in South Africa is an increasingly explosive situation which, unless our friends—when I say our friends, I mean the friends of the real people of South Africa, the vast majority of the people of South Africa—can persuade the Pretoria government to come to its senses and negotiate with the Black majority; unless this can be done I fear the consequences and wider implications for the world will be disastrous.

Thank you.

Mr. CLARK. Mr. President, other items deserve special note regarding South Africa. First is the report of Louis H. Pollak, dean of the University of Pennsylvania Law School who was asked by the American Bar Association to attend the inquest into the death of Steve Biko, the black leader who died last September while in police custody. Pollak filed a report on March 8, 1978. He contradicted the findings of the inquest, concluding that Steve Biko died as a result of a beating during interrogation by South African security police. Disputing the magistrate's ruling that no one could be held responsible for Biko's death, including the security police or the doctors who examined him, Pollak said:

At the very minimum, we could not responsibly reach the result that the magistrate reached. At the very minimum, the magistrate had to say, "The evidence does not tell me what happened to this man, and further investigation is required."

Pollak described the prison doctors who initially attended Biko as,

The most pathetic and most contemptible human beings I have ever seen. In their testimony at the inquest, they made clear that they approached Biko not as a patient but as some piece of apparatus presented to them by the police for repair.

Mr. President, I would like to add to Mr. Woods' testimony and ask unanimous consent to have printed in the RECORD an article in the Washington Post of March 9, 1978, reporting Mr. Pollak's findings.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FINDING IN BIKO INQUEST IS DISPUTED BY U.S. EXPERT

(By John M. Goshko)

A U.S. law school dean who was asked by the American Bar Association to attend the inquest into the death of Steve Biko has concluded that the South African black civil rights leader died as the result of a beating during interrogation by South African security police.

That finding is contained in a report, made public yesterday, by Louis H. Pollak, dean of the University of Pennsylvania law school and former dean of the Yale law faculty.

Pollak's conclusion contradicts the ruling of the South African magistrate, M. J. Prins, who presided over the three-week inquest in Pretoria last November and December.

Prins found that Biko, who died last Sept. 12 while in police custody, suffered head injuries that were the likely cause of his death. But he also ruled that the injuries apparently were inflicted when Biko allegedly attacked police interrogators a few days earlier.

However, at a press conference here yesterday, Pollak charged that the evidence and testimony at the inquest did not bear out the magistrate's finding. While conceding that his own conclusion about Biko's death was "arguable and subject to debate," Pollak said:

"At the very minimum, we could not responsibly reach the result that the magistrate reached. At the very minimum, the magistrate had to say, 'The evidence does not tell me what happened to this man, and further investigation is required.'"

Pollak attended the inquest as a representative of the ABA's Section of Individual Rights and Responsibilities and of the Lawyers' Committee for Civil Rights Under Law, a U.S. organization that has provided legal aid for South African rights activities.

However, Pollak stressed that the report represents "solely my own findings as an observer for these organizations" and does not have their official endorsement.

He also noted that, because of difficulties in obtaining a visa, he was able to attend only one week of the inquest session. For the rest, Pollak said, he was forced to rely for information on transcripts of the hearing, press reports and interviews with the Biko family's lawyers and others who were present at the sessions he missed.

In particularly, his report places heavy reliance on the findings of Sir David Napley, a former president of the British Law Society. Napley attended all but three days of the sessions and, in December, wrote a report reaching essentially the same conclusions as Pollak.

As stated by Pollak, they are that Biko, who was arrested last Aug. 18 and held incommunicado on suspicion of terrorist activity, was at some point beaten by the police in an effort to make him talk.

Pollak says he believes the police did not intend to kill Biko but inadvertently injured him in a way that caused severe brain damage. The injuries, his report charges, were aggravated by the failure of the police first to provide Biko with adequate medical care and then transporting him 750 miles in the rear of a Land Rover to a hospital where he died.

To back up his findings, Pollak argues that the hearing record is filled with contradictory and, in some cases, dishonest statements by the police. In particular, he says, none of the police testimony established in a clear fashion that Biko received a severe head injury during the scuffle on Sept. 7 when he allegedly attacked his interrogators.

Instead, the report charges, the evidence provides strong grounds for assuming that Biko was beaten in some other way, that the police tried to cover up his injury by telling doctors that he was feigning illness and that, after his death, the police failed to conduct a thorough investigation into the circumstances.

At his press conference, Pollak described the prison doctors who initially attended

Biko as "the most pathetic and most contemptible human beings I have ever seen. In their testimony at the inquest, they made clear that they approached Biko not as a patient but as some piece of apparatus presented to them by the police for repair."

However, Pollak said it was his impression that the inquest, despite the limitations placed on its scope and the inadequacy of the verdict, was conducted in an impartial manner, with lawyers for the family being given wide latitude to state their case.

Mr. CLARK. Mr. President, another moving event in South Africa highlights the trends which Woods' testimony and Pollak's findings on the Biko inquest both suggest—the increasing drift of events toward loss of black leadership and racial polarization. The death of Robert Sobukwe is a loss to all men who cling to the hope of a peaceful solution to South Africa's racial problems. Sobukwe was an historic figure, the founder of the Pan African Congress and organizer of the Sharpeville demonstrations in 1960 which was a turning point in black resistance to apartheid. I knew him personally and I deeply regret his death. Despite years of imprisonment and banning, Sobukwe was one of the least bitter and most gentle men I ever met. In his memory, I would like to ask unanimous consent to have printed in the RECORD a tribute to him by Anthony Lewis in the New York Times (March 2, 1978).

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

A VERY GENTLE MAN

(By Anthony Lewis)

WASHINGTON, March 1.—A few times in his life a newspaper reporter meets a political figure and senses authentic greatness; a magnetic external presence combined with a sense of inner serenity. That happened to me on June 9, 1975, in the South African mining town of Kimberley. I met Robert Sobukwe.

He was despised and rejected by those who hold power in his country. He lived in enforced obscurity, unable to travel, his countrymen forbidden to read his words. But there was a power in him that shone through all the petty cruelties of official suppression. It was the power of belief in humanity, in nonviolent change toward justice, and those who oppressed him should pray that it will survive his death this week.

Robert Sobukwe suffered indignities that would destroy most of us. As leader of the Pan Africanist Congress, he was sent to prison in 1960—and his organization banned—for protesting against the past laws that bind the blacks of South Africa—when his three-year sentence ended, the Nationalist Government passed a law to keep him in detention without any charge or proof of a criminal offense.

For six years he was kept in a stockade on Robben Island—alone, without even the companionship of other prisoners, because he was not formally a prisoner. Then he was sent to Kimberley, a town he did not know, and banned; forbidden to meet more than one other person at a time, to leave home at night or to venture outside Kimberley without special permission.

He was invited to lecture at the University of Wisconsin in 1970 and got the necessary permit to leave South Africa, but the Ministry of Justice would not relax the banning order to let him go to the airport in Johannesburg. Even when he was dying, officials harried doctors and friends to keep to the rules.

But none of that showed in Robert Sobukwe. Meeting him, one saw a man utterly at peace with himself—and with his tormentors. He laughed a lot. And when he spoke of some ingenious twist of racial discrimination in South Africa, he shook his head as if in amazement at human foolishness and said: "Honestly . . ."

I said I thought the Afrikaners who rule South Africa still had a strong sense of having been treated unfairly by the English-speaking whites. "I agree with them," Mr. Sobukwe said. "I think there's a lot in that. But then why don't they understand how we feel when we suffer discrimination? Honestly . . ."

Of his detention on Robben Island, he said: "It gave me an opportunity to read." He got a degree in economics from London University by correspondence in those years. In Kimberley, despite the restrictions, he trained as a lawyer and was admitted to practice. And he made a point of saying that the authorities had treated him with courtesy.

"When I ring the prosecutors about legal business," he said, "I say 'Sobukwe here' and they say 'Yes, Meneer.' The security chief here has been consistently polite, too. As human beings I think that man and I could be friends. I know he has his job. He knows I am a politician, with my views."

His view was that whites and blacks have to live together in South Africa. "A nonracial society," he said: "That remains my goal. I would make racism a crime, no matter from which side it came—like an American civil rights law."

But he saw in 1975, that time was running out for his ideas, that antiwhite feeling was growing among blacks. He noted with quiet irony that whites were shocked at expressions of black antagonism: "Until now it has been the white prerogative to hate." He predicted, correctly, that students would lead the way in expressing black feelings, and that they would be suppressed. The Government would discount the students' protests, he said, "but they are in fact the barometer of black opinion."

He had no illusion of quick change in South Africa. No easy revolutionary slogans came to his lips. He thought it would be a long, hard struggle to persuade the white minority that its own true interest lay in treating nonwhites as fellow human beings. In the end, he said, as whites felt the pressures of the world, they would find themselves needing "the loyalty of the blacks. That will be the crucial dilemma."

Robert Sobukwe made the same extraordinary impression on many Americans who came to see him in his isolation. Senator Dick Clark of Iowa, who saw him in December, 1976, said after his death: "He was a very gentle man. More than any other person I met in South Africa he represented what I had read about: that people could still be rational in the demand for change, not bitter. I could hardly understand it—the lack of bitterness."

The tragedy of Robert Sobukwe's isolation and death is for the white people of South Africa more even than the black. By refusing to talk with him, those in power lost what may be their last best hope of rational accommodation to change, to humanity. Cry the beloved country.

Mr. CLARK. Mr. President, in addition, I would like to ask unanimous consent to have printed in the RECORD an article in the Baltimore Sun (February 6, 1978) on a recent decision made by the administration regarding South African ferrochrome that raises serious questions about U.S. economic ties to South Africa, a subject which I have looked into in some depth in my report on "U.S. Corporate Interests in South Africa" released in January.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GETTING OUT OF SOUTH AFRICA IN TIME

(By Stanley Karnow)

WASHINGTON.—President Carter faced a tough challenge the other day, when he had to decide whether to uphold or reject higher tariffs on imports of chrome alloys from South Africa. With all due respect to the complexity of the problem, I am inclined to think that he made the wrong decision in rejecting the tariff hike.

There are two aspects to the problem—one technical and the other political. In my estimation, the President's action had technical merit. But it was outweighed by a political error of considerable dimensions.

For his move will serve to strengthen the egregious South African government, and that is not only a betrayal of his pledge to struggle against racism, but a violation of his human rights policy.

The technical side of the issue revolves around the fact that South Africa is the major exporter to the United States of high-carbon ferrochromium used to manufacture stainless steel.

Late last year, after the Administration re-imposed the trade embargo on Rhodesian chrome, South African chrome exports to the United States rose sharply. This prompted several domestic American chrome producers to complain, among other things, that South African price cutting would wreck them unless tariffs were imposed.

The complaint of these firms was supported by the U.S. International Trade Commission, which recommended to the President that the import duty on chrome be raised to 30 per cent. That advice was opposed by a number of South African companies as well as by Union Carbide, which operates a ferrochromium smelter in South Africa.

In his decision to overrule an increased tariff, the President reiterated his commitment to reduce trade barriers, and he asserted his hostility to import duties that ultimately penalize consumers.

But underlying all this is the question of whether U.S. trade with South Africa and investment in that country are contributing to the perpetuation and prosperity of one of the world's most flagrantly racist regimes.

About 350 American companies, among them Ford, Mobil, General Electric, International Business Machines and Coca-Cola, represent an aggregate investment in South Africa of nearly $1.7 billion, of some 17 per cent of all foreign investment there.

One view holds that American economic links with South Africa are beneficial to the oppressed blacks there.

A number of American corporations pledged last year to operate unsegregated enterprises, pay blacks the same as whites in equal jobs and pursue other fair employment practices.

The State Department takes the position, moreover, that to curb economic relations with South Africa because its regime is repressive would be to set a dangerous precedent. If this principle were followed, the argument goes, the United States would have to cease doing business with dozens of countries.

But South African liberals, both black and white, argue convincingly that the American presence in South Africa does little to erode apartheid but goes a long way toward bolstering the South African government.

Perhaps the most cogent argument, advanced not long ago by the *Financial Times* of London, is simply that South Africa is becoming such a bad risk that companies should look elsewhere for profits.

The newspaper, a model of sobriety, forecasts that racial violence and repression are going to increase to such an extent in South Africa during the next few years that prudence dictates the "orderly disengagement of our economy from theirs."

The same counsel should be offered to the United States. The possibilities for short-term gains in South Africa do not warrant American involvement, especially when it contributes to the racial holocaust that seems likely to threaten long-range U.S. interests.

It is difficult not to sympathize with President Carter as he faced the technical and political alternatives of the South Africa chrome issue. He opted for the short-term choice. He may be able to reverse himself before he is confronted by the long-range repercussions of his decision.

Mr. CLARK. Mr. President, Woods' testimony, the Biko inquest, Sobukwe's death, and the close economic ties of the United States to Pretoria verify the drift toward increasing internal conflict in, and international tensions with, South Africa. But there is some recent good news. On March 10, 1978, the South African Government announced the release of Percy Qoboza, editor of the black newspaper, The World, which was banned on October 19, 1977, the day of Qoboza's detention. Nine other men detained with him were also released. Justice Minister Jimmy Kruger declared that Qoboza is free to return to his profession, meaning he is not banned and may write as a journalist. We will, of course, watch with close attention the extent of Qoboza's freedom of speech, obviously already curtailed from the closing down of his newspaper. Still, the news of Qoboza's release is most welcome and the government should be commended for this step. We hope that we can look forward to further liberalization that gets to the root of the problem—the laws that permit not only Qoboza's arrest but Steve Biko's death. While Qoboza has been released, preventative detention laws still remain on the books that permit indefinite detention without charge and which forbid access of detainees to attorneys and to their families.

Finally, Mr. President, I want to call attention to the progress toward a return to civilian rule in Nigeria, a country with commercial ties to the United States that are rapidly overtaking those with South Africa.

Jean Herskovits reports on this progress in the Baltimore Sun (January 24, 1978) and the newspaper rightly editorializes on the significance of this systematic march toward democracy in Africa's largest, richest, and most powerful state south of the Sahara. I would like to ask unanimous consent to have these coments printed in the RECORD as well, asking my colleagues to give due regard to the American inspired constitution-making exercise which began in 1978 and which is to conclude in 1979.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

[From The Baltimore Sun, Jan. 24, 1978]

EASING OFF THE PARADE GROUND

(By Jean Herskovits)

LAGOS, NIGERIA.—When Jimmy Carter visits Nigeria this spring, he will see Africa's biggest, most important country engaged in a political experiment significant for the whole continent: drawing up the new constitution under which the nation will return to civilian rule.

Though this has parallels with their own constitution-making, Americans scarcely know about it, reading of Africa such non-events as Bokassa's self-proclamation as Central African emperor. What is happening here is in stunning, if quiet, contrast; the timetable announced on October 1, 1975 for the Army to hand over power to democratically elected civilians in 1979 moves precisely on schedule.

Near the center of this too-small island, where all the problems converge on an infrastructure stretched sometimes beyond breaking point by Nigeria's phenomenal 10-percent growth rate, is a massive concrete parade ground. Erected by a previous government, it epitomizes to Nigerians where their oil money ought not to go. But behind it is a now-dwarfed structure, still popularly called the Parliament Building. Wood-panelled, high-ceilinged, chilled as if to American specifications, is the House-of-Commons-style hall inside, where 232 Nigerians sit as the Constituent Assembly, the only elected national body in this country of some 80 million people. They are debating a draft which a government appointed committee took a year to prepare.

From the gallery, spectators peer through a mesh of microphone wires at the House. For all the trappings of Britain's Parliament (even the verbatim "Hansard" appears daily), it is a decidedly Nigerian scene. Men and women wear the full range of traditional and western outfits as their inclinations dictate. The spectators are not many, but they are concentrating; for them something important is happening, and besides, everything distracting, even newspapers, must be checked outside.

Until this month there hasn't been debate, but rather speeches—one per member—that press and public have frequently called irrelevant to constitution-making. Such complaints are normal in this vocal, self-critical country, where because argument is also standard, others defend the MCAs (as members are called): With formal politics bottled up since 1966, they say, who can wonder that this is a forum for people with political ambitions? It's a safety-valve, say others, and besides, is talking about the economy or creating more states really irrelevant? An American in the gallery wonders if the critics have heard the U.S. Congress in session.

Now, after the Christmas recess, debate focuses, article by article, on the draft, which seems remarkably American. "Why not?" a member of the drafting committee asks. "Similar is not the same. Besides, Nigeria and the U.S. are both large, diverse and complicated; why shouldn't some of what works for you work for us?"

First on the agenda is the executive presidency. On it, all agree, turns the fate of the draft. Some speakers have already said that the alternative Westminster model, Nigeria's colonial legacy, failed the country once, producing in the early 1960s the political instability that culminated in the first coup. Others fear that abuse of presidential power might lead to one-man rule, which Nigerians deplore in other parts of Africa; they argue that the problem of the first republic was not the parliamentary system but the people who abused it.

If there is to be an executive president, everyone says, there must be a free press, and the predictable debate follows over freedom versus irresponsibility. The present rulers, sometimes scolded by civilians for sensitivity to critical reporting, must have smiled when the MCAs demanded an apology (not forthcoming) from a newspaper that editorialized over their "frivolity."

Behind these issues and others, also key but arcane to outsiders, lie politics. For 12 years Nigeria's military governments have banned political parties (a ban to end in October). But Nigerians are very political, and the prohibition has not deterred either discussion or ambition. MCAs, like all Nigerians who could manage it, were back in their villages for the Christmas holidays. There they met their constituents and discussed local implications of constitutional provisions, surely also making political calculations based on which people elsewhere in the country share their interests.

Back in Lagos many MCAs look to 1979, caucusing and bargaining, in and out of working hours. No one doubts that, as in other parts of the world, it is less on the House floor than in the corners and corridors, and at the "Satellite Village" where MCAs live for the duration, that the real business gets done.

Nigerians disagree about whether the Constituent Assembly will produce their civilian leaders. Some say definitely yes, because it provides the only place to build national political organization before parties are allowed. Others say definitely no, because only those not present will be unsullied by partisan stands taken on issues in the draft and thus able to appeal to the whole nation.

Two things strike an outsider through all this. One is the certainty expressed inside the Constituent Assembly and throughout the country that the present military rulers will hand over power in 1979. MCAs, indeed, behave as if the Federal Military Government (FMG) scarcely exists. But, secondly, the FMG very much exists and goes on running the country. It simply lets the debate flow, meanwhile taking its own steps, critical to Nigeria's new politics: registering voters, setting out electoral procedures and the rules to create truly national political parties for the first time. It is also, of course, dealing with economic development and Nigeria's growing international role. When the Constituent Assembly has done its work and the FMG has accepted it, the world is likely to see a real landmark in African self-government.

[From the Baltimore Sun, Jan. 24, 1978]

AFRICA'S GIANT

Democracy has suffered many setbacks, especially when clamped by a departing imperium on an unprepared colony. But as an ideal for society to approximate in organizing itself, democracy has made notable comebacks. India, Greece, Spain and Portugal, among others, are rediscovering its virtues. Will Nigeria join that list? The report of its constitutionmaking by Jean Herskovits, on the page opposite, provides grounds for optimism.

Bequeathed independence and parliamentary government in 1960, Nigeria has been ruled by soldiers autocratically since 1966 and still is. The first generation of politicians did not achieve stability. The tragic war of the attempted Biafra secession put military concerns to the fore. The great mix of peoples and languages and cultures decreed by imperial boundaries would test the wisdom and skill of any governor. The oil-powered boom has added to the ills of poverty and tribalism those of rapid growth, sufficient to challenge the skill and sanity of any administrator. There has been graft, piracy, economic chaos, and great achievement.

The Carter administration appreciates Nigeria's importance. It already means more to the United States commercially than South Africa does, and the disparity can only increase. Based on its population, economy, and even its overmanned and underequipped army, Nigeria is the superpower of Black Africa. General Olusegun Obasanjo, the current strongman, welcomes an American role in Africa, but not one that uses South Afri-

can troops as the Ford administration attempted during the Angolan civil war. General Obasanjo has visited President Carter, who was going to return the visit and then did not, on his hastily rescheduled world trip. This slight presumably will soon be rectified.

The system that failed Nigeria was British parliamentarism with a federal twist. The form of civilian rule being drafted, as Professor Herskovits describes it, sounds borrowed from an American civics lesson. Will General Obasanjo retire to barracks, or don civilian clothes in quest of political leadership, or use the presidency to cloak perpetuated autocracy? The only sure thing is that the military are keeping so far to the timetable set forth in 1975 for civilian rule by 1979. Good faith cannot be ruled out. And Nigeria's indispenability to a successful American African policy cannot be overlooked.

Mr. CLARK. Mr. President, it offers something of a contrast to events elsewhere in the continent, providing concrete evidence of how a peaceful transition of power can take place through wide consultations and open debate among all elements of the population of a country that experienced a decade of violence, coup d'etats and civil war. If Nigeria's experiment proceeds to fruition it will represent a watershed of African self-government. If South Africa's policy of apartheid proceeds to fruition, it will present this administration with one of the most severe foreign policy tests it may ever have to face.●

RUNAWAY FATHERS PROGRAM PROVES A MAJOR SUCCESS

● Mr. MOYNIHAN. Mr. President, this morning's Washington Post contains an uncommonly interesting and gratifying report on a Federal welfare program that appears to be succeeding: The child support program established under title IV–D of the Social Security Act.

When this program was proposed 4 years ago, the Post reminds us, "there was lots of sniggering and huffing" from those who thought it would never work. But "today, no one is sniggering." In the past 2 years, the States have collected $1.6 billion from fathers who deserted their children and—without the stimulus of this program—would not otherwise be contributing toward the support of those children. The total cost of operating the program itself is approximately a quarter of the amount collected: About 28 cents spent for every dollar brought in.

This particular program is a success. For it owes its existence to the foresight and determination of the distinguished senior Senator from Louisiana, whose understanding of the public welfare system—and of human nature—is unsurpassed in Washington.

I am pleased to note that my own State of New York is finally also making a success of the child support program. During tht past 12 months, New York spent $34.2 million to collect $42.8 million in the AFDC portion of the program. While New York City is not yet "breaking even," it is making significant progress, and in the rest of the Empire State collections now surpass outlays by more than 2 to 1.

Alone among major welfare programs known to me, this one saves the taxpayer money and it does so merely by making it harder for parents to shirk their own responsibilities to their children. I should like to take this opportunity to acknowledge Senator LONG's central role in this worthwhile enterprise, and I ask unanimous consent that the text of the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 13, 1978]

RUNAWAY FATHERS PROGRAM PROVES A MAJOR SUCCESS

(By Spencer Rich)

The new federal-state "runaway fathers" program has helped the states rake in $1.6 billion over the past two years by tracing absent fathers and making them support their children—at a cost of $457 million to the federal, state and local governments. And at the current payment rate, more than $1 billion will be collected this fiscal year.

While some fathers are too poor to pay, the program's deputy director, Louis B. Hays, said in an interview that officials have discovered plenty of well-to-do fathers:

In Sacramento, officials in one nonsupport action discovered the father was a retired military officer who was collecting both a pension and a salary from a second job, with a total income of $60,000 a year.

In Michigan, a law student who had divorced his wife years earlier and fallen $5,000 behind on $20-a-month child-support payments was tracked down when his family went on welfare. He had advanced considerably in his profession—he was now a judge.

Also in Michigan, a man who at the time of his divorce was ordered to pay $100-a-month-child support, was $13,000 in arrears. His family went on welfare. He was tracked down and discovered to be an official of an aircraft manufacturing company in California. When he learned that officials were after him, he turned the matter over to his attorney and sent $10,000 as a down-payment on his arrears. "He's now caught up and current in his payments," said Hays.

In Utah, a man in default on monthly payments was found to own half a financial corporation and a fast-food chain. "He's now paying $625 a month and is current in his payments," said Hays.

Hays said that while statistics are still not complete, at least half of the fathers tracked down "have the capacity to pay some reasonable level of child support and some have rather substantial incomes."

"State officials say some doctors and lawyers making up to $100,000 a year have been evading child support. Not a high percent, but a few hundred."

Some states are reaping big dividends. California collected $141 million last year, Pennsylvania $156 million. (Maryland collected $7.5 million, Virginia $5.4 million and the District of Columbia $600,000.)

Four years ago, when Russell B. Long (D-La.) pushed through a Senate amendment creating a federal program to track down runaway fathers of welfare children, there was lots of sniggering and huffing from Long's critics.

One of the nation's leading social welfare experts said in the corridor outside the Senate Finance Committee, "What's the point? Most of these men have no money to collect anyway."

The Washington Post editorialized, "An unwarranted intrusion of the federal government [into personal lives] . . . would yield little while costing a great deal . . . the benefits to be derived are minimal at best. The dangers are incalculable."

Today, no one is sniggering. About 1 million parents who otherwise would pay nothing are now making payments. And the more than $1 billion anticipated this fiscal year in child-support payments obtained for welfare mothers or other families where the father has disappeared or refuses to support the children is equal to about 10 percent of the entire national cost of the Aid to Families with Dependent Children program.

"This program is a success," said Secretary of Health, Education and Welfare Joseph A. Califano, Jr., warmly praising Long for his efforts to get it enacted in 1974.

Before the program was passed, a mother who wanted child support from the father of her children had to go to court or the state welfare agency and try to (1) establish paternity if it were in doubt; (2) seek to obtain an order requiring payment of child support by the father.

It costs money to hire a lawyer, it was complicated to do, and for low-education welfare mothers without any money it was often impossible.

A few states had agencies to take over the responsibility, but there wasn't any systematic nationwide program.

The Long amendment changed all that. First, it required every state, as a condition of receiving federal welfare subsidies under the AFDC program, to set up a separate unit specifically charged with conducting an active program to track down "fleeing fathers."

Second, it specified that the state give such assistance not only to welfare mothers, but to any parent with children where the other parent was absent and not participating in the children's support.

Third, it provided for the federal government to pay 75 percent of the state or local government unit's costs for the program.

Fourth, it provided for a variety of ways in which the U.S. Office of Child Support Enforcement in HEW would help the states and localities establish paternity, track the father and then proceed against him.

These include technical advice; clear legal authority for states to proceed against federal employes; the use of Social Security, federal employe and Internal Revenue Service records to locate an absent father and find out where he works, and the use of federal tax records to determine a father's ability to pay child support.

Where state law provides for the use of blood tests and lie detector tests to help determine paternity, the federal government will pay 75 percent of the cost, Hays said.

Where the family wasn't on welfare to begin with, it gets the entire payment, less some small service charge levied by the state. About half the $1 billion a year now being collected goes to welfare families.

There is one substantial dispute over the program—the provision in federal law that a welfare mother must cooperate in establishing paternity and locating the father, unless it is determined that it isn't in the best interests of the child. This is usually the case where there is a genuine fear that an angry or unstable father may wreak violence on the mother or child or both for helping nail him to a support payment.

Long has complained that Califano's department regulations allow too much leeway for a woman to refuse to cooperate without loss of benefits.

However, the American Civil Liberties Union believes there is "potential for privacy invasion in coercing a woman who is receiving welfare to reveal who the father of the child is." This fear is shared by some welfare groups. Some groups representing divorced fathers are also said to be unhappy with the program.

An ACLU spokeswoman said there are reports that some jurisdictions have question-

naires which, if the woman says she doesn't know who the father is, demand to know the names of the men with whom she had sexual relations.

Ed Pitt, a spokesman for the national Urban League, said that group is now assessing its local affiliates to determine whether there is a problem of abuse.

Califano, however, is enthusiastic about the program. He believes the regulations will prevent abuses of privacy. He has told aides to shoot for a doubling of the amount collected under the program—from $1 billion in fiscal 1978 to $2 billion in fiscal 1979.●

THE HIGH COST OF REGULATION

● Mr. HARRY F. BYRD, JR. Mr. President, the current issue of Newsweek has an excellent commentary by Henry Ford II, the chairman of the board of the Ford Motor Co.

Mr. Ford's piece is captioned "The High Cost of Regulation."

Pointing out that the more the Government spends, the less wealth is left for productive investment as well as for private consumption. He then points out what is not so obvious: Private spending to meet Government requirements has similar consequences.

Mr. Ford said frankly that some automotive regulations have been needed and that the industry sometimes does not respond quickly and effectively enough to harmful side effects of safety-increased automotive usage.

But excessive Government regulation is not only costly to the American taxpayer, but also costly to the American consumer. In most cases they are one and the same.

Mr. Ford's piece is thoughtful and worthwhile.

I ask unanimous consent it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HIGH COST OF REGULATION

(By Henry Ford II)

As I look at our country today, I see a powerful but uncertain and unsteady giant being trussed up in a growing web of rules and regulations to the point where it can no longer exert its strength freely and effectively. I am reminded of the story of Gulliver in the land of the Lilliputians.

Perhaps it's only a coincidence that the recent period of rapidly rising government spending and roughshod regulation also has been a time of high unemployment, slow productivity improvement, soaring government deficits and unprecedented peacetime inflation. But I don't believe it's a coincidence at all. Despite a mounting record of failure and frustration, our leaders have failed to grasp the fact that too much government inevitably leads to economic decay.

It is obvious to everyone—or should be—that the more government spends, the less wealth is left for productive investment as well as for private consumption. What is not so obvious—and our lawmakers and regulators apparently choose to ignore it—is that private spending to meet government requirements has similar consequences.

I am not arguing with the need for government action to conserve energy, reduce harmful pollution and protect the health and safety of all of us. But I am arguing with the tendency to sanctify each goal—to seek instant perfection with little regard for costs and consequences. In our national effort to solve common problems caused by our private choices, we have spent too much time on moralistic and ideological disputes and too little time seeking practical compromises. Our real task is to find the best balance between benefits to people as citizens and costs to people as consumers.

DESIRABLE GOALS

I am not at all reluctant to say that some automotive regulations have been needed. The industry simply did not respond quickly and effectively enough to the harmful side effects of vastly increased automotive usage in highly populated areas. And some obviously desirable goals such as reduced emission of pollutants and increased passenger protection in the event of accidents could not have been achieved as readily without uniform, across-the-board government mandates. In retrospect, I think it is fair to say also that the law requiring greater fuel economy in motor-vehicle use has moved us faster toward energy conservation goals than competitive, free-market forces would have done.

But the effect of even the most desirable law can be unnecessarily costly and disruptive to both manufacturers and consumers if it is interpreted in a narrow or punitive way by those who enforce the law. Regulatory decisions can have far greater impact than was intended or foreseen by those who enacted the basic legislation. To the extent that those decisions are biased or overzealous, there can be no hope of seeing the law carried out objectively.

INSIDIOUS POWER

There is a real danger that regulation will continue to feed upon regulation and become not so much a means to an end as an end itself. With the, labyrinth of regulations many in Washington and elsewhere find themselves possessed of a power greater in some respects than that of the Congress or state legislatures.

It is an insidious kind of power. It lacks accountability to the people, has few real restraints and avoids any immediate public outcry because it does not make any direct or substantial demands upon the U.S. Treasury. The staggering cost of meeting regulations falls upon the affected industry and its customers, and only later does the impact begin to be felt by the society at large in terms of general price rises, slower economic growth and fewer jobs. One of our critical needs today is a "sunset law" for regulations and regulatory agencies.

What the regulators evidently do not recognize is that they are forcing some fundamental changes in the structure of our economy. To the extent that some companies are unable to sustain the level of spending required by government regulation, they could find it necessary to cut back operations, reduce product lines or—at the extreme—simply go out of business. One automobile company has already dropped out of the heavy-truck business because, by its own account, it "could not keep pace with the growing list of government standards." Despite efforts by government throughout the years to prevent concentration in industry, the regulators are fast bringing us to the point where only the largest companies can survive.

What troubles me most about all of this is our apparent inability or unwillingness to recognize that there is something wrong about the way we look at our national problems and the way we try to solve them. We want clean, sparkling rivers and streams wherever we go. But must we close down all the industrial plants along their shores to achieve that goal? We want clean air. But is 90 percent clean much more than 99.9 percent clean? We want safe motor vehicles. But can the vehicle alone guarantee absolute protection from accidents and injuries?

Several years ago, I went to Washington at the inivitation of the late Sen. Hubert Humphrey to testify before the Joint Economic Committee. I suggested that this country would be well-served if we introduced into the conduct of our national economy some of the planning concepts that are common in business. We had better know and understand all the factors that must be taken into account when we size up the economy and lay out our course for the future. We cannot have economic growth, balanced or otherwise, if we approach problems narrowly. We must know how each action affects another, and be willing to change or eliminate thcse that are counterproductive.

INCENTIVES

It seems to me also that we have made too little use of incentives in attempting to resolve many of our most difficult social and environmental problems. That's the essence of this economic system that has served our country so well for so many years. Even a donkey will respond to a carrot as well as a stick. The more we can encourage people—manufacturers and consumers alike—to want to do what should be done because it is demonstrably in their best interest to do so, the less damage will be done to our economy and to the society at large.

That assumes, of course, that we can arrive at same better way of deciding—by consensus—what our national priorities should be. To paraphrase Winston Churchill, never before have so few attempted to speak for so many with such devastating results.●

EXERCISE TRAILS

● Mr. SPARKMAN. Mr. President, the physical fitness of our citizens is a long-recognized concern of Government and I am pleased when I hear of actions whereby efforts are undertaken to help Americans become healthier. I am further pleased when I learn of programs in this area involving cooperation among several sectors of our society toward a common goal.

Such a project deserving mention is the Exercise Trail, which is a mutual effort of the U.S. Jaycees, the President's Council on Physical Fitness and Sports, the U.S. Department of the Interior, and J. C. Penney Co.. Inc. These factions of private business, Government, and civic organization have joined together to develop hundreds of physical conditioning courses in public parklands across the Nation. Exercise trails are open to the public and free to the public, and are designed to accommodate children and adults alike to encourage physical fitness as a family activity. Participants walk and/or jog to and from a series of 20 exercise stations where they perform specific calisthenics and other exercises recommended for good physical conditioning.

The first exercise trail under this cosponsorship was built by members of the Birmingham Jaycees in an inner city public park area and opened late last summer. It proved popular immediately, receiving use by area citizens, school physical education classes, members of military reserve uints. and students from the nearby Birmingham campus of the University of Alabama. We are proud that Alabama's largest city was chosen for the initial development of this program.

This procedure of cooperation among J. C. Penney department stores, local chapters of the U.S. Jaycees, and local parks departments or other govern-

mental units, is being successfully duplicated across the Nation with more than 200 similar trails expected to be under construction by May 1. The end result should be inexpensive public facilities to help develop healthier communities. I commend these organizations for their efforts.●

THE DOLLAR AND THE JOINT UNITED STATES–WEST GERMAN STATEMENT

● Mr. STEVENSON. Mr. President, I call the attention of my colleagues to a joint statement issued today by the Governments of the United States and the Federal Republic of Germany. The statement of Secretary Blumenthal and Minister Matthofer properly stresses the determination of the United States and Germany to work for greater stability in the world economy. The pledge to continue the orientation of economic policies toward self-sustaining recovery, steady noninflationary growth, and stability in foreign exchange markets, is useful. The agreement on the paramount importance of a successful conclusion of the multilateral trade negotiations is welcome.

I am glad to see that the Germans plan to reevaluate economic prospects for their economy as soon as they receive the economic data for the first quarter. It is also essential that the United States take strong and effective action to deal with its energy deficit and I am optimistic that we will, starting with the President's proposals now in the conference of the House and Senate.

In the meantime, continued action to counter disorderly conditions in the exchange markets may be necessary. The joint statement makes clear that the United States and German authorities will cooperate closely in taking such actions. The large foreign exchange resources available to the United States suggest to me that speculators who continuously bet against the dollar may be in for a surprise. I also welcome that part of the joint statement.

Mr. President, I ask unanimous consent that the joint statement and accompanying press release be printed in the RECORD.

There being no objection, the joint statement and press release were ordered to be printed in the RECORD, as follows:

JOINT STATEMENT

Following discussions between the governments of the United States of America and the Federal Republic of Germany as well as between the Federal Reserve System and the Deutsche Bundesbank, Secretary Blumenthal and Minister Matthoefer issued the following statement:

1. Both sides are agreed that recently the exchange markets have occasionally been marked by disorder, including excessively rapid rate movements going beyond what is justified by underlying economic conditions.

They recognize that stability in the foreign exchange markets depends on a climate of confidence and a high degree of stability in the world economy. Although progress has been made in some respects, these conditions have not yet been adequately met: growth rates in some countries are still lower than desirable; unemployment remains too high and inflationary pressures persist in many parts of the world, hampering more growth-oriented policies.

2. Both sides reaffirm that continuing forceful action will be taken to counter disorderly conditions in exchange markets and that close cooperation to that purpose will be maintained.

As part of this cooperative effort:

It has been agreed by the Bundesbank and the Federal Reserve to double the amount of their Swap arrangement (see attached announcement);

The U.S. Treasury has arranged for the sale of SDR 600 million (approximately $740 million) to purchase deutschemarks.

In addition, the U.S. has a reserve position in the IMF (automatically available in amounts up to approximately $5 billion) which it will draw if and as necessary to acquire additional foreign exchange.

3. Both sides agree that it is of paramount importance that protectionist pressures be resisted worldwide. They renewed their firm resolution to strive together with their partners, for positive, comprehensive and early results from the multilateral trade negotiations.

4. Both sides affirm that they are prepared, jointly with their partners in the EC and the OECD, to monitor closely the further economic evolution in their countries and in the area as a whole. Economic developments during the first quarter of 1978 will be particularly important in determining the future course of economic policies in the Federal Republic of Germany and elsewhere. However, data to permit such an evaluation will not be available before mid-spring. German and U.S. economic policies will remain firmly oriented toward self sustaining recovery, steady non-inflationary growth, and stability in foreign exchange markets. These objectives require close cooperation by, and joint efforts of, all industrialized countries.

5. Swift and resolute action to conserve energy and to develop new sources is to be given high priority. Secretary Blumenthal reaffirmed President Carter's determination to take strong and effective action to deal with the energy problem. He indicated that the coming weeks would be critical in terms of assessing the shape of the energy legislation that would finally be approved by Congress and that the President would determine whether further action on his part was required in the short term following such an assessment.

6. Secretary Blumenthal and Minister Matthoefer recall that their two governments will be engaged in a series of discussions (EEC, OECD, IMF, et al) over the next months. These discussions will provide a proper and cooperative framework for thorough analysis and, if necessary, additional action to deal with fundamental economic problems. The question of whether additional resources are needed to deal with exchange market disorders will be kept under careful review.

FEDERAL RESERVE,
March 13, 1978.

As part of the cooperative effort announced by U.S. Secretary of the Treasury Blumenthal and Minister Matthoefer of the Federal Republic of Germany, the Federal Reserve announced today that its reciprocal currency (swap) arrangement with the German Bundesbank has been increased by $2 billion, bringing the total of that arrangement to $4 billion.

The increase enlarges the System's swap network with 14 central banks and the Bank for International Settlements to $22.16 billion.

A swap arrangement is a renewable, short-term facility under which a central bank agrees to exchange on request its own currency for the currency of the other party up to a specified amount over a limited period of time.

The Federal Reserve swap network was initiated in 1962. In all reciprocal currency arrangements the Federal Reserve Bank of New York acts on behalf of the Federal Reserve System under the direction of the Federal Open Market Committee.

The Federal Reserve's reciprocal currency arrangements are now as follows (in millions of dollars):

Austrian National Bank	$250
National Bank of Belgium	1,000
Bank of Canada	2,000
National Bank of Denmark	250
Bank of England	3,000
Bank of France	2,000
German Federal Bank	4,000
Bank of Italy	3,000
Bank of Japan	2,000
Bank of Mexico	360
Netherlands Bank	500
Bank of Norway	250
Bank of Sweden	300
Swiss National Bank	1,400
B.I.S.:	
Swiss Francs/Dollars	600
Other European Currencies/Dollars	1,250
Total	22,160●

THE HUMPHREY-HAWKINS BILL: EXTENSION OF THE CIVIL RIGHTS STRUGGLE

● Mrs. HUMPHREY. Mr. President, many public statements have been made in recent weeks urging enactment of the Humphrey-Hawkins Full Employment and Balanced Growth Act as a tribute to my late husband. I fully share this sentiment and I hope that within the next 2 months the bill will be on President Carter's desk for his signature.

But at the same time it should be clearly stated that the bill, which he and Representative AUGUSTUS HAWKINS drafted, is more than a tribute to Hubert Humphrey. The legislation, once it is signed into law, will mark a major turning point in the ability of our Government to help guide the economy toward a goal of realizing the full economic potential of the Nation's workers and the capacity of American business and industry.

There are those who assert that the bill has been watered down and consists of nothing more than a gesture of sympathy toward the millions of men and women who have been tragically victimized by recurring and virtually predictable recessions that have become a part of the economic pattern of the Nation. Nothing could be further from the truth. The bill retains the principles, commitment, and goals of earlier versions, but does so now in a realistically pragmatic and flexible way.

The framework and procedures set forth in the bill to enable the administration and Congress, with the cooperation of the Federal Reserve, to develop and implement the comprehensive and

coordinated policies aimed at reducing overall unemployment to 4 percent within 5 years following enactment, make this one of the most important pieces of legislation ever to be considered by Congress.

In effect, it is an economic bill of rights for the people of our Nation. It recognizes in law, for the first time, the right of every American able and seeking to work to employment opportunities paying decent wages and it sets forth specific requirements and goals to realize this commitment in the years ahead.

By the same token, the legislation is rightly seen as an extension of the civil rights struggle of our minority citizens. Better than anyone else, minority and other disadvantaged workers know that civil rights are hollow promises without the opportunity to earn a decent living performing useful work.

Mr. President, this point was brought home in a recent editorial published by the St. Petersburg Times of Florida which urged early enactment of the Humphrey-Hawkins bill. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONE FINAL TRIBUTE

In the aftermath of President Kennedy's assassination, this nation finally was stirred to guarantee its black citizens the same basic rights enjoyed by whites.

From the ranks of blacks themselves, the Rev. Dr. Martin Luther King Jr. led the march for racial justice. From the White House, Kennedy's successor, Lyndon Johnson, pushed with all the popular might that the national trauma had given him. And, in the Senate, Hubert Humphrey shepherded the comprehensive Civil Rights Act of 1964 to enactment through months of filibuster, parliamentary maneuver and public pressure.

Now Humphrey, after three decades in public service, is gone too. President Johnson's widow, Lady Bird, was among those who joined in moving tribute to the Minnesota senator and former vice president in Sunday's memorial service in the Capitol Rotunda. And, in Atlanta, on the 49th anniversary of her late husband's birth, Corretta King called for passage of the Humphrey-Hawkins full employment bill as "the greatest tribute" to Humphrey and a logical extension of the civil rights struggle.

"When we first started marching 22 years ago," Mrs. King said, "we were talking about simple rights, dignity in civil rights. Now we are fighting for economic rights."

At the same Atlanta meeting, Rep. Augustus F. Hawkins, D-Calif., who helped Humphrey write the controversial bill, said: "This is the year to act. If Congress doesn't act this time, we could all go back to industrial strife and the poorhouse."

We hope Congress, with Jimmy Carter's help, will heed those calls for a renewed commitment to equal opportunity. The improving employment picture unveiled by the President last week only placed into sharper focus the continuing economic plight of millions of black Americans. While the nation's overall jobless rate fell to 6.4 per cent in December, the best showing in more than three years, 12.5 per cent of the black work force remained unemployed. Among black teenagers seeking work, the unemployment rate still was 37.3 per cent nationwide and even higher in central cities.

Humphrey-Hawkins is no cure-all, of course. Watered down to win Carter's endorsement and improve its chances in the congressional session opening today, the bill mostly sets reasonable goals for putting the jobless to work—4 per cent by 1983. It leaves to the Administration and future Congresses the specific steps required in both public and private sectors to reach those goals.

The proposal no longer flatly declares every American's "right" to a job. But it does make fulfillment of that right a national goal. And it holds out workable standards against which future progress, or lack of progress, can be made, the bill promises, to reduce especially high unemployment among minorities, women and youth.

We wish an even stronger commitment could be made, in Hubert Humphrey's name, to end the tragic joblessness that still plagues citizens of the richest nation on earth. However, we recognize the complexity of attacking the twin phenomena of high unemployment and inflation in today's uncertain economy. We know that for all the vocal support given earlier versions of Humphrey-Hawkins, the measure never has been brought to a final vote. Enactment of the bill early this year, we believe, will mark one more step into "the bright sunshine of human rights" that Humphrey himself set out for 30 years ago.●

ORDER FOR RECOGNITION OF MR. SCOTT AND MR. NUNN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate rises as a Committee of the Whole on tomorrow and proceeds to the consideration of the resolution of ratification, Mr. SCOTT be recognized for not to exceed 1 hour for the purpose of general debate; that, at the conclusion of his statement and his yielding the floor, Mr. NUNN be recognized to call up a reservation to the resolution of ratification.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet until 12 o'clock noon tomorrow on the budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will convene at 8:30 a.m. After the prayer, Messrs. CHAFEE, ROTH, and BAKER will be recognized, each for not to exceed 15 minutes; after which the Senate will resume the consideration of the treaty; at which time 2 hours for debate on the amendment by Mr. ALLEN will begin running. At the conclusion thereof, Mr. LAXALT will be recognized for not to exceed 30 minutes. At the conclusion thereof, Mr. NUNN and Mr. TALMADGE will be recognized for not to exceed 45 minutes, to be divided between them; and, no later than 12:30 p.m., Mr. THURMOND will be recognized to call up his amendment.

At the hour of 2 o'clock p.m. tomorrow, the vote will occur with respect to the amendment by Mr. ALLEN, to be followed immediately by a vote in relation to the amendment by Mr. THURMOND. Those will be back-to-back votes.

Upon the disposition of those amendments, there will be a little bit of time for the purpose of general debate or the calling up of an amendment, perhaps, or whatever use the Senate wishes to make of that time.

At 3 o'clock p.m., Mr. SCHMITT will be recognized to call up an amendment in the nature of a substitute. There will be 45 minutes for debate on the amendment by Mr. SCHMITT, the time to be divided as follows: Thirty minutes to Mr. SCHMITT, 15 minutes to Mr. CHURCH.

At the hour of 3:45 o'clock p.m., a vote will occur in relation to that amendment and, at 4 o'clock p.m., in accordance with the order entered some days ago, the Committee of the Whole will rise and the Senate will proceed to the consideration of the resolution of ratification, at which time Mr. SCOTT will be recognized for not to exceed 1 hour.

Upon his yielding the floor, Mr. NUNN will be recognized to call up a reservation to the Resolution of Ratification.

Several votes will occur tomorrow and most of them will be rollcall votes, if not all of them.

Mr. ALLEN. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. ALLEN. The Senator from West Virginia, the distinguished majority leader, has given every Senator an ample opportunity to offer amendments. In the unlikely event that some Senator wishes to offer an amendment at 4 o'clock, would he not be entitled to offer that amendment and not debate it?

Mr. ROBERT C. BYRD. Yes, that would be my interpretation of the order previously entered. He would have an opportunity to call up an amendment, but there would be no vote thereon.

I would like to have the Chair verify that.

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. I have no amendments that I shall offer, but I did want to protect the rights of other Senators who might have such amendments.

Mr. ROBERT C. BYRD. The Senator is very thoughtful, as always.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered that the Senate, in executive session, stand in recess until the hour of 8:30 o'clock tomorrow morning.

The motion was agreed to; and at 7:08 p.m., the Senate, in executive session, recessed until tomorrow, Mar. 14, 1978, at 8:30 a.m.

HOUSE OF REPRESENTATIVES—*Monday, March 13, 1978*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Whatsoever is born of God overcometh the world: and this is the victory that overcometh the world, even our faith.—I John 5: 4.

Almighty God, breathe Thy spirit upon us as in the glory of a new day and the beginning of a new week we turn to Thee who art from everlasting to everlasting.

Breathe on us, breath of God,
Fill us with life anew,
That we may love what Thou dost love,
And do what Thou wouldst do.

In the midst of demanding days and troubled times help us to bring our best thought, our highest loyalty, and our dedicated spirits to the solution of the perplexing problems that confront us. Grant us wisdom, grant us courage that we may strive for peace built upon justice, for freedom founded on human rights, and for good will to dissolve the hatreds which hurt the hearts of our citizens and the inhabitants of our world.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 464. Concurrent resolution approving an amendment to the District of Columbia Charter relating to initiative and referendum; and

H. Con. Res. 471. Concurrent resolution approving an amendment to the District of Columbia Charter relating to recall of elected officials.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 120. Joint resolution to declare May 18, 1978, to be "Museum Day."

HORROR OF ATTACK BY TERRORISTS THAT TOOK 41 LIVES

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, I rise to express my shock and horror at the PLO terrorist attack over this past weekend which took the lives of 32 innocent people and wounded 76 others.

The first news dispatches on this bloody tragedy in Israel included statements from a communique issued by Al Fatah, the military arm of the PLO according to article 26 of the Palestine National Government, claiming responsibility for the attack and further stating that this particular attack was part of a Palestinian attempt to step up "revolutionary armed violence against Zionist occupation." This is not news to anyone who has been following events in the Middle East since the 1967 war:

Since 1967, literally hundreds of attempts by the PLO to kill and maim civilians, and destroy property have taken place.

Among these attempts are the bloody murders of children at Ma'alot and Kiryat Shmona.

Further, the PLO has created internal strife within even Arab countries with the two prime examples being Lebanon in 1976 and Jordan in 1970.

The PLO ideology, as expressed in the covenant, negates the very existence of the Jewish people and their right to sovereignty in a state of their own.

Events such as the bloody attack in Israel this past weekend have fortified the Israelis in their logically unassailable position that no country, including the United States, can or should pressure her to negotiate with a terrorist entity sworn to destroy Israel. How could it be more clear that under no condition whatsoever, can the Israelis permit the PLO to have a military state in Judea and Samaria—the West Bank.

Loss of Israeli military control of this area and radar control of its air space would reduce Israel's early warning time to zero.

No Israeli plane could take off from any airport in Israel without risking the danger of immediate missile attack from nearby hostile territory.

Tel Aviv's front line of defense would be Petach Tikva, 10 miles from the city's center.

In short, militarily, Israel would be in a worse situation than she was in the years 1948 to 1967.

This senseless indiscriminate, wanton attack on civilian population—women and children alike—by the PLO underscores Israel's need for secure boundaries and proves once and for all that Israel, and not the United States or any other country in the world, must be the master of her own negotiations of her own future, of her own nationhood, of her own survivability.

YOUTH UNEMPLOYMENT INCREASES—MINIMUM WAGE DIFFERENTIAL NEEDED

(Mr. SIMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIMON. Mr. Speaker, I would simply point out that the unemployment statistics which were generally good, which we received the other day, showed in every category an improvement with one exception, and it is an exception that my colleague, the gentleman from Wisconsin (Mr. CORNELL) and I have pointed out to this body, and that is teenage unemployment.

The obvious impact from the minimum wage without any kind of youth differential is that teenage unemployment went from 16 to 17.4 percent. We simply somehow have to give an opportunity for employment to young people in our society if we are to create a healthy society.

THE 40TH ANNIVERSARY OF ARRIVAL OF HON. TED WEISS IN THE UNITED STATES

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I rise at this time to celebrate the 40th anniversary of my arrival in the United States. On March 12, 1938, my mother, my sister, and I disembarked from the SS *President Harding* onto the Chelsea docks in New York City. Our first sight earlier that morning of the Statute of Liberty was as thrilling for us as it had been for millions of immigrants who had preceded us. There was, I think, an added significance for us. The Nazi horror had already darkened Germany and had begun its spread over the rest of Europe. The day before we landed in New York was the day of the Anschluss, Austria's capitulation to Hitler. Concentration camps in Germany were already filled with Jews and others who were marked for extinction.

We were among the fortunate few leaving Hungary before the storm burst in full force.

The United States of America provided a safe harbor for us; in all likelihood it kept me from the death and destruction which befell both sets of my grandparents and countless other relatives.

But it did more than that for me. Its spirit has filled me with endless gratitude for personal liberty and equality of opportunity which are the bedrock of this Nation. I know that we have not achieved all that we stand for, but I am convinced that we continue to make a greater effort than perhaps any other nation. For myself, I will continue to prod, and press and criticize whenever I feel that, as a nation, we are not living up to our great ideals. I will do it as a demonstration of the love and appreciation which I feel for this country and for what it has given to me. If I can help in some small way to keep us true to our

ideals, perhaps I will have made partial repayment.

LATEST PLO OUTRAGE

(Mr. KREBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KREBS. Mr. Speaker, the latest outrage committed by the PLO over the weekend should serve as a sobering reminder of what a so-called independent Palestinian state on the West Bank of the Jordan would mean to the people of Israel. The fact that the official Saudi Arabian radio praised the coldblooded murder of scores of innocent civilians as "an act of courage" should lay to rest once and for all the often repeated fallacy that the PLO and Saudi Arabia represented the moderate element in the Arab world.

In light of this latest reminder of the cold realities of the situation in the Middle East, can it really be in the best interest of the United States and the civilized world to supply the medieval rulers of Saudi Arabia with the most sophisticated offensive weapons known to man. To those unwilling to submit to Saudi Arabia's blackmail, the answer should be clear.

WHOSE LEADERSHIP IS BEST FOR AMERICA?

(Mr. SIKES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, the Government of Rhodesia, headed by Ian Smith, has reached an agreement with the leaders of three major black factions in that country for a change from white rule to a predominately black government. It follows generally the plan set forth by Henry Kissinger when he was Secretary of State. It is not to our advantage that this was accomplished despite obstructions by the United States and Great Britain. Both have been supporting black nationalist factions based in Zambia and Tanzania. These factions are trained, armed, and supported by the Communists. They are conducting guerrilla raids into Rhodesia, killing and burning indiscriminately. They have refused to participate in the formation of the new government and despite the pleadings of our Mr. Andrew Young and the British Foreign Minister, Mr. Owen, they have not moderated their stand. They threaten to continue civil war to get control of Rhodesia. The United Nations, which seldom makes a sensible move, largely supports the outlaw factions and has refused to hear a representative of the new coalition.

It is not to our advantage to assist Russian controlled factions to gain control of other nations.

THE SAVAGE TERRORIST ATTACK ON ISRAELI CITIZENS

(Mr. MOFFETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOFFETT. Mr. Speaker, people throughout the world who cherish peace were sickened by the savage terrorist attack on Israel and Israeli citizens over the weekend. As one who considers the Palestinian question an important one in the Mideast, I have long been an advocate of Palestinian participation in the Middle East peace talks. In the past when terrorism has occurred, some have pointed to the diversity within the PLO governing council. Even some PLO people have said privately that there are more moderate, more peaceful elements within their midst.

Mr. Speaker, the PLO cannot have it both ways. It cannot take credit for bloodshed and at the same time expect to have the respect of peace-loving people around the world. It cannot be silent on savagery and expect to be involved in peace talks.

Today I am sending a telegram to the PLO leadership urging it and any of the more moderate elements within the PLO to condemn the violence that has occurred. I am also sending a telegram to the Israeli Ambassador urging that Israel not take violent retaliatory action.

MR. WEISS' IMMIGRATION ANNIVERSARY AND MINIMUM WAGE

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I should like to associate myself with the remarks of the gentleman from New York (Mr. WEISS). It was because of the events that he recounts that I first got interested in politics and turned my whole life in that direction. The sight of what was happening was so terrible, it convinced me that we must join together, all of us in the world.

I should also, most particularly, like to associate myself with the remarks of the gentleman from Illinois (Mr. SIMON). Those of us who really do care about black unemployment had better pay some attention to what people are saying in the South Bronx. There was a very interesting article in the New York Times Magazine section written by the blacks and Puerto Ricans who are doing their own "sweat equity" work in the South Bronx. They tell us that 1 of the 10 things that impedes the employment of black youth and other minority urban youth is the minimum wage, and until we get some change in that, we will not get minority youth employment.

If we really care about it, we ought to face it. Why does nobody see it? Why? What is this? As one black mother said to me in Newark, "My boy is not worth $2 an hour. He's only 16 and has got to learn how to work." We have apprenticeships in the unions. Why? Because an apprentice is not worth a journeyman's pay. This is just commonsense. But we pretend we care about youth unemployment and then we go right ahead and do the very things that inhibit it.

I would, therefore, like to join with the remarks of my colleague, the gentleman from Illinois (Mr. SIMON).

MINIMUM WAGE IS AN ENEMY TO MINORITY EMPLOYMENT

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, I, too, would like to associate myself with the remarks of the gentleman from Illinois (Mr. SIMON) and the remarks of the gentlewoman from New Jersey (Mrs. FENWICK) relating to minimum wage and the need for a youth differential. When we legislate we have to look at life as it actually is, rather than looking at it in altruistic terms of what we would like it to be. We do have an unemployment problem in this country, especially among our younger people.

We have an opportunity to do something about unemployment in this country. We have an opportunity to do something about the high rate of unemployment among teenagers. If they can get that first opportunity, that first step, then younger people have an opportunity to secure a second job and a third job and so on up the ladder.

Frankly, it concerns me a great deal to hear people talking about Humphrey-Hawkins and how this is going to solve all of our unemployment problems, when those very same people did not vote for youth differential in minimum wage. The way to solve, or at least partially solve some of the unemployment problems among young people, particularly minorities, is to have a youth differential in minimum wage. The Humphrey-Hawkins bill promises a great deal and will further widen the gap between promise and performance. A youth differential in minimum wage would be more than a promise and actually help to alleviate a real national problem.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 130]

Ambro	AuCoin	Bonker
Anderson, Ill.	Beard, Tenn.	Breaux
Andrews, N.C.	Bedell	Broomfield
Archer	Bellenson	Burlison, Mo.
Ashley	Boggs	Burton, Phillip

Cederberg	Holland	Quillen
Chisholm	Howard	Rahall
Clay	Ireland	Rangel
Collins, Ill.	Jeffords	Richmond
Conyers	Jenkins	Risenhoover
Cotter	Jenrette	Rosenthal
Crane	Kasten	Ruppe
Davis	Kastenmeier	Ryan
Dent	Krueger	Santini
Diggs	Lederer	Satterfield
Dingell	Lehman	Schroeder
Dodd	Long, La.	Shipley
Drinan	Lujan	Shuster
Eckhardt	McClory	Sisk
Edwards, Calif.	McDade	Skubitz
Erlenborn	McKinney	Taylor
Flippo	Madigan	Teague
Flood	Mann	Thornton
Ford, Mich.	Martin	Traxler
Fowler	Mathis	Tucker
Fraser	Mikva	Udall
Gammage	Milford	Ullman
Garcia	Moorhead, Pa.	Vento
Goldwater	Moss	Watkins
Gonzalez	Myers, Michael	Weaver
Goodling	Nix	Whitehurst
Harsha	Nolan	Wilson, C. H.
Hawkins	Pepper	Zeferetti
Heckler	Quie	

The SPEAKER pro tempore (Mr. MOAKLEY). On this rollcall 333 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, last week on rollcall 119 I placed my card in the electronic device to vote "yea" on the rule for H.R. 50, the Full Employment and Balanced Growth Act of 1978; but apparently my vote was not recorded, as I have been informed.

Therefore, Mr. Speaker, I would like the RECORD to show that had my vote been recorded, I would have voted "yea."

THE RECENT RAID IN ISRAEL IS A CRIME AGAINST HUMANITY ITSELF

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, the raid in Israel by the military arm of the PLO this past weekend has left over 32 dead and 76 injured, all innocent men, women, and children, who were returning from a holiday weekend. This latest act by terrorists can only be described as cold-blooded, calculated murder. The attack was not only a crime against the State of Israel, but also a crime against humanity itself.

What troubles me is the fact that almost all the Arab States in the Middle East, excluding Egypt, have called this mass murder a heroic act. By officially recognizing the PLO, many countries, including the United Nations, have legitimized these acts of terror. In the U.N., there has never been a resolution condemning such conduct.

It is sad and unfortunate that the death of so many innocent civilians clearly illustrates and reinforces Israel's assertion, which I believe is legitimate, that there cannot be a Palestinian State on the West Bank controlled by the PLO, whose sole aim is the destruction of the Jewish State of Israel. I believe the time has come for the Carter administration to reassess its policy toward the PLO, future Middle East peace negotiations, and arms sales in that area of the world.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "non-record" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

FEDERAL EMPLOYEES FLEXIBLE AND COMPRESSED WORK SCHEDULES ACT OF 1978

Mr. SOLARZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7814) to authorize Federal agencies to experiment with flexible and compressed employee work schedules, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Employees Flexible and Compressed Work Schedules Act of 1978".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds that new trends in the usage of 4-day workweeks, flexible work hours, and other variations in workday and workweek schedules in the private sector appear to show sufficient promise to warrant carefully designed, controlled, and evaluated experimentation by Federal agencies over a 3-year period to determine whether and in what situations such varied work schedules can be successfully used by Federal agencies on a permanent basis.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) the term "agency" means an Executive agency and a military department (as such terms are defined in section 105 and 102, respectively, of title 5, United State Code);

(2) the term "employee" has the meaning given it by section 2105 of title 5, United States Code;

(3) the term "Commission" means the United States Civil Service Commission; and

(4) the term "basic work requirement" means the number of hours, excluding overtime hours, which an employee is required to work or is required to account for by leave or otherwise.

EXPERIMENTAL PROGRAM

SEC. 4. (a)(1) Within 180 days after the effective date of this section, and subject to the requirements of section 302 and the terms of any written agreement referred to in section 302(a), the Commission shall establish a program which provides for the conducting of experiments by the Commission under titles I and II of this Act. Such experimental program shall cover a sufficient number of positions throughout the executive branch and a sufficient range of worktime alternatives, as to provide an adequate basis on which to evaluate the effectiveness and desirability of permanently maintaining flexible or compressed work schedules within the executive branch.

(2) Each agency may conduct one or more experiments under titles I and II of this Act. Such experiments shall be subject to such regulations as the Commission may prescribe under section 305 of this Act.

(b) The Commission shall, not later than 90 days after the effective date of this section, establish a master plan which shall contain guidelines and criteria by which the Commission will study and evaluate experiments conducted under titles I and II of this Act. Such master plan shall provide for the study and evaluation of experiments within a sample of organizations of different size, geographic location, and functions and activities, sufficient to insure adequate evaluation of the impact of varied work schedules on—

(1) the efficiency of Government operations;

(2) mass transit facilities and traffic;

(3) levels of energy consumption;

(4) service to the public;

(5) increased opportunities for full-time and part-time employment; and

(6) individuals and families generally.

(c) The Commission shall provide educational material, and technical aids and assistance, for use by an agency before and during the period such agency is conducting experiments under this Act.

(d) If the head of an agency determines that the implementation of an experimental program referred to in subsection (a) would substantially disrupt the agency in carrying out its functions, such agency head shall request the Commission to exempt such agency from the requirements of any experiment conducted by the Commission under subsection (a). Such request shall be accompanied by a report detailing the reasons for such determination. The Commission shall exempt an agency from such requirements only if it finds that including the agency within the experiment would not be in the best interest of the public, the Government, or the employees. The filing of such a request with the Commission shall exclude the agency from the experiment until the Commission has made its determination or until 180 days after the date the request is filed, whichever first occurs.

TITLE I—FLEXIBLE SCHEDULING OF WORK HOURS

DEFINITIONS

SEC. 101. For purposes of this title—

(1) the term "credit hours" means any hours, within a flexible schedule established under this title, which are in excess of an employee's basic work requirement and which the employee elects to work so as to vary the length of a workweek or a workday; and

(2) the term "overtime hours" means all hours in excess of 8 hours in a day or 40 hours in a week which are officially ordered in advance, but does not include credit hours.

FLEXIBLE SCHEDULING EXPERIMENTS

SEC. 102. (a) Notwithstanding section 6101 of title 5, United States Code, experiments may be conducted in agencies to test flexible schedules which include—

(1) designated hours and days during which an employee on such a schedule must be present for work; and

(2) designated hours during which an employee on such a schedule may elect the time of such employee's arrival at and departure from work, solely for such purpose or, if and to the extent permitted, for the purpose of accumulating credit hours to reduce the length of the workweek or another workday.

An election by an employee referred to in paragraph (2) shall be subject to limitations generally prescribed to ensure that the duties and requirements of the employee's position are fulfilled.

(b) Notwithstanding any other provision of this Act, but subject to the terms of any written agreement under section 302(a)—

(1) any experiment under subsection (a) of this section may be terminated by the Commission if it determines that the experiment is not in the best interest of the public, the Government, or the employees; or

(2) if the head of an agency determines that any organization within the agency which is participating in an experiment under subsection (a) is being substantially disrupted in carrying its fuctions or is incurring additional costs because of such participation, such agency head may—

(A) restrict the employees' choice of arrival and departure time,

(B) restrict the use of credit hours, or

(C) exclude from such experiment any employee or group of employees.

(c) Experiments under subsection (a) shall terminate not later than the end of the 3-year period which begins on the effective date of this title.

COMPUTATION OF PREMIUM PAY

SEC. 103. (a) For purposes of determining compensation for overtime hours in the case of an employee participating in an experiment under section 102—

(1) the head of an agency may, on request of the employee, grant the employee compensatory time off in lieu of payment for such overtime hours, whether or not irregular or occasional in nature and notwithstanding the provisions of sections 5542 (a), 5543(a)(1), 5544(a), and 5550 of title 5, United States Code, section 4107(e)(5) of title 38, United States Code, section 7 of the Fair Labor Standards Act, as amended, or any other provsions of law; or

(2) the employee shall be compensated for such overtime hours in accordance with such provisions, as applicable.

(b) Notwithstanding the provisions of law referred to in paragraph (1) of subsection (a), an employee shall not be entitled to be compensated for credit hours worked except to the extent authorized under section 106 or to the extent such employee is allowed to have such hours taken into account with respect to the employee's basic work requirement.

(c)(1) Notwithstanding section 5545(a) of title 5, United States Code, premium pay for nightwork will not be paid to an employee otherwise subject to such section solely because the employee elects to work credit hours, or elects a time of arrival or departure, at a time of day from which such premium pay is otherwise authorized; except that—

(A) if an employee is on a flexible schedule under which—

(i) the number of hours during which such employee must be present for work, plus

(ii) the number of hours during which such employee may elect to work credit hours or elect the time of arrival at and departure from work, which occur outside of the night work hours designated in or under such section 5545(a) total less than 8 hours, such premium pay shall be paid for those hours which, when combined with such total, do not exceed 8 hours, and

(B) if any employee is on a flexible schedule under which the hours that such employee must be present for work include any hours designated in or under such section 5545 (a), such premium pay shall be paid for such hours so designated.

(2) Notwithstanding section 5345(f) of title 5, United States Code, and 4107(e)(2) of title 38, United States Code, night differential will not be paid to any employee otherwise subject to either of such section solely because such employee elects to work credit hours, or elects a time of arrival or departure, at a time of day for which night differential is otherwise authorized; except that such differential shall be paid to an employee on a flexible schedule under this title—

(A) in the case of an employee subject to such section 5345(f), for which all or a majority of the hours of such schedule for any day fall between the hours specified in such section, or

(B) in the case of an employee subject to such section 4107(e)(2), for which 4 hours of such schedule fall between the hours specified in such section.

HOLIDAYS

SEC. 104. Notwithstanding sections 6103 and 6104 of title 5, United States Code, if an employee on a flexible schedule under this title is relieved or prevented from working on a day designated as a holiday by Federal statute or Executive order, such employee is entitled to pay with respect to the day for 8 hours (or, in the case of a part-time employee, an appropriate portion of the employee's biweekly basic work requirement as determined under regulations prescribed by the Commission).

TIME-RECORDING DEVICES

SEC. 105. Notwithstanding section 6106 of title 5, United States Code, the Commission or an agency may use recording clocks as part of its experiments under this title.

CREDIT HOURS; ACCUMULATION AND COMPENSATION

SEC. 106. (a) Subject to any limitation prescribed by the Commission or the agency, a full-time employee on a flexible schedule can accumulate not more than 10 credit hours, and a part-time employee can accumulate not more than one-eighth of the hours in such employee's biweekly basic work requirement, for carryover from a biweekly pay period to a succeeding biweekly pay period for credit to the basic work requirement for such period.

(b) Any employee who is on a flexible schedule experiment under this title and who is no longer subject to such an experiment shall be paid at such employee's then current rate of basic pay for—

(1) in the case of a full-time employee, not more than 10 credit hours accumulated by such employee, or

(2) in the case of a part-time employee, the number of credit hours (not in excess of one-eighth of the hours in such employee's biweekly basic work requirement) accumulated by such employee.

TITLE II—4-DAY WEEK AND OTHER COMPRESSED WORK SCHEDULES

DEFINITIONS

SEC. 201. For purposes of this title—

(1) the term "compressed schedule" means—

(A) in the case of a full-time employee, an 80-hour biweekly basic work requirement, which is scheduled for less than 10 workdays, and

(B) in the case of a part-time employee, a biweekly basic work requirement of less than 80 hours which is scheduled for less than 10 workdays; and

(2) the term "overtime hours" means any hours in excess of those specified hours which constitute the compressed schedule.

COMPRESSED SCHEDULE EXPERIMENTS

SEC. 202. (a) Notwithstanding section 6101 of title 5, United States Code, experiments may be conducted in agencies to test a 4-day workweek or other compressed schedule.

(b)(1) An employee in a unit with respect to which an organization of Government employees has not been accorded exclusive recognition shall not be required to participate in any experiment under subsection (a) unless a majority of the employees in such unit who, but for this paragraph, would be included in such experiment have voted to be so included.

(2) Upon written request to any agency by an employee, the agency, if it determines that participation in an experiment under subsection (a) would impose a personal hardship on such employee, shall—

(A) except such employee from such experiment; or

(B) reassign such employee to the first position within the agency—

(i) which becomes vacant after such determination,

(ii) which is not included within such experiment,

(iii) for which such employee is qualified, and

(iv) which is acceptable to the employee.

A determination by an agency under this paragraph shall be made not later than 10 days after the day on which a written request for such determination is received by the agency.

(c) Notwithstanding any other provision of this Act, but subject to the terms of any written agreement under section 302(a), any experiment under subsection (a) may be terminated by the Commission, or the agency, if it determines that the experiment is not in the best interest of the public, the Government, or the employees.

(d) Experiments under subsection (a) shall terminate not later than the end of the 3-year period which begins on the effective date of this title.

COMPUTATION OF PREMIUM PAY

SEC. 203. (a) The provisions of sections 5542(a), 5544(a), and 5550(2) of title 5, United States Code, section 4107(e)(5) of title 38, United States Code, section 7 of the Fair Labor Standards Act, as amended, or any other law, which relate to premium pay for overtime work, shall not apply to the hours which constitute a compressed schedule.

(b) In the case of any full-time employee, hours worked in excess of the compressed schedule shall be overtime hours and shall be paid for as provided by whichever statutory provisions referred to in subsection (a) are applicable to the employee. In the case of any part-time employee on a compressed schedule, overtime pay shall begin to be paid after the same number of hours of work after which a full-time employee on a similar schedule would begin to receive overtime pay.

(c) Nothwithstanding section 5544(a), 5546(a), or 5550(1) of title 5, United States Code, or any other applicable provision of law, in the case of any full-time employee on a compressed schedule who performs work (other than overtime work) on a tour of duty for any workday a part of which is performed on a Sunday, such employee is entitled to pay for work performed during the entire tour of duty at the rate of such employee's basic pay, plus premium pay at a rate equal to 25 percent of such basic pay rate.

(d) Notwithstanding section 5546(b) of title 5, United States Code, an employee on a compressed schedule who performs work on a holiday designated by Federal statute or Executive order is entitled to pay at the rate of such employee's basic pay, plus premium pay at a rate equal to such basic pay rate, for such work which is not in excess of the basic work requirement of such employee for such day. For hours worked on such a holiday in excess of the basic work requirement for such day, the employee is entitled to premium pay in accordance with the provisions of section 5542(a) or 5544(a) of title 5, United States Code, as applicable, or the provisions of section 7 of the Fair Labor Standards Act, as amended, which ever provisions are more beneficial to the employee.

TITLE III—ADMINISTRATIVE PROVISIONS

ADMINISTRATION OF LEAVE AND RETIREMENT PROVISIONS

SEC. 301. For purposes of administering sections 6303(a), 6304, 6307 (a) and (c), 6323, 6326, and 8339(m) of title 5, United States Code, in the case of an employee who

is in any experiment under title I or II, references to a day or workday (or to multiples or parts thereof) contained in such sections shall be considered to be references to 8 hours (or to the respective multiples or parts thereof).

APPLICATION OF EXPERIMENTS IN THE CASE OF NEGOTIATED CONTRACTS

SEC. 302. (a) Employees within a unit with respect to which an organization of Government employees has been accorded exclusive recognition shall not be included within any experiment under title I or II of this Act except to the extent expressly provided under a written agreement between the agency and such organization.

(b) The Commission or an agency may not participate in a flexible or compressed schedule experiment under a negotiated contract which contains premium pay provisions which are inconsistent with the provisions of section 103 or 203 of this Act, as applicable.

PROHIBITION OF COERCION

SEC. 303. (a) An employee may not directly or indirectly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce, any other employee for the purpose of interfering with—

(1) such employee's rights under title I to elect a time of arrival or departure, to work or not to work credit hours, or to request or not to request compensatory time off in lieu of payment for overtime hours; or

(2) such employee's rights under section 202(b)(1) to vote whether or not to be included within a compressed schedule experiment or such employee's right to request an agency determination under section 202(b)(2).

For the purpose of the preceding sentence, the term "intimidate, threaten, or coerce" includes, but is not limited to, promising to confer or conferring any benefit (such as appointment, promotion, or compensation), or effecting or threatening to effect any reprisal (such as deprivation or appointment, promotion, or compensation).

(b) Any employee who violates the provisions of subsection (a) shall, upon a final order of the Commission, be—

(1) removed from such employee's position, in which event that employee may not thereafter hold any position as an employee for such period as the Commission may prescribe;

(2) suspended without pay from such employee's position for such period as the Commission may prescribe; or

(3) disciplined in such other manner as the Commission shall deem appropriate.

The Commission shall prescribe procedures to carry out this subsection under which an employee subject to removal, suspension, or other disciplinary action shall have rights comparable to the rights afforded an employee subject to removal or suspension under subchapter III of chapter 73 of title 5, United States Code, relating to certain prohibited political activities.

REPORTS

SEC. 304. Not later than 2½ years after the effective date of titles I and II of this Act, the Commission shall—

(1) prepare an interim report containing recommendations as to what, if any, legislative or administrative action shall be taken based upon the results of experiments conducted under this Act, and

(2) submit copies of such report to the President, the Speaker of the House, and the President pro tempore of the Senate.

The Commission shall prepare a final report with regard to experiments conducted under this Act and shall submit copies of such report to the President, the Speaker of the House, and the President pro tempore of the Senate not later than 3 years after such effective date.

REGULATIONS

SEC. 305. The Commission shall prescribe regulations necessary for the administration of this Act.

EFFECTIVE DATE

SEC. 306. The provisions of section 4 and titles I and II of this Act shall take effect on the 180th day after—

(1) the date of the enactment of this Act, or

(2) October 1, 1978,

whichever date is later.

The SPEAKER pro tempore. Is a second demanded?

Mr. DERWINSKI. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLARZ) and the gentleman from Illinois (Mr. DERWINSKI) are recognized for 20 minutes each.

The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope Members will pardon the pun, but I feel obligated to say that flexitime is quite clearly an idea whose time has come. Ever since it was first established in 1967 in West Germany, the idea has spread like wildfire across Western Europe. Here in our own country, there are about 10,000 firms in the private sector, with over 1 million employees, who engage in flexitime programs. In the Federal Government, 13 of the 14 major departments and 17 of the 59 independent agencies and commissions have already established limited flexitime experiments.

This legislation which we have before us on the suspension calendar today is designed to establish a framework within which the Civil Service Commission can conduct a 3-year flexitime experiment throughout the Federal Government. The reason we need this legislation, in spite of the fact that some flexitime programs have already been commenced in so many different departments and independent agencies and commissions, is that under existing law the flexitime programs that have been established are necessarily of a very limited character.

The law, as it is currently written, provides that any Federal employee who works in excess of 8 hours a day, or more than 40 hours a week, or after 6 p.m., is required to receive overtime or premium pay. This legislation would waive the overtime and premium pay requirements in those limited situations in which a Federal employee voluntarily agreed to participate in a flexitime or compressed time program, in which they worked, say, more than 8 hours a day or after 6 p.m. Consequently, once this legislation is adopted, it would be possible, for example, to have a flexitime program in which a Federal employee worked from 11 a.m. until 7 p.m. without having to receive premium pay in the process, so long as he agreed to do so on a voluntary basis.

It would also make possible a compressed time work schedule whereby a Federal employee—once again on a voluntary basis—was in a position to work, for example, a 4-day, 10-hour a day, 40-hour week. In no case would any Federal employee be obligated or be permitted to work more than 80 hours in a 2-week period, although as a result of this legislation certain employees could work 8 hours a day, ending up after 6 p.m.; or for that matter, work 4 days a week, for no more presumably than 10 hours a day.

Originally, the flexitime bill that was reported out by the Committee on Post Office and Civil Service required every Federal department and agency to establish a flexitime program within the framework of the Civil Service Commission experiment, unless they could demonstrate that such an experimental program would substantially disrupt the operations of the agency. The gentleman from Illinois, my good friend, Mr. DERWINSKI, and other members of the committee, felt that this mandatory feature of the legislation would create unnecessary and gratuitous problems. So we eliminated it.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Is there a section in this bill or a provision in this bill that will prohibit these Federal employees who are compressed from getting an extra job?

Mr. SOLARZ. I do not believe there is any such provision in the bill.

Mr. KAZEN. All right. If that type provision is not made in this bill, the gentleman knows what is going to result. Every Federal employee is going to work 3 or 4 days a week and the balance of the time will go out in that labor market, which is already highly saturated with unemployment and get an additional job, and the man that does not have a job is still going to be without a job.

Mr. SOLARZ. I think the gentleman's concerns are somewhat exaggerated, if I may say so, for this reason. Under the terms of this legislation these flexitime or compressed time experiments can only be established with the consent of the agency in question. It quite clearly is designed to establish such provisions not on an across-the-board basis but on a limited experimental basis within each agency and department. The total number of Federal employees participating in the experiment is likely, therefore, to be a relatively modest percentage of the total Federal work force. Of those Federal employees who do participate in the program, the overwhelming majority will undoubtedly be participating in flexitime programs. This means they will be working 5 days a week and 8 hours a day; although they may not necessarily have to begin at 9 and end at 5. Only a handful will probably end up working in compressed time programs where under most circumstances they would be working 4 days a week and 10 hours a day.

Mr. KAZEN. Will the gentleman yield further?

Mr. SOLARZ. I yield to the gentleman from Texas.

Mr. KAZEN. I notice that the gentleman has used the word "probably" repeatedly, so what I am suggesting could be happening probably may happen.

Mr. SOLARZ. I think this represents what a professor of constitutional law, whose course I took in college, referred to as an "imaginary horrible." I do not think the purpose of this legislation is to facilitate an opportunity for Federal employees to take more than one job, and in fact it is entirely possible the Civil Service Commission will write into the guidelines which they will promulgate for the establishment of such programs a rule making it clear that the purpose of flexitime and compressed time is not to facilitate the opportunity of Federal employees to obtain a second position.

Mr. KAZEN. But what we would like to see done and what can actually be done are two different things, and the Civil Service Commission cannot ban somebody from getting another job, and we could do it by law if he happens to be a Federal officer. So why can we not write it into this law and then do away with the probability? Let us just say it will be a certainty that these people will not get an additional job and thus not glut the unemployment numbers which are already glutted.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I think the gentleman's problem will be solved, and I will be happy to show this to him, under title V where there is a provision on outside employment. It talks about when an employee cannot engage in outside employment under Federal law. If the gentleman would like to read it, I think it probably already solves the problem.

Mr. KAZEN. If the gentleman will yield further, this is what I asked the gentleman to begin with.

Mr. SOLARZ. I think the gentleman's concerns have been addressed by the gentlewoman from Colorado, the chairman of the committee.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, I want to join the gentleman from New York and I am pleased today to support the two bills that would stimulate more part-time and flexible-time jobs in the Federal Government, H.R. 10126 and H.R. 7814. These are important bills because what they represent is an effort to accommodate the workplace to some of the realities of 1978. These bills address a real need that quite frankly we have ignored.

All too often we assume, "That's the way it is." In the working world, we assume an 8-hour day, 5-day week is somehow fixed in concrete. While in the historical perspective, the 40-hour week resulted from long struggles to make work schedules more humane, we must face the fact that the 40-hour week just does not suit everybody; nor is it always necessary. Most of all, it is not sacrosanct.

So I am pleased that this body is taking the step of modifying the system to make it work for the people—instead of the reverse.

Part-time and flexitime jobs are needed by many individuals in our society—elderly people who do not want total retirement; students wishing to finance their education; handicapped persons and people with special health problems who cannot bear the strain of a "regular" work schedule; and parents who want to have both a worklife and a family life.

Besides providing opportunities for people, these bills benefit the Government as well. Studies have shown that part-time employees are more productive and have a more positive attitude about work, thus turnover rates and absenteeism are lessened. Providing flexible hours can mean that Government offices can be open during nontraditional, workday hours, making Government services more accessible. Additionally, flexible hours can mean more use of mass transit during nonrush-hour periods and greater use of community services, such as recreational facilities.

I believe a most important reason for adopting this legislation is that it can enhance family life. There is probably nothing so alien to family life as the 8-hour day (which is probably really 9 hours, counting travel time) and the 40-hour week. After all, family life requires contact with each other.

During our subcommittee consideration, Prof. Urie Bronferbrenner of Cornell University gave us this most telling insight from his research: The area "that was seen as the principal source of stress, exceeding all others, was the conditions of the parent's work, both the father, and in many instances, the mother as well." He found that the most frequent complaint was the inflexibility of working hours. In his studies of two-parent families, he found:

> Highest stress scores were obtained by mothers working full-time. Mothers not working at all were next in line, whereas the lowest strain of all was experienced by mothers engaged in parttime employment. Moreover, these mothers reported higher satisfaction than the other two groups not only in relation to the job but also in the areas of child care, housework, and perhaps most importantly, their own adequacy as a parent and their positive attitude toward the child and his future.

I believe these findings should give us great pause. There is, frankly, a lot of talk about preserving and strengthening the family. But public enemy No. 1 might very well be inflexible work schedules. Parents find it hard to cram parenting into a few hours after dinner every night. It is not easy to nurture, guide, and love children when you are worn out from working all day. Pediatricians and dentists not schedule appointments after the normal working day. PTA performances, parent student conferences, and Cub Scouts cannot always be held after 6 p.m.

Professor Bronferbrenner put it well:

> For many of the great majority of families . . . the introduction of flexible work schedules and parttime positions can remove an unnecessary and destructive conflict plaguing the lives of millions of American families: the agonizing choice between doing right by one's job versus doing right by one's child.

I say children are important. I hope we pass these bills.

Mr. SOLARZ. Mr. Speaker, I think what it is important to point out here to my friend, the gentleman from Texas, and other Members of the House, is that whenever this flexitime or compressed time program has been tried in the private sector and the Federal sector, it has been an enormous success.

There is not a single agency or department of the Federal Government, that once having tried it has abandoned it. Wherever it has been tried we have found that it has increased productivity, it has decreased absenteeism, it has resulted in an enormous improvement in the sense of satisfaction which workers have with respect to their jobs, because it gives them the opportunity to at least in some small measure exercise a degree of control over the conditions of their employment. In addition, it also helps the society at large because it serves to increase and expand the hours when Federal agencies are open to the public without in any way increasing the size or scope of the Federal payroll. It even helps us deal with the energy crisis in our country by enabling people to come to work either before the rush hour or after the rush hour, thereby reducing traffic jams and, in the process diminishing the need for additional supplies of oil and gasoline.

This is an idea literally whose time has come and I think that is it entirely appropriate for us, on an experimental basis, to establish this program so we can determine over a period of time the best way in which to implement it throughout the Federal civil service.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I would prefer to complete my statement but, of course, I will be happy to yield to the gentleman from Washington.

Mr. CUNNINGHAM. Mr. Speaker, there has certainly been a lot of merit given to the 4-day workweek but my concern is what is the justification of extending to the public sector a right that is not also extended to the private sector either on the accrual of the 2 hours beyond 8 hours every day, or the transfer of the sixth day, say giving up this Friday for a holiday and picking it up on Saturday so as to have a 4-day weekend?

Mr. SOLARZ. Obviously that is not within the jurisdiction of our committee, and personally I have no problem with it, but our purpose is to extend this to the Federal Civil Service because in those areas where it has been tried in the private sector, as well as in the public sector, it has been a success, and we ought to facilitate it by extending it for additional trials.

Mr. CUNNINGHAM. And I have no problem with that. My concern is that in the private sector, even though the employee wishes to, he cannot skip the overtime rate over 8 hours a day.

Mr. SOLARZ. Of course he can.

Mr. CUNNINGHAM. No; he cannot

Mr. SOLARZ. Where his union has agreed through collective bargaining to such a proposal it can be done. There are over 1 million employees in the private sector of our country who now participate in programs in which they either work on a compressed time basis, working 4 days a week, 10 hours a day, or they work after 6 p.m. in the evening without getting paid overtime in the process.

This bill retains the protection for Federal employees who are ordered to work after 6 p.m. in the evening or are required to work more than 8 hours a day in the sense that, under those circumstances, they would continue to get overtime pay. It is only when they voluntarily waive the overtime by voluntarily agreeing to work after 6 p.m. in the evening or to work more than 8 hours a day that the necessity for premium pay would be obviated.

Mr. CUNNINGHAM. Mr. Speaker, if the gentleman will yield just once more, and I am sorry to belabor this, but there are private employees who are not represented by a collective bargaining agency that are covered under the Fair Labor Standards Act and it is my understanding that they cannot waive, even if they want to waive the overtime pay beyond 8 hours in 1 day.

Is that right or wrong?

Mr. SOLARZ. I must tell the gentleman from Washington (Mr. CUNNINGHAM) that I am not factually completely informed as to the Fair Labor Standards Act, but even assuming what the gentleman says is true, such provisions do not come under the scope of the jurisdiction of our committee. The only thing that is before us today is whether or not it makes sense to facilitate flexitime or compressed time in the Federal Government for those employees who wish to do it on a voluntary basis, as some are now doing. I am for this bill because I believe that we ought to allow more people to be able to participate in these flexitime experiments or compressed time experiments on a broader basis than they are at present.

Right now they have flexitime experiments in the Federal Government. The problem is that you can only have it until 6 o'clock in the evening, and you cannot have a 4-day week, because if you work after 6 p.m. you get paid premium time. If you work more than 8 hours a day, you get paid premium time. This bill waives those requirements for overtime pay if the Federal employee agrees to waive them in order to make it more convenient for himself.

This is not designed to exploit the Federal employee; it is designed to open up the opportunity to those who would benefit from it to work either 4 days a week or to come in after 10 o'clock in the morning and work until 7 or 8 in the evening, because such a schedule would make life easier and more convenient for them. There are. for example, people with young children at home who do not want to come in to work at 9 o'clock in the morning. There are other people who for health reasons would prefer to come in late, so I think for a wide variety of reasons it makes sense to open up this possibility.

Let me just say in conclusion that the compromise amendment before the House at the moment eliminates the mandatory provisions of the bill. No Federal department or independent agency is under an obligation to establish such a program, although each department and every agency would have the right to establish such a program if they so choose. I think that this was a very constructive compromise which we worked out with my good friend, the gentleman from Illinois, who I gather supports this legislation, as does the Civil Service Commission and the administration.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

First, Mr. Speaker, I wish to commend the gentleman from New York (Mr. SOLARZ). This is a very complex subject, and only someone as capable as the gentleman from New York (Mr. SOLARZ) could take this tremendously complex matter and explain it to the House in such a succinct fashion. Brevity is one of his many virtues.

I would like to explain the amendment that has been referred to and in the process reemphasize the purpose of this bill. First, will the Members please keep in mind we passed this same legislation in the 94th Congress. It was lost in the confusion in the other body. But this is a position that we have already taken in this body.

I would in the process read from a letter from the U.S. Civil Service Commission, from Mr. Campbell, the Chairman, discussing the amendment that was referred to. I quote Mr. Campbell as follows:

> It is our understanding that your committee plans to submit an amendment to this bill which would delete the provision requiring each Executive branch agency to conduct an experiment with flexible or compressed work schedules, unless exempted from that requirement by the Commission. Section 4 of the bill would be revised to provide an enhanced role for the Commission in developing, conducting and evaluating the results of the 3-year experimental program with flexible and compressed work schedules. We view these proposed revisions to H.R. 7814 as essential improvements.

That is the point: This is a 3-year experimental program. It gives the management of the Federal service some flexibility. It is voluntary as far as employees are concerned.

For the sake of the record, I would like to point out that at the moment there are approximately 164,000 Federal employees involved in some flexitime experiments. The program is being very carefully monitored, very carefully scrutinized, and I think this is practical and progressive legislation.

Mr. Speaker, I rise in support of the motion of the gentleman from New York (Mr. SOLARZ).

The amendments to H.R. 7814, which I fully support, strike a necessary and practical balance between the mandatory and voluntary features of previous bills, while meeting the ultimate objective of this legislation, which is to move ahead with flexible and compressed work schedules in the Federal section in the interest of efficiency.

In its simplest terms, the amendments do not require each agency to conduct a flexitime or compressed work schedule experiment but it does permit each agency to conduct such an experiment. The Civil Service Commission is required to establish a program under which a sufficient number of agency experiments will be conducted to measure the effectiveness of the experiments, and the Commission is authorized to require selective agencies to engage in such experiments.

In a letter dated March 9, 1978, to the chairman of the Committee on Post Office and Civil Service, Mr. NIX, Alan Campbell, Chairman of the Civil Service Commission, announced his support of this if it is amended as described above. He said—

> We view these proposed revisions to H.R. 7814 as essential improvements. * * * With the proposed revisions, H.R. 7814 would give the Commission sufficient authority to insure that experiments are conducted in accordance with its master plan, thereby providing a solid basis for evaluation of the experimental program. We, therefore, support the proposed revisions and recommend enactment of H.R. 7814 provided it is so amended.

Mr. Speaker, a more detailed explanation of the legislative background of this proposal is included in the supplemental views to H.R. 7814, which I commend to my colleagues' attention. I urge prompt approval of this bill, as amended.

Mr. SOLARZ. Mr. Speaker, I yield 1 minute to the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I obviously rise in support of this legislation.

Mr. Speaker, H.R. 7814 would establish a 3-year experimental study of flexible and compressed work schedules in the executive agencies of the Federal Government.

The bill, as amended, was ordered reported by the Committee on Post Office and Civil Service on January 25, 1978, by a record vote of 23 to 1, following five public hearings held by the Subcommittee on Employee Ethics and Utilization, which I chair.

After H.R. 7814 was ordered reported, a change was proposed to it by Congressman DERWINSKI and agreed to by the bill's sponsor Congressman SOLARZ. This change is noted in Congressman DERWINSKI's supplemental views to our committee report. I am happy to say that because of this change, the administration now is in complete support of H.R. 7814.

While the use of alternative work schedules is relatively new to the Federal work force, they are not untested. There has been extensive use of flexible work scheduling in Germany, England, Switzerland, and Canada, and it has been used to a lesser extent in the private sector in the United States. The General Accounting Office has estimated that 10,000 private sector organizations with 1.2 million employees are using compressed schedules and from 300,000 to 1

million private sector employees are on flexible work schedules.

On October 21, 1974, the General Accounting Office issued a report entitled "Legal Limitations on Flexible and Compressed Work Schedules for Federal Employees", which recommended that Congress amend title 5, United States Code, and the Fair Labor Standards Act to permit testing of flexible and compressed work schedules. In the 94th Congress the administration submitted a flexitime bill to the Post Office and Civil Service Committee, which was passed by the House, but died in the Senate.

Flexitime has grown rapidly both here and abroad because wherever used it has proven to be beneficial to both employees and management.

Very simply, flexitime replaces fixed working hours with two different types of time. "Core time" is the set hours where most workers must be present. "Flexible hours" are those that precede and follow the set hours, from which employees can choose their own times of arrival and departure. However, such flexibility does not relieve the employee from fulfilling a basic workweek requirement which generally would be 80 hours of work during a 2-week period.

Flexible hour scheduling permits employees some control over the timing of their work so they can adjust their work hours to meet their personal needs and preferences. This benefits persons with child care responsibilities, the elderly and handicapped who can travel more easily outside the hours of peak traffic, or any employee who for personal reasons needs to alter the traditional work schedule.

The use of flexible hours has made economic sense to employers. Organizations with flexible work schedules have found that short-time usage of sick leave by employees is greatly decreased, overall productivity is increased, efficiency improves, and services hours are extended, all without increased costs to management.

Last month, when Congressional Budget Office Director Alice Rivlin testified at House Budget Committee hearings on Federal employee productivity, she pointed to flexitime as one area which could significantly improve productivity.

Flexible work schedules also have a favorable impact on use of mass transit facilities, commuter patterns, and energy consumption.

Experimentation with flexitime began in 1974 at the Social Security Administration when 400 clerical employees were permitted to go on flexitime as a means of combating loss of productivity attributed to tardiness and extensive use of leave without pay. The results were positive, virtually eliminating tardiness and increasing employee morale. Both management and local union supported the plan to extend flexitime usage to some 23,000 Social Security Administration employees.

Since 1974, the use of flexitime has spread to some 90 Federal units, including an estimated 141,000 employees. However, these flexitime programs are of the simplest variety since broader experimentation is limited by pay and hours of work laws, which require payment of overtime for hours worked in excess of 8 hours per day or 40 hours per week. Consequently, H.R. 7814 will suspend for 3 years such limiting provisions in order to permit full-scale testing of a complete range of alternative work schedules to determine whether they do in fact lead to increased efficiency and service to the public. As a result, while agency test programs may be as simple as permitting employees to begin work several hours early, they may be as complex as the 4-day, 40-hour week, where the employees would have the choice of working more than 8 hours a day, or a program that permits the employee to work more than 40 hours 1 week and less the next week, as long as the biweekly pay period averages 80 hours. The key to a successful program, however, is the involvement of management, employees, and supervisors in the development of the program. We expect that all types of programs will be tested, in sufficient numbers to gain valid date by which to evaluate the experiments.

H.R. 7814, as amended, requires the Civil Service Commission to establish a program under which a sufficient number of agency experiments will be conducted to measure the effectiveness of the experiments. The Commission is authorized to require selected agencies to engage in such experiments. At the same time, the legislation permits an agency not selected by the Commission to conduct an experiment according to regulations set forth by the Commission.

Two points must be emphasized concerning this flexitime legislation.

First, the employee's choice of arrival and departure times is subject to limitations to insure that the duties and requirements of the position are fulfilled. It is also limited by a maximum 10 hours which may be accumulated in order to vary the workday or workweek.

Second, H.R. 7814, as amended, will not change overtime pay requirements for hours worked in excess of 8 hours in a day or 40 hours in a week which are officially ordered in advance. In other words, overtime is suspended when connected with a flexitime experiment. The nature of this legislation must be emphasized. It is because employees and employers agree on a strictly voluntary basis to work more than 8 hours a day or 40 hours a week that a suspension of the overtime compensation statutes will be necessary for the duration of the experiment.

A couple of other points of this bill are worth noting:

Section 302 insures that where written contracts exist between management and labor, no flexitime experiment can be introduced unless it is part of a collective bargaining agreement. However, in units not represented by an employee organization, a majority of the employees in each unit must vote to be included in a compressed workweek experiment. Even in this framework, we have added an escape clause. If an employee in such a unit finds participation would cause personal hardship, upon written request, the agency shall except the employee, or reassign the employee to the first position within the agency which becomes vacant outside the experiment for which the employee is qualified, which is acceptable to the employee. We believe that, in operation, this provision will seldom be utilized: since in most compressed work schedule plans the employees, workdays are staggered to provide 5-day coverage, and an excepted employee could easily work a regular 5-day work week.

Section 303 of the bill provides protection against the coercion of employees concerning participation in flexible or compressed schedule experiments. The committee recognizes the possibility that an overzealous agency supervisor or manager could exert pressure on employees with regard to the introduction or implementation of alternative work schedules. Accordingly, this section prohibits an employee from intimidating, threatening, or coercing, or attempting to intimidate, threaten, or coerce an employee for the purpose of interfering with an employee's right to elect arrival or departure time, to work or not work credit hours, or to request or not request compensatory time off in lieu of payment for overtime hours for a flexitime experiment or to vote whether or not to be included within a compressed schedule experiment or an employee's request to be exempted because of the personal hardship that participation would cause. An employee who violates these prohibitions would by final order of the Commission be removed from his position, suspended without pay for a period prescribed by the Commission, or disciplined in another manner that the Commission deems to be appropriate.

Enactment of H.R. 7814 will not immediately extend flexible work scheduling to all 2.7 million civilian employees working for the Federal Government. However, I may say, the subcommittee heard strong evidence that such a move, if properly planned and implemented, would not be as disruptive as some might think. However, this legislation will permit a limited, controlled experiment under the guidance and assistance of the Civil Service Commission to evaluate and assess the potential and problems associated with alternative work scheduling.

Mr. Speaker, I urge passage of this bill.

Mr. DERWINSKI. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 7814, the Federal Flexible and Compressed Work Schedules Act of 1978. H.R. 7814 suspends temporarily for 3 years, during hours of flexible and compressed work schedules, certain provisions of law, such as those requiring overtime pay for work in excess of 8 hours a day or 40 hours a week in order to permit a 3-year controlled experiment in the use of flexible and compressed work schedules for employees of the executive branch of the U.S. Government in order to determine what impact, both positive and negative, these alternatives to traditional work schedules may have on such factors as efficiency of Government operations, service to the public, mass transit facilities and energy consumption, as

well as encouraging the entrance into the Federal labor force of talented and skilled personnel unable to work standard hours.

As the ranking minority member of the Subcommittee on Employee Ethics and Utilization, from whence this bill originated, I was privileged to hear testimony from the administration; Federal supervisors; State and local government; private industry; representatives of minorities, the aged, and the handicapped; social scientists; and educators all who spoke of the multiple benefits to the Government and employees alike if this legislation is enacted into law.

Faced as we are with changing lifestyles and the problems of working parents, the elderly, the handicapped, the Congress must seek enlightened alternatives to the traditional concepts of work schedules and the scheduling of work hours. H.R. 7814 is one partial and practical solution to this growing problem.

I believe the amendment offered on the floor by the gentleman from Illinois (Mr. DERWINKI) and the gentleman from New York (Mr. SOLARZ) to H.R. 7814 strikes a reasonable balance between a mandatory and voluntary approach to implementing this legislation. Rather than require each agency to conduct a flexitime experiment, this amendment would instead permit an agency to establish a flexitime program under the auspices of the Civil Service Commission. This amendment further requires the Commission to establish a program under which a sufficient number of agency experiments are conducted both to measure the effectiveness of these experiments and to insure that a representative sample of agencies are included.

Mr. Speaker, flexible and compressed work schedules can benefit both employers and employees. Federal and non-Federal organizations which have experimented with alternative work scheduling have reported increased productivity, a reduction in tardiness and the use of sick leave, and heightened morale.

For these reasons alone, Mr. Speaker, notwithstanding the many other benefits to be gained by passage of this legislation, I urge my colleagues to vote to suspend the rules and pass H.R. 7814.

Mr. DERWINSKI. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. FENWICK) for a question.

Mrs. FENWICK. Mr. Speaker, I have a question. How does flexitime work? Is this concerned merely with different hours or is this to do with part-time employment?

Mr. DERWINSKI. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Speaker, this is different from part-time hours for Civil Service personnel. We have another bill coming up later in the day that will establish the opportunity for more part-time employment.

Mrs. FENWICK. I see.

Mr. DERWINSKI. I assume the administrator of any agency would perhaps test flexitime with such employees, although it would be much more difficult.

Mrs. FENWICK. Mr. Speaker, this is a good schedule, and I think it is an excellent idea.

Mr. DERWINSKI. Mr. Speaker, I thank the gentlewoman for her support.

Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, there is certainly nothing wrong with the idea of allowing both management and labor, employer and employee, the right to work in such a way so as to establish the best hours, get the best job done, and achieve the highest results and, at the same time, afford both the public and the employee the dignity of work and the efficiency from that work they are entitled to.

However, my concern with this bill is that it is piecemeal legislation, and that it affects one segment of the total working force. It seems to me, at least at State levels, that Government has gotten into trouble by giving one faction a special right which, in turn, becomes a whipsaw vehicle for the rest of the work force.

Particularly in the State of Washington, 2 years ago during our energy crunch, because of a shortage of hydroelectric power, many firms tried to go to a 4-day workweek and at the same time not impact adversely on employees' take-home pay. But they were unable, even though the employees wanted to work 10 hours a day, to get the waiver that this bill will now give public employees. That waiver relates to the exclusion of mandatory overtime beyond 8 hours in one day.

Let me point up another aspect of the bill. There are some factories where they must run 7 days a week, utilizing rotating shifts and supplementary crews. This is to the employee's advantage; they would like to work 10 hours a day, and have 3 days off. Again, however, they are precluded.

So while I think the idea of providing flexibility, with the hope of making this voluntary and not mandatory, is laudable, I have serious reservations about affording one segment of the total economy a special privilege that is not afforded to the rest.

Mr. Speaker, the most rudimentary desire of every worker is to provide an adequate living for the family, and these people need the work. I think it is regrettable that this is piecemeal legislation.

Mr. SOLARZ. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the floor manager, the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think there is, frankly, some merit to what the gentleman from Washington (Mr. CUNNINGHAM) has to say. I for one would like to see precisely the same opportunities extended to employees in the private sector.

The problem we have—and it is a problem that is not confined just to this legislation but one which we find with respect to areas involving public policy and the Congress as well—is that the committees of this House have limited jurisdictions. Our committee simply does not have jurisdiction over the Fair Labor Standards Act. The Committee on Education and Labor, which does have jurisdiction over the Fair Labor Standards Act, does not have jurisdiction over the Federal Civil Service. Consequently, that committee has reported out a bill extending these opportunities to workers in the private sector.

As I understand the gentleman's argument, he has said that perhaps this is a fine idea, but it does not apply to members of the private sector and is administered on a piecemeal basis. I think what the gentleman might consider is the possibility for a change, since the principle does make sense, and the only problem is that it does not apply across the board.

If we move forward with this legislation with respect to employees in the public sector, the precedent will have been set which will facilitate the passage of legislation being reported out by the relevant committee which has jurisdiction over the private sector to extend the same privileges to them.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I agree that the gentleman from Washington (Mr. CUNNINGHAM) has a very legitimate concern, and I would be most happy to expand on that. However, we do have a jurisdictional problem.

Let me tell the Members why I think this experiment is very, very important. It is only a 3-year experiment. The gentleman and I both come from areas where there is a tremendous difference in the hours between those areas and Washington, D.C. For the people in our districts who are trying to deal with Washington, D.C., there is a problem, because there are many times when only 2 hours during the work day our constituents can reach the District of Columbia during their workday. They are trying to make contacts during lunch hours, and with people coming in and going out, the time difference is a great problem for people in business.

I think this experiment with the Federal Government is important, because the Federal Government is unique in that it is serving the whole country in various time zones. We will be trying flexible time for 3 years, and it may help better serve people in Hawaii, Denver, and Washington State. So there is a unique reason for allowing the Federal Government these 3 years to experiment and report the results of this experience with a view to how flexible time improves service.

I point out the uniqueness of the Government because I know of the frustration of people in my district working in an 8-hour day and trying to run someone down in Washington, D.C. It

can be very exasperating, and hopefully, this will provide them better service by having Washington offices open longer.

If it does not, when the 3 years are up, we should cancel the flexible time experiment. If it does, then we should expand it to the private sector, however, many already are ahead of us.

I totally agree with the gentleman, and I would hope that that subcommittee would report it.

The CHAIRMAN. The time of the gentleman from Washington (Mr. CUNNINGHAM) has expired.

Mr. DERWINSKI. Mr. Speaker, I yield 1 additional minute to the gentleman from Washington.

Mr. CUNNINGHAM. Mr. Speaker, I appreciate the gentlewoman's comments. But I have to say that Congress does make the laws. The gentlewoman does basically agree with the point that what is good for the goose is good for the gander, and I would suggest that this bill could be handled on the floor not under suspension and could be properly dealt with at that time.

Mr. SOLARZ. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from New York.

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Speaker, I think the problem with that approach is, were that handled under the regular calendar rather than the Suspension Calendar, to include the private sector by amendment under the Fair Labor Standards Act would not be germane.

Mr. CUNNINGHAM. I have faith in the legislative system that, when you have the votes, anything is germane.

Mr. DERWINSKI. Mr. Speaker, in a spirit of bipartisanship, I yield 3 minutes to the gentleman from Texas (Mr. WHITE).

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Speaker, I object to this bill coming before the House on the suspension calendar for some very basic reasons. I think there are provisions in here that need to be amended. The compromise which has been suggested is one. That is only part of it. Before I point out the problem in this bill, let me mention that there are 15 agencies of Government. All of those 15 agencies, as I understand it, now have a volunteer program under way. I think it is bad public relations, bad imagery to the American public for the Federal Government to go on the proposed 4-day week, which is what I presume this bill is intending to do. I think already many of the American public feel that Government employees are specially treated. But more than that, let me point out a provision of this bill. If we turn to page 15, it says:

Employees within a unit with respect to which an organization of Government employees has been accorded exclusive recognition shall not be included . . .

But let me interpret what that means. On page 5 of the committee report, it states:

The committee's bill insures that any election by the employee to work hours which would not be compensated as overtime is purely voluntary, and contains prohibitions against coercion, and in addition, under section 302, the introduction of any flexible or compressed schedule experiment is specifically made subject to collective bargaining where employees are represented by a labor organization which has exclusive recognition.

Then we go to page 22, where it says:

Where a labor organization has exclusive recognition, it is the intent of the committee that the parties to the contract negotiate the introduction of any experimental program provided for under the bill, in accordance with labor-management relations . . .

What I am trying to say is that this is the very first time, except for the Postal Service, by statute, where civil service employees will be subject to collective bargaining. I think this is a bad precedent. I am not objecting to the existence of the unions themselves, but we have not up to this time by statute had collective bargaining by civil service employees.

On page 2, the term "agency" means executive agency and a military department. I do not know precisely what that means. Here we are going to have collective bargaining in any agency and in a military department.

What I am trying to say to the Members is that this bill needs closer scrutiny. This bill needs the opportunity to be debated before this House and the opportunity for Members to present their amendments so that we can have a product that will be, in the end, a benefit to the employees themselves.

Mr. Speaker, I am not saying that I am against flexible time at all. It may have great merit, but I do object to an oblique intrusion of a new precedent in this bill by way of the Suspension Calendar. I think it is bad. I think we are going to pay for it in public opinion. I think we are going to pay for it in the attitude of the American public toward a 4-day week.

Mr. SOLARZ. Mr. Speaker, will the gentleman yield?

Mr. WHITE. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Speaker, may I ask the gentleman this question: Is it not true that any Federal employee who works a 4-day week under a compressed time schedule would be obligated to work 40 hours a week?

Mr. WHITE. Yes; I am sure it would be 40 hours a week.

Mr. SOLARZ. Is it not also true that under an existing Executive order——

Mr. WHITE. Executive order, but not by statute.

Mr. SOLARZ. If the gentleman will let me finish the question, then he can make whatever distinction he thinks appropriate.

However, is it not true that under existing Executive orders Federal employee unions are already permitted to bargain collectively, not with respect to pay, but with respect to conditions of employment?

Mr. WHITE. However, it does not extend to hours, though. I do not believe that there is anything in that Executive order as to hours. Here the gentleman from New York is adding one additional dimension, and he is giving it the weight of a statute or of statutory approval of recognition that does not even exist at this time. The only thing that exists today is the Executive order itself of one President, a prior President who issued it; that is all, but not by statute.

Mr. SOLARZ. However, it is true that Federal employees have a right, as a result of Executive order, to bargain collectively under the conditions; is that not correct?

Mr. WHITE. Certain conditions, but not as to pay or hours.

Mr. SOLARZ. It is quite true that they cannot bargain collectively with respect to pay or the language in this legislation that involves pay in terms of what they can bargain collectively for.

As I understand, the reason the Executive order does not apply to hours is as a result of the very legislation which we want to temporarily abrogate. There are limits on the number of hours legislatively that an employee can work presently in force, which is why we have limited flexible time.

Mr. DERWINSKI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would like to point out, keeping in mind the amendment we are offering, that this program is entirely optional. It is voluntary. There are exemptions that each agency may ask for.

It is the intent of the Congress that this be experimental and not imposed on individual employees, nor imposed on any agency. Therefore, this is not a massive breakthrough or a new Federal personnel policy. This is merely a practical experiment in better utilization of employee time.

Mr. Speaker, the section which the gentleman from Texas (Mr. WHITE) referred to is already a matter of law, as the gentleman from New York (Mr. SOLARZ) pointed out. In any case, where a unit of a labor union has exclusive recognition they are allowed at the present time to negotiate conditions such as this, this is not anything new in labor union jurisdiction. This is merely an extension of what is present policy and procedure, so there is really nothing drastic here.

What we are really providing for is a flexible program by which management of the Federal bureaucracy would hope to get better utilization of its manpower.

In 3 years the experiment will end. We could then effectively review the results.

Mr. DAN DANIEL. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Mr. Speaker, would the gentleman explain to me what is meant by "military department"? Does that refer to civilians who are employed in the military department?

Mr. DERWINSKI. To what page of the bill is the gentleman referring?

Mr. DAN DANIEL. Page 2, under section 3, which says—

"the term agency" means an Executive agency and a military department . . .

Mr. DERWINSKI. That is a standard definition.

Mr. SOLARZ. Mr. Speaker, if the gentleman will yield so that I can answer the gentleman's question, my understanding is that this legislation only applies to the civilian employees of the departments to which the gentleman referred.

Mr. DAN DANIEL. I thank the gentleman, Mr. Speaker.

Mr. SOLARZ. Mr. Speaker, I yield 2 minutes to the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I support H.R. 7814, the Federal Employees Flexible and Compressed Work Schedules Act of 1978. The committee has worked out a most reasonable piece of legislation which merits the support of every Member of this House.

Flexible working hours is a subject close to my heart. It is a concept with which I am very familiar, having used it many, many years ago in a Federal agency, long before a name was given to this type of working situation. In those days of rigid working days and weeks, I was able to quietly and unofficially initiate a flexible hour system for those in my office. It was a fantastic success, extremely popular with the personnel, and the increased productivity was astounding.

About 30 years later, when I was a member of the legislative body of Prince Georges County, Md., I worked with the head of our library system, to start a pilot program of flexible work hours in the library system. We began with one branch. Although initially the employees were reluctant to try this new concept, once underway it became so successful and popular that the word spread. Soon the personnel within all the other branches of the library system asked to have equal treatment.

We found that because employees participate in the setting of their work hours, and because they have greater flexibility in those work hours, tardiness and absenteeism were significantly lowered, and employee morale was dramatically increased. We found, for example, that fewer individuals were taking sick leave. Prior to the inception of the flexible hours program, when an employee was delayed at home by a personal problem which would make him or her late, the employee often opted for sick leave to cover the resultant tardiness. Now there is no tardiness, since the lateness in the morning can be made up at the end of the workday, as long as the "core time" is not violated.

The supervisors found that there was greater communication and coordination between themselves and employees, as well as between the employees themselves. With the flexibility of schedules, employees coordinated carpools, discussed their workload schedules, and, of course, worked out the flextimes with the supervisors. Employees within the flextime system found that pressures and stresses were diminished since they had the flexibility to attend to personal and family matters. And, of course, that old "traffic job" problem was often avoided since the workers did not necessarily travel during peak times. And the public benefited because the workday was extended—some employees came earlier than the normal starting hours and others worked beyond the normal regular hours.

In every way the situation was far better. The experiences of Prince George's County with flexible working hours has been very positive and rewarding. I think that the same can happen here in the Federal Government, with the experiments provided for in this bill.

H.R. 7814 mandates one or more experimental programs of flexible and compressed working hours in each agency under a master plan prepared by the Civil Service Commission. This master plan will contain the guidelines and criteria by which the Commission will evaluate those experiments. The Commission will also provide the technical and educational materials to agencies participating in the experiments, and will make the final evaluation at the end of the 3-year experiment. I believe quite strongly that this experimental program will work out, and that it should be made mandatory Governmentwide at the end of the experimental period, so that, whenever possible, the Federal employee will have the option of fixing his own work hours.

The question of suspending certain premium pay provisions of existing laws has been deliberated, and a solution carefully worked out. Certain accommodations with existing law are made, so that the employee's right to premium pay are protected in those instances when he works "overtime" within the bounds of his flexible schedule. When the employees are represented by an employee organizaiton which holds exclusive recognition, the use of flextime, or compressed hours is subject to collective bargaining. No employee can be coerced into participating in work hours which would not be compensated as overtime. If the employee finds that participation in a compressed workweek causes personal hardship, he may be excepted or reassigned on request.

The amendment to remove the mandatory requirement, making agency participation permissive, removes any concerns that this will be a program forced on the employees or the supervisors. I remember the initial horrified reaction of some of the library supervisors and personnel when we first told them that we would try this flextime program. It takes a while for the employee to become accustomed to the idea; it takes the supervisor a while to become accustomed to his new role in the program. I firmly believe that, by the end of the program, employee reaction will be so strong that every agency will institute an experimental program, just to see for the themselves if it is really as good as those participating in it.

This is one of the few programs with benefits for everyone—the employee, the Government, and the public which it serves. I strongly urge my colleagues to join me in support of H.R. 7814.

● Ms. OAKAR. Mr. Speaker, I rise in support of H.R. 7814—flexible work schedules for Federal employees which was introduced by my colleagues Mrs. BURKE and Mrs. SCHROEDER.

Flexible working hours for employees has been the subject of extensive experimentation both in the private sector and the Federal Government. In fact, the Social Security Agency in Baltimore has one of the largest programs within the Federal Establishment at this time. As of this week they will have 22,000 employees at some 17 installations around the Baltimore area on flexitime. I understand that the employees who are involved in this arrangement are very pleased with it. Many are women with children from areas with little or no day-care facilities and long commutes. The flexi-time program offers new hope for them.

Another Federal agency which has had a highly successful experience with flexitime is the U.S. Geological Survey located in Reston, Va. They began to experiment with it because of the difficult commuter access to the Survey's offices in Reston. Some 2,700 employees work in Reston for the Geological Survey, and a recent survey of the effects of flexi-time upon the employee morale, work satisfaction and productivity was that overall, the flexitime work program was very successful.

In fact, when the employees of the Geological Survey were asked if they liked the flexi-time arrangement, the positive response was almost unanimous. Employers perceived a 25-percent jump in employee morale, and a 10-percent increase in satisfaction with working conditions. Where productivity could be quantified, it was determined that there was considerable increase in output in certain departments that could be attributed to the flexitime arrangement.

However, the biggest contribution that the flexitime program made to the overall working conditions at the Geological Survey was the improvement in employee morale.

It was the same in the Social Security Agency. The American Federation of Government Employees reports that the employees love it. Wouldn't you, if you were a working mother, with children to take care of, and no day-care facilities available? What a relief it would be to have a flexible working schedule.

I believe that the two programs initiated by the Geological Survey and the Social Security Agency have proven successful. It is time to expand upon their success, and as this bill does mandate the Civil Service Commission to carry out more controlled experiments within the Federal Government.●

Mr. DERWINSKI. Mr. Speaker, I have no additional requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. SOLARZ) that the House suspend the rules and pass the bill H.R. 7814, as amended.

The question was taken.

Mr. CUNNINGHAM. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3, rule XXVII, and the Chair's

prior announcement, further proceedings on this vote will be postponed.

CIVIL SERVICE ANNUITIES FOR FEDERAL JUDGES

Mrs. SPELLMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4320) to amend chapter 83 of title 5, United States Code, to discontinue civil service annuity payments for periods of employment as a justice or judge of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8344 of title 5, United States Code, relating to annuities and payment on reemployment, is amended by adding at the end thereof the following new subsections:

"(f) Notwithstanding the provisions of subsection (a) of this section, if an annuitant receiving annuity from the Fund, except a Member receiving annuity from the Fund, becomes employed as a justice or judge of the United States, as defined by section 451 of title 28, annuity payments are discontinued during such employment and are resumed in the same amount upon resignation or retirement from regular active service as such a justice or judge.

"(g) A former employee or a former Member who becomes employed as a justice or judge of the United States, as defined by section 451 of title 28, may, at any time prior to resignation or retirement from regular active service as such a justice or judge, apply for and be paid, in accordance with section 8342(a) of this title, the amount (if any) by which the lump-sum credit exceeds the total annuity paid, notwithstanding the time limitation contained in such section for filing an application for payment.".

SEC. 2. A present or former justice or judge of the United States, as defined by section 451 of title 28, United States Code, who, prior to the effective date of this section, voided his right to receive an annuity under subchapter III of chapter 83 of title 5, United States Code, by applying for and receiving a refund of his lump-sum credit while serving as such a justice or judge may, upon application filed with the Civil Service Commission within one year following the effective date of this section, redeposit such refund with interest computed under section 8334(e) of such title 5 and thereby reestablish his right to receive an annuity under such subchapter effective on the date he otherwise was eligible to receive an annuity. The surviving spouse of any such justice or judge who dies before the effective date of this section may apply to make such redeposit within one year following the effective date of this section and receive both (1) the amount of the annuity which the justice or judge would have been entitled to receive before his death had application been made by him for the annuity and (2) any survivor annuity the justice or judge could have provided under the provision of law in effect at the time of separation from the service on which title to the annuity is based.

SEC. 3. Notwithstanding section 5(c) of the Act of January 8, 1971 (Public Law 91-658; 5 U.S.C. 8339(j) note), an annuitant—

(1) who was unmarried at the time of retiring under a provision of Federal law which permitted him to elect a reduced annuity with a survivor annuity payable to a spouse,

(2) who married after retiring but before January 8, 1971, and

(3) who certifies to the Civil Service Commission that he was unable to file a timely election under section 5(c) of such Act by reason of his failure to receive notification of his right to file such an election,

may irrevocably elect, in a signed writing received in the Commision within one year after the effective date of this section, a reduction in his current annuity in accordance with the provisions of section 8339(j) of title 5, United States Code. The reduction in annuity is effective the first day of the month after the election is received in the Commission.

SEC. 4. (a) The provisions of this Act shall take effect on—

(1) the date of the enactment of this Act, or

(2) October 1, 1978,

whichever date is later.

(b) The provisions of subsection (f) of section 8344 of title 5, United States Code, as added by the first section of this Act, shall apply only to an individual who becomes employed as a justice or judge of the United States on or after the effective date of this Act. The provisions of subsection (g) of such section, as added by the first section of this Act, shall apply to an individual employed as a justice or judge of the United States on the effective date of this Act and to an individual appointed as such a justice or judge on or after such effective date.

The SPEAKER pro tempore (Mr. DANIELSON). Is a second demanded?

Mr. LEACH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Maryland (Mrs. SPELLMAN) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, H.R. 4320, provides that in the case of a former Federal employee who is appointed to serve as a Justice or judge of the United States, payment of an annuity may not be made for any period for which the employee is entitled to receive compensation on the basis of service as a Justice or judge.

As a general policy, annuitants under the civil service retirement system who are reemployed in the Federal Government, are not entitled to receive both the annuity and their full salary during their period of reemployment. A similar provision also applies to Members of Congress.

However, an annuitant, other than a Member of Congress, who is appointed as a Justice or judge of the United States, is not subject, under existing law, to any reduction, either in his civil service annuity or in his judicial pay.

Simply stated then, the provisions of H.R. 4320 will place a restriction on the payment of civil service annuities to retirees from civil service positions who are appointed as Justices or judges on or after the effective date of the act. This restriction is identical to the one which now applies to Members of Congress—that is, upon reemployment as a Justice or judge, the annuity payments will be discontinued during such reemployment and resumed in the same amount upon resignation or retirement from regular active service as a Justice or judge.

Another provision of the bill (section 3), unrelated to the payment of civil service annuities to judges, would reopen for 1 year an opportunity given in 1971 by Public Law 91-658 for annuitants who had been unmarried at the time of retirement, but who had married prior to the law's enactment on January 8, 1971, to elect within 1 year after the law's enactment, a reduced annuity with a survivor annuity payable to their spouses. The new opportunity for such annuitants to elect a reduced annuity with survivor annuity payable to their spouses would be limited to annuitants who certify to the Civil Service Commission that they were unable to file a timely election under the 1971 law by reason of their failure to receive notification of their right to file such an election.

Mr. Speaker, I urge the enactment of this bill.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the primary purpose of H.R. 4320 is to authorize the discontinuance of civil service annuity payments to former civil service employees who are appointed as judges or Justices of the United States.

In addition, this bill would reopen for 1 year an opportunity provided under Public Law 91-658 for annuitants who had been unmarried at the time of retirement, but who had married prior to that law's enactment on January 8, 1971, to elect within 1 year following the date of enactment of this legislation a reduced annuity with a survivor annuity payable to a spouse.

Mr. Speaker, H.R. 4320 closes two inequities in civil service retirement law. The distinguished chairman of the Subcommittee on Employee Compensation and Benefits has well described the details of this legislation. Speaking for the minority, I urge passage of this corrective measure.

Mrs. SPELLMAN. Mr. Speaker, we have no further request for time.

Mr. LEACH. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in strong support of H.R. 4320, which provides legal authority to suspend civil service annuity payments for periods during which a person is entitled to receive salary as a Justice or judge of the United States. It also gives certain annuitants another opportunity to elect within 1 year after enactment a survivor annuity for their spouse.

I originally cosponsored similar legislation in the 94th Congress because of the serious problem brought to our attention by the Civil Service Commission concerning the payment of dual compensation to Federal Justices and judges, but the matter was not resolved.

Prior to 1956, the Civil Service Retirement Act generally prohibited reemployment of annuitants other than in exceptional cases. The 1956 amendments to the Retirement Act enacted the present rule for reemployment of annuitants. These amendments removed the bar to reemployment to annuitants, but with the re-

quirement that such persons reentering Federal service, either in an elective or appointive position, would have the salary of that position reduced by the amount of the annuity they were receiving. In the case of Members of Congress who are drawing an annuity, the annuity is terminated during the period of reemployment.

The Civil Service Commission, during this time, took the position that appointment as a Federal judge was considered within the purview of the provision concerning reemployed annuitants and such persons have been so treated. In the case of a judge who is appointed to hold office during good behavior—life—the Civil Service Commission has been suspending payment of civil service annuity because the Constitution prohibits the reduction of such a judge's salary.

However, after reviewing this policy of the Commission, the General Accounting Office concluded in August 1974, that the suspension of annuities of other than former Members of Congress was without authority of law. The Civil Service Commission and the Justice Department concurred in this decision.

Therefore, H.R. 4320 closes this loophole and brings conformity to the reemployed annuitant policy of the retirement law.

The legislation is prospective and will not affect those judges presently drawing civil service annuities. It also will allow certain present or former Justices or judges of the United States, who acted on incorrect legal interpretations of the statutes, and withdrew their contributions and, therefore, their rights to an annuity, to redeposit such refunds with interest and thereby reestablish their rights to a civil service annuity. This, I believe, is fair.

However, the legislation will establish a clear policy for those civil service annuitants who are appointed judges or justices after the date of enactment.

Mr. Speaker, in the 94th Congress, a similar bill, H.R. 12882, failed to receive the necessary two-thirds vote under suspension of the rules. However, it should be understood its failure was a result of a nonrelated controversial amendment to the bill which proposed to revise the cost-of-living adjustment formula for Federal annuitants.

This bill is not so encumbered.

This proposal is a fair response to a serious problem, and should be approved.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

Mrs. SPELLMAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. SPELLMAN) that the House suspend the rules and pass the bill H.R. 4320, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES PART-TIME CAREER EMPLOYMENT ACT OF 1978

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10126) to amend title 5, United States Code, to establish a program to increase part-time career employment within the civil service, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Employees Part-Time Career Employment Act of 1978".

CONGRESSIONAL FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) many individuals in our society possess great productive potential which goes unused because they cannot meet the requirements of a standard workweek; and

(2) part-time permanent employment—

(A) provides older individuals with a gradual transition into retirement;

(B) provides employment opportunities to handicapped individuals or others who require a reduced workweek:

(C) provides parents opportunities to balance family responsibilities with the need for additional income;

(D) benefits students who must finance their own education or vocational training;

(E) benefits the Government, as an employer, by increasing productivity and job satisfaction, while lowering turnover rates and absenteeism, offering management more flexibility in meeting work requirements, and shortages in various occupations; and

(F) benefits society by offering a needed alternative for those individuals who require or prefer shorter hours (despite the reduced income), thus increasing jobs available to reduce unemployment while retaining the skills of individuals who have training and experience.

(b) The purpose of this Act is to provide increased part-time career employment opportunities through the Federal Government.

PART-TIME CAREER EMPLOYMENT PROGRAM

SEC. 3. (a) Chapter 33 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter.

"SUBCHAPTER VIII—PART-TIME CAREER EMPLOYMENT OPPORTUNITIES

"§ 3391. Definitions

"For the purpose of this subchapter—

"(1) 'agency' means—

"(A) an Executive agency;

"(B) a military department;

"(C) an agency in the judicial branch;

"(D) the Library of Congress;

"(E) the Botanic Garden; and

"(F) the Office of the Architect of the Capitol;

but does not include—

"(i) a Government controlled corporation;

"(ii) the Tennessee Valley Authority;

"(iii) the Alaska Railroad;

"(iv) the Virgin Island Corporation;

"(v) the Panama Canal Company;

"(vi) the Federal Bureau of Investigation, Department of Justice;

"(vii) the Central Intelligence Agency; and

"(viii) the National Security Agency, Department of Defense; and

"(2) 'part-time career employment' means part-time employment of at least 16 hours but not more than 32 hours a week under a schedule consisting of an equal or varied number of hours per day, whether in a position which would be part-time without regard to this section or one established to allow job-sharing or comparable arrangements, but does not include employment on a temporary or intermittent basis.

"§ 3392. Establishment of part-time career employment programs

"(a)(1) In order to promote part-time career employment opportunities in all grade levels, the head of each agency, by regulation, shall establish and maintain a program for part-time career employment within such agency. Such regulations shall provide for—

"(A) the review of positions which, after such positions become vacant, may be filled on a part-time career employment basis (including the establishment of criteria to be used in identifying such positions);

"(B) procedures and criteria to be used in connection with establishing or converting positions for part-time career employment, subject to the limitations of section 3393 of this title;

"(C) annual goals for establishing or converting positions for part-time career employment, and a timetable setting forth interim and final deadlines for achieving such goals;

"(D) a continuing review and evaluation of the part-time career employment program established under such regulations; and

"(E) procedures for notifying the public of vacant part-time positions in such agency, utilizing facilities and funds otherwise available to such agency for the dissemination of information.

"(2) The head of each agency shall provide for communication between, and coordination of the activities of, the individuals within such agency whose responsibilities relate to the part-time career employment program established within that agency.

"(3) Regulations established under paragraph (1) of this subsection may provide for such exceptions as may be necessary to carry out the mission of the agency.

"(b)(1) The Civil Service Commission, by regulation, shall establish and maintain a program under which it shall, on the request of any agency, advise and assist such agency in the establishment and maintenance of its part-time career employment program under this subchapter.

"(2) The Commission shall conduct a research and demonstration program with respect to part-time career employment within the Federal Government. In particular, such program shall be directed to—

"(A) determining the extent to which part-time career employment may be used in filling positions which have not traditionally been open for such employment on any extensive basis, such as supervisory, managerial, and professional positions;

"(B) determining the extent to which job-sharing arrangements may be established for various occupations and positions; and

"(C) evaluating attitudes, benefits, costs, efficiency, and productivity associated with part-time career employment, as well as its various sociological effects as a mode of employment.

"§ 3393. Limitations

"(a) An agency shall not abolish any position occupied by an employee in order to make the duties of such position available to be performed on a part-time career employment basis.

"(b) Any person who is employed on a full-time basis in an agency shall not be required to accept part-time employment as a condition of continued employment.

"§ 3394. Personnel ceilings

"In administering any personnel ceiling applicable to an agency (or unit therein), an employee employed by such agency on a part-time career employment basis shall be counted as a fraction which is determined by dividing 40 hours into the average number of hours of such employee's regularly scheduled workweek.

"§ 3395. Nonapplicability

"(a) If, on the date of enactment of this subchapter, there is in effect with respect to positions within an agency a collective-bargaining agreement which establishes the number of hours of employment a week, then this subchapter shall not apply to those positions.

"(b) This subchapter shall not require part-time career employment in positions the rate of basic pay for which is fixed at a rate equal to or greater than the minimum rate fixed for GS–16 of the General Schedule.

"§ 3396. Regulations

"Before any regulation is prescribed under this subchapter, a copy of the proposed regulation shall be published in the Federal Register and an opportunity provided to interested parties to present written comment and, where practible, oral comment. Initial regulations shall be prescribed not later than 180 days after the date of the enactment of this subchapter.

"§ 3397. Reports

"(a) Each agency shall prepare and transmit on a biannual basis a report to the Civil Service Commission on its activities under this subchapter, including—

"(1) details on such agency's progress in meeting part-time career employment goals established under section 3392 of this title; and

"(2) an explanation of any impediments experienced by such agency in meeting such goals or in otherwise carrying out the provisions of this subchapter, together with a statement of the measures taken to overcome such impediments.

"(b) The Commission shall include in its annual report under section 1308 of this title a statement of its activities under this subchapter, and a description and evaluation of the activities of agencies in carrying out the provisions of this subchapter.

"§ 3398. Employee organization representation

"If an employee organization has been accorded exclusive recognition with respect to a unit within an agency, then the employee organization shall be entitled to represent all employees within that unit employed on a part-time career employment basis.".

(b) Subpart B of the table of chapters of part III of the analysis of chapter 33 of title 5, United States Code, is amended by inserting after the item relating to section 3385 the following:

"SUBCHAPTER VII—PART-TIME CAREER EMPLOYMENT OPPORTUNITIES

"Sec.
"3391. Definitions.
"3392. Establishment of part-time career employment programs.
"3393. Limitations.
"3394. Personal ceilings.
"3395. Nonapplicability.
"3396. Regulations.
"3397. Reports.
"3398. Employee organization representation.".

SEC. 4. (a) Section 8347(g) of title 5, United States Code, is amended by adding at the end thereof the following: "However, the Commission may not exclude any employee who occupies a position on a part-time career employment basis (as defined in section 3391(2) of this title).".

(b) Section 8716(b) of such title 5 is amended—

(1) by striking out of the second sentence "or part-time";

(2) by striking out "or" at the end of clause (1);

(3) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

(4) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a part-time career employment basis (as defined in section 3391(2) of this title).".

(c) Section 8913(b) of such title 5 is amended—

(1) by striking out "or" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following:

"(3) an employee who is occupying a position on a part-time career employment basis (as defined in section 3391(2) of this title).".

SEC. 5. Each report prepared by an agency under section 3397(a) of title 5, United States Code (as added by this Act), shall, to the extent practicable, indicate the extent to which part-time career employment opportunities have been extended by such agency during the period covered by such report to each group referred to in subparagraphs (A), (B), (C), and (D) of section 2(a)(2) of this Act.

The SPEAKER pro tempore. Is a second demanded

Mr. GILMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from Colorado (Mrs. SCHROEDER) will be recognized for 20 minutes, and the gentleman from New York (Mr. GILMAN) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 10126 proposes to increase permanent part-time employment opportunities in the Federal Government. The bill would establish a uniform Federal policy on part-time employment. It authorizes the Civil Service Commission to establish a part-time program, to provide technical assistance to agencies, to conduct research and demonstration projects, and to report annually to the Congress on the progress of the part-time hiring program.

The bill also requires each agency to establish its own part-time hiring program. Each agency will create its own procedures and criteria for establishing part-time positions and set their own hiring goals and timetables. Each agency will report biannually to the Civil Service Commission on its progress in meeting its part-time hiring goals, any impediments encountered, and measures taken to overcome such impediments. In order to assure that part-time career employees have the benefits of other career employees, the bill codifies current regulations for career part-time employees to assure that permanent part-time employees are not excluded from retirement, life insurance, and health insurance benefits.

H.R. 1627, the original bill under consideration by my subcommittee, required that 2 percent per year of all positions in each grade level from GS–1 through GS–15 be set aside for part-time career employment until 10 percent of such positions were converted to part-time positions. However, the administration maintained that these hiring goals were too rigid and would reduce the agency's staffing flexibility.

In response to these arguments, the subcommittee reported a clean bill, which does not contain any part-time quotas, giving agencies the latitude to set their own goals and timetables.

The major obstacle to part-time Federal employment are the agency personnel ceilings established by the Office of Management and Budget. Under these ceilings each employee counts as one slot, whether they work 20 hours, 40 hours, or 60 hours. The flexibility of OMB regarding this approach to ceilings has received ample criticism.

The General Accounting Office in its January 2, 1976, report, "Part-Time Employment in Federal Agencies," recommended that the Director of the Office of Management and Budget relax or eliminate personnel ceilings for part-time employees.

Another General Accounting Office report was issued on June 2, 1977, entitled "Personnel Ceilings—A Barrier to Effective Manpower Management." It concluded that, although employment ceilings may be one tool to assure that concerns about the total number of Federal employees are met, ceilings are at best an inferior substitute for effective management. Management at all levels needs to aggressively seek ways to improve productivity. Improved coordination of workload, funds, and manpower are needed.

The Comptroller General's appraisal of OMB's ceilings has recently been echoed by a group within the OMB itself. The President's reorganization project, in its December 1977 final staff report, recommended that budget controls be substituted for personnel ceilings, or as one alternative to outright elimination of the ceilings, that part-time employees be counted by the number of hours worked rather than as a full position. My personal opinion, if I may add to this criticism, is that OMB's approach to ceilings makes less sense than Mr. MacGregor's complaining about counting apples, while Peter Rabbit scurries around behind his back—carting off his cabbage patch.

In line with this criticism, H.R. 10126 will require that permanent part-time employees be counted by the number of hours worked, as a fraction to be determined by dividing 40 hours into the average number of hours of such employee's regularly scheduled workweek. For example, if a part-time employee's regularly scheduled workweek averages 20 hours, that employee would be counted as one-half for purposes of any personnel ceiling.

The Subcommittee on Employee Ethics and Utilization held extensive hearings on this bill. We received testimony about permanent part-time programs at the Federal, State, and local level, which shows that part-time employment has been considered successful by both employees and managers. There is no magic

principle which says that Government employees have to work 40 hours a week.

A couple of attempts at Federal professional part-time hiring shows it can be successful. In 1967, the Department of Health, Education, and Welfare created a professional executive corps, which hired 40 part-time professionals, grade levels GS 7 to 15, in a wide variety of positions. Both employees and supervisors judged the program a success. Unfortunately, the agency's limited personnel ceiling allocations prevented this part-time program from being integrated into the personnel system.

Another program has been more successful since it set aside a specific number of slots for part-timers. The Department of Housing and Urban Development's part-time professional program for employees in grade levels GS 7 to 14, is in its 10th year. There have been long waiting lists for both offices wanting the part-time professionals and applicants who were interested in part-time work.

Moreover, State governments have also benefited from the creation of part-time jobs. In Wisconsin, the department of administration has undertaken a job sharing experiment with Federal funding to allow full-time employees to voluntarily share their State civil service jobs with people who had been excluded from the work force because they were unable to work a full-time schedule. An initial survey has indicated that 62 percent of the 27,000 full-time Wisconsin State employees are interested in reducing their working hours. Recent legislation passed by the Wisconsin State Legislature declared the policy that full-time jobs be restructured into permanent part-time jobs as position become vacant or when employees voluntarily request job sharing or part-time employment.

H.R. 10126 will not just benefit employees. It will help the Government retain skilled individuals who are unable to continue working full-time schedules. It will raise the morale of Government managers by permitting more flexibility in filling vacancies and hiring professionals on a part-time basis when budgets are limited. It will be advantageous to agencies because of the high rate of productivity, reduced absenteeism, and turnover rates associated with part-time employment.

I want to point out that H.R. 10126 does contain protections for full-time employees by prohibiting any agency from abolishing a position occupied by a full-time employee to make it a part-time job. In addition, the bill states that no full-time employee shall be required to accept part-time employment as a condition of continued employment. While these protections do exist, nothing in this bill is intended to limit a full-time employee's right to request that his hours of work be reduced. Finally, the bill provides that an employee organization accorded exclusive recognition shall be entitled to represent all part-time employees within that unit.

Passage of H.R. 10126 will increase part-time job opportunities in the Federal Government. It represents a change which I believe most of my colleagues agree must occur if the Federal Government is to be a model employer and an example of progressive personnel practices.

I urge passage of this bill.

Mrs. FENWICK. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I am happy to yield to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I wonder what the experience of these companies has been insofar as the employees requesting full health benefits?

Mrs. SCHROEDER. I would respond to the gentlewoman from New Jersey that it does vary. It varies considerably. But what has happened, it is usually around 50 percent of employees wanting health insurance. We of course have not received the results on this in the Federal Government and we have consequently estimated that they would all take health benefits, 100 percent participation. But there are several cost-saving benefits that will develop as a result of the use of part-time employees even if they were all to take the full-time health benefits. We would still save money with part-time employees because people would be utilized to their fullest on their jobs. Now there are many only working three-quarters of the time or half of the time because a full-time slot is the only option. If we can get the Government managers to request only a partial job, if that is all that is needed, it will certainly save money.

Mrs. FENWICK. What is the cost of the proposed program?

Mrs. SCHROEDER. The cost is in the report. I believe it is about $2.4 million for 5 years and that is the estimate for all agencies participating in the program.

I do not put much credibility in that estimate because it is all fuzz. We do not have any goals in the bill, so I do not know where they decided how many part-time employees would be created by this bill to figure the cost.

Mrs. FENWICK. Two million dollars does not seem excessively large. The gentlewoman says it is a pilot project. How many people will be covered in that $2 million cost?

Mrs. SCHROEDER. I am not sure what their estimate was based on. That is why it is hard for me to quote it as authority. It is like getting hold of steam. Originally we had a 2-percent mandate in here so we could figure out 2 percent of the employees and base costs on that. We took the quotas out, so it is hard to figure out how many people will actually be part time. As the gentlewoman knows, it is hard to get many Government managers to move to part time because it is too creative. That every part-time emplovee will want health insurance has not been borne out by figures in the private sector and in States, but by having the yearly reporting requirement to the Congress in the bill, we can look at actual results, and then I think we will have something to talk about other than some guesses.

Mrs. FENWICK. Will the gentlewoman yield further?

Mrs. SCHROEDER. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Who made that estimate of $2,800,000?

Mrs. SCHROEDER. The Budget Office.

Mrs. FENWICK. Did they tell the gentlewoman on what basis they were making it?

Mrs. SCHROEDER. They tried to project how many people might be involved in the project. Maybe the gentleman from New York has the figures. Does the gentleman from New York have the figures?

Mr. GILMAN. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentlewoman for yielding.

In the conference report, I point out to the gentlewoman from New Jersey, they state that the basis of the enactment of H.R. 10126 would result in an estimated first year increase of $432,000, of which $232,000 is for Federal Employee Health and Life Benefits. The remaining costs cover administration, program development, and evaluation. These additional costs would be distributed among the Civil Service Commission and all executive agencies employing individuals on a part-time basis.

Mrs. SCHROEDER. If the gentleman will yield back my time, I do not believe they told us how many people they predicted would be coming in to take up that money; is that correct?

Mr. GILMAN. That is right. Of course, we have no way of estimating. It would be speculative.

Mrs. SCHROEDER. So I am saying to the gentlewoman from New Jersey I have looked at the report, but I am not really willing to say to the gentlewoman the cost estimates are precise.

Mrs. FENWICK. Four hundred thousand dollars would go into the health benefits and $2 million will go into the administration?

Mrs. SCHROEDER. No. The $2 million is over a longer period of time, 5 years.

Mrs. FENWICK. I thank the gentlewoman.

Mr. GARY A. MYERS. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. I thank the gentlewoman for yielding.

To continue on what the gentlewoman from New Jersey (Mr. FENWICK) has to say about it, is there not a way to surcharge if in fact one wanted to make a difference on the contribution of the individual? Was that considered, and why is that not included?

Mrs. SCHROEDER. That is certainly something we considered. We considered it and thought at the time since this was really a year-by-year experiment with reporting to the Congress each year and having looked at the private sector and what some of the States that have experimented with part time their track record showed it turned out not to be such a problem because a lot of the people were second-income people—young women, older people, and handicapped people who were really earning a second income and did not want medical benefits because they were covered un-

der someone else's policy. We will know more if we look at reporting results after the first year.

Furthermore, we have found that part time has saved money and has prevented overtime payments. When you stop paying premium time and overtime, because you can hire a half-time person rather than a full-time person, you save a lot of money, and over a long period of time most of these part-time projects have found that allowing part time the same health care benefits full time people had saved all sorts of Mickey Mouse, because only a minuscule number of part-time employees requested it. We thought let us put the experiment in and look at it in 1 year. If we find the costs are out of line, then at that point we can amend the health care benefits area.

Mr. GARY A. MYERS. If the gentlewoman would yield on another point, I am concerned about, and I do not believe the committee report addresses it, the relationship between a full-time employee and a part-time employee when it comes to filling an opening within an agency. Also I think that the report is mute on the question of when a permanent position becomes available in an agency, the relationship between a part-time employee and a person who is not employed at all by the Federal Government but is an applicant to the agency. It would seem to me that people who have chosen to work part time, if we are not very careful, will have some very strong biases in their favor in filling either permanent advancements or permanent openings as opposed to those people who are not.

Mrs. SCHROEDER. Mr. Speaker, if the gentleman will look at the committee hearings, we really went into this very extensively, especially with States that have a part-time program, such as Wisconsin, to find out what happened.

Mr. Speaker, if I may briefly summarize, I would like to have us read the report of what they did in Wisconsin. They surveyed all the full-time employees and asked if there are any of them who would rather work less than full-time, 17 percent said they would rather work less than full-time. This bill is carefully drafted so that no one can be mandated to go from full-time to part-time and no one who wants to work full-time has to take a part-time job and say, "Take it, it is better than nothing."

What we are trying to do is use part-time when it is needed and both management and the employee wants it.

Mr. GARY A. MYERS. Mr. Speaker, if the gentlewoman will yield further, it seems to me we would have people willing to take part-time jobs in the agency solely to protect their ability to remain within the agency if a more lucrative advancement comes, so as to put them in competition with someone on a full-time basis. That would be unfair.

Mrs. SCHROEDER. It is not up to the employees to determine what they are going to do. It is up to the manager to justify why a part-time position is better than a full-time position; so what the gentleman is saying, maybe under a cronyism society somebody could abuse part-time, but again I really find that doubtful. We could pick up such abuses very rapidly in our yearly reports. The bill is to allow that kind of flexibility for good management but not allow playing with the system for old buddies' benefit.

Mr. GARY A. MYERS. Mr. Speaker, if the gentlewoman will yield further, the bill addresses the question of not being able to force a full-time employee into a part-time position and so forth; however, the bill does not prohibit some very important bases that might accrue to the part-time employee.

Let me give this example. If there is a constituent in the gentlewoman's district in Colorado who wants to apply to the Federal Government and he or she cannot afford to move to Washington, D.C., for a part-time job and when a full-time job occurs the preference is given to a part-time employee to fill that full-time position, then the constituent from Colorado is put at a disadvantage.

Mrs. SCHROEDER. No; we have made it very clear that they cannot do that, that if they are going to do work sharing, they start in-house and work it out. The hearings specifically went into this and to how part time functions. I do remind the gentleman once again they are going to report part-time results to us every year, and we are going to watch results very closely.

There is a Federal Executive order that these agencies are going to be experimenting, anyway, with part time, and we feel that the Congress should be involved in it, monitoring it and seeing if we need to correct the course. This allows us a piece of that experiment so that we can insure that the kind of abuses we are talking about will not happen. We certainly did extensive hearings and research on it and found out that in reality that kind of abuse did not occur. I do not think Federal employees are more evil than State employees or private sector employees.

Mr. VOLKMER. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield for a very short time, because I have others waiting to speak.

Mr. VOLKMER. Mr. Speaker, I want to point out that most of us in Congress, I am sure, and I know I have, I do have part-time people on my staff. It has worked very well for various reasons. I think the gentlewoman should be commended on this legislation.

I would like to point out to the gentlewoman from Colorado (Mrs. SCHROEDER) that there are people on my staff and people on the staffs of other Members who receive the same benefits that full-time employees receive. I do not believe we should in any way say that we cannot do for the rest of the Government what we presently do for ourselves. I think if it is good enough for us, it should be good enough for the rest of the Government.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman from Missouri (Mr. VOLMER) for his contribution.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I compliment my very able colleague from Colorado, the distinguished chairwoman of the Subcommittee on Employee Ethics and Utilization, on which I serve as the ranking minority member, for her leadership in bringing to the House floor a bill that will considerably increase part-time employment opportunities within the civil service.

As originally introduced, H.R. 10126, the Federal Employees Part-Time Career Employment Act of 1978, established specific percentage set-asides within each agency for part-time positions. This I felt was unmanageable and would severely handicap the flexibility of Federal supervisors in achieving the missions of their respective agencies. Accordingly, I urged my colleagues on Employee Ethics and Utilization to exercise part-time hiring quotas from this bill, which were not only objectionable to the administration, but also conveyed, in my opinion, negative connotations for this Congress.

H.R. 10126, as now amended, would only encourage the use of part-time career employment in the Federal Government by requiring each agency to establish a program to provide for increased part-time career employment opportunities. This I believe is an admirable compromise, and with careful monitoring by the subcommittee, I truly feel that sufficient part-time positions can be created within the civil service.

Mr. Speaker, I was deeply impressed by the extensive testimony that the subcommittee received from all sectors of society in support of H.R. 10126. And one point kept coming back again and again—that lifestyles and income distribution are undergoing new scrutiny as more and more people decide they want to work less—and are willing to give up some of their pay to do so. As an illuminating series of articles by the Washington Post in December of 1977 pointed out:

> The increasing demand for more flexibility in work hours has been spearheaded by the growing number of women—now estimated to be 40 per cent of the total work force—who are trying to balance conflicting job and family responsibilities. Swelling this movement are the elderly, the physically handicapped and many younger workers who for various reasons find the 40-hour week an obstacle. These conflicts between work and personal lives have in many instances led to domestic turmoil, tension and re-examinations of values.

Part-time work, or job sharing, has enjoyed considerable success in State and local governments as well as private industry. Where utilized, increased productivity can be documented and heightened morale has resulted, especially when job-sharing was offered as an alternative to layoffs and unemployment.

Another attractive feature of this legislation is the benefits to be derived by older Americans, especially now that they can work for a longer period of time due to the untiring efforts of my colleague from Florida, Mr. PEPPER, in pushing through the Congress the Age in Discrimination Act. H.R. 10126 would permit older Americans, who can work to a later age, but are unable to with-

stand the rigors of a 40-hour workweek, the chance to gradually ease their way into retirement and the time to prepare themselves to cope with the psychological strain of waking up every morning without a job to set out for.

I am worried, Mr. Speaker, and I wish to note this concern for the record, that part-time career opportunities will not be made available to those most in need of job-sharing, that is, the elderly, the handicapped, working mothers. Hopefully oversight by the Subcommittee on Employee Ethics and Utilization will prevent this from coming to pass.

Mr. Speaker, I am pleased to stand before this body today as a cosponsor of H.R. 10126 and enthusiastically urge my colleagues to vote to suspend the rules and pass H.R. 10126.

The SPEAKER pro tempore (Mr. DANIELSON). The Chair will state that the gentleman from New York (Mr. GILMAN) has 16 minutes remaining, and the gentlewoman from Colorado (Mrs. SCHROEDER) has 4 minutes remaining.

Mr. GILMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in support of H.R. 10126, which encourages part-time career employment within the civil service.

The Subcommittee on Employee Ethics and Utilization in reporting this bill wisely removed objectionable language which provided for mandatory part-time job quotas in the executive branch.

Instead, we have before us a basically voluntary bill which requires agencies covered by the bill only to study the creation of part-time career opportunities as they arise through employee resignations and retirements. The FBI, and the intelligence community in general, are not covered by H.R. 10126.

Specifically, agencies in the executive branch will have to review positions which, as they become vacant, may be filled on a part-time career basis. The bill would not disturb collective bargaining agreements existing on the date of enactment and the agencies would not be required to create part-time work out of supergrade jobs. Occupied full-time positions would not be abolished to create part-time work, and no employee would be required to accept part-time work as a condition for continued employment.

The bill also contains a more practical method of establishing personnel ceilings in the various agencies. Presently, a part-time career employee is counted as one more employee in an agency; this legislation would have a 20-hour per week employee counted as half an employee since 20 hours is half of the standard 40-hour week. A 30-hour per week employee would count as three-quarters of an employee, and so on.

To this end, the administration in its budget for fiscal year 1979 has directed executive branch agencies to establish programs which will encourage the employment of part-time employees. It reads, in part:

> To provide more jobs for people unable to work full-time, the President has directed executive branch agencies to establish programs that will expand employment opportunities for permanent part-time workers. As a further step, the Office of Management and Budget and the Civil Service Commission have been authorized to conduct an experiment with full-time equivalent employment controls in a few agencies. These agencies will measure employment by counting the number of hours worked and converting the hours into work-years. This experiment is designed to accomplish two objectives: (1) To break down artificial barriers that may have inhibited the employment of permanent part-time workers; and (2) to determine whether full-time equivalent employment controls can improve personnel management, overcome some of the criticisms directed at the existing end-of-year ceiling control system, and also limit the growth of the Federal work force to appropriate activities.
>
> This experiment will require the development of a new Government-wide personnel accounting system that would measure Federal employment on a full-time equivalent basis. If successful, such a system may ultimately be used as the primary means of controlling the size and makeup of the Federal civilian work force.

H.R. 10126 is a reasonable effort toward establishing positions most likely to be filled by persons who cannot realistically choose between unemployment and full-time work: students who must finance their own educations, handicapped persons, and parents with young children are among the groups who will welcome this legislation.

Mr. Speaker, given the safeguards in this bill, particularly the omission of mandatory creation of part-time jobs, I support it and urge my colleagues to do the same.

Mr. Speaker, in addition, I wish to commend my colleague, the gentleman from New York (Mr. GILMAN), for his masterful presentation of this subject.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Illinois for his kind words.

At this time, Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, today we are considering two bills under suspension, H.R. 7814, providing for flexible work schedules for Federal employees, and H.R. 10126, providing part-time career employment for Federal employees.

Both of these bills are badly needed to open up new needed career opportunities for many people who might not otherwise be able to have normal careers. Flexible working hours will enable many people, women in particular, to work around their children's needs, and may, in fact, even discourage abortions for some women who feel they need to work.

Establishing more part-time jobs at all levels of Federal employment also will be helpful to women with children who cannot spend full time in a career. It also will provide more alternatives for the handicapped, students, and the elderly.

We need to open up our Federal service to provide employment for more different kinds of people. These bills are definitely a step in the right direction. I urge my colleagues to support passage of these two bills.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN of Illinois. Mr. Speaker, I rise in support of H.R. 10126, a bill which will establish a program to increase part-time career employment within the civil service.

As a cosponsor of this bill, I feel that it is a piece of legislation that every Congressman has a stake in seeing passed. There is not one among us who does not have elderly constituents, students, women with children, single heads of households, or teenagers in our district. This is a bill that affects each of these categories of people. Categories, however, have no life. These people do have a life, and this legislation is aimed at improving the quality of that life, either directly or indirectly. By encouraging part-time employment in the civil service, we are directly encouraging the employment of people who, due to other obligations in their lives, such as children or health, cannot work full time. We are enabling these people to work to support themselves and their families without requiring that they neglect themselves and their families in the process.

Indirectly, we are encouraging private industry to provide the same alternatives, as many already do. We are setting an example, a good example.

In addition, it can increase the capability and efficiency of the civil service system. All too often we are faced with a choice between helping individuals and helping the system itself.

I feel that in this bill we have, for once, the happy opportunity to benefit both the U.S. Government and people in unique situations. Past experience with part-time employment has shown increases in morale, increases in productivity, increases in the ability of an agency to draw on the expertise of many individuals rather than a few. I am recommending passage of a bill that will strengthen the Federal system by increasing its access to skilled people and increasing its flexibility in responding to the various demands on the Federal Government.

Mr. Speaker, I urge my colleagues to vote for this bill. By doing so, we will improve the Federal labor force and make life a little bit easier for people in difficult situations.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, it is with great honor that I yield as much time as she may consume to one of the authors of this bill, the gentlewoman from California (Mrs. BURKE).

Mrs. BURKE of California. Mr. Speaker, I rise in support of H.R. 10126, the Federal Employees Part-Time Career Employment Act of 1978. I believe that this legislation will have a significant and positive impact on the efficient operation of the Federal Government and will be substantially beneficial to the thousands of men and women who need work but who are unable to work a standard workweek.

This bill would significantly increase the opportunity for the Federal Govern-

ment to employ the skills, resources, and talents of many segments of the population now either not represented or chronically underrepresented in the Federal work force. Many of these men and women have been systematically excluded because of our current employment practices.

At present, the Federal Government lags significantly behind the private sector in providing part-time employment, particularly in medium- and high-level positions. While part-time workers comprise 17 percent of the civilian, nonagricultural work force, the Civil Service Commission estimated that currently fewer than 2 percent of its employees are permanent part-time workers.

Yet the demand for part-time work has been dramatic and consistent. According to the Bureau of Labor Statistics, there was an 18-percent increase in the number of workers holding down full-time jobs between 1965 and 1976. During that same time frame, the numbers of part-time workers jumped by 43 percent. In 1967, the Bureau of Labor Statistics estimated that by 1980, one worker out of every seven would be part time. But the rate of increase has been so great that the ratio of 1 to 7 was reached by the end of 1972, 8 years ahead of the estimate. By the end of last year, nearly 11 million workers were on voluntary part-time schedules. Women made up 69 percent of those workers.

It is clear that the Federal Government has not been as responsive to the demand for part-time work as it might have been. This is particularly evident in its utilization of the talents and skills of professionally trained women on a permanent part-time basis. As of calendar year 1976, only 714 of the 5,546 women employed on a permanent part-time basis were in grades GS–5 to GS–15. Although 70 percent of all Federal part-time workers are women, 87 percent of these women are concentrated in the GS–2 and GS–3 ranks.

A meaningful system of part-time employment would provide benefits for women, particularly those with small children, students, the handicapped, and the elderly, all of whom could avail themselves of a chance to work for the Federal Government. At the same time, the Government would benefit from utilizing these part-time employees. Evaluations of part-time workers have consistently demonstrated that they are "management bargains." Employers benefit from the ability to choose from a larger pool of talent and from gaining access to a source from which they can fill shortages in fields requiring specialized skills. Other advantages include lower turnover rates, high productivity, greater maturity, and stronger motivation.

Skilled professional part-time workers are usually women. Those men who presently hold part-time jobs are generally either students or older men. Many more women want to work part-time but cannot find jobs. This is particularly true of women with small children who have an unemployment rate of 12 percent. For those women seeking employment who have children under the age of 3, the unemployment rate is nearly 16 percent. Part-time employment is a solution for the woman who must out of economic necessity combine raising a family with pursuing a career.

Over the past 25 years, there have been a number of significant changes in the composition of the work force. There has been, for example, a dramatic increase in the proportion of mothers working outside the home. Today, over one-third of women with preschool children and one-half of all women with school-age children are working. Those figures are double the proportions of 25 years ago and reflect among other things, the state of the economy and the stresses placed on our families. I would note that two of every five marriages ends in divorce.

Given this background, I think there is a compelling need to provide the option for part-time employment for women with young children.

While women would gain substantially from enactment of this legislation, there are at least four other segments of the working population that could benefit as well. Among these are men who wish to assume a greater role in child rearing and family life. Students could more easily work for the Federal Government and Federal employees who wished to avail themselves of advanced schooling and training could do so. Experienced, expensively trained employees might choose to remain on the job part-time rather than retire early. There has been much discussion of late about the benefit of gradual retirement. Again, part-time employment would provide the vehicle for Federal employees choosing this alternative to sudden retirement at age 65.

I would particularly note the beneficial impact of this legislation on handicapped workers. H.R. 10126 would open doors for those who, because of the severity of their disabilities, are unable to work the standard 40-hour work week. Handicapped workers who are unable to negotiate the crush of rush hour or who must undergo extensive medical treatments would be able to tailor their schedules accordingly. Handicapped workers comprise less than 2 percent of the part-time Federal work force and 0.08 percent of the full-time Federal work force. By increasing the availability of part-time employment to these workers, the Federal Government can tap another supply of skilled and talented workers.

There have been a number of lengthy studies conducted to determine the feasibility of providing additional part-time employment opportunities in the Federal Government. Among the agencies which have undertaken such experimental programs are: the Atomic Energy Commission, now part of the Department of Energy; the Department of Labor; HUD; the Peace Corps; the National Science Foundation; and the Veterans' Administration.

A study by Margaret A. Howell and Marjorie G. Ginsberg entitled, "Evaluation of the Professional and Executive Corps of the Department of Health, Education, and Welfare," published in the February 1973 issue of Public Personnel Management evaluated the HEW program on the basis of the opinions of supervisors. Some of the key findings were; 77 percent of the supervisors found no difficulty or slight difficulty in terms of availability for conferences or consultation; 86 percent of supervisors thought many jobs could be part time; 100 percent felt women could handle high level policymaking jobs and should be given the opportunity for such jobs.

However, despite these successful experiments, Federal regulations relating to part-time employment are still vague and subject to various interpretations, thus making implementation of widespread part-time employment impossible.

One major problem is the use of personnel ceilings which have created an artificial dichotomy between full-time and part-time employment. The personnel ceilings have emphasized full-time employment and given little attention to part-time opportunities. The result has been continued focus of management on full-time employment with no incentive to establish and maintain an optimum employment mix.

H.R. 10126 would eliminate the ambiguity and lack of incentive in regulatory policy by counting part-time employees on a pro rata basis according to the percentage of hours each employee worked in a 40-hour work week, rather than as the equivalent of a full-time permanent employee. In other words, an agency would count workhours rather than simply employees or slots.

I would bring to your attention a recent General Accounting Office report, "Personnel Ceilings—A Barrier to Effective Manpower Management." While it does not specifically endorse the inclusion of additional part-time positions, it does conclude that Federal manpower management can be improved by employing the most appropriate types of personnel resources rather than relying strictly on the numbers of persons employed on any given day by the Federal Government. This June 2, 1977 report is a follow-up of an earlier report on the utilization of part-time employment in the Federal agencies which concluded that the Office of Management and Budget should relax or eliminate personnel ceilings for part-time employees to allow agencies greater flexibility in using whatever types of employees could most efficiently carry out the functions of the agency.

With the adoption of this legislation, we can increase productivity and efficiency in government, serve as a model for private industry and other public employers and lead the way in opening up the work force at all levels to the skilled and talented men and women who have been excluded for so long.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill H.R. 10126, as amended.

The question was taken.

Mr. GARY A. MYERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the

Chair's prior announcement, further proceedings on this motion will be postponed.

CHANGES IN POSTAL SERVICES

Mr. HANLEY. Mr Speaker, I move to suspend the rules and pass the bill (H.R. 9146) to provide for congressional review of proposed changes in postal services, as amended.

The Clerk read as follows:

H.R. 9146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3661 of title 39, United States Code, is amended to read as follows:

"§ 3661. Changes in postal services

"(a) When the Postal Service determines that there should be a change in the level or types of postal services, and such a change would have nationwide or substantially nationwide impact, a detailed statement of the proposed change, including estimates of impact upon the public, business mail users, service levels, postal finances, and postal employment shall be submitted to the Congress in accordance with this section.

"(b) No proposed change in the level of postal services shall become effective unless during the period of the first 60 calendar days of continuous session of the Congress (after the date on which the Postal Service transmits to the House of Representatives and to the Senate a document setting forth the text of the detailed statement of the proposed change) neither House adopts a postal service resolution referred to in subsection (e)(2) of this section.

"(c) Any document described in subsection (b) shall be immediately referred in the House of Representatives to the Committee on Post Office and Civil Service and in the Senate to the Committee on Governmental Affairs.

"(d) For purposes of subsection (b)—

"(1) continuity of session is broken only by an adjournment of Congress sine die; and

"(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day period.

"(e)(1) The provisions of this subsection are enacted by the Congress—

"(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of postal service resolutions described in paragraph (2), and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, and in the same manner and to the same extent as in the case of any other rule of that House.

"(2) For purposes of this subsection, the term "postal service resolution" refers to a resolution of either House of Congress—

"(A) the effect of which is to prohibit the change in the level or type of postal services described in the document which is transmitted to the Congress pursuant to subsection (b); and

"(B) which is reported from the Committee on Post Office and Civil Service of the House of Representatives or the Committee on Governmental Affairs of the Senate, not later than 45 days after the date on which the document described in subsection (b) relating to such change is transmitted to the Congress.

"(3) Any postal service resolution upon being reported shall immediately be placed on the appropriate calendar.

"(4)(A) A motion in the House of Representatives to proceed to the consideration of any postal service resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(B) Debate in the House of Representatives on any postal service resolution shall be limited to not more than 6 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. It shall not be in order to move to recommit any postal service resolution or to move to reconsider the vote by which any postal service resolution is agreed to or disagreed to.

"(C) Motions to postpone, made in the House of Representatives with respect to the consideration of any postal service resolution, and motions to proceed to the consideration of other business, shall be decided without debate.

"(D) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any postal service resolution shall be decided without debate.

"(E) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of any postal service resolution shall be governed by the Rules of the House of Representatives applicable to other bills and resolutions in similar circumstances.

"(F)(1) For the purpose of this section, a change in the level or types of postal services includes—

"(A) a change in the number of days each week mail is delivered over letter carrier, rural, and star routes;

"(B) a change in the number of days each week and hours each day post offices are open to the public to transact business;

"(C) an increase in the periods of time used as the standard for the timely delivery of mail matter as of September 1, 1977;

"(D) a change in the standards which would further restrict the eligibility to receive mail by letter carrier, rural, or star route delivery; and

"(E) changes in other nationwide or substantially nationwide levels and types of postal services which have been provided to the public generally.

"(2) For the purpose of this section, a nationwide or substantially nationwide change in service includes any such change which would have effect in more than one geographic or administrative region established by the Postal Service.".

(b) The subchapter heading appearing immediately above section 3661 of title 39 is amended to read as follows:

"Subchapter IV. CHANGES IN POSTAL SERVICES AND RATE AND SERVICE COMPLAINTS".

(c) The catchline appearing at the beginning of chapter 36 of title 39, United States Code, is amended by striking out the matter relating to subchapter IV and inserting in lieu thereof the following:

"Subchapter IV.—CHANGES IN POSTAL SERVICES AND RATE AND SERVICE COMPLAINTS

"3661. Changes in postal services.
"3662. Rate and service complaints.".

The SPEAKER pro tempore. Is a second demanded?

Mr. GILMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. HANLEY) and the gentleman from New York (Mr. GILMAN) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I move that the House suspend the rules and pass H.R. 9146, with an amendment.

This bill, authored by our distinguished committee chairman, Mr. ROBERT N. C. NIX, was introduced in response to the threat by the Postal Service to end Saturday delivery.

As we all know, last year, after the Commission on Postal Service issued its report recommending certain economies in postal operations, the Postmaster General moved quickly to make arrangements to cut out Saturday delivery. We have since learned that the Postal Service had plans of exactly how to go about reducing delivery to some 75 million residences and business establishments from 6 days a week to only 5 days.

The outcry from the public and the Congress, of course, was immediate. An amendment to the postal appropriation bill was adopted in the Senate and agreed to by the House. Later, House Concurrent Resolution 277 was adopted by a margin of 377 to 9, expressing the sense of the House and Senate that Saturday delivery must be continued.

H.R. 9146 is an outgrowth of that congressional point of view. But, unlike the earlier legislation, which aimed at expressing a point of view, or "getting the message across" to the Postmaster General, H.R. 9146 etablishes a formal procedure whereby the Postal Service cannot make a nationwide or substantially nationwide change in the levels or types of postal services without submitting the proposed change to the Congress. If either House, during the 60-day period following submission of the proposed change, adopts a resolution of disapproval, the change cannot become effective.

Mr. Speaker, this bill was introduced by Chairman NIX on September 15, 1977, cosponsored by 23 members of the Committee on Post Office and Civil Service. It was reported by a unanimous vote of the committee on November 2, 1977.

Last week, I met with Stuart Eizenstat, the President's principal Assistant for Domestic Affairs, and discussed this bill with him. He stated that the President has no objection to the passage of H.R. 9146, although there were some reservations about the definition of what would be considered a nationwide change in postal services. Subsequent to that meeting, we drafted an amendment to the bill, as reported, to clarify the procedures involved in congressional consideration of a service change, and also to more narrowly defining the kind of change which would be subject to review by the Congress.

Mr. Speaker, I call upon my colleagues on both sides of the aisle to vote for this legislation to insure that the American

people will continue to receive the levels of postal service they have been receiving, and so that the Congress will have an opportunity to examine any proposed lessening of those services before they are made.

Mr. GARY A. MYERS. Mr. Speaker, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Speaker, it is my understanding that nothing in this bill will provide a situation where rate increases or rate adjustments—increases or decreases—would be brought before the Congress for its approval?

Mr. HANLEY. The gentleman is correct. We are talking about services only. The matter of rates is not involved at all.

Mr. GARY A. MYERS. I thank the gentleman.

Mr. HANLEY. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The Chair recognizes the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I have always considered brevity a virtue, and so I will not use my full 5 minutes. But, I would like to call to the attention of the Members that this bill is the product of the great leadership and creative mind of our chairman, Mr. NIX, and has the full support of all members of the committee. It is a very necessary, practical legislative act with national import, and I urge support of this bill.

Combining creative ability with practical acumen, Chairman NIX responded by introducing H.R. 9146, which quickly won virtually 100-percent bipartisan committee support, and followed up with a plan for a series of nationwide hearings on 6-day mail delivery. The hearings, held in 11 different cities ranging from rural hamlets to major metropolitan centers, provided overwhelming evidence the Nation's mail users wanted and demanded the continuation of 6-day mail service.

This bill meets a national want. Unlike some of the postal legislation brought to the floor under the guise of reforming the 1970 Posal Reorganization Act, this is clear, concise legislation. It is the kind of legislative response which demonstrates a rapport with the mail-using public.

Under Chairman NIX's gifted and dauntless leadership, the committee has responded with one voice to a postal problem. H.R. 9146 is a tribute to the resourcefulness of the chairman, and a benchmark for future postal legislation.

H.R. 9146 underscores the maxim that quality begets quality. This is quality legislation by a leader and lawmaker of quality. Its clearcut, balanced approach to a proposal which promises to impact on the nation's mail users is a tribute to the perspicacity of the distinguished Chairman of the Post Office and Civil Service Committee.

What this bill does is give Congress the opportunity to review and to reject, if it so decides, any proposed changes in the level of nationwide postal services. It would be applicable, for instance, to a plan to reduce mail delivery service from 6 days to 5 days a week. Right now, the U.S. Postal Service has the last word on the implementation of nationwide changes in service standards.

With his usual brilliant insight, Chairman NIX was convinced the Postal Service was showing more than passive interest in a Postal Study Commission recommendation to reduce daily mail service. He also questioned the validity of a survey which claimed 80 percent of the mail users had no objections to a cutback in delivery service.

Mr. GILMAN. Mr. Speaker, I yield one minute to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN of Illinois. Mr. Speaker, I rise in support of this bill, H.R. 9146, which I have cosponsored along with 23 of my colleagues on the House Post Office and Civil Service Committee.

This legislation which we are considering today is testimony to the fact that our democratic form of government works to support the interests of the people, not just the organized interest groups. It is the people who want this legislation.

I have received many, many letters in support of H.R. 9146 and opposed to the events that led to the need for this legislation. My constituents wrote to me in virtually unanimous opposition to elimination of Saturday mail delivery, and it is clear that not only rural people would be affected by such a cut in service. Newspapers, the elderly, businessmen, and men and women who have no affiliation other than the fact that they use and depend on the Postal Service have made it clear that they do not want less service than they receive now, after years of reductions. We have hit the bottom line. People will no longer accept the attitude that the customers do not count.

I conducted a post card poll sampling my district to determine how my constituents felt about discontinuing Saturday delivery. I received thousands of these cards, and out of these thousands 89 percent opposed elimination of Saturday delivery. That spoke very clearly to me.

I held hearings cochaired by the gentleman from Iowa (Mr. LEACH) in Pontiac, Ill., in my district, on the proposal to eliminate Saturday delivery. Over 150 people attended in spite of the fact that we were in the midst of a winter storm. They came from long distances and from every walk of life. We had 13 scheduled witnesses and many unscheduled witnesses, in addition to which we had written testimony from people who were unable to attend but wished to make their views known.

I had the privilege of facing the people and actually hearing what they had to say. I heard concern, I heard indignation, and, most important, I heard a mandate from my constituents. In the words of one of my witnesses, Mr. Jim Roberts, editor and publisher of the Fairbury Blade—

> If we're to have a Postal Service, and it's little enough that we get today, then Saturday service is a part of it.

Out of all these people, not one—not one—favored elimination of Saturday mail delivery. They were unanimously opposed. I know the results in my district were reflected in hearings and polls held by my colleagues, and still the Postal Service continues to offer this as a viable option.

Mr. Speaker, that is why we need to support this legislation. We are responsible to the people, and the people want our protection from the unresponsive policies of the U.S. Postal Service. This bill will give us the means to protect the interests of the people, of our constituents, who have sent us here to be their voice in Government.

I urge my colleagues to support this bill, that together we may uphold the interests of the people of the United States.

Mr. GILMAN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise to support the comments of the other distinguished members on the Committee on Post Office and Civil Service, on which I also am privileged to be a member, and join my voice with theirs in announcing my unreserved support for H.R. 9146, a bill designed and drafted to accord the Congress an opportunity to review any proposed changes in the level of nationwide postal services before such changes take effect.

I congratulate my very able colleague from Pennsylvania, the honorable chairman of the Post Office and Civil Service Committee, Mr. NIX, for the wisdom and legislative craftsmanship he demonstrated in introducing this bill and by securing such overwhelming bipartisan support for his measure.

That this legislation is needed, and needed now, there can be no doubt. Efforts by the former Postmaster General to reduce the level of postal services over the past few years to achieve uncertain cost savings, although I am sure well-intended, demonstrated both a lack of appreciation for the historic role of the postal service in our country and a failure to understand the congressional mandate embodied in the Postal Reorganization Act of 1970. I only need recount for rural legislators the proposal to eliminate small post offices, which lend a certain intangible character to the community wherein they are located, and in many instances are the one identifiable link between our Federal Government and the citizens the U.S. Postal Service was meant to serve.

To representatives from major metropolitan areas, I call your attention to the reduction in the delivery of business mail from the original three times a day to two and then to one, despite strong opposition by the business community.

Finally, I remind all legislators of the most recent proposal of the U.S. Postal Service to eliminate 6-day-a-week deliveries. This issue cuts across every district in this country.

I had occasion to chair a hearing by the Post Office and Civil Service Committee in my own district—the 26th Congressional District of New York, encompassing Orange and Rockland Counties and part of South Ulster County—on the very issue of 6-day deliveries. The re-

sponse from the witnesses at that hearing representing municipalities, small businesses, industry, newspapers, the aged, farmers, local postmasters, and craft employees, postal union lobbyists, and postal consumers were almost unanimous in their opposition to such a move and they also voiced their opinion on the absence of any sensitivity to and appreciation by the U.S. Postal Service of the needs of the citizen which it serves. In addition, I mailed a questionnaire to over 50,000 of my constituents soliciting their views on the need for Saturday postal delivery. As of this date, the vote is running at a rate of better than 5 to 1 in favor of continuation of Saturday mail delivery. And this I may say, Mr. Speaker, is not untypical of the reponses that other members of the Committee on Post Office and Civil Service have received in polling their own constituents.

Mr. Speaker, I am pleased to be a cosponsor of H.R. 9146, not only because of the urgency in the need to regain for the Congress the rightful exercise of our responsibility in deciding appropriate postal policy issues, but also because it is about time that we can go back to our constituents and say to them that we have indeed acted to improve the postal service that they have so long complained of.

Mr. Speaker, I urge my colleagues to vote to suspend the rules and pass H.R. 9146.

Mr. GARY A. MYERS. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Mr. Speaker, I would like to ask the gentleman if he believes that to be an opinion nationwide, how does he think the Postal Service survey revealed an 80-percent level of support for reducing to 5 days if in fact it meant a savings of some $300 million a year? Where are the inconsistencies? Does he believe the Postal Commission study to be inaccurate or biased in any way?

Mr. GILMAN. I do not know how the Postal Service arrived at its final estimate. I question their data because in my own district I administered a questionnaire to over 50,000 of my constituents, soliciting their needs on the mail delivery, and as of this date it is running 5 to 1 in favor of Saturday mail delivery. I would like to note that this seems to be the average in many of the districts which we have been polling.

Mr. GARY A. MYERS. Will the gentleman yield again on that point?

Mr. GILMAN. I yield to the gentleman from Pennsylvania.

Mr. GARY A. MYERS. Did the gentleman's questionnaire address the cost savings that would be associated with the reduction of 1 day?

Mr. GILMAN. I believe we did have a provision in the questionnaire that set forth the cost savings.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, on that question of cost, I would like to point out to my friend, the gentleman from Pennsylvania, because a savings of $300,000 would not in any way forestall the rate increase that is pending so what we would have is a reduction of 6 down to 5 days delivery almost simultaneously with the next rate increase. The public might support a cutback in deliveries if the trade off was some moratorium on the rate increase, but that is not possible.

Mr. GARY A. MYERS. Did the gentleman state it was $300,000? Is that the figure?

Mr. DERWINSKI. It is $300 million, which is less than half of the revenue that would be raised from a 1-cent increase in first-class rates so the gentleman can see that a cutback to 5 days would not in any way forestall the rate increase.

Mr. GARY A. MYERS. The gentleman assumes we should not save the $300 million then?

Mr. DERWINSKI. No, I am assuming we do not cut back services at a time when we are going to arbitrarily impose a rate increase.

Mr. GARY A. MYERS. I thank the gentleman from Illinois.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Pennsylvania for his pertinent inquiry.

Mr. GILMAN. Mr. Speaker, at this time I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in support of H.R. 9146. I also was happy to join our chairman, the gentleman from Pennsylvania (Mr. NIX), in cosponsoring this bill along with several of my colleagues from both sides of the aisle. I think it is indeed time that we recoup, as both my colleagues from New York have mentioned, additional congressional review for proposed changes and cosponsored by 24 of the 25 members of Congress even though we gave up too much authority in the so-called Reorganization Act of 1970, get the mail and we get the complaints when there are problems as a result of changes in the Postal Service. Therefore I think we should have the ability to review these different type changes and, as the bill states, have detailed accountability of what the impact of those changes will be.

So, Mr. Speaker, H.R. 9146, a bill introduced by Chairman ROBERT N. C. NIX and cosponsored by 24 of the 25 members of the Post Office and Civil Service Committee is needed legislation. This bill would provide Congress the opportunity to review—and veto—proposed changes in the level of postal services before such changes could take effect. Should either House adopt a disapproval resolution within a 60-day period following the submission of a proposal for change, that change would not be allowed.

As a member of the Post Office and Civil Service Committee since 1970, I have listened to hours of testimony and debate on the problems of the U.S. Postal Service and its prospects for the future. The quality of mail service has deteriorated alarmingly since the passage of the Postal Reorganization Act of 1970, which I opposed. With the passage of that law, Congress effectively eliminated itself from any real control over the Postal Service. The bill we are considering today, H.R. 9146, is a first, and necessary, step toward regaining some measure of congressional oversight of the operation of the U.S. Postal Service.

The United States Constitution grants Congress the power "to establish post offices and post roads." In passing H.R. 9146, the House would be in compliance with the intent of the Founding Fathers in recognizing that mail delivery is a service to the public and one which should be monitored and controlled by the people's Representatives.

I urge my colleagues to join with the Post Office and Civil Service Committee in reaffirming our constitutional responsibilities with regard to the U.S. Postal Service. H.R. 9146 is important legislation and its passage is necessary to any effort to impede the further deterioration of mail service to our constituents.

Mr. HANLEY. Mr. Speaker, I have no further requests for time.

Mr. GILMAN. Mr. Speaker, at this time I yield 2 minutes to the gentleman from Pennsylvania (Mr. GARY A. MYERS).

Mr. GARY A. MYERS. Mr. Speaker, I take this time to ask the chairman, the gentleman from New York (Mr. HANLEY), one additional question. Can I assume that nothing in this bill will bring back to the Congress the ability to intervene with the personnel assignments in the Postal Service? Is that any portion of this bill?

Mr. HANLEY. Mr. Speaker, if the gentleman will yield, let me say that the answer is no, it is not. It was not involved at all. We are talking about universal service changes only.

Mr. GARY A. MYERS. I thank the gentleman.

Mr. GILMAN. Mr. Speaker, at this time I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I must point out that certainly in this matter of H.R. 9146 that all is sweetness and light on the Committee on Post Office and Civil Service, but that may not be necessarily the case on Thursday. If the Members will check the whip notice, they will find an item H.R. 7700 scheduled for action on the floor, and it may be somewhat controversial.

So I would like to suggest to the Members that they keep their options open and watch for my words of wisdom on that bill. If we want to have the Postal Service improved, which our beloved administration and I wish to see, I will be telling you all about it Thursday afternoon.

As I just mentioned, later in the week, this body will have an opportunity to sit in judgment on the latest tortured effort to write so-called postal reform legislation. This in the nature of a progress report which I feel is necessary in view of the many changes made in the bill H.R. 7700 since it was reported by the Post Office Committee on November 3, 1977.

From the outset, it was obvious that H.R. 7700 was a bad bill. It drew strong opposition from President Carter and the Office of Management and Budget.

When a committee majority chose to ignore administration objections, the President responded by asking our distinguished Speaker to put a "hold" on the legislation.

With H.R. 7700 in legislative limbo, committee majority finally decided to capitulate to the White House in an effort to preserve at least the skeleton of its handiwork.

Therefore while there have been numerous changes made in this bill, with all due respect to the sponsors, the amount of money to be authorized still may be at issue. It is clear the administration wants no part of a formula which would provide the Postal Service with 15 percent of the previous years operating costs for public service. That would total $2.5 billion and compares with the $920 million currently available. At this moment, the administration has shown questionable enthusiasm for the additional $800 million announced by one of the cosponsors.

Jettisoned from the bill was congressional review of postal rates. This function will be retained by the Postal Rate Commission.

At the insistence of the administration, the plan to abolish the Board of Governors also was dropped. In addition, the President will appoint the Postmaster General for a fixed 4-year term.

To some degree, major deficiencies in the bill have been corrected because of the efforts of the administration. However, there still are a number of trouble spots in the bill which will have to be reworked when this legislation goes to the other body. It is clear to me, and obviously the administration, that while this body will concern itself with as much bad as good in the legislation, the other body in more responsible cooperation with the administration, will rewrite the bill.

My position continues to be one of agreeing with the foresighted administration approved amendments. This does not necessarily mean I will be in agreement with the uncoordinated duo sponsoring H.R. 7700.

Mr. GILMAN. Mr. Speaker, I have no further requests for time.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bills H.R. 7814, H.R. 4320, H.R. 10126, and H.R. 9146 which were considered today.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. HANLEY) that the House suspend the rules and pass the bill H.R. 9146, as amended.

Mr. VOLKMER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3 of rule XXVII, and the Chair's prior announcement, further proceedings on this motion will be postponed.

RATE OF INTEREST ON INDIVIDUAL RETIREMENT BONDS

Mr. ULLMAN. Mr. Speaker, I move to suspend the rules and pass the bill H.R. 6635 to amend the Second Liberty Bond Act to allow the interest rates paid on U.S. retirement plan and individual retirement bonds to be increased to the rate paid on U.S. series E savings bonds, as amended.

The Clerk read as follows:

H.R. 6635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Second Liberty Bond Act (31 U.S.C. 752) is amended by adding at the end thereof the following new paragraph:

"The Secretary of the Treasury, with the approval of the President, may provide by regulations that the investment yield on any offerings of bonds issued under this Act which are described in section 405(b) or 409(a) of the Internal Revenue Code of 1954 (relating to retirement plan bonds and individual retirement bonds, respectively) be increased for the interest accrual periods specified in such regulations so that the investment yield on such bonds for such periods is consistent with the investment yield on series E savings bonds for such periods."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to the investment yield on bonds issued before, on, or after the date of the enactment of this Act, but only for purposes of increasing the investment yield on such bonds for interest accrual periods beginning after September 30, 1977.

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

Mr. SYMMS. Mr. Speaker, I object. And on that I demand tellers.

Tellers were ordered, and the Speaker pro tempore appointed as tellers Mr. ULLMAN and Mr. SYMMS.

The House divided, and the tellers reported that there were—yeas 13, nays 1.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 372, nays 1, not voting 61, as follows:

[Roll No. 131]

YEAS—372

Abdnor	Archer	Bennett
Addabbo	Armstrong	Bevill
Akaka	Ashbrook	Biaggi
Alexander	Aspin	Bingham
Allen	Badham	Blanchard
Ambro	Bafalis	Blouin
Ammerman	Baldus	Boland
Anderson, Calif.	Barnard	Bolling
Andrews, N. Dak.	Baucus	Bonior
Annunzio	Bauman	Bowen
Applegate	Beard, R.I.	Brademas
	Bellenson	Breckinridge
	Benjamin	Brinkley
Brodhead	Gradison	Mottl
Brooks	Grassley	Murphy, Ill.
Brown, Calif.	Green	Murphy, Pa.
Brown, Mich.	Gudger	Murtha
Brown, Ohio	Guyer	Myers, Gary
Broyhill	Hagedorn	Myers, John
Buchanan	Hall	Myers, Michael
Burgener	Hamilton	Natcher
Burke, Calif.	Hammer-schmidt	Neal
Burke, Fla.	Haniey	Nedzi
Burke, Mass.	Hannaford	Nichols
Burleson, Tex.	Harkin	Nowak
Burlison, Mo.	Harrington	O'Brien
Burton, John	Harris	Oakar
Burton, Phillip	Harsha	Oberstar
Butler	Hawkins	Obey
Byron	Hefner	Ottinger
Caputo	Heftel	Panetta
Carney	Hightower	Patten
Carr	Hillis	Patterson
Carter	Holland	Pattison
Cavanaugh	Hollenbeck	Pease
Cederberg	Holt	Perkins
Chappell	Holtzman	Pettis
Chisholm	Horton	Pickle
Clausen, Don H.	Howard	Pike
Clawson, Del	Hubbard	Poage
Clay	Huckaby	Pressler
Cleveland	Hughes	Preyer
Cochran	Hyde	Price
Cohen	Ichord	Pritchard
Coleman	Jacobs	Pursell
Collins, Tex.	Jenrette	Quayle
Conable	Johnson, Calif.	Rahall
Conte	Johnson, Colo.	Railsback
Corcoran	Jones, N.C.	Rangel
Corman	Jones, Okla.	Regula
Cornell	Jones, Tenn.	Reuss
Cornwell	Jordan	Rhodes
Cotter	Kastenmeier	Richmond
Coughlin	Kazen	Rinaldo
Cunningham	Kelly	Roberts
D'Amours	Kemp	Robinson
Daniel, Dan	Ketchum	Rodino
Daniel, R. W.	Keys	Roe
Davis	Kildee	Rogers
de la Garza	Kindness	Roncalio
Delaney	Kostmayer	Rooney
Dellums	Krebs	Rose
Derrick	LaFalce	Rosenthal
Derwinski	Lagomarsino	Rostenkowski
Devine	Latta	Rousselot
Dickinson	Le Fante	Roybal
Dicks	Leach	Rudd
Dingell	Lederer	Runnels
Dodd	Leggett	Russo
Dornan	Lent	Sarasin
Downey	Levitas	Sawyer
Drinan	Livingston	Scheuer
Duncan, Oreg.	Lloyd, Calif.	Schroeder
Duncan, Tenn.	Lloyd, Tenn.	Schulze
Early	Long, Md.	Sebelius
Edgar	Lott	Seiberling
Edwards, Ala.	Luken	Sharp
Edwards, Calif.	Lundine	Shuster
Edwards, Okla.	McCloskey	Sikes
Eilberg	McCormack	Simon
Emery	McDonald	Sisk
English	McEwen	Skelton
Ertel	McFall	Skubitz
Evans, Colo.	McHugh	Slack
Evans, Del.	McKay	Smith, Iowa
Evans, Ga.	Maguire	Smith, Nebr.
Evans, Ind.	Mahon	Snyder
Fary	Mann	Solarz
Fascell	Markey	Spellman
Fenwick	Marks	Spence
Findley	Marlenee	St Germain
Fish	Marriott	Staggers
Fisher	Mathis	Stangeland
Fithian	Mattox	Stanton
Flood	Mazzoli	Stark
Flowers	Meeds	Steed
Flynt	Metcalfe	Steers
Foley	Meyner	Steiger
Ford, Tenn.	Michel	Stockman
Forsythe	Mikulski	Stokes
Fountain	Mikva	Stratton
Frenzel	Milford	Studds
Frey	Miller, Ohio	Stump
Fuqua	Mineta	Symms
Gaydos	Minish	Taylor
Gephardt	Mitchell, Md.	Thompson
Giaimo	Mitchell, N.Y.	Thone
Gibbons	Moakley	Thornton
Gilman	Moffett	Treen
Ginn	Mollohan	Trible
Glickman	Montgomery	Tsongas
Goldwater	Moore	Udall
Gonzalez	Moorhead, Calif.	Ullman
Goodling		Van Deerlin
Gore	Moss	Vanik
		Vento

Volkmer	Whitehurst	Wylie
Waggonner	Whitley	Yates
Walgren	Whitten	Yatron
Walker	Wilson, Bob	Young, Alaska
Walsh	Wilson, Tex.	Young, Fla.
Wampler	Winn	Young, Mo.
Waxman	Wirth	Young, Tex.
Weiss	Wolff	Zablocki
Whalen	Wright	Zeferetti
White	Wydler	

NAYS—1

Danielson

NOT VOTING—61

Anderson, Ill.	Fraser	Nix
Andrews, N.C.	Gammage	Nolan
Ashley	Garcia	Pepper
AuCoin	Hansen	Quie
Beard, Tenn.	Heckler	Quillen
Bedell	Ireland	Risenhoover
Boggs	Jeffords	Ruppe
Bonker	Jenkins	Ryan
Breaux	Kasten	Santini
Broomfield	Krueger	Satterfield
Collins, Ill.	Lehman	Shipley
Conyers	Long, La.	Teague
Crane	Lujan	Traxler
Dent	McClory	Tucker
Diggs	McDade	Vander Jagt
Eckhardt	McKinney	Watkins
Erlenborn	Madigan	Weaver
Flippo	Martin	Wiggins
Florio	Miller, Calif.	Wilson, C. H.
Ford, Mich.	Moorhead, Pa.	
Fowler	Murphy, N.Y.	

Mr. SCHULZE changed his vote from "nay" to "yea."

So a second was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes each.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 6635 authorizes the Treasury Department to increase the interest rate payable on previously issued U.S. retirement bonds, so that those bonds will earn interest at rates consistent with rates currently established for series E U.S. savings bonds.

Under present law, a person eligible to establish an individual retirement account may purchase retirement bonds issued for this purpose by the Treasury. Also, self-employed persons with "H.R. 10 plans" and companies with certain qualified retirement plans may purchase retirement plan bonds from the Treasury.

The interest rate on these retirement bonds remains the same, under present law, from the date of issuance until the bond is redeemed when the owner retires, becomes disabled, or dies. For example, retirement plan bonds issued in 1963 to self-employed persons with "H.R. 10 plans" bear interest today at only 3.75 percent.

By contrast, present law authorizes the Treasury Department to increase the interest rate payable on previously issued series E U.S. savings bonds so that those bonds earn higher interest rates when the rate goes up for newly issued series E bonds. For example, the owner of a series E bond issued in 1963 at 3.75 percent today receives interest at 6 percent.

H.R. 6635 eliminates this unfair treatment of holders of different types of U.S. bonds, and makes Treasury retirement bonds more attractive to potential buyers. The bill permits the Treasury Department to adjust upward the interest rate paid on outstanding retirement bonds, so that such rates are consistent with the rates on series E bonds. The bill requires that any interest rate increase proposed by the Treasury must be submitted to the President for approval.

Mr. Speaker, H.R. 6635 eliminates an inequity in present law and encourages investment in Treasury bonds. The Treasury Department supports this bill. I urge its adoption.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. PICKLE), the author of the bill.

Mr. PICKLE. Mr. Speaker, I thank the chairman for yielding.

As the chairman said, this bill provides equity for those who want to buy the individual retirement bonds or retirement plan bonds.

H.R. 6635—LIBERTY BOND AMENDMENTS

Mr. Speaker, the bill before us is a small bill. It is recommended by the Treasury. It will affect revenues by less than $5 million between now and 1982, about $1 million per year. At the same time, it is an important effort to provide equity for persons setting up retirement plans.

Under present law, money set aside under individual retirement accounts or Keogh plans may be invested in individual retirement bonds or retirement plan bonds offered by the U.S. Treasury.

These bonds are an extremely good long-term investment for the U.S. Treasury, and any bonds sold help to relieve the pressure on the short-term market and thereby also help to hold down pressures on interest rates.

But the share of the market affected by these bonds has historically been very small. Currently they offer serious drawbacks to the investor—drawbacks this legislation seeks to remedy.

The individual retirement and retirement plan bonds bear an interest rate fixed as of the date of purchase. They cannot be sold or exchanged until age 59½ or until death or disability. Thus, in most instances, the purchaser is locked into an investment in those bonds at a fixed rate of interest until retirement. Some retirement bonds still outstanding were issued at a 3¾-percent rate of return.

The legislation before you would provide simple equity to these investors by increasing that rate of return to the current rate of return on the series E savings bond. It would maintain that equity in the future—and also make these bonds a more attractive investment—by insuring that the future rate of return kept pace with the general market conditions, as does the series E bond. At the same time, since the series E rate is already carefully set not to interfere with the needs of the private market, these bonds would have no deleterious effects there.

As of February 28, 1978, approximately $183 million in retirement plan bonds and approximately $37 million in individual retirement bonds have been issued by the Treasury. Most are still outstanding. The revenue effect of improving the investment yield on these bonds is negligible, amounting to less than $5 million by 1982.

But, again, while this is a small bill, it is an important one. An improved yield will allow these bonds to serve as a competitive yardstick with private investment. The citizen will always have the option to go to a nontrustee plan using these bonds, and this will make it harder for someone to be victimized by unscrupulous retirement plan sellers offering programs which have a lower actual yield than is available on the open market.

At the same time we provide a good investment for the U.S. Government with beneficial effects on the overall interest rate picture.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

At the outset, let me express my deep and abiding gratitude to Members of this House for having supported my demand for a second. I regret that the gentleman from Idaho (Mr. SYMMS) could not see fit to go along with this perfectly reasonable request, but I shall be brave.

Mr. Speaker, I rise in support of H.R. 6635, which would amend the Second Liberty Bond Act, to allow the interest rates on U.S. retirement plan and individual retirement bonds to be raised to the rate paid on series E savings bonds.

Under present law, U.S. retirement plan savings bonds yield, until redemption, the interest rate which was applicable when the bond was issued. H.R. 6635 would enable investors in such bonds to earn interest at the same rate as is paid currently on series E bonds by allowing the Treasury Department to make adjustments in the interest rate.

Currently individuals receive a tax deduction for amounts paid to purchase individual retirement bonds which are issued by the Treasury Department. The bonds are not transferable and are subject to a number of the same restrictions which apply to individual retirement accounts. Similar bonds are issued for annuity and retirement plans which have been established by employers for their employees. H.R. 6635 will enable investors in retirement plan bonds to receive the same interest rate as do series E bond investors.

It should be noted that H.R. 6635 will increase the interest paid in interest accrual periods beginning after September 30, 1977, on retirement bonds issued on, before, or after the date the bill is enacted.

The bill would correct an inequity in treatment of investors in the two types of U.S. savings bonds. Absent this correction, it is feared that investors will turn increasingly to retirement plan schemes offered in the private sector, thereby reducing Treasury receipts from the sale of these bonds and increasing the amounts of money which will have to be raised in the money markets generally.

The Treasury Department supports H.R. 6635, believing that this bill will help maintain the competitiveness of retirement plan bonds and individual retirement bonds with other investment vehicles, thereby assisting the Treasury in its debt management function. I urge its enactment.

Mr. Speaker, I reserve the balance of my time.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks, that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 6635.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 6635, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TAX TREATMENT OF CERTAIN CROP PAYMENTS AND STATE LEGISLATORS' TRAVEL EXPENSES

Mr. ULLMAN. Mr. Speaker, I move that the House suspend the rules and pass the bill (H.R. 11055) relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977, as amended.

The Clerk read the bill as follows:

H.R. 11055

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. YEAR OF INCLUSION FOR CERTAIN CROP PAYMENTS RECEIVED IN 1978.

(a) IN GENERAL.—In the case of a taxpayer reporting on the cash receipts and disbursements method of accounting, if—

(1)(A) the taxpayer receives in his first taxable year beginning in 1978 payments under the Agricultural Act of 1949, as amended, as a result of—

(i) the destruction or damage to crops caused by drought, flood, or any other natural disaster, or

(ii) the inability to plant crops because of such a natural disaster, and

(B) the taxpayer establishes that, under his practice, income from such crops could have been reported for his last taxable year beginning in 1977, or

(2)(A) the taxpayer receives in his first taxable year beginning in 1978 deficiency (or "target price") payments under the Agricultural Act of 1949, as amended, for any 1977 crop, and

(B) the fifth month of such crop's marketing year ends before December 1, 1977.

then the taxpayer may elect to include such proceeds in income for his last taxable year beginning in 1977.

(b) MAKING AND EFFECT OF ELECTION.—An election under this section for any taxable year shall be made at such time and in such manner as the Secretary of the Treasury may by regulations prescribe and shall apply with respect to all proceeds described in subsection (a) which were received by the taxpayer.

SEC. 2. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME

Subsections (a) and (d) of section 604 of the Tax Reform Act of 1976 are each amended by striking out "January 1, 1977," and inserting in lieu thereof "January 1, 1978,".

The SPEAKER pro tempore. Is a second demanded?

Mr. CONABLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Oregon (Mr. ULLMAN) will be recognized for 20 minutes and the gentleman from New York (Mr. CONABLE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

Mr. ULLMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 11055 provides that a farmer may elect to treat disaster or deficiency payments attributable to a 1977 crop as 1977 income if, under ordinary circumstances, income from the crop, or the deficiency payments, could have been reported as income in 1977.

The bill also extends for 1 year (or to taxable years beginning before January 1, 1978) a special rule contained in the Tax Reform Act of 1976 relating to the deduction by State legislators of travel expenses away from home.

Many farmers who are entitled to disaster payments for crops which they harvested (or would have harvested) in 1977 did not receive these payments from the Department of Agriculture until 1978. Under present law, farmers on the cash method of accounting would have to include these payments in income in 1978. Since income from crops sold in 1978 would also be reported in 1978, the income of these farmers would be bunched in 1978 rather than spread over 1977 and 1978, as would be the normal situation.

Also, a great many farmers who are entitled to deficiency payments on their 1977 crops because of low crop prices did not receive these payments from the Department of Agriculture until 1978, although, under normal circumstances, these payments would have been received in 1977. Since similar deficiency payments for crops harvested in 1978 would also be reported in 1978, the income of these farmers will be bunched in 1978 rather than spread over 1977 and 1978.

Several factors contributed to the unusual delay of the 1977 payments: First, drought and other weather-related phenomena resulted in an unusually high number of disaster payments; second, low market prices insured broad entitlement of deficiency payments; and third, the implementation of the programs was delayed by the late approval of the farm bill on September 29, 1977.

The bill would allow a farmer to elect to treat disaster payments attributable to the 1977 crop as 1977 income if he can establish that, under his usual business practice, income from his crop could have been reported in 1977. Similarly, the bill would allow a farmer to elect to treat the deficiency payments with respect to his 1977 crop as 1977 income if, under normal circumstances, the farmer could expect to receive crop deficiency payments from a particular crop in the same year the crop is harvested, rather than in a subsequent year.

Prior to 1976, in situations where State legislatures are in session much of the year, there was considerable uncertainty as to whether the tax home of a State legislator was his residence in his legislative district or his residence near where the legislature meets. The resolution of this issue is central to a determination of the legislator's deduction for expenses while away from home.

The Tax Reform Act of 1976 provided an election for the tax treatment of State legislators for taxable years beginning before January 1, 1976. Under this election, a State legislator may, for any such taxable year, treat his place of residence within his legislative district as his tax home for purposes of computing the deduction for living expenses. This election was extended for 1 year by the Tax Reduction and Simplification Act of 1977, to taxable years beginning before January 1, 1977.

The bill further extends the effective date of this provision for 1 more year, or to taxable years beginning before January 1, 1978.

The committee is presently studying problems of the travel expenses of State legislators in order to provide a permanent solution.

Mr. Speaker, since the provisions in this bill are needed to provide relief for taxpayers and directly affect tax returns for 1977, I urge that H.R. 11055 be adopted.

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the suspension of the rules and the passage of H.R. 11055, tax treatment of certain crop payments and State legislator travel expenses.

H.R. 11055 has two effects. First, it will permit cash basis farmers who received crop disaster or target price payments in 1978, attributable to 1977 crop losses, to treat those payments as 1977 income. Under the normal rules of tax accounting a cash basis taxpayer includes a receipt as income in the year it is actually received. Therefore, cash basis farmers who received payments for 1977 crop losses in 1978 would include such receipts in their 1978 income. However, the farmers also will have income in 1978 from the sale of this year's crop. The result would be a bunching of income into 1 year. This would subject such farmers to a high tax liability in 1978 because of the progressive nature of our tax rates.

The need for H.R. 11055 results from the combination of large crop losses caused by unusually severe weather conditions in 1977 and the late passage of last year's farm bill. The high number of claims processed late last year mean that many claimants were not actually paid until early in 1978. While farmers are permitted to postpone the inclusion of payments for crop losses to subsequent years, they do not have the option of accelerating payments. H.R. 11055

would allow the acceleration of crop loss and target price payments only for the years 1977 and 1978.

The second provision of H.R. 11055 addresses the issue of the expenses of State legislators. H.R. 11055 extends for 1 year, until December 31, 1977, the treatment first contained in the Tax Reform Act of 1976. The issue involves the treatment of State legislator expenses while "away from home." The tax law permits a deduction of travel and living expenses only while "away from home." However, the tax law deems a person's tax "home" to be the location of his principal place of business. The dilemma is that the Capitol Building is considered to be a legislator's tax home, although realistically he comes from a section of the State far from the Capitol. Normal tax principles would disallow any deduction for living and travel expenses because the Capitol is deemed the legislator's tax home.

This is an issue which confronts both Members of Congress and members of the State legislatures. The treatment of expenses for Members of Congress has been settled since 1952 when the tax law was amended to make up to $3,000 of living and travel expenses deductible by Members of Congress. State legislators face the same dilemma which faced Members of Congress. The Tax Reform Act of 1976 permitted State legislators to treat the districts they represented as their tax homes and thus made possible the deduction of living and travel expenses while attending meetings of the State legislature. The amount of the deduction is limited to the per diem amount generally allowed to Federal employees on travel status multiplied times the number of days the State legislature is in session. These limitations are designed to assure that no extravagant expenses are deducted nor expenses not directly related with a person's service as a legislator.

Mr. Speaker, H.R. 11055 addresses two pressing issues of tax law administration. While the issues affect only a limited category of taxpayers, those taxpayers present a compelling case for the temporary remedial benefits which H.R. 11055 provides.

Mr. ULLMAN. Mr. Speaker, I yield 3 minutes to the distinguished chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I rise in support of H.R. 11055. I would like to compliment the Ways and Means Committee's distinguished chairman, the gentleman from Oregon (Mr. ULLMAN), its distinguished ranking minority member, the gentleman from New York (Mr. CONABLE), and its members on both sides of the aisle for bringing this bill before us in such a prompt and expeditious way.

Speaking to the agricultural aspects of the bill, I feel that it corrects a very serious problem of equity, which it addresses fairly by allowing those farmers who, because of circumstances beyond their control, failed to receive their disaster and wheat deficiency—target price—payments for the 1977 crop until calendar year 1978, the option of treating those payments as cash receipts received in tax year 1977. As I see it, the purpose of this legislation is to restore fairness in the reporting and taxing of this income. As both gentlemen have pointed out, if this is not done, there will be unfair bunching of income since the 1978 disaster and deficiency payments, if any, are also to be made in tax year 1978.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I would like to thank the distinguished chairman of the Committee on Agriculture, the gentleman from Washington (Mr. FOLEY), for calling this condition to our attention. It does need remedial legislation. Had the crops in fact been harvested, the farmer would have had the option during 1977 of selling in that year or of holding them over until 1978. So the disaster payment, because the crops were not harvested, should be subject to the same options. Certainly they should not be denied that option by virtue of the slowness in getting out disaster payments on the part of the bureaucracy which oversees this. A great glut of disaster payments fell along toward the end of 1977 because of the latest facet of the agriculture bill, and for other reasons, and on that account we need this legislation.

Mr. FOLEY. Because of the fact that some of those payments were made on time while others were not, we are dealing with a question of equity, which would be restored by adopting this legislation. Mr. Speaker, I urge the House to support this suspension of the rule.

Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN) that the House suspend the rules and pass the bill H.R. 11055, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed. The title was amended so as to read: "A bill relating to the year for including in income certain payments under the Agricultural Act of 1949 received in 1978 but attributable to 1977, and to extend for one year the existing treatment of State legislators' travel expenses away from home."

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded in all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 7814, H.R. 10126, and H.R. 9146.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

FEDERAL EMPLOYEES FLEXIBLE AND COMPRESSED WORK SCHEDULES ACT OF 1978

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 7814, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. SOLARZ) that the House suspend the rules and pass the bill H.R. 7814, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 242, nays 141, not voting 51, as follows:

[Roll No. 132]

YEAS—242

Abdnor	Duncan, Oreg.	Long, Md.
Addabbo	Duncan, Tenn.	Luken
Akaka	Early	Lundine
Alexander	Edgar	McCloskey
Allen	Edwards, Ala.	McCormack
Ambro	Edwards, Calif.	McFall
Ammerman	Eilberg	McHugh
Anderson, Calif.	Emery	McKay
	Ertel	McKinney
Andrews, N. Dak.	Evans, Colo.	Maguire
	Evans, Del.	Mann
Annunzio	Fary	Markey
Aspin	Fascell	Marks
Baldus	Fenwick	Meeds
Baucus	Findley	Metcalfe
Beard, R.I.	Fish	Meyner
Bellenson	Fisher	Mikulski
Bingham	Flood	Mikva
Blanchard	Florio	Miller, Calif.
Blouin	Foley	Miller, Ohio
Boland	Ford, Mich.	Mineta
Bolling	Ford, Tenn.	Mitchell, Md.
Bonior	Frenzel	Mitchell, N.Y.
Brademas	Gephardt	Moakley
Brodhead	Giaimo	Moffett
Brooks	Gilman	Moore
Brown, Calif.	Glickman	Moss
Brown, Mich.	Goldwater	Mottl
Buchanan	Gonzalez	Murphy, Ill.
Burke, Calif.	Gore	Myers, Gary
Burke, Mass.	Gradison	Myers, Michael
Burlison, Mo.	Grassley	Nedzi
Burton, John	Green	Nowak
Burton, Phillip	Hamilton	O'Brien
Butler	Hanley	Oakar
Caputo	Hannaford	Oberstar
Carney	Harkin	Obey
Carr	Harrington	Ottinger
Carter	Harris	Patten
Chisholm	Harsha	Patterson
Clausen, Don H.	Hawkins	Pattison
	Heckler	Pease
Clay	Heftel	Pepper
Cleveland	Holland	Perkins
Cohen	Hollenbeck	Pettis
Coleman	Holtzman	Pike
Conable	Horton	Pressler
Conte	Howard	Preyer
Conyers	Hughes	Price
Corcoran	Jacobs	Pritchard
Corman	Johnson, Calif.	Pursell
Cornell	Johnson, Colo.	Rahall
Coughlin	Jones, Okla.	Railsback
D'Amours	Jordan	Rangel
Danielson	Kastenmeier	Regula
Delaney	Keys	Reuss
Dellums	Kildee	Richmond
Derrick	Kindness	Rinaldo
Derwinski	Kostmayer	Rodino
Dickinson	LaFalce	Roe
Dicks	Lagomarsino	Roncalio
Diggs	Le Fante	Rooney
Dingell	Leach	Rose
Dodd	Lederer	Rosenthal
Downey	Lent	Rostenkowski
Drinan	Lloyd, Calif.	Roybal

Santini	Steers	Walgren
Sarasin	Steiger	Walsh
Sawyer	Stokes	Waxman
Scheuer	Stratton	Weiss
Schroeder	Studds	Whalen
Sebelius	Thompson	Wiggins
Seiberling	Thone	Wilson, Bob
Sharp	Thornton	Wilson, Tex.
Simon	Trible	Winn
Smith, Iowa	Tsongas	Wirth
Smith, Nebr.	Udall	Wolff
Solarz	Ullman	Wright
Spellman	Van Deerlin	Yates
Staggers	Vanik	Zablocki
Stanton	Vento	Zeferetti
Stark	Volkmer	

NAYS—141

Andrews, N.C.	Gaydos	Murtha
Applegate	Gibbons	Myers, John
Archer	Ginn	Natcher
Armstrong	Goodling	Neal
Ashbrook	Gudger	Nichols
Badham	Guyer	Panetta
Bafalis	Hagedorn	Pickle
Barnard	Hall	Poage
Bauman	Hammer-schmidt	Quayle
Benjamin	Hansen	Rhodes
Bennett	Hefner	Roberts
Bevill	Hightower	Robinson
Bowen	Hillis	Rogers
Breckinridge	Holt	Rousselot
Brinkley	Hubbard	Rudd
Brown, Ohio	Huckaby	Runnels
Broyhill	Hyde	Russo
Burgener	Ichord	Schulze
Burke, Fla.	Jenrette	Shuster
Burleson, Tex.	Jones, N.C.	Sikes
Byron	Jones, Tenn.	Skelton
Cavanaugh	Kazen	Skubitz
Cederberg	Kelly	Slack
Chappell	Kemp	Snyder
Clawson, Del	Ketchum	Spence
Cochran	Krebs	Stangeland
Collins, Tex.	Latta	Steed
Cornwell	Leggett	Stockman
Cotter	Levitas	Stump
Crane	Livingston	Symms
Cunningham	Lloyd, Tenn.	Taylor
Daniel, Dan	Lott	Teague
Daniel, R. W.	McDonald	Treen
Davis	McEwen	Waggonner
de la Garza	Mahon	Walker
Devine	Marlenee	Wampler
Dornan	Marriott	White
Edwards, Okla.	Mattox	Whitehurst
English	Mazzoli	Whitley
Evans, Ga.	Michel	Whitten
Evans, Ind.	Milford	Wydler
Fithian	Minish	Wylie
Flowers	Mollohan	Yatron
Flynt	Montgomery	Young, Alaska
Forsythe	Moorhead, Calif.	Young, Fla.
Fountain	Murphy, Pa.	Young, Mo.
Frey		Young, Tex.
Fuqua		

NOT VOTING—51

Anderson, Ill.	Gammage	Nix
Ashley	Garcia	Nolan
AuCoin	Ireland	Quie
Beard, Tenn.	Jeffords	Quillen
Bedell	Jenkins	Risenhoover
Biaggi	Kasten	Ruppe
Boggs	Krueger	Ryan
Bonker	Lehman	Satterfield
Breaux	Long, La.	Shipley
Broomfield	Lujan	Sisk
Collins, Ill.	McClory	St Germain
Dent	McDade	Traxler
Eckhardt	Madigan	Tucker
Erlenborn	Martin	Vander Jagt
Flippo	Mathis	Watkins
Fowler	Moorhead, Pa.	Weaver
Fraser	Murphy, N.Y.	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs and Mr. Dent for, with Mr. Broomfield against.

Mr. Shipley and Mr. St Germain for, with Mr. Lujan against.

Mr. Nix and Mr. Gammage for, with Mr. McClory against.

Mr. Biaggi and Mr. Krueger for, with Mr. Quie against.

Mr. Fowler and Mr. Murphy of New York for, with Mr. Breaux against.

Until further notice:

Mr. Moorhead of Pennsylvania with Mr. Bonker.

Mr. Ashley with Mrs. Collins of Illinois.

Mr. Eckhardt with Mr. Erlenborn.

Mr. Flippo with Mr. Ireland.

Mr. AuCoin with Mr. Jeffords.

Mr. Garcia with Mr. Fraser.

Mr. Charles H. Wilson of California with Mr. Long of Louisiana.

Mr. Weaver with Mr. Jenkins.

Mr. Bedell with Mr. Madigan.

Mr. Lehman with Mr. Quillen.

Mr. Mathis with Mr. Ruppe.

Mr. Risenhoover with Mr. Vander Jagt.

Mr. Ryan and Mr. Watkins.

Mr. Tucker with Mr. Kasten.

Mr. Traxler with Mr. Martin.

Mr. Sisk with Mr. McDade.

Mr. Satterfield with Mr. Nolan.

Messrs. CAVANAUGH, RUSSO, ENGLISH, GIBBONS, STOCKMAN, COTTER, BURGENER, SCHULZE, and FITHIAN changed their vote from "yea" to "nay."

Messrs. OTTINGER, ZEFERETTI, and EMERY changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

FEDERAL EMPLOYEES PART-TIME CAREER EMPLOYMENT ACT OF 1978

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 10126, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill H.R. 10126, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 294, nays 84, not voting 56, as follows:

[Roll No. 133]

YEAS—294

Addabbo	Brown, Ohio	Davis
Akaka	Buchanan	Delaney
Alexander	Burgener	Dellums
Allen	Burke, Calif.	Derrick
Ambro	Burke, Mass.	Derwinski
Ammerman	Burlison, Mo.	Devine
Anderson, Calif.	Burton, John	Dickinson
Andrews, N.C.	Burton, Phillip	Dicks
Andrews, N. Dak.	Butler	Diggs
Annunzio	Caputo	Downey
Applegate	Carney	Drinan
Aspin	Carr	Duncan, Oreg.
Bafalis	Carter	Duncan, Tenn.
Baldus	Cavanaugh	Edgar
Barnard	Cederberg	Edwards, Ala.
Baucus	Chisholm	Edwards, Calif.
Beard, R.I.	Clausen, Don H.	Eilberg
Bellenson	Clay	Emery
Bennett	Cleveland	English
Bingham	Cochran	Ertel
Blanchard	Cohen	Evans, Colo.
Blouin	Coleman	Fary
Boland	Collins, Tex.	Fascell
Bonior	Conable	Fenwick
Bowen	Conte	Findley
Brademas	Conyers	Fish
Brodhead	Corcoran	Fisher
Brooks	Corman	Flood
Brown, Calif.	Cornell	Florio
Brown, Mich.	Coughlin	Flowers
	Danielson	Foley
		Ford, Mich.
		Ford, Tenn.
		Fountain
		Frenzel
		Frey
		Fuqua
		Gephardt
		Giaimo
		Gibbons
		Gilman
		Glickman
		Goldwater
		Goodling
		Gore
		Gradison
		Grassley
		Green
		Gudger
		Guyer
		Hagedorn
		Hamilton
		Hanley
		Hannaford
		Harrington
		Harris
		Harsha
		Hawkins
		Heckler
		Hefner
		Heftel
		Hightower
		Hillis
		Holland
		Hollenbeck
		Holt
		Holtzman
		Horton
		Howard
		Huckaby
		Hughes
		Hyde
		Jacobs
		Jeffords
		Jenrette
		Johnson, Calif.
		Johnson, Colo.
		Jones, Okla.
		Jordan
		Kastenmeier
		Keys
		Kildee
		Kindness
		LaFalce
		Lagomarsino
		Latta
		Le Fante
		Leach
		Lederer
		Leggett
		Lent
		Levitas
		Livingston
		Lloyd, Calif.
		Long, Md.
		Lott
		Luken
		Lundine
		McCloskey
		McCormack
		McEwen
		McFall
		McKinney
		Maguire
		Mahon
		Markey
		Marks
		Marlenee
		Mattox
		Mazzoli
		Meeds
		Metcalfe
		Meyner
		Mikulski
		Mikva
		Miller, Calif.
		Mineta
		Minish
		Mitchell, Md.
		Mitchell, N.Y.
		Moakley
		Moffett
		Mollohan
		Moore
		Moorhead, Calif.
		Moss
		Murphy, Ill.
		Murtha
		Myers, John
		Myers, Michael
		Natcher
		Nedzi
		Nowak
		O'Brien
		Oberstar
		Obey
		Ottinger
		Panetta
		Patten
		Patterson
		Pattison
		Pease
		Pepper
		Perkins
		Pettis
		Pickle
		Pike
		Pressler
		Preyer
		Price
		Pritchard
		Pursell
		Quayle
		Rahall
		Railsback
		Rangel
		Regula
		Reuss
		Richmond
		Rinaldo
		Robinson
		Rodino
		Roe
		Rogers
		Roncalio
		Rooney
		Rose
		Rosenthal
		Rousselot
		Roybal
		Russo
		Ryan
		Santini
		Scheuer
		Sarasin
		Sawyer
		Schroeder
		Sebelius
		Seiberling
		Sharp
		Shuster
		Sikes
		Simon
		Skubitz
		Slack
		Smith, Iowa
		Smith, Nebr.
		Solarz
		Spellman
		Staggers
		Stangeland
		Stanton
		Stark
		Steed
		Steers
		Steiger
		Stokes
		Stratton
		Studds
		Taylor
		Thompson
		Thone
		Thornton
		Treen
		Trible
		Tsongas
		Udall
		Ullman
		Van Deerlin
		Vanik
		Vento
		Volkmer
		Walgren
		Walsh
		Wampler
		Waxman
		Weiss
		Whalen
		Whitehurst
		Wilson, Bob
		Wilson, Tex.
		Winn
		Wirth
		Wolff
		Wright
		Wylie
		Yatron
		Young, Alaska
		Young, Fla.
		Young, Mo.
		Young, Tex.
		Zablocki
		Zeferetti

NAYS—84

Abdnor	Evans, Ind.	Miller, Ohio
Archer	Fithian	Montgomery
Ashbrook	Flynt	Mottl
Badham	Forsythe	Murphy, Pa.
Bauman	Gaydos	Myers, Gary
Benjamin	Ginn	Neal
Bevill	Gonzalez	Nichols
Brinkley	Hall	Poage
Broyhill	Hansen	Rhodes
Burke, Fla.	Harkin	Roberts
Burleson, Tex.	Hubbard	Rostenkowski
Byron	Ichord	Rudd
Chappell	Jones, N.C.	Runnels
Clawson, Del	Jones, Tenn.	Schulze
Cornwell	Kazen	Skelton
Cotter	Kelly	Snyder
Crane	Kemp	Spence
Cunningham	Ketchum	Stockman
D'Amours	Kostmayer	Stump
Daniel, Dan	Krebs	Symms
Daniel, R. W.	Lloyd, Tenn.	Teague
de la Garza	McDonald	Waggonner
Dingell	McHugh	Walker
Dornan	McKay	White
Early	Mann	Whitley
Edwards, Okla.	Marriott	Whitten
Evans, Del.	Michel	Wiggins
Evans, Ga.	Milford	Wydler

NOT VOTING—56

Anderson, Ill.	Ashley	Beard, Tenn.
Armstrong	AuCoin	Bedell

Biaggi
Boggs
Bolling
Bonker
Breaux
Breckinridge
Broomfield
Collins, Ill.
Dodd
Dent
Eckhardt
Erlenborn
Flippo
Fowler
Fraser
Gammage
Garcia
Hammerschmidt
Ireland
Jenkins
Kasten
Krueger
Lehman
Long, La.
Lujan
McClory
McDade
Madigan
Martin
Mathis
Moorhead, Pa.
Murphy, N.Y.
Nix
Nolan
Oakar
Quie
Quillen
Risenhoover
Ruppe
Satterfield
Shipley
Sisk
St Germain
Traxler
Tucker
Vander Jagt
Watkins
Weaver
Wilson, C. H.
Yates

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs and Mr. Moorhead of Pennsylvania for, with Mr. Lujan against.

Mr. Krueger and Mr. St Germain for, with Mr. McClory against.

Mr. Shipley and Mr. Fowler for, with Mr. Breaux against.

Until further notice:

Mr. Dent with Mr. Anderson of Illinois.

Mr. Lehman with Mr. Breckinridge.

Mr. Gammage with Mr. Eckhardt.

Mr. Dodd with Mr. Hammerschmidt.

Mr. Ashley with Mr. Erlenborn.

Mr. Garcia with Mr. Fraser.

Mr. Mathis with Mr. Ireland.

Mr. AuCoin with Mr. Kasten.

Mrs. Collins of Illinois with Mr. Beard of Tennessee.

Mr. Bedell with Mr. Long of Louisiana.

Mr. Flippo with Mr. Jenkins.

Mr. Murphy of New York with Mr. McDade.

Mr. Nix with Mr. Broomfield.

Mr. Biaggi with Mr. Quie.

Mr. Nolan with Mr. Martin.

Ms. Oakar with Mr. Risenhoover.

Mr. Bonker with Mr. Tucker.

Mr. Sisk with Mr. Madigan.

Mr. Traxler with Mr. Quillen.

Mr. Satterfield with Mr. Weaver.

Mr. Charles H. Wilson of California with Mr. Vander Jagt.

Mr. Yates with Mr. Watkins.

Mr. REGULA and Mr. BARNARD changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CHANGES IN POSTAL SERVICES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill H.R. 9146, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. HANLEY) that the House suspend the rules and pass the bill H.R. 9146, as amended. on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 371, nays 6, not voting 57, as follows:

[Roll No. 134]

YEAS—371

Abdnor
Addabbo
Akaka
Alexander
Allen
Ambro
Ammerman
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Armstrong
Ashbrook
Aspin
Badham
Bafalis
Baldus
Barnard
Baucus
Bauman
Beard, R.I.
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Blouin
Boland
Bonior
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Caputo
Carney
Carr
Carter
Cavanaugh
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Coleman
Conable
Conte
Conyers
Corcoran
Corman
Cornell
Cornwell
Cotter
Crane
Cunningham
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Davis
de la Garza
Delaney
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Eilberg
Emery
English
Ertel
Evans, Colo.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Grassley
Gudger
Guyer
Hagedorn
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kildee
Kindness
Kostmayer
Krebs
LaFalce
Lagomarsino
Latta
Leach
Lederer
Le Fante
Leggett
Lent
Levitas
Livingston
Lloyd, Calif.
Lloyd, Tenn.
Long, Md.
Lott
Lundine
McCloskey
McCormack
McDonald
McEwen
McFall
McHugh
McKay
McKinney
Maguire
Mahon
Mann
Markey
Marks
Marlenee
Marriott
Mattox
Mazzoli
Meeds
Metcalfe
Meyner
Michel
Mikulski
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moss
Motti
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Gary
Myers, John
Myers, Michael
Natcher
Neal
Nedzi
Nichols
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pattison
Pease
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Pressler
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Runnels
Russo
Ryan
Santini
Sarasin
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sharp
Shuster
Sikes
Simon
Skelton
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Stangeland
Stanton
Stark
Steed
Steers
Stockman
Stokes
Stratton
Studds
Stump
Symms
Taylor
Teague
Thompson
Thone
Thornton
Treen
Trible
Tsongas
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Waggonner
Walgren
Walker
Walsh
Wampler
Waxman
Weiss
Whalen
White
Whitehurst
Whitley
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Young, Tex.
Zablocki
Zeferetti

NAYS—6

Collins, Tex.
Gradison
Green
Luken
Steiger
Wiggins

NOT VOTING—57

Anderson, Ill.
Ashley
AuCoin
Beard, Tenn.
Bedell
Biaggi
Boggs
Bolling
Bonker
Breaux
Breckinridge
Broomfield
Collins, Ill.
Coughlin
Dent
Eckhardt
Erlenborn
Flippo
Ford, Mich.
Fowler
Fraser
Gammage
Garcia
Ireland
Jenkins
Kasten
Krueger
Lehman
Long, La.
Lujan
McClory
McDade
Madigan
Martin
Mathis
Moorhead, Pa.
Murphy, N.Y.
Nix
Nolan
Oakar
Quie
Quillen
Risenhoover
Ruppe
Satterfield
Schulze
Shipley
Sisk
St Germain
Staggers
Traxler
Tucker
Vander Jagt
Watkins
Weaver
Whitten
Wilson, C. H.

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Anderson of Illinois.

Mr. Fowler with Mr. Beard of Tennessee.

Mr. Gammage with Mr. Broomfield.

Mr. Breaux with Mr. Coughlin.

Mr. Dent with Mr. Ireland.

Mr. Flippo with Mr. Lujan.

Mr. Ford of Michigan with Mr. Erlenborn.

Mr. Garcia with Mr. Kasten.

Mr. Lehman with Mr. Madigan.

Mr. Krueger with Mr. Jenkins.

Mr. Mathis with Mr. Martin.

Mr. Staggers with Mr. McDade.

Mr. St Germain with Mr. Nolan.

Mr. Sisk with Mr. Long of Louisiana.

Mr. Shipley with Ms. Oakar.

Mr. AuCoin with Mr. Quie.

Mr. Bedell with Mr. McClory.

Mr. Biaggi with Mr. Watkins.

Mr. Bonker with Mr. Vander Jagt.

Mr. Ashley with Mr. Schulze.

Mr. Breckinridge with Mr. Ruppe.

Mrs. Collins of Illinois with Mr. Risenhoover.

Mr. Moorhead of Pennsylvania with Mr. Satterfield.

Mr. Murphy of New York with Mr. Traxler.

Mr. Nix with Mr. Tucker.

Mr. Charles H. Wilson of California with Mr. Weaver.

Mr. Eckhardt with Mr. Whitten.

Mr. Fraser with Mr. Quillen.

Mr. WYDLER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR THE EXPENSES OF INVESTIGATIONS AND STUDIES TO BE CONDUCTED BY THE COMMITTEE ON THE JUDICIARY

Mr. THOMPSON. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 1010) to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1010

Resolved, That for the further expenses of investigations and studies to be conducted by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $1,557,805.16, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $90,000.00 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study of investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That for the further expenses of investigations and studies to be conducted by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $1,482,805, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committtee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $90,000.00 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study of investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey (Mr. THOMPSON) is recognized for 1 hour.

Mr. THOMPSON. Mr. Speaker, I shall yield for debate only on this amendment.

The resolution before us constitutes a request for $1,557,805.16. The Subcommittee on Accounts—which I might say has been chaired most ably by the gentleman from Illinois (Mr. ANNUNZIO) in the absence of its great chairman, the gentleman from Pennsylvania (Mr. DENT)—went over this thoroughly and approved the amount of $1,482,805. It is felt that this amount is entirely justifiable and was agreed upon by the subcommittee, the full committee, and is before us now. It represents an increase of 20 percent over the last year's authorization. I believe it to be fully justified.

Does the gentleman from Ohio (Mr. DEVINE) wish to be heard on this? I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I confirm the remarks of the gentleman from New Jersey (Mr. THOMPSON) particularly as they relate to our acting chairman of the subcommittee, the gentleman from Illinois (Mr. ANNUNZIO).

We have reduced this resolution from $1,557,000 to $1,482,000. I think it is justified, and I support it.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

● Mr. RODINO. I would like to point out that the Committee on the Judiciary is composed of seven subcommittees, each of which has certain jurisdiction assigned to it, part of that jurisdiction being that of the former Committee on Internal Security. The standing seven subcommittees have the following jurisdictions:

Subcommittee on Immigration, Citizenship, and International Law: Immigration and naturalization, treaties and international agreements, passports, admiralty and appropriate oversight.

Subcommittee on Administrative Law and Governmental Relations: Administrative law, claims against the United States, public contract law, relations between States, and appropriate oversight.

Subcommittee on Courts, Civil Liberties, and the Administration of Justice: U.S. attorneys and U.S. marshals, courts, judicial ethics, prisons, paroles, patents, trademarks, copyrights, and appropriate oversight.

Subcommittee on Civil and Constitutional Rights: Civil rights and liberties, bankruptcy, and appropriate oversight.

Subcommittee on Monopolies and Commercial Law: Antitrust, judgeships, economic regulation generally, and appropriate oversight.

Subcommittee on Crime: Prevention of crime, problems of criminal offenders, and appropriate oversight.

Subcommittee on Criminal Justice: Federal Criminal Code, rules of criminal procedure, rules of civil procedure, and appropriate oversight.

All of these subcommittees, in fact, are presently constituted so that whatever legislation is introduced in the House dealing with matters that involve internal security can be assigned to the subcommittees.

The committee is so structured that the Subcommittee on Criminal Justice, for example, has jurisdiction over matters which deal with the question of terrorism. Terrorism bills that have been introduced in this Congress have been assigned to that subcommittee.

The Subcommittee on Courts, Civil Liberties, and the Administration of Justice has jurisdiction over the question of wiretapping and intelligence and various other matters that were previously dealt with by the Internal Security Committee.

The Subcommittee on Civil and Constitutional Rights has jurisdiction over criminal record, information, the FBI, as well as bills pertaining to the intelligence community of the executive branch of the Government.

I must say that the recommittal motion should be defeated. The gentleman's recommittal motion provides that not more than $300,000 of this amount be exclusively allocated for a particular purpose. I believe that this would be a usurpation of the discretion and judgment of the full Committee on the Judiciary which should have its own role as to how it will allocate those funds and its work.

Therefore, knowing that the gentleman has had a continuing interest—and I commend his perseverance, I want the House to know that the Committee on the Judiciary is determined to do what we feel we should do responsibly. When the motion is made, I urge my colleagues to vote down that motion.●

● Mr. ASHBROOK. Mr. Speaker, the motion which I will offer is familiar to most of my colleagues. It recommits the funding resolution for the Committee on the Judiciary with instructions to allocate $300,000 for the internal security functions of the committee.

As you may recall, in the 94th Congress the House abolished the House Committee on Internal Security. The functions of that committee were transferred to the Committee on the Judiciary. Under rule X, clause (m) (19), one of the mandates for the Committee on the Judiciary is as follows:

Communist and other subversive activities affecting the internal security of the United States.

Unfortunately the Judiciary Committee has done virtually nothing to carry out that mandate. This is in no way meant as a criticism of our able chairman. Even before acquiring the new jurisdiction he made it clear that he did not want the added responsibility. Nevertheless it still is the responsibility of the committee under rule X, clause (m) (19) and I believe these functions should either be conducted by the Committee on the Judiciary or the House should move to reestablish an Internal Security Committee.

I am certainly not alone in my views. There is broad support in this body for doing more in the internal security area. At last count fully 173 Members are sponsoring legislation to restore the House Committee on Internal Security.

When the Internal Security Committee was alive it played an important role in investigating and exposing the activities of subversive revolutionary and terrorist groups such as the Students for a Democratic Society (SDS), the Symbionese Liberation Army and the Communist Party U.S.A. Its destruction has left a great void. I urge my colleagues to support my motion to recommit so that we can resume this important work.●

Mr. THOMPSON. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the resolution?

Mr. ASHBROOK. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASHBROOK moves that House Resolution 1010 be recommitted to the Committee on House Administration with instructions that said committee forthwith report back to the House said resolution with the following amendment, to wit: On page 4, line 24 of the resolution add the following new sentence: "Not to exceed $300,000 of the total amount provided by this resolution shall be used to carry out activities within the jurisdiction of the Committee on the Judiciary under the provisions of Rule X, clause (m) (19) of the Rules of the House of Representatives."

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 161, nays 216, not voting 57, as follows:

[Roll No. 135]

YEAS—161

Abdnor	Frey	Myers, John
Andrews, N.C.	Fuqua	Neal
Andrews, N. Dak.	Gilman	Nichols
Archer	Ginn	O'Brien
Armstrong	Goldwater	Poage
Ashbrook	Gonzalez	Pressler
Badham	Goodling	Regula
Bafalis	Gradison	Rhodes
Barnard	Grassley	Roberts
Bauman	Guyer	Robinson
Bennett	Hagedorn	Rogers
Bevill	Hamilton	Rousselot
Bowen	Hammer-schmidt	Rudd
Brinkley	Hansen	Runnels
Brown, Mich.	Harsha	Santini
Brown, Ohio	Heckler	Sarasin
Buchanan	Hefner	Schulze
Burgener	Hightower	Sebelius
Burke, Fla.	Hillis	Shuster
Burleson, Tex.	Holt	Sikes
Butler	Horton	Skelton
Byron	Hubbard	Skubitz
Caputo	Huckaby	Smith, Nebr.
Carter	Hyde	Snyder
Cederberg	Ichord	Spence
Chappell	Jeffords	Stangeland
Clausen, Don H.	Jones, N.C.	Stanton
Clawson, Del	Jones, Okla.	Steed
Cleveland	Kazen	Steiger
Cochran	Kelly	Stockman
Cohen	Kemp	Stratton
Coleman	Ketchum	Stump
Collins, Tex.	Lagomarsino	Symms
Conable	Latta	Taylor
Cunningham	Leach	Teague
D'Amours	Lent	Thone
Daniel, Dan	Livingston	Traxler
Daniel, R. W.	Lloyd, Calif.	Treen
de la Garza	Lloyd, Tenn.	Trible
Derwinski	Lott	Waggonner
Devine	McDonald	Walker
Dickinson	McEwen	Walsh
Dornan	Marks	Wampler
Duncan, Tenn.	Marriott	White
Edwards, Ala.	Michel	Whitehurst
Emery	Milford	Whitley
English	Miller, Ohio	Whitten
Evans, Del.	Mitchell, N.Y.	Winn
Evans, Ind.	Montgomery	Wydler
Fish	Moore	Wylie
Flynt	Moorhead, Calif.	Yatron
Forsythe	Mottl	Young, Alaska
Fountain	Myers, Gary	Young, Fla.
		Young, Tex.
		Zeferetti

NAYS—216

Akaka	Applegate	Blanchard
Alexander	Aspin	Blouin
Allen	Baldus	Boland
Ambro	Baucus	Bolling
Ammerman	Beard, R.I.	Bonior
Anderson, Calif.	Bellenson	Brademas
Annunzio	Benjamin	Breckinridge
	Bingham	Brodhead
Brooks	Holland	Pease
Brown, Calif.	Hollenbeck	Pepper
Burke, Calif.	Holtzman	Perkins
Burke, Mass.	Howard	Pettis
Burlison, Mo.	Hughes	Pickle
Burton, John	Jacobs	Pike
Burton, Phillip	Jenrette	Preyer
Carney	Johnson, Calif.	Price
Carr	Johnson, Colo.	Pritchard
Cavanaugh	Jones, Tenn.	Pursell
Chisholm	Jordan	Quayle
Clay	Kastenmeier	Rahall
Conte	Keys	Railsback
Conyers	Kildee	Rangel
Corcoran	Kostmayer	Reuss
Corman	Krebs	Richmond
Cornell	LaFalce	Rinaldo
Cornwell	Le Fante	Rodino
Cotter	Lederer	Roe
Coughlin	Leggett	Rooney
Danielson	Levitas	Rose
Davis	Long, Md.	Rosenthal
Delaney	Luken	Rostenkowski
Dellums	Lundine	Roybal
Derrick	McCloskey	Russo
Dicks	McCormack	Ryan
Dodd	McDade	Sawyer
Downey	McFall	Scheuer
Drinan	McHugh	Schroeder
Duncan, Oreg.	McKay	Seiberling
Early	McKinney	Sharp
Edgar	Maguire	Simon
Edwards, Calif.	Mann	Slack
Eilberg	Markey	Smith, Iowa
Ertel	Marlenee	Solarz
Evans, Colo.	Mattox	Spellman
Evans, Ga.	Mazzoli	Staggers
Fary	Meeds	Stark
Fascell	Metcalfe	Steers
Fenwick	Meyner	Stokes
Findley	Mikulski	Studds
Fisher	Mikva	Thompson
Fithian	Miller, Calif.	Thornton
Flood	Mineta	Tsongas
Florio	Minish	Udall
Flowers	Mitchell, Md.	Ullman
Foley	Moakley	Van Deerlin
Ford, Mich.	Moffett	Vanik
Ford, Tenn.	Mollohan	Vento
Frenzel	Moss	Volkmer
Gaydos	Murphy, Ill.	Walgren
Gephardt	Murphy, Pa.	Waxman
Giaimo	Murtha	Weiss
Gibbons	Myers, Michael	Whalen
Glickman	Natcher	Wiggins
Gore	Nedzi	Wilson, Bob
Green	Nowak	Wilson, Tex.
Gudger	Oakar	Wirth
Hall	Oberstar	Wolff
Hanley	Obey	Wright
Hannaford	Ottinger	Yates
Harkin	Panetta	Young, Mo.
Harrington	Patten	Zablocki
Harris	Patterson	
Heftel	Pattison	

NOT VOTING—57

Addabbo	Erlenborn	Mathis
Anderson, Ill.	Flippo	Moorhead, Pa.
Ashley	Fowler	Murphy, N.Y.
AuCoin	Fraser	Nix
Beard, Tenn.	Gammage	Nolan
Bedell	Garcia	Quie
Biaggi	Hawkins	Quillen
Boggs	Ireland	Risenhoover
Bonker	Jenkins	Roncalio
Breaux	Kasten	Ruppe
Broomfield	Kindness	Satterfield
Broyhill	Krueger	Shipley
Collins, Ill.	Lehman	Sisk
Crane	Long, La.	St Germain
Dent	Lujan	Tucker
Diggs	McClory	Vander Jagt
Dingell	Madigan	Watkins
Eckhardt	Mahon	Weaver
Edwards, Okla.	Martin	Wilson, C. H.

The Clerk announced the following pairs:

On this vote:

Mrs. Boggs for, with Mr. Krueger against.

Mr. Long of Louisiana for, with Mr. Gammage against.

Mr. Breaux for, with Mr. Addabbo against.

Mr. McClory for, with Mr. Biaggi against.

Mr. Lujan for, with Mrs. Collins of Illinois against.

Mr. Broomfield for, with Mr. Dingell against.

Mr. Crane for, with Mr. Diggs against.

Mr. Edwards of Oklahoma for, with Mr. Hawkins against.

Mr. Erlenborn for, with Mr. Garcia against.
Mr. Madigan for, with Mr. Lehman against.
Mr. Vander Jagt for, with Mr. Moorhead of Pennsylvania against.
Mr. Quillen for, with Mr. Nix against.
Mr. Kindness for, with Mr. Murphy of New York against.
Mr. Beard of Tennessee for, with Mr. St Germain against.
Mr. Martin for, with Mr. Charles H. Wilson of California against.
Mr. Ruppe for, with Mr. Dent against.

Until further notice:

Mr. Ashley with Mr. Anderson of Illinois.
Mr. Flippo with Mr. Eckhardt.
Mr. Jenkins with Mr. Ireland.
Mr. AuCoin with Mr. Broyhill.
Mr. Fowler with Mr. Kasten.
Mr. Mathis with Mr. Mahon.
Mr. Bonker with Mr. Quie.
Mr. Nolan with Mr. Risenhoover.
Mr. Fraser with Mr. Weaver.
Mr. Roncalio with Mr. Shipley.
Mr. Sisk with Mr. Tucker.

Messrs. YOUNG of Texas, TRAXLER, KETCHUM, and POAGE changed their vote from "nay" to "yea."

Messrs. BOLAND, ERTEL, and LEVITAS changed their vote from "yea" to "nay."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PROVIDING FOR FUNDS FOR THE SELECT COMMITTEE ON ASSASSINATIONS

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 956) providing for funds for the Select Committee on Assassinations, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 956

Resolved, That, effective January 3, 1978, the expenses of investigations and studies to be conducted by the Select Committee on Assassinations, acting as a whole or by subcommittee, not to exceed $2,978,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $132,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); but this monetary limitation of the procurement of such services shall not prevent the use of such funds for any other authorized purposes.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Assassinations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1978, the expenses of investigations and studies to be conducted by the Select Committee on Assassinations, acting as a whole or by subcommittee, not to exceed $2,500,000, including expenditures for the employment of investigators, attorneys, and clerical and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (1)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $132,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(1)); but this monetary limitation of the procurement of such services shall not prevent the use of such funds for any other authorized purposes.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Assassinations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1979.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman man from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. ANNUNZIO) is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, in the first session of the 95th Congress the Committee on Assassinations funding resolution was approved in the amount of $2,514,400. In the second session, they requested $2,978,000. The full committee approved a funding resolution for $2,500,000, a cut of approximately $500,000.

Now, we have had days of hearings. We heard from the people on the majority side justifying the $2,500,000. On the minority side Mr. DEVINE of Ohio, a distinguished law enforcement agent, who is the ranking minority member of this committee, approved the sum of $2,500,000, as well as the gentleman from Connecticut (Mr. MCKINNEY), another who approved the $2,500,000.

Mr. Speaker, I would like to point out that the Committee on Assassinations, after a careful scrutiny by the Subcommittee on Accounts, fully justified this budget. Only on that basis did the majority and minority agree to approve the funding resolution.

Mr. Speaker, I now yield for debate purposes only to my distinguished colleague from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Speaker, I thank the gentleman from Illinois for yielding.

As the gentleman said, the committee came before the Accounts Subcommittee of the House requesting about $3 million to finish their work. After hearing the testimony, and as the gentleman said I am the ranking minority member on the Select Committee on Assassinations, we decided to strike nearly a half million dollars from the request, so that as it stands before the House today we are talking about $2.5 million.

Let me go back a year or so when this matter first came up. I was one of the Members that voted against the creation of this select committee. It came before the House two or three times, and it has been the will and it is the will of this House that this Congress go forward to conduct the investigations and make a report to the House by the end of this year, and this will be done.

I have heard some rumbling by some Members, particularly on our side of the aisle, about this not being a wise expenditure, and they laugh about whether we are going to find out who shot McKinley and are we going to find out about who shot Abraham Lincoln. But we are proceeding on a mandate from this House to determine some facts. There has been some criticism and some questions: What work have you performed? What have you found out?

This is a committee that has operated quietly, low key, under the guidance of the gentleman from Ohio, LOUIS STOKES, who has maintained an excellent direction and leadership of this committee.

I am kind of reminded when I was a little boy and I went to the YMCA camp and we had what was called a boat test. Nobody could take a boat out on the lake unless he could swim three-quarters of the way across the lake. One boy swam about halfway across and said: "I do not think I can make it." They said: "OK, swim back." He did swim back. He did not pass the boat test because he did not realize that just another quarter would have done it for him.

I do not think this House wants to be in the position where we have already invested $2.5 million under a mandate of the House and then have us now cut the heart out of it. If the membership wants us to do it and make the report, the only way we can do it is to fund it, and I recommend approval of the resolution.

Mr. ANNUNZIO. Mr. Speaker, I yield for purposes of debate only to the gentleman from California (Mr. BADHAM) such time as he may consume.

Mr. BADHAM. Mr. Speaker, I thank the distinguished chairman for yielding.

On the 2 days of hearings that the chairman alluded to, there really were not 2 days of hearings at all. On the first day I was there and Chairman STOKES was not there due to the untimely death of his mother, for which we were all in sorrow. And on the day when Chairman STOKES was there, I as one of the rumblers the distinguished gentleman from Ohio refers to was not there and Chairman STOKES was there. I was not able to be there, but I read the report filed in the RECORD by the distinguished chairman of the Select Committee on Assassinations and I find it responds to my questions of last year in the committee context of the chairman being asked: When are we going to have some meat hung on the bones of the Assassination Committee report or when are we going to be advised either in closed or open session of what the committee has done, or when are we going to bring this thing to a close and, Members will pardon the expression, lay it to rest? The reply was: "Very soon now."

Another year has gone by. We have had the very lengthy report from the distinguished chairman of the select committee printed in the RECORD and that report provided us information that we have issued so many subpenas, we have hired literally hundreds of consultants and consultant days, we have an organization chart now, we have a travel schedule, we have all sorts of things. As some of us here find when we talk to our children, we get the response: "Well, we are 'gonna' do that." We have lots of "gonnas" in the report that came to the House, but really we have nothing on which we can determine any sort of justification for keeping this committee going.

I would like at some point along here to ask of the distinguished chairman of the Accounts Subcommittee or the distinguished chairman of the Committee on Assassinations, so that we the Members of this House who are concerned might have some information, as to when are we going to come to a time schedule when our leads have been exhausted, when all the pathology has been done and written and done again, when all the investigative material is in, the 4,000-some-odd pages, I would like to ask either of the distinguished chairmen when might we hope we are going to come to some kind of resolution in that and quit spending millions hand over fist on this committee?

Mr. ANNUNZIO. As the gentleman knows, as a member of the Committee on House Administration, that question was asked of the chairman, the gentleman from Ohio (Mr. STOKES), in the committee. He responded to the question by stating that he was hopeful that by the end of this session of the Congress that their report would be complete.

As the gentleman knows, it was this Congress that voted the resolution in the first instance, so that the committee will die by itself when this Congress adjourns at the end of the 95th Congress. When we organize the 96th Congress, if this thing should surface again, then it becomes the responsibility of all of the Members of that Congress to face up to their responsibility. We either are going to vote for the select committees or we are not, but once we do, the responsibilities of the Accounts Subcommittee ceases because at that point we must fund these committees when they come to us for staffing and for investigative purposes. What we do is carefully, very carefully, look at the entire sphere of what they are doing and we try to do the appropriate thing that is necessary.

However, I do want to say that I share the feelings of the gentleman from California (Mr. BADHAM) but I also want to place the responsibility where it belongs. It belongs right here in the House when the Members vote for these sort of things.

I also would like to bring to the attention of the members that this is a select committee and therefore not a standing committee, so it does not have the millions of dollars cranked into it as the other committees have.

Mr. BADHAM. Would the gentleman yield further?

Mr. ANNUNZIO. I will yield further to the gentleman from California for the purposes of debate only.

Mr. BADHAM. Since we are putting on the record that we have "sunset" provision in this, I would agree with the chairman, the gentleman from Ohio (Mr. STOKES), that hope springs eternal and I hope they will deliberate, also, but if the House is really tired of this exercise, the House could take control of it now and vote down the resolution.

Mr. ANNUNZIO. I sincerely feel that the chairman, the gentleman from Ohio (Mr. STOKES), meant every word he said before the committee that he is going to come out with the findings of his committee and wrap this thing up by the end of this session.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Illinois (Mr. O'BRIEN) for the purposes of debate only.

Mr. O'BRIEN. Mr. Speaker, I thank the gentleman for yielding to me, and I rise in support of the funding resolution, and I would like the Members of the House to know how it fits into my perspective.

The assassinations of President John F. Kennedy and the Reverend Martin Luther King, Jr., shocked the Nation as few other crimes in our history.

More than 14 years after President Kennedy was gunned down in Dallas' Dealey Square, more than 10 years after the killing of Martin Luther King in Memphis, there are still unanswered questions about these crimes.

When the House in 1976 created the Select Committee on Assassinations it was in response to public demand. Polls at that time showed an overwhelming majority of Americans wanted Congress to reopen the investigations which indicated that Lee Harvey Oswald, in the case of President Kennedy, and James Earl Ray, in the shooting of Dr. King, had acted alone. A spate of rumors touched off speculation that conspiracies were involved.

It was against this background that we created the select committee. Under the able chairmanship of the gentleman from Ohio (Mr. STOKES), it has done its job well.

Two task forces—one investigating the death of President Kennedy, the other the death of Dr. King—have been reviewing mountainous files of investigative material and have conducted hundreds of interviews of witnesses and other potential sources of information. As of December 31, 1977, the committee's investigators had conducted more than 1,400 interviews and the select committee had held 42 days of hearings.

The committee anticipates holding hearings three times a week in executive session until summer and, probably in late summer or fall, plans up to 20 days of public hearings on each assassination. Yet the amount of funding approved by the Committee on House Administrations—around $2½ million—is approximately the same as we approved last year.

What is more remarkable is the quiet way in which the select committee has gone about its work. Protecting the security of the information it receives has been given paramount consideration. While describing any congressional investigating committee as leak-free may be a contradiction in terms, the Select Committee on Assassinations has done the best job of insuring the confidentiality of its information that we have seen around here in recent years.

So I intend to vote for this resolution and I strongly urge my friends on this side of the aisle to do the same.

Mr. ANNUNZIO. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. THOMPSON), the distinguished chairman of the full Committee on House Administration, for the purpose of debate only.

Mr. THOMPSON. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of that point which the gentleman from Illinois (Mr. O'BRIEN) has just discussed. I have had lengthy discussions about the work of the committee with the distinguished chairman, the gentleman from Ohio (Mr. STOKES), and others. I feel that there is, as the gentleman from California (Mr. BADHAM) said, a sunset element to the committee's investigation. In order that this work can be completed and in order that we dispose of the subjects of the investigation in our own minds, we should support this resolution. I urge my colleagues to do so.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield 1 minute to the gentleman from Arizona (Mr. RUDD) for debate purposes only.

Mr. RUDD. I thank the gentleman for yielding.

I simply want to ask one general question. During the course of the existence of the committee, has any new evidence really been developed, or are they still mulling over the evidence that was developed originally by an investigative organization?

Mr. ANNUNZIO. I yield to the gentleman from Connecticut (Mr. MCKINNEY) for debate purposes only to answer that question, the same question asked by the committee.

Mr. MCKINNEY. Yes, I think a great deal of new information has been generated. Certainly there are few matters which are discussed by the Congress or subjects which are addressed in this town, which do not eventually come to the attention of the news media. However, the untimely disclosure of any information regarding these cases would seriously compromise the effectiveness of our investigations.

I would add, with the chairman's permission, that this is the first committee that those in my family and those who care about me have urged me to "get off" of. However, I will not get off this committee. I think this committee is doing good work and necessary work. The committee often meets from early morning until late afternoon at great personal expense to the members. The members of this committee are not going to be able to spend as much time as they would like campaigning in the fall; they will be here continuing the work of the investigation on a predetermined schedule. I think when the Members of this Congress take a look at the job our chairman has done, the quality of his work, the quality of the staff work, the quiet way in which these investigations have been conducted, and the results that will come out of this work, the Members are going to be proud that they voted for creation and continuation of the committee!

There is no way, to adequately express my pride in this committee's work. I cannot produce a smoking gun; I cannot produce a dramatic fact because we have only had, considering the initial difficulties encountered by this committee, about 7 months of real existence. However, in those 7 months this committee has achieved a degree of success that I wish we could also achieve in other matters in this Congress. I think we will come back to this House and make the House proud to show that for the first time this body has carried forth an investigation in a professional, quiet manner and an investigation that is second to none, in either House of Congress. The Members are going to be proud of their colleague, the gentleman from Ohio (Mr. STOKES). They are going to be proud of the committee. They are going to be proud of the factual evidence produced, and they are going to be proud of the House of Representatives.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield 30 more seconds to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. I thank the gentleman for yielding.

From the statement that was just made, I can only assume, then, that this committee has developed new solid, concrete information that would belie the results of previous investigations into this matter; is that correct?

Mr. ANNUNZIO. All that I can add to that, for the information of the gentleman from Arizona, is if he will be patient and wait for the report like I am doing, we will find that out when the time comes for the report.

Mr. Speaker, I yield 5 minutes for debate purposes only to the distinguished gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I think the gentleman from Illinois has put his finger on the obligation that all of us face today regarding this resolution. That is whether or not each of us in casting our vote is satisfied that there is justification for the continuation of the activity of this committee; $2½ million are authorized in this resolution. We have had no justification given in any detail as to the findings of the committee over the period of its existence, nor do we know what direction this committee is taking. There is a very detailed accounting of the number of employees, which is very high, the many days of travel, the numerous days of hearings, and all the other specifics of operations. But the only thing we are told in the report concerning substantive findings is that significant issues have been discovered, and that a process of evaluation and investigation is not complete but will be eventually. This committee is getting twice the amount of money that the House just authorized the Committee on the Judiciary, which has far more current and important activities in which to engage.

Now, the gentleman from Illinois referred to the fact that the gentleman from Ohio (Mr. STOKES) gave the committee what the gentleman from Illinois thought was full justification for this funding. But if you take the trouble to read the transcript of the hearings before the House Administration Committee, as I did, you will discover that no justification was given in public, that the committee went off the record for a very brief time and that when they came back into session, not only the gentleman from California (Mr. BADHAM), but the gentleman from Michigan (Mr. NEDZI), the gentleman from South Carolina (Mr. DAVIS), and others voiced their feeling that there was not a proper justification given in the brief description of the duties of the select committee.

Mr. Speaker, I think that the Committee on House Administration does owe it to the full House not to pass the buck to the full body and say, "You decide." We are not equipped properly in this body to say yes or no whether or not another $2.5 million ought to be spent on these investigations. We have not had access to full information. I am not even sure we can be proud of the committee's conduct. Nobody knows what the committee has done. They went behind closed doors several months ago after an abortive hearing in which a witness gave all sorts of lurid testimony. Subsequently the man died and that was the last public hearing that was held.

A few days before this resolution for funding was to come before the House, the gentleman from Ohio (Mr. STOKES), virtually alone in this Chamber at the time, took the floor and spoke for 15 minutes, letting out some titillating details about the assassination of Dr. King and some possible new witnesses to be called.

Then we read in an article in the Washington Star last week that some people representing anti-Semitic and racists groups in the South might have been involved in that assassination and will be called as witnesses.

I submit if these new leads do exist, we are adult enough in this Chamber to have them discussed with us.

Only recently New York magazine has come out with two extensive interviews with Edward Jay Epstein, who is writing a book on one aspect of the Kennedy assassination involving Lee Harvey Oswald. The magazine contains detailed discussions and describes documents into the hands of the CIA and FBI showing Oswald to have been a Russian agent, and I assume in the hands of this committee.

I think if these issues can be discussed in the pages of national magazines, I think the committee owes it to the House to level with us on the question as to whether or not $2.5 million more is justified.

It is my intention at the appropriate time to offer a motion to recommit this resolution to the Committee on House Administration cutting the funding to $600,000 for a 3-month period and instructing the Committee on House Administration to hold hearings promptly and come back to the House with a detailed justification for the need for this funding as well as a description of the direction that this committee is going to take and what it has found. I do not think that procedure will jeopardize this investigation, but will give us a more intelligent basis on which to cast our vote. We owe that to the people we represent.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. BAUMAN

Mr. BAUMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the resolution?

Mr. BAUMAN. I am in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BAUMAN moves to recommit H. Res. 958 to the Committee on House Administration with instructions to report the resolution back to the House forthwith the following amendment: On page 3, line 1, strike out the figure "$2,500,000" and insert in lieu thereof "$600,000"; and the Committee on House Administration is further instructed to hold hearings promptly to determine justification for further funding of the Select Committee on Assassinations.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. BAUMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic devices, and there were—yeas 182, nays 198, not voting 54, as follows:

[Roll No. 136]

YEAS—182

Abdnor	English	Kazen
Andrews, N.C.	Ertel	Kelly
Archer	Evans, Del.	Kemp
Armstrong	Evans, Ind.	Ketchum
Ashbrook	Findley	Keys
Badham	Fisher	Kindness
Bafalis	Flowers	Lagomarsino
Baldus	Flynt	Latta
Barnard	Ford, Mich.	Lent
Bauman	Forsythe	Levitas
Bennett	Fountain	Livingston
Breckinridge	Frenzel	Lloyd, Calif.
Brinkley	Frey	Lott
Brown, Mich.	Gaydos	Luken
Brown, Ohio	Gephardt	McCormack
Burgener	Ginn	McDonald
Burke, Fla.	Glickman	McEwen
Burleson, Tex.	Goldwater	Marks
Butler	Gonzalez	Marlenee
Byron	Goodling	Marriott
Carter	Grassley	Mazzoli
Clausen, Don H.	Gudger	Michel
	Hagedorn	Milford
Clawson, Del	Hall	Miller, Ohio
Cleveland	Hamilton	Minish
Cochran	Hammer-schmidt	Mitchell, N.Y.
Coleman		Montgomery
Collins, Tex.	Hanley	Moore
Conable	Hansen	Moorhead, Calif.
Corcoran	Harsha	
Coughlin	Heftel	Motti
Cunningham	Hightower	Myers, John
Daniel, Dan	Hollenbeck	Nedzi
Daniel, R. W.	Holt	Nichols
Davis	Hubbard	Oberstar
de la Garza	Huckaby	Pease
Derrick	Hyde	Perkins
Derwinski	Ichord	Pickle
Dingell	Jacobs	Pike
Dornan	Jeffords	Poage
Duncan, Oreg.	Jones, N.C.	Pressler
Duncan, Tenn.	Jones, Okla.	Pursell
Edwards, Ala.	Jones, Tenn.	Quayle
Regula	Skubitz	Walgren
Rhodes	Smith, Nebr.	Walker
Rinaldo	Spence	Walsh
Roberts	Stangeland	Wampler
Robinson	Stanton	White
Rostenkowski	Steed	Whitehurst
Rousselot	Steiger	Whitley
Rudd	Stockman	Wiggins
Runnels	Stratton	Wilson, Bob
Russo	Stump	Winn
Ryan	Symms	Wirth
Schroeder	Taylor	Wydler
Schulze	Teague	Wylie
Sebelius	Thone	Yatron
Sharp	Thornton	Young, Alaska
Shuster	Treen	Young, Fla.
Sikes	Trible	Zablocki
Simon	Volkmer	Zeferetti
Skelton	Waggonner	

NAYS—198

Addabbo	Fary	Moss
Akaka	Fascell	Murphy, Ill.
Alexander	Fenwick	Murphy, Pa.
Allen	Fish	Murtha
Ambro	Fithian	Myers, Gary
Ammerman	Flood	Myers, Michael
Anderson, Calif.	Florio	Natcher
	Foley	Neal
Andrews, N. Dak.	Ford, Tenn.	Nowak
	Fuqua	O'Brien
Annunzio	Giaimo	Oakar
Applegate	Gibbons	Obey
Aspin	Gilman	Ottinger
Baucus	Gore	Panetta
Beard, R.I.	Gradison	Patten
Beilenson	Green	Patterson
Benjamin	Guyer	Pattison
Bevill	Hannaford	Pepper
Bingham	Harkin	Pettis
Blanchard	Harrington	Preyer
Blouin	Harris	Price
Boland	Hawkins	Pritchard
Bolling	Heckler	Rahall
Bonior	Hefner	Railsback
Bowen	Hillis	Reuss
Brademas	Holland	Richmond
Brodhead	Holtzman	Rangel
Brooks	Horton	Rodino
Brown, Calif.	Howard	Roe
Buchanan	Hughes	Rogers
Burke, Calif.	Jenrette	Rooney
Burke, Mass.	Johnson, Calif.	Rose
Burlison, Mo.	Johnson, Colo.	Rosenthal
Burton, John	Jordan	Roybal
Burton, Phillip	Kastenmeier	Sarasin
Caputo	Kildee	Sawyer
Carney	Kostmayer	Scheuer
Carr	Krebs	Seiberling
Cavanaugh	LaFalce	Sisk
Cederberg	Le Fante	Slack
Chappell	Leach	Smith, Iowa
Chisholm	Lederer	Snyder
Clay	Leggett	Solarz
Cohen	Lloyd, Tenn.	Spellman
Conte	Long, Md.	Staggers
Conyers	Lundine	Stark
Corman	McCloskey	Steers
Cornell	McDade	Stokes
Cornwell	McFall	Studds
Cotter	McHugh	Thompson
D'Amours	McKay	Traxler
Danielson	McKinney	Teongas
Delaney	Maguire	Udall
Dellums	Mann	Ullman
Dodd	Markey	Van Deerlin
Drinan	Mattox	Vanik
Early	Meeds	Vento
Devine	Metcalfe	Weiss
Dickinson	Meyner	Whalen
Dicks	Mikulski	Whitten
Downey	Mikva	Wilson, Tex.
Edgar	Miller, Calif.	Wolff
Edwards, Calif.	Mineta	Wright
Eilberg	Mitchell, Md.	Yates
Evans, Ga.	Moakley	Young, Mo.
Emery	Moffett	Young, Tex.
Evans, Colo.	Mollohan	

NOT VOTING—54

Anderson, Ill.	Dent	Krueger
Ashley	Diggs	Lehman
AuCoin	Eckhardt	Long, La.
Beard, Tenn.	Edwards, Okla.	Lujan
Bedell	Erlenborn	McClory
Biaggi	Flippo	Madigan
Boggs	Fowler	Mahon
Bonker	Fraser	Martin
Breaux	Gammage	Mathis
Broyhill	Garcia	Moorhead, Pa.
Collins, Ill.	Ireland	Murphy, N.Y.
Broomfield	Jenkins	Nix
Crane	Kasten	Nolan
Quie	Santini	Vander Jagt
Quillen	Satterfield	Watkins
Risenhoover	Shipley	Waxman
Roncalio	St Germain	Weaver
Ruppe	Tucker	Wilson, C. H.

The Clerk announced the following pairs:

Mrs. Boggs with Mr. McClory.
Mr. Long of Louisiana with Mr. Lujan.
Mr. Breaux with Mr. Broomfield.
Mr. Krueger with Mr. Crane.
Mr. Gammage with Mr. Edwards of Oklahoma.
Mr. Biaggi with Mr. Erlenborn.
Mrs. Collins of Illinois with Mr. Madigan.
Mr. Garcia with Mr. Vander Jagt.
Mr. Lehman with Mr. Quillen.
Mr. Moorhead of Pennsylvania with Mr. Beard of Tennessee.
Mr. Nix with Mr. Martin.
Mr. Murphy of New York with Mr. Ruppe.
Mr. St Germain with Mr. Anderson of Illinois.
Mr. Charles H. Wilson of California with Mr. Tucker.
Mr. Dent with Mr. Eckhardt.
Mr. Ashley with Mr. Kasten.
Mr. Bedell with Mr. Quie.
Mr. Flippo with Mr. Watkins.
Mr. AuCoin with Mr. Broyhill.
Mr. Jenkins with Mr. Diggs.
Mr. Fowler with Mr. Fraser.
Mr. Mathis with Mr. Ireland.
Mr. Bonker with Mr. Mahon.
Mr. Nolan with Mr. Risenhoover.
Mr. Santini with Mr. Roncalio.
Mr. Satterfield with Mr. Shipley.
Mr. Waxman with Mr. Weaver.

Messrs. ALLEN, BRODHEAD, KOSTMAYER, and DICKINSON changed their vote from "yea" to "nay."

Mr. PURSELL changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DERWINSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 204, nays 175, not voting 55, as follows:

[Roll No. 137]

YEAS—204

Addabbo	Brooks	Dodd
Akaka	Brown, Calif.	Downey
Alexander	Buchanan	Drinan
Allen	Burke, Calif.	Early
Ambro	Burke, Mass.	Edgar
Ammerman	Burlison, Mo.	Edwards, Calif.
Anderson, Calif.	Burton, John	Eilberg
	Burton, Phillip	Emery
Andrews, N. Dak.	Caputo	Evans, Colo.
	Carney	Fary
Annunzio	Carr	Fascell
Applegate	Cavanaugh	Fenwick
Aspin	Cederberg	Fish
Baldus	Chappell	Fithian
Beilenson	Chisholm	Flood
Benjamin	Clay	Foley
Bennett	Cohen	Ford, Tenn.
Bevill	Coleman	Fuqua
Bingham	Conte	Gibbons
Blanchard	Conyers	Gilman
Blouin	Corman	Ginn
Boland	Cotter	Gore
Bolling	Danielson	Gradison
Bonior	Davis	Green
Bowen	Dellums	Gudger
Brademas	Devine	Guyer
Breckinridge	Dickinson	Hamilton
Brinkley	Dicks	Hannaford
Brodhead	Diggs	Harkin

Harrington	Markey	Roe
Harris	Marks	Rogers
Hawkins	Meeds	Roncalio
Heckler	Metcalfe	Rooney
Hillis	Meyner	Rose
Holland	Mikulski	Rosenthal
Holtzman	Miller, Calif.	Roybal
Horton	Mineta	Sarasin
Howard	Mitchell, Md.	Sawyer
Hyde	Moakley	Scheuer
Jeffords	Moffett	Selberling
Jenrette	Mollohan	Sisk
Johnson, Calif.	Moore	Slack
Johnson, Colo.	Moss	Smith, Iowa
Jones, N.C.	Murphy, Ill.	Snyder
Jones, Tenn.	Murphy, Pa.	Spellman
Jordan	Myers, Gary	Staggers
Kastenmeier	Myers, Michael	Stark
Kildee	Natcher	Steers
Kostmayer	Neal	Stokes
Krebs	Nowak	Studds
LaFalce	O'Brien	Thompson
Le Fante	Oakar	Thone
Leach	Oberstar	Treen
Lederer	Obey	Tsongas
Leggett	Ottinger	Udall
Levitas	Panetta	Ullman
Livingston	Patten	Van Deerlin
Lloyd, Calif.	Patterson	Vanik
Lloyd, Tenn.	Pattison	Vento
Long, Md.	Pepper	Walgren
Lundine	Pettis	Waxman
McCloskey	Preyer	Weiss
McDade	Price	Whalen
McFall	Pritchard	Whitten
McHugh	Railsback	Wolff
McKay	Rangel	Wright
McKinney	Reuss	Yates
Maguire	Richmond	Young, Mo.
Mann	Rodino	

NAYS—175

Abdnor	Gonzalez	Quayle
Andrews, N.C.	Goodling	Rahall
Archer	Grassley	Regula
Armstrong	Hagedorn	Rhodes
Badham	Hall	Rinaldo
Bafalis	Hammer-	Roberts
Barnard	schmidt	Robinson
Baucus	Hanley	Rostenkowski
Bauman	Hansen	Rousselot
Brown, Mich.	Harsha	Rudd
Brown, Ohio	Hefner	Runnels
Burgener	Heftel	Russo
Burke, Fla.	Hightower	Ryan
Burleson, Tex.	Hollenbeck	Schroeder
Butler	Holt	Schulze
Byron	Hubbard	Sebelius
Carter	Huckaby	Sharp
Clausen,	Hughes	Shuster
Don H.	Ichord	Sikes
Clawson, Del	Jacobs	Simon
Cleveland	Jones, Okla.	Skelton
Cochran	Kazen	Skubitz
Collins, Tex.	Kelly	Smith, Nebr.
Conable	Kemp	Spence
Corcoran	Ketchum	Stangeland
Cornell	Keys	Stanton
Cornwell	Kindness	Steed
Coughlin	Lagomarsino	Steiger
Cunningham	Latta	Stockman
D'Amours	Lent	Stratton
Daniel, Dan	Lott	Stump
Daniel, R. W.	Luken	Symms
de la Garza	McCormack	Taylor
Delaney	McDonald	Teague
Derrick	McEwen	Thornton
Derwinski	Marlenee	Traxler
Dingell	Marriott	Trible
Dornan	Mattox	Volkmer
Duncan, Oreg.	Mazzoli	Waggonner
Duncan, Tenn.	Michel	Walker
Edwards, Ala.	Mikva	Walsh
English	Milford	Wampler
Ertel	Miller, Ohio	White
Evans, Del.	Minish	Whitehurst
Evans, Ga.	Mitchell, N.Y.	Whitley
Evans, Ind.	Montgomery	Wiggins
Findley	Moorhead,	Wilson, Bob
Fisher	Calif.	Wilson, Tex.
Florio	Mottl	Winn
Flowers	Murtha	Wirth
Flynt	Myers, John	Wydler
Ford, Mich.	Nedzi	Wylie
Forsythe	Nichols	Yatron
Fountain	Pease	Young, Alaska
Frenzel	Perkins	Young, Fla.
Frey	Pickle	Young, Tex.
Gaydos	Pike	Zablocki
Gephardt	Poage	Zeferetti
Glickman	Pressler	
Goldwater	Pursell	

NOT VOTING—55

Anderson, Ill.	Flippo	Murphy, N.Y.
Ashbrook	Fowler	Nix
Ashley	Fraser	Nolan
AuCoin	Gammage	Quie
Beard, R.I.	Garcia	Quillen
Beard, Tenn.	Giaimo	Risenhoover
Bedell	Ireland	Ruppe
Biaggi	Jenkins	Santini
Boggs	Kasten	Satterfield
Bonker	Krueger	Shipley
Breaux	Lehman	Solarz
Broomfield	Long, La.	St Germain
Broyhill	Lujan	Tucker
Collins, Ill.	McClory	Vander Jagt
Crane	Madigan	Watkins
Dent	Mahon	Weaver
Eckhardt	Martin	Wilson, C. H.
Edwards, Okla.	Mathis	
Erlenborn	Moorhead, Pa.	

The Clerk announced the following pairs:

Mrs. Boggs with Mr. McClory.
Mr. Long of Louisiana with Mr. Lujan.
Mr. Breaux with Mr. Broomfield.
Mr. Krueger with Mr. Crane.
Mr. Gammage with Mr. Edwards of Oklahoma.
Mr. Biaggi with Mr. Erlenborn.
Mrs. Collins of Illinois with Mr. Madigan.
Mr. Garcia with Mr. Vander Jagt.
Mr. Lehman with Mr. Quillen.
Mr. Moorhead of Pennsylvania with Mr. Beard of Tennessee.
Mr. Nix with Mr. Martin.
Mr. Murphy of New York with Mr. Ruppe.
Mr. St Germain with Mr. Anderson of Illinois.
Mr. Charles H. Wilson of California with Mr. Tucker.
Mr. Dent with Mr. Eckhardt.
Mr. Ashley with Mr. Kasten.
Mr. Bedell with Mr. Quie.
Mr. Flippo with Mr. Watkins.
Mr. AuCoin with Mr. Broyhill.
Mr. Jenkins with Mr. Giaimo.
Mr. Fowler with Mr. Fraser.
Mr. Mathis with Mr. Ireland.
Mr. Bonker with Mr. Mahon.
Mr. Nolan with Mr. Risenhoover.
Mr. Satterfield with Mr. Shipley.
Mr. Beard of Rhode Island with Mr. Weaver.
Mr. Santini with Mr. Solarz.

Mr. KEMP changed his vote from "yea" to "nay."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REQUEST FOR IMMEDIATE CONSIDERATION OF HOUSE RESOLUTION 1070, CONTINUING FUNDING AUTHORITY FOR CERTAIN COMMITTEES IN THE 95TH CONGRESS, 2D SESSION

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 1070, which would extend until April 30, 1978, the period under which payments may be made for the operation of standing and select committees of the House that have not yet been funded by current resolution.

The Clerk read the resolution, as follows:

H. RES. 1070

Resolved, That, notwithstanding the provisions of H. Res. 879, adopted on November 2, 1977, the period during which payments may be made from the contingent fund of the House of Representatives in accordance with such resolution, to any standing committee or select committee referred to in the first section or section 2 of such resolution, is hereby extended to the close of April 30, 1978.

Mr. THOMPSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PERSONAL EXPLANATION

(Ms. OAKAR asked and was given permission to address the House for 1 minute.)

Ms. OAKAR. Mr. Speaker, I missed rollcalls Nos. 133 and 134, H.R. 10126, part-time career emloyment for Federal employees and H.R. 9146, congressional review of changes in postal service. Although I was in the vicinity of the House floor, I was unavoidably detained from reaching the floor because of a meeting with constituents.

Had I been present, I would have voted "yes" on both of these.

VACATING SPECIAL ORDER

Mr. EVANS of Delaware. Mr. Speaker, I ask unanimous consent that the special order granted to Mr. CONTE for today for 5 minutes be vacated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

THE SENSELESS PALESTINIAN TERRORIST ATTACK

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, the Palestinian terrorist attack near Tel Aviv last weekend which brought death to 32 Israelis and 9 Palestinians was properly described by President Carter as senseless. The vicious destruction of these innocent lives is a tragedy that heightens the pain and suffering of the people of Israel and of their friends around the world.

Responsibility for the terrorist attack

was claimed by Al Fatah, the guerrilla organization headed by Yasir Arafat. I met with Mr. Arafat in Damascus on January 5, 1978, and discussed with him many issues including the use of terrorism by the Palestine Liberation Organization.

A brief summary of the discussion follows:

ARAFAT. You are saying that terrorism is being used by the PLO—definitely not, not by the PLO.

CONGRESSIONAL. Not by the PLO?

ARAFAT. Definite, not by the PLO.

CONGRESSIONAL. Munich?

ARAFAT. Not by the PLO. Definitely.

C. By Palestinians, though.

A. By Palestinians, but not by the PLO.

C. But the PLO, in a formal sense and as an organization does not engage, and has not engaged in terrorism. Is that right?

A. Definite.

C. Is it your statement that the PLO is not responsible for any acts of terrorism?

A. Definite. Not to forget, I haven't voice. I haven't policemen. . . . Am I responsible for the Palestinian who is in Syria now? Or Iraq? Or even Egypt? I don't have jails. Give me a state, let me have jails, and then I will be responsible for that.

But now Al Fatah has been directly involved in a terrorist attack. Whether Mr. Arafat was involved in approving and directing this terrorist attack or whether the attack is an indication of his inability to control his own faction of the PLO is equally disturbing. If he himself was involved, he misled Members of Congress with his statements rejecting terrorism. This would rob Arafat of any credibility and destroy chances that other parties would ever again willingly negotiate with him. If he did not condone the attack, his apparent lack of control over Palestinians places in question his authority to negotiate for all of them and to commit them to terms he might accept at a conference table. At the very least Mr. Arafat should denounce the terrorist attack near Tel Aviv.

Let us all hope that this most recent attack does not lead to a large-scale Israeli retaliation against Palestinians not involved in this terrorist act which could only produce an endless round of strikes and counterstrikes, killing more innocents. I fear that such a sequence would render even more distant the prospects for peace that are already increasingly dismal. Only a peace supported by a majority of those directly involved, Israeli and Arab alike, including Palestinians, will provide the security and tranquillity in the Middle East so desperately needed.

EXPANSION OF AMERICAN EXPORTS AND COMMERCE

(Mr. JENRETTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JENRETTE. Mr. Speaker, when President Carter took office he asked for congressional help in alleviating our serious balance of trade situation. Last Thursday I was joined by Congressman FITHIAN and Senator INOUYE in introducing a bill which could have tremendous potential for expanding American exports and commerce.

In 1918 Congress passed the Webb-Pomerene Export Trade Act. This act was passed in an effort by this country to enable American industry to compete more effectively with foreign cartels. It allows groups of industrial and agricultural producers to join together in marketing associations which are free to pool their resources and negotiate contracts with foreign buyers. These associations are formed strictly for foreign trade and therefore are exempt from domestic antitrust laws.

At present there are approximately 30 such associations operating in this country. My bill is an amendment to the Webb-Pomerene Act which will hopefully encourage producers to form these groups and benefit from lower costs and better bargaining power. It authorizes the formation of associations to sell their products abroad and directs the Federal Government agencies to promote utilization of the act and to coordinate their regulation of export associations.

In my opinion these associations have tremendous potential for improving our balance of trade picture without infringing on domestic competition. By allowing producers to join together strictly for purposes of foreign trade, we can place American industry and agriculture on a comparable footing with foreign industries which are directly subsidized by government.

The Office of Technology Assessment has shown a great interest in the possibilities available for Webb-Pomerene Associations. It is their opinion that Webb Associations would be a mechanism for transferring food processing technology to underdeveloped countries. The cost savings and resource pooling available to Webb Associations would provide great incentives for American companies to join together in trade with underdeveloped countries to the mutual advantage of both.

I have discovered that there is a great deal of enthusiasm around the country about the future of Webb-Pomerene Associations. I agree with those who say that such associations could do wonders for such lagging American markets as steel, textiles, and agriculture.

The Webb-Pomerene Act provides limited exemptions from both the Sherman Act and the Clayton Act. The Sherman Act prohibits contracts, combinations, and conspiracies that cause an unreasonable restraint of trade. The Sherman Act applies to foreign commerce, but the Webb-Pomerene Act enables companies to combine their export activities while keeping their domestic activities separate. The Clayton Act restricts mergers but the Webb-Pomerene Act exempts export marketing organizations from these restrictions.

A Webb-Pomerene Association is permitted to engage in a number of restrictive practices that would otherwise violate the antitrust laws. The impact of the Webb-Pomerene Act is therefore to enable American companies to increase export profits by reducing the costs of doing business in foreign markets.

Webb-Pomerene Associations are allowed to fix prices and other terms of sale-delivery, insurance, and credit. This authorization applies to all members of the association, but not to nonmembers. Consequently, it is advantageous to have a large portion of an industry included in a Webb-Pomerene Association.

Recently, the movement for expanding the antitrust exemptions accorded export trade associations has gained momentum because of the rising U.S. balance of trade deficit and the weakening position of the United States in the sphere of international trade. With the passage of this bill, I hope to see the reluctance of American businessmen, farmers, and manufacturers to enter into the export market disappear and the cost-cutting advantages of the Webb-Pomerene Act become available to members of Webb Associations. This would stimulate the growth of foreign commerce and assure a more favorable balance of trade. Public awareness of a means available for them to enter export markets along with certain incentives for investment in foreign markets is necessary if our balance of trade is ever to return to a normal flow.

I am happy to say that Senator INOUYE of Hawaii has joined with me today by introducing a companion bill on the Senate side. I urge consideration by my colleagues. At this time, I would like to enter it into the RECORD along with a copy of the bill.

THE NEW EL DORADO—BYPRODUCTS FROM PROCESSED NUCLEAR FUEL

(Mr. BOB WILSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOB WILSON. Mr. Speaker, in this era of energy crises, what would you think of someone who turned on his air-conditioner because the furnace was making his house too warm? Those who condemn the concept of nuclear fuel waste processing are about as conservation-oriented as the individual I just mentioned. The high-level waste from U.S. nuclear power cycle contains billions of dollars worth of unique materials with a multitude of uses. This is in addition to the valuable plutonium and uranium which can be recycled into new fuel elements and produce additional electricity.

Such being the case, it seems ridiculous to spend most of our research on how to store it rather than use it to good advantage.

The worry that plutonium will be diverted from the processing cycle and used to fabricate nuclear explosives is a form of death wish not typical of the American pioneer spirit. We should remember that it took the entire Indian Government, not just a few terrorists, 10 years of total effort by thousands of engineers and scientists, and a big percentage of their gross national product, to build one nuclear explosive using plutonium from a research reactor. The power fuel cycle can be protected from plutonium theft simply by being careful

and cautious. Additionally, a totally new process has been devised which keeps the plutonium in such dilute concentrations that it can never be used as an explosive material. At this point, I would like to quote from an article from the New York Times of February 28, 1978, "Nuclear Fuel Plan Thwarts Diversion":

NUCLEAR FUEL PLAN THWARTS DIVERSION

(By Victor K. McElheny)

The development of a nuclear fuel recycling system that would prevent the diversion of plutonium from future breeder power plants into weaponry was disclosed yesterday by research officials from the United States and Britain.

Concerns about such diversion led President Carter last year to postpone indefinitely efforts to recover plutonium from existing types of nuclear power plants and to propose halting this country's multibillion-dollar effort to commercialize plutonium-fuel breeders.

The announcement that the new recycling process had been designed came as President Carter signed yesterday a $6.1 billion energy research bill that includes $80 million to continue work on the Clinch River breeder project in Tennessee.

A VETO LAST FALL

Last November President Carter vetoed a similar allocation for the Clinch River demonstration of the breeder, a plant designed to produce more plutonium fuel than it consumes.

The research officials—from the United Kingdom Atomic Energy Authority and the Electric Power Research Institute of Palo Alto, Calif.—said that the so-called Civex process, designed primarily for use with breeders, would avoid purifying plutonium into weapons-grade material at any stage.

Reprocessing plants using the Civex system, they said, would carry out all steps by remote control in so-called "hot cells," including the refashioning of new fuel for return to the breeder's sodium-cooled core.

They said the process, under study for the last year, represented a combination of techniques, all of which have been tested on a laboratory scale in the United States or Britain.

In a telephone interview before yesterday's announcement at an energy technology conference in the Sheraton-Park hotel in Washington, Chauncy Starr, president of the Electric Power Research Institute, said that "the Administration really has what it asked for" in the new recycling process.

A pilot plant to test the economics of the Civex system would cost an estimated $100 million to build and at least $30 million a year to operate during a decade of testing, Dr. Starr said.

Similar efforts would be needed in any demonstration of the existing Purex recycling process on breeder fuel. That process is used in several countries, including the United States, for both weapons and power programs. It isolates both uranium and plutonium in pure form.

THE WEAPONRY ISSUE

Until the risk of channeling plutonium from civilian nuclear power into military weapons programs became an issue, most proponents of nuclear power had assumed that the Purex process would be used for reclaiming plutonium for use both in today's types of nuclear power plants and in breeders that were expected to become commercial in the 1990's.

In the proposed Civex process, only uranium would be purified for return to the so-called "blanket" region surrounding the breeder's core. In a breeder, uranium in the blanket is converted into plutonium.

Dr. Starr said at a Washington news conference that the Civex process would keep all plutonium from a breeder mixed with uranium and with so-called fission products, or byproducts of atom-splitting, so that the concentration of plutonium would never exceed 20 percent. A concentration of more than 60 percent would be needed for weapons, he said.

Walter Marshall of the United Kingdom Atomic Energy Authority said at the news conference: "We believe that once you have established a fast [breeder] reactor cycle, then indeed you can make it proliferation-proof. You can make it so difficult to steal the plutonium from the cycle that you can virtually forget about it."

In a telephone interview, Milton Levenson, head of the Electric Power Research Institute's nuclear division, said of the steps in the Civex process: "There's substantial research behind all of these. All the feasible spigots for diversion have been fairly effectively blocked."

Mr. Levenson said that the Civex plant would be so radioactive that it would have to be shut down for many weeks for decontamination before it could be converted to making weapons-grade plutonium. This would allow much time for international warning systems to detect the shutdown, he said.

Dr. Starr added that he knew of "no technical jokers to keep the Civex system from working." He said that nations supplying nuclear fuel, such as the United States, should now begin buying back used fuel for use in future breeder reactors.

Demonstration of the Civex process, he said, could accelerate commercialization of breeders, because Civex offers a means of keeping plutonium out of military channels.

Because of this, he said, there would be more incentives to recover plutonium from the used fuel of existing nuclear power plants, which now is stored without reprocessing. At the end of about 10 years of storage, he said, the used fuel has lost enough of its original radioactivity to become vulnerable to theft.

The use of cesium, which can be extracted from the waste stream during fuel processing, could help alleviate a major problem facing just about every large municipality in the United States—what to do with sewage sludge. A recent report, SAND 77-7029, November 1977, issued by the Sandia Laboratories of Albuquerque, N. Mex., and coauthored by the Battelle-Pacific Northwest Laboratories and the Arthur D. Little Co., addresses this problem. I recommend it as required reading for everyone worried about sludge. Following are the abstract and a short statement on "values and costs":

ABSTRACT

There is a pressing need for a national program for the beneficial recycling of sludge, since an estimated 10 million tons of sludge will soon be generated each year in this country. Such a program will require the cooperation of many federal, state, and local agencies, but promises economic returns that can be measured in hundreds of millions of dollars annually. The Department of Energy (DoE) and the Environmental Protection Agency (EPA) sponsored this study to assess the role that radiation processing of sewage can play in beneficial recycling in agriculture and animal husbandry. Our team reviewed pertinent literature and developed a case-study approach of major sewage-treatment facilities across the United States. We determined the benefits to be derived and the costs and risks involved in radiation processing of sewage sludge. We found that two processes are reasonably available to recycle raw sludges. One method is to filter-press and flash-dry activated sludge, and the other is to vacuum-filter, compost, and then irradiate raw, primary, and activated sludges.

VALUES AND COSTS

If the projected annual production of ~10 million dry tons of sewage solids is valued on the basis of its nitrogen and phosphorous available for agricultural uses, it would be worth ~250 million/yr ($25/dry ton) in 1977 dollars. If sludge products are processed to the point where they are generally acceptable as animal feed supplements, then the nutritional value of the projected annual production would be ~$1 billion/yr ($100/dry ton) in 1977 dollars.

The critical question for the sewage-treatment plant manager is not solely economic, however. Because of stricter environmental controls, suburban development near treatment plants and landfills, public pressure, and the uncertain availability of fuels, the manager is increasingly faced with the loss of disposal options for sewage solids.

Ocean dumping and landfill options for sludge disposal are being rapidly foreclosed. Managers of treatment plants across the country almost without exception agree that land disposal is not a reliable long-term option for getting rid of sludge. In areas where throwaway land disposal is practiced, urban and suburban growth rapidly impinge on landfill operations to the point where public pressure to terminate operations becomes intense.

Metropolitan areas are having to transport material ever farther to find acceptable sites; and even when sites can be found, acquiring the land can be cost-prohibitive. As long as landfill operations can be carried out near cities, this practice will continue; however, in the long run the option undoubtedly will be foreclosed. The incineration option is being limited due to reduced fuel availability and concerns over air pollution. What is needed is a reliable, economic, publicly acceptable land disposal option.

All the alternatives for sludge disposal studied in this report provide a negative return to the treatment plant manager except for composting plus radiation processing, which can provide a near zero or slightly positive return.

Mr. Speaker, this report is available in printed copy—$6.50—or microfiche—$3—from:

National Technical Information Service, U.S. Department of Commerce, 5285 Port Royal Road, Springfield, Va. 22161.

A report on "Beneficial Utilization of Nuclear Waste—1977" by George P. Dix spells out in some detail how the various isotopes from the nuclear waste could be used. Following is the abstract from that report:

ABSTRACT

High level waste from the nuclear energy cycle is currently considered to be a national liability, but in the future it could well become a needed asset. The fission product and a transuranium ashes of the nuclear fuel cycle contain large and potentially valuable sources of metals, special purpose energy sources, industrial radiation sources, and other unique materials whose intrinsic value is measured in the billions of dollars and whose strategic potential has not yet been realized. This paper elucidates some of the potentials for high level nuclear waste and discusses some of the programs underway today to convert much of this waste from a national liability to a national asset.

Mr. Speaker, in conclusion I am reminded of the boast made by a meat-packing firm when they opened a new facility:

In this plant we use everything from the animal except the squeal.

In an energy hungry nation, we should take this approach with the nuclear power fuel cycle, and not worry about the squeals of the uninformed, the misguided, and the troublemakers who use opposition to nuclear power as one means to try to destroy the Nation.

I will submit the entire report by Mr. Dix at another time.

GENERAL REVENUE PAYMENTS NEEDED TO ASSIST SOCIAL SECURITY TRUST FUND

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

SOCIAL SECURITY PAYROLL TAX—IMPACT OF INCREASES

Mr. BURKE of Massachusetts. Mr. Speaker, the Joint Economic Committee has recently published a rather dispiriting memorandum analyzing the potential adverse economic effects of the recently enacted social security legislation. My distinguished colleagues might find the results of this analysis interesting.

The macroeconomic impact of the increases in the Social Security Payroll Tax in the next 5 years is frightening. The net budget drag of the scheduled tax increases is $62 billion through 1982. This figure represents the cumulative deflationary add-on to the GNP brought about by the payroll tax. Real GNP is projected to be $7.6 billion lower in 1982 as a result.

Already, the public has begun to perceive the bleak future in store for them. At the same time this nation has over 6 percent unemployment, the Congress is enacting laws that will arrest the growth of our economy and add significant pressure to existing inflationary trends. I implore my friends and colleagues to read this report and listen to their constituents. The limits of a self-sufficient employer-employee payroll tax have been reached and surpassed. New financing measures must be explored, debated and considered by this Congress.

If my colleagues would focus in on one particularly telling note in the Joint Economic Committee's analysis, the urgency of action to lower social security taxes might be better understood. The analysis predicts a severe budget drag and lower GNP as a result of scheduled tax increases. From this curb on economic growth the study forecasts an estimated loss of some 1.3 million jobs. When I asked the Office of Management and Budget what such an unemployment increase means in terms of Federal receipts, I was informed that a reduction of approximately $15 to $20 billion could be anticipated. I would point out to my colleagues that the Joint Economic Committee's estimate of a 1.3 percent increase in unemployment is a conservative assessment. Any increase above that predicted loss of 1.3 million jobs will add further to the multi-billion dollar shortfall in Federal revenues.

Mr. Speaker, the facts one can marshall in opposition to further increases in the regressive payroll tax are legion. I shall leave it to the Members to reach the rational conclusion.

SOCIAL SECURITY GENERAL REVENUE FINANCING

Mr. Speaker, I would also like to take this opportunity to once again address my colleagues on the issue of general revenue financing of social security. I bring to your attention a recent TV and radio editorial statement broadcasted by WBZ, Westinghouse Broadcasting Co. in Boston. Over the years, WBZ has been recognized as a powerful voice in presenting issues of public importance to a wide audience in Massachusetts and New England. Their television broadcasts can be seen throughout Massachusetts and in some surrounding States. In addition, the WBZ radio broadcast range reaches not only most of New England, but extends along the eastern seaboard as far south as North Carolina. Therefore, it is with no little significance that their editorial entitled, "Jobs and the Payroll Tax," which strongly endorses the concept of using general revenue funds to finance one-third of the cost of social security was heard by a large and diversified group of citizens. These citizens, and working men and women all across this country are looking to this Congress for leadership that will provide some effective relief to the regressive social security taxes under which they are laboring. The WBZ editorial advances the concept, long advocated by leading economists, that in order to relly improve our economy and counteract the destructive forces of unemployment a tax cut at the payroll level, for both workers and employers, is the only solution. As my colleagues are aware, time and again I have urged them to assess the merits of using one-third Government contributions to cut the social security tax. My bill H.R. 10668, currently has 150 cosponsors and momentum is building as a result of the realization by a variety of groups—labor, business, elderly, and the tax-burdened public we represent, that no longer will ineffective tax reforms be sufficient to meet the crisis at hand. Time is of the essence, and while our economy is deathly ill, we can act now to save it. I hope my colleagues who have not yet supported my bill will reassess their position and join with the 150 enlightened Members who have cosponsored my bill.

JOBS AND THE PAYROLL TAX

(Delivered By Sy Yanoff, Vice President and General Manager, WBZ-TV, Bill Cusack, Vice President and General Manager, WBZ Radio)

Everyone agrees on the need for more jobs and full employment. And a whole range of public and private programs has been discussed and tried to help toward those goals. But very little attention has been given to one idea we think has real merit. That's to cut the Social Security payroll tax for both workers and employers, by providing a one-third government contribution.

Obviously Social Security bills have to be paid by all of us as either individuals or companies. Government doesn't create money of its own so you may wonder what difference it makes economically to simply juggle the payments around. The answer is that the payroll tax puts the biggest drag on job development and the economy as a whole. It's a tax on employment. Obviously higher costs for labor discharge hiring. They also encourage the use of labor-saving machinery. Both ways, jobs are lost. Most of what's trimmed from the payroll tax due to government financing would have to come from the income tax. That's not a perfect or painless tax either. But for companies it's a tax on profits, not a fixed expense for labor to be paid regardless of how things are going.

The economic problems with the payroll tax are already serious. They're going to grow acute with the increases coming as part of the Social Security bail-out bill passed last year. With all the talk about tax reform and help for the economy, we think this basic change in Social Security financing should be quickly recognized as a priority item. Now let's hear your views.

SOLAR GLOBAL MARKETING SURVEY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, I am today introducing a bill which I believe will help being a process of establishing a position of leadership for the United States in the field of renewable technologies. Many countries have moved ahead in developing and marketing solar energy technologies of many types across the globe. This includes the French, Israelis, Japanese, and Germans. We have not taken the position of leadership that I believe our technological acumen obligates us to. Rather, for example, we have actually been importing 50 percent of the wind machines currently being put to use in the United States.

In order to help identify for American industry what the international market actually is today for these technologies, Senator PERCY and I inquired of the Department of Commerce whether a global marketing survey ought to be undertaken.

The response of the Commerce Department was quick, full, and gratifying. Not only did the Department examine the feasibility of such a project, it has even developed the outlines of what the project would entail, which countries to focus on at various stages, how long it would take, how expensive it would be.

I insert here for the information of my colleagues the letter I received from the Department on this matter, along with the proposal it drew up.

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., February 24, 1978.

Hon. JAMES JEFFORDS,
House of Representatives,
Washington, D.C.

DEAR MR. JEFFORDS: Thank you for the letter of February 8 addressed to Nilsson S. Bassett of our Bureau outlining your interest and that of Senator Percy in having the Department of Commerce undertake a Global Market Survey of solar energy technologies and related equipment. I am replying separately to Senator Percy.

The Department is interested in undertaking the project. We believe that the survey you have suggested would result in valuable information and guidance for the industry, should uncover and quantify new markets for U.S. solar energy products and that we have the necessary expertise on board to develop and manage such a survey. If funds are made available for the project, the Bureau of Export Development would initiate a contract for conducting on-site market research in 20 to 25 developing countries as outlined in the enclosure, "A Proposal for Conducting Foreign Market Research for U.S. Solar Energy Technologies and Equipment." The contractor would be a U.S. firm well

qualified in U.S. solar technologies and marketing research and analysis. The contract would also provide a competitive assessment of foreign capabilities in solar energy equipment, e.g., Japanese and German firms.

The market research reports would serve as a basis for publication of a Global Market Survey for distribution to appropriate U.S. firms. The enclosed sample survey on "Computers and Peripheral Equipment" is similar to that proposed for the U.S. solar equipment industry but of course, the latter would be much more comprehensive. In addition to this summary document, the complete basic research reports also will be made available to the industry.

Since it is unlikely that any contractor has sufficient staffing to conduct simultaneous research in all countries, it is the intent to conduct the research serially and distribute the country marketing information to industry as processed. The initial distribution would be made approximately 14 to 16 months after project start, and all 25 countries would be complete within 24 months of start.

Total implementation cost of the project would be approximately $920,000. Although our Global Market Surveys ordinarily cost approximately $200,000 each, this project cost, based on our experience and inputs from reputable U.S. research and consulting firms, will be at the higher range for the following reasons:

a. It is deemed essential to contract with a highly qualified, technically competent U.S. firm because of the necessity of obtaining current expertise in U.S. solar technology and industry capabilities which is relatively non-existent overseas. Accordingly, salaries and travel expenses will greatly exceed those of indigenous contractors.

b. The critical need to provide a thorough competitive technology assessment requires that research be carried out on-site in the competing countries, an additional cost not normal to Global Market Surveys.

We have been in contact with the Department of Energy in the course of developing this proposal and have received their highest interest and cooperation. As a result, we are convinced that the proposed market research would serve several of their information needs as well as those of other Government agencies, e.g., AID and Ex-Im Bank. Accordingly, if the project is activated, we would most assuredly solicit the input of all interested agencies.

If we can provide any information or be of further assistance, please contact me.

Sincerely,

W. DEAN MORAN,
Deputy Assistance Secretary for Export Development.

A PROPOSAL FOR CONDUCTING FOREIGN MARKET RESEARCH FOR U.S. SOLAR ENERGY TECHNOLOGIES AND EQUIPMENT

PROJECT OBJECTIVE

To provide foreign-marketing information that will guide and assist the U.S. solar energy equipment industry in developing its exports and to serve as a basis for planning a Commerce export promotion program for the industry.

PROPOSED PROJECT—FOREIGN MARKET RESEARCH FOR THE U.S. SOLAR ENERGY TECHNOLOGIES INDUSTRY

It is proposed that a U.S. market research contractor, experienced in solar energy technology be selected through the competitive bidding system. It is recommended that the market research task be undertaken in two phases, as later described, for the following reasons:

1. The research task is market developmental in nature relating to new and advanced technologies for use in developing countries. To insure optimum informational and reporting results it would be illogical to complete the research in 20 to 25 countries without a review of the results in early stages. Also, the possibility should not be overlooked that negative conclusions may be reached. We would want to evaluate the research results early in the project to determine whether a modification in the approach is necessary.

2. The most reputable research and consulting firms in this country indicate a dearth of qualified researchers in this field. Therefore, implementing an effective simultaneous research effort in more than a few countries may be difficult. Conducting the research and releasing it in groupings of 5 to 8 countries would be a rate that most qualified research firms could meet.

Tentative Project Phasing

1. Develop market research specifications
2. Adverse and award market research contract
3. Monitor contractor's effort through the following stages:

Phase I

a. Contractor makes an in-depth assessment of foreign competitive technologies and export activities (e.g. Japan, Germany).

b. Contractor conducts research in 6 tentatively selected country markets:

Brazil, Egypt, India, Indonesia, Iran, and Saudi Arabia.

c. Phase I research is evaluated for responsiveness to U.S. industry's needs and to determine whether modification of approach should be made to provide most effective result.

Phase II

Contractor will continue research task in following groupings performed serially (tentative selections).

Israel, Kenya, Niger, Nigeria, Senegal, Sudan, Tanzania, and Turkey.

b. Colombia, Costa Rica, Ecuador, Guatamala, Mexico, Peru, and Venezuela.

c. Malasia, Pakistan, Philippines, Taiwan, and Thailand.

4. Publication of the "Global Market Survey" will begin on the completion of Phase I and will continue incrementally as research reports are received in Phase II.

As a result of our dialog with the Department, and the response we have received, Senator PERCY and I have decided to introduce a simple measure to direct the project, which is estimated to take about 2 years, to begin as soon as possible.

The bill is being introduced today as a part of a package of bills which were developed by the House-Senate solar coalition, and I hope the measure, as well as the entire package, will be greeted favorably by my colleagues.

H.R. 11513

A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Solar Global Marketing Survey Act".

SEC. 2. The Secretary of Commerce, in consultation with the Secretary of Energy, shall conduct a global market survey, as part of the program carrying out such surveys, to determine countries to which solar energy technology equipment manufactured in the United States might be exported. Such survey shall be completed not later than September 1, 1980.

SEC. 3. There is authorized to be appropriated not to exceed $950,000 to carry out the provisions of this Act.

Mr. MAGUIRE. Mr. Speaker, the people of the United States are committed to resolving the energy crisis. They are prepared to make the sacrifices necessary to achieving energy self-sufficiency and to set this Nation on solid energy footing for the future.

This public concern did not exist a scant 5 years ago, and any discussion of the energy crisis was generated primarily in the academic and professional energy circles. Now, however, since the postembargo passage and implementation of much energy conservation and supply legislation, the term "energy crisis" has come into household use.

Today, I am introducing legislation with Representative OTTINGER which would require the Federal Government to assume the leadership role for the economy as a whole in a conversion to solar energy for the future. Although people want to contribute to solving the energy crisis, most are frustrated by ever-rising fuel bills despite conservation efforts, or by a lack of understanding of the breadth and availability of the seemingly esoteric alternative energy technologies such as solar, for satisfying their energy needs in the immediate future.

Since the Arab embargo, the American consumer has been forced to a harsh understanding of the problems associated with a transition to renewable resources. Because it is painfully evident that we are running out of fossil fuels, most people are seeking to learn about what is entailed with "going solar." However, Congress has yet to provide the consumer with active leadership in this area; setting up information dissemination and technology demonstration programs is not enough. With the great potential of solar energy, our legislative efforts to date have been experimental, and our commitment to the solar resource—and therefore to encouraging a renewable resource transition—has been regarded as tentative at best. Certainly, the intent and original substance of the President's energy bill was a step in this direction, but the general stagnation which has overcome energy legislation in this Congress arising from controversy surrounding the natural gas deregulation component of the national energy plan, has served to shake the public's confidence in the ability of Congress to lead the United States out of the energy crisis. Is Congress to set the example of dangerous inaction on an issue that cries out for immediate resolution, or will we finally demonstrate our commitment to a sound energy future by putting forward a concrete and effective alternative energy conversion policy?

I believe that the example must be set by the Federal Government that solar energy is commercially feasible in part today, and that it is a reliable and down-to-earth solution to our energy problems for the future. It is for this reason that I have sponsored the Solar Energy Transition Act with my distinguished colleague from New York: To put into motion the policy and procurement mechanisms today for converting the Federal

Government's energy consumption to 30 percent solar by the year 2000.

Specifically, my bill would require each Federal agency to report to the Secretary of Energy within 1 year of passage, findings on the potential within the agency for converting its own energy consumption activities to solar. The Secretary of Energy would then come to Congress with a Solar Energy Transition Report, to be delivered on April 20, 1980, and then annually, in which he would assess and determine the potential in the Federal sector for reliance upon solar energy for 1 percent of all energy needs by 1981, 5 percent by 1985, and 30 percent by 2000. In addition, the Solar Energy Transition Act would require the Secretary of Energy to develop guidelines for agency policy revision and the establishment of new policies affecting national energy use patterns, which would encourage a national conversion to solar.

Since the Arab oil embargo, Congress has provided leadership in energy conservation and production of finite and fossil resources. With the Solar Energy Transition Act, we would be placing priority on assuming the leadership role in what must inevitably come: A move away from fossil fuels and toward reliance on renewable resources, especially solar. I believe that the prevailing attitude in the Federal bureaucracy will be to seek to implement as effectively as possible, the policies and goals of this legislation. There is a solar readiness in the United States: The Solar Energy Transition Act is a timely and necessary measure to channel the general interest in solar energy which now exists, into action facilitating its eventual widespread use.

I ask unanimous consent that the text of this statement be printed in the RECORD at this point.●

THE PLIGHT OF JACOBO TIMERMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. CONTE) is recognized for 30 minutes.

GENERAL LEAVE

Mr. CONTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Speaker, I would like to raise the collective conscience of this body to a demonstration of human injustice that must be righted.

It will be 1 year next month since the arrest and imprisonment of one of Argentina's most prominent citizens, Mr. Jacobo Timerman. Mr. Timerman was the publisher of the highly respected daily newspaper, La Opinion. Last April 14, Mr. Timerman was arrested by a score of well-armed men in civilian dress, who, it was later revealed, were attached to Argentina's Army command post. Mr. Timerman was supposedly arrested because of his possible connection with subversives and an enormous financial swindle which backed them. Such allegations could be readily substantiated, if they were valid. In this case, a military tribunal has cleared Mr. Timerman of any wrong-doing. But he still remains imprisoned, ostensibly so that the Government can ascertain the origins of his financial assets. Thus, the current status of Mr. Timerman remains unchanged, he is to be locked up until the Government finds something that will justify his arrest. But, the popular belief both within and outside of Argentina is that the less they discover, the longer they will keep Mr. Timerman under lock and key.

Mr. Speaker, it is apparent that the Argentine Government has made progress in its economic stabilization program, even during this unsettling political time. The progress is significant when one considers that the country's economy was on the verge of collapse in 1973, when the previous leader, Mrs. Isabel Peron was ousted. At that time there were no foreign reserves; the country's inflation was rampant; and the balance of trade was enormous. The current economic officials, under the direction of President Videla and the junta, have established the free market system, which has resulted in such encouraging trends as the increase in gross domestic products from $36 billion in 1975 to $42 billion last year; an increase in the money supply from $260 million in 1975 to $2.1 billion last year: in a reversal of the balance of trade from the 1975 deficit of $985 million to a surplus of $1.3 billion last year; and likewise, in a reversal of the balance of payments from the 1975 deficit of $1.95 billion to a surplus of $1.75 billion last year. Finally, the amount of goods produced, per worker, known as the per capita gross domestic product, rose by about $200 last year alone.

It should be noted that a major factor contributing to this upswing in the Argentine economy is the liberalized policies that have been adopted recently by the world's major lending institutions. Such institutions as the World Bank, the Export-Import Bank, the Inter-American Development Bank, as well as private commercial banks, through their liberalized lending policies, have added significantly to the improved economic conditions with Argentina.

Last year alone, the Export-Import Bank provided $90.8 million in assistance through loans, guarantees, and insurance; the Inter-American Development lent a total of $317.9 million; and the World Bank lent a total of $320 million in fiscal year 1977. It is evident, from the figures, that these large lending institutions have placed a significant role in this economic improvement.

The agricultural production and exports are dramatically improved, so much that the exports have become a major competitor of the American exported goods. Also, with the current rate of unemployment of only 4 percent, the Argentine Government is attempting to encourage the private sector to play a greater role in the country's economic policies, thus, further reducing both the unemployment rate and the budget deficits. A recent example of the Government's good-faith effort is its reform of the banking system, which it implemented last June. These are just a few, brief examples of how the present Argentine Government is striving to reverse the previous policies.

The Republic of Argentina has also made progress in their admirable efforts to restore the rights of those individuals incarcerated for political reasons. Most recently, the Government has released 389 of these prisoners. This encouraging trend must continue until we see the day when all forms of political incarceration are terminated. By citing Mr. Timerman's case, I do not mean to connote that he is the only political prisoner currently being held in Argentina. Rather, due to Mr. Timerman's respected position as founder and editor of the country's leading newspaper, La Opinion, and the notoriety that surrounds his imprisonment, Mr. Timerman serves as a symbol of the blatant abuses of both the excessive use of this form of repression, as well as the obvious infringement on the freedom of the press.

However, Mr. Speaker, if the Argentine Government persists in this blatant example of a disregard for the human rights of Mr. Timerman, the world will ignore these positive economic and social strives I have mentioned, and only remember the injustice it has inflicted on one individual. This would truly result in a tragedy for everyone concerned; the Government would lose the favorable world reaction to its effective leadership and Mr. Timerman would remain in prison, to suffer the consequences of a charge that has neither been made or substantiated. It would be regrettable if the Argentine Government would be willing to forfeit all of its achievements in order to persist in the imprisonment of one individual. I hope this is not the case.

Mr. Speaker, I had the occasion personally to discuss the situation with Mr. Timerman in his prison cell. His suffering was clearly visible. Mr. Timerman personally assured me that he would leave the country on the same day he is permitted to do so by the Argentine officials. Furthermore, Mr. Timerman has stated that he would not use his freedom in any way that might cause embarrassment to the Argentine leadership. He is currently being held at the police headquarters in Buenos Aires, awaiting the Government's decision on this case—a case which is attracting world attention.

Mr. Speaker, it is time for us, Members of this "body of the people" to speak out against such injustices, wherever they occur. The fact surrounding Mr. Timerman's case point out that, contrary to the recent comments made in behalf of the Republic of Argentina, there is no true justice in that country at this time. Regrettably, the Argentine Government's actions in this case demonstrates the emergence of an atmosphere which disregards the rule of law, which coerces its citizens with acts of cruelty, vindictiveness, and innumer-

able prejudices. I urge the leaders of Argentina to right this wrong, to demonstrate to the world that justice has, indeed, returned to that country. I ask them to allow Mr. Timerman and his family to emigrate to the state of Israel. Only then will the world truly know the extent of the sincerity of Argentine President Jorge Videla's administration. I urge the leaders to act swiftly before they are further cast in the light of a repressive regime in the eyes of the world. As an example of the unfavorable reaction that is developing, I ask unanimous consent to insert three editorials, which demonstrate the outrage that is growing over this issue.

Mr. Speaker, I could expand greatly upon this injustice, but for the moment, I hope that this outcry, from myself, and other Members who have joined me, will assist the appropriate officials of Argentina to make the correct decision.

Mr. Timerman must be allowed to leave the country. Justice must prevail. I believe it is incumbent upon us, who profess the doctrine of human rights, to see that this man is restored his basic rights. I urge the Republic of Argentina to take notice of our expressions of outrage at this injustice.

We will be awaiting their next move.

All of the signatories of the U.N. Charter, including Argentina, have pledged themselves to observe and to respect basic human rights. In his address to the delegates at the opening session of the United Nations Conference in San Francisco on April 23, 1945, President Harry Truman said:

We must build a new world, a far better world—one in which the eternal dignity of man is respected.

I submit, Mr. Speaker, that it is, indeed, time—past time—for Argentina to respect the dignity of Jacobo Timerman and the thousands of others who are languishing in jail.

[From the Buenos Aires Herald, Nov. 15, 1977]

JUSTICE AND JACOBO TIMERMAN

When Jacobo Timerman, then editor and major shareholder of La Opinion, was arrested some seven months ago, anti-Argentine propagandists abroad suggested that he was being victimized—for being a Jew, a journalist, or both. The methods used in arresting him and his deputy (who "disappeared" for several days after the two men were picked up at their homes in the early hours of the morning) and the "trial by press" which followed helped the people organizing the smear campaign against this country. But there was one very clear answer to the anti-Argentine propagandists, who depicted Mr. Timerman's arrest as an attack on the freedom of the press and as proof that a wave of anti-semitism was sweeping the country.

Friends of this country abroad, and all democrats at home, could assure well-intentioned foreigners that the Timerman case was not related to anti-semitism or press freedom. As the Herald pointed out at the time. Mr. Timerman would receive a fair trial, which should clear up all doubts. If found not guilty of involvement in subversion, he would be released. Suspicion of Mr. Timerman, it will be recalled, stemmed from the fact that the late David Graiver, who, it has been admitted, provided a conduit for the terrorists' blood money and acted as their financial advisor, originally owned shares in La Opinion.

Mr. Timerman's day in court was long delayed and he was eventually tried by a military tribunal. But the "council of war" cleared him of any involvement in the Graiver allegedly subversive activities it seemed reasonable to assume that Mr. Timerman would be freed possibly to face civil charges relating to the Graiver shareholding and the change in the financial control of the newspaper after the financier's death.

When Mr. Timerman's release did not come in the wake of the verdict of the military tribunal, his wife filed a habeas corpus petition asking that he be freed. Then came the surprise, particularly to those following the case from abroad, who had understood from influential government officials that Mr. Timerman would be freed. The Military Junta announced that Mr. Timerman along with the wives of Juan and Isidoro Graiver, had been placed under the Act of Institutional Responsibility. At the moment of writing there is still no indication as to why this measure was applied in Mr. Timerman's case. It effectively suspends all his civil rights and freezes all his assets, pending an investigation into whether they were acquired legally.

It also hangs over his head the threat of perpetual imprisonment, because there appears to be no appeal. The Act of Institutional Responsibility has been called "revolutionary justice," but it is hard to see justice in summary punishment. Its "revolutionary" value is just as dubious. Many of the people whose names are included in the Act of Institutional Responsibility are out of the country. In the case of two people—the late Mr. Gelbard and Mr. Broner—extradition requests were rejected for the simple reason that the two men had been pre-judged and pre-sentenced in their absence by the application of the act.

It seems reasonable to assume that the act has been applied to Mr. Timerman to avoid another lengthy trial. He can presumably, be released while the investigation into the acquisition of his assets goes ahead. This would be an effective answer to the anti-Argentine propaganda. Mr. Timerman's release, along with other people being held without charges, would demonstrate the government's concern about human rights at a time when world attention is focused on Argentina because of Mr. Vance's visit here.

[From the Buenos Aires Herald, Dec. 8, 1977]

THE GHOST OF DREYFUS

(By James Neilson)

On October 15, 1894, Captain Alfred Dreyfus was arrested by the French military authorities and accused of high treason. Proof was scanty, but the court martial that heard the case in camera decided he was guilty and condemned him to degradation and deportation for life. While Dreyfus rotted away the years on Devil's Island, however, his friends back home accumulated enough evidence to force a retrial. He was returned to France in 1899 but was pronounced guilty once again "in extenuating circumstances." It was only in 1906, almost 12 years after Dreyfus nightmarish ordeal began, that the original verdict was overturned. He was then reinstated, awarded the Legion of Honour, and eventually became a lieutenant-colonel before retiring into obscurity.

In his own lifetime Dreyfus became a symbol of injustice. He has remained one ever since and his case can still stir passions in men's hearts. Even today it is hard, perhaps impossible, to view Dreyfus without some bias. Certainly, when the Dreyfus affair absorbed the attention of the civilized world public opinion took sides according to political views. The result was to widen the gap between the Left and the Right, clerical and anti-clerical, militarist and anti-militarist, and the effects rumbled through French life for decades.

The affair was particularly painful for the Right. Even honest rightwingers who realised that the evidence against Dreyfus was bilge and despised the anti-semitism of the vulgar and ignorant thought the wrong verdict should have been allowed to stand. They thought—quite correctly, it turned out—that the knowledge that Dreyfus had been framed and railroaded would harm the honour and reputation of the French army. They believed—utterly wrongly, as events inexorably proved—that it was better to paper over a stain on military honour than to go through the agonizing process of really cleaning it. Finally, of course, the truth came out. But it had to be dragged out and the struggle weakened France and with France the entire West.

When the name Jacobo Timerman crops up abroad, as it frequently does, it is sometimes linked to that of Alfred Dreyfus. Timerman, after all, is a Jew in a society where, like it or not, anti-semitism is a force to be reckoned with. So was Dreyfus. He has become something of a symbol, for Jews as much as for anti-semites. So did Dreyfus. He was jailed by the army and tried by it in camera. So was Dreyfus. A sector of the press, at least, moaned with pleasure when he was arrested and accused him of something approaching high treason, Dreyfus' alleged crime. Timerman has been stripped of his freedom, his property, his civil rights. Much the same, mutatis mutandis happened to Dreyfus. And Timerman too may, if the murmur of rumour means anything, be deported—though not, fortunately, to some Devil's Island.

It is in the interests of the government and the country that the parallels listed above be shown to be nothing but a tendenitious caricature of the truth. So far, however, no evidence of any kind has been made public to refute them. During his secret trial before a handful of military officers Jacobo Timerman may have been accused of crimes far more substantial than the public has reason to think. If this is the case it is surely in the national interest for the facts about these crimes to be revealed.

Since the night of April 14 Timerman has been a prisoner. As yet there has been no satisfactory explanation of why he was arrested in the first place, let alone of why he is still being held almost eight months later. Trying to work out what exactly he was found guilty of has become a common guessing game. A financial swindle? Some "political crime"? Did he publish an apology for crime in his newspaper? Precisely how did he infringe the retroactive Institutional Act? Is there some overwhelming, damning bit of evidence the government has discovered but does not wish to make public? But surely no effort would have been spared in letting the world know why Timerman is being held if the evidence were solid enough. The questions are innumerable, the answers few and unconvincing.

As the head of DAIA. Dr. Nehemias Resnizky, recently stated, the Argentine Jewish community is "deeply concerned" by the continued, unexplained imprisonment of Jacobs Timerman. This concern is not restricted to the Argentine Jewish community. It is shared by democrats the world over. Many people will, rightly or wrongly, judge President Videla's government—and Argentina today—by the way it treats Timerman. The government has been encouraged recently by signs that moderate opinion in Europe and North America, thanks to the savage behavior of terrorists there, is showing greater willingness than before to regard it with some sympathy, to give it the benefit of the doubt. A decision to release Timerman, or to provide a plausible explanation of why he is still being held almost eight months after his arrest, would do much to win the government the support of many people—including many in high places—in the coun-

tries whose friendship Argentina should value most. A refusal to do anything will simply result in such sympathy as has been generated in the last few months irretrievably draining away.

[From the Los Angeles Times, Dec. 30, 1977]

THE WRONG SUSPECT

Jacobo Timerman, editor of La Opinion, a leading Argentine newspaper, is in jail. He has been in jail since last April 15, when armed men in civilian clothes dragged him from his home before dawn.

His imprisonment is one of the few clearly established facts in a bizarre situation that reflects the political chaos prevailing in Argentina under President Jorge R. Videla and the ruling junta. The invaders could have been left-wing or right-wing terrorists. On one day Timerman had received death threats from both factions. The men who seized him turned out instead to be army officers.

No specific charges have been made against him, just vague allegations that he had been involved in the "Graiver affair." David Graiver, a young Argentine banker killed in a plane crash in August, 1976, was suspected by the junta of being a financial front man for a left-wing terrorist group.

It is understood that a military tribunal cleared Timerman of involvement in subversive activities. Yet, while never formally charged with any crime, Timerman remains in prison. He has been stripped of his civil rights and control over La Opinion.

The Buenos Aires Herald commented, "Timerman, in fact, may be the victim of some Catch-22 bind: He is to be kept locked up until something justifying his arrest is discovered; the less that is discovered, the longer he will be under lock and key."

An element of anti-Semitism is suspected as a motivating force against Timerman, who is a Jew, as was Graiver, but Videla rejects any suggestion that the government practices or encourages anti-Semitism. The American Jewish Committee, which has appealed to Videla to release Timerman, reports that Jewish leaders in Argentina believe that Videla and most other high officials are not anti-Semitic. But the committee says, "To deal with leftist terror, the junta has cast a net that often catches not only guerrillas but their relatives, acquaintances, alleged sympathizers and other assorted liberals."

Yet the imprisonment of Timerman is not the only disturbing element in a country caught in a struggle between left-wing terrorists and right-wing counterterrorists. Police forced their way into the home of Nehemias Resnizky, a prominent Jewish leader, and arrested his son, who was released only after intervention by a cabinet minister. Resnizky subsequently sent his son and other family members out of the country.

A series of threats last summer forced Jacobo Kovadloff, director of the Buenos Aires office of the American Jewish Committee, to flee Argentina with his family.

The politics of Argentina at the moment is the politics of contradictions. In the absence of any opportunity for a democratic government, democratic forces welcomed the junta in the hope that a government under Videla, the commander in chief of the army, would bring some order out of chaos. They consider him more democratic than other members of the junta, but not strong enough to enforce his will completely. Yet they fear that if he falls an extreme right-wing regime will take over. That fear has tempered their criticism of his government.

Another anomaly is the ready access that Jewish leaders have to high government officials, and yet Jewish leaders are disturbed by the evident conviction of some factions of the government's security forces that an element of Jewish intellectuals is involved with left-wing guerrilla groups; they worry more however, about paramilitary units operating outside the government than they do about government action. Videla and his collaborators have stressed the need to establish, in their curious phrase, a "monopoly of repression" under tight control. This has not been achieved.

Videla and his foreign minister, Adm. Oscar Antonio Montez, have argued that, during a period of civil disorders, mistakes are made and some violations of human rights are inevitable. This explanation cannot now apply to Timerman. The eight months during which he has been in jail should have given the government enough time to bring him to trial on specific charges or release him. Timerman, a past supporter of Videla, has become a symbol of repression because of his prominence and the circumstances of his arrest and detention. An Argentine Jewish leader asked, "Would this have happened if Timerman were not a Jew?"

The answer is not clear. A Jewish source reports that about 600 Jews are included in the 8,000 persons who the military says have been killed, arrested or kidnaped since Videla took power in March, 1976, but the majority of Argentina's 400,000 Jews have not been affected directly by government security operations.

Still, the suspicion persists that Timerman may be a victim of anti-Semitism. The government can allay this suspicion by producing specific charges against him, and supporting the allegations in open court. If, for whatever reason, that is not possible under current conditions in Argentina, Videla has the authority to grant Timerman amnesty and to permit him and his family to leave the country.

As it now stands, the chief suspect in this affair is the government.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Massachusetts for yielding and for taking this time to bring this issue to the House floor.

I take the floor today to express my profound disappointment with the Argentine Government of President Videla for the extremely poor state of human rights in that once great and proud nation. News from the Argentine over the past few months is causing many of us in Congress to reassess our attitudes toward the Videla government.

Last year, especially during the debate on the International Security Assistance Act of 1977, I was in the forefront of those in the House who argued that we should not prohibit Argentina from receiving grant military assistance, military education and training, and security supporting assistance. At that time I believed we should stay on close and friendly terms with the Argentine Government so that we could positively influence the Government's human rights policy.

In August, as a member of the visiting delegation from the House International Relations Committee, I listened to President Videla and other high-ranking members of the Argentine Government explain that we in the United States had the wrong impression about the human rights situation. Argentine leaders, acknowledging problems, had us believe that they were sincerely interested in improving the human rights situation but told us of the great difficulties they have with extremist elements, in their frame of reference to the left. They acknowledged that innocent people were getting hurt in the "dirty war" being waged in the country. Others, some close to official circles, told of the Government's problems in controlling extreme rightwing activity within the military—those most responsible for the abuses of the rights of Argentine citizens.

In the committee's report of our study mission, "United States in the Western Hemisphere," we noted:

> It was the consensus among the people with whom the delegation spoke, that General Videla is a moderate who is attempting to establish a just system in Argentina.

Later in the report, we noted that there seemed to be a consensus that the Videla government was trying to control the activities of the hard-line extremist elements within the military. Some of us came away from Argentina very anxious about human rights but with the belief that General Videla was serious about trying to improve the situation.

During our trip, I repeatedly emphasized to the Argentine officials that friends of Argentina in the Congress needed concrete help and support from the Government with regard to the human rights situation. I was led to believe that all efforts were going to be made. A review of events in Argentina over the past few months gives me cause to question my earlier views and to question the sincerity of those in the leadership of the Videla government. The situation has not improved; indeed, it has deteriorated.

The case of Jacobo Timerman, an avowed enemy of the extreme right and the extreme left in Argentina is a prime example. Timerman, publisher of La Opinion, one of the most prestigious and respected newspapers in Latin America, has been in jail without charges for almost 1 year. Earlier in his incarceration he had been tortured. He is still in jail despite a Council of War finding that he had no connection at all with terrorism, and that he could not be charged with any legal offense. The Government has attempted to implicate him with the financing of leftist terrorists and have tried to find him guilty of economic crimes, but after all this time has apparently not found sufficient evidence to do so. The Argentine Government has had ample opportunity and time in the Timerman case to show its good faith and its "positive" human rights posture as expressed to the congressional delegation in August.

The Timerman case, considered along with others in Argentina has caused great anxiety in the Argentine Jewish community as well in the world community of free men outside Argentina. The case of Jacobo Kovadloff, who headed the American Jewish Committee Office in Buenos Aires and who was forced to flee the country for his life—the AJC office had to be closed down; the case of the harassment of Dr. Nehemias Resnizky, president of the DAIA, Argentina's major Jewish organization; the

case of Alejandro Deutsch and his daughter in prison despite a court ruling, similar to the Timerman case, in that there are no legal grounds for imprisonment. These cases and other examples cause fear that anti-Semitism of an official variety is in resurgence in Argentina.

During the August trip, some of the members of our congressional delegation discerned a very evident sense of fear, anxiety, and insecurity among many with whom they spoke privately. During these discussions, it was alleged that Jews were treated more harshly and severely than other Argentinians who were arrested on suspicion of subversion. When the authorities realize they have a Jew in custody, the line of questioning, they told us, shifts from a political one to one concerning that person's religion, reflecting current anti-Jewish propaganda. Several sources cited the disproportionate numbers of doctors and civil servants of the Jewish faith being fired in the government's campaign to reduce the federal payroll in this time of economic crisis.

By no means is anti-Semitism an isolated problem. It is only one example of the deteriorating human rights situation in Argentina.

A further deterioration of the human rights situation came in mid-February when the Argentine Government issued an edict requiring the registration of all religious groups in Argentina other than the officially recognized Roman Catholic Church. Under this law, the military government reserves the right to refuse registration to any religious group it finds objectionable and to deny the group the right to religious expression.

Another problem is those held as political prisoners and those who have disappeared. In December the Government announced that 3,607 people remained "at the disposition of the executive power" when it released 389 prisoners as a Christmas gesture. The Government did not disclose the names of those that it admits it is holding. In the International Relations Committee trip report it is stated that—

According to one Argentine citizen considered close to the situation, at least 10,000 Argentinians have been killed, 5,000 are in jail without charges, 500 are in jail with charges, and 20,000 have disappeared. The Argentine Bishops Conference has submitted a list of 1,000 names and has received little information or response from the Government.

Amnesty International's report for 1977 offers a chilling and depressing chronicle of the Argentine Government's performance on human rights.

I am pleased to join with the gentleman from Massachusetts in imploring the Videla government to take a strong and positive hand to right the injustices being committed against the great people of Argentina.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I want to compliment the gentleman from Massachusetts (Mr. CONTE) for addressing himself to the case of Mr. Timerman and the case of human rights in Argentina. I think the gentleman has made a very important statement. One thing I would like to mention is the fact that Mr. Timerman is Jewish, and there are many of us who believe that this is one of the reasons that he is being held in prison and one of the reasons that his human rights have been deprived. I have been extremely disturbed by the increase in anti-Semitism in Argentina, the rampant publication of virulently anti-Semitic literature and the harassment of Jews. I am deeply saddened by the failure of the Argentine Government to respond to these problems; in fact, I am deeply concerned that the Argentine Government is itself playing a role in furthering and supporting the anti-Semitism that now exists in Argentina.

Mr. CONTE. Mr. Speaker, I thank the gentlewoman from New York for her comments.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I would like to commend the gentleman from Massachusetts (Mr. CONTE) for his very moving and eloquent statement; and I wish to associate myself fully with his remarks.

Mr. CONTE. Mr. Speaker, I thank the gentleman very much.

● Mr. THOMPSON. Mr. Speaker, I rise to join my distinguished colleague, Mr. CONTE of Massachusetts, in condemning the imprisonment of Jacobo Timerman. Timerman has been wrongfully detained in his native Argentina for almost 1 year. No evidence of his guilt has been made public, nor have the regular judicial processes been used in his case.

Timerman is a liberal, an entrepreneur, a journalist, and a Jew. His imprisonment and the confiscation of his property (including his distinguished newspaper La Opinion) suggest that freedom of thought, freedom of enterprise, freedom of speech, and freedom of religion are not valued by important Argentine officials. He symbolizes the plight of thousands of other Argentine citizens killed or imprisoned for political or personal reasons, whose whereabouts are unknown to their families. Timerman's release would, therefore, make clear that Argentina was moving in the direction of recognition of the importance of these freedoms. Such recognition would surely draw our countries closer together and would signify that Argentina's actions were those that would be expected of a great civilized country. Additional releases of prisoners would further these ends.

Some movement in this direction is already perceptible as Argentine sources have recently released names of some detainees. This is appreciated by those who understand Argentina and the problems of dealing with civil violence. Nevertheless, in the 200th anniversary year of the birth of the Great Liberator, José Desan Martin, it behooves Argentina to commemorate this event by acts which ennoble her traditions. The release of Timerman and other actions should be initiated now.●

LEGISLATION TO AMEND PAYMENTS IN LIEU OF TAXES ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

● Mr. YOUNG of Alaska. Mr. Speaker, I am today introducing legislation to amend the Payments in Lieu of Taxes Act (Public Law 94–656) to insure the eligibility of certain local governments in the State of Alaska for funds distributed under the act.

This legislation is designed to assist the city of Skagway, Alaska, since the erosion of the city's tax base is certain due to the creation of the Klondike Gold Rush National Historical Park. The Skagway Historical District encompasses nearly all of the business and commercial activities of the city, that is, the most valuable real property. Under the "boroughs only" restriction of section 6 of the act, Skagway is ineligible for payments under section 3 which provides compensation for the loss of the tax base due to land acquisition. This is unfair to Skagway, a first-class city, since it is the collecting and distributing agency for real property taxes. This bill would remove the "boroughs only" restriction for the purposes of section 3.

I want to make it clear to the Committee on Interior and Insular Affairs that this change in definition will not apply to the boroughs only restriction for the purposes of section 1 of the act, which provides for payments on the basis of acreage.

I urge my colleagues to favorable consider this measure and include the bill to be printed in the RECORD:

H.R. 11499

A bill to amend the Act of October 20, 1976, relating to certain payments to local governmental units based upon public lands within the boundaries of such governmental units

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An Act to provide for certain payments to be made to local governments by the Secretary of the Interior based upon the amount of certain public lands within the boundaries of such locality", approved October 20, 1976, is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding the provisions of section 6(c) of this Act as it applies to the State of Alaska, for purposes of this section, a unit of local government in Alaska other than the borough which acts as the collecting and distributing agency for real property taxes shall be eligible to receive payments under the foregoing provisions of this section."●

THE SMALL BUSINESS DEVELOPMENT CENTER ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN) is recognized for 10 minutes.

● Mr. WHALEN. Mr. Speaker, Today, I am pleased to join more than 50 of my colleagues in cosponsoring the Small Business Development Center Act. This bill was originated in the Senate last year by Senators NELSON and HATHAWAY. A similar measure was introduced in the House by BILL WHITEHURST and AL BALDUS.

There are at least 10 million small businesses in operation today. These enterprises account for 97 percent of all businesses in the United States. They produce one-half of our GNP, and they employ one-half of all working Americans. Obviously, maintaining a healthy small business community will bring tangible benefits to the Nation as a whole. By encouraging competition and innovation, Federal revenues can be increased and unemployment reduced.

The effect of entrepreneurial application was succinctly expressed recently by Nelson Upthegrove, director of the New Enterprise Institute in Maine. Dr. Upthegrove says that:

> Entrepreneurship is really what makes the economic engine go, and if you couple entrepreneurship with innovation (applied knowledge or technology, according to Upthegrove) you've got a particularly valuable kind of economic growth.

He observed, moreover, that this combination of entrepreneurship and innovation has "a kind of self-generating characteristic. There is a point at which it seems to have self-acceleration."

Unfortunately, however, according to the Small Business Administration, there are approximately 400,000 small business failures every year, 90 percent of which are directly attributable to a lack of adequate entrepreneurial ability. This alarming rate of small business failures not ony causes thousands of Americans to lose their jobs, but it creates economic dislocation. An indirect effect of this situation is that industrial concentration increases.

Small firms lack the resources to employ staffs of managerial consultants, economic analysts, and technical advisers that large corporations have. Unfortunately, businesses which turn to the Small Business Administration for such information find an agency overwhelmingly geared toward financial assistance, rather than managerial advice. Further, any management assistance programs which do exist are severely limited and understaffed. Yet such programs could save millions of dollars in SBA loans, not to mention savings of Federal unemployment expenditures.

The agricultural sector of our economy enjoys the benefit of managerial and technical assistance through our Nation's universities. This comes from the extremely successful Research Extension Service of the Department of Agriculture. The Service mobilizes all the technical and managerial advances in food production and disseminates this knowledge to the family farmer. The Extension Service thus has contributed greatly to our Nation's impressive agricultural output.

Taking as an example this practical economic utilization of our universities, the Small Business Development Center Act would provide for small businesses what the Agriculture Extension Service provides for farmers. Small business development centers would act as regional clearinghouses for the dissemination of information and provide a "network of people" readily accessible to the small business community.

The Small Business Development Center Act would accomplish these goals in four ways.

First, the bill authorizes the Small Business Administration to make grants to universities for no more than 75 percent of the cost for administering the centers.

Second, the act establishes a Small Business Management and Technical Assistance Division within the SBA, and a Deputy Associate Administrator to direct this division.

Third, it creates a Small Business Development Center Advisory Board to advice and confer with the Deputy Assistant Administrator.

Finally, the permits authorizes the SBA to make grants to universities, organizations and business concerns to carry out research relating to solution of problems which affect small business concerns.

Initially, this legislation would provide $15 million in funds for the SBA. Approximately 10 to 15 new centers would be established. In addition, $5 million in grants would be provided for specific research projects. Eventually, all 50 States would have SBDCs.

The effectiveness and value of the SBDC concept has already been demonstrated. The SBA currently is operating eight SBDCs at universities across the Nation. From these pilot programs emerge two facts about the small business/university concept.

First, small businesses will cooperate with universities to obtain needed management assistance.

Second, universities can provide high quality, practical assistance to small business. In fact, they are better equipped to handle regional business problems than is the Federal Government.

In Maine, Dr. Upthegrove's New Enterprise Institute is one such pilot program. Dr. Upthegrove has observed that "the whole question of motivation and self-evaluation is a very pertinent one." Another problem involves a "lack of understanding in abroad sense of markets." He also notes that:

> We get idealistically-motivated individuals who are not interpreneurs * * * a lot of people we see don't even have a basic concept—they know how to make widgets, so wouldn't it be great if they sold widgets to the world?

Dr. Upthegrove takes a hard-line approach to these problems, stating:

> We're not goodygoody about it and we don't hesitate to tell you in very harsh terms that you're not doing something right or that something won't work.

Such observations and approaches are common among the pilot projects the SBA is conducting, and the benefits of these programs are self-evident. For example, the New Enterprise Institute recently sponsored a seminar of food processing in Maine. The intent was to help establish a "network of people" among the food industry in that State. One effect of that conference was that the president of a small fertilizer company met the superintendent of a Maine chemical company. What did these two men discover? The fertilizer company annually uses about 750,000 pounds of a substance called perlite. The chemical company, on the other hand, yearly disposes as waste almost the same amount of perlite.

While not participating directly in the Small Business Development Center pilot program, the University of Dayton, in my district, has an active small business assistance effort operating in cooperation with the SBA. The School of Business utilizes senior business students in its program, thereby offering the students firsthand experience in solving individual and regional business problems. Assisting the students are several organizations and individuals in the Dayton area, including faculty at the University of Dayton, Junior Achievement, the Dayton Chamber of Commerce, and the Service Corps of Retired Executives (SCORE). Dr. Harish C. Tewari, director of the Dayton Small Business Institute states that these organizations devote their energies and resources "because of the benefits that accrue to the community from this program. There are about 10,000 small businesses in the Dayton metropolitan area," he says. "By offering management assistance through the SBI program, it is hoped that guidance and suggestions can be provided that will enable the small businessman to operate his firm with a greater degree of efficiency, effectiveness, and success."

Finally, Dr. Tewari recognizes that the long-run success of the community itself is based on the performance of these organizations and the assistance they provide. More than 50 small businesses in the Dayton area have received assistance from the SBI program since its inception. "The appreciation for the program," states Tewari, "is evidenced by the fact that repeated requests for counseling have been received by the school."

Obviously, the potential benefits of the Small Business Development Center Act are numerable. Thus, I encourage pasage of this bill when it comes to the floor.●

WHO PAYS THE TAXES?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, an article in this morning's Washington Post by Art Pine points out the pressing need for across-the-board tax rate reduction.

This article indicates that families with incomes over $17,000 per year paid 70 percent of all individual income

taxes. Those families earning more than $10,000 per year paid 94 percent of all individual income taxes.

I believe that this heavy tax burden on the working people of America has reached the point where it is significantly affecting the incentive to work, produce, and better one's self. The trend must be reversed if we are to maintain a growth economy.

The article follows:

RICHER HALF OF UNITED STATES PAYS 94 PERCENT OF INCOME TAXES

(By Art Pine)

The richest one-fourth of American households—those with incomes of $17,000 a year or higher—took home half the income in this country in 1976 and paid more than 70 percent of all personal income taxes.

By contrast, those in the poorest one-fourth—wage earners making less than $5,000 a year—received less than 5 percent of the nation's income that year and paid a minuscule 0.1 percent or less of the income-tax tab.

Those in the richest 5 percent of the country—tax payers with incomes of $30,000 or more—earned 22 percent of the income in 1976 and paid 39.2 per cent of all income taxes.

By contrast, the poorer half of all persons filing tax returns earned 19 percent of all income and paid 6 per cent of the personal income taxes in 1976, while the richer half paid 94 percent.

Those figures, compiled by the Treasury Department from estimates based on 1976 income levels, show a stark fact about the way the tax burden is distributed in this country:

While it's true, as some studies show, that wealthier persons enjoy the biggest tax breaks and deductions, they also shoulder a disproportionate share of the tax burden—far beyond what is perceived generally.

Moreover, the distortion has been heightened by the tendency of Congress in recent years to skew most of the tax breaks it has enacted to those at the lower end of the income scale.

To make up for inflation and higher Social Security payroll taxes, the law-makers have cut income taxes. But most of the cuts have benefited lower- and lower-middle-income taxpayers—not the middle or the top.

The result of all this has been a significant tax sequeeze on the so-called "middle" and "upper-middle" income brackets—the 10.7 million taxpayers whose incomes fall between $20,000 and $35,000 a year.

While the proportion of Americans' personal income eaten up by the income tax has remained relatively constant over the past few years, at about 13 percent, the burden of that tax load has shifted to higher-income brackets.

For example, figures compiled by the Tax Foundation show that the richest 25 percent of the nation's taxpayers paid 68.3 percent of all taxes in 1970. By 1975, that figure had risen to 72 percent.

Those in the richer 50 percent paid 89.7 percent of the total tax in 1970. By 1975, that had increased to 92.9 percent. All taxpayers in the richer 50 percent bracket saw their share of the total tax tab rise.

At the same time, those in the poorer half enjoyed a shrinking tax burden during the period. The taxes paid by the lower half fell from 10.3 percent in 1970 to 7.1 percent in 1975.

For the poorest 25 percent of all taxpayers, the proportion of the total tax bill fell to 0.4 percent in 1975, from 0.9 percent in 1970. In any case, the trend is clear.

President Carter's new tax-cut package would only heighten the disparity. Carter has proposed replacing the present $750-a-dependent personal exemption with a new $240 credit that would shift the burden further toward the middle- and upper-middle-income brackets.

The battle in Congress now is precisely over how far that shift should be allowed to go. Members of the House Ways and Means Committee have indicated that they are concerned about the tax burden borne by upper-income brackets and most likely will revamp the Carter proposals.

Moreover, the heavier tax burden continually is reaching downward to include people who used to be in lower-middle-income brackets. As inflation pushes incomes higher, taxpayers are thrust into higher brackets.

With the combination of inflation and higher tax rates in the upper brackets, the wealthiest of the nation's taxpayers pay disproportionately high shares of the total tax burden—even including their shelters and deductions.

For example, the richest 1 4 percent of the nation's citizens—some 985,000 whose incomes total $50,000 or more a year—take home 10.7 percent of the income, but pay 23 percent of the taxes.

The wealthiest 0.3 percent—those in the $100,000-and-up category—receive 4.5 percent of the total income, but pay 10.5 percent of the tax burden. (The poorest 0.3 percent escape taxes altogether.)

The breakdown portrayed by these figures pertains only to personal income taxes. With Social Security payroll taxes included, the pattern is different but the point remains the same.

The figures used in the computations include income from capital gains—profits from the sale of stocks or other assets—only half of which are subject to tax. The totals for tax liability include writeoffs and deductions.

But the fact remains that, for all the complaining about wealthy taxpayers, those in the richer half of the nation's income brackets are paying 94 percent of the personal income taxes. The other half is paying the rest.●

THE NEED TO COMBAT TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. MCDONALD) is recognized for 5 minutes.

© Mr. McDONALD. Mr. Speaker, this weekend the latest in a series of terrorist outrages took place in the Middle East. This incident took 37 innocent lives. There are scores of injured some of whom may not survive. The latest victims were mostly Israeli although one was a U.S. citizen. Is it not time, that this House took appropriate action to fight back against transnational terrorism?

The Palestine Liberation Organization, which proudly boasted that it perpetrated this weekend's atrocity, is one of the tools used by the Soviet Union in promoting death and destruction throughout the free world. Prime Minister Begin pointed out in a statement yesterday that during the 1940's it was Nazi arms that killed Jews, today they are murdered by Soviet arms.

The Soviet Union supplies the arms, training, and support for most of the terrorism taking place in the world. The regimes of Cuba, Czechoslovakia, East Germany, Libya, and Iraq serve as conduits for Soviet support to the terrorists.

There is an international coordination between the terrorist groups that receive Soviet support. The PLO has had a close working relationship with such groups as Baader Meinhof which is supported by East Germany and the Puerto Rican FALN which is supported by Cuba. The FALN is guilty of five murders as a result of bombings in New York City.

The support organizations in the United States for transnational terrorist groups as well as local terrorist organizations have also been closely coordinated. From previous experience targets in our country that we can expect to suffer terrorist attacks include Israeli, Iranian, South African, and Nicaraguan diplomats and corporations as well as power companies and individual victims.

Congressman JOHN ASHBROOK and I have been joined by over 170 of our colleagues in sponsoring House Resolution 48. That resolution would reestablish a Committee on Internal Security which would have the mandate to hold hearings and develop legislation to cope with domestic and transnational terrorism. That resolution is presently before the Rules Committee. I urge my colleagues to join with me in asking the Rules Committee to report out House Resolution 48 as soon as possible so that this Congress can begin to take the actions necessary to help fight against terrorist atrocities.

While we mourn the loss of the latest innocent victims, it would be a good time to begin to fight back.●

URBAN HOUSING REHABILITATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 10 minutes.

● Mr. BINGHAM. Mr. Speaker, I am introducing today a bill to authorize a major program of Federal assistance for housing rehabilitation in our declining central cities.

As a Representative in Congress from the Bronx, N.Y., halting the deterioration of our urban centers is a matter of the utmost urgency to me. The lower parts of my congressional district, which make up a part of the South Bronx visited by the President last October, have been devastated over the past decade. There have been 7,000 fires in the past 2 years in the Bronx, and 1,200 buildings are now abandoned. Tens of thousands more units of housing, while still inhabited, are being destroyed as landlords give up on maintenance in the face of neighborhood decline, rising costs and tenants' inability to pay higher rents. More than a third of the walkup apartments and a fifth of the elevator buildings in the Bronx have either been seized for nonpayment of taxes or have been tax delinquent for more than 1 year. Much of the housing stock in these areas has deteriorated below the minimum standards of human habitability specified in Housing, health, and safety codes.

The Bronx is not the only area suffering from this kind of decline. New York City as a whole has more than 1 million houses and apartments in need of rehabilitation, almost 73,000 of which are already abandoned. Cities across the country are confronting the same inexorable deterioration of their housing stock, the result of decades of neglect and the flight to the suburbs. Tacoma, Wash., has 28,500 housing units which need rehabilitation. In North Little Rock, Ark., 2,900 homes need repairs in order to meet city standards. Forty percent of the housing stock in Santa Barbara, Calif., is deficient in one or more habitability standards. Chicago, Ill., has seen the abandonment or demolition of 147,800 units of housing since 1970, and has 159,000 basically sound units in need of rehabilitation. There are 8,000 housing units in Columbia, Ga., which need rehab work. Hartford, Conn., has 1,500 units of abandoned housing. The U.S. Conference of Mayors has estimated that across the country there are at least 2.7 million units of housing which need moderate rehabilitation. The U.S. Department of Housing and Urban Development (HUD) recently analzed the housing assistance plans submitted by 1,186 cities as part of their applications for community development block grant funds and reported that these cities estimated they have a total of 4.8 million housing units which need rehabilitation.

Deteriorating housing is certainly not the only problem confronting the cities. The concentration of poor and ethnic minorities, the massive exodus of businesses and jobs to the suburbs, high rates of unemployment, declining tax bases and increasing demands for city services, crime—all of these problems contribute to urban disintegration and despair. Revitalizing our cities will require attention to all of these problems with improvements in job creation and training, transportation, police protection, schools, parks, sanitation, and the like. But our immense capital investment in urban housing should not be left to decay until all these other problems are solved. The last decade has taught America much about the limits to growth and the vital necessity of conserving, revitalizing and rehabilitating what resources we have. We cannot afford to squander the human and capital values which city neighborhoods represent.

There is no question that the present deplorable condition of many of our cities is a consequence, direct or indirect, of Federal laws, programs, and policies. Federal housing and highway policies together have supported and encouraged millions of people and businesses to move away from cities. The Federal Housing Administration's nonsubsidized construction insurance programs, while most consciously targeted, have poured the vast bulk of their more than $100 billion in loans into suburban development. Tax incentives for home ownership which encourage suburban development will total more than $10 billion in tax expenditures this year. In contrast, the only tax incentive for housing rehabilitation is projected at a $10 million level for fiscal year 1979.

There has been growing realization that this destructive pattern must be broken. Stagnant cities and their depressing slums are a burden on the rest of America, retarding social progress and poisoning millions of lives. Most cities are in greater fiscal difficulty than ever. Their capacities for dealing with the challenge of urban revitalization have been weakened if not eliminated altogether, so that Federal and State governments must assume the burden. Until recently Federal policy has paid only lip service to the need for housing rehabilitation. In the late 1940's and early 1950's, urban renewal began with an emphasis on slum clearance and redevelopment. These programs resulted in much demolition and "urban removal" of low-income slum residents but little neighborhood preservation or housing rehabilitation. Only 1.5 percent of FHA's many insurance and subsidy programs have been used for rehabilitation, totaling 134,000 units in 40 years. The only housing program aimed specifically at rehabilitation, the section 312 low interest loan program, has been used to improve a mere 60,000 to 80,000 units in its 12 years of operation. A similar number of units was rehabilitated under the section 115 program in the 10 years prior to 1974, when the Nixon administration abolished the program.

This bleak record of relatively trivial accomplishment seemed about to change with the passage of the Housing and Community Development Act of 1974. This act combined seven categorical programs into one special revenue sharing program (CD block grants) with a heavy emphasis on conservation and rehabilitation of existing housing. CD block grants have become the Federal Government's principal source of assistance in meeting the needs for housing rehabilitation and neighborhood preservation. Nonetheless, the record is unimpressive. Although 59 percent of the almost 4,000 units of local government which receive funds under title I of the 1974 act spend some funds on rehabilitation, only 13.7 percent of the CD block grants are used for this purpose. A total of $418 million is budgeted by all these communities for rehabilitation, which will be used for an estimated 130,000 housing units. This is a paltry amount compared to the cities' own estimates that there are 4.8 million housing units which need help. It reflects the many other purposes to which CD block grants can be put and the fact that it is often convenient and attractive to public officials to build capital intensive office buildings, downtown renewal projects, and parking garages. The United West End COACT community group complains that the city government in Duluth, Minn., "has allocated only 8 percent of its CD funds on home rehab. The majority of our CD money is being spent on downtown development and industrial parks, while our neighborhoods deteriorate." Smaller scale, less visible neighborhood preservation projects, without the slick packaging and high-powered backing of commercial interests, often can not compete successfully for CD block grants.

Even when neighborhoods win a commitment from a city government to budget some title I funds for housing rehabilitation the battle has just begun. Unfortunately, most cities are maddeningly slow in actually spending funds which have been obligated. In New York, for example, 63 percent of the CD block grants given to the city from 1955–77 and allocated for housing rehabilitation is still unspent. As of May 1977, the city of Chicago had accomplished only 11 percent of its first and second year goals of 2,960 units of housing rehabilitation using CD block grant funds. In Wilmington, Del., as of June 1977 only 2 percent of the funds allocated for rehabilitation had been spent. As frustrated community groups in Wilmington calculate, it will take Wilmington 91 years to accomplish its housing rehabilitation goals at this rate. The following chart illustrates both the problem of small commitments and slow followthrough on those commitments for a selected group of cities.

COMMUNITY DEVELOPMENT HOUSING REHABILITATION PERFORMANCE OF CITIES (AS OF DEC. 31, 1976)

[In thousands of dollars]

City and year	Grant amount	Budgeted for rehab	Percent of grant	Amount disbursed	Percent of budget
Chicago, Ill.:					
1975	36,058	2,780	7.7	178	6.4
1976	43,201	5,000	11.6	0	0
Cleveland, Ohio:					
1975	16,092	2,000	12.4	2,284	114.2
1976	(1)	3,000	.....	320	10.7
Hartford, Conn.:					
1975	10,025	375	3.7	117	31.2
1976	10,071	900	8.9	0	0
New Haven, Conn.:					
1975	17,078	225	1.3	176	78.2
1976	18,162	3,178	17.5	0	0
New York, N.Y.:					
1975	90,509	15,000	16.6	3,787	25.2
1976	102,244	15,000	14.7	246	1.6
Oklahoma City, Okla.:					
1975	8,183	724	8.8	0	0
1976	8,183	570	6.9	[2] 300	.....
Philadelphia, Pa.:					
1975	56,649	5,300	9.4	(1)	.....
1976	60,829	2,830	4.6	(1)	.....
Providence, R.I.:					
1975	9,110	2,304	25.2		.....
1976	8,693	2,904	33.4	4,329	83.1

Footnotes at end of table.

COMMUNITY DEVELOPMENT HOUSING REHABILITATION PERFORMANCE OF CITIES (AS OF DEC. 31, 1976)—Continued

City and year	Grant amount	Budgeted for rehab	Percent of grant	Amount disbursed	Percent of budget
Salt Lake City, Utah:					
1975	4,176	500	11.9	41	8.2
1976	4,176	580	13.9	534	92.1
Somerville, Mass.:					
1975	337	50	14.8		
1976	749	110	14.6	160	100.0
St. Louis, Mo.:					
1976	14,155	1,500	10.6	[3] 30	----
Waterloo, Iowa:					
1975	1,182	255	21.5		
1976	1,182	210	17.8	274	59.3
Wilmington, Del.:					
1975	4,490	1,300	29.0	[1]	----
Utica, N.Y.:					
1975	1,551	567	36.5	850	150.0

[1] Not available.
[2] Cred.
[3] 500 guar.

Source: Department of Housing and Urban Development, Directory of Program Characteristics of CDBG Property Rehabilitation Financing Activities, October 1977.

Because both past and present Federal programs have not given adequate attention to the need for housing rehabilitation, I am introducing today a bill which would amend title I of the Housing and Community Development Act of 1974 to establish a program which will meet those needs. The bill would authorize $300 million in fiscal year 1979 and $700 million in fiscal year 1980 to be used as matching grants for those severely distressed communities which already commit substantial funds for housing rehabilitation programs.

The following is a section-by-section summary of the bill's provisions:

URBAN REHABILITATION GRANTS—SECTION-BY-SECTION SUMMARY

This bill would enable cities to increase housing rehabilitation activities undertaken under Title I of the Housing and Community Development Act of 1974. It would add a new section 120 to Title I, authorizing grant assistance of $300 million in FY 1979 and $700 million in FY 1980 to be used to match Community Development, city, state and private funds spent on eligible rehabilitation activities.

120. (a) The Secretary of HUD would be authorized to make grants to cities and urban counties which meet the "severely distressed" criteria adopted by the Congress last year as part of the Urban Development Action Grant program. These criteria include age of housing, extent of poverty, population growth lag, unemployment, job lag and unique distress factors. At present, HUD has classified 257 Community Development entitlement cities which are automatically entitled to Title I community development funds as meeting the distressed city requirements. The list of eligible nonentitlement cities is in process.

(b) Priority would be given to cities which have allocated at least 15 percent of their previous year's Community Development grants to rehabilitation activities. Such allocations would be evidence of both a need for and a commitment to housing rehabilitation.

(c) The amount of the grant would be equal to the amount of Community Development Block Grant funds, city funds, state funds, and private funds used in conjunction with public programs obligated in the previous program year. This provision would encourage cities to spend their funds expeditiously and encourage rehabilitation activities.

(d) The amount of the grant could not exceed 50 percent of a city's Community Development Block grant. This limit is designed to prevent other worthwhile activities eligible for funding under Title I from being ignored.

(e) Applicants for grants would have to prove they meet the severely distressed city criteria, and that they have allocated 15% of the previous year's CDBG grant to eligible rehabilitation activities. They would be required to describe the type and costs of their rehabilitation programs, all of which must be consistent with the Housing Assistance Plan and the Community Development plan already required under Title I. The applicants would be required to follow the citizen participation requirements of Title I with two further provisions: "Urban Rehabilitation Grant" programs reviewed and evaluated by local, neighborhood-based, nonprofit groups and indicate how such groups participate in rehabilitation programs.

(f) Eligible cities would be authorized to receive grants annually.

(h) Rehabilitations of buildings of 100 units or less would be encouraged. If, however, a city elected to rehabilitate a large building, only the costs for 100 units would be matched.

(i) The Secretary would be directed to issue regulations which stress moderate rehabilitation and which minimize displacement of low and moderate income people by rehabilitation activities. This section would also define the term moderate rehabilitation.

(j) Activities eligible to be matched under this section would include: (1) financing the acquisition of real property by private, nonprofit entities for purposes of residential rehabilitation;

(2) financing residential rehabilitation through grants, revolving loan funds, mortgage insurance, high risk mortgage pools, and low interest loans;

(3) making grants to local nonprofit neighborhood-based groups described in section 105(a)(15), to carry out residential rehabilitation, including the management of rehabilitated property and the establishment of programs to lower the maintenance costs of rehabilitated properties; and

(4) financing the rehabilitation of publicly owned buildings when the recipient of the grants participates in such rehabilitation.

Some provisions of this legislation deserve further comment. The bill would target rehabilitation assistance to those communities which are suffering the most from urban decay. This is in keeping with the pattern set by the Congress last year. In developing a new formula for the distribution of CD funds and another formula for making urban development action grants, the Congress accepted the administration's contention that past Federal aid formulas claimed to be geographically neutral but in fact discriminated against the big cities. While Federal aid to local governments has increased steadily over the last decade, it has also been increasingly broadly dispersed, resulting in relatively less assistance for distressed cities. From 1969 through 1975, Federal payments to the average municipality rose 59 percent faster than payments to the 10 major older cities where deterioration is the most widespread. The concentrated assistance proposed in this bill is crucial if cities are ever to make significant progress in coping with the problems of deterioration which confront them on a scale unmatched in most smaller cities. New York, for example, was able to set a goal of only 35,000 units of assisted housing last year, when more than 1 million units in the city needed assistance.

It is also worth noting that this legislation would not require the use of just one method of housing rehabilitation. One of the strengths of the community development legislation is that it allows each community to structure its own programs for addressing local needs with Federal funds. As a result, CD funds have been used to create revolving loan funds for housing rehab, tax-exempt municipal loans, interest subsidies, loan guarantees, grants supporting additional funds, and grant rebates. All of these techniques would be eligible for matching funds under this bill.

The bill would authorize matching funds only for those funds actually obligated in the prior program year. This is designed to provide an incentive to communities to expedite the processing of CD funds, which under the current system sit idly in city treasuries—for years in many cases—before being spent. Although the rate is picking up in many cities, it is still not uncommon for a city to have spent less than half its CD funds at the end of the program year, and to still have funds unspent 2 years later. Since only those funds which have been obligated, which is one step short of expenditure, would be eligible for matching funds, applicants would obviously see the wisdom of cutting redtape and avoiding delays in putting their rehabilitation funds to work.

The limit on the amount of rehab funds which can be matched (50 percent of an applicant's Community Development block grant) is necessary because some 48 activities are eligible for financing with CD funds and only 4 of these relate to housing rehabilitation and neighborhood preservation. While the latter are urgent needs which deserve special attention, every city clearly faces other problems which should be addressed with CD funds. I would expect that the matching provisions of this legislation would quickly cause eligible cities to adjust their priorities and commit increased funds to housing rehabilitation, and, without a limit on the rehab funds eligible for matching, other needs might be completely ignored.

Finally, the bill calls for increased involvement of neighborhood-based groups in planning and implementing housing

rehabilitation and neighborhood preservation strategies. While most of the administrative procedures of the program would be precisely the same as those already followed by applicants for CD funds, in this case the requirements would be more stringent. Neighborhood groups would be involved in planning how the funds authorized by this bill would be spent, and the city would be obligated to include such groups in the actual implementation of housing rehabilitation. As President Carter recently said, in saving the Nation's cities, "the place to begin is with the neighborhoods themselves." Neighborhood associations, cooperatives, local development corporations, model cities organizations—local groups like these have been far more successful than any city government could hope to be in eliciting the type of commitment and participation that are vital to the revitalization of our cities. Many of them have already acquired the skills necessary to operate housing rehabilitation programs. In fact, HUD has found that neighborhood groups are by far the most common active participants in the community development process already. It is interesting to note that the most frequent complaint received by HUD about the community development block grant program relates to the citizen participation process. Complaints have been filed all across the country that cities do not provide adequate information about plans and programs, and that there is not sufficient funding for citizen participation activities. This bill would provide a strong participatory framework for neighborhood groups while leaving ultimate authority for deciding how funds will be spent with local government.

This legislation is supported by National Peoples Action, a coalition of neighborhood organizations from more than 100 cities in 38 States. I intend to circulate this bill for cosponsors in the coming weeks and I hope many of my colleagues will join in support.●

ADDITIONAL FINANCING FOR CONRAIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

● Mr. STAGGERS. Mr. Speaker, today I am introducing with Mr. ROONEY a bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations of $600 million to the U.S. Railway Association for purchase of securities of the Consolidated Rail Corporation. As we all recall, ConRail was created by the Congress, following the collapse of the giant Penn Central and other railroads, to assume the responsibility of restoring adequate rail services in the Northeast region of the Nation at the lowest possible cost to the taxpayer. Considering the number of uncertainties surrounding its birth and the host of unforeseeable external problems that have plagued its first 2 years of operation, ConRail appears to have done a competent job thus far. In the first category, for instance, it appears in retrospect that the final system plan, the blueprint for ConRail prepared by USRA, ConRail's banker and watchdog, pursuant to the 3R Act, may have overestimated the strength of the traffic base in the Northeast region and its ability to produce rail freight revenues. The final system plan also appears to have seriously underestimated the extremely dilapidated condition of the locomotive and freight car fleet ConRail inherited from its predecessor railroads, who had neglected necessary repairs and rehabilitation for years. In the second category, unanticipated occurrences such as the past two extremely harsh winters, the Johnstown flood, a coal strike of unprecedented duration, and ore and dock strikes have had a devastating effect on ConRail's first 2 years of operations and its ability to generate revenues. In this connection, it should be noted that the original authorization for ConRail does not contain contingency funding for deviations from final system plan projections, either in the form of miscalculations or unanticipated disasters.

Mr. Speaker, ConRail, USRA, Governtransportation officials and planners, and Members of the Congress who have followed ConRail's progress all recognize that ConRail will not be able to achieve profitability by 1979, as the final system plan had forecast, and are acutely aware of ConRail's need for substantial additional Federal financing over the next 5 years in order to achieve the statutory goals. ConRail has recently submitted its 5-year business plan to USRA and forecasts that if certain key assumptions prove valid and necessary financing is obtained from the public and private sectors, profitability can be achieved by 1980. ConRail intends to request the Federal Government to provide $1.283 billion of additional financing over the 5-year period ending December 31, 1982, and will seek $959 million in private sector financing, a substantial portion of which may require Government guarantees, over the same period.

Mr. Speaker, there is certainly no dispute that ConRail's figures and its operating practices and management policies should be carefully scrutinized prior to any governmental decision to provide funds on the order of the magnitude projected as necessary to enable ConRail to fulfill its statutory mandate. USRA and the Department of Transportation are presently engaged in a microscopic analysis of ConRail's projections. Moreover, the Subcommittee on Transportation and Commerce of the Committee on Interstate and Foreign Commerce, of which I am chairman, will hold hearings in April a which time ConRail's funding requirements also will be minutely examined.

At the present, however, although there is virtually unanimous agreement that ConRail is in need of substantial additional Federal financial assistance, there is somewhat less than total agreement as to the funding level that should be provided and the method of providing that level. The administration has announced its intention to study the problem in depth over the coming year and to formulate a comprehensive solution that can be injected into its fiscal year 1980 budget planning process. For fiscal year 1979, the administration proposes, as an interim measure, to request that the remaining $74 million of the $2.1 billion previously authorized by Congress for purchase of ConRail securities by USRA be appropriated and that further ConRail financing problems be dealt with through the loan guarantee program established by section 511 of the Railroad Revitalization and Regulatory Reform Act of 1976. Under section 511 the Secretary of Transportation may guarantee loans obtained by railroads up to a total of $1 billion if the borrowed funds are used to acquire, rehabilitate, or improve rail facilities or equipment.

Although no firm decisions have been reached with respect to the appropriate amount or preferred method of interim ConRail financing until the administration can focus on the problem in the context of preparation of the President's fiscal year 1980 budget proposals, a direct authorization for purchase of ConRail securities by USRA should be given serious consideration as an alternative to the proposed use of section 511 loan guarantees for several reasons. The section 511 approach represents off-budget, or back-door financing and has been described as fiscal legerdemain. In essence, loans guaranteed under section 511 would be used to cover the cash shortfall facing ConRail. The net result of this approach would be the use of borrowed funds to finance operating losses as well as vital capital acquisition and improvement projects. Expenditures of this nature were originally intended to be made out of funds derived from the sale of ConRail securities to USRA, the entity created by Congress to finance and monitor ConRail.

The Federal Government has a strong hand in guiding USRA's policy decisions since the Secretary of Transportation, the Secretary of the Treasury, and the Chairman of the Interstate Commerce Commission are statutory members of the USRA Board. Moreover, the Secretary of Transportation, the Secretary of the Treasury, and the Chairman of the Board of USRA, who is appointed by the President, comprise the Board's Finance Committee, which is charged under the law with special responsibility for overseeing ConRail's finances.

Utilizing section 511 loan guarantees, which do not require congressional approval, for a massive capital infusion into ConRail would represent a departure from the approach carefully and deliberately constructed by the Congress to deal with the Northeast rail problem. Additionally, fundamentally altering ConRail's balance sheet by loading it down with debt might create serious institutional investor indecision about the Federal commitment to ConRail, impair its ability to obtain private sector equipment financing and threaten its ultimate viability. ConRail would also be burdened with substantial interest payments as the cost of carrying the loans guaranteed under section 511.

Finally, Mr. Speaker, there is a strong feeling that section 511 loan guarantees were not intended to be used in the

fashion proposed. The 4R Act, by amending the 3R Act, provided for a direct authorization to fund ConRail. A massive diversion of section 511 assistance, in the absence of provision of additional such financing, might affect the ability of other railroads, particularly the marginal and bankrupt Midwest railroads, to pursue vigorously plant and equipment revitalization programs, programs which may well be essential to the survival of some railroads.

Mr. Speaker, the bill I am introducing with Mr. ROONEY, chairman of the Subcommittee on Transportation and Commerce of the Committee on Interstate and Foreign Commerce, represents an approach to the ConRail funding problem which I believe is worthy of consideration. The funds authorized by the bill would be available to deal with ConRail's problems until a comprehensive solution can be arrived at. The bill authorizes the funds to remain available until expended, so the amount and rate of funds expended will be carefully monitored by USRA under the existing statutory framework.

I would like to emphasize that this bill is not a precedent for an annual bail-out of ConRail. It represents an interim approach while a comprehensive long-term financing solution for ConRail is being formulated. Any such proposed solution will be decided on next year by the Congress with the benefit of the recommendations of the administration, which will have addressed the issues in the context of its budget process. Moreover, USRA will have had an opportunity to perform a similar in-depth study and submit its recommendations to the Congress.

Mr. Speaker, at this time I am certainly not wedded to a particular method of solving the ConRail funding problem. I think that all available options should be explored so that the Northeast region will continue to receive adequate rail services at the lowest possible cost to the taxpayer. However, I do feel that the problem should be addressed directly and forthrightly. There is general agreement that the cost of delaying certain vital capital improvement and acquisition projects that ConRail intends to pursue would severely impair its ability ever to provide adequate service and also raise the cost of such projects dramatically when they are ultimately undertaken. Of course, such delay would hardly be in the best interests of the taxpayer or of that segment of the Nation served by ConRail. The rest of the Nation would be seriously adversely affected by a poor rail connection with the Northeast quadrant, for a national rail transportation system is only as strong as its weakest link.

Mr. Speaker, the Committee on Interstate and Foreign Commerce will be taking a long hard look at ConRail's progress and prospects and will carefully study all proposals for solving the ConRail funding problem. Hopefully, with the help of all concerned about the quality of rail service throughout the Nation, we will arrive at the best solution.●

A BILL TO STUDY THE SANTA CRUZ HARBOR AND ITS IMPACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, last fall, I introduced legislation which would authorize funding for a study by the U.S. Army Corps of Engineers in order to develop a permanent solution to the annual blockage of the Santa Cruz small craft harbor.

In discussing this matter with local officials and residents of Santa Cruz County, it appears that the particular design problems to be dealt with in this study may be having an effect well beyond the confines of the harbor itself.

In recent years, several homes, roads, and other property have been facing a serious threat caused by cliff erosion in the area east of the harbor. Although a certain level of erosion is to be expected on ocean front cliffs of this sort, there is some indication that the harbor construction has disturbed the natural protective sand flow patterns and thus greatly increased the erosion rate.

I believe that any Federal study directed toward the development of long-range plans for the harbor facility should also take into account the possible impact of those plans on surrounding areas. For this reason, I am today reintroducing this bill with additional language to insure that this equally pressing need is given full attention by the Corps.

The bill follows:

H.R. 11485

A bill to modify the project for navigation in Santa Cruz Harbor, Santa Cruz, California, and to authorize certain studies in connection with such harbor

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the navigation project for Santa Cruz Harbor, Santa Cruz, California, authorized in section 101 of the River and Harbor Act of 1958 (Public Law 85–500) is hereby modified to provide that 100 percentum of the costs of all of the studies and research relating to the sand bypassing facility authorized as part of such project shall be paid by the United States. In addition, such project is further modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to undertake such maintenance dredging outside the boundaries of the authorized project as may be necessary to prevent or mitigate shoaling, surge, and related problems in the harbor.

SEC. 2. (a) The Secretary of the Army, acting through the Chief of Engineers, shall undertake such engineering and design studies as are necessary to develop additional solutions for the shoaling, surge, and related problems in Santa Cruz Harbor, Santa Cruz, California, including such additional structural and maintenance measures as he determines necessary. In addition, the Secretary of the Army, acting through the Chief of Engineers, shall study alternative methods of more satisfactorily maintaining the channels and turning basins in such harbor. In studying such alternative methods, the Secretary of the Army, acting through the Chief of Engineers, shall determine the effect such alternative methods would have on the erosion of the cliffs located east of such harbor.

(b) The Secretary of the Army, acting through the Chief of Engineers, shall report the results of the studies authorized by this section to Congress as soon as practicable.●

COMPETITIVE PRACTICES IN THE COMMUNICATIONS INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, my colleagues, the Honorables AUCOIN and DUNCAN, join me in the following statement concerning the communications industry:

Mr. Speaker, a large number of public and private organizations, at the request of the telecommunications industry, have taken positions expressing concern that Congress should expeditiously review and determine the national telecommunications policy. They are also concerned that any policy not have an adverse impact on either the cost or quality of basic residential and basic long distance services.

The Oregon organizations who have submitted their formal position on telecommunications policy:

Corbett Kiwanis Club.
Linkville Kiwanis, Klamath Falls.
Newport Chamber of Commerce.
Toledo Chamber of Commerce.
City of Happy Valley.
Albany AARP Chapter No. 668.
Albany Chamber of Commerce.
American Business Women's Association.
Arlington Chamber of Commerce.
Arlington Senior Citizens.
Astoria—AARP.
Astoria Chamber of Commerce.
Baker County Chamber of Commerce.
Bend AARP Chapter No. 438.
Bend Chamber of Commerce.
City of Arlington.
City of Carlton.
City of Heppner.
City of Klamath Falls.
City of Medford.
City of Pendleton.
City of Warrenton.
Clackamas County Senior Citizens Council.
Commercial Club of Portland.
Condon Senior Citizens.
Corvallis Chamber of Commerce.
Dallas Senior Center.
Estacada Chamber of Commerce.
Eugene Chamber of Commerce.
Eugene Communications Workers of America Local No. 9206.
Grants Pass & Josephine County Chamber of Commerce.
Heppner-Moro County Chamber of Commerce.
Holcomb-Outlook-Park Place Neighborhood Association.
Junction City Chamber of Commerce.
Klamath Falls Board of Commissioners.
Klamath Falls Quota Club.
Lake Oswego Kiwanis.
Lane County Farm Bureau.
Lane County Labor Council.
Lents Citizens for Youth Commission.
Madras Chamber of Commerce.
Marion County Pomona Grange No. 4.
Medford Chamber of Commerce.
Medford C.W.A. Local No. 9208.
Metro East Jaycees.
Milwaukie Jaycees.
Mt. Angel Chamber of Commerce.
Mt. Angel Development Corporation.
Multi-purpose Dallas Senior Advisory Council.
National Governors Conference.

National Retired Teachers' Association, Tillamook County Chapter.
Oak-Grove Lodge Jaycees.
Oregon AFL–CIO.
Oregon Architectural Barriers Council, Inc.
Oregon Building Congress.
Oregon City Hilltop Booster Club.
Oregon City Kiwanis.
Oregon Coast Association.
Oregon Collectors Association, Inc.
Oregon Gray Panthers.
Oregon Hospitality and Visitors Association.
Oregon State Grange.
Oregon State Jaycees.
Pacific Northwest Travel Association.
Polk County Chapter AARP No. 587.
Polk Elderly Transportation, Inc. Board.
Portland of Arlington.
Roseburg Chamber of Commerce.
Salem Area Seniors Inc.
Salem Chamber of Commerce.
Scandinavian Benevolent Society.
Seaside Chamber of Commerce.
Senior Citizens Council of Benton County, Inc.
Stayton Chamber of Commerce.
Stayton Grange No. 340.
The Dallas Chamber of Commerce.
Umatilla County Board of Commissioners.
Warrenton Chamber of Commerce.
Western Governors Conference.
Winston-Dillard Chamber of Commerce.●

DEPLORING THE OUTRAGEOUS, COWARDLY, AND SENSELESS ACTION OF THE PALESTINE LIBERATION ORGANIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, I wish to deplore and condemn the outrageous, cowardly, and senseless attack of the Palestine Liberation Organization last Saturday night, which resulted in the deaths of 36 innocent Israelis and the injuring of countless others. This action by the PLO is despicable. It is further proof that the PLO is an organization of extremists dedicated to terrorism, death, and destruction. In fact, the underlying motive of this attack was to destroy the current peace negotiations.

Although the PLO's attack should have aroused the anger and indignation of the world, there has been silence in many quarters—and even endorsement in some. It has been reported that Saudi Arabia has called the terrorist attack a "courageous operation with a noble aim." No Arab state has condemned this action. The Russians, who supplied the weapons used in the attack, harassed those who demonstrated against the brutality in Moscow.

We must hope that this wanton slaughter will not end the quest for peace in the Middle East. Such a result would only vindicate the terrorists' action and mean that once again violence, not political negotiations, would decide the future of Arab-Israeli relations. I do hope, however, that this slaughter ends the illusion that has for too long befuddled American officials who have believed there is moderation in the PLO. Peace and the PLO are antithetical.

WAGE AND PRICE CONTROLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. CORNELL) is recognized for 5 minutes.

● Mr. CORNELL. Mr. Speaker, my colleague from Illinois, Mr. SIMON, and I are jointly introducing the Economic Stabilization Act of 1978, providing the President with standby authority to impose controls on prices, wages, interest rates, and corporate dividends. This proposal gives the President the authority to activate mandatory stabilization measures should efforts to achieve voluntary restraint fail.

I am sure that everyone in this House shares our dismay at the latest data indicating the rise in wholesale prices during February. The Department of Labor has reported that the wholesale price index (WPI) rose 1.1 percent during February, a 13-percent annual increase if projected through 1978. It is certainly our hope that this latest increase in the WPI is a temporary surge reflecting nonsystematic adjustments. It is also our hope that the administration can use its influence to break the dismal inflationary spiral of the last few years. Imposing mandatory controls on a free economy is not a happy choice, and we fervently wish the President well in securing voluntary compliance with wage and price goals which produce the kind of economic stability called for by the Full Employment and Training Act of 1978, recently approved by this House.

Since 1970, we have seen the destructive twins of inflation and unemployment—heretofore considered to be dangers at opposite ends of the swing of the economic pendulum—joined in a common threat to the growth and stability of the American economy. No longer can we assume that tolerating high unemployment will at least have the benefit of lowering the inflation rate. Neither can we assume that tolerating high inflation will bring a reduction in unemployment. There are many signs that the linkage between these two indices is not as strong as Mr. Keynes would have us believe.

Let me emphasize that the legislation we are introducing today gives the President great discretion in imposing controls. He may apply controls to virtually every aspect of the economy—prices, wages, rents, interest rates, and corporate dividends—or he can selectively apply controls to those areas of the economy which present especially strong inflationary pressures. He may set up whatever mechanism he deems appropriate to administer and enforce such controls. He may remove the controls whenever he believes it appropriate. The bill gives the President authority to invoke these economic controls until September 30, 1981.

The President has indicated his intention to "jawbone" business and labor into lowering the inflation rate to more tolerable levels. It is our belief that having standby wage and price controls available will increase the chances that administration jawboning will succeed. The administration certainly has a difficult road ahead of it, for many have argued that the increasingly common practice of indexing wages and other benefits to the rise in cost of living makes it more difficult to arrest inflation than in the past. Standby economic controls may be just the "teeth" that Presidential jawboning needs to be effective.

Mr. Speaker, Mr. SIMON and I invite our colleagues to join us in sponsoring this responsible alternative to the inflationary spiral.●

PLO'S TERRORIST ATTACK UNDERSCORES RISKS FOR ISRAEL IN MIDEAST SETTLEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, the Palestine Liberation Organization's most recent wanton terrorist raid underscores the risks Israel faces in the current negotiations for a Mideast settlement. It also serves as a tragic reminder of the perils of pressuring Israel into making unilateral concessions on the way to or at the bargaining table. Such pressures from the United States, whether they be in the form of sales of jet fighters to Saudi Arabia or insistence that Israel agree unilaterally to withdraw from the West Bank, ignore the realities of the Arab-Israeli conflict and minimize the potential threat to Israeli's national security.

The fact that a group of terrorists can, in the space of a few short hours, wreak havoc and bring a nation to such a tragic point clearly demonstrates the perilous position Israel finds itself in. Israel and Egypt must, of course, continue to negotiate; I would hope the senselessness killing of 37 innocent people would harden both sides' resolve to find a fair and lasting peace.

But just as it would be foolish to be intimidated into abandoning peace efforts by the PLO attack, it would be equally unwise to ignore some of this raid's implications. In the face of such hostility, Israel cannot be expected unilaterally to give up land crucial to its security. Nor should it be expected to countenance a strengthening of Arab air power.

The PLO attack makes it clear that they consider themselves a force to be dealt with and, more ominously, that they are not pursuing the course of moderation recently hinted at by some of its leaders. Both of these conclusions pose threats for Israel's future, especially when they are accompanied by U.S. efforts to impose its own version of a Midwestern settlement.

I would not welcome military retaliation by Israel. More deaths will not improve the situation for either side. Yet the reaction to this attack must go beyond sorrow and morning for the 37 lives that were senselessly lost. To ignore the future peril implicit in this attack is to stain the memory of the 37 who died and put all of Israel in danger of a similar fate. A Mideast solution that endangers Israel's security would be both cruel and illusory.

IN PRAISE OF JUDGE CLINTON WHITE OF OAKLAND, CALIF.

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, on March 18, a testimonial dinner will be held for Judge Clinton White in Oakland. The purpose of the dinner is to recognize Judge White's outstanding career, for he has committed himself to public service through his contribution to the legal profession and to numerous community organizations.

Judge White had been an attorney for 26 years when he was appointed to the Alameda County Superior Court by Gov. Edmund G. Brown, Jr. in 1977. He is presently serving as a judge pro tem on the California Court of Appeals. This man has worked hard all his life, and has achieved recognition as an outstanding criminal attorney by his colleagues in the legal profession and in the community.

We have an unusual man here, one who is not afraid to get involved in controversial issues, and who does not hesitate to defend cases of major constitutional import. One of his most celebrated cases was the so-called Zebra case. The defendants were charged with several counts of murder; it was alleged that the victims were all white and the defendants were Black Muslim. The trial of the Zerba case was the longest in the history of the State of California, and Clinton White's persistence and dedication to the pursuit of justice perhaps in itself set another kind of record.

In addition, Judge White established himself as a determined advocate for the civil rights of minorities. He has defended cases which involved police harassment of minorities, racial discrimination and discriminatory jury selection. During his career as a defense attorney, he tried more than 100 serious felony cases. As well as serving the cause of justice with unflagging vigor, Judge White has worked extensively with the community.

He is a past president of the Oakland branch of the NAACP, and is presently a member of its legal committee. He served as vice president of the Northern California section of the NAACP. He was chairman of the West Oakland Health Committee, the Oakland Housing and Appeal Board, and was one of the founders of the Charles Houston Bar Association.

Today Judge Clinton W. White is working closely with the city of Oakland and with Governor Brown to improve the quality of life in his home city. I would like now to extend my hearty congratulations to a fine public servant who has given new life and dimension to that phrase.●

LET'S MODERNIZE OUR RELATIONS IN THE FAR EAST

(Mr. FINDLEY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FINDLEY. Mr. Speaker, our Government should take steps in the very near future to improve our security position in the Far East. This can be accomplished by modernizing our relationship with Taiwan and strengthening our naval support position in South Korea. For reasons I shall explain, the two undertakings should occur concurrently.

The modernization I recommend in regard to Taiwan consists of these steps:

First. The enactment of legislation which will assure continuity of our friendly relations with Taiwan.

Second. The termination at a date certain after one year's notice as provided in the treaty, of our mutual defense treaty with the Republic of China, a document that was signed and ratified in a bygone era and which is now so out of date that it no longer serves as a proper instrument of U.S. national interest.

Third. The establishment of a diplomatic mission at Taipei at the consular level, the same that we have with the other island province of China, Hong Hong.

Fourth. The removal from Taiwan of the few U.S. military personnel who remain there, consisting of about 1,000 persons. Almost all of them serve in communications work assignments, which could be handled by civilians. The tiny U.S. Navy flag command which remains on the island actually commands nothing but the communications stations. Like the useless South Com in the Canal Zone of Panama, the U.S. command on Taiwan has paper value only. If an emergency should arise in the Far East, it is unthinkable that this command would be utilized. It never has been used in regard to any emergency in that part of the world, and, in my opinion, never will be.

The strengthening of our military presence in South Korea would consist of the establishment of a U.S. naval command in the southern part of the Republic of Korea to handle the critical functions of resupply by sea if required by events.

Resupply of Korean ground forces is a responsibility that takes on greater importance in light of President Carter's announced plan for the withdrawal of U.S. ground forces.

The establishment of a U.S. naval command adequate to handle this responsibility will give substance to our declaration that withdrawal of U.S. ground troops in no way lessens our defense commitment to Korea.

The policy changes I recommend for Taiwan have these advantages:

First. They can be completely unilaterally by the United States, without consultation with Peking.

Second. They will constitute a strong reassurance to our friends on Taiwan and those in the United States who feel a special commitment to these friends. They will renew and usefully clarify our intention to continue to supply military needs on Taiwan.

Third. They are consistent with the terms of our treaty with the Republic of China and with the Shanghai Communique.

Fourth. They will reduce problems which now exist between the United States and the People's Republic of China.

Fifth. They are consistent with the policies of other nations. The United States is the only major nation which retains full ambassadorial relations with Taiwan.

Maintaining the credibility of U.S. defense commitments to other nations is extremely important. Should that credibility be undermined, our ability to achieve our foreign policy objectives would diminish.

To keep our commitments credible, we should regularly reassess them and determine whether they continue to meet our needs. In time, threats change and with them our ideas of how best to counter challenges to our security. We form alliances which may grow stronger or atrophy, depending upon the persistence of a threat. For, rightly or wrongly, the viability of our commitments relates directly to the degree of our self-interest involved. If the United States does not have fundamental interests at stake, the commitment withers. A commitment becomes an agreement on paper, of little value to any party to it. If, on the other hand, we have much at stake, it is important to re-evaluate how best we can defend the interests we share with others.

For example, one recent reassessment of our security needs in the North Atlantic has led to an effort to revitalize NATO. To date, however, the administration has failed to re-examine in a similarly rigorous fashion, security needs and linked commitments in the Far East. Yet, the importance to the United States of trade, territory, and waterways in the Pacific region rivals that of the North Atlantic. The Far East, therefore, merits our immediate and close attention.

Briefly, I would like to assess two U.S. security commitments to Far Eastern nations—the Republic of China and South Korea—and how current U.S. security interests mandate their reappraisal. Indeed, we should begin now to modernize our commitments to these nations to meet current U.S. requirements.

The U.S. security commitment to the Republic of China is based on the Mutual Defense Treaty of 1954. This treaty and the military presence intended to give it substance are, however, two principal obstacles to the normalization of U.S. relations with the People's Republic of China. The absence of U.S. relations with this large and influential nation is an unfortunate diplomatic anomaly. Increasingly, U.S.-P.R.C. interests in the Far East coincide. Both nations view the other as a balance to Soviet activities in the Pacific and both seek to avoid conflict on the Korean peninsula. Yet, the lack of formal ties between Washington and Peking inhibits their cooperation which is needed to assure continued stability in the Far East. Therefore, we must move to complete the process begun in 1973 with the signing of the Shanghai Communique. By this document we recognized that there was only one China and that Taiwan was a part of that China. It now remains for the United States to shift its recognition of the ef-

fective government of that one China from Taipei to Peking.

Modernization of our commitments to fit current needs and reality thus requires the abrogation of the United States-Republic of China 1954 Mutual Defense Treaty. According to article X of the treaty, either party to it may terminate the pact after giving 1 year's notice to the other party. The inclusion of article X indicates the signers' recognition that circumstances may change and that the treaty may no longer meet the needs for which it was designed. Such is now the case. The U.S.-P.R.C. confrontation in Korea which led to this treaty has long since ended.

Indeed, it does no service to the United States nor to the Republic of China to continue formally a defense arrangement which is not viable. The U.S. presence and commitment to Taiwan have simultaneously dwindled to the point where it is unlikely that this country would spring to the defense of Taiwan in the event of hostilities. To continue such a commitment on paper without the intention of fulfilling it is dangerous to U.S. credibility and interests. It also misleads Taiwan into making assumptions that may not be true.

I would, therefore, recommend that the President announce in the very near future his intention to modernize our relationship with Taiwan. This will entail, on the one hand, indicating to Taiwan that he will terminate the Mutual Defense Pact at a date certain but not less than 1 year's time, thereby abiding by article X of the treaty. During the year to come, the President would continue on his own authority to draw down U.S. troops on Taiwan, preferably by shifting them to another Pacific location. Our removal of troops from Taiwan should not be interpreted as a withdrawal from the Far East. After completing this process, the President would then act to end our diplomatic recognition of the Republic of China and to replace our embassy in Taipei with a consulate, the same level as our mission at the other island province of China, Hong Kong.

The President and Congress would further modernize our relationship with Taiwan through up-to-date legislation that defines the continuing economic and cultural ties between the United States and Taiwan. The American people have a great attachment to Taiwan. They will insist on legislation that will provide for continuing economic ties and military supplies while insuring the integrity of U.S. investment on Taiwan. Such legislation will define the new U.S. relationship with Taiwan.

Certain advantages accrue to the United States in proceeding on a unilateral basis rather than attempting to engage Peking in negotiations over declining U.S. relations with Taiwan. First, the United States would be taking steps to reorient its policy and commitments in the Far East to meet its needs. These needs include the improvement of our relations with Peking and continuing our economic ties to Taiwan. Negotiations with Peking over these issues could be complicated and even divisive. Peking has refused to negotiate an internal Chinese matter with the United States. Our unilateral action in removing this issue from negotiations, would improve our relations with Peking.

In the critical period of time during which all of this is pending, the P.R.C. will obviously realize that congressional willingness to approve abrogation of the Mutual Defense Treaty will depend, in part, upon the tenor and content of Peking's statements in regards to Taiwan. Abrogation of the treaty might not necessarily result unless there were signs that Peking would tolerate U.S. economic and military relations with Taiwan after the treaty termination.

While modernization of our relationship with Taiwan means abrogation of the Mutual Defense Treaty, in the case of South Korea it entails reinforcement of our defense commitment. U.S. strategic interests continue to lie very much with our defense of the territorial integrity of South Korea. Stability on the peninsula and the prevention of Communist expansion are critical not only to Seoul but to another U.S. ally in the Pacific—Japan.

The President has stated that he will remove U.S. ground forces from South Korea over the next few years. I am opposed to this withdrawal in light of the ongoing threat of North Korea and because of the strong deterrent effect of the U.S. presence in South Korea. We do not want a misreading of our intentions there similar to the one that provoked a war over 25 years ago. Should the President stand by his decision to remove U.S. ground forces from South Korea, he should do it only in connection with a strong U.S. effort to modernize South Korean forces and to transfer U.S. equipment to Korea. Without congressional support for this material reinforcement, he should postpone any drawdown of U.S. troops.

In addition, President Carter should initiate procedures to establish a U.S. naval facility in South Korea as an indication of U.S. support for South Korean defense. U.S. homeporting in South Korea would help offset the psychological impact of the withdrawal of a brigade as well as the appearance that we are reducing our commitment along with our presence. The existence of a U.S. naval facility in South Korea would become more important with the removal of U.S. ground forces. In the event of hostilities on the peninsula, future U.S. defense efforts would rely much more heavily on quick resupply efforts of Korean troops. Adequate resupply efforts, however, could well be impossible without an upgrading of current U.S. sea-lift capabilities to South Korea. The logistics of what will necessarily be a larger U.S. supply mission will require the upgraded naval facilities on Korea which I propose.

In addition, South Korea's own navy is the weakest link in its military capabilities opposing North Korea's. North Korea enjoys a four to one advantage in naval combatants, including a 3 to 1–advantage in missile attack craft and a 12 to 0 advantage in submarines. An enhanced U.S. naval presence in South Korea would neutralize this potential North Korean military advantage.

The termination of the U.S. Mutual Defense Treaty with Taiwan and the establishment of a U.S. naval facility in South Korea are two aspects of the modernization of our Far East commitments which U.S. security requirements mandate. We need to move decisively to refashion our defense efforts according to current strategic threats and needs or run the risk of not achieving our objectives in the Pacific.

Friday of this week I will leave for the People's Republic of China, where I will serve as chairman of the Illinois Agriculture Mission. During 2 weeks there I hope to have the opportunity to gage the reaction of Chinese officials to the recommendations I set forth here. I should add that these recommendations are entirely my own. I have not discussed them with any officials of foreign governments, other members of the mission I will head, nor with Gov. James P. Thompson of Illinois, sponsor of the mission.

INCENTIVES NEEDED FOR SOLAR ENERGY

(Mr. NEAL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. NEAL. Mr. Speaker, I would like to introduce into the RECORD today a Library of Congress report entitled "Solar Loan Policies of the FHA, VA, FmHA and National Energy Act (conference agreement)" for the benefit of my colleagues. Based in part on a study prepared for HUD ("Federal Incentives for Solar Homes. An Assessment of Program Options") in July of last year, the report serves a dual purpose. It presents a concise examination of existing Federal solar loan programs as well as a series of tables comparing the loan provision passed by the House and Senate as part of the National Energy Plan (NEP). The report proceeds to explain why those loan programs and the measures tentatively agreed to by the conferees on the NEP may have only a slight impact on stimulating the commercialization of solar energy. The programs in question are inadequate for a number of reasons, lack of effective loan channels among them.

Mr. Speaker, I have introduced a bill, H.R. 7800, the Solar Energy Development Bank Act, which expressly addresses the problem of inadequate loan mechanisms. The bill would create a Federal solar loan fund which, by offering incentives (in the form of low-interest rates), would be attractive to people with a broad range of incomes. Since the inception of the bill, support has come from a variety of organizations and from 60 colleagues, espousing diverse ideologies. I believe that it is vital that we develop a strong, effective Federal policy to promote solar energy, and that conviction is fortified by the support my bill has elicited.

The Library of Congress, which offers a good synopsis of where we are now with respect to solar loan programs and suggests the direction in which we need to proceed:

SOLAR LOAN POLICIES OF THE FHA, VA, FMHA AND NATIONAL ENERGY ACT (CONFERENCE AGREEMENT)

INTRODUCTION

The Federal Housing Administration (FHA), now part of the Department of Housing and Urban Development (HUD), was established to insure conventional mortgage loans made by private lenders. Insurance programs modeled on FHA's were subsequently established for ex-servicemen and rural families under the auspices of the Veterans' Administration (VA) and Farmer's Home Administration (FmHA), respectively. Tentative agreement has been reached on a low-interest solar loan program by the conferees on the National Energy Act. This agreement and the solar loan programs of the Federal credit agencies are reviewed and assessed for their possible impact on consumer demand for solar hardware.

FHA'S POSITION ON SOLAR ENERGY SYSTEMS

FHA will insure loans for the purchase and installation of solar energy equipment in new and existing structures under its section 203 program for financing single-family homes and the "Title I" insurance program for property improvements and mobile home purchases. The section 203 program is FHA's basic program for insuring unsubsidized private lender financing single-family homes. The title I property improvement program provides financing for permanent repairs and improvements that add to the basic livability and usefulness of properties. The provisions of the property improvement program were specifically amended in 1974 to make expenditures on solar energy systems eligible for loan insurance.

FHA-HUD field offices have been issued guidelines on how to handle mortgage insurance requests for solar homes (Attachments 1 and 2). A draft of a new set of guidelines for appraisal of residential properties using solar energy systems (Attachment 3) is expected to be released soon. The new draft guidelines urge all offices to "be receptive to proposals which include [the] utilization of solar energy for heating purposes in conjunction with conventional back-up heating and domestic hot water systems."

In July, 1977, FHA incorporated standards for solar energy systems into their Minimum Property Standards. This action is expected to have a positive impact on the use of solar energy systems by the homebuilding industry since FHA's standards are widely used by that industry as a reference for making loans without Federal insurance.

Title I loans are insured for amounts up to $15,000 for terms up to 15 years; section 203 home mortgage loans are insured for up to $60,000 for terms up to 30 years. The allowable interest rate ceiling is presently set at 12 percent for title I insured loans, and 8½ percent for mortgage loans. Title I loans can be made directly by local lending institutions without first obtaining HUD-FHA approval or review, although at this time HUD believes it is reviewing all title I solar-related loans: section 203 loans must be reviewed by HUD-FHA.

Impact of FHA Loans on the Solar Market. FHA's market share of the mortgages written on solar homes should be relatively small. In recent years, residential lenders have increasingly turned from FHA to private companies for their mortgage insurance needs. Moreover, the agency's insurance programs are concentrated on relatively lower-cost homes and entry-level homebuyers. As shown by the table on page 7, in 1975 the average FHA insured home sold for nearly $15,000 less than the average home financed by the conventional lender, and FHA financing accounted for only 9 percent of all single-family homes sold in the United States. Given the current magnitude of solar first-costs and the rapidly rising costs of new single-family housing generally, the current limitation on loan amounts in the 203 program will greatly restrict the number of cases in which installations of solar equipment other than for hot water heating are possible.

The influence of title I loans on the solar market is also expected to be fairly limited. The program's current 12 percent ceiling on interest rates is uncompetitive in most regions of the country.

FHA Value Appraisal as a Limiting Factor on Solar Use. A possible barrier to the flow of section 203 loans is the requirement that HUD-FHA field offices determine marketability of the solar property as a prerequisite for a loan guarantee. The acceptable way of determining marketability is through analysis of the resale market for similar hardware installed in the region in which the loan application is being made. The problem is that because solar hardware is so new to the market, the region may have little or no comparable marketing experience. With just a few thousand solar installations nationwide, the chance is small that a region will have any experience with identical solar equipment, and smaller still that it will have any resale experience on which marketability can be based. Presumably, the loan can be denied if marketability cannot be established.

VA'S POSITION

The purpose of the VA loan guarantee program is to provide credit assistance for the housing credit needs of eligible veterans and active duty service personnel, usually at more liberal terms than generally available to non-veterans. Assistance is provided chiefly through the substitution of the government's guarantee on loans made by private lenders in lieu of down payments, shorter terms, and other requirements generally required in conventional home mortgage transactions. Where private capital is not available in non-urban areas, direct loans may be made.

Applications for solar-related loan assistance are considered under the VA's home acquisition and improvement loan guarantee programs. Solar energy equipment must meet HUD-FHA standards. Eligible participants apply for VA loans through regular lending institutions; the VA must appraise the property and pass on the credit worthiness of the veteran. The interest rate ceiling for VA home acquisition or improvement loans is presently set at 8½ percent for terms up to 30 years.

Impact of VA Loans on the Solar Market. VA loans are likely to have minimal impact on the solar market for reasons similar to those which can be expected to limit the impact of FHA loans.

Because no down payment is required for VA-backed loans, the program is particularly attractive to individuals of lesser means. But no down payment means a larger mortgage and high monthly carrying costs—a factor which makes first-costs critical and limits the VA loan as an instrument to finance solar hardware. Thus, the program affords market access mainly to purchasers of homes that sell below the median market price. The table on page 7 shows that in 1975 the average VA-insured new home sold for nearly $12,000 less than the average conventional home. An aligible borrower might prefer, if possible, to make a larger down payment rather than have the larger monthly carrying charge, in which case VA insurance might not be needed. The table shows that only 8 percent of the new homes sold in 1975 were financed by VA.

VA appraisers follow guidelines similar to those issued to HUD–FHA field offices for evaluating the marketability of solar energy systems (Attachment 4). If anything, VA's guidelines with regard to solar property evaluation are even less explicit than FHA's. VA appraisers are told simply that the value of a solar energy system may be recognized "in an amount that can be demonstrated by an analysis of the market."

In many areas of the country the 8½ percent interest ceiling on VA loans is not competitive. Because the seller is often required to pay a penalty to the lending institution to make up the difference between the interest rate of conventional loans and VA-insured loans, eligible VA borrowers sometimes have difficulty finding a seller willing to go through VA. The same interest rate ceiling on VA home improvement loans is even more restrictive. Eligible borrowers usually find it impossible to secure a home improvement loan at 8½ percent interest for periods of up to 30 years.

FMHA'S POSITION

FmHA, an agency within the Department of Agriculture, offers a variety of loan assistance programs to those in rural areas who are unable to get credit from other sources at reasonable rates and terms. The agency operates principally under the Consolidated Farm and Rural Development Act of 1921 and title V of the House Act of 1949. Applications for loans are made at the agency's 1,750 local county offices, generally located in county-seat towns. A county or area committee of three individuals, at least two of whom are farmers, pass on the eligibility of individual farm loan applicants and amounts of loans and reviews borrowers' progress.

Loans for solar energy systems are considered by FmHA, but the effectiveness of the agency's programs for financing solar hardware is subject to restrictive qualifications. The principal limiting factor is that the agency's constituency consists for the most part of households towards the lower end of the economic spectrum. The low incomes of those who buy or rent Farmer's House-financed housing effectively restrain the agency from including expensive solar equipment in its loan amounts. The table on page 7 shows that in 1975 new homes insured by FmHA sold for nearly $25,000 less than the average conventional home.

FmHA's Community Facility Loans and Rural Industrialization Loans appear to have potential for financing community-scale conversion facilities, but the agency tends to be conservative in financing projects which it considers to be innovative. It has, however, financed the non-solar portions of at least three construction projects which involve solar energy systems. The solar part of these projects was financed by agencies having authority to participate in solar demonstrations program.

Market shares and sales price of newly built, single family homes in 1975 by type of financing

	(1)	(2)	(3)
FHA	78	9	$32,900
VA	69	8	35,700
FmHA	61	7	23,100
Total Federal market share	208	24	31,000
Conventional	502	58	47,400
Cash	156	18	42,200
Total United States	866	100	42,600

[1] Number of units (in thousands).
[2] In percent.
[3] Average sales price.

Source: HUD Office of Management Information.

SOLAR ENERGY LOAN PROGRAMS UNDER THE NATIONAL ENERGY ACT

Both the House and Senate versions of the National Energy Act included loan incentives for the residential application of solar energy systems. Conferees reached tentative agree-

ment on the solar loan provisions, but were unable to reach agreement on many of the most divisive issues in other portions of the Act. Therefore, the conferees will continue their efforts to come to agreement on unresolved portions of the Act when the 95th Congress reconvenes in January.

Major differences existed in the solar loan provisions offered in the House and Senate. These differences are summarized in the following table prepared by the Conference Committee staff:

Loans and loan insurance for energy conserving improvements and solar energy systems

ITEM	HOUSE PROVISION	SENATE PROVISION
1. Title I Amendments		
a. Energy conserving improvements eligible for Title I home improvement loan insurance.	Amends section 2(a) of the National Housing Act definition of energy conserving improvements to conform with definition of weatherization materials found in FEA weatherization grant program. In addition to items covered in both bills, improvements include storm doors, multiglazed windows and doors, heat-absorbing or heat-reflective glazed windows and doors, and duct insulation. (Section 142; Comparative print page 16.)	Amends section 2(a) of the National Housing Act to define energy conserving improvements as measures listed under the Utility and Home Heating Supplier Program and additions, alterations or improvements which reduce energy requirements and conform to standards prepared by HUD in consultation with FEA. Senate provision does not include as an energy conserving improvement storm doors, duct insulation, multiglazed windows and doors, or heat-absorbing or heat-reflective glazed windows and doors. (Note: Differences in definition may depend on resolution of Utility Program provisions.)
b. Study regarding actuarially sound interest rate for energy conserving improvements.	No comparable provision.	Amends Section 2(f) of the National Housing Act so that within 2 years of enactment the HUD Secretary will study, determine and set an actuarially sound premium rate for Title I loans for energy conserving improvements. Rate may exceed present 1 percent limitation for Title I loans. (Section 221(b); Comparative print pages 16–17.)
c. Solar energy systems eligible for Title I home improvement loan insurance.	Eligible solar energy system means any addition, alteration or improvement designed to use solar, wind, or other solar-derived energy in order to reduce the structure's requirements for energy from other energy sources.	Eligible solar energy system means any addition, alteration or improvement designed to use solar energy through either active or passive methods in order to reduce the structure's requirements for energy from other energy sources.
2. Section 241—Insurance for loans to purchase energy conserving measures for multifamily structures.	241 loan insurance available to cover purchase and installation of energy conserving improvements.	241 loan insurance available to cover purchase and installation of energy conserving improvements and solar energy systems.
3. Loan and insurance limits increased for solar energy systems.	In order to cover the cost of purchasing and installing solar energy systems, limits on loans eligible for Federal assistance are increased by 20 percent for three programs: FmHA Section 501 loans and FHA Sections 203 and 207 insurance.	No comparable provision.
4. Subsidized Federal direct loan for solar energy equipment.	No comparable provision.	Authorizes a new program of subsidized loans for the purchase and installation of qualified solar heating or heating and cooling equipment based on several specified findings.
a. Loan terms.		Authorizes HUD to make loans for 100 percent of the cost of financing or refinancing solar equipment to persons who own and occupy 1–4 family dwellings and to persons constructing residential structures of any kind under contracts executed after July 26, 1977. The loans bear an interest rate of 4 percent, are at a maximum amount of $8,000 per unit for a dwelling containing 1–4 units, at a maximum of $7,500 per unit for a dwelling containing 5–50 units, and must have terms not exceeding 15 years, and in the case of a loan made to a builder of a structure which is sold to another person, the maturity shall not extend beyond the date of sale to such persons unless the loan is assumed by such other person. The loans must be for active or passive, qualified solar heating or heating and cooling equipment. A detailed plan for the purchase and installation of the equipment must accompany application for loan and be approved as suitable, appropriate and effective.
b. Relation to tax credit.		No person would be eligible for both this loan and a tax credit for the same solar energy equipment.
c. Definitions.		(i) The term "qualified solar heating equipment" means any active system and/or passive system which utilizes solar energy to provide more than 10 percent of the total heating needs (including hot water) or more than 40 percent of the hot water needs of the structure and meets minimum standards under the Solar Heating and Cooling Demonstration Act of 1974. (ii) The term "qualified solar heating and cooling equipment" means any active and/or passive system which meets the definition of "qualified solar heating equipment" and

Loans and loan insurance for energy conserving improvements and solar energy systems—continuing

ITEM	HOUSE PROVISION	SENATE PROVISION
		meets a portion of the cooling needs of the structure. (iii) The term "passive system" means any system which is based on conductive, convective or radiant energy transfer. A non-exclusive list of examples of such systems is included.
d. Inspection.		ERDA is required to establish a mechanism and/or procedure for the inspection and evaluation of the cost effectiveness of each type or model of solar equipment and ERDA shall review each new type or model of such equipment.
e. Determination of portion of passive system cost eligible for loans.		Within 6 months after enactment ERDA shall establish by rule the criteria for determining what portion of the cost of any passive system will be eligible for loans where the primary or major purpose of such system is other than solar heating of a residential structure. The basis upon which such criteria will be established is specified.
f. Availability of information on solar equipment standards.		The Secretary shall provide to any person upon request full, complete and current information on recommended standards and types of qualified solar equipment.
g. Penalty.		Any person who makes any false statement or misrepresents any material fact in order to receive a loan under these provisions shall be fined not more than $1,000 and/or imprisoned not more than 1 year.
h. Authorization.		$100 million is authorized to be appropriated for fiscal year 1978 and repayments on loans made with these funds pursuant to this provision may be reused. Such sums as may be necessary are authorized to be appropriated without fiscal year limitation to defray any administrative costs.
i. Effective dates.		The authority of the Secretary to make loans shall start six months after enactment and end 10 years after that date.
Secondary financing for energy conserving improvements and solar energy systems		
1. GNMA purchase of energy conservation loans	Directs the Government National Mortgage Association (GNMA), as soon as practicable after enactment, to purchase and sell Title I insured home improvement loans for energy conserving measures which are at an interest rate set by the HUD Secretary (which cannot exceed the rate for all title I loans and which is not below the Treasury borrowing rate). (Section 141; Comparative print page 10–16.)	Directs GNMA to purchase and sell Title I insured home improvement loans for energy conserving measures which are at an interest rate set by the HUD Secretary (which cannot exceed the rate for all Title I loans and which is not below the Treasury borrowing rate). (Section 225; Comparative print pages 10–16.)
a. Definitions: (i) moderate income family (ii) energy conserving improvements (iii) elderly and handicapped person	(i) family whose income is 90 percent or less of the median income for the area; (ii) same definition as found in the FEA weatherization grant program; (iii) same definitions as found in the FEA weatherization grant program.	No comparable provisions.
b. Eligible borrowers	GNMA may only purchase loans made to moderate-income families.	No comparable provision.
c. Relationship to Utility and Home Heating Supplier Programs.	No comparable provision.	GNMA may only purchase loans made pursuant to Utility and Home Heating Supplier Programs.
d. Priority.	Gives priority to low- and moderate-income families containing individuals who are elderly or handicapped.	No comparable provision.
e. Loan amount.	Maximum loan amount is $2,200.	Maximum loan amount is $2,500.
f. Authorization.	Authorizes not to exceed $2 billion of purchases and commitments to be outstanding at any one time as approved in appropriation acts.	Authorizes total of purchases and commitments of not to exceed $5 billion as approved in appropriation acts.
g. Reuse of loan receipts.	Authorizes reuse of receipts from sale of loans subject to approval on appropriation acts.	Specifies that receipts from sale of loans may only be used to retire Treasury obligations.
h. State and local usury laws.	Interest rates and discount points charged and loan insurance required in connection with these loan transactions are exempt from State or local usury laws.	In interest rates, discount points or other charges made in connection with these loan transactions are not exempt from State usury laws.
i. Relationship to tax credit for energy conservation measures.	No comparable provision.	Standards and criteria applicable to loan must, to maximum extent practicable, be identical with those applied to any federally-related tax benefit for residential energy conservation measures. No person may be eligible for both this loan program and a tax credit for the same measures.

Secondary financing for energy conserving improvements and solar energy systems—continuing

ITEM	HOUSE PROVISION	SENATE PROVISION
2. Standby authority of GNMA to purchase loans for energy conserving improvements.	GNMA is given standby authority, whenever HUD Secretary finds insufficient credit available to finance the purchase and installation of energy conserving improvements, to purchase insured Title I home improvement and Section 241 loans for energy conservation improvements. When sufficient credit is available, Secretary may direct GNMA to terminate activities. The loan transactions are exempted from State and local usury laws. Authorizes no more than $3 billion of purchases and commitments to be outstanding at any one time as approved in appropriation acts.	No comparable provision.
3. Federal Home Loan Mortgage Corporation	Authorizes the Federal Home Loan Mortgage Corporation (FHLMC) to purchase uninsured and Title I insured loans for energy conserving improvements and solar energy systems for residential dwellings.	Similar except does not authorize purchase of loans for solar energy systems.
4. Federal National Mortgage Association	Authorizes the Federal National Mortgage Association (FNMA) to purchase uninsured and Title I insured loans for energy conserving improvements and solar energy systems for residential dwellings.	Similar except does not authorize any purchases of advances of credit nor the purchase of loans for solar energy systems.

Conference Action on Loans and Loan Insurance for Energy Conservation Improvements and Solar Energy Systems. The conferees agreed to amend the National Housing Act, which defines "energy conserving improvements" eligible for title I home improvement loan insurance to conform to the definition of weatherization materials found in the Federal Energy Administration's weatherization grant program. Solar energy systems eligible for title I insurance are defined to mean any addition, alteration or improvement designed to use solar energy through active or passive methods in order to reduce the structure's requirements for other sources of energy.

Federal loan insurance is made available to cover the purchase and installation of energy-conserving improvements and solar energy systems for multi-family structures.

In order to cover the cost of purchasing and installing solar energy systems, the limits on FHA mortgage insurance are increased by 20 percent where a building has solar equipment installed. An individual interested in buying a solar home with an FHA low-interest mortgage (now set at 8½ percent) could thus exceed the current FHA mortgage limit of $60,000 to buy a home valued at up to $72,000.

The conferees also agreed to a 5-year $100 million revolving fund, Government National Mortgage Association (GNMA) purchase program for solar energy loans. The program would have the following characteristics:

Loans are insured under title I of the National Housing Act;

Interest must be greater than the Treasury borrowing rate (about 7 percent) and below the 12 percent statutory ceiling for title I loans. If the Secretary of HUD finds that the interest rate is a cause of non-action in the program, she is to lower the interest rate;

All families are eligible borrowers;

Term of repayment is not to exceed 15 years. No penalty for prepayment; and

Both active and passive solar energy systems could be financed provided they meet HUD minimum property standards.

Also, the final conference agreement is expected to permit homeowners to take advantage of both Federal loans and tax credits for solar energy purchases. The non-tax conferees originally agreed to limit "double dipping" by requiring that any tax credit be reduced by the amount of Federal subsidy involved in the loan program. However, conferees on the tax portion of the National Energy Act removed this restriction on the grounds that it would be too expensive and troublesome to administer. The full conference is expected to go along with the position of the tax conferees.

Conference Action on Secondary Financing for Energy Conserving Improvements and Solar Systems.[1] The conferees adopted provisions directing the GNMA to purchase and sell title I insured home improvement loans for energy conserving measures. Loans must be made with priority given to elderly and moderate income families. Moderate income is defined as 100 percent or less of the median income for the area. A loan cannot exceed $2,500.

Two separate GNMA programs were established with a total purchase authority of $5 billion. A $3 billion revolving fund authorization is provided for subsidized loans with eligibility limited to moderate income borrowers. A person may benefit from both this program and the tax credit. A $2 billion revolving fund is provided for non-subsidized loans.

The Secretary of HUD is required to make a finding that the non-subsidized loan program is necessary for the success of the national energy conservation effort. Interest rates required in connection with these loan transactions are exempt from State or local usury laws.

[1] Originally the secondary mortgage market consisted primarily of institutional investors who sought to purchase mortgages as investments, but were not organized to make residential loans directly to borrowers. In recent years the secondary market has increasingly come to be identified with three government-supported agencies whose function is to join the primary mortgage market to the Nation's larger capital markets in order to provide local banks with liquidity and assure a steadier supply of credit for the homebuilding industry. These three entities are: (1) the Government National Mortgage Association (GNMA), organized primarily to provide a secondary market for loans written under the Federal Government's subsidized interest rate programs; (2) the Federal National Mortgage Association (FNMA), whose mortgage purchase programs feed money into local housing markets when capital is in short supply; and (3) the Federal Home Loan Mortgage Corporation (FHLMC), organized to enable savings institutions participating in the Federal Home Loan Bank system to maintain their mortgage loan portfolios on a more liquid footing. These entities are frequently referred to as Ginnie Mae, Fannie Mae and Freddie Mac, respectively. GNMA is Federally owned, and operates within HUD, FNMA (since it was spun off from HUD in 1968) and FHLMC are privately owned, but Federally regulated and supported stock corporation.

In addition, the conferees authorized the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association to purchase uninsured and title I insured loans for energy conserving improvements and solar energy systems for residential dwellings.

Impact of Loan Measures Tentatively Agreed to by Conferees. If implemented, the loan measures tentatively agreed to by the conferees are likely to have only a modest effect on the demand for solar hardware. There are several reasons to expect a modest impact.

Results from a consumer survey conducted for HUD [2] indicate that subsidized loans, even under the most liberal of financing assumptions, have a limited ability to motivate the adoption of solar hot water systems—the most commercially advanced residential use of solar energy. The survey showed that existing houseowners typically prefer to pay for improvements to their property with cash rather than assuming additional debt. New home purchasers indicated a reluctance to apply for a loan subsidy if it involves a loan instrument and processing track distinct from those involved in securing a first mortgage on their property. The low response to the loan option among existing homeowners is consistent with the fact that less than 18 percent of home improvements of any kind are financed with borrowings from commercial lenders.

Long-term, low-interest loans for combined solar space and water heating systems in new homes, particularly if rolled into the first mortgage on the entire property, could have a significant impact on the market. However, at the interest rate provided in the National Energy Act agreement, the impact is projected to be small. The HUD study projects that over a 5-year period, a 7 percent, 30-year loan would elicit a 43 percent increase in the number of space heating units installed compared to the base estimate of units installed with no incentive. By comparison, a 30-year, 1 percent loan would elicit a fourfold increase in units installed.

The HUD study also questions whether FHA or any other Federal credit agency can provide an adequate loan delivery system. Whatever the potential demand for solar loans, the ability of a special Federal program to reach its potential users will depend in large part on the adequacy of existing channels between the Federal Government

[2] Federal Incentives for Solar Homes. An Assessment of Program Options. Prepared for HUD by Regional and Urban Planning Implementation, Inc. (RUPI). Final report. July, 1977.

and various segments of the new housing market and the commercial lending community. Loan subsidies are, in effect, a special financial service that must be marketed and distributed to homeowners through conveniently located outlets. (Consideration of timing and expense appear to preclude creating such a distribution network from scratch, particularly for a loan program of small volume and fixed duration.) The Federal Government at the present time finances only a trivial percentage (less than three percent) of all home improvements activity. A more substantial portion of newly built homes (24 percent) are financed through FHA, VA, and FmHA (refer to table shown earlier). However, this assistance is concentrated almost entirely in the low to moderate income segment of the market, where solar use at this time may be least appropriate and feasible.●

GENERAL LEAVE

Mr. EVANS of Delaware. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Vermont (Mr. JEFFORDS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. SATTERFIELD (at the request of Mr. WRIGHT), for March 13 and 14, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, on Tuesday, March 14, 1978, for 30 minutes, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. EVANS of Delaware) to revise and extend their remarks and include extraneous matter:)

Mr. CONTE, for 30 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. WHALEN, for 10 minutes, today.

Mr. KEMP, for 10 minutes, today.

(The following Members (at the request of Mr. WHITLEY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MCDONALD, for 5 minutes, today.

Mr. BINGHAM, for 10 minutes, today.

Mr. STAGGERS, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Ms. HOLTZMAN, for 15 minutes, today.

Mr. WEISS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HANSEN, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $903.38.

Mr. NEAL, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $985.50.

(The following Members (at the request of Mr. EVANS of Delaware), and to include extraneous matter:)

Mr. EDWARDS of Oklahoma in two instances.

Mr. SARASIN.

Mr. CONABLE.

Mr. BOB WILSON.

Mr. CRANE.

Mr. COLLINS of Texas in two instances.

Mr. RUDD.

Mr. HYDE.

Mr. BAFALIS.

Mr. WHALEN.

Mr. DORNAN.

Mr. MOORE.

Mr. ABDNOR.

Mr. LENT.

Mr. WAMPLER.

Mr. HOLLENBECK.

Mr. EMERY.

Mr. GILMAN in two instances.

Mr. SYMMS.

Mr. ASHBROOK in two instances.

(The following Members (at the request of Mr. WHITLEY) and to include extraneous matter:)

Mr. ANNUNZIO in six instances.

Mr. ANDERSON of California in three instances.

Mr. GONZALEZ in three instances.

Mr. BROWN of California in 10 instances.

Mr. PEASE.

Mr. BINGHAM in five instances.

Mr. WAXMAN.

Mr DRINAN.

Ms. KEYS.

Mr. MINISH in two instances.

Mr. STAGGERS.

Mr. NEAL.

Mr. WON PAT in two instances.

Mr. PANETTA.

Mrs. SCHROEDER.

Mr. DODD in two instances.

Mr. FISHER.

Mr. EDGAR in three instances.

Mr. SIMON.

Mr. UDALL.

Mr. DANIELSON in two instances.

Mr. DELANEY.

Mr. TEAGUE.

Mr. MAGUIRE.

Mr. ROSE.

Mr. MOAKLEY.

Mr. KILDEE.

Mr. RONCALIO.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 120. Joint resolution to declare May 18, 1978 to be "Museum Day"; to the Committee on Post Office and Civil Service.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.J. Res. 746. Making urgent power supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978.

ADJOURNMENT

Mr. WEISS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 15 minutes p.m.) the House adjourned until tomorrow, Tuesday, March 14, 1978, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3540. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the arms control impact statements on the fiscal year 1979 weapons programs, pursuant to section 36 of the Arms Control and Disarmament Act, as amended (89 Stat. 758); to the Committee on International Relations.

3541. A letter from the Executive Officer, U.S. Environmental Protection Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1977 pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3542. A letter from the Director, U.S. Information Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3543. A letter from the Administrator, U.S. Small Business Administration, transmitting a report on the agency's activities under the Freedom of Information Act during calendar year 1977, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3544. A letter from the Director, National Science Foundation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations

3545. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting a statistical report on exports of arms, ammunition and implements of war, covering fiscal year 1976, pursuant to section 657 of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

3546. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the programing and obligation of funds for Lebanon relief and rehabilitation since funds became available on October 1, 1976, pursuant to section 495C of the Foreign Assistance Act of 1961, as amended (90 Stat. 762); to the Committee on International Relations.

3547. A letter from the Secretary of the Interior, transmitting the first annual report on the Teton Dam claims program, covering calendar year 1977, pursuant to section 8 of Public Law 94-400; to the Committee on the Judiciary.

3548. A letter from the President, Legal Services Corporation, transmitting the Corporation's annual report for fiscal year 1977. pursuant to section 1008(c) of the Economic Opportunity Act, as amended (88 Stat. 386; 91 Stat. 1621); to the Committee on the Judiciary.

3549. A letter from the Under Secretary of Defense (Research and Engineering), transmitting a report on Department of Defense

procurement from small and other business firms during the period October 1976–September 1977, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

3550. A letter from the Comptroller General of the United States, transmitting a report on retail diversion of legal drugs (GGD–78–22, March 10, 1978); jointly, to the Committees on Government Operations, and Interstate and Foreign Commerce.

3551. A letter from the Comptroller General of the United States, transmitting a report on the need for further improvements in investigations of medicaid fraud and abuses in Illinois (HRD–78–46, March 10, 1978); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Ways and Means.

3552. A letter from the Comptroller General of the United States, transmitting a report on the handling of Customs laws and regulations (GGD–78–5, March 13, 1978); jointly, to the Committees on Government Operations, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. Supplemental report on H.R. 9518. A bill to amend the Shipping Act, 1916, to provide for a 3-year period, to reach a permanent solution of the rebating practices in the U.S. foreign trade. (Rept. No. 95–922, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 6075. A bill to amend title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy; with amendment (Rept. No. 95–948). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Iowa: Committee on Small Business. H.R. 11318. A bill to amend the Small Business Act and the Small Business Investment Act of 1958 (Rept. No. 95–949). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARRIS: Committee on the Judiciary. H.R. 1396. A bill for the relief of Mrs. Sun Pok Winer (Rept. No. 95–935). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 1779. A bill for the relief of Gilberto Taneo Gilberstadt (Rept. No. 95–936). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 1938. A bill for the relief of Santos Marquez Arellano; with amendment (Rept. No. 95–937). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 2291. A bill for the relief of Carmen Cecilia Blanquicett; with amendment (Rept. No. 95–938). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 2555. A bill for the relief of Michelle Lagrosa Sese; with amendment (Rept. No. 95–939). Referred to the Committee of the Whole House.

Mr. SAWYER: Committee on the Judiciary. H.R. 4607. A bill for the relief of William Mok (Rept. No. 95–940). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 5230. A bill for the relief of Jung In Bang (Rept. No. 95–941). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 5933. A bill for the relief of Jonathan Winston Max; with amendment (Rept. No. 95–942). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 6801. A bill for the relief of Hye Jin Wilder; with amendment (Rept. No. 95–943). Referred to the Committee of the Whole House.

Mr. FISH: Committee on the Judiciary. H.R. 6934. A bill for the relief of Donna Marainne Benney; with amendment (Rept. No. 95–944). Referred to the Committee of the Whole House.

Mr. HARRIS: Committee on the Judiciary. H.R. 7033. A bill for the relief of Young-soon Choi (Rept. No. 95–945). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 7795. A bill for the relief of Veronica Judith Hudson (Rept. No. 95–946). Referred to the Committee of the Whole House.

Mr. EILBERG: Committee on the Judiciary. H.R. 8308. A bill for the relief of Jae Keun Christianson (Rept. No. 95–947). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MOORE (for himself, Mr. RHODES, Mr. ABDNOR, Mr. ANDREWS of North Dakota, Mr. BAUMAN, Mr. COCHRAN of Mississippi, Mr. COLEMAN, Mr. EDWARDS of Alabama, Mr. GOODLING, Mr. HAGEDORN, Mr. JEFFORDS, Mr. JOHNSON of Colorado, Mr. LAGOMARSINO, Mr. LEACH, Mr. MARLENEE, Mr. MICHEL, Mr. QUIE, Mr. QUILLEN, Mr. SEBELIUS, Mr. STANGELAND, Mr. THONE, Mr. VANDER JAGT, Mr. WAMPLER, and Mr. WINN):

H.R. 11463. A bill to increase agricultural exports, provide necessary agricultural credit, increase 1978 and 1979 market prices for wheat, feed grains and cotton, revise and extend the sugar program, modernize and revise meat quotas, establish a farmer and rancher elected advisory board, restrict authority for agricultural embargoes, expand purchases of domestically produced agricultural commodities by U.S. Government agencies, revise certain agricultural tax laws, assign a higher priority for the use of natural gas for agricultural purposes, provide for congressional review of executive regulations and functions, and for other purposes; jointly, to the Committees on Agriculture, International Relations, and Ways and Means.

By Mr. ASHLEY (for himself and Mr. REUSS) (by request):

H.R. 11464. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BIAGGI (for himself, Mr. MURPHY of New York, Mr. TREEN, Mr. RUPPE, Mr. JONES of North Carolina, Mr. DE LA GARZA, Mr. YOUNG of Alaska, Mr. ROONEY, Mr. GINN, Mr. LENT, Mr. STUDDS, Mr. EILBERG, Mr. EVANS of Delaware, Mr. DE LUGO, Mr. PRITCHARD, Mr. HUBBARD, Mr. BONKER, Mr. D'AMOURS, Mr. PATTERSON of California, Mr. OBERSTAR, Mr. HUGHES, Mr. BAUMAN, Ms. MIKULSKI, Mr. BONIOR, and Mr. AKAKA):

H.R. 11465. A bill to authorize appropriations for the U.S. Coast Guard for fiscal year 1979, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CEDERBERG:

H.R. 11466. A bill to provide wheat, feed grain, and cotton producers the opportunity to receive parity prices for the 1978 crops; to the Committee on Agriculture.

By Mr. DOWNEY (for himself, Mr. MOFFETT, Mr. MOSS, Mr. OTTINGER, Mr. WON PAT, Mr. STEERS, Mr. HARRINGTON, Ms. HOLTZMAN, Mr. HUGHES, Mr. STUDDS, Mr. SIMON, Mr. EDGAR, Mr. MIKVA, Mr. LEHMAN, Mr. EILBERG, Mr. MCHUGH, and Mr. CARR):

H.R. 11467. A bill to provide policies, methods, and criteria for the acquisition of property and services by executive agencies; to the Committee on Government Operations.

By Mr. EVANS of Georgia:

H.R. 11468. A bill to amend the Packers and Stockyards Act, 1921, for the purpose of repealing the authority of the Secretary of Agriculture to determine rates and charges for stockyard services; to the Committee on Agriculture.

H.R. 11469. A bill to abolish the Environmental Protection Agency; to the Committee on Government Operations.

By Mr. FRENZEL (for himself, Mr. RUSSO, Mrs. HECKLER, Mr. GUYER, and Mr. BAFALIS):

H.R. 11470. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition to provide education for himself, for his spouse, or for his dependents, and to provide that such credit is refundable; to the Committee on Ways and Means.

By Mr. HARRINGTON (for himself, Mr. MITCHELL of Maryland, Mr. EDWARDS of California, Mr. EILBERG, Mr. JOHNSON of Colorado, Mr. STEERS, Mr. BONIOR, Mr. HARKIN, Mr. BAUCUS, Mr. BROWN of California, Mr. PHILLIP BURTON, Mr. BINGHAM, Ms. KEYS, and Mrs. MEYNER):

H.R. 11471. A bill to allow the President to waive certain prohibitions on the furnishing of food assistance to foreign countries if he determines that such assistance would help needy people; to the Committee on International Relations.

By Mr. HYDE (for himself and Mr. BROWN of Ohio):

H.R. 11472. A bill to amend the Rehabilitation Act of 1973 with respect to the definition of a handicap; to the Committee on Education and Labor.

By Mr. JENRETTE:

H.R. 11473. A bill to amend title II of the Social Security Act to provide that a beneficiary shall (if otherwise qualified) be entitled to a prorated benefit for the month in which he (or the insured individual) dies; to the Committee on Ways and Means.

By Mr. KREBS (for himself, Mr. WHITEHURST, Mr. FRASER, Mr. TRAXLER, Mr. EILBERG, Mr. LAFALCE, Mr. SEIBERLING, Mr. HUGHES, Mr. BADHAM, Mr. MATHIS, Mr. ERTEL, Mr. THOMPSON, and Mrs. SPELLMAN):

H.R. 11474. A bill to amend the Internal Revenue Code of 1954 to allow any active participant in a retirement plan a deduction for amounts of retirement savings paid by such individual in any taxable year before such individual's retirement rights vest under such plan; to the Committee on Ways and Means.

By Mr. MAZZOLI:

H.R. 11475. A bill to amend section 541 of title 28, United States Code, to provide for merit selection of U.S. attorneys; to the Committee on the Judiciary.

By Mr. MINETA:

H.R. 11476. A bill to amend title 39, United States Code, to provide that the U.S. Postal

Service shall be liable for the negligent handling or delivery of mail matter, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOTTL (for himself, Mr. JOHN L. BURTON, Mr. CAPUTO, Mr. CARNEY, Mr. DORNAN, Mr. EVANS of Georgia, Mr. FARY, Mr. FLOOD, Mr. FORD of Michigan, Mr. GARCIA, Mr. GINN, Mr. HANSEN, Mr. LAGOMARSINO, Mr. LUNDINE, Mr. MURTHA, Mr. NEDZI, Mr. OTTINGER, Mr. PRICE, Mr. ROSTENKOWSKI, Mr. SARASIN, Mr. THOMPSON, Mr. TRAXLER, Mr. WOLFF, Mr. WINN, and Mr. ZEFERETTI):

H.R. 11477. A bill to provide for the issuance of a commemorative postage stamp in honor of Gen. Casimir Pulaski and Americans of Polish descent; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York (for himself, Mr. RUPPE, Mr. LEGGETT, and Mr. FORSYTHE):

H.R. 11478. A bill to amend section 304 of the Marine Protection, Research and Sanctuaries Act of 1972, as amended, to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Merchant Marine and Fisheries.

H.R. 11479. A bill to amend section 204 of the Marine Protection, Research, and Sanctuaries Act of 1972 to extend the authorization for appropriations for fiscal years 1979 and 1980; to the Committee on Merchant Marine and Fisheries.

H.R. 11480. A bill to authorize appropriations for fiscal years 1979 and 1980 to carry out the Marine Mammal Protection Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. LEGGETT, and Mr. FORSYTHE):

H.R. 11481. A bill to extend the authorization for appropriations to carry out the Endangered Species Act of 1973, as amended; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of New York (for himself, Mr. RUPPE, Mr. LEGGETT, and Mr. FORSYTHE):

H.R. 11482. A bill to authorize appropriations for fiscal years 1979 and 1980 to carry out the Marine Mammal Protection Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. NEAL:

H.R. 11483. A bill to require a health warning in the labeling and advertising of certain alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

H.R. 11484. A bill to amend section 601(a)(2) of the Legislative Reorganization Act of 1946 to provide that the salaries of Senators and Representatives may not be subject to any cost-of-living adjustment under such section before October 1, 1979; to the Committee on Post Office and Civil Service.

By Mr. PANETTA:

H.R. 11485. A bill to modify the project for navigation in Santa Cruz Harbor, Santa Cruz, Calif., and to authorize certain studies in connection with such harbor; to the Committee on Public Works and Transportation.

By Mr. PANETTA (for himself, Mr. AKAKA, Mrs. BURKE of California, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. EDWARDS of California, Mr. EILBERG, Mr. HARRINGTON, Mr. HYDE, Mr. JENRETTE, Mr. LAGOMARSINO, Mr. LEGGETT, Mr. MANN, Mr. MCHUGH, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. PRITCHARD, Mr. ROE, Mr. SIMON, Mr. VAN DEERLIN, Mr. VENTO, Mr. WAXMAN, Mr. WHITEHURST, and Mr. CHARLES WILSON of Texas):

H.R. 11486. A bill to authorize pay and benefits for members and survivors of members of the Philippine Scouts on the same basis as such pay and benefits are authorized for other memers of the Armed Forces and their survivors; to the Committee on Armed Services.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 11487. A bill to authorize the disposal of mica, muscovite film from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. ROGERS (for himself, Mr. PREYER, Mr. SCHEUER, Mr. FLORIO, Mr. MAGUIRE, Mr. MARKEY, Mr. WALGREN, Mr. CARTER, and Mr. BROYHILL):

H.R. 11488. A bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development; to the Committee on Interstate and Foreign Commerce.

By Mr. RONCALIO:

H.R. 11489. A bill to authorize the States and the Indian tribes to enter into mutual agreements and compacts respecting jurisdiction and governmental operations in Indian country; to the Committee on Interior and Insular Affairs.

H.R. 11490. A bill to amend the Federal Coal Leasing Amendments Act of 1975, Public Law 94-377, 30 U.S.C. 181 et seq.; to the Committee on Interior and Insular Affairs.

By Mr. SKUBITZ:

H.R. 11491. A bill to establish a framework for the prevention of railroad accidents by requiring railroads to develop systematic railroad safety programs and to provide Federal assistance for safety-related railroad projects; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. ROONEY):

H.R. 11492. A bill to amend the Regional Rail Reorganization Act of 1973 to authorize additional appropriations to the United States Railway Association for purposes of purchasing securities of the Consolidated Rail Corporation; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself, Mr. Moss, Mr. DINGELL, Mr. ROGERS, Mr. ROONEY, Mr. MURPHY of New York, Mr. CARNEY, and Mr. METCALFE):

H.R. 11493. A bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for an additional fiscal year, to provide for public consideration and implementation of a rail passenger service study, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STANGELAND:

H.R. 11494. A bill to provide for payments to local governments based upon the acreage of the National Wildlife Refuge System which is within their boundaries; to the Committee on Merchant Marine and Fisheries.

By Mr. TEAGUE (for himself, Mr. MILFORD, Mr. AMBRO, Mr. BROWN of California, Mr. DORNAN, Mr. FLOWERS, Mr. FORSYTHE, Mr. FUQUA, Mr. GAMMAGE, Mr. GLICKMAN, Mr. GOLDWATER, Mr. KRUEGER, Mr. HOLLENBECK, Mr. LLOYD of California, Mr. MCCORMACK, Mr. PURSELL, Mr. ROE, Mr. RUDD, Mr. WALGREN, Mr. WALKER, Mr. WINN, Mr. WIRTH, and Mr. YOUNG of Missouri):

H.R. 11495. A bill to authorize research, development, and demonstration projects relating to aviation, and for other purposes; to the Committee on Science and Technology.

By Mr. THORNTON (for himself, Mr. BAFALIS, and Mr. LAGOMARSINO:

H.R. 11496. A bill to amend the Packers and Stockyards Act of 1921; to the Committee on Agriculture.

By Mr. VENTO:

H.R. 11497. A bill to amend the National Trails System Act to establish the North Country National Scenic Trail and to change certain requirements relating to the acquisition of rights-of-way for national scenic trails; to the Committee on Interior and Insular Affairs.

By Mr. WAGGONNER (for himself, Mr. PICKLE, Mr. HOLLAND, Mr. FRENZEL, Mr. GEPHARDT, Mr. CUNNINGHAM, Mr. VANDER JAGT, Mr. GAMMAGE, Mrs. HOLT, Mr. TREEN, Mr. MOAKLEY, Mr. HUCKABY, Mr. UDALL, Mr. BAUCUS, Mr. FASCELL, and Mr. PATTERSON of California):

H.R. 11498. A bill to defer from income certain amounts deferred pursuant to State or local public employee deferred compensation plans; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska:

H.R. 11499. A bill to amend the act of October 20, 1976, relating to certain payment to local governmental units based upon public lands within the boundaries of such governmental units; to the Committee on Interior and Insular Affairs.

By Mr. BINGHAM:

H.R. 11500. A bill to amend title I of the Housing and Community Development Act of 1974 for the purpose of providing rehabilitation grants to metropolitan cities and urban counties; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHALEN:

H.R. 11501. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with advice and counseling on management, development, technical information, product planning, and development, and for other purposes; to the Committee on Small Business.

By Mr. WHALEN (for himself, Mr. BROWN of Michigan, Mr. GOODLING, Mr. MATHIS, and Mr. STOCKMAN):

H.R. 11502. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

By Mr. CORNELL (for himself and Mr. SIMON):

H.R. 11503. A bill to provide authority for the President to stabilize prices, wages, interest rates, and corporate dividends; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JONES of Tennessee (for himself, Mr. FOLEY, Mr. SEBELIUS, Mr. DE LA GARZA, Mr. JONES of North Carolina, Mr. MATHIS, Mr. BROWN of California, Mr. BOWEN, Mr. JOHNSON of Colorado, Mr. ROSE, Mr. RICHMOND, Mr. NOLAN, Mr. WEAVER, Mr. BALDUS, Mr. JEFFORDS, Mr. KREBS, Mr. HARKIN, Mr. HIGHTOWER, Mr. ENGLISH, Mr. FITHIAN, Mr. HAGEDORN, Mr. JENRETTE, Mr. THORNTON, Mr. SKELTON, and Mr. HUCKABY):

H.R. 11504. A bill to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act; to the Committee on Agriculture.

By Mr. JONES of Tennessee (for himself. Mr. FOLEY, Mr. SEBELIUS, Mr. GLICKMAN, Mr. AKAKA, Mr. WHITLEY, and Mr. MARLENEE):

H.R. 11505. A bill to amend the Consolidated Farm and Rural Development Act, provide an economic emergency loan program to farmers and ranchers in the United States, and extend the Emergency Livestock Credit Act; to the Committee on Agriculture.

By Mr. MATHIS:

H.R. 11506. A bill to insure a comprehensive, periodic review of U.S. participation in the World Bank and the International Monetary Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROGERS (for himself, Mr. CARNEY, Mr. GUYER, Mr. LUNDINE, Mr. MANN, and Mr. STEERS):

H.R. 11507. A bill to amend the Communications Act of 1934 to establish requirements with respect to the broadcasting of certain professional sports clubs' games; to the Committee on Interstate and Foreign Commerce.

By Mr. STEERS (for himself, Mrs. FENWICK, and Mrs. SPELLMAN):

H.R. 11508. A bill to provide that certain refugees who were paroled and later admitted for permanent residence into the United States will be treated, for determining their period of residence for purposes of naturalization, as establishing permanent residence status as of the date of their arrival to the United States; to the Committee on the Judiciary.

By Mr. STEIGER:

H.R. 11509. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain employer educational assistance programs; to the Committee on Ways and Means.

By Mr. NEAL (for himself, Mr. MAGUIRE, Mr. FLORIO, Mr. REUSS, Mr. TSONGAS, Mr. GORE, Mr. EILBERG, Mr. WINN, Mr. DRINAN, Mr. MCKINNEY, Mr. MOTTL, Mr. Long of Maryland, Mr. RODINO, Mr. JENRETTE, Mr. MITCHELL of Maryland, Mr. MCHUGH, Mr. WEAVER, Mr. JEFFORDS, Mr. BAUCUS, Mr. CARR, Mr. LLOYD of California, Mr. LEHMAN, Mr. MOAKLEY, Mr. BROWN of California, and Mr. EDWARDS of California):

H.R. 11510. A bill to establish a Solar Energy Development Bank to provide long-term low-interest loans for the purchase and installation of solar energy equipment in commercial and residential buildings in the United States; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JEFFORDS (for himself, Mr. BAUCUS, Mr. WEAVER, Mr. CARR, Mr. KASTEN, Mr. DRINAN, Mr. LLOYD of California, Mr. LEHMAN, Mr. PICKLE, Mr. MOAKLEY, Mr. BROWN of California, Mr. EDWARDS of California, Mr. NOLAN, Mr. TSONGAS, Mr. RICHMOND, Mr. MCKINNEY, Mr. RYAN, Mr. HARRINGTON, Mr. WIRTH, Mr. UDALL, Mr. MAGUIRE, Mr. LONG of Maryland, and Mr. SEIBERLING):

H.R. 11511. A bill to authorize the Secretary of State to implement solar energy and other renewable energy projects in certain buildings owned by the United States in foreign countries; to the Committee on International Relations.

By Mr. BEDELL (for himself, Mr. BALDUS, Mr. JEFFORDS, Mr. BLANCHARD, Mr. BAUCUS, Mr. WEAVER, Mr. CARR, Mr. KASTEN, Mr. DRINAN, Mr. LLOYD of California, Mr. LEHMAN, Mr. PICKLE, Mr. MOAKLEY, Mr. BROWN of California, Mr. EDWARDS of California, Mr. NOLAN, Mr. TSONGAS, Mr. RICHMOND, Mr. MCKINNEY, Mr. RYAN, Mr. HARRINGTON, Mr. WIRTH, Mr. VAN DEERLIN, Mr. UDALL, and Mr. GORE):

H.R. 11512. A bill to provide for a solar and conservation loan program within the Small Business Administration; to the Committee on Small Business.

By Mr. JEFFORDS (for himself, Mr. BLANCHARD, Mr. BAUCUS, Mr. WEAVER, Mr. CARR, Mr. KASTEN, Mr. DRINAN, Mr. LLOYD of California, Mr. LEHMAN, Mr. PICKLE, Mr. MOAKLEY, Mr. BROWN of California, Mr. EDWARDS of California, Mr. NOLAN, Mr. LONG of Maryland, Mr. MAGUIRE, Mr. TSONGAS, Mr. RICHMOND, Mr. MCKINNEY, Mr. RYAN, Mr. HARRINGTON, Mr. WIRTH, Mr. VAN DEERLIN, and Mr. UDALL):

H.R. 11513. A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment; to the Committee on Interstate and Foreign Commerce.

By Mr. AKAKA:

H.J. Res. 786. Joint resolution requiring improvement and expansion in the collection, analysis, and publication of statistical data relating to women in the professional, technical, and managerial occupations, and for other purposes; jointly, to the Committees on Education and Labor, and Post Office and Civil Service.

By Mr. ARCHER:

H.J. Res. 787. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. GIAIMO:

H.J. Res. 788. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. PEPPER:

H.J. Res. 789. Joint resolution to authorize and request the President to issue a proclamation designating April 18, 1978, as Education Day, U.S.A.; to the Committee on Post Office and Civil Service.

By Mr. JEFFORDS (for himself, Mr. BLANCHARD, Mr. BAUCUS, Mr. WEAVER, Mr. CARR, Mr. MOSS, Mr. KASTEN, Mr. DRINAN, Mr. LLOYD of California, Mr. LEHMAN, Mr. MOAKLEY, Mr. BROWN of California, Mr. EDWARDS of California, Mr. NOLAN, Mr. TSONGAS, Mr. RICHMOND, Mr. MCKINNEY, Mr. RYAN, Mr. HARRINGTON, Mr. WIRTH, Mr. UDALL, Mr. MAGUIRE, Mr. LONG of Maryland, and Mr. SEIBERLING):

H. Con. Res. 506. Concurrent resolution expressing the sense of the Congress that the United Nations should convene a World Alternate Energy Conference having as its major purpose the establishment of an International Alternate Energy Commission to facilitate the transfer among countries of information relating to alternate energy sources and to otherwise encourage the use of alternate energy sources; to the Committee on International Relations.

By Mr. THOMPSON:

H. Res. 1070. Resolution continuing funding authority for certain committees in the 95th Congress, second session; to the Committee on House Administration.

By Mr. ANDERSON of California:

H. Res. 1071. Resolution expressing the sense of the House of Representatives with respect to the killing of over 1,000 porpoise by Japanese fishermen in February 1978, and calling for a halt of this practice; to the Committee on International Relations.

By Mr. PERKINS (for himself, Mr. QUIE, Mr. FORD of Michigan, Mr. BLOUIN, Mr. SIMON, Mr. ZEFERETTI, Mr. HEFTEL, Mr. CORRADA, Mr. KILDEE, and Mr. BUCHANAN):

H. Res. 1072. Resolution to disapprove the action of the Commissioner of Education in consolidating certain advisory councils as proposed in the Commissioner's annual report under section 448 of the General Education Provisions Act; to the Committee on Education and Labor.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

323. By the SPEAKER: Memorial of the Legislature of the State of New York, relative to Indian land claims; to the Committee on Interior and Insular Affairs.

324. Also, memorial of the Legislature of the State of South Dakota, relative to Federal funding of human resources programs servicing Indian reservations; to the Committee on Interior and Insular Affairs.

325. Also, memorial of the Legislature of the State of South Dakota, relative to Federal assistance in water resources development; to the Committee on Interior and Insular Affairs.

326. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the persecution of the Ecumenical Patriarchate of Constantinople; to the Committee on International Relations.

327. Also, memorial of the Legislature of the State of Michigan, relative to toxic substance victim compensation; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAUCUS:

H.R. 11514. A bill for the relief of Dan Ionel Dragotoiu (doctor of medicine); to the Committee on the Judiciary.

By Mrs. BURKE of California:

H.R. 11515. A bill for the relief of Luther L. Washington; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.R. 11516. A bill for the relief of Pius Joseph Lund; to the Committee on the Judiciary.

By Mr. FRENZEL:

H.R. 11517. A bill for the relief of Keum Sun Lee; to the Committee on the Judiciary.

By Mr. GUDGER:

H. Res. 1073. Resolution to refer the bill (H.R 11450) entitled "A bill for the relief of Stencel Aero Engineering Corporation", to the Chief Commissioner of the U.S. Court of Claims for a report thereon; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 50

By Mr. CONABLE:

On page 95, strike out Section 300.

On page 96, line 12, strike out "March 1" and insert in lieu thereof "March 15".

Strike out all following line 19 on page 96 through line 20 on page 101 and insert in lieu thereof the following:

(c) Prior to consideration of the first concurrent resolution on the budget, the members of the Joint Economic Committee who are Members of the House of Representatives may report to the House, and the members of the Joint Committee who are Members of the Senate may report to the Senate, an amendment to said concurrent resolution incorporating such additions, alternatives and modifications to the matters set forth in the resolution as the Joint Committee deems appropriate and in accord with the purposes of this Act and the Employment Act of 1946.

On page 101, beginning on line 22, strike out subsection (a) of section 302. Redesignate subsections (b) and (c) as subsections (a) and (b), respectively.

EXTENSIONS OF REMARKS

LEGISLATION ON AN IRS ANNUITY RULING

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. CONABLE. Mr. Speaker, I have introduced legislation, H.R. 11182, designed to remedy an injustice in the administration of our tax laws.

From 1963 to 1965, when the IRS issued basic rulings on this matter, all relevant departments of the national office of the Internal Revenue Service insisted that an innovative form of annuity upon which the IRS had been asked to rule was purely and simply a variable annuity pursuant to the separate account laws that had been recently enacted in 1962. (For sales identification purposes this variable annuity subsequently became known as the investment annuity.)

During the ensuing 12 years after 1965, the IRS reaffirmed its basic position over 70 times, including the issuance of revenue ruling 68–488 pertaining to deferred annuities. On March 9, 1977, the IRS issued revenue ruling 77–85 that completely reversed its long-standing rulings upon which an important segment of the life insurance industry relied. The result was, and continues to be, devastating to this segment of the industry.

Many Representatives and Senators protested this action to the Treasury and the IRS. On April 29, 1977, the Senate passed by a vote of 57–26 amendment No. 243 to H.R. 3477, the Tax Reduction and Simplification Act of 1977, that would have deferred the effective date of revenue ruling 77–85 for 1 year in order to permit Congress the opportunity to study the matter and to legislate, if appropriate. Amendment No. 243 was dropped in subsequent negotiations on H.R. 3447 by the House-Senate conference committee.

Immediately after the conference committee completed its deliberations, one insurance company, the originator of the investment annuity and whose entire business was destroyed by the IRS reversal, sued the Internal Revenue Service in the U.S. District Court, District of Columbia, for arbitrary, illegal and capricous acts.

On November 9, 1977, the Court ruled that revenue ruling 77–85 was unlawful and beyond the statutory authority of the Internal Revenue Service. The judge expressed the "confident assumption" that the IRS would proceed to rectify its error without the need for the issuance of an injunction.

The IRS refused, stated that it would appeal any injunction issued and would retroactively tax any annuities sold during the interim of the appellate process should the IRS win on appeal.

The President's 1978 tax program proposes the taxation of all nonqualified deferred annuities in the same fashion as that contemplated under revenue ruling 77–85 which has been ruled unlawful in district court. The program encompasses within it those annuities subject to revenue ruling 77–85. Therefore, pending congressional action on the administration's proposal which may take a considerable period of time, this one segment of the annuity industry continues to be singled out and irreparably harmed by the IRS's action.

Thus, H.R. 11182 has been introduced to reinstate the tax treatment with respect to annuity contracts with reserves based on a segregated asset account as they existed prior to issuance of revenue ruling 77–85. I believe this precipitous action by the IRS in this matter has resulted in severe inequities and injustice. The Government should not deal with its citizens in such a high-handed manner. I hope that the House Ways and Means Committee will consider this matter promptly to assure a reasonable and equitable resolution of the differences which now exist.●

EUROPE'S FREEDOM FIGHTER

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. DELANEY. Mr. Speaker:

> . . . I'll glorify
> The mute, down-trodden slaves
> And as a sentinel o'er them
> I'll place the mighty word.

Inspired with this spirit, and armed with his "mighty word," Taras Shevchenko spent the majority of his unfortunately short life fighting for the rights and freedom of the oppressed people of his Ukrainian homeland.

Last Friday marked the 117th anniversary of the death of Shevchenko, the Ukraine's poet-laureate and national hero. A contemporary of Abraham Lincoln, born in 1814 in the province of Kiev, he dedicated his life to the emancipation of men and women from the bondage of Russian imperialism and totalitarian tyranny.

Shevchenko's masterpiece, the "Kobzar," published in 1840, marked an epoch in modern Ukrainian literature. It was the first time a poet rose to pour out his feelings on behalf of his people in the native language of the Ukraine.

It was Shevchenko who called upon Ukrainians to hope for and expect a "George Washington" of their own to lead their country to freedom. And it was he who strongly decried the denial of civil rights to women and Jews in the Empire of the white Czars.

Mr. Speaker, let us join with our fellow citizens of Ukrainian descent in honoring this great freedom fighter of Eastern Europe; and let us hold fast to the spirit he instilled in the following words, which resound as meaningfully today as they did when Shevchenko wrote them in St. Petersburg in 1860:

> Fetter the tsars, those bloody taverners,
> In well-forged shackles and immure them deep
> In some forgotten vault!
>
> To toiling people, O Most Merciful,
> Who labor in their devastated land,
> Send your enduring strength! . . .
>
> Vouchsafe to me, O God, that on this earth
> I may love Truth and Justice to the last;
> Grant me a loyal friend.●

CONTINUATION OF THE KENNEDY AND KING INVESTIGATIONS

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. DODD. Mr. Speaker, today the House has before it the consideration of a significant piece of legislation—H. Res. 956, a resolution providing $2,500,000 for the Select Committee on Assassinations for the continuation of its work during the 2d session of the 95th Congress. I want to urge you to support this resolution in order that the Select Committee on Assassinations can proceed with the Kennedy and King investigations.

As a member of the Select Committee on Assassinations since its inception, I want to personally assure you that the committee is working to fulfill its legislative mandates. To date, the committee has reviewed literally thousands of pages of documents obtained from Federal agencies and departments. We have conducted 1,400 staff interviews, issued 103 subpenas, and held 42 days of hearings and meetings.

Looking ahead, the committee plans to meet 3 days a week in executive session from now until June. Next fall we plan to hold up to 20 days of public hearings on the investigation for each assassination.

In addition to these activities, the select committee has also initiated a number of special projects to assist in its analysis of several crucial issues in each investigation. The committee has employed consultants to assist in analyses of all medical and ballistics evidence available.

The committee has planned a program for analysis of over 1,000 photographs assembled relating primarily to the Kennedy investigation. The committee plans to undertake an acoustical analysis of the Kennedy assassination. The committee also plans to conduct a handwriting analysis for both investigations.

I strongly feel that the assassinations committee has charted a clear course of action for the continuation of these in-

vestigations. Given the support of this body we will be able to proceed with the King and Kennedy investigations in an efficient, scrupulous, and professional manner.

I, therefore, urge you not to cut off the funding for the King and Kennedy investigations in mid-course, but to vote to allow these vital investigations to proceed.●

S. JON KREEDMAN

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. WAXMAN. Mr. Speaker, Mr. S. Jon Kreedman, a distinguished citizen of Los Angeles will be awarded the Prime Minister's Medal of the State of Israel at the annual Salute to the Business and Financial Communities of Los Angeles. This tribute dinner-dance, on behalf of State of Israel Bonds, will be held on Tuesday, March 28 at the Century Plaza Hotel in Los Angeles. I am gratified to be able to bring to the attention of the members the many accomplishments of this exemplary American. His concern for his fellowman are well known to other leaders in finance, industry, government, education and civic endeavors.

Born in Detroit in 1921, S. Jon Kreedman joined the armed services fresh out of high school. From 1942–46, he served under the direction of the assistant chief of the Air Staff in Washington D.C., and throughout the United States and Europe, assisting in the establishing and perfecting of the military classification which is still in use today.

In 1948 he formed S. Jon Kreedman & Co., a construction and investment company. He is listed by Fortune magazine as one of the Nation's top 100 builders. In 1963, he organized the American City Bank, serving as chairman of the board and chief executive officer since its inception.

However, it is S. Jon Kreedman's involvement with community service which leads us to do honor to him.

S. Jon Kreedman is a Charter "Founder" Member of the Eleanor Roosevelt Cancer Research Foundation—now the American Cancer Society. He has served on the board of trustees of the City of Hope, and on the board of the Reiss-Davis Child Study Center since 1960. In 1952, he became a guardian of the Jewish Home for the Aged, and an active member of their board of directors. Currently he is on the board of the Cedars Sinai Hospital in Los Angeles.

In civic affairs, S. Jon Kreedman served Gov. Edmund G. (Pat) Brown from 1961–1966 as a member of the Governors Advisory Committee on Housing. In July of 1967, he became treasurer of Radio Free Europe. Most recently, he has been appointed a member of the board of investments of the Los Angeles County Employees Retirement Association.

In the education field, he has lectured at the Harvard Business School, the University of Southern California and the University of California, Los Angeles.

And in the political arena, he was the State chairman for the gubernatorial election campaign of the present governor of California, Edmund G. Brown, Jr.

Most recently, he has come to the fore as an active member of Israel's Prime Minister's Club, determined to help insure the economic growth of the State of Israel. Because he was given of himself so freely, he has been designated to receive a most distinguished award on the occasion of the 30th anniversary of the State of Israel.

In recognition of his outstanding achievements in the service of his fellowmen and women, I ask the Members to join me in paying tribute to this most valued citizen, S. Jon Kreedman.●

HEARINGS ON SELECT COMMITTEE ON AGING, DELAWARE COUNTY, PA.

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging held field hearings in my district to gather testimony regarding the Older Americans Act. In my view these hearings were quite productive. I believe it is always important for committees of this body to travel to local communities throughout the country to talk to men and women who do not always have the opportunity to come to Washington to testify. For the next few days I plan to introduce into the RECORD the testimony we received. The first section follows:

TESTIMONY OF HOMEMAKER SERVICE OF DELAWARE COUNTY, INC.

Although we serve more people each year (100 additional families in 1977) and even slightly increase the hours of service per client, we still do not meet the home care needs of the elderly client. The root of the problem is obviously insufficient funding and the inability of clients to sufficiently cover the cost of the service due to their limited income.

I am speaking about the Homemaker Service of Delware County, Inc., which is a voluntary nonprofit agency established in 1965; it is a member agency of the United Way of Southeast Delaware County, United Way of Southeastern Pennsylvania and accredited by the National Council for Homemaker-Home Health Aide Service.

The primary purpose of Homemaker Service is to assign trained and supervised staff members to homes threatened with family disruption because of the absence or incapacitation of the natural homemaker. The service is extended to families with children, the aged, the ill and the disabled and is available to all residents of Delaware County without regard to age or economic status.

The fee per hour or contribution is based on a sliding scale. There are contractual arrangements with three Nursing Agencies, Mental Health and Mental Retardation, Department of Public Welfare and County Office of Services for the Aging.

Following a request for Homemaker Service, a professional staff member makes a home assessment to determine the client's needs, set goals and plan of service which includes the duties of the homemaker, the frequency of the service, the fee and/or contribution agreed upon. Supervisors assign and place homemakers and supervise the homemaker's performance. The policies and procedures of Homemaker Service are fairly easy to carry out, the difficult part is setting priority as to who will get the service, how soon and for how long. The request and documented need for Homemaker Service continues to outweigh the financial resources we have available. Some of the reasons for our financial bind or the community needs exceeding our ability to meet them follows:

1. The amount of income dictates the number of homemakers we can hire to serve the needs of the clients. Clients increase each year, but staff has not; especially this past year.

2. We must increase salaries for homemakers in order to recruit.

3. We began as a crisis oriented agency giving short term service, but we have of necessity taken on the role of a supportive and maintenance service. This means providing service over a much longer span of time with less turnover of clients; thus the case load remains constantly high. When does the need for service cease for a 90-year-old?

4. The physical condition of the elderly fluctuates, moving from supportive to acute, which can mean daily service for a limited time and then back to a maintenance level. This brings up again the long and continuing needs of the very aged individual with multiple illnesses and disabilities.

5. To serve more clients we give minimal hours; this increases transportation costs when homemaker travels to three to four clients in an eight hour day.

6. Paper work is an ever present problem and adds to the cost per hour of service (present cost is $6.25 per hour).

7. There was no increase in County Office of Services for the Aging contract for 1978.

A case review might demonstrate many of the above points.

Mrs. H., aged 80, requested Homemaker Service in December 1976; she had a severe ulceration of her left leg. Her husband, aged 82, was a stroke victim and required supervision for bathing, dressing, toileting and feeding. Mrs. H. needed to be off her feet as much as possible. Homemaker Service worked in close coordination with the Nursing Service; they cared for Mrs. H's. draining leg ulcer and stressed a more adequate diet; the homemaker worked in a dual capacity—as an aide giving Mr. H. personal care as well as managing the home activities of meals, laundry, shopping and light housekeeping. Daily service of four hours per day was certainly indicated and given for the first two months. Visits were decreased to three times weekly, but by April Mrs. H. was ordered to the hospital by her physician for surgical intervention on the leg ulcer. Mr. H. could not be left alone; it was agreed that his sister-in-law would take him into her home provided Homemaker Service could continue at least three times weekly and more if indicated. A nephew also agreed to come each evening and put Mr. H. to bed. When Mrs. H. was discharged from the hospital one month later, her husband was returned to his home and Homemaker Service continued three times weekly. By September 1977 we were able to reduce our visits to two times weekly. A month ago it became necessary to return to daily service (hours daily) because Mrs. H.'s leg ulcer broke down again and doctor ordered hospitalization. Because Mr. H. has no potential for improvement, the doctor recommended that he be admitted to a Nursing Home at least for Mrs. H's hospital stay and convalescence. No doubt this will take

most or all of their savings, but Mrs. H. realizes that it is essential for her own health. Mr. H. was admitted to the Nursing Home on 2/22/78.We feel our goals were met for this elderly couple; we gave essential care and service during her acute episodes and provided supportive and maintenance service for her chronically ill and disabled husband. We coordinated our service with the Nursing Agency and made optimum use of our trained homemaker and decreased the number of helpers going into this home. We stand ready to give service to Mr. and Mrs. H. if and when the need arises in the future.

Homemaker Service tries all avenues of using those supplementary services that will benefit the client fee-wise as well as by direct service, i.e., by combining our service with the Nursing Service, clients benefit through use of Medicare and Medicaid allowances. County Office of Services for the Aging has many and varied resources which supplement the services of the homemaker and can bring about a decrease in hours given to selected clients. An example of this would be a client who is eligible to use C.O.S.A.'s Escort Shopping Service, homemaker's time then could be decreased or other necessary services given to client in place of the shopping. The United Way allocation enables us to give service to those elderly people not eligible for Title XX funds. Our Handy Andy Service, a minor repair and chore service, maintains a safe and comfortable environment for the elderly citizen.

Health and Social Agencies can and should pool their resources and services with one goal in mind, to give the highest quality care to the greatest number of individuals who can benefit by the service at a cost that they can pay.

DOROTHY M. SIDNER.●

NITRITE IN MEAT CURING: RISKS AND BENEFITS, PART V

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. WAMPLER. Mr. Speaker, today I would like to again call the attention of my colleagues to a technical report on Nitrite in Meat Curing: Risks and Benefits prepared by the Council for Agricultural Science and Technology (CAST), dated March 1, 1978.

The chapter from the CAST report I wish to submit today in the RECORD deals with the important subject of the carcinogenic hazard related to nitrite. Table 1 of this chapter cites an interesting comparison of several substances containing nitrate and nitrite, including cured meats, which are ingested by U.S. citizens daily. In my view, this chapter further points up serious questions of the decision by Ms. Carol Foreman, the Assistant Secretary of Agriculture for Food and Consumer Services, to ban the use of nitrites in the curing of bacon and other processed meat products.

The fourth chapter of the CAST report follows:

CARCINOGENIC HAZARD RELATED TO NITRITE

Nitrite may react with certain nitrogenous organic substances to produce N-nitrosamines, which, as a class, act as potent chemical carcinogens in experimental animals. There is no evidence at present that exposure to N-nitroso compounds has been responsible for any human cancer in the United States, but the carcinogenic potency of these compounds in experimental animals is such that careful examination of the hazard to humans is in order.

FORMATION AND PRESENCE OF N-NITROSO COMPOUNDS IN THE ENVIRONMENT

N-nitroso compounds are formed by nitrosation, a chemical reaction in which a nitroso group (—N=O) is added to an organic substance, usually by interaction of the substance with nitrous acid (HNO_2 or HONO). The nitroso group may be attached to a carbon atom or to a nitrogen atom. If the nitroso group is attached to a nitrogen atom, the resulting compound is called an N-nitroso compound. The following equations illustrate how an N-nitroso compound is formed from a secondary amine and the nitrous acid derived from the interaction of sodium nitrite with hydrochloric acid (the principal source of acidity in the stomach):

$$\underset{\text{Sodium nitrite}}{NaNO_2} + \underset{\text{Hydrochloric acid}}{HCl} = \underset{\text{Nitrous acid}}{HONO} + \underset{\text{Sodium chloride}}{NaCl}$$

$$\underset{\text{Dimethyl amine}}{(CH_3)_2NH} + \underset{\text{Nitrous acid}}{HONO} = \underset{\text{N-nitrosodimethyl amine}}{(CH_3)_2NNO} + \underset{\text{Water}}{H_2O}$$

N-nitroso compounds may be formed from secondary amines, tertiary amines, substituted ureas, amides, and certain other nitrogen-containing compounds. The most extensively investigated members of this class are the nitrosamines, produced by nitrosation of relatively simple naturally occurring amines such as dimethylamine (DMA), a component of many plant and animal tissues. Relatively little information is available on the natural occurrence of nitrogen-containing compounds which can be converted to N-nitroso compounds. Most of the available data have been developed as a result of recent interest in N-nitroso compound formation (Singer and Lijinsky, 1976).

N-nitroso compounds form at rates dependent upon the basicity of the parent amine and the pH of the medium. They may form in foods containing the required reactants, usually at a relatively slow rate under normal storage and processing conditions. Mirvish (1975) reviewed the factors influencing reaction rates. The most rapid reaction occurs under acid conditions (near pH 3) for most simple amines, and reaction rates for amides increase with increasing acidity or decreasing pH.

The presence of nitrosamines in foods was established using reliable analytical methods with confirmation of identity of NDMA in cured fish by combined gas chromatography-mass spectrometry (GCMS) in 1971 by Fazio et al. (1971). Concentrations of NDMA were between 4 and 26 parts per billion (ppb). Concentrations in excess of 10 ppb were unambiguously confirmed by GCMS. Lower levels did not provide adequate material for confirmation. This work established the criteria for determination of nitrosamines in foods. Most analysts require that the presence of nitrosamines, as determined by chromatographic methods, be confirmed by an independent method, preferably mass spectrometry. Various foods have been examined, and the occurrence of N-nitroso compounds has been the principal topic of four biennial international conferences sponsored by the International Agency for Research on Cancer. The published proceedings of three of these conferences (Bogovski et al., 1972; Bogovski et al., 1974; Walker et al., 1976) serve as basic references on the state of knowledge in this field.

Volatile nitrosamines have been detected sporadically at confirmable levels in a variety of processed foods (reviewed by Scanlan, 1975). Nitrosopyrrolidine (NPYR) in cooked bacon is a special case. Fazio et al. (1973) reported levels of NPYR ranging from 10 to 108 ppb in fried bacon and 45 to 207 ppb in cooked-out bacon fat. All of the eight samples examined were positive. Nitrosamines were absent from uncooked bacon. The highest concentrations of NPYR were produced when becon was fried to the crisp state preferred by many Americans. Identification of NPYR precursors in bacon and development of effective means for minimizing conversion to the nitrosamines have been the subjects of numerous investigations. The research problem is complicated by the production of some NDMA during cooking of bacon and by loss of NDMA and NPYR by vaporization during cooking.

Nitrosamine production during cooking of a complex food at the unusually high temperature (about 340° F) used in bacon preparation is a complicated process. Some compounds can accelerate the reaction, and others can block it by competing for the available nitrite or by other mechanisms. The ability of ascorbic acid (vitamin C) to block formation of nitrosamines was demonstrated by Mirvish et al. (1972). Ascorbic acid, sodium ascorbate, and sodium isoascorbate may be effective also in preventing formation of N-nitroso compounds in the body.

Changes in processing made by industry since the initial research have greatly reduced the tendency for formation of nitrosamines during cooking of bacon. It now appears likely that formation of detectable levels of nitrosamines in bacon can be prevented by careful control of the amounts of nitrite and ascorbic acid (or related compounds) added during processing and by control of processing conditions. Thus, the concentrations of NPYR found in recent analyses of cooked bacon by FDA investigators (Havery et al., 1977) were considerably lower than values determined by the same group (Fazio et al., 1973) on samples acquired 5 years ago.

HUMAN EXPOSURE TO N-NITROSO COMPOUNDS IN THE ENVIRONMENT

In the period since 1971, reliable analytical results have demonstrated that the population of the United States is exposed to N-nitroso compounds in the environment. Relatively low concentrations (1 to 10 ppb) of nitrosamines have been found in certain foods other than bacon that have been preserved with nitrite, but positive results have been sporadic. Lower levels (0.01 to 1 ppb) have been reported (but not confirmed) in a variety of foods to which nitrite had not been added (Gough, 1977). These latter levels probably do not contribute significantly to human exposure, but such studies are important in that they provide some indication of the range of irreducible background exposure.

The relative risk to the population from ingesting nitrosamines in foods should be evaluated in light of the exposure to these compounds from other known sources. A 30-g portion of bacon containing NPYR at a concentration of 10 ppb would provide a total dose of 300 billionths of a gram of the nitrosamine. Cigarette smokers inhale 332 billionths of a gram of total nitrosamines (NDMA, NPYR, nitrosomethylethylamine, and nitrosodiethylamine) from 20 commercial filter cigarettes (Brunnemann and Hoffmann, 1977). These investigators showed that nonsmokers in indoor environments polluted by tobacco smoke can expect to inhale amounts of NDMA from 5 billionths of a gram per hour in a bank to 200 billionths of a gram per hour in a bar. The contribution of N-nitroso compounds to the total carcinogenicity of cigarette smoke has not been established. Other constituents of the

smoke are known to have carcinogenic effects.

Cosmetic products have been shown to contain up to 49 millionths of a gram of nitrosodiethanolamine (NDELA) per gram (Fan et al., 1977a). Synthetic cutting fluids contained up to 3% NDELA (Fan et al., 1977b), and a sample of a commercial herbicide formulation contained 0.64 gram of NDMA per liter (Ross et al., 1977). Steps have already been taken to reduce the nitrosamine content of the affected herbicides to relatively low levels.

Potential exposures many times greater than those to be expected from nitrosamines in foods are possible. In a study conducted in a factory that produced 1,1-dimethylhydrazine from NDMA, it was estimated that some workers may have inhaled a dose of 39 millionths of a gram of NDMA per day (Fine et al., 1977). Follow-up studies of workers exposed to such elevated levels might reveal the effects of long-term exposure of humans to nitrosamines which have been demonstrated to be carcinogenic to animals.

Knowledge of the total exposure of the population to N-nitroso compounds is still incomplete. Analytical methods that provide adequate sensitivity and specificity have been very cumbersome, and few laboratories have been able to perform reliable determinations. The recent development of the thermal energy analyzer, a sensitive chromatographic detector with a high degree of selectivity for N-nitroso compounds (Fine et al., 1975), has improved this situation, but much more information is required.

Most of our knowledge of exposure to N-nitroso compounds is limited to relatively volatile nitrosamines. It is possible that these compounds represent only a portion of our total exposure. Studies of more complex nonvolatile N-nitroso compounds will be required to permit accurate assessment of the total exposure of the human population to these potential human carcinogens for reference in future epidemiological studies.

SYNTHESIS OF N-NITROSO COMPOUNDS IN EXPERIMENTAL ANIMALS

Conditions in the mammalian stomach favor rapid nitrosation of amines of relatively low basicity such as morpholine and piperazine, whereas strong bases such as dimethylamine and pyrrolidine react relatively slowly. In a long-term experiment in which rats were dosed with sodium nitrite alone or in combination with dimethylamine, Druckrey et al. (1963) observed no carcinogenic effects of the treatments and hence obtained no evidence of biosynthesis of N-nitrosodimethylamine. Sanders et al. (1968) obtained similar results in relatively short-term experiments in which nitrite was fed to rats with dimethylamine and N-methylaniline.

In later work on rats fed nitrite and morpholine or N-methylbenzamine, Sander and Bürkle (1969) reported that these treatments increased the incidence of tumors of the liver and esophagus. Greenblatt, Mirvish, and So (1971) and Mirvish, Greenblatt, and Kommineni (1972) reported that administration of nitrite in drinking water and of piperazine, morpholine, N-methylaniline, methylurea, and ethylurea (but not dimethylamine hydrochloride) in the feed increased the incidence of lung adenomas in mice. Treatment with nitrite alone or with the nitrogenous organic compounds alone produced no significant effect on numbers of adenomas, but treatment with dinitrosopiperazine, nitrosomorpholine, dimethylnitrosamine, and N-nitroso-N-methylaniline greatly increased the incidence of lung adenomas. This evidence indicates that nitrite and the nitrogenous compounds interacted to form the corresponding carcinogenic N-nitroso compounds in the bodies of the mice. Rounbehler et al. (1977) found by analysis that N-nitrosodimethylamine was indeed formed in mice that receive nitrite and dimethylamine.

POTENTIAL FOR SYNTHESIS OF N-NITROSO COMPOUNDS IN HUMANS

In view of the evidence described in the preceding section for formation of N-nitroso compounds in experimental animals, it seems clear that the potential exists for formation of such compounds in the human stomach because nitrosation proceeds in the presence of nitrous acid, and the stomach contains the hydrochloric acid necessary to change sodium nitrite, for example, to nitrous acid and sodium chloride. The types of nitrogenous substances required for reaction with nitrous acid to produce N-nitroso compounds are components of higher plants and animals and hence may be present in foods.

Cured meat contains nitrite and hence provides a direct source of nitrous acid. In addition, we are exposed to other environmental sources of oxidized forms of nitrogen that may be transformed in the body to nitrous acid and hence may contribute to nitrosation reactions occuring in the body.

Table 1 gives the average daily per capita ingestion of nitrate and nitrite forms of nitrogen by U.S. residents as estimated by White (1976) from various sources of published data. The principal source of nitrate is vegetables. The reason is that most of the nitrogen absorbed from soils by plants is in the form of nitrate. Grain and fruit characteristically contain no significant amount of nitrate. When the supply of soil nitrate is adequate to produce good plant growth, however, considerable nitrate may remain as such in the leaves, stems, and roots. Plants whose vegetative parts are consumed as food may thus be a significant source of nitrate.

Table 1. Estimated Average Daily Per Capita Ingestion of Nitrate and Nitrite by U.S. Residents (White, 1976).

Source	Nitrate-nitrogen		Nitrite-nitrogen	
	Milligrams	Percent of total	Milligrams	Percent of total
Vegetables	19.4	86.0	0.06	1.8
Fruit and juices	.3	1.3	0	0
Milk and products	.05	.2	0	0
Bread	.5	2.2	.01	.3
Water	.2	.9	0	0
Cured meats	2.1	9.3	.72	21.1
Saliva	[1]6.8	.....	2.62	76.8
Total	22.55	99.9	3.41	100.0

[1] Not included in the total.

Although dairy cattle may consume forage containing much nitrate, little of the nitrate appears in the milk. Cured meats supply a little nitrate, part of it added in the curing process where nitrate is used and part of it developing from oxidation of some of the nitrite used in curing. A significant amount of nitrate nitrogen is secreted in saliva and is swallowed in that form. White did not include this amount in the total amount ingested because it seems to be derived, at least in part, from the nitrate ingested from the other sources named.

Where nitrite is concerned, the two principal sources shown in Table 1 are saliva and cured meats, about four-fifths of the total coming from the former source and one-fifth from the latter. In this instance, White did include the salivary source in calculating the total, the reason being that nitrite does not seem to be recycled in the body like nitrate. Tannebaum et al. (1974) found that saliva, as originally produced, contains nitrate but not nitrite. The nitrite is produced in the mouth by microbial reduction of the nitrate.

Table 1 overestimates the contribution of cured meats to nitrite ingestion, mainly because the nitrite content of cured meats is lower now than is indicated in Table 1. Manufacturers have recently been endeavoring to reduce the use of nitrite to the bare minimum that will inhibit development of Clostridium botulinum with careful control. Elimination of cured meats from the diet would evidently eliminate the nitrite that supply but would produce only a minor reduction in the nitrite to which we are exposed because most of the nitrite ingested is derived from other sources.

Another potential source of nitrite and possibly of direct nitrosation in the human body is the nitric oxide (NO) and nitrogen dioxide (NO_2) in the air we breathe. Nitric oxide is produced in combustion processes, and it reacts with atmospheric oxygen to produce nitrogen dioxide. The concentration of these gases is higher in polluted air in cities than it is in rural areas, presumably because cities are concentrated sources and because, in the country, the air from the cities is diluted and the oxides are absorbed by the soil.

Nitric oxide and nitrogen dioxide are absorbed by the lungs from the air as it is inhaled. Estimates of intake of potential nitrite nitrogen from these sources, based on an average air intake of 8640 liters per capita per day, the average atmospheric concentrations of nitric oxide and nitrogen dioxide published by Singh et al. (1977), and complete absorption of the inhaled oxides, amount to 0.7 milligram of nitrogen per day from air in Los Angeles and 0.03 milligram from air in Yosemite National Park. These figures are in the same units as those in columns 2 and 4 of Table 1 and may be compared with them.

Synthesis of N-nitroso compounds by humans from nitrate and nitrite and the nitrogenous substances in foods and drugs that contain a nitrosatable nitrogen atom is therefore to be considered probable. The quantitative aspects of nitrosation in the human body have not been studied, however, and it is not possible at present to estimate the dose of N-nitroso compounds produced in this way.

EXPERIMENTS WITH NITRITE-TREATED MEAT

In a long-term experiment, Van Longten et al. (1972) fed rats a diet containing 40% canned meat with no nitrate or with addition of 200 or 5000 parts of sodium nitrite per million of meat. The 5000 ppm addition of sodium nitrite, which is far in excess of the usual amount employed commercially, caused some decrease in body weight but no increase in incidence of tumors. Meat treated with the 5000 ppm addition of sodium nitrite contained nitrosamines to the extent of 50 ppb. Nitrosamines were not found in the control meat or in the meat receiving the 200 ppm addition of sodium nitrite.

Olsen and Mayer (1977) supplied two generations of rats with a diet containing 45% pork by weight as the protein source, with potassium nitrite added to the pork at rates to supply the sodium nitrite equivalent of 0, 200, 1000, or 4000 ppm prior to heating. No differences among nitrite concentrations were found in growth rate, death rate, or occurrence of benign or malignant tumors. Dimethylnitrosamine was detected in the pork with the highest addition of nitrite but not with the lower additions. Recent press releases from Canada indicate that long-term feeding of rats with a diet high in bacon did not produce undesirable effects.

One may infer from the results of these experiments with excessive intakes of nitrite that nitrite was not ingested in sufficient amounts to cause marked toxic effects. Moreover, whatever N-nitrosamines may have been ingested in the nitrite-treated food or formed from the ingredients in the experi-

mental animals were not present in sufficient concentration to produce an observable increase in incidence of tumors.●

GEN. "CHAPPIE" JAMES—END OF A SAGA

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. EDWARDS of Oklahoma. Mr. Speaker, though I didn't know General James, I know many top military men who felt he was one of the very best men in the service. His life was highlighted by an exemplary career in the Air Force, where he set an admirable standard of personal accomplishment.

An editorial which appeared in the Daily Oklahoman, on Tuesday, February 28, 1978, discusses our Nation's loss of this great leader.

The editorial follows:

END OF A SAGA

Death took General Daniel James over the weekend at the Air Force Academy Hospital at Colorado Springs. In a nation which allows itself only 36 four-star generals, the loss is newsworthy even though he had just retired from active service. But "Chappie" James was not just another military leader, even among such an elite group. Throughout his 35 year career in the U.S. Air Force, he was something special to all who knew him and worked with him.

Gen. James was black. He was the first of his race to reach the top rank in any of the armed forces of this country. But his rise was not because of his color, but because, as he himself put it in a recent interview, he "filled all the squares" when tough assignments were being handed out.

Born in 1920 as the 17th and last child of a poor lamplighter in Pensacola, Gen. James had a unique education. His mother preached to her children that the only way to rise above their poverty was through education and excellence. She was not satisfied with the segregated schools of that day, so she opened her own. The neighborhood children attended for five cents a day. The system must have worked, for Chappie received a football scholarship to Tuskegee Institute. There he entered the flight cadet training program, won his wings and was commissioned a Second Lieutenant in 1963.

There were segregation problems for a time. In 1945, Thurgood Marshall had to go to bat for a group from James' squadron to win them full membership in an Officers' Club in Indiana. But by the time of the Korean War, that had become a moot issue in combat units. "There is less racism in the armed services now than in any other segment of our society," the general said recently.

That is due in great measure to such men as Chappie James. He was a top fighter and photo reconnaissance pilot in combat in Korea and Vietnam, logging 179 combat missions in those wars. In touchy spots, he was a superb diplomat—as in his handling of the turnover of the last American base in Libya to local control. He served as Deputy Assistant Secretary of Defense for Public Affairs during the Vietnam War, before being named to head the North American Aerospace Defense Command at Colorado Springs.

His retirement from that command occasioned controversy. It was charged that he was being put out to pasture prematurely because of his spirited defense of his belief that the defense system must not be broken up or weakened. But in fact, medical reasons dictated the orders.

"We cannot bargain effectively in the halls of international diplomacy except from a position of strength," he told an interviewer last month. "Nobody wants to be partners with a weakling."

Despite the heavy demands on his time as commander of the complex defense warning system, James took time whenever possible to serve as an example to black youth, one of his few concessions to his status as the ranking black officer in duty. He counseled that his own experience, while unusual in some ways, showed that to those who work for what they believe in and prepare themselves to do the job, anything is possible and the color of one's skin is irrelevant.

The nation lost something of value with Gen. James' death.●

WELFARE REFORM

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. COLLINS of Texas. Mr. Speaker, everyone enjoys reading a good newspaper column. Dick West continues to write a great column for The Dallas Morning News. Dick's strength is the way he gets down to cases and let's you know what is going on in this country.

I was sorry to learn that President Carter does not plan to include a welfare reform package in this session of Congress. We need to reform welfare so that we can use these funds to strengthen our social security reserves.

You will be interested in Dick West's comments in The Dallas Morning News on the welfare state:

WELFARE STATE

From time to time in this space we have related extreme cases of welfare abuse. As you prepare your income tax, you might be interested in this item related to us recently by Constable T. A. Vines durng a recess in Justice of the Peace Jack Richburg's court.

An unmarried woman in the West Dallas projects was evicted for being behind on her rent.

She had a 4-bedroom apartment, all bills paid, for $1 a month. Correct—$1. She was nine months behind.

She had eight children and another one on the way. Her welfare income was $385 a month—tax free—and she was assured of another $85 when the ninth was born.

All were born at Parkland free of charge and only two of the nine (one unborn) had the same father.

None of the fathers has ever paid a cent in child support.

She said she was behind on her rent because the project managers "didn't talk right to my children." The managers explained that they had merely warned the children to stop wandering around the project "busting out all the windows."

When evicted, she had three TV sets—an expensive color and two black and white, one by her bed where she relaxed and one for the children. A cook stove and ice box were furnished free. The latter was well stocked with beer.

"Benefit payments" to individuals—which include welfare—account for 37 cents out of every dollar in President Carter's proposed half-a-trillion-dollar budget. Only 24 cents goes to national defense.●

FIFRA LEGISLATION AND THE PESTICIDE INDUSTRY

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. FITHIAN. Mr. Speaker, I would like to take this opportunity to discuss one of the few remaining conflicts concerning the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). This dispute centers around allegations that the mandatory licensing procedures established between 1972 and the present resulted in insufficient incentives and protection for members of the pesticide industries and forced many of these members out of business. The facts do not support these allegations. The Commerce Department letter reprinted in the CONGRESSIONAL RECORD on October 31, 1977, on page 35296, which sought to support these allegations, did not adequately analyze the product research going on in the pesticide industry. It mistakenly conveyed the impression that many pesticide companies were forgoing new product research or going out of business due to FIFRA regulations. I would like to take this opportunity to set the record straight.

The Committee on Agriculture brought to the floor of this Chamber last October a comprehensive bill which was intended to restore some measure of equity and dispatch to the complicated process by which pesticides are regulated and registered. The committee needed to act because the "registration" process was stymied by litigation over the protection of "rights" that were incompletely defined in the pesticides law at the time of its last overhaul in 1972.

Farmers, basic pesticide producers, environmentalists, pesticide formulators, and consumers are all ill served by a regulatory process which is paralyzed. I congratulated the administration for its candor in acknowledging the severity of the problem when EPA Administrator Costle presented our committee with his agency's annual authorization request.

As a member of that subcommittee I was impressed with the number of issues on which there was a solid consensus among differing interest groups on just what change should be made to overcome a particular problem. Only a few of the numerous issues addressed by H.R. 8681 remain in dispute. Notable among these is the question of whether manufacturers of pesticides should be required to share among themselves the cost of producing information on pesticide risks and benefits which the Government requires to serve as the basis for the decision on whether or not the pesticide can be used without causing "unreasonable adverse effects" on health or environment.

The National Agricultural Chemicals Association (NACA), representing the major companies who invest in health and safety data, argued that mandatory licensing in the 1972 act gave insufficient protection to their costly safety research investments. They renewed

their lobbying on behalf of an "exclusive propriety period" during which the Government would be precluded from considering information submitted by a manufacturer of the same pesticide. application for approval by a different manufacturer of the same pesticide. Without such a provision, the major procedures asserted, the pesticide business would lose much of its attractiveness and they would perhaps not be able to justify the large costs of new product development.

The administration, in letters from EPA and the Justice Department, countered that the patent system can and does provide sufficient incentive for the development of new pesticides, and, in fact, did so during the 30-year period for which there was no data "protection" under FIFRA. The Justice Department argued that the NACA proposal would contribute to the tendency toward monopoly and monopoly pricing evident in the pesticide industry. After the subcommittee had begin its difficult task in weighing these points of view, an additional communication was received from the administration in the form of a letter from the Department of Commerce corroborating the NACA arguments. Members were understandably confused. Although the letter from the Commerce Department was unsigned and undated this was attributed merely to delays in the administrative clearance process.

The Commerce Department letter was introduced into the subcommittee hearing record and was subsequently reproduced in the CONGRESSIONAL RECORD. Among the most disturbing statements in this letter was the assertion that numerous major pesticide manufacturers had ceased their new product research or quit the business altogether because of FIFRA regulatory requirements, and the letter contained a list of companies which had met such fate. The General Counsel of the Department of Commerce wrote that the letter in question never represented the official views of the Department or the administration. The Department regretted the confusion the letter may have caused about the views of the administration, which had been communicated by the Environmental Protection Agency. The Commerce Department was at a loss as to how the "draft" letter had been leaked.

Still, the disturbing "facts" of the letter were not recanted.

Recently, however, I was contacted by a farmer cooperative whose representatives told me that they had purchased a pesticide producing company which had appeared on the Commerce Department "list" of defunct pesticide producers and that they were profitably manufacturing the same product line as the previous owners. This led me to wonder about the veracity of the entire list of companies and other "facts" presented in the same letter. I asked the EPA, which maintains records of active pesticide registrations, to ascertain which companies listed by the Commerce Department as having been driven out of business or out of the research were still active, perhaps under new management. The results strike a serious blow at the conclusions reached in the draft letter and consequently at the rationale for "exclusive use of data". I believe Members should have the facts about H.R. 8681 and S. 1678 in mind as they go into conference. I insert in the RECORD at this point the results of EPA's investigation of the claims that specified pesticide producers had quit research or left the business entirely.

[Economic Analysis Branch, Office of Pesticide Programs, U.S. Environmental Protection Agency, February 3, 1978]

ANALYSIS OF FIRMS REPORTED BY DOC/NAC AS HAVING DISCONTINUED PESTICIDE OPERATIONS

I. EPA ANALYSIS OF FIRMS REPORTED BY DOC/NAC AS HAVING DISCONTINUED BASIC PESTICIDE R. & D.

Firm	EPA findings: Discontinued basic R. & D. (approximate year)	Never conducted basic R. & D.	Still conducts basic R. & D.	No record of firm in industry
Exxon Corp.	X(1972)			
Hooker Chemical & Plastics Corp.	X(1965) [1]			
Olin Corp.			X	
Air Products & Chemicals, Inc.		X		
Carbola Chemical Co.			X	
Scott Minerals & Chemical Corp.				X
Smith-Douglass		X		
Cities Service Co.	X(1956)			
American Oil Co.	X(1972)			
Hercules, Inc.	X(1976)			
Pittsburgh Plate Glass Industries			X	
Allied Chemical	X(1970)			
Ansul Co.	X(1970)			
Lebanon Chemical Co.		X		

[1] Affiliated company now conducts basic R. & D.

Sources: Telephone contact with companies, review of Security and Exchange Commission records, and review of U.S. International Trade Commission reports by EPA staff (See table I-A for details).

1-A DOCUMENTATION OF EPA FINDINGS ON FIRMS REPORTED BY DOC/NAC AS DISCONTINUING BASIC R&D IN PESTICIDES

Firm, findings, remarks/documentation (source)

Exxon Corp.—Discontinued basic pesticide R&D five years ago.—Exxon entered basic pesticide R&D for a brief period, but management decided to discontinue it five years ago as part of consolidating the company's chemical operations (EPA telephone contact with company, 1/78).

Hooker Chemicals and Plastics Corp.—Discontinued basic pesticide R&D in the mid-1960's—Parent company (Occidental Petroleum Co., Inc.) conducts basic pesticide R&D via Zoecon subsidiary, purchased in 1977 (SEC, 12/77). Hooker Chemical and Plastics Corp., a subsidiary of Hooker Chemical, which is in turn owned by Occidental Petroleum, discontinued basic R&D in the mid-1960's (EPA telephone contact with company, 1/78). Hooker Chemical and Plastics Corp. still conducts R&D on chemical intermediates which it produces for sale to firms producing pesticides (EPA telephone contact with company, 1/78).

Olin Corporation—Still conducting basic pesticide R&D—Olin presently has a modest synthesis and screening program for new pesticides. A larger R&D effort was terminated in 1967. The current program was re-instituted 3 years ago (EPA telephone contact with company, 1/78).

Air Products and Chemicals, Inc.—Never conducted basic pesticide R&D—Air Products and Chemicals was linked to the pesticide industry through Escambia Chemical Corp. See remarks in Tables II and II-A under that entry. Air Products and Chemicals Co. never conducted basic pesticide R&D (EPA telephone contact with company, 1/78).

Carbola Chemical Co.—Still conducting basic pesticide R&D through contractors—Carbola hires other firms under contract to conduct its basic pesticide R&D (EPA telephone contact with company, 1/78).

Scott Minerals and Chemical Corporation—No record of firm engaging in pesticide business—Scott Minerals and Chemical Corp. never had a pesticide registration (EPA Registation Division, 1/78); no record of having ever been in business (SEC, 12/77); no record of having been a pesticide manufacturer (ITC, 12/77).

Smith-Douglass—Never conducted basic pesticide R&D—Smith-Douglass is a formulator only and has not been involved in basic pesticide R&D (EPA telephone contact with company, 1/78).

Cities Service Company—Discontinued basic pesticide R&D in 1956—Cities Service Co. currently conducts field tests of its copper fungicide products. All other research was discontinued in 1956 (EPA telephone contact with company, 1/78).

American Oil Company—Discontinued basic pesticide R&D five years ago—American Oil Co. currently has a small pesticide business, but withdrew from R&D five years ago. Company has potential pesticide products but will not register them because of cumbersome registration process (EPA telephone contact with company, 1/78).

Hercules, Inc.—Discontinued basic pesticide R&D in 1976—Hercules was in basic pesticide R&D for 30 years, but discontinued R&D for new products in 1976 (EPA telephone contact with company, 1/78).

Pittsburgh Plate Glass Industries—Expanded basic pesticide R&D program in 1977—Within the last year, Pittsburgh Plate Glass Industries decided to expand its efforts in agricultural pesticides and has increased its basic R&D program substantially (EPA telephone contact with company, 1/78).

Allied Chemical—Discontinued basic pesticide R&D 7-8 years ago—Allied Chemical discontinued basic R&D 7-8 years ago. More limited R&D ws continued, but on a declining budget until sold pesticide business in 1976 (EPA telephone contact with company, 1/78).

The Ansul Company—Discontinued basic pesticide R&D in 1970—Ansul was active in

synthesis and screening between 1968 and 1970. Redirected R&D budget to product defense during 1970's. R&D budget had "dried up" by time company got out of pesticides business in 1976 (EPA telephone contact with company, 1/78); SEC files indicate that company closed down pesticide operation as a result of Wisconsin State Court Order (SEC, 12/77).

Lebanon Chemical Company—Never conducted basic pesticide R&D—Lebanon Chemical Co. is primarily a distributor, although it does some formulating. Relies on manufacturers of active ingredients whenever research results are needed to support a label (EPA telephone contact with company, 1/78).

Source: EPA telephone contact with company—recent (December 1977/January 1978) telephone contact with company by EPA staff; EPA Registration Division—staff research of EPA Registration Division records, 1/78; EPA Enforcement Division—staff search of EPA Enforcement Division records, 1/78; SEC—EPA staff search of Security and Exchange Commission records, 12/77 and 1/78; ITC—EPA staff examination of International Trade Commission reports and follow-up telephone conversations with ITC staff, 12/77 and 1/78.

II. EPA ANALYSIS OF FIRMS REPORTED BY DOC/NAC AS HAVING DISCONTINUED PESTICIDE PRODUCTION

Firm	EPA findings: Discontinued production: Went out of business	Discontinued production: Business acquired by another firm	Never produced pesticides	Still in production	No record of firm in Industry
Woodbury Chemical	—	X	—	—	
White Chemical	—	X	—	—	
R. T. Vanderbilt	—	—	—	X	
Thompson Chemical Corp	—	—	X	—	
Signal Oil & Gas Co	—	X	—	—	
Riverdale Chemical Co	—	—	—	X	
General Reduction Co	—	—	—	—	X
Escambia Chemical Corp	—	X	—	—	
Atlas Agricultural Chemical	X	—	—	—	
Sherwin-Williams Co	—	X	—	—	
Standard Spray & Chemical Co	—	X	—	—	
Acme Paint & Chemical Co	—	X	—	—	
Chapman Chemical Co	—	—	—	X	

Sources: Telephone contact with companies, review of Security and Exchange Commission records, and review of U.S. International Trade Commission reports by EPA staff (see table II-A for details).

DOCUMENTATION OF EPA FINDINGS ON FIRMS REPORTED BY DOC/NAC AS HAVING DISCONTINUED PESTICIDE PRODUCTION

Firm, findings, and remarks/documentation (source)

Woodbury Chemical — Manufacturer — Business acquired by another firm—The registrations of Woodbury Chemical have been transferred to a subsidiary of Farmland Industries. Farmland Industries is still active in pesticide business (EPA Registration Division, 1/78).

White Chemical—Manufacturer—Business acquired by another firm—The registrations of White Chemical have been transferred to Western Farm Chemical Inc. The firm is still active in the pesticide business (EPA Enforcement Division, 1/78).

R. T. Vanderbilt—Manufacturer—Still in pesticide production—R. T. Vanderbilt has discontinued production of agricultural pesticides, but the company is still active in the production of industrial pesticides (EPA telephone contact with company, 1/78). Last submission for registration on 12/7/76 (EPA Registration, 1/78).

Thompson Chemical Corporation—Distributor—Never produced pesticides; business acquired by another firm—Thompson Chemical Corp. never produced pesticides (EPA telephone contact, 2/78). Thompson Chemical Corp. was succeeded through merger by W. T. Thompson (EPA Registration Division, 1/78). W. T. Thompson was sold to Williams Co. in 1972 (SEC, 12/77).

Signal Oil and Gas Company—Manufacturer—Business acquired by another firm—The pesticide business of Signal Oil and Gas Company was sold in a cash sale to Big 3 Industries in 1972 (SEC, 12/77). Never had any federal pesticide registration (EPA Registration Division, 1/78).

Riverdale Chemical Company—Manufacturer—Still in pesticide production—There has been no change in the status of Riverdale Chemical Company concerning pesticide production (EPA telephone contact with company, 1/78).

General Reduction Company—No record of firm engaging in pesticide business—EPA files have no listing for General Reduction (EPA Registration and Enforcement Division, 1/78); no record of having been in business (SEC, 12/77–1/78); no record of having been a pesticide manufacturer (ITC, 12/77–1/78); no telephone number is listed for the company in Chicago, Illinois, where it is supposed to be located.

Escambia Chemical Corp. — Manufacturer—Business acquired by another firm—Escambia Chemical was acquired by Air Products and Chemicals Inc. That portion of Air Products has since been sold to Custom Farm Services headquartered in Plainview, Texas (EPA telephone contact with company, 1/78; EPA Registration Division, 1/78).

Atlas Agricultural Chemical—Manufacturer—Went out of business—The last registrations of this company were terminated in 1971 after the company had not replied to standard EPA correspondence about renewing its registrations. It is assumed that the company went out of business before this time (EPA Registration Division, 1/78).

Sherwin-Williams Company—Manufacturer-Business acquired by another firm—Sherwin-Williams once owned and produced pesticides through the Acme Insecticide Division of Acme Quality Paints. This division was sold in 1974 to PBI-Gordon Corp. of Kansas City. Sherwin-Williams still acts as a distributor for wood preservative products through its retail outlets (EPA telephone contact with company, 1/78). See Acme Paint and Chemical Company below.

Standard Spray and Chemical Co.—Manufacturer-Business acquired by another firm—Standard Spray and Chemical Company's registrations were acquired by Agrico (EPA Registration Division, 1/78). More recently, Agrico has been sold to Landia Chemical Corp. (EPA telephone contact with company, 1/78).

Acme Paint and Chemical Company—Manufacturer-Business acquired by another firm—Acme Paint and Chemical Co. is more correctly the Acme Insecticide Division of Acme Quality Paints, a subsidiary of Sherwin-Williams. In 1974, this division was sold to PBI-Gordon. Acme Insecticide Division was the manufacturer of pesticides for Sherwin-Williams (EPA telephone contact with company). See Sherwin-Williams above.

Chapman Chemical Company—Manufacturer—Still in pesticide production—Chapman Chemical Company is still producing industrial pesticides for the lumber and sawmill trades. The company discontinued its agricultural pesticide products about 5 years ago (EPA telephone contact with company, 1/78).

SOURCE: EPA telephone contact with company—recent (December 1977/January 1978) telephone contacts with company by EPA staff; EPA Registration Division—staff search of EPA Registration Division records, 1/78; EPA Enforcement Division—staff research of EPA Enforcement Division records, 1/78; SEC—EPA staff search of Security and Exchange Commission records, 12/77 and 1/78; ITC—EPA staff examination of International Trade Commission reports and follow-up telephone conversations with ITC staff, 12/77 and 1/78.●

TEMPLE B'NAI EMET—50TH ANNIVERSARY

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. DANIELSON. Mr. Speaker, I am pleased today to call to the attention of my colleagues the fact that Temple B'nai Emet of Montebello, Calif.—one of the most active synagogues in my congressional district—is celebrating its 50th anniversary this year. The anniversary will be observed by appropriate services on April 1, 1978.

A small group organized the Jewish Educational Alliance 50 years ago and the community has watched as this founding organization has grown into today's synagogue bringing Jewish education, inspiration, tradition, religion, and social activities into the lives of so many.

During that time the congregation has built a fine temple and has provided a nursery school, religious services, a choir, a Hebrew school, senior citizen activities, a youth orchestra, a drama group, an art group, day camps and in so many other ways has enriched life in our community.

I wish Temple B'nai Emet every continued success on the occasion of the celebration of a half century of service.●

AN OPEN LETTER TO THE SOVIET UNION ON HILLEL BUTMAN

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. LENT. Mr. Speaker, today, I wish to insert into the CONGRESSIONAL RECORD an open letter to the General Secretary of the Communist Party, Leonid I. Brezhnev about a subject which is of great concern to all freedom loving people, the issue of human rights.

As my colleagues know, I have adopted a Jewish prisoner of conscience in the Soviet Union, Hillel Butman. For 3 years now, I have worked for his release. Just recently, I received word that Hillel had been transferred back to the dreaded Vladimir Prison, there to serve the remaining 2½ years of his 10 year sentence.

Quite simply, I fear for Hillel's survival. The conditions at Vladimir are harsh. Many people have disappeared behind its forbidding exterior never to return. I am writing Mr. Brezhnev to try and prevent anything of the like happening to Hillel Butman. I strongly urge my colleagues to do the same. In the name of justice, decency, and the universal cause of basic human rights, there must be an international protest of concern and outrage over the cruel punishment and extreme hardship of Hillel Butman:

WASHINGTON, D.C.,
March 10, 1978.

General Secretary LEONID BREZHNEV,
Central Committee of the Communist Party, the Kremlin, Moscow, RSFSR, U.S.S.R.

DEAR GENERAL SECRETARY BREZHNEV: According to recent reports, Hillel Butman, a Jewish prisoner of conscience, has again been sent back to the infamous Vladimir Prison. I am deeply dismayed at this recent turn of events in Hillel's case.

For the past three years, once a week, I have sent letters to Hillel and General Nikolai Shelokov, Minister of the Interior. I have repeatedly asked for word on Hillel's health and have called for a reduction in his sentence, or preferably, his release. For the same three years, my letters have met silence without even the courtesy of an acknowledgement.

The reports of Hillel's transfer leave me, together with Hillel's many friends worldwide, sick with worry. We have heard that one of the stipulations in the transfer is that Hillel serve out the remainder of his ten year sentence of Vladimir. Quite frankly, we fear for Hillel's survival in the harsh conditions at Vladimir. Due to his physical condition, sending him to Vladimir represents extreme hardship and punishment of the most cruel nature.

I call upon you first to reverse this transfer and then to set in motion procedures for a re-evaluation of Hillel's case leading to his prompt release. In the interim, I urge you to order the release of word on Hillel's health in order to reduce in some small way some of the worry felt by those of us who are deeply concerned over Hillel's fate.

In the wake of the unsatisfactory conclusion of the Belgrade Conference on the Helsinki Accords, many of us the world over are concerned about the Soviet Union's intentions to honor human rights provisions in the Agreement. The release of Hillel Butman so that he may be reunited with his family and loved ones would indicate that the Soviet Union does consider itself bound by the accords it signed in Helsinki.

Sincerely,

NORMAN F. LENT,
Member of Congress.●

HEARINGS ON SELECT COMMITTEE ON AGING, DELAWARE COUNTY, PA.

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging held field hearings in my district to gather testimony regarding the Older Americans Act. In my view these hearings were quite productive. I believe it is always important for committees of this body to travel to local communities throughout the country to talk to men and women who do not always have the opportunity to come to Washington and testify. For the next few days I plan to introduce into the record the testimony we received. The third section follows:

COMMUNITY NURSING SERVICE,
Chester, Pa.

My name is Anne Aigner. I am the Executive Director of Community Nursing Service of Chester and Vicinity, a voluntary, nonprofit agency providing home health services to a population of 150,000. Eighty percent of our caseload is composed of persons age sixty and over. Our large number of homebound elderly are dependent upon us for service. As an Agency, we are concerned about the need for major capital outlays to provide comprehensive service in order to maintain people in their homes for as long as possible. This approach is in sharp contrast to the alternative of institutionalization. The present restrictions on services by third-party payors forces voluntary agencies to limit services in many instances, thus, defeating their mission to maintain people in their homes. In addition, the present controversy over nursing home beds creates another hazard for those living in substandard conditions and unable to care for themselves. At present, our Agency has 26 people living in jeopardy because of the current limitation on Medicaid beds. The situation could be alleviated simply by extending funding to provide for the type of services required (24 hour coverage if necessary) for maintenance care. The age of specialization has given rise to the science of gerontology. Physicians trained in the care of the elderly are keeping our senior citizens living longer. Thus, it is our responsibility to provide services which support their comfort, maintain them in their home, and keep them productive for as long as possible.

In 1975, the four Home Health Agencies of Delaware County and the Homemaker Service collaborated on a proposal to provide comprehensive in-home services around the clock for a group of fifty elderly who were awaiting admission to the nursing home. It was our intention to demonstrate that in most instances, given extended services, people could remain in their homes in comfort. When we presented our proposal, we were encouraged by HEW and we have every reason to believe the project would be funded. Unfortunately, our plan was rejected. The Agencies then presented the same proposal to the Pennsylvania Department of Health. The Deputy Secretary of Health listened attentively and encouraged our efforts. However, nothing was ever implemented. We later received information that the Department of Welfare utilized the proposal as the basis for their present comprehensive home health care program which they are attempting to launch. The Home Health Agency of Delaware County presented testimony opposing their action in December, 1976.

For 58 years, our Agency has been delivering comprehensive home health care to the residents of Delaware County. In the face of shrinking finances because of third-party restrictions, we continue to seek funding for special projects and manage to provide services on a part-time intermittent basis to almost everyone who needs us. We now face the ever-encroaching private, not for profit, "medicare only" agencies. Certified and approved by third-party payors, these agencies provide services for a limited number of individuals whose care is fully reimburseable. The government's present encouragement of "healthy competition" provides a fertile field for private agencies and relegates the care of the poor and the welfare recipients to the voluntary agencies. In addition, there are no standards for services or providers under Title XX as presently exists under Title XVIII and XIX. This situation has caused further fragmentation and Community Nursing Service has seen examples of "where the lowest bidder can receive a service contract regardless of the quality of service provided." If private agencies are encouraged and supported by the Federal, State, and local governments, cost will escalate, maladministration is more likely, existing arrangements will be disturbed, voluntary contributions will dry up, demands upon the budget will escalate, and bureaucrats will proliferate, while the quality of services will be sharply diminished.

Community Nursing Service of Chester and Vicinity is accredited by the NLN/APHA process. This accreditation encompasses all the medicare and medicaid regulations. In our operations we are conservative of the taxpayers money. However we are well aware that Home Care is cheaper and certainly better for the individuals/families receiving care. We support Senator Pepper's idea to lift the restrictions on medicare eligibility for services as stated in the GAO report. In addition, we want to emphasize the need and the importance of preventative services. For the past six years, our Agency has provided health maintenance service in a public housing complex for the elderly in Chester. The clients moved from sub-standard housing to the new high rise and encountered all of the problems that elderly in a new setting could encompass. The dearth of physicians in the area meant that they would be deprived of needed health care. They had lived so long on poverty level that their nutrition was poor and many of them were debilitated by chronic illness. As one might expect, some people were moved in whose overwhelming needs required institutionalization. Recognizing all of these difficulties, we began by assessing every client in the complex, getting them under medical care, and assisting them in improving their socio-economic situation. Some of the clients were not receiving SSI, others needed for stamps, clothing, etc. In 1974 when the Agency wrote a proposal for grant money under the Older American's Act to established group dining in the area, we made sure that the Twin Towers was an established congregate meal center.

Our assessment of the medical situation of most of our clients revealed that many of them had not been under a doctor's care for quite some time. Several of them were

taking very volatile medications without an evaluation for as long as three years. With this in mind, we accepted an offer from a local surgeon who provided service one day a week in our Towers complex seeing any client who wished to receive his services. This was the beginning of treatment and preventative service program on a small scale. When this physician accepted a position in another state, we asked a local general practitioner if he would take over and continue with the one-day a week services. Our most recent statistics (1977) have revealed that there has not been a single case of pneumonia in the past three years. We feel that with a population of many "frail" elderly who suffer from a number of chronic diseases, this is quite a record and supports our theory that prevention is more important than actual treatment. We are suggesting to this committee that medicare cover preventive services for the elderly. We feel sure that this would cut down on the number of dollars spent for patients who need numerous services because there were no preventative programs.

In summary, we would like to say that we are in agreement with Senator Pepper's idea of taking the restrictions off medicare services, such as the removal of homebound status, and the skilled care restrictions. We are also in agreement that a comprehensive consolidated single entry national home health care system should be established under HEW. We are well aware that older persons are confused about the multi-agency services that are available and we hope when national health insurance becomes a reality, that home health services will be included with all of our previous recommendations.●

AGRICULTURE EMERGENCY ACT OF 1978

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. MOORE. Mr. Speaker, I am today introducing the "Agriculture Emergency Act of 1978," H.R. 11463, a bill designed to help avert impending economic disaster in many areas of rural America. I urge my colleagues on both sides of the aisle to impartially study its provisions and to seriously consider supporting it.

This legislation is the product of the efforts of the Republican task force on the agriculture emergency which was established last month by the House Republican leadership. It is supported not only by the GOP leadership of the House, but by the House Republican policy commitee as well as the task force itself.

As you know, Mr. Speaker, the development of legislation of this kind in a short span of time requires considerable cooperation. In this case, I commend for their invaluable assistance the Republican members and staffs of the House Committees on Agriculture, Ways and Means, Energy, International Relations, and Interstate and Foreign Commerce, as well as experts from the agricultural community. Their long hours and hard work helped make this bill possible.

In particular, I want to single out for praise the members of the task force who worked tirelessly to make sure we had the best possible bill to introduce today. They represent a solid cross-section of America—rural, urban and suburban—as well as Congressional Committee service and experience. Included are:

BILL GOODLING of Pennsylvania, whose experience on the House International Relations Committee helped shape the export provisions of this bill; WILLIS GRADISON of Ohio, a member of the tax-writing House Ways and Means Committee, contributed language to the section of this bill on taxes; JIM JOHNSON of Colorado, a member of the Agriculture Committee, brought his solid agricultural background to bear on this bill; BOB LAGOMARSINO of California, a member of the International Relations Committee, provided insights into the sections of this bill dealing with overseas exports; JIM LEACH of Iowa was a Foreign Service officer for nearly a decade, serving on numerous international commissions and bodies, including membership on the U.S. delegation to the United Nations Conference on Natural Resources; RON MARLENEE of Montana, a member of the Agriculture Committee and farmer and rancher himself, provided needed insights into the needs of cattlemen and grain growers from his area of the country; KEN ROBINSON of Virginia is a member of the House Appropriations Committee, with extensive agricultural experience, and ARLAN STANGELAND of Minnesota, a member of the Government Operations Committee, a farmer and rancher who knows the problems of agriculture firsthand.

I would be remiss if I did not mention the contribution of two key members of the task force who served in an ex-officio capacity—BILL WAMPLER of Virginia, ranking Republican member of the Agriculture Committee, and MARK ANDREWS of North Dakota, ranking Republican member of the Appropriations Committee's Agriculture Subcommittee. Their counsel was invaluable in shaping the final draft of this legislation.

The purpose of this legislation, which contains 12 major titles, is to curb the downward spiral of farm prices, enhance farm income, jack up sagging U.S. farm exports and establish a long-range base for the return of prosperity to rural America.

In an effort to develop legislation to meet the immediate needs of agriculture, we addressed problems in this bill of an emergency nature. But there are other problems facing rural America—and we are in the process of developing legislation to meet these needs as well.

For instance, there is a need for an across-the-board one-third tax rate cut over the next 3 years which we support. There is need to include on the Federal Reserve Board a member with an agricultural background. The agricultural disaster loan programs need revamping and we must develop a sensible long-range sweetener program to replace the current Sugar Act.

There is urgent need also for a moratorium on the proposed ban on nitrates and nitrites. Title XIV of the 1977 farm bill—the Wampler Act—mandates expanded agricultural research including research into the use of gasahol as fuel, and it must be implemented. We must also develop legislation to prevent implementation of the administration's proposed 160-acre limitation on the size of farms and ranches using water from Federal projects.

Although this bill we are introducing today represents a Republican initiative, Mr. Speaker, I hope Members on both sides of the aisle—in the best interests of agriculture and the country—will consider joining in this effort to preserve a major segment of our economy which produces the one ingredient we cannot live without: food. So far, 24 Members have signed up as sponsors of this bill. I look for many more to join in.

However, I am realistic enough, Mr. Speaker, to recognize the difficulties of obtaining action on a Republican bill—since we are outnumbered 2 to 1 in this Congress, but I am also optimistic enough to hope that Members of both parties will view this as a nonpolitical effort to solve this crisis in agriculture. For it is not just a problem for Democrats or Republicans—it cuts across party lines and geographic boundaries. It is not just a problem for farmers—it affects all Americans.

I sincerely hope—and urge—the Democratic leadership of the Congress and the Carter administration to take a close look at the provisions in this bill and consider them as a serious effort to solve problems—not to create issues. The creation of issues will come only if we are unable to solve the problem.

At this point, Mr. Speaker, I would like to insert into the RECORD a summary of the Agriculture Emergency Act of 1978 and then I will discuss the rationale behind the 12 major titles of this bill, starting with title I:

BRIEF SUMMARY OF THE "AGRICULTURE EMERGENCY ACT OF 1978"

This bill is composed of 12 titles containing provisions designed to increase U.S. agricultural exports, relieve the severe credit squeeze faced by farmers and ranchers, raise 1978 and 1979 grain and cotton market prices, amend and extend the sugar program, tighten and modernize the meat import program, establish a farmer-elected Agriculture Advisory Board, further restrict the authority for embargoes, prohibit government purchase of certain foreign-produced agricultural commodities, amend certain tax laws directly affecting farmers and ranchers, provide higher priority for agriculture in the allocation of natural gas, increase the farm storage loan ceiling and provide greater Congressional control over executive agency regulations and activities.

Title I — Agricultural Export Expansion

This title:

1. Sets up not less than six nor more than 25 U.S. Agricultural Trade Offices overseas for the purpose of carrying out trade promotion activities and directs the Secretary to use these Offices in cooperation with private agricultural development agencies and groups.

2. Upgrades the position of agricultural "attache" to agricultural "counselor".

3. Requires agricultural counselors to be located in nations with which the U.S. has diplomatic relations.

4. Upgrades the present position of Assistant Secretary to Deputy Secretary for International Affairs.

5. Requires all U.S. agricultural export policies to be coordinated by the Secretary of Agriculture.

6. Provides CCC authority to enter into three-year commercial credit sales with exporters selling U.S. farm commodities to Russia, Communist China, and Eastern Europe.

7. Calls on the President to:

a. Assign higher priority to U.S. agricultural exports to the EEC and Japan.

b. Expand Title I P.L. 480 dollar credit sales by $500,000,000 in FY 1978 to $1.5 billion.

c. Expand CCC credit by $500,000,000 to $2.2 billion.

d. Direct the Export-Import Bank to increase the level of agricultural commodity financing.

8. Creates a new position of "Deputy Special Trade Representative for Agricultural Exports" in the Office of the Special Trade Representative.

Title II—Emergency Agricultural Credit

This title deals with Farmers Home Administration authority which:

1. Amends the Consolidated Farm and Rural Development Act by raising existing loan limitations on farm ownership and operating loans and otherwise improving upon the loan programs administered by the Farmers Home Administration (FmHA) as follows—

a. Makes certain domestic family farm corporations and partnerships eligible for both ownership and operating loans.

b. Increases farm ownership (real estate) loan limts (from $100,000) to $200,000 for direct and insured loans and sets a limit of $300,000 on guaranteed loans.

c. Increases farm operating loan limits to $100,000 (from $50,000) and increases the guaranteed loan limit to $200,000.

d. Expands on existing FmHA loan purposes to provide credit needs so as to enable farmers to comply with pollution abatement requirements.

e. Provides for negotiated rates between lenders and borrowers on loans guaranteed by FmHA so as to expand the participation in loans between FmHA and private lenders (including the Farm Credit Administration).

f. Authorizes loans to new and low-income farmers and ranchers with a provision for lower principal and interest payments in the first few years and increasing payments in later years (often referred to as a "balloon" payment loan).

g. Repeals the $500 million aggregate loan limit on outstanding loans under the Agricultural Credit Insurance Fund.

h. Allows the Secretary to purchase the guaranteed portion of guaranteed FmHA ownership and operating loans.

i. Separates insured and guaranteed loan funding levels in Appropriations Acts and allows participation in FmHA administered loans by more than one government agency.

j. Sets interest rates for ownership and operating loans made or insured by FmHA at the cost of money to the government.

k. Provides an appeal and review of loan determination made by county committees.

l. Permits FmHA to make loans in areas which may have ceased to be considered "rural" as defined in the Act.

m. Authorizes Secretary to declare a moratorium on installment payments and defer foreclosures on loans.

2. Provides an Emergency Agricultural Credit Assistance Act which authorizes a new FmHA loan program which would assist U.S. farmers and ranchers (including corporations and partnerships) who are in danger of defaulting on outstanding loans or are unable due to temporary economic conditions to obtain further credit from commercial lenders or the Farm Credit Administration.

a. The new loan program would provide for 100 percent guaranteed loans by legally organized lending institutions to pay the principal and interest on existing indebtedness provided the lending institution agrees to extend to the loan applicant at prevailing interest rates sufficient credit to maintain operations for an annual period.

b. FmHA may also make such operating loans to farmers and ranchers (as noted just above) at an interest rate equivalent to the cost of money to the government.

c. Guaranteed loans would bear interest at a rate negotiated by the borrower and lender.

d. The loans extended by FmHA under such program would not encompass outstanding loans from government lenders.

e. Loans would be for terms of from 7 up to 12 years with provision that principal and interest payments could be deferred for up to 2 years.

f. Only principal and interest installments on outstanding loans which come due during the period January 1, 1977, through December 31, 1979, would be eligible under this new FmHA program and only if such installments could not be paid without such assistance.

g. The total principal balance outstanding under such loan at any time to any one borrower could not exceed $200,000.

h. Guaranteed lenders would be required to certify as to certain qualifying conditions met by a borrower. Borrowers would also have to certify that they meet certain conditions of loan eligibility.

i. Total funding for this new program would be limited to $1.5 billion of outstanding loans in calendar 1978 and no more than $3.0 billion outstanding loans in calendar 1979.

j. The Secretary is directed to implement such program promptly and to report to the Congress by January 1, 1979, on the effectiveness of the program.

3. The Emergency Livestock Credit Act of 1974, as amended, is extended from September 30, 1978, to September 30, 1979, the date of authority for the Secretary to guarantee loans under the program provided in that Act.

Title III—Wheat, Feed Grains and Cotton

This title deals with a two-year price support and inventory management program which:

1. Allows wheat, feed grain and cotton farmers to set aside up to 50 percent of their planted acreage to these crops in return for a guarantee of parity prices through a combination of the market and deficiency payments. This bill provides for graduated choices for each step of set-aside or deficiency payment eligibility level.

2. Restricts the Secretary's authority to release grain (held by farmers or owned by CCC) at levels below parity. This provision is designed to prevent future "grain dumping" that might impede a price increase in the market.

3. Present law for the release of CCC cotton stocks remains unchanged, and the various exceptions in law applicable to the release of CCC grain (out-of-condition, exports, etc.) also remain in effect.

Title IV—Sugar

This title extends the sugar provisions of the Food and Agriculture Act of 1977 for two years (through the 1979 and 1980 crops) and raises the minimum support level from 52½% of parity (13½ cents per pound) to 65% of parity (17 cents per pound).

Title V—Meat Imports

This title amends the Meat Import Act of 1964 to:

1. Include canned, cooked, and cured cattle, goat, and sheep meat within the quota calculations.

2. Provide that, in the absence of bilateral agreements, live cattle imports would be limited to the average number of head imported during the 1973–1977 base period.

3. Establish a "counter cyclical" quota system which reduces the amount of such meat imports during times of high U.S. production and low prices.

Title VI—Farmer Board

Sets up a farmer-elected Board to provide advice on agricultural policy to the U.S. Department of Agriculture, the Environmental Protection Agency, the Department of Labor, the Department of Health, Education, and Welfare, the Department of State and the Special Trade Representative. The Board would be composed of 24 farmers and ranchers elected from 8 regions of the country. When members are serving on the Board they cannot serve on any ASCS Committee, but the ASCS structure would be used to conduct the elections. Board members would be limited to service for one year and would be paid federal per diem rates.

Title VII—Anti Embargo Provision

The title amends the Food and Agriculture Act of 1977 to require concurrence of both the House and the Senate in any embargo imposed by the President or a Department or agency of the U.S. Government.

Title VIII—Government Purchases

This title requires insofar as practicable that all U.S. government Departments and agencies purchase only U.S.-produced agricultural commodities for use or consumption by their employees or for their programs in the United States. Under this provision foods which are identified on the package as being imported and meat and meat products which are imported would not be eligible for food stamp purchases.

Title IX—Tax Revision

This title contains a series of tax revisions to be proposed for inclusion in 1978 tax legislation. It:

1. Expands the investment tax credit to include agricultural structures.

2. Repeals the excise tax on trailers used in farming.

3. Expands the refundability of the gasoline excise tax to include aerial crop sprayers.

4. Repeals the estate tax carryover basis provisions of the Tax Reform Act of 1976.

Title X—Natural Gas

This title provides that under the Natural Gas Act the agricultural use of natural gas will receive a high priority, just below residential, hospital and similar public health and safety uses.

Title XI—Farm Storage Loan Ceiling

This title increases the grain storage facility loan ceiling from $50,000 to $100,000.

Title XII—Regulatory Reform

This title requires that all future regulations issued by government agencies be subject to Congressional veto and that each agency or Department must periodically justify the continuance of its activities to Congress.

Mr. Speaker, I would like to share with you now some of the rationale as to why we have included certain provisions in our bill:

TITLE I

We are very disturbed about the drop in agricultural exports this year—the first drop in 8 years. Agricultural exports are vital not only to the farm economy but to our Nation and our sagging dollar as well. The huge $2.4 billion trade deficit in January of this year coming on top of last year's farm export decline should sound an alarm for all of us that something has to be done quickly.

Under our bill we seek to upgrade both the title and the responsibility of our Foreign Agricultural Service and to open up a number of foreign trade offices which will be dedicated to expanding overseas sales of U.S. farm commodities.

We are trying to get an agricultural export salesman in every country with which we have diplomatic relations. We seek innovative ways to extend additional credit, both commercial and concessional—thereby opening markets where markets did not exist before—and thus step up our foreign sales. And finally, we seek to vest the responsibility for coordination of our overseas agricultural sales in one agency—the USDA.

Our bill is similar in some respects to the legislation sponsored by Congressmen MATHIS, POAGE, WAMPLER, DE LA GARZA, and others, but it goes beyond these bills and will, I feel, present a refined and improved effort in this important agricultural export expansion area.

TITLE II

In title II we seek to provide credit modernization as well as a credit response to the most severe and justiciable needs of farmers and ranchers. I think you will find that our approach is designed to meet these needs without either bailing out a lot of imprudent banks or bankrupting the U.S. Treasury. The credit provisions bring up to date many Farmers Home Administration loan programs that have become antiquated because of inflation. We also extend the emergency livestock credit program for an additional year.

TITLE III

Title III is designed to bring up market prices for wheat, feed grains, and cotton right away—two ways. The first way is to attract significant participation in the set-aside program to make grain prices edge up naturally. The administration's set-aside efforts are obviously inadequate as evidenced by the modest farmer participation. The second part of this effort revolves around ways to prevent the Department from dumping grain back onto the market. Under our bill, the general rule for release of either farmer-held or Government-owned reserves of grain will be at levels no less than 100 percent of parity.

Of course, if grain is going out of condition or we have an export opportunity then this rule would not apply. The bottom line however, is that we are seeking higher market prices for wheat, feed grains, and cotton in 1978 and 1979.

TITLE IV

Title IV simply extends the sugar programs of the 1977 farm bill for 2 more years and raises the minimum support level from 52 percent of parity (13.5 cents per pound) to 65 percent of parity (17 cents per pound). This effort obviously is no substitute for a needed long-range sweetener policy. However, the cost of production for sugar is well above the current support level and when the required minimum wages are paid to sugar workers, our producers simply cannot continue in business.

TITLE V

Our next title deals with meat imports and amendments to the Meat Inspection Act of 1964. We must remember that meat is a commodity which has a fixed quota system. The law also provides a guaranteed access for foreign meat suppliers. Thus there is a delicate balance between free trade and protectionism built into this statute. Recognizing the importance of U.S. exports, we do not seek unfair import policies for meat.

Thus we propose to change the meat import statute by including canned, cooked, and cured meat within the quota calculation. We will also seek to include live beef cattle within the quota structure if our country is unable to reach a bilateral agreement with our friends both north and south of us in Canada and Mexico. And finally, we seek a system of "countercyclical" quotas which were included in our original beef import legislation of 14 years ago that would restrict imports at times when our market is flooded with domestic beef while loosening those restrictions when domestic supplies decrease.

TITLE VI

Another title in our bill deals with the creation of a farmer-elected advisory board. Believe me, I share the reluctance of many of my colleagues to create another advisory committee. I believe, however, that this particular board will be quite different from other advisory committees that various departments of the Government utilize. This one will be picked by farmers, not by Washington bureaucrats and this one will give those farmers a chance to have meaningful impact on the decisions of the State Department, the FDA, EPA, OSHA, and the Office of Special Trade Representative. We are also drafting this legislation in a way that will require each agency to explain to Congress why it chooses to ignore or disregard this farmer-generated advice.

TITLE VII

Our next Title we call Embargo Insurance. We are against embargoes—past, present and future—just as we are against dumping grain to suppress prices; so we are drafting this bill to require concurrence by both the House and Senate to avoid any future ill-conceived attempt to stop U.S. farm exports.

TITLE VIII

Our next title requires, insofar as practicable the various departments of our Government, both military and civilian—to use their resources for purchasing U.S.-produced food. These purchases would be restricted to U.S. farm commodities for use both by employees of those agencies and for their program constituencies. This means that under our legislation, food stamp recipients could not use food stamps for buying foreign foods that are so marked and indicated on their packages, or for foreign-produced meat and meat products. We think it is about time that the American taxpayers' dollars expended in Federal programs be used on American farm products.

TITLE IX

Our ninth title deals with a series of tax changes, all of which are designed to reduce the cost of farming and ranching. The first tax change we propose would extend investment credit, which now applies to farm machinery, to agricultural structures as well. This change is especially appropriate in view of the massive buildup of surplus grain being encouraged by the administration.

The next two tax changes are not major in scope, but will help in selected areas of agriculture. One repeals the present excise tax on trailers used in farming, and the other extends the gas tax refund to aerial crop sprayers.

Our final tax change, however, is quite a significant one and is badly needed if the future farm is to survive. It repeals the ill-conceived estate tax carryover basis provisions of the 1976 tax law.

TITLE X

Title X of our bill deals with natural gas priorities and simply states that in our national energy strategy, the importance of agriculture and its related food processing and preparing industries must receive a very high priority. Naturally, hospitals and residential homes and public health and safety facilities have to come first. But running a close second comes the very basic need for food and raiment, thus assuring the American people of a steady food supply in the event of a future shortage.

TITLE XI

Title XI simply increases the ceiling on farm storage facility loans. I happen to have been the author of that provision in last year's farm bill—and at the time we were concerned that the $50,000 limit might be inadequate. Time has proven us correct on that, and if our farmers are going to have modern and efficient facilities that will keep all the surplus grain in adequate condition, they need sufficient credit to build such facilities.

TITLE XII

The last title in our bill is something that will affect all Americans, including farmers. We think there are too many regulations now and we think that for too long, government agencies have been left unfettered to come up with impractical, mischievious and in some instances downright nonsensical—as well as self-perpetuating—restrictions. Thus, we are seeking to make all Federal agencies, including the Agriculture Department, submit their proposed regulations to Congress for adequate review and analysis before being promulgated. In addition, this title requires all Government departments and agencies to periodically justify their existence or sink slowly into the sunset on the banks of the Potomac River.

This then is the best answer we could come up with of a comprehensive nature to solve our current crisis. It is the only comprehensive solution I have seen. Again, we are not interested in partisan issues, but solutions, therefore, all Mem-

bers are sincerely invited to cosponsor and support this much needed emergency legislation.●

HEARINGS ON SELECT COMMITTEE ON AGING, DELAWARE COUNTY, PA.

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. EDGAR. Mr. Speaker, on Friday, March 3, the Select Committee on Aging held field hearings in my district to gather testimony regarding the Older Americans Act. In my view these hearings were quite productive. I believe it is always important for committees of this body to travel to local communities throughout the country to talk to men and women who do not always have the opportunity to come to Washington and testify. For the next few days I plan to introduce into the RECORD the testimony we received. The second session follows:

TESTIMONY OF THOMAS J. VIZACARO, ADMINISTRATOR, FAIR ACRES GERIATRIC CENTER, LIMA, DELAWARE COUNTY, PA.

I am the Administrator of Fair Acres, which is a long-term nursing care facility operated by the County of Delaware for its medically indigent senior citizens. Fair Acres is already the second largest facility of its kind in the Commonwealth of Pennsylvania and is presently in the middle of an expansion program.

I offer this as background information for what I am about to say, so that the members of this committee will understand that the situation that exists in this County in regards to the need for expansion of services for senior citizens is not unusal; that, in fact, the level of service is probably at an unusually high level here, leading one to believe that this need may be even greater in other geographic areas.

There is a great level of unmet need for providing long-term health care to the elderly. Public institutions such as Fair Acres can provide only so much in so far as numbers of people serviced. We, for example have over seven-hundred (700) people living at our facility, but also have over six-hundred (600) names on our waiting list, all in need of long-term care but without the money to pay for it. Even after our expansion is completed we expect our waiting list to be over three-hundred (300) names long, and this will only increase as our population ages.

I believe that the intent of the Federal government was made clear in the passing of Public Law 92–603 in October 1972. Section No. 249 of that law mandated cost-related funding of long-term care for Medicaid—eligible patients, intending that those in need would have these services available to them. It was left to each individual State to develop a method of implementing an equitable system of reimbursement, and to share in the funding. Although some steps have been taken in many States, more than five years after the passage of the law the intent of Congress has not been realized.

If the national goal is to care for all senior citizens in need of long-term care then there are two things which must be done. One involves the full utilization of alternatives to institutionalization. There are many individuals in institutions and many others on waiting lists whose needs can be met without institutionalization. An active, funded Home Health Care program could provide the care necessary without relying on admission to an institution. It probably is too late to do much for the individual already in an institution; but there can be an alternative for those now on waiting lists and those who would be on waiting lists in the future. This alternative would provide individuals with all the care they need while avoiding the trauma of institutionalization, and do so at a fraction of the cost. This program could also provide interim care to those for whom there is no alternative to institutionalization but where there is no bed readily available.

A strong Home Health Care program with proper funding will, no doubt, significantly reduce the unmet need. However, this will by no means solve the entire problem.

From my earlier statements it is obvious that there is a significant portion of the need for long-term institutional care for indigent senior citizens which is unmet. In most States the reimbursement rates to nursing homes is so low that non-governmental nursing homes are forced by economic reality to limit the number of indigent patients admitted under Medicaid, some not accepting any at all. The reimbursement rates are "cost related", but are severely limited by an individual State's budgetary problems even though a major portion of the money comes from the Federal government. For example, in Pennsylvania, "cost related" means a ceiling on reimbursement based on average actual costs which are approximately three years old.

In most areas, local governments have reached their limits as to what they can provide. The answer must come in providing adequate reimbursement for services under the Medicaid program to all providers. This will not only make more of the existing private beds available to the indigent but will also provide incentive for building additional beds where needed.

Another method of attempting to solve the problem is to force all long-term care institutions to accept a "quota" of Medicaid patients as the State of New Jersey has recently done. This may provide some short-term relief from the problem, however, it can only add to the problems in the future by discouraging construction, expansion and modernization and affecting the quality of service that can be provided to the patient. Although I don't believe that this regulation will stand up to a test in court, until it is tested private investors will be reluctant to spend any money to provide services in New Jersey.

By implementing the Medicare program, the Federal government committed itself to providing for the short-term health care needs of the elderly. By passing P.L. 92–603, I believe that Congress intended to make a similar commitment in regards to long-term care. I believe that this commitment must be reinforced. I am not saying that all of the funding or the administration of the program should be done by the Federal government. The sharing of the cost is something to be decided between the Federal government and the States but the guidance and commitment must come from the Federal government if the long-term health care needs of the elderly are to be met consistently across the country.

Nursing homes have received extensive publicity in recent years, much of it not very pleasant and some of it deserved. However, most of the adverse publicity is attributable to a very small portion of the industry. The vast majority of nursing homes are attempting to provide a clean, safe and healthy environment for their patients. However, they must face economic reality. They have a choice of lowering quality standards in order to keep costs at a level reimbursed by Medicaid, or severely limiting the number of indigent patients they accept. Most have chosen the latter course and therefore have created the problem we are faced with today.

Only by combining an active, well funded Home Health Care program with adequate reimbursement to nursing homes can the long-term health care needs of senior citizens be met.●

HEW ABSURDITIES CONTINUE

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. HYDE. Mr. Speaker, one of the greatest antidotes to boredom around here is waiting to see what novel distortions of legislative intent will emerge from HEW in the guise of regulations.

The latest example gives new dimensions to the word absurd. I refer to HEW's proposed regulations redefining the term disability to include an individual's age, education and work experience in qualifying for disability insurance under social security.

I have not read all 37 pages of this proposed regulation, but press accounts evoke certain questions that only those creative persons responsible for dreaming them up can answer.

Since inability to adjust is to be considered a disability, how does that coincide with section 504 regulations on employment of the handicapped, and Secretary Califano's further definition of handicapped to include drug abusers and alcoholics?

A drug abuser or alcoholic is hired by a company doing business with the Federal Government because of Secretary Califano's affirmative action mandate to hire and promote such individuals. The drug abuser or alcoholic decides he or she has an "inability to adjust." Does that individual then qualify for disability insurance under social security?

The regulations read:

If such an individual's physical and mental capacities are not consistent with making an adjustment to work differing from that which the individual has performed in the past, it will be determined that such an individual is under a disability.

Talk about a government providing incentive. By simply following HEW's various absurd regulations, a person could become an alcoholic or drug abuser, apply for employment under Government mandate, decide that it is impossible to adjust to the work, quit, and apply for and receive social security disability benefits.

We are told these proposals do not require congressional approval because in the minds of their authors, they "further" congressional intent.

One might wish that HEW would express some concern that the costs of the Government's disability insurance program have tripled in the last 6 years.

Where will it all end?●

"WHAT BELONGS TO WHOM?"

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. EDWARDS of Oklahoma. Mr. Speaker, as Government grows ever more powerful, individual Americans find it increasingly difficult to retain control over their lives. That is why the Founding Fathers, who valued individual liberty above all else, knew their dream of a nation of representative government could only succeed if the powers of government were kept at an absolute minimum.

The explosion in the growth of government during the last 10 years has overwhelmed the American people. The preservation of individual liberty, and with it the justification for private property, have now come into question. What seems to matter most in America today are not the rights of the individual, but the needs of Government—needs that render each of us weaker, poorer, and less free every year.

As economist Milton Friedman suggests in his excellent column, "What Belongs To Whom?", in the March 13 edition of Newsweek, it is time the American people spoke out against this philosophy that is rapidly transforming them into little more than property of the Federal Government.

The column follows:

WHAT BELONGS TO WHOM?

In defending continued regulation of oil prices, the authors of "The National Energy Plan," a White House document issued a year ago, wrote: "In 1973–74, the oil-producing countries raised the world oil prices fourfold. Deregulation of oil and gas prices would make U.S. producers the beneficiaries of those arbitrary price rises, and yield windfall profits from the increased value of oil and gas in existing fields. *The producers have no equitable claim to that enhanced value because it is unrelated to their activities or economic contributions*" (my italics).

In all the attention paid to energy and President Carter's proposals, there has been little discussion of the italicized sentence. Yet it expresses a philosophy that is fundamentally subversive of the basic principles on which this nation rests—the "unalienable" right of "all men" to "life, liberty, and the pursuit of happiness," in the words of the Declaration of Independence; the provision that "no person shall . . . be deprived of life, liberty, or property, without due process of law," in the words of the Fifth Amendment to the Constitution.

THE ECONOMIC BASIS . . .

The subversive nature of the italicized sentence has been little noticed because it was directed against oil and gas producers—stigmatized, justly or unjustly, in the public mind as big bad companies receiving "obscene" profits. But suppose we paraphrase the same argument for a different case: "Rising construction costs and a limited number of residential sites have raised sharply the prices of homes. Letting homeowners retain the proceeds they can derive from selling their homes would make them the beneficiaries of those arbitrary price rises, and yield windfall profits from the increased value of existing homes. The homeowners have no equitable claim to that enhanced value because it is unrelated to their activities or economic contributions."

And if you are not a homeowner, what about antiques? Or stamps? Or classic cars? Or, why not also the earnings of a rock star? Or a football player? Where can one stop?

Clearly, the subversive principle implicit in the sentence is that private property is not a right but a privilege that is conferred by an all-powerful state for the purpose of providing incentive.

Well, you may say, appeal to tradition aside, what's wrong with the argument that people are entitled to rewards only if the size of the reward is related to their "activities or economic contributions"? Isn't the presumption that increases (or decreases) in value will be related to the behavior of economic agents the basic justification for private property?

. . . OF LIBERTY

Not at all. The preservation of liberty, not the promotion of efficiency, is the primary justification for private property. Efficiency is a happy though not accidental by-product—and a most important by-product because liberty could not have survived if it had not also produced affluence. No doubt there is a large element of chance, of luck, in the rewards individuals receive in a free market from their property and their labor. No doubt there is also a large element related to economic contribution. But any attempt to separate the two in each individual case requires that someone decide which rewards are justified by economic contribution and which are not. And who can that be but the all-powerful state?

I am tempted to say about oil: "Beware the entering wedge. Accept the principle as applied to unpopular persons or groups, and you will be hoist on it yourself." But that is wrong. We are long past the stage of the entering wedge. Bit by bit, the principle that the government owns us has come to be taken for granted. Treasury Secretary Michael Blumenthal talks about how the Administration proposes "to give" so many billions of dollars in tax reductions to business or to individuals (i.e., anything not taken is "given" through the generosity of the government) and his interviewers raise not an eyebrow. The Treasury reports as "tax expenditures" sums not collected from citizens because of provisions of the tax laws—and ardent defenders of free speech raise no protest about the implied relation between the citizen and his government.

Is it not time that we rebelled against the doctrine that each of us has indelibly stamped on his back: "Property of the U.S. Government. Do not fold, spindle or mutilate"? ●

GEN. FRANCIS R. GERARD

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

Mr. HOLLENBECK. Mr. Speaker, Maj. Gen. Francis R. Gerard is a native of Lyndhurst, N.J. Sunday, Mar. 12, 1978, was his day in that township and saw the unveiling of a portrait of him before scores of family, friends and government officials. The painting was done by Annette Savino and will hang in the township hall meeting chamber.

But that painting and the day itself are not just one object and one day in our lives. As speaker after speaker observed, they will serve as a reminder of a man who symbolizes much of what America and Americans strove for over 30 years ago and what they gained.

A portion of Mayor Joseph Carucci's remarks tells a little of Frank Gerard's activities:

He won the Air Medal with three oak leaf clusters as well as the distinguished flying cross. He was an ace of the Eight Fighter Group, flying P–51 Mustangs. He destroyed a troop train near Paris and by late 1944, he had flown 67 combat missions and then came home for a brief rest before going back for more air duty although he could have asked for a less dangerous assignment. He shot down an ME–109 over Leipzig one day, and on another day he shot down four German fighters and crippled a fifth. He destroyed railroad switching centers and sank enemy river barges. During the Normandy invasion, he was in the air for 10 hours a day attacking the stubborn enemy, defying anti-aircraft flack, swooping down in dangerous forays against military installations. His Mustang became a familiar figure over Berlin as he escorted bombers on raids over the German capital.

That brief description serves as a frightening reminder of almost forgotten times and fears.

One hopes that the continued efforts and presence of men such as Gen. Gerard remind us that we still, in other ways than all-out war, are striving to keep and strengthen our basic freedoms of speech, worship, of movement and social mobility.

PERSONAL EXPLANATION

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. FISHER. Mr. Speaker, on Monday March 6 and on Tuesday March 7, I was called out of town due to a death in my family. Therefore, I was unable to vote during the sessions on both days.

Had I been in Washington, I would have voted as follows on the votes that I missed:

MONDAY, MARCH 6

Roll No. 105, H.J. Res. 715 proclaiming May 3, 1978, "Sun Day," "yea."

H.J. Res. 578, authorizing the President to proclaim the 3d week of May of 1978 and 1979 as "National Architectural Barrier Awareness Week," "yea."

TUESDAY, MARCH 7

Roll No. 107, H.R. 10551 to extend for 1 year the authority of the Commissioner of Education to waive certain provisions of title I of the Elementary and Secondary Education Act for certain local educational agencies, "yea."

Roll No. 108, H.R. 11180, debt limitation increase. Amendment to delete the language which provides that the debt ceiling in subsequent years be set in the concurrent resolutions on the budget, "nay."

Roll No. 111, H.R. 11180, debt limitation increase, to increase the public debt limit through March 1, 1979, vote on final passage, "yea."

Roll No. 113, H.J. Res. 746, urgent power supplemental appropriations, making supplemental appropriations for the Department of Energy, Southwestern Power Administration for the fiscal year ending September 30, 1978, "yea."

Roll No. 113, H. Res. 1003, providing funds for the House Committee on Public Works, and Transportation, "yea." ●

MILITARY RETIRED INCOME EQUITY ACT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mrs. SCHROEDER. Mr. Speaker, last Tuesday I introduced H.R. 11354, the Military Retired Income Equity Act. At this time I would like to present a copy of the text of the bill which I think my colleagues may find of interest.

H.R. —

A bill to amend chapter 73 of title 10, United States Code, to provide that a former spouse of a member of the uniformed Services who is married to such member for ten years or more shall be entitled to a portion of such member's retired pay and to a portion of the annuity of a surviving spouse of such member, and that such member may not elect not to provide such an annuity without the consent of the spouse and any former spouse of the member, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ANNUITY OF FORMER SPOUSE WHILE MEMBER IS RECEIVING RETIRED OR RETAINER PAY

SECTION 1. (a) Chapter 73 of title 10, United States Code, relating to annuities based on retired or retainer pay, is amended by adding after subchapter II thereof the following new subchapter:

"Subchapter III.—FORMER SPOUSE ANNUITY

"Sec.
"1461. Definition.
"1462. Former spouse annuity based on retired or retainer pay.
"1463. Reduction in retired or retainer pay.
"1464. Regulations.

"§ 1461. Definition

"In this subchapter, 'former spouse' means a former wife or husband of a person who was married to such person for not less than ten years.

"§ 1462. Former spouse annuity based on retired or retainer pay

"(a) A former spouse of a person entitled to retired or retainer pay is entitled to an annuity—

"(1) if married to the person throughout the period of service credited to the person for the purpose of computing the retired or retainer pay of such person, equal to 50 percent of the amount of such retired or retainer pay (determined without regard to the reduction under section 1463); or

"(2) if not married to the person throughout the period of service credited to the person for the purpose of computing the retired or retrainer pay of the person, equal to the amount which bears the same ratio to the annuity to which the former spouse would have been entitled if paragraph (1) of this subsection applied as (A) the number of years of service credited to the person for the purpose of computing the retired or retainer pay of the person during which the former spouse was married to the person bears to (B) the total number of years of such service.

An annuity under this section shall be increased from time to time in the manner prescribed for increases in retired or retainer pay under section 1401a of this title.

"(b)(1) An annuity of any person under this section commences on the later of the day after the person upon whose service the annuity is based becomes entitled to retired or retainer pay or the first day of the month in which the person becomes a former spouse within the meaning of section 1461 of this title.

"(2) Such annuity and the right thereto terminate on the last day of the month before—

"(A) the former spouse dies or remarries before becoming sixty years of age;

"(B) the former spouse becomes entitled to an annuity under section 1448(d) or 1450 of this title;

"(C) the person upon whose service the annuity is based begins service on active duty; or

"(D) the person upon whose service the annuity is based dies.

"§1463. Reduction in retired or retainer pay

"The retired or retainer pay of a person entitled to retired or retainer pay shall be reduced by the amount of an annuity of any former spouse of such member under section 1462 of this title.

"§ 1464. Regulations

"The President shall prescribe regulations to carry out this subchapter. Those regulations shall, so far as practical, be uniform for the armed forces, the National Oceanic and Atmospheric Administration, and the Public Health Service.".

(b) The table of subchapters at the beginning of chapter 73 of title 10, United States Code, is amended by adding at the end thereof the following new item:

"III. Former Spouse Annuity_____ 1461".

Annuity of Former Spouse After Member Dies

Sec. 2. (a) Section 1447 of title 10, United States Code, relating to definitions applicable to the Survivor Benefit Plan, is amended—

(1) by adding at the end of paragraph (2) the following new sentence: "For the purpose of this clause, retired or retainer pay shall be determined without regard to any reduction under section 1463 of this title."; and

(2) by adding at the end thereof the following new paragraph:

"(6) 'Former spouse' means a former wife or husband of a person who was married to such person for not less than ten years.".

(b)(1) Subsection (a) of section 1448 of title 10, United States Code, relating to the application of the Survivor Benefit Plan, is amended—

(A) in the first sentence—

(i) by striking out "who is married" and inserting in lieu thereof "who is married, has a former spouse,"; and

(ii) by striking out "he elects" and inserting in lieu thereof "he, his spouse, and his former spouse (if any) elect"; and

(B) in the second sentence, by inserting "and former spouse (if any)" after "spouse" both places it appears.

(2) Subsection (b) of such section is amended by striking out "who is not married" and inserting in lieu thereof "who is not married, does not have a former spouse,".

(3) Subsection (d) of such section is amended by striking out "to which the otherwise eligible spouse" and all that follows and inserting in lieu thereof "which the member would have received (after any reduction which would have been made under section 1463) if he had been eligible for that pay on the day before he died, based upon his years of active service, and the Secretary shall pay to the former spouse (if any) an annuity equal to 55 percent of the amount of the annuity which would have been payable to the former spouse under section 1462 if the member had been eligible for retired or retainer pay on the day before he died.".

(c) Section 1450 of title 10, United States Code, relating to beneficiaries under the Survivor Benefit Plan, is amended—

(1) in subsection (a)—

(A) in clause (1), by inserting after "or widower" the following: "and the eligible former spouse (if any)"; and

(B) in clause (2), by striking out "if the eligible widow or widower is dead, dies, or otherwise becomes ineligible" and inserting in lieu thereof "if the eligible widow or widower and the eligible former spouse are dead, die, or otherwise become ineligible";

(2) in subsection (b), by inserting "or former spouse" after "widow or widower" each place it appears; and

(3) by striking out the first two sentences of subsection (e) and inserting in lieu thereof "If no annuity under this section is payable to a widow or widower because of subsection (c), any amounts deducted from the retired or retainer pay of the deceased under section 1452 of this title shall be refunded to the widow or widower. If, because of subsection (c), the annuity payable to the widow or widower is less than the amount established under section 1451 of this title, the annuity shall be recalculated under that section.".

(d) Subsection (a) of section 1451 of title 10, United States Code, relating to the amount of annuities under the Survivor Benefit Plan, is amended to read as follows:

"(a)(1)(A) Subject to paragraphs (2) and (3), the amount of the monthly annuity payable to a widow or widower of a person to whom section 1448 applies who is entitled to an annuity under section 1450(a)(1) of this title shall be equal to 55 percent of the base amount, but shall be reduced by the amount of any annuity payable under such section to a former spouse of the person concerned.

"(B) Subject to paragraphs (2) and (3), the amount of the monthly annuity payable to a former spouse of a person to whom section 1448 applies who is entitled to an annuity under section 1450(a)(1) of this title shall be—

"(i) if the former spouse was married to the person concerned throughout the period of service credited to the person concerned for the purpose of computing the retired or retainer pay of such person, 27½ percent of the base amount; or

"(ii) if the former spouse was not married to the person concerned throughout the period of service credited to the person concerned for the purpose of computing the retired or retainer pay of such person, an amount which bears the same ratio to the annuity to which the former spouse would have been entitled if clause (i) of this subparagraph applied as (I) the number of years of service credited to the person concerned for the purpose of computing the retired or retainer pay of such person during which the former spouse was married to such person bears to (II) the total number of years of such service.

"(C) The amount of the monthly annuity payable to a dependent child who is entitled to an annuity under paragraph (2) or (3) of section 1450(a) of this title shall be equal to 55 percent of the base amount.

"(2) If a widow or female former spouse has one dependent child, the monthly an-

nuity of such widow or former spouse under this subchapter shall be reduced by an amount equal to the mother's benefit, if any, to which the widow or former spouse would be entitled under title II of the Social Security Act (42 U.S.C. 401 et seq.) based solely upon service by the person concerned as described in section 210(l)(1) of such Act (42 U.S.C. 410(l)(1)) and calculated assuming the person concerned lived to age 65.

"(3) When the widow, widower, or former spouse reaches age 62 or there is no longer a dependent child, whichever occurs later, the monthly annuity of the widow, widower, or former spouse under this subchapter shall be reduced by an amount equal to the amount of the survivor benefit, if any, to which such widow, widower, or former spouse would be entitled under title II of the Social Security Act, 42 U.S.C. 401 et seq.) based solely upon service by the person concerned as described in section 210 (l)(1) of such Act (42 U.S.C. 410(l)(1) and calculated assuming that the person concerned lived to age 65. For the purpose of the preceding sentence, a widow, widower, or former spouse shall be considered as entitled to a benefit under title II of the Social Security Act even though that benefit has been offset by deductions under section 203 of such Act (42 U.S.C. 403) on account of work.".

(e) Section 1452 of title 10, United States Code, relating to reductions in retired or retainer pay, is amended—

(1) in subsection (a)—

(A) by striking out "a spouse and a dependent child" in the first sentence and inserting in lieu thereof "a former spouse" and by inserting "and former spouse (if any)" after "in favor of his spouse";

(B) by inserting "or an eligible former spouse and a dependent child" in the second sentence after "an eligible spouse and a dependent child"; and

(C) by inserting "or former spouse" in the third sentence after "eligible spouse";

(2) in subsection (b), by inserting "or former spouse" after "spouse" each place it appears;

(3) in subsection (e), by inserting "or former spouse" after "spouse"; and

(4) by adding after subsection (f) the following new subsection:

"(g) If a person to whom section 1448 of this title applies has a former spouse who is entitled to an annuity under section 1462 of this title—

"(1) the annuity of such former spouse under such section shall be reduced by an amount which bears the same ratio to the reduction in retired or retainer pay prescribed by or under this section as the amount of such annuity bears to the amount of such retired or retainer pay before the reductions in such retired or retainer pay under this section and under section 1463; and

(2) the reduction under this section in the retired or retainer pay of such person (A) shall be made after the reduction in such pay under section 1463, and (B) shall be reduced by the amount of the reduction under clause (1).".

(f) Section 1455 of title 10, United States Code, relating to regulations to carry out the Survivor Benefit Plan, is amended by inserting "and his former spouse (if any)" in paragraph (1) after "and his spouse".

EFFECTIVE DATE

SEC. 3. The amendments made by this Act shall apply with respect to any individual who after the date of the enactment of this Act becomes a former spouse (as defined in section 1447(6) of title 10, United States Code) of an individual who becomes entitled to retired or retainer pay after the date of the enactment of this Act.●

SOUTH DAKOTA'S RSVP SERVES US WELL

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. ABDNOR. Mr. Speaker, members of the House Select Committee on Aging and the Select Committee on Aging of the House Education and Labor Committee have listened incredulously as ACTION Deputy Director Mary King and Director Sam Brown reviewed the agency's plans for the coming fiscal year, particularly as it involves the retired senior volunteer program (RSVP).

Apparently in an all-out attempt to rescue VISTA and the Peace Corps, they have decided to forsake RSVP. It was a little difficult to fathom the type of rationale ACTION used to support decisions on budget priorities. It also was difficult to understand how the programs were evaluated.

Thus, it is hard to accept ACTION's assurance that "all will be well" with the program now that the new RSVP director is on board.

South Dakotans who have been participating in RSVP have written me of their concern over the future of the program. They have cited activities which have benefited not only the senior citizens, but the entire community. I commend to the attention of my colleagues excerpts from some of these letters demonstrating the merits of the program:

ABERDEEN.—Currently there are 1,800 senior volunteers serving in nine RSVPs in South Dakota. The 1,800 volunteers contributed 327,566 hours of volunteer service in one year. At the 1977 minimum wage of $2.30 per hour, that service is worth $753,401.80.

HURON.—RSVP programs are in place and are providing much needed service. It would be inappropriate to eliminate programs because the focus of ACTION was not more specific. Huron RSVP volunteers revamped all of the Christmas street decorations for the city of Huron, saving thousands of dollars. Volunteers did all of the survey work required by HUD for the Community Development Grants, saving close to $10,000. Cutting of RSVP funds will mean that school children will not have special tutors when needed, a college or library struggling for survival will not have help, or an older person moving from the farm will not have someone seeking them out to again provide meaning to life.

STURGIS.—Our Sturgis senior center with their member volunteers are so happy with their RSVP program that to suggest a cut in finance has hit us very hard. They think it is the finest thing we have and the program should be increased instead of decreased. There are so many that benefit from the program, such as the ailing veterans at Ft. Meade, the shut-ins in their homes, and the benefits volunteers receive from doing this work themselves. It would be impossible to accomplish all of this without a good organization, such as RSVP, to give direction.

SISSETON.—At present, we are trying to live with an annualized level that was set in 1972. During our 1977–78 fiscal year we received a $2,174 increase; however that did not even cover the cost of materials that are constantly increasing in price. As project director, I spent 60–75% of my time working on various fund raising activities just to keep our project alive. Our program needs cash—desperately. This cash must come from the federal government. We live in a very economically depressed area and our people are hard pressed to pay their bills. They cannot afford to financially support our program with hard cash. Our local match must be soft match. . . . Our RSVP provides a meaningful retirement role for 191 older citizens. Senior volunteers experience the feeling of worth that comes with knowing they are needed and when they have accomplished something. Often, volunteers know they have accomplished something when children's eyes light up as they enter the room, or when a frail elderly person seems more animated due to their visit. Our RSVP volunteers provide their services free of charge. Our cost per volunteer for one hour of service is $0.56. At the 1977 minimum wage of $2.30 per hour, their services are worth $103,275, a long way from our total grant of $25,218. During 1978 we estimate that our volunteers' services will be worth $118,992 based on the current minimum wage of $2.65 per hour. Roberts and Day county RSVP has 191 active volunteers over 60 years of age. These volunteers provided 44,902.5 volunteer hours from December 1976 through September of 1977 at various volunteer stations throughout our area. Nursing homes by washing and fixing hair, planning holiday and/or birthday parties, providing exercise sessions, musical programs, reading and writing letters, and helping activity directors; Head Start centers by helping the teachers and aides in the classrooms, helping the children during the dinner hour, helping with tours and repairing toys for the center; Senior Citizens Centers by keeping the center open for others to enjoy, making table decorations and party favors, making quilts, pillows, lap robes and toys to send to nursing homes and the Redfield State Hospital for Mentally Retarded Children and Adults, providing information and referral services to the elderly; Nutrition Sites by setting and clearing tables, carrying dinner trays for the handicapped and planning programs for participants in the nutrition program; Community Action Program by helping with secretarial overload, collecting information for the newsletter and preparing the newsletter for mailing; Project W.I.S.E. (Workers in Service to the Elderly) by providing transportation for elderly to and from their doctor or medical facility, doing grocery shopping or paying utility bills for the elderly who cannot get out on their own, providing information and referral for the elderly, visiting shut-ins, providing shut-ins with transportation just to get out of their homes for a morning or afternoon, checking on elderly that have no one who cares or doesn't have a family, checking to see that elderly are taking prescribed medicines when they are supposed to, taking blood pressures, and doing household tasks that the elderly person cannot do for him/herself."

STURGIS.—I have been a volunteer at the Box Elder Job Corps for the past four years. I know the boys show their appreciation, but it also is something I look forward to with great pleasure. Sewing is my main volunteerism there. Also, I do volunteer work at the Sturgis Senior Center on public lunch day, and off and on I do volunteer work at other stations. I am a retired rancher's wife, assistant postmaster and also worked in a store. After the death of my husband, I would have been very lonely had I not had the advantages of working as a RSVP volunteer."

ABERDEEN (Title VII Senior Nutrition Program).—In the past year this program has provided 1,508 hours of volunteer servers to enable the nutrition program to serve 16,996 meals to senior citizens in the Aberdeen area. The RSVP volunteers are vital to our program if it is to continue our service to senior citi-

zens using a labor force of volunteer workers. It would seem folly to cut back funding on the RSVP program and then have to increase funding for the nutrition program because we have to provide salaries for servers. In addition to the monetary value of volunteer work, I cannot stress too much how important it is to encourage any program that provides an opportunity for senior citizens to fill a useful place in the life of our community."

STURGIS.—". . . delivering meals on wheels; entertaining as a member of the 23-member Hill Billy Band or Snappy Six orchestra; singing with the 34-member chorus. These musical groups practice weekly and entertain at six nursing homes and high rises monthly, Black Hills parades and other public functions. Teaching sewing and crafts, tutoring, counseling—all at the Box Elder Job Corps; volunteering on a one to one basis with wheel chair patients at the veterans hospital at Ft. Meade; Ft. Meade museum receptionists and guides; Sturgis public library, schools, etc. . . . Two hundred volunteers are always ready to help make a project a success. Most recent was a Radiothon for the High Plains Heritage Center. RSVP volunteers took all the telephone calls and did the financial records for a 100-hour marathon. It was a 100% success."

PENNINGTON COUNTY commissioners resolution.— ". . . Medical assistance to older people in nursing homes in Pennington county cost $936,864 in 1977 or an average of $4,400 per patient while the RSVP program cost only $1.61 per hour of volunteer service given in the community. The RSVP program added to the well being of more than 200 older residents in Pennington county in 1977 and is scheduled to increase by 100 more volunteers each year."

STURGIS.—"The Telephone Reassurance program has saved the lives of several people. . . . If it were not for the RSVP volunteers, the museum at Ft. Meade will not be open. Our RSVP volunteers work there all summer. We work in the nursing homes, and homes for the aged bringing a ray of sunshine to their lives. Our speech therapy group has taught one stroke patient to talk. . . . Being a retired teacher and working as clerk in the county superintendent's office for many years, I find working with senior citizens as challenging and rewarding as working with children. Both need care, love, friendship and thoughtful attention by others. As I am able to do volunteer work on week ends and on holidays, it has meant much to me. What a privilege it is to be able to aid someone and know you have made their life more meaningful and happier. Beats living alone!"

Rapid City city council resolution cited: ". . . the non-profit public and private agencies benefitting from the RSVP program have increased from four to 24 during this period [June 1975 to June 1977] including all four nursing homes, three hospitals and groups ranging from the Rapid City Police Department and the Convention Visitors Bureau of the Chamber of Commerce to the Indian Service Council, the Girl Scouts, the schools and the Head Start program . . ."

STURGIS.—"I joined RSVP four years ago. Since then I have put in over 6,500 volunteer hours at the various stations we have, and at our senior citizen center here in Sturgis. I have had three heart attacks and one light stroke which has left me very shaky. Since I have joined the RSVP I volunteer at the Ft. Meade VA hospital one day a week, week ends at the Ft. Meade Fourth Cavalry Museum. I am in charge of the wood working shop at the center, representative of the RSVP at the Ft. Mead VA hospital. I have organized the 23-piece Hill Billy band and the Snappy Six band. Both bands play at the nursing homes here in Sturgis and also play at the parades in Hills towns during their celebrations. Two years ago both bands traveled over 3,000 miles playing during the summer. Our oldest band member is 93 years old. So you see, we are helping not only the elderly, but also the handicapped and the young people (our future RSVP volunteers) who are learning that you never get too old to help the ones that need help."

STURGIS.—"My husband and I are both RSVP volunteers. We go to Ft. Meade VA hospital once a week to take wheeelchair patients to the canteen for coffee, a roll or doughnut. This gets them off the ward to where they can see other people and surroundings. It really boosts their morale, and for those who have no relatives near they feel like someone cares for them. Too, we take a patient, weather and roads permiting, for a ride through out beautiful Black Hills—this through RSVP sponsorship at no charge to them. We lived at the Box Elder Job Corps center four months as foster parents. Many of the young fellows who had problems they would not discuss with personnel would some to us. We were able to give encouragement to many to make good use of their opportunities there and give them a healthy attitude toward work and life. These people can become good, productive, taxpaying members of our country. We put in many hours collecting for meals on wheels. When we did this we spent some time with each person finding out their needs and doing what we could for them. The personal interest meant so much to them instead of just receiving a bill. In this way they received some much needed companionship. During these visits we found two people having heart attacks, summoned help and they received immediate care. We found another man ill and called his doctor. We took him 14 miles to the hospital—this at no charge. My husband taught a knitting class at the school, giving the young people a chance to learn a useful hobby. We both work in the outreach program. Here again, we can give help and companionship to people who are unable to go places and see other people—a few younger ones, but mostly older people who have no one. We also sit with the sick at times, as I am a nurse and my husband worked in the health care field for many years. I go to the nursing home to work with a stroke patient who lost her ability to speak. She can now say some words clearly and speak on the telephone. Her success gives her the incentive to work harder . . ."

Mr. Speaker, this is just a small part of the RSVP story from South Dakota. It is a story that is duplicated in other centers in my state and across the nation.●

DANIELSON COMMENDS MINORU FUJITA

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. DANIELSON. Mr. Speaker, it is with great pleasure that I bring to the attention of my colleagues a constituent of mine, Minoru Fujita of Rosemead, Calif.

Mr. Fujita has the rare distinction of being selected as 1 of 10 finalists who participated in a ceremony held in the Imperial Palace in Tokyo, Japan, before the Emperor and his family. The ceremony, a yearly event, consists of the ritual reading of poems, known as tankas, selected in a worldwide contest entered by more than 30,000 poets. The tanka is a short poem of 31 syllables.

Not only is it rare for a person living outside Japan to be among the 10 finalists, but Mr. Fujita is 1 of only 12 persons ever to have been selected to have their poems read in the imperial ceremony on two occasions.

I am sure that my colleagues join in congratulating Mr. Fujita on his rare achievement; and I am inserting in the RECORD at this time an article from the San Gabriel Valley Daily Tribune of Thursday, March 9, 1978, which gives an account of Mr. Fujita's rare achievement:

[From the San Gabriel Valley Daily Tribune, Mar. 9, 1978]

JAPAN HONORS ROSEMEAD POET 2ND TIME IN WORLDWIDE CONTEST

ROSEMEAD.—Millions of Japanese watch the ceremony each year of the ritual reading of poems, known as tankas, selected in a worldwide contest entered by more than 20,000 poets.

The ceremony, held in the Imperial Palace in Tokyo before the emperor and his family, this year had a different twist. Among the 10 poets whose works were read before the court and a television audience Jan. 12 was a Rosemead gardener named Minoru Fujita.

It's rare for a person living outside Japan to be among those whose poems are selected, as the 10 finalists, but for Fujita, the ceremony marked the second time he had been named.

"I thought I would be relaxed this year because I had been in the ceremony before (in 1971), but this time I felt the television cameras near me and saw the emperor's face watching me," said Fujita, who moved to the United States 25 years ago from his native Japan.

"I felt so much tension, just as the first time I attended the ceremony. It was very moving to me and when my name was printed so big in the newspapers in Japan, I felt so excited."

The tanka is a short poem of 31 syllables. In the Imperial ceremony, one of the assembled nobles first reads the words slowly and then another chants the poem as the author stands in recognition.

Fujita's poem is called "Mother," and he has had it translated into English. However, the style and some meaning is lost in translation because of the different connotations of words in the two languages.

Written on the Point Loma peninsula in San Diego while he watched the whales in the ocean on their annual migration up the California coast, Fujita's poem says:

"Mother and baby whales are
"Returning to Alaska, people say,
"Through, the spring sea they go,
"Blowing salt spray in harmony."

"We were at Point Loma about two or three years ago and I was so deeply moved and affected by watching them," he said, " I had also spent some time reading about the Greenpeace group (activists who go out in boats in an attempt to halt whaling boats in the north Pacific), and how they are trying to save the whales.

"I jotted down the poem about two or three years ago and this year I recalled it. I made a few changes and submitted it in the contest."

The ironic aspect of Fujita's career as a poet is that he only began writing tanka poems in the last 10 years.

"At that time, a friend of mine who is very good at writing tanka suggested I write some poems," he said. "I tried some with the help of my wife and he said they were very good. He put some of them in a book."

Since that time, the Fujitas have joined a group of Southern Californians who meet once a month at the homes of members and write tanka poetry.

"There are seven of us and we each write from three to seven poems. We read our poems and then the others give their opinions of them.

"This helps us to improve our poetry."

Fujita is one of only 12 persons ever to have been selected to have their poems read in the imperial ceremony on two occasions.●

AMENDMENT TO COAL LEASING AMENDMENTS ACT

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. RONCALIO. Mr. Speaker, prior to enactment of S. 391 (P.L. 94–377), the Mineral Leasing Act of 1920 allowed coal lessees to obtain modifications (additional acreage) of existing leases of up to 2,560 additional acres. When the Coal Leasing Amendments Act of 1975 was adopted, Congress limited such modifications to allow only an additional 160 acres. Along with this modification Interior felt that if a lessee wished to avail himself of the new modification procedure, he should pay a higher royalty rate than the traditional 17½ cents per ton rate then in existence. As a result, section 13(b) of S. 391 states that in granting modifications of up to 160 acres:

> The Secretary shall prescribe terms and conditions which shall be consistent with this Act and applicable to all of the acreage in such modified lease.

The 12½ percent royalty rate established in the 1976 law was not intended to apply to leases then in existence. The new rate was intended only for new leases, or to existing leases when their terms came up for adjustment at the next scheduled readjustment period (20 years from the date of issuance or last adjustment).

Section 13(b) of S. 391, nevertheless, is now read to mean that modifying an existing lease has the effect of treating the whole modified lease as a new lease, thereby permitting increases in royalties on the old established lease. This was not the intent of Congress.

I am introducing a bill to amend section 13(b) of S. 391, the portion of the act requiring equal terms and conditions for the old and new acreages of a modified lease. Existing contracts make it virtually impossible for coal lessees to meet the expense of 12½ percent royalty rate upped on old acreage, thus, various lease modifications have not taken place.

My bill would amend the Coal Leasing Amendments Act of 1975 by removing the language stipulating that the terms and conditions shall apply to all of the acres in the modified lease, and replacing it with language leaving the modification conditions to the discretion of the Secretary so long as they do not upset existing royalties in between the 20-year review periods now prescribed by law, and raising royalties only on the modified or new acreage, which is what Congress intended in the 1977 act.●

VOICE STRESS TEST ON PRESIDENT CARTER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. DORNAN. Mr. Speaker, I hope that my colleagues have been listening to the Panama Canal treaties debate in the Senate. It is, of course, an historical broadcast being the first time Senate proceedings have been continuously transmitted. We should also be paying close attention to the arguments pro and con since the House of Representatives may yet be called upon to approve the transfer of U.S. property in the zone as the Constitution requires.

If my colleagues have been listening they will quite expectedly hear the charges and countercharges to which we have become accustomed in debate in this body. And in listening, one must notice that all the Senators cannot be right in their statements of fact—there are too many direct contradictions.

But no one—this Member excepted—would readily believe that any Member of the other body would deliberately misstate the facts to suit his own ends during the debate. Moreover, anyone who did so believe would be basing his belief on something less than absolute knowledge. There is simply no foolproof way of knowing when another person is prefabricating or speaking falsely.

Of course, lie detectors and voice stress evaluators have been around for many years but they are fallible at times. They are more believable than fortune telling because they are at least based on tangibles. (Measurable physical changes do occur when mental stress from lying is occasioned.) But as I said, lie detectors and voice stress evaluators are fallible at times. In any case, they are fascinating implements in the guessing game of who actually believes what he is saying. Fascinating, fallible at times, but legally accepted as evidence in over a dozen states.

Because they are so fascinating, I read with interest a recent article in the National Enquirer about a voice stress test that was done on President Carter during his recent fireside chat on the Panama Canal. According to Charles R. McQuiston who is coinventor of the Psychological Stress Evaluator (PSE) and who analyzed President Carter's chat, the President did not believe what he himself was saying to the American people.

I ask that the article be included as part of my remarks and I urge my colleagues to read it. As I said, these tests are fallible at times but it does make one wonder. If the tests are accurate in this case, what does the President really believe? Unfortunately, the scientific equipment does not exist that can answer that question. The President is the only one who knows for sure. Some people can look you right square in the eye and tell whoppers, but as Shakespeare says—

TRUTH DETECTOR REVEALS—CARTER LIED ON PANAMA CANAL

President Jimmy Carter is telling whoppers when he says the new Panama Canal treaties are in America's best interest—he knows they aren't, but is trying to push the treaties through Congress anyway.

That's the conclusion of Charles R. McQuiston—who is co-inventor of the truth-detecting Psychological Stress Evaluator (PSE)—after analyzing Carter's nationally televised February 1 "Fireside Chat" on the controversial treaties, which yield U.S. control of the canal to Panama.

The PSE, which determines whether a person is lying by charting the stress patterns in his voice, is used by hundreds of U.S. law enforcement agencies and is accepted as evidence in legal proceedings in more than a dozen states.

"In terms of truthfulness, I have to question almost every statement the President made in his Fireside Chat," said McQuiston, a former U.S. intelligence officer.

"I've analyzed the voice patterns of every President since Franklin D. Roosevelt, and never before have I come across such heavy stress. It's unreal. Carter definitely wasn't leveling with the American public—and his voice patterns are the proof."

Here are excerpts from Carter's chat, followed by McQuiston's PSE analysis:

Carter: "Last summer . . . we reached and signed an agreement that is fair and beneficial to both countries."

McQuiston: "There's no way in hell he believes that. Just look at the stress on 'beneficial' and 'fair'—on a scale of 0–100 he's stressing at about 65, an out-and-out untruth."

Carter: "(We were determined) that the canal would always be open and neutral . . ."

McQuiston: " 'Open' and 'neutral' my eye! Very, very heavy stress on each of these key words. He's already promised that if the canal is not 'open' and 'neutral' he'll send in American troops to fight . . . and I believe he's scared he's laying the groundwork for another Vietnam."

Carter: "The new treaties meet all of these requirements."

McQuiston: "No! No! No! No way! This is the hardest stress I've ever seen on any President! He's convinced that the treaties don't meet any requirements. But I guess he's stuck with trying to sell it, because failure to do so would mean a real black eye for his Administration."

Carter: "The most important reason . . . to ratify the treaties is that they are in the highest national interest of the United States and will strengthen our position in the world . . ."

McQuiston: "Heavy stress here, indicating he believes just the opposite—in the long run America will be hurt, and it will be a step in our decline as a world power"

Summing up, McQuiston said: "I can't believe a thing Carter told the American public—and neither does he."

—JOHN BLACKBURN.●

RESEARCH WITH ANIMALS—PART I

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. DRINAN. Mr. Speaker, on January 23, 1978, I was pleased to introduce H.R. 10484, a bill to promote the

development of research methods which would minimize the use and suffering of animals.

To date, 22 of my colleagues in the House of Representatives have joined in cosponsoring this legislation. I am certain that they, as I, have found an increasing awareness throughout the Nation of the massive numbers of animals of many species which suffer agony and death in tax-supported, Government-mandated experimentation.

I take this opportunity to bring to the attention of my colleagues an excellent three-part series, "Research With Animals," by journalist David F. Salisbury, which appeared in the Christian Science Monitor on March 8, 9, and 10.

Mr. Salisbury devoted many weeks to a thorough examination of this issue and makes a fine presentation of the need for animals in research as well as the often pointless and unnecessary suffering undergone by animals in the name of science.

Part I of this series, "Test Animals: How Far Should We Go?", appears below, with parts II and III to follow:

TEST ANIMALS: HOW FAR SHOULD WE GO?

(By David F. Salisbury)

In Hawaii, Kenneth Le Vasseur and a friend took it on themselves to free two dolphins being used for research because they felt the creatures were too intelligent to be kept captive.

In England, activists calling themselves the Animal Liberation Front (ALF) have been conducting commando-style raids on animal laboratories and the breeders who supply them. Besides freeing the animals, the ALF has been damaging equipment and destroying research documents.

In India, Prime Minister Morarji Desai, who for religions reasons opposes killing animals, was persuaded by an animal welfare group to ban the export of rhesus monkeys because, he said, they were being used in U.S. weapons testing contrary to an international agreement.

These are examples of the extremes and emotional intensity that have characterized the battles between animal researchers and antivivisectionists. But now a more moderate attitude seems to be prevailing as researchers are starting to recognize the validity of "rights of animals" arguments.

SCIENTISTS SYMPATHIZE

At the same time, the antivivisection movement, particularly here in the United States, has a refurbished philosophy and a new willingness to work toward the reduction of animal experimentation, rather than its total abolition. Many of those opposed to animal experimentation now are engaged in dialogue with the animal research community. And scientists, particularly many younger ones, view the antivivisectionist position with unprecedented sympathy.

For several decades, the champions of animal rights had launched a series of attacks against the bastions of biomedical research with little noticeable effect.

During this period animal experimentation grew substantially. Today it is estimated that over 60 million animals are utilized as test subjects in U.S. laboratories each year, making the U.S. the largest user of animals for scientific research in the world.

Animals are involved in over 60 percent of all biological testing and experimentation here. Shampoos are squirted into the sensitive eyes of rabbits to see if they cause irritation, numbing, or eye damage. Rats are addicted to alcohol in order to test possible antidotes. Beagles are exposed to radiation to study its damaging effects. In experiments designed to test their visual capacities, cats are placed in small chambers, starved to 80 percent of their natural weight, and either shocked in the feet or rewarded with small bits of meat, depending on their response to a light. Pregnant monkeys are fed diets rich in lead to ascertain the levels that cause learning impairment in their offspring.

ARGUMENTS ABOUND

There are a number of rationales for this glut of animal experimentation. One reason is to screen the plethora of potent substances modern industry produces. Another is to explore the mechanisms underlying various illnesses in order to develop palliatives and cures. A third class of experiments are conducted to better understand the physiology and behavior of various species of animals, including man.

The philosophy that underlies this entire approach is that animals are here to serve man. "It goes back to the Judeo-Christian tradition, that God gave man dominion over the animals," argues Thurman Grafton of the National Society for Medical Research. The NSMR has been the loudest voice of the medical research community on Capitol Hill for many years. Dr. Grafton considers the use of animals in the attempt to alleviate human pain and suffering as not only ethical, but also the only intelligent course.

"I once had a lady come up to me and tell me that she would rather I experiment on her child than her pet," he recalls. "That I consider totally irrational."

With this anecdote, the scientist perpetuates a lingering stereotype of the antivisectionist, as an eccentric woman with a flowered hat who thinks more about her pets than anything else in the world.

This image, however, is being challenged. Animal welfare organizations are attracting, among others, college students, philosophers, lawyers, veterinarians, and even some biomedical researchers.

"The portrayal of those who protest against cruelty to animals as sentimental, emotional 'animal lovers' has had the effect of excluding the entire issue of our treatment of nonhumans from serious political and moral discussion," objects Peter Singer, a professor of philosophy and author of the book "Animal Liberation."

A RATIONAL BASIS

Mr. Singer has helped give the animal welfare movement a rational, if somewhat radical, moral basis in his book, published in 1975, he argues that every being that can feel pain or pleasure must be given equal consideration; that man is morally bound not to inflict unnecessary pain on another species. Failure to observe this is "specieism" analogous to sexism or racism, he says.

Although some researchers fall back on the interpretation of the Judeo-Christian tradition to justify their use of animals, Mr. Singer evokes evolutionary theory to support his contention that the difference between man and other animals is one of degree and not of kind.

In line with Mr. Singer's credo, a spirit of gradualism is gaining ascendancy among the ranks of the antivivisection movement. This is marked contrast with traditional demands for total abolition of animal experiments.

Moderate antivivisectionists argue for an immediate halt of only those experiments that serve no direct or urgent purpose. The remainder are to be replaced when and if alternative methods can be developed.

"I think 70 percent of all animal experiments can ultimately be eliminated," says Michael Fox, a veterinarian working with the Humane Society of the U.S.

This assessment, however, is rooted in an extremely pessimistic view of current biomedical research. "I would hazard that of the $4 to $5 billion dollars spent annually, 60 percent is wasted," Dr. Fox stresses.

FOCUS QUESTIONED

He and many of his colleagues criticize basic biomedical research as lacking focus on relevant problems, filled with needless repetition, and rife with logical fallacy.

In the case of applied research, many antivivisectionists favor a ban on animal testing for products that are "nonessential."

One rebuttal to the criticisms concerning basic research is that biological processes are extremely complicated. Knowledge is still quite limited, it is argued. Basic research is needed to increase this knowledge, which could be of vital importance sometime in the future.

Competition for funding and the "peer review" process where committees of established scientists screen grant proposals and choose the most deserving are supposed to keep unnecessary duplication and poor experiments to a minimum. But to Dr. Fox peer review is filled with cronyism. And W. Jean Dodd of the New York State Health Department adds that there are not enough "animal people" to review all the proposals to catch those that are inhumane or improperly designed. Dr. Dodd is vice-chairman of the Institute of Laboratory Animal Resources of the National Academy of Sciences.

To answer critics of experiments that serve no direct benefit. Dr. Grafton cites the development of phenathiazine. This is a derivative of coal tar that was developed as a part of basic research into commercial dyes. A scientist decided to test it for biological effects. Now most tranquilizers are derived from it.

Dr. Fox, however, sees products like tranquilizers as an example of treating symptoms rather than solving basic problems, in this case stressful environments. He says that efforts should be made to remove the causes of anxiety rather than treating it chemically.

"As an idealist, I too, would like to be able to remove the cause of these problems," says Dr. Grafton. "But sometimes it's out of reach. When that's the case, treating the symptoms so the individual can continue to function is better than doing nothing at all.

SACCHARIN IS EXAMPLE

As far as banning all animal testing for nonessentials, many scientists class this as impractical. It has proven difficult to remove these sorts of products from the market even when there is impelling evidence that they are harmful. The artificial sweetener saccharin, is a case in point. Although animal experiments strongly suggest that this is a weak carcinogen, public outcry over attempts to ban it was such that Congress has given the substance an 18-month reprieve and mandated further studies.

So far pro-research groups such as NSMR have effectively opposed any significant legislation that would limit animal research.

And scientific research routinely has been exempted from most animal cruelty laws at the state level. Also federal legislation licensing animal laboratories is relatively permissive and weak.

The Animal Welfare Act, as amended in 1970, sets out requirements for cage sizes, proper ventilation, sanitation, and other aspects of animal care. But the act gives only U.S. Department of Agriculture (USDA) veterinarians (who enforce it) power to issue cease and desist orders.

Moreover, the USDA has decided that rodents along with birds and livestock do not qualify as laboratory animals although they are the most widely used.

Many critics, including David Bromwell, who heads Illinois' animal inspection efforts, charge that about all the federal inspectors do is write and shuffle reports. "I know of one case where all the information has been in Washington for two years and nothing has been done to correct the situation," says Mr. Bromwell.

SENSITIVITY HAS INCREASED

In defense, Dr. Dale Schwindaman, who heads the USDA inspection team, explains that his staff must often work indirectly because of legal and manpower limitations. As for inhumane treatment, animal dealers are a far greater problem than research laboratories, he says.

Dr. Schwindaman adds that the sensitivity of scientists to this issue has increased greatly in the last 10 years. This perception is confirmed by Christine Stevens, head of the Animal Welfare Institute, who feels the "tremendous resistance of the past" is softening.

The arguments of the moderate antivivisectionists appear to be making unprecedented inroads within the biomedical research community itself.

The first open break came last October when the council of the Federation of American Scientists issued a statement on animal rights. In their newsletter the group quoted that there are legitimate formal questions to be answered and took animal experimenters to task for overreacting "not only to any constructive proposals for change but even to minor turns of phrase in little-read government documents.

Perhaps surprisingly the attitudes of the scientific community toward animal welfare issues appear to be shifting faster than those of the general public. The public's position, in fact, seems confusingly inconsistent.

In general people seem to favor animal experimentation. The consumer movement is pushing strenuously for increased assurances of the safety of a host of different products, and in many cases this involves widespread animal testing. Every so often, however, a specific instance of animal research is given media attention and arouses widespread opposition.

The most extreme case occurred in 1973, when U.S. Rep. Les Aspin (D) of Wisconsin learned that the Air Force and the Army were buying several hundred beagles for tests with poisonous gas. Antivivisectionists decried these experiments with large advertisements in a number of major newspapers. The result was a deluge of mail that the Department of Defense acknowledged surpassed even that received regarding the bombings of North Vietnam and Cambodia.

But this phenomenal response did not result in broader demands that experiments involving almost 200,000 other dogs that year be reviewed or stopped. Furthermore, if the military had been experimenting on rats or even monkeys, many believe that the outcry would have been considerably more muted. Antivivisectionists say that public outrage involving experiments with "pet" species is far stronger than that concerning other types of animals.

Next: Is cruelty necessary? ●

PERSONAL EXPLANATION

HON. MARTHA KEYS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Ms. KEYS. Mr. Speaker, on Friday, March 10, 1978, I was unavoidably absent from the House. Had I been present, I would have voted on matters coming before the House as follows:

"Yea" on rollcall No. 129, passage of H.R. 10982, to rescind certain budget authority contained in the message of the President of January 27, 1978.●

BIG BROTHER AND SATURDAY MORNING SWEETNESS

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. BAUMAN. Mr. Speaker, a great brouhaha is brewing over the issue of whether or not television induces children to eat too much sugar. Every Saturday morning, what now passes for children's cartoons are frequently interrupted by commercials for liberally sweetened cereals which Mikie apparently has never suffered a second's doubt about. Kids love cereal and television executives in New York love to chalk up on their corporate balance sheets the income from cereal advertisements.

Now along comes the Federal Trade Commission to tell us that television is corrupting our children with its incessant Saturday morning sugar pitch. A rule banning all such advertising aimed at children 12 years old or younger has been published by the FTC, which seeks public comment on the proposal.

Television station WBOC in Salisbury, Md., is the largest station in my district. The station has commented, quite perceptively in my view, on the proposed rule and I commend WBOC's thoughts to my colleagues:

FTC CHILDREN'S ADVERTISING

In the event you forget that our big uncle in Washington is always on the lookout for ways to dictate your life, consider the case of the Federal Trade Commission. It has now initiated a rule, which if adopted, would do away with advertising on programs aimed for children 12 and under.

Why? Well, now it seems that the culprit is the sugar-toasted cereals . . . that children are eating more and more of them, and since they contain so much sugar, children are getting more and more cavities. So, the FTC reasons, children should not be allowed to see these ads . . . and if they disappear from the TV screen, children will revert to other cereals and will stop eating those with excess sugar.

Where have we heard that before? Many years ago, Congress banned the advertising of cigarettes on television . . . and such advertising is still banned. Of course you can pick up your local paper any day of the week and find a full-page ad for one brand or another. But the theory was . . . take the ads off television, and people will stop smoking so much. We don't need to tell you that cigarette sales today are considerably higher now than they were before the ban.

So . . . sugar coated cereals are bad for children, the FTC says . . . take the ads off the air, and let the children go back to unsweetened cereal, to which they'll add their own 2 or 3 spoonfuls of sugar.

But the real point came when, at the FTC hearing, the statement was made that parents were increasingly unable to cope with the pressures of avertising. An FTC commissioner then rose and said, "I'd like to know what's happening to parents?" We would too . . . for the parents are the ones who buy the cereals . . . not the children. But, it's always easier to blame TV.●

THE FARMER'S NEED FOR A FAIR RETURN

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. BAUMAN. Mr. Speaker, we have all heard a great deal recently about the plight of the American farmer. I have thousands of farmers in my district and their crisis is one to which I have devoted a tremendous amount of time, effort, and thought. We must help our farmers now before it is too late.

My good friend, columnist James J. Kilpatrick, pointed out recently in an oustanding article published in the February, 1978, issue of Nation's Business that before we can help the farmers we must first understand their unique way of life and the crucial importance of preserving that life. With his characteristic good sense and finely spun prose, Kilpatrick takes us from the peculiar crisis of Jimmy Fall's cow to the immense difficulties every man of the soil must confront every day of his life.

I commend this article to my colleagues, particularly those who represent nonfarm districts. Believe me, gentlemen, if we do not help our farmers now, those grocery shelves are going to be awfully barren this summer. Hungry people do not vote for incumbents.

THE FARMER'S NEED FOR A FAIR RETURN

(By James J. Kilpatrick)

One night not long ago a freezing rain was falling over Rappahannock County. I awoke in pitch blackness, somewhere around four in the morning, conscious of lights where there ought not to be lights. A glance confirmed my guess. It was Jimmy Falls in his pickup truck, driving across the pasture just beyond our fence. He had gone out to help a young cow which was having trouble giving birth to a calf.

I mention the incident not because there was anything unusual about it, but precisely because there was nothing unusual about it. Jimmy Falls is my neighbor. He is a strong, slender, level-eyed fellow in his early forties. He teaches Sunday School in the Woodville Baptist Church. He and his wife, Myrtle, operate her father's country store. Jimmy is a professional farmer, earning his living primarily from a modest cow/calf operation. His few hundred acres are small potatoes compared to the great ranches of Texas, New Mexico, and California; his investment doesn't touch the enormous investment one encounters on the farms of the Midwest; he has none of the problems of payroll and paperwork that must be handled on truck farms and vineyards.

But James H. Falls, of Rappahannock County, Va., shares with his brother farmers across the nation a common burden and a common need. They work like the devil; and relatively speaking, they get damned little for it.

American farmers need understanding. They need what is known around our house

as a little TLC—Tender Loving Care. On the day that Jimmy Falls was serving as obstetrician to a cow, a farmers' caravan was making its way toward Washington for a demonstration of protest. Down in Georgia and in parts of the Midwest, a number of farm spokesmen were talking strike. As it turned out, it was all kind of pathetic. The protestors were too polite to disrupt traffic; they stopped their tractors when the lights changed to red. The strike fizzled, as it was bound to fizzle. The nature of farmers and the nature of farming form an ineffective combination when it comes to waging economic warfare. Lo, the poor farmers! Longshoremen they are not.

Let me talk for a few minutes about the farmers. There are not many of them left. Over the past 25 years the number of farms has dropped from 5.2 million to 2.7 million. Today farm workers constitute less than four percent of our total force. Only about eight million persons live on farms, as the Census Bureau defines a farm, and the number drops steadily year by year.

These farms families, few as they are, work harder and longer than any other group in our economy. On the typical dairy farm, the proprietor knows no such thing as a day off; his cows have to be milked, morning and evening, seven days a week. In the South, they call tobacco the 13-month crop because something always needs to be done. In the Midwest, even in the depths of winter, when cropland is frozen, the work of maintenance goes on unceasingly. Machinery has relieved much of the manual burden, especially in wheat and corn and dairy operations, but a vast deal of hard physical labor remains. Much of that labor must be performed under miserable conditions—in mud or dust or brutal heat or sub-zero cold.

If it weren't for the machinery, the whole incredible operation would collapse. Taking one crop with another, the farmer is forever planting, irrigating, pumping, spraying, cultivating, harvesting, and shipping. It is increasingly expensive to maintain and operate this machinery, and it becomes formidably expensive to replace it. Farm production costs have exactly doubled since 1967.

The combination of hard work and fine machinery produces results that stagger the statisticians. No other sector of the economy approaches agriculture in terms of productivity gains. Hybrid seeds, effective pesticides, precisely compounded fertilizers, marvelously efficient facilities for poultry and beef and milk production—all these add up to an industry that performs superbly. American farmers feed Americans to the point that obesity is our most universal affliction and dieting the most popular pastime. Farm exports provide our largest source of foreign exchange. No farmers in the world achieve the levels of production that ours achieve.

In a recent address at Hillsdale College in Hillsdale, Mich., former Agriculture Secretary Earl Butz put some of the statistics in human perspective. As recently as 35 years ago one American farm worker produced enough food for himself and about nine other persons. Today one farm worker produces enough for himself and 50 other persons. On the most efficient farms, Mr. Butz said, a single worker produces enough to feed a hundred other persons.

What does all this mean to the consumer? Mr. Butz had some figures. As a nation, he said, we now get our food for a little less than 17 percent of our take-home pay, on average. This compares with 23 percent just 25 years ago, and the current figure demands a footnote: The 17 percent includes not only the meats, fresh fruits, vegetables, and canned goods that we buy in the grocery stores; it also includes all the frozen TV dinners and delicatessen items, and about one third of the cost of meals eaten outside the home.

"Because we spend only 17 percent of take-home pay for food," Mr. Butz observed, "we keep 83 percent to spend on something else or to save. That's why it's possible in the U. S. for more than 90 percent of our families to have a TV set and about half to have two sets; for some 85 percent of our families to have an automobile and more than 40 percent to have two cars; for nearly all of our families to have electricity, indoor plumbing, radio, and a host of other things and services that were anything but commonplace a generation ago."

Making some allowance for the enthusiastic rhetoric of a former Secretary of Agriculture, that's a fair picture of what farming means to the American consumer. What does it mean to the American farmer?

His income, on the average, has dropped every year for the past four years. The final figures are not in for 1977, but they probably will indicate total farm income about 40 percent below the banner year of 1973. Cattlemen did a little better last year, after four years of heavy losses, but other farmers had a rough time of it. Sen. William Proxmire, in a letter to his Wisconsin constituents, compared prices in the fall of 1977 to prices a year earlier: Wheat was down from $2.88 a bushel to $2.17, corn from $2.60 to $1.59, and soybeans from $6.65 to $4.81. The situation sometimes is explained in terms of parity, the legislative index keyed to the purchasing power of farm commodities in 1910–14. Farm prices in 1977 were at roughly 63 percent of the parity index, meaning farmers had the lowest level of purchasing power in 44 years.

That is what has been happening to the farmer on the income side. On the expense side, everything has been going up. The pickup truck that cost $3,300 four years ago is $5,650 or more today. The tractor that was $10,800 is now $18,800. Gasoline costs have almost doubled in this period; the ton of anhydrous ammonia that was $92 in 1973 is $188 today. Seeds, pesticides, fertilizers, spare parts, fencing, labor—most of these expenses have gone out of sight. And the farmers, prisoners of their own productivity, are barely managing to survive in this inflationary time.

Because I live in a rural county, where farming is pretty much the economic be-all and end-all, I may not be wholly objective on these matters. We have been through two bad years in Rappahannock County, and these were bad years for different reasons. In 1976 our peach and apple growers had such bountiful yields that they scarcely could give their fruit away. In 1977 their orchards were caressed by balmy days in April and stunned by freezing nights in May; and the crop was ten to 15 percent of normal. This is how it goes. It is always easier to lament the bad years than to recall the good ones—and there have indeed been good years with good profits.

Short of total government subsidization, which no one wants to see, there is no way that farmers can be guaranteed a fair return on their investment every year. The production of food is certainly as vital to the economy as the production of electric power or the transportation of goods, but farming cannot be transformed into a regulated public utility. We cannot have rate hearings on corn as we have them on telephones. For good or ill, the free market has to be permitted to work its way.

What is needed, first of all, or so it seems to me, is a wider understanding of the farmer's need for a fair profit. Apart from the intangible values of country living, this is the only incentive he has to stay on the farm. Farming may not make much sense with profits, but it makes none at all without them. Nobody but a blockhead would, to mention only a single example, ever raise chickens unless he thought there was some money in it. But this understanding is far from perfect. Secretary Butz has been greeted by young protestors carrying puerile placards: "Food is for people, not for profit." To which the answer is: The hell you say.

Second, we ought to resist farmers' demands, born of the anguish of a few bad years, that government intrude more deeply into the marketing process. The feed grain legislation that becomes effective in 1978 is as far as we ought to go. It is all very well to talk of price supports, parity payments, set-asides, and outright subsidies in terms of stabilizing influences. A little stability is fine; too much can mean disaster.

Farming has to stay risky. There is no other way the industry can operate, because nature can be controlled or moderated or compensated for only to a point. Beyond that point, the farmer has to take his licks. But the other side of that proposition is that in good times he must be permitted to earn a far better return than he has been seeing lately. We Americans are not paying nearly enough for our food. That is the long and short of it, and it simply isn't fair.

I forgot to tell you about Jimmy Falls's cow. She gave birth to twin calves. They're doing fine, even if the cattlemen aren't.●

INTERNAL SECURITY AMENDMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. ASHBROOK. Mr. Speaker, the motion which I offered today is familiar to most of my colleagues. It recommits the funding resolution for the Committee on the Judiciary with instructions to allocate $300,000 for the internal security functions of the committee.

As you may recall, in the 94th Congress the House abolished the House Committee on Internal Security. The functions of that committee were transfered to the Committee on the Judiciary. Under rule X, clause (m) (19), one of the mandates for the Committee on the Judiciary is as follows:

> Communist and other subversive activities affecting the internal security of the United States.

Unfortunately the Judiciary Committee has done virtually nothing to carry out that mandate. This is in no way meant as a criticism of our able chairman. Even before acquiring the new jurisdiction he made it clear that he did not want the added responsibility. Nevertheless it still is the responsibility of the committee under rule X, clause (m) (19) and I believe these functions should either be conducted by the Committee on the Judiciary or the House should move to reestablish an Internal Security Committee.

I am certainly not alone in my views. There is broad support in this body for doing more in the internal security area. At last count fully 173 Members are sponsoring legislation to restore the House Committee in Internal Security.

When the Internal Security Committee was alive it played an important role

in investigating and exposing the activities of subversive revolutionary and terrorist groups such as the Students for a Democratic Society (SDS), the Symbionese Liberation Army and the Communist Party U.S.A. Its destruction has left a great void. I urge my colleagues to support my motion to recommit so that we can resume this important work.●

GUS SPETH ON CANCER AND CHEMICALS

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. BINGHAM. Mr. Speaker, last year's debate over the proposed FDA ban on saccharin was not a particularly edifying experience. Industry spokesmen, news commentators, and some lawmakers were quick to ridicule as alarmists those who would ban a useful additive like saccharin on the basis of tests on animals. This ridicule—complete with cartoons and jokes—is but one example of a recent trend which downplays the risks of cancer.

I supported the ban and continue to do so. (The present moratorium under which saccharin is still sold but is labeled as harmful is far from an adequate solution.) It is my feeling that the shocking rise in cancer incidence is something we should properly be alarmed about. In 1900, cancer was eighth on the list of causes of death among Americans, accounting for 64 deaths in every 100,000 persons; by 1970 cancer was second only to heart disease as a killer and accounted for 163 deaths for every 100,000 persons. An estimated 900,000 new cancers will be diagnosed this year and 360,000 Americans will die of the disease. We are told by the American Cancer Society that one in every four of us will develop the disease.

The rise in the cancer rate is beyond anything we might have expected on the basis of the increasing age of the population. By 1960 cancer mortality in the United States was already about double that which might have been predicted. The World Health Organization and many of our most respected researchers are convinced that the jump in the cancer rate is a product of environmental factors. Nitrates and nitrites, cigarettes, radiation, and aflatoxins have all been linked to cancer. Since World War II thousands of new chemicals have been introduced into the environment. It is essential that we test as many of these chemicals as possible and that we limit production and use of those that are demonstrated to be carcinogenic.

In an excellent piece in last Thursday's New York Times, Gus Speth, a member of the Council on Environmental Quality, and chairman of President Carter's task force on toxic substances, explains the necessity of relying on animal tests and also why we must be prepared to move swiftly against any chemical which repeatedly tests positive.

Mr. Speth concludes:

In a matter so grave as cancer, making of social policy cannot wait for our scientists to give us the precision we would prefer in regulating hazardous chemicals. Until we have precise methods for determining chemical safety, prudence must prevail. We must regard suspect chemicals, indicted on the imperfect evidence of animal tests, as guilty until proven innocent.

I commend Gus Speth for his article and hope it will be widely read. I am pleased that the Carter administration through Mr. Speth's task force and Secretary Califano's antismoking campaign has shown that it takes the cancer epidemic seriously and is prepared to wage war against it.

SCIENCE—AND PRUDENCE—IN CANCER PREVENTION

(By Gus Speth)

WASHINGTON.—The Carter Administration is now preparing to move aggressively against cancer-causing chemicals in the home, the workplace and the general environment. Today cancer is our second leading killer, and a concerted, Government-wide attack on the substances that cause much of it is essential.

This strategy of prevention is bound to fail, however, if those whom it is designed to protect do not understand the basis for chemical regulation. The recent controversy on the proposed Food and Drug Administration ban on saccharin treated us to a dangerous amount of hilarity about the high dosage levels used in animal tests and demonstrated the prevalence of misunderstanding in this area.

Too often one hears claims such as these: Just because a chemical causes cancer in rats or other experimental animals doesn't mean it causes it in humans.

In fact, there is wide agreement among scientists that animal testing provides valid, reliable prediction of whether a substance will cause cancer in humans. With one or possibly two exceptions, every chemical known to cause cancer in humans also causes it in animals.

The only alternative to animal testing today is human testing: Allow the chemical on the market and await the results. That's been the pattern to date, and the drawbacks are serious. It typically takes cancer from 15 to 40 years to show up after exposure. By the time the carcinogen has been positively identified, many thousands may have already contracted cancer. Moreover, studies of cancer rates in human groups are difficult and lengthy. Even they frequently fail to demonstrate a direct link demanded between cause and effect. Thus, given the present state of our knowledge, the only prudent course is for us to heed the results of animal tests even though they do not provide sure proof of human carcinogenicity.

Any chemical, if fed in sufficiently large amounts, will cause cancer in test animals.

This is flatly false. The ability to cause cancer is a relatively rare phenomenon exhibited by only a small portion of the many hundreds of thousands of chemicals. To date, less than 20 percent of over 6,000 suspect chemicals have been found to cause cancer. Most chemicals are not even suspect.

Large doses are used to detect a chemical's potential to cause cancer, not to duplicate the exposure conditions one is likely to encounter in the environment. The reasons for using such doses in animal tests are practical ones with scientific validity.

A two-year study involving 600 animals costs between $150,000 and $300,000, so there are strict economic limits on the number of animals that can be used. The tester must therefore exaggerate the dose to produce enough cancers to give statistically significant evidence of a chemical's effect in his relatively small test population. If low doses were used on a 600 animal population, a carcinogenic effect that could cause thousands of cases of cancer in a population of 200 million could go entirely undetected in the test.

Exposures to very small amounts of carcinogens pose little or no risk of cancer.

On the contrary, we know that exceedingly small amounts of chemicals can cause cancer. Indeed, there is scientific uncertainty today on whether "no effect" or safe exposure levels even exist for carcinogens. Despite this difference of opinion, there is broad agreement on this: So far, we have no scientific basis for setting a safe threshold dose for a carcinogen. Until such a scientific basis is demonstrated, if we have to make a mistake we should make a mistake in the direction of protecting public health. And that means we assume, for the present, that there is no safe level for a carcinogen.

In a matter so grave as cancer, makers of social policy cannot wait for our scientists to give us the precision we would prefer in regulating hazardous chemicals. Until we have precise methods for determining chemical safety, prudence must prevail. We must regard suspect chemicals, indicted on the imperfect evidence of animal tests, guilty until proved innocent.●

THE PRESIDENT'S TRAINMAN

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. SARASIN. Mr. Speaker, the National Railroad Passenger Corporation, known to most of us as Amtrak, has certainly had its share of problems in attempting to operate the rail system it inherited.

Now it appears that they will be forced to face one more problem, one which Amtrak has done nothing to deserve.

President Carter is attempting to have the Senate approve the nomination of Frank Neel to the Board of Directors of Amtrak as a consumer representative. The problem this presents for Amtrak is that the law creating Amtrak specifies that no more than five of the members of the nine-person Board may be from the same political party, and Mr. Neel who devoted a good deal of time and effort raising funds for the Democratic Party and serving on the President's peanut brigade would bring the total number of Democrats serving on the Board to six.

Now as we all know, where there is a will there is a way and now we are being told by the administration that Mr. Neel is a born again independent. Another small problem exists as to Mr. Neel's qualifications in that by his own admission he has not even ridden on a train since 1964, and that as president of an air conditioning firm he is to serve as a consumer representative.

Mr. Speaker, I would like to insert an editorial which appeared in the Boston Herald American which raises some rather pointed questions about Mr. Neel's qualifications to serve in this highly sensitive post. I am hopeful that these questions would be answered before the Senate acts on this nomination.

The article follows:

THE PRESIDENT'S TRAINMAN

Hard on the heels of the Marston Affair—which revealed that for the Carter Administration a "non-partisan" federal judiciary means that no Republicans need apply—comes a new lesson in political cronyism and chicanery.

It is the nomination of Frank Neel as the politically "independent" consumer representative on Amtrak's board of directors. There are at least three things wrong with the nomination: Mr. Neel isn't politically independent, he is a rather poor choice to represent consumers' interests and he seems to have almost no knowledge or experience in running the nation's trains.

What he has going for him is the fact that he is from Georgia and he has a lot of experience as a Democratic campaigner and fund-raiser for his old friend, Jimmy Carter, who has nominated him for the vacancy on Amtrak's board.

The problem is that the Amtrak statute says specifically that no more than five members of the board may be Democrats (there are already five) and that at least three must be consumer representatives (there are only two now.).

Mr. Carter has solved the problem by simply declaring that Mr. Neel will represent consumers and that he is a re-born independent, despite the fact that he has done yeoman service for the Democratic party in three of the President's campaigns and served on Georgia's Democratic central committee.

His background as a successful air-conditioning contractor may not be exactly what Congress had in mind when it stipulated that the board must have three consumer representatives, but if he can keep Amtrak's passengers from melting in July and August we suppose the background will be useful.

As for general qualifications to help run the railroad, Mr. Neel confesses that he has not ridden on a train since 1964.

It is entirely possible that inexperience, in this instance, is an asset, since Amtrak hasn't been exactly thriving under the guiding hand of the experts. But we're glad that the Senate has decided to postpone Mr. Neel's confirmation for the job in order to ask him a few more questions. Quite a few have been asked already that haven't really been answered.●

MORTON M. WINSTON

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. WAXMAN. Mr. Speaker, Mr. Morton M Winston, chairman of the Craft and Folk Art Museum of Los Angeles, will be honored at the museum's second anniversary dinner-dance on April 15, 1978. Mr. Winston is completing his second year as chairman. He is receiving a testimonial dinner not just because of his position but also because of his great achievements. Morton Winston has guided CAFAM in the direction of fiscal responsibility to expand its programs, increase its publications, and increase membership and public participation, while maintaining expenses within the limits of budget and income.

Morton Winston, president of Tosco Corp. in Century City, became associated with the company in 1964, and rose through several positions to become president and chief executive officer in 1976. Graduating from the University of Vermont, he attended Harvard Law School, where he was elected to the Harvard Law Review and was graduated magna cum laude. During 1959 Mr. Winston was law clerk to the late Justice Felix Frankfurter of the U.S. Supreme Court.

After active service in the U.S. Coast Guard Reserve, he was associated for a number of years with the firm of Cleary, Gottlieb, Steen & Hamilton in Washington, D.C., and New York. Mr. Winston is a director of Baker International Corp., Orange, Calif., chairman of the board of trustees of the Craft and Folk Art Museum of Los Angeles, and a member of the City of Hope board of trustees.

The Craft and Folk Art Museum fosters and encourages the individual expression of folk artists and contemporary craftsmen. Its goals are tied to the needs of the community and an obligation to excellence as one of the world's largest centers of contemporary and traditional crafts. A strong, innovative educational program is the dominant aim. Varied highly professional exhibitions are complemented by scholarly catalogs; a newsletter; coordinated films; lectures and concerts; short-term classes and seminars; in-service training for teachers. The museum also conducts a community outreach program through which traveling exhibitions are sent to factories, banks, schools, and other community and business centers, often in areas without organized cultural offerings. Continuance of the programs provides preservation of folk heritage and support of contemporary crafts for future generations. The significance of CAFAM in America today was acknowledged this past year when the museum received a $100,000 National Endowment for the Arts Challenge grant—one of only eight art museums in the country to receive it.

I ask the Members to join with me in paying tribute to Morton M. Winston for his devotion and contributions to the Craft and Folk Art Museum of Los Angeles, and to the museum itself for providing a valuable artistic asset to our city.●

PALESTINIAN TERRORIST ATTACK

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. MINISH. Mr. Speaker, it was with profound sorrow and deep alarm that I learned over this past weekend of the latest terrorist attack against the people and the State of Israel.

At a time when we all continue to sincerely hope and pray that a lasting and meaningful peace may yet be achieved in this most troubled part of the world, the newest atrocity is especially distressing.

Forty-one persons have reportedly been killed and another 76 were wounded as a result of the raid on the Israeli coastal area by Palestinian commandos. According to the press, Al Fatah, an arm of the Palestinian Liberation Organization, has claimed responsibility for the murder and maiming of innocent civilians, including children.

Mr. Speaker, these actions are to be strongly condemned as barbaric and utterly criminal by all civilized societies. I call upon our Government to seek all means by which nations who renounce barbarism may isolate any peoples or countries giving sanctuary or support to those engaged in wanton murder and terrorism such as we witnessed in Israel this weekend.●

SEA POWER AND THE MERCHANT MARINE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. BOB WILSON. Mr. Speaker, oceanic commerce has become so important that the very survival of nations and the welfare of their peoples are dependent on the free use of the seas. On any given day, there are more than 5,000 ships at sea along the world's trade routes. The deliberate disruption of the economic system of the advanced industrial nations would be a catastrophe of tremendous proportions.

The Soviet Union has grasped the meaning of command of the sea. Behind the maritime ambitions of Kremlin leadership is the realization that confrontation in the East-West conflict is shifting evermore strongly from land to sea.

In a speech before the Altrusa Club of Denver, Colo., Rear Adm. George H. Miller, an authority on sea power and maritime strategy, alerts us to the rather precarious position the United States is in with regard to resupplying our forces in the event of a war in Europe. I would hope my colleagues would consider his views most carefully.

The speech follows:

SEA POWER AND THE MERCHANT MARINE

I am here to talk about the United States Merchant Marine, what it means to you in Denver. I am going to talk about the role of the Merchant Marine as part of our Nation's Sea Power, its role in national defense; about its role in your economic life; and about the role of the Merchant Marine in the very survival of our country.

First, let us look at national defense. The role of the U.S. Merchant Marine in national defense is established by law, more clearly perhaps and in more detail than even the roles of the Armed Services. The law I refer to is the Merchant Marine Act of 1936, as updated in 1970.

The Merchant Marine Act begins with the words "It is necessary for the national defense . . . that the United States shall have a merchant marine." The law goes on to state that the U. S. Merchant Marine "shall be capable of serving as a naval auxiliary in time of war or national emergency." In other words, the U. S. Merchant Marine is an

auxiliary Navy, a Reserve Navy, a reserve pool of ships and trained seamen ready to serve as part of the Navy—as supply ships, troop transports, carriers of critical raw materials, and even combat ships in time of war. In World War II, for example, the U. S. converted 100 merchant ships to service as aircraft carriers.

Here is one example of how necessary the Merchant Marine is to national defense, not in some theoretical situation but here, now, today.

You, the people of the United States, the people of Denver, have an American Army in Germany today. It is an army of close to 300 thousand young soldiers, many of them from Colorado. In addition to these soldiers, you have there at least as many more civilians, including dependents. Some of you in this audience may know some of them, some may even be your daughters and sons.

As Americans, you want assurance that your sons and daughters sent to defend U.S. interests on foreign soil will have everything they need to carry on as long as may be necessary. It is not enough to have assurances that they are the best trained, best equipped soldiers in the world. How secure, how adequate is their line of supply? Will they have everything it takes to stay and fight—and win? Is the U. S. maintaining the back-up necessary to maintain the American Army in Europe if war comes? Does the United States maintain the proper combination of airlift, sealift and European stockpiling? How ready is the U. S. war-time industrial back-up? How secure are the sea communications to the overseas raw materials that the U. S. war industries require?

In 1976, Defense Secretary Donald Rumsfeld in his budget presentation to Congress, stated:

"The present assessment is that the current fleet can control the North Atlantic sea lanes to Europe, but only after serious losses to U. S. and allied shipping. . . ."

In March, 1977, The Chief of Naval Operations used virtually the same words to describe the present inadequacy of U. S. naval strength in a NATO war. What is the nature of the serious losses the Secretary of Defense and Chief of Naval Operations had in mind—in terms of first-line military personnel and equipment, valuable supplies, and time required to replace lost ships and cargoes?

Military analyst George C. Wilson, writing in the January 15 issue of the Washington Post referred to Defense officials who "asserted that Germany would handle resupply during a war."

Is this what you have in mind when you send your army overseas to help defend our country—let someone else take care of supplying them? Nonetheless, the Defense Department does not at this time appear to have a workable plan to support the American Army in Germany. Military planners are apparently assuming—hoping, in plain language—that a NATO land war could last only a few weeks. Yet, no agreement with the Soviets seems to exist to the effect that the war will end according to the schedule U.S. planners assume. The question then is what happens to the hundreds of thousands of young Americans in Germany if the fighting continues beyond the few weeks. I remember vividly another army of young Americans that was stationed overseas in the name of national defense without an adequate Navy and Merchant Marine to support it. Many of you here may have heard about it—the Bataan death march in 1942? Can America afford to leave the support of an American Army overseas to others?

One popular view of recent years is that, "We'll just fly everything over." But as military analyst Robert D. Heinl, Jr. of the Detroit News writes in the February issue of Sea Power magazine, ". . . a land (air) base is a very large, very stationary target. . . . Its location down to the nearest yard is logged in the enemy's target files for the next war's first strike." Thus, the American Army in Germany cannot expect enough help from air transport once the shooting starts.

Another popular Pentagon theory is to stockpile additional military equipment in European supply dumps. But those who advocate stockpiling as a solution to the resupply problem should know that the location of stockpiled U.S. Army equipment is also logged in the enemy's target files.

Others advocate solving the shipping shortage by depending on allied and other foreign flag ships to take care of America's war supply needs. It is doubtful, however, that anyone with previous war planning experience really believes that foreign flag ships with foreign crews, even those owned by U.S. corporations, would come rushing to rescue the American Army from foreign beaches if a Dunkirk-like evacuation becomes necessary.

Let's forget the myth that "someone else" will "take care of" American forces overseas when the going gets tough. The lives and combat effectiveness of U.S. troops on foreign shores depend upon the ability of the U.S. Navy, the U.S. Merchant Marine and U.S. industry to supply over 95 percent of the military back-up necessary to continue the fight.

The shortage of U.S. merchant ships to meet wartime demands is more severe than most Americans realize. The Merchant Marine Act states that the U.S. Merchant Marine shall be capable of carrying all domestic and a substantial portion of the foreign waterborne commerce of the United States. The term "substantial portion" is interpreted in Congressional testimony as a minimum of 50 percent. The law makes the Secretary of Commerce responsible for having a program to acquire such a merchant marine.

But the fact is that the present U.S. Merchant Marine has about 577 ships capable of carrying only 5 percent of U.S. foreign commerce. Moreover, the Secretary of Commerce does not have a program for building up the U.S. Merchant Marine to the level required by law. Actually, the U.S. Merchant Marine should have closer to 5000 ships than the 577 ships it now has.

It simply comes down to this. The United States Government now has considerably more soldiers and dependents in Europe than it is able to supply if war comes. This is the kind of situation that resulted in the Bataan Death March in World War II. Let us not take too lightly the grave responsibility the United States assumes for support and protection of the American Army we now have in Europe. Land-minded Defense officials appear unaware that modern, high-speed sea transportation is essential to the support and survival of U.S forces overseas.

Let us examine the economic aspects of water transportation. But in discussing economic aspects let us not forget that the cost of transportation is an important factor—indeed perhaps a controlling factor—in military operations. For example, if you spend too large a portion of your national defense resources just getting there, you have less to work with at the point of combat.

When you think in terms of relative transportation costs, keep in mind these figures:

For about 1 dollar, you can move one ton of cargo 1 or 2 miles by air transport, 14 miles by truck, 70 miles by rail or 250 miles by water. Also keep in mind that everything you use these days, including the seeds for your backyard vegetable garden, has transportation figured into its cost. I might add at this point that as fuel becomes more scarce and expensive the United States may be compelled to put more emphasis on water transportation. It is cheaper and requires less fuel.

Since all of you are, or should be, working on your income tax returns about this time of year, it is a good time to reflect on how much of your income tax bite goes for subsidizing the various forms of transportation—air, truck, rail and water—and what you, the taxpayer, are getting for it. If all the facts were known about what American taxpayers pay in subsidies for the various forms of transportation, you would probably learn that those systems which cost the most in ton-miles of transportation also get the most subsidy. Thus far, I have found no agency willing to undertake a comprehensive study of all transportation subsidies. But you, the taxpayers, do have a right to know.

One cannot go very deeply into transportation costs without coming to the Panama Canal issue. If the United States gives up control of the Panama Canal, the damage to the economic and national defense interests of the United States will be enormous, beyond anything I have heard in public discussions. For example:

No matter how the treaty is worded, it will be possible for unfriendly elements to close the canal for "repairs," for example, or "to preserve some species of fish," or to "prevent sabotage," or perhaps for better reasons, at a time the United States may need it most urgently.

With the Canal closed or out of commission, the cost of water transportation and time of transit between the East and West Coasts of the United States would approximately triple, and U. S. ability to take action in a major Pacific area emergency would be reduced to about a third of what it would be with the Panama Canal available.

I believe that if we lose control of the Panama Canal, we shall soon find it necessary to construct another American-controlled canal, even if it has to be dug across Southwestern United States.

A primary purpose of the United States Government under the Constitution is to provide for the Common Defense. From the standpoint of the Common Defense and the economic health of America, the United States Government is in the process of giving up the most important waterway choke-point in the world, the Panama Canal. Loss of control of the low-cost water transportation route, which the Panama Canal provides, will pose an intolerable drain on your Nation's economy and national defense potential, a drain whose proportions have not yet been contemplated in this country. What your Government needs is more geographers and strategists at the top to balance the popular trend toward quick fixes for an easy way out.

History shows no easy, affable road to continued independence and survival.

In conclusion I hope you will keep these thoughts in mind:

1. The U. S. Merchant Marine is essential to national defense.

2. The present Merchant Marine is far below the strength necessary to support U. S. forces already stationed on foreign shores.

3. Waterborne transportation is the least costly by far of all forms of transportation.

4. The Panama Canal is a vital, indispensable link in the U. S. waterborne transportation network, more important to the U. S. economy and national defense than ever before.

5. No government with the instinct to survive abandons its vital interests.●

UKRAINIAN INDEPENDENCE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. MOAKLEY. Mr. Speaker, the 60th anniversary of the proclamation of the free and independent Ukrainian National Republic was celebrated on January 22, 1978.

Ukrainian Americans in Massachusetts, and especially in Boston, honored the anniversary with special observances. Gov. Michael S. Dukakis, Boston Mayor Kevin H. White, and Boston City Council members issued proclamations by which January 22, 1978, was designated as "Ukrainian Independence Day" in the Commonwealth of Massachusetts and in Boston, respectively. I wish to share these proclamations with my colleagues. I know the Members of the House join in support of the struggle of the Ukrainian people for national independence and to restore national and human rights in Ukraine.

The proclamations follow:

DECLARATION

Whereas: The Ukrainian people in Boston and the world over will mark the sixtieth anniversary of the independence of the free Ukrainian National Republic on January 22, 1978; and

Whereas: This sixtieth anniversary of Ukrainian independence is a fitting opportunity to direct public attention to the continuous violations of Ukrainian rights by the government in Moscow; and

Whereas: This sixtieth anniversary of Ukrainian independence dramatizes the legitimate right of all people and nations to pursue freedom and national independence:

Now, therefore, I, Kevin H. White, Mayor of the City of Boston, do hereby proclaim Sunday, January 22, 1978 Ukrainian Independence Day and direct that the Ukrainian National Flag be raised at City Hall Plaza on January 20, 1978, to commemorate this special occasion.

CITY OF BOSTON—IN CITY COUNCIL

Whereas, January 22, 1978 is observed as "Ukrainian Independence Day" in Boston, commemorating the 60th anniversary of Ukraine's independence; and

Whereas, the Ukrainian people continue to struggle to regain their full national independence and sovereignty; and

Whereas, the Ukrainian Americans in Boston continue to support the right of the Ukrainian people for full national independence; and

Whereas, hundreds of Ukrainian patriots languish in Russian communist prisons as a result of their fight for the restoration of national and human rights in Ukraine;

Therefore, be it resolved, that the Boston City Council appeals to our national leaders to continue to support the right of the Ukrainian people for national independence; and to exert all the efforts possible through the United Nations, the Belgrade Conference and other means, to restore national and human rights in Ukraine and free Valentyn Moroz, Mykola Rudenko, Oleksiy Tykhy and hundreds of Ukrainian patriots from Soviet Russian jails; and to demand the restoration of Ukrainian Catholic, Ukrainian Autocephalous Orthodox and Ukrainian Protestant Churches in Ukraine.

A PROCLAMATION

Whereas: January 22, 1978, marks the 60th anniversary of the proclamation of free Ukrainian National Republic as the sovereign State of the Ukrainian people; and

Whereas: The Ukrainian people have not accepted the status of enslavement and are continuing to struggle to regain their national sovereignty and independent; and

Whereas: Ukrainian Americans in Massachusetts support the Ukrainian people in their struggle for full national independence; and

Whereas: Ukrainian Americans in Massachusetts appeal to our president and Congress to take affirmative action for the release of imprisoned Ukrainian patriots who languish in Russian communist prisons for their outspoken demands to restore National and human rights in Ukraine;

Now, therefore, I, Michael S. Dukakis, Governor of the Commonwealth of Massachusetts, do hereby proclaim January 22, 1978, as Ukrainian Independence Day and urge all citizens of the Commonwealth to take appropriate cognizance of the event and to participate fittingly in its observance.

WASHINGTON POST ERRS ON NEW NUCLEAR WEAPON

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. KEMP. Mr. Speaker, in the March 9 edition of the Washington Post, an article was published by Walter Pincus entitled, "Backers Seek To Build Bomb Even Without B–1 To Carry It." The article substantially misstates important aspects of the development of the new nuclear weapon, an air-dropped bomb for U.S. tactical and strategic bombers. Most of the bombs in the U.S. nuclear weapons inventory were designed to be dropped from high altitudes to permit the aircraft to escape from the bomb's blast. Over time, as Soviet air defenses improved, it became necessary for all aircraft—tactical and strategic—to attempt to penetrate hostile airspace at very low altitudes. Older weapons with their very high explosive yields had to be adopted to low-altitude delivery. The adaptation were never entirely satisfactory so an improved design had to be developed which could be used by all of the major nuclear-capable aircraft in the tactical and strategic forces. The yield had to be selectable so that it could be employed with a maximum of discrimination as circumstances required. This new bomb became known as the B–77. It is not as suggested by Mr. Pincus, built for the B–1; it is an improved weapon which will minimize both the potential destructiveness of a nuclear conflict should one occur, and improve our ability to deter war at a far lower cost to the taxpayer than the older systems now in the field.

Second, the new weapon is not being built because it is "new" as the Pincus article suggests but because military requirements necessitate its development. This is confirmed by the fact that the administration is seeking to modify a 1960 vintage weapon to perform the same mission as was to be performed by the B–77. Because the B–77 employs a much more modern and efficient design, it uses a far smaller amount of extremely costly nuclear material than does the proposed alternative to the B–77. As a consequence, the alternative being proposed by the administration is both more expensive and less effective than the B–77.

Third, to replace the existing high explosive with the safer "insensitive" high explosive may require additional underground nuclear testing to complete the design work—a costly procedure that is unnecessary.

Nuclear weapons are a fact of life. The notion that nuclear weapons can be eliminated by blocking procurement of the most discriminate—that is, fewest noncombatants killed in the course of a military conflict—and least costly alternative is utterly shortsighted. Rather than increase deterrence of nuclear war by improving our nuclear posture and mitigating its consequences through maintaining a stockpile of the least destructive of these devices, we will be left with the worst of both worlds. Our ability to deter war will be diminished, and a potential conflict will be far more destructive than it need be.●

FLEXITIME LEGISLATION SUPPORTED

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Ms. MIKULSKI. Mr. Speaker, today the House is considering H.R. 7814, flexitime legislation, and H.R. 10126, part-time employment legislation. I want to commend Congresswoman SCHROEDER on her work, as the chairwoman of the Employees Ethics and Utilization Subcommittee, for moving these bills along to the full Post Office and Civil Service Committee. I also feel that Representatives SOLARZ and BURKE, the sponsors of these bills, deserve our continued support for their efforts to creatively solve some of this country's employment-related problems. I would like this opportunity to reiterate my strong support for these two bills.

Over the past few decades, much has occurred in our society to change the attitudes of working men and women. Since 1940 the number of women in the work force has almost doubled to 40 percent. Some of these women, who are mothers, are finding it more and more difficult to juggle motherhood with a career. I feel that both the flextime and the part-time work legislation will not only help mothers, but also the handicapped, the elderly, and younger workers, among others. These bills will allow men and women to spend more time with their families or involved in other activities. With the ever-growing size of the work force and the slower growth of available

jobs, I see the alternatives of flextime and part-time employment as being means of relieving the unemployment rate in the future.

By passing H.R. 7814, the Federal Government will be joining an estimated 10,000 organizations with 1.2 million workers in the private sector who are already practicing some form of flexible work schedules. Part-time work, flexible hours, and job-sharing, have all proved to result in increased productivity by those involved in the programs.

Over the past 12 years the number of part-time workers has increased by 42 percent in this country. The private sector employs approximately 17 percent of these workers. Outside the Postal Service, only 1.9 percent of the Federal workers participate in part-time work schedules. As a cosponsor of Congresswoman BURKE's part-time work legislation, I feel that H.R. 10126 will help the Federal Government to catch up with the work policies now being successfully used by the private sector.

I urge my colleagues in the House to support these two very important pieces of legislation.●

STANDBY WAGE AND PRICE CONTROL AUTHORITY

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. SIMON. Mr. Speaker, today I am joining my colleague from Wisconsin, Mr. CORNELL, in introducing legislation to provide the President with standby authority to institute wage and price controls, including interest rates.

That we need to take action to counteract inflation is obvious. For the past 3 years, the underlying inflation rate has remained at about 6 to 6½ percent. This has resulted in a significant erosion of the real spending power of millions of Americans. For some it has been disastrous.

The Economic Report of the President, while not calling for wage and price controls, has outlined the need for strong measures against inflation:

> Unless we succeed in reducing the current rate of inherited inflation over the next several years—while some slack remains in the economy—any tendency for price and wage increases to accelerate in later years will raise the inflation rate from an already high base. If that should occur, prospects for maintaining a stable rate of economic growth would be endangered.

The President is trying to control inflation through voluntary measures. He wants to encourage both labor and management to steer a moderate course. It is not, however, in the immediate self-interest of either group to moderate either wages or prices in an economy where that might only put them at a competitive disadvantage. So labor and management have both resisted the President's call for voluntary restraint.

I believe that the President needs some muscle to back up his suggestions for cooperation in restraining inflation. Standby wage and price control authority would provide such muscle. Armed with the threat of imposing such controls, I am sure that the President would find labor and management much more amenable to voluntary solutions. This would work to everyone's advantage.

Our policemen possess guns which they only use in extreme cases. The mere threat of using the weapons restrains otherwise undisciplined conduct. In the same manner, the President would be abe to use his standby control authority to encourage economic restraint.

John Kenneth Galbraith pointed out in a recent speech that nearly all industrial countries have either the actual or potential authority to invoke wage and price controls. The United States cannot continue its resistance to using controls as an alternative without undermining our battle against inflation. According to Galbraith:

> There remains only one alternative; that is to restrain incomes and prices not by unemployment but by direct intervention—by an incomes and price policy.

I recognize that our suggestion will not be a popular one. My friends in both labor and management strongly oppose giving the President this authority. At times, however, we need to move beyond particular interests and recognize the national interest. This is such a case.

It is interesting to note that in the Economic Report of the President, a willingness to consider several alternatives to control inflation is expressed. While wage and price control authority is not included, I believe the same logic applies to it:

> . . . the momentum of inflation is so strong, and the consequences of either allowing it to continue or trying to wring it out with excessively slow growth are so serious, that they, innovative alternatives, should not be dismissed out of hand.

While I hope the President would not have to use his authority to control wages and prices, I believe it is essential that he have the power to do so, if necessary.●

VISIT OF ABELARDO VALDEZ TO ARIZONA

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. UDALL. Mr. Speaker, last January I had the pleasure of arranging for the visit of Abelardo L. Valdez, the Assistant Administrator for Latin American Affairs, Agency for International Development. to speak with several groups in Arizona.

For those of you who have not had the pleasure of meeting Mr. Valdez, I can assure you that he is articulate and professional, and has a complete grasp of the Agency's mission, responsibilities, and goals in Latin America. He was well received in my district, and I hope we can intice him to return.

I would like to include for the record portions of a speech given by Mr. Valdez, as well as part of an interview with Mr. Valdez, conducted by Jacqueline Sharky, of KUAT–TV, Tucson, on January 13, 1978:

> I'd like to speak with you today about one of the most important issues facing our nation—the question of the new Panama Canal treaties.
>
> It seems to me that too often in our discussions of this issue, we lose sight of a bigger picture. I think we need to step back occasionally to see our deliberations about the Panama Canal treaties as but one act in the development of this hemisphere.
>
> I think that we can make an informed decision on the treaties only when we understand, not simply what they say, but where they fit in the broader context of our relations with the rest of the world, and particularly with our neighbors in this hemisphere.
>
> At this important time, it is crucial that each citizen of this country, and every person in this room, carefully assay each aspect of this issue and form opinions based upon facts, and only facts. Let us leave myths and illusions aside. Our decision on these treaties, which result from 13 years of negotiation under the leadership of four American Presidents, Republicans and Democrats, will set, for decades to come, the tone for our relations with an area in which we have vital interests and with which we are increasingly interdependent.
>
> My contacts with the people and leaders of the Americas convince me that the ratification of these treaties is crucial to our future dealings with them. They consider that our treatment of this issue will determine the degree to which friendly and productive relations with the United States are possible. These neighbors, with whom we have such important economic, political and cultural ties, are anxiously awaiting the results of the Senate's deliberation. They are hopeful that we will meet our responsibilities to the canal's continued operation and neutrality in a way that is responsive to the urgent voice of a smaller and weaker neighbor.
>
> There are strong and growing cultural, linguistic, and ethnic ties between the U.S. and Latin America. Right now, there are at least 16 million citizens of Hispanic descent in the United States. By the end of this century, it is predicted Hispanics will constitute the largest minority group in the country. The United States is already the fourth largest Spanish-speaking nation in the hemisphere. That fact comes as a surprise not only to many of our own citizens, but to many of the Latin American leaders with whom I have talked recently.
>
> In this rich cultural resource, we have a natural bridge for understanding and cooperation with Latin America. The Hispanic community in this country is just now beginning to play what I think will soon become a very significant role in making the foreign policy of the United States.
>
> In addition to cultural ties, there are strong and growing links in commerce as well.
>
> Our primary source of bauxite and a substantial source of our oil lie within this hemisphere. Our neighbors send us copper, coffee, sugar, lumber, iron ore, and countless other products crucial to our economy. In all, we import almost $17 billion worth of Latin America's products.
>
> Latin America, in turn, is the third largest market in the world for our exports
>
> Those exports have increased dramatically in recent years. Between 1968 and last year, they more than tripled, from $5 billion to

$17 billion annually. We now export more of our goods to Latin America than to the rest of the developing world combined, and almost as much as we export to the European Economic Community.

The value of our direct private investment in Latin America is $23.5 billion, which represents 81 percent of our investment in the entire developing world. Earnings on our investment in Latin America return more than $2 billion annually.

While those figures are impressive, they pale beside the tremendous potential of the future. A developed and prosperous Latin America would be an almost limitless market for American goods and services.

Despite impressive growth rates in many Latin American countries, the potential is not being realized. Warped economic growth has created islands of development in a rising sea of poverty. Half of Latin America's population of 300 million has an average income of less than $125 a year. The poorest third earns only $70 a year. Massive poverty and the associated plagues of malnutrition, inadequate health, shelter, and education affect almost all rural families and the majority of those who live in the mushrooming cities of Latin America. The effects of this underdevelopment affect us directly. One example is the growing numbers of undocumented workers who come to this country, not only from Mexico, but from other Latin American nations as well. For many of these countries, migration by the poor is a safety valve, easing social and economic pressures at home.

The question of undocumented workers, therefore, is not solely a domestic police problem. It is a foreign policy problem and it is a problem of underdevelopment.

Obviously, solutions to such problems cannot be approached by one country alone. They require cooperation of all of the countries involved. Similarly, cooperation will be necessary on a range of other problems which are already affecting us—or soon will. Examples are the narcotics traffic which is ravaging our cities, preservation of the environment, control of nuclear proliferation, cooperative arrangements on the use of the sea's resources, control of arms races. On all these issues we need the support of our Latin American and Caribbean neighbors who are in many ways the leaders of the entire third world.

That is why the ratification of the Panama Canal treaties is so important. The way we deal with the treaties will be, for many of our neighbors, the acid test of our willingness to cooperate with them on both the promise and the problems of the future.

The history of the building of the canal and of our relationship with the Republic of Panama is a long and complex one. Out of that history, I think one glaring fact stands out. Today, in the last third of the twentieth century, the type of control we exercise over a strip of land which cuts Panama in half is an anachronism. Would we in this country live comfortably with the Mississippi River and a strip on each of its banks controlled by a foreign government?

In a recently published article, James W. Symington, a former congressman from Missouri and our Chief of Protocol under President Johnson, quoted from a letter which his great grandfather had written to a U.S. Senator regarding the Canal negotiations with Panama. I would like to read you a sentence from that letter.

"The treaty is very satisfactory to the United States and we must confess, with whatever face we can muster, not so advantageous to Panama. You and I both know how many points there are in this treaty to which a Panamanian patriot could object."

Mr. Symington's great grandfather was the Honorable John Hay, our Secretary of State in 1903 and the principle U.S. negotiator for the original treaty. His observation that Panamanian patriots would object to the treaty has been borne out in the interviewing years—and especially in the recent plebiscite when two-thirds of Panama's voters supported the new treaty while many of the dissenting third believe that the new accords do not achieve enough, fast enough, and prefer more radical solutions to remedy the national disgrace ratified by their forebearers seventy-four years ago.

The end of colonialism—a process this country began in 1776—makes the current nature of our presence in the Canal Zone a threat to our relations with other nations, to our reputation and image in the world, and to our very peace.

We are faced with two alternatives. We can—because of our overwhelming strength—insist on maintaining a relationship first forged in colonizing fervor three quarters of a century ago, a relationship regarded as unfair by the Panamanians and much of the rest of the world. Or we can seek a more just relationship which promises the kind of cooperation that will best protect our interest now and in the future.

To help ourselves decide between the alternative courses of action, I think we first need to define our true interests in the Panama canal.

In an age of air transport and supercarriers, neither our military nor our commercial shippers rely on the canal to the extent they once did. But we clearly have a stake in retaining access to the canal whenever that is the best route.

This means it is in our interest to secure a future for the canal in which certain basic conditions will be met.

The canal must remain open.

It must remain operational.

It must be safe from attack, and ships passing through must be able to rely on safe passage.

It must be operated on a neutral, nondiscriminatory basis, so that no nation's ships need ever fear the possibility of being kept out.

It must be operated efficiently and fairly, at reasonable and nondiscriminatory rates, so it will remain an attractive and useful avenue of commerce.

Let us look at how the new treaties protect those interests. There are two separate treaties: The Panama Canal Treaty provides for the administration of the Canal under U.S. control for the rest of this century. The Neutrality Treaty guarantees that the canal will be open and neutral permanently, both during and after the period covered by the Panama Canal Treaty.

Under the Panama Canal Treaty, the canal will be administered by a new U.S. agency, with increasing Panamanian participation at all levels, until the year 2000, when full responsibility would be assumed by Panama. The United States will retain the authority to set tolls and make all other canal management decisions for the rest of this century. It will retain control of those areas of the present Canal Zone actually needed for canal and defense operations.

The Zone as such will cease to exist, and the remainder of its acreage, including ordinary residential and commercial areas and a great deal of land that today is simply unused, will revert to Panama. Panamanian governmental functions and civil law jurisdiction will begin at once, while criminal law jurisdiction will be phased in over three years. U.S. citizens subject to Panamanian law will be guaranteed civil and procedural rights.

U.S. employees will be protected in their jobs if they continue to exist, and, if not, will be protected by generous retirement options and priority placement elsewhere. During the life of the treaty, the number of Panamanian employees, now 73 percent of the canal workforce, will increase and Panamanians will be trained to perform all canal functions.

Under the Panama Canal Treaty, Panama's annual direct income from canal earnings will increase from its present annuity of $2.3 million a year to a varying income package whose first-year total is projected around $65 million. These provisions will not only give Panama a more equitable share in canal earnings, but will—for the first time—give Panama a *direct* stake in the efficient operation and maximum use of the canal.

None of the payments Panama will be receiving will come out of U.S. tax dollars. *All annuities to Panama will be coming strictly out of earnings from canal operations.*

By providing that Panamanian annuities under the treaty be tied to the volume of canal traffic, and by placing responsibility for canal management after the treaty period in Panamanian hands, the treaty assures that Panama's policies toward canal management decisions will be guided by enlightened self-interest: Any decisions that have the effect of making the canal unattractive or uncompetitive to world shipping, or of otherwise driving away traffic, will bring most harm to the Panamanians themselves. This is our best security, both during the treaty period and beyond, against loss of access through prohibitive tolls or through measures discriminating against our shipping.

The new treaty removes virtually every possible incentive for Panamanian hostility to the canal or friction with the United States. The security as well as the efficient operation of the canal is thus enhanced because the Panamanians would have stake in both.

In addition, both that treaty and the separate Neutrality Treaty make our continuing defense rights and interests clear.

The combined effect of the two treaties is to make our permanent interests in the Canal—our continuing use of the Canal—more secure, both for the duration of the Panama Canal Treaty and for the unlimited duration of the Neutrality Treaty.

In reaching agreement with Panama, we will have shown that the most powerful nation on earth is prepared to deal with the small nations with which it shares this hemisphere on the basis of equality and respect. We will have demonstrated that we can replace an old relationship born in inequality and steeped in resentment with a new relationship arrived at through open discussion, fair bargaining, careful negotiation, and mutual cooperation.

This choice is ours to make freely. No one has given us an ultimatum. If we are under pressure, it is the pressure of our own sense of what we are and want to be as a nation.

Power gives us many options. Today we could be running the Philippines—no one forced us to grant it independence. Today we could be occupying a subjugated Japan and Germany—conquering forces throughout history, and others in our own time, have done as much.

But in those decisions, is there any American today who believes our country chose wrongly? I think not.

The Panama Canal was and is a great achievement for which our people are justly proud. What we have now is a chance to make it a showplace not only for the genius and courage of our engineers and doctors and workmen, but also of our people and our foreign policy and our political institutions.

I'm confident that the final result of this debate will be to make of the Panama Canal a showplace for the type of respect and cooperation with our neighbors that will make the United States the strong and admired world leader we all want it to be.

SHARKY. Dr. Valdez, could you tell us about the reorganization of AID and the reasons behind the shift?

Dr. ABELARDO L. VALDEZ. Well, the internal reorganization of AID is being done because we were not accomplishing the objectives that we're set up to do in the field. Most of our people are in Washington at this moment.

This has resulted from expansion in the staff during the Vietnam era and then subsequent reduction. Many of these people came back to Washington, and many did not have positions. There was, in fact, a need at that to streamline the staff. This was not done, and we're trying to get at that problem. We're trying to get more people in the field. We're trying to cut down on the paper work that is required, That is a bottleneck in our work, and also trying to provide more responsibility, authority to the field missions.

SHARKY. What about the fact that AID has changed the philosophy of the types of projects that it now funds? Exactly how has this shift taken place?

Dr. VALDEZ. Well, it's been a radical shift. In 1973, the Congress mandated that instead of concentrating on macroeconomic projects like the construction of dams or highways, and things like this, that AID should concentrate on reaching the rural poor, where about half of the population of Latin America are presently located. These are the poorest people of the Hemisphere. They're the people who have been most neglected, who do not have access to basic educaton or basic health services. And also, areas where agriculture, agricultural production has suffered because the support services are not there.

SHARKY. People in the United States tend to complain a lot about the cost of foreign aid. But isn't it true that most foreign aid to Latin America is in the form of loans and that a lot of the money actually stays in the United States?

Dr. VALDEZ. That's right. One of the misconceptions about the foreign aid program is that it is a give-away program, that it is a grant program. Well, in fact, some ninety percent of our funds are loaned to these governments and have to be repaid, with interest.

We have a very modest program in Latin America. As you indicated, our overall program for worldwide programs is only .28 of one percent of the entire gross national product for the United States. The United States presently ranks twelfth among the nations of the world that provide development assistance. So I think we have much more to do before we can say we've done our fair share of helping the world's poor.

SHARKY. There are some criticisms of the fact that AID has shifted its funding philosophy from projects which were designed to alleviate the balance of payment deficit to projects which are now going to help the rural poor directly. There have been criticisms that these kinds of projects do not yield any financial return very quickly. And yet since they are in the form of loans, Latin American nations still have to repay those loans with interest and that, in fact, this type of project can sometimes aggravate economic and, therefore, political problems in other Latin American countries.

Dr. VALDEZ. Well, I don't think the shift is going to result in that. In fact, most of the lending that is done to the Latin American countries is done by private banks. Overwhelmingly, the debts that are owed by the countries in Latin America is owed to the private banks, not to AID. And so I think that our loans are not going to contribute to that kind of situation. In fact, I think our loans, which are designed to help rural development and increasing the agricultural production would help to eliminate some of those financial problems, because most of the countries of Latin America are not self-sufficient in agriculture.

SHARKY. What about the fact that these kinds of programs probably won't have an economic payoff for, say, ten or sometimes twenty years? Do you think that this might cause any kind of immediate economic hardships for the nations involved?

Dr. VALDEZ. On the contrary, I think that in the long run, the programs will be a net plus for the poor people, as well as for the governments of these nations. Any program takes time to develop, to see definite results. But I think that directing the programs directly to the immediate people and to some of their basic needs will have a direct payoff out there in the rural areas very quickly.

SHARKY. What about the question of human rights and Carter's stand on human rights? How has that affected AID's programs in Latin America?

Dr. VALDEZ. Well, under our legislation, we must consider the human rights' situation as one factor in our decision to fund programs in a particular country. In any country where there is a gross, consistent pattern of gross violations, we must limit our assistance to purely humanitarian assistance—food assistance to the poor, or in the case of a disaster, like an earthquake, we could assist in those cases.

We are trying to put the human rights' factor into account. We have suspended loans to Chile early last year, and then subsequently in Nicaragua. But I think that we have to be very careful about using economic assistance as a lever, as a tool for this purpose, because we're trying to direct our assistance to the poorest people in this Hemisphere, and it is these people who are usually the victims of human rights' violations, whether that be violations of civil liberties or the violations of economic rights.

SHARKY. Some people, however, have said that the foreign aid program and President Carter himself is very selective about which nations they decide to invoke the human rights conditions with and which nations they decide not to.

Dr. VALDEZ. Again, here, the people we're trying to help, the people who are receiving this assistance are the poorest people in the country. And I think, in the long run, the way we're going to improve the human rights' situation is to improve the economic lot and the bargaining power of these people.

I think that at the root cause of human rights' violations is the economic imbalance within a society, the economic pressures from the outside that eventually lead governments to adopt very restrictive economic policies, which, in turn, affect the poorest part of the population.

SHARKY. You have said in several speeches that you feel that human rights and economic development are inseparably linked And you have also said that you feel that U.S. investment and U.S. trade with Latin America can be a very positive force in achieving these things.

How do you feel AID can actually, in a concrete way, carry out these kinds of objectives?

Dr. VALDEZ. Well, I think that with regard to the economic rights' aspect of human rights, we're the only agency of the U. S. government that's directly involved in dealing with the poor overseas, in dealing with some of the basic problems that a human being confronts in a developing country, the problems of food, the problems of inadequate health, inadequate education. And we're very committed to help societies in Latin America develop to the point where these people will have a decent living and economic opportunity for themselves and their families.

SHARKY. How do you feel about the criticism that AID's economic programs actually assist multinational corporations in taking over or absorbing some parts of indigenous industries?

Dr. VALDEZ. I don't believe that that is correct, because we have no connection with industry. We do not ask them to be involved in our programs. We do have universities and consultants who help to implement our programs. I don't see the connection at all. In fact, I just don't see a connection with regard to that charge.

SHARKY. Mr. Gilligan, who's the AID Administrator, has recommended that seventy-five percent of all foreign assistance should go to basic human needs. And he's also recommended that the official level of developmental assistance be raised to 0.5 percent of the gross national product.

Dr. VALDEZ. I think that those steps need to be taken. The 0.5 of one percent GNP level was the level agreed upon by the United Nations as a fair share contributing to the development of the developing countries. We've dropped down significantly over the years. We were much higher at one time. I think we need to do a lot more.

SHARKEY. Could you explain exactly what benefits do accrue to the United States from expanding our foreign assistance abroad?

Dr. VALDEZ. Well, I think that the richest nation of the world cannot continue to exist amidst a rising sea of poverty, when half of the population of the nations to the south of us survives on less than a hundred and twenty-five dollars a year per person.

We have seen the problems of undocumented workers from Mexico, but also from Central America and the Caribbean and northern South America. And the reason these people are coming is that there's a basic underdevelopment, economic underdevelopment in their countries.

I think that the only way we're going to deal with this problem is to have economic cooperation between the nations of Latin America, including Mexico and the United States, in trying to develop new sources of employment in those countries, making it possible for these people to make a living in their own countries.

SHARKY. People are saying that President Carter's proposal for dealing with undocumented persons is really not going to get to the root of the problem, and, in fact, is only treating the symptom rather than the actual cause.

Dr. VALDEZ. Well, the President's package, complete package, has not yet been announced. He has proposed certain steps to be taken by the Immigration police and Naturalization Service. But we're also considering at this time several proposals for an economic cooperation program with Mexico and other countries which are sources of illegal immigration.●

THE NEED FOR A PRESIDENTIAL COMMISSION ON LANGUAGE STUDIES

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. PANETTA. Mr. Speaker, a recent editorial in the Monterey Peninsula Herald, a major newspaper in my home district, expresses very well the serious need for a Presidential commission to exam-

ine the adequacy of foreign language and area studies programs in this country. I want to applaud the Herald for focusing on this vital issue.

As the editorial points out, the Department of Health, Education, and Welfare has drafted an executive order creating such a commission, and this order is expected to be signed by President Carter soon. I submit this editorial for the RECORD so my colleagues will have the benefit of the insights it provides.

[From the Monterey (Calif.) Peninsula Herald, Feb. 22, 1978]

THE LANGUAGE BARRIER

A delegation of educators from the Defense Language Institute is meeting with presidential advisers in Washington this week to discuss the alarming decline in language education in this country. Language study enrollment, for example, has dropped 30 percent in the past decade.

By contrast, in Europe and many other countries the mastery of two or more tongues is both a cultural tradition and a necessity born of the proximity of different nationalities. They seem to pick up English more readily than geographically isolated Americans manage to learn another language.

But Americans, it would seem, have much to gain from a wider understanding of foreign tongues. International trade would benefit, certainly; and given this nation's world role, its diplomacy stands to gain as well.

The recent mistranslation of President Carter's Warsaw speech was an embarrassment. But an American language expert says that, contrary to what anyone might suppose, it is not easy to find proficient Polish-English translators.

Richard Brod, director of foreign languages for the Modern Language Association of America, blames the low level of familiarity with other languages on the low level of instruction in the schools, particularly at the high school level.

Fewer than one million American college students are studying any foreign language at all, according to Brod, many of them at proficiency levels that should have begun in high school. Fewer Americans can speak Japanese, the language of our major trading partner.

The Office of Education of the Department of Health, Education and Welfare has drafted an executive order creating a presidential commission on language education and it now is under consideration by President Carter.

The commission would operate for six months and include congressional representatives as well as language professionals. A series of regional hearings on educational needs would be held. That, at least, is a start.●

BRITAIN'S EXAMPLE

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. RUDD. Mr. Speaker, as we get ready to finish action on the Humphrey-Hawkins bill, which if passed would usher in more Federal Government involvement and interference in the economy, I hope that we will think of the lesson from Great Britain and defeat this bad bill.

British Ambassador Peter Jay visited Phoenix last week, carrying the message that Britain has learned the error of big government deficit spending, inflationary increases in the money supply, socialized medicine, and other big government schemes that are still being promoted in our own country by proponents of legislation like the Humphrey-Hawkins bill.

The United States should take Britain's example seriously, and listen to the earnest warning of Ambassador Jay. Rather than more public service jobs, and Government tinkering with the productive economy, we need less Government interference so that the productive economy can work and create jobs.

We need less Government consumption of the people's income through higher taxes, and of private capital available for expansion in the productive job-creating sector of the economy through Government borrowing to finance its deficits.

Mr. Speaker, I would like to conclude in the RECORD at this point a good editorial commenting on Ambassador Jay's message while visiting Arizona, which appeared last Wednesday in the Phoenix Gazette.

FOLLOW THE LEADER

Many U.S. policymakers have steadfastly tried to follow the United Kingdom down the road to socialism. Now that the British are changing their ways, the question is whether there will be any inclination to keep following.

Britain pioneered socialized medicine, in the form of the National Health Service. The result has been that so many persons "enjoyed" poor health that the truly ill got short shrift. And doctors and nurses fled to the rewards of capitalist medicine.

Governments catered to the whims and threats of unions until there was some doubt as to who was in charge. Businesses were taxed out of existence, and "death duties" routinely wiped out vast estates.

The U.K. had a head start, of course, so the U.S. hasn't managed to do quite so thorough a job at messing up its economy.

British Ambassador Peter Jay was in town this week, spreading the word of his nation's "dramatic turnaround." North Sea oil and a change of attitudes are responsible. Jay said his country learned its lesson. It is rejecting the illusions that it could create wealth by printing money and maintain a high standard of living by spending much more than it earned, and by relying on an industrial output before it was produced.

The British government reduced its money supply, put new controls on big government spending, increased productivity and got unions to limit pay hikes for two years. The results include a dramatic reduction in inflation and new economic vigor.

The U.S. has dutifully followed Britain's mistakes. Now we might get our own economy back on the right track by continuing to follow the leader—away from socialism.●

NATIONAL MARINE FISHERIES SERVICE

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. EMERY. Mr. Speaker, recent actions by the Department of Commerce's National Marine Fisheries Service have prompted me to speak out on what I perceive to be an ongoing problem between the New England Regional Fishery Management Council, recently created by Public Law 94–265, the Fishery Conservation and Management Act of 1976, and the National Marine Fisheries Service. The most recent action by NMFS was closure of the New England haddock fishery over the recommendation of the New England council. The closure was to begin March 10, 1978; however, protest by the council and New England Congressmen and Senators has temporarily halted the closure until the council can come up with additional recommendations for NMFS.

The problem, essentially, is whether the regional management councils are to have the authority of managing the fisheries and promulgating the rules and regulations under which the industry must operate. Because the councils are made up of industry members, themselves, as well as the primary fishery management official of each State, it was Congress intent that these members would decide what was best for the resource, and, therefore, the industry as a whole. What has occurred, however, is what I term interference by the National Marine Fisheries Service, and usurpation of council authority.

Public Law 94–265 plainly stated that the councils would prepare fishery management plans, subject to approval by the Secretary of Commerce. Unless the council plan is in violation of the goals of the act, however, the Secretary of Commerce through its National Marine Fisheries Service should have no justification or motivation to disapprove a final management plan.

This has been the case twice now with respect to emergency regulations which closed the New England cod fishery in December 1977, and the haddock fishery for the remainder of the quarter in March 1978. Both actions were directly in opposition to council recommendations. I feel that it is time that Congress reexamined the realtionship between the councils and the NMFS, so that implementation of the law can be more effective.

How are fishermen who are totally dependent upon a resource supposed to react to a situation where their regional management council cannot get its plans and recommendations approved by the agency in Washington? Maine fishermen are especially concerned because they depend upon the March haddock run, since this is the month when haddock move up from Massachusetts waters and into Maine waters. Their regional representatives on the council must speak for industry interests, yet it appears that these interests are being ignored by those who do not understand the economic necessity of continuing to fish.

I have called for hearings in the Merchant Marine and Fisheries Committee to investigate the relationship between the regional management councils and the Department of Commerce. It should also be stated that as implementation of the 200-mile law continues, especially on the domestic level, the Congress must be diligent in reacting to specific problems

as they occur. Enforcement, research, as well as management and conservation plans, must be ongoing concerns of all members, especially those from coastal States.●

REPRESENTATIVE KEMP SPEAKS IN SUPPORT OF THE INDEPENDENT LOCAL NEWSPAPER ACT, A MEASURE DESIGNED TO SAVE FAMILY-OWNED NEWSPAPERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. KEMP. Mr. Speaker, the late Supreme Court Justice Oliver Wendell Holmes wrote:

> The best test of truth is the power of thought to get itself accepted in the competition of the market.

That thought summarizes the principles which underlie the exercise of most all of the freedoms guaranteed to us by the Bill of Rights. Freedom of speech—about ideas. Freedom of worship—based on sets of beliefs. Freedom of assembly—to expound ideas. Freedom of petition—about ideas. And freedom of the press—to print ideas.

FEAR OF THE MARKETPLACE BEING LIMITED

Protection of these rights has rested principally with the courts of the United States, with the pronouncements and elaborations of the Supreme Court of the United States constituting our body of Constitutional Law. But Congress has an accepted role in this process through the enactment of laws designed to enhance those protections. That can be by foreseeing a trend tending toward infringement and enacting legislation designed to proscribe or limit it, or it can be in response to the dicta of court decisions, opinions indicating or inferring that Congress ought to do this or that.

Something is afoot across America today that calls for the Congress to enact legislation to limit a trend that does tend toward infringement, not in a strict constitutional sense of prior restraint by Government but rather in a sense of limiting the entry of ideas into that marketplace of ideas to which Mr. Justice Holmes referred. I am speaking specifically of the growing economic concentration in the newspaper industry.

I do not mean to say that economic concentration leads inevitably to policy concentration, but policy concentration certainly is more possible through extensive chain ownership than by independent ownership. This is true for dailies and for suburban, weekly papers.

Truly independent newspapers have the latitude to report anything they want and to articulate any policy they want.

If the newspaper industry, the newspaper profession, loses its independent newspapers, America will have lost one of its strongests voices. Just look at the role of newspapers in the shaping of this country, in the course of our history, from the formulation of policies which arose from their editorial pages to the uncovering of wrongdoing. This is true, what's more, from our Nation's Capital to our cities, towns and villages.

WHY AN INDEPENDENT LOCAL NEWSPAPER ACT?

It is in this context, Mr. Speaker, that I have joined with our colleague from Arizona, Mr. Udall, and other Members in introduction of the Independent Local Newspaper Act, H.R. 9484. This measure is designed to deal with this problem of growing economic concentration in the newspaper industry by providing for a longer period of time for heirs of a newspaper owner to pay the estate taxes on that part of the decedent's estate attributable to the newspaper's ownership. The point here is that having that longer period of time, those heirs will not have to sell the newspaper in order to have the funds with which to pay those estate taxes.

The reality is that the costs of newspaper ownership have risen to the degree that chains are usually the only ones with sufficient investment capital to acquire papers which go on the market. Unlike prior periods—even 15 to 10 years ago—someone wanting to get into the newspaper business, usually at the suburban, weekly level, simply does not have or cannot command the dollar resources to buy an already publishing paper. This is even more so for a daily, where the investment and production costs are much higher. Thus, when a paper is up for sale, a local entrepreneur, even someone with a strong interest in the community and in publishing, cannot pull together the dollars to buy the paper. Thus, the heirs are forced to turn to the chains.

I have heard it argued that they do not have to turn to the chains because they can get a refinancing of the newspaper or a credit line based upon its profits, either sufficient to pay the estate taxes. Well, that simply is not true. The profit line on many daily newspapers and many suburban papers is not wide enough in most instances to get a credit line or refinancing of the newspaper to a degree required to pay the estate taxes. Thus, this means of paying estate taxes, as written in the present law and within the time frame in that law, is not available or widely available. Again, the chains are turned to as the way out for the heirs—sell, take their money, pay the estate taxes, and try to start again, usually in different professions or industries.

WHY THE FAMILY-OWNED NEWSPAPER IS HAVING TROUBLE SURVIVING

There are two additional factors figuring in the economics of keeping an independent, local newspaper afloat today that are not given adequate consideration by the Udall bill which I think have to be mentioned, studied, and incorporated into that bill prior to its being reported to the House for consideration. The first deals with why the independent, local newspaper is having a tough time—a point central to the entire debate. The second deals with the definition in the bill of what constitutes an independent, local newspaper—a definition which makes that central, too.

The Udall bill does not provide for a lower rate of estate taxation. The same unnecessarily high, exorbitant rate of estate tax is maintained. That rate hits local newspapermen and their families particularly hard because almost all of the suburban, weekly newspapers—and a surprising high number of small- and medium-sized dailies — were built up from the toil, sweat, and personal resources of that newspaperman and his family. They are, in large part, family operations, with nearly everyone in the family working someplace in the paper. And the dollar resources which got the paper started came from that one family, and it was that one family that took all the risks in leveraging that dollar resources.

As the paper grew, so did its value. Thus, if the paper has become successful or even moderately successful, its value today is astronomically higher than when it was started, not solely because of the growth of the paper but rather—and more importantly—because of inflation during that period, an inflation which raised the present value to an artificially high one. Thus, the owner's heirs have to pay an estate tax on an increase in value in great measure the product of government tampering with the value of money—inflation—a tampering which gives government the windfall tax profit it reaps from these estate taxes. That is not addressed—at all—in the Udall bill, because while that bill provides for a stretchout, insofar as the time allowed to pay the taxes, it does not provide for basing the present value in constant dollars, using the year when the owner started the paper or bought it himself as the base for those constant dollars.

THE ONEROUS BURDEN OF TAXES

These owners are also having a tough time because of the rates of taxation they are paying as corporations and then again as recipients of salary or dividends, rates of up to 48-percent on the corporate side and then up to 70-percent on the individual side. The reason these owners' estates have often been unable to build up the resources with which to pay estate taxes, without selling the papers to chains, is because what would otherwise be additional investment capital is going to Uncle Sam in the form of taxes. If we really want to help the independent, local newspaper owner, we can start by reducing the taxes he is having to pay and let him start keeping it, plowing it back into job-creating expansion of the physical plant, purchases of new equipment, expanding the circulation area, etc.

Enactment of the Tax Reduction Act of 1978, the bill I have introduced and which now has over 160 cosponsors in the House and Senate, H.R. 8333, would do this. It would reduce corporate income tax rates on these independent, local newspapers from 48- to 45-percent over

3 years. It would reduce individual income tax rates across-the-board by an average of 30 percent. And it would increase the corporate surtax exemption from $50,000 to $100,000, of great importance to these newspaper businesses. The dollars retained by the owners would then be used to provide the jobs we have to get this country on its feet and moving again.

AMENDMENT NEEDED TO QUALIFYING ESTATE AND NEWSPAPER

The second problem with the Udall bill, in its present form, is the definition of what constitutes a qualifying estate. The way the bill is now written, an estate would not qualify for the deferred estate tax payment period if the owner published more than one newspaper. This does not reflect a thorough understanding of the suburban, weekly newspaper business, although it may be appropriate with respect to dailies. Suburban newspapers are of such severely restricted, highly localized interest that a publisher may publish more than one newspaper to reach two markets.

For example, suburb A and suburb B are both suburbs of the same major city; they are both in the same broader community. But they have slightly different populations, therefore slightly different interests. They certainly have different community leaders, different high school rivalries, etc., the things which make a suburban newspaper a success or failure in covering them. So, an owner decides to print different papers for those two suburbs, even though he has only one community of interest, even though both editions come off the same press, even though both editions may have a high overlap in production personnel, as well as the same advertiser interests.

But the point is, he publishes two newspapers. In larger metropolitan areas, he may publish four or five. But it is from the same publishing plant. It's one family's toil, time, resources, and so forth. These should qualify, Mr. Speaker, for the treatment which Mr. UDALL has so wisely proposed we give to assure the continuity of independent, local newspaper activities. They should not be excluded, just because the owner may have more than one, for they truly are not chains in the sense we see those for dailies or chains in the sense some suburban weeklies are owned by dailies, magazines, etc.

Mr. Speaker, I think Congress should address itself to this matter and do so this year. I see no reason why it should wait. We ought to act independently on this tax measure, irrespective of what we do on the broader range of tax issues. But, I hope our colleague Representative UDALL, will see fit to incorporate the definitional change I have addressed at a minimum, and to give consideration to the larger point about the impact of estate taxes, corporate taxes, surtaxes, and individual taxes on these activities. I have communicated that concern to him.●

IRS—A NIGHTMARE IN THE AMERICAN DREAM

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. HANSEN. Mr. Speaker, the abuses of citizen rights and inefficiency of operation that an agency of the Federal Government will admit to, even proudly, demonstrates the dangerous communications gap which can and unfortunately does exist between bureaucracy and the people.

Even more disturbing is the stonewalling and coverup, the telling of an outright lie with such boldness and directness that people hesitate to challenge, even when absolute facts to the contrary are obvious.

This was sensationally shown, even overplayed, with the Watergate situation, but it has also been increasingly evident in varying degrees throughout Government as it grows in size and complexity.

Nowhere does opportunity for abuse exist more abundantly than in the Internal Revenue Service which, more than the FBI or CIA or other such agency, has the most personal and comprehensive file on virtually all citizens. IRS has more and better access to personal records than any other agency and they have virtually sole power to invade a person's privacy and fifth amendment rights. In addition there is power in IRS to make arbitrary judgments and assessments that are so final and binding and so costly to contest that most citizens feel helpless in any struggle for justice.

Considering the diverse nature of human beings and the imperfections which exist in us all there is little question that the vast power of IRS would be abused. The problem becomes one of frequency and intensity and how to minimize it.

Good people can abuse power with the best of intentions, improperly motivated people can create hell, and a huge operation comprised of both elements can roll freely over the rights of the individual citizen who can find no one willing or able to take on the establishment for his particular problem.

Such is the case with IRS from top to bottom—a monster grown out of good intentions, a nightmare in the American dream.

Over several years I have witnessed the good and the bad of IRS, an organiization not loved but generally well-accepted by Americans because most management and employees were careful and conscientious in their tax collection practices.

However, as the computer age entered and the neighborhood Government worker was recycled into impersonal large service centers attached to a phantom 800 telephone number, the attitude of IRS management and many of the employees has shifted from a service role to an adversary role in handling the public.

New techniques were formulated and the taxpayer seems to have become prey to the stalking Government hunter who justifies his position and promotions by the number of people he can bag.

Unfortunately, bagging a taxpayer does not necessarily mean he has done something wrong. It can be done by accusation, substantive or not, and it can be done by assessment, fair or not. The taxpayer then is forced to submit if he cannot afford to defend himself or pay dearly if he can. The outcome is of no consequence to the taxman because his record looks good for having brought action, justified or not; his salary continues, win or lose; and the Government (or taxpayers) pick up the tab for his endeavors.

IRS has become impersonal, it is victimizing and it threatens the traditional freedoms of American citizens.

On December 15, 1977, I entered into the CONGRESSIONAL RECORD two comprehensive articles regarding operations of the IRS, one entitled "IRS Abuses—A Chilling Effect," and the other captioned, "Washed Out by BOR—Cleaned Out by IRS." These entries provided basic information for now laying out my case for a seriously needed reform of the IRS both through changes in the law and changes in IRS management practices and attitude toward the public it serves.

A series of articles regarding IRS operations will now begin herewith to acquaint Members of Congress and the public with questionable activities of the agency.

I submit for the RECORD a letter sent by me on March 9, 1978, to IRS Commissioner Jerome Kurtz in response to his letter to me of February 24, 1978, answering questions I had posed in the December 15, 1977 RECORD cited above. These letters follow:

DEAR MR. KURTZ: I have received your February 24, 1978 response to my inquiry of December 13, 1977 and appreciate the information you provided. However, I must say that I amazed at some of your answers to my questions.

The naivete you expressed in certain areas which are matters of extensive record with your agency is incredible, as was your apparent lack of comprehension of the impact certain IRS practices admitted by you could have when revealed to the public.

Plain and simple, what I see in your letter is severe administrative overkill in tax collection practices and a stonewalling or coverup of IRS harassment activities and abuses of civil rights of employees and taxpayers. Since you are relatively new to your task as administrator, I can assume you still rely heavily upon others for your facts and advice so my complaint about the response you signed is not intended to be personal. However, I assume I can take seriously your offer to correct IRS abuses when they are pointed out to you, which I am prepared to do extensively.

This letter will serve to briefly advise you of glaring examples where your letter is in serious error on situations well-known to your agency. Extensive material is being prepared to support my concern for IRS attitudes and procedures which will appear daily in the Congressional Record beginning on the date of this letter. I hope you will have someone alerted to making this material available to you and that corrective action

will be taken to prevent further abuse of taxpayers and employees.

Regarding error number one, you state on page 3 paragraph 4: "Our investigation to date does not provide any basis for your allegation" of employee discrimination on a basis of religion. You further state, "If you are aware of any specific instances of discrimination in our employment practices based on religion or on any other such factor, I urge you to bring them to the attention of Mr. Bates [Warren Bates, Assistant Commissioner (Inspection)], Mrs. Thompson [Barbara Thompson, National Office Equal Opportunity Officer], or me. . . ."

Mr. Kurtz, I have been talking to Mr. Bates about this matter since last November and his inspection files are full of just this situation I describe. Not only this but the National Treasury Employees Union newspaper called The Bulletin for December 31, 1975, features a story entitled "NTEU Secures Promotions for Two Denied Jobs Due to Religious Discrimination."

In addition to this I have a letter addressed to me from Equal Employment Opportunity Officer Barbara R. Thompson dated August 6, 1976 concerning the request from the President of the Idaho NTEU with reference to two IRS employees confirming complaints of religious discrimination, findings of an investigation into the charges and IRS efforts at adjustment in accord with the Civil Service Commission regulations.

Unfortunately the situation continues to this day with additional complaints of discrimination and retaliation before various arbitrating authorities. Other cases are also in evidence which will be made public to refresh IRS memories.

Error number two is your statement in the last paragraph of page 4 that you "know of no such case" regarding "the broader allegation that the Service discriminates in its personnel and examination policies based on religion." The personnel aspect has already been dealt with under the topic of Error Number One, above. However, the discrimination is no less true in the IRS procedures regarding taxpayers.

I will outline and document in the Congressional Record series instances of apparent discrimination and special treatment by IRS involving donations to religious educational institutions, missionary support programs, church contributions, auditing practices and general attitudes toward certain taxpayers based on religious affiliation.

Error number three concerns your cloak and dagger operation involving the compilation and distribution of violence lists and lurking at meetings to secure license plate numbers of people meeting in free assembly under the First Amendment of the Constitution, and armed searches where taxpayers are bluffed by a random door-to-door shakedown into producing tax returns which they are forced by no law to do.

You can protest all you want that your efforts are only designed to protect your employees and that there is no pressure on the taxpayers confronted, but your methods betray you.

The Nixon White House long ago demontrated the folly of keeping ridiculous lists with absurd titles. If you wanted to alert your employees to questionable or dangerous practices of people or groups such as you ascribe to the posse comitatus, then why don't you properly entitle the list and stipulate the exact problems which may be encountered? Instead, by your own admission, you lumped everybody together in a most fearsome and damning description of their potential for violence despite the fact that vartually all of them had no personal law enforcement record whatsoever of criminal or violent acts.

What an overkill and disservice to the right of free speech and free assembly for you to categorically label citizens never accused or proven guilty by any court as if they were criminals prone to violence. The list is not titled "Posse Comitatus" or some other appropriate terms, but "Taxpayers Who May Advocate Violence Toward Western Region Personnel." It was further qualified that "the list was compiled from a system of records dealing with criminal law enforcement . . ."

This doesn't minimize the danger to your employees, it encourages confrontation. You further engage in confrontation activities by the door to door compliance checks which could be done much more simply by a cross checking of city directory or other lists with your tax return files. And the fact that armed agents would accompany the collection agents in the encounter with taxpayers along with the license plate snoping is further indication that your total effort is geared towards confrontation. This, of course, is only part of an ongoing program of harassment and embarrassment practiced by IRS which I will document in the Congressional Record. Such means of inducing compliance of the nation's tax laws is repungant to any thinking citizens and dangerously askin to dictatorship.

Error number four concerns your statement on page 7 paragraph 3 that "we have no knowledge of . . . nor do we approve of or condone . . ." "automatic investigation of individuals complaining about higher taxes." I have documentation to the contrary, at least one case of which you are familiar from your reports on my January hearings in Idao Falls. This instance regarding Larry Fullmer of Pocatello and others will be documented in the Congressional Record.

For you to be checking on every person who writes a letter to the editor and clipping papers regarding possible vacation trips and prizes taxpayers may receive certainly shows you have a high overhead operation with more employees than you can professionally and constructively keep busy not to mention a serious abridgement to basic rights of free speech and privacy. Certainly the outcry against lists and files on citizens raised in recent months against the FBI and CIA is no less applicable to the IRS and the public stands to be rightfully indignant.

Error number five is where you draw a fine line between the IRS's ability to arbitrarily "assess deficiencies" with respect to alleged unreported income as opposed to being prosecuted. You have the power to reverse the traditional American system of justice and adjudge guilt and assess deficiencies and fines before a court can act. The taxpayer is then placed in a position of proving himself at his own expense against government attorneys paid by his own tax money. The waitresses have been harassed and I intend to document the circumstances.

Finally, the main reason for my concern remains the Teton Flood victims and the attitude they are destined to face in the Administration of tax policies particularly in areas of capital gains.

It has been previously proven by earlier compromise by IRS under latitude allowed by law that reasonable adjustments can be made in regulations. I had hoped for some willingness on your part to look into this but it appears the Congress will have to deal with this as well as overall need for adjustment legislation. It is unfortunate that in priding yourself at service to the flood victims you couldn't offer more than lots of employees and facilities to make the extraction of taxes more easy.

I am taking this matter to the Ways and Means Committee and will keep you advised of further developments.

Sincerely,

GEORGE HANSEN,
Member of Congress.

DEAR MR. HANSEN: I have delayed answering your letter of December 13, 1977 awaiting the results of investigations of your charges. While we have not completed all of our various inquiries, I can provide answers to most of the points you raise and will furnish further information as indicated below.

You raised several distinct points about the administration of the tax law as it applies to the victims of the Teton Dam disaster.

The first point concerns the substantive tax law applicable to payments made by the Bureau of Reclamation to victims of the disaster for losses which they sustained. That law is set forth in the Internal Revenue Code and is more fully described in a letter from Mario Lombardo, Chief of our Individual Income Tax Branch, to Gilbert Stamm, Commissioner of the Bureau of Reclamation, dated, October 13, 1976. A copy of Mr. Lombardo's letter it attached and designated Attachment 1. The Internal Revenue Service has no authority to change the law nor to excuse taxpayers from complying with it. Further special relief for victims of the Teton Dam disaster would have to be legislated by Congress. In view of your interest in such relief, a copy of your letter has been forwarded to Donald Lubick, the Acting Assistant Secretary for Tax Policy.

We are, however, mindful of the complexities of existing law and the need for affected taxpayers to understand clearly the tax consequences of the various courses of action available to them. Service personnel in our Boise District began an "outreach" program to assist taxpayers in understanding the tax consequences of their actions and complying with the requirements of law. On June 9, 1976, twelve trained IRS tax assistors were added to the staffs of Disaster Assistance Centers. At the same time, our telephone operators completed special training to aid the disaster victims and a special District Technical Committee was established to handle inquiries. These efforts are more thoroughly discussed in the "Teton Report" appearing as Attachment 2 of this letter.

In July, 1976, the District Director of our Boise District sent a letter to taxpayers informing them of the type of records needed to support their treatment of compensation payments on their 1976 returns. In February, 1977, during the filing season, the District Director sent another letter to taxpayers enclosing worksheets and summary schedules to aid in return preparation and specifically informing taxpayers of the nonrecognition of gain election available under Section 1033 in the event of the acquisition of "like kind" replacement property within two years. These letters and their enclosures appear as Attachments 3 and 4 to this letter.

On October 27, 28, and 29, 1976, seminars were held by our employees for disaster victims in Rexburg, Idaho, under the auspices of the University of Idaho. These seminars were attended by over 500 taxpayers and practitioners. The reaction of taxpayers to these seminars is described in a letter dated November 5, 1976 from the Center for Business Development and Research of the University of Idaho, which appears as Attachment 5 to this letter.

Thereafter, the District Director issued a "Teton Dam Disaster Income Tax Update" setting forth in question and answer form the questions asked and the answers given at a meeting held in the Idaho Falls City

Counsel Chambers on November 28, 1977. This update appears as Attachment 6 to this letter.

These efforts were augmented by weekly visits by Service personnel to facilities provided by the Inter-Faith Council in Rexburg, Idaho, by the ongoing programs of two Service offices in the disaster area and through our Statewide toll free telephone assistance.

On the whole we believe the record reflects that Service personnel have provided extraordinary assistance to a group of taxpayers with extraordinary needs. We are proud of the efforts of our Boise personnel. Nevertheless, we recognize that in particular instances our personnel may have provided misleading, unclear or inaccurate advice to taxpayers on these complex issues despite their best efforts not to do so. I have been informed that you recently conducted hearings in your District and may be aware of such instances. I ask that you bring specific examples to my attention, or to the attention of the Boise District Director, Philip Sansotta, so that we can initiate a review of these specific cases and make any appropriate adjustments to those returns.

In your letter you ask "Why is the IRS making such a strong effort to purge Mormon agents from key Eastern Idaho audit positions particularly in the Idaho Falls area"?

Any such effort would be a violation of Federal law, established IRS policies and my personal convictions. Our investigation to date does not provide any basis for your allegation. Mr. Sansotta has advised me that of eight technical selections (tax auditors and revenue agents) made in the Boise and Idaho Falls offices within the last 18 months, 6 have been Mormons. Moreover, the Group Manager of the Idaho Falls office, appointed more than two years ago, is a Mormon. Nevertheless, I have asked Warren Bates, our Assistant Commissioner (Inspection), to have our Internal Audit Division conduct a thorough investigation of these charges. Mr. Bates is coordinating this investigation with our National Office Equal Employment Opportunity staff and our National Office Equal Opportunity Officer, Barbara Thompson. If you are aware of any specific instances of discrimination in our employment practices based on religion or on any other such factor, I urge you to bring them to the attention of Mr. Bates, Mrs. Thompson or me so that they may be investigated and, if true, appropriate action taken. I will provide you with the results of our investigation when it is completed to the extent we are permitted to do so under the law. I feel very strongly, however, that specifics concerning this charge, if any, be made known to us so that appropriate actions may be taken.

You asked "Why is the IRS so concerned about getting tough with Mormon Church officials that they would send in a roving office auditor from another state for special target audits in contravention of general IRS procedures"?

We are aware of no facts which would substantiate your allegation and again if you know of any I urge you to communicate them to us.

I might mention that of the 58 Internal Revenue Service districts, 19 are so-called "key districts" which provide centralized field expertise in two specialized and complex areas of our enforcement responsibility—employee plans and exempt organizations. The Boise District is not such a "key district" and relies on Seattle, Washington to provide experts necessary to conduct examinations in these two areas. This is a nationwide procedure and not unique to Boise or Seattle. Perhaps this procedure has caused confusion among some of your constituents.

With the exception of our general key district examination program in these areas, we are aware of only one auditor who was not permanently assigned to an Idaho office who audited returns in that area. That individual was a new audit trainee who worked in the Boise District (and specifically in the Idaho Falls office) for approximately six months prior to his first permanent assignment in Portland, Oregon. That individual received no special assignment while in Idaho Falls; to the contrary, he was restricted to the less complicated type of examinations normally reserved for new trainees undergoing on-the-job training.

Underlying these two statements is the broader allegation that the Service discriminates in its personnel and examination policies based on religion. I consider this an extremely serious charge which should not be made unless supported by specific facts. I assure you that any such cases will be thoroughly investigated and if proven true severe actions will be taken. However, I know of no such case.

Your letter questions why the Internal Revenue Service maintained a so-called violance list and kept lists of license plate numbers of those attending certain meetings which you characterize as "conservative meetings". You also stated that the Internal Revenue Service had planned "armed searches" of taxpayers' homes in the Snake River area.

Based on the information then available, each of these questions seems to relate to certain actions undertaken to protect our personnel against tax protestors advocating violence. High level Internal Revenue Service managers were seriously concerned that certain tax protestors belonging to organizations which advocated the violent disruption of tax administration posed a threat to the physical safety of our enforcement personnel. This concern was shared by the Federal Bureau of Investigation (FBI). The principal group advocating violent interference with the administration of the tax laws was the Sheriff's Posse Comitatus (SPC). This group's activity initiated in the western part of the United States within the boundaries of our Western Region. Accordingly, most actions undertaken by the Service in response to those threats also occurred in the Western Region.

On December 5, 1975 the Deputy Commissioner issued guidelines to the Regional Commissioners and Regional Inspectors. The guidelines included: (1) the maintaining of liaison with other law enforcement agencies including the FBI by our Intelligence Division and Inspection Service; (2) authorization to solicit information concerning the SPC and similar organizations restricting that authorization to information that concerned individuals involved in efforts to disrupt tax administration, or to information directly tax related, or involving potential assaults or threats against Service employees. On July 26, 1976, the Deputy Commissioner issued a Manual Supplement (93G–171, renumbered 9G–35) on the same subject. Copies of the December 5, 1975 memorandum and the July 26, 1976 Manual Supplement, respectively, appear as Attachments 7 and 8 to this letter.

Pursuant to these directives, our Inspection Service began to gather information on various tax protestor groups which, in their organizational documents or other pronouncements, advocated violent interference with the administration of the tax laws. During December, 1975, our Inspection Service in the Western Region furnished a list of names of 25 individuals who were reportedly members of groups advocating violence to the District Director, Boise, Idaho. The agencies which furnished the information to Inspection were the FBI, Idaho State Police and our own Intelligence Division. The Idaho State Police named two individuals as known members of the SPC. Of the other 23 names (all furnished to us by the FBI), all but two were listed on charter petitions of the SPC on file in various counties in Idaho. Of the remaining two, one individual was a reported member of the SPC who had been arrested on an assault charge by local police.* The other individual was reported to be a member of the Vigilant Committee of 10,000 by a local Idaho newspaper. According to local police sources in the Rexburg, Idaho, area, the Vigilant Committee of 10,000 also advocated the violent disruption of tax administration.

Some of the information obtained by Inspection from the sources described above did include license plate numbers of individuals who were attending or were parked in the vicinity of SPC meetings. However, the license plate information was never used as the sole basis for placing an individual's name on the list furnished to the District Director. Generally, no name was included on the list unless the person was also identified from some other source as being a member of the SPC or another organization advocating violence.

The purpose of the list was to provide management with some indication of those individuals who presented some threat to our personnel, so that our personnel, forewarned of the possibility of violence, could take appropriate precautions in carrying out their duties. This list was to be used for no other purpose, and we would appreciate being informed of any allegations of its use for other than its intended purpose. We have an obligation to protect the safety of our own personnel and I believe we would have been negligent to do less than we did in the face of the express goals of these groups.

The planned activities to which you refer in your letter as an "armed search" were also a reaction to concerns for the safety of our personnel in view of the activities of SPC and similar organizations. Among the compliance techniques occasionally used by the Service are canvassings of areas by revenue officers who knock on doors and ask occupants to produce a copy of their tax return as evidence of their compliance with the tax laws. Such canvassing techniques are usually performed in areas where comparisons with other publicly available information shows an abnormally low percentage of return filings. The revenue officer conducting the canvassing does not search the houses in question; rather, he or she asks the occupant to produce a return and, if no return is produced, simply note this fact. These revenue officers are not armed.

Such a canvassing was planned for a community in the Snake River Valley. In view of the high number of identified SPC members in the area, however, local personnel considered having our unarmed revenue officers accompanied by special agents or by our Inspection personnel, who were to act as escorts, available to assist only in the event of violence against our unarmed personnel. In view of the possible confrontations which might have resulted, this proposed canvassing program was cancelled after review by appropriate management officials at the district, regional and national levels.

In your letter, you allege that Internal Revenue Service personnel have placed under automatic investigation individuals complaining about higher taxes. We have no knowledge of any such activities, nor do we approve of or condone such activities. If you are aware of specific instances in which taxpayers claim that they have been selected for audit or other investigation under such circumstances, please provide that information

*Known members of the SPC attempted to serve a summons on the county Sheriff to have the charge against that individual dismissed.

to Mr. Bates or to me and we will initiate appropriate inquiries.

You ask why IRS agents maintain a clipping file on taxpayers regarding vacation trips and other activities.

In keeping with our established procedures, the Internal Revenue Service gathers directly tax related information from a variety of sources, including newspapers, concerning possible failures to comply with the tax laws. Our experience indicates that taxpayers frequently fail to report the value of prizes such as vacation trips as income on their returns. We follow up on this information to determine whether the prize income has been reported on the taxpayer's return.

In your letter, you allege that the Internal Revenue Service has prosecuted waitresses in eastern Idaho for failure to report tip income. No waitresses have in fact been prosecuted. In Idaho, as elsewhere, where we find indications that tip income is not being reported, we assess deficiencies with respect to that unreported income. Accordingly, the waitresses in eastern Idaho have not been subjected to special scrutiny with respect to tip income.

I have tried to be responsive to your concerns and assure you that the Service will not tolerate discrimination in either its personnel policies or its examination policies based on religion. Any facts at all to support your allegations in this regard should be made known to me. Generalized allegations of this sort without specific factual support do a disservice to the thousands of dedicated people who make up the Internal Revenue Service.

Sincerely yours,

JEROME KURTZ.

ENCLOSURES

Attachment 1—Letter from Mario Lombardo to Gilbert Stamm, dated 10/13/76.

Attachment 2—"Teton Report".

Attachment 3—Letter from District Director of the Boise District to Taxpayers, dated July, 1976.

Attachment 4—Letter from District Director of the Boise District to Taxpayers, dated February, 1977.

Attachment 5—Letter from the Center for Business Development and Research of the University of Idaho to the District Director of the Boise District.

Attachment 6—"Teton Dam Disaster Income Tax Update."

Attachment 7—Memorandum from the Deputy Commissioner of Internal Revenue to Regional Commissioners and Regional Inspectors issuing guidelines, dated December 5, 1975.

Attachment 8—Manual Supplement 9G–35.●

VOICE OF DEMOCRACY ESSAY PRESENTED

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. STAGGERS. Mr. Speaker, each year the Veterans of Foreign Wars and its ladies auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as the top prizes.

I am proud that the winning contestant from West Virginia is from the second congressional district which I have the honor to represent.

She is Mitzi Jo Lewellen, a student at Central Preston Senior High School, and the daughter of Mr. and Mrs. Howard Lewellen of Kingwood, W. Va.

I would like to share her winning speech with my colleagues:

MY RESPONSIBILITY TO AMERICA

The Presidential election of 1976 created an entirely new atmosphere in America. The people of the United States had chosen a brand new leader to take charge of their rapidly growing and changing society, and the stage was set in preparation for the events to follow. The eyes of the world were turned to our new President, and everyone watched and waited as he prepared to shoulder the responsibility of leading the nation.

The responsibilities of a United States President are indeed important ones. But let's pause for a moment to consider some responsibilities that are perhaps not as easily defined, but which are equally important as those designated to a national leader. In this I am referring to the responsibilities that are ours simply because we are Americans.

Needless to say, our duties as individual American citizens may vary due to the different positions we hold in society. For instance, young Americans have yet to acquire the responsibility of voting, decision-making that determines how our country shall be run. As the youth of America reach maturity this responsibility will come, but even today they share duties that are common to every American. Without the fulfillment of these basic obligations, all of the combined powers of government would be useless in sustaining this country as a democracy.

Perhaps one of the most important responsibilities each American has is that of setting a good example for other nations to follow. Without a doubt, the United States is a world leader and the policies and ideals that are formed here greatly influence the feelings and actions of other countries. Happily, we are known to the world as a peace-loving nation dedicated, as Lincoln said, to the belief that all men are created equal. The principles that shaped our Constitution declare that we uphold the personal rights and freedoms that belong to everyone. In foreign policy, our emphasis on the importance of human rights has been cynically mocked by some and applauded by others. Whether we are regarded favorably or not, we are always definitely taken into account.

The fact that we are so influential in world affairs makes it even more important for each of us to set a precedent, a good example. We must strive to practice our beliefs and not to rely on our diplomats to convince other countries that we really do believe in equal rights for all men. Showing the world that we are sincere will do much for the building of a good reputation for the United States.

A second responsibility that we all should make an effort to fulfill is that of keeping well-informed. Many changes are taking place in our American society, and we owe it to ourselves and to our nation to realize what changes are occurring. We cannot hope to continue to govern ourselves if we do not take an interest in what is happening around us.

Issues that make the headlines of our newspapers change quickly as America is changing. It is important that we study these issues and become familiar enough with them to take a stand. Apathy in and ignorance of the vital issues of the day can delay the final resolution of conflicts, cause countless rehashings of old issues, and ultimately hinder the progress of our society.

It is extremely important, also, that we know enough about our prospective leaders to choose them wisely. Most of us learn from our past experiences what is and what is not a wise choice to make again. To this knowledge we must add all of the information possible about things we know relatively little about. We should be constantly expanding our knowledge of the happenings around us and applying our new-found information in our decision making.

Lastly, we have the duty to participate in the workings of America. It is the people who control this country with their votes and their support, and if this duty is neglected the democracy cannot exist. Action is needed for any system to be successful, and the duty of governing ourselves can be regarded as a privilege as well as an important responsibility.

These are the responsibilities that I have as an American and that every American has: the setting of a good example, keeping well-informed, and participating in America. I believe that these basic responsibilities cannot be left unfulfilled if democracy is to remain intact. And since I believe that our American democracy will continue to thrive I know that these responsibilities will be met by Americans now and in the future.●

THE PRODUCT LIABILITY INSURANCE TAX EQUITY ACT IS COSPONSORED BY 62 REPRESENTATIVES

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. WHALEN. Mr. Speaker, today I am reintroducing the Product Liability Insurace Tax Equity Act—PLITE. First introduced on June 9 as H.R. 7711, this legislation is now cosponsored by a total of 62 Members of the House of Representatives.

I am pleased to note that PLITE will soon be introduced in the Senate by CHARLES MCC. MATHIAS of Maryland.

To date, our bill has been endorsed by over 45 national trade or professional associations. Most have been identified in previous statements I have placed in the CONGRESSIONAL RECORD.

PLITE is intended to end Federal tax discrimination against those who self-insure for all or part of their potential liability for products or professional services. The legislation does this by providing that taxpayers may establish qualified, tax-exempt trust funds for purposes of product or professional liability self-insurance; contributions to such trust funds would be eligible for treatment as a business expense.

Last month chairman AL ULLMAN of the Ways and Means Committee referred H.R. 7711 and several similar bills to the Subcommittee on Miscellaneous Revenue Measures. Its chairman, JOE WAGGONNER, tells me that he is anxious to hold hearings on our proposal as soon as the committee's schedule permits, probably in April.

So, the Product Liability Insurance Tax Equity Act continues to make progress. While the movement seems a bit slow, it is steady.

Mr. Speaker, at this point in the RECORD, I wish to identify the cosponsors in the House of the PLITE bill. My original coauthors are distinguished by an asterisk after their names. The list follows:

John Anderson (Ill.), John Ashbrook (Ohio), Les AuCoin (Ore.), Doug Barnard (Ga.), Max Baucus (Mont.), Berkley Bedell

(Iowa), Clarence Brown (Ohio), Garry Brown (Mich.), Elford Cederberg (Mich.), Silvio Conte (Mass.), Jack Cunningham (Wash.), Robert Edgar (Penn.), Allen Ertel (Penn.), Millicent Fenwick (N.J.), Edwin Forsythe (N.J.), Donald Fraser (Minn.), William Goodling (Penn.), Willis Gradison (Ohio), Tennyson Guyer (Ohio), Michael Harrington (Mass.), Jerry Huckaby (La.).

William Hughes (N.J.), John Jenrette (S.C.), Jack Kemp (N.Y.), William Ketchum (Calif.), Thomas Kindness (Ohio), John LaFalce (N.Y.),* Jim Leach (Iowa), Joseph Le Fante (N.J.), Norman Lent (N.Y.), Marilyn Lloyd (Tenn.), Thomas Luken (Ohio), Paul McCloskey (Calif.), James Mann (S.C.), Marc L. Marks (Penn.), Dawson Mathis (Ga.), Romano Mazzoli (Ky.), Helen Meyner (N.J.), Robert Mollohan (W. Va.), George O'Brien (Ill.), Richard Ottinger (N.Y.).

Ed Pattison (N.Y.),* Don Pease (Ohio),* Claude Pepper (Fla.), Richardson Preyer (N.C.), Joel Pritchard (Wash.),* Albert Quie (Minn.), Robert Roe (N.J.), Marty Russo (Ill.), Ronald Sarasin (Conn.), John Seiberling (Ohio), William Stanton (Ohio),* Newton Steers (Md.),* Dave Stockman (Mich.), Robert Traxler (Mich.), Paul Tsongas (Mass.), Bruce Vento (Minn.), Doug Walgren (Penn.), Robert Walker (Penn.), William Walsh (N.Y.), Charles Wilson (Tex.), John Wydler (N.Y.).●

TWELVE HONORED AT AWARDS BANQUET

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. KILDEE. Mr. Speaker, I recently had the honor of attending an awards banquet in which 12 of the most outstanding individuals in my congressional district were extended tributes for their citizenship and leadership. The awards banquet was sponsored by Zeta Beta Omega Chapter of Alpha Kappa Alpha Sorority, Inc.; the Flint Club of the National Association of Negro Business and Professional Women's Clubs, Inc.; and, Zeta Beta Chapter and Zeta Amicae of Zeta Phi Beta Sorority, Inc. I am pleased to bring to the attention of my colleagues the names of those who were honored. They were:

Ruth Ann Boone, named Zeta of the Year. She has long served the chapter in many capacities, and is a staff assistant in reading and humanities with the Flint community schools.

Romona E. Goodlett, Zeta Amicae of the Year. She has an enviable record of commitment to the goals and purposes of the Zeta Amicae, and has been very active in the organization. She is chaplain of the Flint chapter and serves also at the State level.

Selma L. Collins, Sojourner Truth Award. This award by the Negro Professional and Business Women's Club is one of the most prestigious honors given in the Flint area. Mrs. Collins was the home-school counselor at Parkland School for 16 years, and has been very active in community affairs. She has received many citations, trophies, and honors from local and State groups in recognition of her concern and efforts on behalf of others.

John W. Hunter, Leadership in Government Award. A member of the Genesee County Board of Commissioners, Mr. Hunter is deeply involved in community concerns. He has served on the National Association of Counties, the Flint Bicentennial Commission, the Genesee County Substance Abuse Commission, the Model Cities Economic Development Corporation, and the Genesee Memorial Hospital board of directors.

Glenda E. LeFlore, Appreciation Award. She has been an active member of the Flint chapter of the Negro Business and Professional Women's Club since becoming a member in 1966. She is a teacher of the educable mentally impaired, and works with many community groups, such as the United Teachers of Flint, the Urban League Guild, and King's Sons and Daughters.

Precious Doris Petross, Zeta Woman of the Year Awards. She is director of personnel and labor relations at Hurley Medical Center, and she shares her skills with civic, fraternal, and professional organizations. She has been cited by many of them for commitment, service, and inspiration.

Vivian M. Lewis, M.D., AKA Soror of the Year Award. Dr. Lewis has been recognized as one of the outstanding sorors in the Great Lakes region. She has been in the private practice of pediatrics in Flint since 1970, and is a member of the teaching staffs of Hurley and St. Joseph Hospitals as well as the courtesy staff at McLaren General Hospital. She has been active in many civic activities.

Harrison Elliott McGee, AKA Community Artist Award. Mr. McGee's contributions to the cultural life in the Flint community and elsewhere have brought pleasure and enrichment to a wide range of people, in many diverse settings. Mr. McGee is the vocal music teacher at Whittier Junior High School, and is a skilled and professional adult musician.

J. Merrill and Edith Prunty Spencer, AKA Citizenship Award. Dr. Spencer and his wife have a special effectiveness in community leadership because of their teamwork. Their activities have included participation in local, State and National professional, civic, and community organizations. The efforts of Dr. Spencer, who is a member of the Flint Board of Education, and his wife on behalf of civic activities are well known.

Ophelia Bonner. A special tribute by all three organizations was extended to Ophelia Bonner, who has been an outstanding leader in community and civic affairs for many years in the Flint area.

The Reverend Norman A. DuKette. A special tribute by all three organizations also was extended to Father DuKette, who has provided spiritual leadership over several decades to black Catholics in the Flint community and others.●

LINOWITZ CONFLICTS OF INTEREST IN PANAMA TREATIES IDENTIFIED

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

Mr. HANSEN. Mr. Speaker, during public hearings, public interviews, and in a public manner on many occasions, public officers of the United States have admitted and acknowledged conduct which appears to be in direct contravention of statutes specifically prohibiting conflict of interest, bribery, and graft.

Sol M. Linowitz negotiated an agreement with the Republic of Panama known generally as the Panama Canal treaties as an official of the State Department of the United States with the title of Ambassador. While holding such office and while performing those negotiations, the same Linowitz was, for part of the time a director and had been a member of the executive committee of the Marine Midland Bank, a New York bank to which the Republic of Panama was indebted in an amount not less than $8 million. Upon public revelation of the conflict, the said Linowitz resigned that directorship. Linowitz later publicly admitted that the resignation was temporary only and only for the duration of the public office.

The admitted facts are in direct violation of title 18, United States Code, section 201 (c) and (g) and section 208.

The same Linowitz was and remained throughout his public office, a stockholder, director, and member of the executive committee of Pan American World Airways, a corporation which has substantial assets in the Republic of Panama, the value of which assets depend substantially upon the favor of the government of the Republic of Panama. Such admitted facts appear to violate the same statutes cited above.

In addition, the same Linowitz, prior to his appointment as a public officer of the United States as stated above, represented the Republic of Panama in negotiation on the same agreement with representatives of the United States. Such representation appears to violate title 18, United States Code, section 205, and probably section 203.

With regard to the Department of State, unknown officers of that Department, knowing the facts as outlined above, nonetheless appointed and approved the appointment of the said Linowitz as an officer of the United States in the Department of State thereby violating Executive Order 11222, section 201 (c) (1), (2), (3), (4), and (6) and section 205. Linowitz himself was, by reason of the facts as stated above, in violation of section 203 in addition to the cited sections of the same order.

Linowitz also accepted his ambassadorial appointment and performed the duties thereof in apparent violation of title 22, United States Code, section 91 (a), which requires such appointments to file a report of all contributions to Federal political campaigns within the last 4 calendar years preceding the date of the appointment.

It is noted that Linowitz made public reference to his refusal of salary apparently for the sole purpose of avoiding an additional violation of section 209 of title 18.

Although indirect, most of the same conflicts attach to the conduct of Ambassador Ellsworth Bunker in the same negotiations by reason of his family connection with Lehman Brothers, a New

York investment bank with interests in Panama.

In addition, Linowitz and his law firm, Caudert and Caudert of New York City, represent and have represented Central and South American organizations, including countries with a substantial interest in the resolution of the negotiations undertaken by Linowitz as described above.

Linowitz and his firm have a record of conflict of interest and insensitivity to conflict as a basis for restraint. As recently as within the past 12 months they had to be forced to withdraw in a bankruptcy matter in Federal court, solely on the basis of patent conflict of interest which is outlined in the attached information.

By reason of the public nature of the facts in the Sol Linowitz conflict-of-interest circumstances and the apparent direct and indirect violation of the statutes cited herein and others, including even the potential for conspiracy to defraud the United States, I am requesting the public integrity section of the Department of Justice to immediately initiate an investigation of the possible violations of criminal statutes of the United States with a similar notice and request to the Secretary of State.

In addition I am also asking the Banking Committees of both the House and Senate to look into the apparent inappropriate connection between Messrs. Linowitz, Bunker, and certain currently unidentified officers of the U.S. Department of State with clearly identified banks and banking interests for the possibility that the integrity of the banking system of the United States is being compromised.

Mr. Speaker, if the parties named or described are not in violation of criminal law or regulations they should be vindicated. If they have violated the criminal law, however, neither their exalted position nor the magnitude of their responsibility should exculpate them.

DATA REGARDING SOL LINOWITZ' CONFLICT OF INTEREST INVOLVEMENT WITH DATRAN BANKRUPTCY

In August of 1976 the corporation called Data Transmission Company, Datran, went into bankruptcy in the Eastern District of Virginia. It was the largest bankruptcy in the history of this district, close to $100 million worth of debts and about $60 million in assets.

They had a microwave transmission system that was in competition with AT & T System and just couldn't compete. They filed a last gasp anti-trust suit against AT & T and went under.

Sol Linowitz was on the Board of Directors of Datran until two months before bankruptcy (June 8, 1976).

Datran is basically a Texas outfit, a subsidiary of Wiley Corporation which is the old University Computing Company, one of those high rise stocks in the 60's.

Until about mid-1975, Caudert Brothers was general counsel to Datran, their one outside counsel that passed on corporate decisions. Immediately as soon as bankruptcy began Caudert showed up representing Sumitomo Shoji America, Inc., and Nippon Electric which are a Japanese creditor and manufacturer of radios that were used in the system and which had a secured and unsecured claim of about $2 million. Proceedings went for awhile and as various counsel got into the company and found out more about it, it was brought to the attention of Caudert Brothers that they had a conflict.

They were privy to inside information on the part of Datran both through the knowledge of their partner who was a Member of the Board and due to the fact that they had presumably negotiated many of these contracts with the person that they were then representing.

It was not easy to convince the Caudert Brothers firm that legal proceedings in Virginia are still "old fashioned" enough that they don't do that sort of thing, but they were told by other counsel they should get out. There was correspondence with Alexis Caudert who said there was no conflict, nothing—that they don't talk to those in the firm who did that work—such people in the firm are not the ones that they are associating with in this matter; so there is no undue advantage.

This was considered a lot of baloney by other parties and the matter was taken before the Judge in Chambers because other attorneys did not want to embarrass the Caudert firm publicly. The facts were presented to the Judge who apparently was an absolutely ethical type person. He said, "There is no question in my mind that Caudert cannot represent these people." And after brief discussion the Judge said, "You are no longer representing these people and I trust you will without any further adieu get local counsel or get someone else to represent these Japanese corporations." That is what happened.

The Caudert firm is known to have said before the Judge which was deemed incredible, that they had received a retainer of half a million dollars a year, which is a lot of money and we have got to represent these people. The Judge of course stated he didn't know why that was said, that it was not relevant to anything.

In summary we see how a firm that was general counsel when contracts were executed and a Member of their firm was on the Board until 2 months before bankruptcy ends up representing one of the largest creditors in the proceedings. The Judge in the case who is deemed to have taken the absolutely proper approach is named Bostetter, the Bankruptcy Judge for the Alexandria Division Eastern District of Virginia which includes Northern Virginia.

The bankruptcy occurred in August 1976 and the Caudert firm was removed from its conflict of interest role in early June 1977. The Court records would show that they are no longer signing papers after a certain date and there is backup correspondence available regarding the situation.

The Linowitz-Caudert firm combination has then significant history of apparent conflict of interest involvement in the private practice of law as well as in the public and international practice as has become publicly evident through the Linowitz role in the Panama Canal Treaty negotiations.

In this regard Congressman George Hansen and Senator James McClure brought suit against Sol Linowitz shortly after his appointment as Special Ambassador designed to force him to appear before the U.S. Senate for normal scrutiny for conflict of interest and other public service requirements. Mr. Linowitz was defended by the U.S. Department of Justice who could not at that time have avoided knowing of the apparent violations of law by Sol Linowitz in his fuzzy inter-laced capacity of U.S. Representative in Canal negotiations, as a Member of Boards of Directors of International Banks and Corporations having large business involvement with the Panamanian government, and as a registered agent for foreign governments and interests (including Panama) with financially vested interests in the outcome of the treaty negotiations.

Perhaps Mr. Linowitz came to the attention of the Justice Department even earlier when his appointment was being considered inasmuch as he was asking for special consideration which would not require his divesting himself of private interests in order to serve in the public capacity. This probably was or should have been explored.

The questions are:

1. Why so much effort was made to allow Mr. Linowitz to bypass Senate consideration of his appointment and why certain required disclosures were not made which constitute an apparent violation of law?

2. Whether the Justice Department is condoning and even encouraging a breaking of the law in an area where such high office and such large funds and international ramifications are involved?

3. Whether the Justice Department is involved in a coverup of conflict of interest in apparent violation of the law? ●

MY RESPONSIBILITY TO AMERICA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. CRANE. Mr. Speaker, I am honored to insert in the CONGRESSIONAL RECORD today the winning speech from the State of Illinois for the Voice of Democracy contest sponsored by the Veterans of Foreign Wars. Out of over 250,000 secondary school contestants, Sheila Mary Foran of Prospect Heights, Ill., was selected from Illinois to compete here in Washington, D.C., for the top prize of a $10,000 national scholarship. Under the theme "My Responsibility to America," Sheila has written an inspiring entry which every American—young and old—would be well advised to use as his or her own guideline. Sheila's fine work deserves to be read and remembered by us all:

1977–78 V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM, ILLINOIS WINNER—SHEILA MARY FORAN

In 1783 George Washington said "We are placed among the nations of the earth and have a character to establish: but how we shall acquit ourselves, time must discover." Our forefathers were concerned about their ability to create a sense of responsibility to our new nation. It was difficult for people to see the relationship between their country's well being and their own welfare. Yet the early Americans established a working, democratic nation and tried to ensure the rights of all people. They instituted a free education system, fulfilling their responsibility to the adults of tomorrow, to the future. The fortitude and the perseverance of Americans in the past provide great inspiration to me as a young adult seeking to understand more clearly my responsibilities to America.

It's very easy for me to see what responsibilities other people have to America. The President is trusted with the fate of the entire nation. Members of Congress have a duty to become knowledgeable about issues before reaching a decision in making laws. State officials must implement these federal laws and satisfy the needs of the people in their own state. Within the state, people accept the challenge of being accountable for their

own areas by serving on local councils and boards. So the chain of command is linked together, with the basic family unit intertwining and strengthening the whole. I am a part of that chain so I have a responsibility to keep the chain strong. This responsibility is a privilege to be honored with my best efforts. As Dwight D. Eisenhower said, "To firmly develop your own character, you must know your country's character." The first step to doing this is becoming aware that I have a responsibility to America. I think responsibility starts within each of us; it begins with setting standards. I have to ask myself the question, what is really important to me? My family? Material goods? Status? In the often confusing world of a young person today, it is vital to think about what I value most.

Responsibility grows when I can look at our country's actions and my own behavior from a future perspective. The effectiveness of our fulfillment or responsibilities today will in fact show us the path of the future.

The second step to becoming a responsible American citizen is to become informed about her. The words of Thomas Jefferson tell us: "The most effectual means of preventing the perversion of power into tyranny is to illuminate the minds of the people." I should try to learn everything there is to know about my country even though my country's problems may not be paramount to me as a teen ager anymore than they were to the struggling young citizen of 200 years ago. Then it took over a month for news of the Declaration of Independence to travel from Philadelphia to Charleston, South Carolina. Today we get the news as it breaks by reading newspapers and magazines, listening to the radio and watching television. A major responsibility of all Americans is to use at least one of these resources to keep informed about America. John Stuart Mills said, "It is the duty of governments and of individuals to form the truest opinions they can, to form them carefully and never impose them upon others unless they are quite sure of being right. But when they are right it is not conscientiousness, but cowardice to shrink from acting on their opinions." Responsibility is risking involvement, putting yourself on the line to take a side about some issue confronting America. It means actively supporting those policies I believe to be good for the nation and actively criticizing those I feel are wrong, by writing letters to Congressmen and newspapers, and belonging to groups who together, can do something about the way I feel. It means being willing to challenge the words of those in power and sometimes question their motives and actions. True responsibility is using all my constitutionally guaranteed rights to their fullest. As I mature and become a more active participant in American life, will I accept the challenge of fulfilling these responsibilities? By taking advantage of all the educational opportunities offered me, I believe I can honor the privilege of my responsibility to America.

SARASOTA YOUNG MAN WINS VFW "VOICE OF DEMOCRACY" CONTEST

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. BAFALIS. Mr. Speaker, every Member of Congress quickly learns there are some constituents in whom we and the entire Nation can take a great deal of pride.

John Montgomery Stokes of Sarasota is just such a constituent. The young man is a student at Sarasota High School, where he has served as secretary and president of the Key Club, president of the Student Body Association, and parliamentarian of the National Honor Society. He is an Eagle Scout, winner of the DAR Good Citizen Award and a member of the Governor's task force committee on juvenile delinquency.

Monty Stokes is also a talented writer and a patriotic young man. His entry in the Veterans of Foreign Wars' "Voice of Democracy" speech contest shows that. It won the Florida-wide contest.

His observations, so carefully phrased and thought out, are worthy of the attention of all of us. So I am inserting his speech in the RECORD for review:

I am speaking to you with full freedom to say what I think. I count it a blessing that I have the right to do so.

I speak to you having my own political persuasion, my own religious affiliation and my own philosophy of life. I count it a blessing that I have the right to choose these things for myself.

Most of all, I count it a blessing that I live in a country where those who differ with me have the same rights and responsibilities.

Responsibility: a charge, trust, or duty. Just what is my responsibility to the great country which grants to me and others the rights I have mentioned?

Some seem to answer this question easily. They say obey the laws and defend America in time of war. For me, responsibility to America is a bit more detailed. I look around me and am aware that half a billion people in the world are starving. I hear in the distance the clamor of war and violence. I spend year after year in an educational system which could be so much better. I see families disintegrating and cities decaying. My responsibility to America call me to take action.

The question arises, what can you—one human being—do to counter these conditions? My answer is simple, yet profound. I shall express my views and values through my great American privilege, the vote. As a man who appreciates and loves liberty, I find no less despicable those who starve the ballot box than those who stuff it.

My commitments to serving my country is the moral equivalent of waging war. The enemies are apathy, greed, malice and ignorance. The battle line is on the floor of Congress and in committee hearings. My weapons are knowledge, dedication and action. The end result remains to be seen.

I see America as a dream which all of us are endeavoring to make a reality. America is a vision of freedom and peace which has not yet reached fulfillment. It can and will when her people keep their vision clear, revere the faith of their fathers and work responsibly with faith in the future.

This then is my responsibility to America, to grow and progress as an individual, to help those around me do the same and thereby to help the nation grow and progress as well.

The time has come for all of us to capture again the spirit of Patrick Henry who cried out for liberty or death in our country's infancy. We must rededicate ourselves to the guiding principles upon which this nation was founded and which have made it great. Without such dedication, the cause of freedom may well vanish from the face of the earth.

America has been and still is a great nation, but we must not ignore the rot and blight upon her face. We must cut out and fill in to correct these blemishes. We are at the point of no return. We must either restore our country or crumble with her.

Individuals of diverse backgrounds built this country and made it great. They were a certain breed of Americans. They sought challenges because they were there. They showed perseverance because they cared. They gave leadership when it was not there. They exhibited dedication because it was their guiding principle. This is the kind of American we need today and it is the kind of American I intend to be. In this spirit we and our beloved country can move ahead. Won't you join me on this journey into the future? I and many other young Americans know and accept the future in our hands. We are confident that with God's help we can meet that challenge.●

FLOOR STATEMENT OF REP. ANDREW MAGUIRE ON THE INTRODUCTION OF HIS SOLAR ENERGY TRANSITION ACT, MARCH 13, 1978

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. MAGUIRE. Mr. Speaker, the people of the United States are committed to resolving the energy crisis. They are prepared to make the sacrifices necessary to achieving energy self-sufficiency and to set this Nation's energy policy on solid footing for the future.

This public concern did not exist a scant 5 years ago, and any discussion of the energy crisis was generated primarily in academic and professional energy circles. Now, however, since the post-embargo passage and implementation of much energy conservation and supply legislation, the term "energy-crisis" has come into household use.

Today, I am introducing legislation with Representative OTTINGER which would require the Federal Government to assume a leadership role in a conversion to solar energy for the future. Although people want to contribute to solving the energy crisis, most are frustrated by ever rising fuel bills despite conservation efforts, or by a lack of understanding of the breadth and availability of the seemingly esoteric alternative energy technologies such as solar, for satisfying their energy needs in the immediate future.

Since the Arab embargo, the American consumer has been forced to confront the problems associated with a transition to renewable resources. Because it is painfully evident that we are running out of fossil fuels, most people are seeking to learn about what is entailed in going solar. However, Congress has yet to provide the consumer with active leadership in this area; setting up information dissemination and technology demonstration programs is not enough. With the great potential of solar energy, our legislative efforts to date have been experimental, and our commitment to the solar resource—and therefore to encouraging a renewable resource transition—has been regarded as tentative at best. Certainly, the intent and original substance of the President's energy bill was a step in this direction, but the general stagna-

tion which has overcome energy legislation in this Congress arising from controversy surrounding the natural gas deregulation component of the national energy plan, has served to shake the public's confidence in the ability of Congress to lead the United States out of the energy crisis. Is Congress to set the example of dangerous inaction on an issue that cries out for immediate resolution, or will we finally demonstrate our commitment to a sound energy future by putting forward a concrete and effective alternative energy conversion policy?

I believe that the example must be set by the Federal Government that solar energy is commercially feasible in part today, and that it is a reliable and down-to-earth solution to our energy problems for the future. It is for this reason that I have sponsored the Solar Energy Transition Act with my distinguished colleague from New York: To put into motion the policy and procurement mechanisms today for converting the Federal Government's energy consumption to 30 percent solar by the year 2000.

Specifically, my bill would require each Federal agency to report to the Secretary of Energy, within 1 year of passage, findings on the potential within the agency for converting its own energy consumption activities to solar. The Secretary of Energy would then come to Congress with a solar energy transition report, to be delivered on April 20, 1980, and then annually, in which he would assess and determine the potential in the Federal sector for reliance upon solar energy for 1 percent of all energy needs by 1981, 5 percent by 1985, and 30 percent by 2000. In addition, the Solar Energy Transition Act would require the Secretary of Energy to develop guidelines for agency policy revision and the establishment of new policies affecting national energy use patterns, which would encourage a national conversion to solar.

Since the Arab oil embargo, Congress has provided leadership in energy conservation and production of finite and fossil resources. With the Solar Energy Transition Act, we would assume a leadership role in what must inevitably come: A move away from fossil fuels and toward reliance on renewable resources, especially solar. We must ask the Federal Government to implement as effectively as possible, the policies and goals of this legislation. There is a solar readiness in the United States: The Solar Energy Transition Act is a timely and necessary measure to channel the general interest in solar energy which now exists, into action facilitating its eventual widespread use.●

CARTER HENDERSON ADDRESSES MEMBERS OF CONGRESS

HON. CHARLES ROSE III

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. ROSE. Mr. Speaker, several weeks ago Carter Henderson, codirector of the Princeton Center for Alternative Futures, addressed over 30 of our colleagues in the "Dialogues on America's Future" series sponsored by the Congressional Clearinghouse on the Future.

In his talk, Mr. Henderson urged us to think seriously about the decline of industrialism and he posed several questions for us to consider when looking at legislation.

Mr. Speaker, I commend his remarks to my colleagues in the Congress and attach a copy of his presentation:

THE DECLINE OF INDUSTRIALISM

Let me begin by saying that I believe the industrial age is dying. The scarcity of fossil fuels is a good example of this. At present, we are the product of a linear, materialistic, production-line mentality. Although the GNP hit the $2 trillion mark last month, it is now more a measure of decline than of growth. Two-thirds of that figure represents inflation; and it is my impression that the remaining one-third is due to the work required to deal with the "bads" of our society—such as crime, pollution, ill health, stress, etc. The postwar heyday is behind us. World trade has recently expanded 50% more than production, but protectionism slows this growth, too, as barriers are raised to trade.

I would like to share with you the evidence I see for this decline. First of all, when we look at the economy, we see an increasing primacy of jobs over production. Two centuries of industrialism have turned upside down: now we are in the business of producing jobs rather than products. In the quarter century since World War II we have produced more goods and services than the human race has ever before produced.

There are several reasons for this slowed growth as we enter what I call the "Solar Age." First of all, every J curve must inevitably flop over and become an S curve. Secondly, we are encountering the need to consume more and more cheap resources in order to extract hard-to-get new resources—such as going to Alaska or under the North Sea to extract oil at 20 times the cost of Texas oil. And this trend will continue as we turn to the ocean floor and polar ice caps for resources. We will need to put ever greater amounts of money in production just to stay even. I would amend the statement "There is no such thing as a free lunch." to say also "Every lunch from now on is going to be more expensive than the one before."

Thirdly, the so-called "side effects" of our industrial society are on the increase. We see them in such phenomena as the costs of mediating conflicts, controlling crime, industrial disease, of caring for "marginal" people and those who can't cope with the complexity of modern life. My partner, Hazel Henderson, in her book "Creating Alternative Futures" uses the term "entropy state" for this situation, in which the costs of cleaning up the mess are equal to or exceed society's productive capabilities. As a result, society tumbles down to a state of dis-equilibrium. For years, pollution and other undesirable facts to our industrial growth were called "side effects," but now we see that they are an integral part of this way of life and are too costly.

The final reason for this slowed growth is that our economy is so large and complex that it can't be modeled. And if you can't model a system, you can't manage it. Medicine a few centuries ago was far less successful at curing ailments than it is today, because doctors didn't have a satisfying model of the human body to help them. Today, modern economists are in the same situation as old day physicians: they are relying on all purpose "cure-alls" for lack of any thorough understanding and modeling of our economic system.

I want to add that I do not think that our economy is out of control. It is being managed by inflation. Inflation is changing the J growth curve into an S curve.

DEALING WITH CONFLICT

In this transition period, the educative function of leaders is very important. Conflict resolution is crucial; I have great respect for you Members of Congress who are involved in conflict resolution every day. I am pleased with those churches which are helping ease the transition—for example, the National Council of Churches is developing an energy program. Other Americans are dealing with the transition through the conterculture—creating their own work, going outside the system.

Several studies point to the emergence of new values. In Canada, a four volume "Conserver Report" describes the values of a conserver society. Recent Louis Harris polls indicate the skepticism of the American family when it comes to traditional values such as growth, competition, and standard of living. Quality of life is becoming more important than standard of living. The "new frugality" has the following qualities: self-realization, self-sufficiency, preservation of the environment, living on a human scale, harmony with nature, and voluntary simplicity where people live below the level of their incomes. Frugality is a natural resource every bit as important as materials. More Americans feel they can't make it in an industrialized system and so are going outside it.

Another indicator of a shift is the awareness of the potential of the American home as a center of production rather than consumption. People will meet more and more of their needs at home. Products will be bought for their "use value" rather than for their "exchange value."

Our communities provide another untapped productive potential. For example, heating systems could be centrally provided by communities, as Sweden is discovering. Yard tools and automobiles could be shared. Such ways of pooling resources also helps the interaction of people and can begin to remedy the problem of isolation and loneliness. This community technology cannot be patented. You can only patent hardware in our society.

I've put together a checklist of questions to ask as we make decisions about new technologies and new designs for living. This is a preliminary attempt which may be revised later, but I think you may find it useful.

QUESTIONS TO THINK ABOUT

1. Is it labor-intensive rather than capital or energy-intensive? There are many people who need jobs, and too few reserves of resources. Are the jobs short-term or long-term? Will they prove to be useful skills?

2. Is it based on renewable resources, such as the sun and the wind?

3. Does it favor self-reliance rather than industrial dependence?

4. Does it increase national economic flexibility or lock us into an almost irreversible pattern, such as nuclear power and liquefied natural gas have done?

5. Does it help educate people to the new problems facing the U.S.? I have just completed a study which I call, "The Inevitability of Petroleum Rationing in the U.S.," in which I argue that supply and demand won't produce the needed reduction in use. Supply and demand can't educate the public. Rationing can do both. Another area in which we need more education is in understanding "efficiency" and "productivity." We must give these terms new meanings. For example, is it efficient or productive to introduce a new technology which puts more people out of work? It may be efficient for the company, but it certainly is not for society as a whole. We need to look at these terms from a new perspective and ask: "Productive and efficient for whom?"

6. Will it inadvertently harm society, present or future?

7. Does it capitalize on what is unique to our society, to our economy? For example, it doesn't make sense for Portugal, a country full of sun and wind, to want to develop nuclear power plants.

8. Is it decentralist rather than centralist? For example, oil shale is centralist and solar heating is decentralist.

9. Does it increase the distribution of power, wealth, and knowledge? At present, we're in the thrall of the specialist.

10. Does it reflect multidisciplinary thinking? We must get beyond narrow disciplines. For example, I am all for the replacement of the Council of Economic Advisors by a Council of Social Advisors.

11. Does it reinforce industrial age values, or advance new values which encourage sharing, compassion, and the dictates of the Golden Rule?

QUESTIONS AND ANSWERS

Q. It seems to me that there is a pattern in several of the recent speeches given by futurists. They have a two-part speech. The second part is a sermon—and I don't mean this in a pejorative sense—about the values of family, community, sharing and love. I can't disagree. The first part is a gloom and doom warning that our economy is slowing down. Here I disagree. I don't see the economy slowing. I might add that the sermon is good anyway.

A. Most people wouldn't buy the gloom and doom picture. But most futurists do have a consensus that it will be this way. I think, though, that it's unfair to leave people with just a gloom and doom picture. We need to help them through the transition. We need specifics, and since futurism is a young discipline, we don't have enough of them yet.

Q. Back to gloom and doom. For at least 100 years, we have assumed a growth dividend. It's nice to have that margin of growth—it gives more people access to the pie. But without it, democracy and representative government can't function. How do you play this out in the world of political realities?

A. Pumping up the pie so more people can have a piece isn't going to work. In my opinion, the only way to go—the only tool available—is income redistribution. I'd hate to be in office when this happens. Politicians have so few tools to work with, unless we go to authoritarianism. It's going to be a very difficult and unpopular task.

Q. I disagree totally and unequivocally with what you have said. It's old, standard, stock. Dehumanizing effects have been noted for years. Economic critiques have been around just as long. I see no evidence of economic decline. The 1960s had the strongest rate ever of real growth. The 70s have produced a blip in this trend, but I'd hate to make long-term predictions based on this.

I have different interpretations to make of many of the phenomena you've mentioned. For example, the reason for a growing cashless society is that if you don't pay cash, you don't have to pay taxes. That has nothing to do with the decline of industrialism.

I have more faith in technology than you do. We have a communications satellite which uses only 60 pounds of copper, as compared to 2000 tons of copper in undersea cables. As to labor, I've seen labor when I was growing up on a farm and I can tell you I don't see the virtue of labor intensity. I'm distressed. I don't see the presentation as having anything to do with the future; I want more optimism.

A. What is different is that things are beginning to happen in a documentable way. I see very little to indicate that things are going to continue as they have been. For instance, on farms people have left and been replaced by petroleum-using machinery. We're converting expensive foreign oil into agricultural products. This has to stop.

How valuable is your satellite in dealing with the problems I talk about? Fritz Schumacher used to say, "A breakthrough a day keeps the crisis at bay." Can technology keep at bay the things I'm talking about? We didn't use to have OSHA, consumer protection and the concern about environmental quality. Now we do, and these will increase. And we can expect the third world's demand for a greater stake in the world's production and wealth to increase.

When you mention that sectors of our society avoid cash so as to avoid taxes I agree. But look at the reason for that: people just can't make it any other way. This is an important trend. All in all, I can say that I am comfortable with my position.

Q. I think that when we compare the past and the present, we are comparing apples and oranges. The good old days weren't that good. Thank God for antibiotics and power steering. Saving lives can't be measured in dollars. The question comes down to some sort of optimism/pessimism conflict: pessimism of the intellect, optimism of the will. We've got to understand what people really need and want.

A. Pessimism could be the ultimate arrogance; it implies that we humans are in control. Now, I agree with Sophie Tucker when she said, "I've been rich and I've been poor, and rich is better." It's all a question of priorities and tradeoffs, and how to get the message to the public. I'm very concerned when people say that they have more pressing problems. To me there is no more pressing problem than this general one I've been talking about.

DEVELOPING NATIONS WANT GROWTH

Q. This week the Select Committee on Population had overview hearings, to see the general problems. There's an inconsistency between the future you see for us and for those of the developing world. How can you suggest that your values be preached to the rest of the world, when there will be 8 billion people by the year 2010 no matter what we do? We may see enough mass misery to confirm Hobge's theory that life is brutal, nasty, and short. We have an obligation to develop technology in the U.S. to help those billions have at least a minimally decent standard of living.

A. Do you really believe that we can pull the rest of the world along?

Q. Yes.

A. Do you think we will?

Q. Yes. Look at South Korea or Taiwan or Singapore. Fifty years ago they had the standard of living of India today. As a result of technology transfer and foreign aid, people are living in the cities at a higher standard of living than ever before.

A. But you have chosen relatively small communities as examples. I don't see how the U.S. can significantly raise the world's standard of living. Our contribution to foreign countries, I might add, has not been outstanding—not even up to the amount promised to the United Nations. I see our role as one of helping industrial countries, rather than the developing world. It is in these countries that the transition will be the most difficult, and where the stakes are the highest.●

SALT VERIFICATION AND THE JOINT CHIEFS OF STAFF

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. SYMMS. Mr. Speaker, last month it was reported to the Congress and the American people that there were absolutely no verification problems inherent in the current SALT II proposals. This report was made by the Arms Control and Disarmament Agency in a letter to Senator JOHN SPARKMAN, chairman of the Senate Foreign Relations Committee, dated February 23, 1978. The impression was given, Mr. Speaker, that this ACDA statement was approved by the relevant Government offices, including the Joint Chiefs of Staff.

However, it has come to my attention that the Joint Chiefs did not approve the ACDA statement. In fact, our colleague from Tennessee, Congressman ROBIN BEARD, has obtained a copy of a memorandum to that effect which follows:

MEMORANDUM FOR THE DEPUTY DIRECTOR, UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

Subject: ACDA letter of 23 February 1978 to Senator Sparkman regarding Verification Study.

1. The subject letter implies that the Joint Chiefs of Staff have concurred in the content of the Interagency Paper, "Verification of the Proposed SALT Two Agreement," which ACDA forwarded to the Senate Foreign Relations Committee. The implication has been reinforced in the minds of some by Robert F. Kaiser's article in the 25th February Washington Post, which quotes government sources as stating that "this new statement was approved by the relevant government offices, including the Joint Chiefs of Staff."

2. Although members of the Organization of the Joint Chiefs of Staff and the individual Services participated with analysts from the other agencies in the preparation of the statement on verifiability, the Joint Chiefs of Staff have not agreed to the statement.

3. The NSC Staff was informed on 22 February that the Joint Chiefs of Staff had not cleared the verification paper and that it should be identified as an ACDA paper if there was an immediate need to send the paper. However, we understand that ACDA was not aware of this information prior to sending the letter forwarding the paper to Congress on 23 February.

4. We would appreciate your setting the record straight with the recipients of the letter and statement.

PATRICK J. HANNIFIN,
Vice Admiral, USN, Director, Joint Staff.

This memorandum from the Joint Chiefs to the Deputy Director of the Arms Control and Disarmament Agency has prompted Congressman BEARD to write the following letter to President Carter on March 8:

CONGRESS OF THE UNITED STATES,
Washington, D.C., March 8, 1978.

Hon. JIMMY CARTER,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am deeply concerned about the recent letter that was sent to Senator John Sparkman, Chairman, Senate Foreign Relations Committee, and the Chairman of the other appropriate Congressional Committees, by Mr. Paul Warnke, Director of the Arms Control and Disarmament Agency.

This February 23, 1978 letter related to SALT-I and SALT-II verification issues. In his letter Mr. Warnke stated that the review and conclusions had been conducted "by all involved agencies." A subsequent February 25, 1978 Washington Post article entitled "U.S. Discloses SALT Details, Says Soviet Compliance Can Be Verified" quotes

"government sources" as stating "this new statement was approved by the relevant government offices, including the Joint Chiefs of Staff."

I have now in my possession a letter dated February 28, 1978, from Vice Admiral Patrick J. Hannifin, Director Joint Staff, to the Deputy-Director, United States Arms Control and Disarmament Agency, a copy of which I am enclosing for your benefit. Although Joint Chiefs of Staff analysts had participated in the preparation of the statement on verifiablifty this letter by Vice Admiral Hannifin states quite emphatically that the Joint Chiefs of Staff "have not agreed with the statement."

Equally important, the NSC staff was informed on February 22, by the Joint Chiefs of Staff, that the paper had not been cleared and should, therefore, be identified as an ACDA paper.

I view with great alarm that such a situation has been allowed to occur, and I question the purpose for allowing this to happen.

It is my opinion that the SALT negotiating process should be one in which all views are heard and I am disturbed that it apparently is not. Moreover, there appears to be a deliberate effort to suppress dissenting opinions, while giving the appearance to the U.S. Congress and the American public, that there is a unified and unanimous position on the part of all the participants.

This most recent incident follows the Administration's rejection of recommendations made by the Joint Chiefs of Staff on the Korean troop withdrawal, SALT II proposals, and the development and deployment of U.S. weapons program, including the B–1, the MX and the AMST. Moreover, it follows the issuance of the October 18, 1977 David Aaron memorandum, which dictated that all information provided the Congress on U.S.-Soviet strategic forces and programs receive prior approval from the so-called SALT-Working Group.

It is my belief, and I know this belief is shared by most of my colleagues, that if the Congress is to make informed decisions and recommendations we must have the best judgment and expertise of our senior military officials presented without political bias.

I am, therefore, concerned that some of the decisions made by the Administration, particularly as they relate to U.S. strategic weapons programs, and U.S. SALT proposals, have reflected an inadequate appreciation of military and technical considerations.

If the United States is to maintain and develop those military programs necessary for our security, and if we are to have a credible SALT negotiating posture, it is critical that all recommendations be considered, and particularly those of our senior military and technical officials. Otherwise, in my view, it will not be possible to reach a meaningful SALT agreement with the Soviet Union, and one that would receive acceptance by the U.S. Congress and the American people.

The suppression of independent and dissenting viewpoints, and the apparent deliberate misrepresentation of the facts, can only be interpreted as a lack of confidence on the part of Administration in the adequacy of its SALT negotiating posture to meet our military requirements.

I would hope that the Administration would learn that Congress cannot be isolated from hearing dissenting opinions, and that our nation's military preparedness and a future SALT agreement are a Congressional responsibility, not just an Executive responsibility, requiring careful consideration of the views of senior military and technical officials.

Sincerely,

ROBIN BEARD,
Member of Congress.

In conclusion, Mr. Speaker, I fear that the entire SALT process is being throttled by Paul Warnke and the ACDA staff to the exclusion of other viewpoints and analyses. This is quite disturbing to me since Paul Warnke's obsession with disarmament and unilateral arms reductions on the part of the United States raises serious doubts as to his ability to conduct tough negotiations for the benefit of the United States.●

FIRST ASTRONAUTS' M.D. LOOKS BACK WITH PRIDE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 13, 1978

● Mr. TEAGUE. Mr. Speaker, Dr. Charles Berry, better known during Apollo program as the "Astronauts' Doctor," was recently interviewed by Brenda Stone in the February issue of American Medical News. Because of the significance of Dr. Berry's comments with respect to the space program I am including them in the RECORD for the benefit of my colleague's and the general public:

FIRST ASTRONAUT'S M.D. LOOKS BACK WITH PRIDE

From astronauts soaring through outer space to desk-bound business tycoons, the name of the game is preventive medicine, says Charles Berry, M.D.

That, after all, is basically what the nation's manned space flight program has been all about, according to the former physician to each of America's astronauts and former head of medical research and operations for the National Aeronautics and Space Administration (NASA).

"The manned space program has meant prevention from the very start, even to the design of the craft to protect the individuals and prevent problems," said the Texas physician.

"We were given normal human beings and I was trying to maintain them in a state of health through all the stresses they would undergo."

Earthbound men and women deserve no less of an emphasis on preventing health problems, he asserted in a recent interview.

With that thought in mind, Dr. Berry, 54, is launching a new career, directing the development of a preventive medical center that will be part of a now-on-the-drawing-board, $35-million complex geared to "personal, professional and physical renewal."

Aimed at recharging business executives' minds as well as bodies, the facility is scheduled to be built beginning this spring on 18 heavily-wooded acres in west Houston.

Targeted for completion in about two years, the project called The Houstonian also will include a 300-room inn and conference center, a physicial fitness center, and a "productivity center for research, forums and courses in the fields of business, politics, education, and economics.

Dr. Berry's part of the project, however, opened for business this month in temporary quarters in a nearby office building.

"What we'll try to do in the preventive medicine program is change people's lives and lifestyles," he said. "In fact, we hope that's just what the total complex eventually will do."

Tackling the field of preventive medicine from a slightly different side, but with the same goals in mind, Dr. Berry also has signed on with Houston's KPRC–TV station as a working newsman.

Since September, he has been doing two- to four-minute medical news and health advice broadcasts during the 6 p.m. news shows three nights a week, "hopefully bringing the public not only better understanding of the medical profession, but of their own health as well," he said.

"We're trying to be as educational as we can and as least sensational as it's possible to be," he said, noting that he has received strong backing and help in his new role as physician-newsman from the Harris County Medical Society and the AMA.

In The Houstonian preventive medicine program, the main bill of fare will be "astronaut-type" detailed executive physicals, said Dr. Berry.

Through the typical executive physical battery of lab tests—"plus two important things we learned from NASA, stress testing and total body composition tests"—the center will "completely analyze a person's health status so we can say here are your risks and here's how to modify them. It will be much more than just an executive physical," he said.

Two astronaut-type tests, skin fold measurements and underwater weigh-ins in an above-ground tank, will enable the center's staff to zero in on each person's optimal weight.

"The standard height-weight-age tables are not accurate enough. Actually determining a person's total body fat and lean body mass are what is important in terms of modifying them through exercise and diet," he said.

Stress testing by treadmills and bicycle ergometers also will be part of the testing battery, he added, "because static evaluations of people are one thing, but as we learned in NASA, you need to stress individuals in order to develop a more thorough understanding of their health status."

The examinations, costing about $300 to $350 a person, also include a written health risk profile for each patient and a blueprint of recommended changes in diet, exercise and smoking habits. Each person spends one day undergoing the tests, including checks of vision, hearing, pulmonary function, and proctosigmoidoscopy and then returns the next day for the results and a minimum half hour consultation with a physician for a "candid" explanation of the findings, Dr. Berry said.

As with his TV program, he added, "It's one thing to tell people like sheep to go get immunized or stop smoking, or lose weight. What really means something, however, is answering the question, 'why should I?', by giving statistics and an understanding of them, by explaining what has happened or may happen and what the person himself can do to make changes."

Now under way with two part-time dietitians, several technicians, and two physicians—Dr. Berry and Reginald Cherry, MD, who formerly operated an executive physicals and fitness center in a Houston suburb—the preventive medicine program eventually will have six or seven staff MDs when it moves to permanent quarters in The Houstonian complex in the next two years. Dr. Berry serves as The Houstonian's medical director and Dr. Cherry is the clinic's director.

To some, Dr. Berry's life today might seem tame compared to the tension-filled NASA times, which he left in 1974 for three sometimes stormy years as president of the U. of Texas Health Science Center at Houston.

Instead of names like Shepard, Glenn, Slayton and Armstrong, today he is largely in league with names like political powerhouse John B. Connally and C. Jackson Grayson, former dean of the Southern Methodist U. business school and a Nixon ap-

pointee who headed the U.S. Price Commission.

Grayson is a co-founder of the Houstonian and its fundraising arm. The Houstonian Foundation, Connally, as well as a number of oilmen, bankers, and heart surgeon Denton Cooley, MD, are members of the Foundation's board of trustees.

But, seated in an elegant Houston mansion that serves as the foundation's temporary headquarters and discussing his new career. Dr. Berry called it all a logical progression "of what my whole professional life has been concerned with, an emphasis on preventive medicine."

"Remember," he noted, "my residency was in Aviation Medicine, now called Aerospace Medicine and a subspecialty of the Preventive Medicine Board."

Both as an Air Force flight physician and as NASA's medical chief—the man who headed the medical selection of every astronaut except the newest Space Shuttle crew; who led all the medical "what iffing" as the space shots were planned; and who monitored every manned space flight ever undertaken—"I've always believed my main job was to keep the people flying that we'd selected," Dr. Berry said.

"The easy way out is to just get someone grounded. Then you don't have any choices and no firm responsibilities.

"I emphasize this because I don't think the astronauts and pilots in general have always believed this. As a flight physician, you're constantly viewed as a threat to the individual because you can have him grounded."

With the preventive medicine center today, "it's the same goal—to keep people healthy, at the tasks they want to do."

Among the astronauts, at times that must have seemed like an insurmountable task, not only in the crew qualifying stages, but during the flights and after splashdown as well.

"The biggest problem we faced was the question would man make it? A lot of people felt man would be the weak link in the chain. I always felt man would be at least as good as the hardware.

"I had and have great faith in man, faith that his body has tremendous capability to adapt itself to new circumstances, including the weightlessness of space. But we needed data to prove man was indeed capable of doing all this.

"For instance, scientists told us we couldn't prove we wouldn't be bringing organisms back from space to earth. So, the men were quarantined immediately upon their return."

Keeping track of the astronauts during the earliest flights also was a sketchy operation. "We had to send data back by teletype" from the physical monitoring site in the Canary Islands. "You weren't even sure the launch had occurred until they were already over you at the Canary Islands," he recalled.

As the space program progressed, "people were greatly concerned about 14- to 28-day missions because three Russians had died (in 1971), and a monkey after 8 days."

Through shorter American forays, "particularly the four-day Gemini IV flight, a big, big step," when astronaut Edward White took his historic walk in space in 1965, "we'd already proved man had the capability to withstand a 14-day flight."

"Dr. Berry had to spend three days in Congress telling them it didn't make any scientific sense" not to push ahead, he said, noting he believed something other than human physical limitations had led to the cosmonauts' deaths.

It wasn't until later in 1971, after the deaths, that the Soviet and American space programs began exchanging information, he noted. It was learned the deaths had been caused by sudden decompression in the spacecraft through a malfunctioning door seal in Soyuz 11.

The SKYLAB years, beginning in 1973, "were very, very difficult . . . a time of getting ready and getting arguments" about whether the space race had gone on long enough.

"It became an every-week decision about how long we could go on. We had to pull everybody we could every week to say we should go on," he added, noting it was just at the point when "we had the vehicle up there, were changing crews all the time, and the people had become real tools to us on an operational basis" to learn more and more about man and space.

To medicine, particularly, the U.S. space program has had an incalculable impact, Dr. Berry said.

"Remote medicine, that's what we were doing, using technology to extend physicians' eyes, ears and hands—to stretch our stethoscopes 240,000 miles into space.

"We put a tremendous request on the science and technological base of this nation to develop ways to allow us to look at man from afar" and the benefits have definitely been down to earth.

One of the major spinoffs of the space shots was the development of remote monitoring and telemetry equipment that now has become mainstays in hospital intensive care and coronary care units, as well as in paramedic ambulance operations.

"I'm convinced it was developed 30 to 50 years sooner than we would have seen or had it" if not for the space race, he asserted.

The vast body of medical data that has been accumulated since Alan Shepard Jr. became the first American in space in 1961 remains the subject of intensive study, perhaps more than ever before now that the Space Shuttle program is gathering steam and man's time in space perhaps may be measured in years, rather than hours and days.

"We've seen many things that are important to medicine," said Dr. Berry, who remains a member of NASA's Life Sciences advisory panel. "We found that the cardiovascular system was adapting, shifting body fluids, with a reduction of cardiac output.

"We were concerned about effects on the heart muscle itself, but found no changes in the heart muscle mass.

"We saw a loss in red blood cells, a 20% loss in red cell mass in 28 days. But we found the loss diminished as time went on. What we feel now is that you drop, then start to build back again. The big question is why it happens, what's the governor that keeps it to a 20% loss and does that have a relationship to disease? A whole set of questions has been pointed up by the space data.

"In the vestibular area, we saw motion sickness in five of nine people who flew in SKYLAB, but adaptation took seven days and it never happened again. So we're seeing that capabilty, there is an adaptive phase, though we really don't understand all about the vestibular system. We need to find out why it occurs.

"We're looking very hard at this," with the Space Shuttle in sight, "and it looks like we may not have all the answers to the cause before the Shuttle flys, so we'll use medication if necessary."

A number of biochemical changes also were seen, "but most leveled out," he said. "One that did not was calcium loss from the skeleton, the same as in earlier bed rest studies.

"We need to find a counter measure for this" for the longer-duration flights. "I personally think we can get to Mars one day, but we need to know more about how putting a body into the weightless state leads to calcium loss."

Overall, he said, one of the most heartening findings is that man "indeed is capable of adjusting himself to zero gravity and does have the capability of readjusting to 1G after 84 days, the longest manned flight so far—even better than after only 24 days."

Sounding more than a little wistful as he talked about the space program's past and future, Dr. Berry admitted that "certainly" he had at one time thought seriously about becoming an astronaut. "As you design experiments and things to be done, you can't help but think of going up there to do it.

"But it wasn't feasible. I have glasses, and visual things would have prevented me. Plus, I had stopped flying years before and you have to keep up with it. I came very quickly to peace with myself. It was never a problem for me as it was for some people" closely involved with the pioneering adventurc.

Although the 35 Space Shuttle astronaut candidates named recently were the first group of space travelers he did not personally help select, at least another Dr. Berry was involved—his son, Michael, 31, a resident in aerospace medicine who performed some of the qualifying examinations among the first group of candidates.

But the senior Dr. Berry hasn't counted himself out yet. "I'd love to go up in the Shuttle someday and hope they'll be able to take people who are older and involved in scientific activities.

"We're still a long, long way from a joy ride," but certainly lightyears closer than maybe even Dr. Berry himself believed one day in 1959 when he was asked to go to Dayton's Wright-Patterson AFB and "wear civilian clothes."

Only on arrival did he learn "we were going to select astronauts." Washington had been very cautious about what was soon to become Project Mercury, the first in the nation's quest to conquer space.

"I feel very fortunate, humble and grateful to have been on that frontier, a true frontier where there were no textbooks, no answers, only questions, and we didn't even know all of them," said the man whose entry into medicine had been as a general practitioner in Indio, Cal.

The reality—or maybe the unreality—of America's race into space didn't hit home for the general public until much later, Dr. Berry said.

Sent to Hollywood a few months after the historic Wright-Patterson meeting, he spent the summer as a technical advisor to the Men Into Space TV series starring Angie Dickinson and Bill Lundigan.

"It was all about getting man to the moon, tankers in space, all of that—and it only ran for a year." The show was "decidedly" ahead of the real NASA program—"which probably says why it didn't go and go and go.

"It was ahead of what people could accept at that time. Too science fiction to be believable!" ●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in meetings as they occur.

As and interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committees scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 14, 1978, may be found in Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 15

9:30 a.m.
Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Agriculture.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
To consider those matters and programs which fall within the Committee's jurisdiction with a view to submitting its views and budgetary recommendations to the Budget Committee by March 15.
5302 Dirksen Building
Joint Economic
Energy Subcommittee
To hold hearings on the relationship between energy policy and employment levels.
5110 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold a business meeting.
322 Russell Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1979 for the Departments of Labor-HEW.
S-128, Capitol
Armed Services
Manpower and Personnel Subcommittee
To hold hearings on FY 79 authorizations for civilian manpower, Department of Defense.
212 Dirksen Building
Banking, Housing, and Urban Affairs
To mark up S. 2065, 2470, and 2546, to protect consumer rights and to provide remedies in electronic fund transfer systems.
5302 Dirksen Building
Budget
To receive testimony from Federal Reserve Board Chairman Miller in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2552, FY 79 authorizations for the U.S. Travel Service.
235 Russell Building
Energy and Natural Resources
To hold hearings on the nomination of Robert D. Thorne, of California, to be an Assistant Secretary of Energy.
3110 Dirksen Building
Finance
Private Pension Plans and Employee Fringe Benefits Subcommittee
To hold hearings on S. 1587, to exempt certain State and local government retirement systems from taxation.
2221 Dirksen Building
Rules and Administration
To hold hearings on FY 79 authorizations for the Federal Elections Commission, to be followed by a business meeting on legislative and administrative business.
301 Russell Building

2:00 p.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for FY 79 for the defense establishment. S-146, Capitol.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Departments of Labor-HEW. S-128, Capitol.
Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for FY 79 for public works programs. S-126, Capitol.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain functions under the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 16

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building
Veterans' Affairs
To resume hearings on H.R. 5029, authorizing funds for hospital care and medical services for certain Filipino combat veterans of W.W. II, and S. 2398, to extend the period of eligibility for Vietnam-era veterans' readjustment appointment within the Federal Government.
Until 11:00 a.m. 357 Russell Building

8:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume hearings on S. 2527, FY 79 authorization for NASA.
235 Russell Building

9:30 a.m.
Appropriations
Agriculture Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Department of Agriculture.
1318 Dirksen Building
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building
Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 27 and S.J. Res. 28, proposed constitutional amendments to limit the number of terms of service for Members of Congress.
6226 Dirksen Building
Joint Economic
Energy Subcommittee
To continue hearings on the relationship between energy policy and employment levels.
5110 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-146, Capitol
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Smithsonian Institution.
1114 Dirksen Building
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the Departments of Labor-HEW.
S-128, Capitol
Armed Services
Research and Development Subcommittee
To continue hearings on FY 79 authorizations for the Department of Defense.
212 Russell Building
Banking, Housing, and Urban Affairs
To hold oversight hearings on FDIC report on preferential bank lending policies.
5302 Dirksen Building
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2692 FY 79 authorizations for the Department of Energy.
3110 Dirksen Building
Finance
To hold a business meeting to consider the proposed extension of the temporary limit on the public debt and other committee business.
2221 Dirksen Building
Select Indian Affairs
To resume hearings on S. 2460, to amend the Indian Self-Determination and Education Assistance Act.
Room to be announced
Select Small Business
To resume hearings on the SBA minority contracting program.
424 Russell Building

10:30 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for National Highway Traffic Safety Administration.
S-126, Capitol
Commerce, Science, and Transportation
To hold a business meeting.
235 Russell Building
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

11:00 a.m.
Governmental Affairs
To hold hearings on the nomination of James T. McIntyre, of Georgia, to be Director of the Office of Management and Budget.
3302 Dirksen Building

2:00 p.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for FY 79 for the defense establishment.
S-146, Capitol

Appropriations
Public Works Subcommittee
To continue hearings on proposed budget estimates for FY 79 for public works programs.
S-126, Capitol

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for certain functions of the Executive Office of the President, and on supplemental appropriations for FY 78.
1224 Dirksen Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 17

9:00 a.m.
Energy and Natural Resources
To hold hearings on the nomination of H. William Menard, of California, to be Director of the Geological Survey.
3110 Dirksen Building

Governmental Affairs
Civil Service and General Services Subcommittee
To hold hearings on S. 408, to extend certain benefits to ASCS county employees.
357 Russell Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5302 Dirksen Building

Select Intelligence
Closed business meeting.
S-126, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on numerous pending nominations to the U.S. Metric Board.
318 Russell Building

Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, the Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

10:00 a.m.
Budget
To receive testimony from Secretary of HUD Harris in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on S. 2444 and S. 2437, relating to a national program of dam inspection.
4200 Dirksen Building

11:00 a.m.
Select Intelligence
Special Investigations Subcommittee
Closed business meeting.
S-126, Capitol

2:00 p.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on H.R. 7320, to revise miscellaneous timing requirements of the revenue laws.
2221 Dirksen Building

Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 18

9:30 a.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

2:00 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 20

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

Appropriations
Agriculture Subcommittee
To hold hearings on budget estimates for FY 79 for the Department of Agriculture and related agencies.
1318 Dirksen Building

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens grievances.
2228 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 2616, FY 79 authorizations for the National Transportation Safety Board
235 Russell Building

Environment and Public Works
Resources Protection Subcommittee
To hold oversight hearings on the implementation of the Solid Waste Disposal Act.
4200 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings to review medical practices of obstetricians.
4232 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To hold oversight hearings on the witness protection program of the Organized Crime Control Act (P.L. 91-452).
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Mines.
1114 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building

Budget
To receive testimony from Representative Bolling in preparation for reporting the first concurrent resolution on the FY 79 congressional budget.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the Marine Protection, Research, and Sanctuaries Act (Titles 1 and 2).
318 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2692, FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To resume hearings on S. 991, to create a separate Cabinet-level Department of Education
3302 Dirksen Building

Select Small Business
To resume hearings on the SBA minority contracting program.
424 Russell Building

1:30 p.m.
Appropriations
Legislative Subcommittee
To resume hearings on budget estimates for FY 79 for the Legislative Branch.
S-128, Capitol

MARCH 21

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To continue hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Human Resources
Child and Human Development Subcommittee
To hold hearings on S. 258, the Children and Youth Camp Safety Act.
Until 10:00 p.m. 4232 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to provide access to the Federal courts for the redress of citizens' grievances.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To resume hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

Judiciary
Juvenile Delinquency Subcommittee
To resume oversight hearings on the Drug Enforcement Administration's efforts to control drug trafficking on U.S. borders with Mexico.
318 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for FY 79 for foreign aid programs.
S-128, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Management.
1114 Dirksen Building

Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Highway Administration.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To continue hearings on FY 70 authorizations for the Export-Import Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 2692, FY 79 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 901, to create a separate Cabinet-level Department of Education.
3302 Dirksen Building

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2552, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for the Defense Civil Preparedness Agency, CSC, Federal Labor Relations Council, and the FEC, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 22

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To continue hearings on S. 2604, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act and the Motor Vehicle Information and Cost Savings Act.
318 Russell Building

Human Resources
To hold hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 35, the proposed Civil Rights Improvements Act.
5110 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 2094 and S. 2389, to abolish diversity of citizenship as a basis of jurisdiction of Federal district courts.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on proposed legislation to provide a means of safe nuclear waste disposal.
Room to be announced

Environment and Public Works
Transportation Subcommittee
To continue hearings on S. 2440, proposed Federal Highway Improvement Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the U.S. Coast Guard.
S-146, Capitol

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 2158, to permit the storing of foreign-caught shark fins at U.S. foreign trade zones for eventual exportation to foreign countries.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 991, to create to separate Cabinet-level Department of Education.
3302 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 2318, the proposed Buy American Act.
Room to be announced

Judiciary
To hold hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

Select Small Business
To resume hearings on S. 807, to authorize grants to assist individuals and small business concerns in development of solar energy equipment and energy-related inventions.
424 Russell Building

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

MARCH 23

8:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To resume hearings on proposed extension of the Commodity Futures Trading Commission.
324 Russell Building

9:00 a.m.
Commerce, Science and Transportation
Consumer Subcommittee
To continue hearings on S. 2603, authorizing funds through fiscal year 1980 for the National Traffic and Motor Vehicle Information and Cost Savings Act.
1202 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To mark up S. 1140, to encourage and assist States to develop improved programs of the conservation of "nongame" species of fish and wildlife.
4200 Dirksen Building

Human Resources
To continue hearings on S. 2084, the Administration's proposed welfare reform legislation.
Until 12:30 p.m. 4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the Office of Science Technology Policy.
235 Russell Building

Environment and Public Works
Transportation Subcommittee
To hold hearings on the status of proposed construction of a Federal interstate highway near Memphis, Tennessee.
1224 Dirksen Building

Judiciary
Administrative Practice and Procedure Subcommittee
To resume oversight hearings on the witness protection program of the Organized Crime Control Act (P.L. 91-452).
5110 Dirksen Building

Veterans' Affairs
To mark up S. 2384, the Veterans and Survivors Income Security Act.
412 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on budget estimates for fiscal year 1979 for foreign aid programs.
5-126, Capitol

Banking, Housing, and Urban Affairs
To mark up S. 1010 and H.R. 2777, to establish a National Consumer Cooperative Bank.
5302 Dirksen Building

Energy and Natural Resources
Energy Production and Supply Subcommittee
To hold hearings on the price differential between leaded and unleaded gasoline.
3110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on FY 79 authorizations for EPA research and development.
4200 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To continue hearings on S. 2318, the propcsed Buy American Act.
Room to be announced

10:30 a.m.
Judiciary
Immigration Subcommittee
To resume hearings on S. 2252, proposed Alien Adjustment and Employment Act.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on budget estimates for FY 79 for certain Independent Agencies, and on supplemental appropriations for FY 78.
1224 Dirksen Building

MARCH 24

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the impact of building codes on housing rehabilitation.
5302 Dirksen Building

APRIL 3

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 394, proposed Bridge Replacement and Rehabilitation Act.
4200 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the National Endowment for the Humanities.
1114 Dirksen Building
Banking, Housing, and Urban Affairs
To hold oversight hearings on the condition of the banking system.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold oversight hearings on the Coastal Zone Management Act (P.L. 92-583).
235 Russell Building
Foreign Relations
Foreign Assistance Subcommittee
To hold hearings on FY 79 authorizations for security assistance programs.
4221 Dirksen Building

APRIL 4

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold oversight hearings on the Environmental Noise Control Act (P.L. 92-574).
4200 Dirksen Building
Judiciary
Antitrust and Monopoly Subcommittee
To resume oversight hearings on ICC's price regulation in the motor common carrier industry.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Bureau of Indian Affairs.
1114 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and General Government items, and on supplemental appropriations for FY 78.
S-126, Capitol
Banking, Housing, and Urban Affairs
To continue oversight hearings on the condition of the banking system.
5302 Dirkesn Building
Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on budget estimates for FY 79 for the Department of the Treasury, Postal Service, and Government items, and on supplemental appropriations for FY 78.
S-126, Capital

APRIL 5

9:30 a.m.
Environment and Public Works
Resource Protection Subcommittee
To continue oversight hearings on the Environmental Noise Control Act (P.L. 92-574).
4200 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Aviation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold oversight hearings into how the U.S. Coast Guard will benefit from two proposed Intergovernmental Maritime Consultative Organization treaties.
235 Russell Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Select Indian Affairs
To hold oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
318 Russell Building

10:30 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations from AM-VETS Paralyzed Veterans of America, and Veterans of World War I.
Until 1:00 p.m. 6225 Dirksen Building

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the National Bureau of Standards.
235 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on budget estimates for FY 79 for the Geological Survey.
1114 Dirksen Building
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Railroad Passenger Corporation (AMTRAK).
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on proposed legislation to provide Federal insurance for State regulated money order companies.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings on S. 2224, to establish a national ocean policy, to set forth the missions of the National Oceanic and Atmospheric Administration.
318 Russell Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 7

10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Commerce, Science, and Transportation
To hold hearings jointly with the Human Resources Subcommittee on Education, Arts, and the Humanities on proposed FY 79-80 authorizations for the National Sea Grant College program.
235 Russell Building
Judiciary
Juvenile Delinquency Subcommittee
To hold hearings on S. 797, to provide that the first court to issue a child custody decree shall be binding on other courts in other States.
2228 Dirksen Building

11:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of Revenue Sharing, and New York City Seasonal Financing Fund, Department of the Treasury.
1318 Dirksen Building

APRIL 10

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 50, the Full Employment and Balanced Growth Act.
1202 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To hold hearings on S. 2549, FY 79 authorizations for the National Science Foundation.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Select Ethics
To resume closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

APRIL 11

9:00 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 225, to encourage prompt, informal, and inexpensive resolution of civil cases by use of arbitration in U.S. district courts.
2228 Dirksen Building

9:30 a.m.
Human Resources
Health and Scientific Research Subcommittee
To resume hearings on S. 2040, proposed comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 12:30 p.m. S-407, Capitol

1:30 p.m.
Select Ethics
To continue closed hearings concerning alleged attempts by representatives of the Republic of Korea to improperly influence Members and employees of the Senate.
Until 5:00 p.m. S-407, Capitol

APRIL 12

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To mark up proposed federal aid highway legislation.
4200 Dirksen Building
Human Resources
Health and Scientific Research Subcommittee
To continue hearings on S. 2040, proposed Comprehensive Drug Amendments Act.
Until 12:30 p.m. 4232 Dirksen Building
10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue hearings to consider the reestablishment of housing goals and proposed extension of existing housing programs.
5302 Dirksen Building
Commerce, Science and Transportation
To hold hearings on proposed FY 79 authorizations for the U.S. Coast Guard.
235 Russell Building
Energy and Natural Resources
Public Lands and Resources Subcommittee
To hold hearings on S. 242, 1812, and 2310, bills to amend the Federal land reclamation laws.
3110 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Select Indians Affairs
To resume oversight hearings on the current status of the reorganization of the Bureau of Indian Affairs.
1202 Dirksen Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on budget estimates for FY 79 for the Federal Railroad Administration.
1224 Dirksen Building

APRIL 13

10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on FY 79 authorizations for the Export-Import Bank.
5302 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 14

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To resume mark up of S. 50, the Full Employment and Balanced Growth Act.
4232 Dirksen Building
10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for HUD.
1318 Dirksen Building

APRIL 17

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2090 and S. 2081 proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building
9:30 a.m.
Environmental and Public Works
Transportation Subcommittee
To resume markup of proposed Federal aid highway legislation.
4200 Dirksen Building
10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on H.R. 9370 and S. 2582, to provide for the development of aquaculture in the United States.
235 Russell Building

APRIL 18

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2090 and S. 2081, proposing an extension of certain programs of the Economic Opportunity Act.
4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on U.S. programs and facilities designed to increase U.S. exports.
Room to be announced
Banking, Housing, and Urban Affairs.
Financial Institutions Subcommittee
To hold hearings on S. 2096, Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building
Judiciary
To resume hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building
Select Indian Affairs
To hold hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
5110 Dirksen Building

APRIL 19

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for fiscal year 1979 for the Urban Mass Transportation Administration.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building
Judiciary
To continue hearings on FY 79 authorizations for the Department of Justice.
2228 Dirksen Building

APRIL 20

9:30 a.m.
Appropriations
Agriculture Subcommittee
To resume hearings on budget estimates for FY 79 for the Department of Agriculture and related agencies.
1224 Dirksen Building
10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building
Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. 2096, the Right to Financial Privacy Act, and S. 2293, to modernize the banking laws with regard to the geographic placement of electric funds transfer systems.
5302 Dirksen Building
Select Indian Affairs
To resume hearings on S. 2375, to establish guidelines to be followed by the Department of the Interior in response to petitioning Indian tribes seeking an acknowledgment of a Federal relationship.
318 Russell Building

APRIL 21

9:30 a.m.
Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 1314, to provide that State and Federal prisoners may petition the Federal courts for a writ of habeas corpus.
2228 Dirksen Building
10:00 a.m.
Appropriations
HUD Independent Agencies Subcommittee
To continue hearings on budget estimates for FY 79 for NASA.
1318 Dirksen Building

APRIL 24

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To mark up S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 25

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4332 Dirksen Building
10:00 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on monetary policy.
5302 Dirksen Building

APRIL 26

9:00 a.m.
Human Resources
Employment, Poverty, and Migratory Labor Subcommittee
To continue markup of S. 2570, to extend the Comprehensive Employment Training Act (CETA).
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on budget estimates for FY 79 for the Federal Home Loan Bank Board and the National Institute for Building Sciences.
1318 Dirksen Building
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for ConRail and the U.S. Railroad Association.
1224 Dirksen Building
Commerce, Science, and Transportation
To hold oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
235 Russell Building
2:00 p.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the National Transportation Safety Board and the ICC.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Commerce, Science, and Transportation
To continue oversight hearings on the Fishery Conservation and Management Act (P.L. 94-265).
6226 Dirksen Building

MAY 1

10:00 a.m.
Banking, Housing, and Urban Affairs
To markup proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on budget estimates for FY 79 for the Office of the Secretary, DOT.
1224 Dirksen Building
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 3

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorized funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 4

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
4200 Dirksen Building

May 5

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue markup of proposed legislation authorizing funds for those programs which fall within the committee's jurisdiction.
5302 Dirksen Building

MAY 17

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings in connection with restrictions employed by foreign countries to hold down imports of U.S. goods.
5302 Dirksen Building

CANCELLATIONS

MARCH 15

9:30 a.m.
Environment and Public Works
Transportation Subcommittee
To hold hearings on proposed funding for roads on Indian lands.
4200 Dirksen Building
10:00 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 571, to provide for direct enforcement action by HUD in discriminatory housing practices.
2228 Dirksen Building